

Redland
CITY COUNCIL

AGENDA

GENERAL MEETING

Wednesday, 20 October 2021
commencing at 9.30am

The Council Chambers
91 - 93 Bloomfield Street
CLEVELAND QLD

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1 DECLARATION OF OPENING

On establishing there is a quorum, the Mayor will declare the meeting open.

Recognition of the Traditional Owners

Council acknowledges the Quandamooka people who are the traditional custodians of the land on which we meet. Council also pays respect to their elders, past and present, and extends that respect to other indigenous Australians who are present.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE

Motion is required to approve leave of absence for any Councillor absent from today's meeting.

3 DEVOTIONAL SEGMENT

Member of the Ministers' Fellowship will lead Council in a brief devotional segment.

4 RECOGNITION OF ACHIEVEMENT

Mayor to present any recognition of achievement items.

5 RECEIPT AND CONFIRMATION OF MINUTES

General Meeting - 15 September 2021

6 DECLARATION OF PRESCRIBED CONFLICT OF INTERESTS AND DECLARABLE CONFLICT OF INTERESTS

Councillors are reminded of their responsibilities in relation to a Councillor's Prescribed Conflict of Interest and Declarable Conflict of Interest at a meeting. For full details see Chapter 5B of the *Local Government Act 2009*.

In summary:

Obligation of Councillor with Prescribed Conflict of Interest

Section 150EL of the *Local Government Act 2009* requires Councillors to declare a Prescribed Conflict of Interest in a matter as soon as they become aware of their interest in the matter, either:

- (1) *at a local government meeting, or*
- (2) *as soon as practicable, by giving the Chief Executive Officer written notice of the prescribed conflict of interest.*
- (3) The declaration must include the following particulars:
 - (a) *For a gift, loan or contract – the value of the gift, loan or contract;*
 - (b) *For an application for which a submission has been made – the matters the subject of the application and submission;*
 - (c) *The name of any entity, other than the Councillor, that has an interest in the matter;*
 - (d) *The nature of the Councillor's relationship with the entity mentioned in (c) above;*
 - (e) *Details of the Councillor's, and any other entity's, interest in the matter.*

Dealing with Prescribed Conflict of Interest at a Meeting

Pursuant to Section 150EM of the *Local Government Act 2009*, if a Councillor declares a Prescribed Conflict of Interest in a matter, ***the Councillor must leave the place at which the meeting is being held, including any area set aside for the public, and stay away from the place while the matter is discussed and voted on.***

Obligation of Councillor with Declarable Conflict of Interest

Section 150EQ of the *Local Government Act 2009* requires Councillors to declare a Declarable Conflict of Interest in a matter as soon as they become aware of their interest in the matter, either:

- (1) *at a local government meeting, or*
- (2) *as soon as practicable, by giving the Chief Executive Officer written notice of the declarable conflict of interest.*
- (3) The declaration must include the following particulars:
 - (a) *The nature of the declarable conflict of interest;*
 - (b) *If the declarable conflict of interest arises because of the councillor's relationship with a related party:*
 - (i) *The name of the related party; and*
 - (ii) *The nature of the relationship of the related party to the Councillor; and*
 - (iii) *The nature of the related party's interests in the matter;*

- (c) *If the Councillor's or related party's personal interests arise because of the receipt of a gift or loan from another person:*
- (i) *The name of the other person; and*
 - (ii) *The nature of the relationship of the other person to the Councillor or related party; and*
 - (iii) *The nature of the other person's interests in the matter; and*
 - (iv) *The value of the gift or loan, and the date the gift was given or loan was made.*

Procedure if Councillor has Declarable Conflict of Interest

Pursuant to Section 150ES of the *Local Government Act 2009*, eligible Councillors at the meeting must, by resolution, decide whether the Councillor who has declared the interest:

- (1) *May participate in a decision about the matter at the meeting, including by voting on the matter; or*
- (2) *Must leave the place at which the meeting is being held, including any area set aside for the public, and stay away from the place while the eligible Councillors discuss and vote on the matter.*

Duty to report another Councillor's Prescribed Conflict of Interest or Declarable Conflict of Interest

Pursuant to section 150EW of the *Local Government Act 2009*, a Councillor who reasonably believes or reasonably suspects another Councillor has a Prescribed Conflict of Interest or a Declarable Conflict of Interest in a matter must:

- (1) *Immediately inform the person who is presiding at the meeting about the belief or suspicion; or*
- (2) *As soon as practicable, inform the Chief Executive Officer of the belief or suspicion.*

The Councillor must also inform the person presiding, or the Chief Executive Officer, of the facts and circumstances forming the basis of the belief or suspicion.

Record of Prescribed and Declarable Conflicts of Interest

Where a Councillor informs the meeting of a Prescribed or Declarable Conflict of Interest, section 150FA of the *Local Government Act 2009* requires the following information to be recorded in the minutes of the meeting:

- (1) The name of the Councillor who may have a prescribed or declarable conflict of interest in the matter;
- (2) The particulars of the prescribed or declarable conflict of interest;
- (3) If another Councillor informs the meeting of a belief of suspicion, about another Councillor's Conflict of Interest:
 - (a) The action the Councillor takes;
 - (b) Any decision by eligible Councillors; and
 - (c) The name of each eligible Councillor who voted in relation to whether the Councillor has a declarable conflict of Interest, and how each eligible Councillor voted.
- (4) Whether the Councillor participated in deciding the matter, or was present for deciding the matter;
- (5) For a matter to which the Prescribed or Declarable Conflict of Interest relates:
 - (a) *The name of the Councillor who has declared the conflict of interest;*

- (b) The nature of the personal interest, as described by the Councillor;*
 - (c) The decision made;*
 - (d) Whether the Councillor participated in the meeting under an approval by the Minister;*
 - (e) If the Councillor voted on the matter, how they voted; and*
 - (f) How the majority of Councillors voted on the matter.*
- (6) If the Councillor has a Declarable Conflict of Interest, in addition to the information above, the following information must be recorded in the minutes:
- (a) The decision and reasons for the decision as to whether the Councillor with the Declarable Conflict of Interest may participate in the decision, or must not participate in the decision; and
 - (b) The name of each eligible Councillor who voted on the decision, and how the eligible Councillor voted.

7 MATTERS OUTSTANDING FROM PREVIOUS COUNCIL MEETINGS**7.1 OUTCOMES OF ECONOMIC NEEDS ASSESSMENT - SHORT STAY FACILITIES FOR SELF-CONTAINED RECREATIONAL VEHICLES AND CARAVANS ON THE REDLANDS COAST**

At the General Meeting 19 May 2021 (Item 15.2 refers), Council resolved as follows:

1. *To note the contents of the report including the executive summary of the Economic Needs Assessment at Attachment 1.*
2. *To endorse Council's role as facilitator or advocate for the establishment of a short stay facilities for self-contained recreational vehicles and caravans.*
3. *To invite Expressions of Interest in accordance with s.228 of the Local Government Regulation 2012 from community or not-for-profit organisations to operate and manage a short stay facility for self-contained recreational vehicles and caravans for Council owned or managed land identified as preferred sites within the report.*
4. *That a report be brought back to Council outlining the outcomes of the Expressions of Interest process.*
5. *To continue to support and work with existing commercial campground and caravan park operators.*

A report will be brought to a future meeting of Council.

7.2 EXPRESSIONS OF INTEREST CAMPAIGN - REDLANDS COAST TOURIST AND COMMUNITY DESTINATION, MACARTHUR ST, ALEXANDRA HILLS

At the General Meeting 2 December 2020 (Item 19.2 refers), Council resolved as follows:

That Council resolves as follows:

- 1. To note the outcomes of the Expressions of Interest Campaign for a Tourist Park and associated community uses that has now finished, and that no tourism-related proposals were received.*
- 2. To hold discussions with proponents of non-tourism related purposes to understand how other proposals may fit into the planning for development of the land that align with Council's policies and plans.*
- 3. To workshop with Councillors, the outcome of these discussions.*
- 4. To provide a further report to Council in regards to the site upon completion of item 3 above.*
- 5. That this report and attachments remain confidential to ensure proposed commercial arrangements and details pertaining to individuals are kept private, subject to maintaining the confidentiality of legally privileged and commercial in confidence information.*

A report will be brought to a future meeting of Council.

7.3 INVESTIGATIONS TO POTENTIALLY ACQUIRE ADDITIONAL LAND FOR SPORT AND RECREATION PURPOSES

At the General Meeting 18 December 2019 (Item 19.3 refers), Council resolved as follows:

That the petition be received and referred to the Chief Executive Officer for consideration and a report to the local government.

A report will be brought to a future meeting of Council.

7.4 NOTICE OF MOTION - MACLEAY ISLAND CAMP GROUND

At the General Meeting 18 August 2021 (Item 17.1 refers), Council resolved as follows:

That Council resolves as follows:

1. *That the Chief Executive Officer prepare a report to come back to Council by 15 December 2021 on the options for a proposed 12 month camping ground trial at 79 to 87 Coast Road, Sandpiper Beach, Macleay Island.*
2. *That the proposal is for a basic facility only catering for kayakers, mountain bikers and boaties with a maximum 3 day stay. The intention would be for a local community group to run the camping ground on behalf of Council.*
3. *That the report should consider planning scheme, local laws, risks and budget considerations.*

A report will be brought to Council by 15 December 2021.

7.5 MAYORAL MINUTE - STATE GOVERNMENT BULK WATER REBATE

At the General Meeting 15 September 2021 (Mayoral Minute Item 8.1 refers), Council resolved as follows:

That Council resolves as follows:

- 1. To write to the State Government and Seqwater and request that they support Council's existing concealed leaks policy by implementing a concealed leaks policy and associated processes to cover the State Government's bulk water component of water consumption in Redland City.*
- 2. To seek support for the policy change from Redlands Coast Members of Parliament. Through a petition seeking public support to State Parliament to be published on Council's website and shared through media.*
- 3. To request that any decision by the Government to provide a concealed leaks rebate be conveyed to Council by February 2022, to allow time for Council 2022-23 Budget deliberations.*
- 4. Subject to the State Government implementing a bulk water rebate, Council considers any policy change to complement the State's bulk water rebate to further assist ratepayers.*

A report will be brought to a future meeting of Council by February 2022.

8 MAYORAL MINUTE

In accordance with s.6.9 of Council Meeting Standing Orders, the Mayor may put to the meeting a written motion called a 'Mayoral Minute', on any matter. Such motion may be put to the meeting without being seconded, may be put at that stage in the meeting considered appropriate by the Mayor and once passed becomes a resolution of Council.

9 PUBLIC PARTICIPATION

In accordance with s.6.10 Council Meeting Standing Orders:

1. In each meeting (other than special meetings), a period of 15 minutes may be made available by resolution to permit members of the public to address the local government on matters of public interest relating to the local government. This period may be extended by resolution.
2. Priority will be given to members of the public who make written application to the CEO no later than 4.30pm two days before the meeting. A request may also be made to the chairperson, when invited to do so, at the commencement of the public participation period of the meeting.
3. The time allocated to each speaker shall be a maximum of five minutes. The chairperson, at his/her discretion, has authority to withdraw the approval to address Council before the time period has elapsed.
4. The chairperson will consider each application on its merits and may consider any relevant matter in his/her decision to allow or disallow a person to address the local government, e.g.
 - a) Whether the matter is of public interest;
 - b) The number of people who wish to address the meeting about the same subject
 - c) The number of times that a person, or anyone else, has addressed the local government previously about the matter;
 - d) The person's behaviour at that or a previous meeting; and
 - e) If the person has made a written application to address the meeting.
5. Any person invited to address the meeting must:
 - a) State their name and suburb, or organisation they represent and the subject they wish to speak about;
 - b) Stand (unless unable to do so);
 - c) Act and speak with decorum;
 - d) Be respectful and courteous; and
 - e) Make no comments directed at any individual Council employee, Councillor or member of the public, ensuring that all comments relate to Council as a whole.

10 PETITIONS AND PRESENTATIONS

Councillors may present petitions or make presentations under this section.

10.1 PETITION CR WENDY BOGLARY - REMOVAL AND REPLACEMENT OF EUCALYPT TREE ON COUNCIL LAND

In accordance with s.6.11 of Council Meeting Standing Orders, Cr Wendy Boglary will present the petition and motion as follows:

That the petition is of an operational nature and be received and referred to the Chief Executive Officer for consideration.

10.2 PETITION CR ROWANNE MCKENZIE – REQUEST FOR DOG PARK IN KINROSS ESTATE

In accordance with s.6.11 of Council Meeting Standing Orders, Cr Rowanne McKenzie will present the petition and motion as follows:

That the petition is of an operational nature and be received and referred to the Chief Executive Officer for consideration.

11 MOTION TO ALTER THE ORDER OF BUSINESS

The order of business may be altered for a particular meeting where the Councillors at that meeting pass a motion to that effect. Any motion to alter the order of business may be moved without notice.

12 REPORTS FROM THE OFFICE OF THE CEO

Nil

13 REPORTS FROM ORGANISATIONAL SERVICES

13.1 SEPTEMBER 2021 MONTHLY FINANCIAL REPORT

Objective Reference: A5793627

Authorising Officer: Deborah Corbett-Hall, Chief Financial Officer

Responsible Officer: Deborah Corbett-Hall, Chief Financial Officer

Report Author: Udaya Panambala Arachchilage, Corporate Financial Reporting Manager

Attachments: 1. September 2021 Monthly Financial Report [↓](#)

PURPOSE

To note the year to date financial results as at 30 September 2021.

BACKGROUND

Council adopts an annual budget and then reports on performance against the budget on a monthly basis. This is not only a legislative requirement but enables the organisation to periodically review its financial performance and position and respond to changes in community requirements, market forces or other outside influences.

ISSUES

Opening balances for 2021-22 financial year

The Queensland Audit Office audited the 2020-21 financial statements and issued an unmodified audit opinion on 23 September 2021. 30 June 2021 audited balances will be updated in the finance system in October 2021. As such, the financial position for the month of September may adjust over the next month.

Capital carryover budget 2020-21

Council adopted a carryover budget on 18 August 2021 to accommodate capital works straddling two financial years. The attached monthly financial report for September includes the carryover budget although as outlined above, the final audited 2020-21 balance sheet accounts will influence the opening balances and budgeted key performance indicators in 2021-22. Until the accounts have been finalised, the monthly financial report will reconcile to the financial management system.

Monitoring of the capital program progress

As mentioned in the risk management section below, the Executive Leadership Team reviews the progress of the capital program on a regular basis. Over the last eighteen months, the global pandemic has played a role in the procurement lead time, availability of contractors and price of materials. Constant focus, review and mitigation where possible is occurring by the organisation's senior leaders and these factors are considerations when management reviews the organisation risk registers.

STRATEGIC IMPLICATIONS

Council has either achieved or favourably exceeded the following key financial stability and sustainability ratios as at the end of September 2021. As this is only the first quarter of the year, trends will start to emerge as the first quarter progresses.

- Operating surplus ratio
- Net financial liabilities
- Level of dependence on general rate revenue
- Ability to pay our bills – current ratio
- Ability to repay our debt – debt servicing ratio
- Cash balance
- Cash balances – cash capacity in months
- Longer term financial stability – debt to asset ratio
- Interest coverage ratio

The following ratios did not meet the target at the end of September 2021:

- Asset sustainability ratio
- Operating performance

The asset sustainability ratio did not meet the target at the end of September 2021 and continues to be a stretch target for Council with renewal spends of \$4.22M and depreciation expense of \$14.57M year to date on infrastructure assets. This ratio is an indication of how Council currently maintains, replaces and renews its existing infrastructure assets as they reach the end of their useful lives. Capital spend on non-renewal projects increases the asset base and therefore increases depreciation expense, resulting in a lower asset sustainability ratio.

Council's Capital Portfolio Prioritisation Administrative Directive demonstrates its commitment to maintaining existing infrastructure and the adoption of a renewal strategy for its existing assets ahead of 'upgrade' and/or 'new' works.

The operating performance ratio is below the 10% target for the month of September 2021 mainly due to higher than anticipated payments to suppliers.

Legislative Requirements

The September 2021 financial report is presented in accordance with the legislative requirement of section 204(2) of the *Local Government Regulation 2012*, requiring the Chief Executive Officer to present the financial report to a monthly Council meeting.

Risk Management

The September 2021 financial report has been noted by the Executive Leadership Team and relevant officers who can provide further clarification and advice around actual to budget variances.

Financial

There is no direct financial impact to Council as a result of this report; however it provides an indication of financial outcomes at the end of September 2021.

People

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

Environmental

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

Social

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

Human Rights

There are no human rights implications for this report as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of Council's *Our Future Redlands – A Corporate Plan to 2026 and Beyond*:

Efficient and effective organisation objectives

- 7.1 Improve the efficiency and effectiveness of Council's service delivery to decrease costs, and enhance customer experience and community outcomes.
- 7.4 Demonstrate good governance through transparent, accountable processes and sustainable practices and asset management.

CONSULTATION

Consulted	Date	Comment
Council departmental officers	Year to date 30 September 2021	Consulted on financial results and outcomes
Financial Services Group officers	Year to date 30 September 2021	Consulted on financial results and outcomes
Executive Leadership Team and Senior Leadership Team	Year to date 30 September 2021	Recipients of variance analysis between actual and budget. Consulted as required

OPTIONS

Option One

That Council resolves to note the financial position, results and ratios for September 2021 as presented in the attached Monthly Financial Report.

Option Two

That Council resolves to request additional information.

OFFICER'S RECOMMENDATION

That Council resolves to note the financial position, results and ratios for September 2021 as presented in the attached Monthly Financial Report.

Monthly Financial Report



Monthly Financial Report

September 2021



Monthly Financial Report

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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 30 September 2021. The year to date annual revised budget referred to in this report incorporates the changes from budget capital carryovers adopted by Council on 18 August 2021.

The Queensland Audit Office audited Council's 2020-21 financial statements and issued an unmodified audit opinion on 23 September 2021. 30 June 2021 audited balances will be updated in the finance system in October 2021. As such, the financial position for the month of September may adjust over the next month.

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)	43	3,627	6,774	3,147	87%	✓
Recurrent Revenue	310,942	78,116	78,758	642	1%	✓
Recurrent Expenditure	310,899	74,489	71,984	(2,505)	-3%	✓
Capital Works Expenditure	102,732	13,834	12,268	(1,566)	-11%	✓
Closing Cash & Cash Equivalents	196,457	195,795	186,249	(9,546)	-5%	✗

Council reported a year to date operating surplus of \$6.77M which is favourable to budget by \$3.15M mainly on account of lower than budgeted expenditure on materials and services.

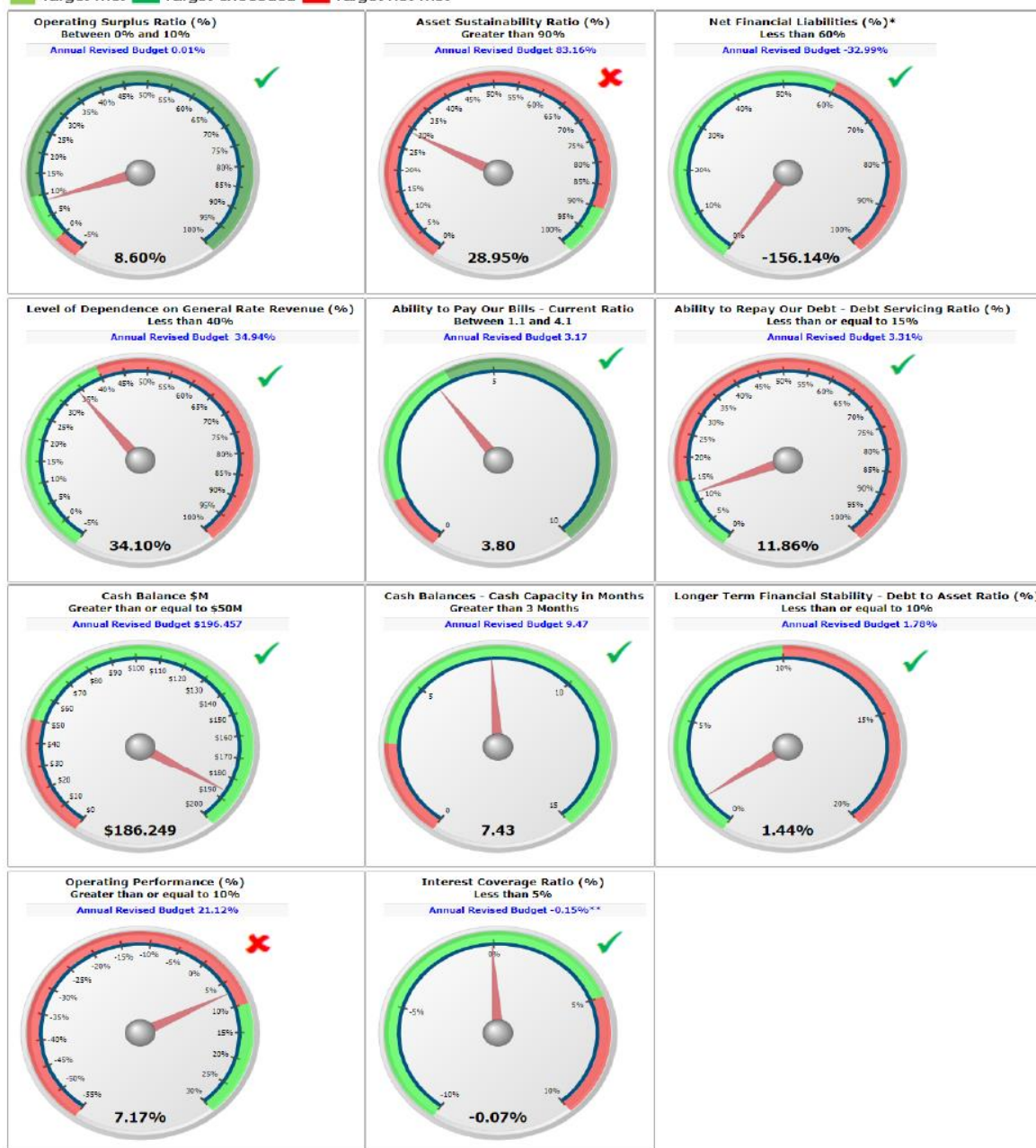
The Infrastructure and Operations (I&O) Department is actively monitoring the current FY 2021-22 capital works portfolio and has identified potential impacts leading to forecast underspend which may lead to increased carryover for FY 2022-23. Supply chain issues are currently being experienced, and material orders are being placed as soon as practicable. Market movements, trends and opportunities are being reviewed and monitored while mitigation strategies are developed to address identified risks. I&O will present a briefing to Council on the above mentioned strategies.

Council's cash balance is behind budget mainly due to higher than anticipated payments to suppliers. Constrained cash reserves represent 59% of the cash balance.

Monthly Financial Report

2. KEY PERFORMANCE INDICATORS

■ Target met
 ■ Target exceeded
 ■ Target not met



* The net financial liabilities ratio exceeds the target range when current assets are greater than total liabilities (and the ratio is negative)

** The interest coverage ratio exceeds the target range when interest revenue is greater than interest expense (and the ratio is negative)

Monthly Financial Report

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 30 September 2021					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates charges	111,574	111,650	27,802	27,626	(176)
Levies and utility charges	170,378	170,378	42,313	42,096	(217)
Less: Pensioner remissions and rebates	(3,486)	(3,486)	(858)	(869)	(11)
Fees	15,337	15,337	4,279	4,878	599
Rental income	1,067	1,067	265	304	39
Interest received	2,037	2,037	485	474	(11)
Sales revenue	3,682	3,682	1,120	1,378	258
Other income	469	469	48	151	103
Grants, subsidies and contributions	9,496	9,808	2,662	2,720	58
Total recurrent revenue	310,554	310,942	78,116	78,758	642
Recurrent expenses					
Employee benefits	97,172	97,295	24,442	24,590	148
Materials and services	145,459	145,725	33,099	31,222	(1,877)
Finance costs	2,007	2,007	486	469	(17)
Depreciation and amortisation	67,563	67,563	16,892	16,231	(661)
Other expenditure	522	522	106	72	(34)
Net internal costs	(2,213)	(2,213)	(536)	(600)	(64)
Total recurrent expenses	310,511	310,899	74,489	71,984	(2,505)
OPERATING SURPLUS / (DEFICIT)	43	43	3,627	6,774	3,147
Capital revenue					
Grants, subsidies and contributions	22,133	28,638	4,081	3,736	(345)
Non-cash contributions	2,461	2,461	595	-	(595)
Total capital revenue	24,594	31,099	4,676	3,736	(940)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	31	(295)	(326)
Total capital expenses	289	289	31	(295)	(326)
TOTAL INCOME	335,148	342,041	82,792	82,494	(298)
TOTAL EXPENSES	310,799	311,188	74,520	71,689	(2,831)
NET RESULT	24,349	30,853	8,272	10,805	2,533
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	24,349	30,853	8,272	10,805	2,533

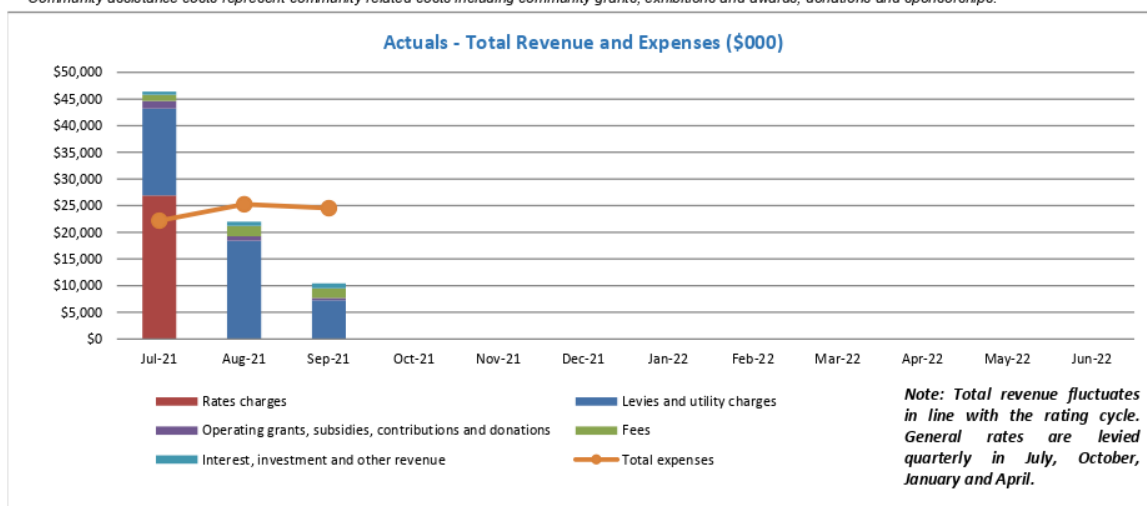
Monthly Financial Report

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS					
For the period ending 30 September 2021					
	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	30,931	30,931	7,668	7,711	43
SES separate charge	514	514	128	128	-
Environment separate charge	10,802	10,802	2,689	2,677	(12)
Separate charge landfill remediation	3,473	3,473	927	860	(67)
Wastewater charges	50,354	50,354	12,497	12,514	17
Water access charges	20,949	20,949	5,208	5,184	(24)
Water consumption charges	53,355	53,355	13,196	13,022	(174)
Total levies and utility charges	170,378	170,378	42,313	42,096	(217)
MATERIALS AND SERVICES ANALYSIS					
For the period ending 30 September 2021					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Materials and services					
Contractors	37,447	37,796	6,192	6,206	14
Consultants	2,775	3,030	588	323	(265)
Other Council outsourcing costs*	26,444	25,253	5,840	5,260	(580)
Purchase of materials	54,490	55,245	13,124	12,625	(499)
Office administration costs	7,194	7,195	3,009	2,779	(230)
Electricity charges	5,723	5,723	1,441	1,373	(68)
Plant operations	3,458	3,458	1,040	754	(286)
Information technology resources	3,685	3,665	964	982	18
General insurance	1,467	1,467	367	370	3
Community assistance**	1,716	1,836	341	339	(2)
Other material and service expenses	1,057	1,057	193	211	18
Total materials and services	145,459	145,725	33,099	31,222	(1,877)

* 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.



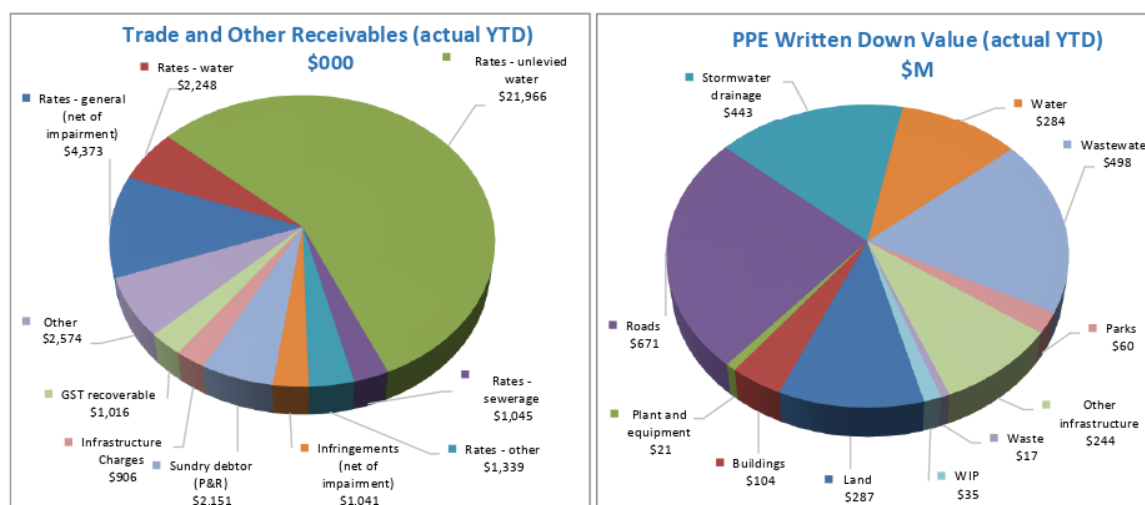
Monthly Financial Report

4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 30 September 2021				
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	198,990	196,457	195,795	186,249
Short-term investment - CBA	-	-	10,000	10,000
Trade and other receivables	42,672	43,012	43,341	38,659
Inventories	916	1,024	904	921
Other current assets	1,810	4,967	4,967	4,518
Total current assets	244,389	245,460	255,007	240,347
NON-CURRENT ASSETS				
Investment property	1,225	1,225	1,225	1,225
Property, plant and equipment	2,619,909	2,705,684	2,665,555	2,664,049
Intangible assets	1,135	1,160	1,567	1,557
Right-of-use assets	4,723	4,984	5,766	5,764
Other financial assets	73	73	73	73
Investment in other entities	12,657	12,657	12,657	12,657
Total non-current assets	2,639,722	2,725,782	2,686,843	2,685,325
TOTAL ASSETS	2,884,111	2,971,242	2,941,850	2,925,672
CURRENT LIABILITIES				
Trade and other payables	37,171	45,927	50,002	25,972
Borrowings - current	8,326	8,919	8,919	8,919
Lease liability - current	1,294	1,130	1,130	1,130
Provisions - current	15,270	15,791	16,433	16,779
Other current liabilities	1,911	5,758	5,904	10,434
Total current liabilities	63,972	77,525	82,388	63,234
NON-CURRENT LIABILITIES				
Borrowings - non-current	38,659	37,990	26,686	26,619
Lease liability - non-current	4,377	4,704	5,562	5,538
Provisions - non-current	21,539	22,676	21,446	21,983
Total non-current liabilities	64,576	65,370	53,694	54,140
TOTAL LIABILITIES	128,547	142,895	136,082	117,374
NET COMMUNITY ASSETS	2,755,563	2,828,347	2,805,768	2,808,298
COMMUNITY EQUITY				
Asset revaluation surplus	1,035,840	1,106,353	1,106,353	1,106,353
Retained surplus	1,619,513	1,623,314	1,591,336	1,592,126
Constrained cash reserves	100,210	98,681	108,079	109,819
TOTAL COMMUNITY EQUITY	2,755,563	2,828,347	2,805,768	2,808,298

Monthly Financial Report

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS For the period ending 30 September 2021				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
Right-of-use asset				
Buildings	2,109	2,127	2,582	2,585
Land	2,435	2,533	2,827	2,822
Plant and Equipment	179	324	357	357
Closing balance	4,723	4,984	5,766	5,764

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 30 September 2021				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,614,439	2,667,979	2,667,979	2,667,979
Acquisitions and WIP in year movement	72,958	105,193	14,429	12,267
Depreciation in year	(65,977)	(65,977)	(16,494)	(15,822)
Disposals	(1,511)	(1,511)	(359)	(380)
Other adjustments**	-	-	-	5
Closing balance	2,619,909	2,705,684	2,665,555	2,664,049

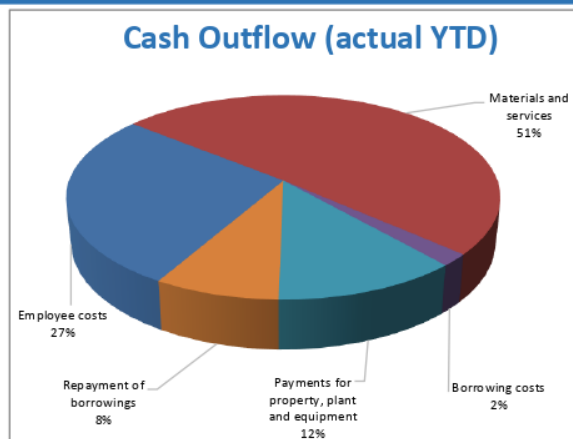
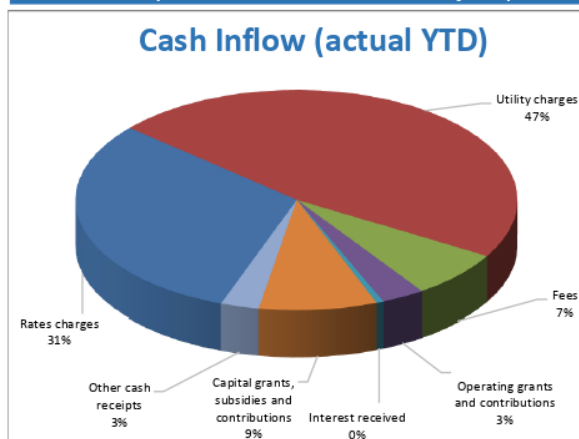
* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

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

Monthly Financial Report

5. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 30 September 2021				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	297,941	298,017	77,618	77,447
Payments to suppliers and employees	(246,606)	(246,995)	(53,732)	(73,431)
	51,334	51,022	23,886	4,016
Interest received	2,037	2,037	485	475
Rental income	1,067	1,067	265	303
Non-capital grants and contributions	14,109	14,421	2,571	2,821
Borrowing costs	(1,763)	(1,763)	(1,733)	(1,769)
Right-of-use assets interest expense	(131)	(131)	(33)	(32)
Net cash inflow / (outflow) from operating activities	66,654	66,654	25,441	5,814
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(70,498)	(102,732)	(13,834)	(11,130)
Proceeds from sale of property, plant and equipment	1,222	1,222	328	675
Capital grants, subsidies and contributions	22,133	28,638	4,081	7,691
Other cash flows from investing activities*	3,500	3,500	-	3,500
Net cash inflow / (outflow) from investing activities	(43,642)	(69,372)	(9,425)	736
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	10,324	10,324	-	-
Repayment of borrowings	(7,243)	(7,243)	(7,174)	(7,230)
Right-of-use lease payment	(1,145)	(1,145)	(287)	(311)
Net cash inflow / (outflow) from financing activities	1,936	1,936	(7,461)	(7,541)
Net increase / (decrease) in cash held	24,947	(782)	8,555	(991)
Cash and cash equivalents at the beginning of the year	174,043	197,240	187,240	187,240
Cash and cash equivalents at the end of the financial year / period	198,990	196,457	195,795	186,249

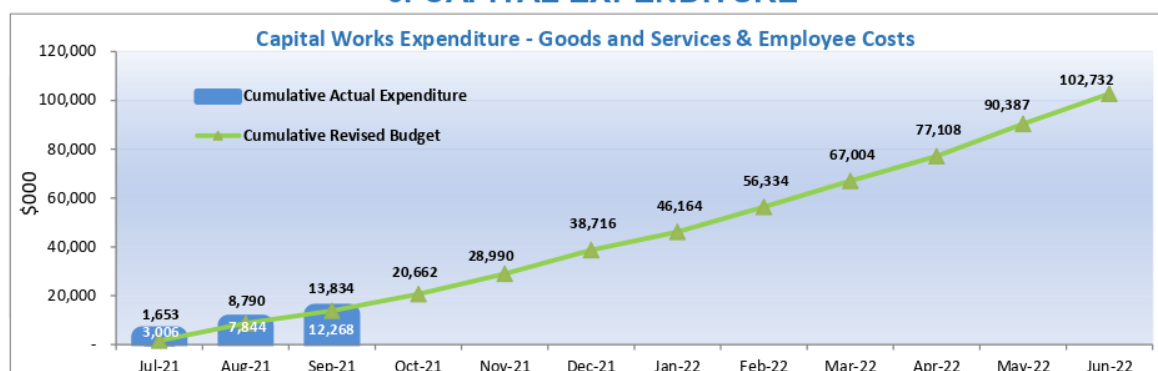


Total Cash Funding (Actual YTD)	92,912	Total Cash Expenditure (Actual YTD)	93,903
Total Cash Funding (Annual Revised Budget)	359,226	Total Cash Expenditure (Annual Revised Budget)	360,008
% of Budget Achieved YTD	26%	% of Budget Achieved YTD	26%

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

Monthly Financial Report

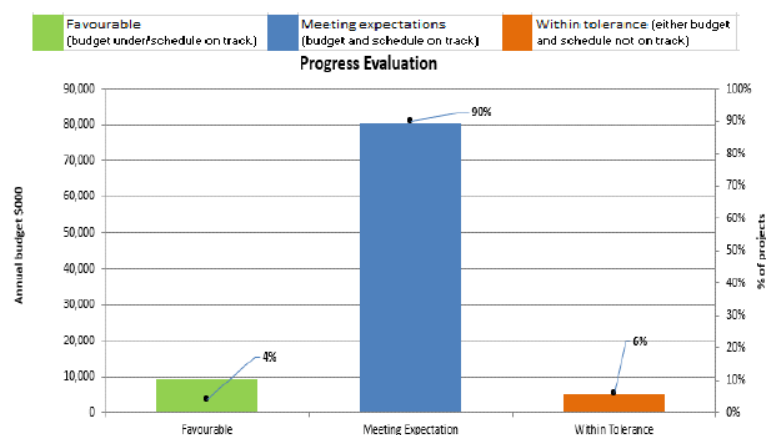
6. CAPITAL EXPENDITURE



	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	95,085	12,550	10,258	(2,292)
Capitalised employee costs	7,647	1,284	2,010	726
Total	102,732	13,834	12,268	(1,566)

* Excludes capital prepayments.

7. PROGRAM AND PROJECT UPDATE



Programs and projects are what Council uses to introduce change to achieve corporate outcomes. They allow new infrastructure, products, systems, procedures and services to be delivered. Projects may be undertaken on a standalone basis or as part of a program. Programs and projects may span multiple financial years.

Council is currently progressing more than 100 programs and projects.

Notable Projects

The status of two notable projects are as follows:

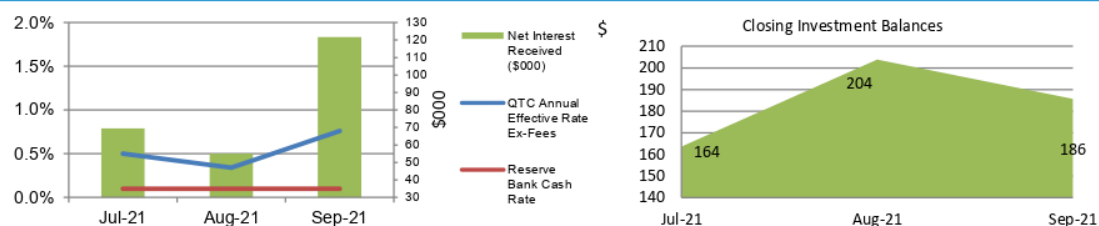
Project description	Progress
RPAC RCCC Lighting Renewal Project - Stage 1- Internal and external lighting to enable system to be more energy efficient and meet industry standards.	Meeting Expectations
Vehicular Bridges & Large Culverts Renewal Program - Replacement of degraded components including guardrails, stormwater components and repair cracking and structural damage on Vehicular bridges and large culverts.	Meeting Expectations

Monthly Financial Report

8. INVESTMENT & BORROWINGS REPORT

For the period ending 30 September 2021

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total QTC Investment at End of Month was \$185.69M

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

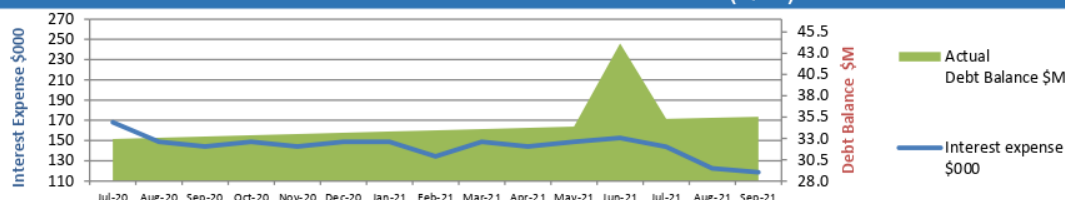
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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

On a daily basis, cash surplus to requirements is deposited with QTC to earn higher interest as QTC is offering a higher rate than what is achieved from Council's transactional bank accounts. The current annual effective interest rate paid by QTC is 0.76%. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

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

BORROWINGS AND BORROWING COSTS (QTC)



The existing loan accounts were converted to fixed rate loans on 1 April 2016 following a QTC restructure of loans and policies. In line with Council's debt policy, debt repayment of \$9.00M, being \$7.23M principal and \$1.77M interest has been made *annually* for 2021/2022 which will result in the loans being repaid approximately one year earlier.

The debt balance shows a decrease as the Annual Debt Service Payment (ADSP) was made during July 2021. Interest will accrue monthly on a daily balance until next ADSP in July 2022 which is reflected in the increasing debt balance.

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

Total Borrowings at End of Month were \$35.54M

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

BORROWINGS

For the period ending 30 September 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
Borrowings				
Opening balance	(44,228)	(44,153)	(44,153)	(44,153)
Accrued interest on borrowings	(1,439)	(1,438)	(360)	(384)
Interest paid on borrowings	1,763	1,763	1,733	1,769
Principal repaid	7,243	7,243	7,175	7,230
Loan drawdown	(10,324)	(10,324)	-	-
Closing balance	(46,985)	(46,909)	(35,605)	(35,538)

Monthly Financial Report

9. CONSTRAINED CASH RESERVES

Reserves as at 30 September 2021	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	-	6	-	6
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	163	(2)	161
Waste Levy Reserve	To fund Waste Levy Program	-	1,335	(1,203)	132
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	4,265	687	(45)	4,907
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	3,716	737	(243)	4,210
		7,981	2,928	(1,493)	9,416
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,148	925	(841)	6,232
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	4,829	33	-	4,862
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,760	33	-	14,793
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,165	496	(165)	11,496
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	36,517	1,504	(322)	37,699
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	13,288	521	(239)	13,570
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,898	132	-	10,030
Tree Planting Reserve	Acquisition and planting of trees on footpaths	169	30	(7)	192
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	226	-	(13)	213
		97,000	3,674	(1,587)	99,087
Separate Charge Reserve:					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	2,676	(2,312)	364
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	70	127	(102)	95
		70	2,803	(2,414)	459
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve*	Maintenance and repairs of Aquatic Paradise canals	758	-	-	758
Sovereign Waters Lake Reserve*	Maintenance and repairs of Sovereign Lake	431	-	-	431
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	219	-	-	219
1718 Aquatic Paradise Canal Reserve	Service, facility or activity of works in respect of the canals of the Aquatic Paradise canal estate	(495)	-	-	(495)
1718 Sovereign Waters Lake Reserve	Service, facility or activity of works in respect of the lake	(56)	-	-	(56)
		857	-	-	857
TOTALS		105,908	9,405	(5,494)	109,819
		Closing cash and cash equivalents			186,249
		Reserves as percentage of cash balance			59%

*No interest charged for these reserves in September 2021 year to date due to low prevailing interest rate.

Monthly Financial Report

10. CITY WATER STATEMENTS

CITY WATER SUMMARY OPERATING STATEMENT					
For the period ending 30 September 2021					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	128,647	128,647	32,017	32,034	17
Total expenses	76,264	76,465	18,281	17,759	(522)
Earnings before interest, tax and depreciation (EBITD)	52,382	52,182	13,736	14,275	539
External interest expense	224	224	56	60	4
Internal interest expense	15,139	15,139	3,785	3,785	-
Depreciation	24,711	24,711	6,178	6,156	(22)
Operating surplus / (deficit)	12,309	12,109	3,717	4,274	557
CITY WATER CAPITAL FUNDING STATEMENT					
For the period ending 30 September 2021					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	2,956	2,956	739	529	(210)
Net transfer (to) / from constrained capital reserves	1,019	1,019	(739)	(510)	229
Non-cash contributions	5,747	5,747	595	-	(595)
Funding from utility revenue	(2,699)	7,450	1,970	1,708	(262)
Total sources of capital funding	7,023	17,173	2,565	1,727	(838)
Contributed assets	2,379	2,379	595	-	(595)
Capitalised expenditure	3,982	14,132	1,600	1,273	(327)
Loan redemption	662	662	370	454	84
Total application of capital funds	7,023	17,173	2,565	1,727	(838)

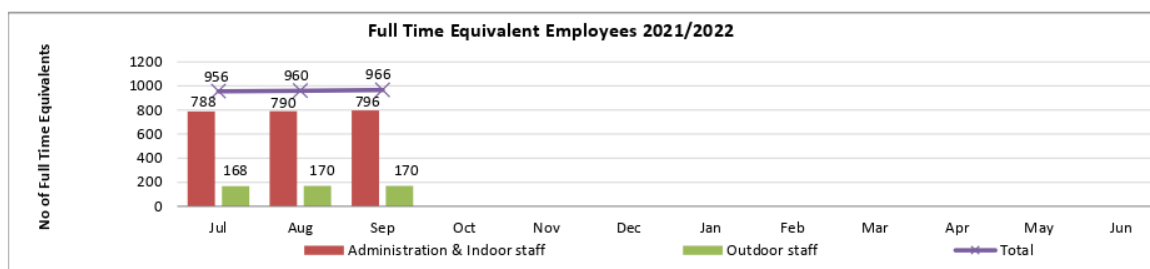
11. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT					
For the period ending 30 September 2021					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	33,057	33,057	9,430	9,540	110
Total expenses	24,137	24,137	6,995	6,743	(252)
Earnings before interest, tax and depreciation (EBITD)	8,920	8,920	2,435	2,797	362
External interest expense	7	7	2	2	-
Depreciation	423	423	106	84	(22)
Operating surplus / (deficit)	8,490	8,490	2,327	2,711	384
CITY WASTE CAPITAL FUNDING STATEMENT					
For the period ending 30 September 2021					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Funding from utility revenue	755	1,005	474	396	(78)
Total sources of capital funding	755	1,005	474	396	(78)
Capitalised expenditure	600	850	348	282	(66)
Loan redemption	155	155	126	114	(12)
Total application of capital funds	755	1,005	474	396	(78)

Monthly Financial Report

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



September 2021: Headcount	Employee Type			
Department Level	Casual	Full Time	Part Time	Total
Office of CEO and People and Culture	6	43	8	57
Organisational Services	3	204	24	231
Community and Customer Services	47	285	66	398
Infrastructure and Operations	8	349	16	373
Total	64	881	114	1,059

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 September 2021 to September 2020									
Days Overdue	Sep-21	% Overdue	Sep-20	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics		
0 - 30	\$1,117	0.0%	\$1,266	0.0%	-\$149	0.0%	Levied (Billed) Rates & Charges since 1 July 2021	Sep-21	Sep-20
31 - 60	\$3,493,915	3.6%	\$4,279,772	5.1%	-\$785,857	-1.5%	Rate arrears b/fwd 1 July 2021	\$85,151,757	\$70,903,107
61 - 90	\$1,942	0.0%	\$0	0.0%	\$1,942	0.0%	Total	\$10,693,344	\$12,988,652
91 - 180	\$1,621,174	1.7%	\$2,023,956	2.4%	-\$402,782	-0.7%	Balance of overdue rates & charges	\$95,845,101	\$83,891,759
>180	\$4,102,237	4.3%	\$4,062,510	4.8%	\$39,727	-0.5%	Percentage Overdue	\$9,220,385	\$10,367,504
Total	\$9,220,385	9.6%	\$10,367,504	12.3%	-\$1,147,119	-2.7%		9.6%	12.3%

Monthly Financial Report

13. GLOSSARY

Key Terms

Written Down Value:

This is the value of an asset after accounting for depreciation or amortisation, and it is also called book value or net book value.

Work In Progress:

This represents an unfinished project that costs are still being added to. When a project is completed, the costs will be either capitalised (allocated to relevant asset class) or written off.

Definition of Ratios

Operating Surplus Ratio*:

This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes

Net Operating Surplus
Total Operating Revenue

Asset Sustainability Ratio*:

This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out

Capital Expenditure on Replacement of Infrastructure Assets (Renewals)
Depreciation Expenditure on Infrastructure Assets

Net Financial Liabilities*:

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

Total Liabilities - Current Assets
Total Operating Revenue

Level of Dependence on General Rate Revenue:

This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)

General Rates - Pensioner Remissions
Total Operating Revenue - Gain on Sale of Developed Land

Current Ratio:

This measures the extent to which Council has liquid assets available to meet short term financial obligations

Current Assets
Current Liabilities

Debt Servicing Ratio:

This indicates Council's ability to meet current debt instalments with recurrent revenue

Interest Expense*** + Loan Redemption^
Total Operating Revenue - Gain on Sale of Developed Land

Cash Balance - \$M:

Cash balance includes cash on hand, cash at bank and other short term investments.

Cash Held at Period End

Cash Capacity in Months:

This provides an indication as to the number of months cash held at period end would cover operating cash outflows

Cash Held at Period End
[[Cash Operating Costs + Interest Expense] / Period in Year]

Longer Term Financial Stability - Debt to Asset Ratio:

This is total debt as a percentage of total assets, i.e. to what extent will our long term debt be covered by total assets

Current and Non-current Debt**
Total Assets

Operating Performance:

This ratio provides an indication of Council's cash flow capabilities

Net Cash from Operations + Interest Revenue and Expense
Cash Operating Revenue + Interest Revenue

Interest Coverage Ratio:

This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges

Net Interest Expense on Debt Service***
Total Operating Revenue

* These targets are set to be achieved on average over the longer term and therefore are not necessarily expected to be met on a monthly basis.

** Debt includes lease liabilities.

*** Interest expense includes interest on leases.

^ Loan redemption includes lease redemption.

13.2 ANNUAL FINANCIAL STATEMENTS 2020-2021

Objective Reference: A5745791

Authorising Officer: Deborah Corbett-Hall, Chief Financial Officer

Responsible Officer: Deborah Corbett-Hall, Chief Financial Officer

Report Author: Joy Manalo, Service Manager Corporate Finance

Attachments: 1. 2020-2021 Certified General Purpose Financial Statements [↓](#)

PURPOSE

To present the final (Queensland Audit Office certified) 2020-2021 annual financial statements and accompanying notes to Council for noting prior to adoption of the 2020-2021 annual report.

BACKGROUND

Council prepared consolidated financial statements for Redland City Council and its subsidiary Redland Investment Corporation Pty Ltd (RIC) and its controlled entities which set out the financial performance, financial position, cash flows, changes in community equity, as well as explanatory notes for the financial year ended 30 June 2021.

The consolidated financial statements are audited by the Queensland Audit Office (QAO) to confirm the results presented are true and fair, and in accordance with the *Local Government Act 2009*, *Local Government Regulation 2012* and the relevant Australian Accounting Standards. The QAO audit was conducted in two phases – an interim visit in March 2021 and a final visit from August to September 2021.

The financial statements were presented to and reviewed by the Audit Committee before certification by the Mayor and the CEO and submission to the QAO.

The attached 2020-2021 financial statements are final and have been certified by the QAO on 23 September 2021. An unmodified audit opinion was issued confirming that the financial statements are materially correct, present a true and fair view of Council's and the consolidated financial position as at 30 June 2021, the financial performance and cash flows for the year then ended. The QAO audit opinion also reflects compliance with the relevant legislation and accounting standards.

In addition to the 2020-2021 financial statements, the QAO audited the current-year financial sustainability statement. Consistent with other councils and prior years, the QAO included an 'emphasis of matter' in the auditor's report to the current-year financial sustainability statement to highlight that the statement is prepared for the purpose of fulfilling Council's reporting responsibilities under the *Local Government Regulation 2012*. As such, it may not be suitable for another purpose. The long-term financial sustainability statement is not audited.

ISSUES

Consolidated financial statements

The financial statements presented are for Redland City Council as a group, i.e. includes the financial results of Council, and its controlled entities including Redland Investment Corporation.

Operating result and Net Result

The group's operating deficit for 2020-2021 increased by \$3.5M when compared to 2019-2020 mainly due to a 1% increase in operating revenue and a corresponding 2% increase in operating expenditure.

Of note, when capital revenues and expenditures are included, the Group generated a net result of \$20.5M for 2020-2021.

Fixed asset valuations

During 2020-21, a desktop valuation was applied to land, buildings, road infrastructure, stormwater, other infrastructure, water and wastewater assets. An increase of \$70.5M in net asset value resulted from the revaluation.

Implementation of new accounting standards

Council conducted an analysis to identify the impact of AASB 1059 Service Concession Arrangement Grantor on Council's financial statements. This standard applies to arrangements that public sector entities enter into with a private sector operator for the delivery of public services related to a service concession asset on behalf of a public sector grantor. The analysis revealed that the service arrangements of Council are outside the scope of AASB 1059 and have no impact on the financial statements.

Impact of COVID 19

The impact of the COVID 19 pandemic on Council's operations resulted in a \$0.1M revenue reduction due to service cancellations and fee waivers. Additional employee costs and materials and services amounting to \$0.6M were incurred to address the impacts of COVID 19. The indicative impact on interest income due to low prevailing rates amounted to \$1.5M. It was also assessed that COVID 19 has no significant impact on Council's asset valuation for 2020-2021.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 176 of the *Local Government Regulation 2012* requires a local government to prepare the following for each financial year:

- A general purpose financial statement
- A current-year financial sustainability statement
- A long-term financial sustainability statement

All three requirements were met within the statutory timeframe.

Risk Management

Risk management is undertaken during the year with respect to the financials – Council reviews its actual performance against budget on a monthly basis and formally reviews its budget as required during the year. At the conclusion of the financial audit, the QAO provides feedback to Council on the general appropriateness of key internal controls that ensure financial information is reasonably complete and accurate.

Financial

There are no additional financial implications arising from this report; the purpose of the report is to present the audited 2020-2021 financial statements.

People

No impact as the purpose of the report is to present the audited 2020-2021 financial statements.

Environmental

No impact as the purpose of the report is to present the audited 2020-2021 financial statements.

Social

No impact as the purpose of the report is to present the audited 2020-2021 financial statements.

Human Rights

There are no human rights implications for this report as the purpose of the report is to present the audited 2020-2021 financial statements.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of Council's *Our Future Redlands – A Corporate Plan to 2026 and Beyond*:

Efficient and effective organisation objectives

7.1 Improve the efficiency and effectiveness of Council's service delivery to decrease costs, and enhance customer experience and community outcomes.

7.4 Demonstrate good governance through transparent, accountable processes and sustainable practices and asset management.

CONSULTATION

Consulted	Date	Comment
Corporate Finance Unit	February to September 2021	Discussed the financial results, report layout and accounting treatment of various transactions. Technical accounting position paper was prepared by Financial Services and discussed with the QAO during the interim and final audit visits.
Chief Financial Officer	February to September 2021	Discussed the financial results, report layout and accounting treatment of various transactions. Approved the technical position paper and draft documents prior to internal and external distribution.
Audit Committee Invitees and Attendees	13 August 2021 16 September 2021	Reviewed the draft financials pre and post the final audit. Provided feedback on the financial statements and accompanying notes.
QAO Appointed Auditors, Bentleys	Various times	Reviewed the technical position paper, conducted the interim and final onsite visit and fed back to Audit Committee on the findings.
Queensland Audit Office	Various times	Reviewed the technical position paper, reviewed the draft and final annual financial statements and provided audit certification.

OPTIONS**Option One**

That Council resolves to note the audited financial statements for inclusion in the 2020-2021 annual report.

Option Two

That Council resolves to request further information.

OFFICER'S RECOMMENDATION

That Council resolves to note the audited financial statements for inclusion in the 2020-2021 annual report.



**CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**

REDLAND CITY COUNCIL
CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended 30 June 2021

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REDLAND CITY COUNCIL

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

		Consolidated		Council	
		2021	2020	2021	2020
	Note	\$000	\$000	\$000	\$000
Income					
Recurrent revenue					
Rates, levies and charges	3(a)	262,550	253,063	262,584	253,091
Fees	3(b)	15,372	13,278	15,305	12,910
Interest received	3(c)	1,985	3,333	2,005	3,278
Sales revenue		7,681	12,952	3,547	2,550
Other income		3,122	2,960	2,549	2,674
Grants, subsidies and contributions	3(d)(i)	10,149	11,899	10,153	11,899
Total recurrent revenue		300,859	297,485	296,143	286,402
Capital revenue					
Grants, subsidies and contributions	3(d)(ii)	23,576	18,248	23,841	18,248
Non-cash contributions		12,064	8,897	12,064	8,897
Total capital revenue		35,640	27,145	35,905	27,145
Total income		336,499	324,630	332,048	313,547
Expenses					
Recurrent expenses					
Employee benefits	4	(95,789)	(93,241)	(94,671)	(92,058)
Materials and services	5	(148,671)	(142,800)	(145,125)	(132,723)
Finance costs		(2,695)	(3,042)	(2,624)	(3,014)
Depreciation and amortisation	6	(65,773)	(67,005)	(65,741)	(66,966)
Total recurrent expenses		(312,928)	(306,088)	(308,161)	(294,761)
Capital expenses					
Loss on disposal of non-current assets		(3,081)	(2,507)	(3,079)	(1,200)
Total capital expenses		(3,081)	(2,507)	(3,079)	(1,200)
Total expenses		(316,009)	(308,595)	(311,240)	(295,961)
Net result		20,490	16,035	20,808	17,586
Other comprehensive income					
Items that will not be reclassified to net result					
Revaluation of property, plant and equipment	12	70,514	27,720	70,514	27,720
Total comprehensive income/(loss) for the year		91,004	43,755	91,322	45,306

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

REDLAND CITY COUNCIL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		Consolidated		Council	
		2021	2020	2021	2020
	Note	\$000	\$000	\$000	\$000
Current assets					
Cash and cash equivalents	7	194,517	177,941	187,240	171,901
Short-term investment	8	10,000	-	10,000	-
Trade and other receivables	9	41,636	38,815	46,428	40,732
Inventories	10	3,164	2,364	859	880
Non-current assets held-for-sale		-	118	-	118
Other current assets		4,977	2,962	4,967	2,956
Total current assets		254,294	222,200	249,494	216,587
Non-current assets					
Investment property	11	6,802	6,716	1,225	1,225
Property, plant and equipment	12	2,667,570	2,588,518	2,667,979	2,588,458
Intangible assets		1,703	2,123	1,703	2,123
Right-of-use assets	13(a)	6,028	7,125	6,028	7,125
Other financial assets		73	73	12,730	13,174
Total non-current assets		2,682,176	2,604,555	2,689,665	2,612,105
Total assets		2,936,470	2,826,755	2,939,159	2,828,692
Current liabilities					
Trade and other payables	14	45,568	42,821	45,475	42,267
Borrowings with QTC	15(a)	8,919	8,326	8,919	8,326
Lease liability - current	13(b)	1,130	1,294	1,130	1,294
Provisions	16(a)	17,419	14,414	17,419	14,414
Other current liabilities	17	6,197	2,434	6,197	2,434
Total current liabilities		79,233	69,289	79,140	68,735
Non-current liabilities					
Borrowings with QTC	15(b)	35,233	32,852	35,233	32,852
Lease liability - non-current	13(b)	5,849	6,775	5,849	6,775
Provisions	16(b)	21,548	14,236	21,447	14,162
Total non-current liabilities		62,630	53,863	62,529	53,789
Total liabilities		141,863	123,152	141,669	122,524
Net community assets		2,794,607	2,703,603	2,797,490	2,706,168
Community equity					
Asset revaluation surplus	18	1,106,354	1,035,840	1,106,354	1,035,840
Retained surplus		1,688,253	1,667,763	1,691,136	1,670,328
Total community equity		2,794,607	2,703,603	2,797,490	2,706,168

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

REDLAND CITY COUNCIL

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

Consolidated	Asset Revaluation Surplus \$000	Retained Surplus \$000	Total Community Equity \$000
	Note	12, 18	
Balance as at 1 July 2019	1,008,120	1,651,728	2,659,848
Net result	-	16,035	16,035
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	27,720	-	27,720
Total comprehensive income for the year	27,720	16,035	43,755
Balance as at 30 June 2020	1,035,840	1,667,763	2,703,603
Net result	-	20,490	20,490
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	70,514	-	70,514
Total comprehensive income for the year	70,514	20,490	91,004
Balance as at 30 June 2021	1,106,354	1,688,253	2,794,607

Council

Balance as at 1 July 2019	1,008,120	1,652,742	2,660,862
Net result	-	17,586	17,586
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	27,720	-	27,720
Total comprehensive income for the year	27,720	17,586	45,306
Balance as at 30 June 2020	1,035,840	1,670,328	2,706,168
Net result	-	20,808	20,808
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	70,514	-	70,514
Total comprehensive income for the year	70,514	20,808	91,322
Balance as at 30 June 2021	1,106,354	1,691,136	2,797,490

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

REDLAND CITY COUNCIL

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

For the year ended 30 June 2021		Consolidated		Council	
	Note	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Cash flows from operating activities					
Receipts from customers		287,150	279,825	284,354	265,404
Payments to suppliers and employees		(237,642)	(235,443)	(232,603)	(222,594)
Interest received		1,988	3,329	2,005	3,278
Non-capital grants and contributions		14,483	9,883	14,483	9,883
Borrowing costs	15(c)	(2,048)	(2,416)	(2,048)	(2,416)
Right-of-use assets interest expense	13(b)	(145)	(165)	(145)	(165)
Net cash inflow from operating activities	23	63,786	55,013	66,046	53,390
Cash flows from investing activities					
Payments for property, plant and equipment		(65,923)	(65,055)	(66,693)	(67,317)
Payments for intangible assets		(162)	(1,513)	(162)	(1,513)
Proceeds from sale of property, plant and equipment		982	1,366	1,152	2,866
Capital grants, subsidies and contributions		26,064	19,613	26,329	19,613
Short-term investment		(10,000)	-	(10,000)	-
Other cashflow from investing activities		(248)	(492)	(3,410)	(90)
Net cash (outflow) from investing activities		(49,287)	(46,081)	(52,784)	(46,441)
Cash flows from financing activities					
Proceeds from borrowings	15(c)	9,612	9,800	9,612	9,800
Repayment of borrowings	15(c)	(6,369)	(5,530)	(6,369)	(5,530)
Right-of-use assets lease payment		(1,166)	(1,414)	(1,166)	(1,414)
Net cash inflow from financing activities		2,077	2,856	2,077	2,856
Net increase in cash and cash equivalents held		16,576	11,788	15,339	9,805
Cash and cash equivalents at beginning of the financial year		177,941	166,153	171,901	162,096
Cash and cash equivalents at end of the financial year	7	194,517	177,941	187,240	171,901

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 Summary of significant accounting policies**1(a) Basis of preparation and statement of compliance**

The Council is constituted under the *Queensland Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2020 to 30 June 2021. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with Australian Accounting Standards as applicable to not-for-profit entities.

These financial statements are for the group consisting of Redland City Council (Council) and its subsidiaries (refer to Note 1(b)) and have been prepared under the historical cost convention except for the revaluation of certain non-current assets, financial assets and financial liabilities.

1(b) Principles of consolidation

Council and its controlled entities together form the consolidated entity which is referred to in these financial statements as 'the group'. The financial statements of the controlled entities are included in the consolidated financial statements where material by size or nature, from the date when control commences until the date when control ceases.

Transactions with entities controlled by Council have been eliminated when preparing consolidated financial statements and accounting policies of controlled entities adjusted where necessary to ensure consistency with the policies adopted by the group.

Redland Investment Corporation Pty Ltd (consolidated)

Council has 100% ownership of Redland Investment Corporation Pty Ltd (RIC) which is limited by shares. RIC was formed to enhance the commercial activities of Council and oversees a diverse range of projects across the city. RIC has the following subsidiaries:

Redland Developments Pty Ltd (consolidated to the RIC Group)

RIC has 100% ownership of Redland Developments Pty Ltd which is limited by shares. Redland Developments Pty Ltd is the vehicle used for undertaking new developments. In the current financial year, its main project has been 521 Old Cleveland Road East, Birkdale.

Cleveland Plaza Pty Ltd (consolidated to the RIC Group)

RIC has 100% ownership of Cleveland Plaza Pty Ltd (Cleveland Plaza) which is limited by shares. Cleveland Plaza was formed to own and manage the property at 48 Bloomfield Street, Cleveland.

RIC Toondah Pty Ltd (consolidated to the RIC Group)

RIC has 100% ownership of RIC Toondah Pty Ltd (RICT) which is limited by shares. RICT is formally engaged by the Toondah Harbour development joint venture between Council, Minister for Economic Development Queensland (MEDQ) and RICT. Council's interest in the joint operation is 50%. The project is pending a transfer of State land to MEDQ; as such, nominal financial transactions have occurred in the entity during the current financial year.

Separate consolidated financial statements for RIC have been prepared for the financial year ended 30 June 2021 and are audited by the Auditor-General of Queensland.

Redheart Pty Ltd (not consolidated as transactions in this entity are not material)

Council has 100% ownership of Redheart Pty Ltd (Redheart) which is limited by shares. Redheart was formed to conduct a beneficial enterprise by holding a mining lease and environmental authority and sell quarry material from Council's German Church Road quarry operations, so as to manage risks and increase commercial flexibility. As at 30 June 2021, the company had net assets of \$2 and remained dormant throughout the financial year.

1(c) Date of authorisation

The consolidated financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate was signed.

1(d) Currency

Council uses the Australian dollar (AUD) as its functional currency and its presentation currency.

1(e) Rounding and comparatives

Amounts included in the consolidated financial statements have been rounded to the nearest \$1,000.

1(f) Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax (GST). The net amount of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively. Council pays Payroll Tax to the Queensland Government on certain activities.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO, are classified as operating cash flows.

1(g) Volunteer services

Council elects not to recognise volunteer services, or a class of volunteer services as the fair value of those services cannot be measured reliably and would not be purchased if these services were not donated.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 Summary of significant accounting policies - continued**1(h) New and amended standards adopted by Council**

In the current year, the consolidated entity adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised standards and interpretations has not resulted in any material changes to Council's accounting policies.

Council conducted an analysis to identify the impact of AASB 1059 *Service Concession Arrangement Grantor* on Council's financial statements. This standard applies to arrangements that public sector entities enter into with a private sector operator for the delivery of public services related to a service concession asset on behalf of a public sector grantor. An arrangement within the scope of this standard typically involves an operator constructing the assets used to provide the public service or upgrading the assets (for example, by increasing their capacity) and operating and maintaining the assets for a specified period of time. The analysis revealed that the service arrangements of Council are outside the scope of AASB 1059 and have no impact on the financial statements.

Certain new standards and interpretations have been issued that are not yet effective for the 30 June 2021 reporting period and have not been early adopted by Council. Council's assessment of those new standards expected to have an impact on Council's future reporting periods is set out below.

Standard	Nature of change	Impact	Date Council will apply the standard
AASB 2020-1 <i>Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards</i>	<p>This Standard amends AASB 101 <i>Presentation of Financial Statements</i> to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.</p> <p>A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.</p> <p>(a) The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.</p> <p>(b) Management intention or expectation does not affect classification of liabilities.</p> <p>These amendments are applied retrospectively. Earlier application is permitted.</p>	<p>Council will consider the following impacts of these amendments:</p> <ul style="list-style-type: none"> -the conditions at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period; and -the rights of Council (not the expectation) at the end of the reporting period to roll over an obligation for at least twelve months after the reporting period under an existing loan facility. 	1 July 2023
AASB 2020-3 <i>Amendments to Australian Accounting Standards - Annual improvements 2018-2020</i>	<p>This Standard makes amendments to the following Australian Accounting Standards:</p> <p>(a) AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> (July 2015); Relates to foreign operations, therefore not applicable to Council.</p> <p>(b) AASB 3 <i>Business Combinations</i> (August 2015); Relates to gains or losses of business acquisitions. Not applicable to Council.</p> <p>(c) AASB 9 <i>Financial Instruments</i> (December 2014); When assessing the significance of any difference between the new and old contractual terms, only the changes in contractual cash flows between the lender and borrower are relevant. Consequently, fees incurred on the modification or exchange of a financial liability paid to third parties are excluded.</p> <p>(d) AASB 116 <i>Property, Plant and Equipment</i> (August 2015); Under AASB 116 <i>Property, Plant and Equipment</i>; Net proceeds from selling items produced while constructing an item of property, plant and equipment are deducted from the cost of the asset. AASB 116 was amended to prohibit an entity from deducting from the cost of an item of property, plant and equipment, the proceeds from selling items produced before that asset is available for use. An entity is also required to measure production costs of the sold items by applying AASB 112 <i>Inventories</i>. Proceeds from selling any such items, and the cost of those items, are recognised in profit or loss in accordance with applicable standards.</p> <p>(e) AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> (August 2015); AASB 137 amended the definition of costs to be considered when assessing onerous contracts. Not applicable to Council.</p> <p>(f) AASB 141 <i>Agriculture</i> (August 2015); Not applicable to Council.</p>	<p>Council will consider the following impacts of these amendments:</p> <ul style="list-style-type: none"> - the impact to financial liabilities including QTC borrowings and trade creditors from the amendment to AASB 9; and - the impact to gain or loss from the disposal of Property, Plant and Equipment as a result of amendments to AASB 116. 	1 July 2022

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 Summary of significant accounting policies - continued**1(h) New and amended standards adopted by Council - continued**

AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	This Standard amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> . To address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	Preliminary assessment shows this standard will not have a material impact on Council's Financial Statements.	1 July 2022
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1(i) Critical accounting judgements and key sources of estimation uncertainty

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statements notes:

Revenue analysis (Note 3)
Valuation and depreciation of property, plant and equipment (Note 12 and Note 24)
Leases (Note 13)
Long-term employee benefit obligations (Note 14 and Note 16)
Landfill rehabilitation provision (Note 16)
Contingent liabilities and contingent assets (Note 20)
Transactions with related parties (Note 26)
Other Matters - Council's resolution on RIC operating plan (Note 27)
Events after the reporting period (Note 28)

1(j) Financial assets and financial liabilities

Council recognises a financial asset or financial liability when, and only when, Council becomes a party to the contractual provisions of the instrument.

Council's financial assets and financial liabilities are limited to:

Financial assets

Cash and cash equivalents (Note 7)
Short-term investment (Note 8)
Trade and other receivables - measured at amortised cost (Note 9)
Other financial assets such as investments in other companies

Financial liabilities

Trade and other payables - measured at amortised cost (Note 14)
Borrowings - measured at amortised cost (Note 15)

Financial assets and financial liabilities are presented separately and offsetting has not been applied, except for GST (refer to Note 1(f)). Refer to Note 24 for fair value measurement considerations in relation to financial assets and financial liabilities.

Council is exposed to various financial risks including credit risk, interest rate risk and liquidity risk. Exposure to financial risks is managed in accordance with Council's approved Enterprise Risk Management Framework and related administrative directives, guidelines and procedures.

1(k) Impact of COVID 19 on Council operations

Council's operation for the year ended 30 June 2021 has been impacted by the COVID 19 pandemic.

The following transactions were associated with addressing the impacts of COVID 19.

