

2021–2022

REDLAND CITY COUNCIL ANNUAL REPORT




CONTACTS

Council website

 redland.qld.gov.au

Telephone

 3829 8999 Monday–Friday, 8.30am–4.30pm, excluding public holidays.
Outside business hours, this phone number will connect you to our emergency messaging service.

Email

 rcc@redland.qld.gov.au

Social media

 facebook.com/RedlandCouncil

 twitter.com/RedlandCouncil

 instagram.com/RedlandCouncil

Customer Service Centres

Cleveland (*Nandeebie/Indillie*)

Corner Middle and Bloomfield Streets
Monday–Friday, 8.30am–4.30pm (excluding public holidays)

Capalaba (*Kapallaba*)

Noeleen Street (adjacent Capalaba bus station and library)
Monday–Friday, 8.30am–4.30pm (excluding public holidays)

Victoria Point (*Warrer Warrer*)

7–15 Bunker Rd (inside library at Victoria Point Lakeside, entrance via High Street)
Monday–Friday, 9am–5pm (excluding public holidays)

Note: operating hours may be subject to change in the event of any future COVID-19 health directives.

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Interpreter service: call the National Translating and Interpreting Service (TIS) on 131 450 to speak to a Council officer. Free service for Council-related business.

National Relay Service Teletypewriter: call 133 677 then enter the Redland City Council number 3829 8999.

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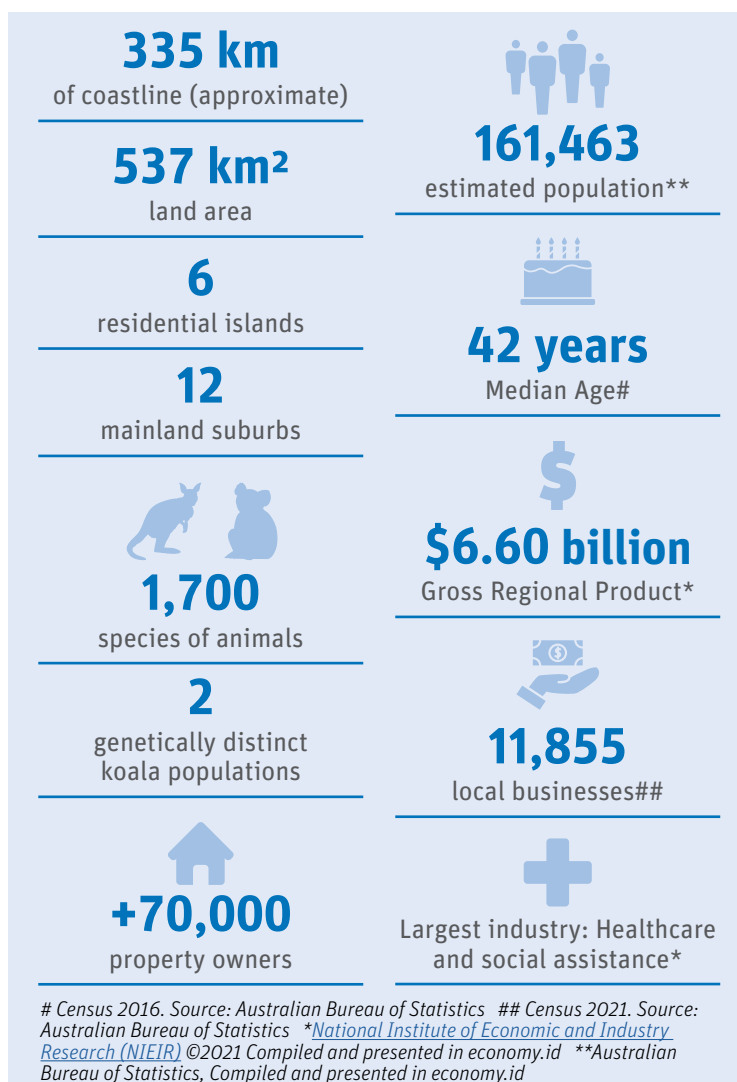
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Acknowledging Traditional Owners and Country

Redland City Council is committed to working with Traditional Owners, supporting their role as custodians of their traditional lands and helping ensure the future prosperity and cultural enrichment of the community.

Introduction

About Redlands Coast



About Redland City Council



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Message from our Mayor

This has been a year where Redland City Council, like its residents, did what was needed to get things done.

Years of sound financial administration and management of COVID-19 impacts allowed Council to largely absorb cost pressures outside of our control while raising the bar on daily service delivery and getting on with the aspirational projects residents have been asking us for.

Of note, Council progressed two key intergenerational projects that are set to deliver residents the type of inspiring and exciting recreational opportunities they deserve.

The 62-hectare Birkdale Community Precinct (BCP) will be a stunning milestone in our city's future, including Redlands Coast's first public swimming lagoon, food and entertainment hubs, bush trails and running track.

BCP, with its significant investment in community infrastructure, has the potential to generate outcomes that go well beyond its boundaries, boosting our city's economy, health and wellbeing of the community, and the conservation and enrichment of the site's cultural, heritage and environmental values. It will further enhance our city's enviable level of liveability and – for generations to come – showcase it to the world.

In June 2022, Council finished consultation on the Draft BCP Master Plan and has allocated \$12.7 million in 2022–2023 to fund the next stage, which includes the restoration of the Willards Farm complex. Development of a final master plan and statutory planning for the site will continue into 2023.

Bringing this land into public ownership in December 2019 was the culmination of a decade of lobbying the Federal Government to save it from residential subdivision. I met with no fewer than six ministers and assistant ministers and two prime ministers to secure the deal, and now we are excitedly seeing Council and the community working together to create this dream. An intergenerational community project set to be delivered over the next 20 years, it is likely to cost approximately \$300 million pending the final master plan design.

At the same time, Stage 1 of the Redlands Coast Regional Sport and Recreation Precinct at Mount Cotton advanced to the point that residents can now expect work on site in early 2023, with Council to invest an initial \$15 million to get that underway.

This multi-stage and multi-year project will give local families and visitors another exceptional location in the south of the city where they will be able to enjoy sports and our naturally wonderful environment, with inspiring play experiences, picnic areas and trails, and a place where our cycling and BMX stars of tomorrow can participate in the sports they love.

Both of these projects take on added impetus with the International Olympic Committee in July 2021 naming Brisbane as host city for the 2032 Olympic and Paralympic Games. The Brisbane 2032 Games proposal involved cooperation from all levels of government including the Council of Mayors (SEQ), which fought for six years to secure what will be a game-changing event for all of us.

Hosting the Olympic and Paralympic Games will create a legacy for Brisbane and Redlands Coast, and is aligned with our plans for our city's future. Redlands Coast has been named as a host venue for the Brisbane 2032 Games Canoe Slalom events.

Birkdale Community Precinct will be home to the Redland Whitewater Centre (RWC) which will be capable of hosting international, national and state events before, during and long after the Brisbane 2032 Games.

These projects are all happening and are cause for great optimism.

Your Councillors, Redland City Council Chief Executive Officer Andrew Chesterman and his Executive Leadership Team, along with Council's dedicated officers and crews, all deserve commendation for making this happen. The way they responded to the continued challenges of 2021–2022 was exceptional and ensured Redland City, its residents and businesses community are well-placed for the future.

Throughout, the needs and hopes of residents has been front and centre, and I am filled with confidence by the overwhelming support Council has received as it works to deliver for this community.

Of special note, as Mayor and chair of the Local Disaster Management Group, I also offer my heartfelt thanks to the men and women who responded so selflessly to the severe rainfall weather events of early 2022, keeping our residents safe and working to repair roads, parks and other community infrastructure. Your Local Disaster Coordination Centre members and all the Council employees and community volunteers involved did an amazing job.

It was another example of how Council and the community shrugged off external challenges, worked together and got on with the job of making our naturally wonderful Redlands Coast the great place it is.



Councillor Karen Williams

Mayor of Redland City

Chief Executive Officer's Report

There have been great successes and some extraordinary challenges in 2021–2022.

As the local government authority, we occupy a unique role in our community, and this comes with unique challenges - we serve the community of today but also plan for those of the future.

It is this 'intergenerational' approach to planning that dominated much of the financial year.

Council is tasked with maintaining more than \$3 billion in community assets, while providing more intangible and very diverse social, environmental and leisure services and experiences. This must be achieved on a finite income stream in an environment of rising costs, expectations and complexity.

Striking the right balance in how the city is managed is a challenge for all local governments, but I am confident that Redland City Council's focus on core community needs and expectations, and financial sustainability, continues to hold us in good stead.

Financial performance

In 2021–2022, Council delivered a strong financial performance for Redlands Coast, ending the financial year with \$43.59 million net result.

A \$70.06 million capital program, our largest in recent years, was delivered during the year. This is an impressive achievement, which not only saw new community infrastructure, but also supported Redlands Coast through local procurement of goods and services where possible. During 2021–2022, Council procurement injected around \$45.5 million into the local economy.

This result reflects the innovation and collaboration that has been embraced in our business-as-usual activities, driving strong results in an external climate influenced by COVID-19, supply chain issues and rising costs of goods and services.

Maintaining Council's financial position to support long-term financial sustainability remains a priority, and I am proud to share that our current position allows Council to meet its obligations and community expectations into the foreseeable future. For more details on our financial position, I encourage you to read the Community Financial Report on page 10 of this Annual Report.

Delivering our new Corporate Plan

This is our first year of reporting against our New Corporate Plan '*Our Future Redlands – A Corporate Plan to 2026 and Beyond*', which came into effect on 1 July 2021.

Our Future Redlands is central to our business, informing how we steer our resources and time to best serve Redlands Coast.

Corporate Plan items finalised in 2021–2022 include the catalyst project to install new city entry statements and key initiative to upgrade our financial management system.

The Corporate Plan is a five-year plan, delivered annually, through activities in our one-year annual operational plans.

Significant progress was achieved, with 46 of 67 planned activities in the *Operational Plan 2021–2022* completed – recognising that many activities are ongoing.

Impacts on delivery, such as supply chain shortages and resourcing constraints, reflect those being faced across the nation and indeed the globe.

Detailed information on project delivery can be found in our *Operational Plan 2021–2022* quarterly reports, which are available on Council's website.

Reconciliation in action

Work continued delivering the actions from our first Reconciliation Action Plan (RAP) – *Kanara Malara – One People 2019–2021* – a set of principles and practical actions to guide Council's internal reconciliation efforts.

The majority of its 55 actions have now been completed with support from employees and Council's community partners and we will soon move to develop a new RAP with a stronger external focus.

A highlight this year was our internal employee education program receiving Best Diversity and Inclusion Program at the Australian Institute of Training and Development Excellence Awards. Since its inception, more than 560 Council employees have now participated in this award-winning program, offering internal Indigenous information sessions, and Quandamooka educational experiences, by Minjerribah Moorgumpin Elders-in-Council, and Traditional Owner Matthew Burns.

The next phase of Redland City Council's reconciliation aspirations is taking shape, with a Corporate Plan commitment to launch an external-facing RAP. We hope to begin engagement with community stakeholders on the next plan's development in the coming year.

A collaborative effort

I am proud of how much has been achieved this financial year. Importantly, I see a genuine desire in our employees to serve Redlands Coast with pride.

What stands out is the collaboration that has taken place each day across our city, from business-as-usual tasks to comprehensive community engagements. Our goals and ambitions for this city cannot be achieved in isolation.

Progress cannot happen without the strategic guidance of our Mayor and Councillors, and strong input from our dedicated Council employees, volunteers, local businesses, non-profit organisations and the broader community.

I feel fortunate to work for a city with such resilient community spirit and thank everyone who has played a role in making Redlands Coast a naturally wonderful place to be.



Andrew Chesterman
Chief Executive Officer,
Redland City Council

Community Financial Report

This report aims to simplify the consolidated financial statements of Redland City Council (Council) and its controlled entities. Council and its controlled entities form the consolidated entity referred to in this report as “the Group”.

The report provides graphical representations of the financial position, financial performance and cash flows, as well as changes in community equity, to provide a simple, comprehensive view of the Group’s financial results for the period 1 July 2021 to 30 June 2022.

Report outline

- Measures of financial stability and sustainability
- Financial overview. Revenue and expenditure. Asset, liability and community equity. Cash in and cash out.

Key 2021–2022 financial performance highlights

- The Group’s financial performance resulted in a net result of \$43.59m.
- A capital program amounting to \$70.06m was delivered during the year, the largest to date.
- There was \$19.43m in State and Federal Government grants and subsidies recorded during the year.
- A total of \$273.06m was raised in rates and utilities.
- Council’s net borrowings with Queensland Treasury Corporation increased by \$2.79m to \$46.94m during the year.
- Community equity increased by \$162.64m.

Measures of sustainability

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

| Ratio | Description | Target | Group 2021-22 Actual | Group 2020-21 Actual | Group 2019-20 Actual |
|---|--|--------------------|----------------------------|----------------------------|----------------------------|
| Operating surplus ratio | This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes. | Between 0% and 10% | 1.63% | -4.01% | -2.89% |
| Net financial liabilities ratio* | This is an indicator of the extent to which the net financial liabilities of the Group can be serviced by its operating revenues. | Below 60% | -45.94% | -37.37% | -33.30% |
| Asset sustainability ratio | This is an approximation of the extent to which the infrastructure assets managed by the Group are being replaced as they reach the end of their useful lives. | Greater than 90% | 66.31% | 54.64% | 37.66% |

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

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

When compared to the 2020-2021 financial year the operating surplus ratio increased by 140.65 per cent. This is mainly driven by an increase in operating revenue of 4.94 per cent in addition to a reduction in operating expenses 0.75 per cent.

Achieving the target for the asset sustainability ratio continues to be a focus area. The ratio is based on capital expenditure on renewals of infrastructure assets, divided by depreciation expense. Plant and equipment and intangible assets are excluded, as they are not classified as infrastructure assets. Council's assets comprise mainly of infrastructure assets that have very long useful lives, are relatively new and are well maintained.

In addition, capital spend on non-renewals increases the asset base and therefore depreciation expense, resulting in a lower asset sustainability ratio. The ratio is expected to increase as infrastructure assets begin to age. The ratio increased from 54.64 per cent in 2020-2021 to 66.31 per cent in 2021-2022 due to an increase in expenditure on replacement of infrastructure assets.

Summary of key financial stability measures (Council)

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

| Ratio | Description | Target | 2021-22 Actual | 2020-21 Actual | 2019-20 Actual |
|---|---|--------------------------------|----------------|----------------|----------------|
| Level of dependence on general rate revenue | This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues). | Less than 40% | 34.46% | 35.53% | 35.61% |
| Ability to pay our bills – current ratio | This measures the extent to which Council has liquid assets available to meet short term financial obligations. | Between 1.1 and 4.1 | 3.29 | 3.15 | 3.15 |
| Ability to repay our debt – debt servicing ratio | This indicates Council's ability to meet current debt instalments with recurrent revenue. | Less than or equal to 15% | 3.24% | 3.31% | 3.32% |
| Cash balances | Cash balance includes cash on hand, cash at bank. | Greater than or equal to \$50m | \$248.67m | \$187.24m | \$171.90m |
| Cash balances – cash capacity in months | This provides an indication of the number of months of cash held at period end able to cover operating cash outflows. | Greater than 3 months | 12.16 months | 9.57 months | 9.16 months |
| Longer term financial stability – debt to asset ratio* | This is total debt as a percentage of total assets, i.e. to what extent will our long term debt be covered by total assets. | Less than or equal to 10% | 1.69% | 1.74% | 1.74% |
| Operating performance | This ratio provides an indication of Council's cash flow capabilities. | Greater than or equal to 10% | 27.60% | 21.95% | 19.17% |
| Interest coverage ratio** | This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges. | Less than 5% | -0.03% | -0.03% | -0.37% |

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

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

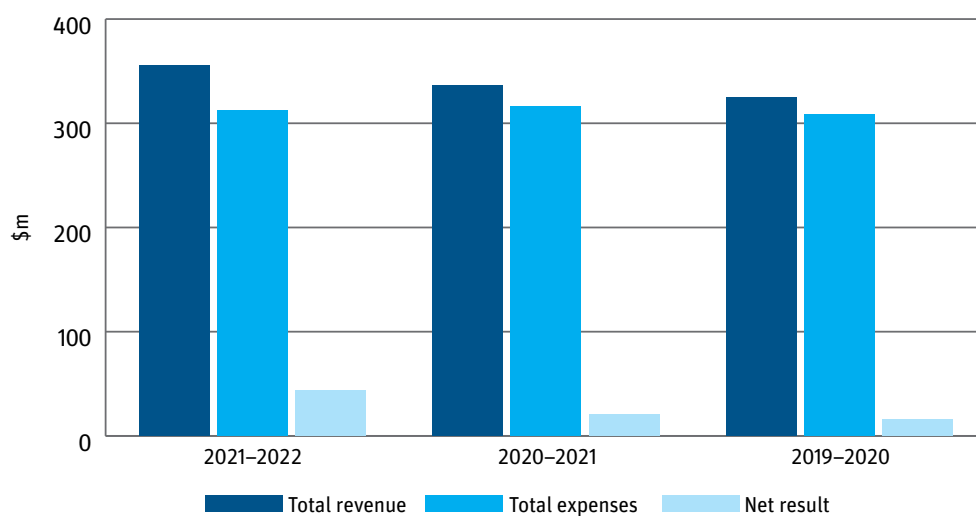
Financial overview

Overview of consolidated financial results

| Information at a glance | 2021–2022 Actual | 2020–2021 Actual | 2019–2020 Actual |
|---|---------------------|---------------------|---------------------|
| Operating income | \$315.73m | \$300.86m | \$297.48m |
| Capital grants, subsidies and contributions | \$40.27m | \$35.64m | \$27.15m |
| Total income | \$356.00m | \$336.50m | \$324.63m |
| Operating expenses | \$(310.59)m | \$(312.93)m | \$(306.09)m |
| Other capital income/(expenditure) | \$(1.82)m | \$(3.08)m | \$(2.51)m |
| Total expenses | \$(312.41)m | \$(316.01)m | \$(308.60)m |
| Net result | \$43.59m | \$20.49m | \$16.03m |

See Consolidated Statement of Comprehensive Income for more information

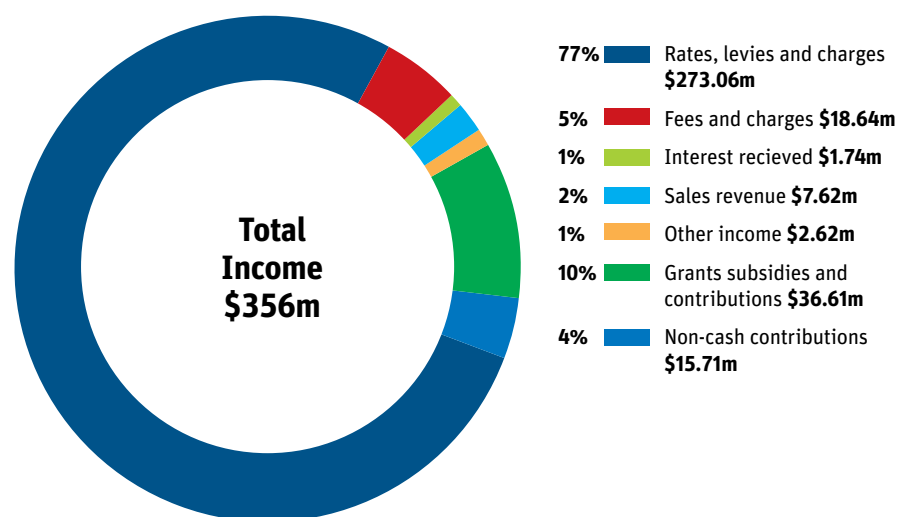
Total revenue against total expenses



Income - where did the money come from?

Sources of income 2021–2022

(Consolidated Statement of Comprehensive Income)



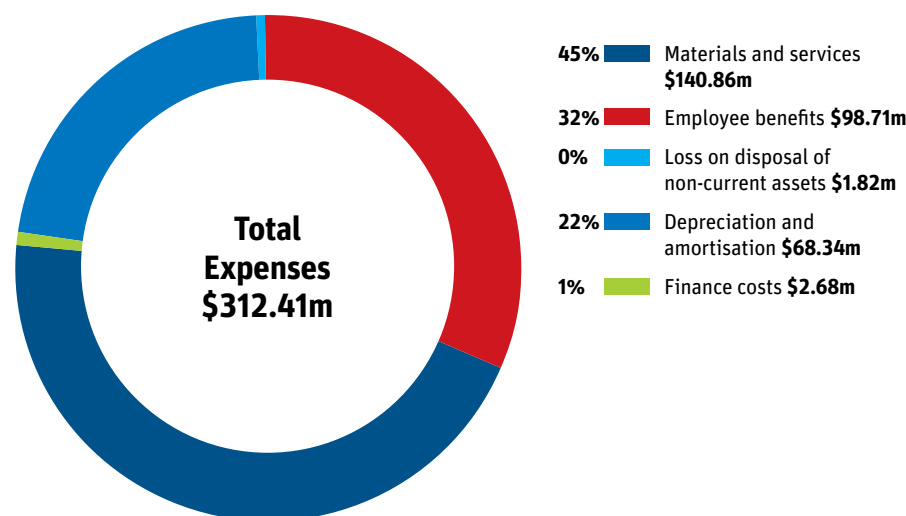
The Group generated \$356.00m in revenue with the majority of the revenue coming from general rates, levies and charges. The revenue generated is utilised to provide services, programs and facilities that respond to the needs and priorities of Redlands Coast residents. Total income increased by \$19.5m or 5.80 per cent from 2020–2021.

Movements in income were mainly driven by:

- growth in rates, levies and charges due to an increase in the number of rated properties, environment and landfill remediation charges, wastewater charges and waste collection increase; and
- increase in operating grant income and developer cash and non-cash contributions.

Total expenditure 2021–2022

(Consolidated Statement of Comprehensive Income)



The Group spent \$312.41m in expenses during the financial year, which is a decrease of \$3.6m or 1.14 per cent on last year.

This decrease was mainly driven by a decrease in materials and services costs, which includes a decrease in closed landfill remediation expense. This decrease is offset by an increase in salary and wages costs, as well as an increase in depreciation and amortisation costs.

Capital works expenditure – projects we spent on?

Council delivered a capital program during the year amounting to \$70.06m.

Some of the key projects are listed below.

| Project name | Project description | Amount |
|---|--|---------|
| Redlands Coast Regional Sport and Recreation Precinct | Progression of Redlands Coast Regional Sport and Recreation Precinct, including master plan, design, construction staging and activity (clubs) transition. <i>This multi-year project is co-funded by the State Government's 2021–2024 South East Queensland Community Stimulus Program (Grant: \$4.5m over three financial years).</i> | \$3.64m |
| Macleay Island Ferry Terminal | Upgrade of ferry terminal and passenger commuter facilities on Macleay Island. | \$2.64m |
| Park upgrade – Les Moore Park, Victoria Point | Les Moore Park park upgrade and renewal to include recreational activities as per the <i>Redland Open Space Strategy</i> . <i>This Project was co-funded by the Commonwealth Government's Local Roads and Community Infrastructure Program (Grant: \$0.62m).</i> | \$2.05m |
| Revetment wall renewal – Masthead Drive South | Renewal of revetment walls in Cook Canal. | \$1.99m |
| Russell Island Ferry Terminal | Upgrade of ferry terminal and passenger commuter facilities on Russell Island. | \$1.97m |
| Weinam Creek Priority Development Area program | During 2021–2022 master planning was undertaken to progress Stage 3 of the Weinam Creek Priority Development Area program. Master planning included reconfiguration of the road network and parks. It is anticipated that construction on Stage 3 will commence in the following financial year. | \$1.84m |
| Fleet replacement | Current fleet replacement program. | \$1.79m |
| Drainage renewal – Claytons Road Culverts, Amity Point | Renewal of failing culverts and road reconstruction on Claytons Road, Amity Point. | \$1.55m |
| Road upgrade Wellington Street/ Panorama Drive, Thornlands | Road widening – Wellington Street / Panorama Drive upgrade between Boundary Road and South Street, Thornlands. <i>This multi-year project is co-funded by the Commonwealth Government's Urban Congestion Fund (Grant: \$15m).</i> | \$1.45m |
| Road Renewal – Queen Street, Cleveland | Road surfacing and associated works at Queen Street, Cleveland (Wellington Street to Waterloo Street). <i>This Project was co-funded by the Commonwealth Government's Roads to Recovery Program (Grant: \$0.94m).</i> | \$1.43m |
| Future Gravity Sewer Main | Construction of trunk sewer to service development in part of the South East Thornlands development area. | \$1.41m |
| Revetment Wall Renewal – Voyagers Court, Cleveland | Renewal of revetment walls at Voyagers Court, Cleveland. | \$1.18m |
| Park renewal – Beth Boyd Park, Thorneside | Beth Boyd Park multi-year park upgrade and renewal to include recreational activities as per the <i>Open Space Strategy</i> . | \$1.14m |
| Road renewal – Mount Cotton Road, Capalaba | Road surfacing and associated works at Mount Cotton Road, Alexandra Hills (Larbonya Crescent to Degen Road). <i>This Project was co-funded by the State Government's Transport Infrastructure Development Scheme (Grant: \$0.47m).</i> | \$1.12m |
| Park upgrade – Headland Park, Point Lookout | Headland Park park upgrade and renewal to include recreational activities as per the <i>Open Space Strategy</i> . | \$1.02m |
| Pedestrian link – Stage 2 – Snapper Street, Point Lookout | Enhance the visitor experience and community wellbeing by enabling pedestrians to move safely between Point Lookout village and Cylinder Beach. <i>This multi-year project is co-funded by the State Government's 2021–2024 South East Queensland Community Stimulus Program (Grant: \$2.5m).</i> | \$1.00m |

What is the value of the net community assets in our care?

