



Redland
CITY COUNCIL

AGENDA

SPECIAL MEETING

**Thursday, 26 June 2014
commencing at 9.30am**

**The Council Chambers
35 Bloomfield Street
CLEVELAND QLD**

Table of Contents

Item	Subject	Page No
1	DECLARATION OF OPENING	3
2	RECORD OF ATTENDANCE AND LEAVE OF ABSENCE.....	3
3	MATERIAL PERSONAL INTEREST AND CONFLICT OF INTEREST	3
4	BUDGET ADDRESS BY THE MAYOR.....	4
5	BUSINESS	5
5.1	ADOPTION OF 2014-2015 RATE NOTICE DUE DATES	5
5.2	DEBT POLICY 2014/2015	8
5.3	CATEGORISATION OF LAND FOR DIFFERENTIAL RATING 2014/2015.....	11
5.4	REDLAND WATER ANNUAL PERFORMANCE PLAN 2014-2015.....	17
5.5	REDWASTE ANNUAL PERFORMANCE PLAN 2014-2015.....	20
5.6	2014-2015 OPERATIONAL PLAN.....	23
5.7	ADOPTION OF BUDGET ESTIMATES AND FIXING OF RATES AND CHARGES FOR 2014-2015.....	25
5.7.1	STATEMENT OF ESTIMATED FINANCIAL POSITION 2013/2014.....	32
5.7.2	NATIONAL COMPETITION POLICY REQUIREMENTS FOR SIGNIFICANT AND OTHER BUSINESS ACTIVITIES IN 2014/2015.....	35
5.7.3	ESTABLISHMENT OF RESERVE BALANCES AND TRANSFERS FOR 2014/2015.....	39
5.7.4	ENVIRONMENT SEPARATE CHARGE 2014/2015.....	42
5.7.5	LANDFILL REMEDIATION SEPARATE CHARGE 2014/2015.....	45
5.7.6	CITY CANALS SPECIAL CHARGE ANNUAL IMPLEMENTATION PLAN 2014-2015.....	48
5.7.7	SOVEREIGN WATERS LAKE LEVY OVERALL PLAN AND ANNUAL IMPLEMENTATION PLAN 2014-2015.....	52
5.7.8	AQUATIC PARADISE MARINA SPECIAL CHARGE OVERALL PLAN AND ANNUAL IMPLEMENTATION PLAN 2014-2015.....	56

5.7.9 AQUATIC PARADISE SPECIAL CHARGE OVERALL PLAN AND ANNUAL IMPLEMENTATION PLAN 2014-201560

5.7.10 RABY BAY MARINA SPECIAL CHARGE OVERALL PLAN AND ANNUAL IMPLEMENTATION PLAN 2014-201564

5.7.11 RABY BAY TIDAL WORKS (COMMUNITY TITLE SCHEME) SPECIAL CHARGE OVERALL PLAN AND ANNUAL IMPLEMENTATION PLAN 2014-2015.....68

5.7.12 RABY BAY TIDAL WORKS (NON COMMUNITY TITLE SCHEME) SPECIAL CHARGE ANNUAL IMPLEMENTATION PLAN 2014-201572

5.7.13 SOUTHERN MORETON BAY ISLANDS TRANSLINK OPERATIONS SPECIAL CHARGE ANNUAL IMPLEMENTATION PLAN 2014-2015.....76

5.7.14 OVERALL PLAN - KARRAGARRA ISLAND RURAL FIRE LEVY SPECIAL CHARGE 2014/2015.....80

5.7.15 OVERALL PLAN - LAMB ISLAND RURAL FIRE LEVY SPECIAL CHARGE 2014/2015.....84

5.7.16 OVERALL PLAN - MACLEAY AND PERULPA ISLANDS RURAL FIRE LEVY SPECIAL CHARGE 2014/2015.....88

5.7.17 OVERALL PLAN – RUSSELL ISLAND RURAL FIRE LEVY - SPECIAL CHARGE 2014/2015.....92

6 MEETING CLOSURE 95

1 DECLARATION OF OPENING

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

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE

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

3 MATERIAL PERSONAL INTEREST AND CONFLICT OF INTEREST

Councillors are reminded of their responsibilities in relation to a Councillor's material personal interest and conflict of interest at a meeting (for full details see sections 172 and 173 of the *Local Government Act 2009*). In summary:

If a Councillor has a material personal interest in a matter before the meeting:

The Councillor must—

- *inform the meeting of the Councillor's material personal interest in the matter; and*
- *leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on.*

The following information must be recorded in the minutes of the meeting, and on the local government's website—

- *the name of the Councillor who has the material personal interest, or possible material personal interest, in a matter;*
- *the nature of the material personal interest, or possible material personal interest, as described by the Councillor.*

A Councillor has a **material personal interest** in the matter if any of the following persons stands to gain a benefit, or suffer a loss, (either directly or indirectly) depending on the outcome of the consideration of the matter at the meeting—

- (a) the Councillor;
- (b) a spouse of the Councillor;
- (c) a parent, child or sibling of the Councillor;
- (d) a partner of the Councillor;
- (e) an employer (other than a government entity) of the Councillor;
- (f) an entity (other than a government entity) of which the Councillor is a member;
- (g) another person prescribed under a regulation.