Statements of Comprehensive Income

	Council 2021 '\$000	Council 2020 '\$000
Revenue		
Rates waivers	-	9
Reduction of fees revenue includes cancellations of services and waivers	29	696
Reduction of other revenue	75	233
Interest foregone due to extension of due date and cancellation of auction *	-	117
	<u>104</u>	<u>1,055</u>
Expense		
Employee costs	229	10
Materials and services	386	339
	<u>615</u>	<u>349</u>
Net impact	<u>719</u>	<u>1,404</u>

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REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 Summary of significant accounting policies - continued**1(k) Impact of COVID 19 on Council Operations - continued**

* In 2021, Council purposely did not conduct the auction of properties with overdue rates in support to the community during the COVID 19 pandemic.

The indicative impact on Council's interest income due to historically low prevailing rates amount to \$1.5M (2020: \$1.8M).

It was assessed that COVID 19 has no significant impact on Council's asset revaluations for 2020-2021. Council's assets are presented at fair value.

2 Statement of functions and activities**2(a) Functions of the consolidated entity**

Council's functions and activities have been determined based on service delivery. The activities of Council are categorised into the following broad functions:

Community and Customer Services

Community and Customer Services provides operational support and manages the city's community services through the following functions:

Customer and Cultural Services

- Customer and Cultural Services provides customer contact through our Integrated Customer Contact Centre over the phone and in person through our service centres, and promotes a strong cultural and creative arts program supporting community spirit extending to people of all ages, cultures, abilities and needs.

Planning, Development and Environment

- City Planning and Assessment delivers strategic planning, development assessment, and the management of infrastructure charging and planning.
- Community and Economic Development is focused on strengthening community capacity and resilience and supports Council's commitment to increasing the city's economic capacity through placemaking, investment attraction, advocacy, business growth and retention, employment generation and sustained economic growth.
- Environment and Regulation is focused on contributing to a healthy, safe and enjoyable lifestyle and growing environmental connections through partnerships, planning, education and regulation.

Infrastructure and Operations**Infrastructure, Recreation and Facilities Services**

- This function is responsible for the sustainable management, maintenance and operation of Council's infrastructure assets. It includes the identification, planning and delivery of infrastructure to support the community by way of roads, footpaths and cycleways, playgrounds, parks and conservation, community halls and swimming pools; and ensures a high standard of infrastructure in the Redlands.

Water and Wastewater Services

- Council's Water and Wastewater Services business unit is a commercially focused business unit with the principal goals of providing safe drinking water and the collection, treatment and disposal of wastewater.

Waste Services

- The Waste Services is also a commercially focused business unit that is responsible for the collection and disposal of waste within the city through its kerbside collection service, household hazardous waste services, disposals at landfills and the operation and maintenance of its transfer stations. It also includes maintenance of closed landfill and environmental monitoring of current and former waste disposal facilities.

Organisational Services Department**Organisational Services**

- Organisational Services provides internal support functions to Council ensuring the efficient and effective operations of the organisation and contemporary innovation to front line services. It also manages a range of outward - facing services.

Communication, Engagement and Tourism

- Communication, Engagement and Tourism delivers issues and media management; crisis communication, speeches; website and intranet content management; social media management; graphic design services; Councillor newsletters; Council magazine; marketing and brand management; community engagement; Council and community events; tourism development; and management of the Redlands Coast Visitor Information Centre.

Corporate Services

- Corporate Services manages Information, Technology, Cyber Security, Communications, Fleet and Plant Services to deliver high-quality technological and logistics solutions across the organisation.

Financial Services

- Financial Services is responsible for rating and water billing; revenue collections; payment of suppliers; corporate financial and asset reporting; statutory returns and reporting; management reporting; tax and treasury; budget and forecasting; system administration; business partnering; and customer services. The group provides accurate, timely and appropriate information to support sound decision making and meet statutory requirements and is also the conduit to the Queensland Audit Office (QAO) for financial and performance audits.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

2 Statement of functions and activities - continued

2(a) Functions of the consolidated entity - continued

Strategic Asset and Portfolio Management

- Strategic Asset and Portfolio Management enables and ensures that Council is delivering sustainable community outcomes by leading a whole-of-council approach to strategic and operational planning, portfolio management, strategic asset management, external funding management and corporate performance management to support decision making and efficient and effective delivery.

General Counsel

- General Counsel manages all legal matters, risk, procurement, warehousing and Redland WorkCover, advising on all legal aspects of Council's operations, and providing procurement advice including conducting tender and quotation processes. Redland WorkCover is Council's licensed workers' compensation self-insurer providing management of claims and working with employees with respect to rehabilitation.

Corporate Governance

- Corporate Governance manages a diverse range of organisational functions such as strategy and governance, indigenous partnerships, office of the Mayor, Councillor support, disaster Management and internal Audit.

Department of the Chief Executive Officer (CEO)

Office of the CEO and People, Culture and Organisational Performance (PC&OP) provide support to all of Council, creating a safe, rewarding, equitable and productive workplace.

The PC&OP team is focused on working in partnership and collaboration across the organisation to deliver strategies, quality operational services, as well as projects and initiatives through a number of functions. These include:

- Corporate Strategy and Business Transformation
- Health, Safety and Wellbeing
- Human Resources, including recruitment and selection, employee and industrial relations, payroll and reward and recognition.

Redland Investment Corporation Pty Ltd (RIC)

Creating value that benefits our community

- RIC was established by Redland City Council in 2014 to identify alternate revenue sources, new business opportunities, and realise value for Council and the Redlands Coast community. To support key outcomes within the Council's Corporate Plan 2021-2026, RIC will drive economic and infrastructure development in the city through the delivery of major city building and place making projects, property development, land sales and investments. RIC is committed to working commercially and sustainably in its conduct, efficiently delivering all facets of business to fulfil the broader community's social, economic and environmental needs.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

2 Statement of functions and activities - continued

2(b) Analysis of results by function

Income, expenses and assets defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2021

Year ended 30 June 2021											
Functions	Gross income				Total Income	Gross expenses		Total Expenses	Net result from recurrent operations	Net Result	Total Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Customer and Cultural Services	896	422	-	27	1,345	(24,089)	(14)	(24,103)	(22,771)	(22,758)	20,329
Planning, Development and Environment	235	11,744	9	8,800	20,788	(32,630)	(104)	(32,734)	(20,651)	(11,946)	15,850
Infrastructure, Recreation and Facilities Services	1,948	6,002	10,055	8,334	26,339	(105,714)	(1,914)	(107,628)	(97,764)	(81,289)	1,534,627
Water and Wastewater Services	-	121,051	-	7,472	128,523	(93,720)	(424)	(94,144)	27,331	34,379	820,336
Waste Services	-	31,015	-	-	31,015	(23,826)	-	(23,826)	7,189	7,189	20,738
Organisational Services Department	6,216	116,527	1,208	-	123,951	(28,059)	(623)	(28,682)	94,684	95,269	527,231
Department of the Chief Executive Officer	87	-	-	-	87	(123)	-	(123)	(36)	(36)	48
Total Council	9,382	286,761	11,272	24,633	332,048	(308,161)	(3,079)	(311,240)	(12,018)	20,808	2,939,159
Redland Investment Corporation Pty Ltd (net of eliminations)	-	4,716	-	(265)	4,451	(4,767)	(2)	(4,769)	(51)	(318)	(2,689)
Total Consolidated	9,382	291,477	11,272	24,368	336,499	(312,928)	(3,081)	(316,009)	(12,069)	20,490	2,936,470

Year ended 30 June 2020

Year ended 30 June 2020											
Functions	Gross income				Total Income	Gross expenses		Total Expenses	Net result from recurrent operations	Net Result	Total Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Customer and Cultural Services	838	426	-	-	1,264	(23,527)	(4)	(23,531)	(22,263)	(22,267)	20,986
Planning, Development and Environment	238	9,188	641	8,424	18,491	(32,610)	(1)	(32,611)	(23,184)	(14,120)	20,213
Infrastructure, Recreation and Facilities Services	4,099	15,279	4,124	8,292	31,794	(106,643)	(2,325)	(108,968)	(87,265)	(77,174)	1,469,073
Water and Wastewater Services	-	115,665	-	5,362	121,027	(91,329)	(214)	(91,543)	24,336	29,484	806,209
Waste Services	-	28,363	-	-	28,363	(21,967)	(1)	(21,968)	6,396	6,395	19,030
Organisational Services Department	6,113	106,195	302	-	112,610	(18,293)	1,345	(16,948)	94,015	95,662	493,117
Department of the Chief Executive Officer	-	(2)	-	-	(2)	(392)	-	(392)	(394)	(394)	64
Total Council	11,288	275,114	5,067	22,078	313,547	(294,761)	(1,200)	(295,961)	(8,359)	17,586	2,828,692
Redland Investment Corporation Pty Ltd (net of eliminations)	-	11,083	-	-	11,083	(11,327)	(1,307)	(12,634)	(244)	(1,551)	(1,937)
Total Consolidated	11,288	286,197	5,067	22,078	324,630	(306,088)	(2,507)	(308,595)	(8,603)	16,035	2,826,755

* Please refer to the separate financial statements of Redland Investment Corporation Pty Ltd (RIC) for its financial performance and position prior to eliminations, accessible from Council's website: www.redland.qld.gov.au. Of note, the value of Council's investment in its wholly owned subsidiary, RIC, at reporting date was \$12,656,998 (2020: \$13,101,100).

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

3 Revenue analysis

3(a) Rates, levies and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts, which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period. Water consumption charges, which are levied in arrears, are recognised based on the period in which they are consumed, except for the access charge which is a fixed component, and is recognised over the levying period.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
General rates	108,181	104,817	108,211	104,841
State Emergency Service (SES) charges	494	486	494	486
Environment and landfill remediation charges	10,490	11,587	10,490	11,587
Water access	20,059	19,031	20,059	19,031
Water consumption	50,318	48,631	50,322	48,635
Wastewater	45,976	43,964	45,976	43,964
Trade waste	1,229	1,567	1,229	1,567
Waste collection charges	29,325	26,314	29,325	26,314
Total rates and utility charges	266,072	256,397	266,106	256,425
Less: Pensioner remissions and rebates	(3,522)	(3,334)	(3,522)	(3,334)
	262,550	253,063	262,584	253,091

3(b) Fees

Revenue arising from fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods/services being provided. The performance obligation relates to the specific services which are provided to the customers. Licenses granted by Council are all either short-term or low-value and all revenue from licences is recognised at the time that the license is granted rather than the term of the license. Revenue from infringements is recognised on issue of infringement notice.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Fines and penalties	1,373	1,313	1,373	1,313
Mooring and parking fees	692	676	616	610
Search fees	1,117	691	1,117	691
Development and related application fees	5,213	3,652	5,220	3,652
License fees	2,682	2,618	2,682	2,618
Commercial collection fees	432	543	432	543
Operational works application fees	935	882	937	895
Other fees and charges	2,928	2,903	2,928	2,588
	15,372	13,278	15,305	12,910

3(c) Interest received

Interest received from investments	1,142	2,453	1,119	2,395
Interest from overdue rates and utility charges	842	876	842	876
Interest from loan to subsidiary	(1)	-	42	3
Other interest income	2	4	2	4
	1,985	3,333	2,005	3,278

The impact of COVID 19 on Council's revenue amounts to \$103,583 (2020: \$1,055,485). The indicative impact on Council's interest income due to low prevailing rates amounts to \$1,526,675 (2020: \$1,845,860) (refer to note 1(k)).

Interest on short-term investment is accrued over the term of the investment.

3(d) Grants, subsidies and contributions

Grants and subsidies

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when control of each performance obligation is satisfied. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control, and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods, being either costs or time incurred, are deemed to be the most appropriate method to reflect the transfer of benefit.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

3 Revenue analysis - continued**3(d) Grants, subsidies and contributions - continued**

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised, then income is recognised for any remaining asset value at the time when the asset is received.

Capital grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable, are recognised as revenue as and when the obligation to construct or purchase is completed.

Non-cash contributions

Physical assets contributed to Council by developers in the form of water, wastewater, road works, stormwater and park equipment are recognised as revenue when it is probable that the assets will be received by Council. Generally this is when the development becomes 'on-maintenance', i.e. Council becomes responsible for the maintenance of the asset. The revenue is recognised when there is sufficient data in the form of drawings and plans to determine the specifications and value of such assets. At year end, where plans are not yet available, an accrual is recognised based on an average rate per lot. All non-cash contributions are recognised at the fair value of the assets received at the date of acquisition.

Cash contributions

Cash contributions are received by Council through infrastructure charges indicated in decision notices for developments such as material change of use, reconfiguration of a lot, plan sealing and/or new construction. The cash received is generally used for augmentation of infrastructure headworks. Council recognises revenue upon completion of the legislative trigger for payment.

Recurrent/operating and capital classification

Grants and contributions are to be classified as operating or capital depending on the purpose for which they were received. Capital revenue includes grants and contributions received, which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions that are usually infrastructure assets received from developers as well as gains associated with disposal of fixed assets. All other revenue is classified as recurrent/operating.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
(i) Recurrent				
Financial assistance grant	5,810	5,770	5,810	5,770
Government grants and subsidies	3,572	5,519	3,572	5,519
Contributions	767	610	771	610
	10,149	11,899	10,153	11,899
(ii) Capital				
Government grants and subsidies	11,272	5,067	11,272	5,067
Contributions	12,304	13,181	12,569	13,181
	23,576	18,248	23,841	18,248
(iii) Timing of revenue recognition for grants, subsidies and contributions				

Note	2021		2020	
	Revenue recognised at point in time \$000	Revenue recognised over time \$000	Revenue recognised at point in time \$000	Revenue recognised over time \$000
Consolidated				
Government grants and subsidies	21,714	12,011	22,685	7,463
Non-cash contributions	12,064	-	8,897	-
	33,778	12,011	31,582	7,463
Council				
Government grants and subsidies	21,983	12,011	22,685	7,463
Non-cash contributions	12,064	-	8,897	-
	34,047	12,011	31,582	7,463

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

3 Revenue analysis - continued

3(d) Grants, subsidies and contributions - continued

(iv) Conditions over contributions

Contributions and non-reciprocal grants recognised as income which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Unexpended grants and contributions held in reserve 1 July	91,893	93,046	91,893	93,046
Prior period grants and contributions spent in year	(7,496)	(14,398)	(7,765)	(14,398)
Grants and contributions recognised as revenue in year	33,725	30,147	33,994	30,147
Current period grants and contributions spent in year	(21,121)	(16,902)	(21,121)	(16,902)
Unexpended grants and contributions held in reserve 30 June	97,001	91,893	97,001	91,893

4 Employee benefits

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Total staff wages and salaries	76,107	74,252	75,156	73,244
Councillors' remuneration	1,409	1,433	1,409	1,433
Annual leave and long service leave entitlements	8,801	9,270	8,783	9,244
Superannuation	9,403	8,970	9,320	8,878
	95,720	93,925	94,668	92,799
Other employee related expenses	7,347	5,711	7,281	5,654
	103,067	99,636	101,949	98,453
Less: Capitalised employee expenses	(7,278)	(6,395)	(7,278)	(6,395)
	95,789	93,241	94,671	92,058

Councillor remuneration represents salary and superannuation expenses incurred in respect of carrying out their duties.

5 Materials and services

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Contractors	43,259	40,939	38,452	40,067
Consultants	3,268	2,992	2,805	2,404
Other Council outsourcing costs	20,310	19,057	20,092	18,661
Purchase of materials	49,515	57,304	52,116	49,362
Office administration costs	8,049	6,828	7,363	6,620
Electricity charges	5,537	5,562	5,536	5,561
Plant operations	3,285	4,109	3,255	4,078
Information technology resources	3,173	2,828	3,157	2,819
General insurance premiums	1,312	1,192	1,315	1,192
Community assistance	1,411	1,561	1,411	1,560
Audit of annual financial statements by Queensland Audit Office	170	170	145	145
Short-term leases	-	6	-	6
Waste levy payment	4,368	4,722	4,368	4,722
Waste levy refund*	(4,361)	(4,646)	(4,361)	(4,646)
Other material and service expenses	616	663	712	659
Remediation costs for landfill	8,759	(487)	8,759	(487)
	148,671	142,800	145,125	132,723

* The State government rebated \$4,360,763 (2020: \$4,645,987) of the state waste levy to mitigate the direct impacts on households.

The impact of COVID 19 on Council's expenditure amount to \$614,996 (2020: \$349,009) (refer to note 1(k)).

6 Depreciation and amortisation

	Note	Consolidated		Council	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
Depreciation of non-current assets	12	63,977	64,560	63,945	64,521
Amortisation of intangible assets		594	1,052	594	1,052
Depreciation of right-of-use assets	13(a)	1,202	1,393	1,202	1,393
		65,773	67,005	65,741	66,966

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

7 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, and deposits held at call with financial institutions.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Cash at bank and on hand	1,534	1,132	1,301	685
Deposits at call	192,983	176,809	185,939	171,216
Balance as per Consolidated Statement of Cash Flows	<u>194,517</u>	<u>177,941</u>	<u>187,240</u>	<u>171,901</u>

Council's cash and cash equivalents are subject to a number of restrictions that limit amounts available for discretionary or future use. Council accounts for these restrictions internally using a system of reserves as follows:

Special projects reserve

This reserve holds funds identified for various projects and for funding specific expenditure.

Constrained works reserve

This reserve includes all contributions of monetary revenue received during the reported and previous periods which are constrained for the purpose of funding specific expenditure. The closing balance reported at the year end represents amounts not yet expended and must be retained until expended in the manner specified by the contributor or relevant legislation.

Separate charge reserve - environment

This reserve was established to hold funds levied for the Environment Separate Charge for ongoing maintenance and future capital expenditure for conservation maintenance and environmental land acquisitions. This reserve also holds funds levied for State Emergency Services.

Special charge reserve - canals

This reserve was established to hold funds levied for the Canal Special Charges and the Sovereign Waters Lake Special Charge.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Restricted funds:				
Special projects reserve	7,981	4,631	7,981	4,631
Constrained works reserve	97,001	91,893	97,001	91,893
Separate charge reserve - environment	69	39	69	39
Special charge reserve - canals	856	856	856	856
	<u>105,907</u>	<u>97,419</u>	<u>105,907</u>	<u>97,419</u>
Unrestricted funds	88,610	80,522	81,333	74,482
Total cash and cash equivalents	<u>194,517</u>	<u>177,941</u>	<u>187,240</u>	<u>171,901</u>

Council transitioned its operational banking from the Australia and New Zealand Banking Group (ANZ) to the Commonwealth Bank of Australia (CBA) following a comprehensive tender process. The CBA banking and bill payment services contract allows Council to access until 30 June 2023 the Queensland Whole of Government Transactional Banking and Payment Services Agreement between the State and CBA. RIC banking facilities remain with ANZ.

The group holds the below facilities with the ANZ and CBA to facilitate its operational monetary requirements. Unrestricted access was available at balance date to these facilities and their associated values are:

ANZ Overdraft Facility (RIC)	\$300,000
ANZ Liability for Bank Guarantee	\$50,000
CBA Corporate Charge Card	\$385,000
CBA Intra Day Credit Accommodation	\$5,000,000
CBA Liability for Bank Guarantee	\$2,550,000

Cash is held with ANZ and CBA in normal business cheque accounts. Both banks currently have a short-term credit rating of A-1 + and a long-term credit rating of AA- from Standard & Poor's.

Deposits at call are held with Queensland Treasury Corporation which has a short-term credit rating of A-1 + and a long-term credit rating of AA+ from Standard & Poor's.

Cash is held at a floating interest rate. The weighted average interest rate is 0.76% (2020: 1.60%).

8 Short-term investment

Council's short-term investment includes investment in a fixed term deposit held with CBA. The fixed term deposit is classified as held-to-maturity investment, has fixed interest rate of 0.68% and matures on 21 October 2021.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

9 Trade and other receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase price/contract price, at trade date. Settlement of these amounts is generally within 30 days from the invoice date.

The collectability of receivables is assessed periodically and based on lifetime expected credit losses and any objective evidence of possible default, the carrying amount is reduced for impairment.

All known bad debts were written-off or provided for at 30 June 2021.

Council is empowered under the provisions of the *Local Government Regulation 2012* to sell an owner's property to recover outstanding rate and statutory charges debts, therefore Council generally does not impair rate and statutory charges receivables.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Rates and utility charges	31,144	31,555	31,099	31,555
Trade and other debtors	7,824	4,961	12,686	7,061
GST recoverable	3,778	3,247	3,737	3,048
Less: Allowance for impairment	(1,110)	(948)	(1,094)	(932)
	<u>41,636</u>	<u>38,815</u>	<u>46,428</u>	<u>40,732</u>

Interest is charged on outstanding rates and charges applied to the land at a fixed rate of 8.53% (2020: 9.83%) per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other receivables. Credit risk is measured and managed using an ageing analysis.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Trade and other receivables ageing analysis:				
Fully performing	27,828	25,293	32,665	26,811
Past due:				
31 - 60 days	4,604	7,012	4,595	6,983
61 - 90 days	1,649	111	1,645	96
> 90 days	7,555	6,399	7,523	6,842
	<u>41,636</u>	<u>38,815</u>	<u>46,428</u>	<u>40,732</u>

Trade and other receivables include \$2,061,439 (2020: \$215,935) of contract receivables under AASB 15 and AASB 1058.

10 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average cost.

Net realisable value is determined on the basis of the market value or list price of similar assets available for sale, less the estimated selling expenses.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Inventories held for distribution - measured at cost	859	885	859	880
Land held for development and resale:				
Opening balance at 1 July	1,479	12,970	-	-
Acquisition and related costs	3,996	1,611	-	-
Transfer to cost of goods sold	(2,726)	(1,754)	-	-
Transfer (to)/from other non-current asset class	(444)	(11,348)	-	-
Closing balance at 30 June	<u>2,305</u>	<u>1,479</u>	<u>-</u>	<u>-</u>
	<u>3,164</u>	<u>2,364</u>	<u>859</u>	<u>880</u>

11 Investment property

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Opening balance at 1 July	6,716	5,115	1,225	1,091
Acquisition of investment property	504	876	-	-
Revaluation adjustment	363	489	-	134
Disposal of investment property	(781)	-	-	-
Transfer to non-current assets held for sale	-	236	-	-
Closing balance at 30 June	<u>6,802</u>	<u>6,716</u>	<u>1,225</u>	<u>1,225</u>

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

12 Fixed and intangible assets

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, accumulated depreciation and accumulated impairment losses.

Non-current asset thresholds for recognition purposes are as follows:

Land	\$1
Buildings	\$1
Plant & equipment	\$5,000
Roads	\$5,000
Stormwater drainage	\$5,000
Water & wastewater	\$5,000
Parks	\$5,000
Other infrastructure	\$5,000
Waste	\$5,000
Intangibles	\$5,000

Acquisition and/or construction of assets

Acquisitions of assets are initially recorded at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Wages and material costs incurred in the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of non-current assets are expensed as incurred. Expenditure that relates to the replacement of a major component of an asset to maintain its service potential is capitalised.

Assets received in the form of contributions are recognised as assets and revenue at fair value (by Council valuation) where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation

All asset categories are measured under the revaluation model, at fair value, except for waste, parks, plant and equipment and work in progress which are measured under the cost model.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. The valuation methodology maximises observable inputs where available. This is achieved by comprehensively revaluing these assets at least once every five years by engaging either independent external valuers or suitably qualified internal staff. In interim years, valuations are performed with reference to a suitable index.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Details of valuers and methods of valuations are disclosed in Note 24.

Depreciation and amortisation

Land, earthworks, artwork and heritage assets are not depreciated as they have unlimited useful lives. Depreciation on other fixed assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to Council. Management believes that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Assets are depreciated from the date of acquisition, or in respect of internally constructed assets, from the date an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

Depreciation methods and estimated useful lives of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted, where necessary, to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. Details of the range of estimated useful lives for each class of asset are shown in Note 12(a).

Software has a finite life between 3 and 10 years. Straight line amortisation is used with no residual value.

Land under roads

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

12(a) Property, plant and equipment

Asset class	Note	Land	Buildings	Plant and equipment	Roads	Stormwater drainage	Water and wastewater	Parks	Other infrastructure	Waste	Work in progress	Total
Basis of measurement		Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Cost	Fair value	Cost	Cost	
Range of estimated useful life in years		n/a	10-75	3-10	10-120	20-150	10-134	16-60	15-100	5-70	n/a	

Council - 30 June 2021											
Asset values	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening gross value as at 1 July 2020	278,979	152,560	47,983	919,371	597,248	1,336,107	108,183	297,667	17,090	23,887	3,779,075
Assets not previously recognised or disposed	-	-	-	21	9	23	-	-	-	-	53
Work in progress expenditure	-	-	-	-	-	-	-	-	-	64,469	64,469
Transfers from work in progress	-	-	-	-	-	-	-	-	-	(65,344)	(65,344)
Additions	112	2,431	6,180	30,388	2,386	11,136	8,923	1,272	2,584	-	65,412
Contributed assets at fair value	-	-	27	2,846	3,753	5,439	-	-	-	-	12,065
Disposals	(41)	(266)	(3,715)	(7,926)	(234)	(1,085)	(2,526)	-	-	-	(15,793)
Revaluation adjustments	7,344	-	-	35,625	23,809	39,984	-	-	-	-	106,762
Transfers between asset classes/intangible assets	-	(400)	112	(123)	566	136	(380)	78	-	-	(11)
Assets transferred to/from inventories	444	-	-	-	-	-	-	-	-	-	444
Closing gross value at 30 June 2021	286,838	154,325	50,587	980,202	627,537	1,391,740	114,200	299,017	19,674	23,012	3,947,132
Accumulated depreciation											
Opening balance as at 1 July 2020	-	46,825	25,443	283,203	169,534	562,388	50,218	50,286	2,720	-	1,190,617
Depreciation adjustments	-	-	-	11	1	13	-	-	-	-	25
Depreciation for the year	-	3,301	5,521	15,962	6,474	23,803	4,586	3,955	343	-	63,945
Depreciation on disposals	-	(166)	(3,118)	(5,688)	(63)	(687)	(1,960)	-	-	-	(11,682)
Depreciation on revaluation adjustments	-	-	-	11,707	7,033	17,508	-	-	-	-	36,248
Depreciation on transfers between asset classes/intangible assets	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 30 June 2021	-	49,960	27,846	305,195	182,979	603,025	52,844	54,241	3,063	-	1,279,153
Council book value as at 30 June 2021	286,838	104,365	22,741	675,007	444,558	788,715	61,356	244,776	16,611	23,012	2,667,979
Consolidated book value as at 30 June 2021	286,125	104,672	22,773	675,007	444,558	788,715	61,356	244,776	16,611	22,977	2,667,570

RIC held no material property, plant and equipment as at 30 June 2021. As such, the consolidated results are presented in aggregate.

Land with a carrying value of \$15,298,831 (2020: \$14,833,483) has restricted use as a result of a development management agreement entered into with the Walker Group for development of the Toondah Harbour Priority Development Area (refer Note 19).

Included in land assets above is a property located at 248 Middle Street with a carrying value of \$2,963,891 (2020: \$2,863,663). This property is subject to an operating lease and not held for use by Council. Refer to Note 13 for details of operating leases where Council is lessor.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

12(b) Property, plant and equipment - prior year comparative

Asset class	Note	Land	Buildings	Plant and equipment	Roads	Stormwater drainage	Water and wastewater	Parks	Other infrastructure	Waste	Work in progress	Total
Basis of measurement		Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Cost	Fair value	Cost	Cost	
Range of estimated useful life in years		n/a	10-75	3-10	10-120	20-150	10-134	16-60	15-100	5-70	n/a	
Council - 30 June 2020												
Asset values		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening gross value as at 1 July 2019		258,748	135,397	49,087	890,836	591,590	1,333,154	100,451	299,005	16,465	18,086	3,692,819
Assets not previously recognised or disposed		-	-	(5)	7	157	133	-	-	-	-	292
Work in progress expenditure		-	-	-	-	-	-	-	-	-	68,719	68,719
Transfers from work in progress		-	-	-	-	-	-	-	-	-	(62,918)	(62,918)
Additions		5,888	7,568	6,013	20,397	807	2,006	10,536	7,659	642	-	61,516
Contributed assets at fair value		-	-	-	3,065	3,007	2,809	11	4	-	-	8,896
Disposals		(470)	(258)	(6,843)	(3,963)	(145)	(2,172)	(1,047)	(1,398)	(17)	-	(16,313)
Revaluation adjustments		3,762	(1,144)	-	-	-	-	-	-	-	-	2,618
Revaluation adjustments for assets transfer from non-current assets held for sale		-	10,813	-	1,662	-	-	-	-	-	-	12,475
Transfers between asset classes		-	184	23	7,367	1,832	177	(1,980)	(7,603)	-	-	-
Transfers to/from held for sale/intangible assets		11,051	-	(292)	-	-	-	212	-	-	-	10,971
Closing gross value at 30 June 2020		278,979	152,560	47,983	919,371	597,248	1,336,107	108,183	297,667	17,090	23,887	3,779,075
Accumulated depreciation												
Opening balance as at 1 July 2019		-	55,811	25,913	268,307	163,088	540,753	46,571	47,984	2,511	-	1,150,938
Depreciation adjustments		-	-	(5)	-	60	3	-	-	-	-	58
Depreciation for the year	6	-	4,714	5,533	17,054	6,435	23,589	4,283	2,687	226	-	64,521
Depreciation on disposals		-	(130)	(5,789)	(3,100)	(49)	(1,957)	(822)	(385)	(17)	-	(12,249)
Depreciation on revaluation adjustments		-	(16,126)	-	-	-	-	-	-	-	-	(16,126)
Depreciation on revaluation adjustments for assets transfer from non-current assets held for sale		-	2,556	-	943	-	-	-	-	-	-	3,499
Depreciation on transfers between asset classes		-	-	-	(1)	-	-	1	-	-	-	-
Depreciation on transfers to/from held for sale/intangible assets		-	-	(209)	-	-	-	185	-	-	-	(24)
Accumulated depreciation at 30 June 2020		-	46,825	25,443	283,203	169,534	562,388	50,218	50,286	2,720	-	1,190,617
Council book value as at 30 June 2020		278,979	105,735	22,540	636,168	427,714	773,719	57,965	247,381	14,370	23,887	2,588,458
Consolidated book value as at 30 June 2020		279,067	106,056	22,600	636,168	427,714	773,719	57,965	247,381	14,370	23,478	2,588,518

RIC held no material property, plant and equipment as at 30 June 2020. As such, the consolidated results are presented in aggregate.

Land with a carrying value of \$14,833,483 (2019: \$14,565,134) has restricted use as a result of a development management agreement entered into with the Walker Group for development of the Toondah Harbour Priority Development Area (refer Note 19).

Included in land assets above is a property located at 248 Middle Street with a carrying value of \$2,863,663. This property is subject to an operating lease and not held for use by Council. Refer to Note 13 for details of operating leases where Council is lessor.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

13 Leases

Council as a lessee

Where Council assesses that an agreement contains a lease, a right-of-use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received and is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with AASB 136 *Impairment of Assets*.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / Concessionary / Peppercorn leases

Council has elected to measure the right-of-use asset arising from the concessionary/peppercorn leases at cost which is based on the associated lease liability at initial recognition.

13(a) Terms and conditions of leases

Council has leases in place over land, buildings, and plant and equipment.

Land

Council leases eleven parcels of land from the Department of Resources which are used for various community benefits. The term of these leases range between 20 and 50 years, with no renewal options available to Council. Annual lease payments are calculated to be 6% of the property valuation, which is subject to change year on year.

Council leases one parcel of land which is used as a carpark for public benefit. The term of this lease is four years, with no renewal options available to Council. This lease represents a concessionary lease, where consideration by way of lease payments has been calculated to equate to the rates and charges Council will collect on this property. Therefore, Council has elected to measure the right-of-use asset arising from this lease at cost, based on the associated liability at initial recognition.

Buildings

Council leases two buildings, one of which is used as a library, and the other is used as a visitor information centre. The term of these leases are 10 years and 3 years respectively, with one lease containing a renewal option which was exercised during the 2019-20 financial period at Council's discretion. One of the leases includes a fixed annual increase to lease payments of 4%, with the other lease not subject to any changes to lease payments year on year.

Plant and Equipment

Council has three leasing contracts in place for plant and equipment - a lease for an electric vehicle; a lease for multiple waste transfer bins; multiple bulk bins and waste collection vehicles; and a lease for two road sweeping vehicles. The term of these leases range between 1 and 12 years, each requiring fixed payments for the term of the lease.

A lease liability and right-of-use asset has not been recognised for the lease of waste collection vehicles, bulk bins, and road sweeping vehicles, as the consideration for these leases is completely variable based on usage with no dependency on an index or rate, and with no fixed payments. As a result, the lease payments are recognised within the Statement of Comprehensive Income as an expense when incurred and invoiced by the lessor. Refer to "Amounts included in the Statement of Comprehensive Income related to leases" section below for the total expense incurred in the 2020-2021 financial period in relation to waste collection vehicles, bulk bins, and road sweeping vehicles.

Right-of-use assets

Council	Land \$ \$000	Buildings \$ \$000	Plant & Equipment \$ \$000	Total \$ \$000
Balance at 1 July 2020	3,247	3,315	563	7,125
Additions to right-of-use assets	-	-	-	-
Adjustments to right-of-use assets due to remeasurement of lease liability	90	15	-	105
Depreciation charge	(413)	(595)	(194)	(1,202)
Impairment of right-of-use assets	-	-	-	-
Balance at 30 June 2021	2,924	2,735	369	6,028

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

13 Leases - continued

13(a) Terms and conditions of leases - continued

Right-of-use assets

Council - prior year comparison	Land \$ \$000	Buildings \$ \$000	Plant & Equipment \$ \$000	Total \$ \$000
Adoption of AASB 16 at 1 July 2019	3,564	3,912	917	8,393
Transfer from leased assets (former finance leases)	-	-	-	-
Additions to right-of-use assets	98	-	-	98
Adjustments to right-of-use assets due to remeasurement of lease liability	-	-	27	27
Depreciation charge	(415)	(597)	(381)	(1,393)
Impairment of right-of-use assets	-	-	-	-
Balance at 30 June 2020	3,247	3,315	563	7,125

13(b) Lease liabilities

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the Consolidated Statement of Financial Position.

Council	< 1 year \$000	1-5 years \$000	> 5 years \$000	Total contractual cash flows \$000	Total per statement of financial position \$000
2021	1,256	4,220	2,262	7,738	6,979
2020	1,438	4,782	2,724	8,944	8,069

Liabilities not recognised - extension options

When lease contracts provide Council with extension options that can be exercised at Council's discretion, at each reporting date Council assesses whether it is reasonably certain that the extension options will be exercised based on current operations and Council strategy.

As at 30 June 2021, all extension options available to Council have been assessed as reasonably certain of being exercised, and have been included within the lease liability.

Amounts included in the Consolidated Statement of Comprehensive Income related to leases

The following amounts have been recognised in the Consolidated Statement of Comprehensive Income for leases where Council is the lessee

Council	2021 \$000	2020 \$000
Interest on lease liabilities	145	165
Variable lease payments based on usage not included in the measurement of lease liabilities	6,741	6,596
Income from sub-leasing right-of-use assets	(36)	(38)
Depreciation of right-of-use assets	1,202	1,393
Expenses relating to short-term leases	-	6
	8,052	8,122
Total cash outflows for leases	7,017	7,535

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

13 Leases - continued

13(c) Leases at significantly below market value - Concessionary / peppercorn leases

As stated within the "Terms and conditions of leases" section above, Council has one lease in place with lease payments of \$25k per annum which is deemed significantly below market for land of similar use. Council's use of the right-of-use asset is restricted by the lessor to the specified permitted use per the lease contract, being 'car parking'.

Council considers this concessionary / peppercorn lease not material.

13(d) Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term.

Finance leases:

Council does not have any finance leases in place.

Operating leases:

Where Council retains the risks and rewards relating to a lease, the lease is classified as an operating leases.

The minimum lease receipts arising from operating leases are as follows:

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Operating Leases				
Not later than one year	880	710	663	452
Between one and two years	731	550	602	399
Between two and three years	358	454	311	385
Between three and four years	273	302	226	297
Between four and five years	180	225	149	225
Later than five years	734	883	734	883
	3,156	3,124	2,685	2,641

The assets are included in the statement of financial position as:

- investment property - where the asset is held predominantly for rental or capital growth purposes (refer note 11) or
- property, plant and equipment - where the rental is incidental or the asset is held to meet Council's service delivery objectives (refer note 12).

Assets classified as investment property:

Council's wholly owned subsidiary Redland Investment Corporation Pty Ltd has entered into commercial property leases on its investment property, specifically Cleveland Plaza.

Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.

The minimum lease receipts arising from operating leases are as follows:

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Rental income (excluding variable lease payments not dependent on an index or rate)	291	303	-	-
Rental income relating to variable lease payments not dependent on an index or rate	-	-	-	-
Direct operating expenses from property that generated rental income	128	148	-	-

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council, accumulated allowance for uncollectible minimum lease payments receivable or contingent rents recognised as income applicable to the leases.

There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal. The council does not have any contractual obligations to purchase, construct or develop investment property.

Assets classified as property, plant and equipment:

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Rental income (excluding variable lease payments not dependent on an index or rate)	550	576	550	576
Rental income relating to variable lease payments not dependent on an index or rate	-	-	-	-

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

13 Leases - continued

Amount of property, plant and equipment leased out by Council under operating leases:

	Note	Consolidated		Council	
		2021	2020	2021	2020
		\$000	\$000	\$000	\$000
Land		3,827	3,697	3,827	3,697
Buildings		1,598	1,647	1,598	1,647
Total property, plant and equipment leased out by Council under operating leases		<u>5,425</u>	<u>5,344</u>	<u>5,425</u>	<u>5,344</u>

14 Trade and other payables

Creditors and accruals are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase or contract price. Amounts owing are unsecured and generally settled within 30 days.

Creditors and accruals are expected to be settled within 12 months and includes accrued salaries and wages.

Annual leave represents the amount which Council has a present obligation to pay resulting from employees' services provided up to the reporting date. As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability. Of the consolidated annual leave balance, \$6,028,082 (2020: \$5,516,308) is expected to be settled within 12 months from the balance date and \$1,602,085 (2020: \$2,429,196) is expected to be settled after 12 months.

	Note	Consolidated		Council	
		2021	2020	2021	2020
		\$000	\$000	\$000	\$000
Creditors and accruals		37,938	34,875	37,900	34,387
Annual leave		7,630	7,946	7,575	7,880
		<u>45,568</u>	<u>42,821</u>	<u>45,475</u>	<u>42,267</u>

15 Borrowings

15(a) Current

Loans - Queensland Treasury Corporation (QTC)

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
	8,919	8,326	8,919	8,326
	<u>8,919</u>	<u>8,326</u>	<u>8,919</u>	<u>8,326</u>

15(b) Non-current

Loans - Queensland Treasury Corporation (QTC)

	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
	35,233	32,852	35,233	32,852
	<u>35,233</u>	<u>32,852</u>	<u>35,233</u>	<u>32,852</u>

15(c) Movement in loans:

Opening balance at 1 July	41,178	37,266	41,178	37,266
Loan repayment - principal*	(6,369)	(5,530)	(6,369)	(5,530)
Loan repayment - interest	(2,048)	(2,416)	(2,048)	(2,416)
Accrued interest expense	1,779	2,058	1,779	2,058
Loan drawdown	9,612	9,800	9,612	9,800
Closing balance at 30 June	<u>44,152</u>	<u>41,178</u>	<u>44,152</u>	<u>41,178</u>

* Council's borrowing capacity is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*. All Council borrowings are sourced from QTC.

The market value of QTC loans at the reporting date was \$45,827,175 (2020: \$44,517,770). This represents the debt value at the current market interest rate if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. No assets have been pledged as security by Council for any liabilities, however all loans are ultimately guaranteed by the Queensland Government. Expected final repayment dates vary from 15 July 2021 to 15 July 2040. There have been no defaults or breaches of the loan agreement during the year.

Borrowings are in AUD denominated amounts and carried at amortised cost. Interest is expensed as it is incurred. The weighted average borrowing rate is 4.62% (2020: 5.67%). Borrowings are on a fixed rate. No borrowing costs were capitalised on qualifying assets.

Council measures and manages its exposure to liquidity risk through a maturity analysis. The remaining contractual cash flows of financial liabilities at the end of the reporting period were:

	Note	Consolidated		Council	
		2021	2020	2021	2020
		\$000	\$000	\$000	\$000
Less than 1 year		9,000	8,417	9,000	8,417
1 to 5 years		21,531	24,180	21,531	24,180
Over 5 years		20,122	14,708	20,122	14,708
Total contractual cash flows		<u>50,653</u>	<u>47,305</u>	<u>50,653</u>	<u>47,305</u>
Carrying amount		44,152	41,178	44,152	41,178

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

16 Provisions

Employee benefit provisions

Employee benefits are classified as provisions when the timing or amount of the future payment is uncertain. Employee benefit provisions are further classified as current if they are expected to be settled within 12 months after the end of the period in which the employees render the related service or as non-current if they are not expected to be settled within 12 months after the end of the period in which the employees render the related service.

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using projected future increase in the current pay rates including oncosts, the probability of the employee remaining in Council's employment or other associated employment as well as the timing of leave payouts. The payments are discounted using market yields of Commonwealth Government bonds at the end of the reporting period with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Rehabilitation provisions

A provision is made for the cost of restoration in respect of landfills and represents the present value of the anticipated future costs of decontamination and monitoring of historical residues and leaching on these sites.

A provision is also made for the cost of restoration of the German Church Road quarry and represents the present value of the anticipated future costs associated with the closure of the quarry and the rehabilitation of this site.

The calculation of these provisions requires assumptions such as application of environmental legislation, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Due to the long-term nature of the liabilities, the most significant uncertainty in estimating the provision is the cost that will be incurred. The provisions recognised for landfill and quarry sites are reviewed at least annually and updated based on the facts and circumstances available at the time.

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
16(a) Current				
Landfill rehabilitation	3,969	2,226	3,969	2,226
Workers compensation	915	491	915	491
Long service leave	12,535	11,697	12,535	11,697
	17,419	14,414	17,419	14,414
16(b) Non-current				
Quarry rehabilitation	410	445	410	445
Landfill rehabilitation	17,990	10,814	17,990	10,814
Workers compensation	1,051	728	1,051	728
Long service leave	2,097	2,249	1,996	2,175
	21,548	14,236	21,447	14,162
16(c) Long service leave				
Current long service leave (expected settlement within 12 months)	1,284	1,325	1,284	1,325
Current long service leave (expected settlement after 12 months)	11,251	10,372	11,251	10,372
Non-current long service leave*	2,097	2,249	1,996	2,175
Total long service leave	14,632	13,946	14,531	13,872

* The non-current portion relates to employees who have not yet reached the required years of service to be entitled to take long service leave.

16(d) Movements in provisions

Quarry rehabilitation

Opening balance at 1 July	445	404	445	404
Increase/(decrease) in provision	(35)	41	(35)	41
Closing balance at 30 June	410	445	410	445

This is the estimated present value cost of restoring the quarry site to as near its original condition as possible at the end of its useful life.

Landfill rehabilitation

Opening balance at 1 July	13,040	14,252	13,040	14,252
Increase/(decrease) in provision due to change in discount rate and costs	10,572	418	10,572	418
Provision utilised during the period	(1,769)	(1,677)	(1,769)	(1,677)
Increase in provision due to passage of time - borrowing costs	116	47	116	47
Closing balance at 30 June	21,959	13,040	21,959	13,040

This is the estimated present value cost of restoring closed landfill sites across the city and is based on Council's 10 year expenditure program. The program is funded by a separate charge. During the 2020-2021 financial year an increase in the provision for the refuse landfill sites of \$10,687,846 was recognised largely due to updated estimates of cost inputs for remediation work following additional investigations.

The findings of investigation works are used to determine appropriate long-term strategies to manage the area for the benefit of local sporting communities to ensure there is no adverse risk to people or the environment while maintaining the suitability of sites for ongoing use as public open space.

Extensive communication has occurred with the Department of Environment and Science (DES) around the investigations to finalise its remediation approach. The remediation will be overseen by Council's appointed Contaminated Land Auditor (CLA) and external consultants.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

16 Provisions - continued

16(d) Movements in provisions - continued

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
<u>Workers compensation</u>				
Opening balance at 1 July	1,219	1,089	1,219	1,089
Adjustment for period	747	130	747	130
Closing balance at 30 June	1,966	1,219	1,966	1,219
<u>Long service leave</u>				
Opening balance at 1 July	13,946	13,064	13,872	13,013
Long service leave entitlement raised	1,845	2,195	1,818	2,172
Long service entitlement used/extinguished	(760)	(952)	(760)	(952)
Long service entitlement paid	(399)	(361)	(399)	(361)
Closing balance at 30 June	14,632	13,946	14,531	13,872

17 Other current liabilities

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Unearned revenue	1,439	955	1,439	955
Prepaid rates	1,729	1,162	1,729	1,162
Unearned grants	3,029	317	3,029	317
	6,197	2,434	6,197	2,434

Other current liabilities include \$3,028,552 (2020: \$316,920) of contract liabilities under AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*.

18 Asset revaluation surplus

The closing balance of the asset revaluation surplus comprises the following asset categories. Increases and decreases on revaluation are offset within the same asset categories.

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Land	100,594	93,250	100,594	93,250
Buildings	76,998	76,998	76,998	76,998
Roads	294,377	270,459	294,377	270,459
Stormwater drainage	234,892	218,116	234,892	218,116
Water and wastewater	199,614	177,138	199,614	177,138
Other infrastructure	199,879	199,879	199,879	199,879
	1,106,354	1,035,840	1,106,354	1,035,840

19 Commitments

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Operating contractual commitments				
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:				
Roadworks	115	203	115	203
Water and wastewater	2,373	2,381	2,373	2,381
Waste	148,494	164,844	148,494	164,844
Other	66,609	41,781	66,561	41,781
	217,591	209,209	217,543	209,209
These expenditures are payable:				
Within 1 year	78,844	57,424	78,819	57,424
1 to 5 years	86,892	91,082	86,879	91,082
Greater than 5 years	51,855	60,703	51,845	60,703
	217,591	209,209	217,543	209,209
Capital contractual commitments				
Commitments for the construction of the following assets contracted for at year end but not recognised as liabilities are as follows and are payable within 1 year:				
Roadworks	31	-	31	-
Water and wastewater	1,051	1,230	1,051	1,230
Waste	11	89	11	89
Other	14,585	9,164	14,585	9,164
	15,678	10,483	15,678	10,483

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

19 Commitments - continued

Council has entered into a Development Agreement (DA) with the Minister for Economic Development Queensland (MEDQ) and Walker Group (Walker) to develop land owned by Council and the State as part of the Toondah Harbour project. The DA was executed in February 2016 and is currently in the environmental approvals phase of the project. In accordance with the DA, Council land to be developed by Walker as part of this project, is included in property, plant and equipment and has a carrying value of \$15,298,831 (2020: \$14,833,483). A portion of the land will be developed for community infrastructure and will be transferred (where not already owned) to Council.

20 Contingent liabilities and contingent assets**Contingent liabilities:**

Details and estimates of contingent liabilities as at 30 June 2021 are as follows:

Workers' compensation self-insurer liability

The estimated claims liability for Council as a self-insurer under the *Workers' Compensation and Rehabilitation Act 2003* ('the Act') as at 30 June 2021 is \$1,793,000 (2020: \$1,255,000) where estimated claims liability is defined in Section 84 of the Act. The Actuary has recommended that a provision be recognised for \$1,966,000 (2020: \$1,219,000) for the total estimated claims liability. Council has in place a bank guarantee with the CBA Banking Group Ltd for \$2,550,000 (2020: \$2,550,000 with ANZ).

Local Government Mutual

Council is a member of the Queensland Local Government Mutual Liability (LGM Queensland) self-insurance pool. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2020 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Other claims

The Quandamooka-Redland City Council Indigenous Land Use Agreement (ILUA) sets out broad principles and mechanisms for how parties will work together and meet their respective responsibilities for mutual benefits in accordance with the *Native Title (Queensland) Act 1993*. The ILUA establishes native title validation and consultation for Council's projects and a framework for other policies, programmes and initiatives for the mutual benefit of parties and local community.

Council is a defendant in a number of claims including a class action claim that arise as a result of the operations of Council and its ownership of public assets. On 13 September 2021, a determination on the class action claim was received by Council. At the time of this disclosure Council is unable to reliably estimate the value of the outcome, and further legal proceedings may establish a reliable estimate of Council's probable liability. All liability claims are subject to review and are only provided for when genuine and not contingent on a future event. Liability and insurance claims not provided for are disclosed as contingent liabilities.

Information in respect of individual claims has not been disclosed on the basis that Council considers such disclosures would seriously prejudice the outcome of these claims.

Landfill remediation

Council has historically recognised, and continues to recognise, a provision for the remediation of former landfill sites throughout the city to ensure compliance with legal obligations. The legal obligation is broad and covered in a range of legislation such as the *Environmental Protection Act 1994*, *Petroleum and Gas (Production and Safety) Act 2004*, *Planning Act 2016* and *Work Health and Safety Act 2011*, plus subordinate legislation (such as various regulations and codes of practice) and other industry guidelines.

Council is taking a risk-based approach to justify and prioritise expenditure for managing these landfills with aftercare management plans under development for each site. Risks will continue to be reviewed and updated in line with relevant information from site inspections, detailed investigations, environmental monitoring results, asset owner feedback, site master plans and other service standards. Costs may change over time and at least annually, this program will be reviewed to reflect the dynamic circumstances against Council's prudence and efficiency measures.

Contingent assets:

Council has no contingent assets at the date of this report.

21 Superannuation

Council contributes to the LGIA Super Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIA Super trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the Council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of Council.

Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIA Super trust deed changes to Council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

REDLAND CITY COUNCIL

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For the year ended 30 June 2021

21 Superannuation - continued

	Consolidated		Council	
	2021	2020	2021	2020
Note	\$000	\$000	\$000	\$000
No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions				
The next triennial actuarial review is not due until 1 July 2021.				
The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:				
<ul style="list-style-type: none"> Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall. Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded. 				
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of Councillors was:				
	144	154	144	154
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of the Executive Leadership Team was:				
	286	289	286	289
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of all other employees was:				
	9,005	8,879	9,005	8,879

22 Trust funds

	Consolidated		Council	
	2021	2020	2021	2020
Note	\$000	\$000	\$000	\$000
Monies collected or held on behalf of other entities				
	3,801	3,858	3,801	3,858
These funds relate to monies yet to be paid out to or on behalf of those entities and Council performs only a custodial role in respect of these monies. Council separately accounts for all trust funds through a dedicated trust ledger and within a separate account whereby balances are excluded from the Consolidated Statement of Financial Position.				

23 Reconciliation of net result for the year to net cash flows from operating activities

	Consolidated		Council	
	2021	2020	2021	2020
Note	\$000	\$000	\$000	\$000
Net result	20,490	16,035	20,808	17,586
<u>Non-cash items</u>				
Depreciation and amortisation	6 65,773	67,005	65,741	66,966
Asset not previously recognised or disposed	(29)	(235)	(29)	(235)
Net accrued interest	(265)	(358)	(268)	(358)
Non-cash contributions	(12,064)	(8,897)	(12,064)	(8,897)
Bad and doubtful debts	179	303	163	287
Fair value adjustment - investment property	(363)	(489)	-	(134)
	53,231	57,329	53,543	57,629
<u>Investing and development activities</u>				
Net loss on disposal of non-current assets	3,081	2,507	3,079	1,200
Capital grants and contributions	3(d)(ii) (23,576)	(18,248)	(23,841)	(18,248)
	(20,495)	(15,741)	(20,762)	(17,048)
<u>Changes in operating assets and liabilities</u>				
(Increase)/decrease in trade and other receivables	(2,532)	(10,308)	(2,208)	(9,419)
(Increase)/decrease in other current assets and inventories	(1,117)	9,175	162	2,097
Increase/(decrease) in trade and other payables	2,858	4,635	3,181	8,536
Increase/(decrease) in provisions	10,318	(161)	10,289	(184)
Increase/(decrease) in other current liabilities	1,033	(5,951)	1,033	(5,807)
	10,560	(2,610)	12,457	(4,777)
Net cash inflow/(outflow) from operating activities	63,786	55,013	66,046	53,390

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

24 Fair value measurements

The carrying amount of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment where relevant. The carrying value of cash and cash equivalents is a reasonable approximation of fair value and therefore separate disclosures of the fair values are not required.

Investments in 100% controlled entities and investments in other entities do not have a quoted market price in an active market and are valued at cost less any impairment. Shares in controlled entities have been eliminated on consolidation.

Redland City Council measures land, buildings, infrastructure assets and investment property at fair value on a recurring basis.

In accordance with AASB 13, fair value measurements are categorised on the following basis:

Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

Fair value based on inputs that are directly or indirectly observable for the asset or liability (Level 2)

Fair value based on unobservable inputs for the asset and liability (Level 3)

All fair value measurements are recurrent and categorised as either Level 2 or Level 3. Council does not hold any assets valued using Level 1 inputs. Where all significant inputs used to value the asset are observable, the asset is valued at Level 2. However, if one or more of the significant inputs are unobservable, the asset is valued as Level 3.

The following table represents the material asset classes measured and recognised at fair value at 30 June 2021.

2021	Gross value	Written down value	Level 2	Level 3
	\$000	\$000	\$000	\$000
Land	286,838	286,838	28,491	258,347
Buildings	154,325	104,365	-	104,365
Roads	980,202	675,007	-	675,007
Stormwater drainage	627,537	444,558	-	444,558
Water and waste water	1,391,740	788,715	-	788,715
Other infrastructure	299,017	244,776	-	244,776
	3,739,659	2,544,259	28,491	2,515,768

The following table represents the material asset classes measured and recognised at fair value at 30 June 2020.

2020	Gross value	Written down value	Level 2	Level 3
	\$000	\$000	\$000	\$000
Land	278,979	278,979	27,919	251,060
Buildings	152,560	105,735	-	105,735
Roads	919,371	636,168	-	636,168
Stormwater drainage	597,248	427,714	-	427,714
Water and waste water	1,336,107	773,719	-	773,719
Other infrastructure	297,667	247,381	-	247,381
	3,581,932	2,469,696	27,919	2,441,777

Council's policy is to recognise transfers in and out of the fair value hierarchy levels (if any) at the end of the reporting period and is consistent with the previous year. Details of valuation movements are shown in Note 12. The additional in year movements for land assets held at Level 2 and Level 3 are reflected in the table below.

2021 Land	Level 2	Level 3	Total
	\$000	\$000	\$000
Opening balance 1 July 2020	27,919	251,060	278,979
Additions and contributions	(38)	150	112
Disposals	(29)	(12)	(41)
Transfer Level 2 to Level 3	-	-	-
Transfers between asset classes	-	-	-
Asset transfers to /from inventories	-	444	444
Revaluation	639	6,705	7,344
Closing balance 30 June 2021	28,491	258,347	286,838

2020 Land	Level 2	Level 3	Total
	\$000	\$000	\$000
Opening balance 1 July 2019	30,445	228,303	258,748
Additions and contributions	1,511	4,377	5,888
Disposals	(74)	(396)	(470)
Transfer Level 2 to Level 3	(1,789)	1,789	-
Asset transfers	-	11,051	11,051
Asset transfers to /from inventories	-	-	-
Revaluation	(2,174)	5,936	3,762
Closing balance 30 June 2020	27,919	251,060	278,979

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

24 Fair value measurements - continued

Valuation techniques used to derive fair values

The specific valuation techniques used to value Council's assets are documented below. Fair value represents the highest and best use of the assets having regard to the optimal financial, physical and legal use of the asset. Residual values have not been applied to any asset category.

Land

All Council freehold land was comprehensively valued as at 30 June 2020 by qualified independent external valuer, AssetVal Pty Ltd (AssetVal).

The valuations were based on publicly available data on sales of similar land in nearby localities applying a direct comparison method. Where an active market exists and there are no unreasonable restrictions as to use and/or sale, the land was deemed to be valued as Level 2.

Where no active market existed, or there were restrictions on the use and/or sale, the land was assessed as Level 3. Land carrying a parkland zone, or land utilised for footpath or access restriction purposes, or due to its general characteristics, land that has no observable active market, has been assessed as Level 3. The most significant input to the determination of fair value is the value per square metre.

Qualified external valuer AssetVal was commissioned to undertake an independent indexation analysis as at 30 June 2021.

Recent land sales trends and other market evidence were considered. AssetVal's report further indicated that the market the asset is transacted or assessed in is being impacted by the uncertainty the COVID 19 outbreak has caused. Given the valuation uncertainty, it was recommended that the valuation report be reviewed periodically.

The recommended indexation rate for mainland assets as at 30 June 2021 is 3.5%.

Buildings

All buildings were comprehensively valued as at 30 June 2020 by independently qualified external valuer, Australia Pacific Valuers Pty Ltd (APV). Due to the specialist nature of these assets and the absence of an active market, fair value was assessed by using the Cost Approach, however has been informed by property sales data where relevant and available. For the purpose of Fair Value Measurement disclosures, the assets were valued using cost valuation technique and level 3 valuation hierarchy.

The Cost Approach valuation methodology is based on determining the replacement cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

Complex assets have been componentised and depreciated separately. This included further splitting each component into the short-life and long-life parts to differentiate between that part of the component that is renewed and that part which is recycled. As they have a different useful life they are to be depreciated separately.

The Fair Value has been determined by applying the following process:

- Determine the replacement cost (gross).
- Determine the components and where relevant split between short-life and long-life parts based on planned asset management strategies.
- Determine the depreciable amount for each part by assessing the residual value (typically zero).
- Assessing the level of remaining service potential of the depreciable amount of each component (short-life and long-life parts).
- Summing the calculated value of the short-life part and long-life part together to determine the value of each component.
- Summing the value of each component together to determine the Fair Value (replacement cost).

Physical site inspections were carried out by APV on a sample of buildings. The purpose was to confirm the existence and assess the condition of the buildings. The condition assessment was used as an indication of how the assets are contributing to the current performance and to determine fair value accordingly. For buildings not assessed as part of the revaluation exercise, APV utilised the recent condition assessment data prepared by the FCT Management Group as a basis to derive fair values.

Qualified external valuer, APV was commissioned to undertake an independent indexation analysis at 30 June 2021. Various published indices were used to identify construction cost trends, the unit sales applied in the valuation also considered design standard and/or regulatory requirement of the various building types and applied the indices in construction costs for the index period ending 30 June 2021.

APV's report further indicated that the market the assets are valued in is being impacted by the uncertainty that the COVID 19 outbreak has caused. However, in the recent situation, it is the valuer's opinion that in the short term there would be no material change in values.

The proposed indexation rate for building as at 30 June 2021 is 1.0%. As the change is immaterial, Council will not account for the indexation impact as recommended by APV.

Road infrastructure assets

Road assets were comprehensively valued as at 30 June 2018 by Cardno (QLD) Pty Ltd (Cardno). As these are specialist public service assets that are rarely independently sold, current replacement cost was determined as the most appropriate valuation method. These assets were considered to have been valued using Level 3 inputs.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

24 Fair value measurements - continued

Road infrastructure assets - continued

Unit rates were determined with reference to recent Council construction data, Cardno developed databases and cost curves, Rawlinsons Australia Construction Handbook, and other published building indices. These rates were applied to the asset specifications including depth, length and width. Unit rates take into consideration material, labour, service and overhead costs (survey 6.0%, design 5.0%, engineering supervision 3.0%, project management 6.0%). All roads are divided into segments and componentised into earthworks, base, sub-base and surface to reflect different lives to each component.

Useful lives were developed by Cardno with reference to common engineering and industry practice standards and Council's historical evidence. The expected lives of roads assets were determined with reference to material types and construction methods and allowance was made for assets located on the islands.

The remaining useful lives were determined on an aged basis with reference to the total expected life of the asset and as a result the accumulated depreciation was calculated on a straight line basis. The significant unobservable inputs used in the valuation of road infrastructure assets were: expected useful life and remaining life.

Qualified external valuer, Cardno, was commissioned to undertake an independent indexation analysis of road infrastructure assets at 30 June 2021. The review was based on consideration of general economic conditions; specific industry or market report conditions relevant for the asset under review; and changes to relevant legislation, standard, construction techniques or inputs. The indices provided reflect the impact of COVID 19 on construction works for the relative period. The movement in the reference indices is not material which adds weight to an overall stable outlook for 2020-2021 construction period.

Cardno advised that the cumulative movement for road infrastructure asset at 30 June 2021 is 4.0%.

Stormwater drainage infrastructure assets

Stormwater drainage assets were independently valued as at 30 June 2018 by qualified external valuer, Cardno. As these are specialist public service assets that are rarely independently sold, replacement cost was determined as the most appropriate valuation method. These assets were considered to have been valued using Level 3 inputs. Unit rates and replacement costs were determined with reference to recent Council construction data, Cardno developed databases and cost curves, Rawlinsons Australia Construction Handbook, and other building indices. These rates were applied to the asset specifications including depth, length and width. Unit rates take into consideration material, labour, service and overhead costs (survey 6.0%, design 5.0%, engineering supervision 3.0%, project management 6.0%).

Other cost factors considered when developing replacement costs for passive assets were soil and development type, economies of scale and asset depth. These factors together with the expected useful life and remaining life are considered the significant unobservable inputs used in the valuation.

Useful lives were developed by Cardno with reference to common engineering and industry practice standards and Council's historical evidence. Where appropriate the lives of assets located within 50m of the coast or in poor soils were adjusted to reflect a varied life expectancy.

The remaining useful lives were determined on an aged basis with reference to the total expected life of the asset and as a result, the accumulated depreciation was calculated on a straight line basis. Assets are componentised to reflect varying expected lives and consumption patterns.

Qualified external valuer, Cardno, was commissioned to undertake an independent indexation analysis of stormwater drainage infrastructure assets at 30 June 2021. The review was based on consideration of general economic conditions; specific industry or market report conditions relevant for the asset under review; and changes to relevant legislation, standard, construction techniques or inputs. The indices provided reflect the impact of COVID 19 on construction works for the relative period. The movement in the reference indices is not material which adds weight to an overall stable outlook for 2020-2021 construction period.

Cardno advised that the cumulative movement for stormwater drainage infrastructure assets at 30 June 2021 is 4.0%.

Water and wastewater infrastructure assets

Water and wastewater assets were comprehensively valued as at 30 June 2017 by registered valuer, Cardno. Current replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold and as such were classified as being valued using Level 3 inputs. Significant components with differing expected useful lives and replacement costs were valued separately.

Replacement costs were based on the replacement of the assets with a modern, engineering equivalent with cost factor adjustments applied to reflect the location and site conditions likely on replacement. The costs have been resourced with reference to researched cost data for recent Redland City Council projects and industry costing data and include 20.0% oncosts (survey 6.0%, design 5.0%, construction supervision 3.0%, and project management 6.0%).

Cost factors taken into consideration when determining replacement cost of underground assets were soil and development type. An additional cost factor was applied to all assets located in island locations.

Remaining useful lives of the assets were determined with consideration to the age and condition where assessed, with reference to useful lives developed by Cardno using common engineering and industry practice standards and assessed against Council data.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

24 Fair value measurements - continued**Water and wastewater infrastructure assets -continued**

The condition of passive assets was determined with reference to the age of the assets, while the condition of active assets was determined by Cardno through sampled visual inspection against predetermined condition criteria. Condition inspections were conducted on an additional sample of wastewater pump stations during the 2018-19 financial year and these informed the remaining life assessments of these assets.

Condition assessments were assessed against expected useful lives to determine indicative remaining useful lives and determine accumulated depreciation and fair value.

The significant unobservable inputs used in the valuation were soil, development and island factors; asset condition (active assets); and total expected life and remaining life.

Qualified external valuer, Cardno, was commissioned to undertake an independent indexation analysis of water and wastewater assets at 30 June 2021. The review was based on consideration of general economic conditions; specific industry or market report conditions relevant for the asset under review; and changes to relevant legislation, standard, construction techniques or inputs. The indices provided reflect the impact of COVID 19 on construction works for the relative period. The movement in the reference indices is not material which adds weight to an overall stable outlook for 2020-2021 construction period.

Cardno recommended to apply an index of 3.0% to the water and waste water assets to bring the values up to 30 June 2021.

Other infrastructure assets

These assets include marine, jetty facilities and seawalls and were comprehensively valued as at 30 June 2019 by independent qualified external valuer, Cardno. Current replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold.

The condition assessment inspections were conducted on all marine beacons, ramps, jetties, piles, foreshores access stairs, and swimming enclosures. The purpose of the inspections was to confirm the existence of the assets, its attributes and measurements and determine current condition. The fair value calculation was based primarily on condition, where condition data was not available age was used.

Replacement cost was determined with reference to Council's historical construction records, Cardno's own database of construction costs and other published cost guides. Transportation and other costs unique to work completed on the islands has been taken into consideration by applying an island factor to these assets.

Remaining useful lives were assigned based on physical assessment of the condition of the assets as noted by the valuer during inspection including factors such as the age of the asset, overall condition, economic and/or functional obsolescence. The assets were depreciated with reference to expected useful lives determined through application of industry standards, including the Institute of Public Works Engineering Australia (IPWEA), historic assessment of similar assets, and experience gained from similar valuations by Cardno.

Other infrastructure assets have no market due to their specialised nature. As a result, their current use is their highest and best use. As there is a significant level of professional judgement used in determining the valuation due to the level of unobservable data it has been determined that the overall data level applying to the valuation of Council's assets is Level 3.

The significant unobservable inputs used in the valuation were asset condition, total expected life and remaining life.

Qualified external valuer, Cardno, was commissioned to undertake an independent indexation analysis of other infrastructure assets at 30 June 2021. The review was based on consideration of general economic conditions; specific industry or market report conditions relevant for the asset under review; and changes to relevant legislation, standard, construction techniques or inputs. The indices provided reflect the impact of COVID 19 on construction works for the relative period. The movement in the reference indices is not material which adds weight to an overall stable outlook for 2020-2021 construction period.

Cardno advised that the costs as at 30 June 2021 for other infrastructure assets have not materially changed since the comprehensive valuation undertaken in June 2019.

25 National Competition Policy**Business activities to which the Code of Competitive Conduct (CCC) is applied**

A government business activity is one which competes with private businesses and exceeds thresholds under *Local Government Regulation 2012*. In order to remove any advantages or disadvantages, the competitive neutrality principle must be applied.

Council applied the CCC to the following significant business activities during the financial year ended 30 June 2021:

- City Water (Formerly Redland Water)
- City Waste (Formerly RedWaste)

REDLAND CITY COUNCIL

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For the year ended 30 June 2021

25 National Competition Policy - continued

Financial performance of activities subject to the CCC:

Business activities - 2021	Significant businesses	
	City Water	City Waste
	\$000	\$000
Revenue for services provided to Council	3,073	875
Revenue for services provided to external clients	121,143	35,376
Community service obligations	265	177
	124,481	36,428
Less: Expenditure	107,272	28,903
Operating surplus/(deficit)	17,209	7,525

Description of Community Service Obligations (CSOs):

Activities	CSO description	Actual
		\$000
City Water	CSOs	
	Water concession not-for-profit	103
	Water concealed leaks	92
	Wastewater concession not-for-profit	162
		357
City Waste	CSOs	
	Clean Up Australia Day	-
	Waste Disposal from Community Groups	66
	In-Home Waste, Recycling and Green Waste Collection Service	81
	Bulky Item Collection Service (Elderly & Disabled)	30
		177

Anticipated changes to business activities

It is expected that there will be no new business activities to which the CCC will be applied for the financial year ending 30 June 2022. Roads activity continues to not meet the definition to which the CCC will be applied as it does not involve itself in competitive bids.

26 Transactions with related parties

26(a) Subsidiaries

The group consists of the parent entity Redland City Council and two first tier subsidiaries, Redland Investment Corporation Pty Ltd & Redheart Pty Ltd. Redland City Council also has three second tier subsidiaries, Redland Developments Pty Ltd, Cleveland Plaza Pty Ltd and RIC Toondah Pty Ltd (Note 1(b)).

The following transactions occurred between Council and its subsidiaries and related entities for year ended 30 June 2021:

Redland Investment Corporation Pty Ltd (RIC)

Details of transaction	2021	2020
	\$000	\$000
Retransfer of land assets from RIC to Council	444	-
Land sold to RIC*	-	1,700
Managing fee paid to RIC for Weinam Creek Project**	105	115
Services provided by Council to RIC***	89	134
General rates and water charges recovered from RIC	35	28
Recoveries from RIC for the development applications fees and infrastructure charges	277	8
Services provided by RIC to Council****	200	210
Loan to RIC*****	3,410	90
Loan deferral fees	10	-
Interest received from RIC	42	3
GST paid by Council and subsequently received from RIC	72	-
GST refunds claimed by Council and subsequently paid to RIC	354	697

* In the prior year Council sold lot 2 22-28 Meissner Street Redland Bay to RIC for \$1,700,000.

** The Weinam Creek Priority Development Area Project aims to transform the waterfront of Redland Bay, improve the usability of the transport hub, attract visitors, create jobs and drive economic development in the area. Redland Investment Corporation is working with Council to develop Weinam creek project, which will provide valuable infrastructure for the community, including ground-level car parks and a footbridge connecting the Moores Road site to the Redland Bay Marina.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

26 Transactions with related parties - continued

26(a) Subsidiaries - continued

- *** Recovery of overheads and other costs in the provision of facilities, administration and organisational services, which include renting of office space, legal services, financial services, information management services and fleet services. Costs of these services are based on the Service Level Agreement (SLA).
- **** RIC is conducting work in certain priority development areas on Council's behalf. RIC's invoices to Council for the work undertaken are based on the Service Level Agreement (SLA).
- ***** Refer Note 26(e) below.

RIC Toondah Pty Ltd

RIC Toondah Pty Ltd manages the RIC Toondah joint operation (refer Note 1(b)). Transactions with RIC Toondah include \$2,162 (2020: \$13,106) in relation to joint operation costs.

26(b) Transactions with key management personnel (KMP)

Key management personnel include the Mayor, Councillors, Executive Leadership Team (ELT) and backfills of ELT members. The compensation earned by key management personnel for year ended 30 June 2021 comprises:

Details of transaction	2021	2020
	\$000	\$000
Short-term employee benefits*	3,354	3,523
Post-employment benefits**	430	443
Long-term employee benefits***	197	194
Total	3,981	4,160

* Short-term employee benefits include salaries, paid sick leave, allowances and any non-monetary benefits provided such as Council vehicles.

** Post-employment benefits include employer superannuation contributions.

*** Long-term employee benefits include annual leave and long service leave accrued during the year.

Detailed remuneration disclosures are provided in the annual report.

26(c) Transactions with other related parties

Other related parties include the KMP, close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.

Details of transaction	2021	2020
	\$000	\$000
Employee expenses for close family members of key management personnel*	149	120

* All close family members of KMP were employed through an arm's length process and are paid in accordance with the Award or Certified Agreement relevant to the job they perform.

Council employed 1,046 staff as at 30 June 2021 (2020: 1,041) of which only 2 (2020: 2) are close family members of KMP.

26(d) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current receivables

Name of the person / entity	2021	2020
	\$000	\$000
Redland Investment Corporation Pty Ltd	5,061	1,838

Current payables

Name of the person / entity	2021	2020
	\$000	\$000
Redland Investment Corporation Pty Ltd	318	401

26(e) Loans and guarantees to/from related parties

Council executed a Loan Facility Agreement with RIC on 30 April 2019 to fund the development of townhouses at 521 Old Cleveland Road, Birkdale, QLD. The first draw down was made on 16 August 2019 for \$90,000. In 2021, three draw downs were made for a total of \$3,410,000.

Council did not make any other loans to, or receive loans from, related parties in the financial year ended 30 June 2021. No guarantees were provided.

26(f) Commitments to/from related parties

Refer Note 12 and Note 19 for the restricted land.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

26 Transactions with related parties - continued

26(g) Transactions with LGIAsuper

Refer Note 21 for the transactions with LGIAsuper.

26(h) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Redland City area. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- payment of rates
- use of Council owned facilities such as swimming pools
- animal registration
- borrowing books from a Council library

Council has not included these types of transaction in its disclosure where they are made on the same terms and conditions available to the general public.

