

Redland
CITY COUNCIL

AGENDA

GENERAL MEETING

Wednesday, 18 May 2022
commencing at 9:30am

The Council Chambers
91 - 93 Bloomfield Street
CLEVELAND QLD

The audio/video of each Statutory Meeting of Council will be available on Council's website as soon as possible after the conclusion of each meeting.

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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 - 20 April 2022

Special Meeting - 28 April 2022

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 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 addressing this matter is listed as Item 19.2 of this agenda.

7.2 PROPOSED STORMWATER IMPROVEMENT WORKS PROGRAM

At the General Meeting 16 March 2022 (Item 19.4 refers), Council resolved as follows:

That Council resolves as follows:

- 1. To note the contents of the report relates to flood events prior to 2022.*
- 2. To authorise the Chief Executive Officer to negotiate the voluntary acquisition of properties 1 and 2 as listed in the report.*
- 3. To authorise the Chief Executive Officer to use the Taking of Land procedure under the Acquisition of Land Act 1967 to resume properties 1 and 2 identified in the report for the purposes of removing flood risk.*
- 4. That the capital works timing and planning cost estimates, detailed in Table 1 be endorsed for inclusion in the future capital works program.*
- 5. To authorise the Chief Executive Officer to negotiate, make, vary and discharge all documents relevant to effecting this decision.*
- 6. That a report will be brought back to a future meeting of Council to highlight some of the impacts of the March 2022 weather events.*
- 7. That this report and attachments remain confidential until any eventual settlement or as required by any legal or statutory obligation, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.*

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

7.3 THE DRAFT BIRKDALE COMMUNITY PRECINCT MASTER PLAN

At the Special Meeting 28 April 2022 (Item 4.1 refers), Council resolved as follows:

That Council resolves as follows:

- 1. To adopt the Draft Birkdale Community Precinct Master Plan (Attachment 3) and associated background reports (Attachments 5, 6 and 7) for community consultation.*
- 2. To undertake a non-statutory second phase of significant community consultation on the Draft Birkdale Community Precinct Master Plan to seek feedback in regards the principle elements of the plan, including the relevant design, delivery and implementation components.*
- 3. To bring back a report to Council in regards to the community consultation to inform the final Birkdale Community Precinct Master Plan.*
- 4. To authorise the Chief Executive Officer to negotiate, make, vary and discharge all documents relevant to this decision.*

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

7.4 PETITION CR PETER MITCHELL - REQUEST TO REVERSE THE CHANGES TO REGULATED PARKING IN THE CLEVELAND CENTRAL BUSINESS DISTRICT

At the General Meeting 20 April 2022 (Item 10.1 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.

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

Nil.

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 APRIL 2022 MONTHLY FINANCIAL REPORT

Objective Reference: A6628699

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. Monthly Financial Report RCC April 22 [↓](#)

PURPOSE

To note the year to date financial results as at 30 April 2022.

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

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. For the last two years, 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.

Estimated Statement of Financial Position 2021-2022

Council officers are currently preparing the 2021-2022 Estimated Statement of Financial Position to be tabled at the Special Budget Meeting. The estimated financial position is based on Council's actual financial position and results as at 30 April 2022. It will also include the projected financial results for the months of May and June.

Development of Budget 2022-2023

Council officers are currently compiling submissions for the 2022-2023 annual budget.

STRATEGIC IMPLICATIONS

Council has either achieved or favourably exceeded the following key financial stability and sustainability ratios as at the end of April 2022.

- 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
- Operating performance

The following ratio did not meet the target at the end of April 2022:

- Asset sustainability ratio

The asset sustainability ratio continues to be a stretch target for Council with renewal spends of \$28.17M and depreciation expense of \$48.62M 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.

Legislative Requirements

The April 2022 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 April 2022 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 April 2022.

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 April 2022 | Consulted on financial results and outcomes. |
| Financial Services Group officers | Year to date April 2022 | Consulted on financial results and outcomes. |
| Executive Leadership Team and Senior Leadership Team | Year to date April 2022 | 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 April 2022 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 April 2022 as presented in the attached Monthly Financial Report.

Monthly Financial Report



Monthly Financial Report

April 2022



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 April 2022. The year to date annual revised budget referred to in this report incorporates the changes from budget review adopted by Council on 16 February 2022.

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) | (386) | 42,999 | 50,518 | 7,519 | 17% | ✓ |
| Recurrent Revenue | 314,224 | 299,804 | 298,001 | (1,803) | -1% | ✗ |
| Recurrent Expenditure | 314,610 | 256,805 | 247,483 | (9,322) | -4% | ✓ |
| Capital Works Expenditure | 106,621 | 73,054 | 52,737 | (20,317) | -28% | ✓ |
| Closing Cash & Cash Equivalents | 195,979 | 212,754 | 202,069 | (10,685) | -5% | ✗ |

Council reported a year to date operating surplus of \$50.52M which is favourable to budget by \$7.52M mainly on account of lower than budgeted expenditure on materials and services and lower depreciation due to timing of asset capitalisations, offset by lower levies and utility charges.