If a Councillor has a conflict of interest (a real conflict of interest), or could reasonably be taken to have a conflict of interest (a perceived conflict of interest) in a matter before the meeting:

The Councillor must—

- *deal with the real conflict of interest or perceived conflict of interest in a transparent and accountable way.*
- *Inform the meeting of—*
 - (a) *the Councillor's personal interests in the matter; and*
 - (b) *if the Councillor participates in the meeting in relation to the matter, how the Councillor intends to deal with the real or perceived conflict of interest.*

The following must be recorded in the minutes of the meeting, and on the local government's website—

- (a) the name of the Councillor who has the real or perceived conflict of interest;*
- (b) the nature of the personal interest, as described by the Councillor;*
- (c) how the Councillor dealt with the real or perceived conflict of interest;*
- (d) if the Councillor voted on the matter—how the Councillor voted on the matter;*
- (e) how the majority of persons who were entitled to vote at the meeting voted on the matter.*

*A **conflict of interest** is a conflict between—*

- (a) a Councillor's personal interests (including personal interests arising from the Councillor's relationships for example); and*
- (b) the public interest;*

that might lead to a decision that is contrary to the public interest.

4 BUDGET ADDRESS BY THE MAYOR

5 BUSINESS**5.1 ADOPTION OF 2014-2015 RATE NOTICE DUE DATES**

Datworks Filename: FM Corporate Budget

Authorising Officer:



**Bill Lyon
Chief Executive Officer**

Responsible Officer:

**Deborah Corbett-Hall
Service Manager Corporate Finance**

Author:

**Noela Barton
Service Manager Revenue & Collections
Management**

PURPOSE

The purpose of this report is for Council to adopt the dates by which the rates or charges must be paid in the 2014-2015 financial year.

BACKGROUND

Section 118 of the *Local Government Regulation 2012* requires a local government to decide the date by which, or the period within which, rates or charges must be paid. The dates must be resolved at the budget meeting.

ISSUES

The following dates are applicable for rates or charges levied in the 2014-2015 financial year:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Charge Date for Levy	1/7/2014	1/10/2014	1/1/2015	1/4/2015
Rate Notice Issue Date	11/7/2014	10/10/2014	9/1/2015	10/4/2015
Due Date for Payment	12/8/2014	10/11/2014	9/2/2015	11/5/2015

STRATEGIC IMPLICATIONS**Legislative Requirements**

Section 118(1) of the *Local Government Regulation 2012* (Regulation) requires a local government to decide the date by which, or the period within which, rates or charges must be paid.

Section 118(2) of the Regulation specifies that the date by which, or the period within which, the rates or charges must be paid must be at least 30 days after the rate notice for the rates or charges is issued, or subject to part 10 (Concessions) the same date or period for each person liable to pay the rates or charges.

Section 118(3) of the Regulation specifies the local government must by resolution make the decision at its budget meeting.

Risk Management

The Due Date Plans for 2014-2015 have been prepared in consultation with key staff in the Rating Services team and with consideration to approved public holidays.

Financial

There is no anticipated financial impact on the organisation for the dates that have been determined.

People

Customer contact escalates with the issue of each rate notice and on due date. Departmental areas such as the Integrated Customer Contact Centre and teams within the Revenue and Collections Management business unit are required to ensure staffing levels are appropriate during these times to accommodate the increased customer contact.

Environmental

Nil impact expected as the purpose of the report is to adopt the due date for payment of rate notices issued in the 2014-2015 financial year.

Social

Nil impact expected as the purpose of the report is to adopt the due date for payment of rate notices issued in the 2014-2015 financial year.

Alignment with Council's Policy and Plans

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council.

CONSULTATION

The due dates for the 2014-2015 rate notices have been prepared in consultation with key staff in the Rating Services team and with consideration to approved public holidays.

OPTIONS

That Council resolves to adopt the due date for payment of rates or charges levied in the 2014-2015 financial year as given in the following table:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Charge Date for Levy	1/7/2014	1/10/2014	1/1/2015	1/4/2015
Rate Notice Issue Date	11/7/2014	10/10/2014	9/1/2015	10/4/2015
Due Date for Payment	12/8/2014	10/11/2014	9/2/2015	11/5/2015

OFFICER'S RECOMMENDATION

That Council resolves to adopt the due date for payment of rates or charges levied in the 2014-2015 financial year as given in the following table:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Charge Date for Levy	1/7/2014	1/10/2014	1/1/2015	1/4/2015
Rate Notice Issue Date	11/7/2014	10/10/2014	9/1/2015	10/4/2015
Due Date for Payment	12/8/2014	10/11/2014	9/2/2015	11/5/2015

5.2 DEBT POLICY 2014/2015

Datworks Filename: FM Corporate Budget

Attachment: [Debt Policy 2014/2015](#)

Responsible/Authorising Officer:



Bill Lyon
Chief Executive Officer

Author:

Deborah Corbett-Hall
Service Manager Corporate Finance

PURPOSE

The purpose of this report is to adopt a debt policy for the 2014/2015 financial year in accordance with section 192 of the *Local Government Regulation 2012*. The attached policy outlines the strategic intent of Council with respect to borrowings for the 2014/2015 financial year and an indication of long term new borrowings.