27 Other matters

On 16 June 2021 General Meeting, Council resolved to prepare a Transition Plan to a future operating model that will transform Council's approach towards economic development, placemaking, investment attraction, and advocacy, incorporating multi-year funding. Further, it was resolved that the Redland Investment Corporation (RIC) completes existing (but not start new) property development and other projects which are outside of the Toondah Harbour and Weinam Creek Priority Development Areas (PDAs) and Capalaba Town Centre project whilst the Transition Plan is in development and that the RIC Board of Directors reviews its operating model with regard to the Transition Plan that also considers Council's equity position in the company.

28 Events after the reporting period

On 23 August 2021, Council settled a compensation claim in the Land Court with the agreed amount of compensation for acquired land being \$2.10m. The remaining amount payable under the settlement agreement is \$1.14m.

REDLAND CITY COUNCIL
CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

MANAGEMENT CERTIFICATE

For the year ended 30 June 2021

These general purpose financial statements have been prepared pursuant to Sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements present a true and fair view, in accordance with Australian Accounting Standards, of Council and consolidated entity transactions for the financial year and financial position at the end of the year.



Mayor
Karen Williams

Date: 16, 9, 21



Chief Executive Officer
Andrew Chesterman

Date: 16, 9, 21



INDEPENDENT AUDITOR'S REPORT

To the councillors of Redland City Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Redland City Council (the council) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2021, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Redland City Council's annual report for the year ended 30 June 2021 was the current year financial sustainability statement, the long-term financial sustainability statement and the annual report.

The councillors are responsible for the other information.



My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the council's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the group.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's or group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



- Conclude on the appropriateness of the council's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

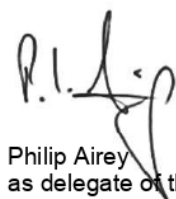
Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the group's transactions and account balances to enable the preparation of a true and fair financial report.



Philip Airey
as delegate of the Auditor-General

23 September 2021

Queensland Audit Office
Brisbane

REDLAND CITY COUNCIL
MEASURES OF FINANCIAL SUSTAINABILITY
For the year ended 30 June 2021

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Independent auditor's report - current year financial sustainability statement
Unaudited long-term financial sustainability statement

REDLAND CITY COUNCIL
CURRENT-YEAR FINANCIAL SUSTAINABILITY STATEMENT
 For the year ended 30 June 2021

Measures of Financial Sustainability

	How the measure is calculated	Actual	Target
Council's consolidated performance at 30 June 2021 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-4.01%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	54.64%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-37.37%	Below 60%
Council's performance at 30 June 2021 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-4.06%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	54.65%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-36.41%	Below 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited consolidated general purpose financial statements for the year ended 30 June 2021.

Certificate of Accuracy

For the year ended 30 June 2021

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.



Mayor
 Karen Williams

Date: 16, 9, 21



Chief Executive Officer
 Andrew Chesterman

Date: 16, 9, 21



INDEPENDENT AUDITOR'S REPORT

To the councillors of Redland City Council

Report on the current-year financial sustainability statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Redland City Council for the year ended 30 June 2021, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Redland City Council for the year ended 30 June 2021 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current-year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Redland City Council's annual report for the year ended 30 June 2021 was the general purpose financial statements, the long-term financial sustainability statement and the annual report.

The councillors are responsible for the other information.



My opinion on the current-year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current-year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors' responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current-year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current-year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in black ink, appearing to read 'P. I. Airey', written over the printed name and title.

Philip Airey
as delegate of the Auditor-General

23 September 2021

Queensland Audit Office
Brisbane

REDLAND CITY COUNCIL
UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT
 Prepared as at 30 June 2021

Measures of Financial Sustainability

			Actuals	Projected for the years ended								
Measure		Target	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030
Council												
The long-term measures of financial sustainability are presented for Council only. The latest Financial Strategy was adopted exclusive of Redland Investment Corporation Pty Ltd and therefore consolidated measures are not available.												
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	-4.06%	0.01%	0.04%	0.10%	0.15%	0.17%	0.20%	0.22%	0.26%	0.32%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	Greater than 90%	54.65%	64.57%	68.19%	67.99%	73.29%	90.70%	67.48%	67.79%	67.97%	73.64%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Below 60%	-36.41%	-37.30%	-34.60%	-31.27%	-30.46%	-29.01%	-25.96%	-22.91%	-20.27%	-16.70%

Council's Financial Strategy

Council's Financial Strategy (Strategy) is Council's long-term financial plan that is underpinned by a series of policies, plans, risk responses and associated financial stability and sustainability targets to measure performance. The Strategy establishes the financial framework under which sound and sustainable financial decisions can be made. A key component of the Strategy is the Long-Term Financial Forecast (LTFF). The LTFF, Council's ten year financial forecast, contains details of the growth assumptions, income, expenditure, cash flow projections, assets, liabilities and community equity, and also provides the financial outputs and financial sustainability measures for each of the ten years.

The ten year focus allows us to assess our financial sustainability over the period and to guide corporate decision-making. It is a living and breathing document, guiding our financial planning, revenue raising and spending activities, while adapting to changing needs and requirements.

The Long-term Financial Forecast provides transparency into our financial performance and planning, giving the Community a view of how its services are being funded and where the money is spent. It is a tool for validating and maintaining alignment with corporate plans and with legislative requirements. It reflects the efforts we are making to meet current and future community expectations and serves to signal the decisions and actions needed to ensure our future financial sustainability.


The projected results are per the adopted 2021-2022 budget which is underpinned by the Financial Strategy. It does not include any revisions based on actual results as at 30 June 2021.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2021

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.


Mayor
 Karen Williams
 Date: 16, 9, 21


Chief Executive Officer
 Andrew Chesterman
 Date: 16, 9, 21

13.3 ANNUAL COMMUNITY FINANCIAL REPORT 2020-2021**Objective Reference:** A5745807**Authorising Officer:** Deborah Corbett-Hall, Chief Financial Officer**Responsible Officer:** Deborah Corbett-Hall, Chief Financial Officer**Report Author:** Joy Manalo, Service Manager Corporate Finance**Attachments:** 1. 2020-2021 Community Financial Report [↓](#)**PURPOSE**

To present the 2020-2021 Community Financial Report to Council for noting prior to adoption of the 2020-2021 annual report.

BACKGROUND

The Community Financial Report is a plain language document that contains a summary and high-level analysis of Council and the group's financial performance and position for the 2020-2021 financial year.

The Community Financial Report is consistent with the audited annual financial statements and discloses how Council has performed against the adopted key financial stability ratios and measures of sustainability. It uses non-technical terms and graphical representations to make it an easy-to-follow document for the community and other stakeholders. The attached report was compiled on completion of the 2020-2021 annual financial statements and accompanying notes. Queensland Audit Office (QAO) certification of the financial statements was issued on 23 September 2021.

ISSUES

There are no issues contained in the Community Financial Report that are not already covered in the 2020-2021 annual report or financial statements. The attachment is purely a summary – please refer to the annual report and audited financial statements for full information.

The report presents an overview of the consolidated financial statements of Redland City Council and its subsidiary Redland Investment Corporation Pty Ltd and its controlled entities.

STRATEGIC IMPLICATIONS**Legislative Requirements**

Section 179 of the *Local Government Regulation 2012* requires a local government to prepare a Community Financial Report for each financial year. The report then forms part of Council's annual report, alongside the QAO certified financial statements, disclosures and financial sustainability statements.

Risk Management

Risk management is undertaken during the year with respect to the financials – Council reviews its actual performance against budget on a monthly basis and formally reviews its budget as required during the year. At the conclusion of the financial audit, the QAO provides feedback to Council on the general appropriateness of key internal controls that ensure financial information is reasonably complete and accurate.

Financial

There are no direct financial implications arising from this report. This report provides a plain language indication of Council's financial performance for the 2020-2021 financial year and the financial position as at 30 June 2021.

People

No impact as the purpose of the report is to present the 2020-2021 Community Financial Report.

Environmental

No impact as the purpose of the report is to present the 2020-2021 Community Financial Report.

Social

No impact as the purpose of the report is to present the 2020-2021 Community Financial Report.

Human Rights

There are no human rights implications for this report as the purpose of the report is to present the 2020-2021 Community Financial Report.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of Council's *Our Future Redlands – A Corporate Plan to 2026 and Beyond*:

Efficient and effective organisation objectives

7.1 Improve the efficiency and effectiveness of Council's service delivery to decrease costs, and enhance customer experience and community outcomes.

7.4 Demonstrate good governance through transparent, accountable processes and sustainable practices and asset management.

CONSULTATION

Consulted	Date	Comment
Corporate Finance Unit	February to September 2021	Discussed the financial results, report layout and accounting treatment of various transactions. A technical accounting position paper was prepared by Financial Services and discussed with the QAO during the interim and final audit visits.
Chief Financial Officer	February to September 2021	Discussed the financial results, report layout and accounting treatment of various transactions. Approved the technical position paper and draft documents prior to internal and external distribution.
Audit Committee Invitees and Attendees	13 August 2021 16 September 2021	Reviewed the draft financials pre and post the final audit. Provided feedback on the financial statements and accompanying notes.
QAO Appointed Auditors, Bentleys	Various times	Reviewed the technical position paper, conducted the interim and final onsite visit and reported to Audit Committee on the findings.
Queensland Audit Office	Various times	Reviewed the technical position paper, reviewed the draft and final annual financial statements and provided audit certification.

OPTIONS**Option One**

That Council resolves to note the Community Financial Report for inclusion in the 2020-2021 annual report.

Option Two

That Council resolves to request further information.

OFFICER'S RECOMMENDATION

That Council resolves to note the Community Financial Report for inclusion in the 2020-2021 annual report.

COMMUNITY FINANCIAL REPORT

This report aims to simplify the consolidated financial statements of Redland City Council (Council) and its controlled entities. Council and its controlled entities form the consolidated entity referred to in this Community Financial Report as “the Group”. The report provides graphical representations of the financial position, financial performance and cash flows, as well as changes in community equity, to provide a simple, comprehensive view of the Group’s financial results for the period 1 July 2020 to 30 June 2021.

Report outline

Measures of sustainability and financial stability	Financial overview Revenue and expenditure; asset, liability and community equity; cash in and cash out	Community future vision and summary
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Measures of sustainability

Sustainability measures provide evidence of the Group’s ability to continue operating and to provide an acceptable level of service to the community both currently and in the longer term. Local governments are required to report on three financial sustainability measures being an operating surplus ratio, a net financial liabilities ratio and an asset sustainability ratio, each of which is presented below.

Ratio	Description	Target	Group 2020–2021 Actual	Group 2019–2020 Actual	Group 2018–2019 Actual
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 or other purposes.	Between 0% and 10%	-4.01%	-2.89%	-3.68%
Net financial liabilities ratio*	This is an indicator of the extent to which the net financial liabilities of the Group can be serviced by its operating revenues.	Below 60%	-37.37%	-33.30%	-39.83%
Asset sustainability ratio	This is an approximation of the extent to which the infrastructure assets managed by the Group are being replaced as they reach the end of their useful lives.	Greater than 90%	54.64%	37.66%	42.35%

** This is calculated using net financial liabilities (total liabilities minus current assets) divided by total operating revenue. The negative number indicates that the Group’s current assets exceed the total liabilities. Therefore, the Group has exceeded this target.*

The operating surplus ratio, net financial liabilities ratio and asset sustainability ratio have targets to be achieved on average over the long-term (a period of at least 10 years), and are not necessarily expected to be met on a monthly or annual basis.

When compared to the 2019–2020 financial year, the operating surplus ratio has decreased by 38.75%. This is mainly driven by an increase in operating expenses.

Redland City Council – Annual Report 2020–2021

Achieving the target for the asset sustainability ratio continues to be a focus area. Council continuously improves asset and service management planning and evidence-based asset consumption assessment. The asset sustainability ratio increased from 37.66% to 54.64% due to an increase in expenditure on replacement of infrastructure assets. The asset management system introduced last financial year supports best practice asset management to enable efficient governance and sustainability of community assets.

Summary of key financial stability measures (Council)

Council includes the below elective key performance indicators in the budget and reports on these on a monthly basis, as these ratios do not feature in the Annual Financial Statements. Council chooses to retain these indicators to provide more information to the community on how Council is managing community assets, liabilities and cash balances.

Ratio	Description	Target	2020–2021 Actual	2019–2020 Actual	2018–2019 Actual
Level of dependence on general rate revenue	This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues).	Less than 40%	35.53%	35.61%	35.50%
Ability to pay our bills – current ratio	This measures the extent to which Council has liquid assets available to meet short-term financial obligations.	Between 1.1 and 4.1	3.15	3.15	3.23
Ability to repay our debt – debt servicing ratio	This indicates Council's ability to meet current debt instalments with recurrent revenue.	Less than or equal to 15%	3.31%	3.32%	2.86%
Cash balances	Cash balance includes cash on hand, cash at bank.	Greater than or equal to \$50m	\$187.24m	\$171.90m	\$162.10m
Cash balances – cash capacity in months	This provides an indication of the number of months of cash held at period end able to cover operating cash outflows.	Greater than 3 months	9.57 months	9.16 months	8.81 months
Longer term financial stability – debt to asset ratio*	This is total debt as a percentage of total assets, i.e. to what extent will our long-term debt be covered by total assets.	Less than or equal to 10%	1.74%	1.74%	1.34%
Operating performance	This ratio provides an indication of Council's cash flow capabilities.	Greater than or equal to 10%	21.95%	19.17%	21.87%
Interest coverage ratio**	This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges.	Less than 5%	-0.03%	-0.37%	-0.87%

* Non-current debt includes lease liabilities in compliance with AASB 16 Leases.

** This is calculated using net interest expense, i.e. interest expense minus interest revenue. The negative number indicates that Council has received more interest than it has spent on borrowings. Therefore, Council has exceeded this target.

Financial overview

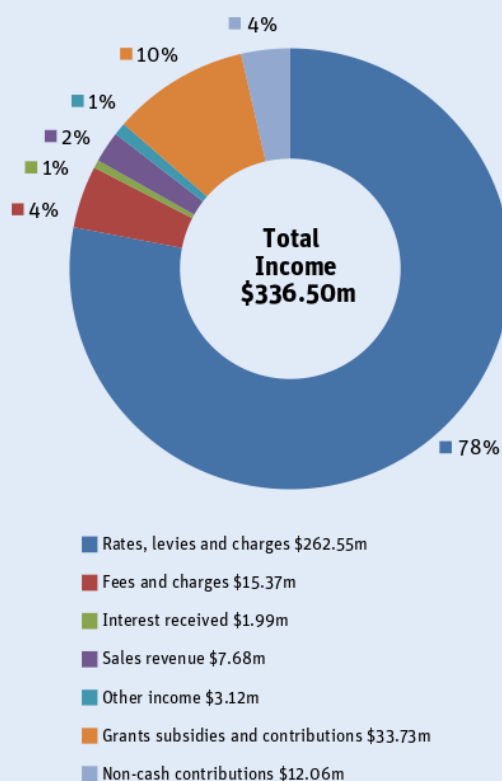
OVERVIEW OF CONSOLIDATED FINANCIAL RESULTS

Information at a glance	2020–2021 Actual \$ millions	2019–2020 Actual \$ millions	2018–2019 Actual \$ millions
Operating income	\$300.86	\$297.48	\$281.67
Capital grants, subsidies and contributions	\$35.64	\$27.15	\$23.19
Total income	\$336.50	\$324.63	\$304.86
Operating expenses	\$(312.93)	\$(306.09)	\$(292.04)
Other capital income/(expenditure)	\$(3.08)	\$(2.51)	\$(3.80)
Total expenses	\$(316.01)	\$(308.60)	\$(295.84)
Net result	\$20.49	\$16.03	\$9.02

See Consolidated Statement of Comprehensive Income for more information (page 129)

Redland City Council – Annual Report 2020–2021

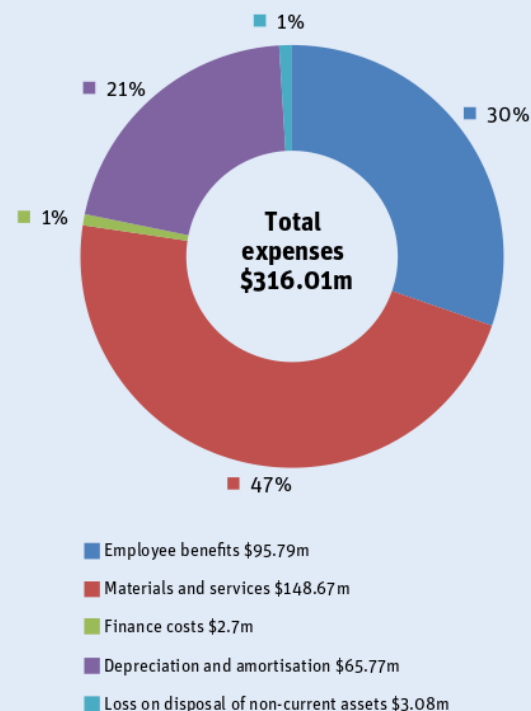
FINANCIAL PERFORMANCE SUMMARY

Income – where did the money come from?
 (Consolidated Statement of Comprehensive Income)


The Group generated \$336.50m in revenue with the majority sourced from general rates, levies and charges and put towards providing services, programs and facilities that respond to the needs and priorities of Redlands Coast residents. Total income increased by \$11.87m or 3.66% from 2019–2020.

Movements in income were mainly driven by:

- Growth in rates, levies and charges due to an increase in the number of rated properties, bulk water, waste collection and wastewater charges increases
- Increase in capital grant income and developer non-cash contributions.

Expenses – where was the money spent?
 (Consolidated Statement of Comprehensive Income)


The Group spent \$316.01m in expenses during the financial year, which is an increase of \$7.41m or 2.40% on last year.

This increase was mainly driven by an increase in materials and services primarily due to an increase to the 10-year expenditure program for closed landfill remediation. This is alongside an increase in salary and wages including an increase in accrual for workers' compensation claims.

CAPITAL WORKS EXPENDITURE (COUNCIL) – WHAT PROJECTS DID WE SPEND MONEY ON?

Council delivered a capital program during the year amounting to \$64.70m. Some of the key projects included:

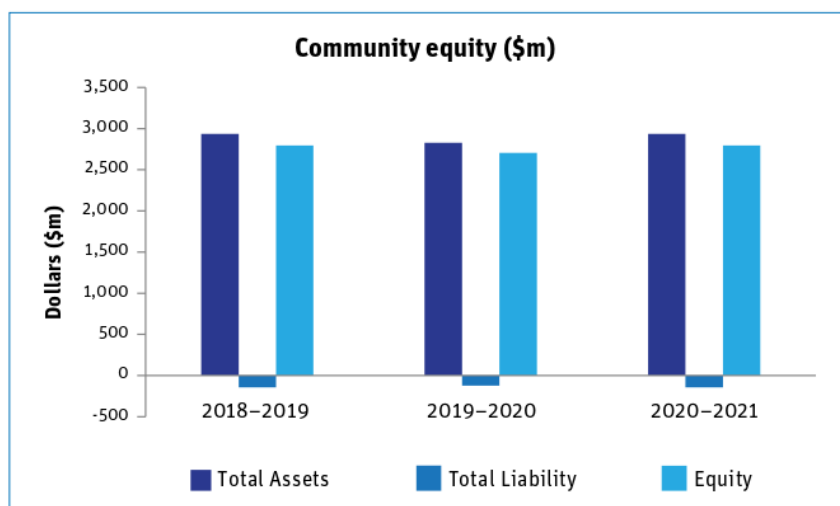
Project name	Project description	Amount \$millions
Point Lookout Backlog Sewer Area, Point Lookout (Mulumba)	A continuation of the program to expand sewerage network at Point Lookout (Mulumba).	\$2.62
Fleet replacement	Current fleet replacement program.	\$1.85
Sewerage Pump Station #92, 7 Donald Road, Redland Bay (Talwalpin)	Upgrade to sewerage pump station including new switchboard, new pumps and improved pipework continuation of works.	\$1.78
Birkdale Waste Transfer Station stormwater improvements, Birkdale (Cullen Cullen)	Design and construct the conversion of a pond from a sedimentation basin into a bio-retention basin.	\$1.58
Ney Road, Capalaba (Kapallaba)	The road extent between Redland Bay Road to Macquarie Street (South) was co-funded by the State Government Department of Transport and Main Roads under the Transport Infrastructure Development Scheme (Grant: \$528,645). The road extent between Macquarie Street (South) to Wildflower Road was co-funded by the Commonwealth Government's Roads to Recovery Program (Grant: \$450,000).	\$1.55
Cleveland stormwater duplication, Cleveland (Nandeebie/Indillie)	Duplication of stormwater network in the road reserves of Fitzroy Street (Nandeebie Court to Ross Creek) and into Coburg Street East and all rectification works such as replacement of concrete pathways, planting of street trees and turfing works.	\$1.49
Minjerribah Panorama Coastal Walk, Stage 1, Point Lookout (Mulumba)	Enhance the visitor experience and community wellbeing by enabling pedestrians to move safely between Point Lookout village and Cylinder Beach. This stage of the project was co-funded by the State Government Department of State Development, Infrastructure, Local Government and Planning under the Unite and Recover Community Stimulus Package (Grant: \$1m). Works were undertaken from Snapper Street to Frenchman's Beach access stairs.	\$1.43
Redlands Coast Fibre Network Expansion	Deliver critical fibre connections for Redland City Council and the community, connecting multiple Council operations across the city, critical data centres which host production and disaster recovery capabilities, and essential services. This project was co-funded by the State Government Department of State Development, Infrastructure, Local Government and Planning under the Unite and Recover Community Stimulus Package (Grant: \$1m).	\$1.27
Hanover Drive Park, Alexandra Hills (Nandeebie/Indillie)	Hanover Drive Park upgrade and renewal, including facilities for picnics, to be completed in 2021–2022 (Stage 1).	\$1.19
Vienna Road, Alexandra Hills (Nandeebie/Indillie)	Road surfacing and associated works at Vienna Road, Alexandra Hills (Nandeebie/Indillie) (Canterbury Street to Winbourne Road).	\$1.15
Charlie Buckler Sportsfield access improvements, Redland Bay (Talwalpin)	Charlie Buckler Sportsfield access improvements. The pedestrian refuge, pedestrian safety and traffic improvements for this project were co-funded through the Commonwealth Government's Local Roads and Community Infrastructure Grant (Phase 1) (Grant: \$333,500).	\$1.09

Redland City Council – Annual Report 2020–2021

WHAT IS THE VALUE OF THE NET COMMUNITY ASSETS IN OUR CARE?

Information at a glance	2020–2021 Actual \$ millions	2019–2020 Actual \$ millions	2018–2019 Actual \$ millions
Total assets	\$2,936.47	\$2,826.75	\$2,771.49
Total liability	\$(141.86)	\$(123.15)	\$(110.47)
Total community equity	\$2,794.61	\$2,703.60	\$2,661.02

See Consolidated Statement of Financial Position for more information (page 130)

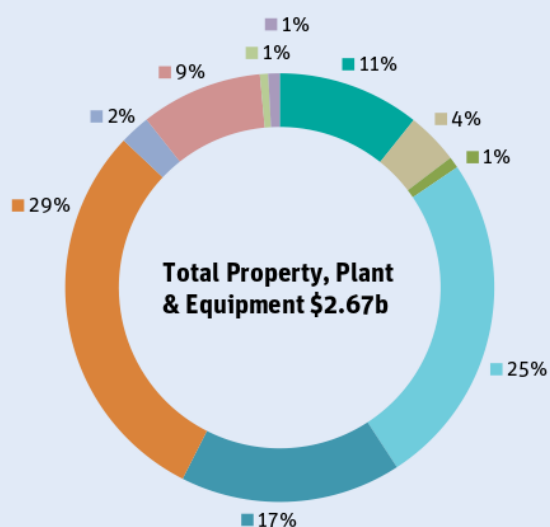


Total community equity includes cash reserves, which represents funding that Council has restricted for current or future expenditure. Council's view is to ensure funds held in reserves are restricted to deliverables consistent with the long-term financial strategy, long-term asset management plan, corporate plan and annual operational plan and budget.

Council is committed to achieving this goal by:

- Reporting on constrained cash reserves on a monthly basis as part of the monthly financial reports to Council as well as a subset of cash balances in the annual financial statements for accountability and transparency
- Conducting an annual review of all constrained cash reserves for relevance and future requirements
- Reviewing forecast reserve movements as an integral part of the annual budget development process.

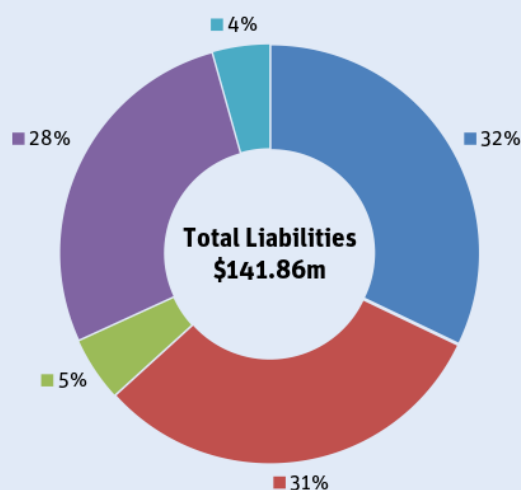
FINANCIAL POSITION SUMMARY

Property, plant and equipment 2020–2021:
what do we own?

- Land \$286.12m
- Buildings \$104.67m
- Plant and equipment \$22.77m
- Roads \$675.01m
- Stormwater drainage \$444.56m
- Water and wastewater \$788.71m
- Parks \$61.36m
- Other infrastructure \$244.78m
- Waste \$16.61m
- Work in progress \$22.98m

The total value of all assets at 30 June 2021 was \$2,936.47m, of which \$2,667.57m (90.84%) relates to property, plant and equipment. The value of total assets increased by \$109.72m during the year.

During 2020–2021, a desktop valuation was applied to land, buildings, road infrastructure, stormwater, other infrastructure, water and wastewater assets. An increase of \$70.51m in net asset value resulted from the revaluation.

Liabilities 2020–2021:
what do we owe?

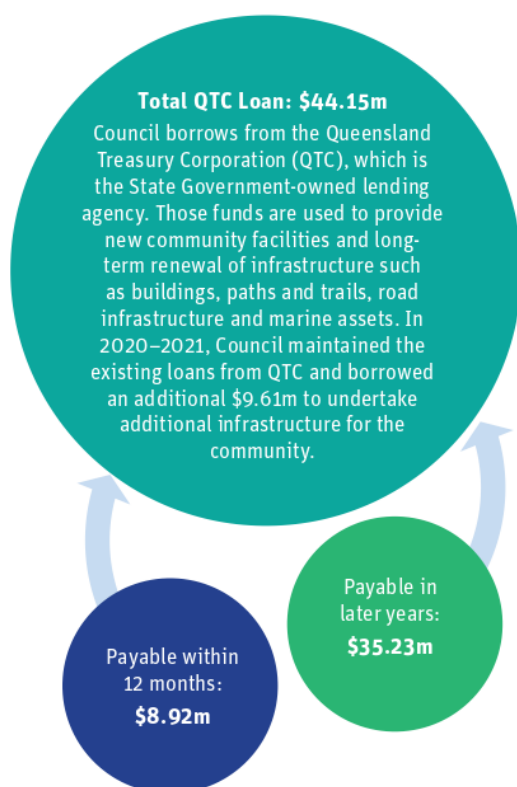
- Trade and other payables \$45.56m
- Borrowings \$44.15m
- Lease liability \$6.98m
- Provisions \$38.97m
- Other current liabilities \$6.2m

The total value of all liabilities at 30 June 2021 was \$141.86m, of which \$44.15m (31.12%) relates to borrowings. The value of total liabilities increased by \$18.71m (15.19%) during the year.

This is represented by an increase in current liabilities \$9.94m and increase in non-current liabilities \$8.77m. This is mostly due to an increase to trade and other payables, provisions and other current liabilities.

Trade and other payables increased mainly due to an increase of purchase orders processed and increase in accrued expenses at year end. Provisions increased mostly due to increase in landfill rehabilitation provision. During the 2020–2021 financial year an increase in the provision for the refuse landfill sites of \$10.7m was recognised largely due to updated estimates of cost inputs for remediating work. The increase in other current liabilities is mainly attributable to unexpended capital grants.

Redland City Council – Annual Report 2020–2021



Council's annual infrastructure expenditure is substantial and a major component of capital expenditure.

Certain projects are financed through loan borrowing in order to ensure intergenerational equity in the allocation of cost.

Council's long-term financial strategy includes an assessment of Council's ability to borrow funds and gain access to grants, subsidies and future development contributions, which are used to finance the infrastructure required to support development in the city.

WHAT WERE THE MAJOR SOURCES OF CASH IN AND CASH OUT?

(Consolidated Statement of Cash Flows)

The table below compares the main sources of cash receipts and cash payments during the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021.

Main sources of cash in and out	2020–2021 \$ millions	2019–2020 \$ millions	2018–2019 \$ millions
Net cash received from operations (excluding interest, borrowing costs and waste levy)	\$59.63	\$54.24	\$59.80
Cash received for waste levy	\$4.36	\$0.03	\$4.62
Purchases and construction of assets	\$(66.09)	\$(66.57)	\$(59.18)
Proceeds from sale of assets	\$0.98	\$1.37	\$2.79
Capital grants, subsidies and contributions	\$26.06	\$19.61	\$17.14
New borrowings	\$9.61	\$9.80	\$2.50
Repayment of debt	\$(6.37)	\$(5.53)	\$(5.04)
Right-of-use assets lease payment	\$(1.17)	\$(1.41)	\$0.00

See Consolidated Statement of Cash Flows for more information (page 132)

Major cash flow sources:

- **Net cash received from operations:** includes receipts of rates, fees and charges and operating grants, offset by payments for employee costs and materials and services.
- **Cash received for waste levy:** this mitigates the direct impacts on households of the State Waste Levy introduced in 2019–2020. In 2018–2019 the State Government paid this levy in advance for 2019–2020. From 2020–2021 this levy is paid each quarter.
- **Purchases and construction of assets:** includes payments for the purchase and construction of property, plant and equipment. The major purchases are for roads, park assets, water and wastewater and other infrastructure assets.
- **Proceeds from sale of assets:** includes proceeds from sale of property, plant and equipment.
- **Capital grants, subsidies and contributions:** includes external funding through State and Federal Government grants, as well as other funding bodies, and cash contributions from developers to pay for infrastructure Council needs to build to provide services to new developments.
- **New borrowings:** additional loan drawdown with Queensland Treasury Corporation to fund Council's Capital Works Program.
- **Repayment of debt:** repayments of principal on Council's loans with Queensland Treasury Corporation.
- **Right-of-use assets lease payment:** includes payments for Council's right-of-use assets.

The Group started the 2020–2021 financial year with \$177.94m cash in the bank and ended the year with \$194.52m.

Future vision

Maintaining Council's financial position to support long-term financial sustainability remains a priority. We are embracing innovation and collaboration to continue to deliver projects and services while maintaining community assets and financial capital.

KEY 2020–2021 HIGHLIGHTS

- Council delivered a \$64.7m capital program.
- Council received \$20.65m in external funding from the State and Federal Governments, and other funding bodies.
- A total of \$262.55m levied in rates and utilities.
- Council's net borrowings with Queensland Treasury Corporation increased by \$2.97m to \$44.15m.
- Community equity increased by \$91m.
- In December 2020, Council adopted its revised Corporate Plan, *Our Future Redlands - A Corporate Plan to 2026 and Beyond*. It came into effect on 1 July 2021. This plan is one of our key strategic documents and will guide what our organisation does to serve our community during the next five years. The plan was developed through an analysis of key strategies from the past decade, including the *Redlands 2030 Community Plan* and community feedback from previous corporate plans.
- The Asset Management Project, completed last financial year, reinforces Council's objective to be an 'asset smart' organisation that uses best practice asset management in managing and maintaining \$3.95b (before depreciation) worth of community assets.
- The Weinam Creek Priority Development Area currently being undertaken by Redland Investment Corporation moved into the Stage 3 detailed design and planning phase for the Hamilton and Banana Streets extension, in accordance with the Masterplan.
- Business process improvement projects continued to be initiated across Council to encourage effective use of available resources and remove non-value adding activity.

13.4 QUEENSLAND AUDIT OFFICE FINAL MANAGEMENT REPORT 2020-2021

Objective Reference: A5745819

Authorising Officer: Deborah Corbett-Hall, Chief Financial Officer

Responsible Officer: Deborah Corbett-Hall, Chief Financial Officer

Report Author: Joy Manalo, Service Manager Corporate Finance

Attachments: 1. 2020-2021 Final Management Report [↓](#)

PURPOSE

To present the Queensland Audit Office (QAO) final management report for 2020-2021 to Council.

BACKGROUND

Section 213 of the *Local Government Regulation 2012* requires the Mayor to present a copy of the Auditor-General's observation report at the next ordinary meeting of Local Government.

As defined in the *Local Government Regulation 2012*:

"An **Auditor-General's observation report**, about an audit of a local government's financial statements, is a report about the audit prepared under *section 54* of the *Auditor-General Act 2009* that includes observations and suggestions made by the Auditor-General about anything arising out of the audit."

The audit referred to in the extract above is the independent financial statement audit conducted by the QAO.

Council's 2020-2021 general purpose financial statements were certified by the QAO and a copy of the certified statements was electronically transmitted to Council on 23 September 2021 along with the corresponding Auditor-General's observation report.

Actions and implementation dates included in the Auditor-General's observation report were agreed to by the respective business area thus the corrective actions were acknowledged prior to receipt of the final report.

The audit observations, corresponding audit recommendations and management response indicated in this report were presented to the Audit Committee on 16 September 2021.

ISSUES

The audit matters identified during the interim visit in March and the final visit from August to September 2021 mainly focus on process and documentation enhancement relating to the notification process of Councillors' discretionary grant payments and the timing of assets capture for completed Work In Progress (WIP) projects. The Auditor-General's observation report also details the internal control issues identified by the QAO in the previous financial years' audit. Information Management is currently working on the implementation of the corresponding audit recommendations.

Internal Audit will monitor and update the Audit Committee on the status of the recommended actions. Notwithstanding the above mentioned audit findings, Council's overall internal control environment has been assessed as effective.

From 2020-2021 financial year, QAO implemented a financial statement preparation maturity model. This model replaced QAO's previous traffic-lights assessment process.

The new model evaluates the quality of Council's month end process, early financial statement close process, skilled financial statement preparation including the use of technology and resolution of financial reporting matters. QAO assessed Council's overall rating for these four components as integrated with a score of 3.2 on a scale where 4.0 is the highest achievable rating.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 213 of the *Local Government Regulation 2012* requires the Mayor to present a copy of the Auditor-General's observation report at the next ordinary meeting of Local Government following receipt of the Auditor-General's report.

Financial Services tabled the report, noting coordination of the corrective actions and improvements will be undertaken by Council's Internal Audit Team.

Risk Management

Risk management is undertaken during the year through monthly financial reporting and review of actual performance against budget. At the conclusion of the financial statement audit, QAO provided feedback to Council on the general appropriateness of key internal controls to ensure financial information is reasonably complete and accurate. Implementation of QAO recommendations is monitored by Internal Audit on a monthly basis and status of implementation is reported to the Executive Leadership Team.

Financial

There are no additional financial implications arising from the 2020-2021 Auditor-General's report.

People

No impact as the purpose of the report is to present the 2020-2021 Auditor-General's observation report.

Environmental

No impact as the purpose of the report is to present the 2020-2021 Auditor-General's observation report.

Social

No impact as the purpose of the report is to present the 2020-2021 Auditor-General's observation report.

Human Rights

There are no human rights implications for this report as the purpose of the report is to present the 2020-2021 Auditor-General's observation report.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of Council's *Our Future Redlands – A Corporate Plan to 2026 and Beyond*:

Efficient and effective organisation objectives

7.1 Improve the efficiency and effectiveness of Council's service delivery to decrease costs, and enhance customer experience and community outcomes.

7.4 Demonstrate good governance through transparent, accountable processes and sustainable practices and asset management.

CONSULTATION

Consulted	Date	Comment
Chief Information Officer	August to September 2021	Discussed the audit issues and provided the corresponding management responses.
Chief Financial Officer	August to September 2021	Discussed the audit issues and coordinated the management responses with the QAO appointed auditors and the respective business areas.
Group Manager – Corporate Governance	August to September 2021	Discussed the audit issue and provided the corresponding management responses.
Group Manager – Project Delivery	August to September 2021	Discussed the audit issue and provided the corresponding management responses.
Corporate Finance Unit	August to September 2021	Discussed the audit issues and coordinated the management responses with the QAO appointed auditors and the respective business areas.
Audit Committee Invitees and Attendees	16 September 2021	Received a presentation from the QAO appointed auditors which outlined the key points for inclusion in the Auditor-General's observation report.
QAO Appointed Auditors, Bentleys	16 September 2021	Discussed and presented the audit issues to the relevant business areas and fed back to Audit Committee on the findings.

OPTIONS

Option One

That Council resolves to note the findings from the Auditor-General's observation report for 2020-2021.

Option Two

That Council requests further information.

OFFICER'S RECOMMENDATION

That Council resolves to note the findings from the Auditor-General's observation report for 2020-2021.



Our ref: 5-205

SENSITIVE

23 September 2021

Ms Karen Williams
Mayor
Redland City Council
PO Box 21
Cleveland QLD 4163

Dear Councillor Williams

Final Management Report for Redland City Council

We have completed our 2021 financial audit for Redland City Council. The Auditor-General issued an unmodified audit opinion on your financial statements.

The purpose of this letter is to update you on any matters that have arisen since we presented our closing report to the audit committee on 16 September 2021.

Reporting on issues identified after the closing report

I can confirm that we have not identified significant issues since the presentation of our closing report. Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A to this letter.

Report to parliament

Each year we report the results of all financial audits and significant issues to Parliament.

This year we intend to include the results of our audit of Redland City Council in our report to Parliament. In this report we will comment on the results of our audit of your financial report, any significant internal control issues we identified, and the overall results of the sector, including, major transactions and events. We will discuss the proposed content of our report with your Chief Financial Officer and will continue to consult as we draft our report. Formally, you will have an opportunity to comment on our report and for these comments to be included in the final report.

Audit fee

The final audit fee for this year is \$147,250 exclusive of GST (2020: \$145,000). This fee is an increase of \$2,250 on our external audit plan due to additional grant acquittals in the period.

Forward work plan 2021-24

QAO has published its *Forward work plan 2021-24*. We continue to focus our work where we can best advise and support entities, and where our insights can most effectively influence positive change. For the first time this year, the plan outlines the strategic risks to public service delivery that QAO has identified and focus areas for our audits. We include all of our audit work in this plan—our financial audits, performance audits and assurance activities—which work together to provide a full picture of state and local government performance and accountability.

Queensland Audit Office
Level 13, 53 Albert Street, Brisbane Qld 4000
PO Box 15396, City East Qld 4002

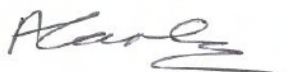
Phone 07 3149 6000
Email qao@qao.qld.gov.au
Web www.qao.qld.gov.au
 Queensland Audit Office (QAO)

Our forward-looking plan covers the next three years to ensure transparency around our work and to allow entities time to prepare for an audit. Each year, we will reconsider each topic's relative importance and timing, and republish a revised plan. We will continue to consult with entities to ensure we are proposing the right audits at the right time and we welcome suggestions for audit topics, or contributions to audits in-progress via www.qao.qld.gov.au/contact-us. On our website, we also provide an acquittal of our prior published plans.

We would like to thank you and your staff for their engagement in the audit this year, and look forward to working with your team again next year.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on (07) 3222 9787.

Yours sincerely



Ashley Carle
As delegate of the Auditor-General of Queensland

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Appendix A1—Internal control issues



Significant deficiencies, deficiencies and other matters

The following table details control deficiencies and other matters identified since our last interim report dated 30 April 2021. It includes a response from management.

Our risk ratings are as follows—refer to [Our rating definitions](#) for more detail.



Significant deficiency



Deficiency



Other matters



Deficiencies

[21CR-1] Notifying CEO of Councillor Discretionary Grant Payments Control Activity

In relation to Councillor discretionary grant payments, under the Local Government Regulation 2012 section 202A, Councillors must give notification to the chief executive officer stating the amount allocated, the date it was allocated, the way it was allocated, the recipient and the purpose of the payment, within 7 business days of the allocation.

When reviewing discretionary payments made in the current period, it was identified that not all were notified to the CEO within the 7 business days, but all were seen to have been notified to the CEO eventually.

QAO recommendation

We recommend that discretionary fund allocations are monitored closely to ensure the notification of these to the CEO fall within the local government regulations.

Management response

The Mayor & Councillors Community Benefit Fund Guideline has been updated to reflect the change in legislation and officers have amended the Post Assessment Checklist to ensure that the Notices of Allocation are managed within the required timeframes to ensure compliance with the legislation.

Responsible officer:	Tony Beynon - Group Manager Corporate Governance
Status:	In progress
Action date:	31 August 2021

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**Deficiencies****[21CR-2] Timing of Asset Capture for Completed WIP Projects****Information and Communication**

We identified several capital WIP projects that had been completed and fit for purpose for over a year, but the information had not been provided to the asset capture team by the Office of Project Delivery Group to be spatially captured and subsequently capitalised.

An estimate was made of the value to accrue these in the correct financial year, but these should be capitalised as soon as practically possible.

Implication

Delays in capitalisation can increase the risk of errors due to manual adjustments into the PPE registers. In addition, if the assets aren't recorded in Council's asset registers, there is a risk that they may not be considered for asset management, insurance and maintenance purposes.

QAO recommendation

We recommend asset capture information is provided to the Capital and Asset Accounting team by Office of Project Delivery Group in a timely manner to enable asset capitalisation.

Management response

PDG acknowledges this finding and as a result has amended contract conditions in 2021/22 to realise the requirement to asset capture as soon as practical of a project being completed. Albeit if it falls within a contract of works (number of projects consolidated into a contract). PDG will continue to liaise with the CAAT team on the effectiveness of this mitigation and adjust where required.

Responsible officer: Anthony Burrows – Group Manager Project Delivery

Status: In progress

Action date: 31 August 2021

SENSITIVE**4**

Appendix A2—Matters previously reported



Status

The following table summarises all control deficiencies, financial reporting issues and other matters that have previously been raised but are not yet resolved. The listing includes issues from our reports this year and those issues raised in prior years.

Our risk ratings are as follows—refer to [Our rating definitions](#) for more detail.

Reference	Issue	Status / Comment Action Date
Internal control issues		
Deficiencies		
21IR-1	Lack of Adequate DRP Documentation It was identified that the disaster recovery documentation lacks adequate detail, and some work instructions are still in draft form.	Work in progress On track for resolution by agreed date Action date: 30 April 2022
21IR-2	Proximity of Computer Rooms It was identified that Council's server rooms facilities are of a proximity whereby they are at risk of both being affected by a disaster event.	Not started Council are pursuing alternative options to mitigate the identified risk Action date: 31 December 2021
21IR-3	Inadequate DRP Testing Regime It was identified that Council doesn't have a maintenance and testing regime in place to ensure continuity and disaster recovery plans are kept up to date and effective.	Work in progress On track for resolution by agreed date Action date: 30 April 2022
20CR-1	Unsupported Operating Systems for Network Servers Some of Council's servers were seen to be running unsupported versions of Microsoft Windows which limits the ability to receive patching for any new security updates.	Work in progress On track for resolution by agreed date Action date: 31 December 2021
20CR-2	Documented and Approved Cyber Security Strategy A security strategy has been developed and initiatives are being deployed for Council's cyber security, however, a documented and approved cyber security strategy does not exist.	Work in progress On track for resolution by agreed date Action date: 31 December 2021

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Appendix B—Our rating definitions



Internal rating definitions

	Definition	Prioritisation of remedial action
Significant deficiency 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> the risk of material misstatement in the financial statements the risk to reputation the significance of non-compliance with policies and applicable laws and regulations the potential to cause financial loss including fraud, or where management has not taken appropriate timely action to resolve the deficiency. 	This requires immediate management action to resolve.
Deficiency 	A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.	We expect management action will be taken in a timely manner to resolve deficiencies.
Other matter 	An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.	Our recommendation may be implemented at management's discretion.

Financial reporting issues

	Potential effect on the financial statements	Prioritisation of remedial action
High 	We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.	This requires immediate management action to resolve.
Medium 	We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements.	We expect management action will be taken in a timely manner.
Low 	We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.	We recommend management action to resolve; however, a decision on whether any action is taken is at management's discretion.

SENSITIVE

6

13.5 NATIONAL COMPETITION POLICY REQUIREMENTS FOR SIGNIFICANT AND OTHER BUSINESS ACTIVITIES 2021-2022

Objective Reference: A5866396

Authorising Officer: Deborah Corbett-Hall, Chief Financial Officer

Responsible Officer: Deborah Corbett-Hall, Chief Financial Officer

Report Author: Kim Crossman, Management Accountant

Attachments: Nil

PURPOSE

To identify business activities for the 2021-2022 financial year, following the certification of Council's 2020-2021 Annual Financial Statements by the Queensland Audit Office (QAO). The report also identifies which business activities Council will apply the Code of Competitive Conduct to in 2021-2022.

BACKGROUND

Under Schedule 4, of the *Local Government Act 2009*, a business activity of a local government means trading in goods and services by the local government.

Section 43(4) of the *Local Government Act 2009* states that a significant business activity is a business activity of a local government that:

- a) Is conducted in competition, or potential competition, with the private sector
- b) Meets the threshold requirement prescribed under a regulation

Section 19(2) of the *Local Government Regulation 2012* prescribes the threshold that a business activity must meet to be a significant business activity for a financial year

- If the business activity is the provision of combined water and sewerage services, the threshold is 10,000 or more premises being connected to a water service as at 30 June of the financial year ending immediately before the current financial year.

Section 19(3) of the *Local Government Regulation 2012* states that for a business activity of a type other than the activity mentioned in subsection (2), the threshold is expenditure of at least \$9.7M for the financial year ending immediately before the current financial year.

Section 39 of the *Local Government Regulation 2012* says that a business activity is prescribed for a financial year for section 47(7) of the Act if the amount of current expenditure for the business activity for the previous financial year is \$340,000 or more.

The amount of current expenditure is the total of the following amounts spent in conducting the activity for the year:

- a) Operational costs
- b) Administrative and overhead costs
- c) Cost of resources
- d) Depreciation

ISSUES

The Business Partnering Unit in Financial Services has reviewed Council's business activities following the QAO certification of Council's 2020-2021 Annual Financial Statements.

It is proposed that City Water and City Waste be the only activities subject to the Code of Competitive Conduct in the 2021-2022 financial year. These are also the only activities considered to give rise to any material competition with the private sector.

In relation to other activities conducted by Council, which do meet the relevant financial thresholds but which have nonetheless been reviewed in preparing this report, the following is noted:

- Council conducts no "roads activities" as defined in section 47(5) of the *Local Government Act 2009*.
- Council's quarry activities are typically not profit making as the main focus is the provision of raw quarry material for Council road projects and also as per Council Resolution 2019/464 for sale to residents only for emergency repairs of erosion.
- Fleet activity does not provide any services external to Council.
- Council's building certification functions are no longer a business activity, as Council now only carries out its regulatory responsibilities under the *Building Act 1975*.
- Marine services provides very little commercial revenue and does not compete with any commercial businesses in Redlands Coast.
- Redlands Performing Arts Centre typically operates at a loss which is contrary to standard commercial principles.
- IndigiScapes café is typically not profit making with the café being unique in its focus on natural product, promoting sustainable living and the use of indigenous sources (bush tucker).

STRATEGIC IMPLICATIONS

Legislative Requirements

The annual review of Council's business activities is for Redland City Council as a Local Government. Council's wholly owned subsidiary Redland Investment Corporation Pty Ltd reviews its business model separately to Council.

Council has in place a number of policies and administrative directives to provide a framework to ensure long-term financial and infrastructure sustainability for the community. These include Application of Dividends and Tax Equivalent Payments (FIN-005-P), Constrained Cash Reserves (FIN-007-A), Capital Portfolio Prioritisation (CPP-002-A), Revenue (FIN-017-P), Debt (FIN-009-P), Investment (FIN-001-P), Asset Accounting (FIN-013-A) and Corporate Procurement (LSV-001-P).

Section 47(7) of the *Local Government Act 2009* states a local government must decide each financial year, by resolution, whether or not to apply the Code of Competitive Conduct to a business activity prescribed under a regulation. If Council resolves not to apply the Code of Competitive Conduct to a business activity, section 47(8) of the *Local Government Act 2009* requires that the resolution must state the reasons for not doing so.

Risk Management

Risks and opportunities for business activities are discussed as part of both the annual review of the Long-Term Financial Strategy and also the annual budget workshops.

Financial

There are no financial implications impacting Council as a result of this report.

People

Nil impact expected as the purpose of this document is to identify Council's business activities for the 2021-2022 financial year and determine whether to apply the Code of Competitive Conduct to these business activities in accordance with the legislative requirements.

Environmental

Nil impact expected as the purpose of this document is to identify Council's business activities for the 2021-2022 financial year and determine whether to apply the Code of Competitive Conduct to these business activities in accordance with the legislative requirements.

Social

Nil impact expected as the purpose of this document is to identify Council's business activities for the 2021-2022 financial year and determine whether to apply the Code of Competitive Conduct to these business activities in accordance with the legislative requirements.

Human Rights

There are no known nor any foreseen direct human rights implications associated with this report.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of Council's Corporate Plan, *Our Future Redlands – A Corporate Plan to 2026 and Beyond*:

- 1.1 Display quality leadership by our elected Council through transparent and accountable processes and effective communication that builds community trust.
- 1.2 Undertake meaningful community engagement to encourage diverse participation in local decision making.
- 7.1 Improve the efficiency and effectiveness of Council's service delivery to decrease costs, and enhance customer experience and community outcomes.
- 7.4 Demonstrate good governance through transparent, accountable processes and sustainable practices and asset management.

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Business Partnering Unit Officers	5 October 2021	No changes or new conflicts to the National Competition Policy advised by BPU officers.
Business Partnering Service Manager	6 October 2021	Reviewed in accordance with the <i>Local Government Act 2009</i> and the <i>Local Government Regulation 2012</i> .

OPTIONS**Option One**

That Council resolves as follows:

1. For the 2021-2022 financial year that City Water and City Waste are business activities based on the nature of their functions and the 2020-2021 Annual Financial Statements of Council.
2. That pursuant to section 47(7) of the *Local Government Act 2009*, the code of competitive conduct be applied to City Water and City Waste.
3. There are no other business activities of Council that are expected to be business activities as defined in section 43(4) of the *Local Government Act 2009*, and business activities prescribed for the purposes of section 47(7) of the *Local Government Act 2009*.

Option Two

That Council resolves to request further information.

OFFICER'S RECOMMENDATION

That Council resolves as follows:

1. For the 2021-2022 financial year that City Water and City Waste are business activities based on the nature of their functions and the 2020-2021 Annual Financial Statements of Council.
2. That pursuant to section 47(7) of the *Local Government Act 2009*, the code of competitive conduct be applied to City Water and City Waste.
3. There are no other business activities of Council that are expected to be business activities as defined in section 43(4) of the *Local Government Act 2009*, and business activities prescribed for the purposes of section 47(7) of the *Local Government Act 2009*.

13.6 AUDIT COMMITTEE 16 SEPTEMBER 2021**Objective Reference:** A5772369**Authorising Officer:** John Oberhardt, General Manager Organisational Services**Responsible Officer:** Tony Beynon, Group Manager Corporate Governance**Report Author:** Kailesh Naidu, Principal Adviser Internal Audit**Attachments:** 1. Audit Committee Minutes 16 September 2021 [↓](#)**PURPOSE**

To present the minutes of the Audit Committee meeting held on 16 September 2021 to Council for adoption in accordance with section 211 of the *Local Government Regulation 2012*.

BACKGROUND

The primary objective of the Audit Committee is to assist Council in fulfilling its corporate governance role and oversight of financial measurement and reporting responsibilities imposed under the *Local Government Act 2009* and other relevant legislation. To fulfil this objective and to enhance the ability of Councillors to discharge their legal responsibility, it is necessary that a written report is presented to Council as soon as practicable after a meeting of the Audit Committee about the matters reviewed at the meeting and the Audit Committee's recommendations about these matters.

ISSUES

Refer to the attached minutes of the Audit Committee held on 16 September 2021.

STRATEGIC IMPLICATIONS**Legislative Requirements**

This report has been prepared in accordance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Risk Management

There are no opportunities or risks as a result of this report.

Financial

There are no financial implications as a result of this report.

People

There are no implications on people as a result of this report.

Environmental

There are no environmental implications as a result of this report.

Social

There are no social implications as a result of this report.

Human Rights

There are no human rights implications as a result of this report.

Alignment with Council's Policy and Plans

Internal Audit Policy (GOV-010-P)

Audit Committee Policy (GOV-011-P)

Our Future Redlands - A Corporate Plan to 2026 and Beyond

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Audit Committee members and relevant officers	17-25 September 2021	Audit Committee members and relevant officers were consulted to review and approve the minutes prior to being finalised.

OPTIONS**Option One**

That Council adopts the minutes of the Audit Committee Meeting held on 16 September 2021, as attached to this report.

Option Two

That Council resolves to note this report and requests additional information.

OFFICER'S RECOMMENDATION

That Council adopts the minutes of the Audit Committee Meeting held on 16 September 2021, as attached to this report.



MINUTES

AUDIT COMMITTEE MEETING

Thursday, 16 September 2021

The Council Chambers
91 - 93 Bloomfield Street
CLEVELAND QLD



AUDIT COMMITTEE MEETING MINUTES

16 SEPTEMBER 2021

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AUDIT COMMITTEE MEETING MINUTES**16 SEPTEMBER 2021**

**AUDIT COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, 91 - 93 BLOOMFIELD STREET, CLEVELAND QLD
ON THURSDAY, 16 SEPTEMBER 2021 AT 9.00AM**

1 DECLARATION OF OPENING

The Chair declared the meeting open at 9.09am.

2 RECORD OF ATTENDANCE AND APOLOGIES

MEMBERS PRESENT:	Cr Karen Williams (Mayor) Cr Tracey Huges (Councillor, Division 8) Mr Mitchell Petrie (External Member and Chairperson) Ms Mary Goodwin (External Member)
APOLOGIES:	Dr Nicole Davis (General Manager Infrastructure and Operations) Mr Andrew Ross (General Counsel) Ms Amanda Daly (Head of People, Culture and Organisational Performance) Ms Tracy Mitchell (Acting Service Manager Risk and Liability Services)
EXECUTIVE LEADERSHIP TEAM:	Mr Andrew Chesterman (Chief Executive Officer) Mr John Oberhardt (General Manager Organisational Services) Ms Louise Rusan (General Manager Community and Customer Services) Ms Deborah Corbett-Hall (Chief Financial Officer) Mr Peter Cardiff (Acting General Counsel) Mr Anthony Burrows (Group Manager Project Delivery - as proxy for General Manager Infrastructure and Operations)
SECRETARY:	Mr Kailesh Naidu (Principal Adviser Internal Audit)
ATTENDEES:	Mr Tony Beynon (Group Manager Corporate Governance) Mr Glynn Henderson (Group Manager Corporate Services via Teams) Ms Joy Manalo (Service Manager Corporate Finance) Mr Kaiyomerz Sattha (Internal Auditor) Mr Peter Kelley (Chief Executive Officer, Redland Investment Corporation) Ms Rukmie Lutherus (Financial Controller, Redland Investment Corporation) Ms Anca Butcher (General Counsel, Redland Investment Corporation via Teams) Ms Ashley Carle (Partner, Bentleys via Teams) Mr Billy Benton (Manager, Bentleys via Teams) Mr Philip Airey (Director, Queensland Audit Office via Teams)
OBSERVERS:	Cr Wendy Boglary (Councillor, Division 1) Cr Paul Bishop (Councillor, Division 10) Ms Tracey Walker (Group Manager Communication, Engagement and Tourism)
MINUTES:	Ms Danielle O'Driscoll (Corporate Meetings and Registers Coordinator)

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AUDIT COMMITTEE MEETING MINUTES**16 SEPTEMBER 2021****3 CONFLICT OF INTERESTS**

Nil

4 RECEIPT AND CONFIRMATION OF MINUTES**4.1 MINUTES FROM THE AUDIT COMMITTEE OF 13 AUGUST 2021**

Minutes of the previous Audit Committee were confirmed as adopted at the General Meeting of Council 15 September 2021.

COMMITTEE RECOMMENDATION 2021/1

Moved by: Mr Mitchell Petrie

To confirm the minutes of the Audit Committee Meeting of 13 August 2021 were approved via circular resolution by the Audit Committee Meeting, and adopted at the General Meeting of Council 15 September 2021.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

AUDIT COMMITTEE MEETING MINUTES

16 SEPTEMBER 2021

5 BUSINESS ARISING FROM PREVIOUS MINUTES

5.1 BUSINESS ARISING FROM AUDIT COMMITTEE MEETING 13 AUGUST 2021

Business arising from the minutes of the Audit Committee Meeting of 13 August 2021 as presented.

Item No.	Business Arising from Previous Audit Committee Meeting	Action	Status
JUN2021-4	Group Manager Corporate Services to provide an update on fleet operations audit recommendations at the next meeting.	The Audit Committee has requested another report to be brought to the Audit Committee meeting scheduled for 24 March 2022.	Open
JUN2021-5	Group Manager Strategic Asset and Portfolio Management to provide an update on the asset data management pilot program and any issues which have been identified at a future Audit Committee.	The Group Manager Strategic Asset and Portfolio Management to provide an update at the Audit Committee meeting scheduled for 24 March 2022.	Open
JUN2021-7	A report to be presented by the Service Manager Risk and Liability Services on Council's risk appetite and tolerance levels.	The Service Manager Risk and Liability Services to provide an update at the Audit Committee meeting scheduled for 24 March 2022.	Open
AUG2021-1	The notes from the 11 May 2021 meeting on the Shell Financials are distributed to the Audit Committee as soon as practicable.	The notes were distributed through the Corporate Meetings and Registers Team on 6 September 2021.	Closed
AUG2021-2	A report regarding fraud and corruption control will be presented to the Audit Committee annually.	The requirement has been added to the annual calendar.	Closed
AUG2021-3	An Audit Committee member works with relevant officer to identify additional Portfolio Management Office reports already utilised which may be of benefit to the Committee.	Discussions have been held between the external member and the relevant Council officer. The existing quarterly reports can be provided without creating additional work, which is supported by the Executive Leadership Team and will be presented at the Audit Committee meeting scheduled for 24 March 2022 and quarterly thereafter.	Open

AUDIT COMMITTEE MEETING MINUTES**16 SEPTEMBER 2021****6 UPDATE FROM THE CHIEF EXECUTIVE OFFICER****6.1 CHIEF EXECUTIVE OFFICER UPDATE**

The Chief Executive Officer gave an update on the class action Supreme Court decision and a comprehensive verbal update on general organisational and Council matters.

COMMITTEE RECOMMENDATION 2021/2

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the verbal update from the Chief Executive Officer as presented.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

7 REDLAND INVESTMENT CORPORATION REPORTS**7.1 ANNUAL FINANCIAL STATEMENTS 2020-2021**

The 2020-2021 consolidated annual financial statements were presented to the Audit Committee by the Redland Investment Corporation Financial Controller. The Closing Report 2020-2021 was presented by Bentleys Chartered Accountants.

COMMITTEE RECOMMENDATION 2021/3

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the 2020-2021 consolidated financial statements and the audit Closing Report for Redland Investment Corporation.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

7.2 UPDATE FROM REDLAND INVESTMENT CORPORATION

A verbal update was presented to the Audit Committee by the Redland Investment Corporation Chief Executive Officer.

COMMITTEE RECOMMENDATION 2021/4

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the update as presented.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

AUDIT COMMITTEE MEETING MINUTES

16 SEPTEMBER 2021

8 COUNCIL FINANCIAL REPORTS**8.1 END OF MONTH FINANCIAL REPORT JULY 2021**

The End of Month Financial Reports for July 2021 were presented to the Audit Committee by the Chief Financial Officer.

COMMITTEE RECOMMENDATION 2021/5

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the report and attachment.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

8.2 ANNUAL FINANCIAL STATEMENTS 2020-2021

The Annual Financial Statements 2020-2021 were presented to the Audit Committee by the Chief Financial Officer.

OFFICER'S RECOMMENDATION

That the Audit Committee notes the final financial statements for 2020-2021.

COMMITTEE RECOMMENDATION 2021/6

Moved by: Mr Mitchell Petrie

That the Audit Committee endorses the Annual Financial Statements for 2020-2021, noting the addition to *Note 20 Contingent liabilities and contingent assets* in accordance with the Australian Accounting Standards, as previously unknown information was received on 13 September 2021.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

8.3 ASSET VALUATIONS 2021-2022

The Asset Valuations 2021-2022 report was presented to the Audit Committee by the Chief Financial Officer.

COMMITTEE RECOMMENDATION 2021/7

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the report and attachment.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

AUDIT COMMITTEE MEETING MINUTES**16 SEPTEMBER 2021****9 UPDATE FROM EXTERNAL AUDITORS****9.1 EXTERNAL AUDITORS REPORTS**

The Closing Report for 30 June 2021 and updates were presented to the Audit Committee by Bentleys Chartered Accountants and the Queensland Audit Office.

OFFICER'S RECOMMENDATION

That the Audit Committee notes the Closing Report for 30 June 2021 and update as presented.

COMMITTEE RECOMMENDATION 2021/8

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the Closing Report for 30 June 2021 and updates as presented, and that external audit recommendations related to disaster recovery planning are taken to the Operational Risk Management Committee and Information Management Steering Committee for consideration.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

10 INTERNAL AUDIT REPORTS**10.1 INTERNAL AUDIT PLAN**

An update on the 2021-2022 audit activities for Quarter One per the Strategic Internal Audit Plan 2021-2024 was presented by the Principal Adviser Internal Audit.

COMMITTEE RECOMMENDATION 2021/9

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the status of the planned activities for 2021-2022 in the Strategic Internal Audit Plan 2021-2024.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

AUDIT COMMITTEE MEETING MINUTES**16 SEPTEMBER 2021****10.2 AUDIT RECOMMENDATIONS DUE FOR IMPLEMENTATION**

The status of the audit recommendations due for implementation was presented by the Principal Adviser Internal Audit.

COMMITTEE RECOMMENDATION 2021/10

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the update provided on the recommendations currently tracked for implementation.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

11 RISK MANAGEMENT**11.1 RISK MANAGEMENT UPDATE**

The Service Manager Risk and Liability Services was an apology for this meeting. The Principal Adviser Internal Audit spoke to the report on the proceedings of the Operational Risk Management Committee.

COMMITTEE RECOMMENDATION 2021/11

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the update on risk management activities.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

12 OTHER BUSINESS**12.1 AUDIT COMMITTEE SELF-ASSESSMENT**

A discussion was led by the Committee Chairperson on the assessment and the areas for improvement regarding the Audit Committee.

COMMITTEE RECOMMENDATION 2021/12

Moved by: Mr Mitchell Petrie

That the Audit Committee:

1. Notes the status of the recommendations from the Audit Committee Self-assessment conducted in January 2018.
2. Notes the outcome of the Audit Committee Self-assessment conducted in July 2021.
3. Reviews and approves the recommendations for improvement identified.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

AUDIT COMMITTEE MEETING MINUTES**16 SEPTEMBER 2021****12.2 AUDIT COMMITTEE CHAIR'S ANNUAL REPORT 2020-2021**

The Committee Chairperson spoke to and presented the Audit Committee Chair's Annual Report 2020-2021 to the Committee.

COMMITTEE RECOMMENDATION 2021/13

Moved by: Mr Mitchell Petrie

That the Audit Committee endorses the Audit Committee Chair's Annual Report for 2020-2021 to be presented at a General Meeting of Council.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

13 AUDIT COMMITTEE MEETING PLAN**13.1 AUDIT COMMITTEE MEETING PLAN 2021-2022**

The Committee Chairperson spoke to the Audit Committee Meeting Plan for the financial year.

COMMITTEE RECOMMENDATION 2021/14

Moved by: Mr Mitchell Petrie

That the Audit Committee notes the Audit Committee Meeting Plan 2021-2022.

CARRIED 4/0

Cr Karen Williams, Cr Tracey Huges, Mr Mitchell Petrie and Ms Mary Goodwin voted FOR the motion.

14 MEETING CLOSURE

The Meeting closed at 10.56am.

The minutes of this Audit Committee were approved by Committee Members and presented to the General Meeting of Council on 20 October 2021.

13.7 AUDIT COMMITTEE CHAIR'S ANNUAL REPORT 2020-2021**Objective Reference:** A5772399**Authorising Officer:** John Oberhardt, General Manager Organisational Services**Responsible Officer:** Tony Beynon, Group Manager Corporate Governance**Report Author:** Kailesh Naidu, Principal Adviser Internal Audit**Attachments:** 1. **Audit Committee Chair's Annual Report 2020-2021** [↓](#)**PURPOSE**

To present the Audit Committee Chair's Annual Report for 2020-2021 which was endorsed by the Committee at its meeting of 16 September 2021.

BACKGROUND

The Audit Committee assists Council in fulfilling its corporate governance role per the *Local Government Act 2009* and other relevant legislation.

Council's Audit Committee Charter details the roles and responsibilities of the Audit Committee. The Chair's Annual Report provides a summary of the Audit Committee's activities in relation to the Audit Committee Charter and its high-level observations on the following:

- Financial statements and reporting
- External audit
- Internal audit
- Governance and internal control
- Fraud and corruption control
- Risk management
- Legislative and policy compliance

ISSUES

Refer to the attached Audit Committee Chair's Annual Report for 2020-2021 which was prepared by Mr Mitchell Petrie. The report was presented at the Audit Committee meeting of 16 September 2021 and the Committee recommended that the report is presented at a General Meeting of Council.

The report concludes with the Audit Committee confirming to Council that the responsibilities and activities of the Committee as set out in its Charter were satisfactorily undertaken for the year ended 30 June 2021.

STRATEGIC IMPLICATIONS**Legislative Requirements**

The Audit Committee Chair's Annual Report is not a requirement under legislation. However, the report summarises the responsibilities and activities undertaken by the Audit Committee in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Risk Management

There are no opportunities or risks as a result of this report.

Financial

There are no financial implications as a result of this report.

People

There are no implications on people as a result of this report.

Environmental

There are no environmental implications as a result of this report.

Social

There are no social implications as a result of this report.

Human Rights

There are no human rights implications as a result of this report.

Alignment with Council's Policy and Plans

Internal Audit Policy (GOV-010-P)

Audit Committee Policy (GOV-011-P)

Our Future Redlands - A Corporate Plan to 2026 and Beyond

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Audit Committee members	16 September 2021	Audit Committee members endorsed the report for presentation to Council at its General Meeting.

OPTIONS**Option One**

That Council resolves to note the Audit Committee Chair's Annual Report for 2020-2021 as presented.

Option Two

That Council requests further information before noting this report.

OFFICER'S RECOMMENDATION

That Council resolves to note the Audit Committee Chair's Annual Report for 2020-2021 as presented.



Audit Committee Chair's Report to Council 2020-2021

1.0 Purpose of this report

This Audit Committee Annual Report has been prepared to provide Councillors with a summary of the responsibilities, work, and deliberations of the Audit Committee in the year ended 30 June 2021.

2.0 Legislative requirement

Under the *Local Government Act 2009*, *Local Government Regulation 2012*, *City of Brisbane Act 2010* and the *City of Brisbane Regulation 2012*, all local governments in Queensland are required to establish an Audit Committee.

3.0 Purpose of the Audit Committee

The primary objective of the Audit Committee is to promote good corporate governance through the provision of independent assurance, oversight and advice to Council and the Chief Executive Officer on matters relating to fraud and corruption control, risk management, internal control, governance, compliance, audit, financial statement preparation and financial reporting (extract from the RCC Audit Committee Charter).

The scope of the Audit Committee's oversight and monitoring activities incorporates the activities of Council's administration, including its controlled entities.

Queensland Treasury's Audit Committee Guidelines note that the existence of an independent Audit Committee is recognised internationally as an important feature of good corporate governance. An audit committee can benefit an organisation by:

- Promoting the integrity and quality of internal and external reports on financial reporting and internal controls.
- Fostering and promoting a more effective and efficient audit process by providing an independent review of the internal audit annual audit plan and reports as well as external statutory financial reports.
- Providing a 'no surprises' environment, particularly regarding the prompt identification of risks and threats to the agency.
- Providing a depth of knowledge that assists management discharge its responsibilities in the most effective and efficient manner.

4.0 Membership

A Council's audit committee must comprise at least three but no more than six members, including at least one member who has significant experience and skills in financial matters. It must include a minimum of one councillor, and maximum of two councillors.

Membership of the Audit Committee during the year comprised two Councillors and two independent members.

Mayor Karen Williams and Councillor Tracey Huges were members of the Audit Committee for the entire year.

Mr Virendra Dua and Mr Peter Dowling, both independent of Council, were members of the Committee until 30 November 2020 at which time their terms expired.

Following the advertising of the vacant positions, a shortlist of candidates was interviewed to fill the two independent member positions on the Committee. On 4 November 2020, Ms Mary Goodwin and Mr Mitchell Petrie were appointed by Council as the independent members of the Audit Committee, with Mr Petrie appointed as the Chair of the Committee. The new members commenced their tenure on 1 December 2020.

Ms Goodwin and Mr Petrie bring with them experience in governance, audit, risk, strategic procurement, commerce and law, as well as experience on public and private audit committees and advisory boards.

5.0 Meetings held during the period

The Committee met on four occasions during the year ended 30 June 2021.

Date	Attendees	Chair
13 August 2020	Cr Karen Williams Cr Tracey Huges Mr Virendra Dua Mr Peter Dowling	Cr Karen Williams
17 September 2020	Cr Karen Williams Cr Tracey Huges Mr Virendra Dua Mr Peter Dowling	Cr Karen Williams
18 March 2021	Cr Tracey Huges Ms Mary Goodwin Mr Mitchell Petrie	Mr Mitchell Petrie
17 June 2021	Cr Karen Williams Cr Tracey Huges Ms Mary Goodwin Mr Mitchell Petrie	Mr Mitchell Petrie

An annual calendar of Committee activities has been prepared which aligns with the responsibilities set out in the Committee's Charter. This calendar forms the basis of the agendas for each meeting. Agenda papers are prepared and distributed prior to each meeting.

Minutes of each Committee meeting are provided to Council after each meeting.

The Chief Executive Officer, members of the Executive Leadership Team, invited members of management, representatives of controlled entities and the external auditors attend the Committee meetings. Councillors are also provided the opportunity to observe Committee meetings.

Members of the Committee periodically meet out-of-session with the Chief Executive Officer and other members of management to discuss matters relevant to the Committee's activities.

6.0 Activities during the year ended 30 June 2021

During the year ended 30 June 2021 the Audit Committee's scope of monitoring and oversight activities included the following:

6.1 Financial Statements and Reporting

The Committee reviewed and considered the process applied to preparing the annual statutory financial statements. This included:

- Understanding significant judgements and estimates and the application of accounting standards
- Identification of related party transactions and significant contingent liabilities and commitments
- Consideration of the financial statements of controlled entities
- Adequacy of disclosures including comparison to other Councils
- Reviews of draft financial statements prior to the commencement of the year-end external audit process

Out-of-session meetings were held with the General Counsel, Chief Financial Officer and external auditors to support the Committee's consideration of the annual statutory financial statements.

The Committee congratulates the Chief Financial Officer and her team on the dedication shown to preparing the annual statutory financial statements. The Committee concluded that the annual statutory financial statements were of a high quality and that sufficient and appropriate processes were applied in the preparation of those statements.

6.2 External Audit

Throughout the year the Committee was provided with reports from the external auditor, the Queensland Audit Office and their contracted auditor Bentleys Chartered Accountants, on the proposed audit plan, the progress of the audit, any internal control deficiencies identified and the external auditor's comments on a range of other relevant matters.

During the year the external auditor did not identify any significant internal control or financial reporting deficiencies and concluded that Council's internal control environment was "effective".

The audit opinion provided by the external auditors on the financial statements for the year ended 30 June 2021 was Unmodified (an unqualified audit opinion).