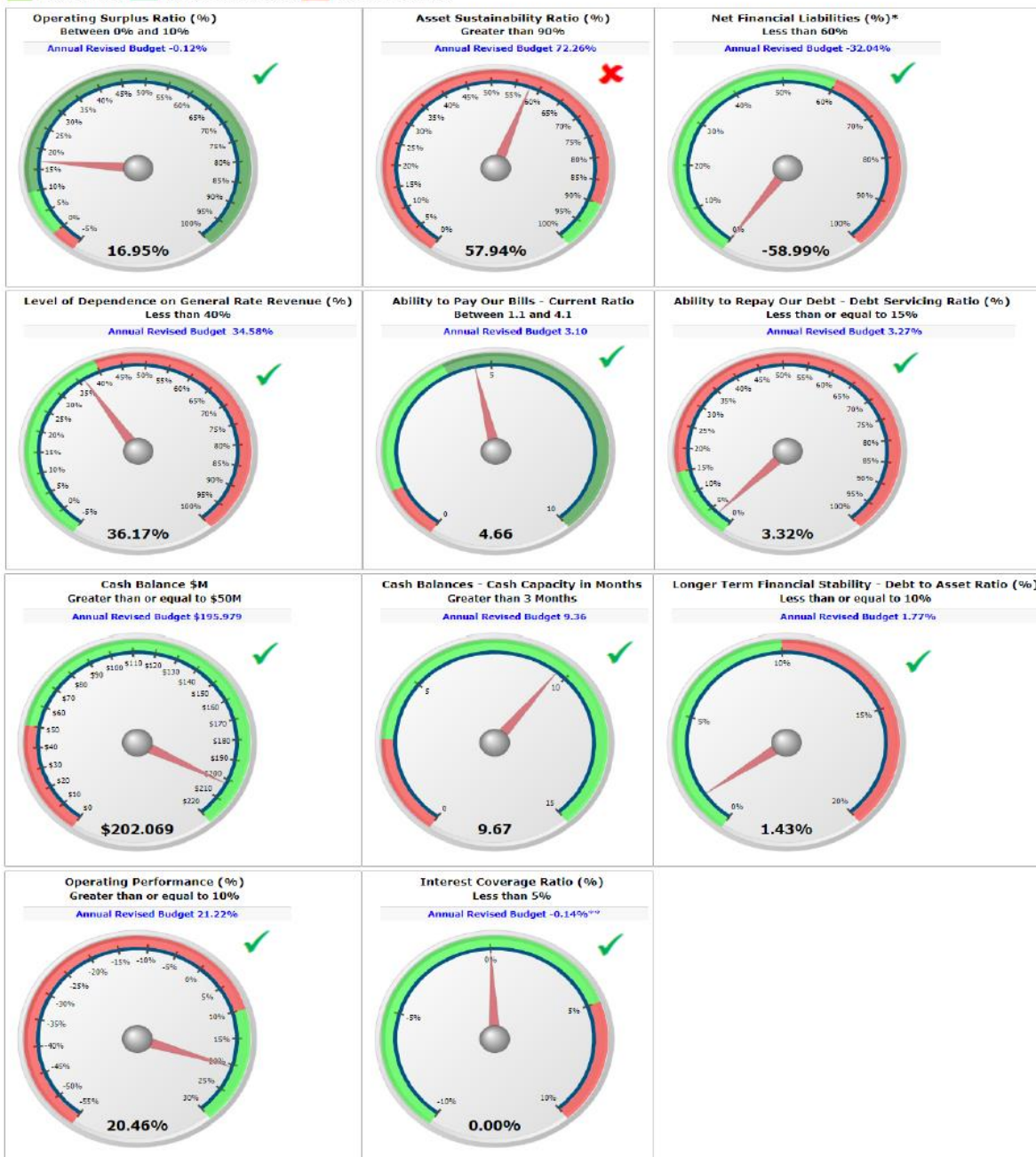
The Infrastructure and Operations (I&O) Department presented a briefing to Council that addressed the supply chain issues that are contributing to forecast underspends to the FY2021-22 capital works portfolio. This briefing included mitigation strategies that addressed the risks to delivering the capital works which was agreed to and resolved by Council at the General Meeting held on 20 October 2021.

Council's cash balance is under budget mainly due to lower receipts from customers, higher payments to suppliers, offset by lower payments for property, plant and equipment and higher capital grants, subsidies and contributions. 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 is negative as current assets are greater than total liabilities.

** The actual interest coverage ratio is -0.001%.

Monthly Financial Report

3. STATEMENT OF COMPREHENSIVE INCOME

| STATEMENT OF COMPREHENSIVE INCOME | | | | | |
|---|---------------------------------------|--------------------------------------|------------------------|------------------------|--------------------------|
| For the period ending 30 April 2022 | | | | | |
| | Annual Original Budget \$000 | Annual Revised Budget \$000 | YTD Budget \$000 | YTD Actual \$000 | YTD Variance \$000 |
| Recurrent revenue | | | | | |
| Rates charges | 111,574 | 111,650 | 111,360 | 110,845 | (515) |
| Levies and utility charges | 170,378 | 170,378 | 155,971 | 152,583 | (3,388) |
| Less: Pensioner remissions and rebates | (3,486) | (3,486) | (3,417) | (3,519) | (102) |
| Fees | 15,337 | 17,797 | 14,881 | 15,577 | 696 |
| Rental income | 1,067 | 1,214 | 1,047 | 1,113 | 66 |
| Interest received | 2,037 | 2,016 | 1,594 | 1,332 | (262) |
| Sales revenue | 3,682 | 4,147 | 3,514 | 3,865 | 351 |
| Other income | 469 | 546 | 514 | 630 | 116 |
| Grants, subsidies and contributions | 9,496 | 9,962 | 14,340 | 15,575 | 1,235 |
| Total recurrent revenue | 310,554 | 314,224 | 299,804 | 298,001 | (1,803) |
| Recurrent expenses | | | | | |
| Employee benefits | 97,172 | 97,872 | 80,905 | 80,627 | (278) |
| Materials and services | 145,459 | 148,858 | 119,401 | 112,807 | (6,594) |
| Finance costs | 2,007 | 2,007 | 1,598 | 1,576 | (22) |
| Depreciation and amortisation | 67,563 | 67,563 | 56,304 | 54,006 | (2,298) |
| Other expenditure | 522 | 522 | 411 | 320 | (91) |
| Net internal costs | (2,213) | (2,213) | (1,814) | (1,853) | (39) |
| Total recurrent expenses | 310,511 | 314,610 | 256,805 | 247,483 | (9,322) |
| OPERATING SURPLUS / (DEFICIT) | 43 | (386) | 42,999 | 50,518 | 7,519 |
| Capital revenue | | | | | |
| Grants, subsidies and contributions | 22,133 | 30,721 | 14,832 | 15,097 | 265 |
| Non-cash contributions | 2,461 | 2,461 | 2,032 | 30 | (2,002) |
| Total capital revenue | 24,594 | 33,182 | 16,864 | 15,127 | (1,737) |
| Capital expenses | | | | | |
| (Gain) / loss on disposal of non-current assets | 289 | (50) | (147) | 1,887 | 2,034 |
| Total capital expenses | 289 | (50) | (147) | 1,887 | 2,034 |
| TOTAL INCOME | 335,148 | 347,407 | 316,668 | 313,128 | (3,540) |
| TOTAL EXPENSES | 310,799 | 314,560 | 256,658 | 249,370 | (7,288) |
| NET RESULT | 24,349 | 32,847 | 60,010 | 63,758 | 3,748 |
| 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 | 32,847 | 60,010 | 63,758 | 3,748 |