BACKGROUND

Council reviews its long term financial strategy annually between October and December and then finalises the annual financial management policies as part of the budget development process.

ISSUES

The attached policy is as a result of the discussion held during a 2014/2015 budget development workshop. Council reviews its long term borrowings with respect to new loans at least twice a year, during the development of the annual financial strategy and also during the annual budget development process. The long term debt schedule is subject to change as per previous years.

STRATEGIC IMPLICATIONS

Council ensures its borrowings are financially sustainable and officers regularly review book rates, debt service payments and prepayment terms to effectively manage the cost to the community of servicing the debt.

Legislative Requirements

Section 192 of the *Local Government Regulation 2012* requires a local government to prepare and adopt a debt policy for a financial year. The debt policy also forms part of the financial management system alongside other key financial policies, namely Revenue and Investment.

Risk Management

Council reviews its debt on a monthly basis and ensures legislative and Department of Local Government, Community Recovery and Resilience 'financial sustainability guideline' targets are met or exceeded. Council officers work closely with Queensland Treasury Corporation to manage the debt and only propose to borrow

monies when the funds are required in addition to surplus cash holdings; and the interest and repayment amounts are affordable over the life of the loan.

Financial

The financial implications contained within the attached policy have been discussed as part of the budget development process and the Key Performance Indicators (KPIs) contained within Council's Financial Strategy demonstrated the proposed borrowings are financially sustainable.

People

Nil impact expected as the purpose of the report is to present a Debt Policy in accordance with section 192 of the *Local Government Regulation 2012*.

Environmental

Nil impact expected as the purpose of the report is to present a Debt Policy in accordance with section 192 of the *Local Government Regulation 2012*.

Social

Nil impact expected as the purpose of the report is to present a Debt Policy in accordance with section 192 of the *Local Government Regulation 2012*.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the Corporate Plan:

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way:

- 9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council
- 9.6 Implement long term asset management planning that supports innovation and sustainability of service delivery, taking into account the community's aspirations and capacity to pay for desired service levels
- 9.7 Develop our procurement practices to increase value for money within an effective governance framework

CONSULTATION

The annual review of Council's long term financial strategy was held between October and December 2013 when the policy intent was reviewed and confirmed. As part of Council's annual budget development process, Council, the Executive Leadership Group and finance officers considered the 2014/2015 Debt Policy on 8 May 2014.

OPTIONS

1. Council resolves to adopt the attached Debt Policy for 2014/2015 as discussed during the budget development workshop on 8 May 2014.
2. Council resolves to amend the attached Debt Policy prior to its adoption.

OFFICER'S RECOMMENDATION

Council resolves to adopt the attached Debt Policy for 2014/2015 as discussed during the budget development workshop on 8 May 2014.

Debt Policy

[Version Information](#)

Head of Power

Section 104 of the *Local Government Act 2009 (Qld) (the Act)* requires a Local Government to produce a Debt Policy as part of its financial management system. *The Act* also defines Council as a statutory body and subsequently Council's borrowing activities continue to be governed by the *Statutory Bodies Financial Arrangements Act 1982 (Qld)*.

Policy Objective

To ensure the sound management of Council's existing and future debt after assessing and minimising all associated risks in accordance with the annually revised and adopted Long Term Financial Strategy (Financial Strategy).

Policy Statement

1. Long term borrowings (between 2 and 20 years) will only be used to finance capital works that will provide services now and into the future. No long-term borrowings will be used to finance recurrent expenditure and the operational activities of the Council.
2. When seeking funding for capital works, Council will, whenever possible, use its existing constrained cash reserves. The use of any existing cash reserves will be subject to the purpose of the reserve in addition to maintaining all relevant financial ratios and measures of sustainability within adopted Financial Strategy targets.
3. Long term borrowings will be undertaken for capital works only where the interest and debt principal repayments can be serviced and relevant financial ratios and measures are maintained within approved Financial Strategy targets.
4. Long term borrowings will be aligned to specific projects and/or asset classes rather than being pooled to ensure transparency and accountability is maintained. Borrowings will be nominated through the priority needs of the capital program and will be determined through the normal budgetary and approval process of Council.
5. Debt service payments will be made annually in advance in order to minimise Council's interest expense, providing sufficient cash resources are available to Council. The annual payments will be made in July in accordance with the weighted terms of each debt pool held with QTC.
6. Council will continue to review its debt and seek to repay or restructure its debt to ensure repayment in the shortest possible time or reduction in interest payments subject to overall budgetary constraints.
7. New loans will be considered only if the subsequent increase in debt servicing payments allows the total debt servicing ratio to remain within Financial Strategy targets.
8. The term of new loans will be a maximum of twenty years for Water, Waste and General requirements. The debt term shall not exceed the finite life of the related asset/s.