Consistent with good practice, the Audit Committee met with the external auditors in an "in-camera" session to discuss the audit process and their interaction with Council.

The Committee was satisfied that external audit process was appropriate, and the external auditor was independent.

6.3 Internal Audit

Council's Internal Audit resources comprise a Principal Adviser Internal Auditor supported by an experienced Internal Auditor. In addition, during the year Deloitte Chartered Accountants were engaged to undertake a number of internal audit projects.

Internal audit completed 16 internal audits during the year and reported the findings from each of these to the Committee. Where an internal audit identified significant internal control weaknesses, the relevant Council Manager attended the Committee meeting to discuss the findings and planned responses to mitigate identified risks.

Internal audit was requested by the Chief Executive Officer to undertake a small number of "ad hoc" (unplanned) activities during the year. The results of these activities were reported to the Committee in addition to the results of each internal audit.

The status of outstanding internal audit and external audit recommendations is presented to the Committee. The trend in the number of overdue actions declined during the year and is currently at a manageable level. It is apparent that the Executive Leadership Team has monitored the status of outstanding audit recommendations.

The Committee met out-of-session with the Principal Adviser Internal Audit as part of the process to develop the annual Internal Audit Plan. The annual Internal Audit Plan includes the proposed internal audit activities for the forthcoming year and an indication of the activities for the subsequent two years. The Plan endeavours to provide a reasonable coverage over three years, cognisant of resource constraints, over core business processes, key business risks, and significant change programs. The Committee reviewed and approved the annual Internal Audit Plan.

The Committee considered the independence and resourcing of the Internal Audit function and concluded that there currently is sufficient resourcing to execute the activities set out in the annual Internal Audit Plan. However, there may be times where additional resourcing may be appropriate where specialist skills are required or additional unplanned activities arise.

The Committee was impressed with the quality of Council's Internal Audit function.

6.4 Governance and Internal Control

Through the activities of the external auditor and internal audit, the Committee monitored the governance and internal control environment of Council.

Similar to other Councils, RCC engages a range of contractors. During the year, the Committee considered how Council manages the risks of engaging contractors particularly in respect of workplace, health and safety and also contractor performance of their contracted obligations.

The Committee intends to consider the results of employee surveys in the future and the implications of the results for Council's culture, governance and internal control processes.

6.5 *Fraud and Corruption Control*

Through the activities of the external auditor and internal audit, as well as periodic reports provided by the Chief Executive Officer, the Committee monitored how the risk of significant fraud is managed.

In June and August 2021, the Committee received and considered an updated draft Fraud Risk Management Guideline. The document is comprehensive and, amongst other things, sets out roles, responsibilities and activities to manage the risk of significant fraud.

The Committee intends receiving periodic reports of the results of activities referred to in the Fraud Risk Management Guideline.

6.6 *Risk Management*

At each meeting the Committee receives a report on the operation of Council's Enterprise Risk Management framework. This includes periodic reporting on significant risks, insurance risks and other activities such as the activities of Management's Operational Risk Management Committee.

The Committee has a strong interest in working with the Executive Leadership Team to continue to develop Council's Enterprise Risk Management framework and processes.

6.7 *Legislative and Policy Compliance*

At each meeting, the Committee receives a report from the Chief Executive Officer which, amongst other things, includes comments on any significant changes to the legislative environment.

In addition, during the year the Committee met with the General Counsel to understand how legislative compliance risks are managed.

7.0 *Conclusion*

The Committee confirms to Council that the responsibilities and activities of the Committee as set out in its Charter were satisfactorily undertaken for the year ended 30 June 2021.

Mitchell Petrie
Chair, RCC Audit Committee
13 September 2021

13.8 ADOPTION OF ANNUAL REPORT 2020-2021

Objective Reference: A5779577

Authorising Officer: John Oberhardt, General Manager Organisational Services

Responsible Officer: John Oberhardt, General Manager Organisational Services

Report Author: Tony Beynon, Group Manager Corporate Governance

Attachments: 1. Annual Report 2020-2021 [↓](#)

PURPOSE

To adopt Redland City Council's Annual Report in accordance with Section 182 of the *Local Government Regulation 2012*. The Annual Report provides an overview of the financial year, including financial statements, performance data and other statutory information. In accordance with the *Local Government Regulation 2012*, section 182(4), Council must publish its annual report on its website within two weeks of adoption.

BACKGROUND

Each year, Council adopts an annual report as required by the *Local Government Regulation 2012*. The annual report must contain information on Council's financial position, an assessment of its performance in implementing its corporate and operational plans as well as a number of other issues of public interest which are specified in the legislation. The Annual Report for 2020-2021 must be adopted by Council before being published. Under section 182 of the *Local Government Regulation 2012*, Council is required to adopt its annual report within one month after the day the Auditor-General gives the audit report regarding Council's financial statements for the financial year to the Local Government. The Financial Statements were certified by Queensland Audit Office on 23 September 2021, therefore Council's Annual Report 2020-2021 must be adopted by 23 October 2021.

The Annual Report 2020-2021 has been prepared for consideration by Councillors. The annual report reviews in detail Council's financial and operational performance for the 2020-2021 financial year against the goals set out in the Corporate Plan 2018-2023 and Council's 2020-2021 Budget.

The Annual Report meets Council's reporting obligations under the *Local Government Regulation 2012*.

ISSUES

The Annual Report 2020-2021 has been prepared in accordance with the *Local Government Regulation 2012* and includes performance information linked to Council's Corporate Plan 2018-2023.

STRATEGIC IMPLICATIONS

Legislative Requirements

Under section 182 of the *Local Government Regulation 2012*, Redland City Council is required to adopt its annual report within one month after the day the Auditor-General gives the audit report regarding Council's financial statements for the financial year to the local government.

Risk Management

The Annual Report 2020-2021 includes details of Council's risk management arrangements. There are no direct risk management issues arising from this report.

Financial

Costs relating to the preparation of the annual report have been met from Council's existing budgets.

People

The Annual Report 2020-2021 includes details of Council's organisational structure as well as information about our employees. There are no direct implications to Council employees resulting from this report.

Environmental

The Annual Report 2020-2021 includes performance indicators about environmental issues, particularly relating to the Healthy Natural Environment and Green Living Outcomes within Council's Corporate Plan. The report will be published online, so there will be no environmental impact.

Social

A number of social issues are captured within the Annual Report, including performance indicators relating to the Strong and Connected Communities outcome in the Corporate Plan.

Publication of the Annual Report is a statutory requirement, which provides the community with a range of information about Council's activities throughout the 2020-2021 financial year. There are no direct social implications resulting from the adoption of the Annual Report 2020-2021.

Alignment with Council's Policy and Plans

The Annual Report aligns with Outcome 8 in the Corporate Plan 2018-2023 – Inclusive and Ethical Governance. Deep engagement, quality leadership at all levels, transparent and accountable democratic processes and a spirit of partnership between the community and Council will enrich residents' participation in local decision-making to achieve the community's vision and goals.

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Councillors, ELT, various Group Managers and Service Managers	July-October 2021	Requesting information pertaining to their areas of responsibility for inclusion in the Annual Report.

OPTIONS**Option One**

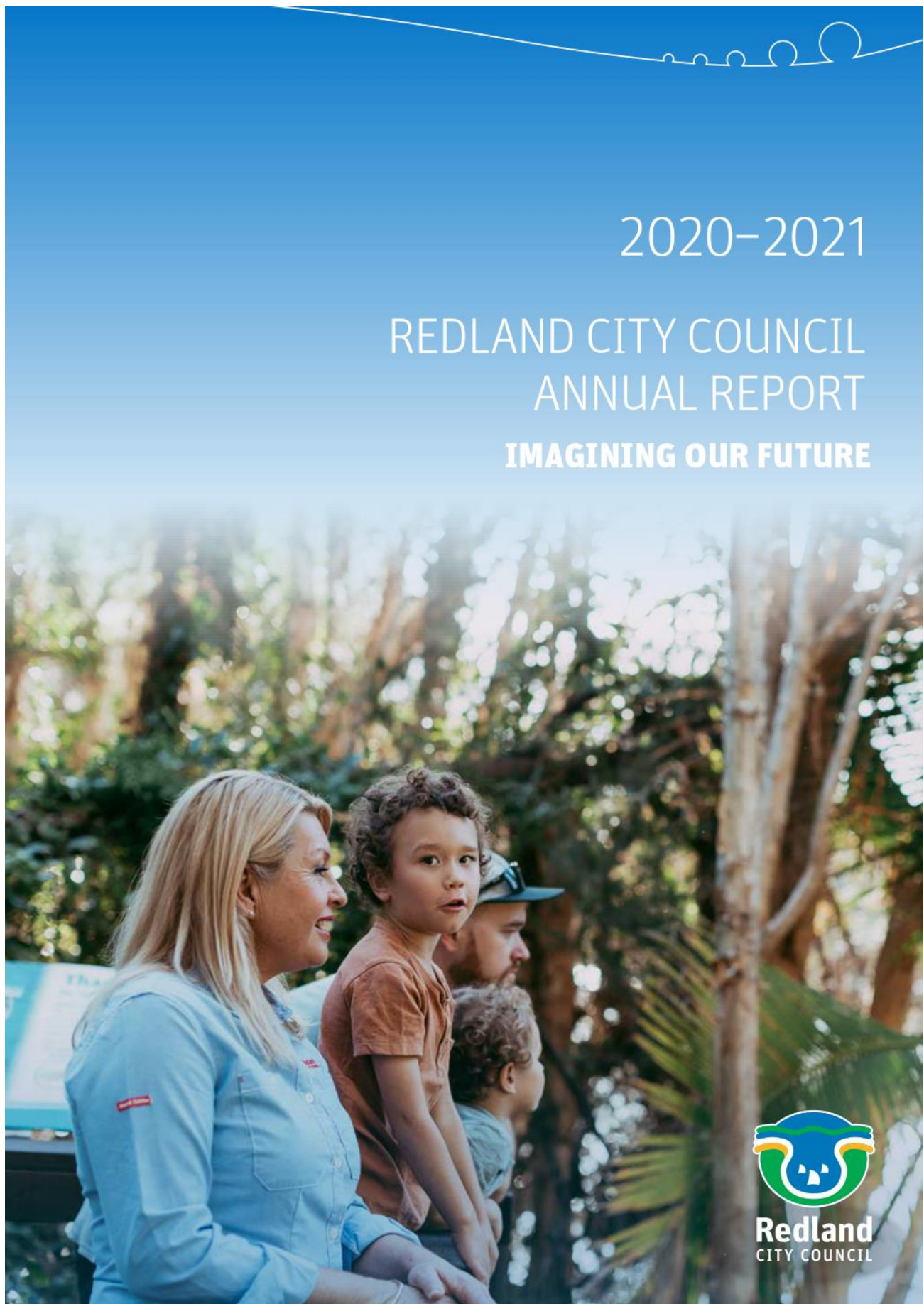
That Council resolves to adopt the Redland City Council Annual Report 2020-2021 and publish on Council's website.

Option Two

That Council resolves to adopt the Redland City Council Annual Report 2020-2021, with amendments agreed at the General Meeting and publish on Council's website.

OFFICER'S RECOMMENDATION

That Council resolves to adopt the Redland City Council Annual Report 2020-2021 and publish on Council's website.




CONTACTS

COUNCIL WEBSITE

 redland.qld.gov.au

TELEPHONE

 3829 8999 Monday – Friday, 8am – 5pm,
excluding public holidays

Outside business hours, this phone number will connect you to our emergency messaging service.


EMAIL

 rcc@redland.qld.gov.au

SOCIAL MEDIA

 facebook.com/RedlandCouncil

 twitter.com/RedlandCouncil

 instagram.com/RedlandCouncil

CUSTOMER SERVICE CENTRES

Cleveland (Nandeebie/Indillie): Corner Middle and Bloomfield Streets.
Open Monday–Friday, 8.30am–4.30pm (excluding public holidays).

Capalaba (Kapallaba): Noeleen Street (adjacent Capalaba bus station and library).
Open Monday–Friday, 8.30am–4.30pm (excluding public holidays).

Victoria Point (Warrer Warrer): 7–15 Bunker Rd (inside library at Victoria Point Lakeside, entrance via High Street).
Open Monday–Friday, 9am–5pm (excluding public holidays).

Note: operating hours may be subject to change in the event of any future COVID-19 health directives.

ASSISTED SERVICES

Interpreter service: call the National Translating and Interpreting Service (TIS) on 131 450 to speak to a Council officer. Free service for Council-related business.

National Relay Service Teletypewriter: call 133 677 then enter the Redland City Council number 3829 8999.

Speak and Listen (speech-to-speech relay): call 1300 555 727 then ask for Redland City Council on 3829 8999.

Internet Relay users: Log on to Internet Relay and then enter the Redland City Council number 3829 8999.

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ACKNOWLEDGING TRADITIONAL OWNERS AND COUNTRY

Redland City Council is committed to working with Traditional Owners, supporting their role as custodians of their traditional lands and helping ensure the future prosperity and cultural enrichment of the community.

Council recognises that the Quandamooka People are the Traditional Owners of much of Redlands Coast. Council also extends its acknowledgement of Traditional Owners to the Danggan Balun (Five Rivers) People who are currently in the process of Native Title determination for an area that crosses into southern Redlands Coast.

NATIVE TITLE ON REDLANDS COAST

The Quandamooka People's 2011 Native Title consent determinations delivered on 4 July 2011, cover North Stradbroke (*Minjerribah*), Peel (*Teerk Roo Ra*), Goat, Bird, Stingaree and Crab islands as well as the surrounding waters of Moreton Bay.

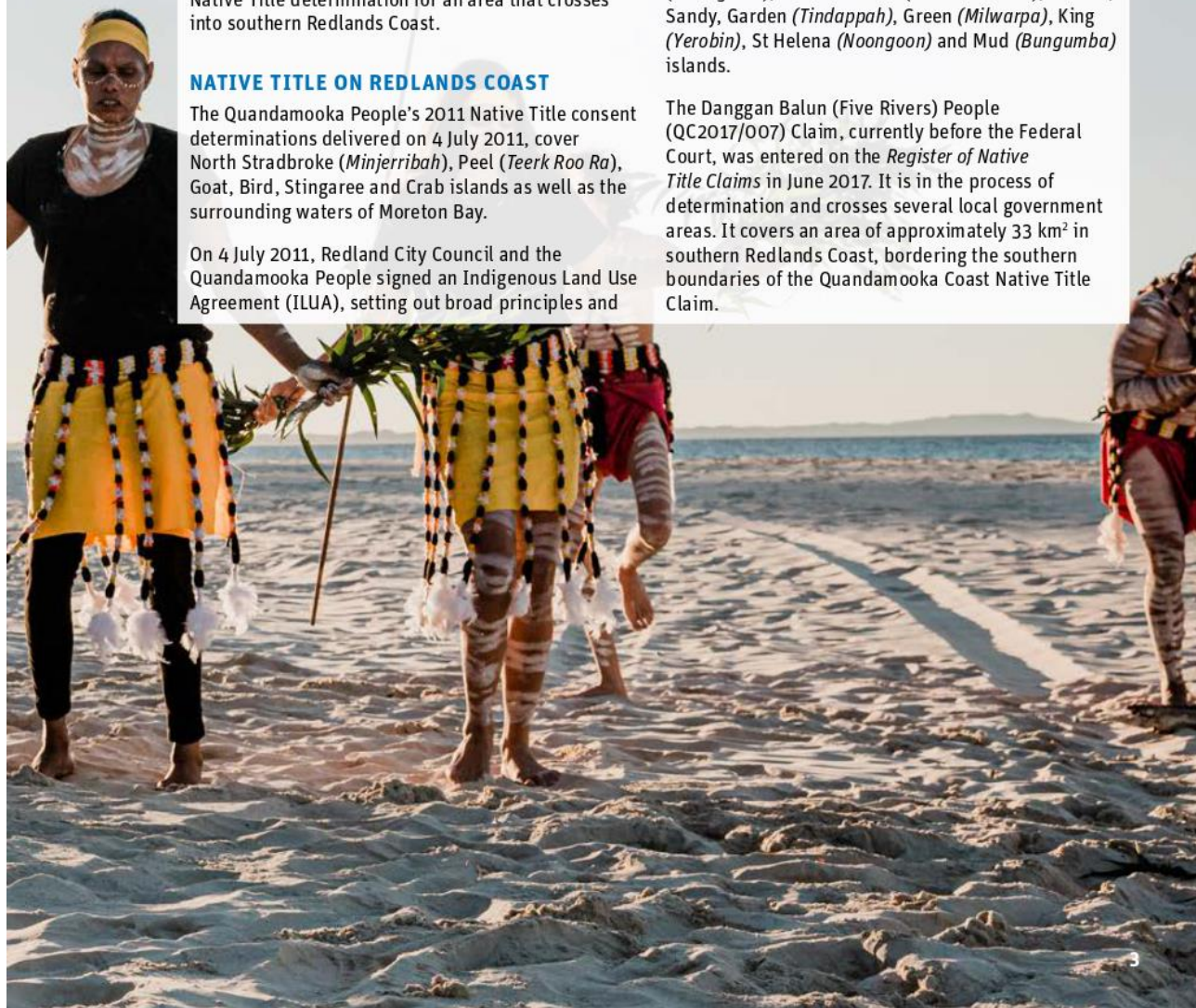
On 4 July 2011, Redland City Council and the Quandamooka People signed an Indigenous Land Use Agreement (ILUA), setting out broad principles and

mechanisms for how the parties will work together and meet responsibilities for mutual benefits.

The Quandamooka Coast Native Title Claim, currently before the Federal Court, was entered on the *Register of Native Title Claims* in May 2017 and is in the process of determination.

This claim covers most of mainland Redlands Coast and part of Brisbane City, as well as Lamb (*Ngudooroo*), Macleay (*Jencoomercha*), Karragarra (*Karragarra*), Coochiemudlo (*Goochie mudlo*), Cassim, Sandy, Garden (*Tindappah*), Green (*Milwarpa*), King (*Yerobin*), St Helena (*Noongoon*) and Mud (*Bungumba*) islands.

The Danggan Balun (Five Rivers) People (QC2017/007) Claim, currently before the Federal Court, was entered on the *Register of Native Title Claims* in June 2017. It is in the process of determination and crosses several local government areas. It covers an area of approximately 33 km² in southern Redlands Coast, bordering the southern boundaries of the Quandamooka Coast Native Title Claim.



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A photograph of a woman with her hair tied back, wearing a green short-sleeved shirt and light-colored cropped trousers, walking barefoot on a sandy beach. She is looking out over a calm body of water towards a distant shoreline with trees and buildings under a clear blue sky. The scene is captured in the warm light of late afternoon or early morning.

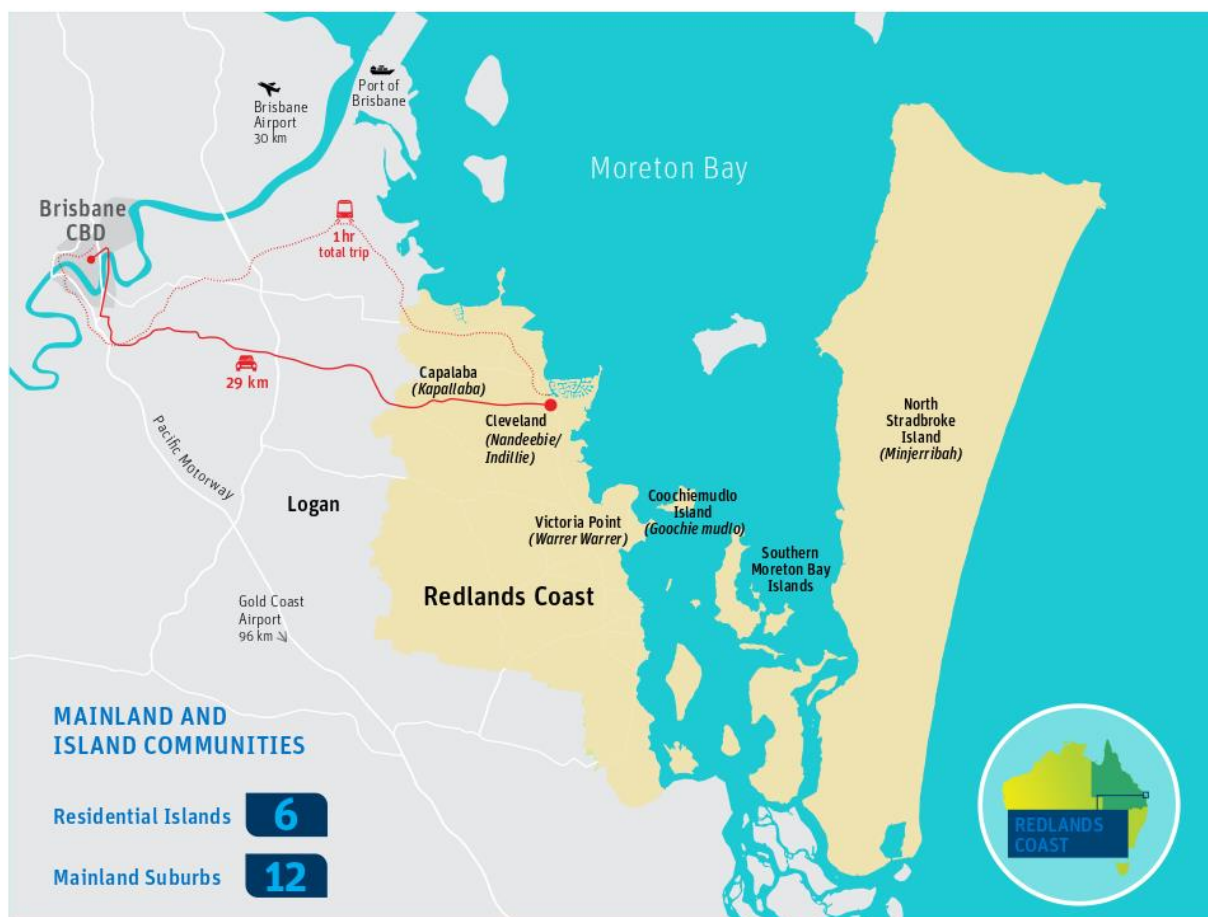
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1

INTRODUCTION

Defining Redlands Coast as a destination and Redland City Council as the area's local government authority, this section provides information on Council's mission, values and plans. It provides an introduction to Council's new corporate plan *Our Future Redlands – A Corporate Plan to 2026 and Beyond* and the city's new vision, 'Naturally wonderful lifestyle. Connected communities. Embracing opportunities'.

ABOUT REDLANDS COAST



+21,000 years

Quandamooka People have lived on the lands and seas of the area we now call Redlands Coast

2.3%

of local residents identify as Aboriginal and/or Torres Strait Islander*

* Census 2016. Source: Australian Bureau of Statistics



160,331

Estimated Resident Population 2020*

*Source: Australian Bureau of Statistics (ABS). Census of Population and Housing 2016

Redland City Council – Annual Report 2020–2021



335 km
of coastline
(approximate)



537 km²
land area



4,948 ha
conservation and
green space managed by
Redland City Council

MAJOR INDUSTRIES:

- **Tourism**
(accommodation and food services)
- **Construction**
- **Education and training**
- **High value-add services**
- **Health care and social assistance**
- **Manufacturing**
- **Retail trade**
- **Rural enterprises**



5.5%
of population require daily
assistance due to disability*



42 years
median resident age*



1,700
species of animals



2
genetically distinct
koala populations



22.5%
people born overseas*



18.2%
residents volunteer*



12,181
local businesses**



\$6.08 billion
gross regional product**

Census 2016. Source: Australian Bureau of Statistics

##Source: National Institute of Economic and Industry Research, compiled and presented in economy.id
**Source: Australian Bureau of Statistics, compiled and presented in economy.id

ABOUT REDLAND CITY COUNCIL



Redland City Council – Annual Report 2020–2021



220
playgrounds
maintained

79,282
engagements with
stakeholders during
consultations in
2020–2021

783,314
physical items
borrowed from
libraries

224,000
customer interactions
through the Integrated
Customer Contact Centre

180
leases/licences
supporting sporting
and community
organisations



1,000+
recreation parks,
conservation reserves, civic
spaces, sporting land and
utility lands maintained

OUR MISSION

“Make a difference, make it count.”

OUR ORGANISATIONAL VALUES



HIERARCHY OF COUNCIL PLANS



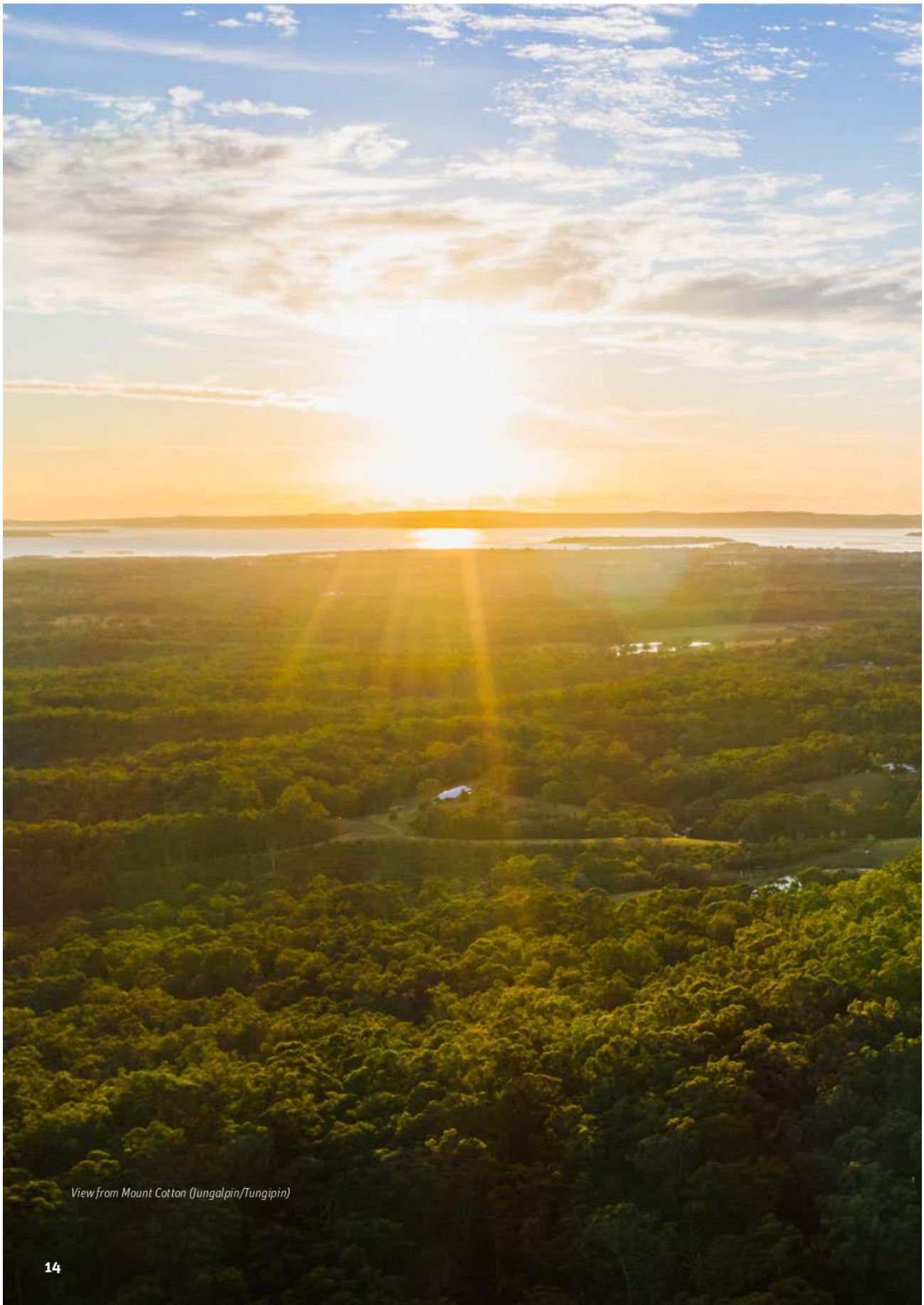
A NEW CORPORATE PLAN

In December 2020, Redland City Council adopted its new corporate plan, *Our Future Redlands – A Corporate Plan to 2026 and Beyond*.

Our Future Redlands introduces a new city vision – 'Naturally wonderful lifestyle. Connected communities. Embracing opportunities' – and describes seven goals for 2041 that are supported by initiatives and catalyst projects.

The plan focuses on finding a balance between sustaining the lifestyle enjoyed on Redlands Coast and the community's desire for a thriving and progressive city.

In effect from 1 July 2021, it will help inform Council's Operational Plan, Budget and decision-making over the next five years.



View from Mount Cotton (Jungalpin/Tungipin)



Redland City Council – Annual Report 2020–2021

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2020–2021 IN REVIEW

Messages from our Mayor and Chief Executive Officer with highlights of key projects for the year. This section is also where you will find our Community Financial Report.



“

These long-term projects stand to create remarkable community spaces, with Council steering their transformation from vision to reality in the years ahead.

”

MESSAGE FROM OUR MAYOR

A successful local government delivers for its community today, while planning for tomorrow. Redland City Council's strong 2020–2021 performance is evidence of this, as we achieved critical intergenerational milestones while navigating project and service delivery in times of COVID-19.

I would like to thank my fellow Councillors, Chief Executive Officer Andrew Chesterman, the Executive Leadership Team, and all the hard working employees who support them, for their continued efforts to forge a sustainable and prosperous future for Redlands Coast. The successful delivery of our \$327m COVID-19 recovery budget is a testament to their commitment to this city.

INTERGENERATIONAL PLANNING

A highlight of the year was the adoption of our new corporate plan *Our Future Redlands – A Corporate Plan to 2026 and Beyond*, that came into effect on 1 July 2021.

This forward-looking document sets us on a course to ensure Council decisions over the next five years meet current needs and future aspirations.

Importance of such planning was witnessed through two intergenerational projects taking forward steps this year. When engaging with stakeholders on these projects, it was clear the sense of promise and exciting possibility was shared by Council and residents.

Initial community engagement in early 2021 for the 62-hectare Birkdale Community Precinct generated huge interest with 3,000 people visiting the site for open days, more than 25,000 interactions online, 1,600 surveys completed and around 700 people attending pop-ups across the city. This feedback will now inform a vision for the site.

The Redlands Coast Regional Sport and Recreation Precinct concept design was also finalised in June 2021. This will see 47-hectare of the 101-hectare Heinemann Road, Mount Cotton (*Jungalpin/Tungipin*), site boast three new clubhouses, 16 sporting fields, cycling and BMX tracks and first-class recreation facilities.

These long-term projects stand to create remarkable community spaces, with Council steering their transformation from vision to reality in the years ahead.

A NEW NORMAL

A key takeaway from 2020–2021 is how Council and our community have adapted to life with COVID-19, and sought positive ways to forge 'the new normal'. The willingness of community groups, residents, businesses and our own employees to find ways to 'get things done' has been inspiring.

I have been filled with confidence that our organisation is well-placed to serve Redlands Coast – whether this has been our front line employees helping customers to check in safely, the events team's delivery of the COVID-safe *Christmas on the Coast Festival*, or the speed in which our workforce has adapted to lockdowns and flexible working arrangements.

I am proud of what our people, and the people of Redlands Coast, have accomplished.

K Williams

Councillor Karen Williams
Mayor of Redland City

Redland City Council – Annual Report 2020–2021

MESSAGE FROM OUR CEO

This annual report reflects on a critical year during which Redland City Council set foundations for the next decade.

The year was also characterised by the high level of service we continued to provide Redlands Coast residents while also working to keep them, and Council employees, safe in the face of the COVID-19 pandemic.

Council delivered a \$64.7m capital program which invested heavily in \$3.9b (before depreciation) worth of community assets, improving the processes that enabled that to happen.

That we were able to achieve this, while adapting to the workplace and community challenges presented by COVID-19, speaks volumes for the professionalism and effort of all employees and I would like to thank them from the outset.

A YEAR OF PLANNING AHEAD

Among notable achievements was development of *Our Future Redlands – A Corporate Plan to 2026 and Beyond* which defines 30 catalyst projects and 37 key initiatives that underpin the city's future.

Two exciting projects – Birkdale Community Precinct and the Redlands Coast Sport and Recreation Precinct – were put in motion.

Work also began on vital upgrades to the Southern Moreton Bay Islands ferry terminals and Weinam Creek transport hub at Redland Bay (Talwalpin), which will open

up economic and recreational opportunities.

Council also formally committed to the 2032 Brisbane Olympic and Paralympic Games as a Venue Partner and agreed to work towards the creation of a Redlands Coast Adventure Sports Precinct which will offer benefits to residents well beyond the Games.

Council invested in active transport through improved cycling and pedestrian facilities and continued the excellent progress of our strategic procurement journey.

Specific examples this year of procurement savings and exceptional contract awards include:

- Biosolids savings in excess of \$600,000
- Asphalt contract award savings over two stages favourable to budget by \$7m
- Bus shelters contract award savings over two stages in excess of \$1m
- Parks and sports fields – \$1m less than the budget allocation for the contract
- Footpaths over two stages nearly \$250,000 favourable to budget
- Tracks and trails \$500,000 less than budget allocation for the contract.

Council also took control of our own connectivity needs with installation of a high-speed internet service connecting five major Council sites saving Council almost \$1m over the 20 year life of the infrastructure.

Investigations began into how we can provide local businesses and organisations with access to spare fibre bandwidth.

I am also especially proud to report that Council continued to make meaningful progress with its internal Reconciliation Action Plan, with 50 of its 55 deliverable actions now complete.

FINANCIAL STABILITY KEY FOCUS

Council prioritised long-term financial sustainability, helped our community overcome impacts of the pandemic and sharpened our focus on spending local to support businesses and employment.

Our strong financial management means we have significantly more assets than liabilities, and money to invest in the community at the right time.

My sincere thanks to Mayor Karen Williams and Councillors for their leadership and vision, and to the invaluable support from the Executive and Senior Leadership Teams, all Council employees and our delivery partners for their dedication as the challenges of the pandemic continued. Our residents and the broader community have my gratitude for staying the course with Council, helping us to keep our city safe.



Andrew Chesterman
Chief Executive Officer,
Redland City Council



“Two exciting projects – Birkdale Community Precinct and the Redlands Coast Sport and Recreation Precinct – were put in motion.”

”

COMMUNITY FINANCIAL REPORT

This report aims to simplify the consolidated financial statements of Redland City Council (Council) and its controlled entities. Council and its controlled entities form the consolidated entity referred to in this Community Financial Report as “the Group”. The report provides graphical representations of the financial position, financial performance and cash flows, as well as changes in community equity, to provide a simple, comprehensive view of the Group’s financial results for the period 1 July 2020 to 30 June 2021.

Report outline

Measures of sustainability and financial stability	Financial overview Revenue and expenditure; asset, liability and community equity; cash in and cash out	Community future vision and summary
--	--	-------------------------------------

Measures of sustainability

Sustainability measures provide evidence of the Group’s ability to continue operating and to provide an acceptable level of service to the community both currently and in the longer term. Local governments are required to report on three financial sustainability measures being an operating surplus ratio, a net financial liabilities ratio and an asset sustainability ratio, each of which is presented below.

Ratio	Description	Target	Group 2020–2021 Actual	Group 2019–2020 Actual	Group 2018–2019 Actual
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 or other purposes.	Between 0% and 10%	-4.01%	-2.89%	-3.68%
Net financial liabilities ratio*	This is an indicator of the extent to which the net financial liabilities of the Group can be serviced by its operating revenues.	Below 60%	-37.37%	-33.30%	-39.83%
Asset sustainability ratio	This is an approximation of the extent to which the infrastructure assets managed by the Group are being replaced as they reach the end of their useful lives.	Greater than 90%	54.64%	37.66%	42.35%

** This is calculated using net financial liabilities (total liabilities minus current assets) divided by total operating revenue. The negative number indicates that the Group’s current assets exceed the total liabilities. Therefore, the Group has exceeded this target.*

The operating surplus ratio, net financial liabilities ratio and asset sustainability ratio have targets to be achieved on average over the long-term (a period of at least 10 years), and are not necessarily expected to be met on a monthly or annual basis.

When compared to the 2019–2020 financial year, the operating surplus ratio has decreased by 38.75%. This is mainly driven by an increase in operating expenses.

Redland City Council – Annual Report 2020–2021

Achieving the target for the asset sustainability ratio continues to be a focus area. Council continuously improves asset and service management planning and evidence-based asset consumption assessment. The asset sustainability ratio increased from 37.66% to 54.64% due to an increase in expenditure on replacement of infrastructure assets. The asset management system introduced last financial year supports best practice asset management to enable efficient governance and sustainability of community assets.

Summary of key financial stability measures (Council)

Council includes the below elective key performance indicators in the budget and reports on these on a monthly basis, as these ratios do not feature in the Annual Financial Statements. Council chooses to retain these indicators to provide more information to the community on how Council is managing community assets, liabilities and cash balances.

Ratio	Description	Target	2020–2021 Actual	2019–2020 Actual	2018–2019 Actual
Level of dependence on general rate revenue	This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues).	Less than 40%	35.53%	35.61%	35.50%
Ability to pay our bills – current ratio	This measures the extent to which Council has liquid assets available to meet short-term financial obligations.	Between 1.1 and 4.1	3.15	3.15	3.23
Ability to repay our debt – debt servicing ratio	This indicates Council's ability to meet current debt instalments with recurrent revenue.	Less than or equal to 15%	3.31%	3.32%	2.86%
Cash balances	Cash balance includes cash on hand, cash at bank.	Greater than or equal to \$50m	\$187.24m	\$171.90m	\$162.10m
Cash balances – cash capacity in months	This provides an indication of the number of months of cash held at period end able to cover operating cash outflows.	Greater than 3 months	9.57 months	9.16 months	8.81 months
Longer term financial stability – debt to asset ratio*	This is total debt as a percentage of total assets, i.e. to what extent will our long-term debt be covered by total assets.	Less than or equal to 10%	1.74%	1.74%	1.34%
Operating performance	This ratio provides an indication of Council's cash flow capabilities.	Greater than or equal to 10%	21.95%	19.17%	21.87%
Interest coverage ratio**	This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges.	Less than 5%	-0.03%	-0.37%	-0.87%

* Non-current debt includes lease liabilities in compliance with AASB 16 Leases.

** This is calculated using net interest expense, i.e. interest expense minus interest revenue. The negative number indicates that Council has received more interest than it has spent on borrowings. Therefore, Council has exceeded this target.

Financial overview

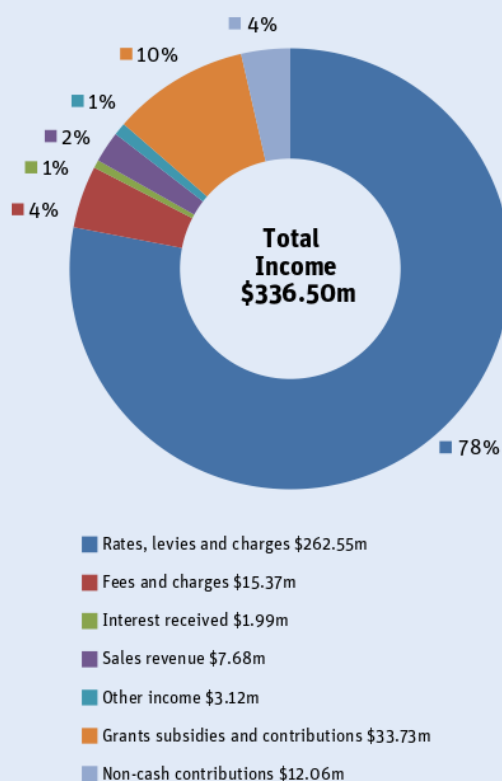
OVERVIEW OF CONSOLIDATED FINANCIAL RESULTS

Information at a glance	2020–2021 Actual \$ millions	2019–2020 Actual \$ millions	2018–2019 Actual \$ millions
Operating income	\$300.86	\$297.48	\$281.67
Capital grants, subsidies and contributions	\$35.64	\$27.15	\$23.19
Total income	\$336.50	\$324.63	\$304.86
Operating expenses	\$(312.93)	\$(306.09)	\$(292.04)
Other capital income/(expenditure)	\$(3.08)	\$(2.51)	\$(3.80)
Total expenses	\$(316.01)	\$(308.60)	\$(295.84)
Net result	\$20.49	\$16.03	\$9.02

See Consolidated Statement of Comprehensive Income for more information (page 129)

Redland City Council – Annual Report 2020–2021

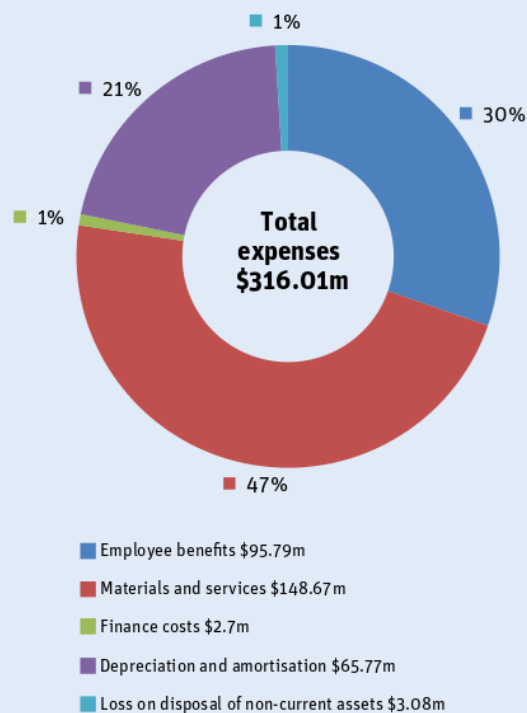
FINANCIAL PERFORMANCE SUMMARY

Income – where did the money come from?
 (Consolidated Statement of Comprehensive Income)


The Group generated \$336.50m in revenue with the majority sourced from general rates, levies and charges and put towards providing services, programs and facilities that respond to the needs and priorities of Redlands Coast residents. Total income increased by \$11.87m or 3.66% from 2019–2020.

Movements in income were mainly driven by:

- Growth in rates, levies and charges due to an increase in the number of rated properties, bulk water, waste collection and wastewater charges increases
- Increase in capital grant income and developer non-cash contributions.

Expenses – where was the money spent?
 (Consolidated Statement of Comprehensive Income)


The Group spent \$316.01m in expenses during the financial year, which is an increase of \$7.41m or 2.40% on last year.

This increase was mainly driven by an increase in materials and services primarily due to an increase to the 10-year expenditure program for closed landfill remediation. This is alongside an increase in salary and wages including an increase in accrual for workers' compensation claims.

CAPITAL WORKS EXPENDITURE (COUNCIL) – WHAT PROJECTS DID WE SPEND MONEY ON?

Council delivered a capital program during the year amounting to \$64.70m. Some of the key projects included:

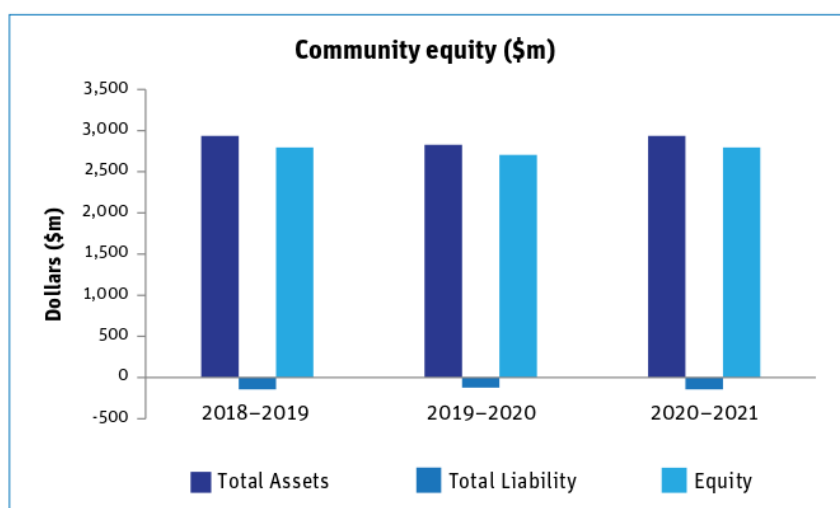
Project name	Project description	Amount \$millions
Point Lookout Backlog Sewer Area, Point Lookout (Mulumba)	A continuation of the program to expand sewerage network at Point Lookout (Mulumba).	\$2.62
Fleet replacement	Current fleet replacement program.	\$1.85
Sewerage Pump Station #92, 7 Donald Road, Redland Bay (Talwalpin)	Upgrade to sewerage pump station including new switchboard, new pumps and improved pipework continuation of works.	\$1.78
Birkdale Waste Transfer Station stormwater improvements, Birkdale (Cullen Cullen)	Design and construct the conversion of a pond from a sedimentation basin into a bio-retention basin.	\$1.58
Ney Road, Capalaba (Kapallaba)	The road extent between Redland Bay Road to Macquarie Street (South) was co-funded by the State Government Department of Transport and Main Roads under the Transport Infrastructure Development Scheme (Grant: \$528,645). The road extent between Macquarie Street (South) to Wildflower Road was co-funded by the Commonwealth Government's Roads to Recovery Program (Grant: \$450,000).	\$1.55
Cleveland stormwater duplication, Cleveland (Nandeebie/Indillie)	Duplication of stormwater network in the road reserves of Fitzroy Street (Nandeebie Court to Ross Creek) and into Coburg Street East and all rectification works such as replacement of concrete pathways, planting of street trees and turfing works.	\$1.49
Minjerribah Panorama Coastal Walk, Stage 1, Point Lookout (Mulumba)	Enhance the visitor experience and community wellbeing by enabling pedestrians to move safely between Point Lookout village and Cylinder Beach. This stage of the project was co-funded by the State Government Department of State Development, Infrastructure, Local Government and Planning under the Unite and Recover Community Stimulus Package (Grant: \$1m). Works were undertaken from Snapper Street to Frenchman's Beach access stairs.	\$1.43
Redlands Coast Fibre Network Expansion	Deliver critical fibre connections for Redland City Council and the community, connecting multiple Council operations across the city, critical data centres which host production and disaster recovery capabilities, and essential services. This project was co-funded by the State Government Department of State Development, Infrastructure, Local Government and Planning under the Unite and Recover Community Stimulus Package (Grant: \$1m).	\$1.27
Hanover Drive Park, Alexandra Hills (Nandeebie/Indillie)	Hanover Drive Park upgrade and renewal, including facilities for picnics, to be completed in 2021–2022 (Stage 1).	\$1.19
Vienna Road, Alexandra Hills (Nandeebie/Indillie)	Road surfacing and associated works at Vienna Road, Alexandra Hills (Nandeebie/Indillie) (Canterbury Street to Winbourne Road).	\$1.15
Charlie Buckler Sportsfield access improvements, Redland Bay (Talwalpin)	Charlie Buckler Sportsfield access improvements. The pedestrian refuge, pedestrian safety and traffic improvements for this project were co-funded through the Commonwealth Government's Local Roads and Community Infrastructure Grant (Phase 1) (Grant: \$333,500).	\$1.09

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WHAT IS THE VALUE OF THE NET COMMUNITY ASSETS IN OUR CARE?

Information at a glance	2020–2021 Actual \$ millions	2019–2020 Actual \$ millions	2018–2019 Actual \$ millions
Total assets	\$2,936.47	\$2,826.75	\$2,771.49
Total liability	\$(141.86)	\$(123.15)	\$(110.47)
Total community equity	\$2,794.61	\$2,703.60	\$2,661.02

See Consolidated Statement of Financial Position for more information (page 130)

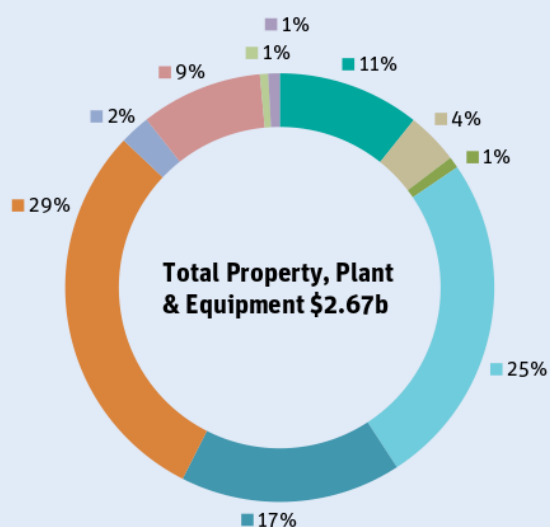


Total community equity includes cash reserves, which represents funding that Council has restricted for current or future expenditure. Council's view is to ensure funds held in reserves are restricted to deliverables consistent with the long-term financial strategy, long-term asset management plan, corporate plan and annual operational plan and budget.

Council is committed to achieving this goal by:

- Reporting on constrained cash reserves on a monthly basis as part of the monthly financial reports to Council as well as a subset of cash balances in the annual financial statements for accountability and transparency
- Conducting an annual review of all constrained cash reserves for relevance and future requirements
- Reviewing forecast reserve movements as an integral part of the annual budget development process.

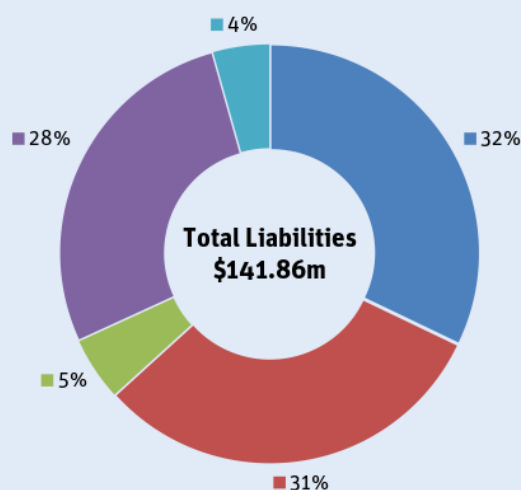
FINANCIAL POSITION SUMMARY

Property, plant and equipment 2020–2021:
what do we own?

- Land \$286.12m
- Buildings \$104.67m
- Plant and equipment \$22.77m
- Roads \$675.01m
- Stormwater drainage \$444.56m
- Water and wastewater \$788.71m
- Parks \$61.36m
- Other infrastructure \$244.78m
- Waste \$16.61m
- Work in progress \$22.98m

The total value of all assets at 30 June 2021 was \$2,936.47m, of which \$2,667.57m (90.84%) relates to property, plant and equipment. The value of total assets increased by \$109.72m during the year.

During 2020–2021, a desktop valuation was applied to land, buildings, road infrastructure, stormwater, other infrastructure, water and wastewater assets. An increase of \$70.51m in net asset value resulted from the revaluation.

Liabilities 2020–2021:
what do we owe?

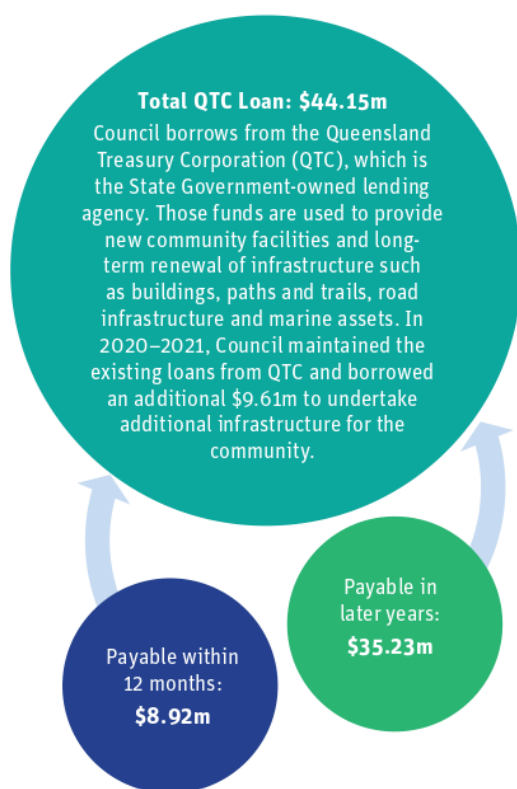
- Trade and other payables \$45.56m
- Borrowings \$44.15m
- Lease liability \$6.98m
- Provisions \$38.97m
- Other current liabilities \$6.2m

The total value of all liabilities at 30 June 2021 was \$141.86m, of which \$44.15m (31.12%) relates to borrowings. The value of total liabilities increased by \$18.71m (15.19%) during the year.

This is represented by an increase in current liabilities \$9.94m and increase in non-current liabilities \$8.77m. This is mostly due to an increase to trade and other payables, provisions and other current liabilities.

Trade and other payables increased mainly due to an increase of purchase orders processed and increase in accrued expenses at year end. Provisions increased mostly due to increase in landfill rehabilitation provision. During the 2020–2021 financial year an increase in the provision for the refuse landfill sites of \$10.7m was recognised largely due to updated estimates of cost inputs for remediating work. The increase in other current liabilities is mainly attributable to unexpended capital grants.

Redland City Council – Annual Report 2020–2021



Council's annual infrastructure expenditure is substantial and a major component of capital expenditure.

Certain projects are financed through loan borrowing in order to ensure intergenerational equity in the allocation of cost.

Council's long-term financial strategy includes an assessment of Council's ability to borrow funds and gain access to grants, subsidies and future development contributions, which are used to finance the infrastructure required to support development in the city.

WHAT WERE THE MAJOR SOURCES OF CASH IN AND CASH OUT?

(Consolidated Statement of Cash Flows)

The table below compares the main sources of cash receipts and cash payments during the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021.

Main sources of cash in and out	2020–2021 \$ millions	2019–2020 \$ millions	2018–2019 \$ millions
Net cash received from operations (excluding interest, borrowing costs and waste levy)	\$59.63	\$54.24	\$59.80
Cash received for waste levy	\$4.36	\$0.03	\$4.62
Purchases and construction of assets	\$(66.09)	\$(66.57)	\$(59.18)
Proceeds from sale of assets	\$0.98	\$1.37	\$2.79
Capital grants, subsidies and contributions	\$26.06	\$19.61	\$17.14
New borrowings	\$9.61	\$9.80	\$2.50
Repayment of debt	\$(6.37)	\$(5.53)	\$(5.04)
Right-of-use assets lease payment	\$(1.17)	\$(1.41)	\$0.00

See Consolidated Statement of Cash Flows for more information (page 132)

Major cash flow sources:

- **Net cash received from operations:** includes receipts of rates, fees and charges and operating grants, offset by payments for employee costs and materials and services.
- **Cash received for waste levy:** this mitigates the direct impacts on households of the State Waste Levy introduced in 2019–2020. In 2018–2019 the State Government paid this levy in advance for 2019–2020. From 2020–2021 this levy is paid each quarter.
- **Purchases and construction of assets:** includes payments for the purchase and construction of property, plant and equipment. The major purchases are for roads, park assets, water and wastewater and other infrastructure assets.
- **Proceeds from sale of assets:** includes proceeds from sale of property, plant and equipment.
- **Capital grants, subsidies and contributions:** includes external funding through State and Federal Government grants, as well as other funding bodies, and cash contributions from developers to pay for infrastructure Council needs to build to provide services to new developments.
- **New borrowings:** additional loan drawdown with Queensland Treasury Corporation to fund Council's Capital Works Program.
- **Repayment of debt:** repayments of principal on Council's loans with Queensland Treasury Corporation.
- **Right-of-use assets lease payment:** includes payments for Council's right-of-use assets.

The Group started the 2020–2021 financial year with \$177.94m cash in the bank and ended the year with \$194.52m.

Future vision

Maintaining Council's financial position to support long-term financial sustainability remains a priority. We are embracing innovation and collaboration to continue to deliver projects and services while maintaining community assets and financial capital.

KEY 2020–2021 HIGHLIGHTS

- Council delivered a \$64.7m capital program.
- Council received \$20.65m in external funding from the State and Federal Governments, and other funding bodies.
- A total of \$262.55m levied in rates and utilities.
- Council's net borrowings with Queensland Treasury Corporation increased by \$2.97m to \$44.15m.
- Community equity increased by \$91m.
- In December 2020, Council adopted its revised Corporate Plan, *Our Future Redlands - A Corporate Plan to 2026 and Beyond*. It came into effect on 1 July 2021. This plan is one of our key strategic documents and will guide what our organisation does to serve our community during the next five years. The plan was developed through an analysis of key strategies from the past decade, including the *Redlands 2030 Community Plan* and community feedback from previous corporate plans.
- The Asset Management Project, completed last financial year, reinforces Council's objective to be an 'asset smart' organisation that uses best practice asset management in managing and maintaining \$3.95b (before depreciation) worth of community assets.
- The Weinam Creek Priority Development Area currently being undertaken by Redland Investment Corporation moved into the Stage 3 detailed design and planning phase for the Hamilton and Banana Streets extension, in accordance with the Masterplan.
- Business process improvement projects continued to be initiated across Council to encourage effective use of available resources and remove non-value adding activity.

MAJOR PROJECTS



People enjoying tours during the Birkdale Community Precinct open days



Radio receiving station at the site

Creating a new community heart

Redlands Coast has a once-in-a-generation opportunity to transform more than 62 ha of community land at Birkdale (*Cullen Cullen*) into a world-class precinct of local, regional and national significance.

The site is rich with natural beauty and areas of cultural and historical importance including a heritage-listed World War II radio receiving station, Willard's Farm and Aboriginal artefacts.

A core driver of the Birkdale Community Precinct project

is to protect and celebrate these assets while creating an iconic landmark for future generations.

Imagine a place where families can enjoy walking trails and wetland boardwalks, picnics, educational and heritage activities, adventure sports, kayaking, water play, sports events and even watch an Olympic whitewater event.

At almost 10 times the size of The Gabba and its surrounding facilities, the precinct has plenty of

space for many exciting projects to enhance lifestyle, create jobs, boost the local economy and bring forward important transport, sport, recreation and community infrastructure.

The vision for Birkdale Community Precinct is a high-level aspirational concept developed using ideas gathered from the Redlands Coast community and broader region during the community engagement process.

Council received a huge response, with 3,000 people visiting the site for open days; more than 25,000 interactions online; 1,600 surveys completed and about 700 people attending pop-ups across the city. Young people also had their say, in a greater proportion than usual for a community engagement process.

As the project progresses into master planning, this vision will guide the design development and future use of this important community asset.



Willard's Farm



Dr Robert Anderson OAM 'Uncle Bob' shared a Welcome to Country



City plans for Olympic Games

The International Olympic Committee's announcement that Brisbane will host the 2032 Olympic and Paralympic Games will have a positive lasting benefit for Redlands Coast.

Redland City Council was a partner in the Brisbane 2032 proposal, which began in 2015 when the Council of Mayors (SEQ) agreed to investigate the opportunity as part of long-term infrastructure planning to support population and economic growth.

The proposal, which involved cooperation from all levels of government, is aligned with Council's plans for the future of Redlands Coast.

The Brisbane 2032 Olympic and Paralympic Games will serve as a catalyst to deliver the public transport infrastructure the Redlands Coast community needs and has the potential to deliver significant legacies.

Redland City Council is committed to creating a Redlands Coast Adventure Sports Precinct which will include the Redland Whitewater Centre, an Olympic-standard event venue for Canoe Slalom.

The precinct will be a lasting legacy for community recreation in the lead up to, and following the 2032 Olympic and Paralympic Games, as well as a training and competition venue for international, national and state events and emergency swiftwater rescue training.

It is anticipated that about 150 jobs could be sustained through the building and delivery of the adventure sports precinct, with an annual contribution of \$52m to the local economy.

The Brisbane 2032 Olympic and Paralympic Games will also deliver important benefits in a post-COVID economy – some \$8.1b in economic and social benefits for Queensland, and \$17.6b nationally.



Reconciliation actions progress

During 2020–2021 significant progress was made in implementing Council's first internal Reconciliation Action Plan (RAP) *Kanara Malara – One People*, with 50 of its 55 actions closed off by the end of the year.

Kanara Malara – One People formalises a vision and set of principles to guide Council in our reconciliation efforts, outlining the practical actions to advance reconciliation.

Highlights of 2020–2021 included:

- New cultural awareness training through *Neembeba Binung Gana* (look, listen, understand) – Elders Cultural Day and an internally-delivered Indigenous information session.
- More than 165 employees attending Quandamooka Cultural Days.
- *Kanara Malara – One People* artwork by Quandamooka artist Joshua Walker being developed into a vehicle wrap for a Council fleet van, as well as polo and dress shirts.
- Acknowledgement of Country being displayed in prominent Council meeting rooms.
- Acknowledgement of traditional custodians the Quandamooka people appearing in major Council strategies and publications including the Corporate Plan, Operational Plan and Annual Report.
- The dual-naming of 10 Council meeting rooms to include the Jandai language.
- Reconciliation and NAIDOC Activities across Council buildings and services, including online activities available during lockdowns and the launch of a Jandai Literacy Program at Cleveland Library in December 2020.

Kanara Malara – One People is a stepping stone to future reconciliation action plans, setting in place a framework for broader external reconciliation activities.



Artist impression

Upgrades to Marina precinct

Redland City Council, partnering with Redland Investment Corporation, has a clear vision for the Weinam Creek Priority Development Area.

Transformation of the Redland Bay (*Talwalpin*) marina precinct into an exciting and dynamic destination is under way, with Stage 1 being completed during 2020–2021.

Weinam Creek is a gateway to the Southern Moreton Bay Islands (SMBI) for more than 7,000 permanent SMBI residents and thousands of tourists who visit each year. The masterplan responds to community needs and will be delivered in stages.

Completion of Stage 1 has provided more than 500 additional car parks at Moores Road along with pathways and a footbridge connecting the southern side of the creek to the Marina ferry terminal on the northern side.

The new car park is an integral part of the overall masterplan and will serve as overflow parking while works on the northern side of the creek commence.

The Weinam Creek masterplan has been designed to provide community infrastructure for local families, improve usability of the transport hub, attract visitors, create jobs and drive local economic development.

Key redevelopment features include an activated foreshore with family-friendly areas; new boating facilities; a restaurant, grocery, retail and medical precinct and, a water play area.

The final proposed masterplan for the redevelopment has been submitted to Economic Development Queensland for approval.

Revitalising Capalaba CBD

The Capalaba Town Centre Revitalisation Project provides the opportunity to deliver a world-class, active urban heart for Capalaba (*Kapallaba*).

The 2.05ha site is located within the commercial hub of Capalaba (*Kapallaba*) and includes enhancing the entertainment and restaurant precinct and bus interchange – a key transport node providing connectivity to the inner and eastern suburbs of Brisbane.

In 2020–2021, Redland City Council announced the Shayher Group as the preferred expression of interest proponent for the town centre revitalisation.

Shayher Group, Redland Investment Corporation and Redland City Council have continued to progress project concept details and expectations.

A detailed design is now under way and commercial agreements are being negotiated.

The Capalaba Centre Master Plan, adopted by Council in 2010, identified the need to activate the centre as a primary employment, transit and mixed-use development centre with an after-hours economy.



Artist impression



New phase for SMI jetties

The Southern Moreton Bay Islands (SMBI) ferry terminals upgrade project has entered the construction phase, with Redland City Council and the State Government announcing a \$20m contract for stage one.

The \$37m project is being jointly funded, with Council contributing \$15m and the State \$22m.

Marine construction company The Jetty Specialist has been awarded the contract to build and install new ferry terminals on Russell (*Canaipa*), Macleay (*Jencoomercha*), Karragarra (*Karragarra*), and Lamb (*Ngudooroo*) islands.

The tender is a significant project milestone for Redlands Coast, creating local jobs and bringing delivery of the new terminals a step closer.

When the project is completed, ferry customers will benefit from increased seating, more waiting areas with better weather protection, improved security with lighting, and

24-hour video recording. The jetties and gangways will also be wider to improve accessibility.

As one of the largest marine infrastructure projects undertaken on the Southern Moreton Bay Islands, the ferry terminal upgrades will deliver much-needed facilities for island residents.

Due to the scale of the project, the contract has been split into two packages with the first to source materials and build important components such as pontoons, headstocks and deck slabs for the fixed jetties and the pontoon piles.

There will also be a new floating walkway for the Macleay Island (*Jencoomercha*) boat ramp and redesign and construction of existing ferry pontoons for recreational boating and fishing.

The remaining onsite construction of the ferry terminals and all the landside works will be combined into the second contract, due to be awarded in 2021–2022.



The new entry statement at Capalaba (Kapallaba)

Recognising our location

In 2020-2021, Redland City Council installed six roadside entry signs to promote the Redlands Coast brand and our location on Quandamooka Country.

Sign design considered road safety requirements, maximising recognition of both the Redlands Coast brand and Quandamooka Country, while representing our naturally wonderful environment and location by the bay.

Featuring a central post with two vertical panels and blue LED lighting at night, the design is reminiscent of a sailing boat mast and the water along our coastline – in a deliberate nod to our bayside lifestyle.

The Redlands Coast brand name, adopted by Council in 2018, supports the region's economic development and tourism opportunities by embracing our idyllic location and celebrating the approximately 335km of coastline that unites us.



Vibrant outdoor parklands

Completion of the latest stages of Thornlands Community Park and Apex Park in Wellington Point (*Cullen Cullen*) were part of a \$13.8m Council investment in parkland and open space upgrades during 2020–2021.

The Stage 2b upgrade at Thornlands (*Nandeebie/Indillie*) introduced new exercise equipment, extra agricultural-themed play elements and recognition of the local area's historical links.

The park also includes the first Changing Places Public Amenities on Redlands Coast, helping to meet the needs of people with complex disabilities and their carers.

New park fitness equipment included a large multi-function unit, exercise bike, cross trainer and chest and shoulder presses while the playground offers small and large tractor tyres for climbing, a leaf climbing structure and embankment rope and slide.

There is also an additional barbecue and drinking fountain, extra seating, shade and a bike rack near the park entrance.

In recognition of iconic Redlands Coast figure and local blacksmith Walter (Wally) Percy Mitchell, an anvil and interpretive sign have been installed. Wally used to service the tools for Council road gangs at his smithy which was located on the park site.

During the financial year, Council also completed the last phase of work at Apex Park.

Latest improvements included a renewal of the multi-sport half court, additional picnic facilities and a sealed BMX track suitable for beginner, intermediate and advanced users. The multi-sport half court includes a soccer goal along with a basketball and netball hoop.

Other upgrades include a shelter over a double barbecue plus an additional shelter with informal seating near the pump track. A new public amenities block, in a more central location, has two fully-accessible unisex toilets.

In a linked project, Council has also completed an upgrade of the existing bitumen path to a 2m wide concrete pathway which connects Old Cleveland Road East to Starkey Street and Heritage Drive.



Support during COVID-19

Council worked to ensure the continuation of critical services and community health and safety during COVID-19.

Dedicated officers provided assistance to businesses, offering advice on how to navigate and access support available from all levels of government.

Council has continued to monitor COVID impacts on the local economy, revising the 2020–2021 Community Grants Program to ensure it helped Redlands Coast community groups support local residents.

Grants of up to \$5,000 were available in two categories. The Organisation Support (Sustainability) grant helped community groups stabilise and continue to operate while the Capital Infrastructure (Maintenance) grant was for operational costs, financial or strategic planning assistance, or membership growth initiatives.

Council awarded 32 Organisational Support grants totalling \$140,246 and 29 Capital Infrastructure grants worth a total of \$107,599.

As Redlands Coast residents navigated the challenges of self-isolation during lockdowns, Council provided the community with ongoing COVID-19 updates and information via its website and social media channels.

An online services directory was created as a one-stop portal for all COVID-19 information including quick links to other government services, support for tourism and event operators, emergency food relief organisations, and essential food and medication deliveries for residents in quarantine.

Council-run events adapted to COVID-19 health directives. An example was the evolution of the annual *Christmas by Starlight* concert into the five-day COVID-safe *Christmas on the Coast* festival.

As a lasting reminder of COVID-19's impact on the community, the Local History Team from Council's libraries has been recording interviews with residents across Redlands Coast to collect a snapshot of feelings and experiences.



New precinct unlocks sporting potential

Development of the Redlands Coast Regional Sport and Recreation Precinct is a key step towards Council meeting the current and future needs of Redlands Coast while also protecting a significant area of natural habitat.

The Precinct to be built at 277-293 Heinemann Road, Mount Cotton (*Jungalpin/Tungipin*), will be home to Redlands Touch Association, Redlands Rugby League, Redlands BMX and Redland Cycling and Multisport Club.

With 13 touch football fields, three rugby league fields, a BMX track, criterium track and associated club buildings for the various sports, the Precinct will allow these Redlands Coast organisations to grow and boost sports tourism through large events.

The 101ha site will also support the wider community with a regional level recreation area featuring an all-abilities play space with zero depth water play, kickabout space suitable for community events, a pump track and picnic areas.

Facilities will include a rehabilitated forest and wetland with boardwalks and nature play and, a conservation area with trails suitable for horse riding, mountain biking, walking and bird watching.

Council is continuing to work in close partnership with sport and recreation organisations and other key stakeholders to progress development of the Precinct, with construction works expected to commence in the 2022–2023 financial year.

Unlocking the sport and recreation potential of the primary tenant clubs' previous home grounds, once they've relocated to the Precinct, will also benefit the city.

Pinklands Sporting Complex and Degen Road, Capalaba (*Kapallaba*), could see expansion of sports such as netball, equestrian, gymnastics and basketball, while Redland Showgrounds will be freed up for more events and festivals.





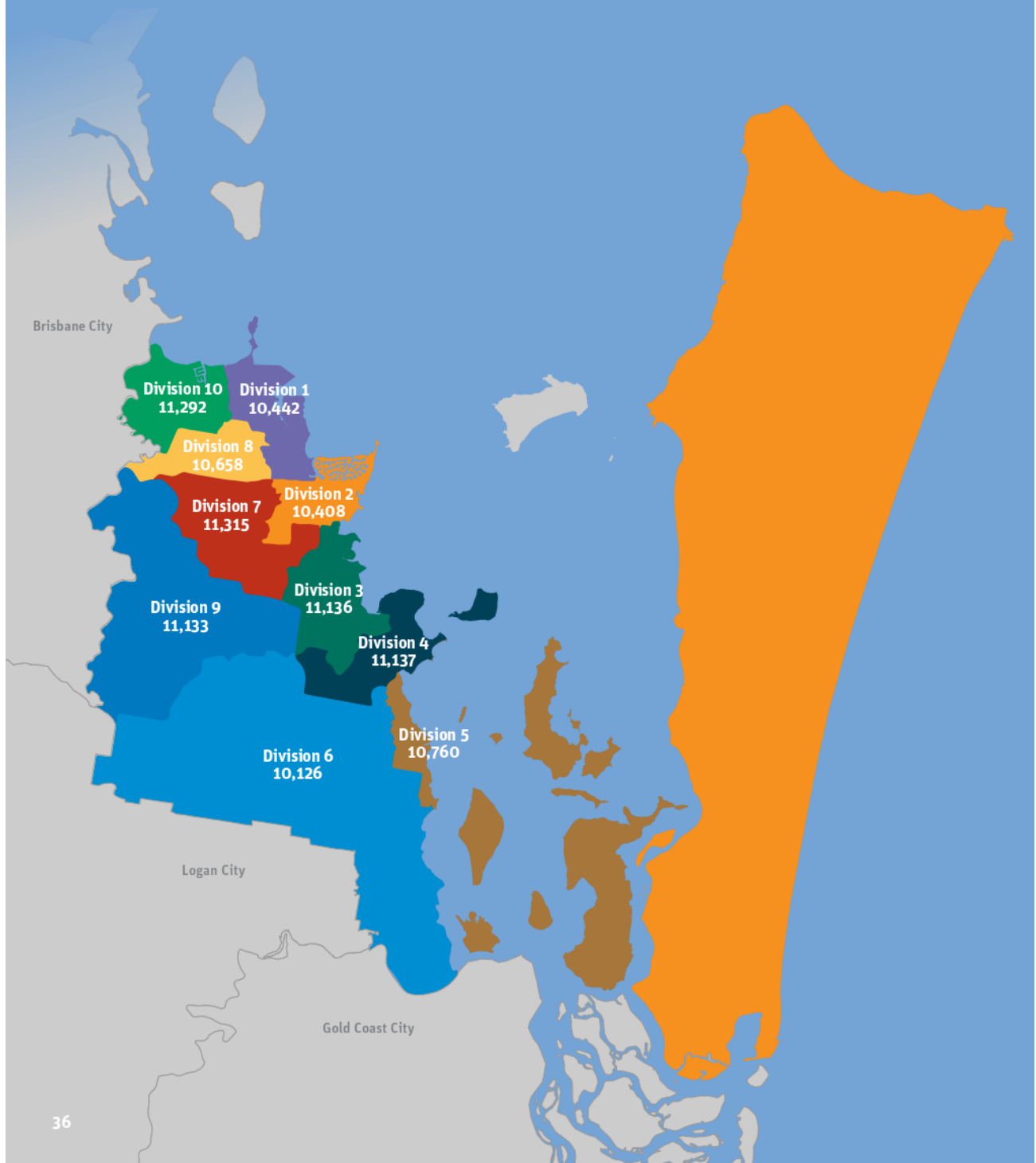
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OUR COUNCIL

Information about our city's electoral divisions, our Mayor and Councillors is provided in this section which also introduces our organisational structure and Executive Leadership Team.

