

**Redland**  
CITY COUNCIL

# **AGENDA**

## **GENERAL MEETING**

**Thursday, 18 April 2024  
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 of 6 March 2024 and Post-Election Meeting of 8 April 2024.

## 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 NOTICE OF MOTION - CR JULIE TALTY - REPORT ON COUNCIL'S PROGRAMS RELATED TO THE ENVIRONMENTAL PROTECTION AND BIODIVERSITY CONSERVATION ACT**

At the General Meeting 19 July 2023 (Item 18.1 refers), Council resolved as follows:

1. *That Council undertakes a comprehensive report on the programs and infrastructure provision including expenditure, both operational and capital, in relation to koalas and threatened species management, and native vegetation rehabilitation and revegetation.*
2. *That a report be brought back to Council, and made publicly available on the Council website, explaining the success or other outcomes over the last ten years, and where known, planned in the coming five years in relation to koalas and threatened species management, and native vegetation rehabilitation and revegetation.*
3. *That the report be provided to the Federal Government to assist in Environmental Protection Biosecurity Conservation (EPBC) assessment of community infrastructure.*

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

## **7.2 DRAFT BIRKDALE COMMUNITY PRECINCT LOCAL GOVERNMENT INFRASTRUCTURE DESIGNATION CONSULTATION REPORT**

At the General Meeting 13 September 2023 (Item 14.1 refers), Council resolved as follows:

- 1. To endorse the Birkdale Community Precinct Local Government Infrastructure Designation Consultation Summary Report, including responses to submissions.*
- 2. To note that officers will continue to progress amendments to the Birkdale Community Precinct Local Government Infrastructure Designation based on the Consultation Report, and that a report seeking Council endorsement to make the designation will be brought to a future meeting of Council.*
- 3. To thank the community for its participation in the consultation.*

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



### 7.3 COMMUNITY RESIDENCE

At the General Meeting 6 March 2024 (Item 8.1 refers), Council resolved as follows:

1. *Note the Queensland State Government is responsible for making and upholding the Planning Regulation 2017 that prescribes a “Community Residence” is exempt development that does not require a planning approval or meet Local Government requirements or need not comply with the Queensland Development Code.*
2. *Acknowledge “Community Residences” that involve multi-storey serviced apartments in Low Density Residential Zone areas is leading to adverse planning and building outcomes impacting the privacy, well-being and reasonable expectations of surrounding residents and potential residents with National Disability Insurance Scheme requirements in this development.*
3. *Advocate to the Queensland State Government to join the Court Appeal or modify the Planning Regulation 2017 so that a “Community Residence” must consider the amenity of the existing community and local planning overlays, building design, height, siting and setback requirements.*
4. *Subject to Resolution #3 to continue to negotiate the Appeal by seeking to achieve improved planning and amenity outcomes to surrounding residents.*
5. *To bring a further report to Council on the status of the Court Appeal in April 2024.*

A report on this matter is listed as Item 20.1 of this Agenda.

## **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 FEBRUARY 2024 AND MARCH 2024 MONTHLY FINANCIAL REPORTS

**Objective Reference:** A8207039

**Authorising Officer:** Deborah Corbett-Hall, Executive Group Manager Financial Services & Chief Financial Officer

**Responsible Officer:** Deborah Corbett-Hall, Executive Group Manager Financial Services & Chief Financial Officer

**Report Author:** Udaya Panambala Arachchilage, Corporate Financial Reporting Manager

**Attachments:**

1. February 2024 Monthly Financial Report [↓](#)
2. March 2024 Monthly Financial Report [↓](#)

#### PURPOSE

To note the year to date financial results as at 29 February 2024 and 31 March 2024.

#### 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

##### ***Timing of general meeting in March 2024***

There was only one general meeting early in March where the actual financial performance for the financial year up to the end of February 2024 could be reviewed. However, it was not possible for Council's financial report to be completed by the agenda cut-off, hence a high level update was presented at the March general meeting.

##### ***Queensland Audit Office (QAO) second planning visit 2023-2024***

QAO commenced the 2023-2024 second planning visit of the external audit on 11 March 2024 and completed on 15 March 2024. The key focus of the planning visit was to continue the work from the first planning visit and to confirm the QAO's understanding of the key controls, to identify and assess the risk of misstatement associated with the financial statements, and to develop an audit strategy to address the risk of material misstatement.

##### ***2023-2024 budget review***

Council adopted its revised budget at the General Meeting on 13 December 2023 and the updated budget numbers are reflected in these reports. The capital portfolio continues to be reprioritised and delivered.

##### ***Capital program progress***

The Executive Leadership Team reviews the progress of the capital program on a regular basis. Council's capital works expenditure is ahead of budget by \$5.90M as at the end of March, due to the early and pro-active engagement with the market and the active management of contracts.

The program is frequently and actively re-prioritised and managed to ensure that projects continue to be delivered on behalf of the community. Council will deliver the largest annual capital expenditure program this financial year.

### **STRATEGIC IMPLICATIONS**

Council has either achieved or favourably exceeded the following key financial sustainability ratios as at the end of February 2024 and March 2024 respectively.

- Operating Surplus Ratio
- Operating Cash Ratio
- Unrestricted Cash Expense Cover Ratio
- Asset Sustainability Ratio
- Asset Consumption Ratio
- Leverage Ratio
- Net Financial Liabilities Ratio

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

### **Legislative Requirements**

The February 2024 and March 2024 financial reports are 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 February 2024 and March 2024 financial reports have 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 these reports, however they provide an indication of financial outcomes at the end of February 2024 and March 2024.

### **People**

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

### **Environmental**

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

### **Social**

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

### **Human Rights**

There are no human rights implications for these reports as the purpose of the attached reports are 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 31 March 2024	Consulted on financial results and outcomes
Financial Services Group officers	Year to date 31 March 2024	Consulted on financial results and outcomes
Executive Leadership Team and Senior Leadership Team	Year to date 31 March 2024	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 February 2024 and March 2024 as presented in the attached Monthly Financial Reports.

**Option Two**

That Council resolves to request additional information.

**OFFICER'S RECOMMENDATION**

**That Council resolves to note the financial position, results and ratios for February 2024 and March 2024 as presented in the attached Monthly Financial Reports.**



# Monthly Financial Report

## February 2024



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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 29 February 2024. The year to date annual revised budget referred to in this report incorporates the changes from the budget review adopted by Council on 13 December 2023.

### Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Revised Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(1,520)	17,598	<b>25,752</b>	8,154	46%	✓
Recurrent Revenue	357,681	252,568	<b>252,812</b>	244	0%	✓
Recurrent Expenditure	359,201	234,970	<b>227,060</b>	(7,910)	-3%	✓
Capital Works Expenditure	135,795	71,371	<b>83,438</b>	12,067	17%	✗
Closing Cash & Cash Equivalents	257,357	283,933	<b>228,674</b>	(55,259)	-19%	✗
Short-Term Investment	10,122	10,122	<b>50,000</b>	39,878	394%	✓

Council reported a year to date operating surplus of \$25.75M which is favourable to budget by \$8.15M. This is mainly due to lower than budgeted materials and services, depreciation and amortisation, employee costs, combined with higher than budgeted fees and interest received, partially offset by lower than budgeted operating grants, subsidies and contributions.

Council's capital works expenditure is ahead of budget by \$12.07M due to the early and pro-active engagement with the market and the active management of contracts. The program is frequently and actively re-prioritised and managed to ensure that projects continue to be delivered on behalf of the community. Council is on track to deliver the largest annual capital expenditure program to date.

Council's cash balance is behind budget mainly due to investment in a short-term deposit to gain risk free interest revenue, higher payments for property, plant and equipment, and lower non-capital grants and contributions received. Constrained cash reserves represent 51% of the cash balance.

## 2. KEY PERFORMANCE INDICATORS

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

Financial Sustainability Measures	Target	Annual Revised Budget	YTD Actual	Status Achieved ✓ Not achieved ✗
Council-Controlled Revenue*	Contextual - No target specified	91.33%	93.69%	N/A
Population Growth Ratio*	Contextual - No target specified	1.00%	1.00%	N/A
Operating Surplus Ratio	Greater than 0%	-0.42%	10.19%	✓
Operating Cash Ratio	Greater than 0%	21.06%	29.87%	✓
Unrestricted Cash Expense Cover Ratio	Greater than 2 months	11.37	12.57	✓
Asset Sustainability Ratio	Greater than 60%	92.10%	84.44%	✓
Asset Consumption Ratio	Greater than 60%	64.27%	62.30%	✓
Asset Renewal Funding Ratio*	Contextual - No target specified	100.00%	100.00%	N/A
Leverage Ratio	0 - 4 times	0.90	0.61	✓
Net Financial Liabilities Ratio**	Less than 60% (on average over the long-term)	-39.70%	-66.02%	✓

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

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

### 3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 29 February 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Recurrent revenue</b>					
Rates charges	124,613	124,613	93,438	<b>93,409</b>	(29)
Levies and utility charges	186,457	186,457	132,280	<b>132,369</b>	89
Less: Pensioner remissions and rebates	(3,638)	(3,638)	(2,703)	<b>(2,878)</b>	(175)
Fees	18,526	19,245	13,092	<b>13,970</b>	878
Rental income	1,075	1,075	712	<b>857</b>	145
Interest received	11,796	12,496	8,645	<b>9,264</b>	619
Sales revenue	4,982	4,982	3,258	<b>3,417</b>	159
Other income	847	847	496	<b>742</b>	246
Grants, subsidies and contributions	10,914	11,604	3,350	<b>1,662</b>	(1,688)
<b>Total recurrent revenue</b>	<b>355,572</b>	<b>357,681</b>	<b>252,568</b>	<b>252,812</b>	<b>244</b>
<b>Recurrent expenses</b>					
Employee benefits	108,385	109,238	72,866	<b>71,670</b>	(1,196)
Materials and services	171,662	172,336	110,738	<b>105,744</b>	(4,994)
Finance costs	2,690	2,690	1,422	<b>1,431</b>	9
Depreciation and amortisation	75,188	75,188	50,125	<b>48,599</b>	(1,526)
Other expenditure	546	546	351	<b>379</b>	28
Net internal costs	(796)	(796)	(532)	<b>(763)</b>	(231)
<b>Total recurrent expenses</b>	<b>357,674</b>	<b>359,201</b>	<b>234,970</b>	<b>227,060</b>	<b>(7,910)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(2,103)</b>	<b>(1,520)</b>	<b>17,598</b>	<b>25,752</b>	<b>8,154</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	41,307	43,680	16,285	<b>15,077</b>	(1,208)
Non-cash contributions	12,230	12,230	8,153	<b>18</b>	(8,135)
<b>Total capital revenue</b>	<b>53,537</b>	<b>55,910</b>	<b>24,438</b>	<b>15,095</b>	<b>(9,343)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	289	192	<b>2,431</b>	2,239
<b>Total capital expenses</b>	<b>289</b>	<b>289</b>	<b>192</b>	<b>2,431</b>	<b>2,239</b>
<b>TOTAL INCOME</b>	<b>409,109</b>	<b>413,590</b>	<b>277,006</b>	<b>267,907</b>	<b>(9,099)</b>
<b>TOTAL EXPENSES</b>	<b>357,963</b>	<b>359,490</b>	<b>235,162</b>	<b>229,491</b>	<b>(5,671)</b>
<b>NET RESULT</b>	<b>51,145</b>	<b>54,101</b>	<b>41,844</b>	<b>38,416</b>	<b>(3,428)</b>
<b>Other comprehensive income / (loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	<b>(13)</b>	(13)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>51,145</b>	<b>54,101</b>	<b>41,844</b>	<b>38,403</b>	<b>(3,441)</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 29 February 2024

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Levies and utility charges</b>					
Refuse collection rate charge	36,083	36,083	23,999	24,091	92
SES separate charge	458	458	344	344	-
Environment & Coastal Management Separate Charge	12,609	12,609	9,454	9,468	14
Separate charge landfill remediation	4,348	4,348	3,260	3,265	5
Wastewater charges	56,059	56,059	41,850	42,187	337
Water access charges	23,351	23,351	17,423	17,551	128
Water consumption charges	53,549	53,549	35,950	35,463	(487)
<b>Total levies and utility charges</b>	<b>186,457</b>	<b>186,457</b>	<b>132,280</b>	<b>132,369</b>	<b>89</b>

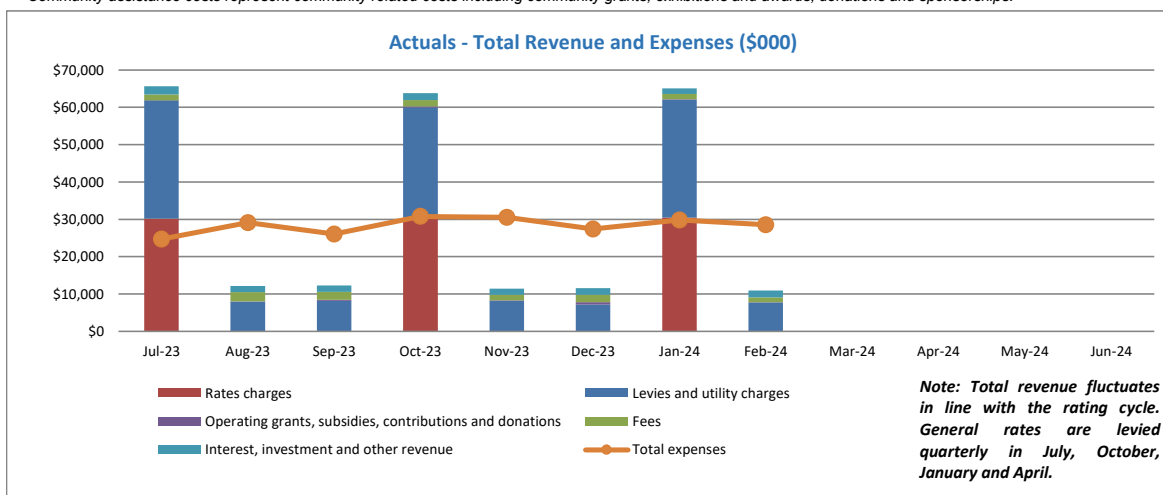
#### MATERIALS AND SERVICES ANALYSIS

For the period ending 29 February 2024

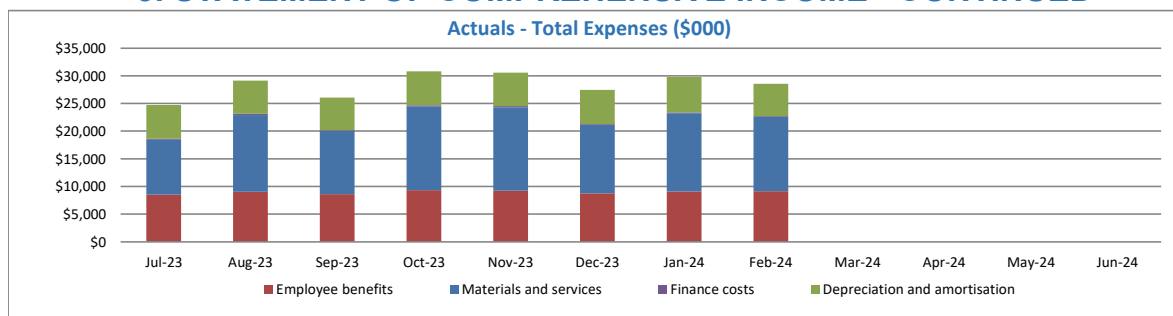
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Materials and services</b>					
Contractors	45,990	48,928	26,863	25,294	(1,569)
Consultants	4,989	6,183	4,217	2,939	(1,278)
Other Council outsourcing costs*	33,588	29,889	18,409	17,397	(1,012)
Purchase of materials	56,984	57,142	40,975	41,880	905
Office administration costs	8,017	8,277	5,549	4,873	(676)
Electricity charges	6,282	6,276	4,184	3,426	(758)
Plant operations	3,984	3,821	2,569	2,661	92
Information technology resources	6,549	6,711	4,661	4,703	42
General insurance	2,050	2,050	1,367	1,154	(213)
Community assistance**	2,582	2,412	1,508	952	(556)
Other material and service expenses	647	647	436	465	29
<b>Total materials and services</b>	<b>171,662</b>	<b>172,336</b>	<b>110,738</b>	<b>105,744</b>	<b>(4,994)</b>

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

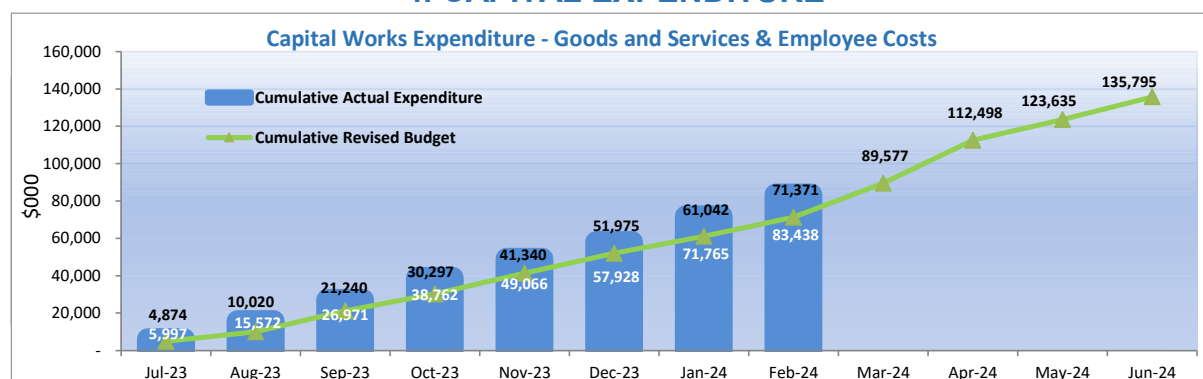
\*\* Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.



### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED



### 4. CAPITAL EXPENDITURE



	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	127,706	66,351	78,278	11,927
Capitalised employee costs	8,089	5,020	5,160	140
<b>Total</b>	<b>135,795</b>	<b>71,371</b>	<b>83,438</b>	<b>12,067</b>

\* Excludes capital prepayments.