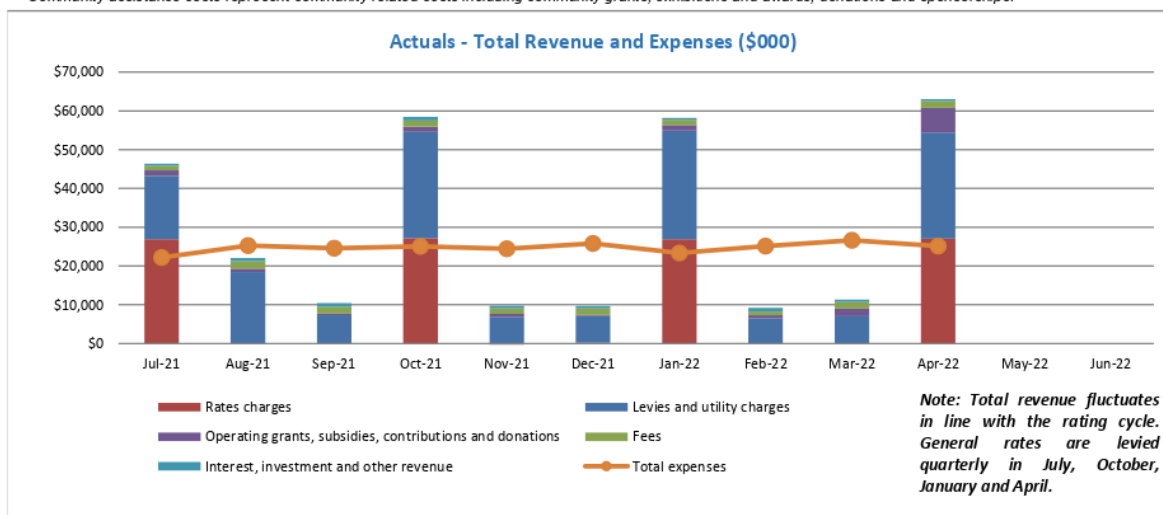
Monthly Financial Report

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

| LEVIES AND UTILITY CHARGES ANALYSIS | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| For the period ending 30 April 2022 | | | | | |
| | Annual | Annual | YTD | YTD | YTD |
| | Original | Revised | Budget | Actual | Variance |
| | Budget | Budget | \$000 | \$000 | \$000 |
| | \$000 | \$000 | | | |
| Levies and utility charges | | | | | |
| Refuse collection rate charge | 30,931 | 30,931 | 25,725 | 25,790 | 65 |
| SES separate charge | 514 | 514 | 514 | 513 | (1) |
| Environment & Coastal Management Separate Charge | 10,802 | 10,802 | 10,720 | 10,753 | 33 |
| Separate charge landfill remediation | 3,473 | 3,473 | 3,473 | 3,457 | (16) |
| Wastewater charges | 50,354 | 50,354 | 50,214 | 50,248 | 34 |
| Water access charges | 20,949 | 20,949 | 20,949 | 20,878 | (71) |
| Water consumption charges | 53,355 | 53,355 | 44,376 | 40,944 | (3,432) |
| Total levies and utility charges | 170,378 | 170,378 | 155,971 | 152,583 | (3,388) |
| MATERIALS AND SERVICES ANALYSIS | | | | | |
| For the period ending 30 April 2022 | | | | | |
| | Annual | Annual | YTD | YTD | YTD |
| | Original | Revised | Budget | Actual | Variance |
| | Budget | Budget | \$000 | \$000 | \$000 |
| | \$000 | \$000 | | | |
| Materials and services | | | | | |
| Contractors | 37,448 | 39,869 | 26,500 | 26,783 | 283 |
| Consultants | 2,775 | 4,885 | 3,556 | 2,415 | (1,141) |
| Other Council outsourcing costs* | 26,444 | 23,793 | 19,298 | 17,913 | (1,385) |
| Purchase of materials | 54,490 | 55,823 | 45,434 | 42,479 | (2,955) |
| Office administration costs | 7,194 | 7,363 | 10,289 | 9,478 | (811) |
| Electricity charges | 5,723 | 5,754 | 4,790 | 4,700 | (90) |
| Plant operations | 3,458 | 3,481 | 2,852 | 2,896 | 44 |
| Information technology resources | 3,686 | 3,698 | 3,200 | 3,115 | (85) |
| General insurance | 1,467 | 1,399 | 1,155 | 1,165 | 10 |
| Community assistance** | 1,716 | 1,736 | 1,427 | 1,017 | (410) |
| Other material and service expenses | 1,058 | 1,057 | 900 | 846 | (54) |
| Total materials and services | 145,459 | 148,858 | 119,401 | 112,807 | (6,594) |

* 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.