CMR Team use only

Proposed Borrowings

Current planning by Council is to attribute long term borrowings for the period of the Financial Strategy to the following areas:

- **Risk Management** - Council is committed to the management of risk so it is important that management policies, procedures and practices are in place to minimise Council's exposure to risk. Potential risk can be identified, and/or opportunities associated with Council's long-term financial planning, by using risk assessment methodology, to quantify the level of risk, before deciding which option to adopt to begin to implement appropriate mitigation, and/or funding options, to manage the risk.
- **Asset Management** – The *Local Government Regulation 2012 (Qld)* requires Councils to effectively plan and manage their infrastructure assets, focusing particularly on ensuring that a full renewals program is in place over the long-term planning cycle. This will require Redland City Council to support a realignment of capital spending prioritisation towards renewal activities, rather than expansion of capital infrastructure, which may require Council to seek additional long term borrowings in order to fund capital expenditure on new, upgrade and expansion activities.
- **Inter-Generational Projects** – spreading the cost of these projects over a long term will minimise the revenue impact on the community, as well as addressing the need of providing for infrastructure development immediately to meet expected future demographic needs. Council may need to increase existing debt levels through additional long-term borrowings to fund these projects. Projects are defined to be inter-generational if the associated assets have estimated useful lives of 25 years or more.

Version Information

Version number	Date	Key Changes
12.2	June 2013	<ul style="list-style-type: none">• Updated loan schedule following completion of 2013/2014 Budget Workshops and adoption of ten year capital program 2013/2023
13	May 2014	<ul style="list-style-type: none">• Minor updates as part of the budget development process in addition to<ul style="list-style-type: none">○ Six monthly debt service pre payments instead of quarterly provided cash is available – risk free savings on interest expense○ Removal of in-year drawdown for significant projects and capitalisation of borrowing costs○ Inclusion of definition of inter-generational projects○ Removal of ten year loan schedule from previous version until completion of the 2014/2015 budget development process
14	June 2014	<ul style="list-style-type: none">• Updated loan schedule following completion of 2014/2015 Budget Workshops and adoption of ten year capital program 2014/2024• Inserted schedule of weighted average remaining loan terms for new and existing loans

[Back to Top](#)

CMR Team use only

Department: Office of CEO
Group: Financial Services
Approved: Special Meeting

Effective date:
Version: 14
Review date:
Page: 2 of 3

policy document



Corporate POL-1838

Schedule of ten year forecasted Redland City Council debt 2014-2024

	Proposed Year1 2013/14 \$'000	Forecast Year1 2014/15 \$'000	Forecast Year 2 2015/16 \$'000	Forecast Year3 2016/17 \$'000	Forecast Year4 2017/18 \$'000	Forecast Year5 2018/19 \$'000	Forecast Year6 2019/20 \$'000	Forecast Year7 2020/21 \$'000	Forecast Year8 2021/22 \$'000	Forecast Year9 2022/23 \$'000	Forecast Year10 2023/24 \$'000
New Loans		-	5,000	7,500	5,000	-	-	-	-	-	-
Interest		3,362	3,255	3,231	3,064	2,622	2,152	1,650	1,115	736	523
Redemption		4,589	5,247	6,110	6,846	7,287	7,757	8,259	8,785	6,606	4,286
Closing Balance	58,984	54,395	54,148	55,539	53,693	46,406	38,648	30,389	21,604	14,998	10,712

Schedule of forecasted weighted average remaining terms in years 2014-2024

	30/06/2014	30/06/2015	30/06/2016	30/06/2017	30/06/2018	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024
Weighted average (existing loans)	10.05	9.07	8.10	7.14	6.20	5.28	4.40	3.62	3.08	3.12	2.15
Weighted average (incl new loans)	10.05	9.07	8.46	8.09	7.61	6.75	5.96	5.28	4.84	4.77	3.95

CMR Team use only

Department: CEO Department
 Group: Financial Services
 Approved:

Effective date:
 Version: 13
 Review date:
 Page: 3 of 3

5.3 CATEGORISATION OF LAND FOR DIFFERENTIAL RATING 2014/2015

Datworks Filename: FM Corporate Budget

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Deborah Corbett-Hall
Service Manager Corporate Finance

Author:

Noela Barton
Service Manager Revenue & Collections
Management

PURPOSE

To submit to Council for adoption the differential rating categories for 2014/2015.

BACKGROUND

Section 81(1) of the *Local Government Regulation 2012* (the Regulation) requires that before a local government may levy differential general rates, it must decide the different categories of rateable land in its local government area. Section 81(2) of the same Regulation requires the local government must, by resolution, make the decision at the local government's budget meeting.

ISSUES

On an annual basis Council reviews the differential rating categories and determines from the objectives and principles outlined in the Revenue Policy and 10 year Financial Strategy the differential rating categories that will be applied for the following financial year.