(Consolidated Statement of Financial Position)

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

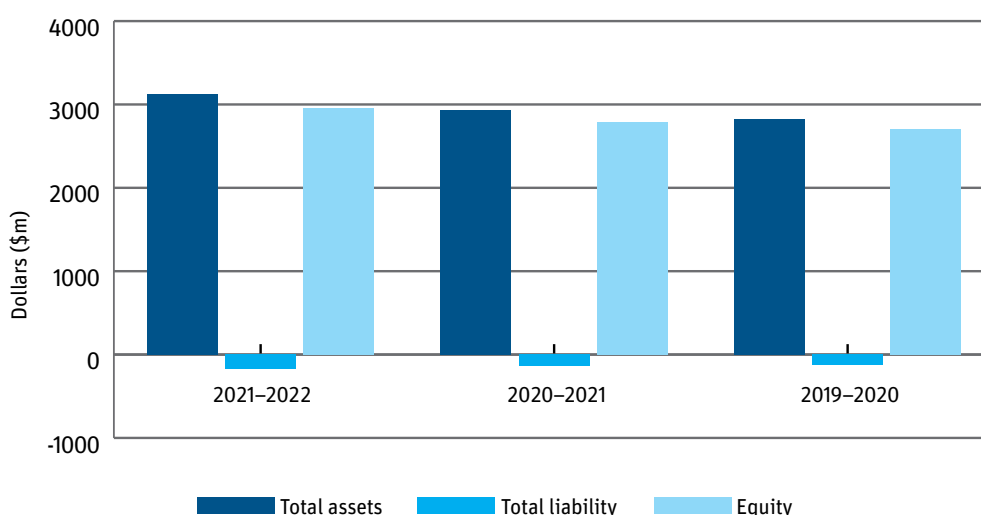
Council is committed to achieving this goal by:

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

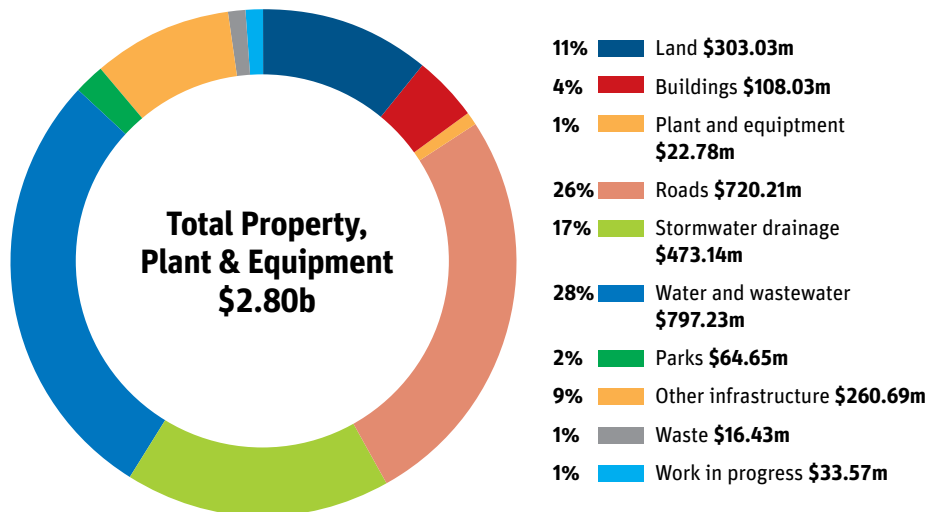
| Information at a glance | 2021–2022 Actual | 2020–2021 Actual | 2019–2020 Actual |
|-------------------------------|---------------------|---------------------|---------------------|
| Total assets | \$3,127.29m | \$2,936.47m | \$2,826.75m |
| Total liabilities | \$(170.05)m | \$(141.86)m | \$(123.15)m |
| Total community equity | \$2,957.24m | \$2,794.61m | \$2,703.60m |

See Consolidated Statement of Financial Position for more information

Community equity (\$m)



Property, plant and equipment – what do we own?

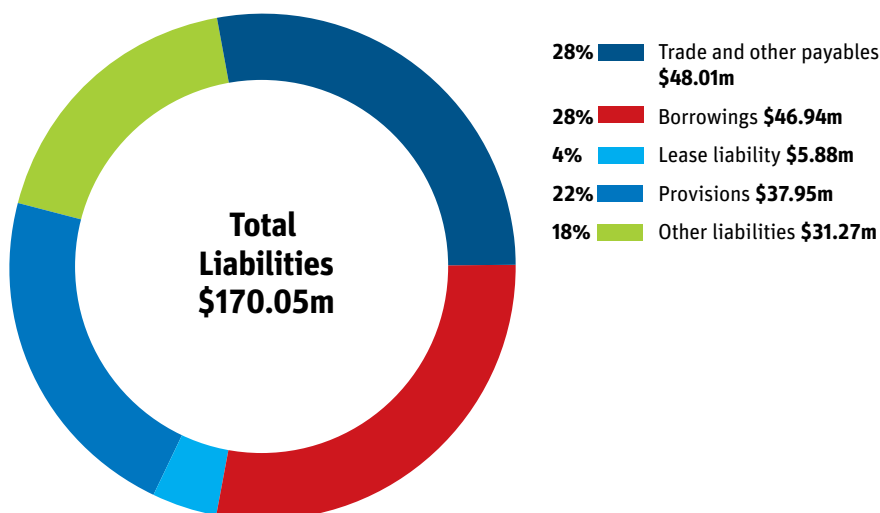


See Consolidated Statement of Financial Position for more information

The total value of all assets at 30 June 2022 was \$3,127.29m, of which \$2,799.76m (89.53per cent) relates to property, plant and equipment. The value of total assets increased by \$190.82m during the year.

During 2021–2022, a comprehensive valuation of one-third of water and wastewater assets was completed. The remaining two-third of water and wastewater assets were indexed. The indexation was also applied to land, buildings, roads, stormwater and other infrastructure assets. An increase of \$119.05m in net asset value resulted from the revaluation.

Liabilities – what do we owe?



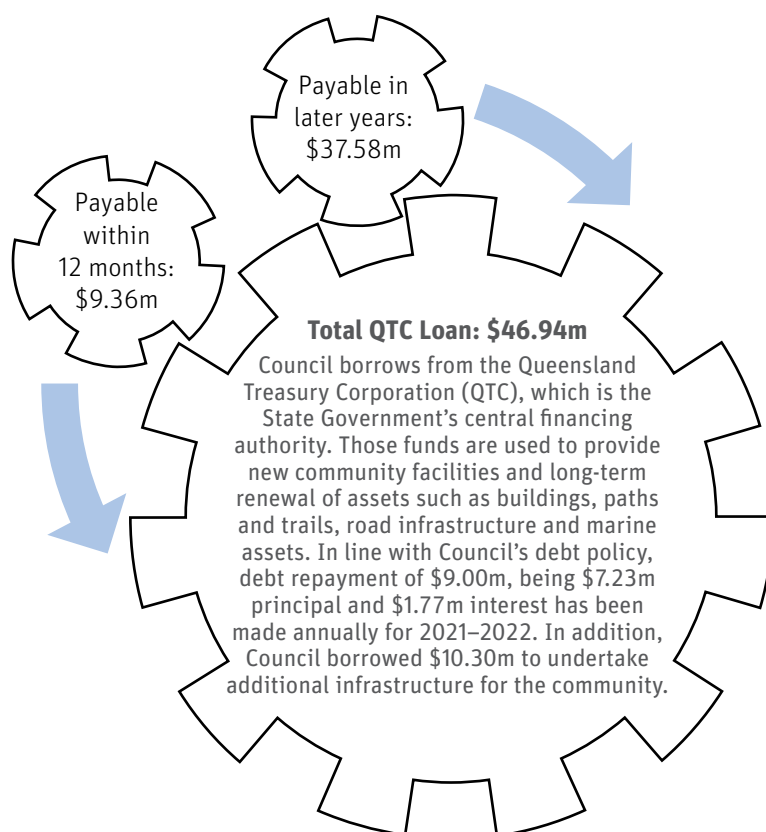
See Consolidated Statement of Financial Position for more information

The total value of all liabilities at 30 June 2022 was \$170.05m, of which \$46.94m (27.60 per cent) relates to borrowings. The value of total liabilities increased by \$28.19m (19.87 per cent) during the year.

This is represented by an increase in current liabilities \$14.08m and increase in non-current liabilities \$14.10m. The overall increase is mostly due to an increase in other current and non-current liabilities, trade and other payables, and borrowings with QTC.

Increase in current and non-current liabilities is attributable to advance payment of waste levy \$21.95m received for financial years 2022–2023 to 2025–2026. Trade and other payables increased mainly due to increase in accrued expenses at year end. The increase in borrowings with QTC is due to a new loan drawn down, offset by loan repayments.

Liabilities – why did we borrow when we have cash in the bank?



The annual investment by Council in infrastructure is substantial and is a major component of capital expenditure.

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

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

What were the major sources of cash in and cash out?

(Consolidated Statement of Cash Flows)

The table below compares the main sources of cash receipts and cash payments during the financial years ended 30 June 2020 to 30 June 2022.

| Main sources of cash in and out | 2021–2022 | 2020–2021 | 2019–2020 |
|--|------------|------------|------------|
| Net cash received from operations (excluding interest, borrowing costs and waste levy) | \$67.72m | \$59.63m | \$54.24m |
| Cash received for waste levy | \$27.21m | \$4.36m | \$0.03m |
| Purchases and construction of assets | \$(65.78)m | \$(66.09)m | \$(66.57)m |
| Proceeds from sale of assets | \$1.51m | \$0.98m | \$1.37m |
| Capital grants, subsidies and contributions | \$26.09m | \$26.06m | \$19.61m |
| New borrowings | \$10.30m | \$9.61m | \$9.80m |
| Repayment of debt | \$(7.23)m | \$(6.37)m | \$(5.53)m |
| Right-of-use assets lease payment | \$(1.01)m | \$(1.17)m | \$(1.41)m |

See Consolidated Statement of Cash Flows for more information

Major cash flow sources are explained below:

- **Net cash received from operations:** includes receipts of rates, fees and charges and operating grants, offset by payments for employee costs and materials and services.
- **Cash received for waste levy:** this mitigates the direct impacts on households of the State Waste Levy introduced in 2019–2020. In 2018–2019 the state government paid this levy in advance for 2019–2020. From 2020–2021 this levy is paid each quarter. In 2021–2022 the state government paid \$21.95m waste levy in advance for financial years 2023–2024 to 2025–2026.
- **Purchases and construction of assets:** includes payments for the purchase and construction of property, plant and equipment. The major purchases are for roads, park assets, water & wastewater and other infrastructure assets.
- **Proceeds from sale of assets:** includes proceeds from sale of property, plant and equipment.
- **Capital grants, subsidies and contributions:** includes cash contributions from developers to pay for infrastructure Council needs to build to provide services to new developments.
- **New borrowings:** additional loan drawdown with Queensland Treasury Corporation to fund Council's Capital Works Plan.
- **Repayment of debt:** repayments of principal on Council's loans with Queensland Treasury Corporation.
- **Right-of-use assets lease payment:** includes payments for Council's right-of-use assets.

The Group started the 2021–2022 financial year with \$194.52m cash in the bank and ended the year with \$252.95m.

Summary

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

Our current position provides the stability that our long term financial strategy provides for and allows Council to meet its future obligations and demands of our community in the foreseeable future.

Corporate Plan update

This section gives a progress report on Council's five-year corporate plan, *Our Future Redlands – A Corporate Plan to 2026 and Beyond*, which came into effect on 1 July 2021.

Our Future Redlands introduces a new city vision – *Naturally wonderful lifestyle. Connected communities. Embracing opportunities* – and describes seven goals for 2041 that are supported by initiatives and catalyst projects.

The seven goals are city leadership, strong communities, Quandamooka Country, natural environment, liveable neighbourhoods, thriving economy, and efficient and effective organisation.

Each is supported by projects and initiatives that lay the foundations for their achievement.

Progress in 2021–2022

City Leadership

Our City is enriched through a spirit of collaboration and respect across Council and the community, which drives our shared community values and achieves outcomes for our people, place and prosperity.



Catalyst projects and key initiatives

- The draft *Birkdale Community Precinct Master Plan* provided a significant opportunity to engage our community in most encompassing and diverse community project ever delivered by Council for Redlands Coast. Inclusive, meaningful and diverse community engagement activities raised awareness of the project and encouraged completion of the online survey to inform outcomes of this significant community project.
- Council continued to work on improving ways we engage with our community through review of our 'Your Say' community engagement platform, with a view to optimising usability and accessibility.
- Relevant Council employees participated in accredited training delivered by the International Association for Public Participation to support an improved capability for engagement for our people.
- The 2022 Federal Election provided an opportunity to explore current Federal Government grants, the support that islands were eligible for, and existing gaps. This work will help further define our advocacy actions and design a targeted advocacy campaign. Additional advocacy work continued, including investigating City Deal opportunities and opportunities surrounding the Brisbane Olympic and Paralympic Games in 2032 and First Nations tourism.

Performance measures

- Community satisfaction with Council engagement was 6.02/10 in 2021–2022, compared to 5.84/10 in 2019.

Strong Communities

Our strong and vibrant community spirit is nurtured through services, programs, organisations, facilities and community partnerships that promote resilience, care and respect for residents of all ages, cultures, abilities and needs.



Catalyst projects and key initiatives

- Council engaged with the community to create the shared vision for Birkdale Community Precinct of 'A place with a space for everyone'. Further extensive and diverse community engagement resulted in the draft master plan for the exciting new community precinct. This master plan is supported by an aspirational framework that encourages diverse design outcomes of creativity, innovation and excellence in design.
- Planning for the Redlands Coast Sport and Recreation Precinct continued with the preliminary design phase complete. An expression of interest for early contract involvement for stage one construction was undertaken and has progressed to the final stage of a restricted tender.
- The Aspire Careers Expo was held in June 2022 and attracted nearly 30 exhibitors and 300 participants from Redlands Coast high schools. This year the expo highlighted employment and education pathways for vulnerable youth, with strong representation from trade and vocational sectors.

Performance measures

- Council delivered 26 community events that were attended by more than 12,609 people. Council events included Christmas on the Coast, Tokyo Olympic Live events, Citizenship Ceremonies, National Reconciliation Week event, Mayoral Prayer Breakfast, and Diner en Rouge. Council also contributed to 82 additional community events run by various community groups, that attracted more than 100,700 people.
- Council conducted more than 50 engagement sessions with our community to support them in preparation to respond to disasters.

Quandamooka Country

Our city embraces the rich Aboriginal heritage of Redlands Coast (Quandamooka) and the Traditional Owners' ongoing custodianship of Quandamooka land and waters. We work together for the future of Redlands Coast on Quandamooka Country.



Catalyst projects and key initiatives

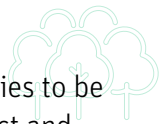
- Council celebrated National Aborigines and Islanders Day Observance Committee (NAIDOC) week holding many events in recognition of the week. There were 17 Council employees nominated as internal NAIDOC Ambassadors. Council's cultural awareness training program was recognised, winning Best Diversity and Inclusion Program at the 2021 Australian Institute of Training and Development (AITD) Excellence Awards. Council continued to run Indigenous cultural training and information sessions within the organisation.
- Council promoted Quandamooka culture information in the Our Redlands Coast magazine spring edition. Where known, Jandai dual names were included in fortnightly print and digital advertising and on Council's website. Quandamooka elders were invited to present Welcome to Country at Council delivered events which included information and education about native title. Council also used our communication channels to promote Host Plus Cup held on North Stradbroke Island (Minjerribah).
- Council promoted Quandamooka cultural events held during National Reconciliation Week. These included a workshop at Redland Art Gallery on how First Nations people use ochre and cotton tree to tell stories through painting and weaving, and an educational workshop at Redland Libraries for children where a Traditional Owner shared Quandamooka culture through face painting, traditional dance and didgeridoo performances.

Performance measures

- Council provided ten Quandamooka Cultural Days with 84 total employees in attendance; six Neembeba Binung Gana (Look, Listen, Understand) Days with the Quandamooka Elders with 39 employees in attendance; and eight internally facilitated Indigenous information sessions with 64 employees in attendance.
- The Council magazine '*Our Redlands Coast*', included Quandamooka culture stories such as Quandamooka Chef Kieron Anderson, bush banquets and captivating culture, Redlands Coast Australia Day Awards Reconciliation Award winners and Council's endorsed *Reconciliation Action Plan – Kanara Malara – One People 2019–2021*.
- The Community Grants and Regional Arts Development Fund, continued providing support for Quandamooka cultural performances at sponsored events and activities.
- Where known, Jandai language place names were used in a variety of communications; and acknowledgement of Quandamooka Traditional Owners was included in fortnightly print advertising and on Council's website. Acknowledgement of Traditional Owners was included at the start of all speeches.

Natural Environment

Our environment enhances our identity, lifestyle, wellbeing, economy and cultural values. Opportunities to be immersed in our naturally wonderful environment are harnessed, and drive our commitment to protect and enhance our natural assets.



Catalyst projects and key initiatives

- Council continued to enhance and encourage environmental understanding through our education opportunities offered to the community. The IndigiScapes Centre received more than 12,000 visitors in the quarter across a range of events and programs. The Community Environment Fair and EcoMarket was held in June 2022, showcasing educational activities and cultural experiences across the wildlife and bushcare programs, including bush food cooking and native bee demonstrations, tribal experiences, fungi walk and composting talks.
- Council continued efforts towards a zero waste future through the adoption of our *Waste Reduction and Recycling Plan 2021–2030*.
- Koala conservation has continued to be a priority for Council with the adoption of the *Koala Conservation Plan 2022–2027*. Council worked with Queensland Rail and researchers on a project to better understand koala movement patterns across the rail corridor and collaborated on plans for the installation of Artificial Intelligence (AI) cameras at strategic locations along the rail corridor between Birkdale and Cleveland.

Performance measures

- Council, through the Local Disaster Management Group has undertaken response and recovery activities in relation to three natural disaster events which have included a bushfire at Mount Cotton in September 2021 and severe weather flood events in February and May 2022.
- A total of 52.4 per cent (62,294 tonnes) of municipal solid waste (MSW) collected from households or received at Council's recycling and waste centres was recycled or reused. Council's performance is currently exceeding the Queensland Government's MSW recycling target of 50 per cent by 2025.
- An additional 2,750 resident premises took up Council's fortnightly green waste collection service. A total of 21,944 mainland premises (36 per cent of eligible properties) are now participating in the service.
- A total of 11.3 per cent (1,235 tonnes) of recyclable material collected in kerbside yellow lid recycling bins was contaminated or waste that could not be recycled through the kerbside recycling service. *Council's Waste Reduction and Recycling Plan 2021–2030* sets a target to halve recycling contamination from 12 per cent to six per cent by 2030.
- All programs are completed for the *Koala Conservation Strategy Action Plan 2016–2021*. A new action plan commenced July 2022.
- Bushcare, environmental partnerships and conservation services strategically consider and plan the delivery of their programs and associated restoration and revegetation works within the priority mapped core habitat and wildlife corridors in accordance with the *Wildlife Connection Plan 2018*.

Liveable Neighbourhoods

Our unique local lifestyle is enhanced by a well-planned network of island, urban, rural and bushland areas which connect and support our natural assets, communities and businesses.



Catalyst projects and key initiatives

- Council leveraged the centres management approach to support mixed-use centres that provide opportunities for living and working locally through connecting prospective investment opportunities with property owners, supporting development enquiries and building connections between respective stakeholders, including accommodation, education and commercial uses.

Performance measures

- Council constructed 1.034 kilometres of pedestrian and cycle network in 2021–2022.
- One minor *Redland City Plan* amendment commenced on 9 February 2022. Six major amendments are being progressed in accordance with the Minister's guidelines and rules under the *Planning Act 2016*.

Thriving Economy

Our thriving economy recognises the benefit of our unique geography and is underpinned by enabling infrastructure, supportive policy and successful partnerships which maximise opportunity for growth in industry, job creation, innovation and investment.



Catalyst projects and key initiatives

- Council collaborated with industry and government to advance the Redlands Health and Wellness Precinct through progressing planning with principal stakeholder, Metro South Health and Mater, to prepare for a workshop that will work towards a new Memorandum of Understanding.
- The delivery of Toondah Harbour PDA progressed with the Environmental Impact Statement now complete. The release of the Environmental Impact Statement for public comment will follow the submission to the Federal Government and is expected in the coming months.
- Council launched the Invest Redlands microsite in April 2022 at Redlands Coast Chamber of Commerce events. This site showcases the Redlands investment proposition and acts as 'front door' to for prospective investors. Council continued to build networks and partnerships to enhance referral opportunities and held an inaugural Redlands Coast AgTech event in June 2022 at Redlands Research Facility, attracting significant interest and attendance from industry, investors and government agencies.
- Council continued to progress and review the draft Destination Management Plan including the development and implementation of proposed key actions identified in the draft Plan. Council received industry feedback from key stakeholders including the Redlands Coast Tourism Subcommittee. The draft Plan was delayed slightly due to COVID-19 impacts on the tourism industry and has been updated to include opportunities that will arise from the Brisbane Olympic and Paralympic Games in 2032 and First Nations tourism.

Performance measures

- Council has seen a solid spend with local suppliers during the 2021–2022 financial year with approximately 24 per cent of Council's expenditure with local suppliers. There are additional benefits that the local economy receives as a result of Council engaging local suppliers, such as the employment of residents from the Redland City Local Government Area. It is estimated that approximately 67 cents of every dollar spent with a small local business remains in the local community.
- In 2021, Redland City had a Gross Regional Product (GRP) valued at \$6.6 billion which was a growth of 5.8 per cent when compared to the previous year.
- There was a total of 48,023 local jobs in Redland City in 2021, a slight decline of 0.26 per cent when compared to the previous year. Unemployment rate in March quarter 2022 was 3.1 per cent which was significantly lower than March quarter 2021 unemployment rate of 8.2 per cent.
- Tourism contributed 1.2 per cent of the city's total direct output in 2019–2020 period. There was a total of 1.2 million domestic visitor nights in 2020–2021 which was a 32 per cent increase on the previous year. In contrast, the city's domestic daytrips declined by 25 per cent, from 914,655 in 2019–2020 to 685,459 in 2020–2021.

Efficient and Effective Organisation

Council employees are proud to deliver efficient, valued and sustainable services for the betterment of the community.



Catalyst projects and key initiatives

- Council's employee values and brand have been embedded in all touch points of the employee life cycle. As a response to current labour market conditions and Australia wide attraction and retention challenges, Council has developed strategies to continue to promote our employer brand moving forward.
- A continued solid spend with local suppliers was recorded. The local community continued to receive broader advantages to the local economy with the engagement of contractors who employ people from the Redland City LGA and work directly with sub-contractors that are based in the Redlands Coast area for goods and services.
- The draft Business Transformation strategy has been socialised with key internal stakeholders to ensure strategic alignment and identify significant insights about our organisation needs and priorities for transformation. The implementation plan has continued to evolve to support the strategic goals set in the strategy with our engagement informing our roadmap for delivering the strategy.

Performance measures

- Redland City Council has achieved an average result of 93.8 per cent of all customer requests actioned within target timeframes in the 2021–2022 financial year.
- A total of \$3.758 million in financial savings was realised during 2021–2022 through improvement initiatives including the implementation of fleet optimisation review actions, installation of solar power, and strategic contract and lease negotiations.
- In the internal employee MySay 2021 survey, 75 per cent of employees said they would recommend Redland City Council as a good place to work and 80 per cent of employees were satisfied with Redland City Council as an employer.
- Approximately 70 per cent of Council's project portfolio was reported as complete at the end of the 2021–2022 financial year, inclusive of prior-year carry over projects. The remaining 30 per cent comprise projects impacted by late season wet weather, supply chain or third-party delays, or are continuing multi-year projects activities.

Operational Plan update

Progress in 2021–2022

The Operational Plan 2021–2022 is Council's inaugural implementation plan for 'Our Future Redlands – A Corporate Plan to 2026 and Beyond'.

In the first year, Council completed 46 of 67 planned activities for the year including finalising one catalyst project and one key initiative. This reduces the number of Corporate Plan catalyst projects and key initiatives to be implemented from 67 to 65 over the remaining term of the Corporate Plan.

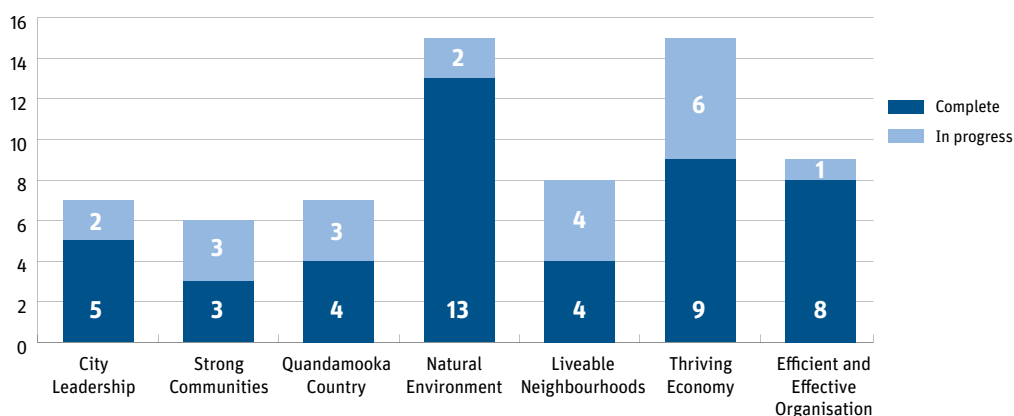
The activities finalised in 2021–2022 are Catalyst Project 3.3 New City Entry Statements and Key Initiative 7.3 Improve our value for money delivery through the upgrade of our financial management system.

Council will continue to progress 21 activities from the *Operational Plan 2021–2022*. The majority of these activities (14 of 21) are on track for completion in 2022–2023.

Progress of the remaining activities will be monitored for key challenges impacting delivery such as internal resourcing and dependencies on external events and stakeholders.

For more detailed information on Operational Plan reporting, visit Council's website.

Operational Plan 2021–2022 Year End Summary



Statutory information

Mayor and Councillors

Councillor remuneration

Councillor remuneration is set by the independent Local Government Remuneration and Discipline Tribunal, established under the *Local Government Act 2009*. The Tribunal is responsible for determining the maximum remuneration payment to the Mayor, Deputy Mayor and Councillors. The *2019 Local Government Remuneration and Discipline Tribunal Report* determined the remuneration to be paid for 2021–2022.

In accordance with section 186(1)(a) of the *Local Government Regulation 2012*, the total remuneration, including superannuation contributions, paid to each Councillor during the financial year are as follows:

| | |
|--------------|-----------|
| Mayor | \$183,143 |
| Deputy Mayor | \$124,869 |
| Councillor | \$108,222 |

| Division | Name | Gross salary | Council superannuation contributions |
|----------|-------------------------------|----------------|--------------------------------------|
| Mayor | Cr Karen Williams | \$183,132.46 | \$21,793.34 |
| 1 | Cr Wendy Boglary | \$108,215.89 | \$12,985.83 |
| 2 | Cr Peter Mitchell | \$108,215.89 | \$12,985.83 |
| 3 | Cr Paul Gollè | \$108,215.89 | \$12,985.83 |
| 4 | Cr Lance Hewlett | \$108,215.89 | \$12,985.83 |
| 5 | Cr Mark Edwards | \$108,215.89 | \$12,985.83 |
| 6 | Cr Julie Talty (Deputy Mayor) | \$124,861.79 | \$14,983.67 |
| 7 | Cr Rowanne McKenzie | \$108,215.88 | \$12,985.83 |
| 8 | Cr Tracey Huges | \$108,215.89 | \$12,985.83 |
| 9 | Cr Adelia Berridge | \$108,215.88 | \$12,985.83 |
| 10 | Cr Paul Bishop | \$108,215.89 | \$12,985.83 |
| Total | | \$1,281,937.24 | \$153,649.48 |

Expenses reimbursement and provision of facilities

In accordance with section 250 of the *Local Government Regulation 2012*, Council must have an expenses reimbursement policy for Councillors.

The objective of this policy is to ensure the payment of legitimate and reasonable expenses incurred by Councillors for discharging their duties and responsibilities as Councillors, and to provide facilities to Councillors for those purposes. This is to ensure Councillors are not financially disadvantaged as a result of carrying out their official duties.

The policy is also aimed at reflecting the community's expectations about the extent of a Councillor's duties and responsibilities, and its expectations about the resources and reimbursement provided to Councillors from public funds. This policy does not deal with the provision of remuneration, nor does it cover non-business-related expenses or facilities incurred by other people, including a Councillor's partner.

The full policy is available on Council's [website](#).