### Notable Programs and Projects

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

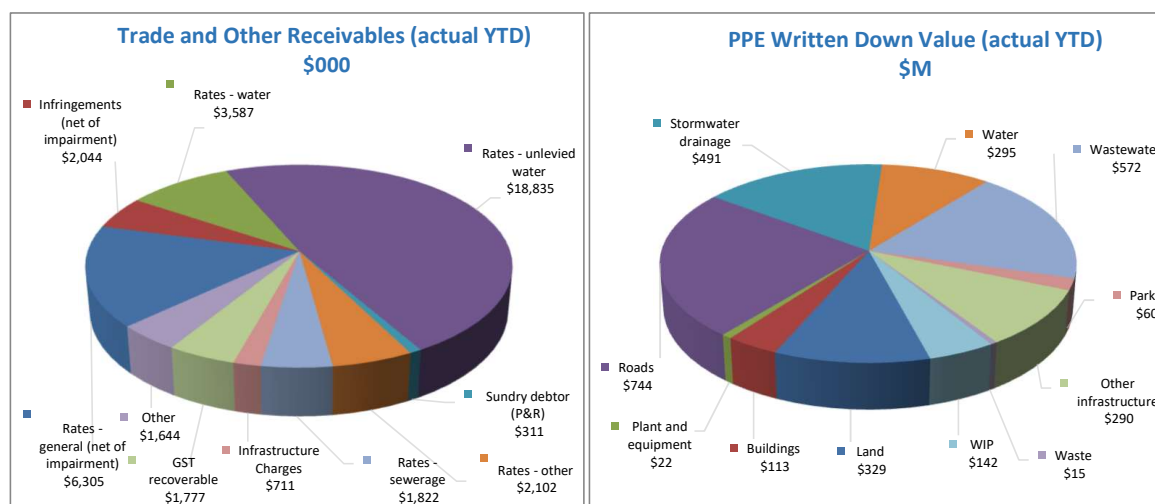
Capital Investment		YTD Actual \$'000
Wellington St / Panorama Dr upgrade	Road widening / lane duplication of Wellington St / Panorama Dr.	29,241
Revetment walls renewal	Revetment wall renewal works at Seacrest Crt and Masthead Dr properties.	4,225
Property acquisition	Acquisition of property on Middle Street, Cleveland, for operational purposes.	2,547
Willard's farm restoration program	Make the building safe and preserve the heritage values.	2,508
Fleet replacement	Current fleet replacement program.	2,431

## 5. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 29 February 2024				
	Annual	Annual	YTD	YTD
	Original Budget \$'000	Revised Budget \$'000	Budget \$'000	Actual \$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	231,077	257,357	283,933	228,674
Short-term investment - CBA	10,122	10,122	10,122	50,000
Trade and other receivables	48,805	46,683	44,762	39,138
Inventories	918	947	947	1,052
Other current assets	4,397	3,074	3,074	4,356
<b>Total current assets</b>	<b>295,319</b>	<b>318,185</b>	<b>342,838</b>	<b>323,220</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,293	1,403	1,403	1,403
Property, plant and equipment	2,893,904	3,112,875	3,069,552	3,073,064
Intangible assets	635	624	761	792
Right-of-use assets	3,103	3,359	3,685	3,727
Other financial assets	73	73	73	73
Investment in other entities	12,657	12,657	12,657	11,357
<b>Total non-current assets</b>	<b>2,911,665</b>	<b>3,130,991</b>	<b>3,088,131</b>	<b>3,090,416</b>
<b>TOTAL ASSETS</b>	<b>3,206,984</b>	<b>3,449,176</b>	<b>3,430,969</b>	<b>3,413,636</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	46,847	40,788	44,955	40,268
Borrowings - current	5,209	5,252	5,252	5,252
Lease liability - current	1,044	1,144	1,144	1,144
Provisions - current	17,573	17,797	13,398	14,175
Other current liabilities	11,632	14,172	20,706	13,521
<b>Total current liabilities</b>	<b>82,305</b>	<b>79,152</b>	<b>85,455</b>	<b>74,360</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	60,917	60,992	40,262	40,304
Lease liability - non-current	2,582	2,764	3,146	3,053
Provisions - non-current	16,743	19,554	22,043	23,613
Other non-current liabilities	5,020	13,706	19,314	14,996
<b>Total non-current liabilities</b>	<b>85,261</b>	<b>97,017</b>	<b>84,765</b>	<b>81,966</b>
<b>TOTAL LIABILITIES</b>	<b>167,567</b>	<b>176,169</b>	<b>170,220</b>	<b>156,326</b>
<b>NET COMMUNITY ASSETS</b>	<b>3,039,417</b>	<b>3,273,007</b>	<b>3,260,749</b>	<b>3,257,310</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,225,400	1,441,332	1,441,332	1,441,319
Retained surplus	1,701,576	1,721,920	1,692,635	1,700,012
Constrained cash reserves	112,441	109,755	126,782	115,979
<b>TOTAL COMMUNITY EQUITY</b>	<b>3,039,417</b>	<b>3,273,007</b>	<b>3,260,749</b>	<b>3,257,310</b>



## 5. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS As at 29 February 2024				
	Annual Original Budget \$'000	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual Balance \$'000
<b>Right-of-use asset</b>				
Buildings	815	905	1,081	<b>1,083</b>
Land	2,045	2,211	2,347	<b>2,387</b>
Plant and Equipment	243	243	257	<b>257</b>
<b>Closing balance</b>	<b>3,103</b>	<b>3,359</b>	<b>3,685</b>	<b>3,727</b>

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 29 February 2024				
	Annual Original Budget \$'000	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual Balance \$'000
<b>PPE movement</b>				
Opening balance (includes WIP from previous years)	2,821,486	3,040,382	3,040,382	<b>3,040,382</b>
Acquisitions and WIP in year movement	147,949	148,025	79,524	<b>83,393</b>
Depreciation in year	(73,800)	(73,800)	(49,200)	<b>(47,588)</b>
Disposals	(1,731)	(1,732)	(1,154)	<b>(2,803)</b>
Other adjustments**	-	-	-	<b>(320)</b>
<b>Closing balance</b>	<b>2,893,904</b>	<b>3,112,875</b>	<b>3,069,552</b>	<b>3,073,064</b>

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

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

## 6. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS				
For the period ending 29 February 2024				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	330,713	331,431	250,890	<b>250,566</b>
Payments to suppliers and employees	(287,755)	(289,311)	(186,605)	<b>(185,255)</b>
	<b>42,958</b>	<b>42,120</b>	<b>64,285</b>	<b>65,311</b>
Interest received	11,796	12,496	8,645	<b>8,576</b>
Rental income	1,075	1,075	712	<b>857</b>
Non-capital grants and contributions	10,884	16,001	7,822	<b>1,542</b>
Borrowing costs	(1,323)	(1,323)	(1,323)	<b>(1,415)</b>
Right-of-use assets interest expense	(100)	(100)	(66)	<b>(62)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>65,290</b>	<b>70,270</b>	<b>80,075</b>	<b>74,809</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(135,719)	(135,795)	(71,371)	<b>(82,971)</b>
Payments for intangible assets	-	-	-	<b>(62)</b>
Proceeds from sale of property, plant and equipment	1,443	1,443	962	<b>373</b>
Reduction to investment in other entities	-	-	-	<b>1,300</b>
Capital grants, subsidies and contributions	41,307	41,430	14,035	<b>14,920</b>
Short-term investment - CBA	-	-	-	<b>(39,878)</b>
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(92,970)</b>	<b>(92,923)</b>	<b>(56,374)</b>	<b>(106,318)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	20,159	20,159	-	-
Repayment of borrowings	(3,960)	(3,960)	(3,960)	<b>(3,916)</b>
Right-of-use lease payment	(1,144)	(1,144)	(763)	<b>(856)</b>
<b>Net cash inflow / (outflow) from financing activities</b>	<b>15,055</b>	<b>15,055</b>	<b>(4,723)</b>	<b>(4,772)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(12,625)</b>	<b>(7,598)</b>	<b>18,978</b>	<b>(36,281)</b>
Cash and cash equivalents at the beginning of the year	243,701	264,955	264,955	<b>264,955</b>
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>231,077</b>	<b>257,357</b>	<b>283,933</b>	<b>228,674</b>

**Cash Inflow (actual YTD)**

Category	Percentage
Utility charges	49%
Rates charges	32%
Other cash receipts	2%
Capital grants, subsidies and contributions	5%
Interest received	3%
Operating grants and contributions	1%
Fees	7%
Reduction to investment in other entities	1%

**Cash Outflow (actual YTD)**

Category	Percentage
Materials and services	37%
Employee costs	22%
Payments for property, plant and equipment	26%
Short-term investment	13%
Repayment of borrowings	2%
Borrowing costs	0%

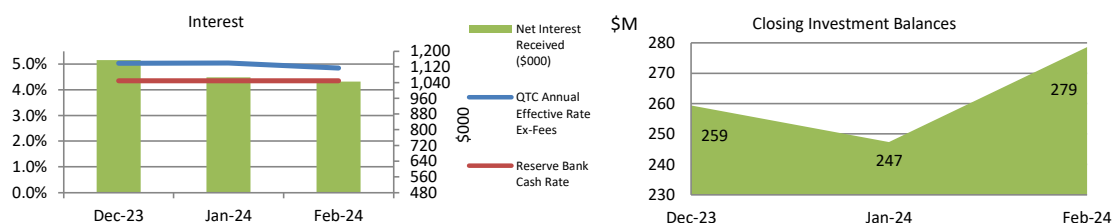
  

<b>Total Cash Funding (Actual YTD)</b>	<b>278,134</b>	<b>Total Cash Expenditure (Actual YTD)</b>	<b>314,415</b>
Total Cash Funding (Annual Revised Budget)	424,035	Total Cash Expenditure (Annual Revised Budget)	431,633
% of Budget Achieved YTD	66%	% of Budget Achieved YTD	73%

## 7. INVESTMENT & BORROWINGS REPORT

For the period ending 29 February 2024

### INVESTMENT RETURNS



**Total Investment at End of Month was \$278.67M**

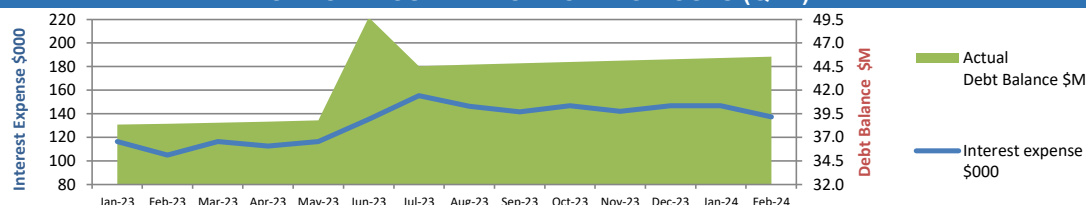
Council investments are currently held predominantly in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC). In October 2023 \$50M was invested in a term deposit of Commonwealth Bank of Australia (CBA) for a term of 365 days at a rate of 5.25% to maximise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

The movement in interest earned is indicative of both the interest rate and the surplus cash balances held with QTC, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income decreased from January to February due to decrease in QTC annual effective rate (excluding fee) from 5.04% to 4.85%.

Note: the Reserve Bank cash rate of 4.35% remains unchanged since November 2023.

Council adopted its Investment Policy (FIN-001-P) in May 2023 for the 2023/2024 financial year

### BORROWINGS AND BORROWING COSTS (QTC)



The debt balance increased in June 2023 due to new borrowings of \$10.81M as part of Council's Capital Works Plan.

In July 2023 the debt balance showed a decrease due to the \$5.33M Annual Debt Service Payment (ADSP), being \$3.92M principal and \$1.41M interest. Interest will accrue monthly on a daily balance until next ADSP in July 2024 which is reflected in the increasing debt balance.

**Total Borrowings at End of Month were \$45.56M**

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

### BORROWINGS

For the period ending 29 February 2024

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>Borrowings</b>				
Opening balance	(49,607)	(49,724)	(49,724)	(49,724)
Accrued interest on borrowings	(1,643)	(1,644)	(1,073)	(1,163)
Interest paid on borrowings	1,323	1,323	1,323	1,415
Principal repaid	3,960	3,960	3,960	3,916
Loan drawdown	(20,159)	(20,159)	-	-
<b>Closing balance</b>	<b>(66,126)</b>	<b>(66,244)</b>	<b>(45,514)</b>	<b>(45,556)</b>

## 8. CONSTRAINED CASH RESERVES

Reserves as at 29 February 2024	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>					
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	23	95	(5)	113
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	1,242	294	(2)	1,534
Waste Levy Reserve	To fund Waste Levy Program	414	3,815	(3,911)	318
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	5,355	2,122	(4,039)	3,438
		<b>7,034</b>	<b>6,326</b>	<b>(7,957)</b>	<b>5,403</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	5,633	2,414	(2,542)	5,505
Marine Trunk Infrastructure Reserve	Provision of marine facilities south of Redland Bay	183	-	-	183
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	5,389	86	-	5,475
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	15,532	543	-	16,075
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	14,903	1,539	(253)	16,189
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	39,530	4,692	(10,859)	33,363
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	13,709	1,293	(64)	14,938
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,996	354	-	11,350
Tree Planting Reserve	Acquisition and planting of trees on footpaths	342	60	(4)	398
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	19	-	(19)	-
Special Property Reserve	Acquisition of property in line with the strategic property framework	2,919	689	-	3,608
		<b>109,155</b>	<b>11,670</b>	<b>(13,741)</b>	<b>107,084</b>
<b>Separate Charge Reserve:</b>					
Environment & Coastal Management Separate Charge Reserve	Ongoing conservation and maintenance operations	-	9,468	(6,970)	2,498
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	123	344	(394)	73
		<b>123</b>	<b>9,812</b>	<b>(7,364)</b>	<b>2,571</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	774	19	-	793
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	439	11	-	450
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	224	5	-	229
1718 Aquatic Paradise Canal Reserve	Service, facility or activity of works in respect of the canals of the Aquatic Paradise canal estate	(495)	-	-	(495)
1718 Sovereign Waters Lake Reserve	Service, facility or activity of works in respect of the lake	(56)	-	-	(56)
		<b>886</b>	<b>35</b>	<b>-</b>	<b>921</b>
<b>TOTALS</b>		<b>117,198</b>	<b>27,843</b>	<b>(29,062)</b>	<b>115,979</b>
		Closing cash and cash equivalents		228,674	
		Reserves as percentage of cash balance		51%	

## 9. CITY WATER STATEMENTS

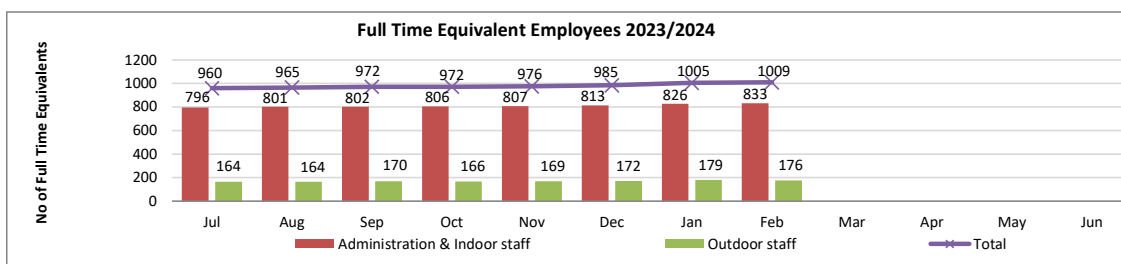
CITY WATER SUMMARY OPERATING STATEMENT					
For the period ending 29 February 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	146,602	146,932	104,712	104,427	(285)
Total expenses	80,781	80,731	56,653	55,780	(873)
Earnings before interest, tax and depreciation (EBITD)	65,821	66,200	48,059	48,647	588
External interest expense	224	224	144	143	(1)
Internal interest expense	15,633	15,633	10,422	10,422	-
Depreciation	27,753	27,753	18,502	19,366	864
Operating surplus / (deficit)	22,210	22,590	18,991	18,716	(275)
CITY WATER CAPITAL FUNDING STATEMENT					
For the period ending 29 February 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	9,069	3,696	2,131	2,083	(48)
Net transfer (to) / from constrained capital reserves	1,930	2,045	115	(1,829)	(1,944)
Non-cash contributions	1,651	1,651	1,101	-	(1,101)
New loans	4,061	4,061	-	-	-
Funding from utility revenue	1,158	6,457	8,110	7,334	(776)
Total sources of capital funding	17,869	17,911	11,457	7,588	(3,869)
Contributed assets	1,651	1,651	1,101	-	(1,101)
Capitalised expenditure	15,406	15,448	9,634	6,798	(2,836)
Loan redemption	812	812	722	790	68
Total application of capital funds	17,869	17,911	11,457	7,588	(3,869)

## 10. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT					
For the period ending 29 February 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	39,399	39,399	26,130	26,616	486
Total expenses	30,636	30,763	20,371	19,643	(728)
Earnings before interest, tax and depreciation (EBITD)	8,764	8,636	5,759	6,973	1,214
External interest expense	6	6	4	4	-
Depreciation	596	596	397	308	(89)
Operating surplus / (deficit)	8,162	8,035	5,358	6,661	1,303
CITY WASTE CAPITAL FUNDING STATEMENT					
For the period ending 29 February 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	4,820	4,820	-	-	-
Funding from utility revenue	3,046	2,889	252	251	(1)
Total sources of capital funding	7,866	7,709	252	251	(1)
Capitalised expenditure	7,826	7,669	225	224	(1)
Loan redemption	40	40	27	27	-
Total application of capital funds	7,866	7,709	252	251	(1)

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

### Workforce Reporting



February 2024: Headcount		Employee Type			
Department Level		Casual	Full Time	Part Time	Total
Office of CEO and People and Culture		11	43	7	61
Organisational Services		2	198	20	220
Community and Customer Services		66	293	67	426
Infrastructure and Operations		2	347	17	366
Advocacy Major Projects and Economic Development		-	37	5	42
<b>Total</b>		<b>81</b>	<b>918</b>	<b>116</b>	<b>1,115</b>

Note: Full Time Equivalent Employees includes all full time employees at a value of 1 and all other employees, at a value less than 1. The table above demonstrates the headcount by department. Following Ourspace, the table includes contract of service and temporary personnel. It includes casual staff in their non-substantive roles as at the end of the period where relevant.

### Overdue Rates Debtors & Statistics

Comparison February 2024 to February 2023									
Days Overdue	Feb-24	% Overdue	Feb-23	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics		
0 - 30	\$7,198,209	2.8%	\$6,023,351	2.5%	\$1,174,858	0.3%	Levied (Billed) Rates & Charges since 1 July 2023	\$249,448,153	\$230,872,405
31 - 60	\$773	0.0%	\$1,577	0.0%	-\$804	0.0%	Rate arrears b/fwd 1 July 2023	\$9,226,293	\$9,031,746
61 - 90	\$1,502	0.0%	\$1,257	0.0%	\$245	0.0%	<b>Total</b>	<b>\$258,674,446</b>	<b>\$239,904,151</b>
91 - 180	\$2,309,947	0.9%	\$2,139,947	0.9%	\$170,000	0.0%	Balance of overdue rates & charges	\$13,933,926	\$12,564,027
>180	\$4,423,495	1.7%	\$4,397,895	1.8%	\$25,600	-0.1%	<b>Percentage Overdue</b>	<b>5.4%</b>	<b>5.2%</b>
<b>Total</b>	<b>\$13,933,926</b>	<b>5.4%</b>	<b>\$12,564,027</b>	<b>5.2%</b>	<b>\$1,369,899</b>	<b>0.2%</b>			

## 12. GLOSSARY

### Key Terms

#### Written Down Value:

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

#### Work In Progress (WIP):

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

#### Current Replacement Cost:

The amount of money required to replace an existing asset with an equally valued or similar asset at the current market price.

#### Written Down Replacement Cost:

An asset's current replacement cost less accumulated depreciation.

#### Book Value of Debt:

The book value of Council's debt (QTC or other loans) as at the reporting date (i.e. 30 June).

#### Infrastructure Assets:

Those significant, long-life assets that provide ratepayers with access to social and economic facilities. Examples include water and sewerage treatment plants, roads, bridges, drainage, buildings, and other community assets (does not include right of use assets).

### Definition of Ratios

#### Council Controlled Revenue Ratio:

This is an indicator of a Council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks

$$\frac{\text{Net Rates, Levies and Charges add Fees and Charges}}{\text{Total Operating Revenue}}$$

#### Population Growth:

This is a key driver of a Council's operating income, service needs, and infrastructure requirements into the future

$$\frac{\text{Prior year estimated population}}{\text{Previous year estimated population}} - 1$$

#### Operating Surplus Ratio\*:

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

$$\frac{\text{Operating Result}}{\text{Total Operating Revenue}}$$

#### Operating Cash Ratio:

This measures the ability to cover core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs

$$\frac{\text{Operating Result add Depreciation and Amortisation add Finance Costs*}}{\text{Total Operating Revenue}}$$

#### Unrestricted Cash Expense Cover Ratio:

This is an indicator of the unconstrained liquidity available to meet ongoing and emergent financial demands. It represents the number of months Council can continue operating based on current monthly expenses

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

#### Asset Sustainability Ratio:

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

$$\frac{\text{Capital Expenditure on Replacement of Infrastructure Assets (Renewals)}}{\text{Depreciation Expenditure on Infrastructure Assets}}$$

#### Asset Consumption Ratio:

This measure the extent to which Council's infrastructure assets have been consumed to what it would cost to build a new asset with the same benefit to the community

$$\frac{\text{Written Down Replacement Cost of Depreciable Infrastructure Assets}}{\text{Current Replacement Cost of Depreciable Infrastructure Assets}}$$

#### Asset Renewal Funding Ratio:

This ratio measures the ability of a Council to fund its projected asset renewal/replacements in the future

$$\frac{\text{Total of Planned Capital Expenditure on Asset Renewals over 10 years}}{\text{Total of Required Capital Expenditure on Asset Renewals over 10 years}}$$

#### Leverage Ratio:

This is an indicator of a Council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance

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

#### Net Financial Liabilities:

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

$$\frac{\text{Total Liabilities - Current Assets}}{\text{Total Operating Revenue}}$$

\* Finance costs only includes interest charged on council's existing QTC debt balances and any other council loans

\*\* Book Value of Debt only includes the book value of the council's debt (QTC or other loans) as at the reporting date





# Monthly Financial Report

March 2024





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## 1. EXECUTIVE SUMMARY

This monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 March 2024. The year to date annual revised budget referred to in this report incorporates the changes from the budget review adopted by Council on 13 December 2023.

### Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Revised Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(1,520)	(1,668)	<b>8,407</b>	10,075	604%	✓
Recurrent Revenue	357,681	264,089	<b>264,837</b>	748	0%	✓
Recurrent Expenditure	359,201	265,757	<b>256,430</b>	(9,327)	-4%	✓
Capital Works Expenditure	135,795	87,947	<b>93,848</b>	5,901	7%	✗
Closing Cash & Cash Equivalents	257,357	247,556	<b>207,891</b>	(39,665)	-16%	✗
Short-Term Investment	10,122	10,122	<b>50,000</b>	39,878	394%	✓

Council reported a year to date operating surplus of \$8.41M which is favourable to budget by \$10.08M. This is mainly due to lower than budgeted materials and services, depreciation and amortisation, and employee costs, combined with higher than budgeted fees and interest received. This is partially offset by lower than budgeted operating grants, subsidies and contributions.

Council's capital works expenditure is ahead of budget by \$5.90M due to the early and pro-active engagement with the market and the active management of contracts. The program is frequently and actively re-prioritised and managed to ensure that projects continue to be delivered on behalf of the community. Council is on track to deliver the largest annual capital expenditure program to date.

Council's cash balance is behind budget mainly due to investment in a short-term deposit to gain risk free interest revenue. Constrained cash reserves represent 56% of the cash balance.

## 2. KEY PERFORMANCE INDICATORS

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

Financial Sustainability Measures	Target	Annual Revised Budget	YTD Actual	Status Achieved ✓ Not achieved ✗
Council-Controlled Revenue*	Contextual - No target specified	91.33%	93.28%	N/A
Population Growth Ratio*	Contextual - No target specified	1.00%	1.00%	N/A
Operating Surplus Ratio	Greater than 0%	-0.42%	3.17%	✓
Operating Cash Ratio	Greater than 0%	21.06%	24.37%	✓
Unrestricted Cash Expense Cover Ratio	Greater than 2 months	11.37	11.59	✓
Asset Sustainability Ratio	Greater than 60%	92.10%	80.75%	✓
Asset Consumption Ratio	Greater than 60%	64.27%	62.17%	✓
Asset Renewal Funding Ratio*	Contextual - No target specified	100.00%	100.00%	N/A
Leverage Ratio	0 - 4 times	0.90	0.72	✓
Net Financial Liabilities Ratio**	Less than 60% (on average over the long-term)	-39.70%	-55.97%	✓

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

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

### 3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 31 March 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Recurrent revenue</b>					
Rates charges	124,613	124,613	93,438	<b>93,346</b>	(92)
Levies and utility charges	186,457	186,457	140,792	<b>140,431</b>	(361)
Less: Pensioner remissions and rebates	(3,638)	(3,638)	(2,733)	<b>(2,786)</b>	(53)
Fees	18,526	19,245	14,385	<b>16,059</b>	1,674
Rental income	1,075	1,075	760	<b>869</b>	109
Interest received	11,796	12,496	9,559	<b>10,474</b>	915
Sales revenue	4,982	4,982	3,668	<b>3,552</b>	(116)
Other income	847	847	693	<b>759</b>	66
Grants, subsidies and contributions	10,914	11,604	3,527	<b>2,133</b>	(1,394)
<b>Total recurrent revenue</b>	<b>355,572</b>	<b>357,681</b>	<b>264,089</b>	<b>264,837</b>	<b>748</b>
<b>Recurrent expenses</b>					
Employee benefits	108,385	109,238	81,864	<b>80,800</b>	(1,064)
Materials and services	171,662	172,336	126,077	<b>119,557</b>	(6,520)
Finance costs	2,690	2,690	1,625	<b>1,657</b>	32
Depreciation and amortisation	75,188	75,188	56,391	<b>54,829</b>	(1,562)
Other expenditure	546	546	398	<b>430</b>	32
Net internal costs	(796)	(796)	(598)	<b>(843)</b>	(245)
<b>Total recurrent expenses</b>	<b>357,674</b>	<b>359,201</b>	<b>265,757</b>	<b>256,430</b>	<b>(9,327)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(2,103)</b>	<b>(1,520)</b>	<b>(1,668)</b>	<b>8,407</b>	<b>10,075</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	41,307	43,680	20,318	<b>17,903</b>	(2,415)
Non-cash contributions	12,230	12,230	9,173	<b>18</b>	(9,155)
<b>Total capital revenue</b>	<b>53,537</b>	<b>55,910</b>	<b>29,491</b>	<b>17,921</b>	<b>(11,570)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	289	217	<b>2,446</b>	2,229
<b>Total capital expenses</b>	<b>289</b>	<b>289</b>	<b>217</b>	<b>2,446</b>	<b>2,229</b>
<b>TOTAL INCOME</b>	<b>409,109</b>	<b>413,590</b>	<b>293,580</b>	<b>282,758</b>	<b>(10,822)</b>
<b>TOTAL EXPENSES</b>	<b>357,963</b>	<b>359,490</b>	<b>265,974</b>	<b>258,876</b>	<b>(7,098)</b>
<b>NET RESULT</b>	<b>51,145</b>	<b>54,101</b>	<b>27,606</b>	<b>23,882</b>	<b>(3,724)</b>
<b>Other comprehensive income / (loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	<b>(13)</b>	(13)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>51,145</b>	<b>54,101</b>	<b>27,606</b>	<b>23,869</b>	<b>(3,737)</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 March 2024

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Levies and utility charges</b>					
Refuse collection rate charge	36,083	36,083	27,005	27,112	107
SES separate charge	458	458	344	344	-
Environment & Coastal Management Separate Charge	12,609	12,609	9,453	9,467	14
Separate charge landfill remediation	4,348	4,348	3,260	3,265	5
Wastewater charges	56,059	56,059	41,995	42,293	298
Water access charges	23,351	23,351	17,432	17,545	113
Water consumption charges	53,549	53,549	41,303	40,405	(898)
<b>Total levies and utility charges</b>	<b>186,457</b>	<b>186,457</b>	<b>140,792</b>	<b>140,431</b>	<b>(361)</b>

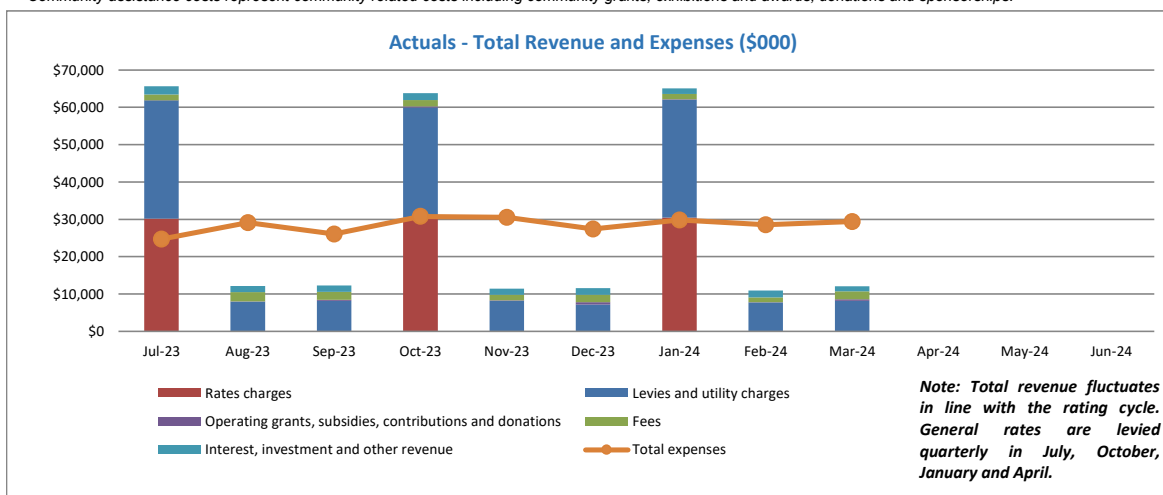
#### MATERIALS AND SERVICES ANALYSIS

For the period ending 31 March 2024

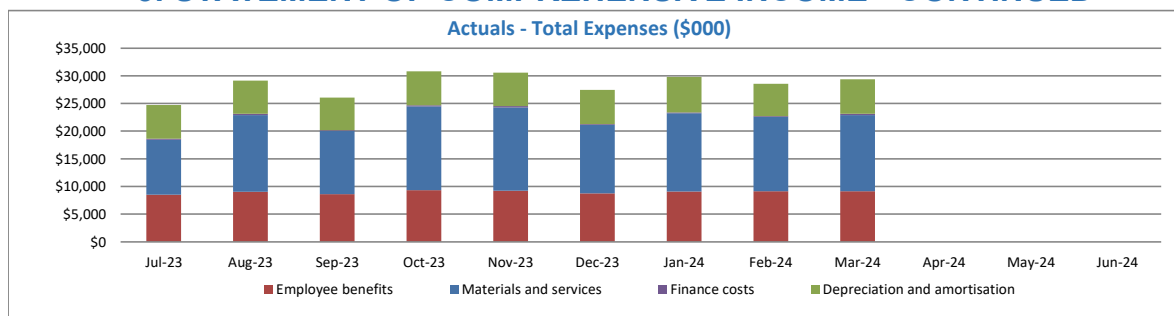
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Materials and services</b>					
Contractors	45,990	48,908	31,615	29,301	(2,314)
Consultants	4,989	6,403	4,777	3,002	(1,775)
Other Council outsourcing costs*	33,588	29,803	21,175	19,444	(1,731)
Purchase of materials	56,984	57,154	45,941	47,034	1,093
Office administration costs	8,017	8,172	6,104	5,412	(692)
Electricity charges	6,282	6,276	4,701	3,927	(774)
Plant operations	3,984	3,821	2,855	3,020	165
Information technology resources	6,549	6,691	5,147	5,685	538
General insurance	2,050	2,050	1,537	1,298	(239)
Community assistance**	2,582	2,411	1,750	932	(818)
Other material and service expenses	647	647	475	502	27
<b>Total materials and services</b>	<b>171,662</b>	<b>172,336</b>	<b>126,077</b>	<b>119,557</b>	<b>(6,520)</b>

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

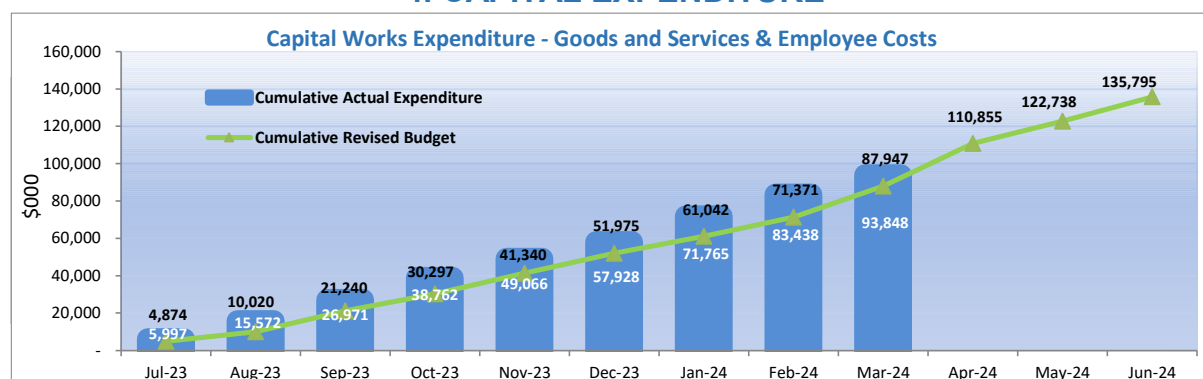
\*\* Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.



### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED



### 4. CAPITAL EXPENDITURE



	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	127,706	82,607	88,003	5,396
Capitalised employee costs	8,089	5,340	5,845	505
<b>Total</b>	<b>135,795</b>	<b>87,947</b>	<b>93,848</b>	<b>5,901</b>

\* Excludes capital prepayments.

### Notable Programs and Projects

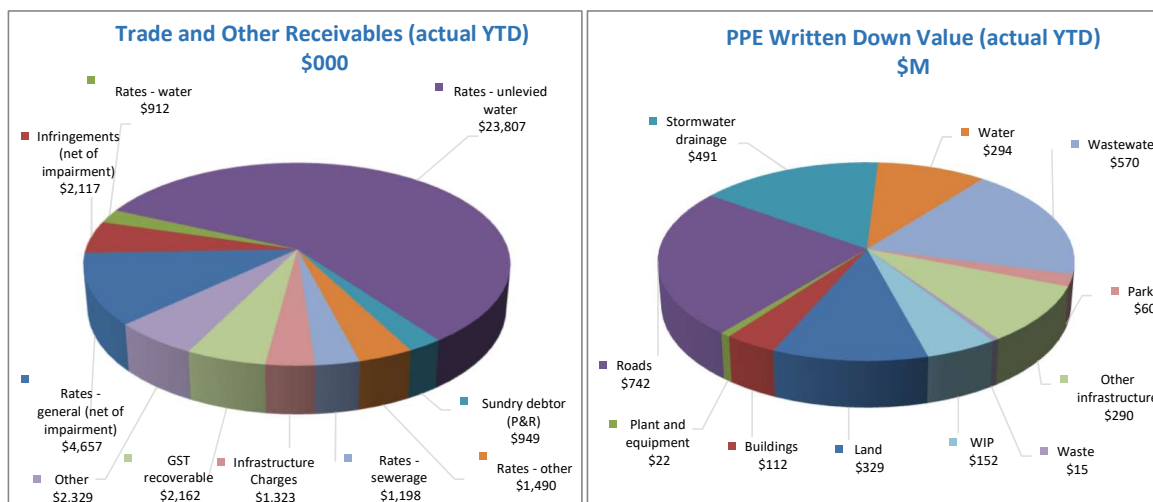
The table below lists Council's capital expenditure on major programs and projects.

Capital Investment		YTD Actual \$'000
Wellington St / Panorama Dr upgrade	Road widening / lane duplication of Wellington St / Panorama Dr.	31,886
Revetment walls renewal	Revetment wall renewal works across the City.	4,130
Fleet replacement	Current fleet replacement program.	2,787
Willard's farm restoration program	Make the building safe and preserve the heritage values.	2,753
Property acquisition	Acquisition of property on Middle Street, Cleveland, for operational purposes.	2,547

## 5. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 March 2024				
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	231,077	257,357	247,556	207,891
Short-term investment - CBA	10,122	10,122	10,122	50,000
Trade and other receivables	48,805	46,683	45,394	40,944
Inventories	918	947	948	1,147
Other current assets	4,397	3,074	3,074	3,771
<b>Total current assets</b>	<b>295,319</b>	<b>318,185</b>	<b>307,094</b>	<b>303,753</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,293	1,403	1,403	1,403
Property, plant and equipment	2,893,904	3,112,875	3,080,853	3,077,311
Intangible assets	635	624	727	749
Right-of-use assets	3,103	3,359	3,603	3,651
Other financial assets	73	73	73	73
Investment in other entities	12,657	12,657	12,657	11,357
<b>Total non-current assets</b>	<b>2,911,665</b>	<b>3,130,991</b>	<b>3,099,316</b>	<b>3,094,544</b>
<b>TOTAL ASSETS</b>	<b>3,206,984</b>	<b>3,449,176</b>	<b>3,406,410</b>	<b>3,398,297</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	46,847	40,788	45,319	41,702
Borrowings - current	5,209	5,252	5,252	5,252
Lease liability - current	1,044	1,144	1,144	1,144
Provisions - current	17,573	17,797	12,952	13,804
Other current liabilities	11,632	14,172	10,426	11,395
<b>Total current liabilities</b>	<b>82,305</b>	<b>79,152</b>	<b>75,093</b>	<b>73,297</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	60,917	60,992	40,398	40,450
Lease liability - non-current	2,582	2,764	3,051	2,962
Provisions - non-current	16,743	19,554	22,042	23,816
Other non-current liabilities	5,020	13,706	19,314	14,996
<b>Total non-current liabilities</b>	<b>85,261</b>	<b>97,017</b>	<b>84,805</b>	<b>82,224</b>
<b>TOTAL LIABILITIES</b>	<b>167,567</b>	<b>176,169</b>	<b>159,898</b>	<b>155,521</b>
<b>NET COMMUNITY ASSETS</b>	<b>3,039,417</b>	<b>3,273,007</b>	<b>3,246,512</b>	<b>3,242,776</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,225,400	1,441,332	1,441,332	1,441,319
Retained surplus	1,701,576	1,721,920	1,675,187	1,685,595
Constrained cash reserves	112,441	109,755	129,993	115,862
<b>TOTAL COMMUNITY EQUITY</b>	<b>3,039,417</b>	<b>3,273,007</b>	<b>3,246,512</b>	<b>3,242,776</b>

## 5. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS				
As at 31 March 2024				
	Annual Original Budget \$'000	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual Balance \$'000
<b>Right-of-use asset</b>				
Buildings	815	905	1,037	<b>1,039</b>
Land	2,045	2,211	2,313	<b>2,358</b>
Plant and Equipment	243	243	253	<b>254</b>
<b>Closing balance</b>	<b>3,103</b>	<b>3,359</b>	<b>3,603</b>	<b>3,651</b>

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT*				
For the period ending 31 March 2024				
	Annual Original Budget \$'000	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual Balance \$'000
<b>PPE movement</b>				
Opening balance (includes WIP from previous years)	2,821,486	3,040,382	3,040,382	<b>3,040,382</b>
Acquisitions and WIP in year movement	147,949	148,025	97,119	<b>93,805</b>
Depreciation in year	(73,800)	(73,800)	(55,349)	<b>(53,698)</b>
Disposals	(1,731)	(1,732)	(1,299)	<b>(2,858)</b>
Other adjustments**	-	-	-	<b>(320)</b>
<b>Closing balance</b>	<b>2,893,904</b>	<b>3,112,875</b>	<b>3,080,853</b>	<b>3,077,311</b>

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

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

## 6. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS				
For the period ending 31 March 2024				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	330,713	331,431	250,789	258,833
Payments to suppliers and employees	(287,755)	(289,311)	(211,486)	(207,476)
	42,958	42,120	39,303	51,357
Interest received	11,796	12,496	9,559	9,563
Rental income	1,075	1,075	760	869
Non-capital grants and contributions	10,884	16,001	7,992	1,966
Borrowing costs	(1,323)	(1,323)	(1,323)	(1,415)
Right-of-use assets interest expense	(100)	(100)	(75)	(70)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>65,290</b>	<b>70,270</b>	<b>56,216</b>	<b>62,270</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(135,719)	(135,795)	(87,947)	(93,375)
Payments for intangible assets	-	-	-	(62)
Proceeds from sale of property, plant and equipment	1,443	1,443	1,082	411
Reduction to investment in other entities	-	-	-	1,300
Capital grants, subsidies and contributions	41,307	41,430	18,068	17,133
Short-term investment - CBA	-	-	-	(39,878)
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(92,970)</b>	<b>(92,923)</b>	<b>(68,797)</b>	<b>(114,471)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	20,159	20,159	-	-
Repayment of borrowings	(3,960)	(3,960)	(3,960)	(3,916)
Right-of-use lease payment	(1,144)	(1,144)	(858)	(947)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>15,055</b>	<b>15,055</b>	<b>(4,818)</b>	<b>(4,863)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(12,625)</b>	<b>(7,598)</b>	<b>(17,399)</b>	<b>(57,064)</b>
Cash and cash equivalents at the beginning of the year	243,701	264,955	264,955	264,955
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>231,077</b>	<b>257,357</b>	<b>247,556</b>	<b>207,891</b>

**Cash Inflow (actual YTD)**

Category	Percentage
Utility charges	49%
Rates charges	31%
Other cash receipts	2%
Capital grants, subsidies and contributions	6%
Interest received	3%
Operating grants and contributions	1%
Fees	8%
Reduction to investment in other entities	0%

**Cash Outflow (actual YTD)**

Category	Percentage
Materials and services	37%
Employee costs	23%
Payments for property, plant and equipment	27%
Short-term investment	12%
Repayment of borrowings	1%
Borrowing costs	0%

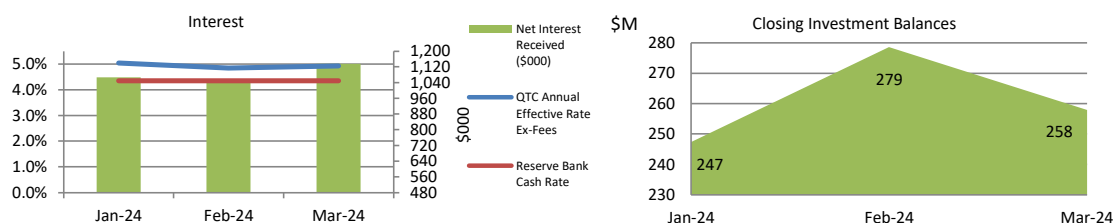
<b>Total Cash Funding (Actual YTD)</b>	<b>290,075</b>	<b>Total Cash Expenditure (Actual YTD)</b>	<b>347,139</b>
Total Cash Funding (Annual Revised Budget)	424,035	Total Cash Expenditure (Annual Revised Budget)	431,633
% of Budget Achieved YTD	68%	% of Budget Achieved YTD	80%



## 7. INVESTMENT & BORROWINGS REPORT

For the period ending 31 March 2024

### INVESTMENT RETURNS



**Total Investment at End of Month was \$257.89M**

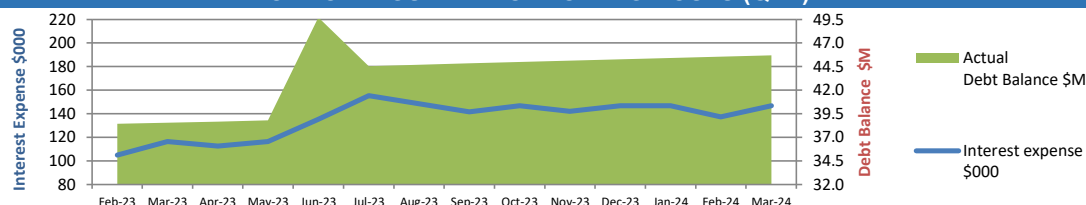
Council investments are currently held predominantly in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC). In October 2023 \$50M was invested in a term deposit of Commonwealth Bank of Australia (CBA) for a term of 365 days at a rate of 5.25% to maximise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

The movement in interest earned is indicative of both the interest rate and the surplus cash balances held with QTC, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income increased from February to March due to increase in QTC annual effective rate (excluding fee) from 4.85% to 4.93%.