The differential rating categories for the 2014/2015 financial year have been determined in the course of budget deliberations with Council in consideration of Council objectives, the Revenue Policy and 10 Year Financial Strategy.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 81(1) of the Regulation requires that before a local government may levy differential general rates, it must decide the different categories of rateable land in its local government area.

Section 81(2) of the Regulation requires the local government must, by resolution, make the decision at the local government's budget meeting.

Section 81(3) of the Regulation requires the resolution must state the rating categories of rateable land and the description of each category.

Risk Management

An independent consultant, Orion Networking Pty Ltd (Orion), was engaged to review and provide a report to Council on the overall rating strategy and level of utility charges for the 2013/2014 financial year. For the 2014/2015 financial year, Council has continued to observe the recommendations in the 2013/2014 Orion report.

Financial

This determination of rating categories provides the platform for the making and levying of differential general rates for the financial year.

People

Nil impact expected as the purpose of the report is to adopt the 2014/2015 rating categories to Council for adoption.

Environmental

Nil impact expected as the purpose of the report is to adopt the 2014/2015 rating categories to Council for adoption.

Social

Nil impact expected as the purpose of the report is to adopt the 2014/2015 rating categories to Council for adoption.

Alignment with Council's Policy and Plans

8. Inclusive and ethical governance

Deep engagement, quality leadership at all levels, transparent and accountable democratic processes and a spirit of partnership between the community and Council will enrich residents' participation in local decision making to achieve the community's Redlands 2030 vision and goals.

- 8.8 Provide clear information to citizens about how rates, fees and charges are set and how council intends to finance the delivery of the community plan and corporate plan.

CONSULTATION

The Differential General Rating Categories for 2014/2015 are put forward for adoption after consultation with the Councillors, the Executive Leadership Group, and officers from Financial Services.

OPTIONS

1. Council resolves to adopt the rating categories, and the description of each of the rating categories, for the 2014/2015 financial year as given in the table in the Officer's Recommendation.
2. Council resolves to not adopt the Officer's Recommendation.

OFFICER'S RECOMMENDATION

That Council resolves to adopt the following rating categories for the 2014/2015 financial year as given in the table below:

Category	Description
1a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value equal to or less than \$305,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, and is the registered owner's principal place of residence.
1b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value greater than or equal to \$305,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, and is the registered owner's principal place of residence.
1av	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10, with a value equal to or less than \$305,000, where it is not considered likely a development permit, or permits, for the erection of a building would be approved should application be made.
1bv	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10, with a value greater than or equal to \$305,001, where it is not considered likely a development permit, or permits, for the erection of a building would be approved should application be made.
2a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value equal to or less than \$305,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.
2b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value greater than or equal to \$305,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.
2av	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10 or 1av, with a value equal to or less than \$305,000, where it is considered likely to be granted a development permit, or permits, for the erection of a building for residential, commercial or industrial purposes should application be made.
2bv	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10 or 1bv, with a value greater than or equal to \$305,001, where it is considered likely to be granted a development permit, or permits, for the erection of a building for residential,

Category	Description
	commercial or industrial purposes should application be made.
3a	Includes all rateable land on the Southern Moreton Bay Islands with a value equal to or less than \$65,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is the registered owner's principal place of residence.
3b	Includes all rateable land on the Southern Moreton Bay Islands with a value greater than or equal to \$65,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is the registered owner's principal place of residence.
4a	Includes all rateable land on the Southern Moreton Bay Islands with a value equal to or less than \$65,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.
4b	Includes all rateable land on the Southern Moreton Bay Islands with a value greater than or equal to \$65,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.
5	<p>Includes all rateable land that is used, or is intended for residential use or any other purpose other than Commercial or Industrial that has been identified in the <i>Southern Moreton Bay Islands Development Entitlements Protection Regulation 2006</i> that has recognised development potential and where the current owner was in possession of the land immediately before 13 April 2005.</p> <p>The development entitlements, which existed under the 'superseded' Transitional Planning Scheme, have been protected on these lots for a period of ten years from the commencement of the Redlands Planning Scheme or until a change in ownership occurs as the protection of development entitlements does not extend to future owners of land included in this category.</p> <p>Land in this category is included in the Conservation Sub-Area CN1 zone of the Redlands Planning Scheme.</p>
6	Includes all rateable land on the Mainland, Coochiemudlo Island and North Stradbroke Island that is used in whole or in part for a commercial or industrial purpose, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for commercial or industrial purposes, other than that categorised in rating category 19. This category includes not-for-profit organisations and clubs.
7	Includes all rateable land on the Southern Moreton Bay Islands that is used in whole or in part for a commercial or industrial purpose, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for commercial or industrial purposes. This category includes not-for-profit organisations and clubs.