Under section 186(1)(b) of the *Local Government Regulation 2012*, the following expenses were incurred by, and the facilities provided to, each Councillor for conference, training, travel, hospitality, and other expenses including in accordance with *Council's Expenses Reimbursement and Provision of Facilities for Councillors Policy (GOV-016-P)*.

| Division | Name | Conferences, training and community Events | Transport | Total |
|----------|-------------------------------|--|-------------|--------------|
| Mayor | Cr Karen Williams | \$4,456.19 | \$13,028.42 | \$17,484.61 |
| 1 | Cr Wendy Boglary | \$4,133.17 | \$2,904.95 | \$7,038.12 |
| 2 | Cr Peter Mitchell | \$5,806.69 | \$11,471.50 | \$17,278.19 |
| 3 | Cr Paul Gollè | \$3,648.64 | \$9,863.01 | \$13,511.65 |
| 4 | Cr Lance Hewlett | \$738.02 | \$10,436.22 | \$11,174.24 |
| 5 | Cr Mark Edwards | \$401.86 | \$10,969.20 | \$11,371.06 |
| 6 | Cr Julie Talty (Deputy Mayor) | \$8,429.91 | \$8,153.03 | \$16,582.94 |
| 7 | Cr Rowanne McKenzie | \$7,760.26 | \$11,267.64 | \$19,027.90 |
| 8 | Cr Tracey Huges | \$7,021.87 | \$4,794.05 | \$11,815.92 |
| 9 | Cr Adelia Berridge | \$3,854.15 | \$4,395.97 | \$8,250.12 |
| 10 | Cr Paul Bishop | \$5,264.09 | \$9,098.10 | \$14,362.19 |
| Total | | \$51,514.85 | \$96,382.09 | \$147,896.94 |

Overseas travel

In accordance with section 186(1) of the *Local Government Regulation 2012* there was no overseas travel by Councillors or local government employees during 2021–2022.

Attendance at Council meetings

In accordance with section 186(1)(c) of the *Local Government Regulation 2012*, details of the attendance of Councillors at General and Special Meetings are as follows:

| Name | General and Special Meetings | Leave of absence |
|-------------------------------|------------------------------|------------------|
| Cr Karen Williams | 15 | 0 |
| Cr Wendy Boglary | 15 | 0 |
| Cr Peter Mitchell | 15 | 0 |
| Cr Paul Gollè | 14 | 1 |
| Cr Lance Hewlett | 14 | 1 |
| Cr Mark Edwards | 15 | 0 |
| Cr Julie Talty (Deputy Mayor) | 15 | 0 |
| Cr Rowanne McKenzie | 13 | 2 |
| Cr Tracey Huges | 15 | 0 |
| Cr Adelia Berridge | 13 | 2 |
| Cr Paul Bishop | 15 | 0 |

Councillor conduct

In accordance with section 186(1)(d) to (f) of the *Local Government Regulation 2012*, Council is required to record the Councillor conduct complaints, referrals, decisions, orders and recommendations during the financial year. Details are provided in the tables below.

Complaints about the conduct of Councillors are to be made, or referred, to the Office of the Independent Assessor (OIA) for investigation. The OIA, after investigating a Councillor's conduct, may refer the suspected inappropriate conduct of a Councillor to the local government to be dealt with, or may apply to the conduct tribunal to decide whether the Councillor engaged in misconduct. If the Councillor Conduct Tribunal decides the Councillor engaged in misconduct, they must determine the action to be taken, if any, to discipline the Councillor. Where the complaint about Councillor conduct is about suspected corrupt conduct, under the *Crime and Corruption Act 2001*, the assessor is to notify the Crime and Corruption Commission about the suspected corrupt conduct.

In accordance with the requirements of section 186(d) and (f) of the *Local Government Regulation 2012*, the following statistics were reported:

Number of Councillor conduct orders and disciplinary actions

| Section of the Local Government Act | Description | Number |
|-------------------------------------|---|--------|
| 150I(2) | Orders made by the Chairperson for unsuitable meeting conduct | 0 |
| 150AH(1) | Orders made by Council that: (a) No action be taken against the Councillor; (b) An order be taken against the Councillor for inappropriate conduct | 0 0 |
| 150AR(1) | Orders, decision and recommendations made by the Councillor Conduct Tribunal that: (a) No action be taken against the Councillor; (b) An order be taken against the Councillor about misconduct and connected inappropriate conduct | 3 8 |

Number of Councillor conduct complaints, notices and referrals

| Section of the Local Government Act | Description | Number |
|-------------------------------------|---|-----------------|
| 150P(2)(a) | Complaints referred to the assessor by the local government, a councillor or the Chief Executive Officer | 0 |
| 150P(3) | Matters referred to the Crime and Corruption Commission by the local government | 0 |
| 150R(2) | Notices given by the CEO or a Councillor to the assessor about a Councillor's conduct ¹ | 4 |
| 150S(2)(a) | Notices of misconduct given to the assessor by the local government | 0 |
| 150W(1)(a),(b) and (e) | Decision by the assessor to dismiss, refer to the local government or take no further action ² | 15 ³ |
| 150AC(3)(a) | Occasions where referral notices from the assessor recommend conduct should be referred to another agency for consideration | 0 |
| 150AF(4)(a) | Occasions where information about misconduct is obtained by the local government during investigation that is given to the assessor | 0 |
| Chapter 5A, part 3, division 5 | Occasions where the local government asked another entity to investigate suspected inappropriate conduct of a councillor | 0 |
| Chapter 5A, part 3, division 6 | Applications heard by the conduct tribunal about the alleged misconduct of a councillor ⁴ | 4 |

The full Councillor Conduct Register is available on **Council's website**.

¹ The number of Councillor conduct notices given by local government officials to the assessor that are known to the local government

² Some matters have been investigated as a single complaint and recorded in the Councillor Conduct Register as multiple decisions

³ Three suspected inappropriate conduct complaints referred back to Council - still under investigation as at 30 June 2022

⁴ Applications heard by the Councillor Conduct Tribunal can result in more than one order being made. Each order is recorded separately in the register.

Executive Leadership Team remuneration

| Remuneration range (total package including superannuation and vehicle entitlements) | Number of Executive Leadership Team (ELT) paid |
|--|---|
| \$200,000 to \$300,000 | 3 |
| \$300,000 to \$400,000 | 5* |
| \$400,000 to \$500,000 | 1 |
| Total amount paid during reporting period# | \$2,351,537.61 |

* ELT membership saw one member resign and two members recruited in June 2022. Membership equals eight.

Excludes remuneration for acting ELT, annual leave and long service leave termination payouts and includes annual leave payments to ELT during the year.

People and Culture

Code of Conduct, education and training

In accordance with section 23 of the *Public Sector Ethics Act 1994* the Chief Executive Officer of a public sector entity must ensure that the administrative procedures and management practices of the entity have proper regard to – (a) this Act and, in particular, the ethics principles and values; and (b) the entity's approved code of conduct.

Actions taken:

Code of Conduct eLearning training is mandated for all new employees and a refresher is required for all existing employees every two years. Content includes:

- the Code of Conduct Principles;
- understanding acceptable behaviours;
- identifying behaviours that are in breach of the Code;
- understanding legal requirements as an employee, and
- gaining a procedural knowledge of what actions to take in the event of a breach of the Code.

In the 2021–2022 financial year, 646 employees completed the module.

Grants and sponsorships

Mayor and Councillors Community Benefit Fund

Grants are available to individuals and organisations that are a not-for-profit incorporated association (or sponsored by one). Funding provides financial assistance to organisations with items such as equipment or incidental costs. Individuals are supported in their pursuit of excellence at a high level.

Over a 12-month period, \$108,211.13 was available to organisations and individuals through the Mayor and Councillors Community Benefit Fund:

- Up to \$15,000 (up to five Councillors funding \$3,000 each) is available for organisations where an initiative provides a community benefit across more than one Council division.
- Up to \$500 is available for individuals selected to represent Australia in an international competition.
- Up to \$250 is available for individuals selected to represent Queensland in a national competition, or who have won at state level and are competing in a national competition.

During the 2021–2022 financial year, a total of \$102,035.23 was distributed to various organisations and individuals. Funds unspent by applicants and returned to Council totalled \$3,000, meaning Council provided \$99,035.23 to the community and individuals in 2021–2022.

Community Benefit Fund distributed monies 2021–2022

| Division | Name | Amount |
|----------|-------------------------------|-------------|
| Mayor | Cr Karen Williams | \$9,469.17 |
| 1 | Cr Wendy Boglary | \$9,837.38 |
| 2 | Cr Peter Mitchell | \$9,837.37 |
| 3 | Cr Paul Gollè | \$4,657.62 |
| 4 | Cr Lance Hewlett | \$9,837.39 |
| 5 | Cr Mark Edwards | \$6,674.62 |
| 6 | Cr Julie Talty (Deputy Mayor) | \$9,816.96 |
| 7 | Cr Rowanne McKenzie | \$9,837.37 |
| 8 | Cr Tracey Huges | \$9,837.37 |
| 9 | Cr Adelia Berridge | \$9,837.37 |
| 10 | Cr Paul Bishop | \$9,392.61 |
| Total | | \$99,035.23 |

Successful applicants funding

| Month | Application ID | Applicant (including Sponsor) | Brief project description | Amount approved (Ex GST) |
|-----------------------|------------------|---|--|-----------------------------|
| | | LG Reg. 2012, S201B (5) | LG Reg. 2012, S202 (1b) | LG Reg. 2012, S202 3(a)(i) |
| MAYOR | | | | |
| | | | Opening budget balance | \$9,837.38 |
| September 2021 | MCCBF-2122-010-0 | Redland City Bands Inc. | For the purchase two airframe carriers and a trolley stand | \$129.87 |
| September 2021 | MCCBF-2122-012-0 | Cleveland Local Ambulance Committee (Sponsor: U3A Redlands District Inc.) | Purchase of CPR training equipment | \$410.21 |
| April 2022 | MCCBF-2122-014-I | Ryan Lowery | Australian Men's and Mixed Netball Championships 2022 | \$250.00 |
| April 2022 | MCCBF-2122-013-I | Emmelie Bromley | Australian Men's and Mixed Netball Championships 2022 | \$250.00 |
| April 2022 | MCCBF-2122-011-I | Wendy Bergin | 2022 Australian Age Swimming Championship | \$250.00 |
| September 2021 | MCCBF-2122-003-0 | STAR Community Services Ltd | Venue hire and advertising for International Day for People with Disabilities event on 3 December 2021 | \$1,196.36 |
| September 2021 | MCCBF-2122-013-0 | Redland Community Centre Inc. | Polo shirts and lanyards for volunteers | \$1,060.00 |
| December 2021 | MCCBF-2122-031-0 | Redland Coast Salad Bowl Inc. | Purchase and install solar panels at Redland Bay Community Gardens | \$2,400.00 |
| February 2022 | MCCBF-2122-030-0 | Bay Islands Golf Club Inc. | Purchase of prize for Mayor's Cup mixed event in June 2022 | \$272.73 |
| March 2022 | MCCBF-2122-021-0 | Redland Royals Brisbane Cricket Club Inc. | Essential club materials such as cricket gear, field markers, balls, and uniforms | \$500.00 |
| April 2022 | MCCBF-2122-001-I | Coreen Corbett | Presidents Shield in Ten Pin Bowling | \$250.00 |
| April 2022 | MCCBF-2122-021-I | Bik Yee Irene Mak | Australian Gymnastics Championships | \$250.00 |
| April 2022 | MCCBF-2122-022-I | Dimple Amin-Patel | 2022 Under 12 and Under 14 Australian Clay Court Championships | \$250.00 |
| April 2022 | MCCBF-2122-024-I | Andrea Meehan | Special Olympics Australian National Games 2022 (Bocce) | \$250.00 |
| April 2022 | MCCBF-2122-031-I | Ashelly Powell | Special Olympics Australian National Games 2022 (Basketball) | \$250.00 |
| April 2022 | MCCBF-2122-017-I | Janelle Hilder | 2021/22 Under 14 Girls' Softball National Championships | \$250.00 |
| March 2022 | MCCBF-2122-019-I | Jessica Canfield | Australian National Championships and Masters Ten Pin Bowling | \$250.00 |
| May 2022 | MCCBF-2122-018-I | Elliott Appleton | Special Olympics Australian National Games 2022 (Swimming) | \$250.00 |
| June 2022 | MCCBF-2122-039-I | Anne Wilson | World Youth Sailing Championships | \$500.00 |
| June 2022 | MCCBF-2122-033-I | Geoffrey Roennfeldt | Special Olympics Australian National Games 2022 (Athletics) | \$250.00 |
| Total expended | | | | \$9,469.17 |

| Month | Application ID | Applicant (including Sponsor) | Brief project description | Amount approved (Ex GST) |
|-------------------------------|------------------|---|--|-----------------------------|
| Division 1 | | | | |
| Opening budget balance | | | | \$9,837.38 |
| September 2021 | MCCBF-2122-005-O | Volunteer Marine Rescue North Stradbroke Inc. | Appropriate wet/cold-weather marine clothing for extended searches | \$407.48 |
| March 2022 | MCCBF-2122-037-O | Birkdale Probus Club Inc. | Communication enhancement (purchase of computer equipment) | \$694.00 |
| March 2022 | MCCBF-2122-041-O | Allstars Netball Club Inc. | Purchase of bibs, balls, training equipment, inflating needles, and whistles | \$2,500.00 |
| April 2022 | MCCBF-2122-036-O | Redlands Cricket Inc. | Women's cricket caps | \$1,500.00 |
| May 2022 | MCCBF-2122-066-O | The Rock Family and Community Support Inc. | Supply and install CCTV system to building | \$500.00 |
| June 2022 | MCCBF-2122-078-O | Cancer Council Queensland Redlands Branch | Venue hire, signage design, hardware, printing, and party hire items | \$308.18 |
| May 2022 | MCCBF-2122-085-O | Redland Softball Association Inc. | Grounds maintenance tool requirements | \$1,765.63 |
| June 2022 | MCCBF-2122-082-O | Capalaba Wildcats Basketball Club Inc. | Junior basketball coaches tool kits | \$182.99 |
| June 2022 | MCCBF-2122-076-O | Redlands Pickleball Club Inc. | Two pull-up banners, one pop up display board and two marquees | \$1,979.10 |
| Total expended | | | | \$9,837.38 |

| Month | Application ID | Applicant (including Sponsor) | Brief project description | Amount approved (Ex GST) |
|-------------------------------|------------------|--|---|-----------------------------|
| Division 2 | | | | |
| Opening budget balance | | | | \$9,837.38 |
| September 2021 | MCCBF-2122-005-O | Volunteer Marine Rescue North Stradbroke Inc. | Appropriate wet/cold weather marine clothing for extended searches | \$1,222.50 |
| September 2021 | MCCBF-2122-003-O | STAR Community Services Ltd | Venue hire and advertising for International Day for People with Disabilities event on 3 December 2021 | \$200.00 |
| November 2021 | MCCBF-2122-026-O | Point Lookout Surf Life Saving Club Inc. | Structural engineering assessment of clubhouse building | \$1,500.00 |
| March 2022 | MCCBF-2122-021-O | Redland Royals Brisbane Cricket Club Inc. | Essential club materials such as cricket gear, field markers, balls, and uniforms | \$1,000.00 |
| April 2022 | MCCBF-2122-042-O | Queensland Blue Light Association Inc. NSI Branch | Purchase equipment for the youth hub for activities in an environment free from alcohol, drugs, and violence. | \$842.38 |
| June 2022 | MCCBF-2122-087-O | Straddie Arts Trail (sponsor: Straddie Chamber of Commerce Inc.) | For the purchase and printing of banners promoting the Straddie Arts Trail | \$1,822.50 |
| June 2022 | MCCBF-2122-071-O | Volunteer Marine Rescue Raby Bay Inc. | Replacement defibrillators | \$1,500.00 |
| June 2022 | MCCBF-2122-048-O | The Amity Point Community Club Inc. | Funds will be used to purchase computer hardware | \$1,000.91 |
| June 2022 | MCCBF-2122-055-O | Redlands Hockey Association Inc. | To install solar lights at Henry Ziegensfuz Park | \$249.99 |
| June 2022 | MCCBF-2122-075-O | Old Schoolhouse Gallery Inc. | Security cameras | \$499.09 |
| Total expended | | | | \$9,837.37 |

| Month | Application ID | Applicant (including Sponsor) | Brief project description | Amount approved (Ex GST) |
|-------------------------------|------------------|---|--|-----------------------------|
| Division 3 | | | | |
| Opening budget balance | | | | \$9,837.38 |
| September 2021 | MCCBF-2122-004-O | Redlands Fellowship Property Ltd | Funding will be used to hire portable showers and motivational speaker for Youth and Young Adult Camp commencing 24 September 2021 | \$3,000.00 |
| March 2022 | MCCBF-2122-050-O | Brisbane Seniors Online Association Inc. | Advertising for new mentors and members | \$1,000.00 |
| March 2022 | MCCBF-2122-021-O | Redland Royals Brisbane Cricket Club Inc. | Essential club materials such as cricket gear, field markers, balls, and uniforms | \$500.00 |
| April 2022 | MCCBF-2122-042-O | Queensland Blue Light Association Inc. NSI Branch | Purchase equipment for the Youth Hub for activities in an environment free from alcohol, drugs, and violence. | \$157.62 |
| Total expended | | | | \$4,657.62 |

| Month | Application ID | Applicant (including Sponsor) | Brief project description | Amount approved (Ex GST) |
|-------------------------------|------------------|--|---|-----------------------------|
| Division 4 | | | | |
| Opening budget balance | | | | \$9,837.38 |
| September 2021 | MCCBF-2122-003-O | STAR Community Services Ltd | Venue hire and advertising for International Day for People with Disabilities event on 3 December 2021 | \$500.00 |
| December 2021 | MCCBF-2122-027-O | Coochiemudlo Island Heritage Society Inc. | Create and exhibit prints from the Coochiemudlo Island Herbarium to build community awareness of the Island's native plants | \$1,452.50 |
| March 2022 | MCCBF-2122-043-O | Redlands Orchid Society Inc. | Update signage and produce a new banner and corflute sign | \$200.00 |
| March 2022 | MCCBF-2122-040-O | Coochiemudlo Island Coastcare Inc. | Restoring a weed-free buffer to the Melaleuca Wetlands | \$3,000.00 |
| May 2022 | MCCBF-2122-066-O | The Rock Family and Community Support Inc. | Supply and install CCTV system to the building | \$500.00 |
| May 2022 | MCCBF-2122-061-O | Coochiemudlo Island Recreation Club Inc. | To re-mark all lines on both tennis courts | \$1,232.00 |
| June 2022 | MCCBF-2122-078-O | Cancer Council Queensland Redlands Branch | Funds to be used for venue hire, signage design, hardware, printing, and party hire items | \$308.18 |
| June 2022 | MCCBF-2122-080-O | QCWA Redland Branch | Purchase of iPad, signage, and event catering | \$500.00 |
| June 2022 | MCCBF-2122-086-O | Redland Malayali Association Inc. | Equipment to improve the ambience and stage décor during cultural activities | \$1,484.82 |
| June 2022 | MCCBF-2122-082-O | Capalaba Wildcats Basketball Club Inc. | Purchase of shirts and office products for the Wildcats Junior Basketball coaches' tool kits | \$297.76 |
| June 2022 | MCCBF-2122-055-O | Redlands Hockey Association Inc. | To install solar lights at Henry Ziegensfuz Park | \$362.13 |
| Total expended | | | | \$9,837.39 |

| Month | Application ID | Applicant (including Sponsor) | Brief project description | Amount approved (Ex GST) |
|-------------------------------|------------------|---|--|-----------------------------|
| Division 5 | | | | |
| Opening budget balance | | | | \$9,837.38 |
| August 2021 | MCCBF-2122-001-0 | Southern Moreton Bay Chamber of Commerce Inc. | Redlands Coast Islands Festival Entertainment - stage and deliver event | \$3,000.00 |
| December 2021 | MCCBF-2122-031-0 | Redlands Coast Salad Bowl Inc. | Purchase and installation of solar panels at Redland Bay Community Gardens | \$2,000.00 |
| January 2022 | MCCBF-2122-039-0 | Bay Islands Multi Sport and Recreation Association Inc. | Purchase of A3 Colour multi-function printer | \$1,699.00 |
| March 2022 | MCCBF-2122-001-0 | Southern Moreton Bay Chamber of Commerce Inc. | Refund of funds - event did not proceed due to COVID-19 | \$-3,000.00 |
| April 2022 | MCCBF-2122-042-0 | Queensland Blue Light Association Inc. NSI Branch | Purchase equipment for the Youth Hub for activities in an environment free from alcohol, drugs, and violence | \$157.62 |
| May 2022 | MCCBF-2122-057-0 | Macleay Island Arts Complex Inc. | Replace, supply, and install the delivery of two pottery wheels | \$2,818.00 |
| Total expended | | | | \$6,674.62 |

| Month | Application ID | Applicant (including Sponsor) | Brief project description | Amount approved (Ex GST) |
|-------------------------------|------------------|---|--|-----------------------------|
| Division 6 | | | | |
| Opening budget balance | | | | \$9,837.37 |
| April 2022 | MCCBF-2122-042-0 | Queensland Blue Light Association Inc. NSI Branch | Purchase equipment for the Youth Hub for activities in an environment free from alcohol, drugs, and violence | \$500.00 |
| May 2022 | MCCBF-2122-056-0 | Redland Bay Tennis Club Inc. | Purchase of coffee machine and grinder | \$2,995.00 |
| June 2022 | MCCBF-2122-080-0 | QCWA Redland Branch | Purchase of an iPad, signage, and event catering | \$838.23 |
| June 2022 | MCCBF-2122-086-0 | Redland Malayali Association Inc. | Equipment to improve the ambience and stage décor during cultural activities | \$721.61 |
| May 2022 | MCCBF-2122-055-0 | Redlands Hockey Association Inc. | To install solar lights at Henry Ziegensfuz Park | \$362.12 |
| June 2022 | MCCBF-2122-071-0 | Volunteer Marine Rescue Raby Bay Inc. | Replacement defibrillators | \$1,400.00 |
| June 2022 | MCCBF-2122-075-0 | Old School House Gallery Inc. | Security cameras | \$3,000.00 |
| Total expended | | | | \$9,816.96 |

| Month | Application ID | Applicant (including Sponsor) | Brief project description | Amount approved (Ex GST) |
|-------------------------------|------------------|---|---|-----------------------------|
| Division 7 | | | | |
| Opening budget balance | | | | \$9,837.37 |
| September 2021 | MCCBF-2122-010-0 | Redland City Bands Inc. | Purchase two airframe carriers and a trolley stand | \$500.00 |
| September 2021 | MCCBF-2122-005-0 | Volunteer Marine Rescue North Stradbroke Inc. | Appropriate wet/cold-weather marine clothing for extended searches | \$538.05 |
| September 2021 | MCCBF-2122-012-0 | Cleveland Local Ambulance Committee (Sponsor: U3A Redlands District Inc.) | Purchase of CPR training equipment | \$410.20 |
| September 2021 | MCCBF-2122-013-0 | Redland Community Centre Inc. | Polo shirts and lanyards for volunteers | \$800.00 |
| November 2021 | MCCBF-2122-026-0 | Point Lookout Surf Life Saving Club Inc. | Structural engineering assessment of clubhouse building | \$1,000.00 |
| March 2022 | MCCBF-2122-021-0 | Redland Royals Brisbane Cricket Club Inc. | Essential club materials such as cricket gear, field markers, balls, and uniforms | \$1,000.00 |
| March 2022 | MCCBF-2122-043-0 | Redlands Orchid Society Inc. | Update signage and produce a new banner and corflute sign | \$291.70 |
| April 2022 | MCCBF-2122-042-0 | Queensland Blue Light Association Inc. NSI Branch | Purchase equipment for the Youth Hub for activities in an environment free from alcohol, drugs, and violence. | \$850.00 |
| May 2022 | MCCBF-2122-066-0 | The Rock Family and Community Support Inc. | Supply and install CCTV system to the building | \$850.00 |
| June 2022 | MCCBF-2122-086-0 | Redland Malayali Association Inc. | Equipment to improve the ambience and stage décor during cultural activities | \$696.57 |
| June 2022 | MCCBF-2122-055-0 | Redlands Hockey Association Inc. | To install solar lights at Henry Ziegensfuz Park | \$362.12 |
| June 2022 | MCCBF-2122-084-0 | Alexandra Hills Australian Football | To replace goal pads | \$2,538.73 |
| Total expended | | | | \$9,837.37 |

| Month | Application ID | Applicant (including Sponsor) | Brief project description | Amount approved (Ex GST) |
|-------------------------------|------------------|--|--|-----------------------------|
| Division 8 | | | | |
| Opening budget balance | | | | \$9,837.37 |
| September 2021 | MCCBF-2122-005-0 | Volunteer Marine Rescue North Stradbroke Inc. | Appropriate wet/cold-weather marine clothing for extended searches | \$244.49 |
| September 2021 | MCCBF-2122-010-0 | Redland City Bands Inc. | Purchase two airframe carriers and a trolley stand | \$200.00 |
| May 2022 | MCCBF-2122-062-0 | Capalaba Junior District Rugby League Football Club Inc. | Purchase of hedge trimmers, blower, pressure washer and mower | \$3,000.00 |
| May 2022 | MCCBF-2122-066-0 | The Rock Family and Community Support Inc. | Supply and install CCTV system to the building | \$300.00 |
| May 2022 | MCCBF-2122-069-0 | Capalaba Soccer and Recreation Club Inc. | Replacement of aged and flood damaged junior goal posts | \$3,000.00 |
| May 2022 | MCCBF-2122-055-0 | Redlands Hockey Association Inc. | To install solar lights at Henry Ziegensfuz Park | \$300.00 |
| June 2022 | MCCBF-2122-079-0 | Redlands Rugby Union and Recreation Club Inc. | Purchase play shelter bench seats for new shade shelters | \$2,792.88 |
| Total expended | | | | \$9,837.37 |

| Month | Application ID | Applicant (including Sponsor) | Brief project description | Amount approved (Ex GST) |
|-------------------------------|------------------|---|---|-----------------------------|
| Division 9 | | | | |
| Opening budget balance | | | | \$9,837.37 |
| September 2021 | MCCBF-2122-003-O | STAR Community Services Ltd | Venue hire and advertising for International Day for People with Disabilities event on 3 December 2021 | \$1,000.00 |
| September 2021 | MCCBF-2122-012-O | Cleveland Local Ambulance Committee (Sponsor: U3A Redlands District Inc.) | Purchase of CPR training equipment | \$410.20 |
| December 2021 | MCCBF-2122-024-O | Redlands Baseball Club Inc. | Purchase of a portable Zooka Pitching Machine for juniors | \$1,300.00 |
| December 2021 | MCCBF-2122-035-O | Capalaba Probus Club Inc. | Communications enhancement - purchase of a laptop and associated equipment | \$1,318.00 |
| May 2022 | MCCBF-2122-045-O | Playgroup Queensland - Redlands Bayside Child and Family Support Hub | Messy Play Matters event for children 0-5 years with free fun-filled sensory activities at Capalaba Regional Park | \$1,972.28 |
| May 2022 | MCCBF-2122-062-O | Capalaba Junior District Rugby League Football Club Inc. | Purchase of hedge trimmers, blower, pressure washer and mower | \$334.09 |
| May 2022 | MCCBF-2122-066-O | The Rock Family and Community Support Inc. | Supply and install CCTV system to the building | \$850.00 |
| June 2022 | MCCBF-2122-078-O | Cancer Council Queensland Redlands Branch | Funds to be used for venue hire, signage design, hardware, printing, and party hire items | \$308.19 |
| June 2022 | MCCBF-2122-080-O | QCWA Redland Branch | Purchase iPad, signage, and catering supplies | \$100.00 |
| June 2022 | MCCBF-2122-082-O | Capalaba Wildcats Basketball Club Inc. | Funds to purchase Wildcats Junior Basketball coach's kits | \$2,244.61 |
| Total expended | | | | \$9,837.37 |
| Month | Application ID | Applicant (including Sponsor) | Brief project description | Amount approved (Ex GST) |
| Division 10 | | | | |
| Opening budget balance | | | | \$9,837.37 |
| September 2021 | MCCBF-2122-005-O | Volunteer Marine Rescue North Stradbroke Inc. | Appropriate wet/cold-weather marine clothing for extended searches | \$407.48 |
| September 2021 | MCCBF-2122-010-O | Redland City Bands Inc. | Purchase of two airframe carriers and a trolley stand | \$400.00 |
| September 2021 | MCCBF-2122-013-O | Redland Community Centre Inc. | Polo shirts and lanyards for volunteers | \$400.00 |
| November 2021 | MCCBF-2122-026-O | Point Lookout Surf Life Saving Club Inc. | Structural engineering assessment of clubhouse building | \$500.00 |
| March 2022 | MCCBF-2122-037-O | Birkdale Probus Club Inc. | Communication enhancement - purchase of computer equipment | \$694.00 |
| May 2022 | MCCBF-2122-062-O | Capalaba Junior District Rugby League Football Club Inc. | Purchase of hedge trimmers, blower, pressure washer and mower | \$334.09 |
| June 2022 | MCCBF-2122-078-O | Cancer Council Queensland Redlands Branch | Funds to be used for venue hire, signage design, hardware, printing, and party hire items | \$308.63 |
| May 2022 | MCCBF-2122-034-O | Raiders Netball Club Redland Inc. | Purchase two pull-up banners, one pop-up display board and two marquees | \$2,500.00 |
| June 2022 | MCCBF-2122-087-O | Straddie Arts Trail (sponsor: Straddie Chamber of Commerce Inc.) | Purchase and printing of banners promoting the Straddie Arts Trail | \$1,177.50 |
| June 2022 | MCCBF-2122-048-O | The Amity Point Community Club Inc. | Funds will be used to purchase computer hardware | \$1,170.00 |
| June 2022 | MCCBF-2122-075-O | Old Schoolhouse Gallery Inc. | Security cameras | \$1,500.91 |
| Total expended | | | | \$9,392.61 |

Other community grants and sponsorship

Regional Arts Development Fund

The Regional Arts Development Fund (RADF) is an annual partnership between the Queensland Government and local governments, including Redland City Council. RADF promotes the value of arts, culture and heritage as key drivers of diverse and inclusive communities and strong regions. RADF objectives are to support arts and culture activities that provide public value for Queensland communities, build local cultural capacity, cultural innovation and community pride.