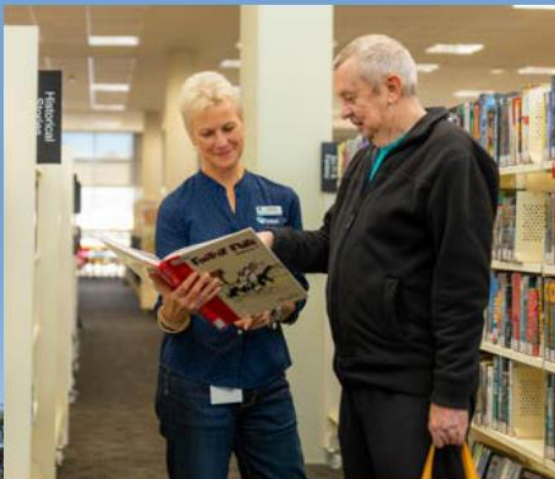
We have also outlined key employee information and details of awards and commendations received in the 2020–2021 financial year.

REDLAND CITY ELECTORAL DIVISIONS



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MAYOR AND COUNCILLOR BIOGRAPHIES

MAYOR OF REDLAND CITY



COUNCILLOR KAREN WILLIAMS

Elected: 2004

Mayor since 2012

Karen was born in Redlands Coast and has raised her family here. She was elected Mayor in April 2012 after serving as Councillor for Division 9 Capalaba (*Kapallaba*) from 2004. She was re-elected Mayor in 2016 and again in 2020.

Always putting Redlands first, Karen prides herself on understanding the diverse needs of the city and on her strong, caring and inclusive community focus.

A continuing priority is laying the foundations for a prosperous and sustainable future and enhancing the Redlands Coast lifestyle for future generations.

Her priorities include seeking Council efficiencies and promoting local innovations, while building and maintaining strong local and regional partnerships to address the city's needs, particularly those of our island communities.

Karen is involved with many community organisations and local government bodies including the Redland Foundation, Council of Mayors (SEQ), Local Government Association of Queensland and she chairs the Local Disaster Management Group.

Karen holds a Diploma with the Australian Institute of Company Directors.

☎ (07) 3829 8623 / 0416 123 588

✉ mayor@redland.qld.gov.au

DIVISION 1 Wellington Point (part)/Ormiston



COUNCILLOR WENDY BOGLARY

Elected: 2008

Deputy Mayor: April 2016–April 2018

Wendy was first elected in 2008, was Deputy Mayor from April 2016 – April 2018, and has held a variety of committee positions.

She is currently Council's representative on the Council of Mayors (SEQ) Economic Development Working Group and the Redland City Council-Urban Development Institute of Australia (RCC_UDIA) Qld Redland Advisory Panel.

Wendy has raised her family in the division she now represents and continues to be involved in a large number of school, sporting and community organisations including Redlands Coast Chamber of Commerce. Wendy holds a Diploma with the Australian Institute of Company Directors, Diploma of Project Management and is currently completing a Diploma in Community Development.

Wendy has two decades of small business success and banking experience, and is strongly committed to the local economy, environment and the liveability of Redlands Coast to ensure a sustainable future for our City.

☎ (07) 3829 8619 / 0408 543 583

✉ wendy.boglary@redland.qld.gov.au

DIVISION 2 Cleveland (part)/ North Stradbroke Island



COUNCILLOR PETER MITCHELL

Elected: 2016

Peter has called Redlands Coast home since 1990 and is a married father and grandfather of three.

He has a Bachelor of Physiotherapy and a Masters in Sports Physiotherapy, and for 25 years owned a physiotherapy practice in Cleveland (*Nandeebie/Indillie*).

Peter understands small business and grass roots involvement, having employed local staff, sponsored numerous events and helped many thousands of people. His on-the-ground experience has shaped a great appreciation for cooperation, tolerance and teamwork.

Peter is a keen local triathlete, active volunteer and leads by example with optimism and enthusiasm.

He is currently Chair of Council's Active Travel Reference Group and Council's representative on the Donald Simpson Community Centre Board of Management.

☎ (07) 3829 8607 / 0412 638 368

✉ peter.mitchell@redland.qld.gov.au

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DIVISION 3**Cleveland (part)/Thornlands (part)/
Victoria Point (part)****COUNCILLOR PAUL GOLLÉ***Elected: 2016*

Paul is a professional with experience specialising in Operations Management, Risk Analysis and Training and Development. He holds education qualifications in legal services, strategic leadership, risk management, human and physical resource supervision and workplace training and assessment.

A member of the Australian Institute of Company Directors, Paul has management experience in the private sector, international project management and the Australian Defence Force.

He currently holds a position on the Regional Mosquito Management group, which encompasses key regional stakeholders, investing into vector management.

Paul is dedicated to driving a culture of continuous improvement with a focus on productivity, working to ensure all members of the community have access to services and opportunities.

☎ (07) 3829 8618

✉ paul.golle@redland.qld.gov.au

DIVISION 4**Victoria Point (part)/
Coochiemudlo Island****COUNCILLOR LANCE HEWLETT***Elected: 2012**Deputy Mayor: April 2018–March 2020*

Lance and his wife have lived in Redlands Coast since 1991 and are passionate about community, family and social justice. Lance is dedicated to helping provide the people in his community with an enriched lifestyle.

He worked with the Queensland Government for 11 years with the State Stores Board as a Procurement Officer/Manager. He then worked in sales and marketing in the private sector, with positions including National Sales Manager of a leading paper importer and Queensland State Manager in the graphic and signage industry.

Lance is involved with many community organisations and is Patron of Meals on Wheels Victoria Point, Coochiemudlo Surf Life Saving Club, Victoria Point Volunteer Marine Rescue, Koala Action Group, Redlands Netball Association and Victoria Point Seniors.

☎ (07) 3829 8603 / 0421 880 371

✉ lance.hewlett@redland.qld.gov.au

DIVISION 5**Redland Bay (part)/
Southern Moreton Bay Islands****COUNCILLOR MARK EDWARDS***Elected: 2012*

After completing high school at Cleveland (*Nandeebie/Indillie*) in 1976, Mark has had a varied and successful career. His 20-year career in banking, culminated as a regional manager with a major bank before he entered into the tourism and property development field.

Discovering the beauty of our islands more than 20 years ago, Mark focused on island property development and has continued to contribute to the islands' residential, commercial and industrial sector.

As a Councillor he has a wealth of experience and tangible commitment to our city.

Mark has a focus on delivering value-driven outcomes for the community, small business and local industry.

☎ (07) 3829 8604 / 0407 695 667

✉ mark.edwards@redland.qld.gov.au

DIVISION 6**Mount Cotton/Redland Bay (part)****COUNCILLOR JULIE TALTY***Elected: 2012**Deputy Mayor: April 2020– current*

Julie grew up in Redlands Coast, is a fifth-generation Redlander and lives with her family in the division she serves. She has completed three higher education qualifications and was a teacher at a local school before being elected to serve at Council in 2012.

Julie brings a depth of experience to the role of Councillor through professional qualifications and performance. She has a special interest in education and youth related issues in Redlands Coast.

Julie brings a broad life experience to the role of Councillor having owned and operated small businesses and worked for large corporate entities in publishing.

Dedicated to ensuring a continuance of those qualities of lifestyle and community that have made Redlands Coast such a desirable place to live and raise a family, Julie takes opportunities to support and further local initiatives.

Julie is Deputy Chair of the Local Disaster Management Group and is involved in many local community organisations including schools, sporting clubs and the local Rural Fire Brigade.

☎ (07) 3829 8606 / 0418 218 847

✉ julie.talty@redland.qld.gov.au

DIVISION 7**Capalaba (part)/Alexandra Hills (part)/
Thornlands (part)/Cleveland (part)****COUNCILLOR ROWANNE MCKENZIE***Elected: 2020*

Rowanne brings professional and life experience to her role as a Councillor having owned and operated a small Redlands Coast business with her husband.

Her personal business experience is the driving force behind her support for local businesses and jobs.

Rowanne is involved in many community organisations. Her passion to build and strengthen the community has seen her support many fundraisers, events, sporting and community groups across Redlands Coast while Rowanne's volunteer work has assisted Redfest Strawberry Festival, Exousia Australia and Compassion Australia.

With three children in local schools, Rowanne is actively involved in Division 7 Parents and Citizens associations and has an avid interest in youth related issues including mental health awareness.

Rowanne is expanding her leadership skills with support from the State Development, Infrastructure, Local Government and Planning program, Women Leading in Local Government. She is also a member of the Redlands Orchid Society, the Sporting Shooters Association of Australia and Shooters Union Australia.

☎ (07) 3829 8732 / 0435 000 034

✉ rowanne.mckenzie@redland.qld.gov.au

DIVISION 8**Birkdale (part)/Alexandra Hills (part)/
Capalaba (part)/Wellington Point (part)****COUNCILLOR TRACEY HUGHES***Elected: 2016*

Tracey is a long-term resident of Redlands Coast, living in Victoria Point (*Warrer Warrer*) for nine years before moving to Wellington Point (*Cullen Cullen*) in 1999.

A long-serving and committed volunteer, Tracey is involved with many church, school, sporting and community groups and events.

Tracey serves on Council's Audit Committee and has undertaken learning to support her role. She has a Diploma of Local Government (Elected Members) and has graduated from the Australian Institute of Company Directors (GAICD). Cr Hughes has completed Internal Auditor Training with SAI Global and she is a Justice of the Peace (Qualified).

As Councillor for Division 8, Tracey is dedicated to promoting our city and its people, as well as strengthening and protecting community values.

☎ (07) 3829 8600 / 0427 734 214

✉ tracey.hughes@redland.qld.gov.au

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DIVISION 9**Sheldon/Capalaba (part)/
Thornlands (part)****COUNCILLOR ADELIA BERRIDGE**
Elected: 2020

An experienced business owner, tax practitioner, volunteer and campaigner, Adelia is committed to representing her community within an open and inclusive Council.

Adelia has used her business and financial experience to establish and assist business owners in import and export wholesale business. As a contract bookkeeper, she is keen to use her skills to help support organisations including sporting clubs and schools.

A qualified veterinary nurse, Adelia's passion for animals and native Australian fauna has seen her actively campaign and advocate to save Redlands Coast koalas and their environment including working for a Koala Protection Act through the Queensland Conservation Council.

Adelia is involved with many community organisations such as the National Trust, Redlands Coast Chamber of Commerce, Queensland Conservation Council and Koala Action Group and is the Council representative for the North Stradbroke Island Museum.

She has also spent three decades volunteering, including support of Rotary, Forum Communicators and Bushcare and worked on committees for Redland Softball, Australian Army Cadets and St Rita's school.

☎ (07) 3829 8620 / 0435 538 278

✉ adelia.berridge@redland.qld.gov.au

DIVISION 10**Birkdale (part)/Thornside****COUNCILLOR PAUL BISHOP**
Elected: 2012

A husband and father of four, Paul was raised in Wynnum and has lived in Birkdale (*Cullen Cullen*) since 2004. He is an award-winning stage and screen actor; a trained process facilitator and cluster manager; social media maker; company director of Arts Evolution Pty Ltd and Chair of Shock Therapy Arts.

Paul is an advocate for community engagement, social cohesion, economic resilience, ecological sustainability and cultural capacity building toward better futures.

His commitment to democratic principles and human-centred co-design processes has been evident over two decades through his use of applied research and engagement in democratic examples of 'Local Community Action'.

Paul is Patron of Wynnum Redlands Canoe Club; MATES Theatre Genesis; Birkdale Scouts; Council's delegate on Redlands Museum and Co-Chair of Redlands Regional Arts Development Fund (RADF).

☎ (07) 3829 8605 / 0478 836 286

✉ paul.bishop@redland.qld.gov.au

MAYOR AND COUNCILLOR DISCLOSURES

Councillor remuneration

In accordance with section 186(1)(a) of the *Local Government Regulation 2012*, this annual report of the local government contains particulars of the total remuneration, including superannuation contributions, paid to each Councillor during the financial year.

Councillor remuneration is set by the independent Local Government Remuneration and Discipline Tribunal, established under the *Local Government Act 2009*. The Tribunal is responsible for determining the maximum remuneration payment to the Mayor, Deputy Mayor and Councillors. The 2019 Local Government Remuneration and Discipline Tribunal Report determined that remuneration to be paid for 2020–2021, as follows:

Mayor **\$183,143**
Deputy Mayor **\$124,869**
Councillor **\$108,222**

At the Special Budget Meeting of Council held on 25 June 2020, Council resolved as follows:

1. the maximum amount set by the Local Government Remuneration Commission for the 2020–2021 financial year is not payable to the Councillors; and
2. to continue to remunerate Councillors for the 2020–2021 financial year at the amount set by the Local Government Remuneration Commission for the 2019–2020 financial year.

Division	Name	Gross salary	Council superannuation contributions
Mayor	Cr Williams	\$179,552.13	\$17,173.80
1	Cr Boglary	\$106,100.00	\$10,079.49
2	Cr Mitchell	\$106,100.00	\$10,079.49
3	Cr Gollé	\$106,100.00	\$10,079.49
4	Cr Hewlett	\$106,100.00	\$10,079.49
5	Cr Edwards	\$106,100.00	\$10,079.49
6	Cr Talty (Deputy Mayor)	\$122,420.94	\$11,630.06
7	Cr McKenzie	\$106,100.00	\$10,079.49
8	Cr Huges	\$106,100.00	\$10,079.49
9	Cr Berridge	\$106,100.00	\$10,079.49
10	Cr Bishop	\$106,100.00	\$10,079.49
Grand total		\$1,256,873.07	\$119,519.27

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Mayor and Councillor expenses and facilities

In accordance with section 250 of the *Local Government Regulation 2012*, Council must have an expenses reimbursement policy for Councillors.

The objective of this policy is to ensure the payment of legitimate and reasonable expenses incurred by Councillors for discharging their duties and responsibilities as Councillors, and to provide facilities to Councillors for those purposes. This is to ensure Councillors are not financially disadvantaged as a result of carrying out their official duties.

The policy is also aimed at reflecting the community's expectations about the extent of a Councillor's duties and responsibilities, and its expectations about the resources and reimbursement provided to Councillors from public funds. This policy does not deal with the provision of remuneration, nor does it cover non-business related expenses or facilities incurred by other people, including a Councillor's partner.

The full policy is available on Council's website.

Under section 186(1)(b) of the *Local Government Regulation 2012*, the following expenses were incurred by, and the facilities provided to, each Councillor for conference, training, travel, hospitality and other expenses in accordance with Council's *Expenses Reimbursement and Provision of Facilities for Councillors Policy (GOV-016-P)*.

Division	Name	Conferences, Training and Community Events	Transport	Total
Mayor	Cr Williams	\$4,734.98	\$16,505.48	\$21,240.46
1	Cr Boglary	\$7,886.59	\$5,232.60	\$13,119.19
2	Cr Mitchell	\$2,764.68	\$11,295.21	\$14,059.89
3	Cr Gollé	\$2,198.39	\$8,456.63	\$10,655.02
4	Cr Hewlett	\$621.71	\$9,377.61	\$9,999.32
5	Cr Edwards	\$191.84	\$10,848.18	\$11,040.02
6	Cr Talty (Deputy Mayor)	\$7,552.07	\$7,034.84	\$14,586.91
7	Cr McKenzie	\$3,856.18	\$10,368.26	\$14,224.44
8	Cr Huges	\$2,006.84	\$5,296.72	\$7,303.56
9	Cr Berridge	\$602.75	\$4,958.29	\$5,561.04
10	Cr Bishop	\$2,765.88	\$9,039.76	\$11,805.64
Total		\$35,181.91	\$98,413.58	\$133,595.49

Overseas travel

No overseas travel was taken during 2020–2021.

Councillor Code of Conduct disclosures 2020–2021

Council is required, in accordance with section 186(1)(d) to (f) of the *Local Government Regulation 2012*, to record the Councillor conduct complaints, referrals, decisions, orders and recommendations during the financial year. This information is provided in the following tables.

Complaints about the conduct of Councillors are to be made, or referred, to the Independent Assessor for investigation. The Assessor, after investigating a Councillor's conduct, may refer the suspected inappropriate conduct of a Councillor to the local government to be dealt with, or may apply to the conduct tribunal to decide whether the Councillor engaged in misconduct.

If the Conduct Tribunal decides the Councillor engaged in misconduct, they must determine the action to be taken, if any, to discipline the Councillor. Where the complaint about Councillor conduct is about suspected corrupt conduct, under the *Crime and Corruption Act 2001*, the assessor is to notify the Crime and Corruption Commission about the suspected corrupt conduct.



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In accordance with the requirements of section 186(1)(d) and (f) of the *Local Government Regulation 2012*, Council advises that for the period 1 July 2020–30 June 2021 the following statistics were reported:

Number of Councillor Conduct orders and disciplinary actions

Subsection of the <i>Local Government Act</i>	Description	Number
150I(2)	Chairperson makes an order for unsuitable meeting conduct	0
150AH(1)	Disciplinary action against a Councillor for inappropriate conduct	0
150AR(1)	Disciplinary action against a Councillor for misconduct	0

Number of Councillor Conduct complaints, notices and referrals

Subsection of the <i>Local Government Act</i>	Description	Number
150P(2)(a)	Complaints referred to the assessor by the local government, a Councillor or the Chief Executive Officer	0
150P(3)	Matters referred to the Crime and Corruption Commission by the local government	0
150R(2)	Notices given by the CEO or a Councillor to the assessor about a Councillor's conduct ¹	0
150S(2)(a)	Notices of misconduct given to the assessor by the local government	0
150W(1)(a),(b) and (e)	Decision by the assessor to dismiss, refer to the local government or take no further action ²	34
150AC(3)(a)	Occasions where referral notices from the assessor recommend conduct should be referred to another agency for consideration	0
150AF(4)(a)	Occasions where information about misconduct is obtained by the local government during investigation that is given to the assessor	0
Chapter 5A, part 3, division 5	Occasions where the local government asked another entity to investigate suspected inappropriate conduct of a councillor	0
Chapter 5A, part 3, division 6	Applications heard by the conduct tribunal about the alleged misconduct of a councillor	0

The full register of Councillor conduct complaint outcomes is available on Council's website.

¹ The number of Councillor conduct notices given by local government officials to the assessor that are known to the local government

² Some matters have been investigated as a single complaint, and recorded in the *Councillor Conduct Register* as multiple decisions

Attendance at Council meetings

As required under section 186(1)(d) of the *Local Government Regulation 2012*, the table below details the number of local government meetings each Councillor attended during the financial year.

	Mayor	Division 1	Division 2	Division 3	Division 4	Division 5	Division 6	Division 7	Division 8	Division 9	Division 10
	Cr Williams	Cr Boglary	Cr Mitchell	Cr Gollé	Cr Hewlett	Cr Edwards	Cr Talty	Cr McKenzie	Cr Huges	Cr Berridge	Cr Bishop
General & Special Meetings	20	22	21	22	22	21	22	22	22	22	22

Schedule of meetings 1 July 2020 and 30 June 2021

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
Council	Wed 22-Jul	Wed 5-Aug Wed 19-Aug	Wed 2-Sep Wed 16-Sep	Wed 7-Oct	Wed 4-Nov Wed 18-Nov	Wed 2-Dec Wed 16-Dec	Wed 20-Jan	Wed 17-Feb	Wed 17-Mar	Wed 21-Apr	Wed 19-May	Wed 16-Jun	16
Special	Wed 29-Jul			Wed 28-Oct					Thu 25-Mar	Thu 1-Apr	Thu 27-May		5
Special Budget Meeting												Thu 24-Jun	1
Total													22

Registers

There are no entries in the *Unsuitable Meeting Conduct Register s.150D Local Government Act 2009*.

Mayor and Councillors' Community Benefit Fund

Grants are available to individuals and organisations that are a not-for-profit incorporated association (or sponsored by one). Funding provides financial assistance to organisations with items such as equipment or incidental costs. Individuals are supported in their pursuit of excellence at a high level.

Over a 12-month period, \$104,995 was available to organisations and individuals through the Mayor and Councillors' Community Benefit Fund:

- Up to \$15,000 (up to five Councillors funding \$3,000 each) is available for organisations where an initiative provides a community benefit across more than one Council division.
- Up to \$500 is available for individuals selected to represent Australia in an international competition.
- Up to \$250 is available for individuals selected to represent Queensland in a national competition, or who have won at state level and are competing in a national competition.

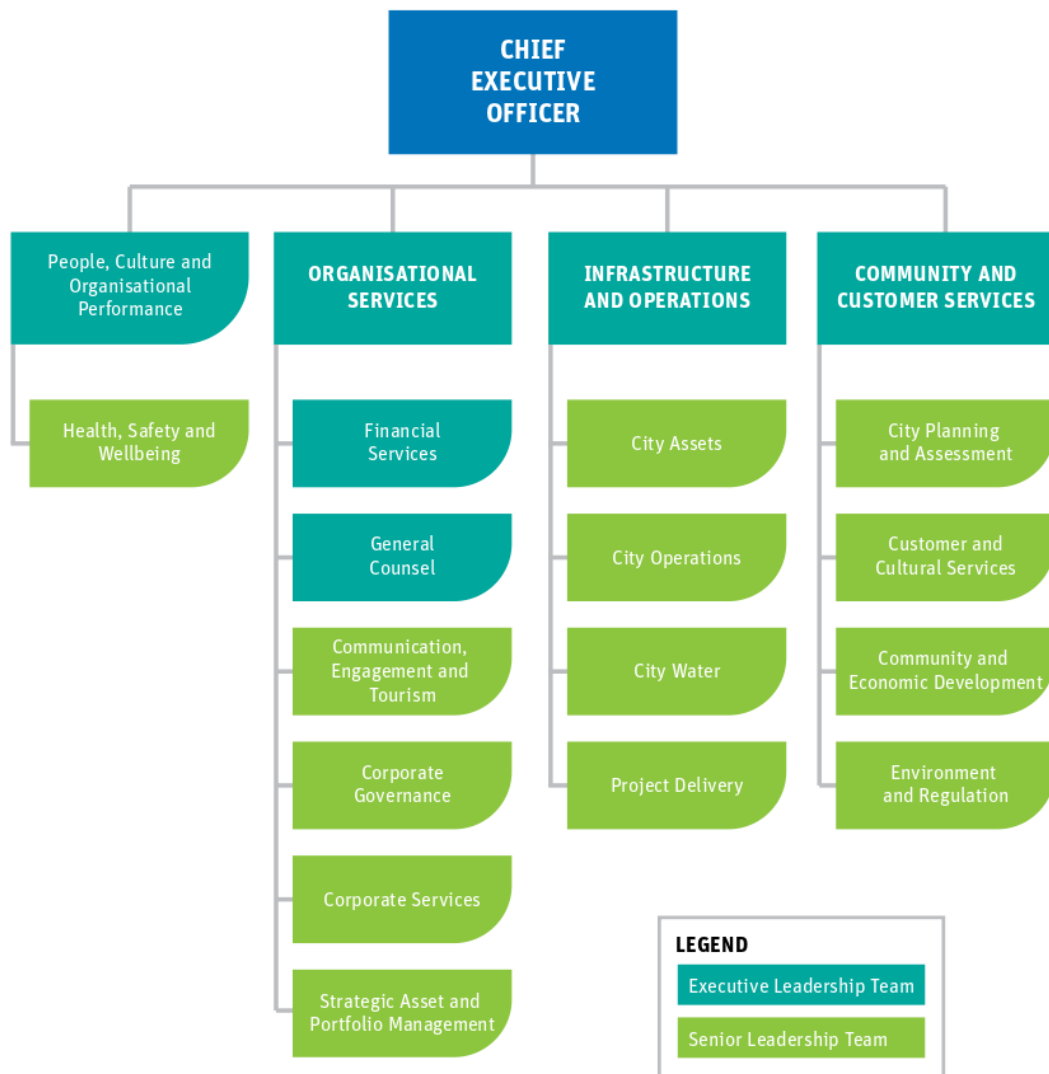
During the 2020–2021 financial year, a total of \$96,670.93 was distributed to various organisations and individuals. Funds unspent by applicants and returned to Council totalled \$250, meaning Council provided \$96,420.93 to the community and individuals in 2020–2021.

COMMUNITY BENEFIT FUND DISTRIBUTED MONIES 2020–2021

Division	Councillor	Amount
Mayor	Cr Williams	\$9,102.67
1	Cr Boglary	\$7,715.66
2	Cr Mitchell	\$8,240.75
3	Cr Gollé	\$9,426.36
4	Cr Hewlett	\$8,832.89
5	Cr Edwards	\$9,545.00
6	Cr Talty	\$7,806.25
7	Cr McKenzie	\$9,545.00
8	Cr Huges	\$9,545.00
9	Cr Berridge	\$8,765.38
10	Cr Bishop	\$7,895.97
Total		\$96,420.93

See the Mayor and Councillors' Community Benefit fund – Successful Applicants Funding on page 115 for the recipient lists for the Mayor and each division.

ORGANISATION STRUCTURE



EMPLOYEES AT A GLANCE

EMPLOYEES (TOTAL NUMBER OF EMPLOYEES)



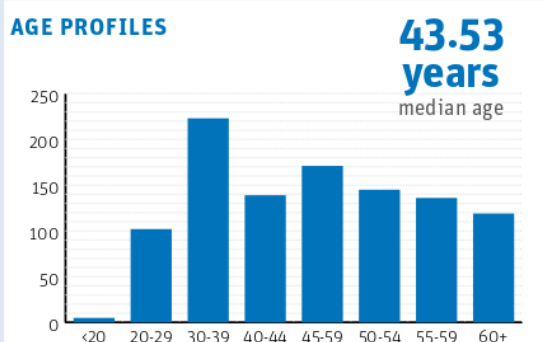
GENDER BALANCE

	2019-2020		2020-2021	
	Female	Male	Female	Male
Executive Leadership Team	57%	43%	57%	43%
Senior Leadership Team (including ELT)	39%	61%	31%	69%
All Employees*	54%	45%	52%	48%

* Not all employees may identify as female or male

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Employees recruited during 2020-2021

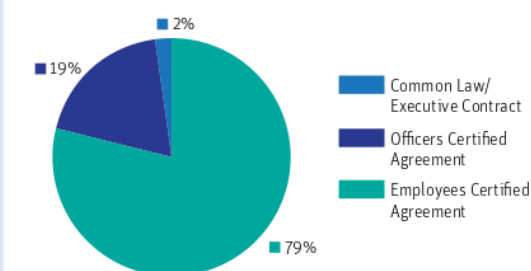
AGE PROFILES



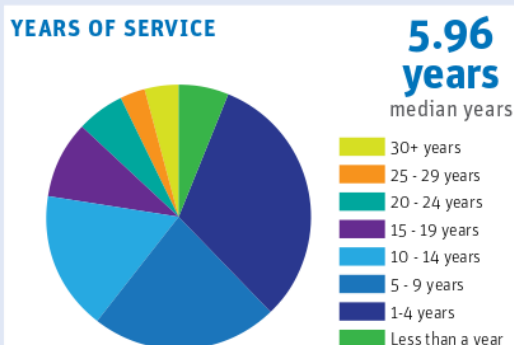
FULL-TIME EQUIVALENT (FTE) EMPLOYEES (EXCLUDES CASUALS)



INSTRUMENT OF EMPLOYMENT



YEARS OF SERVICE



EXECUTIVE LEADERSHIP TEAM



ANDREW CHESTERMAN
Chief Executive Officer

Andrew has brought a wealth of experience to his role as Chief Executive Officer and head of Council's Executive Leadership Team – a role he has served since April 2017.

His previous senior executive public sector positions included: Queensland Public Service Commission Chief Executive, Queensland Department of Environment and Heritage Protection Director-General and Brisbane City Council City Planning and Sustainability Divisional Manager.

Andrew currently chairs the South East Queensland (Local Government) CEO's Forum, is President and CEO Member of Local Government Managers Australia (Queensland), and member of the CEO Institute.

Additional previous experience includes being a member and chairperson of the CSIRO Land and Water Business Advisory Committee, the inaugural chairperson of the Queensland Plan Ambassadors Council and an alternate director on the Australia TradeCoast Ltd Board.



LOUISE RUSAN
General Manager
Community and Customer Services

Louise leads a diverse portfolio covering City Planning and Assessment, Environment and Regulation, Customer and Cultural Services and, Community and Economic Development.

She plays a key role in shaping the future of the City as sponsor of some of Council's transformational catalyst and inter-generational projects, while also chairing stakeholder reference groups.

Her 30-year career spans senior management and executive leadership positions across industries including local government, transport and technology infrastructure, workers compensation, engineering, customer service, tourism, not-for-profit and corporate consultancy.

Louise's experience is in dynamic business transformation, change management and legislative reform and her passion is customer service, strategic leadership and working collaboratively with stakeholders.



JOHN OBERHARDT
General Manager
Organisational Services

John is responsible for Council's corporate functions including Finance; General Counsel; Corporate Governance; Strategic Asset and Portfolio Management; Information Management; Communication, Engagement and Tourism and, Internal Audit and Risk.

His strong background in local government management and finance spans 30 years and he is a past president of Local Government Managers Australia Queensland, past national director and current national audit committee chair of Local Government Professionals Australia.

John is a Certified Practising Accountant (CPA), a fellow of Local Government Managers Australia (LGMA), a fellow and graduate member of the Australian Institute of Company Directors (AICD), holds a Queensland Local Government Clerks certificate and is a Justice of the Peace (Qualified).

Passionate about local government and the communities we serve, John is the Redlands Coast Local Disaster Coordinator.

EXECUTIVE LEADERSHIP TEAM REMUNERATION 2020–2021

Remuneration range (total package including superannuation and vehicle entitlements)	Number of Executive Leadership Team paid
\$200,000 to \$300,000	3
\$300,000 to \$400,000	3
\$400,000 to \$500,000	1
Total amount paid during reporting period	\$2,263,902.40

EXECUTIVE LEADERSHIP TEAM REMUNERATION 2019–2020 (PREVIOUS FINANCIAL YEAR)*

Executive Leadership Team Remuneration 2019–2020 (now including figures for superannuation and vehicle entitlements, not included in last published report)

Remuneration range (total package including superannuation and vehicle entitlements)	Number of Executive Leadership Team paid
\$200,000 to \$300,000	5
\$300,000 to \$400,000	2
\$400,000 to \$500,000	1
Total amount paid during reporting period	\$2,213,060.36

* ELT membership saw one member retire and one member recruited during the reporting period. While eight are listed as paid in the above table, membership equals seven. The total includes annual leave payout of retired ELT member.

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DR NICOLE DAVIS
General Manager
Infrastructure and Operations

Nicole leads the department responsible for overseeing the planning, capital, maintenance and operations of all physical infrastructure involving roads, parks, marine facilities, major projects, water, wastewater, waste and Council buildings.

Nicole's 30-year career spans both the private and public sector.

She was involved in water policy within the Queensland Water Commission in Brisbane during the peak of the millennial drought and has worked in numerous executive-level roles including SEQ Water Grid manager and chief operating officer for Water and Waste at Mackay Regional Council.

Nicole holds a Bachelor's Degree of Applied Science, a PhD in environmental science and is a Graduate of the Australian Institute of Company Directors.



AMANDA DALY
Head of People, Culture and
Organisational Performance

Amanda manages Health, Safety and Wellbeing; Corporate Strategy and Business Transformation, and Human Resources (recruitment and selection, compensation and benefits, learning and development, employee and industrial relations, payroll, HR data and analytics, performance management, reward and recognition).

She previously managed Council's national-award-winning Contact Centre, and was announced as a 2021 Excellence Awardee in the Australian Business Lawyers & Advisors Australian HR Director of the Year.

Amanda holds a Bachelor of Commerce, is a graduate of the Institute of Company Directors, and is an accredited practitioner in: the Human Synergistics Life Styles Inventories; Change Style Indicator; DiSC Workplace Training Program; Institute of Executive Coaching and Leadership and, the Myers Briggs Type Indicator.

Amanda also holds a Yellow Belt in Lean Six Sigma.



DEBORAH CORBETT-HALL
Chief Financial Officer

As Chief Financial Officer, Deborah is responsible for providing strategic leadership and influence across internal and external customer facing finance functions. Deborah's leadership supports Council to manage \$2.7b of community assets within an annual budget of \$330m.

Deborah has held leadership positions at Council since 2009. Deborah also sponsored Council's Asset Management Project over a four-year period. Prior to 2006, she held several leadership positions in the United Kingdom within Jobcentre Plus after serving in the Armed Forces.

Deborah is a Fellow of the Certified Practising Accountants Australia and has a Master of Business (Professional Accounting) in addition to a Master of Mathematics. Deborah is also a member of the Australian Institute of Company Directors and an IECL-certified organisational coach.



ANDREW ROSS
General Counsel

Andrew has been with Council for more than 17 years as city solicitor, chairperson of the Operational Risk Management Committee, liaison to the Crime and Corruption Commission and member of the Queensland Environmental Law Association.

Andrew leads multi-year projects including enhancement of Council's Enterprise Risk Management Framework and Procurement Transformation Program.

He chairs a multi-disciplinary team to review and plan Council's strategic response to COVID-19 Civic Services Recovery.

Andrew has an extensive background in social services, public health and private legal practices.

Awards and commendations

- **2020 GO SMART Award**, Global Organisation of Smart Cities – awarded to Redland City Council in Partnership with MiTAC for Redlands Coast Mosquito Mapping dashboard
- **Gold Award – 2021 Australasian Reporting Awards (ARA)** – awarded for *Annual Report 2019 – 2020*
- **Best Cultural Tourism Award**, Japan World Tourism Film Festival 2021 – awarded for Redlands Coast on Quandamooka Country tourism video
- **Highly commended – MAPDA Awards** – awarded for 'Information Brochure, Level A' Redland Art Gallery Exhibitions 2021
- **Best of Queensland Experience rating** – Redlands IndigiScapes Centre, issued by Tourism and Events Queensland (TEQ), in partnership with Brisbane Economic Development Agency, the Queensland Tourism Industry Council and the Department of Tourism, Innovation and Sport.



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**ACKNOWLEDGING REDLAND SES**

Redland City Council is proud to work in close association with Redland State Emergency Service (SES) and acknowledges its achievements at the 2020 SES Regional Awards.

During Queensland SES Week 2020, Redland SES was awarded 10 regional and two state awards. This is an incredible result for the Redland SES Unit, reflecting our outstanding local volunteers.

AWARDS INCLUDED:

- **Assistant Commissioner's Shield – Highly Commended for Operational Response of the Year:** jointly shared by Redland City, Brisbane City and Moreton Bay SES.
- **Operational Response of the Year:** jointly shared by Redland City, Brisbane City and Moreton Bay SES Units for extraordinary diligence and professional service during the response to the COVID-19 pandemic.
- **Regional Unit/Group of the Year:** Redland Bay SES Group – for exceptional engagement, operational readiness and innovation, leading to outstanding operational results within the Brisbane region.
- **Joyce Scorey Shield – Trainer of the Year:** Ian Bacon, Cleveland SES Group.
- **Seven individual awards** to Redland SES team members for special contribution to the service.



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CORPORATE PLAN OUTCOMES

This section details our performance against the Vision Outcome commitments made in our *Corporate Plan 2018–2023*. Detailed performance against the *Operational Plan 2020–2021* significant activities is available on Redland City Council's website.



1. HEALTHY NATURAL ENVIRONMENT



2. GREEN LIVING



3. EMBRACING THE BAY



4. QUANDAMOOKA COUNTRY



5. WISE PLANNING AND DESIGN



6. SUPPORTIVE AND VIBRANT ECONOMY



7. STRONG AND CONNECTED COMMUNITIES



8. INCLUSIVE AND ETHICAL GOVERNANCE

FIVE-YEAR SUMMARY OF CORPORATE PLAN 2018–2023 ACHIEVEMENTS

This Annual Report is the last aligned with our *Corporate Plan 2018–2023*. Our next Annual Report will measure against *Our Future Redlands – A Corporate Plan to 2026 and Beyond*, which was formally adopted by Council on 16 December 2020.

Our Future Redlands is built around seven strategic goals of: city leadership; strong communities; Quandamooka Country; natural environment; liveable neighbourhoods; thriving economy; and an efficient and effective organisation.

These goals are supported by 30 catalyst projects and 37 key initiatives that set the foundations for their achievement.

All of these projects will help shape our city, enhancing its unique character and liveability in line with residents' immediate needs and future aspirations.

KEY ACHIEVEMENTS 2018-2023



HEALTHY AND NATURAL ENVIRONMENT

- Development and implementation of Council's *Koala Conservation Strategy 2016*
- Development and implementation of the *Wildlife Connections Action Plan 2018–2023*
- Commenced One Million Plants project
- Developed and commenced implementation of the *Redlands Coast Biosecurity Plan*
- Redlands IndigiScapes Centre expansion
- Conservation and restoration activities.



GREEN LIVING

- Implementation of Council's *Waste Reduction and Recycling Plan 2015–2020* (Waste Strategy)
- Expanded kerbside green waste collection
- Took part in an autonomous bus trial: Redlands Coast Smart Mobility Trial
- Implementation of the Redland City Council Climate and Energy Dashboard
- Energy efficient initiatives introduced at Cleveland Library
- Construction of the Moreton Bay Cycle Network.



EMBRACING THE BAY

- Delivery of Southern Moreton Bay Islands (SMBI) accelerated roads program
- Implementation of Council's *Mosquito Management Plan 2017–2022*
- Ongoing development of the *Redlands Coast Bays and Creeks Plan*
- Partnership with South East Queensland's Healthy Land and Water Program
- Implementation of a Healthy Water Play Program
- Continued development and implementation of the *Coastal Hazard Adaptation Strategy*.

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**QUANDAMOOKA COUNTRY**

- Indigenous cultural awareness training programs delivered to Council officers
- Continued implementation of the Indigenous Land Use Agreement
- Development of Council's first internal Reconciliation Action Plan: *Kanara Malara - One People*.
- Partnership with Quandamooka artists to develop Redland Art Gallery and Redland Performing Arts Centre programs.

**WISE PLANNING AND DESIGN**

- Development and implementation of a new *Redland City Plan*
- Development and implementation of *Redlands Coast Transport Strategy*
- Acquisition of key strategic land parcels, including at Toondah Harbour
- Commencement of the Weinam Creek Priority Development Area
- Commencement of the Toondah Harbour Priority Development Area
- Implementation of an e-planning tool.

**SUPPORTIVE AND VIBRANT ECONOMY**

- Development and implementation of the *Redland City Tourism Strategy and Action Plan 2015–2020*
- Cleveland (*Nandeebie/Indillie*) and Capalaba (*Kapallaba*) master planning
- Redlands Coast has hosted a number of prominent film projects
- Council supported numerous small businesses through our small business grants program
- New City brand, Redlands Coast
- Participation in the State Government's North Stradbroke Island Economic Transition Strategy (Minjerribah Futures).

**STRONG AND CONNECTED COMMUNITIES**

- Ongoing implementation of Council's Community Grants Program
- Implemented a *Child and Youth friendly Redlands Policy*
- Development and implementation of the *Redlands Coast Age-friendly Action Plan 2021–2026*
- Development of Council operated Animal Shelter
- Implementation of Council's *Open Space Strategy 2012–2026*
- Development and implementation of *Library Services Strategy 2017–2022*
- Master and concept planning of Redlands Coast Regional Sport and Recreational Precinct.

**INCLUSIVE AND ETHICAL GOVERNANCE**

- Development of Council's *People Strategy 2021–2026*
- Implementation of new organisational mission and values
- Continued participation in Council's leadership development program
- Development of Council's *Strategic Asset Management Plan 2019–2029*
- Development of an *Integrated Planning Framework*.



VISION OUTCOME 1

HEALTHY NATURAL ENVIRONMENT

A diverse and healthy natural environment, with an abundance of native flora and fauna and rich ecosystems, will thrive through our awareness, commitment and action.

2018–2023 Performance Indicator

2020–2021 Progress

Annual waterways recovery report and rating

Water quality results were released internally in November 2020. Improvements in the median values of multiple water quality indicators were observed in Tarradarrapin, Macleay Island, Thornlands and Serpentine creek catchments when compared to the 2018–2019 data sets. In the catchments of Weinam, Lamb Island, Cleveland and California creeks a decline was recorded in the median values for multiple water quality indicators. These declines were driven by a number of exceedances of nutrients in various forms, total suspended solids and dissolved oxygen.

Few clear trends were observed in the median value across indicators from the other catchments monitored, when compared to previous years.

Aquatic habitat for all sites were graded as 'fair' condition or healthier, notably three Hilliards Creek sites attained a rating of 'good condition'. Decreases observed since previous surveys were attributed to undesirable local features such as an absence of or limited macro habitat (i.e. a lack of runs, riffles or snags within a waterway), sediment deposits, unstable banks, low substrate variability, along with surrounding land uses and invasive riparian vegetation.

The results of macroinvertebrate assessment were typical of ephemeral, turbid systems of South East Queensland. Fish abundance varied among sites, with the highest observed at Hilliards Creek and the lowest at Eprapah Creek. Hilliards Creek showed evidence of complex microhabitat and abundant food sources whereas Eprapah Creek showed signs of poor water quality and limited habitat diversity.

The majority of 2019–2020 was characterised by very low flow conditions, however the total rainfall for the year was slightly above average, with approximately 70% of the rain falling between January and February. These climatic conditions may have influenced water quality results.

During 2020–2021, a range of actions were undertaken to improve the conditions of our waterways, including promoting best practice erosion and sediment control on construction sites, restoration of riparian habitat and wetlands, removing litter and pollutants from stormwater, collecting litter from conservation areas and managing aquatic weeds, along with providing education to the community.

Work is currently underway collating data from the 2021 waterways monitoring programs to guide future direction going forward.



Alexandra Hills (Nandeebie/Inallie)

Redland City Council – Annual Report 2020–2021

2018–2023 Performance Indicator	2020–2021 Progress
The number of volunteers and hours spent caring for natural assets	There are currently 275 active registered volunteers working with the Bushcare team, and a further 149 first-time unregistered volunteers who contributed more than 3,391 hours caring for Redlands Coast's natural assets during 2020–2021. Volunteering opportunities with the Bushcare Program were reduced due to impacts of COVID-19 restrictions.
Participation in fauna monitoring, protection, rescue and recovery programs	The Redlands 24-hour Wildlife Rescue Service is made up of two volunteer programs: Redlands Wildlife Care Network and Redlands Afterhours Wildlife Ambulance. Redlands 24-hour Wildlife Rescue volunteers responded to 6,489 phone calls for assistance with sick, injured or orphaned wildlife. A total of 92 volunteers spent 9,156 hours participating in rescue and recovery programs and surveying native species.
The number of enhancement projects completed each year to improve access, safety and comfort for visitors	<p>In the face of COVID-19 restrictions, Council managed to see many wonderful additions and improvements to our natural areas. The Queensland Government-funded project for the Eastern Escarpment Conservation Area (EECA) is the largest of these and included a new trailhead with parking, shelter, maps, potable water, composting toilet and horse stiles. A second carpark has been constructed near the trailhead and has made effective use of Council lands by repurposing an old isolated and degraded hardstand area and revegetating the carpark surrounds.</p> <p>A lookout platform has also been installed at the top of Mount Cotton (<i>Jungalpin/Tungipin</i>) (with adjacent picnic table) and offers visitors a unique vista over Redlands Coast and Moreton Bay islands. The site also offers views to Brisbane, Scenic Rim and Glass House Mountains.</p> <p>Almost 29km of trails are available at EECA, providing fire and recreational trail connectivity and an enhanced nature-based experience for users. The trails cater for a range of abilities including adaptive (disabled) mountain bike trails and access points which have been designed and constructed to facilitate this part of our community. New fencing, gates and signage have also been installed throughout the reserve to improve wayfinding and safety.</p> <p>The EECA project stimulated a new level of coordination with Queensland Ambulance Service and other emergency services to adequately respond to situations where trail users may need assistance. The reserve successfully hosted a major mock extraction exercise of three patients. This pilot process is now being introduced to other reserves, national parks and islands, helping improve safety in Redlands Coast and South East Queensland.</p> <p>Bayview Conservation Area received additional fire trails and trail markers. In response to user feedback, water taps at Don and Christine Burnett Conservation Area and Ford Road Conservation Area were modified to flow better and be safer for horses. This modification was well received by users. Fencing was also installed to prevent unlawful vehicle access and improve safety for users. New access points and fencing for horses and pedestrians were installed at Heinemann Road Conservation Area to allow better access from Bayview Conservation Area and surrounding residential areas.</p> <p>Community trailcare volunteers assisted in keeping our major recreational trail systems in very good condition, with support from Council, in clearing of fallen trees from mountain bike and walking tracks after weather events.</p> <p>Redlands Coast reserves attract many visitors and support local and regional nature-based tourism. Eastern Escarpment Conservation Area is now attracting riders and walkers from Toowoomba, across Brisbane, Gold Coast and Sunshine Coast and as far as North Queensland. Some trails are continuing to show usage figures of more than 20,000 passes per month. Latest figures show Bayview and Redland Track Park user figures are remaining stable. Redlands Coast's nature-based experiences are continuing to inspire significant positive publicity, social media commentary and videos for the city.</p>





VISION OUTCOME 2

GREEN LIVING

Our green living choices will improve our quality of life and our children's lives, through our sustainable and energy-efficient use of resources, transport and infrastructure and our well-informed responses to risks such as climate change.



Redland City Council – Annual Report 2020–2021

2018–2023 Performance Indicator	2020–2021 Progress
Annual corporate greenhouse gas emissions	Council's carbon footprint for the 2020–2021 financial year increased by approximately 1.3% compared to emissions generated in 2019–2020. Similar to 2019–2020, the wastewater treatment plants across the City are responsible for a significant contribution to the increase in overall energy consumption. Redlands Coast experienced approximately 38% more rainfall across the 2020–2021 financial year than in 2019–2020. Across the seven treatment plants, there was an increase in energy consumption by 4.6% compared to the previous year. Conversely, Council sites such as the Cleveland and Capalaba Libraries, Administration Building, South Street Depot, and Redland Performing Arts Centre had a 2.9% decrease in energy consumption, possibly due to COVID-19 related closures and employees working from home.
Number of activities that educate, provide information and advocate sustainable building design for the community	A new sustainability garden was completed at Redlands IndigiScapes Centre. The new garden provides visitors and the community with an opportunity to see environmentally friendly features to include in their own backyard. Eco Markets were held at the IndigiScapes Centre in May and the Environment and Community Fair in June. These community events celebrated the actions being taken to protect and restore the natural environment, and encourage sustainable living while also providing local business opportunities. Both events encouraged the benefits of sustainable living, waste reduction and recycling, and outline positive environmental impacts including carbon emission reductions and positive carbon impacts from protecting our ecosystems. Sustainable House Day was celebrated in September 2020. The online event showcased sustainable building designs across Australia through a virtual tour of participant homes. Council promoted this event across its social media platforms as it served as a great opportunity to educate the community during COVID-19.
Council's resource recovery rate (percentage recycled)	The Redlands Coast community generated 114,018 tonnes of domestic waste and recyclable materials. Of this amount, 51.7% (58,957 tonnes) was diverted for recycling, composting or recovered for reuse. This is a 6.2% increase in resource recovery performance compared to 2019–2020.
Kilometres of pedestrian pathways and cycleways	During 2020–2021, 5,662km of pedestrian and cycleways were completed within the City.



**VISION OUTCOME 3****EMBRACING THE BAY**

The benefits of the unique ecosystems, visual beauty, spiritual nourishment and coastal lifestyle provided by the islands, beaches, foreshores and water catchments of Moreton Bay will be valued, protected and celebrated.



Coochiemudlo Island foreshore (Goochie mudlo)

Redland City Council – Annual Report 2020–2021

2018–2023 Performance Indicator	2020–2021 Progress
Annual Healthy Land and Water report card rating	<i>Healthy Land and Water Report Card not available yet - approximately early November 2021</i>
Implementation of the Redland City Disaster Management Plan	<p>This indicator relates to the role the <i>Redland City Disaster Management Plan</i> plays in educating people about being prepared for natural disasters that come with living in a leafy, coastal environment.</p> <p>During 2020–2021 there was a focus on enhancing the Disaster Management Plan web-based platform to ensure current and emerging information and mapping is displayed to better inform the community of the natural hazards that challenge the Redlands Coast community.</p> <p>The Plan was assessed against the <i>Emergency Management Assurance Framework</i> standards as outlined by the Office of the Inspector-General Emergency Management and was identified as having elements of best practice in bushfire mitigation planning and disaster management planning.</p> <p>The Local Disaster Management Group has been activated since March 2020 in response to COVID-19. A number of storm events that occurred between December 2020 and April 2021 saw record levels of rainfall in the creek catchments of Redlands Coast. The strong partnerships and planning between Council and the Local Disaster Management Group agencies proved effective in responding to and recovering from these events. Council continues to engage and educate the community through targeted engagements, network meetings and Community Champions to meet the requirements of COVID-19 restrictions over the past 12 months.</p>
Bay access points	<p>Work started on upgrades to the Southern Moreton Bay Islands ferry terminals. This project will continue during the next two financial years to provide new ferry terminals plus additional recreational pontoons at each site.</p> <p>Improvements to existing access points were undertaken at the northern boat ramp at Wellington Point (<i>Cullen Cullen</i>), which was resurfaced and the canoe and kayak launch point at Torquay Road, Redland Bay (<i>Talwalpin</i>) where formalised parking arrangements were put in place.</p>
Implementation of Priority Development Areas	<p>In July 2018, the Federal Government made the decision that the proposed Toondah Harbour Priority Development Area project is a 'controlled action', allowing the project to proceed to the environmental impact statement (EIS) stage. The Toondah Harbour EIS was prepared ready for submission in the next financial year. This EIS will assess the potential social, economic and environmental impacts of the proposed development.</p> <p>The final residential lot of Moores Road, Redland Bay (<i>Talwalpin</i>) was sold as a built product and settled at the end of 2019–2020.</p> <p>The final draft master plan for the Weinam Creek Priority Development Area was submitted to Economic Development Queensland for assessment. Redland Investment Corporation conducted a community engagement campaign to showcase the final plan.</p>



Kayaking the Southern Moreton Bay Islands

**VISION OUTCOME 4****QUANDAMOOKA COUNTRY**

The rich Aboriginal heritage of Redlands Coast (Quandamooka), the Traditional Owners' ongoing custodianship of Quandamooka land and waters will be widely understood and respected and, we will work together for the future of Quandamooka Country.



Redland City Council – Annual Report 2020–2021

2018–2023 Performance Indicator	2020–2021 Progress
Attendance at Council's cultural awareness and heritage training	During 2020–2021, Council held seven Indigenous information sessions attended by 74 participants. In addition, 107 participants attended 12 Quandamooka Cultural Awareness Days on North Stradbroke Island (<i>Minjerribah</i>). From November, Council introduced the Neembeeba Binung Gana (look, listen, understand) Elders Cultural Day on North Stradbroke Island (<i>Minjerribah</i>) attended by 59 participants on the seven days offered. Aboriginal Cultural Heritage Training was jointly offered by Council and Quandamooka Yoolooburra Aboriginal Corporation, and the Minjerribah Moorgumpin Elders-In-Council Aboriginal Corporation.
Community understanding of the Quandamooka Peoples' relationship with their traditional land and waters	<p>During 2020–2021, Council worked with external and internal stakeholders to promote Quandamooka culture across its tourism marketing, arts and community events schedule, and internal employee education programs.</p> <p>We proudly replaced our six city entry statements on main roads leading into the City with new 5m high entry signs that include acknowledgement of Quandamooka Country. Dual place names also continued to be rolled out on signage across Redlands Coast.</p> <p>Quandamooka cultural tourism experiences were highlighted in media including Channel Seven's <i>Weekender</i> series, <i>The Courier-Mail</i>, media releases and social media. Council's destination tourism video narrated by Delvene Cockatoo-Collins and featuring Joshua Walker, Matthew Burns and the Yulu Burri Ba Dancers, won the Best Cultural Tourism Award in the Japan World's Tourism Film Festival in March 2021.</p> <p>Council's public events program included a Jandai Literacy Launch at Cleveland Library with Sandra Delaney, several Redland Art Gallery feature exhibitions promoting Aboriginal and Torres Strait Islander culture, public art banners, library talks with Matthew Burns and a NAIDOC Week showcase in November 2020.</p> <p>Internal initiatives included dual-naming 10 meeting rooms, wrapping a vehicle in Joshua Walker's reconciliation artwork <i>Kanara Malara – One People</i>, continuing Council's NAIDOC Ambassadors program and including Neembeeba Binung Gana – Elders Cultural Day as a new internal training opportunity.</p> <p>Business as usual activities continued, including using Quandamooka names in a variety of media, acknowledgement of Redlands Coast Traditional Owners in many publications and acknowledgment of Country and Elders in speeches.</p>
Council's progress with implementing the ILUA	<p>The commitments of the <i>Indigenous Land Use Agreement</i> (ILUA) between Redland City Council and the Quandamooka Yoolooburra Corporation (QYAC) for North Stradbroke Island (<i>Minjerribah</i>) continued to be progressed throughout the year. A number of the elements of the ILUA have now been embedded as business as usual for Council or have been actioned and closed off. Research into the development of a dual naming policy for Council has been completed and Council is now at a stage where consultation with QYAC will take place in the second quarter of 2021–2022.</p> <p>Recognition and acknowledgement at events continued throughout the year. Council includes QYAC in its business as usual communications in line with the ILUA. Progress continues on the implementation of Council's Internal Reconciliation Action Plan. Regular communication continues between Council and QYAC officers to continue to progress matters relating specifically to the ILUA and general commitments to other related First Nations projects and activities.</p>



Quandamooka Dancers



Dual naming of Council's meeting rooms



VISION OUTCOME 5

WISE PLANNING AND DESIGN

We will carefully manage population pressures and use land sustainably while advocating and taking steps to determine the limits of growth and carrying capacity on a local and national basis, recognising environmental sensitivities and the distinctive character, heritage and atmosphere of local communities. A well-planned network of urban, rural and bushland areas and responsive infrastructure and transport systems will support strong, healthy communities.



Thornlands Community Park, Thornlands (Nandeebie/Indillie)

Redland City Council – Annual Report 2020–2021

2018–2023 Performance Indicator	2020–2021 Progress
Implementation of the Redland City Plan and Local Government Infrastructure Plan (and subsequent twice-year reviews)	General minor amendment of <i>Redland City Plan</i> (version 5) commenced on 18 November 2020. Temporary Local Planning Instrument – Protection of Heritage Places was adopted and commenced on 17 March 2021 to protect local heritage features of properties nominated for inclusion in proposed major amendment (Heritage). First State interest review was completed for major amendment (<i>South West Victoria Point Local Plan</i>) and major amendment (<i>Medium Density Residential Zone Code Review</i>).
Development is consistent with legislation, best practice and community expectations, guided by relevant plans and strategies	All development applications were assessed in accordance with the <i>Planning Act 2016</i> and associated regulation and measured against relevant assessment benchmarks, including <i>Redland City Plan</i> .
Council meets or improves on legislated development assessment timeframes	Council met its target of greater than or equal to 90% compliance for assessing and deciding development applications in accordance with the timeframes prescribed in the <i>Planning Act 2016</i> and associated development assessment rules.
Levels of participation in regional collaboration and advisory groups	Council was represented on the following groups - South East Queensland Development Assessment Managers Group, Urban Development Institute of Australia Industry Advisory Group, Urban Development Institute of Australia Redlands Advisory Panel Working Group, South East Queensland Local Government Infrastructure Planners, and Queensland Government steering committees and working groups (various).





VISION OUTCOME 6

SUPPORTIVE AND VIBRANT ECONOMY

Businesses will thrive and jobs will grow from opportunities generated by low-impact industries, cultural and outdoor lifestyle activities, eco-tourism and quality educational experiences. Transport systems will support strong, healthy communities.



Vibrant local economy

Redland City Council – Annual Report 2020–2021

2018-2023 Performance Indicator	2020–2021 Progress
Successful implementation of the Redland City Economic Development Framework 2014–2041. Monitor growth targets: Population Growth, Gross Regional Product Growth, Job Growth, Tourism Growth	<p>The <i>Redland City Economic Development Framework</i> identifies eight key industry sectors as drivers of future economic growth. In 2020–2021, actions and initiatives in the three Council endorsed industry sector plans continued to be implemented, namely:</p> <ul style="list-style-type: none"> • <i>Education and Training Industry Sector Plan 2018-2023</i> • <i>Health Care and Social Assistance Industry Sector Plan 2018-2023</i> • <i>Rural Enterprise Industry Sector Plan 2019-2024</i>. <p>While a number of actions either have been completed or are in process and on track, some initiatives had to be put on hold due to restrictions and consequences associated with COVID-19.</p> <p>Preliminary work was completed to scope a Manufacturing Industry Sector Plan including engagement with industry. The plan is scheduled for completion by the end of 2021.</p> <p>Gross Regional Product (GRP) of the city was valued at \$6.082b (as of 30 June 2020) which was slightly lower than the previous year's GRP valued at \$6.122b (Source: National Institute of Economic and Industry Research (NIEIR) 2021, as compiled in economy.id for Redland City Council Economic Profile. Note: Figures have changed compared to the previous year. NIEIR adjusted its economic modelling for 2019–2020 with new data sets becoming available in 2020–2021).</p> <p>Unemployment rate: The Redlands Coast unemployment rate increased from 4.4% (March quarter 2020) to 8.2% (March quarter 2021) (Australian Bureau of Statistics and Department of Employment, Small Area Labour Markets, as compiled in economy.id for Redland City Council Economic Profile).</p> <p>Tourism: In 2019-2020, total tourism and hospitality output (direct and indirect) accounted for 2.5% of the City's total output or \$255m. In terms of value, tourism and hospitality decreased compared to previous year (from \$164m to \$139m). At the same time, tourism and hospitality's contribution to the City's total value added decreased from 3.7% in 2018-2019 to 3.2% in 2019-2020.</p> <p>Total tourism and hospitality employment in 2019-2020 was 2,070 or 4.2% of the City's total employment. (Source: National Institute of Economic and Industry Research (NIEIR) 2021, as compiled in economy.id for Redland City Council Tourism and Hospitality. (Source: National Institute of Economic and Industry Research (NIEIR) 2021, as compiled in economy.id for Redland City Council Tourism and Hospitality).</p>
Number of sites developed by Redland Investment Corporation Pty Ltd for commercial and community benefits	Construction of the boutique townhouse development Edge 521 was completed and all townhouses sold, with seven of the 13 homes settling in 2019–2020.
Support negotiations with stakeholders on environment and development approvals for PDAs	Preparation of the Environmental Impact Studies (EIS) for the Toondah Harbour Priority Development Area continued and is ready for submission, following the release of the final guidelines for the EIS by the Minister for the Federal Government Department of Environment and Energy.
Finalise the development Program for Weinam Creek PDA	The Master Plan for the Weinam Creek Priority Development Area has been submitted for assessment. Redland Investment Corporation continues discussions with potential development partners to assist in the delivery of the multi-storey car park.



Quandamooka cultural tour with Joshua Walker, North Stradbroke Island (Minjerrabah)



VISION OUTCOME 7

STRONG AND CONNECTED COMMUNITIES

Our health, wellbeing and strong community spirit will be supported by a full range of services, programs, organisations and facilities and our values of caring and respect will extend to people of all ages, cultures, abilities and needs.



2018–2023 Performance Indicator	2020–2021 Progress
Number of community activities delivered	<p>Council delivered a total of 28 events attended by more than 16,450 people. Events included the five-day Christmas on the Coast event attracting more than 7,500 people and the Birkdale (<i>Cullen Cullen</i>) Community Precinct Open Days attracting more than 3,000 attendees. Council also assisted groups to deliver more than 67 community run events attended by more than 81,000 people.</p> <p>Redland City Council Libraries welcomed 335,562 clients to our mainland and island branches. This included 20,561 attendees to programs and 783,314 physical items borrowed. The Libraries App was launched in late 2020 and has seen 34,090 sessions used. Online engagement through the website and catalogue has continued to grow with 461,539 virtual visits and 261,314 digital items borrowed. Social media has delivered 87 online programs for both adults and children and has been viewed by 38,620 people. During the year Redland City Council Libraries operated with a COVID Safe Plan and complied with all Queensland Health directives to ensure appropriate contact tracing, capacity limits for buildings and events and closures when required.</p> <p>Redland Performing Arts Centre hosted 34,917 guests – made up of 6,725 participants, performers and crew with 28,192 audience members. This was a staggering result, considering 80% of this attendance was achieved between February 2021 and June 2021, following the relaxation of COVID-19 restrictions. The team delivered 201 activities from February to June 2021 including new programs and initiatives which supported the development of local artists such as <i>Stage Sessions</i>, <i>Artist Symposium - The Art of the Pivot</i>, residencies, Artist Networking, and <i>Redlands Coast Art Fair on Quandamooka Country</i>.</p> <p>Redland Art Gallery presented 20 exhibitions, and 41 public programs with visitation of 14,952 across both Cleveland and Capalaba Gallery spaces. There were specific challenges for access to the Capalaba (<i>Kapallaba</i>) space this year with only 10% of regular capacity being reached.</p>
Number of community groups with leases/permits for Council facilities	<p>Council provides more than 180 leases and licences to sporting and community organisations to enable those organisations to provide beneficial services to the community. These agreements include access to land and building infrastructure depending upon the individual organisation's requirements.</p>

Redland City Council – Annual Report 2020–2021

2018–2023 Performance Indicator	2020–2021 Progress
Number of volunteers and hours donated towards Council projects	During 2020–2021, around 516 volunteers contributed approximately 19,258 hours of service across various Council programs. Volunteers participated in restoring conservation areas by planting local native species, removing weeds and rubbish and monitoring flora, fauna and water quality as part of Council's bushcare programs. Volunteers also rescued and cared for native wildlife through the Wildlife Care Network and Wildlife Rescue Ambulance as well as helping out at the Animal Shelter. Volunteers assisted in the nursery and events at IndigiScapes Centre along with the observation and recording of koala numbers at Amity Point (<i>Pulan</i>), North Stradbroke Island (<i>Minjerribah</i>). Volunteers also supported the community through Council's strengthening communities program. The Redland Art Gallery and Redland Libraries Adult Literacy Program was also complimented by a strong contingent of dedicated volunteers.
Implementation of Redland City Disaster Management Plan	<p>This indicator relates to the role the <i>Redland City Disaster Management Plan</i> plays in preparing the Redlands Coast community and the Redland City Local Disaster Management Group for responding to and recovering from disaster events. During 2020–2021 there was a focus on enhancing the Disaster Management Plan web-based platform to ensure current and emerging information and mapping is displayed to better inform the community and the Local Disaster Management Group of the natural hazards that challenge the Redlands Coast community.</p> <p>The Local Disaster Management Group was activated from March 2020 to June 2021 in response to COVID-19 and a number of storm events that occurred between December 2020 and April 2021 that saw record levels of rainfall in the creek catchments across Redlands Coast. The strong partnerships and planning between Council and the Local Disaster Management Group agencies proved effective in responding to and recovering from these events. Council has continued to be engaged in a number of training exercises during the past 12 months with various member agencies of the Local Disaster Management Group to refine and enhance disaster response actions.</p>
Amount of land that is available for sport to meet current and future needs	Redlands Coast currently has just over 152ha designated as sports parks. The implementation of the Redlands Coast Regional Sport and Recreation Precinct continued with the finalisation of the concept design in June 2021, which will deliver three rugby league fields, 13 touch fields, a BMX track and a 1.2km criterium cycling track. The <i>Active Recreation and Sports Facilities Action Plan (Optimisation Study)</i> , identified opportunities to help meet current demands, as well as highlighting provision gaps such as indoor court facilities. Suitable land to meet the current and future sport and recreation needs continues to be progressed through major land development and investigation of potential additional land acquisitions.



Planning for future sport and recreation needs progressed



VISION OUTCOME 8

INCLUSIVE AND ETHICAL GOVERNANCE

Deep engagement, quality leadership at all levels, transparent and accountable democratic processes and a spirit of partnership between the community and Council will enrich residents' participation in local decision making to achieve the community's Redlands 2030 vision and goals.



2018–2023 Performance Indicator	2020–2021 Progress
Financial strategy key performance indicators including measures of sustainability	Our current stable financial position allows Council to meet its future obligations and demands of our community in the foreseeable future under our long-term financial strategy. For the 2020–2021 year, Council met or exceeded all eight of its financial stability ratio targets and met one out of three of our sustainability ratio targets. Operating surplus ratio decreased from the previous year, mainly due to an increase in operating expenses. Our Asset Sustainability ratio result (the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives) has increased from 2019–2020 and remain a focus for improvement. Full performance reporting can be found in the Community Financial Report on page 18 to page 27.
Effective implementation and performance reporting on the Corporate Plan	The <i>Operational Plan 2020–2021</i> identified the 68 significant activities that Council planned to undertake to progress the eight vision outcomes articulated in the Corporate Plan 2018–2023. Progress of the significant activities was reported on a quarterly basis in the Operational Plan Performance Reports. In 2020–2021, Council completed 68 significant activities identified in the <i>Operational Plan 2020–2021</i> . Council also progressed and completed one carried-forward activity from the <i>Operational Plan 2019–2020</i> .

Redland City Council – Annual Report 2020–2021

2018–2023 Performance Indicator	2020–2021 Progress
All Council employees have clear, achievable goals aligned to corporate objectives and managed via the MyGoals Performance Framework	During 2020–2021, new dates were selected for the performance cycle. Commencement of a new performance form with greater connectivity in Council systems and benefits such as cascading goals throughout teams was initiated. Council employees were provided support material in order for more frequent and constructive performance conversations with their managers to take place throughout the year and with ongoing reference to their goal and development plans to align their work and training.
Community satisfaction with engagement activities	<p>Increased opportunities for engagement and higher levels of participation by the community are key drivers and indicators of community satisfaction with Council engagement activities.</p> <p>In 2020–2021, more than double the number of people participated in Council's engagement activities compared to the previous year. A total of 79,282 Redlands Coast residents and stakeholders participated in community engagement activities, up from 39,600 in the 2019–2020. Council also surveyed attendees at the stakeholder workshop for the Birkdale Community Precinct project, asking them to rate their satisfaction with the engagement. A total of 75% of participants who completed the survey 'strongly agreed' or 'somewhat agreed' with the statement 'I am satisfied with how Council engaged the community on the Birkdale Community Precinct program'.</p> <p>Council's next biennial customer satisfaction survey that measures, among other factors, community satisfaction with Council's engagement activities, will be conducted in 2021–2022.</p>
Monitor and govern asset management maturity and capacity	<p>Council commenced implementation of the <i>Strategic Asset Management Plan (SAMP)</i> in compliance with the ISO 55001 standard. The SAMP specifies how organisational objectives are converted into asset management objectives, the approach for developing the Asset and Service Management Plans (ASMPs), and the role of the asset management system. Key implementation activities relating to governance included uplifting the Asset Management Steering Committee to have a strategic focus (chaired by the CEO), improving Council's <i>Asset Management Framework – Roles and Responsibilities Profile</i> to provide a line of sight and clearly communicated roles and responsibilities for managing our assets, and the development and implementation of our inaugural Portable and Attractive Items governance.</p> <p>During 2020–2021, the ASMPs focused on risk management and the utilisation of Council's new risk management software, Protecht, as well as enhancing 10-year planning to incorporate requirements relating to Council's strategies and new corporate plan. To support this, an improved modelling tool to inform asset renewal and upgrade was utilised and the planning cycle focused on our asset sustainability. The external funding pipeline was reviewed and enhanced, to ensure Council is well positioned when applying for grants. The 10-year planning process also reviewed alignment with Council's <i>Local Government Infrastructure Plan</i> and the identification of the infrastructure Council is delivering to support this plan. The planning cycle also included training in our new Red-E-Map portal containing asset mapping layers linked to Assetic, Council's new asset management software. The training was designed and completed around three capability levels, beginners, building capability and gaining mastery of GIS (Geographic Information System).</p> <p>Through the Strategic Spatial Intelligence Transformation project, partially funded by the Queensland Government from the Local Government Grants and Subsidies Program, Council developed a new product, DecAid. DecAid supports planning of the right projects at the right time. It is a collaborative planning tool that provides a window into information within our existing systems. This is an innovative strategic tool that empowers our business to collaborate and be forward-thinking. The tool visualises Council's 10-year capital plan and functional location spatially, improving the way we work, enabling better community outcomes.</p>
Strategic alignment and delivery of Council's project portfolio	<p>The approved 2020–2021 portfolio of programs and projects were governed to maintain alignment with the strategic priorities, with achievements being:</p> <ul style="list-style-type: none"> • Delivery of asset renewals for open spaces, roads and carparks, active transport and sewerage treatment network and other infrastructure, to sustain existing services to the community • Planning and design investments for significant infrastructure such as the Wellington Panorama Drive Road Upgrade, Waste Water Treatment strategy and master planning • Delivery of assets to support city growth, identified in the Local Government Infrastructure Plan • Delivery of State Emergency Service (SES) Redland Bay facility, (co-funded through the SES Support Grant) • Business systems improvements to support Council services and customers.



An architectural rendering of a waterfront development. In the background, a modern multi-story building with a yellow and grey facade stands near a body of water. A curved walkway leads from the foreground towards the water. The foreground is filled with lush green grass, several trees with green and purple foliage, and a few small figures of people walking. The sky is blue with scattered white clouds.

Redland City Council – Annual Report 2020–2021

5

STATEMENT OF OPERATIONS

Performance summaries for Council-owned company Redland Investment Corporation (RIC) and business units City Waste (formerly known as RedWaste) and City Water (formerly known as Redland Water).



Artist impression Toondah Harbour PDA

REDLAND INVESTMENT CORPORATION

BENEFICIAL ENTERPRISE STATEMENT OF OPERATIONS

Redland Investment Corporation (RIC) was established by Redland City Council in 2014 to identify alternate revenue sources, new business opportunities, and realise value for Council and the Redlands Coast community. In January 2019, RIC's constitution was amended to focus on Council's city building and place making projects to strengthen the economy, stimulate investment and provide socio-economic benefits to the Redlands Coast community.

To support key outcomes within Council's Corporate Plan, *Our Future Redlands – A Corporate Plan to 2026 and beyond*, RIC drives economic and infrastructure development in the city through the delivery of major city building and place making projects, property development, land sales and investments. RIC is committed to working commercially and sustainably in its conduct, efficiently delivering all facets of business to fulfil the broader community's social, economic and environmental needs.

Redland City Council – Annual Report 2020–2021

KEY PROJECTS 2020–2021

In the 2020–2021 financial year, RIC continued to focus on unlocking value from Council assets, to generate value and benefit the Redlands Coast community.

RIC's key achievements for this financial year included:

- Stage 1 of the Weinam Creek Priority Development Area (PDA) in Redland Bay (*Talwalpin*) was completed including:
 - a new car park at Moores Road with more than 500 additional car parks.
 - pathways and a footbridge connecting to the Redland Bay Marina Ferry Terminal.
- The final draft master plan for the Weinam Creek PDA was lodged with Economic Development Queensland for assessment.
- A community engagement campaign was launched to showcase the final draft master plan for the Weinam Creek PDA and was supported with local promotion of a 3D rendered flythrough, a community survey on Council's Your Say page and an opportunity to find out more in person by booking "meet the planner" sessions.
- Settlement of the final developed lot within the new residential sub-division on Moores Road, Redland Bay (*Talwalpin*).
- Working closely with Shayher Group to progress the proposed master plan and finalise commercial agreements for the Capalaba Town Centre revitalisation project.
- Completion of construction and sale of the new boutique townhouse development, Edge 521, which delivered affordable, high-quality housing solutions for Redlands Coast.
- Revitalisation and rehabilitation of 16,650m² of conservation reserve at the newly named Jack Rosa Urban Habitat.
- Provided project management, professional and administrative services to Council for the Toondah Harbour PDA.