Category	Description
8	Includes all rateable land that is used in whole or in part for quarry or extractive industry purposes, or intended for use in whole or in part by virtue of its improvements, or activities conducted upon the land of quarry or extractive industry purposes. This category includes land where a current State licence or permit to extract material from the ground exists.
10	Includes all rateable land that has been identified as having an insurmountable drainage constraint such that it is unlikely a development permit, or permits, for the erection of a dwelling house on the land would be granted. Includes some rateable land that has been identified as having significant conservation values. All rateable land included in this category identified with insurmountable drainage problems or conservation values is zoned Conservation Sub-Area CN1 in the Redlands Planning Scheme. This category also includes all rateable land on the Southern Moreton Bay Islands that is vacant and has been included within the Open Space zone of the Redlands Planning Scheme.
11	Includes subdivided land that is not yet developed in accordance with Section 50 of the <i>Land Valuation Act 2010</i> (Part 2 Subdivision 3 Discounting for subdivided land not yet developed). For the purpose of levying the General Rate the value of land subject to this Section will be discounted by 40%. A discount is not applicable for land valued as a community management scheme. Furthermore, a minimum general rate will not apply to this land in accordance with Section 77(3) of the <i>Local Government Regulation 2012</i> .
12a	Includes all rateable vacant land on the Southern Moreton Bay Islands with a value equal to or less than \$33,000 where the land is considered likely to be granted a development permit, or permits, for the construction of a building for residential, commercial or industrial purposes should application be made.
12b	Includes all rateable vacant land on the Southern Moreton Bay Islands with a value greater than or equal to \$33,001 where the land is considered likely to be granted a development permit, or permits, for the construction of a building for residential, commercial or industrial purposes should application be made.
14	One or more land parcels in the same registered name where the land is used in whole or in part for the purpose of a retail shopping centre with a total gross lettable floor area greater than or equal to 30,000 square metres whose tenants include one or more discount department stores, one or more major supermarkets, and 10 or more national retail chain stores or food outlets.
15	One or more land parcels in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for the purpose of a shopping centre with a total gross lettable floor area between 10,000 and 30,000 square metres. Tenants include one or more major supermarkets and 5 or more national chain retail stores or food outlets.

Category	Description
16	One or more land parcels in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for carrying on retail business having 20 or more self-contained places of business, one of which is a supermarket, where the cluster of businesses are promoted, or generally regarded, as a shopping centre or shopping village.
17	One or more land parcels in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for carrying on retail business having 5 or more self-contained places of business, one of which is a supermarket or grocery outlet, where the cluster of businesses are promoted, or generally regarded, as constituting a shopping court or shopping centre.
18	One or more land parcels located on the Southern Moreton Bay Islands in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for carrying on retail business having 5 or more self-contained places of business, one of which is a supermarket or grocery outlet, where the cluster of businesses are promoted, or generally regarded, as constituting a shopping court or shopping centre.
19	One or more land parcels located on the Mainland, Coochiemudlo or North Stradbroke Islands in the same registered name where two or more self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the total land area is greater than or equal to 4,000 square metres.

5.4 REDLAND WATER ANNUAL PERFORMANCE PLAN 2014-2015

Datworks Filename: WS Reporting – WS Annual Performance Plans
WS Reporting – WW Annual Performance Plans

Attachment: [Redland Water Annual Performance Plan for Water & Wastewater Services 2014-2015](#)

Responsible/Authorising Officer:



Gary Soutar
General Manager Infrastructure and Operations

Author:

Shelley Thompson
PA to General Manager Infrastructure and Operations

PURPOSE

The purpose of this report is for council to adopt Redland Water's annual performance plan (APP) for 2014-2015 to meet the requirement of the *Local Government Regulation 2012*.

BACKGROUND

Redland Water (RW) is a commercial business unit (CBU) of Redland City Council (RCC).

Section 175 of the *Local Government Regulation 2012* states the annual operational plan for a local government must:

1. Be consistent with its annual budget, and
2. State how the local government will:
 - a) Progress the implementation of the 5-year corporate plan during the period of the annual operational plan; and
 - b) Manage operational risks; and
3. Include an annual performance plan for each commercial business unit of the local government.

It also states that an APP for a CBU is a document containing the following for the financial year:

- a) the unit's objectives;
- b) the nature and extent of the significant business activity the unit is to conduct;
- c) the unit's financial and non-financial performance targets;
- d) the nature and extent of the community service obligations (CSOs) the unit must perform;
- e) the cost of, and funding for, the CSOs;

- f) the unit's notional capital structure, and treatment of surpluses;
- g) the unit's proposed major investments;
- h) the unit's outstanding and proposed borrowings;
- i) the unit's policy on the level and quality of services consumers can expect;
- j) the delegations necessary to allow the unit to exercise autonomy in its commercial activities;
- k) the type of information that the unit's reports to the local government must contain.

ISSUES

RW has conducted a review of its annual performance plan for the 2014-2015 financial year and this is now presented for adoption.

It is recommended that the annual performance plan be adopted.

STRATEGIC IMPLICATIONS

Legislative Requirements

The *Local Government Act 2009* (the *Act*) and the *Local Government Regulation 2012* (the *Regulation*) govern the operation of business units run by local governments.