Note: the Reserve Bank cash rate of 4.35% remains unchanged since November 2023.

Council adopted its Investment Policy (FIN-001-P) in May 2023 for the 2023/2024 financial year

### BORROWINGS AND BORROWING COSTS (QTC)



The debt balance increased in June 2023 due to new borrowings of \$10.81M as part of Council's Capital Works Plan.

In July 2023 the debt balance showed a decrease due to the \$5.33M Annual Debt Service Payment (ADSP), being \$3.92M principal and \$1.41M interest. Interest will accrue monthly on a daily balance until next ADSP in July 2024 which is reflected in the increasing debt balance.

**Total Borrowings at End of Month were \$45.70M**

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

### BORROWINGS

For the period ending 31 March 2024

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>Borrowings</b>				
Opening balance	(49,607)	(49,724)	(49,724)	(49,724)
Accrued interest on borrowings	(1,643)	(1,644)	(1,209)	(1,309)
Interest paid on borrowings	1,323	1,323	1,323	1,415
Principal repaid	3,960	3,960	3,960	3,916
Loan drawdown	(20,159)	(20,159)	-	-
<b>Closing balance</b>	<b>(66,126)</b>	<b>(66,244)</b>	<b>(45,650)</b>	<b>(45,702)</b>

## 8. CONSTRAINED CASH RESERVES

Reserves as at 31 March 2024	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>					
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	23	95	(5)	113
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	1,242	440	(2)	1,680
Waste Levy Reserve	To fund Waste Levy Program	414	4,292	(4,514)	192
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	5,355	2,122	(3,944)	3,533
		<b>7,034</b>	<b>6,949</b>	<b>(8,465)</b>	<b>5,518</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	5,633	2,684	(3,237)	5,080
Marine Trunk Infrastructure Reserve	Provision of marine facilities south of Redland Bay	183	-	-	183
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	5,389	96	-	5,485
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	15,532	624	-	16,156
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	14,903	1,691	(332)	16,262
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	39,530	5,895	(10,859)	34,566
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	13,709	1,438	(65)	15,082
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,996	393	-	11,389
Tree Planting Reserve	Acquisition and planting of trees on footpaths	342	65	(4)	403
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	19	-	(19)	-
Special Property Reserve	Acquisition of property in line with the strategic property framework	2,919	690	-	3,609
		<b>109,155</b>	<b>13,576</b>	<b>(14,516)</b>	<b>108,215</b>
<b>Separate Charge Reserve:</b>					
Environment & Coastal Management Separate Charge Reserve	Ongoing conservation and maintenance operations	-	9,467	(8,287)	1,180
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	123	344	(444)	23
		<b>123</b>	<b>9,811</b>	<b>(8,731)</b>	<b>1,203</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	774	22	-	796
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	439	12	-	451
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	224	6	-	230
1718 Aquatic Paradise Canal Reserve	Service, facility or activity of works in respect of the canals of the Aquatic Paradise canal estate	(495)	-	-	(495)
1718 Sovereign Waters Lake Reserve	Service, facility or activity of works in respect of the lake	(56)	-	-	(56)
		<b>886</b>	<b>40</b>	<b>-</b>	<b>926</b>
<b>TOTALS</b>		<b>117,198</b>	<b>30,376</b>	<b>(31,712)</b>	<b>115,862</b>
		Closing cash and cash equivalents		207,891	
		Reserves as percentage of cash balance		56%	

## 9. CITY WATER STATEMENTS

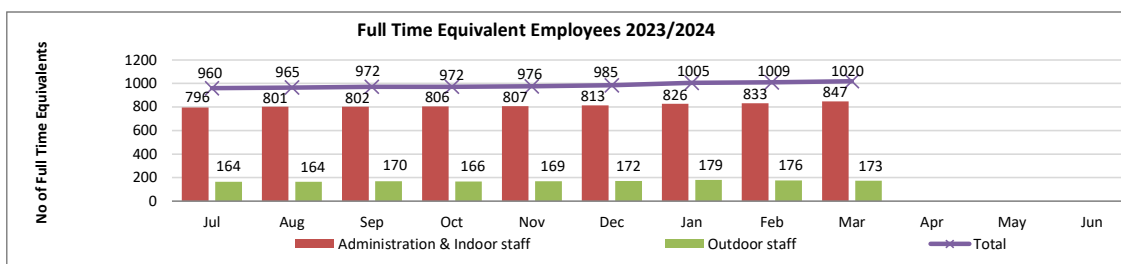
CITY WATER SUMMARY OPERATING STATEMENT					
For the period ending 31 March 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	146,602	146,932	111,309	110,565	(744)
Total expenses	80,781	80,731	64,091	62,965	(1,126)
Earnings before interest, tax and depreciation (EBITD)	65,821	66,200	47,218	47,600	382
External interest expense	224	224	163	161	(2)
Internal interest expense	15,633	15,633	11,725	11,725	-
Depreciation	27,753	27,753	20,815	21,807	992
Operating surplus / (deficit)	22,210	22,590	14,515	13,907	(608)
CITY WATER CAPITAL FUNDING STATEMENT					
For the period ending 31 March 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	9,069	3,696	2,897	2,314	(583)
Net transfer (to) / from constrained capital reserves	1,930	2,045	(1,353)	(1,982)	(629)
Non-cash contributions	1,651	1,651	1,238	-	(1,238)
New loans	4,061	4,061	-	-	-
Funding from utility revenue	1,158	6,457	11,375	7,958	(3,417)
Total sources of capital funding	17,869	17,911	14,157	8,290	(5,867)
Contributed assets	1,651	1,651	1,238	-	(1,238)
Capitalised expenditure	15,406	15,448	12,172	7,518	(4,654)
Loan redemption	812	812	747	772	25
Total application of capital funds	17,869	17,911	14,157	8,290	(5,867)

## 10. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT					
For the period ending 31 March 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	39,399	39,399	29,359	29,960	601
Total expenses	30,636	30,763	22,936	21,817	(1,119)
Earnings before interest, tax and depreciation (EBITD)	8,764	8,636	6,423	8,143	1,720
External interest expense	6	6	4	4	-
Depreciation	596	596	447	348	(99)
Operating surplus / (deficit)	8,162	8,035	5,972	7,791	1,819
CITY WASTE CAPITAL FUNDING STATEMENT					
For the period ending 31 March 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	4,820	4,820	-	-	-
Funding from utility revenue	3,046	2,889	578	281	(297)
Total sources of capital funding	7,866	7,709	578	281	(297)
Capitalised expenditure	7,826	7,669	548	251	(297)
Loan redemption	40	40	30	30	-
Total application of capital funds	7,866	7,709	578	281	(297)

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

### Workforce Reporting



March 2024: Headcount		Employee Type			
Department Level	Casual	Full Time	Part Time	Total	
Office of CEO and People and Culture	7	49	9	65	
Organisational Services	2	200	21	223	
Community and Customer Services	70	297	67	434	
Infrastructure and Operations	2	346	16	364	
Advocacy Major Projects and Economic Development	-	37	5	42	
<b>Total</b>	<b>81</b>	<b>929</b>	<b>118</b>	<b>1,128</b>	

Note: Full Time Equivalent Employees includes all full time employees at a value of 1 and all other employees, at a value less than 1. The table above demonstrates the headcount by department. Following Ourspace, the table includes contract of service and temporary personnel. It includes casual staff in their non-substantive roles as at the end of the period where relevant.

### Overdue Rates Debtors & Statistics

Comparison March 2024 to March 2023									
Days Overdue	Mar-24	% Overdue	Mar-23	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics		
0 - 30	\$600	0.0%	\$2,358	0.0%	-\$1,758	0.0%	Levied (Billed) Rates & Charges since 1 July 2023	\$249,236,994	\$230,836,679
31 - 60	\$3,948,458	1.5%	\$3,799,314	1.7%	\$149,144	-0.2%	Rate arrears b/fwd 1 July 2023	\$9,226,293	\$9,031,746
61 - 90	\$0	0.0%	\$1,198	0.0%	-\$1,198	0.0%	<b>Total</b>	<b>\$258,463,287</b>	<b>\$239,868,425</b>
91 - 180	\$1,929,768	0.7%	\$1,768,262	0.7%	\$161,506	0.0%	Balance of overdue rates & charges	\$9,878,539	\$9,402,242
>180	\$3,999,713	1.6%	\$3,833,110	1.5%	\$166,603	0.1%	<b>Percentage Overdue</b>	<b>3.8%</b>	<b>3.9%</b>
<b>Total</b>	<b>\$9,878,539</b>	<b>3.8%</b>	<b>\$9,404,242</b>	<b>3.9%</b>	<b>\$474,297</b>	<b>-0.1%</b>			

## 12. GLOSSARY

### Key Terms

#### Written Down Value:

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

#### Work In Progress (WIP):

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

#### Current Replacement Cost:

The amount of money required to replace an existing asset with an equally valued or similar asset at the current market price.

#### Written Down Replacement Cost:

An asset's current replacement cost less accumulated depreciation.

#### Book Value of Debt:

The book value of Council's debt (QTC or other loans) as at the reporting date (i.e. 30 June).

#### Infrastructure Assets:

Those significant, long-life assets that provide ratepayers with access to social and economic facilities. Examples include water and sewerage treatment plants, roads, bridges, drainage, buildings, and other community assets (does not include right of use assets).

### Definition of Ratios

#### Council Controlled Revenue Ratio:

This is an indicator of a Council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks

$$\frac{\text{Net Rates, Levies and Charges add Fees and Charges}}{\text{Total Operating Revenue}}$$

#### Population Growth:

This is a key driver of a Council's operating income, service needs, and infrastructure requirements into the future

$$\frac{\text{Prior year estimated population}}{\text{Previous year estimated population}} - 1$$

#### Operating Surplus Ratio\*:

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

$$\frac{\text{Operating Result}}{\text{Total Operating Revenue}}$$

#### Operating Cash Ratio:

This measures the ability to cover core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs

$$\frac{\text{Operating Result add Depreciation and Amortisation add Finance Costs*}}{\text{Total Operating Revenue}}$$

#### Unrestricted Cash Expense Cover Ratio:

This is an indicator of the unconstrained liquidity available to meet ongoing and emergent financial demands. It represents the number of months Council can continue operating based on current monthly expenses

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

#### Asset Sustainability Ratio:

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

$$\frac{\text{Capital Expenditure on Replacement of Infrastructure Assets (Renewals)}}{\text{Depreciation Expenditure on Infrastructure Assets}}$$

#### Asset Consumption Ratio:

This measure the extent to which Council's infrastructure assets have been consumed to what it would cost to build a new asset with the same benefit to the community

$$\frac{\text{Written Down Replacement Cost of Depreciable Infrastructure Assets}}{\text{Current Replacement Cost of Depreciable Infrastructure Assets}}$$

#### Asset Renewal Funding Ratio:

This ratio measures the ability of a Council to fund its projected asset renewal/replacements in the future

$$\frac{\text{Total of Planned Capital Expenditure on Asset Renewals over 10 years}}{\text{Total of Required Capital Expenditure on Asset Renewals over 10 years}}$$

#### Leverage Ratio:

This is an indicator of a Council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance

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

#### Net Financial Liabilities:

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

$$\frac{\text{Total Liabilities - Current Assets}}{\text{Total Operating Revenue}}$$

\* Finance costs only includes interest charged on council's existing QTC debt balances and any other council loans

\*\* Book Value of Debt only includes the book value of the council's debt (QTC or other loans) as at the reporting date

**13.2 AUDIT AND RISK MANAGEMENT COMMITTEE 7 MARCH 2024****Objective Reference:** A8242088**Authorising Officer:** Amanda Pafumi, General Manager Organisational Services**Responsible Officer:** Tony Beynon, Group Manager Corporate Governance**Report Author:** Kailesh Naidu, Principal Adviser Internal Audit**Attachments:** 1. Audit and Risk Management Committee Minutes 7 March 2024 [↓](#)**PURPOSE**

To present the minutes of the Audit and Risk Management Committee meeting held on 7 March 2024 to Council for adoption in accordance with section 211 of the *Local Government Regulation 2012*.

**BACKGROUND**

The primary objective of the Audit and Risk Management 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 and Risk Management Committee about the matters reviewed at the meeting and the Audit and Risk Management Committee's recommendations about these matters.

**ISSUES**

Refer to the attached minutes of the Audit and Risk Management Committee meetings held on 7 March 2024.

**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 risk implications 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**

GOV-010-P Internal Audit Policy

GOV-011-P Audit and Risk Management Committee Policy

*Our Future Redlands - A Corporate Plan to 2026 and Beyond*

**CONSULTATION**

Consulted	Consultation Date	Comments/Actions
Audit and Risk Management Committee members and relevant officers	March 2024	Audit and Risk Management Committee members and relevant officers were consulted to review and approve the minutes prior to being finalised.

**OPTIONS****Option One**

That Council resolves to adopt the minutes of the Audit and Risk Management Committee meeting held on 7 March 2024, as attached to this report.

**Option Two**

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

**OFFICER'S RECOMMENDATION**

**That Council resolves to adopt the minutes of the Audit and Risk Management Committee meeting held on 7 March 2024, as attached to this report.**



# MINUTES

## AUDIT & RISK MANAGEMENT COMMITTEE MEETING

Thursday, 7 March 2024

The Council Chambers  
91 - 93 Bloomfield Street  
CLEVELAND QLD



**AUDIT & RISK MANAGEMENT COMMITTEE MEETING MINUTES****7 MARCH 2024****Order Of Business**

<b>1</b>	<b>Declaration of Opening.....</b>	<b>3</b>
<b>2</b>	<b>Record of Attendance and Apologies .....</b>	<b>3</b>
<b>3</b>	<b>Conflict of Interests .....</b>	<b>5</b>
<b>4</b>	<b>Receipt and Confirmation of Minutes .....</b>	<b>5</b>
<b>5</b>	<b>Business Arising From Previous Minutes .....</b>	<b>5</b>
<b>6</b>	<b>Chief Executive Officer Update .....</b>	<b>6</b>
<b>7</b>	<b>Strategic And Operational Risk Management .....</b>	<b>7</b>
7.1	Workplace Health and Safety Update.....	7
7.2	Update on Recommendations from the 2021-01 Asset Data Report.....	7
7.3	Cyber Event Preparedness Exercise Marion .....	8
7.4	Risk Management Update .....	8
<b>8</b>	<b>Risk and Compliance Updates .....</b>	<b>8</b>
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<b>9</b>	<b>Internal Auditor Update .....</b>	<b>10</b>
9.1	Internal Audit Status Update.....	10
<b>10</b>	<b>Council Financial Reports.....</b>	<b>10</b>
10.1	January 2024 Monthly Financial Report.....	10
10.2	Asset Valuations 2023-2024.....	11
<b>11</b>	<b>External Auditor Update.....</b>	<b>11</b>
11.1	External Auditor's Report .....	11
<b>12</b>	<b>RIC Financial Reports .....</b>	<b>12</b>
12.1	Redland Investment Corporation Pty Ltd Financial Report for Period Ending 31 December 2023 .....	12
<b>13</b>	<b>Meeting Closure .....</b>	<b>12</b>

**AUDIT & RISK MANAGEMENT COMMITTEE MEETING MINUTES****7 MARCH 2024**

**AUDIT & RISK MANAGEMENT COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBERS, 91 - 93 BLOOMFIELD STREET, CLEVELAND QLD  
ON THURSDAY, 7 MARCH 2024 AT 8:02AM**

**1 DECLARATION OF OPENING**

The Chairperson declared the meeting open at 8:02am

**2 RECORD OF ATTENDANCE AND APOLOGIES****Members Present**

Mr Mitchell Petrie	External Member and Chairperson
Ms Mary Goodwin	External Member
Cr Karen Williams	Councillor Member (Mayor)
Cr Tracey Huges	Councillor Member

**Secretary**

Mr Kailesh Naidu	Principal Adviser Internal Audit
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**Invitees**

Mr Andrew Chesterman	Chief Executive Officer
Ms Amanda Pafumi	General Manager Organisational Services
Ms Louise Rusan	General Manager Community and Customer Services
Dr Nicole Davis	General Manager Infrastructure and Operations
Mr Chris Isles	General Manager Advocacy, Major Projects and Economic Development
Ms Deborah Corbett-Hall	Executive Group Manager Financial Services & Chief Financial Officer
Mr Andrew Ross	Executive Group Manager Risk and Legal Services
Mr Tony Beynon	Group Manager Corporate Governance
Mr Mitchell Miller	Group Manager Corporate Services
Mr Daniel Harris	Group Manager Major Projects
Ms Renae Berndt	Chief Procurement Officer
Mr Peter Paterson	Financial Controller
Ms Christine Cartwright	Service Manager Asset Management
Ms Renae Plaschke	Service Manager Safety, Governance & Psychosocial Health
Ms Tracy Mitchell	Service Manager Risk and Liability Services
Mr Micah Beaumont	Executive Officer, Office of the Chief Executive Officer
Mr Michael Pawlyk	Financial Controller, Redland Investment Corporation
Mr Mitchell Witt	Partner, Risk Advisory, BDO
Ms Holly Harper	Director, Risk Advisory, BDO
Mr Jacques Coetzee	Director, Queensland Audit Office

**Apologies**

Ms Amanda Daly	Executive Group Manager People, Culture and Organisational Performance
Ms Marita Corbett	National Lead Partner, Risk Advisory, BDO
Mr Peter Kelley	Chief Executive Officer, Redland Investment Corporation
Ms Rachel Stevens	Audit Manager, Queensland Audit Office

**AUDIT & RISK MANAGEMENT COMMITTEE MEETING MINUTES****7 MARCH 2024**

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**Observers**

Cr Paul Bishop

Councillor (Division 10)

**Minutes**

Ms Kristy Thomson

Executive Officer Organisational Services

**AUDIT & RISK MANAGEMENT COMMITTEE MEETING MINUTES****7 MARCH 2024****3 CONFLICT OF INTERESTS**

Mayor Williams declared her position as a Board Member on Local Government Mutual Services.