Redland City Council contributed \$57,709.50 towards these grants for ten individuals and organisations. The Queensland Government through Arts Queensland contributed \$58,853.33.

Community Grants and Sponsorship Program

Council's Community Grants and Sponsorship Program provided financial assistance for projects and events that delivered positive outcomes directly benefiting the local community.

During 2021–2022, Council awarded 88 grants totalling \$612,230 for the Community Grants Program, Sponsorship and Quandamooka Cultural Awareness Funding.

Council introduced the Village Events and Activation Grant in 2021–2022 which was developed and launched as a place-based program that funded not-for-profit community organisations and village traders in collaboration to deliver initiatives across the city to encourage people to live, work, play and spend time in Redlands Coast. The Village Events and Activation Grants for the 2021–2022 financial year awarded eight grants totalling \$75,611.

Overall, Council provided 96 grants under the Community Grants, Sponsorship and Village Events and Activation Grants Programs totalling \$679,142 during the 2021–2022 financial year.

| Organisation Name | Round & Year | Grant Type | Grant ID | Approval Amount |
|--|-------------------|------------------------|------------|---------------------|
| Macleay Island Bowls Club Inc. | Round 1 2021–2022 | Capital Infrastructure | MC-211-001 | \$11,699.00 |
| North Stradbroke Island Golf Club Inc. | Round 1 2021–2022 | Capital Infrastructure | MC-211-003 | \$7,321.00 |
| Macleay Island Arts Complex Inc. | Round 1 2021–2022 | Capital Infrastructure | MC-211-007 | \$10,000.00 |
| YMCA Brisbane | Round 1 2021–2022 | Capital Infrastructure | MC-211-008 | \$47,379.40 |
| Little Ship Club Queensland Squadron | Round 1 2021–2022 | Capital Infrastructure | MC-211-010 | \$32,500.00 |
| Redlands Baseball Club Inc. | Round 1 2021–2022 | Capital Infrastructure | MC-211-011 | \$49,997.50 |
| Redland Museum Inc. | Round 1 2021–2022 | Capital Infrastructure | MC-211-020 | \$5,447.00 |
| The Redlands Multi Sports Club Inc. | Round 1 2021–2022 | Capital Infrastructure | MC-211-024 | \$10,000.00 |
| Total 2021–2022 | | | 8 | \$174,343.90 |
| Critical Wildlife Rescue Care | Round 1 2021–2022 | Conservation Support | CS-211-002 | \$4,852.00 |
| Geoff Fullarton | Round 1 2021–2022 | Conservation Support | CS-211-003 | \$2,160.00 |
| Wildlife Preservation Society of Queensland | Round 1 2021–2022 | Conservation Support | CS-211-006 | \$9,765.00 |
| Capalaba State College P&C Association | Round 1 2021–2022 | Conservation Support | CS-211-009 | \$10,000.00 |
| Total Round 1 | | | 4 | \$26,777.00 |
| Coochiemudlo Island Heritage Society Inc. | Round 2 2021–2022 | Conservation Support | CS-222-001 | \$4,367.55 |
| Wildlife Rescue Minjerribah/NSI Inc. | Round 2 2021–2022 | Conservation Support | CS-222-002 | \$10,000.00 |
| Wildlife Preservation Society of Queensland | Round 2 2021–2022 | Conservation Support | CS-222-004 | \$9,720.00 |
| The Scout Association of Australia Queensland Branch Inc. – Eprapah Campsite | Round 2 2021–2022 | Conservation Support | CS-222-006 | \$9,568.80 |
| Meagan Doolan | Round 2 2021–2022 | Conservation Support | CS-222-007 | \$600.00 |
| Caren Gillis | Round 2 2021–2022 | Conservation Support | CS-222-008 | \$800.00 |
| Friends of the Black Swamp | Round 2 2021–2022 | Conservation Support | CS-222-009 | \$10,000.00 |
| Total Round 2 | | | 7 | \$45,056.35 |
| SMBI Listeners Inc. | Round 1 2021–2022 | Organisation Support | OS-211-005 | \$2,500.00 |
| Fun Farm Limited | Round 1 2021–2022 | Organisation Support | OS-211-007 | \$3,000.00 |
| Redlands Sporting Club Inc. | Round 1 2021–2022 | Organisation Support | OS-211-014 | \$3,000.00 |
| Redland Community Centre Inc. | Round 1 2021–2022 | Organisation Support | OS-211-019 | \$1,881.00 |
| Redland City Bands Inc. | Round 1 2021–2022 | Organisation Support | OS-211-020 | \$3,000.00 |
| Minjerribah Moorgumpin Elders-in-Council Aboriginal Corporation | Round 1 2021–2022 | Organisation Support | OS-211-024 | \$3,000.00 |
| Total Round 1 | | | 6 | \$16,381.00 |

| Organisation Name | Round & Year | Grant Type | Grant ID | Approval Amount |
|--|-------------------|----------------------|------------|--------------------|
| Mariner's Softball Club | Round 2 2021–2022 | Organisation Support | OS-222-004 | \$3,000.00 |
| The Amity Point Community Club Inc. | Round 2 2021–2022 | Organisation Support | OS-222-013 | \$3,000.00 |
| STAR Community Services Ltd | Round 2 2021–2022 | Organisation Support | OS-222-017 | \$2,000.00 |
| Little Ship Club Queensland Squadron | Round 2 2021–2022 | Organisation Support | OS-222-019 | \$3,000.00 |
| Redlands Touch Association Inc. | Round 2 2021–2022 | Organisation Support | OS-222-021 | \$3,000.00 |
| Coochiemudlo Island Coastcare Inc. | Round 2 2021–2022 | Organisation Support | OS-222-025 | \$3,000.00 |
| Redland City FC Inc. | Round 2 2021–2022 | Organisation Support | OS-222-026 | \$3,000.00 |
| Redlands Hockey Association Inc. | Round 2 2021–2022 | Organisation Support | OS-222-029 | \$3,000.00 |
| North Stradbroke Island Arts and Pottery Group Inc. | Round 2 2021–2022 | Organisation Support | OS-222-030 | \$3,000.00 |
| Lamb Island Residents Association | Round 2 2021–2022 | Organisation Support | OS-222-032 | \$1,260.00 |
| Redlands Netball Association | Round 2 2021–2022 | Organisation Support | OS-222-033 | \$3,000.00 |
| Capalaba Wildcats Basketball Club Inc. | Round 2 2021–2022 | Organisation Support | OS-222-034 | \$3,000.00 |
| Total Round 2 | | | 12 | \$33,260.00 |
| Redland Hospital Auxiliary Inc. | Round 1 2021–2022 | Project Support | PS-211-011 | \$10,000.00 |
| Redland Museum Inc. | Round 1 2021–2022 | Project Support | PS-211-017 | \$5,831.00 |
| Fun Farm Limited | Round 1 2021–2022 | Project Support | PS-211-020 | \$5,974.00 |
| Lamb Island Residents Association Inc. | Round 1 2021–2022 | Project Support | PS-211-022 | \$799.00 |
| Straddie Chamber of Commerce | Round 1 2021–2022 | Project Support | PS-211-026 | \$10,000.00 |
| OzFish Unlimited Limited | Round 1 2021–2022 | Project Support | PS-211-027 | \$5,970.00 |
| RedCity Roar Basketball Association Inc. | Round 1 2021–2022 | Project Support | PS-211-031 | \$7,205.00 |
| Redland District Committee on the Ageing Inc. (RDCOTA) | Round 1 2021–2022 | Project Support | PS-211-034 | \$9,722.00 |
| Macleay Island Progress Association Inc. (MIPA) | Round 1 2021–2022 | Project Support | PS-211-036 | \$8,280.00 |
| Total Round 1 | | | 9 | \$63,781.00 |
| Brook RED Belong Program | Round 2 2021–2022 | Project Support | PS-222-006 | \$4,400.00 |
| Redland Yurara Art Society Inc. | Round 2 2021–2022 | Project Support | PS-222-007 | \$2,450.00 |
| Amity Point Fishing Club | Round 2 2021–2022 | Project Support | PS-222-010 | \$2,370.00 |
| Life Education Centre Foundation Qld Inc. | Round 2 2021–2022 | Project Support | PS-222-012 | \$6,056.75 |
| Guides Queensland | Round 2 2021–2022 | Project Support | PS-222-013 | \$10,000.00 |
| Rural Lifestyle Options Australia | Round 2 2021–2022 | Project Support | PS-222-015 | \$6,657.95 |
| North Stradbroke Island Golf Club Inc. | Round 2 2021–2022 | Project Support | PS-222-016 | \$9,000.00 |
| Redland Museum Inc. | Round 2 2021–2022 | Project Support | PS-222-017 | \$2,560.00 |
| Oaklands Street Community Gardens | Round 2 2021–2022 | Project Support | PS-222-019 | \$9,046.28 |
| U3A Redlands District Inc. | Round 2 2021–2022 | Project Support | PS-222-021 | \$9,577.00 |
| Victoria Point Sharks Sporting Club Inc. | Round 2 2021–2022 | Project Support | PS-222-024 | \$10,000.00 |
| Zonta Club of Wynnum Redland Inc. | Round 2 2021–2022 | Project Support | PS-222-026 | \$1,500.00 |
| Lamb Island Residents Association | Round 2 2021–2022 | Project Support | PS-222-027 | \$8,650.00 |
| Straddie Chamber of Commerce | Round 2 2021–2022 | Project Support | PS-222-028 | \$10,000.00 |
| Total Round 2 | | | 14 | \$92,267.98 |

| Organisation Name | Round & Year | Grant Type | Grant ID | Approval Amount |
|--|-----------------------|--|-------------|--------------------|
| Bayside Vehicle Restorers Club Inc. | Round 1 2021–2022 | Sponsorship | S22-R1-001 | \$1,500.00 |
| STAR Community Services Ltd | Round 1 2021–2022 | Sponsorship | S22-R1-003 | \$5,000.00 |
| YMCA Brisbane | Round 1 2021–2022 | Sponsorship | S22-R1-005 | \$5,000.00 |
| Surf Life Saving Queensland | Round 1 2021–2022 | Sponsorship | S22-R1-009 | \$2,500.00 |
| Robot Productions Pty Ltd | Round 1 2021–2022 | Sponsorship | S22-R1-014 | \$20,000.00 |
| Australian School of Entrepreneurship | Round 1 2021–2022 | Sponsorship | S22-R1-018 | \$5,000.00 |
| Rotary Club of Capalaba Inc. | Round 1 2021–2022 | Sponsorship | S22-R1-019 | \$15,000.00 |
| Wynnum Manly Seagulls Rugby League Football Club Ltd | Round 1 2021–2022 | Sponsorship | S22-R1-020 | \$7,500.00 |
| Rocky Trail Entertainment Pty Ltd | Round 1 2021–2022 | Sponsorship | S22-R1-021 | \$3,000.00 |
| Redlands Coast Wedding Trail | Round 1 2021–2022 | Sponsorship | S22-R1-022 | \$5,000.00 |
| Total Round 1 | | | 10 | \$69,500.00 |
| Surf Life Saving Queensland | Round 2 2021–2022 | Sponsorship | S22-R2-001 | \$5,329.00 |
| Stradbroke Chamber Music Festival Inc. | Round 2 2021–2022 | Sponsorship | S22-R2-002 | \$5,103.00 |
| Coochiemudlo Island Heritage Society Inc. | Round 2 2021–2022 | Sponsorship | S22-R2-003 | \$2,500.00 |
| Australian Events Marketing Pty Ltd | Round 2 2021–2022 | Sponsorship | S22-R2-005 | \$15,000.00 |
| Redlands Museum | Round 2 2021–2022 | Sponsorship | S22-R2-012 | \$1,230.00 |
| Calvary Family Church | Round 2 2021–2022 | Sponsorship | S22-R2-013 | \$15,001.00 |
| The Event Crew Pty Ltd | Round 2 2021–2022 | Sponsorship | S22-R2-016 | \$15,000.00 |
| Redlands Netball Association | Round 2 2021–2022 | Sponsorship | S22-R2-018 | \$10,000.00 |
| Minjerribah Moorgumpin Elders-in-Council | Round 2 2021–2022 | Sponsorship | S22-R2-020 | \$5,000.00 |
| Point Lookout Boardriders | Round 2 2021–2022 | Sponsorship | S22-R2-021 | \$6,500.00 |
| Total Round 2 | | | 10 | \$80,663.00 |
| Redland Spring Festival | 2021–2022 | Quandamooka Cultural Awareness Funding | QD-2022-001 | \$1,500.00 |
| Island Vibe Pty Ltd | 2021–2022 | Quandamooka Cultural Awareness Funding | QD-2022-002 | \$1,500.00 |
| Total approved separate to Sponsorship applications | | | 2 | \$3,000.00 |
| Star Community Services Ltd | 2021–2022 Sponsorship | Quandamooka Cultural Awareness Funding | S22-R1-003 | \$1,200.00 |
| Australian School of Entrepreneurship | 2021–2022 Sponsorship | Quandamooka Cultural Awareness Funding | S22-R1-018 | \$600.00 |
| Wynnum Manly Seagulls Rugby League Football Club Ltd | 2021–2022 Sponsorship | Quandamooka Cultural Awareness Funding | S22-R1-020 | \$1,500.00 |
| Coochiemudlo Island Heritage Society Inc. | 2021–2022 Sponsorship | Quandamooka Cultural Awareness Funding | S22-R2-003 | \$900.00 |
| Redland Museum Inc. | 2021–2022 Sponsorship | Quandamooka Cultural Awareness Funding | S22-R2-012 | \$1,500.00 |
| Minjerribah Moorgumpin Elders-in-Council | 2021–2022 Sponsorship | Quandamooka Cultural Awareness Funding | S22-R2-020 | \$1,500.00 |
| Total approved in Sponsorship applications | | | 6 | \$7,200.00 |

| Organisation Name | Round & Year | Grant Type | Grant ID | Approval Amount |
|---|--------------|----------------------------------|-----------|-----------------|
| Southern Moreton Bay Islands Chamber of Commerce Inc. | 2021–2022 | Village Event & Activation Grant | VV-22-001 | \$12,000.00 |
| North Stradbroke Island Arts and Pottery Group Inc. | 2021–2022 | Village Event & Activation Grant | VV-22-002 | \$12,000.00 |
| Goompi Give and Grow | 2021–2022 | Village Event & Activation Grant | VV-22-006 | \$6,812.70 |
| The Cage Youth Foundation Ltd | 2021–2022 | Village Event & Activation Grant | VV-22-007 | \$12,000.00 |
| Capalaba Football Club Inc. | 2021–2022 | Village Event & Activation Grant | VV-22-008 | \$9,000.00 |
| Bayside Community Radio Association Inc. (Bay FM 100.3) | 2021–2022 | Village Event & Activation Grant | VV-22-010 | \$12,000.00 |
| Redland City Bands Inc. | 2021–2022 | Village Event & Activation Grant | VV-22-011 | \$1,244.00 |
| Redlands Coast Chamber of Commerce | 2021–2022 | Village Event & Activation Grant | VV-22-012 | \$10,555.00 |
| Total 2021–2022 | | | 8 | \$75,611.70 |
| Total Applications | | | 96 | \$679,141.93 |
| | | Total community Grants | 60 | \$451,867.23 |
| | | Total Sponsorship | 28 | \$160,363.00 |
| | | Total CGP & Sponsorship | 88 | \$612,230.23 |
| | | Total VEAG | 8 | \$75,611.70 |

Joint government activity

Under section 190(1)(d) of the *Local Government Regulation 2012*, Council must include details of any services, facility or activity supplied by another local government (under an agreement for conducting a joint government activity), where special rates or charges were levied.

There were no such services provided by another local government in 2021–2022.

Competitive neutrality complaints

In accordance with section 190(1)(i) & (j) of the *Local Government Regulation 2012* there were no competitive neutrality complaints for Council's Business Activities subject to the Code of Competitive Conduct during the 2021–2022 year.

Administrative action complaints

Council is committed to the fair management of administrative action complaints. This commitment is underpinned by our *Administrative Action Complaints Process (GOV-014-P)*, which supports Council's priority to deliver inclusive and ethical governance for the community. The policy includes Council's commitment to the resolution of complaints and to act in accordance with the principles contained in the *Local Government Act 2009* ('the Act').

The policy is supported by a guideline which outlines a clear administrative method of handling and resolving complaints made by community members about various issues, including:

- a decision, or failure to make a decision
- an act, or failure to do an act
- the formulation of a proposal or intention
- the making of a recommendation.

Council has implemented a process where administrative action complaints are dealt with by our Senior Advisor Administrative Review operating independently to the operational units of Council. All administrative action complaint decision notices provide complainants with their appeal options to the Queensland Ombudsman.

We are required under section 187(2) of the *Local Government Regulation 2012* to disclose the number of complaints made and resolved through our administrative action complaints process.

| Outcome of administrative action complaints | Number |
|---|--------|
| Number of complaints made under the Administrative Action Complaints Process during 2021–2022 | 131 |
| Number of complaints resolved under the Administrative Action Complaints Process during 2021–2022 | 133 |
| Number of complaints made under the Administrative Action Complaint Process during 2021–2022 which remain unresolved as at 30 June 2022 | 0 |
| Number of complaints made under the Administrative Action Complaints Process during 2020–2021 which remained unresolved as at 1 July 2021 | 2 |
| Number of unresolved complaints during 2021–2022 that were made under the Administrative Action Complaint Process during 2020–2021 | 0 |

The full Administrative Action Complaint Process is available on Council's [website](#).

Particular resolutions

Adoption of an expenses reimbursement policy

There were no Council resolutions made in relation to the adoption of an expenses reimbursement policy during this reporting year.

Valuation of non-current physical assets

There were no Council resolutions made in relation to the valuation of non-current physical assets during this reporting year.

Changes to tenders

- T-2019-21-22-RCC Cleaning Services – decrease in scope of works
- T-2023-21/22-CLM Collection and Disposal of Regulated and Other Related Liquid Waste – changes to specification to include additional information on approximate collection capacity and additional process requirement.

Summary of concessions for rates and charges

In 2021–2022, Council provided general rate concessions to support cultural and economic development, not-for-profit organisations and pensioners on Centrelink or Department of Veterans' Affairs Gold Card benefits. Pensioners who lived in homes where the roofline extended over an adjoining boundary in the same ownership name also received concessions on separate and special charges.

A concession on separate and special charges was also provided for parcels of contiguous land in the same ownership name and for farmers carrying on a business of primary production. Concessions in the form of payment arrangement plans were provided to ratepayers suffering hardship, to enable rates and charges to be recovered over a longer period.

Council also accepted concessional agreements for the voluntary transfer of unencumbered land in full or part payment of rates or charges.

Further details are available in the *2021–2022 Budget* and associated policies on Council's [website](#).

Beneficial enterprises

Under section 41 of the *Local Government Act 2009*, a local government's annual report for each financial year must contain a list of all the beneficial enterprises conducted during the financial year.

Council's beneficial enterprises include the Redland Investment Corporation (RIC) as well as its subsidiary companies that are local government-controlled entities:

- RIC Toondah Pty Ltd
- Redland Developments Pty Ltd (previously Ava Terraces Pty Ltd)
- Cleveland Plaza Pty Ltd.

Significant business activities

City Waste, which looks after Council's waste management activities, is a significant business activity. You can find more information on City Waste's activities in 2021–2022 on pages 50-53.

City Water is a commercial business unit of Council, responsible for water supply, wastewater collection and wastewater treatment. You can find more information on City Water's activities in 2021–2022 on pages 54-61.

The competitive neutrality principle has been applied to both business activities above.

There were no investigation notices given in 2021–2022 under section 49 of the *Local Government Regulation 2012* for competitive neutrality complaints.

Under section 190(1)(c) of the *Local Government Regulation 2012*:

A local government's annual report for a financial year must include an annual operations report for each commercial business unit. Section 190(2) of the *Local Government Regulation 2012* states:

- An annual operations report for a commercial business unit means a document that contains the following information for the previous financial year:
 - Information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan
 - Particulars of any changes made to the unit's annual performance plan for the previous financial year
 - Particulars of the impact the changes had on the unit's:
 - Financial position
 - Operating surplus or deficit
 - Prospects
 - Particulars of any directions the local government gave the unit.

Council registers

In accordance with section 190(1)(f) of the *Local Government Regulation 2012*, Council maintains the following registers:

- Register of Assets
- Register of Beneficial Enterprise
- Register of Business Activities
- Register of Contact with Lobbyists
- Register of Cost-Recovery Fees
- Register of Councillor Conduct
- Register of Delegations – Chief Executive Officer to Employees
- Register of Delegations – Council to the Chief Executive Officer
- Register of Delegations – Mayor
- Register of Development Applications – Development.i
- Register of Gifts
- Register of Impounded Animals
- Register of Interests - Mayor, Councillors, Senior Executive Officers, and related persons
- Register of Local Laws
- Register of Policies
- Register of Roads Map.

Report on Internal Audit

Internal Audit provides Councillors and management with assurance that internal control systems within Council and its controlled entities are efficient, effective and that risks are appropriately addressed so objectives can be achieved.

Internal Audit operates in accordance with *Council's Internal Audit Policy (GOV-10-P)* and the *Internal Audit Charter*, which set out the mandate, roles and responsibilities of the function.

Internal Audit is an independent function within Council, with audit and investigation findings reported directly to the Chief Executive Officer and the Audit and Risk Management Committee. Internal Audit's administrative, financial and employee management activities are managed through Council's Corporate Governance Group. The Internal Audit Unit was staffed by officers and service providers with a mix of financial management and audit experience.

The objective and scope of internal audit activities is determined through a risk-based approach that involves consultation with management, Audit and Risk Management Committee and the Queensland Audit Office to ensure appropriate audit coverage.

In 2021–2022, Internal Audit issued 12 internal audit reports (11 for Council and one for Redland Investment Corporation) with 154 recommendations (151 for Council and three for Redland Investment Corporation). Internal Audit's findings confirmed that a satisfactory internal control environment exists within Council.

| Audit recommendations 2021–2022 | Council | RIC |
|---|----------------|------------|
| Open recommendations at 1 July 2021 | 115 | - |
| Recommendations added during the reporting period | 151 | 3 |
| Recommendations implemented during the reporting period | 177 | - |
| Open recommendations at 30 June 2022 | 89 | 3 |

Audit and Risk Management Committee

The objective of the Audit and Risk Management Committee is to promote good corporate governance within Council and its controlled entities in accordance with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Council's Audit and Risk Management Committee Charter. The Audit and Risk Management Committee complements the relationship between Internal Audit and the wider organisation, safeguarding Internal Audit's independence and further increasing the Internal Audit function's effectiveness and value to Council.

During 2021–2022, the Audit and Risk Management Committee comprised:

- Mr Mitchell Petrie (Independent chairperson)
- Ms Mary Goodwin (Independent member)
- Mayor Karen Williams (Councillor member)
- Cr Tracey Huges (Councillor member).

Mr Mitchell Petrie was previously an audit assurance partner with KPMG and has extensive audit, enterprise risk management, board advisory and governance experience and knowledge with a wide range of organisations including Queensland state and local government bodies. Ms Mary Goodwin has extensive experience working in senior leadership roles, with particular emphasis on governance, risk management, strategy and procurement, across a diverse range of industries in the public and private sectors including local governments. Mayor Karen Williams and Cr Tracey Huges both contribute to the Audit and Risk Management Committee's understanding and appreciation of the elected Council's objectives and perspectives.

The Chief Executive Officer, Executive Leadership Team, Group Manager Corporate Governance and representatives of the Queensland Audit Office attend Audit and Risk Management Committee meetings as standing invitees. The Principal Adviser Internal Audit acts as the secretary of the Audit and Risk Management Committee. Council officers regularly present reports and attend meetings to respond to Audit and Risk Management Committee requests for information on matters of relevance to the Audit and Risk Management Committee's role.

The Audit Committee meets four times a year, of which one meeting is for the purpose of reviewing the draft annual financial statements prior to submission to the Queensland Audit Office. The Audit and Risk Management Committee met on the following occasions during 2021–2022:

- 13 August 2021
- 16 September 2021
- 27 April 2022
- 9 June 2022.

Commercial business units

Redland Investment Corporation

BENEFICIAL ENTERPRISE STATEMENT OF OPERATIONS

Redland Investment Corporation (RIC) was established by Redland City Council to focus on Council's city building and place making projects to strengthen the economy, stimulate investment and provide socio-economic benefits to the Redlands Coast community.

To support key outcomes within Council's Corporate Plan, *Our Future Redlands – A Corporate Plan to 2026 and Beyond*, RIC drives economic and infrastructure development in the city through the delivery of major city building and placemaking projects, property development, land sales and investments.

RIC is committed to working commercially and sustainably in its conduct, efficiently delivering all facets of business to fulfil the broader community's social, economic and environmental needs.

KEY PROJECTS 2021–2022

In the 2021–2022 financial year, RIC continued to focus on progressing three of Council's key placemaking projects - Weinam Creek and Toondah Harbour Priority Development Areas (PDAs) and the Capalaba Town Centre revitalisation – to generate value and benefit for the Redlands Coast community.

RIC's key achievements this financial year included:

- The approval of the final draft master plan for the Weinam Creek PDA.
- Progressing design plans in preparation of Stage 3a works of the Weinam Creek PDA, which will see the extension of Hamilton Street, Redland Bay. This will improve the transport access to the Redland Bay Marina Ferry Terminal.
- A land swap agreement between Council and the Queensland State Government was settled. The agreement saw a transfer of land at Meissner Street to the State, in exchange for a key development site for the Weinam Creek PDA project, outside the Marina Ferry Terminal.
- Continued community engagement with key residents within the Weinam Creek PDA precinct with several communication updates sent out, as well as in-person meetings.
- Working closely with preferred development partner, Shayher Group to progress the proposed master plan and finalise the commercial agreement for the Capalaba Town Centre revitalisation project.
- Providing project management, professional and administrative service support to Council for the Toondah Harbour PDA.