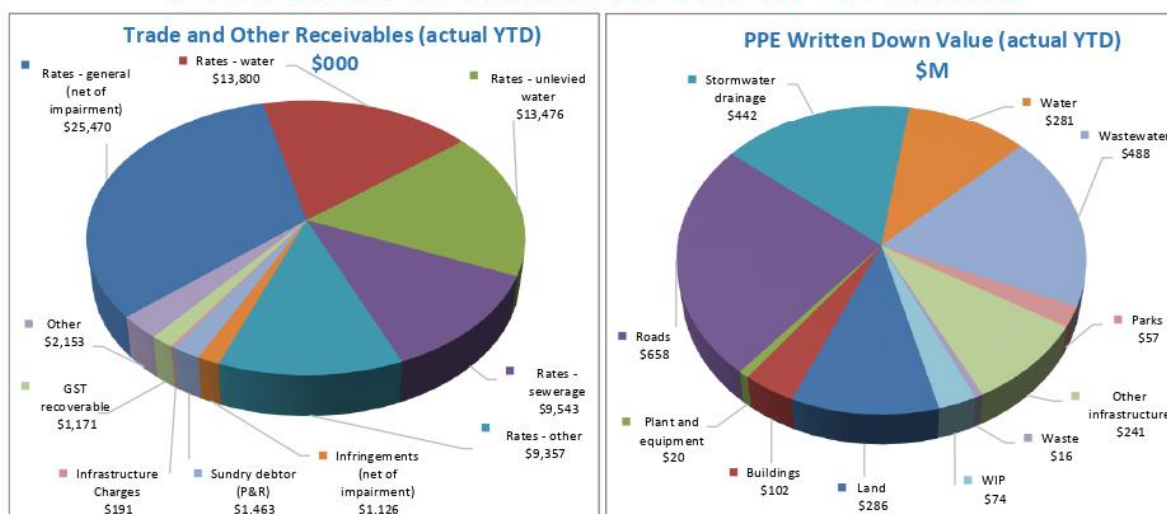
Monthly Financial Report

4. STATEMENT OF FINANCIAL POSITION

| STATEMENT OF FINANCIAL POSITION As at 30 April 2022 | | | | |
|--|-----------------------------|----------------------------|------------------|------------------|
| | Annual | Annual | YTD | YTD |
| | Original Budget \$000 | Revised Budget \$000 | Budget \$000 | Actual \$000 |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 198,990 | 195,979 | 212,754 | 202,069 |
| Short-term investment - CBA | - | - | 10,000 | 10,068 |
| Trade and other receivables | 42,672 | 43,012 | 83,095 | 77,750 |
| Inventories | 916 | 1,024 | 997 | 743 |
| Other current assets | 1,810 | 4,967 | 4,967 | 4,172 |
| Total current assets | 244,389 | 244,982 | 311,813 | 294,802 |
| NON-CURRENT ASSETS | | | | |
| Investment property | 1,225 | 1,225 | 1,225 | 1,225 |
| Property, plant and equipment | 2,619,909 | 2,709,572 | 2,686,831 | 2,665,087 |
| Intangible assets | 1,135 | 1,160 | 1,251 | 1,263 |
| Right-of-use assets | 4,723 | 4,984 | 5,157 | 5,148 |
| 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 | 2,729,671 | 2,707,194 | 2,685,453 |
| TOTAL ASSETS | 2,884,111 | 2,974,652 | 3,019,007 | 2,980,255 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 37,171 | 45,927 | 47,911 | 28,974 |
| 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 | 17,207 | 14,052 | 14,701 |
| Other current liabilities | 1,911 | 5,758 | 35,679 | 9,555 |
| Total current liabilities | 63,972 | 78,941 | 107,691 | 63,279 |
| NON-CURRENT LIABILITIES | | | | |
| Borrowings - non-current | 38,659 | 37,990 | 27,473 | 27,457 |
| Lease liability - non-current | 4,377 | 4,704 | 4,894 | 5,076 |
| Provisions - non-current | 21,539 | 22,675 | 21,446 | 23,192 |
| Total non-current liabilities | 64,576 | 65,370 | 53,813 | 55,725 |
| TOTAL LIABILITIES | 128,547 | 144,311 | 161,504 | 119,004 |
| NET COMMUNITY ASSETS | 2,755,563 | 2,830,341 | 2,857,503 | 2,861,251 |
| COMMUNITY EQUITY | | | | |
| Asset revaluation surplus | 1,035,840 | 1,106,353 | 1,106,353 | 1,106,353 |
| Retained surplus | 1,619,513 | 1,620,669 | 1,640,282 | 1,635,127 |
| Constrained cash reserves | 100,210 | 103,319 | 110,868 | 119,771 |
| TOTAL COMMUNITY EQUITY | 2,755,563 | 2,830,341 | 2,857,503 | 2,861,251 |

Monthly Financial Report

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



| RIGHT-OF-USE ASSETS | | | | |
|-------------------------------------|---------------------------------------|--------------------------------------|------------------------|-----------------------------------|
| For the period ending 30 April 2022 | | | | |
| | Annual Original Budget \$000 | Annual Revised Budget \$000 | YTD Budget \$000 | YTD Actual Balance \$000 |
| Right-of-use asset | | | | |
| Buildings | 2,109 | 2,152 | 2,248 | 2,238 |
| Land | 2,435 | 2,508 | 2,578 | 2,581 |
| Plant and Equipment | 179 | 324 | 331 | 329 |
| Closing balance | 4,723 | 4,984 | 5,157 | 5,148 |

| PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* | | | | |
|--|---------------------------------------|--------------------------------------|------------------------|-----------------------------------|
| For the period ending 30 April 2022 | | | | |
| | 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 | 109,081 | 75,086 | 52,768 |
| Depreciation in year | (65,977) | (65,977) | (54,981) | (52,686) |
| Disposals | (1,511) | (1,511) | (1,253) | (3,122) |
| Other adjustments** | - | - | - | 148 |
| Closing balance | 2,619,909 | 2,709,572 | 2,686,831 | 2,665,087 |

* 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 April 2022 | | | | |
|--|--|---------------------------------------|-------------------------|-------------------------|
| | Annual Original Budget \$'000 | Annual Revised Budget \$'000 | YTD Budget \$'000 | YTD Actual \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | 297,941 | 301,019 | 272,374 | 244,673 |
| Payments to suppliers and employees | (246,606) | (249,290) | (200,333) | (207,025) |
| | 51,334 | 51,729 | 72,041 | 37,648 |
| Interest received | 2,037 | 2,016 | 1,594 | 1,282 |
| Rental income | 1,067 | 1,214 | 1,047 | 1,113 |
| Non-capital grants and contributions | 14,109 | 14,575 | 14,202 | 15,552 |
| Borrowing costs | (1,763) | (1,763) | (1,756) | (1,769) |
| Right-of-use assets interest expense | (131) | (131) | (109) | (106) |
| Net cash inflow / (outflow) from operating activities | 66,654 | 67,641 | 87,019 | 53,720 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for property, plant and equipment | (70,498) | (106,620) | (73,054) | (53,070) |
| Proceeds from sale of property, plant and equipment | 1,222 | 1,562 | 1,399 | 1,234 |
| Capital grants, subsidies and contributions | 22,133 | 30,721 | 14,832 | 17,448 |
| Other cash flows from investing activities* | 3,500 | 3,500 | 3,500 | 3,500 |
| Net cash inflow / (outflow) from investing activities | (43,642) | (70,838) | (53,323) | (30,888) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds of borrowings | 10,324 | 10,324 | - | - |
| Repayment of borrowings | (7,243) | (7,243) | (7,227) | (7,230) |
| Right-of-use lease payment | (1,145) | (1,145) | (955) | (773) |
| Net cash inflow / (outflow) from financing activities | 1,936 | 1,936 | (8,182) | (8,003) |
| Net increase / (decrease) in cash held | 24,947 | (1,261) | 25,514 | 14,829 |
| 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 | 195,979 | 212,754 | 202,069 |

Cash Inflow (actual YTD)

| Category | Percentage |
|---|------------|
| Utility charges | 47% |
| Rates charges | 31% |
| Fees | 7% |
| Operating grants and contributions | 5% |
| Capital grants, subsidies and contributions | 6% |
| Other cash receipts | 4% |
| Interest received | 0% |

Cash Outflow (actual YTD)

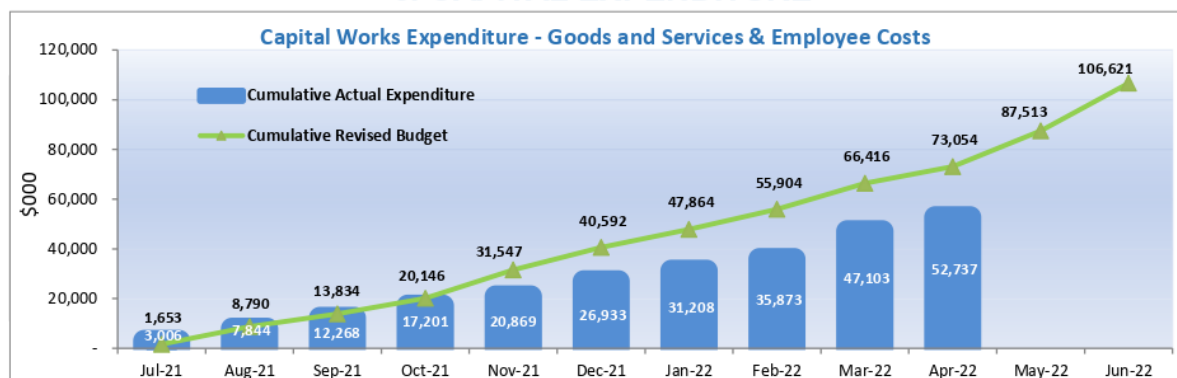
| Category | Percentage |
|--|------------|
| Materials and services | 46% |
| Employee costs | 30% |
| Payments for property, plant and equipment | 20% |
| Repayment of borrowings | 3% |
| Borrowing costs | 1% |

| | | | |
|--|----------------|--|----------------|
| Total Cash Funding (Actual YTD) | 284,802 | Total Cash Expenditure (Actual YTD) | 269,973 |
| Total Cash Funding (Annual Revised Budget) | 364,931 | Total Cash Expenditure (Annual Revised Budget) | 366,192 |
| % of Budget Achieved YTD | 78% | % of Budget Achieved YTD | 74% |