**4 RECEIPT AND CONFIRMATION OF MINUTES****COMMITTEE RECOMMENDATION 2024/1**

Moved by: Cr Tracey Huges

Seconded by: Cr Karen Williams

That the minutes of the Audit & Risk Management Committee Meeting of 6 September 2023 be noted.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**5 BUSINESS ARISING FROM PREVIOUS MINUTES**

Item No.	Action	Status
<b>2023/08-004</b>	Management to consider whether a policy should be established in respect of internal audit independence.	<b>Completed</b> The Internal Audit Charter (GOV-010-SD) requires internal auditors to sign-off annual Code of Ethics and Conflict of Interest Declarations to affirm ongoing independence and objectivity. In August 2023 we also strengthened the independence by specifically incorporating an Independence statement in Audit Reports. The Audit & Risk Management Committee Policy (GOV-011-P) incorporates Conflict of Interest provisions to ensure the independence and effectiveness of Council's Internal Audit function. These controls also align with broader risk controls in the Operational Risk Register.
<b>2023/09-001</b>	General Manager AMPED to liaise with BDO to discuss revised due dates for overdue recommendation in the 2021-01 Asset Data Report.	<b>Completed</b> A paper was presented at item 7.2 on Asset Data Audit with proposed extensions to completion dates for endorsement.
<b>2023/09-002</b>	General Manager Organisational Services and Governance Services Manager to review the Audit and Risk Management Committee self-assessment	<b>Completed</b> The template used for the recent ARMC self-assessment included an assessment of the ARMC's role in risk management under section 5 Understanding Council. The template will be revised to align with the next iteration of the ARMC Charter which will be updated with the implementation of

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**AUDIT & RISK MANAGEMENT COMMITTEE MEETING MINUTES****7 MARCH 2024**

Item No.	Action	Status
	questionnaire and to include a risk management section.	the Global Internal Audit Standards. The ARMC will be consulted to finalise the template prior to the next self-assessment in 2025-2026.
<b>2023/09-003</b>	Outcomes from the risk management benchmarking will be reported to the Audit and Risk Management Committee meeting in March 2024.	<b>Completed</b> Risk and Liability continues to benchmark with other Councils and industry best practice to improve risk maturity practices. An update is provided at item 5.5 of the risk management report.

**6 CHIEF EXECUTIVE OFFICER UPDATE**

The Chief Executive Officer provided a verbal update on significant Council matters to the Audit and Risk Management Committee.

**COMMITTEE RECOMMENDATION 2024/2**

Moved by: Cr Karen Williams

Seconded by: Cr Tracey Huges

The Audit and Risk Management Committee notes the verbal update from the Chief Executive Officer as presented.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**AUDIT & RISK MANAGEMENT COMMITTEE MEETING MINUTES****7 MARCH 2024****7 STRATEGIC AND OPERATIONAL RISK MANAGEMENT****7.1 WORKPLACE HEALTH AND SAFETY UPDATE**

To provide an overview of the progress of self-insurance audit actions for the Audit and Risk Management Committee to note.

**COMMITTEE RECOMMENDATION 2024/3**

Moved by: Cr Karen Williams

Seconded by: Cr Tracey Huges

That the Audit and Risk Management Committee:

1. Notes the updates from the self-insurance audit as presented.
2. Requests outcome of future WHS audits to be reported to the Audit and Risk Management Committee.

**CARRIED 4/0**

Crs Karen Williams, Tracey Huges, Mitchell Petrie and Mary Goodwin voted FOR the motion.

**7.2 UPDATE ON RECOMMENDATIONS FROM THE 2021-01 ASSET DATA REPORT**

To provide the Audit and Risk Management Committee with a six-monthly update on progress of the 32 recommendations from the 2021-01 Asset Data report.

This report is also seeking to extend the due dates for 13 overdue recommendations, noting that the time and resources required to fully implement the recommendations span over numerous financial years.

At 8:42 am, Cr Tracey Huges left the meeting.

**COMMITTEE RECOMMENDATION 2024/4**

Moved by: Cr Karen Williams

Seconded by: Ms Mary Goodwin

That the Audit and Risk Management Committee:

1. Notes the update on recommendations from the 2021-01 Asset Data Report as presented.
2. Endorses the proposed extension timeframes for open recommendations.

**CARRIED 3/0**

Cr Karen Williams, Mitchell Petrie and Mary Goodwin voted FOR the motion.

Cr Tracey Huges was absent from the meeting.

**AUDIT & RISK MANAGEMENT COMMITTEE MEETING MINUTES****7 MARCH 2024****7.3 CYBER EVENT PREPAREDNESS EXERCISE MARION**

To provide insight to the Audit and Risk Management Committee on the progress and maturity of Council's position regarding cyber security event preparedness, planning and exercises. Council understands the potential risks associated to cyber security attacks and the impact these could pose to Council's business, services, reputation, and community.

**COMMITTEE RECOMMENDATION 2024/5**

Moved by: Cr Karen Williams

Seconded by: Ms Mary Goodwin

**That the Audit and Risk Management Committee notes the Cyber Event Preparedness Exercise Marion Report as presented.**

**CARRIED 3/0**

Cr Karen Williams, Mitchell Petrie and Mary Goodwin voted FOR the motion.

Cr Tracey Huges was absent from the meeting

**7.4 RISK MANAGEMENT UPDATE**

To provide the Audit and Risk Management Committee with an update on Council's risk management activities.

**COMMITTEE RECOMMENDATION 2024/6**

Moved by: Cr Karen Williams

Seconded by: Ms Mary Goodwin

**That the Audit and Risk Management Committee:**

- 1. Notes the update on risk management activities.**
- 2. Recommends that consideration be given to including examples into the Risk Appetite Statements to assist readers gain a more comprehensive understanding of risk parameters.**
- 3. Recommends that for key or strategic suppliers of Council that periodically Council confirms that those suppliers have appropriate Business Continuity Plans and processes in place.**

**CARRIED 3/0**

Cr Karen Williams, Mitchell Petrie and Mary Goodwin voted FOR the motion.

Cr Tracey Huges was absent from the meeting.

**8 RISK AND COMPLIANCE UPDATES****8.1 ETHICS AND INTEGRITY UPDATE**

To provide the Audit and Risk Management Committee with an update on Council's Ethics and Integrity activities for 2023-2024.

**AUDIT & RISK MANAGEMENT COMMITTEE MEETING MINUTES****7 MARCH 2024****COMMITTEE RECOMMENDATION 2024/7**

Moved by: Cr Karen Williams  
Seconded by: Ms Mary Goodwin

That the Audit and Risk Management Committee notes the progress achieved in delivering on identified fraud and corruption prevention activities as outlined in Attachment 1 of this report.

**CARRIED 3/0**

Cr Karen Williams, Mitchell Petrie and Mary Goodwin voted FOR the motion.

Cr Tracey Huges was absent from the meeting.

**8.2 LEGAL AND GOVERNANCE REPORT**

To provide a Legal and Governance Report update from the last Audit and Risk Management Committee (ARMC) held on 6 September 2023 as per the ARMC Meetings Plan 2023-2024.

**COMMITTEE RECOMMENDATION 2024/8**

Moved by: Cr Karen Williams  
Seconded by: Ms Mary Goodwin

That the Audit and Risk Management Committee notes the Report as presented.

**CARRIED 3/0**

Cr Karen Williams, Mitchell Petrie and Mary Goodwin voted FOR the motion.

Cr Tracey Huges was absent from the meeting.



**AUDIT & RISK MANAGEMENT COMMITTEE MEETING MINUTES****7 MARCH 2024****9 INTERNAL AUDITOR UPDATE****9.1 INTERNAL AUDIT STATUS UPDATE**

To present an update on internal audit activities, including an update on internal audit recommendations tracked for implementation and the internal audit reports released since the previous Audit and Risk Management Committee meeting.

**COMMITTEE RECOMMENDATION 2024/9**

Moved by: Cr Karen Williams

Seconded by: Ms Mary Goodwin

That the Audit and Risk Management Committee:

1. Notes the internal audit status update as presented.
2. Notes that progress was being made in addressing outstanding audit recommendations and that for asset management and cyber security recommendations these have been incorporated into programs of work.
3. Recommends that focus be given in the coming months to closing recommendations which are now overdue.
4. Recommends that open recommendations are reviewed through the new risk appetite lens with a view to determine continued relevance, opportunity for consolidation, or acceptance of risk.

**CARRIED 3/0**

Cr Karen Williams, Mitchell Petrie and Mary Goodwin voted FOR the motion.

Cr Tracey Huges was absent from the meeting.

**10 COUNCIL FINANCIAL REPORTS****10.1 JANUARY 2024 MONTHLY FINANCIAL REPORT**

To provide the Audit and Risk Management Committee with an executive overview of Council's financial position and performance as at 31 January 2024.

**COMMITTEE RECOMMENDATION 2024/10**

Moved by: Cr Karen Williams

Seconded by: Ms Mary Goodwin

That the Audit and Risk Management Committee notes the financial position, results and financial sustainability measures for January 2024 as presented in the attached Monthly Financial Report.

**CARRIED 3/0**

Cr Karen Williams, Mitchell Petrie and Mary Goodwin voted FOR the motion.

Cr Tracey Huges was absent from the meeting.

**AUDIT & RISK MANAGEMENT COMMITTEE MEETING MINUTES****7 MARCH 2024****10.2 ASSET VALUATIONS 2023-2024**

To provide an update on the Asset Valuations 2023-2024 as requested by the Audit and Risk Management Committee.

**COMMITTEE RECOMMENDATION 2024/11**

Moved by: Cr Karen Williams

Seconded by: Ms Mary Goodwin

**That the Audit and Risk Management Committee notes the update on asset valuations for 2023-2024.**

**CARRIED 3/0**

Cr Karen Williams, Mitchell Petrie and Mary Goodwin voted FOR the motion.

Cr Tracey Huges was absent from the meeting.

**11 EXTERNAL AUDITOR UPDATE****11.1 EXTERNAL AUDITOR'S REPORT**

To present Queensland Audit Office's Briefing Paper and 2024 External Audit Plan.

**COMMITTEE RECOMMENDATION 2024/12**

Moved by: Cr Karen Williams

Seconded by: Ms Mary Goodwin

**That the Audit and Risk Management Committee notes the Queensland Audit Office's Briefing Paper and 2024 External Audit Plan as presented.**

**CARRIED 3/0**

Cr Karen Williams, Mitchell Petrie and Mary Goodwin voted FOR the motion.

Cr Tracey Huges was absent from the meeting.

**AUDIT & RISK MANAGEMENT COMMITTEE MEETING MINUTES****7 MARCH 2024****12 RIC FINANCIAL REPORTS****12.1 REDLAND INVESTMENT CORPORATION PTY LTD FINANCIAL REPORT FOR PERIOD ENDING 31 DECEMBER 2023**

To present for noting the December 2023 consolidated quarterly financial statements of the Redland Investment Corporation being Council's wholly owned subsidiary.

**COMMITTEE RECOMMENDATION 2024/13**

Moved by: Cr Karen Williams

Seconded by: Ms Mary Goodwin

That the Audit and Risk Management Committee notes the December 2023 consolidated quarterly financial statements for Redland Investment Corporation Pty Ltd.

**CARRIED 3/0**

Cr Karen Williams, Mitchell Petrie and Mary Goodwin voted FOR the motion.

Cr Tracey Huges was absent for the meeting.

**13 MEETING CLOSURE**

The Meeting closed at 10:06am

### **13.3 NOMINATION OF REPRESENTATIVE TO LOCAL GOVERNMENT ASSOCIATION OF QUEENSLAND POLICY EXECUTIVE**

**Objective Reference:** A11049941

**Authorising Officer:** Amanda Pafumi, General Manager Organisational Services

**Responsible Officer:** Tony Beynon, Group Manager Corporate Governance

**Report Author:** Tony Beynon, Group Manager Corporate Governance

**Attachments:** Nil

#### **PURPOSE**

To nominate an elected member to represent South-East District - Southern Region on the Policy Executive of the Local Government Association of Queensland.

#### **BACKGROUND**

The Local Government Association of Queensland (LGAQ) is the peak body representing local government in Queensland. It is a not-for-profit association set up for the purpose to service Queensland's Councils and their individual needs.

The LGAQ is administered by a Policy Executive consisting of a group of Mayors and Councillors, who are elected by their peers to represent all regions of Queensland. The Association's Policy Executive is responsible for the determination of the Association's policy on behalf of member Councils.

In 2016 and 2020 Mayor Karen Williams was appointed as the representative South-East District - Southern Region to the LGAQ Policy Executive. Council is now providing another Council the opportunity to have a representative on the LGAQ Policy Executive. Officers are recommending to nominate the Logan City Mayor Jon Raven as the representative.

#### **ISSUES**

The LGAQ has called for nominations for the election of District Representatives to the LGAQ Policy Executive, for the current local government electoral term, with nominations closing 1 May 2024.

The nomination is for the South-East District - Southern Region, which comprises Redland City, Logan City and the City of Gold Coast. If more than one Councillor is nominated with this sub-region, an election will be called.

The obligations for members of the Policy Executive include attendance at six meetings per year, five of which take place in Brisbane, with the sixth being held at the LGAQ's annual conference. Policy Executive members may also be appointed to represent the LGAQ on statutory boards and committees as well as on ad hoc bodies. These appointments are made following consultation with member councils.

There are potential benefits to Council from having a seat at the LGAQ Policy Executive's table, especially with the ability to influence policy across a broad spectrum of local government-related matters. Redland City has held this appointment for two consecutive terms and informal conversations with officers have determined Logan City Council would now like the opportunity to hold this seat. Council's Chief Executive Officer attends the LGAQ Policy Executive meetings as an observer through his role as the President of the Local Government Manager's Association.

## STRATEGIC IMPLICATIONS

### Legislative Requirements

There are no specific legislative requirements however the nomination is to a local government industry peak body committee.

### Risk Management

It is important that Council is represented by an elected member on the Policy Executive of the LGAQ to ensure appropriate levels of input into local and regional policy-making in accordance with Council's strategic objectives.

### Financial

There are no further budget allocations required as a result of this report.

### People

There are no impacts for staff associated as a result of this report.

### Environmental

There are no environmental impacts associated with this report.

### Social

There are no social impacts associated with this report.

### Human Rights

Human Rights have been considered and are not impacted as a result of this report.

### Alignment with Council's Policy and Plans

*Our Future Redlands - A Corporate Plan to 2026 and Beyond.*

## CONSULTATION

Consulted	Consultation Date	Comments/Actions
Mayor Jos Mitchell	April 2024	Agreed
Chief Executive Officer General Manager Organisational Services	April 2024	Agreed

## OPTIONS

### Option One

That Council resolves as follows:

1. To nominate Logan City Mayor, Jon Raven, to represent the South-East District - Southern Region on the Policy Executive of the Local Government Association of Queensland for the period of June 2024 to June 2028.
2. To instruct the Chief Executive Officer to sign and submit this nomination to the Returning Officer prior to the deadline of 1 May 2024.

### Option Two

That Council resolves not to nominate a representative on the Policy Executive of the Local Government Association of Queensland.

**OFFICER'S RECOMMENDATION**

**That Council resolves as follows:**

- 1. To nominate Logan City Mayor, Jon Raven, to represent the South-East District - Southern Region on the Policy Executive of the Local Government Association of Queensland for the period of June 2024 to June 2028.**
- 2. To instruct the Chief Executive Officer to sign and submit this nomination to the Returning Officer prior to the deadline of 1 May 2024.**

## **14 REPORTS FROM ADVOCACY, MAJOR PROJECTS AND ECONOMIC DEVELOPMENT**

### **14.1 2024 AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION MOTIONS**

**Objective Reference:** A8220142

**Authorising Officer:** Christopher Isles, General Manager Advocacy, Major Projects & Economic Development

**Responsible Officer:** Laurena Reissman, Executive Officer Office of Mayor

**Report Author:** Kate Turner, Senior Advocacy and Government Relations Officer

**Attachments:**

1. Australian Local Government Association Motion 2024 - Environmental Protection and Biodiversity Conservation Act [↓](#)
2. Australian Local Government Association Motion 2024 - Financial Assistance Grants [↓](#)
3. Australian Local Government Association Motion 2024 - Infrastructure Funding [↓](#)
4. Australian Local Government Association Motion 2024 - Native Title [↓](#)
5. Australian Local Government Association Motion 2024 - Koala Conservation Funding [↓](#)
6. Australian Local Government Association Motion 2024 - Discussion Paper [↓](#)

#### **PURPOSE**

To provide Council with the opportunity to consider a submission of motions to the Australian Local Government Association's (ALGA) annual National General Assembly (NGA) to be held 2-4 July 2024 in Canberra and to nominate a Council delegate to attend, speak to and move Redland City Council motions at the NGA.

#### **BACKGROUND**

The ALGA NGA aims to focus on how partnerships, particularly between the Australian Government and Local Governments, can tackle immediate challenges facing communities as well as confidently facing the future. The theme of the 2024 NGA is Building Community Trust. The NGA provides the opportunity for Council to influence the national policy agenda and promote new ways of strengthening the local government sector, as well as providing a valuable networking forum with other participating Council's. In preparation for the NGA, ALGA seeks motions in advance from Local Governments to be debated at the assembly.

Due to the recent Queensland Local Government election and required caretaker period, Redland City Council Advocacy Team secured an extension of time to submit motions. This extension was subsequently provided to all Local Governments, and motions are now due by close of business Tuesday, 30 April 2024. Before submitting motions, they must first be agreed and approved through Council processes. Motions that are adopted at the NGA influence ALGA's strategic priorities and annual action plans which determines the focus of advocacy, activities and resources. As the national voice of local governments, ALGA advocates on behalf of Australia's Local Governments for funding and policy outcomes that support and deliver better results for their communities.

If Council elects to submit a motion/s for debate at the conference, a Councillor delegate must be present at the conference to present and speak on the motion. This report identifies proposed motions for endorsement before submitting to ALGA for consideration. Please see attached proposed 2024 ALGA motions including background information and a summary of the key arguments for each.

In previous years, the Mayor has attended the NGA as Council's delegate, where they move and speak to Council's motions, and have voting rights for other motions.

Over the last three years, several other Councillors and the Chief Executive Officer (CEO) have elected to attend the NGA as attendees, and representatives from the Advocacy Team have also attended the NGA in a support capacity.

## ISSUES

All submitted motions must:

- Align with the 2024 theme - Building Community Trust.
- Address one or more of ALGA's priority areas (Discussion Paper outlining the twelve priority areas attached).
- Have national relevance.
- Identify opportunities for reforming or creating new policies, programs and legislation that supports councils to build trust with community and other levels of government.

In response, the attached motions have been drafted following consultation with key internal subject matter experts and Councillors.

## STRATEGIC IMPLICATIONS

### Legislative Requirements

There are no legislative impacts with respect to submitting the proposed ALGA motions, however several of the proposed motions have legislative impacts including:

- Advocating for a fairer approach to the application of the *Environment Protection and Biodiveristy Act 1999*.
- Advocating for review and amendments to *The Native Title Act 1993*.

### Risk Management

There are no risks to be managed with respect to submitting the proposed ALGA motions, however the proposed motions support Council in responding to identified strategic risks including:

- Insufficient revenue due to reduction in government funding – risk Protecht ID 1000906.
- City's economic base will not grow or strengthen to meet future demands – risk Protecht ID 1000904.

### Financial

There is no cost associated with submitting motions for debate other than internal staff resources.



## People

Should the outcomes being sought in these motions come about, these outcomes will have positive impacts on our people including refining processes, removing confusion, reducing risk and streamlining planning.

## Environmental

There are no environmental impacts with respect to submitting the proposed ALGA motions, however several of the proposed motions have environmental impacts including:

- Advocating for a fairer approach to the application of the *Environment Protection and Biodiveristy Act 1999*.
- Advocating for increased funding for koala conservation.

## Social

There are no social impacts with respect to submitting the proposed ALGA motions, however all of the proposed motions have social and liveability impacts in one way or another, namely:

- Advocating for a fairer approach to the application of the *Environment Protection and Biodiveristy Act 1999* and advocating for infrastructure investment to be linked to population growth, both allowing local governments to plan and deliver important community infrastructure, supporting liveability.
- Advocating for Financial Assistance Grants to be restored to at least one per cent of Commonwealth taxation revenue to support financial sustainability, health and wellbeing of every Australian community.