OBJECTIVE

RIC's key objective is to be commercially successful in the conduct of its activities and efficient in the delivery of all facets of its business.

VISION

RIC strives to be an innovative, responsible and financially sustainable company that achieves its business objectives and creates value for the Redlands Coast community and Council.

MISSION

- Grow the economy through facilitating development and business opportunities, while supporting local jobs.
- Lead the Redlands Coast development industry by delivering high quality, exemplary projects that consider the environment, community and best practice industry principles.
- Balance the long-term impacts of investment decisions with financial returns and consideration of the community's broader needs, including social and environmental aspects.
- Manage and achieve Council outcomes.
- Participate in commercial negotiations on behalf of Council and provide a better financial return for the Redlands Coast community.
- Focus on delivering place making and city building projects providing economic growth and community benefit for Redlands Coast.
- Build profitable, successful projects and respected relationships with business groups and the Redlands Coast community.

VALUES AND BEHAVIOURS

- **Safety first** – our first priority is our own safety and the safety of others.
- **Ethical and responsible decision making** – we honour our commitments and are open, honest and transparent.
- **Safeguard perpetual financial success** – we maintain profitability and control costs and pursue innovation and revenue diversification.
- **Earn the trust and respect of the customers and the community** – we are customer service-oriented and take care to understand Council's and the Redlands Coast community's needs.
- **Promote a positive workplace** – we encourage engagement, creativity and acknowledge achievements.

WHERE TO FIND MORE INFORMATION

Visit the RIC website at redlandinvestcorp.com.au



CITY WASTE

RESPONSIBILITIES

Council's commercial business unit, City Waste (formerly known as RedWaste), is responsible for:

- Collection of waste, recycling and green waste from domestic premises
- Collecting waste and recycling from park and street bins
- Delivery of waste and recyclable materials to licensed waste disposal and recycling facilities
- Reducing waste to landfill through recycling and resource recovery activities and services
- Providing waste reduction and recycling education and community engagement programs
- Operating two mainland and six island recycling and waste centres including Council's tip shop RecycleWorld
- Planning for future waste and recycling infrastructure requirements
- Delivering programs and initiatives to meet Council's waste reduction and recycling plan targets for waste reduction and resource recovery.

City Waste provided services to Council and the community in accordance with the *City Waste Annual Performance Plan (APP) 2020–2021* (available in Council's *Operational Plan 2020–2021*).

In 2020–2021, City Waste provided essential waste and recycling collection services to 62,426 residential premises, and managed 114,118 tonnes of domestic waste and recyclable materials. Of this amount, 51.7% was recycled, composted or recovered for reuse, a 6.2% increase in resource recovery performance compared to the previous year.

Redland City Council – Annual Report 2020–2021

STATEMENT OF OPERATIONS**2020–2021 at a glance:**

- Responded to 13,003 customer service requests
- Provided essential waste and recycling collection services to 62,426 households
- More than 3,000 extra households participated in the kerbside green waste bin collection service
- Diverted an additional 5,068 tonnes of timber products for beneficial reuse through Council's new waste disposal service provider
- 28,133 tonnes of green waste was composted and turned back into valuable soil products and compost
- A total of 59,007 tonnes of household waste was diverted from landfill
- Domestic resource recovery rate increased by 6.2% to 51.7%
- More than 440,000 residential and commercial customer visits to the recycling and waste centres
- Delivered on a new waste and recycling communications and branding style to deliver consistent and engaging communications
- Delivered waste reduction and recycling education to the community through face-to-face, digital and other campaigns
- Recovered more than two tonnes of electronic waste (e-waste) from the islands and a further four tonnes from the mainland as part of Council's drives for e-waste campaign
- Asbestos disposal services were provided at the North Stradbroke, Russell, Macleay and Coochiemudlo islands recycling and waste centres providing convenient and safe disposal services for these communities
- Provided waste disposal bins to five locations as part of Clean Up Australia Day, and supported a further 32 community groups and organisations to help remove litter across Redlands Coast
- 3,527MWh of energy from extracted methane combustion at Birkdale landfill.



OUR STATUTORY DUTIES

This Annual Report has been provided to meet the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. This legislation requires City Waste to report annually on its operations and performance and includes information on:

- Changes made to the Annual Performance Plan during the year
- Impacts of the Annual Performance Plan, including:
 - Financial position
 - Operating surplus or deficit
 - Prospects
 - Details of Council's direction to the unit.



REDLAND CITY COUNCIL'S WASTE REDUCTION AND RECYCLING PLAN

Council's *Redland City Waste and Recycling Plan 2015–2020*, was adopted in December 2015. The plan sets the direction for increasing recycling and resource recovery. It sets objectives and targets and an implementation plan for 2015–2020. A review of this plan commenced in 2019–2020 following the release of the *Queensland Government Waste Management and Resource Recovery Strategy* and introduction of the waste disposal levy on 1 July 2019.

Council's new waste plan, the draft *Waste Reduction and Recycling Plan 2021–2025* (the Plan), was released for public consultation in April 2021 for a five-week consultation period and received more than 190 responses to the online survey and face-to-face community engagement.

The draft Plan outlines how Council and the Redlands Coast community will work collaboratively to improve the use of the existing kerbside waste, recycling and green waste services. Council is committed to the following goals:

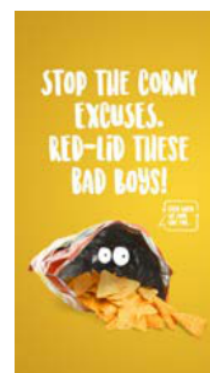
- Double the number of households with a green waste bin for garden organics
- Halve the amount of recyclable material being placed into general waste bins
- Reduce contamination (non-recyclable material) in the yellow-lid recycling bin
- Ensure everyone knows the importance of using the right bin.

The plan is expected to be adopted by Council in late 2021.

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SPECIFIC HIGHLIGHTS FOR 2020–2021

- Council continued to partner with member councils to progress work on sub-regional Expression of Interest for new waste and resource recovery services. This project is part of identifying future opportunities to align with a new zero-waste-to-landfill direction from the Queensland Government.
- Council continued to plan its waste and recycling services and identify regional collaboration initiatives by participating in projects and working groups with key partners across south-east Queensland.
- Council engaged with the community through a number of awareness campaigns to support waste avoidance and waste reduction including:
 - National Recycling Week
 - International Composting Awareness Week
 - Low Waste Christmas
 - Plastic Free July.
- An additional 3,013 households signed up for Council's fortnightly green waste collection service, with 35% of mainland households now participating. This helped the collection service recover an additional 1,073 tonnes of green waste out of general waste bins.
- A pilot recycling contamination campaign was run in April, May and June to help understand the communication required to drive behaviour change on 'recycling right'.
- An electronic waste (e-waste) collection drive was completed on the islands in October 2020 and again in February 2021 collecting more than six tonnes of e-waste. The service was paired with give-aways of native shrubs and plants to deliver even more sustainable outcomes.
- Council's resource recovery rate was given a major boost through the new waste disposal contract with Stapylton Resource Recovery. The new contract results in general waste received at our recycling and waste centres undergoing additional sorting for metal and higher value recyclable materials. Timber received at the Birkdale and Redland Bay Recycling and Waste Centres is now recovered for beneficial reuse instead of being landfilled. Looking forward, Council will engage with our customers to ensure manufactured timbers such as MDF, and laminated timber products are separated which will further improve timber quality.
- In July 2020, Birkdale Recycling and Waste Centre was upgraded with construction of an asphalt pavement and hardstand on the top area where green waste, timber and other recyclable materials are stockpiled. The asphalt material incorporated 550 used passenger tyres in its construction. This upgrade improves safety and operations onsite, reduces operational expenditure by around \$200,000 per annum and most importantly improves stormwater quality.
- In March 2021, construction commenced on a bio-retention basin at the Birkdale Recycling and Waste Centre. The basin was completed in July 2021 and replaces the existing Stormwater Pond 6. It is designed to improve stormwater quality through a combination of plants and filter mediums. The new basin demonstrates Council's commitment to the site's environmental performance, complementing existing asphalt hardstand works to improve stormwater management.
- Council partnered with the University of Queensland Centre for Recycling of Organic Waste and Nutrients (CROWN), Karragarra Community Garden, Running Wild Youth Conservation Culture and SMBI Permaculture to undertake a small scale food waste composting trial on Karragarra Island (*Karragarra*). The trial allowed 37 participating households to drop off non-protein food waste to the community garden where it is composted through a solar powered aerated composting system. The product is subsequently used in the community garden.
- Council continued to respond and manage a significant increase in customers and waste volumes at recycling and waste centres as a result of COVID-19 and more of the community being at home more often.
- Internal awareness campaigns and roadshows to Council employees to raise awareness and drive behaviour change in waste reduction and recycling habits.



KEY PERFORMANCE INDICATORS

Number of domestic premises provided with waste, recycling and green waste collection services					
	2016–2017	2017–2018	2018–2019	2019–2020	2020–2021
Waste and recycling	57,669	59,843	61,204	62,204	62,426
Green waste	10,348	11,518	13,874	16,208	19,221

Recyclable material diverted from kerbside waste stream					
	2016–2017	2017–2018	2018–2019	2019–2020	2020–2021
Total kerbside domestic collection (tonnes)	59,098	60,679	57,569	56,337	59,626
Total kerbside recycling (tonnes)	12,176	12,136	11,223	10,077	9,704
Total kerbside green waste (tonnes)	3,072	3,654	3,985	4,850	6,316
Percentage of kerbside material diverted from landfill (%)	25.9	26.0	26.9	26.5	26.9

Domestic kilograms per capita					
	2016–2017	2017–2018	2018–2019	2019–2020	2020–2021
Waste to landfill per capita (kg)	364	274	340	366	342
Recyclable material generation per capita (kg)	277	263	242	137	146
Green waste generation per capita (kg)	155	160	149	168	220
Total waste and recyclables generation per capita (kg)	795	697	731	671	708

Resource recovery rate – total domestic waste material diverted for reuse and recycling					
	2016–2017	2017–2018	2018–2019	2019–2020	2020–2021
Total domestic waste handled (tonnes)	101,295	102,366	95,947	107,093	114,188
Total waste diverted from landfill (tonnes)	45,458	44,626	42,255	48,760	59,007
Domestic Resource Recovery Rate (%)	44.9	43.6	44.0	45.5	51.7

Complaints and compliments					
	2016–2017	2017–2018	2018–2019	2019–2020	2020–2021
Percentage of missed service complaints (%)	0.024	0.029	0.022	0.036	0.031
Other complaints	75	77	66	53	65
Number of compliments	24	42	30	20	27

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2020–2021 Annual Performance Plan (AAP) - Key Performance Indicators

Vision outcome	Key performance indicator	APP yearly target	Yearly KPI achieved	Achieved
Green living	Municipal solid waste resource recovery rate	Min 46.2%	51.7%	●
Healthy natural environment	Compliance with environmental licence requirements for waste management facilities	Min 98%	98.2%	●
An efficient and effective organisation	Waste operating revenue	+/- 5%	-0.26%	●
	Waste operating goods and services	+/- 5%	2.5%	●
	Waste capital expenditure	+/- 5%	-20.33%	●
	Lost time injuries	0	0	●
	Missed service complaints	<0.035%	0.031%	●





CITY WATER

RESPONSIBILITIES

City Water (formerly Redland Water) is a commercial business unit of Redland City Council, responsible for water supply and wastewater collection and treatment. City Water's mission is to meet or exceed agreed standards of water and wastewater services while managing the business for long-term success.

City Water contributes to preserving the city's quality of life by servicing the Redlands Coast population through 57,784 main water connections and 54,420 wastewater connections. In 2020–2021 City Water purchased 13,588 megalitres of drinking water to supply to its customers and treated 12,371 megalitres of wastewater.

Redland City Council – Annual Report 2020–2021

OUR STATUTORY DUTIES

This report details City Water's performance for the 2020–2021 financial year and fulfils the business unit's duties under the *Local Government Act 2009*, the *Water Act 2000* and the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009*.

City Water is required to provide the Queensland Department of Regional Development, Manufacturing and Water (Regulator) with an annual report, in accordance with sections 141 and 142 of the *Water Supply (Safety and Reliability) Act 2008* in each financial year and this report must be made available to the public. City Water is also required to report against its *Drinking Water Quality Management Plan*.

The *Drinking Water Quality Management Plan* was reviewed in September 2020 and submitted to the Regulator for approval on 7 October 2020. The Regulator requested further amendments to be made which were carried out and the plan resubmitted on 4 December 2020. Approval of this plan was given by the Regulator on 24 December 2020. Further reviews are required to be completed every two years, the next review is due on 12 October 2022.

The first regular audit of the plan was conducted on 9 and 10 March 2016 with the audit report being submitted to the Regulator on 19 April 2016 in accordance with section 108 of the *Water Supply (Safety and Reliability) Act 2008*. Further audits are required to be completed every four years, with the next regular audit due by 12 October 2021, following an extension due to COVID-19.

Under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*, City Water is required to prepare a Netserv Plan. A revised Netserv Plan Part A has been adopted by Council. It is aligned to the new Redland City Plan and came into effect with the commencement of the Local Government Infrastructure Plan.

City Water continues to maintain close liaison and regional collaboration with south-east Queensland water service providers and Seqwater through participation in regional working groups and regional projects as required under the *Bulk Water Supply Code*.










FINANCIAL REPORT AND COMMUNITY SERVICE OBLIGATIONS

Details of City Water's financial statement for the year ended 30 June 2021 are contained in the Consolidated Financial Statements on page 125.

DELIVERING ON CUSTOMER SERVICE

Customer service standards describe and define the levels of service City Water commits to provide its customers for water and wastewater services.

A summary follows of our water and wastewater service standard key performance indicators (KPIs), targets and performance for 2020–2021 in the *City Water Annual Performance Plan* as adopted by Council.

KPI	Unit	Target	Actual	KPI Achievement
Operating revenue (actual to budget)	%	+/-5	0.54	
Operating goods and services expenditure (actual to budget)	%	+/-5	-2.75	
Capital expenditure (actual to budget)	%	+/-5	-5.33	
Treatment costs per property serviced (wastewater)	\$	187.82 per year	175.42	
Maintenance costs per property serviced (water)	\$	55.88 per year	58.81	
Maintenance costs per property serviced (wastewater)	\$	127.86 per year	97.17	
Number of wastewater treatment plant non-conformances with DES licence	#	Max .5 per month (6 per year)	19	
% Compliance with Australian Drinking Water Guidelines (ADWG) within distribution system. Does not include non-compliant water received at the point of transfer to the distribution system, i.e. from the bulk water supply	%	Min 98	100	
Number of lost time injuries	#	0	5	

Water Supply

Reservoirs	5
Length water mains (km)	1,313
Number of active meters	61,566
Number of connected residential properties (not including vacant land 6,682)	60,853
Number of connected non-residential properties	2,350
Total number connected properties (not including vacant land 6,682)	63,203
Water purchased (ML)	13,588
Total assets (\$)	491m

KEY PROJECTS 2020-2021

Project	Description	Budget	Expenditure to date	Comments
62107 Complete annual water meter replacement program	A rolling program of replacing water meters occurs each year	\$693,765.75	\$654,746.84	8,703 water meters were replaced in 2020-2021
62168 Water mains	Upgrade of dilapidated water mains	\$319,000	\$156,000	Replacement of 370m of AC main in Cleveland and 770m of AC main in Point Lookout.

DRINKING WATER QUALITY MONITORING

Drinking water quality monitoring is undertaken through a verification monitoring program approved by the Regulator. Under the *Water Supply (Safety and Reliability) Act 2008* (Section 102) and the *Public Health Act 2005*, City Water must report to the Regulator any non-compliance with *Australian Drinking Water Guideline* (ADWG) or report to the Regulator an event that may impact public health. A 100% compliance with the ADWG was achieved in 2020-2021.

Annual Drinking Water Management Plan reports are required to be provided to the Regulator within 120 business days of the end of the financial year.

Wastewater

Treatment plants	7
Pumping stations	140
Length of sewer mains (km)	1208
Number of connected residential properties (not including vacant land 805)	52,802
Number of connected non-residential properties	1,618
Total number of connected properties (not including vacant land 805)	54,420
Wastewater Collected - Influent (ML)	12,371
Sludge re-use (%)	98.8 (3,116 dry weight tonnes)
Recycled effluent for re-use (ML)	>100
Tradewaste generators	749
Tradewaste discharged to sewer (ML)	283
Total assets (\$)	285m

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KEY WASTEWATER PROJECTS 2020–2021

Project	Description	Budget	Expenditure to date	Comments
63025 Control Systems WWTP	Upgrade of control systems at WWTPs	\$38,000	\$24,000	Upgrade of the Point Lookout WWTP radio repeater
63026 Switchboards WWTP	Upgrade of power systems at WWTP	\$281,249	\$264,616	Upgrade of return activated sludge switchboards at Victoria Point and Cleveland WWTPs
63069 Control Systems Pump Stations	Upgrade of control systems at pump stations	\$209,000	\$218,000	Modifications to the control systems and station equipment at pump stations 4, 24, 26, 32, 39, 109 and 120 to increase durability and meet compliance
63120 Switchboards Pump Stations	Upgrade of power systems at pump stations	\$303,000	\$307,000	Upgrade of pump station 72 to support the newly sewerred areas of Point Lookout. Upgrade of pump stations 30, 31, 54, 73 and 113 to increase durability and meet compliance
63178 Capalaba WWTP Plant Upgrades	Upgrade of electrical and mechanical systems at Capalaba WWTP	\$667,000	\$506,000	Upgrades to the blower motors and drives, centrifuge, DAF recycle pump, RAS flowmeter and pipework, inlet pump station motors and drives, recycle pump and re-aeration valve
64028 Sewerage Pump Station 28 Upgrade	Upgrade of electrical and mechanical systems at pump station 28	\$992,000	\$882,000	Upgrade of pump station 28 to provide increased capacity, capability, durability and compliance
64092 Sewerage Pump Station 92 Upgrade	Upgrade of electrical and mechanical systems at pump station 92	\$1.887m	\$1.78m	Upgrade of pump station 92 to provide increased capacity, capability, durability and compliance
64172 Point Lookout Backlog Sewer	Construction of sewerage reticulation for some of the unsewered areas of Point Lookout	\$3.641m	\$2.6m	Construction of 750m of new sewer line and connections for 24 properties



ENVIRONMENTAL INITIATIVES

City Water continued its focus on improving the environmental performance of its Wastewater Treatment Plants (WWTPs), pump stations and water and wastewater reticulation mains.

- A total of 98.8% of all biosolids produced from the WWTPs were reused via land application.
- There was ongoing monitoring and improvement of the dechlorination system to improve effluent quality and environmental outcomes in Hilliards Creek. Real time water quality monitoring was initiated, to provide ongoing verification of compliance, as well as inform future studies and site improvements.
- Further investigations were undertaken, to supplement the Victoria Point WWTP upgrade studies commissioned last year. This included the development of a water quality model and an investigation into potential nutrient offsets within the Eprapah Creek catchment. The outcome of these studies will be used in discussions with the Department of Environment and Science in relation to licence amendments to allow for future growth and development.
- An effluent management study was completed for the Cleveland WWTP to determine if effluent irrigation is still appropriate at the site. It was identified that the irrigation practices are largely ineffective, given the relatively steep land formation and limited capacity for nutrient uptake. An additional study has been commissioned to support decommissioning of irrigation at the Cleveland WWTP and installing a wet weather discharge into Hilliards Creek as an alternative.
- City Water continued to support the City Planning and Assessment team with wastewater components of the Shoreline development and proposed Southern Redland Bay WWTP.

The development of an adaptive WWTP strategy commenced, to assess the condition and performance of the entire Redlands Coast treatment network and plan for future growth in the area, ensuring ongoing regulatory compliance. This strategy will encompass previous studies completed for the Capalaba WWTP and ongoing investigations at the Victoria Point WWTP.

For the wastewater pump station assets, this included updating of the site management plans for these facilities.

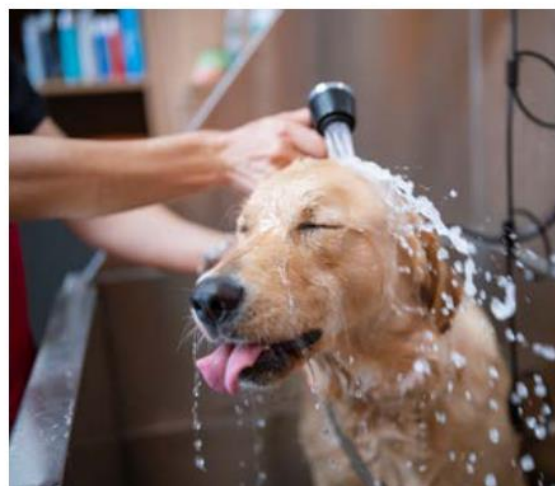
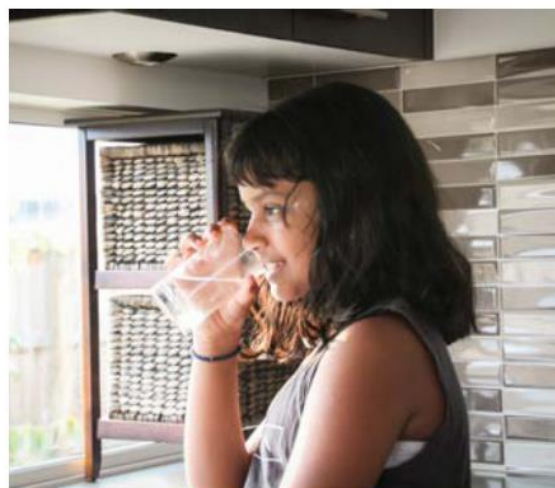
OPERATIONAL PERFORMANCE 2020-2021

In fulfilling the duties of its performance plan, City Water provided all stated services and roles for:

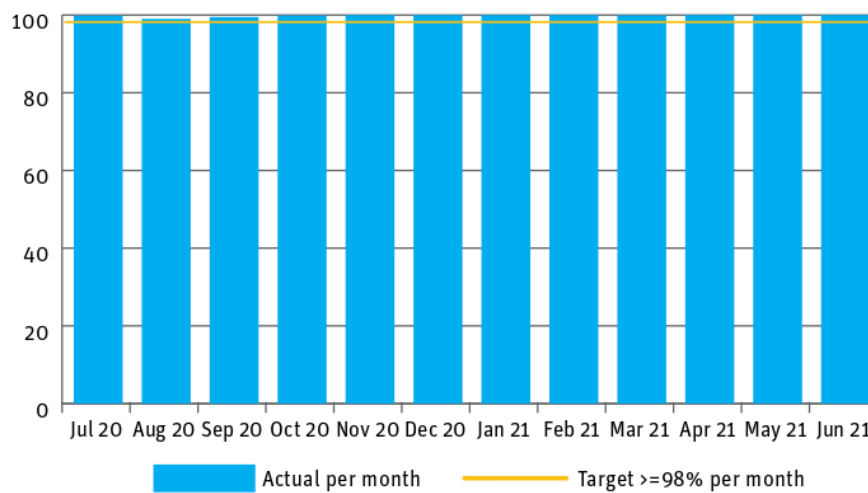
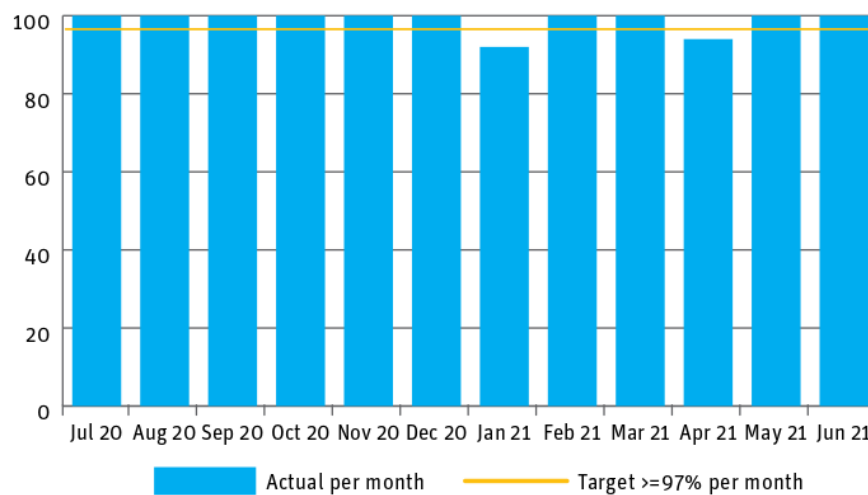
- Water supply to customers
- Wastewater collection and treatment
- Trade waste

City Water also:

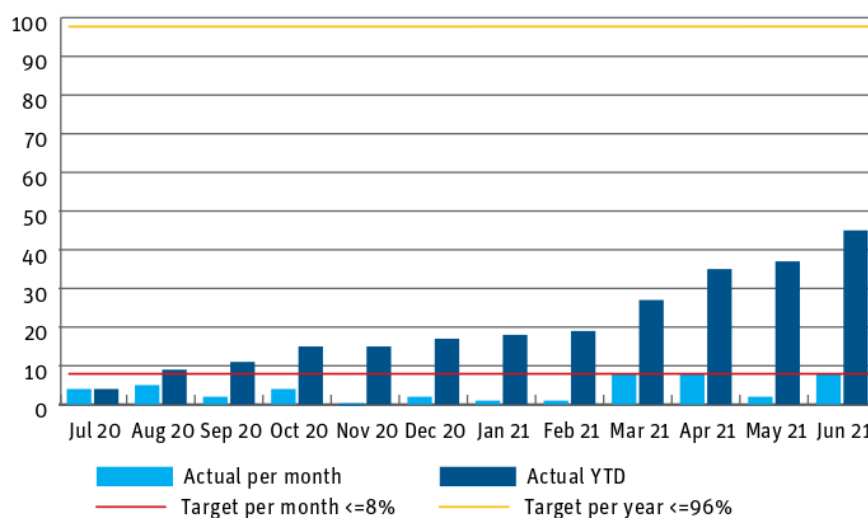
- Reported monthly on water and effluent quality and financial and capital project status
- Complied with Council's Corporate Plan, policies and procedures and its environmental management system.



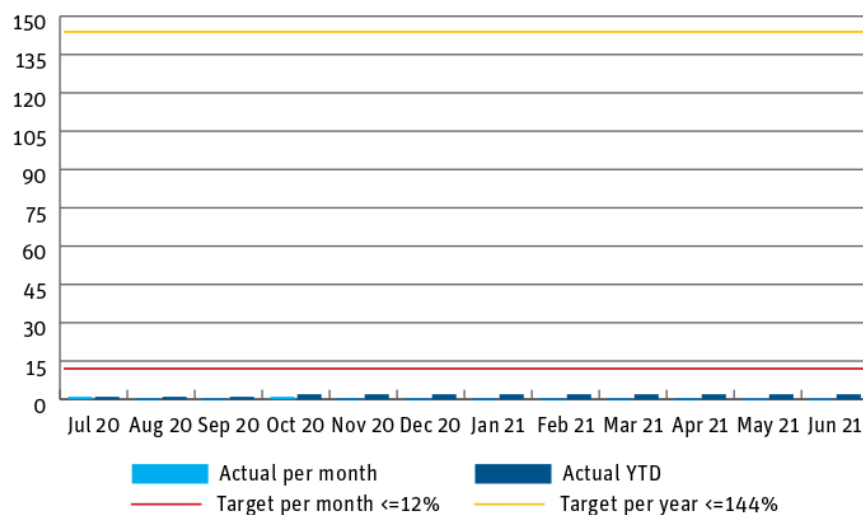
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Water samples (%) complying with Australian Drinking Water Guidelines**Unplanned water interruptions (%) restored < 5 hours**

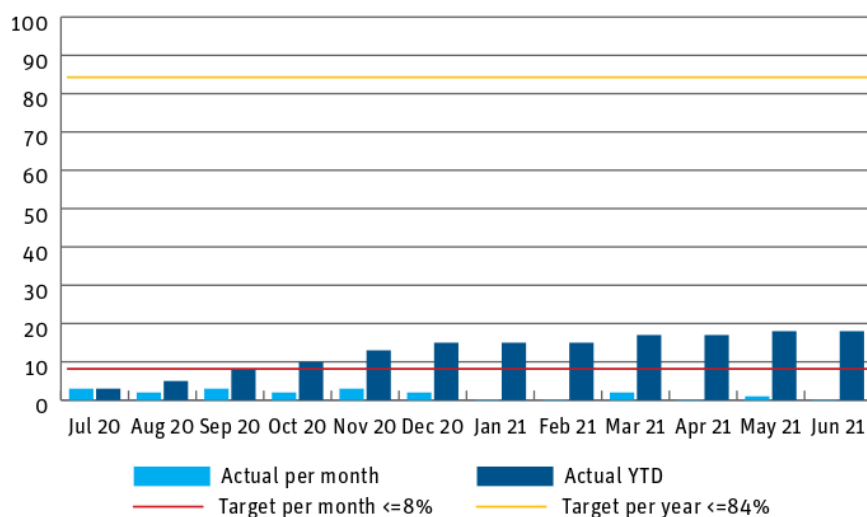
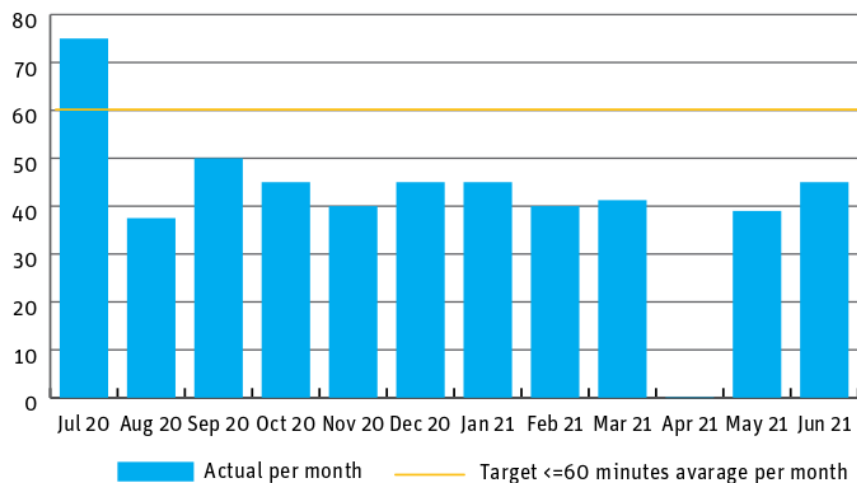
Number of water main breaks and leaks



Number of water quality incidents per month

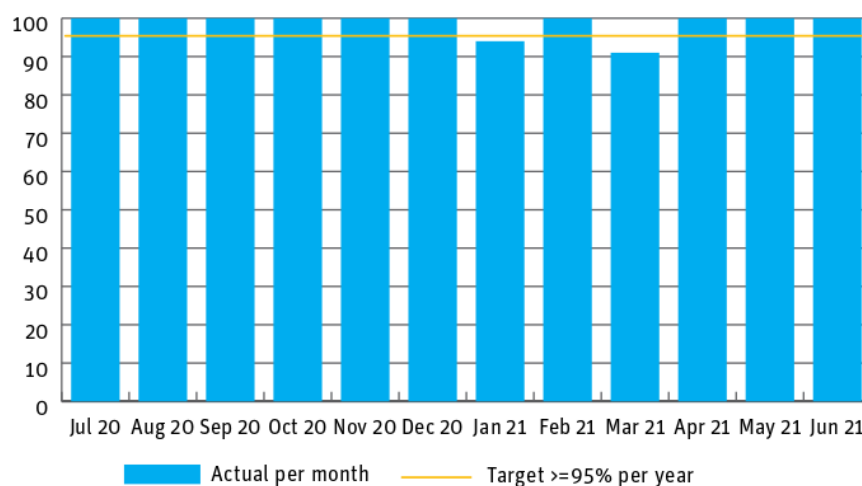


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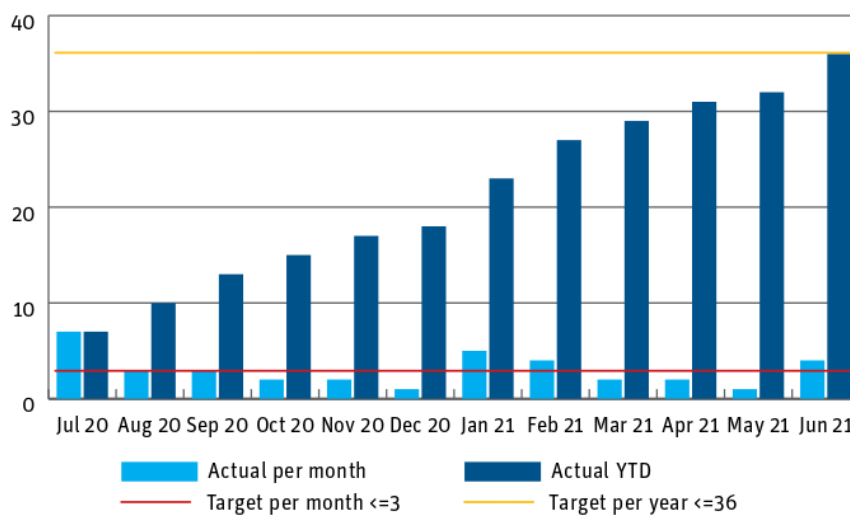
Overall number of dry weather overflows**Average response or reaction time to wastewater incident**

July saw seven wastewater incidents, including one on Coochiemudlo Island (*Goochie mudlo*). Our Water Customer Service Standards include a provision around longer response times for island incidents, due to travel logistics.

Service interruptions (%) restored within 5 hours (wastewater)

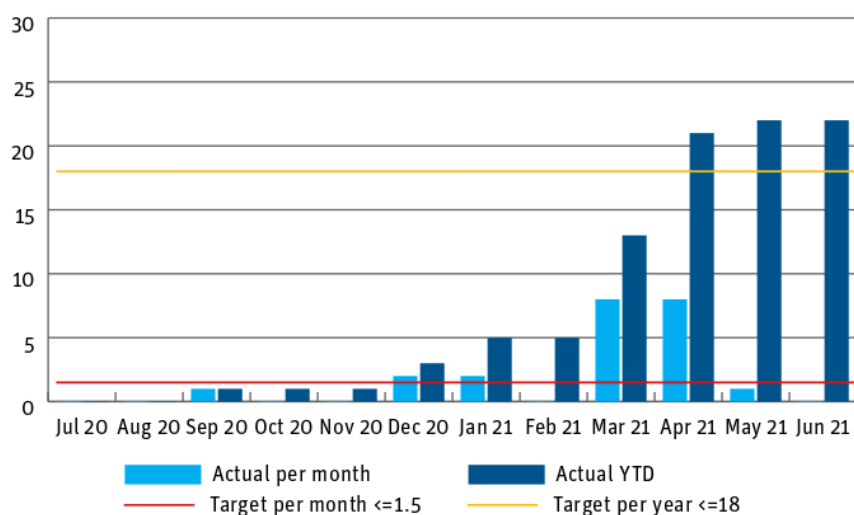
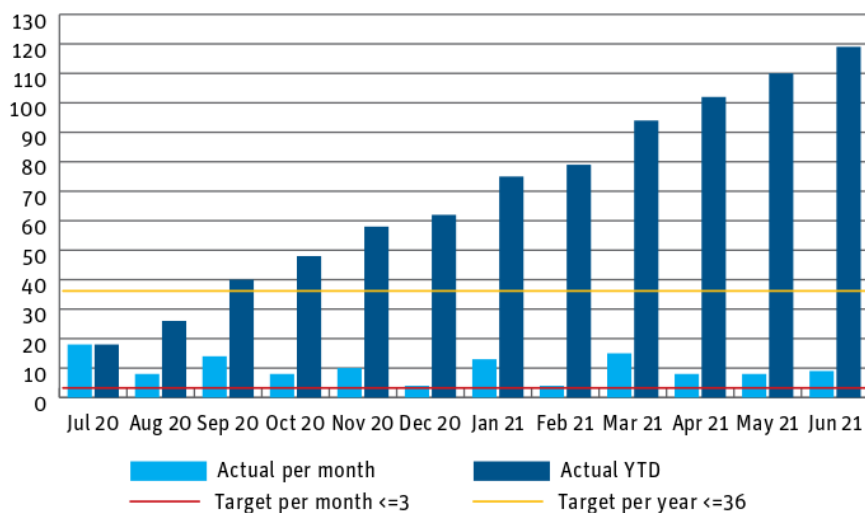


Number of wastewater odour complaints per month



Results:
36 odour complaints
were received in
2020–2021. Of this,
14 no fault found –
odour not related to
wastewater.

Redland City Council – Annual Report 2020–2021

Number of non-conformances with Environmental Agreement licence**Number of poor pressure complaints**

Results:
 119 poor pressure complaints were investigated in 2020–2021. 81 met the standards and passed the pressure test and 38 were found deficient.





Redland City Council – Annual Report 2020–2021

6

GOVERNANCE AND DISCLOSURES

Statutory annual reporting details right to information and privacy, audit, fraud, grants, tenders, services provided by other governments, registers and concessions for rates and charges. This section is divided into governance and disclosures.

GOVERNANCE

RIGHT TO INFORMATION AND INFORMATION PRIVACY

The *Right to Information Act 2009* and the *Information Privacy Act 2009* provide the community with access to information, balanced by appropriate protection for individuals' privacy.

The public can apply for access to documents held by a Council, subject to statutory exemptions, unless it is contrary to the public interest to provide that information. The legislation also allows individuals to apply for amendments to be made to documents concerning their personal affairs, where it is believed the information is incomplete, out of date, inaccurate or misleading.

Total Applications received under the <i>Right to Information Act 2009</i>	41
Applications processed	36
Applications withdrawn	1
Non-compliant applications not processed	4
Applications received under the <i>Information Privacy Act 2009</i>	13
Applications received under the <i>Information Privacy Act 2009</i> to amend personal information	0
Total Right to Information and Information Privacy Applications received	54
Total Right to Information and Information Privacy pages processed	4,592
Applications received for Internal Review	7
Applications for external review with the Office of the Information Commissioner	4

Council received a total of 54 Right to Information and Information Privacy applications during 2020-2021 and there were 16 applications on hand at 1 July 2020.

Seven internal review applications were received and finalised under the *Right to Information Act 2009*, two decisions were upheld, affirming the original decisions and five decisions were varied on review.

The Office of the Information Commissioner Queensland (OIC) received four requests for external review of decisions made by Council. The OIC upheld two external reviews, affirming Council's decision. One external review application was withdrawn, and one external review application is yet to be finalised.

There were six Right to Information applications and two Information Privacy applications on hand at 30 June 2021.

FRAUD AND CORRUPTION PREVENTION

Council's *Fraud and Corruption Prevention Policy (GOV-007-P)* forms part of our overall approach to transparent corporate governance. Council is committed to the prevention of fraud and corruption and seeks to promote a strong culture of corporate governance to detect, investigate and take appropriate action in cases of suspected or proven fraud or corruption by ensuring:

- A zero tolerance approach to fraud and corruption
- Corruption and fraud control is an integral component of effective corporate governance
- Prevention of fraud and corruption and investigation of all suspected incidents and taking appropriate action
- Processes are transparent and consistent with sound business practices and organisational standards of compliance
- All instances of suspected fraud and corruption are reported to the Crime and Corruption Commission
- An *Integrated Fraud and Corruption Prevention Plan* has been implemented to minimise the impact and reduce the risk of fraud and corruption within the work environment.

The *Fraud and Corruption Policy and Guideline* is maintained by the Internal Audit Unit. The General Counsel is Council's Liaison Officer with the Crime and Corruption Commission Queensland.

ADMINISTRATIVE ACTION COMPLAINTS

Council is committed to the fair management of administrative action complaints. This commitment is underpinned by our *Administrative Action Complaints Process (GOV-014-P)*, which supports Council's priority to deliver inclusive and ethical governance for the community. The policy includes Council's commitment to the resolution of complaints and to act in accordance with the principles contained in the *Local Government Act 2009*.

The policy is supported by a guideline which outlines a clear administrative method of handling and resolving complaints made by community members about various issues, including:

- A decision, or failure to make a decision
- An act, or failure to do an act
- The formulation of proposal or intention
- The making of a recommendation.

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Administrative action complaints are dealt with by our Senior Adviser Administrative Review operating independently to the operational units of Council. All administrative action complaint decision notices provide complainants with their appeal options to the Queensland Ombudsman.

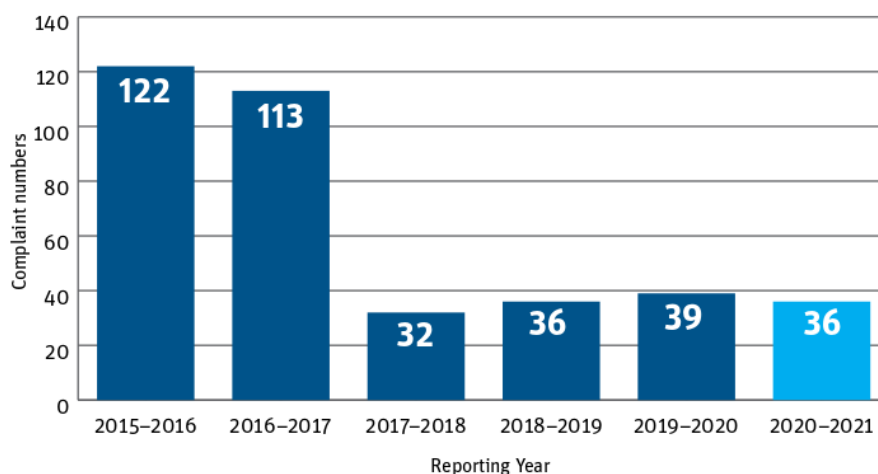
We are required under section 187(2) of the *Local Government Regulation 2012* to disclose the number of complaints made and resolved through our administrative action complaints process.

Outcome of administrative action complaints	Number
Complaints made under the Administrative Action Complaints Process during 2020–2021	36
Complaints resolved under the Administrative Action Complaints Process during 2020–2021	37
Complaints made under the Administrative Action Complaint Process during 2020–2021 which remain unresolved as at 30 June 2021	2
Complaints made under the Administrative Action Complaints Process during 2019–2020 which remained unresolved as at 1 July 2020	3
Unresolved complaints during 2020–2021 that were made under the Administrative Action Complaint Process during 2019–2020	0

The full administrative action complaint process is available on Council's website.

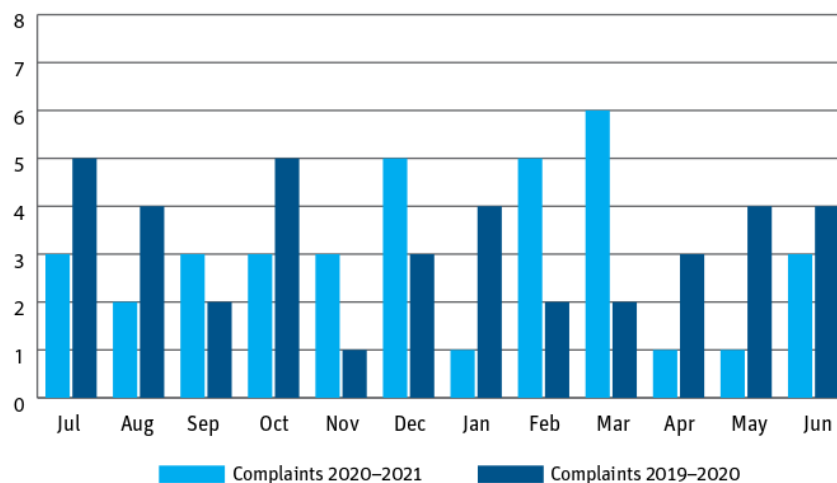
PERFORMANCE STATISTICS

Complaint comparison (yearly)

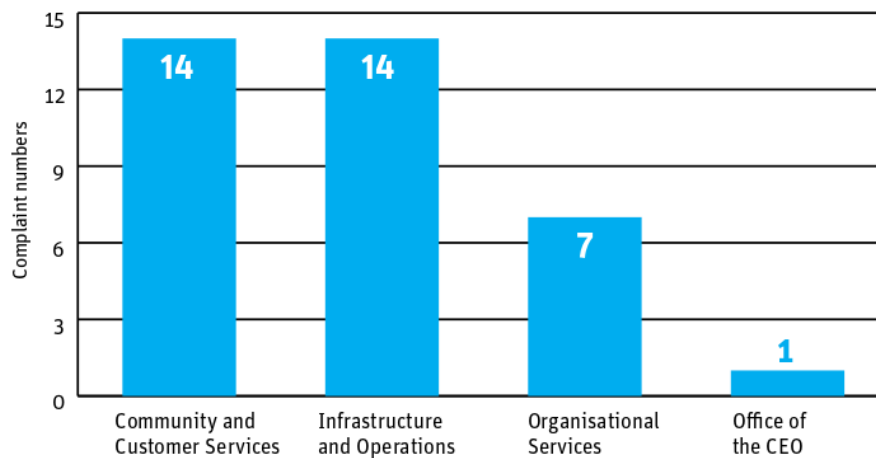
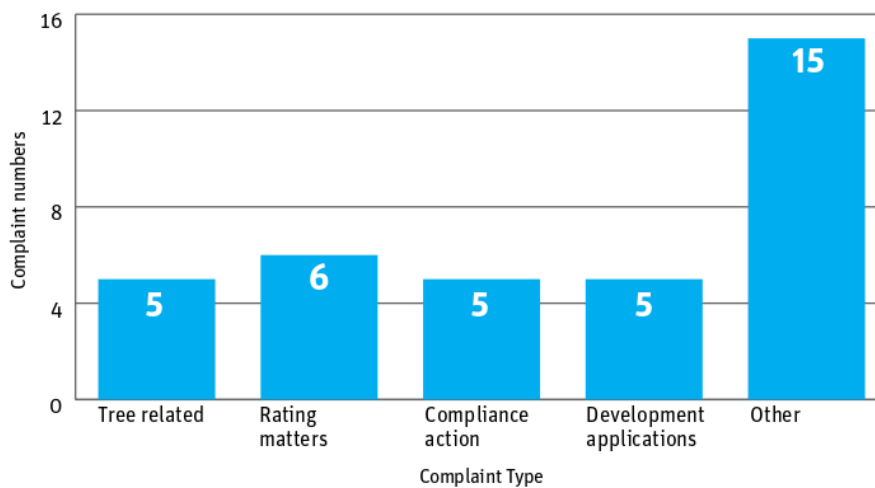


Note: 2017 – 2021 includes only those complaints for which an Administrative Review was performed. It does not include all Administrative Action complaints received.

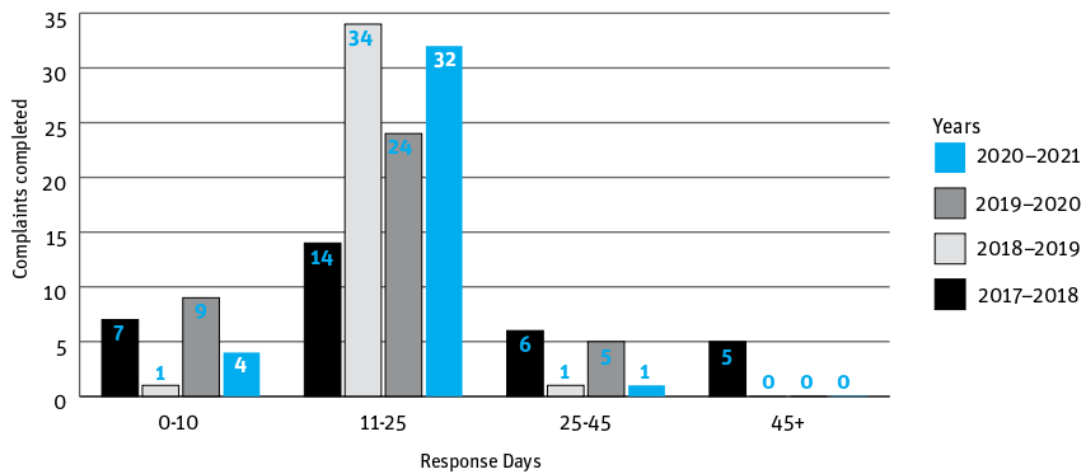
Complaint comparison (monthly)



Redland City Council – Annual Report 2020–2021

Complaints per department**Complaints per common theme**

Analysis of the nature of the administrative review complaints identified common themes, providing Council with opportunities for continuous improvement.

Complaints completion time

Redland City Council – Annual Report 2020–2021

INTERNAL AUDIT

Internal Audit provides Councillors and management with assurance that internal control systems within Council and its controlled entities are efficient, effective and economical and that risks are appropriately addressed so objectives can be achieved. Internal Audit operates in accordance with Council's *Internal Audit Policy (GOV-10-P)* and the Internal Audit Charter, which set out the mandate, roles and responsibilities of the function.

Internal Audit is an independent function within Council, with audit and investigation findings reported directly to the Chief Executive Officer and the Audit Committee. Internal Audit's administrative, financial and employee management activities are managed through Council's Corporate Governance Group. The Principal Adviser Internal Audit maintains professional independence from operational decision-making.

The Internal Audit Unit continued to be staffed by officers with a mix of financial management and audit experience. Staff members are encouraged and supported to maintain relevant professional accreditations and form associations with relevant professional bodies.

Deloitte was Council's co-source audit partner during 2020–2021. Council was fully compliant with legislation relating to the activities and reporting of our Internal Audit function. In accordance with the International Standards for the Professional Practice of Internal Auditing and related best practice, Council's Internal Audit unit provides a broad range of audit and advisory services on:

- Legislative and policy compliance
- Operational cost-effectiveness and efficiency
- Reliability of financial and related management information
- Use of public funds and assets under Council's control
- Fraud and corruption prevention
- Adequacy and accuracy of information systems.

The objective and scope of internal audit activities is determined through a risk-based approach that involves consultation with management, Audit Committee and the Queensland Audit Office to ensure appropriate audit coverage. In 2020–2021, Internal Audit issued 17 internal audit reports (16 for Council and one for Redland Investment Corporation) with 177 recommendations (168 for Council and nine for Redland Investment Corporation). Internal Audit's findings confirmed that a satisfactory internal control environment exists within Council.

Audit recommendations 2020–2021	Council	RIC
Open recommendations at 1 July 2020	115	-
Recommendations added during the reporting period	168	9
Recommendations implemented during the reporting period	168	9
Open recommendations at 30 June 2021	115	-

AUDIT COMMITTEE

The objective of the Audit Committee is to promote good corporate governance within Council and its controlled entities in accordance with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Council's Audit Committee Charter. The Audit Committee complements the relationship between Internal Audit and the wider organisation, safeguarding Internal Audit's independence and further increasing the Internal Audit function's effectiveness and value to Council.

The Audit Committee provides independent oversight, monitoring, review and advisory activities in the following responsibility areas:

- Financial statements and reporting
- Governance and internal controls
- Fraud and corruption control
- Risk management
- Legislative and policy compliance.

During 2020–2021, the Audit Committee comprised:

- Mitchell Petrie (Independent chairperson from 1 December 2020)
- Mary Goodwin (Independent member from 1 December 2020)
- Peter Dowling (Independent member until 30 November 2020)
- Virendra Dua (Independent member until 30 November 2020)
- Mayor Karen Williams (Councillor member)
- Cr Tracey Huges (Councillor member).

Mayor Karen Williams was interim chairperson until 30 November 2020.

Mitchell Petrie was previously an audit assurance partner with KPMG and has extensive audit, enterprise risk management, board advisory and governance experience and knowledge with a wide range of organisations including Queensland state and local government bodies.

Mary Goodwin has extensive experience working in senior leadership roles, with particular emphasis on governance, risk management, strategy and procurement across a diverse range of industries in the public and private sectors including local governments.

Mayor Karen Williams and Cr Tracey Huges both contribute to the Audit Committee's understanding and appreciation of the elected Council's objectives and perspectives.

The Chief Executive Officer, Executive Leadership Team, Group Manager Corporate Governance and representatives of the Queensland Audit Office attend Audit Committee meetings as standing invitees. The Principal Adviser Internal Audit acts as the secretary of the Audit Committee. Council officers regularly present reports and attend meetings to respond to Audit Committee requests for information on matters of relevance to the Audit Committee's role.

The Audit Committee meets four times a year, with one meeting to review the draft annual financial statements prior to submission to the Queensland Audit Office. The Audit Committee met on the following occasions during 2020–2021:

- 13 August 2020
- 17 September 2020
- 18 March 2021
- 17 June 2021.

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RISK MANAGEMENT

Council is committed to an enterprise-wide risk management system through the application of its *Enterprise Risk Management Framework* and accompanying *Risk Assessment Handbook* which outlines Council's methodology on how risks are managed in line with laws, regulations, policies and standards. Council follows the principles and guidelines set out in the *Australian Standard AS ISO 31000*. Council's risk maturity journey is continuing through ongoing education across the business. Formal risk registers cover strategic, operational and project risks. Regular reviews of the registers take place to ensure the currency and management of identified risks. Council's Operational Risk Management Committee (ORMC) continues to have oversight over risk registers. A risk management report is also presented to Council's Audit Committee which enforces Council's commitment to best practice in risk management. Council follows a well-defined and consistent approach to risk management with a focus on being 'risk aware' leading to more informed decision making. Council's effective risk management strategies contribute to the successful delivery of Council's projects and ultimately to the city's economic growth.

During the past 12 months, Council's Risk and Liability Services team has been actively engaged across the business providing advice on the identification of risks and risk mitigation strategies. Risk and Liability Services plays a central role in steering committees and working groups for key strategic projects.

INSURANCE

Council has been a member of the Queensland Local Government Mutual (LGM) Liability Pool since 1999. The LGM is a liability insuring pooling arrangement formed under Trust Deed by the Local Government Association of Queensland in 1994. Council maintains a comprehensive insurance program including liability covers as required under the *Local Government Act 2009* as well as property protection insurance policies.

This year a risk engineer from Council's insurer, along with Council officers, conducted a risk assessment survey on key assets across the city. The objective of the risk assessment was to evaluate the physical risks to facilities, property and external interfaces and make recommendations on potential improvements to reduce or eliminate identified risks. Recommendations have been implemented and closed out.

BUSINESS CONTINUITY PLANNING

Council's *Business Continuity Plan (BCP)* provides policy guidance on how it plans for and manages its business continuity to enable usual business operations to be resumed as soon as possible following an incident or crisis event. The BCP (and associated recovery plans) set out the framework for a response to prolonged disruptions that impact the performance of critical business functions.

The BCP was formally updated by the ORMC in response to the COVID-19 pandemic and is activated on a lean forward status, meeting monthly as part of Council's monitoring of its civic services.

In June this year, a test of the BCP was completed. The test scenario was a cyber-attack effecting Council's network combined with a Category 3 tropical cyclone crossing the coastline within 24 hours. The scenario was based on a four day event run through a 90 minute intensive exercise.

The scenario ran through the stages of incident notification, escalation and activation through to recovery. Roles and responsibilities were tested with a focus on decision points for people, services and systems. The next stage will focus on post incident analysis and review including action logs for implementation and business improvement.

WORKERS' COMPENSATION

Council has held its self-insurance licence for more than 20 years and continues to manage its Redland WorkCover program in line with the requirements set out in the *Workers' Compensation and Rehabilitation Act 2003*.

DISCLOSURES

SIGNIFICANT BUSINESS ACTIVITIES

City Waste, which looks after Council's waste management activities, is also a significant business activity. You can find more information on City Waste's activities in 2020–2021 on page 78.

City Water is a commercial business unit of Council, responsible for water supply, wastewater collection and wastewater treatment. You can find more information on City Water's activities in 2020–2021 on page 84.

The competitive neutrality principle has been applied to both business activities above.

There were no investigation notices given in 2020–2021 under section 49 of the *Local Government Regulation 2012* for competitive neutrality complaints.

Under section 190(1)(c) of the *Local Government Regulation 2012*:

- A local government's annual report for a financial year must include an annual operations report for each commercial business unit. Section 190(2) of the *Local Government Regulation 2012* states:
 - An annual operations report for a commercial business unit means a document that contains the following information for the previous financial year:
 - Information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan
 - Particulars of any changes made to the unit's annual performance plan for the previous financial year
 - Particulars of the impact the changes had on the unit's:
 - Financial position
 - Operating surplus or deficit
 - Prospects
 - Particulars of any directions the local government gave the unit.

COMPETITIVE NEUTRALITY COMPLAINTS

There were no competitive neutrality complaints for Council's Business activities subject to the Code of Competitive Conduct during the 2020–2021 year.

BENEFICIAL ENTERPRISES

Under section 41 of the *Local Government Act 2009*, a local government's annual report for each financial year must contain a list of all the beneficial enterprises conducted during the financial year.

Council's beneficial enterprises include the Redland Investment Corporation (RIC) as well as its subsidiary companies that are local government-controlled entities:

- RIC Toondah Pty Ltd
- Redland Developments Pty Ltd (previously Ava Terraces Pty Ltd)
- Cleveland Plaza Pty Ltd.

SERVICES PROVIDED BY ANOTHER GOVERNMENT

Under section 190(1)(d) of the *Local Government Regulation 2012*, Council must include details of any services, facility or activity supplied by another local government (under an agreement for conducting a joint government activity), where special rates or charges were levied.

There were no services provided by another government in 2020–2021.

SHAREHOLDER DELEGATES

There were no shareholder delegates for corporate entities in 2020–2021.

AMENDED TENDERS 2020–2021

- PDG-41634-1 Asphalt and Associated Works Stage 1 – increase in scope of works
- PDG-20717-1 Park Infrastructure Projects (various sites) – decrease in scope of works
- PDG-64303-1 SPS005 Wet Well Renewals – change in scope.

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REGISTERS

Council maintains a number of registers that are available to the public:

- Adopted Committee and Council Meeting Dates
- Assets
- Authorised Persons
- Beneficial Enterprise
- Business Activities
- Cat and Dog
- Complaints
- Corporate Gifts
- Cost Recovery Fees
- Council Policies
- Delegations
- Contact with Lobbyists
- Local Laws and Subordinate Local Laws
- Mayor to CEO Directions
- Minutes of Local Government Meetings
- Personal Identification (in relation to animals)
- Regulated Dogs
- Regulatory Fees
- Roads.

CONCESSIONS FOR RATES AND CHARGES

In 2020–2021, Council provided general rate concessions to support cultural and economic development, not-for-profit organisations and pensioners on Centrelink or Department of Veterans Affairs Gold Card benefits. Pensioners who lived in homes where the roofline extended over an adjoining boundary in the same ownership name also received concessions on separate and special charges.

A concession on separate and special charges was also provided for parcels of contiguous land in the same ownership name, for farmers carrying on a business of primary production. Concessions in the form of payment arrangement plans were provided to ratepayers suffering hardship, to enable rates and charges to be recovered over a longer period.

Council also accepted concessional agreements for the voluntary transfer of unencumbered land in full or part payment of rates or charges.

Further details are available in the *2020–2021 Budget* and associated policies on Council's website.

REGIONAL ARTS DEVELOPMENT FUND

The Regional Arts Development Fund (RADF) is an annual partnership between the Queensland Government and local governments, including Redland City Council. RADF promotes the value of arts, culture and heritage as key drivers of diverse and inclusive communities and strong regions. RADF objectives are to support arts and culture activities that provide public value for Queensland communities, build local cultural capacity, cultural innovation and community pride. Redland City Council contributed \$57,897 towards these grants for seven individuals and organisations. The Queensland Government through Arts Queensland contributed \$86,620.

GRANTS AND SPONSORSHIP

Council's Community Grants and Sponsorship Program provided financial assistance for one-off projects that deliver positive outcomes that directly benefit the local community. During 2020–2021, Council awarded 32 grants totalling \$186,076 for project support, sponsorship and Quandamooka cultural awareness.

Round 2 of the 2019–2020 Community Grants and Sponsorship Program, which was postponed due to COVID-19, was finalised during the 2020–2021 financial year.

The 2020–2021 Community Grants Program was revised to respond to the results of a survey of local community organisations on the impacts of COVID-19. Community organisations were able to access grant funds to pay regular bills and operational costs, increase membership, seek professional advice and complete urgent maintenance of community facilities. Council awarded 32 Organisation Support (Sustainability) grants totalling \$140,246 and 29 Capital Infrastructure (Maintenance) grants totalling \$107,599.

Overall, Council provided 93 grants and sponsorships totalling \$433,921 during the 2020–2021 financial year.

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COMMUNITY GRANTS AND SPONSORSHIP PROGRAM RECIPIENTS

Organisation Name	Round & Year	Grant Type	Grant ID	Approval Amount
Redlands Cricket Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-001	\$5,000.00
Wellington Point Bowls Club Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-002	\$4,839.75
The Rotary Club of Redlands Bayside	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-003	\$3,992.15
Hot Shots Skipping Association Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-004	\$5,000.00
Volunteer Marine Rescue Raby Bay Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-005	\$5,000.00
North Stradbroke Island Aboriginal and Islanders Housing Cooperative Society Ltd	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-006	\$5,000.00
Cleveland Air Magic Skipping Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-008	\$4,482.50
The Centre For Women & Co Ltd	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-013	\$5,000.00
Coochiemudlo Island Business Association Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-014	\$2,000.00
Redlands and Southern District Equestrian Group Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-016	\$5,000.00
Southern Bay Cyclones Junior Rugby League Club Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-019	\$5,000.00
Night Ninjas Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-020	\$3,240.19
Bayside Flyball Racing Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-027	\$2,394.00
Donald Simpson Community Centre Ltd	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-030	\$3,909.00
Redlands Touch Association Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-032	\$4,580.00
Redland Community Centre Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-033	\$5,000.00
Little Ship Club Queensland Squadron	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-035	\$5,000.00
Bayside Vehicle Restorers Club Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-037	\$4,596.00
Wynnum Redlands Budgerigar Society Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-039	\$4,966.40
Blues Union Netball Club	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-041	\$4,000.00
The Corporation of The Synod of the Diocese of Brisbane (S.A.I.L.S Bayside)	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-042	\$5,000.00
RedCity Roar Basketball Association Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-044	\$5,000.00
Redlands United Football Club Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-046	\$4,288.64
Lamb Island Bowls and Recreation Club Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-049	\$5,000.00
Redland Spring Festival Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-050	\$5,000.00
Old School House Gallery Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-052	\$4,760.00
Macleay Island Progress Association Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-053	\$4,680.00
Redland District Committee on the Ageing Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-055	\$4,950.00
MG Car Club of Queensland Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-056	\$4,624.00
Fun Farm Ltd	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-057	\$3,154.00
Hepatitis Queensland	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-058	\$4,915.75
Coochiemudlo Island Progress Association Inc.	Round 1 2020–2021	Organisation Support (Sustainability)	OSS-21-059	\$874.00
Total			32	\$140,246.38

COMMUNITY GRANTS AND SPONSORSHIP PROGRAM RECIPIENTS continued...

Organisation Name	Round & Year	Grant Type	Grant ID	Approval Amount
Redlands Cricket Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-001	\$5,000.00
Victoria Point Redland Bay Meals on Wheels Association Incorporated	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-003	\$5,000.00
Volunteer Marine Rescue Raby Bay Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-004	\$4,812.00
U3A Redlands District Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-007	\$1,650.00
Redland Bowls Club Limited T/As Victoria Point Bowls and Recreation Club	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-008	\$5,000.00
Redlands QCWA	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-010	\$2,740.00
Redland Yurara Art Society Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-011	\$2,199.00
UCA - Cleveland Uniting Church	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-012	\$2,480.00
Redlands Horse And Pony Club	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-013	\$5,000.00
Southern Bay Cyclones Junior Rugby League Club Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-016	\$5,000.00
Little Ship Club Queensland Squadron	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-017	\$4,593.00
Macleay Island Bowls Club Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-018	\$5,000.00
The Scout Association Of Australia Queensland Branch Inc. - Mount Cotton District	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-019	\$4,968.00
Russell Island Bowls Club Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-022	\$3,613.64
Alexandra Hills Australian Football Club	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-023	\$4,900.00
Guides Queensland - Cleveland District	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-024	\$4,344.00
Guides Queensland - Wellington Point District	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-025	\$4,000.00
Mount Cotton Hall Association Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-026	\$4,598.00
North Stradbroke Island Historical Museum Association Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-028	\$4,500.00
Connect2Group	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-029	\$2,798.00
Old School House Gallery	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-030	\$2,507.80
Redlands Touch Association	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-031	\$4,050.00
Lamb Island Bowls and Recreation Club Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-032	\$5,000.00
Redlands Baseball Club Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-033	\$4,811.40
Redland Spring Festival Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-034	\$1,274.03
Macleay Island Progress Association Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-035	\$5,000.00
Redlands District Committee on the Ageing Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-036	\$1,100.00
MG Car Club of Queensland Inc.	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-040	\$700.00
The Scout Association Of Australia Queensland Branch Inc. - Eppah Scout Campsite	Round 1 2020–2021	Capital Infrastructure (Maintenance)	CIM-21-041	\$959.95
Total			29	\$107,598.82

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COMMUNITY GRANTS AND SPONSORSHIP PROGRAM RECIPIENTS continued...

Organisation Name	Round & Year	Grant Type	Grant ID	Approval Amount
Minjerribah Morrgumpin Elders-In-Council Aboriginal Corporation	Round 2 2019–2020	Sponsorship	S20-R2-002	\$5,000.00
Island Vibe Pty Ltd	Round 2 2019–2020	Sponsorship	S20-R2-003	\$5,000.00
Surfing Queensland Inc.	Round 2 2019–2020	Sponsorship	S20-R2-005	\$10,000.00
Bayside Vehicle Restorers Club Inc.	Round 2 2019–2020	Sponsorship	S20-R2-007	\$1,000.00
Australian Events Marketing Pty Ltd	Round 2 2019–2020	Sponsorship	S20-R2-009	\$15,000.00
STAR Community Services Ltd	Round 2 2019–2020	Sponsorship	S20-R2-013	\$5,000.00
Point Lookout Boardriders Club Inc.	Round 2 2019–2020	Sponsorship	S20-R2-014	\$5,000.00
Surf Life Saving Queensland	Round 2 2019–2020	Sponsorship	S20-R2-016	\$5,000.00
The Event Crew Pty Ltd	Round 2 2019–2020	Sponsorship	S20-R2-019	\$9,000.00
Total			9	\$60,000.00
Stradbroke Chamber Music Festival Inc.	Round 1 2020–2021	Sponsorship	S21-R1-004	\$4,862.00
The Event Crew Pty Ltd	Round 1 2020–2021	Sponsorship	S21-R1-005	\$9,000.00
Icon Events & Marketing Pty Ltd	Round 1 2020–2021	Sponsorship	S21-R1-006	\$10,000.00
Australian Events Marketing Pty Ltd	Round 1 2020–2021	Sponsorship	S21-R1-007	\$15,000.00
Coochiemudlo Island Heritage Society Inc.	Round 1 2020–2021	Sponsorship	S21-R1-011	\$2,500.00
North Stradbroke Island Golf Club Inc.	Round 1 2020–2021	Sponsorship	S21-R1-012	\$4,500.00
Southern Moreton Bay Islands Chamber of Commerce Inc.	Round 1 2020–2021	Sponsorship	S21-R1-014	\$7,000.00
Total			7	\$52,862.00
Total Sponsorships				\$112,862.00

COMMUNITY GRANTS AND SPONSORSHIP PROGRAM RECIPIENTS continued...

Organisation Name	Round & Year	Grant Type	Grant ID	Approval Amount
STAR Community Services Ltd	Round 2 2019 - 2020	Quandamooka Cultural Awareness Funding (Sponsorship)	S20-R2-013	\$600.00
Icon Events & Marketing Pty Ltd	Round 1 2020–2021	Quandamooka Cultural Awareness Funding (Sponsorship)	S21-R1-006	\$1,500.00
Coochiemudlo Island Heritage Society Inc.	Round 1 2020–2021	Quandamooka Cultural Awareness Funding (Sponsorship)	S21-R1-011	\$975.00
Southern Moreton Bay Islands Chamber of Commerce Inc.	Round 1 2020–2021	Quandamooka Cultural Awareness Funding (Sponsorship)	S21-R1-014	\$1,500.00
Running Wild...Youth Conservation Culture Inc.	2020–2021 Quandamooka	Quandamooka Cultural Awareness Funding	QD-2021-01	\$1,500.00
Redland Spring Festival Inc.	2020–2021 Quandamooka	Quandamooka Cultural Awareness Funding (Sponsorship)	QD-2021-02	\$1,500.00
Total			6	\$7,575.00

Organisation Name	Round & Year	Grant Type	Grant ID	Approval Amount
Redlands Cricket Club Inc.	Round 2 2019–2020	Project Support	PS-202-002	\$9,942.31
Returned Services League Of Australia (QLD Branch) Redlands Sub Branch Inc. (auspice for Young Veterans Redlands)	Round 2 2019–2020	Project Support	PS-202-003	\$10,000.00
Bay Islands Multi Sport and Recreation Association Inc.	Round 2 2019–2020	Project Support	PS-202-009	\$5,294.00
Running Wild...Youth Conservation Culture Inc. (auspice for Lamb Island Community Garden)	Round 2 2019–2020	Project Support	PS-202-010	\$6,000.00
Donald Simpson Community Centre (auspice for Wynyard Street Community Garden)	Round 2 2019–2020	Project Support	PS-202-014	\$6,199.34
Raiders Netball Club Redlands Inc.	Round 2 2019–2020	Project Support	PS-202-017	\$3,750.00
STAR Community Services	Round 2 2019–2020	Project Support	PS-202-019	\$3,000.00
Russell Island Community Arts Association Inc.	Round 2 2019–2020	Project Support	PS-202-021	\$1,453.29
Rotary Club of Cleveland Inc. (auspice for The Addictive World)	Round 2 2019–2020	Project Support	PS-202-025	\$10,000.00
The Centre for Women & Co.	Round 2 2019–2020	Project Support	PS-202-028	\$10,000.00
Total			10	\$65,638.94

EXTERNAL GRANT FUNDING RECEIVED 2020–2021

Total Federal and State Government funding received: \$20,703,099

FEDERAL GOVERNMENT GRANTS AND SUBSIDIES

The following Commonwealth Government grants and subsidies were provided to Council in the 2020–2021 financial year:

Commonwealth Government Department and Grant	Total
Department of Infrastructure, Transport, Cities and Regional Development	\$9,493,419
Financial Assistance Grant	\$5,809,945
Roads to Recovery	\$1,692,120
Community Development Grant	\$500,000
Local Roads and Community Infrastructure Grant – Phase 1	\$1,416,046
Local Roads and Community Infrastructure Grant – Phase 2	\$75,308
Total	\$9,493,419

STATE GOVERNMENT GRANTS AND SUBSIDIES

The following State Government grants and subsidies were provided to Council in the 2020–2021 financial year:

State Government Department and Grant	Total
Arts Queensland	\$76,767
Play Local Program	\$4,500
Regional Arts Development Fund	\$72,267
Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships	\$153,467
Bushfire Flexible Funding Grants – Round 1, 2020–2021	\$153,467
Department of Employment, Small Business and Training	\$123,551
Regional Skills Investment Strategy Implementation	\$123,551
Department of the Premier and Cabinet	\$17,500
Great Australian Bites Program	\$17,500
Department of State Development, Infrastructure, Local Government and Planning	\$7,448,374
Local Government Grants and Subsidies Program 2019–2021	\$165,048
SEQ COVID Works for Queensland 2020–2021	\$2,778,626
Unite and Recover Community Stimulus Package – Part 1 (Allocation)	\$1,900,000
Unite and Recover Community Stimulus Package – Part 2 (Competitive)	\$2,500,000
Maturing the Infrastructure Pipeline Program	\$86,700
Innovation and Improvement Fund	\$18,000
Department of Transport and Main Roads (including Translink Division)	\$2,247,162
Transport Infrastructure Development Scheme	\$939,188
Public Transport Accessible Infrastructure Program 2020–2021	\$432,837
Bus Stop Shelter Program 2020–2021	\$304,000
Public Transport Infrastructure Investment Program	\$165,426
Cycle Network Local Government Grant 2018–2019	\$232,821
Cycle Network Local Government Grant 2019–2020	\$55,121
Cycle Network Local Government Grant 2020–2021	\$22,500
Cycle Network Local Government Grant 2021–2022	\$46,578
Emmett Drive Boat Ramp Toondah Harbour Dredging	\$48,691
Queensland Fire and Emergency Services	\$93,299
State Emergency Services	\$18,299
SES Support Grant 2019–2020	\$75,000
Queensland Reconstruction Authority	\$108,185
Get Ready Queensland	\$57,180
Natural Disaster Resilience Program 2017–2018	\$17,539
Queensland Disaster Resilience Funding 2018–2019	\$1,020
Disaster Recovery Funding Arrangements – Counter Disaster Operations 2019–2020	\$32,446
State Library of Queensland	\$819,492
First 5 Forever	\$98,145
First 5 Forever Project Grant – Round 2, 2019–2020	\$7,300
First 5 Forever Micro Grant 2020–2021	\$2,219
Public Library Services Grant	\$711,828
Total	\$11,087,797

Redland City Council – Annual Report 2020–2021

OTHER GRANTS AND SUBSIDIES

The following grants and subsidies were provided to Council in the 2020–2021 financial year:

Organisation and Grant	Total
National Australia Day Council	\$21,000
Australia Day Branding Grant Program	\$1,000
COVID Safe Australia Day Grant Program	\$20,000
Local Government Association of Queensland	\$100,882
QCoast2100	\$100,882
Total	\$121,882

EXTERNAL FUNDING HIGHLIGHTS



CLEVELAND AQUATIC CENTRE – CRITICAL MAINTENANCE AND UPGRADE

Council's Aquatic Centre underwent major maintenance repairs and a facilities upgrade under the State Government COVID Works for Queensland Program. The State contributed \$830,000 towards the project which delivered repairs to both the 50m and 25m swimming pools, decking, electrical upgrades including installation of 270 solar panels, new shade sail and installation of four new sand filtration systems, delivered from Spain. The complex was closed in March 2020 under COVID-19 restrictions with works being undertaken during and post closure.