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

Monthly Financial Report

6. CAPITAL EXPENDITURE

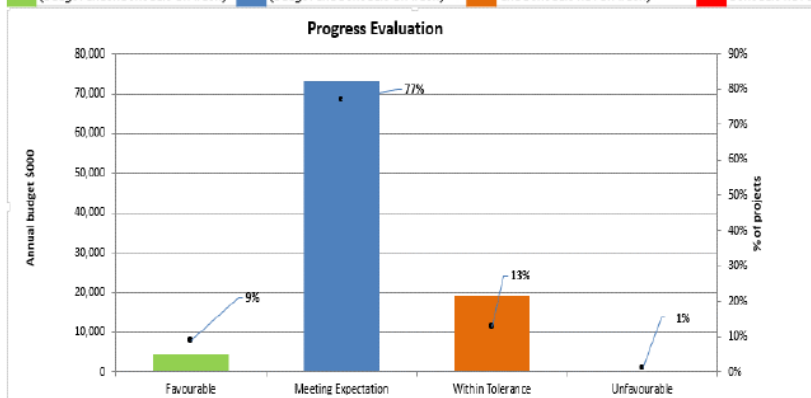


| | Annual Revised Budget \$'000 | YTD Budget \$'000 | YTD Actual \$'000 | YTD Variance \$'000 |
|---------------------------------|------------------------------|-------------------|-------------------|---------------------|
| Capitalised goods and services* | 98,763 | 65,531 | 46,292 | (19,239) |
| Capitalised employee costs | 7,858 | 7,523 | 6,445 | (1,078) |
| Total | 106,621 | 73,054 | 52,737 | (20,317) |

* Excludes capital prepayments.

7. PROGRAM AND PROJECT UPDATE

| | | | |
|--|--|--|---|
| Favourable (budget under/schedule on track) | Meeting expectations (budget and schedule on track) | Within tolerance (either budget and schedule not on track) | Unfavourable (budget and schedule not on track) |
|--|--|--|---|



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:

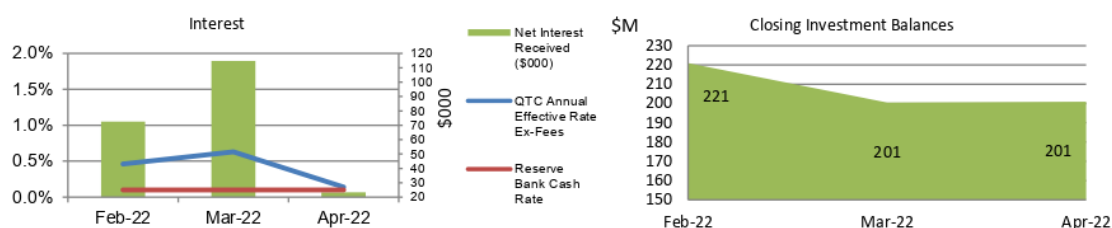
| Project description | Progress |
|---|----------------------|
| Footpath & Path Renewal Program - this program of work involves renewal of existing path assets. | Meeting Expectations |
| Emergency Water Works Program - essential service delivery of water mains and associated commissioning. Emergency water works as they emerge. | Meeting Expectations |

Monthly Financial Report

8. INVESTMENT & BORROWINGS REPORT

For the period ending 30 April 2022

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total QTC Investment at End of Month was \$200.89M

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 2021 \$10.068M was re-invested in a term deposit of Commonwealth Bank of Australia (CBA) to maximise interest earnings.

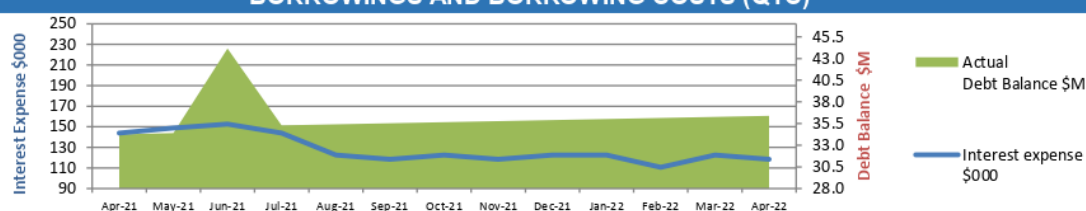
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income of April lower than previous month, due to decrease of QTC annual effective rate(exclude fee) from 0.63% to 0.14%.

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 0.14%. 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 in July 2021, for 2021/2022, which will result in the loans being repaid approximately one year earlier.

The debt balance increased in June 2021 due to new borrowings of \$9.61M as part of Council's Capital Works Plan.

In July 2021 the debt balance shows a decrease due to the Annual Debt Service Payment (ADSP). Interest will accrue monthly on a daily balance until next ADSP in July 2022 which is reflected in the increasing debt balance.

Total Borrowings at End of Month were \$36.38M

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

BORROWINGS

For the period ending 30 April 2022

| | 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) | (1,223) | (1,223) |
| Interest paid on borrowings | 1,763 | 1,763 | 1,756 | 1,769 |
| Principal repaid | 7,243 | 7,243 | 7,228 | 7,231 |
| Loan drawdown | (10,324) | (10,324) | - | - |
| Closing balance | (46,985) | (46,909) | (36,392) | (36,376) |