## Alignment with Council's Policy and Plans

Preparing and submitting motions strongly aligns to Council's corporate goal *City Leadership*, namely objective 1.1: *Display quality leadership by our elected Council through transparent and accountable processes and effective communication that builds community trust*.

In line with ALGA's role as a national advocacy body, all motions considered at the NGA must respond to national needs and have the potential to support other Australian Councils. While the attached motions are designed to respond to the needs of the Redlands Coast community and support existing Council objectives, they also align with the needs of local government on a national scale and support the objectives of the federal government. Specifically, the attached motions align with Council's Corporate Plan: *Our Future Redlands, a Corporate Plan to 2026 and Beyond*:

*Our Future Redlands – A Corporate Plan to 2026* objectives:

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.

4.4 Support ecologically sustainable development through clear planning and policy.

4.1 Manage, maintain and enhance our natural assets and ecosystems, including wildlife protection, vegetation management, and marine and waterway health and values.

5.1 Enhance the unique character and liveability of our city for its communities through co-ordinated planning, placemaking, and management of community assets.

5.4 Sustainably manage growth and quality development in the city through planning, implementation and management of the Redland City Plan, Local Government Infrastructure Plan and Netserv Plan.

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

## CONSULTATION

Consulted	Consultation Date	Comments/Actions
Councillors	April 2024	Consulted.
Executive Leadership Team	March 2024	Consulted for noting and shortlisting of proposed motions.
Various Council Officers	February – March 2024	Provided subject matter expertise to support the drafting of motions.

## OPTIONS

### Option One

That Council resolves as follows:

1. To adopt all of the proposed motions and submit to the Australian Local Government Association for debate at the National General Assembly, 2-4 July 2024.
2. To endorse a Councillor to attend, speak to and move Redland City Council motions and to be the cities official delegate at the National General Assembly.

### Option Two

That Council resolves as follows:

1. To identify which motions, of those proposed, they would like submitted to the Australian Local Government Association for debate at the National General Assembly, 2-4 July 2024.
2. To endorse a Councillor to attend, speak to and move Redland City Council motions and to be the cities official delegate at the National General Assembly.

### Option Three

That Council resolves as follows:

1. That Council not endorse any of the attached motions and not submit any motions for debate at the National General Assembly, 2-4 July 2024.
2. To endorse a Councillor to attend and to be the cities official delegate at the National General Assembly.

## OFFICER'S RECOMMENDATION

That Council resolves as follows:

1. To adopt all of the proposed motions and submit to the Australian Local Government Association for debate at the National General Assembly, 2-4 July 2024.
2. To endorse a Councillor to attend, speak to and move Redland City Council motions and to be the cities official delegate at the National General Assembly.

## 2024 ALGA NGA – Call for Motions

<b>Category</b>	<ul style="list-style-type: none"> <li>• Intergovernmental Relations</li> <li>• Environment</li> </ul>
<b>Motion Subject</b>	Advocating for a fairer approach to the application of the Environment Protection and Biodiversity Conservation Act 1999.
<b>Motion</b> (max 500 words)	<p><b>The National General Assembly calls on the Australian Government to amend the Environment Protection Biodiversity Conservation Act 1999 (EPBC) referral process to:</b></p> <ol style="list-style-type: none"> <li><b>1. Provide local government with greater clarity around the application of the EPBC Act.</b></li> <li><b>2. Provide acknowledgement for previous environmental protection efforts appropriate for the threatened species, including conservation acquisitions and revegetation as part of advanced offset recognition.</b></li> </ol>
<b>National Objective</b> <i>Why is this a national issue &amp; why should this be debated at the NGA?</i> (max 200 words)	<p>This motion seeks greater transparency and communication with Council's where changes to protected matters occur, and advanced offset credit to local governments who have made significant historical investment into revegetation and rehabilitation and have demonstrated responsible environmental planning and protection for impacted matters.</p> <p>A more holistic approach to the application of the EPBC Act, and consideration of the quadruple bottom line, would ensure that local governments can plan and deliver important community infrastructure for their communities.</p> <p>Improved clarity around the application, interpretation, and time frames of the EPBC Act supports local governments to satisfy legislation to protect and manage environment, whilst efficiently delivering important infrastructure for their communities to support liveability, social outcomes and deliver critical transport, housing and other service infrastructure.</p>
<b>Summary of Key Arguments</b> <i>Background information &amp; supporting arguments.</i> (max 500 words)	<p>The EPBC Act provides that an action which may impact a Matter of National Environmental Significance (MNES) must not proceed without approval from the Federal Minister for Environment.</p> <p>The EPBC protection of MNES, known as 'protected matters' undergoes regular changes. These changes are made with limited local government awareness leading to disruptions to project planning. Changes made without better visibility of potential listing changes impact good environmental and community planning outcomes for Council's, who invest significant resources in planning community infrastructure with correct controls in place at a point in time, only to discover changes have been made to species listing which make much of that work redundant, at a cost to ratepayers.</p>

	<p>Lack of visibility results in redundant work, inefficient resource allocation and delayed delivery of community infrastructure such as sport and recreation facilities, parks, cultural and educational facilities, road upgrades and wastewater network expansions.</p> <p>The lack of visibility also impacts investment in general environmental protection such as revegetation, given the need to “save” limited resources to potential EPBC assessments, reports and offsets.</p> <p>Achieving a balanced quadruple bottom line, encompassing cultural, economic, social and environmental outcomes, is crucial for sustainable prosperity, supporting Councils to deliver projects that enhance liveability and improve social outcomes.</p> <p>Councils play a key role in delivering critical infrastructure, such as roads and water and wastewater connections, to support delivery of national and state housing strategies. The complicated EPBC process poses additional hurdles and pressures, risking deliverability and affordability.</p> <p>Government offset decisions can drive up project costs for Councils in the delivery of the infrastructure required to support housing growth. To deliver projects, and meet offsets, Council's need to reduce overall costs associated with delivering community and housing related infrastructure, often by scaling down the project or simply not delivering the important infrastructure.</p> <p>In addition to these risks, the ambiguity surrounding whether to refer projects for assessment or not, leads to unnecessary delays and confusion. Unlike the Queensland Government legislative scheme, the EPBC Act is not clear when referrals are required.</p> <p>There is limited recognition of Council's investment in the environment, for example creating conservation corridors, or innovative wildlife management initiatives. The current approach makes continued investment in community infrastructure and conservation efforts unviable.</p> <p>We ask the Australian Government, in the evaluation of environmental impacts under the EPBC Act, to recognise the inherent differences between council projects aimed at community betterment and profit-driven endeavours of multinational mining corporations. Councils undertake projects that prioritise community amenity and social well-being, often without direct revenue generation. Failing to differentiate between these types of projects could unfairly disadvantage responsible community infrastructure projects.</p> <p>We urge the Australian Government to review the approach to recognising best practice environmental planning,</p>
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	<p>particularly where proponents have exhausted offset opportunities within its boundary due to pro-active conservation efforts. A widening of the 'advanced credits' approach could support ongoing delivery of community infrastructure, recognising long track-records in revegetation and rehabilitation activities and contribute towards a bank of credits that could be used to offset future impacts. In addition, the allowing of simultaneous offset planting and clearing will also help streamline timeframes for delivery of community infrastructure.</p>
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## 2024 ALGA NGA Motions

<b>Category</b>	Financial Sustainability
<b>Motion Subject</b>	Financial Assistance Grants
<b>Motion</b> (max 500 words)	<b>The National General Assembly calls on the Australian Government to restore and maintain local government Financial Assistance Grants to at least one per cent of Commonwealth taxation revenue.</b>
<b>National Objective</b> <i>Why is this a national issue &amp; why should this be debated at the NGA?</i> (max 200 words)	<p>Financial Assistance Grants support the financial sustainability, health and wellbeing of Australian communities.</p> <p>The allocation of Financial Assistance Grants, an important source of funding, supports local governments to continue delivering projects, services and infrastructure that is a necessity of liveability in communities.</p> <p>In 1996, Financial Assistance Grants were equal to around one per cent of Commonwealth taxation revenue. However, a freeze on the indexation of Financial Assistance Grants has seen a 43 per cent decline in relative terms over the past 20 years, with Financial Assistance Grants now equating to approximately 0.55% of tax revenue (Source: <a href="#">ALGA</a>)</p> <p>This motion implores the Federal Government to restore and maintain Financial Assistance Grants to at least one per cent of taxation revenue, which would provide a well needed few million dollars to the Redland City community. Financial Assistance Grants at one per cent provides a fairer share for local government, directly supporting local communities, improving liveability, creating jobs, boosting local economies and reducing costs to ratepayers.</p> <p>Without appropriate Financial Assistance Grants, and with the ongoing global financial challenges, Councils need to generate additional revenue to maintain community infrastructure, levels of service, and meet needs and expectations of communities, shifting the financial burden to ratepayers. Alternatively, Council's would need to decommission infrastructure and reduce services to remain financially sustainable.</p>
<b>Summary of Key Arguments</b> <i>Background information &amp; supporting arguments.</i> (max 500 words)	<p>Financial Assistance Grants have declined over the past three decades from around one per cent of Commonwealth taxation revenue to around 0.55%.</p> <p>Local governments only collect around 3.5% of taxation nationally and need support from other levels of government to provide and maintain important community infrastructure such as sealing and maintaining roads, playgrounds and parks, sporting facilities, swimming pools etc.</p> <p>Financial Assistance Grants are valuable to Councils as the grants are untied, allowing the money to be spent where it's needed most, at the discretion of local governments to meet the needs and priorities of their communities.</p> <p>We encourage the Australian Government to consider the limitations of using Socio-Economic Indexes for Areas (SEIFA)</p>

	<p>data and the Accessibility/Remoteness Index of Australia (ARIA) to calculate <b>Financial Assistance Grants</b> for local governments, particularly in regions characterised by significant disparities within their boundaries. For instance, the currently methodology erroneously considers Redland City Council LGA with a higher score than is the reality, not taking into consideration the economic, remoteness, accessibility and disadvantage challenges of the Redlands Coast Islands.</p> <p>The Southern Moreton Bay Islands of Russell, Macleay, Karragarra and Lamb experience significant disadvantage compared to the remainder of the Redland City Council local government area (LGA). The Southern Moreton Bay Islands records an Index of Relative Socio-economic Disadvantage (IRSD) of 825, ranking it in the bottom four percent of most disadvantaged communities across Australia, while SEIFA data ranks the Redland City Council LGA as a whole, in the second highest quintile. (Source: <a href="#">Census Data</a> and <a href="#">SEIFA data</a>)</p> <p>Heavily contrasted to the relatively high Redland LGA IRSD score of 1027, or the 83rd percentile, placing Redland City Council in comparison with other high scoring LGAs who don't have the severe pockets of disadvantage in their community.</p> <p>Further to the contrasting disadvantage, the Redland LGA is made up of a large component of residential land use which supplies smaller rates than LGAs made up of more commercial or industrial land uses. This land use make-up contributes to the financial challenges of Redland City Council remaining fiscally sustainable.</p> <p>Adopting a more granular approach that considers unique regions with pockets of high disadvantage, the government can ensure that funding allocations accurately reflect the needs of all constituents.</p>
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## 2024 ALGA NGA – Call for Motions

<b>Category (select)</b>	Intergovernmental relations Financial sustainability Roads and infrastructure Housing and homelessness
<b>Motion Subject</b>	Enabling infrastructure that supports population growth and maintain quality of life standards.
<b>Motion</b> (max 500 words)	<b>The National General Assembly calls on the Australian Government to provide greater access to funding by local government for essential infrastructure projects and establish a framework linking infrastructure investment with forecasted population growth.</b>
<b>National Objective</b> <i>Why is this a national issue &amp; why should this be debated at the NGA?</i> (max 200 words)	<p>With infrastructure deficits posing significant challenges to communities nationwide, increasing federal funding for local infrastructure delivery is imperative. The key benefits of linking federal funding to projected future population growth include:</p> <ul style="list-style-type: none"> <li>• <b>Equitable Distribution:</b> Ensuring that infrastructure is delivered in locations that will be most impacted by population growth.</li> <li>• <b>Economic Stimulus:</b> Investing in local infrastructure creates jobs, stimulates economic activity, and spurs growth in industries such as construction, engineering, and manufacturing. This multiplier effect boosts local economies, generates tax revenue, and contributes to overall economic prosperity.</li> <li>• <b>Improved Quality of Life:</b> Adequate infrastructure enhances the quality of life for residents by providing access to reliable transportation, clean water, sanitation, healthcare facilities, education, and recreational spaces.</li> <li>• <b>Resilience and Sustainability:</b> Investing in resilient and sustainable infrastructure strengthens communities' ability to withstand and recover from natural disasters, climate change impacts, and other shocks.</li> <li>• <b>Proactive Delivery:</b> Linking infrastructure funding to future forecasted population data allows governments to: provide adequate infrastructure ahead of growth, not constantly be 'playing catch up' with infrastructure deficits, avoid disadvantages to liveability such as road congestion.</li> </ul>
<b>Summary of Key Arguments</b> <i>Background information &amp; supporting arguments.</i> (max 500 words)	<p>A new approach to infrastructure funding is required to ensure that decision making at the federal and state levels appropriately account for housing policy and infrastructure delivery at the local scale. This is necessary for several key reasons including:</p> <ul style="list-style-type: none"> <li>• <b>Impact on Housing Demand:</b> Immigration significantly affects population growth, which in turn increases the demand for housing in local communities<sup>1</sup>. Failure to align future</li> </ul>

<sup>1</sup> The SEQ Regional Plan (*ShapingSEQ 2023*) anticipates that the SEQ region will grow from 3.8 million people in 2021 to over 6 million people by 2046. To accommodate this growth, approximately 900,000 new homes will be required.



	<p>immigration levels with housing policy can lead to housing shortages, increased housing costs, and affordability challenges for residents, especially in areas with already limited housing supply.</p> <ul style="list-style-type: none"> <li>• <b>Strain on Infrastructure:</b> Population growth resulting from immigration also puts pressure on local infrastructure such as transportation networks, schools, healthcare facilities, and utilities. Without adequate infrastructure planning and investment, quality of life is impacted.</li> <li>• <b>Social Cohesion:</b> Rapid population growth can disrupt social cohesion and community dynamics, particularly where significant and rapid changes occur at the neighbourhood level.</li> <li>• <b>Economic Implications:</b> Housing affordability and infrastructure adequacy are critical factors that influence a region's economic competitiveness and attractiveness to businesses and investors. Failure to address these issues could hinder economic growth and development opportunities.</li> <li>• <b>Financial sustainability:</b> Capped infrastructure charge regimes, infrastructure price inflation and low federal tax revenue allocations place the long-term financial sustainability of local government at risk.</li> </ul> <p>As populations grow, there is increased demand for essential infrastructure such as transportation networks, housing, utilities, healthcare facilities, and educational institutions. By establishing a national framework to align infrastructure funding with future population growth (potentially linked with a national settlement strategy), governments can prioritise and proactively invest in projects that address current, and plan for, anticipated needs.</p> <p>A new funding framework should be based on the following:</p> <ul style="list-style-type: none"> <li>• <b>Allocation Criteria</b> Clearly defined criteria for allocating funds to local governments based on factors such as population growth, economic development needs, infrastructure deficiencies, and regional priorities.</li> <li>• <b>Funding Mechanisms:</b> Diverse funding mechanisms such as grants, loans, public-private partnerships, and revenue-sharing arrangements to support infrastructure projects.</li> <li>• <b>Financial Sustainability:</b> Measures to ensure the financial sustainability of infrastructure investments, including cost-benefit analysis, user pays systems and revenue generation/recovery strategies.</li> <li>• <b>Accountability and Transparency:</b> Mechanisms to enhance accountability and transparency in the allocation and use of funds, such as performance metrics, reporting requirements, and public consultation processes.</li> <li>• <b>Flexibility and Adaptability:</b> Flexibility to accommodate changing circumstances and emerging priorities, allowing for adjustments to funding allocations and priorities over time in response to evolving community needs and policy.</li> </ul>
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## 2024 ALGA NGA Motions

<b>Category</b>	Intergovernmental Relations Closing the Gap and Aboriginal and Torres Strait Islander Reconciliation
<b>Motion Subject</b>	Native Title
<b>Motion</b> (max 500 words)	<p><b>The National General Assembly calls on the Australian Government to review and amend <i>The Native Title Act 1993</i> and the Native Title Respondent Funding Scheme to:</b></p> <ol style="list-style-type: none"> <li><b>1. Provide a contemporary set of regulations built on the experience and learnings of implementing <i>The Native Title Act 1993</i> over the last three decades, by:</b> <ol style="list-style-type: none"> <li><b>a. Removing uncertainty around provisions in <i>The Native Title Act 1993</i> that suggest native title rights or interests are not subject to Commonwealth, state or local government laws.</b></li> <li><b>b. Restoring respondent funding to achieve a fair and just outcome for both claimants and respondents.</b></li> <li><b>c. Establish a national fund for state and local governments to acquire Native Title interests to preserve and maintain public works, infrastructure and services</b></li> </ol> </li> </ol>
<b>National Objective</b> <i>Why is this a national issue &amp; why should this be debated at the NGA?</i> (max 200 words)	<p><b><u>Application of mainstream law</u></b>  <i>The Native Title Act 1993</i> (the Act) should be reviewed and amended to make certain that mainstream Australian law applies over native title land, as it does over non-native title land. It is important that all laws apply over native title land to ensure consistency, clarity and cohesion. Any amendments should seek to clarify the operation of s211 of the Act, which sets out certain classes of activities where native title holders are exempt from obtaining a licence, permit or other instrument in accordance with a law of the Commonwealth, State or Territory where the activity is for the purpose of satisfying personal, domestic or non-commercial communal needs.</p> <p><b><u>Just outcomes for all</u></b>  The Commonwealth Government has historically provided financial support to Native Title claimants and responders. Recently, the federal government has committed to abolishing the Native Title Respondent Funding Scheme (through the introduction of the Attorney-General's Portfolio Miscellaneous Measures Bill 2023 which seeks to, inter alia, repeal s213A of the Act), resulting in no financial assistance for responding to native title claims, while claimants are fully funded. This change is inequitable and passes the financial burden to rate payers for local governments to respond.</p>
<b>Summary of Key Arguments</b> <i>Background information &amp; supporting arguments.</i> (max 500 words)	The Act was developed over 30 years ago, in response to the <i>Mabo v Queensland (No. 2)</i> 1992 High Court case, to establish governance and process for claiming and recognising native title rights and interests over Australian land and waters, balancing Indigenous and non-Indigenous people's rights to land.