OBJECTIVE

RIC's key objective is to be successful in the conduct of its activities and efficient in the delivery of all facets of its business.

VISION

RIC strives to be an innovative, responsible and sustainable company that achieves its business objectives and creates value for the Redlands Coast community and Council.

MISSION

- Grow the economy through facilitating development and business opportunities, while supporting local jobs.
- Lead the Redlands Coast development industry by delivering high quality, exemplary projects that consider the environment, community and best practice industry principles.
- Balance the long-term impacts of investment decisions with financial returns and consideration of the community's broader needs, including social and environmental aspects.
- Manage and achieve Council outcomes.
- Participate in commercial negotiations on behalf of Council and provide a better financial return for the Redlands Coast community.
- Focus on delivering place making and city building projects providing economic growth and community benefit for Redlands Coast.
- Build profitable, successful projects and respected relationships with business groups and the Redlands Coast community.

VALUES AND BEHAVIOURS

- Safety first – our first priority is our own safety and the safety of others.
- Ethical and responsible decision making – we honour our commitments and are open, honest and transparent.
- Earn the trust and respect of the customers and the community – we are customer service-oriented and take care to understand Council's and the Redlands Coast community's needs.
- Promote a positive workplace – we encourage engagement, creativity and acknowledge achievements.

WHERE TO FIND MORE INFORMATION

Visit the RIC website at redlandinvestcorp.com.au

City Waste

RESPONSIBILITIES

City Waste is Redland City Council's commercial waste business unit, and is responsible for:

- Collecting waste, recycling and green waste from domestic premises
- Collecting waste and recycling from park and street bins
- Delivering waste and recyclable materials to licensed waste disposal and recycling facilities
- Reducing waste to landfill through recycling and resource recovery activities and services
- Providing waste reduction and recycling education and community engagement programs
- Operating two mainland and six island recycling and waste centres including Council's tip shop RecycleWorld
- Planning for future waste and recycling infrastructure requirements
- Delivering programs and initiatives to meet Council's waste reduction and recycling targets for waste reduction and resource recovery.

City Waste provides waste and resource recovery services to Council and the community in accordance with the *City Waste Annual Performance Plan (APP) 2021–2022* (available in Council's *Operational Plan 2021–2022*).

In 2021–2022, City Waste provided essential waste and recycling collection services to all residential premises and managed 118,953 tonnes of municipal solid waste (MSW) including recyclable materials.

Of this amount, 52.4 per cent was recycled, composted or recovered for reuse, a 0.7 per cent increase in resource recovery performance compared to the previous year.

STATEMENT OF OPERATIONS

2021–2022 at a glance:

- Responded to 13,817 customer service requests
- Provided essential waste and recycling collection services to all households
- A further 2,723 households joined the kerbside green waste bin collection service, bringing the total green waste services to 21,944 households
- A total of 34,929 tonnes of green waste from residential properties was composted and turned back into valuable soil products and compost, equivalent to 214 kg per person
- A total of 27,365 tonnes of recyclables from residential sources was diverted from landfill
- More than 414,000 residential and commercial customer visits to the recycling and waste centres
- Delivered waste reduction and recycling education to the community through face-to-face, digital and other campaigns
- Established permanent e-waste recycling services to North Stradbroke, Russell, Macleay and Coochiemudlo Islands recycling and waste centres
- Supported community events including Clean Up Australia Day, and supported a further 32 community groups and organisations to help remove litter across Redlands Coast
- Provided waste collection and disposal services to community groups following the February 2022 rain event.

OUR STATUTORY DUTIES

This Annual Report has been provided to meet the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. This legislation requires City Waste to report annually on its operations and performance and includes information on:

- Changes made to the annual performance plan during the year
- Impacts of the annual performance plan, including:
 - Financial position
 - Operating surplus or deficit
 - Prospects
 - Details of Council's direction to the unit.

REDLAND CITY COUNCIL'S WASTE REDUCTION AND RECYCLING PLAN

Council's *Redland City Waste Reduction and Recycling Plan 2021– 2030* (WRRP), was adopted in March 2022.

Council is resetting the focus to reinforce to the community the importance of separating waste and recyclables at home and strengthening the understanding of options to keep food and green waste out of the waste bins to avoid landfill.

The plan outlines how Council and the Redlands Coast community will work collaboratively to improve the use of the existing kerbside waste, recycling and green waste services.

Council is committed to ensure everyone knows the importance of using the right bin through the following goals:

- Reducing recyclables, green waste and food waste lost through the red bin
- Halving contamination (non-recyclable material) in the yellow-lid recycling bin
- Increasing the number of households with a green waste bin for garden organics
- Producing an organics transformation plan building on a roadmap for greater diversion of organics from landfill.

SPECIFIC HIGHLIGHTS FOR 2021–2022

- Continued to partner with member councils to progress work on a sub-regional Expression of Interest for new resource recovery services.
- Engaged with the community through a number of awareness campaigns to support waste avoidance and waste reduction including:
 - Initiated a pilot sponsorship of Tangalooma Eco Marines to engage with five schools across Redlands Coast.
 - Sponsored the Get Grubby program to assist early educators in waste reduction, recycling and composting education resources.
 - Conducted education campaigns focusing on incorrect materials (contamination) in recycling and green waste bins.
 - Promoted Clean Up Australia Day and supported community groups with waste collection or disposal services with more than 30 events registered across Redlands Coast.
 - Distributed more than 50,000 A-Z waste and recycling guides to households across Redlands Coast.
 - Promoted the RecycleMate App to the community.
 - Conducted School and community visits to do talks on recycling contamination, composting and worm farming.

- o Conducted hazardous waste campaigns to educate community about the safe disposal of waste that has the potential to cause harm or damage for example gas bottles, flares and batteries.
- o Supported National Campaigns including Plastic Free July, Garage Sale Trail, National Composting Week, National Recycling Week.
- o Supported and promoted the battery product stewardship scheme (B-cycle)
- o Continued collection of difficult to recycle items through the recycling station at IndigiScapes including face mask recycling boxes.
- o Completed internal waste reduction and recycling campaigns including the removal of desk bins across Council buildings.
- An additional 2,723 households signed up for Council's fortnightly green waste collection service, with 21,944 mainland households (36 per cent) now participating.
- Established an electronic waste (e-waste) collection service at each of the gated island recycling and waste centres.
- Continued increase of Council's resource recovery rate, climbing to 52.4 per cent of all municipal solid waste (MSW) recovered for recycling or reuse.

KEY PERFORMANCE INDICATORS

Municipal solid waste - recycling rate

| | 2017–2018 | 2018–2019 | 2019–2020 | 2020–2021 | 2021–2022 |
|---|-----------|-----------|-----------|-----------|-----------|
| Total municipal solid waste handled (tonnes) | 102,366 | 95,947 | 107,093 | 114,188 | 118,952 |
| Total municipal solid waste diverted from landfill (tonnes) | 44,626 | 42,255 | 48,760 | 59,007 | 62,292 |
| MSW resource recovery rate (%) | 43.6 | 44.0 | 45.5 | 51.7 | 52.4 |











Municipal solid waste – waste generation (kilograms per capita)

| | 2017–2018 | 2018–2019 | 2019–2020 | 2020–2021 | 2021–2022 |
|--|-----------|-----------|-----------|-----------|-----------|
| Waste to landfill per capita (kg) | 274 | 340 | 366 | 342 | 347 |
| Recyclable material generation per capita (kg) | 263 | 242 | 137 | 146 | 168 |
| Greenwaste generation per capita (kg) | 160 | 149 | 168 | 220 | 214 |
| Municipal solid waste generation per capita (kg) | 697 | 731 | 671 | 708 | 729 |

Complaints and compliments

| | 2017–2018 | 2018–2019 | 2019–2020 | 2020–2021 | 2021–2022 |
|--|-----------|-----------|-----------|-----------|-----------|
| Percentage of verified missed service complaints (%) | 0.029% | 0.022% | 0.036% | 0.031% | 0.032% |
| Other complaints | 77 | 66 | 53 | 65 | 48 |
| Number of compliments | 42 | 30 | 20 | 27 | 24 |

2021–2022 Annual Performance Plan (APP) - Key Performance Indicators

| Corporate Plan Goal | Key Performance Indicator | Yearly target | Yearly KPI achieved | Achieved |
|---|--|---------------|---------------------|--|
| Goal 4 – Natural environment Our environment enhances our identity, lifestyle, wellbeing, economy and cultural values. Opportunities to be immersed in our naturally wonderful environment are harnessed, and drive our commitment to protect and enhance our natural assets. | Municipal solid waste (MSW) recycling rate | Min 47.5% | 52.4% |  |
| | Percentage of contamination in household recycling bins | <10.8% | 11.3% |  |
| | Number of households with a green waste bin | 23,725 | 21,944 |  |
| | Waste generation per capita | ≤ 601 kg | 729 kg |  |
| | % compliance with environmental licence requirements for waste management facilities | Min 98% | 98.8% |  |
| Goal 7 – Efficient and effective organisation Council employees are proud to deliver efficient, valued and sustainable services for the betterment of the community. | Waste operating revenue | +/- 5% | 0.99% |  |
| | Waste operating goods and services | +/- 5% | 0.71% |  |
| | Waste capital expenditure | +/- 5% | -61.85% |  |
| | Lost time injuries | 0 | 0 |  |
| | Missed service complaints (verified) | <0.035% | 0.032% |  |

Notes to Key Performance Indicators not achieved:

- The 2021–2022 yearly target for percentage of contamination in household recycling bins aligns to Council's aspirational target to reduce contamination to 5 per cent by 2025. The recently adopted WRRP now sets a longer-term objective to halve the percentage of contamination in household recycling bins from 12 per cent to 6 per cent by 2030. Council's performance in 2021–2022 resulted in a reduction of contamination of 0.94 per cent compared to 2020–2021 which aligns to the revised WRRP target of 11.33 per cent. Council is actively seeking to reduce recycling contamination through a range of education, communication and engagement activities described in this Statement of Operations. External factors including the Container Refund Scheme and changes in the manufacture of recyclable material such as lightweight packaging has impacted how local governments and their residents can reduce the percentage of contamination in household recycling bins.
- A target of 23,725 households with a green waste bin was set for 2021–2022 in order to meet Council's aspirational target of 35,000 households by 2025. This target was set before the adoption of the WRRP in February 2022 which now sets a different KPI to implement a Food Organics Garden Organics (FOGO) collection service by 2030. However, to be ready for a FOGO service Council is actively seeking to increase the number of households participating in the kerbside green waste collection service through a range of communication and engagement activities described in this Statement of Operations.
- The 2021–2022 target for waste generation per capita was aligned to the Queensland Government's target for a 10 per cent reduction in waste generation by 2025 against Council's 2017–2018 baseline of 682kg per capita. In February 2022, Council adopted its WRRP which sets a longer-term target of reducing total waste generation from 682kg per capita in 2017–2018 to 580kg per capita by 2030. The 2021–2022 actual waste generation of 729kg includes waste to landfill (347kg), household recyclables (168kg) and green waste (214kg). Waste to landfill is trending downwards (7 per cent reduction) since 2017–2018 with recyclable material recovery trending upwards (24 per cent increase) over the same period. Over half of Redlands Coast household waste is recycled, however the Queensland Government's target to reduce waste generation includes all household waste landfilled or recycled. Meeting this target is challenging as factors such as rainfall resulting in higher vegetation growth are out of Council's control, yet Council actively encourages its residents to lift the right lid or utilise recycling services at its waste facilities.
- The 2021–2022 annual budget for waste capital expenditure was developed to include costs relating to replacement of damaged or stolen mobile garbage bins (MGBs). A review of the capital expenditure accounting standard for MGBs after the annual budget was adopted resulted in replacement bins being classed as operational expenditure. This resulted in an underspend in waste capital expenditure.

City Water

RESPONSIBILITIES

City Water is Redland City Council's commercial water business unit, responsible for water supply and wastewater collection and treatment. City Water's mission is to meet or exceed agreed standards of water and wastewater services while managing the business for long-term success.

City Water contributes to preserving the city's quality of life by servicing the Redlands Coast population through 58,479 water main connections and 56,192 wastewater connections. In 2021–2022 City Water purchased 13,082 megalitres of drinking water to supply to its customers and treated 13,751.75 megalitres of wastewater.

OUR STATUTORY DUTIES

This report details City Water's performance for the 2021–2022 financial year and fulfils the business unit's duties under the *Local Government Act 2009*, the *Water Act 2000* and the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009*.

City Water is required to prepare a *Drinking Water Quality Management Plan* (DWQMP) and provide the Queensland Department of Regional Development Manufacturing and Water (Regulator) with an annual report, in accordance with sections 141 and 142 of the *Water Supply (Safety and Reliability) Act 2008* in each financial year and this report must be made available to the public.

City Water is also required to undertake regular audits of its DWQMP in accordance with section 108 of the *Water Supply (Safety and Reliability) Act 2008*. A regular audit of the DWQMP was conducted on 13 and 14 September 2021 with the audit report being submitted to the Regulator on 24 September 2021.

The audit report noted a high level of compliance, with significant improvement in the management of water quality data and reporting. One major non-compliance in relation to inadequate procedures around disinfection practices and four other minor non-compliances were identified. This resulted in 12 recommendations to address the non-compliances and 16 opportunities for improvement and City Water has been making significant progress against these.

Under the *SEQ Water (Distribution and Retail Restructuring) Act 2009*, City Water is required to prepare a Netserv Plan. The current *Netserv Plan Part A* is aligned to the *Redland City Plan* and came into effect with the commencement of the *Local Government Infrastructure Plan* on 1 July 2018.

City Water continues to maintain close liaison and regional collaboration with south-east Queensland water service providers and Seqwater through participation in regional working groups and regional projects as required under the *Bulk Water Supply Code*.

FINANCIAL REPORT AND COMMUNITY SERVICE OBLIGATIONS










Details of City Water's financial statement for the year ended 30 June 2022 are contained in the Consolidated Financial Statements on page 62.

DELIVERING ON CUSTOMER SERVICE

Customer service standards

Customer service standards describe and define the levels of service City Water commits to provide its customers for water and wastewater services. The definitions are aligned with the National Performance Reporting definitions.

A summary follows of our water and wastewater service standard key performance indicators (KPIs), targets and performance for 2021–2022 in the City Water Annual Performance Plan as adopted by Council.

| KPI | Unit | Target | Actual | KPI Achievement |
|---|------|----------------------------------|----------|---|
| Operating revenue (actual to budget) | % | +/-5 | 3.51% |  |
| Operating goods and services expenditure (actual to budget) | % | +/-5 | 6.47% |  1 |
| Capital expenditure (actual to budget) | % | +/-5 | 70.30% |  2 |
| Treatment costs per property serviced (wastewater) | \$ | \$146.44 per year | \$183.30 |  3 |
| Maintenance costs per property serviced (water) | \$ | \$62.33 per year | \$68.36 |  3 |
| Maintenance costs per property serviced (wastewater) | \$ | \$119.75 per year | \$122.44 |  3 |
| Number of wastewater treatment plant non-conformances with DES licence | # | Max .5 per month (6 per year) | 16 |  4 |
| % compliance with <i>Australian Drinking Water Guidelines</i> (ADWG) within distribution system. Does not include non-compliant water received at the point of transfer to the distribution system, i.e. from the bulk water supply | % | Min 98% | 100% |  |
| Number of lost time injuries | # | 0 | 1 |  5 |

Notes to Key Performance Indicators not achieved:

1. There has been a favourable variance within budget for goods and services expenditure. This has been predominantly generated within bulk water purchases and is in line with revenue collection from bulk water.
2. Supply delays resulted in a number of jobs unable to be completed prior to the end of the financial year and have been carried over into 2022-2023. In addition to this there were also favourable variances in a number of completed jobs, where the full allocated budget was not needed.
3. Increases across the treatment and wastewater network for contractor costs, (for example, traffic control, electrical and mechanical, waste disposal fee, parts and materials as well as gravel and landscaping supplies) contributed to the result along with an increase in bio solid disposal costs impacted the results. City Water Group is continuously striving to achieve cost effective targets.
4. Of the 16 reported licence exceedances reported to Department of Environmental Science (DES) during 2021-2022, 12 were directly related to the unprecedented wet weather events experienced in early 2022. The remaining four reported incidents were parameter limit exceedances. All reported wastewater non-conformances have been closed satisfactorily by DES with no further action required on the part of Council.
5. The City Water Group continues to strive for zero lost time injuries. Within the 2021-2022 financial year, unfortunately one injury was recorded, although this is a significant improvement from five, recorded in the previous financial year.

Water Supply

| | |
|--|------------|
| Reservoirs | 5 |
| Length water mains (Kilometres) | 1,320 |
| Number of active meters | 62,589 |
| Number of connected residential properties (excluding 6,772 vacant blocks) | 61,497 |
| Number of connected non-residential properties | 2,364 |
| Total number connected properties (excluding 6,772 vacant blocks) | 63,861 |
| Water purchased (Megalitres) | 13,082 |
| Total assets (\$ million) | 288 |

KEY PROJECTS 2021–2022

| Project | Description | Budget \$ | Expenditure to date \$ | Comments |
|---|---|-----------|------------------------|---|
| 62107 complete annual water meter replacement program | A rolling program of replacing water meters occurs each year | \$505,192 | \$495,573 | 5,850 water meters were replaced in 2021–2022 |
| 62003 emergency water works, Alexandra Hills LLZ DMA | Upgrade of three butterfly valves, three spool pieces and modification of pit access cover plates | \$250,000 | \$147,335 | Upgrade of DN750, DN600 and DN500 geared butterfly valves and their associated spool pieces and improvements to existing pit access cover plates. Site location outside 1–7 Finucane Road, Capalaba |

DRINKING WATER QUALITY MONITORING

Drinking water quality monitoring is undertaken through a verification monitoring program approved by the Regulator.

Under the *Water Supply (Safety and Reliability) Act 2008* (Section 102) and the *Public Health Act 2005*, City Water must report to the Regulator any non-compliance with *Australian Drinking Water Guideline* (ADWG) or report to the Regulator an event that may impact public health.

A result of 100 per cent compliance with the ADWG was achieved in 2021–2022.

Annual *Drinking Water Management Plan* reports are required to be provided to the Regulator within 120 business days of the end of the financial year.

| Wastewater | |
|---|------------|
| Treatment plants | 7 |
| Pumping stations | 137 |
| Length of sewer mains (kms) | 1,216 |
| Number of connected residential properties (excluding 1093 vacant blocks) | 53,235 |
| Number of connected non-residential properties | 1,887 |
| Total number of connected properties (excluding 1093 vacant blocks) | 55,122 |
| Wastewater collected - influent (ML) | 14,171 |
| Sludge re-use | ~75% |
| Recycled effluent for re-use (ML) – note volume is estimated | 584.9 |
| Tradewaste generators | 717 |
| Tradewaste discharged to sewer (ML) | 262 |
| Total assets (\$ million) | 510 |

KEY WASTEWATER PROJECTS 2021–2022

| Project | Description | Budget \$ | Expenditure to date \$ | Comments |
|--------------------------|------------------------------------|-----------|------------------------|---|
| 64303-2 wet well renewal | SPS005 wet well renewal, Cleveland | \$785,724 | \$870,757 | Additional work to isolate the pump station and allow for the safe completion of the works was required to the inlet main to the pump station. MHA1/1 refurbishment was also undertaken in addition to the scope of work at the pump station itself |

ENVIRONMENTAL INITIATIVES

City Water continued its focus on improving the environmental performance of its wastewater treatment plants (WWTPs), pump stations and water and wastewater reticulation mains.

Real time water quality monitoring was undertaken to provide compliance verification for chlorine levels in the effluent discharge from Cleveland WWTP. This was required following the installation of a de-chlorination system at Cleveland WWTP. The reduction in chlorine in the effluent is a benefit to Hilliards Creek downstream of the Cleveland WWTP. The water quality data will also be used to investigate more environmentally beneficial disposal methods than the irrigation which currently occurs at the Cleveland WWTP site. As part of this investigation, offsets are being considered including options to undertake site specific koala tree planting.

Catchment offset projects, including streambank restoration at Eprapah Creek and stormwater channel naturalisation, to support Victoria Point WWTP upgrades continue to be investigated.

A Recycled Water Opportunities Investigation was undertaken to identify opportunities to expand recycled water users and the recycled water network to aid in reducing the amount of effluent currently being discharged to the environment. These works are part of a wider program of work which is reviewing the strategic augmentation plan for the WWTPs on Redlands Coast.

Detailed studies also undertaken include influent sampling programs, upgrade options assessment for the Capalaba WWTP and receiving water assessments, along with a wider offsets opportunity investigation. The outcome of these works will inform discussions with the Department of Environmental Science (DES) in relation to licence amendments to allow for future growth and development.

City Water has commenced the use of the SWIMlocal software system, a database to assist City Water to efficiently obtain, collate, export, synchronise and translate water and wastewater data. The software is widely used among water service providers and highly regarded tool to inform the management of water and wastewater infrastructure for the benefit of Redlands Coast.

A review of Aspect and Impact registers was carried out for WWTP and pump station operations. The registers were uploaded to Council's Risk Management System "Protech" with high level risks aligned with Council's Corporate Risk Register.

Management of environmental incidents has been streamlined with all incidents reported and recorded in Council's Work Health and Safety and Environment Incident Management Systems Damstra.

In 2021–2022 there were 18 environmental incidents related to the operation of WWTP, sewer pumping stations and network. All incidents were reported to DES as per Environment Authority EPPR00874613 within the prescribed timeframe. Despite receiving significant periods of rainfall, City Water performed well and actively responded to minimise impacts on the receiving environment.

Approximately 75 per cent of all biosolids produced from the WWTPs were reused via land application for 2021–2022. The percentage reused has decreased from the 98.8 percent reported for 2020–2021 due to contractual issues which resulted in approximately 25 per cent going to landfill.

OPERATIONAL PERFORMANCE 2021–2022

In fulfilling the duties of its performance plan, City Water provided all stated services and roles for:

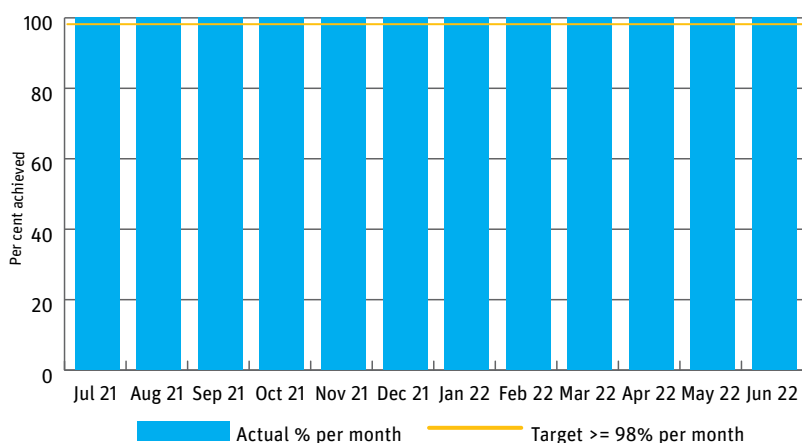
- Water supply to customers
- Wastewater collection and treatment
- Trade waste

City Water also:

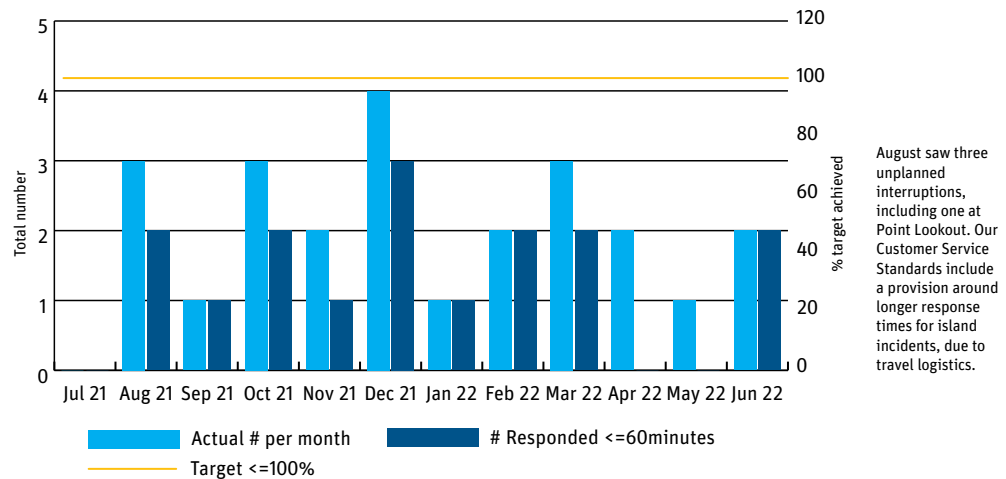
- Reported monthly on water and effluent quality and financial and capital project status
- Complied with Council's Corporate Plan, policies and procedures and its environmental management system.

The following charts demonstrate City Water's performance against its Customer Service Standards.