Section 175 of the *Local Government Regulation 2012* states a local government's operational plan for the financial year must include an annual performance plan for each commercial business unit.

Risk Management

Not applicable.

Financial

Not applicable.

People

Not applicable.

Environmental

Not applicable.

Social

Not applicable.

Alignment with Council's Policy and Plans

This report aligns with council's corporate plan ensuring council's existing infrastructure assets are managed to ensure current service standards are maintained or improved.

CONSULTATION

Consultation has occurred between the General Manager Infrastructure & Operations, the Group Manager Water & Waste Operations and the Group Manager Water & Waste Infrastructure.

OPTIONS

1. To adopt the Redland Water Annual Performance Plan for Water & Wastewater Services for 2014-2015 as attached.
2. To adopt the Redland Water Annual Performance Plan for Water & Wastewater Services for 2014-2015 with amendments.

OFFICER'S RECOMMENDATION

That Council resolves to adopt the Redland Water Annual Performance Plan for Water & Wastewater Services for 2014-2015 as attached.

REDLAND WATER

A commercial business unit of Redland City Council

Water & wastewater services

Performance Plan 2014/15



Table of Contents

1	INTRODUCTION.....	3
2	KEY PRINCIPLES OF A COMMERCIAL BUSINESS UNIT.....	4
3	REDLAND CITY COUNCIL VISION.....	4
4	REDLAND WATER VISION, OBJECTIVES AND FUNCTIONS.....	4
4.1	BUSINESS FOCUS.....	4
4.1.1	<i>Vision</i>	4
4.1.2	<i>Mission</i>	4
4.1.3	<i>Key drivers</i>	4
5	ROLES OF EACH PARTY.....	4
5.1	REDLAND CITY COUNCIL'S ROLE.....	4
5.2	REDLAND WATER'S ROLE.....	4
6	UNDERTAKINGS BY THE PARTIES.....	4
6.1	REDLAND CITY COUNCIL.....	4
6.2	REDLAND WATER.....	5
7	REDLAND CITY CORPORATE PLAN OBJECTIVES.....	5
8	REDLAND WATER'S STRATEGIES FOR ACHIEVING OBJECTIVES.....	6
9	REDLAND WATER SERVICES.....	6
9.1	WATER SUPPLY SERVICE.....	6
9.2	WASTEWATER SERVICE.....	6
10	REPORTING TO COUNCIL.....	6
10.1	REPORTING STRUCTURE.....	6
10.2	REPORTING TO COUNCIL.....	7
11	MEETING OUR CUSTOMERS' NEEDS.....	7
11.1	CUSTOMER SERVICE STANDARDS (CSSs).....	7
11.2	CUSTOMER ADVICE.....	8
11.3	SEEKING FEEDBACK FROM OUR CUSTOMERS AND COMMUNITY.....	8
12	PLANNING FOR THE FUTURE.....	8
12.1	FINANCIAL PLANNING.....	8
12.2	ASSETS.....	8
12.3	EMPLOYMENT AND TRAINING PLAN.....	9
12.4	FINANCIAL RISK.....	9
13	REVENUE.....	9
13.1	COLLECTION OF RATES.....	9
13.2	COLLECTION OF FEES, CHARGES AND MISCELLANEOUS INCOMES.....	9
13.3	COMMUNITY SERVICE OBLIGATIONS (CSOs).....	9
13.4	MEASUREMENT OF WATER CONSUMPTIONS.....	10
14	FINANCIAL STRUCTURE.....	10
14.1	CAPITAL STRUCTURE.....	10
14.2	PHYSICAL ASSETS.....	10
14.3	MONETARY ASSETS.....	10
14.4	INVESTMENT.....	10
14.5	CASH BALANCES.....	10
14.6	LOANS.....	10
14.7	SUBSIDY.....	10
14.8	RECOGNITION OF ASSETS.....	11
14.9	DEPRECIATION.....	11
14.10	PRICING POLICIES.....	11
14.11	NET RETURN TO COUNCIL.....	11
14.13	DEVELOPER CONTRIBUTIONS.....	12
	ATTACHMENTS.....	13

1 Introduction

Redland Water is a commercial business unit (CBU) of Redland City Council (RCC).

The *Local Government Act 2009* (the *Act*) and the *Local Government Regulation 2012* (the *Regulation*) govern the operation of business units run by local governments.

In deciding whether an activity should be a significant business activity for the 2014-15 financial year, local governments must consider the operating expenditure for the 2014-15 financial year less any depreciation included therein and any expenditure included therein to achieve competitive neutrality which is not actually incurred by the local government plus any loan redemption payments in that year.

Section 19 of the *Local Government Regulation 2012* was recently amended to increase the thresholds. The thresholds for the 2014-15 financial year are therefore as follows:

- for water and sewerage combined activities - \$13,300,000; and
- for any other business activity - \$8,900,000.