	<p>Redland City Council values reconciliation and the vital role First Nations peoples and their culture play in our great country. We believe these reforms will add robust governance to The Act, improving outcomes for the quadruple bottom line: culture, economy, environmental and social.</p> <p><b><u>Removing uncertainty over the application of mainstream laws</u></b>  Amending The Act to make certain the upholding of mainstream Australian laws reduces the need for claims to progress to court, as recently was the case with Redland City Council v Burns 2024, where a native title holder was found guilty of an offence under s162 of the <i>Planning Act 2016</i> as a result of carrying out prohibited works by clearing native vegetation. The native title holder raised a defence under s211 of the Act i.e that by undertaking the clearing he was satisfying his personal, domestic or non-communal needs in the exercise or enjoyment of his native title rights and interests. The need for Council to seek clarity in this regard through the courts was a costly exercise on taxpayers' dollars. Further clarity around s211 and how it removes the prohibition on certain classes of activities for native title holders provides an opportunity for efficient use of resources. More information on the above mentioned Magistrates Court case can be found <a href="#">here</a>.</p> <p>Overall, confirmation of how mainstream laws apply over native title land is critical for promoting legal certainty, protecting rights, fostering social cohesion and upholding environmental conservation and sustainability.</p> <p><b><u>Just outcomes for claimants and respondents</u></b>  The Commonwealth Government's commitment to abolish native title respondent funding by seeking to repeal s213A of the Act is inequitable. The federal government's funding of only one party in a native title claim does not support equitable and impartial consideration of native title claims and responses.</p> <p>Removing funding to respondents passes the financial burden onto rate payers and adds to the challenges for local government, as responders, to remain financially sustainable.</p> <p>As stewards for community assets including parks and open spaces, reserves, community precincts etc., local governments owe it to their communities to consider and respond to native title claims to seek the best outcome for all.</p> <p><b><u>National fund for state and local governments</u></b>  Native Title is a national issue to be addressed nationally for past land tenure decisions and not cost shifted to local governments and indigenous communities to address in a fragmented piece meal approach. A national acquisition funding scheme creates consistency and certainty for local communities whilst providing a just terms national funding source for native title holders.</p>
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## 2024 ALGA NGA Motions

<b>Category</b>	Environment
<b>Motion Subject</b>	Increased funding for local Koala conservation
<b>Motion</b> (max 500 words)	<b>The National General Assembly calls on the Australian Government to consult with and empower local governments, through funding, to deliver on-ground activities that achieve the goals, objectives and strategies of the National Recovery Plan for the Koala, <i>Phascolarctos cinereus</i> (combined populations of Queensland, New South Wales and the Australian Capital Territory).</b>
<b>National Objective</b> <i>Why is this a national issue &amp; why should this be debated at the NGA?</i> (max 200 words)	<p>In 2022, the Federal Government announced an additional \$50 million investment over four years in koalas including:</p> <ul style="list-style-type: none"> <li>• \$20 million in grants and funding for larger projects led by Natural Resource Management groups, NGOs, and Indigenous groups, coupled with supporting state and territory governments to build on existing work, guided by the outcomes and findings of the National Koala Monitoring Program.</li> <li>• \$10 million to extend the National Koala Monitoring Program to fill critical knowledge gaps and increase the use of citizen science-based projects.</li> <li>• \$10 million in grants for small-scale community projects and local activities including habitat protection and restoration, managing threats, health and care facilities, and citizen science projects.</li> <li>• \$2 million in grants to improve koala health outcomes through applied research activities and the practical application of research outcomes to address fundamental health challenges such as koala retrovirus, koala herpes viruses and Chlamydia.</li> <li>• \$1 million to expand the national training program in koala care, treatment and triage.</li> </ul> <p>It is noted that money has not been specifically directed toward local government entities to help enhance current or planned koala conservation initiatives and actions.</p>
<b>Summary of Key Arguments</b> <i>Background information &amp; supporting arguments.</i> (max 500 words)	<p>Aligned with this year's NGA theme – Building Community Trust, we seek enhanced oversight and transparency in fund distribution, urging a more equitable allocation of funding.</p> <p>Local Governments have been identified as responsible for and/or as a potential partner for the delivery of a number of actions that achieve the National Recovery Plan's goals, objectives and strategies. Recognising that East Coast Councils are custodians of the largest Koala populations in Australia - we advocate for increased collaboration and investment from other levels of government to enable local governments to identify suitable projects to be delivered, and through funding, empower local governments to deliver them.</p>

	<p>Local Governments play a key role in supporting the implementation of State and Federal strategies, for example, the Redlands Coast Koala Conservation Plan and Action Plan aligns with the South-East Queensland Koala Conservation Strategy, achieving shared objectives for medium- and long-term outcomes. Redland City Council's (Council) Koala conservation program is fully self-funded.</p> <p>Council develops partnerships with universities who are awarded grants, such as the ARC grant that encourage collaborative approaches to research and improve conservation outcomes.</p> <p>The Federal Government has committed substantial funding into Koala conservation activities of which there is very little allocation specifically for local governments, who are a key delivery partner in the National Recovery Plan.</p> <p>We seek enhanced oversight and transparency in fund distribution, urging a more equitable allocation of funding.</p>
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# 2024 NGA

Building  
Community  
Trust

National Convention Centre  
Canberra



AUSTRALIAN  
LOCAL GOVERNMENT  
ASSOCIATION



2 - 4  
JULY  
2024

DISCUSSION  
PAPER



## KEY DATES

29 March 2024 | Acceptance of Motions

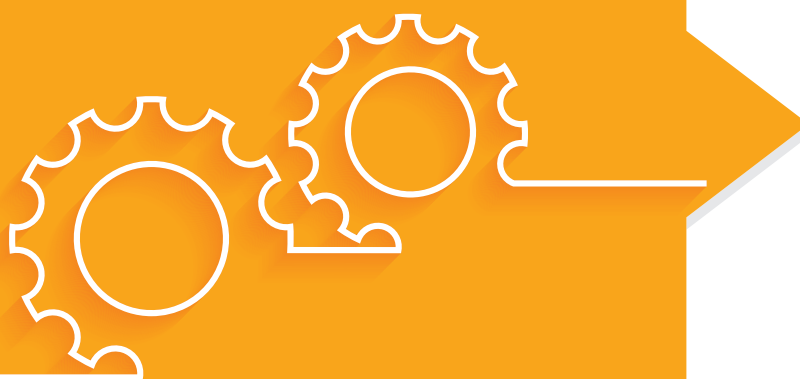
2 July 2024 | Regional Cooperation & Development Forum

3 - 4 July 2024 | National General Assembly

5 July 2024 | Australian Council of Local Government

## TO SUBMIT YOUR MOTION

**VISIT: [ALGA.COM.AU](https://alga.com.au)**





The Australian Local Government Association (ALGA) is pleased to convene the 30th National General Assembly of Local Government (NGA), to be held in Canberra from 2-4 July 2024.

As convenor of the NGA, the ALGA Board cordially invites all councils to send representatives to this important national event.

The NGA is the premier national gathering of local governments, and provides councils with the opportunity to come together, share ideas, debate motions, and most importantly unite and further build on the relationship between local government and the Australian Government.

This discussion paper contains essential information for Australian councils considering submitting motions for debate at the 2024 National General Assembly of Local Government (NGA).

It is recommended that all councils and delegates intending to attend the 2024 NGA familiarise themselves with the guidelines for motions contained in this paper on page 6.

## BACKGROUND TO ALGA AND THE NGA

ALGA was established 1947. In structure, ALGA is a federation of member state and territory associations. Its mission is to achieve outcomes for local government through advocacy with impact, and maximise the economic, environmental and social wellbeing of councils and our communities.

Since 1994, the NGA has built the profile of local government on the national stage, showcased the value of councils, and most importantly demonstrated - particularly to the Australian Government - the strength and value of working with local government to help deliver on national priorities.

Debate on motions was introduced to the NGA as a vehicle for councils from across the nation to canvas ideas. Outcomes of debate on motions (NGA Resolutions) could be used by participating councils to inform their own policies and priorities, as well as their advocacy when dealing with federal politicians.

At the same time, they help ALGA and its member state and territory associations gain valuable insight into council priorities, emerging national issues, and the level of need and support for new policy and program initiatives.

Given the structure of ALGA, its Constitution, and level of resources, the NGA does not bind the ALGA Board. However, the Board carefully considers NGA resolutions as it determines ALGA's policies, priorities and strategies to advance local governments within the national agenda.

This is your NGA and ALGA is pleased to act as the convenor. ALGA's policies and priorities will continue to be determined by the ALGA Board in the interests of all councils.

**The ALGA Board thanks all councils for attending the NGA and those that will take the time to reflect on the purpose of debate on motions outlined in this paper, and to submit motions for debate at the 2024 NGA.**



# SUBMITTING MOTIONS

Australia is one of the world's great democracies. It is held in high regard across the world but should never be taken for granted.

**The theme of the 2024 NGA is – Building Community Trust.**

This theme aims to explore the critical importance of trust in governments, between governments, its institutions, and its citizens. This trust is a fundamental building block of our nation's democracy.

While relatively low key, over the past decade there has been increasing public debate by scholars and policy makers about the level of trust in government, its institutions and indeed the operation of our democracy more broadly.

Mark Evans et al (2019) published research in 'The Conversation' indicating that Australians' trust in politicians (our political representatives) and democracy has hit an all-time low. This report indicates 'fewer than 41% of Australian citizens are satisfied with the way democracy works in Australia, down from 86% in 2007.

Public satisfaction has fallen particularly sharply since 2013, when 72% of Australian citizens were satisfied. Generation X is least satisfied (31%) and Baby Boomers most satisfied (50%). Some political authors suggest that these trends in part explain the rise in popularity and the relative success of independents and micro or single-issue parties.

These statistics should be of concern to every level of government and those interested in the future of our communities and Australia's democratic system.

It is said that 'trust is hard-earned, easily lost, and difficult to re-establish – and a key to absolutely everything.' While media and public attention frequently focuses on levels of trust in the national and state governments, local governments have an equally important role in building, maintaining and indeed, often repairing government-community relationships.

At its most fundamental level, the 2024 NGA focusses on the role of local government and how all levels of government can help each other build, maintain and strengthen government-community relationships.

This discussion paper is a call for councils to submit motions for debate at the 2024 NGA to be held in Canberra from 2-4 July 2024.

Motions for this year's NGA should consider:

- how all levels of government in Australia can build trust in each other and earn greater trust from the community;
- practical opportunities for the Australian Government to leverage the trust that local communities have in their local council;
- focus on practical programs that can strengthen the system of local government nationally to provide the services and infrastructure required to support and strengthen our communities; and
- new program ideas that that would help the local government sector to deliver the Australian Government's objectives.

Motions should be concise, practical and implementable and meet the guidelines for motions set out in the paper.

You are encouraged to read all the sections of the paper but are not expected to respond to every issue or question. Your council's motion/s must address one or more of the issues identified in the discussion paper.

Motions must be lodged electronically using the online form available on the NGA website at: [www.alga.com.au](http://www.alga.com.au) and received no later than 11:59pm AEST on Friday 29 March 2024.

All notices of motions will be reviewed by the ALGA Board's NGA Sub-committee prior to publishing the NGA Business Paper to ensure that they meet these guidelines. This sub-committee reserves the right to select, edit or amend notices of motions to facilitate the efficient and effective management of debate on motions at the NGA.

All NGA resolutions will be published on [www.nationalgeneralassembly.com.au](http://www.nationalgeneralassembly.com.au).

As the host of the NGA, ALGA will communicate resolutions to the relevant Australian Government Minister and publish Ministerial responses as they are received on this website.

Please note that if your council does submit a motion, there is an expectation that a council representative will be present at the NGA to move and speak to that motion if required.

We look forward to hearing from you and seeing you at the 2024 NGA.

# CRITERIA FOR MOTIONS

To be eligible for inclusion in the NGA Business Papers, and subsequent debate on the floor of the NGA, motions must meet the following criteria:

1. Be relevant to the work of local government nationally.
2. Not be focused on a specific jurisdiction, location or region – unless the project or issue has national implications.
3. Be consistent with the themes of the NGA.
4. Complement or build on the policy objectives of ALGA and your state or territory local government association.
5. Be submitted by a council which is a financial member of their state or territory local government association.
6. Propose a clear action and outcome ie call on the Australian Government to act on something.
7. Not be advanced on behalf of external third parties that may seek to use the NGA to apply pressure to Board members, or to gain national political exposure for positions that are not directly relevant to the work of, or in the national interests of, local government.
8. Address issues that will directly improve the capacity of local government to deliver services and infrastructure for the benefit of all Australian communities.
9. Not seek to advance an outcome that would result in a benefit to one group of councils to the detriment of another.
10. Be supported by sufficient evidence to support the outcome being sought and demonstrate the relevance and significance of the matter to local government nationally.

Motions must commence with the following wording:

***This National General Assembly calls on the Australian Government to ...***

**Please note that resolutions of the NGA do not automatically become ALGA's national policy positions.**

## OTHER THINGS TO CONSIDER

It is important to complete the background section of the submission form. Submitters of motions should not assume that NGA delegates will have background knowledge of the proposal. The background section helps all delegates, including those with no previous knowledge of the issue, in their consideration of the motion. Please note, motions should NOT be prescriptive in directing how the matter should be pursued.

**Try to keep motions practical, focussed and capable of implementation to ensure that relevant Australian Government Ministers provide considered, thoughtful and timely responses.**

Try to avoid motions that are complex, contain multi-dot points and require complex cross-portfolio implementation.

All motions submitted will be reviewed by the ALGA Board's NGA Sub-committee, in consultation with state and territory local government associations, to determine their eligibility for inclusion in the NGA Business Papers.

When reviewing motions, the Sub-committee considers the criteria, clarity of the motion and the importance and relevance of the issue to local government.

If there are any questions about the substance or intent of a motion, ALGA will raise these with the nominated contact officer. With the agreement of the submitting council, these motions may be edited before inclusion in the NGA Business Papers.

To ensure an efficient and effective debate, where there are numerous motions on a similar issue, the NGA Sub-committee will group these motions together under an overarching strategic motion. The strategic motions will have either been drafted by ALGA or will be based on a motion submitted by a council which best summarises the subject matter.

Debate will occur in accordance with the rules for debate published in the Business Papers and will focus on the strategic motions. Associated sub-motions will be debated by exception only or in accordance with the debating rules.

Any motion deemed to be primarily concerned with local or state issues will be referred to the relevant state or territory local government association and will not be included in the NGA Business Papers.

All motions require:

- a contact officer;
- a clear national objective;
- a summary of the key arguments in support of the motion; and
- endorsement of your council.

**Motions should be lodged electronically using the online form available at [www.alga.asn.au](http://www.alga.asn.au).**

**Motions should be received no later than 11:59pm AEST on Friday 29 March 2024.**

## SETTING THE SCENE

The theme for NGA24 'Building Community Trust' aims to focus on the role of local government in the Australian system of government and explore the critical importance of trust in governments, between governments, its institutions, and our citizens.


In a recent essay on Capitalism after the Crisis (2023) the Treasurer the Hon Dr Jim Chalmers MP wrote:

*'Our mission is to redefine and reform our economy and institutions in ways that make our people and communities more resilient, and our society and democracy stronger as well.'*

The need to strengthen our democracy was also emphasised the Prime Minister the Hon Anthony Albanese MP in a speech at Queensland's Woodford Folk Festival toward the end of 2022:

*'I urge anyone who thinks our democracy is unassailable to have a look around the world. Even some of the oldest, most stable democracies have come under attack from a whole range of corrosive, insidious forces. No one is immune. Our democracy is precious, something we have carefully grown and nurtured from one generation to the next. One of our core responsibilities is to make it stronger, and the key to that strength is transparency and accountability.'*

In early 2023 the Australian Government established a taskforce to advise government on 'what can be done – practically – to strengthen Australian democracy'.



The 2024 NGA provides you - the elected representatives of Australia's local councils and communities - with the opportunity to engage with the Federal Government and key Ministers.

Further, it is your opportunity to advocate for new or expanded programs and key policy initiatives that could strengthen local governments, its capacity to deliver services and infrastructure to local communities across the nation. This service delivery is critical to build, maintain and strengthen the trust of our citizens.

This year's call for motion focusses on twelve priority areas:

- Intergovernmental relations;
- Financial sustainability;
- Roads and infrastructure;
- Emergency management;
- Housing and homelessness;
- Jobs and skills;
- Community services;
- Closing the Gap and Aboriginal and Torres Strait Islander Reconciliation;
- Data, digital technology and cyber security;
- Climate change and renewable energy;
- Environment; and
- Circular economy.



# 1. INTERGOVERNMENTAL RELATIONS

'Australia's federal structure, built upon reciprocal financial, legislative and policy responsibilities, requires intelligent cooperation on issues of strategic national significance.'

National Cabinet is a forum for the Prime Minister, Premiers and Chief Ministers to meet and work collaboratively. National Cabinet was established on 13 March 2020 and is chaired by the Prime Minister. The National Cabinet is a key mechanism in Australia's current intergovernmental architecture.

A representative of local government, the President of ALGA, is invited to meet with National Cabinet once each year. The President of ALGA also attends one meeting per year of the Council on Federal Financial Relations comprising the Commonwealth Treasurer as Chair and all state and territory treasurers.

A substantial body of research, from Australia and internationally, has highlighted that governments that work together are generally more successful in achieving shared national objectives, including economic recovery from events like the COVID-19 pandemic as well as in service and infrastructure delivery.

This research reinforces the need for local government to be included in relevant ministerial forums that support national priorities – from housing affordability to reaching net-zero emissions. ALGA currently participates in National Cabinet (1/year), Council on Federal Financial Relations (1/year), Infrastructure Transport Ministers Meeting, National Emergency Managers Meeting, Local Government Ministers Forum, Joint Council on Closing the Gap, Planning Ministers Meeting, Meeting of Environment Ministers, Energy and Climate Change Ministers and the Road Safety Ministers Meeting, to represent local government views.

Local government input can provide a community voice, enabling our intergovernmental forums to make decisions with greater legitimacy and authority.

*Given the importance of trust in governments, between governments and its citizens, how can intergovernmental arrangements be further improved in Australia?*

*Are there ways of maintaining and enhancing the community's trust in local government?*

*Are there new initiatives and programs that could be adopted to improve the level of cooperation and collaboration between the Australian Government and local government?*

## 2. FINANCIAL SUSTAINABILITY

Trust in governments is highly correlated with their ability to fulfill the implicit social contract between government and its citizens by keeping promises.

Local government is the third sphere of government in Australia's system of government. Councils are comprised of locally elected representatives who understand local needs and engage locally on strategies to meet those needs.

Councils are responsible for providing a wide range of critical local area services including planning, libraries, waste management systems, transport and infrastructure (eg roads and footpaths, parks, sporting grounds and swimming pools) and social services.

These services are critical to the wellbeing, liveability and productivity of all local communities, and therefore the nation. Equally important is the sustaining of democratic processes at the local and regional level.

Local government's total annual expenditure in 2021 -22 was approximately \$43.6 billion. Non-financial assets including roads, community infrastructure such as buildings, facilities, airports, water, and sewerage (in some states) including land, are valued at \$539 billion [ABS Government Finance Statistics, Australia, 2021-22].

In 2021-22, the Australian Government provided \$2.6 billion in Financial Assistance Grants funding to councils. This included \$1.3b which was brought forward from the 2021-22 estimate and paid through state and territory governments in 2020-21.

Nationally, local government derives nearly 90% of its revenue from its own sources (including rates and services charges), compared to around 50% for state governments. Grants from other levels of government make up just over 10% of local government's total revenue, however these grants are particularly important in areas with a low-rate base, and/or high growth rates, and rapidly expanding service and infrastructure needs.

In 2021-22 Financial Assistance Grants to local governments was less than 0.6% of Commonwealth taxation revenue (CTR), a significant drop from 1996 when these grants were at 1% of CTR. In 2023-24 Financial Assistance Grants have fallen to 0.5% of Commonwealth taxation.

*What improvements are needed to the intergovernmental financial transfer system, particularly the Commonwealth transfers to local government, to enhance the community's trust in local government and by extension all governments?*

*Noting that Commonwealth tied funding is provided with detailed requirements how can this system be improved to provide flexibility and maximize the benefit to local communities?*



### 3. ROADS AND INFRASTRUCTURE

ALGA's 2021 National State of the Assets Report (NSoA) is currently being updated and expected to be launched in 2024. The most recent NSoA shows that while most local government assets such as roads, bridges, buildings, parks and recreation, stormwater, water and wastewater, and airports and aerodromes are generally in good to very good condition, around 10% are not fit for purpose, and around 20–25% are only fair and over time will need attention.

The last NSoA found that in 2019–20 non-financial infrastructure assets were valued at \$342 billion and were depreciating at \$7.7 billion per year. Replacement costs of these infrastructure assets were in the order of \$533 billion.

Local government assets make up a significant proportion of the physical structure of local communities and often provide critical access to and support for citizens to engage in state and national assets and opportunities.

For example, local roads provide important “first and last-mile access” for communities and industry to road networks, integral to economic development and community connection. Local sporting grounds can provide access for community groups to build community participation that has social, health and economic benefits.

*Are there programs or initiatives that the Australian Government could adopt to improve the long-term sustainability of local government infrastructure?*

*Are there programs or initiatives that the Australian Government could provide to improve the sector's capacity to manage local government infrastructure and to integrate these plans into long-term financial plans?*

*Are there programs or initiatives that the Australian Government could develop to maintain, strengthen and enhance the reputation of Australia's infrastructure providers, including local government?*

## 4. EMERGENCY MANAGEMENT

In 2022 alone, 46 disasters were declared across Australia, covering more than 300 different council areas. In recent years, almost every Australian council has been impacted in some way by fires, floods, or cyclones.

Last year's flooding caused a damage bill of approximately \$3.8 billion to local roads across Queensland, New South Wales, Victoria and South Australia. This was just a fraction of the total disaster costs incurred by governments across the country.