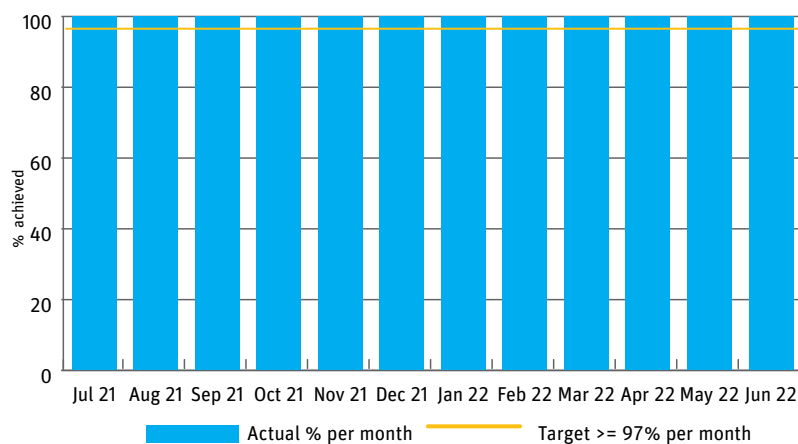
% of water samples complying with Australian Drinking Water Guidelines



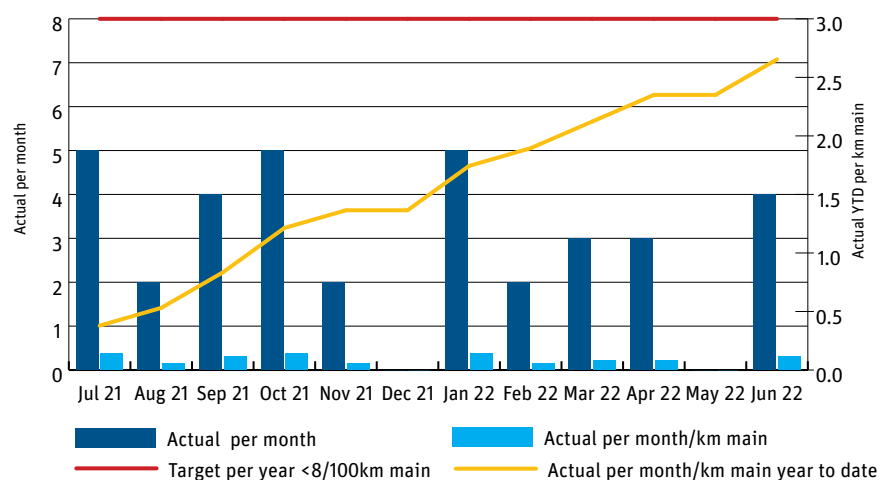
Respond to loss of supply <=60 minutes (mainland)



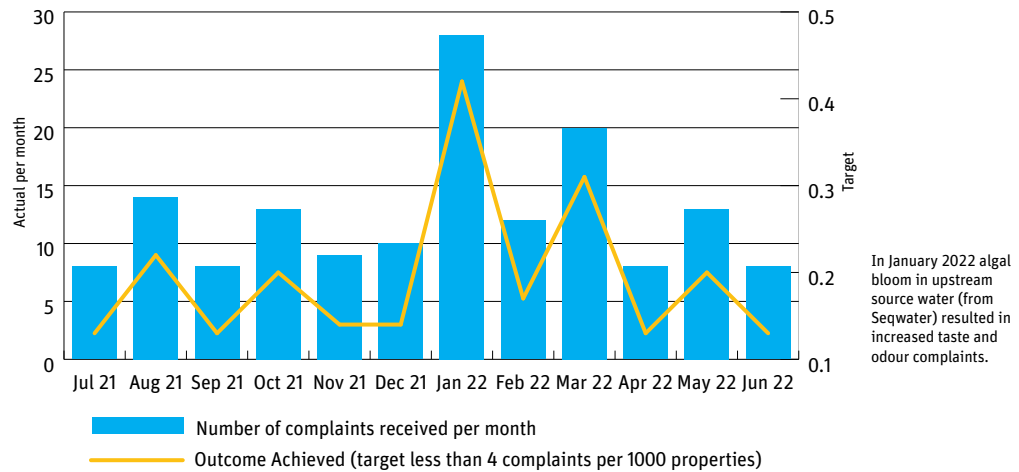
% of unplanned water interruptions restored within 5 hours



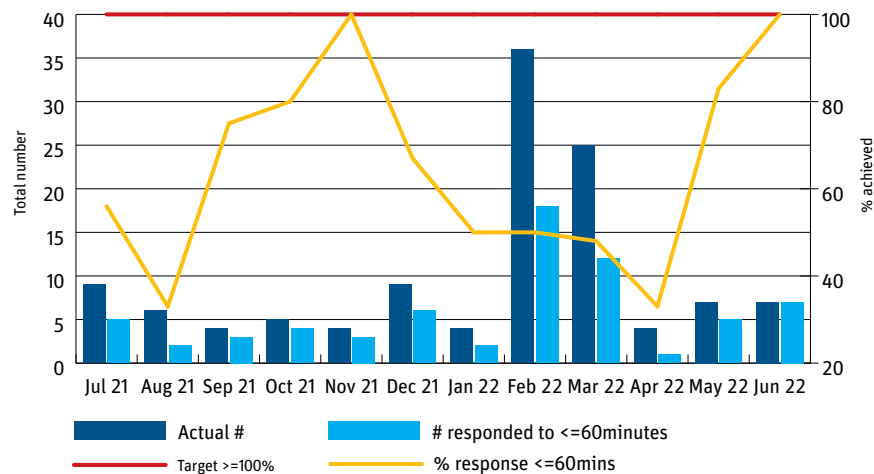
Number of water main breaks per 100km of main



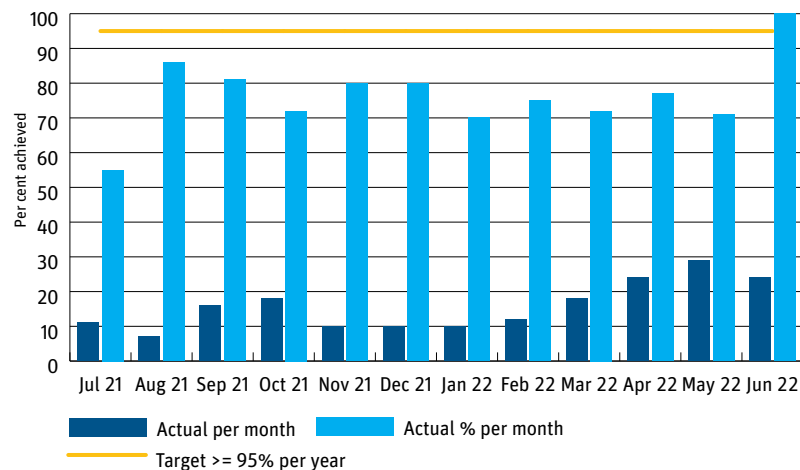
Number of water quality complaints per month



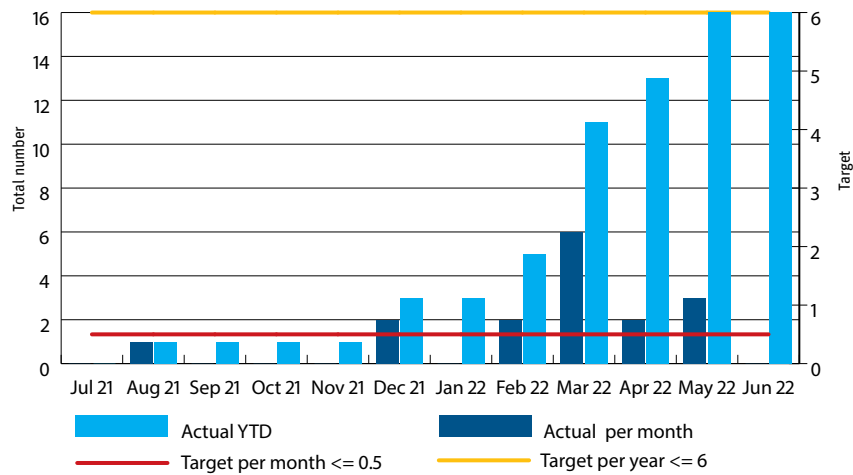
Response time to wastewater blockages/overflows



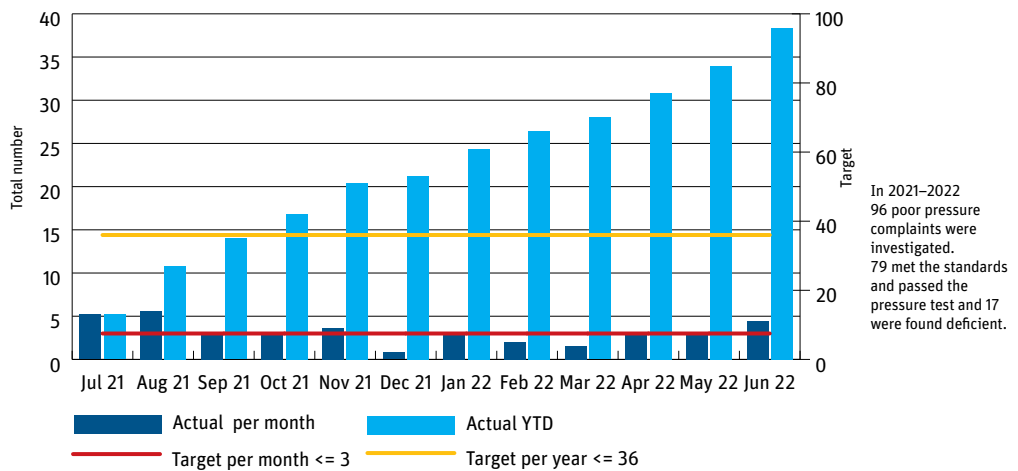
% service interruptions restored within 5 hours (wastewater)



Number of non-conformances with EHP licence



Number of poor pressure complaints (deficient)



Annual Financial Statements

The following pages 63 to 106 include Redland City Council's Consolidated Financial Statements for 2021–2022.



Redland
CITY COUNCIL

**CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022**

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

| | | Consolidated | | Council | |
|---|----------|--------------|-----------|-----------|-----------|
| | | 2022 | 2021 | 2022 | 2021 |
| | Note | \$000 | \$000 | \$000 | \$000 |
| Income | | | | | |
| Recurrent revenue | | | | | |
| Rates, levies and charges | 3(a) | 273,058 | 262,550 | 273,085 | 262,584 |
| Fees | 3(b) | 18,646 | 15,372 | 18,373 | 15,305 |
| Interest received | 3(c) | 1,736 | 1,985 | 1,716 | 2,005 |
| Sales revenue | | 7,621 | 7,681 | 4,806 | 3,547 |
| Other income | | 2,624 | 3,122 | 2,584 | 2,549 |
| Grants, subsidies and contributions | 3(d)(i) | 12,045 | 10,149 | 12,045 | 10,153 |
| Total recurrent revenue | | 315,730 | 300,859 | 312,609 | 296,143 |
| Capital revenue | | | | | |
| Grants, subsidies and contributions | 3(d)(ii) | 24,566 | 23,576 | 24,566 | 23,841 |
| Non-cash contributions | 3(d)(ii) | 15,706 | 12,064 | 15,706 | 12,064 |
| Total capital revenue | | 40,272 | 35,640 | 40,272 | 35,905 |
| Total income | | 356,002 | 336,499 | 352,881 | 332,048 |
| Expenses | | | | | |
| Recurrent expenses | | | | | |
| Employee benefits | 4 | (98,710) | (95,789) | (97,557) | (94,671) |
| Materials and services | 5 | (140,861) | (148,671) | (138,526) | (145,125) |
| Finance costs | | (2,685) | (2,695) | (2,655) | (2,624) |
| Depreciation and amortisation | 6 | (68,337) | (65,773) | (68,314) | (65,741) |
| Total recurrent expenses | | (310,593) | (312,928) | (307,052) | (308,161) |
| Capital expenses | | | | | |
| Loss on disposal of non-current assets | | (1,817) | (3,081) | (3,091) | (3,079) |
| Total capital expenses | | (1,817) | (3,081) | (3,091) | (3,079) |
| Total expenses | | (312,410) | (316,009) | (310,143) | (311,240) |
| Net result | | 43,592 | 20,490 | 42,738 | 20,808 |
| Other comprehensive income | | | | | |
| Items that will not be reclassified to net result | | | | | |
| Revaluation of property, plant and equipment | 12 | 119,046 | 70,514 | 119,046 | 70,514 |
| Total comprehensive income/(loss) for the year | | 162,638 | 91,004 | 161,784 | 91,322 |

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

| | Note | Consolidated | | Council | |
|--------------------------------------|-------|------------------|------------------|------------------|------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | \$000 | \$000 | \$000 | \$000 |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 252,951 | 194,517 | 248,667 | 187,240 |
| Short-term investment | 8 | 10,068 | 10,000 | 10,068 | 10,000 |
| Trade and other receivables | 9 | 45,708 | 41,636 | 42,791 | 46,428 |
| Inventories | 10 | 875 | 3,164 | 875 | 859 |
| Other current assets | | 5,490 | 4,977 | 5,486 | 4,967 |
| Total current assets | | 315,092 | 254,294 | 307,887 | 249,494 |
| Non-current assets | | | | | |
| Investment property | 11 | 5,466 | 6,802 | 1,293 | 1,225 |
| Property, plant and equipment | 12 | 2,799,760 | 2,667,570 | 2,800,792 | 2,667,979 |
| Intangible assets | | 1,873 | 1,703 | 1,873 | 1,703 |
| Right-of-use assets | 13(a) | 5,029 | 6,028 | 5,029 | 6,028 |
| Other financial assets | | 73 | 73 | 12,730 | 12,730 |
| Total non-current assets | | 2,812,201 | 2,682,176 | 2,821,717 | 2,689,665 |
| Total assets | | 3,127,293 | 2,936,470 | 3,129,604 | 2,939,159 |
| Current liabilities | | | | | |
| Trade and other payables | 14 | 48,007 | 45,568 | 48,427 | 45,475 |
| Borrowings with QTC | 15(a) | 9,355 | 8,919 | 9,355 | 8,919 |
| Lease liability - current | 13(b) | 1,044 | 1,130 | 1,044 | 1,130 |
| Provisions | 16(a) | 19,988 | 17,419 | 19,988 | 17,419 |
| Other current liabilities | 17(a) | 14,920 | 6,197 | 14,902 | 6,197 |
| Total current liabilities | | 93,314 | 79,233 | 93,716 | 79,140 |
| Non-current liabilities | | | | | |
| Borrowings with QTC | 15(b) | 37,583 | 35,233 | 37,583 | 35,233 |
| Lease liability - non-current | 13(b) | 4,833 | 5,849 | 4,833 | 5,849 |
| Provisions | 16(b) | 17,968 | 21,548 | 17,848 | 21,447 |
| Other non-current liabilities | 17(b) | 16,350 | - | 16,350 | - |
| Total non-current liabilities | | 76,734 | 62,630 | 76,614 | 62,529 |
| Total liabilities | | 170,048 | 141,863 | 170,330 | 141,669 |
| Net community assets | | 2,957,245 | 2,794,607 | 2,959,274 | 2,797,490 |
| Community equity | | | | | |
| Asset revaluation surplus | 18 | 1,225,400 | 1,106,354 | 1,225,400 | 1,106,354 |
| Retained surplus | | 1,731,845 | 1,688,253 | 1,733,874 | 1,691,136 |
| Total community equity | | 2,957,245 | 2,794,607 | 2,959,274 | 2,797,490 |

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

| Consolidated | Asset Revaluation Surplus \$000 | Retained Surplus \$000 | Total Community Equity \$000 |
|--|--|------------------------------|---------------------------------------|
| | Note | | |
| | 12, 18 | | |
| Balance as at 1 July 2020 | 1,035,840 | 1,667,763 | 2,703,603 |
| Net result | - | 20,490 | 20,490 |
| Other comprehensive income for the year: | | | |
| Increase/(decrease) in asset revaluation surplus | 70,514 | - | 70,514 |
| Total comprehensive income for the year | 70,514 | 20,490 | 91,004 |
| Balance as at 30 June 2021 | 1,106,354 | 1,688,253 | 2,794,607 |
| Net result | - | 43,592 | 43,592 |
| Other comprehensive income for the year: | | | |
| Increase/(decrease) in asset revaluation surplus | 119,046 | - | 119,046 |
| Total comprehensive income for the year | 119,046 | 43,592 | 162,638 |
| Balance as at 30 June 2022 | 1,225,400 | 1,731,845 | 2,957,245 |
| Council | | | |
| Balance as at 1 July 2020 | 1,035,840 | 1,670,328 | 2,706,168 |
| Net result | - | 20,808 | 20,808 |
| Other comprehensive income for the year: | | | |
| Increase/(decrease) in asset revaluation surplus | 70,514 | - | 70,514 |
| Total comprehensive income for the year | 70,514 | 20,808 | 91,322 |
| Balance as at 30 June 2021 | 1,106,354 | 1,691,136 | 2,797,490 |
| Net result | - | 42,738 | 42,738 |
| Other comprehensive income for the year: | | | |
| Increase/(decrease) in asset revaluation surplus | 119,046 | - | 119,046 |
| Total comprehensive income for the year | 119,046 | 42,738 | 161,784 |
| Balance as at 30 June 2022 | 1,225,400 | 1,733,874 | 2,959,274 |

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

| | | Consolidated | | Council | |
|---|-------|-----------------|-----------------|-----------------|-----------------|
| | Note | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Cash flows from operating activities | | | | | |
| Receipts from customers | | 300,504 | 287,150 | 298,449 | 284,354 |
| Payments to suppliers and employees | | (244,419) | (237,642) | (243,548) | (232,603) |
| Interest received | | 1,735 | 1,988 | 1,716 | 2,005 |
| Non-capital grants and contributions | | 38,847 | 14,483 | 38,847 | 14,483 |
| Borrowing costs | 15(c) | (1,769) | (2,048) | (1,769) | (2,048) |
| Right-of-use assets interest expense | 13(b) | (125) | (145) | (125) | (145) |
| Net cash inflow from operating activities | 23 | 94,773 | 63,786 | 93,570 | 66,046 |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | | (64,768) | (65,923) | (65,772) | (66,693) |
| Payments for intangible assets | | (1,010) | (162) | (1,010) | (162) |
| Proceeds from sale of property, plant and equipment | | 1,509 | 982 | 3,049 | 1,152 |
| Capital grants, subsidies and contributions | | 26,094 | 26,064 | 26,094 | 26,329 |
| Short-term investment | | (68) | (10,000) | (68) | (10,000) |
| Other cashflow from investing activities | | (160) | (248) | 3,500 | (3,410) |
| Net cash (outflow) from investing activities | | (38,403) | (49,287) | (34,207) | (52,784) |
| Cash flows from financing activities | | | | | |
| Proceeds from borrowings | 15(c) | 10,301 | 9,612 | 10,301 | 9,612 |
| Repayment of borrowings | 15(c) | (7,230) | (6,369) | (7,230) | (6,369) |
| Right-of-use assets lease payment | | (1,007) | (1,166) | (1,007) | (1,166) |
| Net cash inflow from financing activities | | 2,064 | 2,077 | 2,064 | 2,077 |
| Net increase in cash and cash equivalents held | | 58,434 | 16,576 | 61,427 | 15,339 |
| Cash and cash equivalents at beginning of the financial year | | 194,517 | 177,941 | 187,240 | 171,901 |
| Cash and cash equivalents at end of the financial year | 7 | 252,951 | 194,517 | 248,667 | 187,240 |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

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

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

These general purpose financial statements are for the period 1 July 2021 to 30 June 2022. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

1(b) Principles of consolidation

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

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

Redland Investment Corporation Pty Ltd (consolidated)

Council has 100% ownership of Redland Investment Corporation Pty Ltd (RIC) which is limited by shares. RIC manages three significant projects across the city on behalf of Council. RIC has the following subsidiaries:

Redland Developments Pty Ltd (consolidated to the RIC Group)

RIC has 100% ownership of Redland Developments Pty Ltd (Redland Developments) which is limited by shares. Redland Developments was formed to develop and manage the Group's land developments. During the current financial year, Redland Developments completed the 521 Old Cleveland Road, Birkdale project. No new projects were commenced in the current year.

Cleveland Plaza Pty Ltd (consolidated to the RIC Group)

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

RIC Toondah Pty Ltd (consolidated to the RIC Group)

RIC has 100% ownership of RIC Toondah Pty Ltd (RIC Toondah) which is limited by shares. RIC Toondah is a party to the Toondah Harbour Joint Venture along with the Minister for Economic Development Queensland (MEDQ) and Council. Council's interest in the joint venture is 50%. RIC Toondah also administers the day-to-day management of the joint venture for the Toondah Harbour Priority Development Area. The project is pending a transfer of State land to MEDQ as well as an environmental assessment; as such, nominal financial transactions have occurred in the entity during the current financial year. The transactions in this entity, though nominal, have been consolidated to the RIC Group.

Separate consolidated financial statements for RIC have been prepared for the financial year ended 30 June 2022 and are audited by the Auditor-General of Queensland.

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

Council has 100% ownership of Redheart Pty Ltd (Redheart) which is limited by shares. Redheart was formed to conduct a beneficial enterprise by holding a mining lease and environmental authority and sell quarry material from Council's German Church Road quarry operations, so as to manage risks and increase commercial flexibility. As at 30 June 2022, the company had net assets of \$2 and remained dormant throughout the financial year.

1(c) Date of authorisation

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

1(d) Currency

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

1(e) Rounding and comparatives

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

1(f) Taxation

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1 Summary of significant accounting policies - continued**1(g) Volunteer services**

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

1(h) New and amended standards adopted by Council

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

Certain new standards and interpretations have been issued that are not yet effective for the 30 June 2022 reporting period and have not been early adopted by Council. Council's assessment of those new standards expected to have an impact on Council's future reporting periods is set out below.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

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

| | | | |
|---|---|---|-------------|
| AASB 2021-2 <i>Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)</i> | <p>This Standard makes amendments to the following Australian Accounting Standards:</p> <p>(a) AASB 7 Financial Instruments: Disclosures (August 2015); AASB 7 was amended to highlight that information about the measurement basis for financial instruments is expected to be material accounting policy information.</p> <p>(b) AASB 101 Presentation of Financial Statements (July 2015); The amendments to AASB 101 require disclosure of material accounting policy information, instead of significant accounting policies. Leveraging the existing definition of material with additional guidance is expected to help preparers make more effective accounting policy disclosures. The guidance illustrates circumstances where an entity is likely to consider accounting policy information to be material. Entity-specific accounting policy information is emphasised as being more useful than generic information or summaries of the requirements of Australian Accounting Standards.</p> <p>(c) AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (August 2015); The amendments to AASB 108 clarify the definition of an accounting estimate, making it easier to differentiate it from an accounting policy. The distinction is necessary as their treatment and disclosure requirements are different. Critically, a change in an accounting estimate is applied prospectively whereas a change in an accounting policy is generally applied retrospectively.</p> <p>(d) AASB 134 Interim Financial Reporting (August 2015); AASB 134 was updated to state that a complete set of financial statements as defined by AASB 101 includes material accounting policy information.</p> | Preliminary assessment shows this standard will not have a material impact on Council's financial statements. | 1 July 2023 |
| AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | <p>This Standard amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>; To address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:</p> <p>(a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and</p> <p>(b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</p> | Preliminary assessment shows this standard will not have a material impact on Council's financial statements. | 1 July 2025 |

1(i) Critical accounting judgements and key sources of estimation uncertainty

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

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

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

1(j) Financial assets and financial liabilities

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

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

Financial assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1 Summary of significant accounting policies - continued**1(j) Financial assets and financial liabilities - continued**Financial liabilities

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

Borrowings - measured at amortised cost (Note 15)

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

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

1(k) Impact of COVID 19 on Council operations

Council's operation for the year ended 30 June 2022 has been impacted by the COVID 19 pandemic.

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

Statements of Comprehensive Income

| | Council 2022 \$000 | Council 2021 \$000 |
|--|--------------------------|--------------------------|
| Revenue | | |
| Reduction of fees revenue includes cancellations of services and waivers | 12 | 29 |
| Reduction of other revenue | - | 75 |
| | <u>12</u> | <u>104</u> |
| Expense | | |
| Employee costs | 69 | 229 |
| Materials and services | 300 | 386 |
| | <u>369</u> | <u>615</u> |
| Net impact | <u><u>381</u></u> | <u><u>719</u></u> |

The indicative impact on Council's interest income due to historically low prevailing rates amount to \$2,028,207 (2021: \$1,526,675). Council's assets are presented at fair value.

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

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

Community and Customer Services

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

Customer and Cultural Services

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

Planning, Development and Environment

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

2 Statement of functions and activities - continued**2(a) Functions of the consolidated entity - continued****Water and Wastewater Services**

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

Waste Services

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

Organisational Services Department**Organisational Services**

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

Communication, Engagement and Tourism

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

Corporate Services

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

Financial Services

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

Strategic Asset and Portfolio Management

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

General Counsel

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

Corporate Governance

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

Department of the Chief Executive Officer (CEO)

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

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

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

Redland Investment Corporation Pty Ltd (RIC)**Creating value that benefits our community**

- RIC was established by Redland City Council in 2014 to identify alternate revenue sources, new business opportunities, and realise value for Council and the Redlands Coast community. Pursuant to the Council resolution dated 16 June 2021, RIC will focus mainly on completing the existing projects and will not commence any new projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

2 Statement of functions and activities - continued**2(b) Analysis of results by function**

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

Year ended 30 June 2022

| Functions | Gross income | | | | Total Income | Gross expenses | | Total Expenses | Net result from recurrent operations | Net Result | Total Assets |
|---|--------------|---------|---------|--------|-----------------|----------------|---------|-------------------|--|---------------|-----------------|
| | Recurrent | | Capital | | | | | | | | |
| | Grants | Other | Grants | Other | | | | | | | |
| | | | | | | | | | | | |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Customer and Cultural Services | 885 | 956 | - | - | 1,841 | (24,395) | (6) | (24,401) | (22,554) | (22,560) | 18,974 |
| Planning, Development and Environment | 388 | 13,656 | 246 | 8,741 | 23,031 | (35,359) | 653 | (34,706) | (21,315) | (11,675) | 18,444 |
| Infrastructure, Recreation and Facilities Services | 1,735 | 8,503 | 7,405 | 12,836 | 30,479 | (96,320) | (3,287) | (99,607) | (86,082) | (69,128) | 1,645,694 |
| Water and Wastewater Services | - | 123,813 | - | 10,641 | 134,454 | (96,087) | (303) | (96,390) | 27,726 | 38,064 | 828,789 |
| Waste Services | 378 | 32,829 | - | - | 33,207 | (25,196) | (9) | (25,205) | 8,011 | 8,002 | 20,890 |
| Organisational Services Department | 7,939 | 121,482 | 403 | - | 129,824 | (29,618) | (139) | (29,757) | 99,803 | 100,067 | 596,785 |
| Department of the CEO | 45 | - | - | - | 45 | (77) | - | (77) | (32) | (32) | 28 |
| Total Council | 11,370 | 301,239 | 8,054 | 32,218 | 352,881 | (307,052) | (3,091) | (310,143) | 5,557 | 42,738 | 3,129,604 |
| Redland Investment Corporation Pty Ltd (net of eliminations) | - | 3,121 | - | - | 3,121 | (3,541) | 1,274 | (2,267) | (420) | 854 | (2,311) |
| Total Consolidated | 11,370 | 304,360 | 8,054 | 32,218 | 356,002 | (310,593) | (1,817) | (312,410) | 5,137 | 43,592 | 3,127,293 |

Year ended 30 June 2021

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

* Please refer to the separate financial statements of Redland Investment Corporation Pty Ltd (RIC) for its financial performance and position prior to eliminations, accessible from Council's website: www.redland.qld.gov.au. Of note, the value of Council's investment in its wholly owned subsidiary, RIC, at reporting date was \$12,656,998 (2021: \$12,656,998).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

3 Revenue analysis**3(a) Rates, levies and charges**

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

| Note | Consolidated | | Council | |
|--|----------------|----------------|----------------|----------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| General rates | 110,779 | 108,181 | 110,802 | 108,211 |
| State Emergency Service (SES) charges | 513 | 494 | 513 | 494 |
| Environment and landfill remediation charges | 14,207 | 10,490 | 14,207 | 10,490 |
| Water access | 20,878 | 20,059 | 20,878 | 20,059 |
| Water consumption | 48,812 | 50,318 | 48,816 | 50,322 |
| Wastewater | 48,983 | 45,976 | 48,983 | 45,976 |
| Trade waste | 1,464 | 1,229 | 1,464 | 1,229 |
| Waste collection charges | 30,991 | 29,325 | 30,991 | 29,325 |
| Total rates and utility charges | 276,627 | 266,072 | 276,654 | 266,106 |
| Less: Pensioner remissions and rebates | (3,569) | (3,522) | (3,569) | (3,522) |
| | 273,058 | 262,550 | 273,085 | 262,584 |

3(b) Fees

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

| Note | Consolidated | | Council | |
|--|---------------|---------------|---------------|---------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Fines and penalties | 1,850 | 1,373 | 1,850 | 1,373 |
| Mooring and parking fees | 739 | 692 | 660 | 616 |
| Search fees | 1,229 | 1,117 | 1,229 | 1,117 |
| Development and related application fees | 5,846 | 5,213 | 5,846 | 5,220 |
| License fees | 3,263 | 2,682 | 3,263 | 2,682 |
| Commercial collection fees | 391 | 432 | 391 | 432 |
| Operational works application fees | 1,254 | 935 | 1,389 | 937 |
| Other fees and charges | 4,074 | 2,928 | 3,745 | 2,928 |
| | 18,646 | 15,372 | 18,373 | 15,305 |

3(c) Interest received

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Interest received from investments | 1,073 | 1,142 | 1,040 | 1,119 |
| Interest from overdue rates and utility charges | 662 | 842 | 662 | 842 |
| Interest from loan to subsidiary | - | (1) | 13 | 42 |
| Other interest income | 1 | 2 | 1 | 2 |
| | 1,736 | 1,985 | 1,716 | 2,005 |

The impact of COVID 19 on Council's revenue amounted to \$11,768 (2021: \$103,583). The indicative impact on Council's interest income due to low prevailing rates amounted to \$2,028,207 (2021: \$1,526,675) (refer to note 1(k)).