Monthly Financial Report

9. CONSTRAINED CASH RESERVES

| Reserves as at 30 April 2022 | 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 | - | 26 | (25) | 1 |
| Weinam Creek Reserve | Maintenance and improvements associated with Weinam Creek projects | - | 495 | (2) | 493 |
| Waste Levy Reserve | To fund Waste Levy Program | - | 5,259 | (4,204) | 1,055 |
| Raby Bay Revetment Wall Reserve | To fund Raby Bay revetment wall works program | 4,265 | 2,749 | (1,979) | 5,035 |
| Fleet Plant & Capital Equipment Reserve | To support the long term fleet replacement program | 3,716 | 2,162 | (753) | 5,125 |
| | | 7,981 | 10,691 | (6,963) | 11,709 |
| Constrained Works Reserve: | | | | | |
| Public Parks Trunk Infrastructure Reserve | Capital projects for public parks trunk infrastructure | 6,148 | 2,847 | (4,385) | 4,610 |
| Land for Community Facilities Trunk Infrastructure Reserve | Land for community facilities trunk infrastructure | 4,829 | 102 | - | 4,931 |
| Water Supply Trunk Infrastructure Reserve | Upgrade, expansion or new projects for water supply trunk infrastructure | 14,760 | 143 | - | 14,903 |
| Sewerage Trunk Infrastructure Reserve | Upgrade, expansion or new projects for sewerage trunk infrastructure | 11,165 | 2,515 | (1,484) | 12,196 |
| Local Roads Trunk Infrastructure Reserve | Capital projects for local roads trunk infrastructure | 36,517 | 4,398 | (573) | 40,342 |
| Cycleways Trunk Infrastructure Reserve | Capital projects for cycleways trunk infrastructure | 13,288 | 1,525 | (552) | 14,261 |
| Stormwater Trunk Infrastructure Reserve | Capital projects for stormwater trunk infrastructure | 9,898 | 465 | - | 10,363 |
| Tree Planting Reserve | Acquisition and planting of trees on footpaths | 169 | 85 | (10) | 244 |
| Koala Tree off-set Planting Reserve | Acquisition and planting of trees for koala habitat | 226 | 66 | (73) | 219 |
| Special Property Reserve | Acquisition of property in line with the strategic property framework | - | 1,381 | - | 1,381 |
| | | 97,000 | 13,527 | (7,077) | 103,450 |
| Separate Charge Reserve: | | | | | |
| Environment & Coastal management Separate Charge Reserve | Ongoing conservation and maintenance operations | - | 10,753 | (7,192) | 3,561 |
| SES Separate Charge Reserve | On-going costs of maintaining the Redland SES | 70 | 513 | (389) | 194 |
| | | 70 | 11,266 | (7,581) | 3,755 |
| 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 | 35,484 | (21,621) | 119,771 |
| | | Closing cash and cash equivalents | | 202,069 | |
| | | Reserves as percentage of cash balance | | 59% | |

*No interest charged for these reserves in April 2022 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 April 2022 | | | | | |
|---|---------------------------------------|--------------------------------------|------------------------|------------------------|--------------------------|
| | Annual Original Budget \$000 | Annual Revised Budget \$000 | YTD Budget \$000 | YTD Actual \$000 | YTD Variance \$000 |
| Total revenue | 128,167 | 128,331 | 118,524 | 115,110 | (3,414) |
| Total expenses | 75,785 | 76,235 | 61,224 | 58,118 | (3,106) |
| Earnings before interest, tax and depreciation (EBITD) | 52,382 | 52,096 | 57,300 | 56,992 | (308) |
| External interest expense | 224 | 224 | 201 | 197 | (4) |
| Internal interest expense | 15,139 | 15,139 | 12,615 | 12,615 | - |
| Depreciation | 24,711 | 24,711 | 20,593 | 20,353 | (240) |
| Operating surplus / (deficit) | 12,309 | 12,022 | 23,891 | 23,827 | (64) |
| CITY WATER CAPITAL FUNDING STATEMENT For the period ending 30 April 2022 | | | | | |
| | 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 | 2,463 | 2,658 | 195 |
| Net transfer (to) / from constrained capital reserves | 1,019 | (1,498) | (1,609) | (2,587) | (978) |
| Non-cash contributions | 2,379 | 2,379 | 1,983 | - | (1,983) |
| New loans | 3,368 | 3,368 | - | - | - |
| Funding from utility revenue | (2,699) | 7,529 | 7,253 | 4,356 | (2,897) |
| Total sources of capital funding | 7,023 | 14,733 | 10,090 | 4,427 | (5,663) |
| Contributed assets | 2,379 | 2,379 | 1,983 | - | (1,983) |
| Capitalised expenditure | 3,982 | 11,692 | 7,525 | 3,883 | (3,642) |
| Loan redemption | 662 | 662 | 582 | 544 | (38) |
| Total application of capital funds | 7,023 | 14,733 | 10,090 | 4,427 | (5,663) |

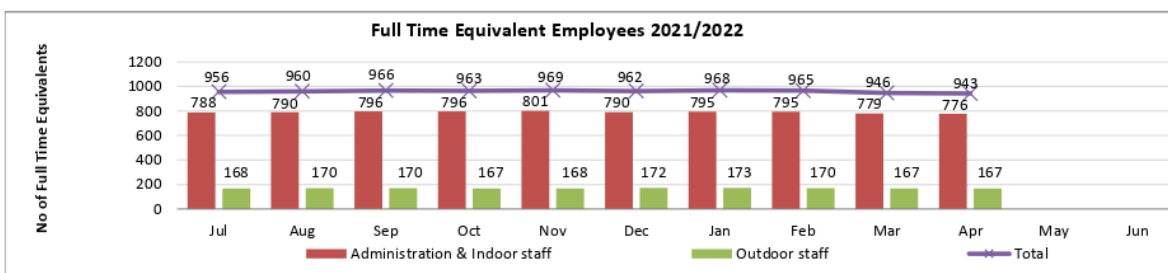
11. CITY WASTE STATEMENTS

| CITY WASTE OPERATING STATEMENT For the period ending 30 April 2022 | | | | | |
|---|---------------------------------------|--------------------------------------|------------------------|------------------------|--------------------------|
| | Annual Original Budget \$000 | Annual Revised Budget \$000 | YTD Budget \$000 | YTD Actual \$000 | YTD Variance \$000 |
| Total revenue | 32,893 | 32,904 | 32,416 | 32,587 | 171 |
| Total expenses | 23,973 | 24,033 | 24,178 | 23,877 | (301) |
| Earnings before interest, tax and depreciation (EBITD) | 8,920 | 8,870 | 8,238 | 8,710 | 472 |
| External interest expense | 7 | 7 | 6 | 6 | - |
| Depreciation | 423 | 423 | 352 | 328 | (24) |
| Operating surplus / (deficit) | 8,490 | 8,440 | 7,880 | 8,376 | 496 |
| CITY WASTE CAPITAL FUNDING STATEMENT For the period ending 30 April 2022 | | | | | |
| | Annual Original Budget \$000 | Annual Revised Budget \$000 | YTD Budget \$000 | YTD Actual \$000 | YTD Variance \$000 |
| Funding from utility revenue | 755 | 1,329 | 852 | 550 | (302) |
| Total sources of capital funding | 755 | 1,329 | 852 | 550 | (302) |
| Capitalised expenditure | 600 | 1,174 | 704 | 440 | (264) |
| Loan redemption | 155 | 155 | 148 | 110 | (38) |
| Total application of capital funds | 755 | 1,329 | 852 | 550 | (302) |

Monthly Financial Report

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



| April 2022: Headcount | | Employee Type | | | |
|--------------------------------------|--|---------------|------------|------------|--------------|
| Department Level | | Casual | Full Time | Part Time | Total |
| Office of CEO and People and Culture | | 1 | 39 | 11 | 51 |
| Organisational Services | | 3 | 205 | 21 | 229 |
| Community and Customer Services | | 52 | 276 | 64 | 392 |
| Infrastructure and Operations | | 8 | 343 | 16 | 367 |
| Total | | 64 | 863 | 112 | 1,039 |