SES REDLAND BAY FIT-OUT

Council completed a fit-out of the new Redland Bay State Emergency Service (SES) facility. In line with the Queensland Fire and Emergency Services (QFES) SES Support Grant, the State contributed \$75,000 towards the internal fit-out. This included a mezzanine level with office space, incident management capability, kitchenette, bathrooms and communications room; a lower level with bathrooms, showers, catering facilities, operations and breakout space for operational members; and a separate storage mezzanine to securely store equipment. The facility supports volunteers that respond to local, state and national disasters and emergencies.



RABY BAY LITTER BASKETS

Redland City Council installed 270 litter baskets to Council-owned catch pits. Under the Federal Local Roads and Community Infrastructure (Phase 1) Program a contribution of \$1,174,607 was made to Council for installation of litter baskets to capture pollutants at drainage entry points. The basket, fitted below the invert of the gutter and inside the drainage inlet, captures solid pollutants while not obstructing flow to the outlet pipe. The litter baskets benefit the community and marine life by reducing pollutant loads entering the Raby Bay canals, improving waterway health.



EASTERN HINTERLAND EXPERIENCE

Council has delivered a first class trailhead facility at Eastern Escarpment, Mount Cotton (*Jungalpin/Tungipin*). Through the State COVID Works for Queensland Program, Council secured \$1,604,019 of funding to deliver more than 20km of new and upgraded multi-use fire trails, mountain bike tracks, shared use trails, visitor infrastructure and facilities. Eastern Escarpment provides a connection to neighbouring trail networks and is a unique regional destination with recreation and tourism value.

Redland City Council – Annual Report 2020–2021

MAYOR AND COUNCILLORS'
COMMUNITY BENEFIT FUND

Successful Applicants Funding 1 July 2020–30 June 2021

MAYOR

Month	Application ID	Applicant – including Sponsor	Brief Project Description	Amount Approved Ex GST
		LG Reg 2012, S202 (1b)	LG Reg 2012, S202 (3ai)	LG Reg 2012, S201 (5)
			Opening budget balance	\$9,545.00
March 2021	MCCBF-2021-008-I	Scott Wintle	2021 Disabled Water Ski Nationals event	\$250.00
March 2021	MCCBF-2021-011-I	Jayden Dinga	2021 Australian Junior Teams Challenge Snooker and Billiards	\$250.00
April 2021	MCCBF-2021-008-I	Scott Wintle	Return of unspent funding	\$-250.00
April 2021	MCCBF-2021-063-O	Special Olympics Redlands	Renewal of Redlands Special Olympics team uniforms – in particular Club polo shirts and basketball competition singlets	\$2,565.00
April 2021	MCCBF-2021-071-O	Redlands Aero Model Soarers Inc	Purchase an Automatic External Defibrillator	\$1,050.00
May 2021	MCCBF-2021-016-I	Bik Yee Irene Bak	2021 Australian Gymnastics Championships	\$250.00
May 2021	MCCBF-2021-009-I	Aimee Michell	Australian Junior Invitational Triathlon 2021	\$250.00
May 2021	MCCBF-2021-077-O	Soroptimist International Bayside Inc.	Demystifying Menopause Forum	\$1,273.16
May 2021	MCCBF-2021-028-I	Jo-Anne Canfield	Australian National Championships Tenpin Bowling	\$250.00
June 2021	MCCBF-2021-084-O	Redland City FC Inc.	Purchase club sign for installation to Donald Road Sports fields and a new BBQ	\$1,306.25
June 2021	MCCBF-2021-017-I	Jeremy Fagg	Australian Darts Championship 2021	\$250.00
June 2021	MCCBF-2021-081-O	Bayside Flyball Racing Inc.	Purchase safety and competition equipment for Redfest Event	\$963.26
June 2021	MCCBF-2021-072-O	The Australian Volunteer Coast Guard Association Inc.	Upskill four volunteer members to become qualified as trainers and assessors	\$4,695.00
TOTAL EXPENDED				\$9,102.67

DIVISION 1

Month	Application ID	Applicant – including Sponsor	Brief Project Description	Amount Approved Ex GST
		LG Reg 2012, S202 (1b)	LG Reg 2012, S202 (3ai)	LG Reg 2012, S201 (5)
			Opening budget balance	\$9,545.00
August 2020	MCCBF-2021-015-0	Redlands Touch Association Inc.	Purchase portable field signage to assist with enforcing COVID-19 restrictions and to be used at future events	\$316.66
August 2020	MCCBF-2021-009-0	Redlands Pickleball Club Inc.	Purchase portable lights to allow games to be played at night	\$1,000.00
September 2020	MCCBF-2021-024-0	Allstars Netball Club Inc.	Purchase pressure washer to keep outside of club amenities clean and purchase of laptop to assist with club administration duties	\$1,499.00
September 2020	MCCBF-2021-026-0	Wellington Point Cricket Club	Purchase safety net for cricket practice to allow soccer teams to train at the same time	\$300.00
October 2020	MCCBF-2021-020-0	Redland City Bands Inc.	Purchase a variety of music scores for all Redland City Bands to broaden the range and variety of music for presentations to the community	\$500.00
October 2020	MCCBF-2021-032-0	Love and Hope Redlands Inc.	To provide book packs to assist students in low socio-economic families start their school year with every opportunity to succeed	\$500.00
March 2021	MCCBF-2021-036-0	Redlands Four Wheel Drive Club Inc.	Purchase new laptop	\$500.00
March 2021	MCCBF-2021-052-0	Redland Orchid Society Inc.	Production of new event signage and table hire – 50th Annual Autumn Show	\$300.00
April 2021	MCCBF-2021-054-0	U3A Redlands District Inc.	U3A Ride the Redlands cycling jerseys	\$300.00
May 2021	MCCBF-2021-077-0	Soroptimist International Bayside Inc.	Demystifying Menopause Forum	\$500.00
June 2021	MCCBF-2021-081-0	Bayside Flyball Racing Inc.	Purchase safety and competition equipment for Redfest Event	\$1,000.00
June 2021	MCCBF-2021-080-0	Night Ninjas Inc.	Purchase butcher products for meal provision	\$1,000.00
TOTAL EXPENDED				\$7,715.66

Redland City Council – Annual Report 2020–2021

DIVISION 2

Month	Application ID	Applicant – including Sponsor	Brief Project Description	Amount Approved Ex GST
		LG Reg 2012, S202 (1b)	LG Reg 2012, S202 (3ai)	LG Reg 2012, S201 (5)
			Opening budget balance	\$9,545.00
August 2020	MCCBF-2021-015-0	Redlands Touch Association Inc.	Purchase portable field signage to assist with enforcing COVID-19 restrictions and to be used at future events	\$1,240.75
September 2020	MCCBF-2021-013-0	Volunteer Marine Rescue North Stradbroke Inc.	Purchase and upgrade of IT equipment	\$3,000.00
October 2020	MCCBF-2021-020-0	Redland City Bands Inc.	Purchase a variety of music scores for all Redland City Bands to broaden the range and variety of music for presentations to the community	\$500.00
November 2020	MCCBF-2021-032-0	Love and Hope Redlands Inc.	To provide book packs to assist students in low socio-economic families start their school year with every opportunity to succeed	\$500.00
March 2021	MCCBF-2021-042-0	Redland Royals Brisbane Cricket Club Inc.	RRB Soft Ball Cricket Cup Season III equipment	\$1,000.00
March 2021	MCCBF-2021-049-0	Bayside Runners and Walkers Inc.	Purchase two marquees	\$1,000.00
April 2021	MCCBF-2021-063-0	Special Olympics Redlands	Renewal of Redlands Special Olympics Redlands team uniforms - in particular club polo shirts and basketball competition singlets	\$500.00
April 2021	MCCBF-2021-054-0	U3A Redlands District Inc.	U3A Ride the Redlands cycling jerseys	\$500.00
TOTAL EXPENDED				\$8,240.75

DIVISION 3

Month	Application ID	Applicant – including Sponsor	Brief Project Description	Amount Approved Ex GST
		LG Reg 2012, S202 (1b)	LG Reg 2012, S202 (3ai)	LG Reg 2012, S201 (5)
			Opening budget balance	\$9,545.00
September 2020	MCCBF-2021-023-0	Redlands Fellowship Property Ltd	Guest Speaker and hire of portable toilets for September 2020 youth camp	\$1,900.00
January 2021	MCCBF-2021-038-0	Pink Magic Netball Inc.	Netball Coach app and equipment to assist coaches and development sessions for players	\$1,000.00
February 2021	MCCBF-2021-040-0	The Scout Association of Australia Qld Branch Inc – Victoria Point Scout Group	Victoria Point Scouts hall signage	\$250.00
February 2021	MCCBF-2021-042-0	Redland Royals Brisbane Cricket Club Inc.	RRB Soft Ball Cup Season III equipment	\$1,000.00
March 2021	MCCBF-2021-036-0	Redlands Four Wheel Drive Club Inc.	Purchase new laptop	\$300.00
March 2021	MCCBF-2021-057-0	Lorikeets Netball Club Inc.	SunSmart Community – purchase of sun smart hats	\$1,000.00
April 2021	MCCBF-2021-070-0	Bayview State School P&C Association	Laptop to support community groups that use the school hall	\$2,476.36
April 2021	MCCBF-2021-071-0	Redlands Aero Model Soarers Inc.	Purchase an Automatic External Defibrillator (AED)	\$1,000.00
June 2021	MCCBF-2021-072-0	The Australian Volunteer Coast Guard Association Inc.	Upskill four volunteer members to become qualified as trainers and assessors	\$500.00
TOTAL EXPENDED				\$9,426.36

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DIVISION 4

Month	Application ID	Applicant – including Sponsor	Brief Project Description	Amount Approved Ex GST
		LG Reg 2012, S202 (1b)	LG Reg 2012, S202 (3ai)	LG Reg 2012, S201 (5)
			Opening budget balance	\$9,545.00
August 2020	MCCBF-2021-015-0	Redlands Touch Association Inc.	Purchase portable field signage to assist with enforcing COVID-19 restrictions and to be used at future events	\$316.67
August 2020	MCCBF-2021-002-0	Isle of Coochie Golf Club Inc.	Purchase cashless till to assist with complying with COVID-19 restrictions	\$1,500.00
November 2020	MCCBF-2021-032-0	Love and Hope Redlands Inc.	To provide book packs to assist students in low socio-economic families start their school year with every opportunity to succeed	\$500.00
January 2021	MCCBF-2021-038-0	Pink Magic Netball Inc.	Netball Coach app and equipment to assist coaches and development sessions for players	\$500.00
March 2021	MCCBF-2021-044-0	Coochiemudlo Island Native Plant Nursery Inc.	Plant shelving for native nursery	\$560.00
March 2021	MCCBF-2021-040-0	The Scout Association of Australia Qld Branch Inc. – Victoria Point Scout Group	Victoria Point Scouts hall signage	\$625.00
March 2021	MCCBF-2021-052-0	Redland Orchid Society Inc.	Production of new event signage and table hire – 50th Annual Autumn Show	\$358.50
March 2021	MCCBF-2021-057-0	Lorikeets Netball Club Inc.	Sun Smart Community – purchase of sun smart hats	\$500.00
June 2021	MCCBF-2021-085-0	Coochiemudlo Island SLSC	Purchase and mount TV to wall for training lifesavers	\$1,572.72
June 2021	MCCBF-2021-089-0	Volunteer Marine Rescue Victoria Pt Association Inc.	Supply and install solar panels to improve building efficiencies	\$2,400.00
TOTAL EXPENDED				\$8,832.89

DIVISION 5

Month	Application ID	Applicant – including Sponsor	Brief Project Description	Amount Approved Ex GST
		LG Reg 2012, S202 (1b)	LG Reg 2012, S202 (3ai)	LG Reg 2012, S201 (5)
			Opening budget balance	\$9,545.00
August 2020	MCCBF-2021-007-0	Bay Islands United Football Club Inc.	Purchase of Defibrillator to keep at clubhouse	\$2,414.00
August 2020	MCCBF-2021-005-0	Russell Island Bowls Club Inc.	Purchase of ride-on lawn mower for grounds maintenance	\$2,000.00
August 2020	MCCBF-2021-004-0	Macleay Island Progress Association Inc.	Purchase of commercial dishwasher as part of kitchen upgrade	\$2,000.00
September 2020	MCCBF-2021-016-0	Redland Bay Amateur Fishing Club Inc.	Portable toilet hire and <i>Redland City Bulletin</i> advert for the Redlands Coast Inter Club Fishing Challenge	\$1,542.00
September 2020	MCCBF-2021-006-0	Bay Islands Multi Sport & Recreation Association Inc. (BIMSARA)	Purchase vertical blinds to provide privacy for evening hall hire bookings	\$1,589.00
TOTAL EXPENDED				\$9,545.00

DIVISION 6

Month	Application ID	Applicant – including Sponsor	Brief Project Description	Amount Approved Ex GST
		LG Reg 2012, S202 (1b)	LG Reg 2012, S202 (3ai)	LG Reg 2012, S201 (5)
			Opening budget balance	\$9,545.00
October 2020	MCCBF-2021-025-0	Mount Cotton Hall Association Inc.	Clean and paint hall sheds at rear of property	\$1,500.00
May 2021	MCCBF-2021-084-0	Redland City FC Inc.	Purchase club sign for installation to Donald Road Sports fields and a new BBQ	\$1,306.25
May 2021	MCCBF-2021-086-0	Calvary Family Church Ltd [Mt Cotton Community Fellowship]	Hire of staging, fencing and lighting equipment for the Mt Cotton Carols in the Park event	\$3,000.00
June 2021	MCCBF-2021-072-0	The Australian Volunteer Coast Guard Association Inc.	Upskill four volunteer members to become qualified as trainers and assessors	\$2,000.00
TOTAL EXPENDED				\$7,806.25

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DIVISION 7

Month	Application ID	Applicant – including Sponsor	Brief Project Description	Amount Approved Ex GST
		LG Reg 2012, S202 (1b)	LG Reg 2012, S202 (3ai)	LG Reg 2012, S201 (5)
			Opening budget balance	\$9,545.00
August 2020	MCCBF-1920-015-0	Redlands Touch Association Inc.	Purchase portable field signage to assist with enforcing COVID-19 restrictions and to be used at future events	\$316.66
September 2020	MCCBF-2021-006-0	Bay Islands Multi Sport & Recreation Association Inc.	To purchase vertical blinds to provide privacy for evening hall hire bookings	\$445.00
September 2020	MCCBF-2021-013-0	Volunteer Marine Rescue North Stradbroke Inc.	Purchase and upgrade of IT equipment	\$500.00
October 2020	MCCBF-2021-020-0	Redland City Bands Inc.	Purchase a variety of music scores for all Redland City Bands to broaden the range and variety of music for presentations to the community	\$500.00
November 2020	MCCBF-2021-032-0	Love and Hope Redlands Inc.	To provide book packs to assist students in low socio-economic families start their school year with every opportunity to succeed	\$500.00
December 2020	MCCBF-2021-034-0	TRACTION for Young People Ltd	Purchase 10 bicycles for the TRACTION road safety initiative 'Gear Up' for road safety among young people	\$2,500.00
March 2021	MCCBF-2021-042-0	Redland Royals Brisbane Cricket Club Inc.	RRB Soft Ball Cricket Cup Season III equipment	\$1,000.00
March 2021	MCCBF-2021-036-0	Redlands Four Wheel Drive Club Inc.	Purchase laptop	\$400.00
March 2021	MCCBF-2021-049-0	Bayside Runners and Walkers Inc.	Purchase two marquees	\$500.00
March 2021	MCCBF-2021-052-0	Redland Orchid Society Inc.	Production of event signage and table hire – 50th Annual Autumn Show	\$358.50
April 2021	MCCBF-2021-063-0	Special Olympics Redlands	Renewal of Redlands Special Olympics team uniforms – in particular club polo shirts and basketball competition singlets	\$1,300.00
April 2021	MCCBF-2021-071-0	Redlands Aero Model Soarers Inc.	Purchase of Automatic External Defibrillator (AED)	\$600.00
April 2021	MCCBF-2021-054-0	U3A Redlands District Inc.	U3A Ride the Redlands cycling jerseys	\$200.00
May 2021	MCCBF-2021-077-0	Soroptimist International Bayside Inc.	Demystifying Menopause Forum	\$424.84
TOTAL EXPENDED				\$9,545.00

DIVISION 8

Month	Application ID	Applicant – including Sponsor	Brief Project Description	Amount Approved Ex GST
		LG Reg 2012, S202 (1b)	LG Reg 2012, S202 (3ai)	LG Reg 2012, S201 (5)
			Opening budget balance	\$9,545.00
September 2020	MCCBF-2021-017-0	Muddies Cricket & Recreational Club Inc.	Purchase a coffee machine for club	\$3,000.00
October 2020	MCCBF-2021-020-0	Redland City Bands Inc.	Purchase a variety of music scores for Redland City Bands to broaden the range and variety of music for presentations to the community	\$300.00
March 2021	MCCBF-2021-036-0	Redlands Four Wheel Drive Club Inc.	Purchase laptop	\$300.00
March 2021	MCCBF-2021-052-0	Redland Orchid Society Inc.	Production of new event signage and table hire – 50th Annual Autumn Show	\$1,000.00
April 2021	MCCBF-2021-058-0	MATES Theatre Genesis	Website redevelopment	\$300.00
May 2021	MCCBF-2021-047-0	Capalaba Football Club Inc.	Capalaba Football Club alarm CCTV upgrade	\$2,650.00
May 2021	MCCBF-2021-079-0	Capalaba District Junior Rugby Football Club Inc.	Purchase new fridge and frypan	\$1,770.91
June 2021	MCCBF-2021-082-0	Redlands Multi-Sports Club Inc.	Purchase new pots and pans for the kitchen	\$224.09
TOTAL EXPENDED				\$9,545.00

DIVISION 9

Month	Application ID	Applicant – including Sponsor	Brief Project Description	Amount Approved Ex GST
		LG Reg 2012, S202 (1b)	LG Reg 2012, S202 (3ai)	LG Reg 2012, S201 (5)
			Opening budget balance	\$9,545.00
August 2020	MCCBF-2021-012-0	Capalaba Wildcats Basketball Club Inc.	Purchase basketballs, training aids, protective pads and bags to store the equipment	\$2,727.27
September 2020	MCCBF-2021-027-0	The Rotary Club of Capalaba Inc.	Venue hire and meals, awards and certificate frames for November 2020 event	\$1,864.90
January 2021	MCCBF-2021-037-0	Older Women's Network – Capalaba	Tech upgrade	\$1,483.21
March 2021	MCCBF-2021-049-0	Bayside Runners and Walkers Inc.	Purchase two marquees	\$500.00
May 2021	MCCBF-2021-081-0	Bayside Flyball Racing Inc.	Purchase safety and competition equipment for Redfest Event	\$1,000.00
June 2021	MCCBF-2021-072-0	The Australian Volunteer Coast Guard Association Inc.	Upskill four volunteer members to become qualified as trainers and assessors	\$690.00
June 2021	MCCBF-2021-080-0	Night Ninjas Inc.	Purchase butcher products for meal provision	\$500.00
TOTAL EXPENDED				\$8,765.38

Redland City Council – Annual Report 2020–2021

DIVISION 10

Month	Application ID	Applicant – including Sponsor	Brief Project Description	Amount Approved Ex GST
		LG Reg 2012, S202 (1b)	LG Reg 2012, S202 (3ai)	LG Reg 2012, S201 (5)
			Opening budget balance	\$9,545.00
August 2020	MCCBF-2021-015-0	Redlands Touch Association Inc.	Purchase portable field signage to assist with enforcing COVID-19 restrictions and to be used at future events	\$250.00
August 2020	MCCBF-2021-009-0	Redlands Pickleball Club Inc.	Purchase portable lights to allow games to be played at night time	\$500.00
September 2020	MCCBF-2021-024-0	Allstars Netball Club Inc.	Purchase pressure washer to keep outside club amenities clean and purchase of laptop	\$500.00
September 2020	MCCBF-2021-026-0	Wellington Point Cricket Club	Purchase cricket net for cricket practice to allow soccer teams to also train at the facility	\$869.97
September 2020	MCCBF-2021-013-0	Volunteer Marine Rescue North Stradbroke Inc.	Purchase and upgrade of IT equipment	\$500.00
October 2020	MCCBF-2021-020-0	Redland City Bands Inc.	Purchase a variety of music scores for Redland City Bands to broaden the range and variety of music for presentations to the community	\$500.00
January 2021	MCCBF-2021-029-0	Scouts Queensland - Birkdale Den	Purchase topsoil and seed for the Birkdale Den parade ground	\$831.00
March 2021	MCCBF-2021-049-0	Bayside Runners and Walkers Inc.	Purchase two marquees	\$500.00
April 2021	MCCBF-2021-058-0	MATES Theatre Genesis	Website redevelopment	\$755.00
April 2021	MCCBF-2021-054-0	U3A Redlands District Inc.	U3A Ride the Redlands cycling jerseys	\$500.00
June 2021	MCCBF-2021-072-0	The Australian Volunteer Coast Guard Association Inc.	Upskill four volunteer members to become qualified as trainers and assessors	\$690.00
June 2021	MCCBF-2021-080-0	Night Ninjas Inc.	Purchase butcher products for meal provision	\$1,500.00
TOTAL EXPENDED				\$7,895.97



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Redland City Council – Annual Report 2020–2021

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OUR FINANCIAL PERFORMANCE

Redland City Council's Consolidated Financial Statements for 2020–2021, including our Community Financial Report, with key financial highlights, on page 18.

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Redland
CITY COUNCIL

**CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**

REDLAND CITY COUNCIL
CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended 30 June 2021

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REDLAND CITY COUNCIL

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

		Consolidated		Council	
		2021	2020	2021	2020
	Note	\$000	\$000	\$000	\$000
Income					
Recurrent revenue					
Rates, levies and charges	3(a)	262,550	253,063	262,584	253,091
Fees	3(b)	15,372	13,278	15,305	12,910
Interest received	3(c)	1,985	3,333	2,005	3,278
Sales revenue		7,681	12,952	3,547	2,550
Other income		3,122	2,960	2,549	2,674
Grants, subsidies and contributions	3(d)(i)	10,149	11,899	10,153	11,899
Total recurrent revenue		300,859	297,485	296,143	286,402
Capital revenue					
Grants, subsidies and contributions	3(d)(ii)	23,576	18,248	23,841	18,248
Non-cash contributions		12,064	8,897	12,064	8,897
Total capital revenue		35,640	27,145	35,905	27,145
Total income		336,499	324,630	332,048	313,547
Expenses					
Recurrent expenses					
Employee benefits	4	(95,789)	(93,241)	(94,671)	(92,058)
Materials and services	5	(148,671)	(142,800)	(145,125)	(132,723)
Finance costs		(2,695)	(3,042)	(2,624)	(3,014)
Depreciation and amortisation	6	(65,773)	(67,005)	(65,741)	(66,966)
Total recurrent expenses		(312,928)	(306,088)	(308,161)	(294,761)
Capital expenses					
Loss on disposal of non-current assets		(3,081)	(2,507)	(3,079)	(1,200)
Total capital expenses		(3,081)	(2,507)	(3,079)	(1,200)
Total expenses		(316,009)	(308,595)	(311,240)	(295,961)
Net result		20,490	16,035	20,808	17,586
Other comprehensive income					
Items that will not be reclassified to net result					
Revaluation of property, plant and equipment	12	70,514	27,720	70,514	27,720
Total comprehensive income/(loss) for the year		91,004	43,755	91,322	45,306

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

REDLAND CITY COUNCIL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	Consolidated		Council	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current assets					
Cash and cash equivalents	7	194,517	177,941	187,240	171,901
Short-term investment	8	10,000	-	10,000	-
Trade and other receivables	9	41,636	38,815	46,428	40,732
Inventories	10	3,164	2,364	859	880
Non-current assets held-for-sale		-	118	-	118
Other current assets		4,977	2,962	4,967	2,956
Total current assets		254,294	222,200	249,494	216,587
Non-current assets					
Investment property	11	6,802	6,716	1,225	1,225
Property, plant and equipment	12	2,667,570	2,588,518	2,667,979	2,588,458
Intangible assets		1,703	2,123	1,703	2,123
Right-of-use assets	13(a)	6,028	7,125	6,028	7,125
Other financial assets		73	73	12,730	13,174
Total non-current assets		2,682,176	2,604,555	2,689,665	2,612,105
Total assets		2,936,470	2,826,755	2,939,159	2,828,692
Current liabilities					
Trade and other payables	14	45,568	42,821	45,475	42,267
Borrowings with QTC	15(a)	8,919	8,326	8,919	8,326
Lease liability - current	13(b)	1,130	1,294	1,130	1,294
Provisions	16(a)	17,419	14,414	17,419	14,414
Other current liabilities	17	6,197	2,434	6,197	2,434
Total current liabilities		79,233	69,289	79,140	68,735
Non-current liabilities					
Borrowings with QTC	15(b)	35,233	32,852	35,233	32,852
Lease liability - non-current	13(b)	5,849	6,775	5,849	6,775
Provisions	16(b)	21,548	14,236	21,447	14,162
Total non-current liabilities		62,630	53,863	62,529	53,789
Total liabilities		141,863	123,152	141,669	122,524
Net community assets		2,794,607	2,703,603	2,797,490	2,706,168
Community equity					
Asset revaluation surplus	18	1,106,354	1,035,840	1,106,354	1,035,840
Retained surplus		1,688,253	1,667,763	1,691,136	1,670,328
Total community equity		2,794,607	2,703,603	2,797,490	2,706,168

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

REDLAND CITY COUNCIL

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

Consolidated	Asset Revaluation Surplus \$000	Retained Surplus \$000	Total Community Equity \$000
	Note	12, 18	
Balance as at 1 July 2019	1,008,120	1,651,728	2,659,848
Net result	-	16,035	16,035
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	27,720	-	27,720
Total comprehensive income for the year	27,720	16,035	43,755
Balance as at 30 June 2020	1,035,840	1,667,763	2,703,603
Net result	-	20,490	20,490
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	70,514	-	70,514
Total comprehensive income for the year	70,514	20,490	91,004
Balance as at 30 June 2021	1,106,354	1,688,253	2,794,607
Council			
Balance as at 1 July 2019	1,008,120	1,652,742	2,660,862
Net result	-	17,586	17,586
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	27,720	-	27,720
Total comprehensive income for the year	27,720	17,586	45,306
Balance as at 30 June 2020	1,035,840	1,670,328	2,706,168
Net result	-	20,808	20,808
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	70,514	-	70,514
Total comprehensive income for the year	70,514	20,808	91,322
Balance as at 30 June 2021	1,106,354	1,691,136	2,797,490

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

REDLAND CITY COUNCIL
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2021

		Consolidated		Council	
	Note	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Cash flows from operating activities					
Receipts from customers		287,150	279,825	284,354	265,404
Payments to suppliers and employees		(237,642)	(235,443)	(232,603)	(222,594)
Interest received		1,988	3,329	2,005	3,278
Non-capital grants and contributions		14,483	9,883	14,483	9,883
Borrowing costs	15(c)	(2,048)	(2,416)	(2,048)	(2,416)
Right-of-use assets interest expense	13(b)	(145)	(165)	(145)	(165)
Net cash inflow from operating activities	23	63,786	55,013	66,046	53,390
Cash flows from investing activities					
Payments for property, plant and equipment		(65,923)	(65,055)	(66,693)	(67,317)
Payments for intangible assets		(162)	(1,513)	(162)	(1,513)
Proceeds from sale of property, plant and equipment		982	1,366	1,152	2,866
Capital grants, subsidies and contributions		26,064	19,613	26,329	19,613
Short-term investment		(10,000)	-	(10,000)	-
Other cashflow from investing activities		(248)	(492)	(3,410)	(90)
Net cash (outflow) from investing activities		(49,287)	(46,081)	(52,784)	(46,441)
Cash flows from financing activities					
Proceeds from borrowings	15(c)	9,612	9,800	9,612	9,800
Repayment of borrowings	15(c)	(6,369)	(5,530)	(6,369)	(5,530)
Right-of-use assets lease payment		(1,166)	(1,414)	(1,166)	(1,414)
Net cash inflow from financing activities		2,077	2,856	2,077	2,856
Net increase in cash and cash equivalents held		16,576	11,788	15,339	9,805
Cash and cash equivalents at beginning of the financial year		177,941	166,153	171,901	162,096
Cash and cash equivalents at end of the financial year	7	194,517	177,941	187,240	171,901

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 Summary of significant accounting policies**1(a) Basis of preparation and statement of compliance**

The Council is constituted under the *Queensland Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2020 to 30 June 2021. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with Australian Accounting Standards as applicable to not-for-profit entities.

These financial statements are for the group consisting of Redland City Council (Council) and its subsidiaries (refer to Note 1(b)) and have been prepared under the historical cost convention except for the revaluation of certain non-current assets, financial assets and financial liabilities.

1(b) Principles of consolidation

Council and its controlled entities together form the consolidated entity which is referred to in these financial statements as 'the group'. The financial statements of the controlled entities are included in the consolidated financial statements where material by size or nature, from the date when control commences until the date when control ceases.

Transactions with entities controlled by Council have been eliminated when preparing consolidated financial statements and accounting policies of controlled entities adjusted where necessary to ensure consistency with the policies adopted by the group.

Redland Investment Corporation Pty Ltd (consolidated)

Council has 100% ownership of Redland Investment Corporation Pty Ltd (RIC) which is limited by shares. RIC was formed to enhance the commercial activities of Council and oversees a diverse range of projects across the city. RIC has the following subsidiaries:

Redland Developments Pty Ltd (consolidated to the RIC Group)

RIC has 100% ownership of Redland Developments Pty Ltd which is limited by shares. Redland Developments Pty Ltd is the vehicle used for undertaking new developments. In the current financial year, its main project has been 521 Old Cleveland Road East, Birkdale.

Cleveland Plaza Pty Ltd (consolidated to the RIC Group)

RIC has 100% ownership of Cleveland Plaza Pty Ltd (Cleveland Plaza) which is limited by shares. Cleveland Plaza was formed to own and manage the property at 48 Bloomfield Street, Cleveland.

RIC Toondah Pty Ltd (consolidated to the RIC Group)

RIC has 100% ownership of RIC Toondah Pty Ltd (RICT) which is limited by shares. RICT is formally engaged by the Toondah Harbour development joint venture between Council, Minister for Economic Development Queensland (MEDQ) and RICT. Council's interest in the joint operation is 50%. The project is pending a transfer of State land to MEDQ; as such, nominal financial transactions have occurred in the entity during the current financial year.

Separate consolidated financial statements for RIC have been prepared for the financial year ended 30 June 2021 and are audited by the Auditor-General of Queensland.

Redheart Pty Ltd (not consolidated as transactions in this entity are not material)

Council has 100% ownership of Redheart Pty Ltd (Redheart) which is limited by shares. Redheart was formed to conduct a beneficial enterprise by holding a mining lease and environmental authority and sell quarry material from Council's German Church Road quarry operations, so as to manage risks and increase commercial flexibility. As at 30 June 2021, the company had net assets of \$2 and remained dormant throughout the financial year.

1(c) Date of authorisation

The consolidated financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate was signed.

1(d) Currency

Council uses the Australian dollar (AUD) as its functional currency and its presentation currency.

1(e) Rounding and comparatives

Amounts included in the consolidated financial statements have been rounded to the nearest \$1,000.

1(f) Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax (GST). The net amount of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively. Council pays Payroll Tax to the Queensland Government on certain activities.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO, are classified as operating cash flows.

1(g) Volunteer services

Council elects not to recognise volunteer services, or a class of volunteer services as the fair value of those services cannot be measured reliably and would not be purchased if these services were not donated.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 Summary of significant accounting policies - continued

1(h) New and amended standards adopted by Council

In the current year, the consolidated entity adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised standards and interpretations has not resulted in any material changes to Council's accounting policies.

Council conducted an analysis to identify the impact of AASB 1059 *Service Concession Arrangement Grantor* on Council's financial statements. This standard applies to arrangements that public sector entities enter into with a private sector operator for the delivery of public services related to a service concession asset on behalf of a public sector grantor. An arrangement within the scope of this standard typically involves an operator constructing the assets used to provide the public service or upgrading the assets (for example, by increasing their capacity) and operating and maintaining the assets for a specified period of time. The analysis revealed that the service arrangements of Council are outside the scope of AASB 1059 and have no impact on the financial statements.

Certain new standards and interpretations have been issued that are not yet effective for the 30 June 2021 reporting period and have not been early adopted by Council. Council's assessment of those new standards expected to have an impact on Council's future reporting periods is set out below.

Standard	Nature of change	Impact	Date Council will apply the standard
AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards	<p>This Standard amends AASB 101 <i>Presentation of Financial Statements</i> to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.</p> <p>A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.</p> <p>(a) The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.</p> <p>(b) Management intention or expectation does not affect classification of liabilities.</p> <p>These amendments are applied retrospectively. Earlier application is permitted.</p>	<p>Council will consider the following impacts of these amendments:</p> <ul style="list-style-type: none"> -the conditions at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period; and -the rights of Council (not the expectation) at the end of the reporting period to roll over an obligation for at least twelve months after the reporting period under an existing loan facility. 	1 July 2023
AASB 2020-3 Amendments to Australian Accounting Standards - Annual improvements 2018-2020	<p>This Standard makes amendments to the following Australian Accounting Standards:</p> <p>(a) AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> (July 2015); Relates to foreign operations, therefore not applicable to Council.</p> <p>(b) AASB 3 <i>Business Combinations</i> (August 2015); Relates to gains or losses of business acquisitions. Not applicable to Council.</p> <p>(c) AASB 9 <i>Financial Instruments</i> (December 2014); When assessing the significance of any difference between the new and old contractual terms, only the changes in contractual cash flows between the lender and borrower are relevant. Consequently, fees incurred on the modification or exchange of a financial liability paid to third parties are excluded.</p> <p>(d) AASB 116 <i>Property, Plant and Equipment</i> (August 2015); Under AASB 116 <i>Property, Plant and Equipment</i>, Net proceeds from selling items produced while constructing an item of property, plant and equipment are deducted from the cost of the asset. AASB 116 was amended to prohibit an entity from deducting from the cost of an item of property, plant and equipment, the proceeds from selling items produced before that asset is available for use. An entity is also required to measure production costs of the sold items by applying AASB 112 <i>Inventories</i>. Proceeds from selling any such items, and the cost of those items, are recognised in profit or loss in accordance with applicable standards.</p> <p>(e) AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> (August 2015); AASB 137 amended the definition of costs to be considered when assessing onerous contracts. Not applicable to Council.</p> <p>(f) AASB 141 <i>Agriculture</i> (August 2015); Not applicable to Council.</p>	<p>Council will consider the following impacts of these amendments:</p> <ul style="list-style-type: none"> - the impact to financial liabilities including QTC borrowings and trade creditors from the amendment to AASB 9; and - the impact to gain or loss from the disposal of Property, Plant and Equipment as a result of amendments to AASB 116. 	1 July 2022

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 Summary of significant accounting policies - continued**1(h) New and amended standards adopted by Council - continued**

AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	This Standard amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> . To address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	Preliminary assessment shows this standard will not have a material impact on Council's Financial Statements.	1 July 2022
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1(i) Critical accounting judgements and key sources of estimation uncertainty

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statements notes:

Revenue analysis (Note 3)
Valuation and depreciation of property, plant and equipment (Note 12 and Note 24)
Leases (Note 13)
Long-term employee benefit obligations (Note 14 and Note 16)
Landfill rehabilitation provision (Note 16)
Contingent liabilities and contingent assets (Note 20)
Transactions with related parties (Note 26)
Other Matters - Council's resolution on RIC operating plan (Note 27)
Events after the reporting period (Note 28)

1(j) Financial assets and financial liabilities

Council recognises a financial asset or financial liability when, and only when, Council becomes a party to the contractual provisions of the instrument.

Council's financial assets and financial liabilities are limited to:

Financial assets

Cash and cash equivalents (Note 7)
Short-term investment (Note 8)
Trade and other receivables - measured at amortised cost (Note 9)
Other financial assets such as investments in other companies

Financial liabilities

Trade and other payables - measured at amortised cost (Note 14)
Borrowings - measured at amortised cost (Note 15)

Financial assets and financial liabilities are presented separately and offsetting has not been applied, except for GST (refer to Note 1(f)). Refer to Note 24 for fair value measurement considerations in relation to financial assets and financial liabilities.

Council is exposed to various financial risks including credit risk, interest rate risk and liquidity risk. Exposure to financial risks is managed in accordance with Council's approved Enterprise Risk Management Framework and related administrative directives, guidelines and procedures.

1(k) Impact of COVID 19 on Council operations

Council's operation for the year ended 30 June 2021 has been impacted by the COVID 19 pandemic.

The following transactions were associated with addressing the impacts of COVID 19.

Statements of Comprehensive Income

	Council 2021 \$'000	Council 2020 \$'000
Revenue		
Rates waivers	-	9
Reduction of fees revenue includes cancellations of services and waivers	29	696
Reduction of other revenue	75	233
Interest foregone due to extension of due date and cancellation of auction *	-	117
	<u>104</u>	<u>1,055</u>
Expense		
Employee costs	229	10
Materials and services	386	339
	<u>615</u>	<u>349</u>
Net impact	<u>719</u>	<u>1,404</u>

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REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 Summary of significant accounting policies - continued**1(k) Impact of COVID 19 on Council Operations - continued**

* In 2021, Council purposely did not conduct the auction of properties with overdue rates in support to the community during the COVID 19 pandemic.

The indicative impact on Council's interest income due to historically low prevailing rates amount to \$1.5M (2020: \$1.8M).

It was assessed that COVID 19 has no significant impact on Council's asset revaluations for 2020-2021. Council's assets are presented at fair value.

2 Statement of functions and activities**2(a) Functions of the consolidated entity**

Council's functions and activities have been determined based on service delivery. The activities of Council are categorised into the following broad functions:

Community and Customer Services

Community and Customer Services provides operational support and manages the city's community services through the following functions:

Customer and Cultural Services

- Customer and Cultural Services provides customer contact through our Integrated Customer Contact Centre over the phone and in person through our service centres, and promotes a strong cultural and creative arts program supporting community spirit extending to people of all ages, cultures, abilities and needs.

Planning, Development and Environment

- City Planning and Assessment delivers strategic planning, development assessment, and the management of infrastructure charging and planning.
- Community and Economic Development is focused on strengthening community capacity and resilience and supports Council's commitment to increasing the city's economic capacity through placemaking, investment attraction, advocacy, business growth and retention, employment generation and sustained economic growth.
- Environment and Regulation is focused on contributing to a healthy, safe and enjoyable lifestyle and growing environmental connections through partnerships, planning, education and regulation.

Infrastructure and Operations**Infrastructure, Recreation and Facilities Services**

- This function is responsible for the sustainable management, maintenance and operation of Council's infrastructure assets. It includes the identification, planning and delivery of infrastructure to support the community by way of roads, footpaths and cycleways, playgrounds, parks and conservation, community halls and swimming pools; and ensures a high standard of infrastructure in the Redlands.

Water and Wastewater Services

- Council's Water and Wastewater Services business unit is a commercially focused business unit with the principal goals of providing safe drinking water and the collection, treatment and disposal of wastewater.

Waste Services

- The Waste Services is also a commercially focused business unit that is responsible for the collection and disposal of waste within the city through its kerbside collection service, household hazardous waste services, disposals at landfills and the operation and maintenance of its transfer stations. It also includes maintenance of closed landfill and environmental monitoring of current and former waste disposal facilities.

Organisational Services Department**Organisational Services**

- Organisational Services provides internal support functions to Council ensuring the efficient and effective operations of the organisation and contemporary innovation to front line services. It also manages a range of outward - facing services.

Communication, Engagement and Tourism

- Communication, Engagement and Tourism delivers issues and media management; crisis communication, speeches; website and intranet content management; social media management; graphic design services; Councillor newsletters; Council magazine; marketing and brand management; community engagement; Council and community events; tourism development; and management of the Redlands Coast Visitor Information Centre.

Corporate Services

- Corporate Services manages Information, Technology, Cyber Security, Communications, Fleet and Plant Services to deliver high-quality technological and logistics solutions across the organisation.

Financial Services

- Financial Services is responsible for rating and water billing; revenue collections; payment of suppliers; corporate financial and asset reporting; statutory returns and reporting; management reporting; tax and treasury; budget and forecasting; system administration; business partnering; and customer services. The group provides accurate, timely and appropriate information to support sound decision making and meet statutory requirements and is also the conduit to the Queensland Audit Office (QAO) for financial and performance audits.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

2 Statement of functions and activities - continued**2(a) Functions of the consolidated entity - continued****Strategic Asset and Portfolio Management**

- Strategic Asset and Portfolio Management enables and ensures that Council is delivering sustainable community outcomes by leading a whole-of-council approach to strategic and operational planning, portfolio management, strategic asset management, external funding management and corporate performance management to support decision making and efficient and effective delivery.

General Counsel

- General Counsel manages all legal matters, risk, procurement, warehousing and Redland WorkCover, advising on all legal aspects of Council's operations, and providing procurement advice including conducting tender and quotation processes. Redland WorkCover is Council's licensed workers' compensation self-insurer providing management of claims and working with employees with respect to rehabilitation.

Corporate Governance

- Corporate Governance manages a diverse range of organisational functions such as strategy and governance, indigenous partnerships, office of the Mayor, Councillor support, disaster Management and internal Audit.

Department of the Chief Executive Officer (CEO)

Office of the CEO and People, Culture and Organisational Performance (PC&OP) provide support to all of Council, creating a safe, rewarding, equitable and productive workplace.

The PC&OP team is focused on working in partnership and collaboration across the organisation to deliver strategies, quality operational services, as well as projects and initiatives through a number of functions. These include:

- Corporate Strategy and Business Transformation
- Health, Safety and Wellbeing
- Human Resources, including recruitment and selection, employee and industrial relations, payroll and reward and recognition.

Redland Investment Corporation Pty Ltd (RIC)

Creating value that benefits our community

- RIC was established by Redland City Council in 2014 to identify alternate revenue sources, new business opportunities, and realise value for Council and the Redlands Coast community. To support key outcomes within the Council's Corporate Plan 2021-2026, RIC will drive economic and infrastructure development in the city through the delivery of major city building and place making projects, property development, land sales and investments. RIC is committed to working commercially and sustainably in its conduct, efficiently delivering all facets of business to fulfil the broader community's social, economic and environmental needs.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

2 Statement of functions and activities - continued

2(b) Analysis of results by function

Income, expenses and assets defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2021

Year ended 30 June 2021											
Functions	Gross income				Total Income	Gross expenses		Total Expenses	Net result from recurrent operations	Net Result	Total Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Customer and Cultural Services	896	422	-	27	1,345	(24,089)	(14)	(24,103)	(22,771)	(22,758)	20,329
Planning, Development and Environment	235	11,744	9	8,800	20,788	(32,630)	(104)	(32,734)	(20,651)	(11,946)	15,850
Infrastructure, Recreation and Facilities Services	1,948	6,002	10,055	8,334	26,339	(105,714)	(1,914)	(107,628)	(97,764)	(81,289)	1,534,627
Water and Wastewater Services	-	121,051	-	7,472	128,523	(93,720)	(424)	(94,144)	27,331	34,379	820,336
Waste Services	-	31,015	-	-	31,015	(23,826)	-	(23,826)	7,189	7,189	20,738
Organisational Services Department	6,216	116,527	1,208	-	123,951	(28,059)	(623)	(28,682)	94,684	95,269	527,231
Department of the Chief Executive Officer	87	-	-	-	87	(123)	-	(123)	(36)	(36)	48
Total Council	9,382	286,761	11,272	24,633	332,048	(308,161)	(3,079)	(311,240)	(12,018)	20,808	2,939,159
Redland Investment Corporation Pty Ltd (net of eliminations)	-	4,716	-	(265)	4,451	(4,767)	(2)	(4,769)	(51)	(318)	(2,689)
Total Consolidated	9,382	291,477	11,272	24,368	336,499	(312,928)	(3,081)	(316,009)	(12,069)	20,490	2,936,470

Year ended 30 June 2020

Year ended 30 June 2020											
Functions	Gross income				Total Income	Gross expenses		Total Expenses	Net result from recurrent operations	Net Result	Total Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		
Customer and Cultural Services	838	426	-	-	1,264	(23,527)	(4)	(23,531)	(22,263)	(22,267)	20,986
Planning, Development and Environment	238	9,188	641	8,424	18,491	(32,610)	(1)	(32,611)	(23,184)	(14,120)	20,213
Infrastructure, Recreation and Facilities Services	4,099	15,279	4,124	8,292	31,794	(106,643)	(2,325)	(108,968)	(87,265)	(77,174)	1,469,073
Water and Wastewater Services	-	115,665	-	5,362	121,027	(91,329)	(214)	(91,543)	24,336	29,484	806,209
Waste Services	-	28,363	-	-	28,363	(21,967)	(1)	(21,968)	6,396	6,395	19,030
Organisational Services Department	6,113	106,195	302	-	112,610	(18,293)	1,345	(16,948)	94,015	95,662	493,117
Department of the Chief Executive Officer	-	(2)	-	-	(2)	(392)	-	(392)	(394)	(394)	64
Total Council	11,288	275,114	5,067	22,078	313,547	(294,761)	(1,200)	(295,961)	(8,359)	17,586	2,828,692
Redland Investment Corporation Pty Ltd (net of eliminations)	-	11,083	-	-	11,083	(11,327)	(1,307)	(12,634)	(244)	(1,551)	(1,937)
Total Consolidated	11,288	286,197	5,067	22,078	324,630	(306,088)	(2,507)	(308,595)	(8,603)	16,035	2,826,755

* Please refer to the separate financial statements of Redland Investment Corporation Pty Ltd (RIC) for its financial performance and position prior to eliminations, accessible from Council's website: www.redland.qld.gov.au. Of note, the value of Council's investment in its wholly owned subsidiary, RIC, at reporting date was \$12,656,998 (2020: \$13,101,100).

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

3 Revenue analysis

3(a) Rates, levies and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts, which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period. Water consumption charges, which are levied in arrears, are recognised based on the period in which they are consumed, except for the access charge which is a fixed component, and is recognised over the levying period.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
General rates	108,181	104,817	108,211	104,841
State Emergency Service (SES) charges	494	486	494	486
Environment and landfill remediation charges	10,490	11,587	10,490	11,587
Water access	20,059	19,031	20,059	19,031
Water consumption	50,318	48,631	50,322	48,635
Wastewater	45,976	43,964	45,976	43,964
Trade waste	1,229	1,567	1,229	1,567
Waste collection charges	29,325	26,314	29,325	26,314
Total rates and utility charges	266,072	256,397	266,106	256,425
Less: Pensioner remissions and rebates	(3,522)	(3,334)	(3,522)	(3,334)
	262,550	253,063	262,584	253,091

3(b) Fees

Revenue arising from fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods/services being provided. The performance obligation relates to the specific services which are provided to the customers. Licences granted by Council are all either short-term or low-value and all revenue from licences is recognised at the time that the license is granted rather than the term of the license. Revenue from infringements is recognised on issue of infringement notice.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Fines and penalties	1,373	1,313	1,373	1,313
Mooring and parking fees	692	676	616	610
Search fees	1,117	691	1,117	691
Development and related application fees	5,213	3,652	5,220	3,652
License fees	2,682	2,618	2,682	2,618
Commercial collection fees	432	543	432	543
Operational works application fees	935	882	937	895
Other fees and charges	2,928	2,903	2,928	2,588
	15,372	13,278	15,305	12,910

3(c) Interest received

Interest received from investments	1,142	2,453	1,119	2,395
Interest from overdue rates and utility charges	842	876	842	876
Interest from loan to subsidiary	(1)	-	42	3
Other interest income	2	4	2	4
	1,985	3,333	2,005	3,278

The impact of COVID 19 on Council's revenue amounts to \$103,583 (2020: \$1,055,485). The indicative impact on Council's interest income due to low prevailing rates amounts to \$1,526,675 (2020: \$1,845,860) (refer to note 1(k)).

Interest on short-term investment is accrued over the term of the investment.

3(d) Grants, subsidies and contributions

Grants and subsidies

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when control of each performance obligation is satisfied. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control, and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods, being either costs or time incurred, are deemed to be the most appropriate method to reflect the transfer of benefit.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

3 Revenue analysis - continued

3(d) Grants, subsidies and contributions - continued

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised, then income is recognised for any remaining asset value at the time when the asset is received.

Capital grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable, are recognised as revenue as and when the obligation to construct or purchase is completed.

Non-cash contributions

Physical assets contributed to Council by developers in the form of water, wastewater, road works, stormwater and park equipment are recognised as revenue when it is probable that the assets will be received by Council. Generally this is when the development becomes 'on-maintenance', i.e. Council becomes responsible for the maintenance of the asset. The revenue is recognised when there is sufficient data in the form of drawings and plans to determine the specifications and value of such assets. At year end, where plans are not yet available, an accrual is recognised based on an average rate per lot. All non-cash contributions are recognised at the fair value of the assets received at the date of acquisition.

Cash contributions

Cash contributions are received by Council through infrastructure charges indicated in decision notices for developments such as material change of use, reconfiguration of a lot, plan sealing and/or new construction. The cash received is generally used for augmentation of infrastructure headworks. Council recognises revenue upon completion of the legislative trigger for payment.

Recurrent/operating and capital classification

Grants and contributions are to be classified as operating or capital depending on the purpose for which they were received. Capital revenue includes grants and contributions received, which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions that are usually infrastructure assets received from developers as well as gains associated with disposal of fixed assets. All other revenue is classified as recurrent/operating.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
(i) Recurrent				
Financial assistance grant	5,810	5,770	5,810	5,770
Government grants and subsidies	3,572	5,519	3,572	5,519
Contributions	767	610	771	610
	10,149	11,899	10,153	11,899
(ii) Capital				
Government grants and subsidies	11,272	5,067	11,272	5,067
Contributions	12,304	13,181	12,569	13,181
	23,576	18,248	23,841	18,248

(iii) Timing of revenue recognition for grants, subsidies and contributions

Note	2021		2020	
	Revenue recognised at point in time \$000	Revenue recognised over time \$000	Revenue recognised at point in time \$000	Revenue recognised over time \$000
Consolidated				
Government grants and subsidies	21,714	12,011	22,685	7,463
Non-cash contributions	12,064	-	8,897	-
	33,778	12,011	31,582	7,463
Council				
Government grants and subsidies	21,983	12,011	22,685	7,463
Non-cash contributions	12,064	-	8,897	-
	34,047	12,011	31,582	7,463

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

3 Revenue analysis - continued

3(d) Grants, subsidies and contributions - continued

(iv) Conditions over contributions

Contributions and non-reciprocal grants recognised as income which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Unexpended grants and contributions held in reserve 1 July	91,893	93,046	91,893	93,046
Prior period grants and contributions spent in year	(7,496)	(14,398)	(7,765)	(14,398)
Grants and contributions recognised as revenue in year	33,725	30,147	33,994	30,147
Current period grants and contributions spent in year	(21,121)	(16,902)	(21,121)	(16,902)
Unexpended grants and contributions held in reserve 30 June	<u>97,001</u>	<u>91,893</u>	<u>97,001</u>	<u>91,893</u>

4 Employee benefits

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Total staff wages and salaries	76,107	74,252	75,156	73,244
Councillors' remuneration	1,409	1,433	1,409	1,433
Annual leave and long service leave entitlements	8,801	9,270	8,783	9,244
Superannuation	9,403	8,970	9,320	8,878
	<u>95,720</u>	<u>93,925</u>	<u>94,668</u>	<u>92,799</u>
Other employee related expenses	7,347	5,711	7,281	5,654
	<u>103,067</u>	<u>99,636</u>	<u>101,949</u>	<u>98,453</u>
Less: Capitalised employee expenses	(7,278)	(6,395)	(7,278)	(6,395)
	<u>95,789</u>	<u>93,241</u>	<u>94,671</u>	<u>92,058</u>

Councillor remuneration represents salary and superannuation expenses incurred in respect of carrying out their duties.

5 Materials and services

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Contractors	43,259	40,939	38,452	40,067
Consultants	3,268	2,992	2,805	2,404
Other Council outsourcing costs	20,310	19,057	20,092	18,661
Purchase of materials	49,515	57,304	52,116	49,362
Office administration costs	8,049	6,828	7,363	6,620
Electricity charges	5,537	5,562	5,536	5,561
Plant operations	3,285	4,109	3,255	4,078
Information technology resources	3,173	2,828	3,157	2,819
General insurance premiums	1,312	1,192	1,315	1,192
Community assistance	1,411	1,561	1,411	1,560
Audit of annual financial statements by Queensland Audit Office	170	170	145	145
Short-term leases	-	6	-	6
Waste levy payment	4,368	4,722	4,368	4,722
Waste levy refund*	(4,361)	(4,646)	(4,361)	(4,646)
Other material and service expenses	616	663	712	659
Remediation costs for landfill	8,759	(487)	8,759	(487)
	<u>148,671</u>	<u>142,800</u>	<u>145,125</u>	<u>132,723</u>

* The State government rebated \$4,360,763 (2020: \$4,645,987) of the state waste levy to mitigate the direct impacts on households.

The impact of COVID 19 on Council's expenditure amount to \$614,996 (2020: \$349,009) (refer to note 1(k)).

6 Depreciation and amortisation

		Consolidated		Council	
	Note	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Depreciation of non-current assets	12	63,977	64,560	63,945	64,521
Amortisation of intangible assets		594	1,052	594	1,052
Depreciation of right-of-use assets	13(a)	1,202	1,393	1,202	1,393
		65,773	67,005	65,741	66,966

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

7 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, and deposits held at call with financial institutions.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Cash at bank and on hand	1,534	1,132	1,301	685
Deposits at call	192,983	176,809	185,939	171,216
Balance as per Consolidated Statement of Cash Flows	<u>194,517</u>	<u>177,941</u>	<u>187,240</u>	<u>171,901</u>

Council's cash and cash equivalents are subject to a number of restrictions that limit amounts available for discretionary or future use. Council accounts for these restrictions internally using a system of reserves as follows:

Special projects reserve

This reserve holds funds identified for various projects and for funding specific expenditure.

Constrained works reserve

This reserve was established to hold contributions of monetary revenue received during the reported and previous periods which are constrained for the purpose of funding specific expenditure. The closing balance reported at the year end represents amounts not yet expended and must be retained until expended in the manner specified by the contributor or relevant legislation.

Separate charge reserve - environment

This reserve was established to hold funds levied for the Environment Separate Charge for ongoing maintenance and future capital expenditure for conservation maintenance and environmental land acquisitions. This reserve also holds funds levied for State Emergency Services.

Special charge reserve - canals

This reserve was established to hold funds levied for the Canal Special Charges and the Sovereign Waters Lake Special Charge.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Restricted funds:				
Special projects reserve	7,981	4,631	7,981	4,631
Constrained works reserve	97,001	91,893	97,001	91,893
Separate charge reserve - environment	69	39	69	39
Special charge reserve - canals	856	856	856	856
	<u>105,907</u>	<u>97,419</u>	<u>105,907</u>	<u>97,419</u>
Unrestricted funds	88,610	80,522	81,333	74,482
Total cash and cash equivalents	<u>194,517</u>	<u>177,941</u>	<u>187,240</u>	<u>171,901</u>

Council transitioned its operational banking from the Australia and New Zealand Banking Group (ANZ) to the Commonwealth Bank of Australia (CBA) following a comprehensive tender process. The CBA banking and bill payment services contract allows Council to access until 30 June 2023 the Queensland Whole of Government Transactional Banking and Payment Services Agreement between the State and CBA. RIC banking facilities remain with ANZ.

The group holds the below facilities with the ANZ and CBA to facilitate its operational monetary requirements. Unrestricted access was available at balance date to these facilities and their associated values are:

ANZ Overdraft Facility (RIC)	\$300,000
ANZ Liability for Bank Guarantee	\$50,000
CBA Corporate Charge Card	\$385,000
CBA Intra Day Credit Accommodation	\$5,000,000
CBA Liability for Bank Guarantee	\$2,550,000

Cash is held with ANZ and CBA in normal business cheque accounts. Both banks currently have a short-term credit rating of A-1 + and a long-term credit rating of AA- from Standard & Poor's.

Deposits at call are held with Queensland Treasury Corporation which has a short-term credit rating of A-1 + and a long-term credit rating of AA+ from Standard & Poor's.

Cash is held at a floating interest rate. The weighted average interest rate is 0.76% (2020: 1.60%).

8 Short-term investment

Council's short-term investment includes investment in a fixed term deposit held with CBA. The fixed term deposit is classified as held-to-maturity investment, has fixed interest rate of 0.68% and matures on 21 October 2021.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

9 Trade and other receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase price/contract price, at trade date. Settlement of these amounts is generally within 30 days from the invoice date.

The collectability of receivables is assessed periodically and based on lifetime expected credit losses and any objective evidence of possible default, the carrying amount is reduced for impairment.

All known bad debts were written-off or provided for at 30 June 2021.

Council is empowered under the provisions of the *Local Government Regulation 2012* to sell an owner's property to recover outstanding rate and statutory charges debts, therefore Council generally does not impair rate and statutory charges receivables.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Rates and utility charges	31,144	31,555	31,099	31,555
Trade and other debtors	7,824	4,961	12,686	7,061
GST recoverable	3,778	3,247	3,737	3,048
Less: Allowance for impairment	(1,110)	(948)	(1,094)	(932)
	41,636	38,815	46,428	40,732

Interest is charged on outstanding rates and charges applied to the land at a fixed rate of 8.53% (2020: 9.83%) per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other receivables. Credit risk is measured and managed using an ageing analysis.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Trade and other receivables ageing analysis:				
Fully performing	27,828	25,293	32,665	26,811
Past due:				
31 - 60 days	4,604	7,012	4,595	6,983
61 - 90 days	1,649	111	1,645	96
> 90 days	7,555	6,399	7,523	6,842
	41,636	38,815	46,428	40,732

Trade and other receivables include \$2,061,439 (2020: \$215,935) of contract receivables under AASB 15 and AASB 1058.

10 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average cost.

Net realisable value is determined on the basis of the market value or list price of similar assets available for sale, less the estimated selling expenses.

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Inventories held for distribution - measured at cost	859	885	859	880
Land held for development and resale:				
Opening balance at 1 July	1,479	12,970	-	-
Acquisition and related costs	3,996	1,611	-	-
Transfer to cost of goods sold	(2,726)	(1,754)	-	-
Transfer (to)/from other non-current asset class	(444)	(11,348)	-	-
Closing balance at 30 June	2,305	1,479	-	-
	3,164	2,364	859	880

11 Investment property

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Opening balance at 1 July	6,716	5,115	1,225	1,091
Acquisition of investment property	504	876	-	-
Revaluation adjustment	363	489	-	134
Disposal of investment property	(781)	-	-	-
Transfer to non-current assets held for sale	-	236	-	-
Closing balance at 30 June	6,802	6,716	1,225	1,225

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

12 Fixed and intangible assets

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, accumulated depreciation and accumulated impairment losses.

Non-current asset thresholds for recognition purposes are as follows:

Land	\$1
Buildings	\$1
Plant & equipment	\$5,000
Roads	\$5,000
Stormwater drainage	\$5,000
Water & wastewater	\$5,000
Parks	\$5,000
Other infrastructure	\$5,000
Waste	\$5,000
Intangibles	\$5,000

Acquisition and/or construction of assets

Acquisitions of assets are initially recorded at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Wages and material costs incurred in the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of non-current assets are expensed as incurred. Expenditure that relates to the replacement of a major component of an asset to maintain its service potential is capitalised.

Assets received in the form of contributions are recognised as assets and revenue at fair value (by Council valuation) where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation

All asset categories are measured under the revaluation model, at fair value, except for waste, parks, plant and equipment and work in progress which are measured under the cost model.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. The valuation methodology maximises observable inputs where available. This is achieved by comprehensively revaluing these assets at least once every five years by engaging either independent external valuers or suitably qualified internal staff. In interim years, valuations are performed with reference to a suitable index.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Details of valuers and methods of valuations are disclosed in Note 24.

Depreciation and amortisation

Land, earthworks, artwork and heritage assets are not depreciated as they have unlimited useful lives. Depreciation on other fixed assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to Council. Management believes that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Assets are depreciated from the date of acquisition, or in respect of internally constructed assets, from the date an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

Depreciation methods and estimated useful lives of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted, where necessary, to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. Details of the range of estimated useful lives for each class of asset are shown in Note 12(a).

Software has a finite life between 3 and 10 years. Straight line amortisation is used with no residual value.

Land under roads

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

12(a) Property, plant and equipment

Asset class	Note	Land	Buildings	Plant and equipment	Roads	Stormwater drainage	Water and wastewater	Parks	Other infrastructure	Waste	Work in progress	Total
Basis of measurement		Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Cost	Fair value	Cost	Cost	
Range of estimated useful life in years		n/a	10-75	3-10	10-120	20-150	10-134	16-60	15-100	5-70	n/a	

Council - 30 June 2021												
Asset values	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening gross value as at 1 July 2020	278,979	152,560	47,983	919,371	597,248	1,336,107	108,183	297,667	17,090	23,887		3,779,075
Assets not previously recognised or disposed	-	-	-	21	9	23	-	-	-	-	-	53
Work in progress expenditure	-	-	-	-	-	-	-	-	-	-	64,469	64,469
Transfers from work in progress	-	-	-	-	-	-	-	-	-	-	(65,344)	(65,344)
Additions	112	2,431	6,180	30,388	2,386	11,136	8,923	1,272	2,584	-	-	65,412
Contributed assets at fair value	-	-	27	2,846	3,753	5,439	-	-	-	-	-	12,065
Disposals	(41)	(266)	(3,715)	(7,926)	(234)	(1,085)	(2,526)	-	-	-	-	(15,793)
Revaluation adjustments	7,344	-	-	35,625	23,809	39,984	-	-	-	-	-	106,762
Transfers between asset classes/intangible assets	-	(400)	112	(123)	566	136	(380)	78	-	-	-	(11)
Assets transferred to/from inventories	444	-	-	-	-	-	-	-	-	-	-	444
Closing gross value at 30 June 2021	286,838	154,325	50,587	980,202	627,537	1,391,740	114,200	299,017	19,674	23,012		3,947,132
Accumulated depreciation												
Opening balance as at 1 July 2020	-	46,825	25,443	283,203	169,534	562,388	50,218	50,286	2,720	-		1,190,617
Depreciation adjustments	-	-	-	11	1	13	-	-	-	-	-	25
Depreciation for the year	-	3,301	5,521	15,962	6,474	23,803	4,586	3,955	343	-	-	63,945
Depreciation on disposals	-	(166)	(3,118)	(5,688)	(63)	(687)	(1,960)	-	-	-	-	(11,682)
Depreciation on revaluation adjustments	-	-	-	11,707	7,033	17,508	-	-	-	-	-	36,248
Depreciation on transfers between asset classes/intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 30 June 2021	-	49,960	27,846	305,195	182,979	603,025	52,844	54,241	3,063	-		1,279,153
Council book value as at 30 June 2021	286,838	104,365	22,741	675,007	444,558	788,715	61,356	244,776	16,611	23,012		2,667,979
Consolidated book value as at 30 June 2021	286,125	104,672	22,773	675,007	444,558	788,715	61,356	244,776	16,611	22,977		2,667,570

RIC held no material property, plant and equipment as at 30 June 2021. As such, the consolidated results are presented in aggregate.

Land with a carrying value of \$15,296,831 (2020: \$14,833,483) has restricted use as a result of a development management agreement entered into with the Walker Group for development of the Toondah Harbour Priority Development Area (refer Note 19).

Included in land assets above is a property located at 248 Middle Street with a carrying value of \$2,963,891 (2020: \$2,863,663). This property is subject to an operating lease and not held for use by Council. Refer to Note 13 for details of operating leases where Council is lessor.

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REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended 30 June 2021

12(b) Property, plant and equipment - prior year comparative

Asset class	Note	Land	Buildings	Plant and equipment	Roads	Stormwater drainage	Water and wastewater	Parks	Other infrastructure	Waste	Work in progress	Total
Basis of measurement		Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Cost	Fair value	Cost	Cost	
Range of estimated useful life in years		n/a	10-75	3-10	10-120	20-150	10-134	16-60	15-100	5-70	n/a	

Council - 30 June 2020												
Asset values		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening gross value as at 1 July 2019		258,748	135,397	49,087	890,836	591,590	1,333,154	100,451	299,005	16,465	18,086	3,692,819
Assets not previously recognised or disposed		-	-	(5)	7	157	133	-	-	-	-	292
Work in progress expenditure		-	-	-	-	-	-	-	-	-	68,719	68,719
Transfers from work in progress		-	-	-	-	-	-	-	-	-	(62,918)	(62,918)
Additions		5,888	7,568	6,013	20,397	807	2,006	10,536	7,659	642	-	61,516
Contributed assets at fair value		-	-	-	3,065	3,007	2,809	11	4	-	-	8,896
Disposals		(470)	(258)	(6,843)	(3,963)	(145)	(2,172)	(1,047)	(1,398)	(17)	-	(16,313)
Revaluation adjustments		3,762	(1,144)	-	-	-	-	-	-	-	-	2,618
Revaluation adjustments for assets transfer from non-current assets held for sale		-	10,813	-	1,662	-	-	-	-	-	-	12,475
Transfers between asset classes		-	184	23	7,367	1,832	177	(1,980)	(7,603)	-	-	-
Transfers to/from held for sale/intangible assets		11,051	-	(292)	-	-	-	212	-	-	-	10,971
Closing gross value at 30 June 2020		278,979	152,560	47,983	919,371	597,248	1,336,107	108,183	297,667	17,090	23,887	3,779,075
Accumulated depreciation												
Opening balance as at 1 July 2019		-	55,811	25,913	268,307	163,088	540,753	46,571	47,984	2,511	-	1,150,938
Depreciation adjustments		-	-	(5)	-	60	3	-	-	-	-	58
Depreciation for the year	6	-	4,714	5,533	17,054	6,435	23,589	4,283	2,687	226	-	64,521
Depreciation on disposals		-	(130)	(5,789)	(3,100)	(49)	(1,957)	(822)	(385)	(17)	-	(12,249)
Depreciation on revaluation adjustments		-	(16,126)	-	-	-	-	-	-	-	-	(16,126)
Depreciation on revaluation adjustments for assets transfer from non-current assets held for sale		-	2,556	-	943	-	-	-	-	-	-	3,499
Depreciation on transfers between asset classes		-	-	-	(1)	-	-	1	-	-	-	-
Depreciation on transfers to/from held for sale/intangible assets		-	-	(209)	-	-	-	185	-	-	-	(24)
Accumulated depreciation at 30 June 2020		-	46,825	25,443	283,203	169,534	562,388	50,218	50,286	2,720	-	1,190,617
Council book value as at 30 June 2020		278,979	105,735	22,540	636,168	427,714	773,719	57,965	247,381	14,370	23,887	2,588,458
Consolidated book value as at 30 June 2020		279,067	106,056	22,600	636,168	427,714	773,719	57,965	247,381	14,370	23,478	2,588,518

RIC held no material property, plant and equipment as at 30 June 2020. As such, the consolidated results are presented in aggregate.

Land with a carrying value of \$14,833,483 (2019: \$14,565,134) has restricted use as a result of a development management agreement entered into with the Walker Group for development of the Toondah Harbour Priority Development Area (refer Note 19).

Included in land assets above is a property located at 248 Middle Street with a carrying value of \$2,863,663. This property is subject to an operating lease and not held for use by Council. Refer to Note 13 for details of operating leases where Council is lessor.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

13 Leases

Council as a lessee

Where Council assesses that an agreement contains a lease, a right-of-use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received and is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with AASB 136 *Impairment of Assets*.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / Concessionary / Peppercorn leases

Council has elected to measure the right-of-use asset arising from the concessionary/peppercorn leases at cost which is based on the associated lease liability at initial recognition.

13(a) Terms and conditions of leases

Council has leases in place over land, buildings, and plant and equipment.

Land

Council leases eleven parcels of land from the Department of Resources which are used for various community benefits. The term of these leases range between 20 and 50 years, with no renewal options available to Council. Annual lease payments are calculated to be 6% of the property valuation, which is subject to change year on year.

Council leases one parcel of land which is used as a carpark for public benefit. The term of this lease is four years, with no renewal options available to Council. This lease represents a concessionary lease, where consideration by way of lease payments has been calculated to equate to the rates and charges Council will collect on this property. Therefore, Council has elected to measure the right-of-use asset arising from this lease at cost, based on the associated liability at initial recognition.

Buildings

Council leases two buildings, one of which is used as a library, and the other is used as a visitor information centre. The term of these leases are 10 years and 3 years respectively, with one lease containing a renewal option which was exercised during the 2019-20 financial period at Council's discretion. One of the leases includes a fixed annual increase to lease payments of 4%, with the other lease not subject to any changes to lease payments year on year.

Plant and Equipment

Council has three leasing contracts in place for plant and equipment - a lease for an electric vehicle; a lease for multiple waste transfer bins; multiple bulk bins and waste collection vehicles; and a lease for two road sweeping vehicles. The term of these leases range between 1 and 12 years, each requiring fixed payments for the term of the lease.

A lease liability and right-of-use asset has not been recognised for the lease of waste collection vehicles, bulk bins, and road sweeping vehicles, as the consideration for these leases is completely variable based on usage with no dependency on an index or rate, and with no fixed payments. As a result, the lease payments are recognised within the Statement of Comprehensive Income as an expense when incurred and invoiced by the lessor. Refer to "Amounts included in the Statement of Comprehensive Income related to leases" section below for the total expense incurred in the 2020-2021 financial period in relation to waste collection vehicles, bulk bins, and road sweeping vehicles.