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

3(d) Grants, subsidies and contributionsGrants and subsidies

Grant income under AASB 15

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

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

Grant income under AASB 1058

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

Capital grants

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

Non-cash contributions

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

Cash contributions

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

Recurrent/operating and capital classification

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

| Note | Consolidated | | Council | |
|---------------------------------|---------------|---------------|---------------|---------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| (i) Recurrent | | | | |
| Financial assistance grant | 7,829 | 5,810 | 7,829 | 5,810 |
| Government grants and subsidies | 3,542 | 3,572 | 3,542 | 3,572 |
| Cash contributions | 674 | 767 | 674 | 771 |
| | <u>12,045</u> | <u>10,149</u> | <u>12,045</u> | <u>10,153</u> |
| (ii) Capital | | | | |
| Government grants and subsidies | 8,054 | 11,272 | 8,054 | 11,272 |
| Cash contributions | 16,512 | 12,304 | 16,512 | 12,569 |
| Non-cash contributions | 15,706 | 12,064 | 15,706 | 12,064 |
| | <u>40,272</u> | <u>35,640</u> | <u>40,272</u> | <u>35,905</u> |

(iii) Timing of revenue recognition for grants, subsidies and contributions

| Note | 2022 | | 2021 | |
|---|--|---------------------------------------|--|---------------------------------------|
| | Revenue recognised at point in time \$000 | Revenue recognised over time \$000 | Revenue recognised at point in time \$000 | Revenue recognised over time \$000 |
| Consolidated | | | | |
| Grants, subsidies and cash contribution | 27,467 | 9,144 | 21,714 | 12,011 |
| Non-cash contributions | 15,706 | - | 12,064 | - |
| | <u>43,173</u> | <u>9,144</u> | <u>33,778</u> | <u>12,011</u> |
| Council | | | | |
| Grants, subsidies and cash contribution | 27,467 | 9,144 | 21,983 | 12,011 |
| Non-cash contributions | 15,706 | - | 12,064 | - |
| | <u>43,173</u> | <u>9,144</u> | <u>34,047</u> | <u>12,011</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

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

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

| Note | Consolidated | | Council | |
|--|----------------|---------------|----------------|---------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Unexpended grants and contributions held in reserve 1 July | 97,001 | 91,893 | 97,001 | 91,893 |
| Prior period grants and contributions spent in year | (9,345) | (7,496) | (9,345) | (7,765) |
| Grants, contributions and other income recognised as revenue in year | 38,045 | 33,725 | 38,045 | 33,994 |
| Current period grants and contributions spent in year | (19,621) | (21,121) | (19,621) | (21,121) |
| Unexpended grants and contributions held in reserve 30 June | <u>106,080</u> | <u>97,001</u> | <u>106,080</u> | <u>97,001</u> |

4 Employee benefits

| Note | Consolidated | | Council | |
|--|----------------|----------------|----------------|----------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Total staff wages and salaries | 78,704 | 76,107 | 77,708 | 75,156 |
| Councillors' remuneration | 1,443 | 1,409 | 1,443 | 1,409 |
| Annual leave and long service leave entitlements | 8,121 | 8,801 | 8,111 | 8,783 |
| Superannuation | 9,678 | 9,403 | 9,588 | 9,320 |
| | <u>97,946</u> | <u>95,720</u> | <u>96,850</u> | <u>94,668</u> |
| Other employee related expenses | 8,209 | 7,347 | 8,152 | 7,281 |
| | <u>106,155</u> | <u>103,067</u> | <u>105,002</u> | <u>101,949</u> |
| Less: Capitalised employee expenses | (7,445) | (7,278) | (7,445) | (7,278) |
| | <u>98,710</u> | <u>95,789</u> | <u>97,557</u> | <u>94,671</u> |

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

5 Materials and services

| Note | Consolidated | | Council | |
|---|----------------|----------------|----------------|----------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Contractors | 37,055 | 43,259 | 36,882 | 38,452 |
| Consultants | 5,336 | 3,268 | 4,787 | 2,805 |
| Other Council outsourcing costs | 23,383 | 20,310 | 23,238 | 20,092 |
| Purchase of materials | 51,407 | 49,515 | 50,355 | 52,116 |
| Office administration costs | 7,196 | 8,049 | 6,839 | 7,363 |
| Electricity charges | 5,661 | 5,537 | 5,660 | 5,536 |
| Plant operations | 3,742 | 3,285 | 3,729 | 3,255 |
| Information technology resources | 3,893 | 3,173 | 3,875 | 3,157 |
| General insurance premiums | 1,395 | 1,312 | 1,398 | 1,315 |
| Community assistance | 1,627 | 1,411 | 1,627 | 1,411 |
| Audit of annual financial statements by Queensland Audit Office | 174 | 170 | 149 | 145 |
| Waste levy payment* | - | 4,368 | - | 4,368 |
| Waste levy refund* | - | (4,361) | - | (4,361) |
| Other material and service expenses | 1,261 | 616 | 1,256 | 712 |
| Remediation costs for landfill | (1,269) | 8,759 | (1,269) | 8,759 |
| | <u>140,861</u> | <u>148,671</u> | <u>138,526</u> | <u>145,125</u> |

The impact of COVID 19 on Council's expenditure amounted to \$369,356 (2021: \$614,996) (refer to note 1(k)).

* 2021-22 Waste levy refund (\$5,258,857) was greater than Waste levy payment (\$4,880,435), therefore the net amount (\$378,422) is presented under Recurrent revenue: Grants, subsidies and contributions.

6 Depreciation and amortisation

| | | Consolidated | | Council | |
|-------------------------------------|-------|---------------|---------------|---------------|---------------|
| | Note | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Depreciation of non-current assets | 12 | 66,556 | 63,977 | 66,533 | 63,945 |
| Amortisation of intangible assets | | 841 | 594 | 841 | 594 |
| Depreciation of right-of-use assets | 13(a) | 940 | 1,202 | 940 | 1,202 |
| | | 68,337 | 65,773 | 68,314 | 65,741 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

7 Cash and cash equivalents

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

| | Consolidated | | Council | |
|---|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Note | \$000 | \$000 | \$000 | \$000 |
| Cash at bank and on hand | 23,406 | 1,534 | 22,540 | 1,301 |
| Deposits at call | 229,545 | 192,983 | 226,127 | 185,939 |
| Balance as per Consolidated Statement of Cash Flows | 252,951 | 194,517 | 248,667 | 187,240 |

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

Special projects reserve

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

Constrained works reserve

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

Separate charge reserve - environment and coastal management

This reserve was established to hold funds levied for the Environment and Coastal Management Separate Charge for ongoing maintenance and future capital expenditure for conservation maintenance and environmental land acquisitions.

Separate charge reserve - SES

This reserve holds funds levied for State Emergency Services

Special charge reserve - canals

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

| | Consolidated | | Council | |
|--|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Note | \$000 | \$000 | \$000 | \$000 |
| Restricted funds: | | | | |
| Special projects reserve | 9,307 | 7,981 | 9,307 | 7,981 |
| Constrained works reserve | 106,080 | 97,001 | 106,080 | 97,001 |
| Separate charge reserve - environment and coastal management | 2 | - | 2 | - |
| Special charge reserve - SES | 120 | 69 | 120 | 69 |
| Special charge reserve - canals | 856 | 856 | 856 | 856 |
| | 116,365 | 105,907 | 116,365 | 105,907 |
| Unrestricted funds | 136,586 | 88,610 | 132,302 | 81,333 |
| Total cash and cash equivalents | 252,951 | 194,517 | 248,667 | 187,240 |

Council transitioned its operational banking from the Australia and New Zealand Banking Group (ANZ) to the Commonwealth Bank of Australia (CBA) in 2020-21. The CBA banking and bill payment services contract allows Council to access until 30 June 2023 the Queensland Whole of Government Transactional Banking and Payment Services Agreement between the State and CBA. RIC banking facilities remain with ANZ.

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

| | |
|------------------------------------|-------------|
| ANZ Overdraft Facility (RIC) | \$300,000 |
| ANZ Liability for Bank Guarantee | \$50,000 |
| CBA Corporate Charge Card | \$385,000 |
| CBA Intra Day Credit Accommodation | \$5,000,000 |
| CBA Liability for Bank Guarantee | \$2,690,000 |

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

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

Cash is held at a floating interest rate. The weighted average interest rate is 0.62% (2021: 0.76%).

8 Short-term investment

Council's short-term investment includes investment in a fixed term deposit held with CBA. The fixed term deposit is classified at amortised cost using the effective interest rate method, has fixed interest rate of 0.54% and matures on 21 October 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

9 Trade and other receivables

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

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

All known bad debts were written-off or provided for at 30 June 2022.

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

| Note | Consolidated | | Council | |
|--------------------------------|---------------|---------------|---------------|---------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Rates and utility charges | 31,237 | 31,144 | 31,227 | 31,099 |
| Trade and other debtors | 13,530 | 7,824 | 10,655 | 12,686 |
| Tax recoverable | 1,930 | 3,778 | 1,898 | 3,737 |
| Less: Allowance for impairment | (989) | (1,110) | (989) | (1,094) |
| | <u>45,708</u> | <u>41,636</u> | <u>42,791</u> | <u>46,428</u> |

Interest is charged on outstanding rates and charges applied to the land at a fixed rate of 8.03% (2021: 8.53%) per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other receivables. Credit risk is measured and managed using an ageing analysis.

| Note | Consolidated | | Council | |
|--|---------------|---------------|---------------|---------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Trade and other receivables ageing analysis: | | | | |
| Fully performing | 34,047 | 27,828 | 31,138 | 32,665 |
| Past due: | | | | |
| 31 - 60 days | 5,197 | 4,604 | 5,197 | 4,595 |
| 61 - 90 days | 220 | 1,649 | 220 | 1,645 |
| > 90 days | 6,244 | 7,555 | 6,236 | 7,523 |
| | <u>45,708</u> | <u>41,636</u> | <u>42,791</u> | <u>46,428</u> |

Trade and other receivables include \$3,789,020 (2021: \$2,061,439) of contract receivables under AASB 15 and AASB 1058.

10 Inventories

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

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

| Note | Consolidated | | Council | |
|--|---------------|---------------|---------------|---------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Inventories held for distribution - measured at cost | 875 | 859 | 875 | 859 |
| Land held for development and resale: | | | | |
| Opening balance at 1 July | 2,305 | 1,479 | - | - |
| Acquisition and related costs | 24 | 3,996 | - | - |
| Transfer to cost of goods sold | (2,329) | (2,726) | - | - |
| Transfer (to)/from other non-current asset class | - | (444) | - | - |
| Closing balance at 30 June | <u>-</u> | <u>2,305</u> | <u>-</u> | <u>-</u> |
| | <u>875</u> | <u>3,164</u> | <u>875</u> | <u>859</u> |

| Note | Consolidated | | Council | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Opening balance at 1 July | 6,802 | 6,716 | 1,225 | 1,225 |
| Acquisition of investment property | 160 | 504 | - | - |
| Revaluation adjustment | 69 | 363 | 68 | - |
| Disposal of investment property | (1,565) | (781) | - | - |
| Closing balance at 30 June | <u>5,466</u> | <u>6,802</u> | <u>1,293</u> | <u>1,225</u> |

11 Investment property

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

12 Fixed and intangible assets

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

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

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

Acquisition and/or construction of assets

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

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

Valuation

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

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

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

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

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

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

Depreciation and amortisation

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

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

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

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

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

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

Land under roads

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

12(a) Property, plant and equipment

| Asset class | Note | Land | Buildings | Plant and equipment | Roads | Stormwater drainage | Water and wastewater | Parks | Other infrastructure | Waste | Work in progress | Total |
|---|------|----------------|----------------|---------------------|------------------|---------------------|----------------------|----------------|----------------------|---------------|------------------|------------------|
| Basis of measurement | | Fair value | Fair value | Cost | Fair value | Fair value | Fair value | Cost | Fair value | Cost | Cost | |
| Range of estimated useful life in years | | n/a | 10-75 | 3-10 | 10-120 | 20-150 | 10-134 | 16-60 | 15-100 | 5-70 | n/a | |
| Council - 30 June 2022 | | | | | | | | | | | | |
| Asset values | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Opening gross value as at 1 July 2021 | | 286,838 | 154,325 | 50,587 | 980,202 | 627,537 | 1,391,740 | 114,200 | 299,017 | 19,674 | 23,012 | 3,947,132 |
| Assets not previously recognised or disposed | | - | - | - | 16 | 39 | 155 | - | - | - | - | 210 |
| Work in progress expenditure | | - | - | - | - | - | - | - | - | - | 68,881 | 68,881 |
| Transfers from work in progress | | - | - | - | - | - | - | - | - | - | (57,431) | (57,431) |
| Additions | | 1,140 | 579 | 6,105 | 26,477 | 3,061 | 8,479 | 9,800 | 1,516 | 448 | - | 57,605 |
| Contributed assets at fair value | | - | - | - | 4,474 | 4,435 | 6,767 | 30 | - | - | - | 15,706 |
| Disposals | | (408) | (13) | (4,354) | (4,814) | (576) | (1,904) | (1,416) | (760) | (66) | - | (14,311) |
| Revaluation adjustments | | 16,387 | 8,127 | - | 54,210 | 36,193 | 42,188 | - | 23,291 | - | - | 180,396 |
| Transfers between asset classes/intangibles | | (477) | 829 | (157) | (2,185) | 3,021 | 374 | (1,253) | (52) | (100) | - | - |
| Closing gross value at 30 June 2022 | | 303,480 | 163,847 | 52,181 | 1,058,380 | 673,710 | 1,447,799 | 121,361 | 323,012 | 19,956 | 34,462 | 4,198,188 |
| Accumulated depreciation | | | | | | | | | | | | |
| Opening balance as at 1 July 2021 | | - | 49,960 | 27,846 | 305,195 | 182,979 | 603,025 | 52,844 | 54,241 | 3,063 | - | 1,279,153 |
| Depreciation adjustments | | - | - | - | 3 | 16 | 51 | - | - | - | - | 70 |
| Depreciation for the year | 6 | - | 3,425 | 5,360 | 17,157 | 6,848 | 24,424 | 4,943 | 3,860 | 516 | - | 66,533 |
| Depreciation on disposals | | - | (13) | (3,786) | (2,633) | (260) | (1,600) | (1,068) | (292) | (58) | - | (9,710) |
| Depreciation on revaluation adjustments | | - | 2,737 | - | 18,449 | 10,985 | 24,670 | - | 4,509 | - | - | 61,350 |
| Depreciation on transfers between asset classes/intangibles | | - | 6 | - | 1 | - | - | (7) | - | - | - | - |
| Accumulated depreciation at 30 June 2022 | | - | 56,115 | 29,420 | 338,172 | 200,568 | 650,570 | 56,712 | 62,318 | 3,521 | - | 1,397,396 |
| Council book value as at 30 June 2022 | | 303,480 | 107,732 | 22,761 | 720,208 | 473,142 | 797,229 | 64,649 | 260,694 | 16,435 | 34,462 | 2,800,792 |
| Consolidated book value as at 30 June 2022 | | 303,031 | 108,025 | 22,779 | 720,208 | 473,142 | 797,229 | 64,649 | 260,694 | 16,435 | 33,568 | 2,799,760 |

RIC held no material property, plant and equipment as at 30 June 2022. As such, the consolidated results are presented in aggregate.

Land with a carrying value of \$16,216,761 (2021: \$15,298,831) has restricted use as a result of a development management agreement entered into with the Walker Group for development of the Toondah Harbour Priority Development Area (refer Note 19).

Included in the above schedule is a property located at 248 Middle Street Cleveland with a land carrying value of \$3,141,725, and a property located at 233 Middle Street Cleveland with a land carrying value of \$7,814,386 and buildings carrying value of \$4,829,432. Both properties are subject to an operating lease and not held for use by Council. Refer to Note 13 for details of operating leases where Council is a lessor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

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

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

Council - 30 June 2021

| Asset values | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
|--|----------------|----------------|---------------|----------------|----------------|------------------|----------------|----------------|---------------|---------------|------------------|-------|
| Opening gross value as at 1 July 2020 | 278,979 | 152,560 | 47,983 | 919,371 | 597,248 | 1,336,107 | 108,183 | 297,667 | 17,090 | 23,887 | 3,779,075 | |
| Assets not previously recognised or disposed | - | - | - | 21 | 9 | 23 | - | - | - | - | 53 | |
| Work in progress expenditure | - | - | - | - | - | - | - | - | - | - | 64,469 | |
| Transfers from work in progress | - | - | - | - | - | - | - | - | - | - | (65,344) | |
| Additions | 112 | 2,431 | 6,180 | 30,388 | 2,386 | 11,136 | 8,923 | 1,272 | 2,584 | - | 65,412 | |
| Contributed assets at fair value | - | - | 27 | 2,846 | 3,753 | 5,439 | - | - | - | - | 12,065 | |
| Disposals | (41) | (266) | (3,715) | (7,926) | (234) | (1,085) | (2,526) | - | - | - | (15,793) | |
| Revaluation adjustments | 7,344 | - | - | 35,625 | 23,809 | 39,984 | - | - | - | - | 106,762 | |
| Transfers between asset classes/intangibles | - | (400) | 112 | (123) | 566 | 136 | (380) | 78 | - | - | (11) | |
| Assets transferred to/from RIC | 444 | - | - | - | - | - | - | - | - | - | 444 | |
| Closing gross value at 30 June 2021 | 286,838 | 154,325 | 50,587 | 980,202 | 627,537 | 1,391,740 | 114,200 | 299,017 | 19,674 | 23,012 | 3,947,132 | |

Accumulated depreciation

| | | | | | | | | | | | | |
|---|----------|---------------|---------------|----------------|----------------|----------------|---------------|---------------|--------------|----------|------------------|--|
| Opening balance as at 1 July 2020 | - | 46,825 | 25,443 | 283,203 | 169,534 | 562,388 | 50,218 | 50,286 | 2,720 | - | 1,190,617 | |
| Depreciation adjustments | - | - | - | 11 | 1 | 13 | - | - | - | - | 25 | |
| Depreciation for the year | - | 3,301 | 5,521 | 15,962 | 6,474 | 23,803 | 4,586 | 3,955 | 343 | - | 63,945 | |
| Depreciation on disposals | - | (166) | (3,118) | (5,688) | (63) | (687) | (1,960) | - | - | - | (11,682) | |
| Depreciation on revaluation adjustments | - | - | - | 11,707 | 7,033 | 17,508 | - | - | - | - | 36,248 | |
| Depreciation on transfers between asset classes/intangibles | - | - | - | - | - | - | - | - | - | - | - | |
| Accumulated depreciation at 30 June 2021 | - | 49,960 | 27,846 | 305,195 | 182,979 | 603,025 | 52,844 | 54,241 | 3,063 | - | 1,279,153 | |

| | | | | | | | | | | | | |
|--|----------------|----------------|---------------|----------------|----------------|----------------|---------------|----------------|---------------|---------------|------------------|--|
| Council book value as at 30 June 2021 | 286,838 | 104,365 | 22,741 | 675,007 | 444,558 | 788,715 | 61,356 | 244,776 | 16,611 | 23,012 | 2,667,979 | |
|--|----------------|----------------|---------------|----------------|----------------|----------------|---------------|----------------|---------------|---------------|------------------|--|

| | | | | | | | | | | | | |
|---|----------------|----------------|---------------|----------------|----------------|----------------|---------------|----------------|---------------|---------------|------------------|--|
| Consolidated book value as at 30 June 2021 | 286,125 | 104,672 | 22,773 | 675,007 | 444,558 | 788,715 | 61,356 | 244,776 | 16,611 | 22,977 | 2,667,570 | |
|---|----------------|----------------|---------------|----------------|----------------|----------------|---------------|----------------|---------------|---------------|------------------|--|

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

13 Leases**Council as a lessee**

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

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

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary / Peppercorn leases

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

13(a) Terms and conditions of leases

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

Land

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

Buildings

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

Plant and Equipment

Council has one leasing contract in place for plant and equipment. This is to lease multiple waste transfer bins, multiple bulk bins and waste collection vehicles. The term of this lease is 12 years, requiring both fixed and variable payments for the term of the lease.

A lease liability and right-of-use asset has not been recognised for the lease of waste collection vehicles and bulk bins, as the consideration for the lease of these assets is completely variable based on usage with no dependency on an index or rate, and with no fixed payments. As a result, the lease payments are recognised within the Statement of Comprehensive Income as an expense when incurred and invoiced by the lessor. Refer to "Amounts included in the Statement of Comprehensive Income related to leases" section below for the total expense incurred in the 2021-2022 financial period in relation to waste collection vehicles and bulk bins.

Right-of-use assets

| Council | Land \$ \$000 | Buildings \$ \$000 | Plant & Equipment \$ \$000 | Total \$ \$000 |
|--|---------------------|--------------------------|-------------------------------------|----------------------|
| Balance at 1 July 2021 | 2,924 | 2,735 | 369 | 6,028 |
| Additions to right-of-use assets | - | - | - | - |
| Adjustments to right-of-use assets due to remeasurement of lease liability | 295 | (353) | (1) | (59) |
| Depreciation charge | (390) | (506) | (44) | (940) |
| Impairment of right-of-use assets | - | - | - | - |
| Balance at 30 June 2022 | 2,829 | 1,876 | 324 | 5,029 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

13 Leases - continued**13(a) Terms and conditions of leases - continued****Right-of-use assets****Council - prior year comparison**

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

13(b) Lease liabilities

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

Council

| | < 1 year \$000 | 1-5 years \$000 | > 5 years \$000 | Total contractual cash flows \$000 | Total per statement of financial position \$000 |
|------|-------------------|--------------------|--------------------|---------------------------------------|--|
| 2022 | 1,154 | 3,045 | 2,374 | 6,573 | 5,877 |
| 2021 | 1,256 | 4,220 | 2,262 | 7,738 | 6,979 |

Liabilities not recognised - extension options

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

As at 30 June 2022, all extension options available to Council have been assessed as reasonably certain of being exercised, and have been included within the lease liability.

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

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

| Council | 2022 \$000 | 2021 \$000 |
|---|-----------------------|-----------------------|
| Interest on lease liabilities | 125 | 145 |
| Variable lease payments based on usage not included in the measurement of lease liabilities | 7,289 | 6,741 |
| Income from sub-leasing right-of-use assets | (33) | (36) |
| Depreciation of right-of-use assets | 940 | 1,202 |
| | 8,321 | 8,052 |
| Total cash outflows for leases | 8,309 | 7,017 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

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

Council is not party to any concessionary / peppercorn leases at 30 June 2022.

13(d) Council as a lessor

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

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

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

Finance leases:

Council does not have any finance leases in place.

Operating leases:

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

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

| Note | Consolidated | | Council | |
|------------------------------|---------------|---------------|---------------|---------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Operating Leases | | | | |
| Not later than one year | 965 | 880 | 788 | 663 |
| Between one and two years | 599 | 731 | 426 | 602 |
| Between two and three years | 406 | 358 | 271 | 311 |
| Between three and four years | 255 | 273 | 199 | 226 |
| Between four and five years | 164 | 180 | 128 | 149 |
| Later than five years | 1,349 | 734 | 1,255 | 734 |
| | 3,738 | 3,156 | 3,067 | 2,685 |

The assets are included in the Consolidated Statement of Financial Position as:

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

Assets classified as investment property:

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

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

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

| Note | Consolidated | | Council | |
|---|---------------|---------------|---------------|---------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Rental income (excluding variable lease payments not dependent on an index or rate) | 328 | 291 | - | - |
| Direct operating expenses from property that generated rental income | 108 | 128 | - | - |

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

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

Assets classified as property, plant and equipment:

| Note | Consolidated | | Council | |
|---|---------------|---------------|---------------|---------------|
| | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| Rental income (excluding variable lease payments not dependent on an index or rate) | 584 | 550 | 584 | 550 |
| Rental income relating to variable lease payments not dependent on an index or rate | - | - | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

13 Leases - continued**Amount of property, plant and equipment leased out by Council under operating leases:**

| | Note | Consolidated | | Council | |
|--|------|---------------|--------------|---------------|--------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | \$000 | \$000 | \$000 | \$000 |
| Land | | 11,897 | 3,827 | 11,897 | 3,827 |
| Buildings | | 6,489 | 1,598 | 6,489 | 1,598 |
| Total property, plant and equipment leased out by Council under operating leases | | 18,386 | 5,425 | 18,386 | 5,425 |

14 Trade and other payables

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

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

Annual leave represents the amount which Council has a present obligation to pay resulting from employees' services provided up to the reporting date. As Council does not have an unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability. Of the consolidated annual leave balance, \$6,288,941 (2021:\$6,028,082) is expected to be settled within 12 months from the balance date and \$1,360,150 (2021:\$1,602,085) is expected to be settled after 12 months.

| | Note | Consolidated | | Council | |
|------------------------|------|---------------|---------------|---------------|---------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | \$000 | \$000 | \$000 | \$000 |
| Creditors and accruals | | 40,358 | 37,938 | 40,826 | 37,900 |
| Annual leave | | 7,649 | 7,630 | 7,601 | 7,575 |
| | | 48,007 | 45,568 | 48,427 | 45,475 |

15 Borrowings**15(a) Current**

Loans - Queensland Treasury Corporation (QTC)

| Note | Consolidated | | Council | |
|------|--------------|--------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$000 | \$000 | \$000 | \$000 |
| | 9,355 | 8,919 | 9,355 | 8,919 |
| | 9,355 | 8,919 | 9,355 | 8,919 |

15(b) Non-current

Loans - Queensland Treasury Corporation (QTC)

| | Consolidated | | Council | |
|--|---------------|---------------|---------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$000 | \$000 | \$000 | \$000 |
| | 37,583 | 35,233 | 37,583 | 35,233 |
| | 37,583 | 35,233 | 37,583 | 35,233 |

15(c) Movement in loans:

| | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|
| Opening balance at 1 July | 44,152 | 41,178 | 44,152 | 41,178 |
| Loan repayment - principal* | (7,230) | (6,369) | (7,230) | (6,369) |
| Loan repayment - interest | (1,769) | (2,048) | (1,769) | (2,048) |
| Accrued interest expense | 1,484 | 1,779 | 1,484 | 1,779 |
| Loan drawdown | 10,301 | 9,612 | 10,301 | 9,612 |
| Closing balance at 30 June | 46,938 | 44,152 | 46,938 | 44,152 |

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

The market value of QTC loans at the reporting date was \$44,062,164 (2021: \$45,827,175). This represents the debt value at the current market interest rate if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. No assets have been pledged as security by Council for any liabilities, however all loans are ultimately guaranteed by the Queensland Government. Expected final repayment dates vary from 15 July 2022 to 15 July 2041. There have been no defaults or breaches of the loan agreement during the year.

Borrowings are in AUD denominated amounts and carried at amortised cost. Interest is expensed as it is incurred. The weighted average borrowing rate is 4.25% (2021: 4.62%). Borrowings are on a fixed rate. No borrowing costs were capitalised on qualifying assets.