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 April 2022 to April 2021 | | | | | | | | | |
|-------------------------------------|--------------------|-------------|--------------------|-------------|---------------------|--------------|--|----------------------|----------------------|
| Days Overdue | Apr-22 | % Overdue | Apr-21 | % Overdue | \$ Variance | % Variance | Rates & Charges Statistics | | |
| 0 - 30 | \$2,616 | 0.0% | \$0 | 0.0% | \$2,616 | 0.0% | Levied (Billed) Rates & Charges since 1 July | \$294,963,963 | \$282,811,979 |
| 31 - 60 | \$1,032 | 0.0% | \$350 | 0.0% | \$682 | 0.0% | Rate arrears b/fwd 1 July | \$10,693,344 | \$12,988,652 |
| 61 - 90 | \$2,856,074 | 0.9% | \$2,845,038 | 1.0% | \$11,035 | -0.1% | Total | \$305,657,307 | \$295,800,631 |
| 91 - 180 | \$1,401,694 | 0.5% | \$1,514,867 | 0.4% | -\$113,173 | 0.1% | Balance of overdue rates & charges | \$7,352,761 | \$8,706,843 |
| >180 | \$3,091,345 | 1.0% | \$4,346,588 | 1.5% | -\$1,255,242 | -0.5% | Percentage Overdue | 2.4% | 2.9% |
| Total | \$7,352,761 | 2.4% | \$8,706,843 | 2.9% | -\$1,354,082 | -0.5% | | | |

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 QUEENSLAND AUDIT OFFICE INTERIM MANAGEMENT REPORT 2021-2022**Objective Reference:** A6644900**Authorising Officer:** Deborah Corbett-Hall, Chief Financial Officer**Responsible Officer:** Aneta Zimon-Killoran, Service Manager Corporate Finance**Report Author:** Udaya Panambala Arachchilage, Corporate Financial Reporting Manager**Attachments:** 1. QAO Interim Management Report 2021-2022 [↓](#)**PURPOSE**

To present the Queensland Audit Office (QAO) interim management report for 2021-2022 to Council in compliance with section 213 of the *Local Government Regulation 2012*.

BACKGROUND

The QAO conducted an interim audit to understand and assess the aspects of Council's internal controls that relate to the financial statement audit objectives. The operating effectiveness of controls for the period 1 July 2021 to 25 March 2022 for revenue, expenditure and payroll was tested by the QAO. Based on the results of the interim audit, Council's overall internal control framework has been assessed as effective.

QAO will continue the controls testing for the intervening period until 30 June 2022 and will provide Council with a management update at the completion of the final audit visit that is scheduled to commence early August 2022.

ISSUES

The interim management report details other matter identified during the 2021-2022 interim audit and other internal control issues identified in prior year's audit. The other matter refers to the temporary lapse in control related to the master file review following a system upgrade at the end of November 2021, but mitigating factors were in place as detailed in the report. The prior year recommendation pertaining to notifying the Chief Executive Officer of councillor discretionary grant payments has been resolved. Information Management is currently working on the implementation of the remaining audit recommendations. The attached document contains the responses coordinated by Financial Services to address the prior year's audit observations.

The final interim management report was received on 29 April 2022 and in compliance with legislation, is scheduled for presentation to Council on 18 May 2022 ordinary meeting.

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 has offered to table the report to ensure compliance with legislation, noting coordination of the corrective actions and improvements will be undertaken by Council's Internal Audit Group.

Risk Management

Risk management is undertaken during the year with respect to the internal control environment and procedures.

Financial

There are no additional financial implications arising from this QAO interim management report.

People

No impact as the purpose of the report is to present the QAO 2021-2022 interim management report.

Environmental

No impact as the purpose of the report is to present the QAO 2021-2022 interim management report.

Social

No impact as the purpose of the report is to present the QAO 2021-2022 interim management report.

Human Rights

No impact as the purpose of the report is to present the QAO 2021-2022 interim management 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 | Consultation Date | Comments/Actions |
|--|-------------------|---|
| Bentleys – Queensland Audit Office Representative Acting Chief Financial Officer Chief Information Officer Service Manager Corporate Finance | 28 April 2022 | Agreement of management responses including timeframes. |
| Bentleys – Queensland Audit Office Representative, General Manager Organisational Services, Principal Adviser Internal Audit, Chief Financial Officer, Financial Controller | 23 March 2022 | Discussion of interim audit findings. |

OPTIONS**Option One**

That Council resolves to note the findings from the Queensland Audit Office interim management report (referred to as the Auditor-General's observation report in the *Local Government Regulation 2012*) for 2021-2022.

Option Two

That Council requests additional information.

OFFICER'S RECOMMENDATION

That Council resolves to note the findings from the Queensland Audit Office interim management report (referred to as the Auditor-General's observation report in the *Local Government Regulation 2012*) for 2021-2022.



Redland City Council

29 April 2022



Our ref: 5-200
Ashley Carle (07) 3222 9787

29 April 2022

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

Dear Councillor Williams

2022 Interim report

We present to you our interim report for Redland City Council (Council) for the financial year ending 30 June 2022.

This report details the results of our interim work performed to 25 March 2022. In this phase we assessed the design and implementation of your internal controls, and whether they are operating effectively. The internal controls that we assessed are those key controls we intend to rely on in auditing your financial statements. Our audit does not assess all controls that council have implemented across the organisation.

Under the Australian Auditing Standards, we are required to communicate to you any significant deficiencies in your control environment identified from our audit process. We have not identified any such significant deficiencies.

We have also undertaken work over the areas of audit focus that were communicated in our external audit plan. To date, our work has not identified any significant deficiencies in your internal controls.

Please note that under section 213 of the Local Government Regulation 2012, you must present a copy of this report at your council's next ordinary meeting.

The *Auditor-General Act 2009* requires the Auditor-General to report to parliament on an issue raised during an audit if they consider it to be significant. The results of our audit will be included in our report to parliament on results of local government audits.

If you have any questions or would like to discuss the audit report, please contact me on 3222 9787 or Billy Benton on 3222 9603.

Yours sincerely

Ashley Carle
Partner

Enc.

cc. Mr Andrew Chesterman, Chief Executive Officer
Mr Mitchell Petrie, Chair of the Audit Committee, Redland City Council

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 Queensland Audit Office (QAO)

2022 Interim report

1. Summary

We completed our audit planning phase and issued an external audit plan on 31 March 2022.

This report details our audit findings from the work we performed on the key controls identified during the audit planning phase over revenue, expenditure, and payroll.

Internal controls

Deficiencies and other matters:

- 1 other matter raised in the current year relating to reviews over changes to the supplier master file.
- 6 unresolved deficiencies from prior years.

Based on the results of our testing completed to date and the resolution of prior year issues, we have determined your internal control environment does support an audit strategy that can rely upon these controls.

