



REDLAND CITY COUNCIL

ALLOCATION OF SPECIAL CHARGES

SUMMARY OF BDO REPORT DATED 15 SEPTEMBER 2017



ALLOCATION OF SPECIAL CHARGES



Background



BDO Engagement



Principles of Fairness and Equity



Summary of Calculations

Background

Redland City Council ('the Council') has levied certain waterfront properties a specific Special Charge between 2011 and 2017. The charge contributed to a number of reserves held by The Council ('the Reserves'). The Council also contributed to these funds, and other income from other sources also contributed to the Reserves.

The Council has since reviewed and determined that these particular Special Charges should not be levied on the Property Owners. Subsequently, the levies were discontinued in the third quarter of financial year 2016/17. The Reserves funds were frozen after this time, with interest accruing over this period.

BDO Engagement

BDO, an independent professional services firm, has been engaged by the Council to calculate the allocation of unspent funds to the Property Owners and the General Fund, and to provide reasonable assurance that the calculations are based on integral data sources.

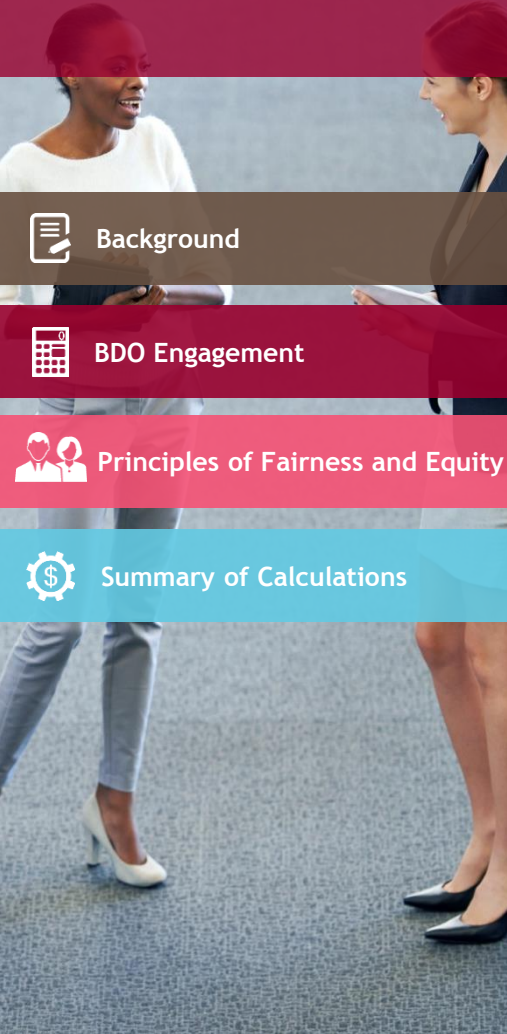
This summary is to be read in conjunction with BDO's full report dated 15 September 2017 ('the BDO Report'). Both the BDO Report and this summary are intended for use by the Redland City Council and may not be relied upon by any other person or entity. BDO do not assume responsibility to any person or entity other than the Redland City Council for our work.

BDO's work has been completed in accordance with the scope of work set out in Section 3 of the BDO Report.

Principles of Fairness and Equity

In determining the allocation of unspent funds, the Council has made a concerted effort to adopt principles and practices which are fair and equitable to all relevant stakeholders.

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BDO Engagement

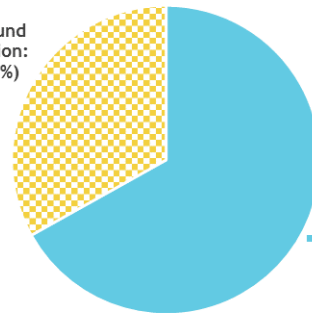
Principles of Fairness and Equity

Summary of Calculations

Summary of Calculations

Total Contribution

General Fund Contribution: \$6.1m (33%)



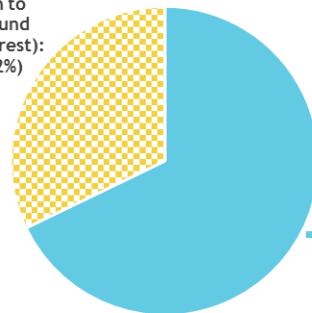
Special Charges Contribution: \$12.4m (67%)

Key points:

- Total contributions (approx. \$18.5m) included funds from both the Special Charges and the General Fund
- Allocation of unspent funds was calculated in accordance with the steps set out in Section 5.3 of the BDO Report
- Interest (approx. \$2.3m) was allocated to Property Owners in addition to the unspent funds. Interest was calculated in accordance with the published rates by the Queensland Law Society
- Detailed calculations are set out in the BDO Report

Allocation (Excl Interest)

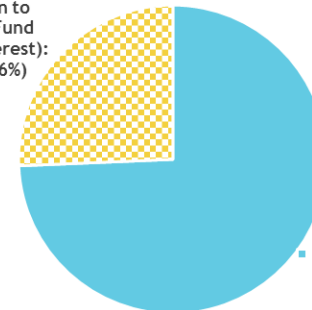
Allocation to General Fund (Excl interest): \$2.9m (32%)



Allocation to Property Owners (Excl interest): \$6.0m (68%)

Allocation + Interest

Allocation to General Fund (Excl interest): \$2.9m (26%)



Allocation to Property Owners + Interest: \$8.3m (74%)

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