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

| | Note | Consolidated | | Council | |
|------------------------------|------|---------------|---------------|---------------|---------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | \$000 | \$000 | \$000 | \$000 |
| Less than one year | | 9,435 | 9,000 | 9,435 | 9,000 |
| One to five years | | 17,857 | 21,531 | 17,857 | 21,531 |
| Over five years | | 30,127 | 20,122 | 30,127 | 20,122 |
| Total contractual cash flows | | 57,419 | 50,653 | 57,419 | 50,653 |
| Carrying amount | | 46,938 | 44,152 | 46,938 | 44,152 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

16 Provisions**Employee benefit provisions**

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

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

Rehabilitation provisions

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

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

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

| | Note | Consolidated | | Council | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2022 \$000 | 2021 \$000 | 2022 \$000 | 2021 \$000 |
| 16(a) Current | | | | | |
| Landfill rehabilitation | | 7,909 | 3,969 | 7,909 | 3,969 |
| Workers compensation | | 1,205 | 915 | 1,205 | 915 |
| Long service leave | | 10,874 | 12,535 | 10,874 | 12,535 |
| | | 19,988 | 17,419 | 19,988 | 17,419 |
| 16(b) Non-current | | | | | |
| Quarry rehabilitation | | 312 | 410 | 312 | 410 |
| Landfill rehabilitation | | 13,475 | 17,990 | 13,475 | 17,990 |
| Workers compensation | | 1,837 | 1,051 | 1,837 | 1,051 |
| Long service leave | | 2,344 | 2,097 | 2,224 | 1,996 |
| | | 17,968 | 21,548 | 17,848 | 21,447 |
| 16(c) Long service leave | | | | | |
| Current long service leave (expected settlement within 12 months) | | 1,579 | 1,284 | 1,579 | 1,284 |
| Current long service leave (expected settlement after 12 months) | | 9,295 | 11,251 | 9,295 | 11,251 |
| Non-current long service leave* | | 2,344 | 2,097 | 2,224 | 1,996 |
| Total long service leave | | 13,218 | 14,632 | 13,098 | 14,531 |
| * The non-current portion relates to employees who have not yet reached the required years of service to be entitled to take long service leave. | | | | | |
| 16(d) Movements in provisions | | | | | |
| <u>Quarry rehabilitation</u> | | | | | |
| Opening balance at 1 July | | 410 | 445 | 410 | 445 |
| Increase/(decrease) in provision | | (98) | (35) | (98) | (35) |
| Closing balance at 30 June | | 312 | 410 | 312 | 410 |
| This is the estimated present value cost of restoring the quarry site to as near its original condition as possible at the end of its useful life. | | | | | |
| <u>Landfill rehabilitation</u> | | | | | |
| Opening balance at 1 July | | 21,959 | 13,040 | 21,959 | 13,040 |
| Increase/(decrease) in provision due to change in discount rate and costs | | 180 | 10,572 | 180 | 10,572 |
| Provision utilised during the period | | (1,342) | (1,769) | (1,342) | (1,769) |
| Increase in provision due to passage of time - borrowing costs | | 587 | 116 | 587 | 116 |
| Closing balance at 30 June | | 21,384 | 21,959 | 21,384 | 21,959 |
| This is the estimated present value cost of restoring closed landfill sites across the city and is based on Council's 10 year expenditure program. The program is funded by a separate charge. | | | | | |
| <u>Workers compensation</u> | | | | | |
| Opening balance at 1 July | | 1,966 | 1,219 | 1,966 | 1,219 |
| Adjustment for period | | 1,076 | 747 | 1,076 | 747 |
| Closing balance at 30 June | | 3,042 | 1,966 | 3,042 | 1,966 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

16 Provisions - continued**16(d) Movements in provisions - continued**

| | Consolidated | | Council | |
|--|---------------------|---------------|----------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Note | \$000 | \$000 | \$000 | \$000 |
| <u>Long service leave</u> | | | | |
| Opening balance at 1 July | 14,632 | 13,946 | 14,531 | 13,872 |
| Long service leave entitlement raised | 2,085 | 2,038 | 2,066 | 2,011 |
| Impact of increase of discount rates | (1,235) | (193) | (1,235) | (193) |
| Long service entitlement used/extinguished | (1,168) | (760) | (1,168) | (760) |
| Long service entitlement paid | (1,096) | (399) | (1,096) | (399) |
| Closing balance at 30 June | <u>13,218</u> | <u>14,632</u> | <u>13,098</u> | <u>14,531</u> |

17 Other liabilities**17(a) Other current liabilities**

| | Consolidated | | Council | |
|--|---------------------|--------------|----------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Note | \$000 | \$000 | \$000 | \$000 |
| Unearned revenue | 1,229 | 1,439 | 1,211 | 1,439 |
| Prepaid rates and charges | 2,595 | 1,729 | 2,595 | 1,729 |
| Unearned grants | 5,499 | 3,029 | 5,499 | 3,029 |
| Waste Levy refund received in advance* | 5,597 | - | 5,597 | - |
| | <u>14,920</u> | <u>6,197</u> | <u>14,902</u> | <u>6,197</u> |

Other current liabilities include \$5,498,883 (2021: \$3,028,552) of contract liabilities under AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*.

17(b) Other non-current liabilities

| | | | | |
|--|---------------|----------|---------------|----------|
| Waste Levy refund received in advance* | 16,350 | - | 16,350 | - |
| | <u>16,350</u> | <u>-</u> | <u>16,350</u> | <u>-</u> |

* In June 2022 Council received an advanced payment from the State Government of \$21,947,652. The amount received represents four years waste levy for a period from 2022-23 to 2025-26, being \$5,597,378 for the first year and \$16,350,274 for the remaining three years.

18 Asset revaluation surplus

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

| | Consolidated | | Council | |
|----------------------|---------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Note | \$000 | \$000 | \$000 | \$000 |
| Land | 116,981 | 100,594 | 116,981 | 100,594 |
| Buildings | 82,388 | 76,998 | 82,388 | 76,998 |
| Roads | 330,138 | 294,377 | 330,138 | 294,377 |
| Stormwater drainage | 260,100 | 234,892 | 260,100 | 234,892 |
| Water and wastewater | 217,132 | 199,614 | 217,132 | 199,614 |
| Other infrastructure | 218,661 | 199,879 | 218,661 | 199,879 |
| | <u>1,225,400</u> | <u>1,106,354</u> | <u>1,225,400</u> | <u>1,106,354</u> |

19 Commitments

| | Consolidated | | Council | |
|---|---------------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Note | \$000 | \$000 | \$000 | \$000 |
| Operating contractual commitments | | | | |
| Contractual commitments at end of financial year but not recognised in the financial statements are as follows: | | | | |
| Roadworks | 235 | 115 | 235 | 115 |
| Water and wastewater | 3,462 | 2,373 | 3,462 | 2,373 |
| Waste | 157,783 | 148,494 | 157,783 | 148,494 |
| Other | 38,673 | 66,609 | 38,648 | 66,561 |
| | <u>200,153</u> | <u>217,591</u> | <u>200,128</u> | <u>217,543</u> |
| These expenditures are payable: | | | | |
| Within one year | 64,414 | 78,844 | 64,401 | 78,819 |
| One to five years | 92,389 | 86,892 | 92,377 | 86,879 |
| Greater than five years | 43,350 | 51,855 | 43,350 | 51,845 |
| | <u>200,153</u> | <u>217,591</u> | <u>200,128</u> | <u>217,543</u> |

Capital contractual commitments

Commitments for the construction of the following assets contracted for at year end but not recognised as liabilities and payable within one year:

| | | | | |
|----------------------|---------------|---------------|---------------|---------------|
| Roadworks | 1 | 31 | 1 | 31 |
| Water and wastewater | 897 | 1,051 | 897 | 1,051 |
| Waste | 28 | 11 | 28 | 11 |
| Other | 18,685 | 14,585 | 18,685 | 14,585 |
| | <u>19,611</u> | <u>15,678</u> | <u>19,611</u> | <u>15,678</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

19 Commitments - continued

Council has entered into a Development Agreement (DA) with the Minister for Economic Development Queensland (MEDQ) and Walker Group (Walker) to develop land owned by Council and the State as part of the Toondah Harbour project. The DA was executed in February 2016 and is currently in the environmental approvals phase of the project. In accordance with the DA, Council land to be developed by Walker as part of this project, is included in property, plant and equipment and has a carrying value of \$16,216,761 (2021: \$15,298,831). A portion of the land will be developed for community infrastructure and will be transferred (where not already owned) to Council.

Council also entered into another agreement with MEDQ and Redland Investments Corporation Pty Ltd (RIC) for the development of the Weinam Creek Priority Development Area (PDA) delivering much needed infrastructure for the community and the revitalisation of the Redland Bay area. This project is being managed by RIC and will be progressed in the coming years according to the requirements of the agreement.

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

Details and estimates of contingent liabilities as at 30 June 2022 are as follows:

Workers' compensation self-insurer liability

The estimated claims liability for Council as a self-insurer under the Workers' Compensation and Rehabilitation Act 2003 ('the Act') as at 30 June 2022 is \$2,507,000 (2021: \$1,793,000) where estimated claims liability is defined in Section 84 of the Act. The Actuary has recommended that a provision be recognised for \$3,042,000 (2021: \$1,966,000) for the total estimated claims liability. Council has in place a bank guarantee with the CBA Banking Group Ltd for \$2,690,000 (2021: \$2,550,000).

Local Government Mutual

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

As at 30 June 2021 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Other claims

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

Council is a defendant in a number of claims including a class action claim that arose as a result of the operations of Council and its ownership of public assets. On 26 August 2022, a determination on Council's appeal of the class action was received by Council. At the time of this disclosure Council is unable to reliably estimate the value of the outcome, and further legal proceedings may establish a reliable estimate of Council's probable liability. Council has one month from 26 August 2022 to appeal the latest determination, which is yet to be decided on at the time of the financial statements being signed by management.

All liability claims are subject to review and are only provided for when genuine and not contingent on a future event. Liability and insurance claims not provided for are disclosed as contingent liabilities.

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

Landfill remediation

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

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

Contingent assets:

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

21 Superannuation

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

21 Superannuation - continued

| Note | Consolidated | | Council | |
|--|--------------|-------|---------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$000 | \$000 | \$000 | \$000 |
| <p>The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.</p> <p>No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions</p> <p>The next triennial actuarial review is not due until 1 July 2024.</p> <p>The most significant risks that may result in LGIA super increasing the contribution rate, on the advice of the actuary, are:</p> <ul style="list-style-type: none"> Investment risk - the risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall. Salary growth risk - the risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded. <p>The amount of superannuation contributions paid by Council in this period for the benefit of Councillors was:</p> <p>The amount of superannuation contributions paid by Council in this period for the benefit of the Executive Leadership Team was:</p> <p>The amount of superannuation contributions paid by Council in this period for the benefit of all other employees was:</p> | | | | |
| | 145 | 144 | 145 | 144 |
| | 303 | 286 | 303 | 286 |
| | 9,248 | 9,005 | 9,248 | 9,005 |

22 Trust funds

| Note | Consolidated | | Council | |
|---|--------------|-------|---------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$000 | \$000 | \$000 | \$000 |
| Monies collected or held on behalf of other parties | 4,009 | 3,801 | 4,009 | 3,801 |

These funds relate to monies yet to be paid out to or on behalf of those parties and Council performs only a custodial role in respect of these monies. Council separately accounts for all trust funds through a dedicated trust ledger and within a separate account whereby balances are excluded from the Consolidated Statement of Financial Position.

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

| Note | Consolidated | | Council | |
|---|-------------------|---------------|---------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$000 | \$000 | \$000 | \$000 |
| Net result | 43,592 | 20,490 | 42,738 | 20,808 |
| <u>Non-cash items</u> | | | | |
| Depreciation and amortisation | 68,337 | 65,773 | 68,314 | 65,741 |
| Asset not previously recognised or disposed | (196) | (29) | (196) | (29) |
| Net accrued interest | (285) | (265) | (285) | (268) |
| Non-cash contributions | 3(d)(ii) (15,706) | (12,064) | (15,706) | (12,064) |
| Bad and doubtful debts | (105) | 179 | (105) | 163 |
| Fair value adjustment - investment property | (69) | (363) | (68) | - |
| Release of historic consolidated unrealised profit/loss | (11) | - | - | - |
| | 51,965 | 53,231 | 51,954 | 53,543 |
| <u>Investing and development activities</u> | | | | |
| Net loss on disposal of non-current assets | 1,784 | 3,081 | 3,091 | 3,079 |
| Capital grants and contributions | 3(d)(ii) (24,566) | (23,576) | (24,566) | (23,841) |
| | (22,782) | (20,495) | (21,475) | (20,762) |
| <u>Changes in operating assets and liabilities</u> | | | | |
| (Increase)/decrease in trade and other receivables | 2,529 | (2,532) | (320) | (2,208) |
| (Increase)/decrease in other current assets and inventories | (322) | (1,117) | (137) | 162 |
| Increase/(decrease) in trade and other payables | (1,747) | 2,858 | (711) | 3,181 |
| Increase/(decrease) in provisions | (1,010) | 10,318 | (1,027) | 10,289 |
| Increase/(decrease) in other current liabilities | 6,198 | 1,033 | 6,198 | 1,033 |
| Increase/(decrease) in other non-current liabilities | 16,350 | - | 16,350 | - |
| | 21,998 | 10,560 | 20,353 | 12,457 |
| Net cash inflow/(outflow) from operating activities | 94,773 | 63,786 | 93,570 | 66,046 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

24 Fair value measurements

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

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

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

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

- Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset or liability (Level 2)
- Fair value based on unobservable inputs for the asset and liability (Level 3)

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

The following table represents the material asset classes measured and recognised at fair value at 30 June 2022.

| 2022 | Gross value | Written down value | Level 2 | Level 3 |
|-----------------------|------------------|--------------------|---------------|------------------|
| | \$000 | \$000 | \$000 | \$000 |
| Land | 303,480 | 303,480 | 30,147 | 273,333 |
| Buildings | 163,847 | 107,732 | - | 107,732 |
| Roads | 1,058,380 | 720,208 | - | 720,208 |
| Stormwater drainage | 673,710 | 473,142 | - | 473,142 |
| Water and waste water | 1,447,799 | 797,229 | - | 797,229 |
| Other infrastructure | 323,012 | 260,694 | - | 260,694 |
| | 3,970,228 | 2,662,485 | 30,147 | 2,632,338 |

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

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

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

| 2022 Land | Level 2 | Level 3 | Total |
|---------------------------------|---------------|----------------|----------------|
| | \$000 | \$000 | \$000 |
| Opening balance 1 July 2021 | 28,491 | 258,347 | 286,838 |
| Additions and contributions | 1,140 | - | 1,140 |
| Disposals | (336) | (72) | (408) |
| Transfers between asset classes | (477) | - | (477) |
| Asset transfers to /from RIC | - | - | - |
| Revaluation | 1,329 | 15,058 | 16,387 |
| Closing balance 30 June 2022 | 30,147 | 273,333 | 303,480 |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

24 Fair value measurements - continued**Valuation techniques used to derive fair values**

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

Land

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

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

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

AssetVal was commissioned to undertake an independent indexation analysis as at 30 June 2022. The recommended indexation rate for mainland and Southern Moreton Bay Islands land assets as at 30 June 2022 is 6.0% and 5.0% respectively.

Buildings

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

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

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

The fair value has been determined by applying the following process:

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

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

APV was commissioned to undertake an independent indexation analysis at 30 June 2022. Various published indices were used to identify construction cost trends, the unit sales applied in the valuation also considered design standard and/or regulatory requirement of the various building types and applied the indices in construction costs for the period from 1 July 2021 to 30 June 2022. The proposed indexation rates vary from 4.0% to 4.5% and depend on a building type. As the cumulative change in index for building assets is more than 5%, Council accounted for the indexation impact.

Road infrastructure assets

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

24 Fair value measurements - continued**Road infrastructure assets - continued**

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

Stantec, was commissioned to undertake an independent indexation analysis of road infrastructure assets at 30 June 2022. The review was based on consideration of general economic conditions; specific industry or market report conditions relevant for the asset under review; and changes to relevant legislation, standard, construction techniques or inputs. Stantec advised that the movement for road infrastructure asset at 30 June 2022 is 5.8%.

Stormwater drainage infrastructure assets

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

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

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

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

Stantec, was commissioned to undertake an independent indexation analysis of stormwater drainage infrastructure assets at 30 June 2022. The review was based on consideration of general economic conditions, specific industry or market report conditions relevant for the asset under review, and changes to relevant legislation, standard, construction techniques or inputs. Stantec advised that the movement for stormwater drainage infrastructure assets at 30 June 2022 is 5.8%.

Water and wastewater infrastructure assets

Water and wastewater passive (underground) assets were comprehensively valued as at 30 June 2022 by an independently qualified external valuer, Stantec. Current replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold and as such were classified as being valued using Level 3 inputs. Significant components with differing expected useful lives and replacement costs were valued separately.

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

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

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

The significant unobservable inputs used in the valuation were soil, development and island factors and total expected life and remaining life.

Stantec, was commissioned to undertake an independent indexation analysis of water and wastewater active (above ground) assets at 30 June 2022. The review was based on consideration of general economic conditions, specific industry or market report conditions relevant for the asset under review, and changes to relevant legislation, standard, construction techniques or inputs. Stantec recommended to apply an index of 5.8% to the water and wastewater active assets to bring the values up to 30 June 2022.

Other infrastructure assets

Other infrastructure assets were comprehensively valued as at 30 June 2019 by an independent qualified external valuer, Stantec. Current replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

24 Fair value measurements - continued**Other infrastructure assets - continued**

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

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

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

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

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

Stantec, was commissioned to undertake an independent indexation analysis of other infrastructure assets at 30 June 2022. The review was based on consideration of general economic conditions, specific industry or market report conditions relevant for the asset under review, and changes to relevant legislation, standard, construction techniques or inputs. The proposed indexation rate for other infrastructure assets as at 30 June 2022 is 6.8%. As the cumulative change in index is more than 5%, Council accounted for the indexation impact.

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

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

Council applied the CCC to the following significant business activities during the financial year ended 30 June 2022:

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

Financial performance of activities subject to the CCC:

| Business activities - 2022 | Significant businesses | |
|---|------------------------|------------|
| | City Water | City Waste |
| | \$000 | \$000 |
| Revenue for services provided to Council | 1,875 | 958 |
| Revenue for services provided to external clients | 123,369 | 33,184 |
| Community service obligations | 416 | 362 |
| Total Revenue | 125,660 | 34,504 |
| Less: Expenditure | (110,604) | (25,569) |
| Operating surplus/(deficit) | 15,056 | 8,935 |

Description of Community Service Obligations (CSOs):

| Activities | CSO description | Actual |
|------------|---|--------|
| | | \$000 |
| City Water | CSOs | |
| | Water concession not-for-profit | 107 |
| | Water concealed leaks | 79 |
| | Wastewater concession not-for-profit | 309 |
| | | 495 |
| City Waste | CSOs | |
| | Waste disposal from community groups | 239 |
| | In-home Waste, recycling and green waste collection service | 92 |
| | Bulky item collection service (elderly & disabled) | 30 |
| | | 361 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

25 National Competition Policy - continued**Anticipated changes to business activities**

It is expected that there will be no new business activities to which the CCC will be applied for the financial year ending 30 June 2023. Roads activity continues to not meet the definition to which the CCC will be applied as it does not involve itself in competitive bids.

26 Transactions with related parties**26(a) Subsidiaries**

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

The following transactions occurred between Council and its subsidiaries and related entities for year ended 30 June 2022:

Redland Investment Corporation Pty Ltd (RIC)

| Details of transaction | 2022 | 2021 |
|--|-------|-------|
| | \$000 | \$000 |
| Retransfer of land assets from RIC to Council | - | 444 |
| Managing fee paid to RIC for Weinam Creek Project* | 600 | 105 |
| Services provided by Council to RIC | 1 | 89 |
| General rates and water charges recovered from RIC | 27 | 35 |
| Recoveries from RIC for the development applications fees and infrastructure charges | 135 | 277 |
| Services provided by RIC to Council** | 295 | 200 |
| Loan to RIC*** | - | 3,410 |
| Loan deferral fees | - | 10 |
| Loan repayment by RIC | 3,500 | - |
| Interest received from RIC | 13 | 42 |
| GST paid by Council and subsequently received from RIC | - | 72 |
| GST refunds claimed by Council and subsequently paid to RIC | 125 | 354 |

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

** RIC is conducting work in priority development areas and Capalaba on Council's behalf. RIC's invoices to Council for the work undertaken are based on project specific Service Level Agreements (SLA).

*** Refer Note 26(e)

RIC Toondah Pty Ltd

RIC Toondah Pty Ltd manages the RIC Toondah joint operation (refer Note 1(b)). Transactions with RIC Toondah include \$368 (2021: \$2,162) in relation to joint operation costs.

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

Key management personnel include the Mayor, Councillors, Executive Leadership Team (ELT) and backfills of ELT members. The compensation earned by key management personnel for year ended 30 June 2022 comprises:

| Details of transaction | 2022 | 2021 |
|--------------------------------|-------|-------|
| | \$000 | \$000 |
| Short-term employee benefits* | 3,566 | 3,354 |
| Post-employment benefits** | 448 | 430 |
| Long-term employee benefits*** | 206 | 197 |
| Termination benefits | 54 | - |
| Total | 4,274 | 3,981 |

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

** Post-employment benefits include employer superannuation contributions.

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

Detailed remuneration disclosures are provided in the annual report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

26 Transactions with related parties - continued**26(c) Transactions with other related parties**

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

| Details of transaction | 2022 | 2021 |
|---|-------|-------|
| | \$000 | \$000 |
| Employee expenses for close family members of key management personnel* | 101 | 149 |

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

Council employed 1,030 staff as at 30 June 2022 (2021: 1,046) of which only 2 (2021: 2) are close family members of KMP.

26(d) Outstanding balances

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

Current receivables

| Name of the person / entity | 2022 | 2021 |
|---|-------|-------|
| | \$000 | \$000 |
| Redland Investment Corporation Pty Ltd* | - | 5,061 |

* In 2020 Council sold land to RIC for \$1,700,000 (lot 2 at 22-28 Meissner street, Redland Bay). In June 2022, RIC settled owing balance of \$1,540,000.

Current payables

| Name of the person / entity | 2022 | 2021 |
|--|-------|-------|
| | \$000 | \$000 |
| Redland Investment Corporation Pty Ltd | 841 | 318 |

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

Council executed a Loan Facility Agreement with RIC on 30 April 2019 to fund \$3,500,000 for the development of townhouses at 521 Old Cleveland Road, Birkdale, QLD. The first draw down was made on 16 August 2019 for \$90,000. In 2021, three draw downs were made for a total of \$3,410,000. The loan was fully repaid in August 2021.

Council did not make any other loans to, or receive loans from, related parties in the financial year ended 30 June 2022. No guarantees were provided.

26(f) Commitments to/from related parties

Refer Note 12 and Note 19 for the restricted land.

26(g) Transactions with LGIAsuper

Refer Note 21 for the transactions with LGIAsuper.

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

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

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

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

27 Events after the reporting period

Council changed its organisational structure and created a new department: Advocacy, Major Projects & Economic Development (effective from 1 July 2022). This will transform the way Council approaches advocacy, investment attraction, economic development and major project management.

As of 1 July 2022, LGIAsuper is known as Brighter Super.

On 26th of August 2022, a determination of Council's appeal on class action was received by Council. Please refer note 20 for more details.

No other matters or circumstances have arisen since 30 June 2022 that have significantly affected the consolidated entity's operations.

REDLAND CITY COUNCIL
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2022

MANAGEMENT CERTIFICATE
For the year ended 30 June 2022

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

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

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



Mayor
Karen Williams

Date: 12 / 9 / 22



Chief Executive Officer
Andrew Chesterman

Date: 12 / 09 / 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Redland City Council

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2022, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

At the date of this auditor's report, the available other information in Redland City Council's annual report for the year ended 30 June 2022 was the current year financial sustainability statement, the long-term financial sustainability statement and the annual report.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

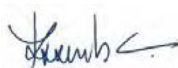
Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

Prescribed requirements scope

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



Sri Narasimhan
as delegate of the Auditor-General

19 September 2022

Queensland Audit Office
Brisbane

REDLAND CITY COUNCIL
MEASURES OF FINANCIAL SUSTAINABILITY
For the year ended 30 June 2022

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REDLAND CITY COUNCIL
CURRENT-YEAR FINANCIAL SUSTAINABILITY STATEMENT
For the year ended 30 June 2022

Measures of Financial Sustainability

| | How the measure is calculated | Actual | Target |
|--|---|---------|--------------------|
| Council's consolidated performance at 30 June 2022 against key financial ratios and targets: | | | |
| Operating surplus ratio | Net result (excluding capital items) divided by total operating revenue (excluding capital items) | 1.63% | Between 0% and 10% |
| Asset sustainability ratio | Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets | 66.31% | Greater than 90% |
| Net financial liabilities ratio | Total liabilities less current assets divided by total operating revenue (excluding capital items) | -45.94% | Below 60% |

Council's performance at 30 June 2022 against key financial ratios and targets:

| | | | |
|---------------------------------|---|---------|--------------------|
| Operating surplus ratio | Net result (excluding capital items) divided by total operating revenue (excluding capital items) | 1.78% | Between 0% and 10% |
| Asset sustainability ratio | Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets | 66.32% | Greater than 90% |
| Net financial liabilities ratio | Total liabilities less current assets divided by total operating revenue (excluding capital items) | -44.00% | Below 60% |

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited consolidated general purpose financial statements for the year ended 30 June 2022.

Certificate of Accuracy

For the year ended 30 June 2022

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

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


Mayor
Karen Williams

Date: 12 / 9 / 22


Chief Executive Officer
Andrew Chesterman

Date: 12 / 09 / 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Redland City Council

Report on the current-year financial sustainability statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Redland City Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Redland City Council for the year ended 30 June 2022 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

At the date of this auditor's report, the available other information in Redland City Council's annual report for the year ended 30 June 2022 was the general purpose financial statements, the long-term financial sustainability statement and the annual report.

The councillors are responsible for the other information.

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

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

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

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

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

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

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

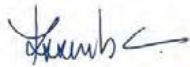
My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

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

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

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

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



Sri Narasimhan
as delegate of the Auditor-General

19 September 2022

Queensland Audit Office
Brisbane

REDLAND CITY COUNCIL
LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT
 Prepared as at 30 June 2022

Measures of Financial Sustainability

| Measure | Target | Projected for the years ended | | | | | | | | | |
|---------|--------|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Actuals 30 June 2022 | 30 June 2023 | 30 June 2024 | 30 June 2025 | 30 June 2026 | 30 June 2027 | 30 June 2028 | 30 June 2029 | 30 June 2030 | 30 June 2031 |

Council

The long-term measures of financial sustainability are presented for Council only. The latest Financial Strategy was adopted exclusive of Redland Investment Corporation Pty Ltd and therefore consolidated measures are not available.

| | | | | | | | | | | | | |
|---------------------------------|---|--------------------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| Operating surplus ratio | Net result (excluding capital items) divided by total operating revenue (excluding capital items) | Between 0% and 10% | 1.78% | -1.25% | 0.04% | 0.10% | 0.14% | 0.17% | 0.19% | 0.21% | 0.24% | 0.30% |
| Asset sustainability ratio | Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets | Greater than 90% | 66.32% | 65.20% | 62.72% | 68.44% | 67.89% | 80.50% | 72.27% | 86.46% | 64.04% | 68.64% |
| Net financial liabilities ratio | Total liabilities less current assets divided by total operating revenue (excluding capital items) | Below 60% | -44.00% | -35.73% | -24.90% | -10.09% | -7.98% | -6.15% | -3.24% | -1.49% | -0.46% | 1.45% |

Council's Financial Strategy

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

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

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

The projected results are per the adopted 2022-2023 budget which is underpinned by the Strategy. It does not include any revisions based on actual results as at 30 June 2022.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2022

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

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


Mayor
 Karen Williams


Chief Executive Officer
 Andrew Chesterman

Date: 12 / 9 / 22

Date: 12 / 09 / 2022

Index of Legislative Requirements

In accordance with the *Local Government Regulation 2012* Council must prepare an annual report for each financial year and adopt it within one month after the day the auditor-general gives the auditor-general's audit report about the local government's financial statements for the financial year to the local government. The local government must publish its annual report on its website within two weeks of adopting the annual report.

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