2. Status of issues

Internal control issues

The following table identifies the number of deficiencies in internal controls and other matters we have identified. Details of deficiencies that we identified during our interim audit are outlined further in this section. Refer to section 3 Prior year issues for the status of prior year issues.

| Internal control issues by COSO element | Number of significant deficiencies | | Number of deficiencies | | Number of other matters | | Rating |
|---|--|------------------------------------|---------------------------|------------------------------------|----------------------------|------------------------------------|--------|
| | Current year issues | Prior year unresolved issues | Current year issues | Prior year unresolved issues | Current year issues | Prior year unresolved issues | |
| Control environment <i>Structures, policies, attitudes and values that influence daily operations</i> | - | - | - | 2 | - | - | ● |
| Risk assessment <i>Processes for identifying, assessing and managing risk</i> | - | - | - | - | - | - | ● |
| Control activities <i>Implementation of policies and procedures to prevent or detect errors and safeguard assets</i> | - | - | - | 3 | 1 | - | ● |
| Information and communication <i>Systems to capture and communicate information to achieve reliable financial reporting</i> | - | - | - | 1 | - | - | ● |
| Monitoring activities <i>Oversight of internal controls for existence and effectiveness</i> | - | - | - | - | - | - | ● |

SENSITIVE

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2022 Interim report

The following section details control deficiencies and other matters identified as at 25 March 2022. It includes a response from those charged with governance.

Our ratings are as follows. For more information and detail on our rating definitions, please see the webpage here: www.qao.qld.gov.au/information-internal-controls or scan the QR code.



Other matter

22IR-1 Lack of Supplier Master File Changes Review

Control Activity

Observation

The implementation of CiAnywhere in the first half of the financial year impacted the supplier master file change report ('Monthly Supplier Audit Trail Report') as it was unable to be produced by the system. This has led to a number of months' worth of month-end procedures being completed without the review of supplier master file changes being completed. It should be noted that there are mitigating factors in place to reduce the risk of this temporary lapse in the control:

- Checks are in place to compare employee bank account numbers with supplier bank details;
- Bank details in the system are updated by the Procurement team. The Procurement team manages the purchase ordering, whereas the Accounts Payable team assists with receiving invoices and payment. There is a segregation in duties;
- Bank details and other changes are identified by Ezyscan, a system that reads invoices and identifies changes in details for suppliers, which is only accessible by Accounts Payable. Where changes are identified, the invoice is transferred to a separate folder whereby it will be separated from the payment list and the payment terms are extended by up to two months to ensure that the bank checks have been completed. Where there has been a change in bank details, a form is issued to the supplier to confirm these changes as legitimate. The invoice is not paid until this is received.

Implication

Without the overarching monthly supplier master file changes review in place, there is a risk that fraudulent payments could be made, which may lead to misappropriation of Council monies. It should be noted however there are mitigating controls in place to reduce this risk, and towards the end of the interim audit, a report was able to be generated from CiAnywhere and is to be used in month end procedures again.

QAO recommendation

We recommend that Council undertakes this process as part of month end procedures.

Management response

Council acknowledges the temporary lapse in control. Towards the end of the interim audit, the internal control was reinstated. The chart audit report is being reviewed as part of the weekly payment run process, and has been backdated to 1 December 2021. No issues related to the account changes have been detected.

Responsible officer: Service Manager - Business Partnering

Status: Resolved pending audit clearance


Action date: 31 March 2022

SENSITIVE

2022 Interim report

3. Prior year issues


The following table summarises the status of deficiencies, financial reporting issues and other matters reported in prior years.

| Ref. | Issue | Status |
|--------|--|--|
| |  Deficiency | |
| 21CR-1 | Notifying CEO of Councillor Discretionary Grant Payments It was identified that in some instances the CEO wasn't informed of Councillor discretionary payments in a timely manner per the Local Government Regulation 2012 section 202A. | Resolved pending audit clearance at final audit Council has increased monitoring for discretionary grant payments and has included prompts on reports to ensure due dates are known. Responsible officer: Group Manager Corporate Governance Action date: 31 August 2021 |
| 21CR-2 | Timing of Asset Capture for Completed WIP Projects It was identified that there were some timeliness issues with the spatial capture of completed assets which has led to completed capital projects remaining within the capital WIP accounts for extended periods of time. | Work in progress Documentation has been changed so that it is now a requirement that the 'as constructed drawings' are supplied after each claimed lot of work is completed to allow for more efficient capitalisation of projects. Responsible officer: Group Manager Project Delivery Original action date: 31 August 2021 Updated action date: 30 June 2022 |
| 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 Progress is aligned with the migration to the cloud. When finalised this will be stored on the cloud to always allow access for responsible employees. Responsible officer: Chief Information Officer Original action date: 30 April 2022 Updated action date: 30 June 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. | Resolved Council has addressed the recommendations provided and are pursuing alternative options to mitigate the identified risk, such as moving the servers onto the cloud in the near future. Responsible officer: Chief Information Officer Action date: 31 December 2021 |

SENSITIVE

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2022 Interim report

| Ref. | Issue | Status |
|---|--|--|
|  Deficiency | | |
| 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. | Resolved pending audit clearance at final audit Documentation has been updated following recent testing. Given all systems, services and workloads will be moved into the cloud a separate project will be commenced to maintain documentation and playbooks as services are moved. Responsible officer: Chief Information Officer Original action date: 30 April 2022 Updated action date: 30 June 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. | Resolved pending audit clearance at final audit Server Operating Systems (SOS) will be updated as required as per the Cloud move project. Updates to SOS on data centre infrastructure will be undertaken as part of this program. Responsible officer: Chief Information Officer Original action date: 31 December 2021 Updated action date: 30 June 2022 |
| 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. | Resolved pending audit clearance at final audit The cyber security strategy is being reviewed to reflect current business priorities and the cloud migration. A proposed 2-year cyber security program will be presented to the Information Management Steering Committee for endorsement. Responsible officer: Chief Information Officer Original action date: 31 December 2021 Updated action date: 30 June 2022 |

SENSITIVE



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14 REPORTS FROM COMMUNITY & CUSTOMER SERVICES**14.1 SPORTS ENTRY SIGNAGE - SPORTING FIELD FENCE SIGNS**

This report is being finalised.

15 REPORTS FROM INFRASTRUCTURE & OPERATIONS

Nil.

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 INVESTIGATION INTO LOCATION FOR WILDLIFE HOSPITAL****Objective Reference: A6647016****Attachments: Nil**

In accordance with section 6.16 of *Council Meeting Standing Orders*, at the General Meeting scheduled for Wednesday, 18 May 2022, notice is hereby given that Cr Adelia Berridge intends to move the motion as follows:

MOTION**That Council resolves as follows:**

- 1. To investigate an appropriate location for the creation of a wildlife hospital on Birkdale Land or another suitable location which could attract private investment.**
- 2. To bring a report identifying an appropriate location for a wildlife hospital to Council by 16 November 2022.**

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 Register of Fees 2022-2023

This matter is considered to be confidential under section 254J(3)(c) 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.

Overview

To submit to Council for adoption the Redland City Council Register of Fees for the 2022-2023 financial year.

19.2 Council Land: Alexandra Hills

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 update Council on the progress of planning for future use of Council land in Alexandra Hills.

20 MEETING CLOSURE