Right-of-use assets

Council	Land \$ \$000	Buildings \$ \$000	Plant & Equipment \$ \$000	Total \$ \$000
Balance at 1 July 2020	3,247	3,315	563	7,125
Additions to right-of-use assets	-	-	-	-
Adjustments to right-of-use assets due to remeasurement of lease liability	90	15	-	105
Depreciation charge	(413)	(595)	(194)	(1,202)
Impairment of right-of-use assets	-	-	-	-
Balance at 30 June 2021	2,924	2,735	369	6,028

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

13 Leases - continued

13(a) Terms and conditions of leases - continued

Right-of-use assets

Council - prior year comparison	Land \$ \$000	Buildings \$ \$000	Plant & Equipment \$ \$000	Total \$ \$000
Adoption of AASB 16 at 1 July 2019	3,564	3,912	917	8,393
Transfer from leased assets (former finance leases)	-	-	-	-
Additions to right-of-use assets	98	-	-	98
Adjustments to right-of-use assets due to remeasurement of lease liability	-	-	27	27
Depreciation charge	(415)	(597)	(381)	(1,393)
Impairment of right-of-use assets	-	-	-	-
Balance at 30 June 2020	3,247	3,315	563	7,125

13(b) Lease liabilities

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the Consolidated Statement of Financial Position.

Council	< 1 year \$000	1-5 years \$000	> 5 years \$000	Total contractual cash flows \$000	Total per statement of financial position \$000
2021	1,256	4,220	2,262	7,738	6,979
2020	1,438	4,782	2,724	8,944	8,069

Liabilities not recognised - extension options

When lease contracts provide Council with extension options that can be exercised at Council's discretion, at each reporting date Council assesses whether it is reasonably certain that the extension options will be exercised based on current operations and Council strategy.

As at 30 June 2021, all extension options available to Council have been assessed as reasonably certain of being exercised, and have been included within the lease liability.

Amounts included in the Consolidated Statement of Comprehensive Income related to leases

The following amounts have been recognised in the Consolidated Statement of Comprehensive Income for leases where Council is the lessee

Council	2021 \$000	2020 \$000
Interest on lease liabilities	145	165
Variable lease payments based on usage not included in the measurement of lease liabilities	6,741	6,596
Income from sub-leasing right-of-use assets	(36)	(38)
Depreciation of right-of-use assets	1,202	1,393
Expenses relating to short-term leases	-	6
	8,052	8,122
Total cash outflows for leases	7,017	7,535

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

13 Leases - continued

13(c) Leases at significantly below market value - Concessionary / peppercorn leases

As stated within the "Terms and conditions of leases" section above, Council has one lease in place with lease payments of \$25k per annum which is deemed significantly below market for land of similar use. Council's use of the right-of-use asset is restricted by the lessor to the specified permitted use per the lease contract, being 'car parking'.

Council considers this concessionary / peppercorn lease not material.

13(d) Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term.

Finance leases:

Council does not have any finance leases in place.

Operating leases:

Where Council retains the risks and rewards relating to a lease, the lease is classified as an operating leases.

The minimum lease receipts arising from operating leases are as follows:

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Operating Leases				
Not later than one year	880	710	663	452
Between one and two years	731	550	602	399
Between two and three years	358	454	311	385
Between three and four years	273	302	226	297
Between four and five years	180	225	149	225
Later than five years	734	883	734	883
	3,156	3,124	2,685	2,641

The assets are included in the statement of financial position as:

- investment property - where the asset is held predominantly for rental or capital growth purposes (refer note 11) or
- property, plant and equipment - where the rental is incidental or the asset is held to meet Council's service delivery objectives (refer note 12).

Assets classified as investment property:

Council's wholly owned subsidiary Redland Investment Corporation Pty Ltd has entered into commercial property leases on its investment property, specifically Cleveland Plaza.

Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.

The minimum lease receipts arising from operating leases are as follows:

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Rental income (excluding variable lease payments not dependent on an index or rate)	291	303	-	-
Rental income relating to variable lease payments not dependent on an index or rate	-	-	-	-
Direct operating expenses from property that generated rental income	128	148	-	-

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council, accumulated allowance for uncollectible minimum lease payments receivable or contingent rents recognised as income applicable to the leases.

There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal. The council does not have any contractual obligations to purchase, construct or develop investment property.

Assets classified as property, plant and equipment:

Note	Consolidated		Council	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Rental income (excluding variable lease payments not dependent on an index or rate)	550	576	550	576
Rental income relating to variable lease payments not dependent on an index or rate	-	-	-	-

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

13 Leases - continued

Amount of property, plant and equipment leased out by Council under operating leases:

	Note	Consolidated		Council	
		2021	2020	2021	2020
		\$000	\$000	\$000	\$000
Land		3,827	3,697	3,827	3,697
Buildings		1,598	1,647	1,598	1,647
Total property, plant and equipment leased out by Council under operating leases		<u>5,425</u>	<u>5,344</u>	<u>5,425</u>	<u>5,344</u>

14 Trade and other payables

Creditors and accruals are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase or contract price. Amounts owing are unsecured and generally settled within 30 days.

Creditors and accruals are expected to be settled within 12 months and includes accrued salaries and wages.

Annual leave represents the amount which Council has a present obligation to pay resulting from employees' services provided up to the reporting date. As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability. Of the consolidated annual leave balance, \$6,028,082 (2020: \$5,516,308) is expected to be settled within 12 months from the balance date and \$1,602,085 (2020: \$2,429,196) is expected to be settled after 12 months.

	Note	Consolidated		Council	
		2021	2020	2021	2020
		\$000	\$000	\$000	\$000
Creditors and accruals		37,938	34,875	37,900	34,387
Annual leave		7,630	7,946	7,575	7,880
		<u>45,568</u>	<u>42,821</u>	<u>45,475</u>	<u>42,267</u>

15 Borrowings

15(a) Current

Loans - Queensland Treasury Corporation (QTC)

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
	8,919	8,326	8,919	8,326
	<u>8,919</u>	<u>8,326</u>	<u>8,919</u>	<u>8,326</u>

15(b) Non-current

Loans - Queensland Treasury Corporation (QTC)

	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
	35,233	32,852	35,233	32,852
	<u>35,233</u>	<u>32,852</u>	<u>35,233</u>	<u>32,852</u>

15(c) Movement in loans:

Opening balance at 1 July	41,178	37,266	41,178	37,266
Loan repayment - principal*	(6,369)	(5,530)	(6,369)	(5,530)
Loan repayment - interest	(2,048)	(2,416)	(2,048)	(2,416)
Accrued interest expense	1,779	2,058	1,779	2,058
Loan drawdown	9,612	9,800	9,612	9,800
Closing balance at 30 June	<u>44,152</u>	<u>41,178</u>	<u>44,152</u>	<u>41,178</u>

* Council's borrowing capacity is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*. All Council borrowings are sourced from QTC.

The market value of QTC loans at the reporting date was \$45,827,175 (2020: \$44,517,770). This represents the debt value at the current market interest rate if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. No assets have been pledged as security by Council for any liabilities, however all loans are ultimately guaranteed by the Queensland Government. Expected final repayment dates vary from 15 July 2021 to 15 July 2040. There have been no defaults or breaches of the loan agreement during the year.

Borrowings are in AUD denominated amounts and carried at amortised cost. Interest is expensed as it is incurred. The weighted average borrowing rate is 4.62% (2020: 5.67%). Borrowings are on a fixed rate. No borrowing costs were capitalised on qualifying assets.

Council measures and manages its exposure to liquidity risk through a maturity analysis. The remaining contractual cash flows of financial liabilities at the end of the reporting period were:

	Note	Consolidated		Council	
		2021	2020	2021	2020
		\$000	\$000	\$000	\$000
Less than 1 year		9,000	8,417	9,000	8,417
1 to 5 years		21,531	24,180	21,531	24,180
Over 5 years		20,122	14,708	20,122	14,708
Total contractual cash flows		<u>50,653</u>	<u>47,305</u>	<u>50,653</u>	<u>47,305</u>
Carrying amount		44,152	41,178	44,152	41,178

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

16 Provisions

Employee benefit provisions

Employee benefits are classified as provisions when the timing or amount of the future payment is uncertain. Employee benefit provisions are further classified as current if they are expected to be settled within 12 months after the end of the period in which the employees render the related service or as non-current if they are not expected to be settled within 12 months after the end of the period in which the employees render the related service.

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using projected future increase in the current pay rates including oncosts, the probability of the employee remaining in Council's employment or other associated employment as well as the timing of leave payouts. The payments are discounted using market yields of Commonwealth Government bonds at the end of the reporting period with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Rehabilitation provisions

A provision is made for the cost of restoration in respect of landfills and represents the present value of the anticipated future costs of decontamination and monitoring of historical residues and leaching on these sites.

A provision is also made for the cost of restoration of the German Church Road quarry and represents the present value of the anticipated future costs associated with the closure of the quarry and the rehabilitation of this site.

The calculation of these provisions requires assumptions such as application of environmental legislation, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Due to the long-term nature of the liabilities, the most significant uncertainty in estimating the provision is the cost that will be incurred. The provisions recognised for landfill and quarry sites are reviewed at least annually and updated based on the facts and circumstances available at the time.

Note	Consolidated		Council	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
16(a) Current				
Landfill rehabilitation	3,969	2,226	3,969	2,226
Workers compensation	915	491	915	491
Long service leave	12,535	11,697	12,535	11,697
	<u>17,419</u>	<u>14,414</u>	<u>17,419</u>	<u>14,414</u>
16(b) Non-current				
Quarry rehabilitation	410	445	410	445
Landfill rehabilitation	17,990	10,814	17,990	10,814
Workers compensation	1,051	728	1,051	728
Long service leave	2,097	2,249	1,996	2,175
	<u>21,548</u>	<u>14,236</u>	<u>21,447</u>	<u>14,162</u>
16(c) Long service leave				
Current long service leave (expected settlement within 12 months)	1,284	1,325	1,284	1,325
Current long service leave (expected settlement after 12 months)	11,251	10,372	11,251	10,372
Non-current long service leave*	2,097	2,249	1,996	2,175
Total long service leave	<u>14,632</u>	<u>13,946</u>	<u>14,531</u>	<u>13,872</u>

* The non-current portion relates to employees who have not yet reached the required years of service to be entitled to take long service leave.

16(d) Movements in provisions

Quarry rehabilitation

Opening balance at 1 July	445	404	445	404
Increase/(decrease) in provision	(35)	41	(35)	41
Closing balance at 30 June	<u>410</u>	<u>445</u>	<u>410</u>	<u>445</u>

This is the estimated present value cost of restoring the quarry site to as near its original condition as possible at the end of its useful life.

Landfill rehabilitation

Opening balance at 1 July	13,040	14,252	13,040	14,252
Increase/(decrease) in provision due to change in discount rate and costs	10,572	418	10,572	418
Provision utilised during the period	(1,769)	(1,677)	(1,769)	(1,677)
Increase in provision due to passage of time - borrowing costs	116	47	116	47
Closing balance at 30 June	<u>21,959</u>	<u>13,040</u>	<u>21,959</u>	<u>13,040</u>

This is the estimated present value cost of restoring closed landfill sites across the city and is based on Council's 10 year expenditure program. The program is funded by a separate charge. During the 2020-2021 financial year an increase in the provision for the refuse landfill sites of \$10,687,846 was recognised largely due to updated estimates of cost inputs for remediation work following additional investigations.

The findings of investigation works are used to determine appropriate long-term strategies to manage the area for the benefit of local sporting communities to ensure there is no adverse risk to people or the environment while maintaining the suitability of sites for ongoing use as public open space.

Extensive communication has occurred with the Department of Environment and Science (DES) around the investigations to finalise its remediation approach. The remediation will be overseen by Council's appointed Contaminated Land Auditor (CLA) and external consultants.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

16 Provisions - continued

16(d) Movements in provisions - continued

	Consolidated		Council	
	2021	2020	2021	2020
Note	\$000	\$000	\$000	\$000
<u>Workers compensation</u>				
Opening balance at 1 July	1,219	1,089	1,219	1,089
Adjustment for period	747	130	747	130
Closing balance at 30 June	1,966	1,219	1,966	1,219
<u>Long service leave</u>				
Opening balance at 1 July	13,946	13,064	13,872	13,013
Long service leave entitlement raised	1,845	2,195	1,818	2,172
Long service entitlement used/extinguished	(760)	(952)	(760)	(952)
Long service entitlement paid	(399)	(361)	(399)	(361)
Closing balance at 30 June	14,632	13,946	14,531	13,872

17 Other current liabilities

	Consolidated		Council	
	2021	2020	2021	2020
Note	\$000	\$000	\$000	\$000
Unearned revenue	1,439	955	1,439	955
Prepaid rates	1,729	1,162	1,729	1,162
Unearned grants	3,029	317	3,029	317
	6,197	2,434	6,197	2,434

Other current liabilities include \$3,028,552 (2020: \$316,920) of contract liabilities under AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*.

18 Asset revaluation surplus

The closing balance of the asset revaluation surplus comprises the following asset categories. Increases and decreases on revaluation are offset within the same asset categories.

	Consolidated		Council	
	2021	2020	2021	2020
Note	\$000	\$000	\$000	\$000
Land	100,594	93,250	100,594	93,250
Buildings	76,998	76,998	76,998	76,998
Roads	294,377	270,459	294,377	270,459
Stormwater drainage	234,892	218,116	234,892	218,116
Water and wastewater	199,614	177,138	199,614	177,138
Other infrastructure	199,879	199,879	199,879	199,879
	1,106,354	1,035,840	1,106,354	1,035,840

19 Commitments

	Consolidated		Council	
	2021	2020	2021	2020
Note	\$000	\$000	\$000	\$000
Operating contractual commitments				
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:				
Roadworks	115	203	115	203
Water and wastewater	2,373	2,381	2,373	2,381
Waste	148,494	164,844	148,494	164,844
Other	66,609	41,781	66,561	41,781
	217,591	209,209	217,543	209,209
These expenditures are payable:				
Within 1 year	78,844	57,424	78,819	57,424
1 to 5 years	86,892	91,082	86,879	91,082
Greater than 5 years	51,855	60,703	51,845	60,703
	217,591	209,209	217,543	209,209
Capital contractual commitments				
Commitments for the construction of the following assets contracted for at year end but not recognised as liabilities are as follows and are payable within 1 year:				
Roadworks	31	-	31	-
Water and wastewater	1,051	1,230	1,051	1,230
Waste	11	89	11	89
Other	14,585	9,164	14,585	9,164
	15,678	10,483	15,678	10,483

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

19 Commitments - continued

Council has entered into a Development Agreement (DA) with the Minister for Economic Development Queensland (MEDQ) and Walker Group (Walker) to develop land owned by Council and the State as part of the Toondah Harbour project. The DA was executed in February 2016 and is currently in the environmental approvals phase of the project. In accordance with the DA, Council land to be developed by Walker as part of this project, is included in property, plant and equipment and has a carrying value of \$15,298,831 (2020: \$14,833,483). A portion of the land will be developed for community infrastructure and will be transferred (where not already owned) to Council.

20 Contingent liabilities and contingent assets

Contingent liabilities:

Details and estimates of contingent liabilities as at 30 June 2021 are as follows:

Workers' compensation self-insurer liability

The estimated claims liability for Council as a self-insurer under the *Workers' Compensation and Rehabilitation Act 2003* ('the Act') as at 30 June 2021 is \$1,793,000 (2020: \$1,255,000) where estimated claims liability is defined in Section 84 of the Act. The Actuary has recommended that a provision be recognised for \$1,966,000 (2020: \$1,219,000) for the total estimated claims liability. Council has in place a bank guarantee with the CBA Banking Group Ltd for \$2,550,000 (2020: \$2,550,000 with ANZ).

Local Government Mutual

Council is a member of the Queensland Local Government Mutual Liability (LGM Queensland) self-insurance pool. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2020 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Other claims

The Quandamooka-Redland City Council Indigenous Land Use Agreement (ILUA) sets out broad principles and mechanisms for how parties will work together and meet their respective responsibilities for mutual benefits in accordance with the *Native Title (Queensland) Act 1993*. The ILUA establishes native title validation and consultation for Council's projects and a framework for other policies, programmes and initiatives for the mutual benefit of parties and local community.

Council is a defendant in a number of claims including a class action claim that arise as a result of the operations of Council and its ownership of public assets. On 13 September 2021, a determination on the class action claim was received by Council. At the time of this disclosure Council is unable to reliably estimate the value of the outcome, and further legal proceedings may establish a reliable estimate of Council's probable liability. All liability claims are subject to review and are only provided for when genuine and not contingent on a future event. Liability and insurance claims not provided for are disclosed as contingent liabilities.

Information in respect of individual claims has not been disclosed on the basis that Council considers such disclosures would seriously prejudice the outcome of these claims.

Landfill remediation

Council has historically recognised, and continues to recognise, a provision for the remediation of former landfill sites throughout the city to ensure compliance with legal obligations. The legal obligation is broad and covered in a range of legislation such as the *Environmental Protection Act 1994*, *Petroleum and Gas (Production and Safety) Act 2004*, *Planning Act 2016* and *Work Health and Safety Act 2011*, plus subordinate legislation (such as various regulations and codes of practice) and other industry guidelines.

Council is taking a risk-based approach to justify and prioritise expenditure for managing these landfills with aftercare management plans under development for each site. Risks will continue to be reviewed and updated in line with relevant information from site inspections, detailed investigations, environmental monitoring results, asset owner feedback, site master plans and other service standards. Costs may change over time and at least annually, this program will be reviewed to reflect the dynamic circumstances against Council's prudence and efficiency measures.

Contingent assets:

Council has no contingent assets at the date of this report.

21 Superannuation

Council contributes to the LGIA Super Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIA Super trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the Council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of Council.

Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIA Super trust deed changes to Council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

21 Superannuation - continued

	Consolidated		Council	
	2021	2020	2021	2020
Note	\$000	\$000	\$000	\$000
No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions				
The next triennial actuarial review is not due until 1 July 2021.				
The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:				
▪ Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.				
▪ Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.				
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of Councillors was:	144	154	144	154
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of the Executive Leadership Team was:	286	289	286	289
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of all other employees was:	9,005	8,879	9,005	8,879

22 Trust funds

	Consolidated		Council	
	2021	2020	2021	2020
Note	\$000	\$000	\$000	\$000
Monies collected or held on behalf of other entities	3,801	3,858	3,801	3,858

These funds relate to monies yet to be paid out to or on behalf of those entities and Council performs only a custodial role in respect of these monies. Council separately accounts for all trust funds through a dedicated trust ledger and within a separate account whereby balances are excluded from the Consolidated Statement of Financial Position.

23 Reconciliation of net result for the year to net cash flows from operating activities

	Consolidated		Council	
	2021	2020	2021	2020
Note	\$000	\$000	\$000	\$000
Net result	20,490	16,035	20,808	17,586
<u>Non-cash items</u>				
Depreciation and amortisation	65,773	67,005	65,741	66,966
Asset not previously recognised or disposed	(29)	(235)	(29)	(235)
Net accrued interest	(265)	(358)	(268)	(358)
Non-cash contributions	(12,064)	(8,897)	(12,064)	(8,897)
Bad and doubtful debts	179	303	163	287
Fair value adjustment - investment property	(363)	(489)	-	(134)
	53,231	57,329	53,543	57,629
<u>Investing and development activities</u>				
Net loss on disposal of non-current assets	3,081	2,507	3,079	1,200
Capital grants and contributions	(23,576)	(18,248)	(23,841)	(18,248)
	(20,495)	(15,741)	(20,762)	(17,048)
<u>Changes in operating assets and liabilities</u>				
(Increase)/decrease in trade and other receivables	(2,532)	(10,308)	(2,208)	(9,419)
(Increase)/decrease in other current assets and inventories	(1,117)	9,175	162	2,097
Increase/(decrease) in trade and other payables	2,858	4,635	3,181	8,536
Increase/(decrease) in provisions	10,318	(161)	10,289	(184)
Increase/(decrease) in other current liabilities	1,033	(5,951)	1,033	(5,807)
	10,560	(2,610)	12,457	(4,777)
Net cash inflow/(outflow) from operating activities	63,786	55,013	66,046	53,390

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

24 Fair value measurements

The carrying amount of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment where relevant. The carrying value of cash and cash equivalents is a reasonable approximation of fair value and therefore separate disclosures of the fair values are not required.

Investments in 100% controlled entities and investments in other entities do not have a quoted market price in an active market and are valued at cost less any impairment. Shares in controlled entities have been eliminated on consolidation.

Redland City Council measures land, buildings, infrastructure assets and investment property at fair value on a recurring basis.

In accordance with AASB 13, fair value measurements are categorised on the following basis:

Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

Fair value based on inputs that are directly or indirectly observable for the asset or liability (Level 2)

Fair value based on unobservable inputs for the asset and liability (Level 3)

All fair value measurements are recurrent and categorised as either Level 2 or Level 3. Council does not hold any assets valued using Level 1 inputs. Where all significant inputs used to value the asset are observable, the asset is valued at Level 2. However, if one or more of the significant inputs are unobservable, the asset is valued as Level 3.

The following table represents the material asset classes measured and recognised at fair value at 30 June 2021.

2021	Gross value	Written down value	Level 2	Level 3
	\$000	\$000	\$000	\$000
Land	286,838	286,838	28,491	258,347
Buildings	154,325	104,365	-	104,365
Roads	980,202	675,007	-	675,007
Stormwater drainage	627,537	444,558	-	444,558
Water and waste water	1,391,740	788,715	-	788,715
Other infrastructure	299,017	244,776	-	244,776
	3,739,659	2,544,259	28,491	2,515,768

The following table represents the material asset classes measured and recognised at fair value at 30 June 2020.

2020	Gross value	Written down value	Level 2	Level 3
	\$000	\$000	\$000	\$000
Land	278,979	278,979	27,919	251,060
Buildings	152,560	105,735	-	105,735
Roads	919,371	636,168	-	636,168
Stormwater drainage	597,248	427,714	-	427,714
Water and waste water	1,336,107	773,719	-	773,719
Other infrastructure	297,667	247,381	-	247,381
	3,581,932	2,469,696	27,919	2,441,777

Council's policy is to recognise transfers in and out of the fair value hierarchy levels (if any) at the end of the reporting period and is consistent with the previous year. Details of valuation movements are shown in Note 12. The additional in year movements for land assets held at Level 2 and Level 3 are reflected in the table below.

2021 Land	Level 2	Level 3	Total
	\$000	\$000	\$000
Opening balance 1 July 2020	27,919	251,060	278,979
Additions and contributions	(38)	150	112
Disposals	(29)	(12)	(41)
Transfer Level 2 to Level 3	-	-	-
Transfers between asset classes	-	-	-
Asset transfers to /from inventories	-	444	444
Revaluation	639	6,705	7,344
Closing balance 30 June 2021	28,491	258,347	286,838

2020 Land	Level 2	Level 3	Total
	\$000	\$000	\$000
Opening balance 1 July 2019	30,445	228,303	258,748
Additions and contributions	1,511	4,377	5,888
Disposals	(74)	(396)	(470)
Transfer Level 2 to Level 3	(1,789)	1,789	-
Asset transfers	-	11,051	11,051
Asset transfers to /from inventories	-	-	-
Revaluation	(2,174)	5,936	3,762
Closing balance 30 June 2020	27,919	251,060	278,979

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

24 Fair value measurements - continued**Valuation techniques used to derive fair values**

The specific valuation techniques used to value Council's assets are documented below. Fair value represents the highest and best use of the assets having regard to the optimal financial, physical and legal use of the asset. Residual values have not been applied to any asset category.

Land

All Council freehold land was comprehensively valued as at 30 June 2020 by qualified independent external valuer, AssetVal Pty Ltd (AssetVal).

The valuations were based on publicly available data on sales of similar land in nearby localities applying a direct comparison method. Where an active market exists and there are no unreasonable restrictions as to use and/or sale, the land was deemed to be valued as Level 2.

Where no active market existed, or there were restrictions on the use and/or sale, the land was assessed as Level 3. Land carrying a parkland zone, or land utilised for footpath or access restriction purposes, or due to its general characteristics, land that has no observable active market, has been assessed as Level 3. The most significant input to the determination of fair value is the value per square metre.

Qualified external valuer AssetVal was commissioned to undertake an independent indexation analysis as at 30 June 2021.

Recent land sales trends and other market evidence were considered. AssetVal's report further indicated that the market the asset is transacted or assessed in is being impacted by the uncertainty the COVID 19 outbreak has caused. Given the valuation uncertainty, it was recommended that the valuation report be reviewed periodically.

The recommended indexation rate for mainland assets as at 30 June 2021 is 3.5%.

Buildings

All buildings were comprehensively valued as at 30 June 2020 by independently qualified external valuer, Australia Pacific Valuers Pty Ltd (APV). Due to the specialist nature of these assets and the absence of an active market, fair value was assessed by using the Cost Approach, however has been informed by property sales data where relevant and available. For the purpose of Fair Value Measurement disclosures, the assets were valued using cost valuation technique and level 3 valuation hierarchy.

The Cost Approach valuation methodology is based on determining the replacement cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

Complex assets have been componentised and depreciated separately. This included further splitting each component into the short-life and long-life parts to differentiate between that part of the component that is renewed and that part which is recycled. As they have a different useful life they are to be depreciated separately.

The Fair Value has been determined by applying the following process:

- Determine the replacement cost (gross)
- Determine the components and where relevant split between short-life and long-life parts based on planned asset management strategies.
- Determine the depreciable amount for each part by assessing the residual value (typically zero).
- Assessing the level of remaining service potential of the depreciable amount of each component (short-life and long-life parts).
- Summing the calculated value of the short-life part and long-life part together to determine the value of each component.
- Summing the value of each component together to determine the Fair Value (replacement cost).

Physical site inspections were carried out by APV on a sample of buildings. The purpose was to confirm the existence and assess the condition of the buildings. The condition assessment was used as an indication of how the assets are contributing to the current performance and to determine fair value accordingly. For buildings not assessed as part of the revaluation exercise, APV utilised the recent condition assessment data prepared by the FCT Management Group as a basis to derive fair values.

Qualified external valuer, APV was commissioned to undertake an independent indexation analysis at 30 June 2021. Various published indices were used to identify construction cost trends, the unit sales applied in the valuation also considered design standard and/or regulatory requirement of the various building types and applied the indices in construction costs for the index period ending 30 June 2021.

APV's report further indicated that the market the assets are valued in is being impacted by the uncertainty that the COVID 19 outbreak has caused. However, in the recent situation, it is the valuer's opinion that in the short term there would be no material change in values.

The proposed indexation rate for building as at 30 June 2021 is 1.0%. As the change is immaterial, Council will not account for the indexation impact as recommended by APV.

Road infrastructure assets

Road assets were comprehensively valued as at 30 June 2018 by Cardno (QLD) Pty Ltd (Cardno). As these are specialist public service assets that are rarely independently sold, current replacement cost was determined as the most appropriate valuation method. These assets were considered to have been valued using Level 3 inputs.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

24 Fair value measurements - continued**Road infrastructure assets - continued**

Unit rates were determined with reference to recent Council construction data, Cardno developed databases and cost curves, Rawlinsons Australia Construction Handbook, and other published building indices. These rates were applied to the asset specifications including depth, length and width. Unit rates take into consideration material, labour, service and overhead costs (survey 6.0%, design 5.0%, engineering supervision 3.0%, project management 6.0%). All roads are divided into segments and componentised into earthworks, base, sub-base and surface to reflect different lives to each component.

Useful lives were developed by Cardno with reference to common engineering and industry practice standards and Council's historical evidence. The expected lives of roads assets were determined with reference to material types and construction methods and allowance was made for assets located on the islands.

The remaining useful lives were determined on an aged basis with reference to the total expected life of the asset and as a result the accumulated depreciation was calculated on a straight line basis. The significant unobservable inputs used in the valuation of road infrastructure assets were: expected useful life and remaining life.

Qualified external valuer, Cardno, was commissioned to undertake an independent indexation analysis of road infrastructure assets at 30 June 2021. The review was based on consideration of general economic conditions; specific industry or market report conditions relevant for the asset under review; and changes to relevant legislation, standard, construction techniques or inputs. The indices provided reflect the impact of COVID 19 on construction works for the relative period. The movement in the reference indices is not material which adds weight to an overall stable outlook for 2020-2021 construction period.

Cardno advised that the cumulative movement for road infrastructure asset at 30 June 2021 is 4.0%.

Stormwater drainage infrastructure assets

Stormwater drainage assets were independently valued as at 30 June 2018 by qualified external valuer, Cardno. As these are specialist public service assets that are rarely independently sold, replacement cost was determined as the most appropriate valuation method. These assets were considered to have been valued using Level 3 inputs. Unit rates and replacement costs were determined with reference to recent Council construction data, Cardno developed databases and cost curves, Rawlinsons Australia Construction Handbook, and other building indices. These rates were applied to the asset specifications including depth, length and width. Unit rates take into consideration material, labour, service and overhead costs (survey 6.0%, design 5.0%, engineering supervision 3.0%, project management 6.0%).

Other cost factors considered when developing replacement costs for passive assets were soil and development type, economies of scale and asset depth. These factors together with the expected useful life and remaining life are considered the significant unobservable inputs used in the valuation.

Useful lives were developed by Cardno with reference to common engineering and industry practice standards and Council's historical evidence. Where appropriate the lives of assets located within 50m of the coast or in poor soils were adjusted to reflect a varied life expectancy.

The remaining useful lives were determined on an aged basis with reference to the total expected life of the asset and as a result, the accumulated depreciation was calculated on a straight line basis. Assets are componentised to reflect varying expected lives and consumption patterns.

Qualified external valuer, Cardno, was commissioned to undertake an independent indexation analysis of stormwater drainage infrastructure assets at 30 June 2021. The review was based on consideration of general economic conditions; specific industry or market report conditions relevant for the asset under review; and changes to relevant legislation, standard, construction techniques or inputs. The indices provided reflect the impact of COVID 19 on construction works for the relative period. The movement in the reference indices is not material which adds weight to an overall stable outlook for 2020-2021 construction period.

Cardno advised that the cumulative movement for stormwater drainage infrastructure assets at 30 June 2021 is 4.0%.

Water and wastewater infrastructure assets

Water and wastewater assets were comprehensively valued as at 30 June 2017 by registered valuer, Cardno. Current replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold and as such were classified as being valued using Level 3 inputs. Significant components with differing expected useful lives and replacement costs were valued separately.

Replacement costs were based on the replacement of the assets with a modern, engineering equivalent with cost factor adjustments applied to reflect the location and site conditions likely on replacement. The costs have been resourced with reference to researched cost data for recent Redland City Council projects and industry costing data and include 20.0% oncosts (survey 6.0%, design 5.0%, construction supervision 3.0%, and project management 6.0%).

Cost factors taken into consideration when determining replacement cost of underground assets were soil and development type. An additional cost factor was applied to all assets located in island locations.

Remaining useful lives of the assets were determined with consideration to the age and condition where assessed, with reference to useful lives developed by Cardno using common engineering and industry practice standards and assessed against Council data.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

24 Fair value measurements - continued**Water and wastewater infrastructure assets -continued**

The condition of passive assets was determined with reference to the age of the assets, while the condition of active assets was determined by Cardno through sampled visual inspection against predetermined condition criteria. Condition inspections were conducted on an additional sample of wastewater pump stations during the 2018-19 financial year and these informed the remaining life assessments of these assets.

Condition assessments were assessed against expected useful lives to determine indicative remaining useful lives and determine accumulated depreciation and fair value.

The significant unobservable inputs used in the valuation were soil, development and island factors; asset condition (active assets); and total expected life and remaining life.

Qualified external valuer, Cardno, was commissioned to undertake an independent indexation analysis of water and wastewater assets at 30 June 2021. The review was based on consideration of general economic conditions; specific industry or market report conditions relevant for the asset under review; and changes to relevant legislation, standard, construction techniques or inputs. The indices provided reflect the impact of COVID 19 on construction works for the relative period. The movement in the reference indices is not material which adds weight to an overall stable outlook for 2020-2021 construction period.

Cardno recommended to apply an index of 3.0% to the water and waste water assets to bring the values up to 30 June 2021.

Other infrastructure assets

These assets include marine, jetty facilities and seawalls and were comprehensively valued as at 30 June 2019 by independent qualified external valuer, Cardno. Current replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold.

The condition assessment inspections were conducted on all marine beacons, ramps, jetties, piles, foreshores access stairs, and swimming enclosures. The purpose of the inspections was to confirm the existence of the assets, its attributes and measurements and determine current condition. The fair value calculation was based primarily on condition, where condition data was not available age was used.

Replacement cost was determined with reference to Council's historical construction records, Cardno's own database of construction costs and other published cost guides. Transportation and other costs unique to work completed on the islands has been taken into consideration by applying an island factor to these assets.

Remaining useful lives were assigned based on physical assessment of the condition of the assets as noted by the valuer during inspection including factors such as the age of the asset, overall condition, economic and/or functional obsolescence. The assets were depreciated with reference to expected useful lives determined through application of industry standards, including the Institute of Public Works Engineering Australia (IPWEA), historic assessment of similar assets, and experience gained from similar valuations by Cardno.

Other infrastructure assets have no market due to their specialised nature. As a result, their current use is their highest and best use. As there is a significant level of professional judgement used in determining the valuation due to the level of unobservable data it has been determined that the overall data level applying to the valuation of Council's assets is Level 3.

The significant unobservable inputs used in the valuation were asset condition, total expected life and remaining life.

Qualified external valuer, Cardno, was commissioned to undertake an independent indexation analysis of other infrastructure assets at 30 June 2021. The review was based on consideration of general economic conditions; specific industry or market report conditions relevant for the asset under review; and changes to relevant legislation, standard, construction techniques or inputs. The indices provided reflect the impact of COVID 19 on construction works for the relative period. The movement in the reference indices is not material which adds weight to an overall stable outlook for 2020-2021 construction period.

Cardno advised that the costs as at 30 June 2021 for other infrastructure assets have not materially changed since the comprehensive valuation undertaken in June 2019.

25 National Competition Policy**Business activities to which the Code of Competitive Conduct (CCC) is applied**

A government business activity is one which competes with private businesses and exceeds thresholds under *Local Government Regulation 2012*. In order to remove any advantages or disadvantages, the competitive neutrality principle must be applied.

Council applied the CCC to the following significant business activities during the financial year ended 30 June 2021:

- City Water (Formerly Redland Water)
- City Waste (Formerly RedWaste)

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

25 National Competition Policy - continued

Financial performance of activities subject to the CCC:

Business activities - 2021	Significant businesses	
	City Water	City Waste
	\$000	\$000
Revenue for services provided to Council	3,073	875
Revenue for services provided to external clients	121,143	35,376
Community service obligations	265	177
	124,481	36,428
Less: Expenditure	107,272	28,903
Operating surplus/(deficit)	17,209	7,525

Description of Community Service Obligations (CSOs):

Activities	CSO description	Actual
		\$000
City Water	CSOs	
	Water concession not-for-profit	103
	Water concealed leaks	92
	Wastewater concession not-for-profit	162
		357
City Waste	CSOs	
	Clean Up Australia Day	-
	Waste Disposal from Community Groups	66
	In-Home Waste, Recycling and Green Waste Collection Service	81
	Bulky Item Collection Service (Elderly & Disabled)	30
		177

Anticipated changes to business activities

It is expected that there will be no new business activities to which the CCC will be applied for the financial year ending 30 June 2022. Roads activity continues to not meet the definition to which the CCC will be applied as it does not involve itself in competitive bids.

26 Transactions with related parties

26(a) Subsidiaries

The group consists of the parent entity Redland City Council and two first tier subsidiaries, Redland Investment Corporation Pty Ltd & Redheart Pty Ltd. Redland City Council also has three second tier subsidiaries, Redland Developments Pty Ltd, Cleveland Plaza Pty Ltd and RIC Toondah Pty Ltd (Note 1(b)).

The following transactions occurred between Council and its subsidiaries and related entities for year ended 30 June 2021:

Redland Investment Corporation Pty Ltd (RIC)

Details of transaction	2021	2020
	\$000	\$000
Retransfer of land assets from RIC to Council	444	-
Land sold to RIC*	-	1,700
Managing fee paid to RIC for Weinam Creek Project**	105	115
Services provided by Council to RIC***	89	134
General rates and water charges recovered from RIC	35	28
Recoveries from RIC for the development applications fees and infrastructure charges	277	8
Services provided by RIC to Council****	200	210
Loan to RIC*****	3,410	90
Loan deferral fees	10	-
Interest received from RIC	42	3
GST paid by Council and subsequently received from RIC	72	-
GST refunds claimed by Council and subsequently paid to RIC	354	697

* In the prior year Council sold lot 2 22-28 Meissner Street Redland Bay to RIC for \$1,700,000.

** The Weinam Creek Priority Development Area Project aims to transform the waterfront of Redland Bay, improve the usability of the transport hub, attract visitors, create jobs and drive economic development in the area. Redland Investment Corporation is working with Council to develop Weinam creek project, which will provide valuable infrastructure for the community, including ground-level car parks and a footbridge connecting the Moores Road site to the Redland Bay Marina.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

26 Transactions with related parties - continued

26(a) Subsidiaries - continued

- *** Recovery of overheads and other costs in the provision of facilities, administration and organisational services, which include renting of office space, legal services, financial services, information management services and fleet services. Costs of these services are based on the Service Level Agreement (SLA).
- **** RIC is conducting work in certain priority development areas on Council's behalf. RIC's invoices to Council for the work undertaken are based on the Service Level Agreement (SLA).
- ***** Refer Note 26(e) below.

RIC Toondah Pty Ltd

RIC Toondah Pty Ltd manages the RIC Toondah joint operation (refer Note 1(b)). Transactions with RIC Toondah include \$2,162 (2020: \$13,106) in relation to joint operation costs.

26(b) Transactions with key management personnel (KMP)

Key management personnel include the Mayor, Councillors, Executive Leadership Team (ELT) and backfills of ELT members. The compensation earned by key management personnel for year ended 30 June 2021 comprises:

Details of transaction	2021	2020
	\$000	\$000
Short-term employee benefits*	3,354	3,523
Post-employment benefits**	430	443
Long-term employee benefits***	197	194
Total	3,981	4,160

* Short-term employee benefits include salaries, paid sick leave, allowances and any non-monetary benefits provided such as Council vehicles.

** Post-employment benefits include employer superannuation contributions.

*** Long-term employee benefits include annual leave and long service leave accrued during the year.

Detailed remuneration disclosures are provided in the annual report.

26(c) Transactions with other related parties

Other related parties include the KMP, close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.

Details of transaction	2021	2020
	\$000	\$000
Employee expenses for close family members of key management personnel*	149	120

* All close family members of KMP were employed through an arm's length process and are paid in accordance with the Award or Certified Agreement relevant to the job they perform.

Council employed 1,046 staff as at 30 June 2021 (2020: 1,041) of which only 2 (2020: 2) are close family members of KMP.

26(d) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current receivables

Name of the person / entity	2021	2020
	\$000	\$000
Redland Investment Corporation Pty Ltd	5,061	1,838

Current payables

Name of the person / entity	2021	2020
	\$000	\$000
Redland Investment Corporation Pty Ltd	318	401

26(e) Loans and guarantees to/from related parties

Council executed a Loan Facility Agreement with RIC on 30 April 2019 to fund the development of townhouses at 521 Old Cleveland Road, Birkdale, QLD. The first draw down was made on 16 August 2019 for \$90,000. In 2021, three draw downs were made for a total of \$3,410,000.

Council did not make any other loans to, or receive loans from, related parties in the financial year ended 30 June 2021. No guarantees were provided.

26(f) Commitments to/from related parties

Refer Note 12 and Note 19 for the restricted land.

REDLAND CITY COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2021

25 Transactions with related parties - continued

25(g) Transactions with LGIAsuper

Refer Note 21 for the transactions with LGIAsuper.

25(h) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Redland City area. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- payment of rates
- use of Council owned facilities such as swimming pools
- animal registration
- borrowing books from a Council library

Council has not included these types of transaction in its disclosure where they are made on the same terms and conditions available to the general public.

27 Other matters

On 16 June 2021 General Meeting, Council resolved to prepare a Transition Plan to a future operating model that will transform Council's approach towards economic development, placemaking, investment attraction, and advocacy, incorporating multi-year funding. Further, it was resolved that the Redland Investment Corporation (RIC) completes existing (but not start new) property development and other projects which are outside of the Toondah Harbour and Weinam Creek Priority Development Areas (PDAs) and Capalaba Town Centre project whilst the Transition Plan is in development and that the RIC Board of Directors reviews its operating model with regard to the Transition Plan that also considers Council's equity position in the company.

28 Events after the reporting period

On 23 August 2021, Council settled a compensation claim in the Land Court with the agreed amount of compensation for acquired land being \$2.10m. The remaining amount payable under the settlement agreement is \$1.14m.


REDLAND CITY COUNCIL
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

MANAGEMENT CERTIFICATE
For the year ended 30 June 2021

These general purpose financial statements have been prepared pursuant to Sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements present a true and fair view, in accordance with Australian Accounting Standards, of Council and consolidated entity transactions for the financial year and financial position at the end of the year.



Mayor
Karen Williams

Date: 16, 9, 21



Chief Executive Officer
Andrew Chesterman

Date: 16, 9, 21



INDEPENDENT AUDITOR'S REPORT

To the councillors of Redland City Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Redland City Council (the council) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2021, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Redland City Council's annual report for the year ended 30 June 2021 was the current year financial sustainability statement, the long-term financial sustainability statement and the annual report.

The councillors are responsible for the other information.



My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the council's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the group.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's or group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



- Conclude on the appropriateness of the council's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- I received all the information and explanations I required.
- I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the group's transactions and account balances to enable the preparation of a true and fair financial report.

Philip Airey
as delegate of the Auditor-General

23 September 2021

Queensland Audit Office
Brisbane

REDLAND CITY COUNCIL
MEASURES OF FINANCIAL SUSTAINABILITY
For the year ended 30 June 2021

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Current-year financial sustainability statement
Independent auditor's report - current year financial sustainability statement
Unaudited long-term financial sustainability statement

REDLAND CITY COUNCIL
CURRENT-YEAR FINANCIAL SUSTAINABILITY STATEMENT
 For the year ended 30 June 2021

Measures of Financial Sustainability

	How the measure is calculated	Actual	Target
Council's consolidated performance at 30 June 2021 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-4.01%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	54.64%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-37.37%	Below 60%
Council's performance at 30 June 2021 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-4.06%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	54.65%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-36.41%	Below 60%

Note 1 - Basis of Preparation

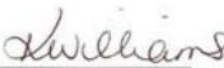
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited consolidated general purpose financial statements for the year ended 30 June 2021.

Certificate of Accuracy

For the year ended 30 June 2021

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.


Mayor
 Karen Williams

Date: 16, 9, 21


Chief Executive Officer
 Andrew Chesterman

Date: 16, 9, 21



INDEPENDENT AUDITOR'S REPORT

To the councillors of Redland City Council

Report on the current-year financial sustainability statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Redland City Council for the year ended 30 June 2021, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Redland City Council for the year ended 30 June 2021 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current-year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Redland City Council's annual report for the year ended 30 June 2021 was the general purpose financial statements, the long-term financial sustainability statement and the annual report.

The councillors are responsible for the other information.



My opinion on the current-year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current-year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors' responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current-year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current-year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in black ink, appearing to read 'P. Airey', written over a horizontal line.

Philip Airey
as delegate of the Auditor-General

23 September 2021

Queensland Audit Office
Brisbane

REDLAND CITY COUNCIL
UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT
 Prepared as at 30 June 2021

Measures of Financial Sustainability

			Actuals	Projected for the years ended								
Measure		Target	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030
Council												
The long-term measures of financial sustainability are presented for Council only. The latest Financial Strategy was adopted exclusive of Redland Investment Corporation Pty Ltd and therefore consolidated measures are not available.												
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	-4.06%	0.01%	0.04%	0.10%	0.15%	0.17%	0.20%	0.22%	0.26%	0.32%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	Greater than 90%	54.65%	64.57%	68.19%	67.99%	73.29%	90.70%	67.48%	67.79%	67.97%	73.64%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Below 60%	-36.41%	-37.30%	-34.60%	-31.27%	-30.46%	-29.01%	-25.96%	-22.91%	-20.27%	-16.70%

Council's Financial Strategy

Council's Financial Strategy (Strategy) is Council's long-term financial plan that is underpinned by a series of policies, plans, risk responses and associated financial stability and sustainability targets to measure performance. The Strategy establishes the financial framework under which sound and sustainable financial decisions can be made. A key component of the Strategy is the Long-Term Financial Forecast (LTFF). The LTFF, Council's ten year financial forecast, contains details of the growth assumptions, income, expenditure, cash flow projections, assets, liabilities and community equity, and also provides the financial outputs and financial sustainability measures for each of the ten years.

The ten year focus allows us to assess our financial sustainability over the period and to guide corporate decision-making. It is a living and breathing document, guiding our financial planning, revenue raising and spending activities, while adapting to changing needs and requirements.

The Long-term Financial Forecast provides transparency into our financial performance and planning, giving the Community a view of how its services are being funded and where the money is spent. It is a tool for validating and maintaining alignment with corporate plans and with legislative requirements. It reflects the efforts we are making to meet current and future community expectations and serves to signal the decisions and actions needed to ensure our future financial sustainability.

The projected results are per the adopted 2021-2022 budget which is underpinned by the Financial Strategy. It does not include any revisions based on actual results as at 30 June 2021.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2021

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



Mayor
 Karen Williams

Date: 16, 9, 21



Chief Executive Officer
 Andrew Chesterman

Date: 16, 9, 21



8

REFERENCES

A quick-reference section to help you find the information you need from this annual report, with page references for specific statutory reporting and a glossary of key terms.

INDEX OF STATUTORY INFORMATION

Queensland Government legislation requires Councils to include specific information in an annual report each year. Division 3 of the *Local Government Regulation 2012* explains what an annual report for a local government must contain. The table below provides an index of where you can find that information throughout this report.

Requirement	Reference	Page
Timing		
Council must prepare an annual report for each financial year		
• Adopt it within one month after the day the auditor-general gives their audit report about council's financial statements for the financial year to council, (unless the Minister, by notice to the council, extends this time)	LGR s182(2) & (3)	NA
• Publish the report on council's website within two weeks of adoption.	LGR s182(4)	NA
Content		
The annual report must:		
• Contain a list of all the beneficial enterprises that the local government conducted during the financial year	LGA s41	P 104
• Contain a list of all the business activities that the local government conducted during the financial year	LGA s45(a)	P 104
• Identify the business activities that are significant business activities	LGA s45(b)	P 104
• State whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied	LGA s45(c)	P 104
• State whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.	LGA s45(d)	NA
The annual report must state:		
• The total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government – consists of the chief executive officer and all senior executive employees of the local government.	LGA s201(1)(a)	P 50
• The number of employees in senior management who are being paid each band of remuneration Each band of remuneration is an increment of \$100,000. There is no requirement to disclose the exact salary of any employee in senior management separately in the annual report.	LGA s201(1)(b)	P 50

Redland City Council – Annual Report 2020–2021

Requirement	Reference	Page
Content continued.		
The annual report must contain:		
• The general purpose financial statement for the financial year, audited by the auditor-general	LGR s183(a)	P 125
• The current-year financial sustainability statement for the financial year, audited by the auditor-general	LGR s183(b)	
• The long term financial sustainability statement for the financial year	LGR s183(c)	
• The auditor-general's audit reports about the general purpose financial statement and the current year financial sustainability statement	LGR s183(d)	
• The community financial report for the financial year	LGR s184	P 18
• A copy of the resolutions made during the financial year under s250(1) of the LGR (adoption of an expenses reimbursement policy); and	LGR s185(a)	NA
• A list of any resolutions made during the financial year under s206(2) of the LGR (threshold for non-current physical asset to be treated as an expense)	LGR s185(b)	NA
In relation to councillors, the annual report must contain:		
• The total remuneration, including superannuation contributions, paid to each councillor during the financial year	LGR s186(1)(a)	P 42
• The expenses incurred by, and the facilities provided to, each councillor during the financial year under the local government's expenses reimbursement policy	LGR s186(1)(b)	P 43
• The number of local government meetings that each councillor attended during the financial year	LGR s186(1)(c)	P 46
• The total number of the following during the financial year:	LGR s186(1)(d)	P 45
a. Orders made under section 150I(2) of the LGA	LGR s186(1)(d)(i)	P 45
b. Orders made under section 150AH(1) of the LGA	LGR s186(1)(d)(ii)	P 45
c. Decisions, orders and recommendations made under section 150AR(1) of the LGA	LGR s186(1)(d)(iii)	P 45
• Each of the following during the financial year:	LGR s186(1)(e)	
a. The name of each councillor for whom a decision, order or recommendation under section 150I(2), 150AH(1) or 150AR(1) of the LGA was made	LGR s186(1)(e)(i)	P 45
b. A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors;	LGR s186(1)(e)(ii)	P 45
c. A summary of the decision, order or recommendation made for each councillor;	LGR s186(1)(e)(iii)	NA

Requirement	Reference	Page
Content continued.		
For councillors, the annual report must also contain the number of each of the following during the financial year:		
• Complaints referred to the assessor under section 150P(2)(a) of the LGA by the local government, a councillor of the local government or the chief executive officer of the local government	LGR s186(1)(f)(i)	P 45
• Matters, mentioned in section 150P(3) of the LGA, notified to the Crime and Corruption Commission	LGR s186(1)(f)(ii)	P 45
• Notices given under section 150R(2) of the LGA	LGR s186(1)(f)(iii)	P 45
• Notices given under section 150S(2)(a) of the LGA	LGR s186(1)(f)(iv)	P 45
• Decisions made under section 150W(1)(a), (b) and (e) of the LGA	LGR s186(1)(f)(v)	P 45
• Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the LGA	LGR s186(1)(f)(vi)	P 45
• Occasions information was given under section 150AF(4)(a) of the LGA	LGR s186(1)(f)(vii)	P 45
• Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the LGA for the local government, the suspected inappropriate conduct of a councillor	LGR s186(1)(f)(viii)	P 45
• Applications heard by the conduct tribunal <ul style="list-style-type: none"> a. Under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct. 	LGR s186(1)(f)(ix)	P 45
In relation to administrative action complaints the annual report for a financial year must contain:		
• A statement about the local government's commitment to dealing fairly with administrative action complaints	LGR s187(1)(a)	P 96
• A statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process	LGR s187(1)(b)	P 96
• The number of the following during the financial year	LGR s187(2)(a)	P 97
a. Administrative action complaints made to the local government;	LGR s187(2)(a)(i)	P 97
b. Administrative action complaints resolved by the local government under the complaints management process	LGR s187(2)(a)(ii)	P 97
c. Administrative action complaints not resolved by the local government under the complaints management process	LGR s187(2)(a)(iii)	P 97
• the number of administrative action complaints not resolved by the local government under the complaints management process that were made in a previous financial year.	LGR s187(2)(b)	P 97

Redland City Council – Annual Report 2020–2021

Requirement	Reference	Page
Content continued.		
The annual report for a financial year must contain the following information about any overseas travel made by a councillor or local government employee in an official capacity during the financial year:		
• For a councillor – the name of the councillor	LGR s188(1)(a)	NA
• For a local government employee – that person's name and position held	LGR s188(1)(b)	NA
• The destination of the overseas travel	LGR s188(1)(c)	NA
• The purpose of the overseas travel	LGR s188(1)(d)	NA
• The cost of the overseas travel.	LGR s188(1)(e)	NA
The annual report may also contain any other information about the overseas travel the local government considers relevant.	LGR s188(2)	NA
The annual report for a financial year must contain:		
• A summary of the local government's expenditure for the financial year on grants to community organisations	LGR s189(1)	P 106
• The following information about the local government's discretionary funds—	LGR s189(2)	
a. The total amount budgeted for the financial year as the local government's discretionary funds	LGR s189(2)(a)	P 47
b. The prescribed amount (0.1% of the local government's revenue from general rates for the previous financial year) for the local government for the financial year	LGR s189(2)(b) LGR s201B(5)	P 47
c. The total amount of discretionary funds budgeted for the financial year for councillors to allocate for each of the following purposes:	LGR s189(2)(c)	P 47
i. Capital works of the local government that are for a community purpose	LGR s189(2)(c)(i)	NA
ii. Other community purposes	LGR s189(2)(c)(ii)	P 47
d. The amount of discretionary funds budgeted for use by each councillor for the financial year	LGR s189(2)(d)	P 115–123
e. If a councillor allocates discretionary funds in the financial year	LGR s189(2)(e)	P 115–123
i. The amount allocated	LGR s189(2)(e)(i)	P 115–123
ii. The date the amount was allocated	LGR s189(2)(e)(ii)	P 115–123
iii. The way mentioned in section 202(1) in which the amount was allocated	LGR s189(2)(e)(iii)	P 115–123
iv. If the amount was allocated to a person or organisation—the name of the person or organisation to whom the allocation was made	LGR s189(2)(e)(iv)	P 115–123
v. The purpose for which the amount was allocated, including sufficient details to identify how the funds were, or are to be, spent.	LGR s189(2)(e)(v)	P 115–123

Requirement	Reference	Page
Content continued.		
The annual report for a financial year must also contain the following information:		
• The chief executive officer's assessment of the local government's progress towards implementing its five-year corporate plan and annual operational plan	LGR s190(1)(a)	P 56-73
• Particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year	LGR s190(1)(b)	P 17
• An annual operations report for each commercial business unit, which means a document that contains the following information for the previous financial year:	LGR s190(1)(c)	P 75-93
▸ Information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan	LGR s190(2)(a)	P 75-93
▸ Particulars of any changes made to the unit's annual performance plan for the previous financial year, including the impact the changes had on the unit's financial position, operating surplus or deficit and prospects.	LGR s190(2)(b)&(c)	P 75-93
▸ Particulars of any directions the local government gave the unit.	LGR s190(2)(d)	P 75-93
• Details of any action taken for, and expenditure on, a service, facility or activity:	LGR s190(1)(d)	
▸ Supplied by another local government under an agreement for conducting a joint government activity	LGR s190(1)(d)(i)	P 104
▸ For which the local government levied special rates or charges for the financial year	LGR s190(1)(d)(ii)	NA
• The number of invitations to change tenders under section 228(7) of the LGR during the financial year	LGR s190(1)(e)	P 104
• A list of the registers kept by the local government	LGR s190(1)(f)	P 105
• A summary of all concessions for rates and charges granted by the local government	LGR s190(1)(g)	P 105
• The report on the internal audit for the financial year	LGR s190(1)(h)	P 101
• A summary of investigation notices given in the financial year under S49 of the LGR for competitive neutrality complaints	LGR s190(1)(i)	P 104
• The local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under S52(3) of the LGR.	LGR s190(1)(j)	P 104

Redland City Council – Annual Report 2020–2021

GLOSSARY

Annual Report – Council's report on its annual performance, including statements about annual performance, financial statements and disclosures required under legislation.

Asset – a resource controlled by Council which is used to deliver services to the community. This includes tangible assets such as roads, drains, parks and buildings and intangible assets such as software systems.

Capital works program – program of scheduled works generally encompassing infrastructure works for road, drainage and building assets.

Central Business District (CBD) – the commercial or business centre of a region. Redlands Coast's larger CBDs across our community hubs include Cleveland (*Nandeebie/Indillie*), Capalaba (*Kapallaba*) and Victoria Point (*Warrer Warrer*).

City Waste – commercial business unit of Redland City Council responsible for Council's waste management.

City Water – commercial business unit of Redland City Council responsible for water supply and wastewater collection and treatment.

Corporate Plan – a strategic document that sets out Council's plans over five years, outlining strategies to be undertaken to achieve Council's vision and outcomes. It is a legal requirement under the *Local Government Act 2009* for Council to adopt a Corporate Plan. Council adopted a new corporate plan during 2020–2021. The new plan, *Our Future Redlands - A Corporate Plan to 2026 and Beyond*, came into effect on 1 July 2021.

Councillors – elected members of Council.

COVID-19 – COVID-19 is a disease caused by a form of coronavirus. Coronaviruses are a large family of viruses that cause respiratory infections.

COVID-19 CEO Coordination Group – an internal working group established by Redland City Council Chief Executive Officer to manage response to COVID-19 in areas of workplace health and safety, system and industrial relations, business continuity planning, Local Disaster Management Group, pandemic planning and communications.

Diversity – understanding that each individual is unique and recognising our individual differences.

Executive Leadership Team (ELT) – the executive leadership of Council, comprising the Chief Executive Officer, General Counsel, Chief Financial Officer, Head of People, Culture and Organisational Performance and the General Managers of three departments: Infrastructure and Operations, Organisational Services and Community and Customer Services.

External Audit – an official inspection of an organisation's accounts, internal controls, processes and procedures, typically by an independent body.

Financial year – the 12 months between 1 July of one year and 30 June of the next year. This annual report is for the 2020–2021 financial year, which spans 1 July 2020 to 30 June 2021.

Full-time equivalent (FTE) – the hours worked by one or more employees that are the equivalent of a full-time employee. For example, this may involve a full-time employee working 36.25 hours per week or two part-time employees each working 18.13 hours per week.

Governance – how decisions are made and implemented and how organisations are managed and controlled to achieve objectives. Governance also describes the ways an organisation can be held accountable.

Group, the – in this annual report Council and its controlled entities (Redland Investment Corporation and its subsidiaries) form the economic entity 'the Group' for the purposes of the Community Financial Report (P <?) and Consolidated Financial Statements (P 125).

Indigenous Land Use Agreement (ILUA) – Council's ILUA with the Quandamooka People was signed on 4 July 2011. It is a confidential legal agreement outlining how both parties will work together on a number of significant projects and issues on Quandamooka Country.

Infrastructure – physical networks that are essential to running a local government area, including the road network, water supply and wastewater and stormwater networks.

Local Disaster Coordination Centre (LDCC) – the Redland City Local Disaster Coordination Centre has the responsibility for coordination of disaster operations, providing a response capability on behalf of the Redland City LDMG. Its main aim is to coordinate resources, information and assistance in support of local agencies and stakeholders who are engaged in disaster operations.

Local Disaster Management Group (LDMG) – in accordance with Section 29 of the *Disaster Management Act 2003*, Redland City Council has an established LDMG for our local government area. It is a multi-agency group tasked with ensuring the Redlands Coast community is prepared for, and able to effectively respond to, disaster and emergency events.

Local laws – the laws adopted by Council that prohibit, regulate and control activities, events, practices and behaviours on Redlands Coast.

Mayor – the head of Council elected across all divisions at local government elections. Mayoral duties include running the Council meetings, working with the Council Chief Executive Officer on Council business, being the spokesperson for Council and carrying out ceremonial duties.

Operational Plan – a one-year plan that sets out activities to be undertaken in that particular year to achieve the Corporate Plan. An Operational Plan is a legal requirement for Queensland Councils under the *Local Government Act 2009*.

Priority Development Area (PDA) – parcels of land within Queensland that have been identified by the State Government for specific accelerated development with a focus on economic growth and community development. There are two PDAs in Redlands Coast – Toondah Harbour and Weinam Creek.

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Public health directive – during a public health emergency, the Chief Health Officer can issue Public Health Directions to assist in response to the emergency. Queensland Health has issued a number of Public Health Directives aimed at containing the spread of COVID-19 within the community.

Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC) – the registered Prescribed Body Corporate (PBC) managing Native Title rights of the Quandamooka People, as well as Aboriginal cultural heritage and other Quandamooka Country interests.

Queensland Health – is a ministerial department of the Queensland Government responsible for the management and operation of Queensland's public health system.

Queensland road map to easing restrictions – a plan for easing COVID-19 restrictions which outlines a staged approach to giving Queenslanders more freedom to travel, participate in more activities and hold more gatherings.

Reconciliation Action Plan (RAP) – Council developed its first internal Reconciliation Action Plan, which was launched in August 2019. Our first RAP promoted an internal, inward-facing set of principles and actions for 2019–2020.

Redland Art Gallery (RAG) – an initiative of Redland City Council opened in 2003, RAG has two galleries, one in Cleveland (*Nandeebie/Indillie*) and one in Capalaba (*Kapallaba*) as well engaging in public space and collaborative art projects.

Redland City – the local government area for which Redland City Council is the local government authority.

Redlands Coast – the destination brand used to market Redland City Local Government Area and attract tourism to the region.


Redland Investment Corporation (RIC) – established by Redland City Council in 2014, RIC specialises in negotiating, managing and delivering complex, mixed-use developments involving public-private partnerships, commercial property management, optimising the development potential of key parcels of land, including community space. This business is wholly owned by Council and operates under the *Corporations Act 2001*, *Auditor-General Act 2009*, and applicable sections of the *Local Government Act 2009* and *Local Government Regulation 2012*.

Redland Performing Arts Centre (RPAC) – Redland City Council's performing arts complex, providing local opportunities for community participation in arts and cultural life. It also aims to encourage local creative industries and cultural entrepreneurship.

Statutory – Required under a law or legislation.

WHS – Workplace Health and Safety.

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14 REPORTS FROM COMMUNITY & CUSTOMER SERVICES

Nil

15 REPORTS FROM INFRASTRUCTURE & OPERATIONS

15.1 REDLAND MUSEUM INC. - LEASE RENEWAL

Objective Reference: A5753629

Authorising Officer: Dr Nicole Davis, General Manager Infrastructure & Operations

Responsible Officer: Sherry Clarke, Group Manager City Operations

Report Author: Laura Twining, Senior Leasing Officer

Attachments: 1. Site Plan [↓](#)

PURPOSE

To seek approval to renew the trustee lease agreement for Redland Museum Inc. over part of Lot 1 SP236501 at 44 Smith Street, Cleveland.

BACKGROUND

Redland Museum is an incorporated, not-for-profit organisation and has occupied the site at Lot 1 SP236501, described as 44 Smith Street, Cleveland located within Redland Showgrounds, for over 40 years (see attached site plan). Their current lease is due to expire on 31 December 2021. A lease renewal is proposed for a term of 10 years.

The museum commenced operations in 1972 and has grown from a small building to a large professionally run facility with an indoor floor space of 2700 square metres. It houses, preserves and displays significant artefacts of Redlands Coast. Through the work of volunteers and staff, Redland Museum Inc. has ensured that the history and culture of Redlands Coast is documented and presented to the public in a professional manner. In addition, museum representatives work with local community groups to provide exhibitions, educational packages, school holiday programs, concerts and events for people of all ages.

ISSUES

Land Management Plan

Redland Showgrounds is a State owned reserve, held by Council as trustee. The Land Management Plan (LMP) for the reserve expired in September 2020. Under normal circumstances, the State requires a current LMP to be in place before a new trustee lease can be registered.

Council officers have proposed not to renew the existing LMP or extend its timeframe in light of a master planning process that is expected to commence for the showgrounds site in the near future and which will inform the new LMP.

Due to the time required to complete the master planning process and the need to renew the trustee lease for Redland Museum Inc., the Department of Resources has provided support for Council to lodge a new 10-year trustee lease under the expired LMP, subject to there being no change to the extent of the current lease footprint.

The new trustee lease is consistent with the primary purpose of the land and will be registered under the Written Approval from the Minister for Department of Resources.

Expansion of lease footprint

Redland Museum Inc. requested a lease footprint expansion to accommodate their 20-year conceptual growth plans, which include a building extension to create space for a Cleveland Rotary workshop, Redland Model Railway Group display, research centre, historical library, coffee shop and outdoor learning area.

However, due to the constraints associated with the LMP, an expansion in the lease footprint cannot be facilitated at this time. Council officers have briefed museum representatives on the LMP, proposed lease term and the master planning process. The master planning process will require community consultation, and the Redland Museum Inc. will be a key stakeholder and will have the opportunity to present its future plans during this process.

Term of lease

A new trustee lease was originally requested for a term of 20 years with an option for an additional 10 years. Following consultation with Council stakeholders, and in consideration of the LMP, a 10-year lease term is recommended. It is proposed this term will become standard for all community leases with Council.

If the master planning process is completed prior to the expiry of the 10-year lease, and the expansion of Redland Museum Inc. could be accommodated, Council could vary the lease agreement via a subsequent Council resolution. Normally a \$5,000 fee would be applicable, however it would be advisable to waive this based on the fact that the masterplan activities are outside of the museum's control.

STRATEGIC IMPLICATIONS

Legislative Requirements

The *Local Government Regulation 2012* (the Regulation) s.236(1)(b)(ii) requires that Council agrees by resolution that it is appropriate to dispose of an interest in land to a community organisation, other than by tender or auction.

Redland Museum Inc. meets the Regulation's definition of a community organisation, as it is an entity that carries on activities for a public purpose and whose primary object is not directed at making a profit.

Risk Management

Insurance

Under the current and new lease agreement, Redland Museum Inc. is required to maintain both building and public liability insurance.

Compliance inspections

Council's Facilities Services Unit conducts routine inspections to ensure compliance with occupant safety and building condition, and clauses exist under the lease to address any non-compliance.

The last building inspection was completed at the museum on 15 April 2021. Identified non-compliances were addressed by the group and finalised on 12 May 2021, with the exception of working at heights equipment testing. Museum representatives have committed to completing this testing and are currently working with Council officers to determine the required scope and availability of grants to assist with the cost.

Financial

A funding agreement is in place between Redland Museum Inc. and Council under which Council has agreed to provide financial support for the operations of the museum. In return Redland Museum Inc. provides museum services to the community which are not currently available through Council managed services.

The lessee bears all costs associated with the preparation and registration of the lease. The lessee will also bear the cost of utilities, maintenance of the property as well as maintaining both building and public liability insurance. A review of its 2019-2020 Audited Financial Statements conducted by Council's Business Partnering Service Manager in October 2020 confirmed Redland Museum Inc. is financially sound.

People

This recommendation does not have any staff implications.

Environmental

This recommendation does not have any environmental implications.

Social

Renewal of the lease will allow Redland Museum Inc. to continue documenting and presenting Redland City's history and culture for the local community.

Human Rights

There are no impacts to human rights as a result of this recommendation.

Alignment with Council's Policy and Plans

Our Future Redlands – A Corporate Plan to 2026 and Beyond, particularly:

GOAL 2. Strong Communities

2.1 Enhance the health, safety and wellbeing of our community through the delivery of inclusive and responsive services focused on preserving and improving our naturally wonderful lifestyle by leveraging partnerships, networks, facilities and infrastructure.

2.4 Enhance community inclusion where people of all locations, ages, abilities and cultures can participate and have access to the necessary services and facilities.

GOAL 5. Liveable Neighbourhoods

5.1 Enhance the unique character and liveability of our city for its communities through co-ordinated planning, place making, and management of community assets.

CDV-001-P Community Leasing Policy supports leases to not-for-profit community organisations.

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Service Manager Library Services	02 February 2021 18 August 2021	Advised of commencement of renewal process. Updated regarding proposed 10-year lease.
Department of Resources	05 February 2021 19 May 2021	Confirmed proposed use is consistent with purpose of reserve and lease can be registered using Minister's Written Approval. Confirmed new lease can be finalised under expired LMP.
Service Manager, City Sport and Venues Unit	19 March 2021 04 May 2021 18 May 2021	Consulted regarding proposed master planning, LMP requirements and proposed lease. Provided in principle support of proposed lease.
Service Manager, Civic and Open Space Asset Management Unit	19 March 2021 04 May 2021 18 May 2021	Consulted regarding proposed master planning, LMP requirements and proposed lease.
Facilities Coordinator, Facilities Services Unit	15 April 2021	Completed leased building inspection.
Service Manager, Tourism and Events	04 May 2021	Consulted regarding proposed master planning, LMP requirements and proposed lease.
Councillor – Division 2	13 July 2021 27 July 2021	Briefed on progress of lease renewal and LMP requirements.
Councillor – Division 1	27 July 2021	Briefed on progress of lease renewal and LMP requirements.
Councillor – Division 10	27 July 2021	Briefed on progress of lease renewal and LMP requirements.
Councillor – Division 9	27 July 2021	Briefed on progress of lease renewal and LMP requirements.

OPTIONS**Option One**

That Council resolves as follows:

1. To approve and discharge a new trustee lease to Redland Museum Inc. over part of Lot 1 SP236501 situated at 44 Smith Street, Cleveland, as shown on Attachment 1, for a term of 10 years.
2. To agree in accordance with section 236(2) of the *Local Government Regulation 2012* that section 236(1)(b)(ii) of the *Local Government Regulation 2012* applies allowing the proposed lease to a community organisation, other than by tender or auction.
3. To authorise the Chief Executive Officer to execute all documents in regard to this matter.

Option Two

That Council does not approve a new lease to Redland Museum Inc. and investigates alternative arrangements.

OFFICER'S RECOMMENDATION

That Council resolves as follows:

1. To approve and discharge a new trustee lease to Redland Museum Inc. over part of Lot 1 SP236501 situated at 44 Smith Street, Cleveland, as shown on Attachment 1, for a term of 10 years.
2. To agree in accordance with section 236(2) of the *Local Government Regulation 2012* that section 236(1)(b)(ii) of the *Local Government Regulation 2012* applies allowing the proposed lease to a community organisation, other than by tender or auction.
3. To authorise the Chief Executive Officer to execute all documents in regard to this matter.

Attachment 1 – Site Plan

Redland Museum Inc. – Part of Lot 1 SP236501

Proposed lease area outlined in red.



16 NOTICES OF INTENTION TO REPEAL OR AMEND A RESOLUTION

In accordance with *s.262 Local Government Regulation 2012*.

17 NOTICES OF MOTION

17.1 NOTICE OF MOTION CR PAUL BISHOP - INVESTIGATION AND CONSIDERATION AROUND NEW COMMERCIAL DEVELOPMENTS LOCATED WITHIN EXISTING DISTRICT CENTRES

Objective Reference: A5876300

Attachments: Nil

In accordance with section 6.16 of *Council Meeting Standing Orders*, at the General Meeting scheduled for Wednesday, 20 October 2021, notice is hereby given that Cr Paul Bishop intends to move the motion as follows:

MOTION

That Council resolves as follows:

1. To investigate and consider the issues related to the new commercial development which is located within existing district centres to include, but not limited to:
 - a) Vehicular and pedestrian access, safety and lighting
 - b) Potential reduction in car parking, traffic and amenity impacts on the surrounding road network
 - c) Neighbourhood and operating characteristics of the use
 - d) Relevant benchmark provisions of other local government authorities in South East Queensland
 - e) Options and recommendations relating to the appropriateness of existing assessment benchmarks, including the scale and intensity of the proposed use i.e. number of customer visits and gross floor area, as well as the levels of assessment.
2. Prepare a major amendment as part of the next general amendment package, pursuant to Part 4 of the Minister's Guidelines and Rules under the *Planning Act 2016*, if required, incorporating the proposed changes to City Plan as supported by Council.
3. That officers prepare a report to Council addressing the above by the end of January 2022.

BACKGROUND

This Notice of Motion seeks to clarify a range of issues and concerns raised by community members and officers during the assessment, review and final court determination regarding a recent development application at Birkdale Fair, which exists within the existing district centre zone.

It is intended that further officer clarification and advice in relation to matters listed will assist with potential changes to City Plan that can help to address a range of issues and potential impacts in future development applications.

Considering these matters will help to clarify council intent, community expectation and commercial opportunities within the zone in a common sense manner.

18 URGENT BUSINESS WITHOUT NOTICE

In accordance with s.6.17 of Council Meeting Standing Orders, a Councillor may bring forward an item of urgent business if the meeting resolves that the matter is urgent.

Urgent Business Checklist	YES	NO
To achieve an outcome, does this matter have to be dealt with at a general meeting of Council?		
Does this matter require a decision that only Council make?		
Can the matter wait to be placed on the agenda for the next Council Meeting?		
Is it in the public interest to raise this matter at this meeting?		
Can the matter be dealt with administratively?		
If the matter relates to a request for information, has the request been made to the CEO or a General Manager Previously?		

19 CONFIDENTIAL ITEMS

COUNCIL MOTION

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 254J of the *Local Government Regulation 2012*:

19.1 Class Action of Kozik

This matter is considered to be confidential under Section 254J(3)(e) of the *Local Government Regulation 2012*, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with legal advice obtained by the local government or legal proceedings involving the local government including, for example, legal proceedings that may be taken by or against the local government.

Overview

To provide an update to Council on the Class Action of Kozik.

19.2 Disposal of Land - Russell Island

This matter is considered to be confidential under Section 254J(3)(g) of the *Local Government Regulation 2012*, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government.

Overview

To dispose of surplus Council-owned freehold land on Russell Island, via public auction or tender.

19.3 2021/22 Infrastructure and Operations Capital Portfolio Delivery Update

This matter is considered to be confidential under Section 254J(3)(c) and (g) of the *Local Government Regulation 2012*, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with the local government's budget and negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government.

Overview

To update Council on current issues and risks in delivering the Financial Year (FY) 2021/22 Capital Portfolio and to seek resolution for the mitigation plans to address these issues including a number of multi year projects.

20 MEETING CLOSURE