There have been numerous NGA motions in recent years regarding natural disasters and this has been a significant priority in ALGA's advocacy program.

In 2022 ALGA successfully advocated for a new \$200 million per year Disaster Ready Fund, with the first round of funding allocated in June 2023. This fund will support councils and communities to mitigate against the risk of future disasters and help address the significant imbalance between mitigation and recovery spending.

Councils are encouraged to draw on their practical experience of the improvements that could be made to managing emergencies.

Please note that many aspects of emergency management are state or territory responsibilities, and your motions should focus on how the Australian Government could assist.

*What new programs, or improvements to existing programs, could the Australian Government develop to partner with local government to improve the current natural disaster management systems to further assist in recovery and build resilience?*

## 5. HOUSING AND HOMELESSNESS

Almost every Australian council and community is facing challenges around a lack of affordable housing.

Alarming research by the UNSW City Futures Research Centre shows 640,000 Australian households – or one in 15 households – are under housing stress.

All levels of government, including councils, have a fundamental role to play in addressing this crisis, which is being compounded by high interest rates, rising construction costs and skills shortages.

At a national level, ALGA is a signatory to the National Housing Accord, and in 2023 successfully advocated for a new \$500 million Housing Support Program for state and local governments to deliver supporting infrastructure for new housing developments.

While the provision of affordable housing is not a local government responsibility, councils have a role to play in ensuring there is enough suitably located land available for housing and that a diversity of housing stock is supported. Councils also want to ensure that new housing developments are supported with the necessary services and infrastructure to create liveable and sustainable communities.

Many councils are also addressing thin markets and developing land and housing themselves, delivering local solutions to meet the needs of their communities.

Councils also want to ensure that they engaged with planning decisions that affect local communities. Taking planning powers away from councils does not always support the best local outcomes.

Councils also play an important role addressing some of the causes of homelessness, including social inclusion programs that can assist mental health and family violence issues, as well as providing support for people currently experiencing homelessness.

*What new programs and policies could the Australian Government develop to partner with local government to support the provision of more affordable housing?*

*How can the Australian Government work with councils to address the causes and impacts of homelessness?*

## 6. JOBS AND SKILLS

Local government is a major employer in Australia providing employment, career advancement and training opportunities for more than 190,800 Australians, across an estimated 400 occupations.

However, councils are facing significant jobs and skills shortages that are constraining their capacity to deliver services and build and maintain local infrastructure.

ALGA's 2022 National Local Government Workforce Skills and Capability Survey indicated that more than 90 percent of Australia's 537 councils were experiencing skills shortages.

The survey also showed that for approximately two-thirds of these councils, these shortages were impacting on project delivery.

In particular, councils are facing a shortage of planners, engineers, building surveyors, environmental officers and human resources professionals.

Skills shortages occur for a variety of reasons including an inability to compete against the private sector, worker accommodation, support services for families, ageing of the workforce and geographic isolation.

*Are there programs or initiatives that the Australian Government could implement that would enhance local government's capacity to attract and retain appropriately skilled staff now and into the future?*

*Are there programs or changes to existing programs that would increase local government's ability to employ apprentices and trainees?*

*Are there other initiatives that the Australian Government could provide to improve the sector's ability to plan and develop skills fit for the future?*

## 7. COMMUNITY SERVICES

Councils provide a wide range of services based on local characteristics, needs, priorities, and the resources of their community. Indeed, it is this level of responsiveness and accountability to the local community that is an essential feature of democratic local governments worldwide.

Some of these services are provided to address market failure, and many of them are provided by councils on behalf of other levels of government.

It is important to note that nationally local government is more than 83% self-sufficient ie funded at the local level either through rates, fees and charges, sale of goods and services, or interest. The Australian Bureau of Statistics data shows that total local government annual expenditure in 2021-22 was \$43.6 billion.

Only 17% comes from grants and subsidies from other levels of government. Unfortunately, many of these grants and subsidies are tied, or require matching funding which restricts the ability to address local priorities in the way the council and community might need.

Arguably there is no greater obligation upon government than to maintain the trust that citizens have in meeting their community services obligations and promises, particularly to society's most vulnerable.

Local government community services are broadly defined, and may include but are not limited to:

- environmental health including food safety;
- childcare, early childhood education, municipal health;
- aged care, senior citizens;
- services to people living with disability;
- programs to address disadvantage, to reduce poverty and homelessness;
- sporting and recreational programs;
- arts and cultural activities, programs and festivals;
- tourism and economic development activities; and
- library services.

*Noting the funding arrangements for the provision of local government community services are there programs and initiatives that the Australian Government could implement to improve the delivery of these services?*

*Are there reforms or improvements in national community services program that would help local governments support the Australian Government to deliver on its national objectives?*

## 8. CLOSING THE GAP AND ABORIGINAL AND TORRES STRAIT ISLANDER RECONCILIATION

In 2021, ALGA co-signed a landmark national agreement to close the gap between Indigenous and non-Indigenous Australians. At the heart of the National Agreement on Closing the Gap Partnership are four agreed priority reform targets and 19 socio-economic targets in areas including education, employment, health and wellbeing, justice, safety, housing, land and waters, and Aboriginal and Torres Strait Islander languages.

The Indigenous Voice Co-design Final Report to the Australian Government was released in December 2021. The Local & Regional Voice will contribute to achieving the Closing the Gap outcomes by providing avenues for Indigenous voices to be heard, including to provide feedback to government on Closing the Gap.

As the level of government closest to the people, councils have an essential role supporting and helping to steer the development of policies and programs in partnership with local Indigenous peoples that address closing the gap priorities at the local and regional level.

Local government plays a positive role in reconciliation and celebrating Indigenous culture and identity, and sustainably funded could work effectively to reduce Indigenous disadvantage in all its forms.

On 14 October 2023, Australians voted in a referendum about whether to change the Constitution to recognise the First Peoples of Australia by establishing a body called the Aboriginal and Torres Strait Islander Voice. The referendum did not pass.

*Are there programs or initiatives that the Australian Government could adopt to assist local government to advance reconciliation and close the gap?*

*Are there practical programs or initiatives that local government and the Australian Government could introduce to maintain, build and strengthen the level of trust between Aboriginal and Torres Strait Islanders and governments?*

## 9. DATA, DIGITAL TECHNOLOGY AND CYBER SECURITY

Provision of information technology to all Australians is vital to innovation, economic growth, and social equity. However, it is potentially even more important to regional Australia where the tyranny of distance increases the inequity of services available – including education, health, economic and social. Innovative technology is becoming more broadly available and could boost productivity and economic growth.

Councils around Australia continue to embrace new technologies to improve their service delivery standards and broaden consultation and engagement with their local communities. However, implementation can be hindered without access to basic technological infrastructure and the necessary IT skills and resources.

In recent times, cyber-attacks on major corporations and other businesses have resulted in significant data breaches. It is a timely reminder as digital information, services and products become an increasing feature of modern business operation including in local government.

Like all risks, local government must manage the risk of cyber-attacks and address cyber security. At a national level, there is limited understanding of local governments' vulnerability to cyber-attacks, preparedness and adequacy of risk management strategies or business continuity planning.

While this is primarily a responsibility of the sector itself, governments at all levels must work together to ensure that the public have confidence in government information management systems and its security.

*Drawing upon your council's experience, and your knowledge of other councils within your state or territory, are there programs and initiatives that the Australian Government could implement to help local government develop its digital technology services and infrastructure?*

*Are there actions the Australian Government could take to improve cyber security within the local government sector?*

## 10. CLIMATE CHANGE AND RENEWABLE ENERGY

Australia's changing climate presents a significant challenge to governments, individuals, communities, businesses, industry, and the environment.

The Australian Government has committed to address climate change and in June 2022 submitted its revised National Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change. The revised NDC included reaffirming a target of net zero emissions by 2050 and committing to reduce greenhouse gas emissions by 43% from 2005 levels.

Local governments have played an important leadership role in addressing climate change, and councils have supported a wide range of community-based programs and initiatives to lower the carbon footprint of their own business operations and of their local communities.

As a sector, local government has been an advocate and active participant in the debate for lowering carbon emissions, is sourcing renewable energy, has responded creatively to reduce greenhouse gas emissions from landfills, and facilitated the construction of green buildings and water sensitive design of cities and towns.

Local government has been at the forefront in addressing the impacts of climate change and adaptation to climate change. In particular, councils have a practical understanding of the risk and impact of climate change on Australia's infrastructure and physical assets, natural ecosystems, local economies and their community.

*Noting the Australian Government's approach to reducing emissions, are there partnerships, programs, and initiatives that local government and the Australian Government can form to achieve Australia's 2050 net zero emissions target?*

*Are there initiatives that could assist local governments to build trust in the community for implementation of key climate change and emissions reduction initiatives?*



## 11. ENVIRONMENT

Australia's 537 local councils play an essential role in providing, regulating and managing Australia's environmental services and infrastructure.

Whether it's biodiversity, biosecurity, natural resource management (NRM), contaminated lands, waste management, water resources, sustainability or roadside environments, councils are responsible for educating households and businesses on environment policy, as well as driving environmental programs and initiatives in their local communities.

In recent years the National General Assembly has considered a range of environmental issues, and passed resolutions on biodiversity, biosecurity, conservation, climate change and water security.

*How could the Australian Government partner with local government to strengthen Australia's environmental services and infrastructure?*

*What new programs could the Australian Government partner with local government in to progress local regional and national objectives?*



## 12. CIRCULAR ECONOMY

Local government is responsible for the management of household and domestic waste and has a critical role to play in further developing the circular economy.

Australia's 537 councils manage approximately 26 percent of Australian waste, either directly or through contractual arrangements. Each year, local governments collect around 9.7 million tonnes of waste from kerbside bin services, sort it at material recovery facilities (MRFs), and dispatch what can be recycled to reprocessing facilities in Australia and overseas.

Where waste cannot be recovered it is landfilled, and local governments in most jurisdictions must pay a significant levy per tonne for landfilled waste, as well as incur the operational costs of maintaining and managing a landfill.

Collecting, treating, and disposing of Australian domestic waste costs local government an estimated \$3.5 billion annually. Local government also dedicates resources to administering community waste-education programs, collecting litter, addressing illegal rubbish dumping, and ensuring compliance with waste bylaws.

In November 2023, Australia's Environment Ministers agreed that the Federal Government would establish new regulations for packaging as well as mandate how packaging is designed, develop minimum recycled content requirements and prohibit harmful chemicals being used. These changes are expected to have a positive impact on the amount of waste sent to landfill, and the costs borne by councils and their communities.

*How could the Australian Government further strengthen product stewardship arrangements to support local governments in their endeavours to increase recycling and reduce the volume of waste?*

*How could the Australian Government partner with local government to advance the circular economy?*

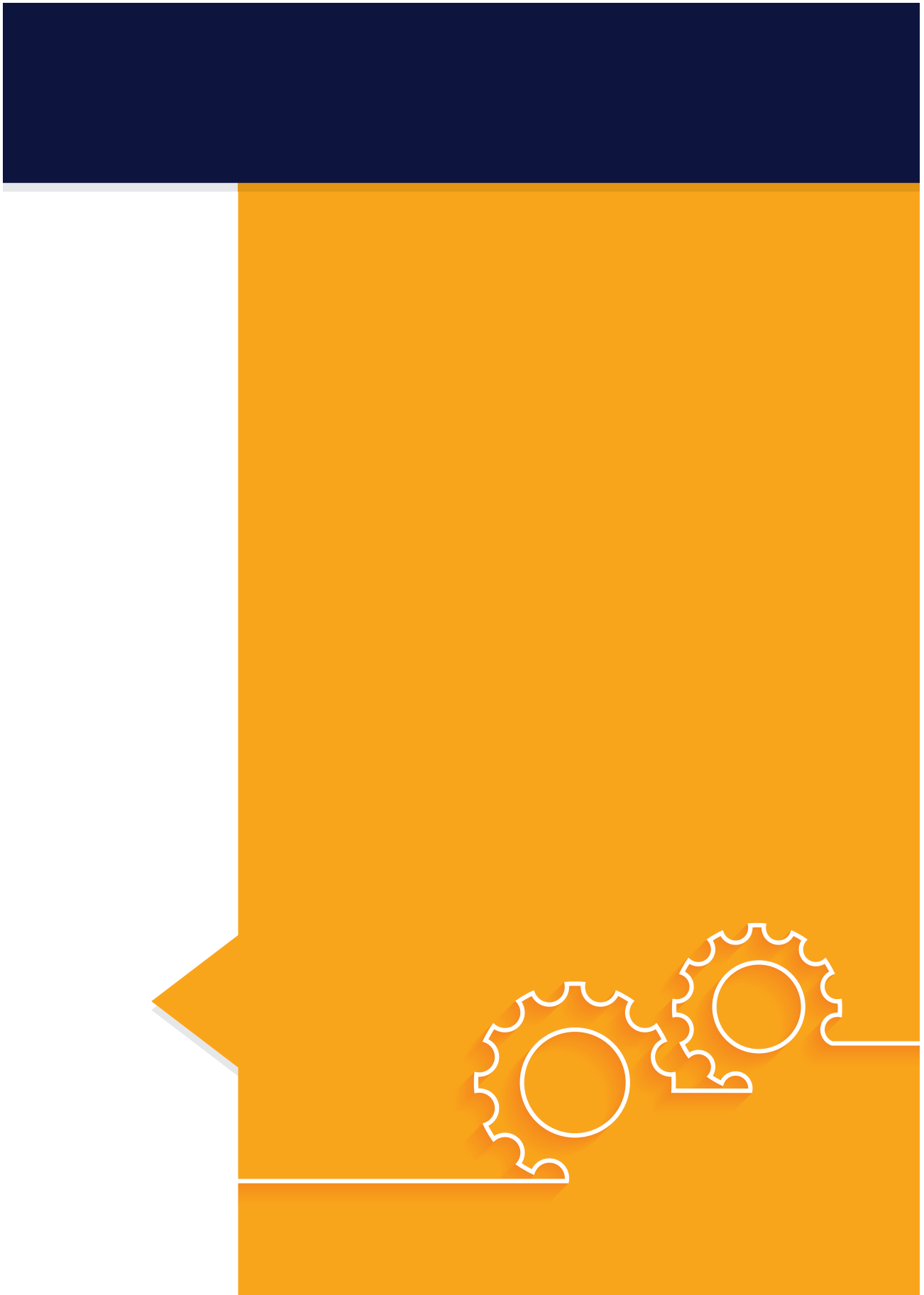
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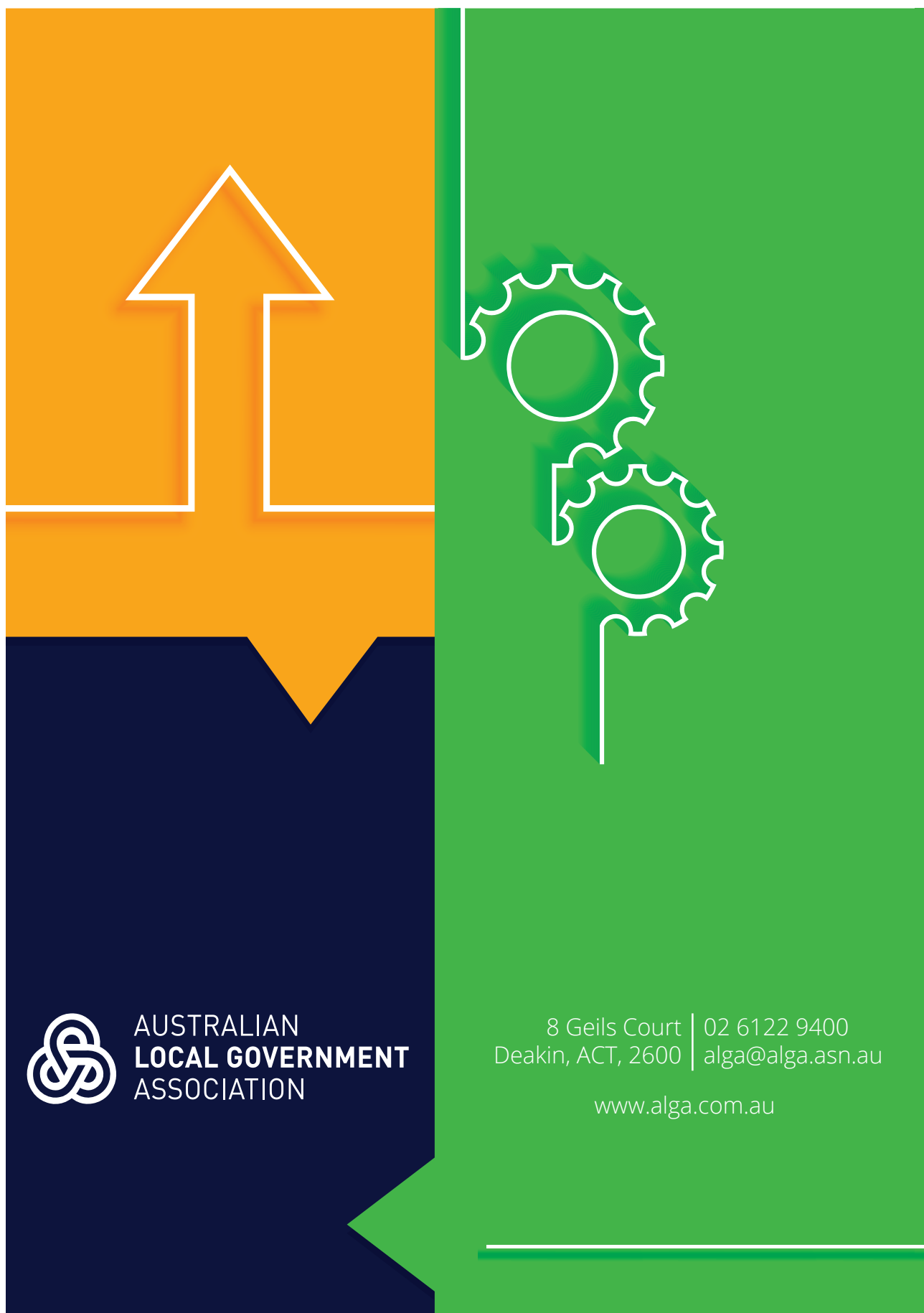
Thank you for taking the time to read this discussion paper and your support for the 2024 National General Assembly of Local Government.

## A FINAL REMINDER:

- » Motions should be lodged electronically at [www.alga.com.au](http://www.alga.com.au) and received no later than 11.59pm on Friday 29 March 2024.
- » Motions must meet the criteria published in this paper.
- » Motions should commence with the following wording: 'This National General Assembly calls on the Australian Government to...'
- » Motions should not be prescriptive in directing how the matter should be pursued.
- » Motions should be practical, focussed and relatively simple.
- » It is important to complete the background section on the form.
- » Motions must not seek to advance an outcome that would result in a benefit to one group of councils to the detriment of another.
- » When your council submits a motion there is an expectation that a council representative will be present at the 2024 National General Assembly to move and speak to that motion if required.
- » Resolutions of the National General Assembly do not automatically become ALGA's national policy positions. The resolutions are used by the ALGA Board to inform policies, priorities and strategies to advance local governments within the national agenda.

We look forward to hearing from you and seeing you at the 2024 National General Assembly in Canberra.





**15      REPORTS FROM COMMUNITY & CUSTOMER SERVICES**

Nil.

**16      REPORTS FROM INFRASTRUCTURE & OPERATIONS**

Nil.

## **17      NOTICES OF INTENTION TO REPEAL OR AMEND A RESOLUTION**

In accordance with *s.262 Local Government Regulation 2012*.



## **18      NOTICES OF MOTION**

In accordance with s.6.16 Council Meeting Standing Orders.

## 19 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.

<b>Urgent Business Checklist</b>	<b>YES</b>	<b>NO</b>
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?		

## 20 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*:

#### 20.1 Status of Community Residence Court Appeal - 2081/24 Redland City Council -V- Boutique Capital & Others

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

As required by s.254J(5)(b), to provide a status overview of the Community Residence Court Appeal in 2081/24 Redland City Council v Boutique Capital & Ors.

#### 20.2 Lease - Gas Utilisation Facility

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

Lease of Council land for operation of a Gas Utilisation Facility.

## **21 MEETING CLOSURE**