Section 175 of the *Local Government Regulation 2012* states:

- 1) The annual operational plan for a local government must:
 - (a) be consistent with its annual budget; and
 - (b) state how the local government will:
 - (i) Progress the implementation of the 5-year corporate plan during the period of the annual operational plan; and
 - (ii) Manage operational risks; and
 - (c) include an annual performance plan for each commercial business unit of the local government.
- 2) An annual performance plan for a commercial business unit is a document stating the following for the financial year:
 - (a) the unit's objectives;
 - (b) the nature and extent of the significant business activity, the unit is to conduct;
 - (c) the unit's financial and non-financial performance targets;
 - (d) the nature and extent of the community service obligations the unit must perform;
 - (e) the cost of, and funding for, the community service obligations;
 - (f) the unit's notional capital structure, and treatment of surpluses;
 - (g) the unit's proposed major investments;
 - (h) the unit's outstanding, and proposed, borrowings;
 - (i) the unit's policy on the level and quality of service consumers can expect;
 - (j) the delegations necessary to allow the unit to exercise autonomy in its commercial activities;
 - (k) the type of information that the unit's reports to the local government must contain.
- 3) A local government may omit information from the copies of the annual performance plan made available to the public if:
 - (a) the information is of a commercially sensitive nature to the commercial business unit; and
 - (b) the information is given to each of the local government's councillors.

Note – See also section 171 (Use of information by councillors) of the Act.
- 4) The local government may change an annual performance plan for a commercial business unit at any time before the end of the financial year.

The *Regulation* also requires the CBU's performance to be monitored by the local government against performance targets mentioned in the annual performance plan (APP).

2 Key principles of a commercial business unit

This APP supports the key principles of commercialisation as detailed in section 28 of the *Regulation*, which are:

- (a) clarity of objectives;
- (b) management autonomy and authority;
- (c) accountability for performance; and
- (d) competitive neutrality.

3 Redland City Council vision

“Enhancing community spirit, lifestyle and the natural environment”.

4 Redland Water vision, objectives and functions

4.1 *Business focus*

4.1.1 **Vision**

To be recognised as a professional water management business that continually improves and adapts our service to customers in support of Council’s vision and objectives for the city.

4.1.2 **Mission**

To meet or exceed agreed standards of water and wastewater services while managing the business for long-term success.

4.1.3 **Key drivers**

The key business drivers are:

- customer service;
- business efficiency;
- environmental sustainability;
- pricing arrangements that reflect true costs, full cost recovery and regulatory requirements;
- competitiveness; and
- the provision of a safe working environment.

5 Roles of each party

5.1 *Redland City Council’s role*

- Owner of business
- Specifies levels of service
- Customer of Redland Water

5.2 *Redland Water’s role*

- Service provider for planning and operation of assets
- Customer of Redland City Council
- Owner of water and wastewater assets

6 Undertakings by the parties

6.1 *Redland City Council*

RCC has delegated management autonomy to Redland Water’s management team for:

- entering into contracts in the name of the business unit as a commercial business of Council in line with Council delegations;

- completing approved programs in accordance with Council's budget, operational and corporate plans as well as Redland Water's performance plan;
- promoting and presenting Redland Water to the community as a professional commercial business by undertaking educational, promotional and customer activities;
- developing and implementing budgets and long-term pricing models and financial plans.

RCC will compensate Redland Water the cost of providing any community service obligations (CSOs) in line with section 24 of the *Regulation*. These will be reviewed on an annual basis as part of the performance plan and the budget development process.

Council will buy water and wastewater services from Redland Water under the same terms and conditions as customers.

RCC will operate in accordance with various policies and the corporate plan.

6.2 **Redland Water**

Redland Water will:

- provide water and wastewater operations;
- conduct its business and operations in compliance with the requirements of the *Environmental Protection (Water) Policy 2009* of the *Environmental Protection Act 1994*, the *South-East Queensland Water (Distribution and Retail Restructuring) Regulation 2010* of the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*, the *Local Government Act 2009*, the *Water Act 2000*, the *Water Supply (Safety and Reliability) Regulation 2011* of the *Water Supply (Safety and Reliability) Act 2008*, the *Local Government Regulation 2012* and other relevant acts and regulations;
- operate within National Competition Policy (NCP) guidelines and deliver an annual net return to Council as detailed in this plan;
- adopt the principles of ecologically sustainable development;
- plan for, build, operate and maintain assets to ensure nominated service levels are maintained;
- commit to the overall Council vision of operating within a best value framework - value for money will be superior to lowest pricing;
- use Council's full range of corporate services by entering into service level agreements (SLAs) with Council;
- implement the Netserv Plan
- provide monthly reports to Council on its financial and non-financial performance;
- show due diligence in immediately reporting any serious non-compliances or incidents to Council;
- pursue and undertake private works on a full cost plus profit basis provided the works fall within the scope, skill and competencies of assigned staff and contractors. Financial risk of Council must be considered when undertaking significant private works projects.

7 Redland City corporate plan objectives

To address key strategies within the RCC Corporate Plan 2010-2015, Redland Water will:

- supply healthy water in an ecologically sustainable manner by planning, designing, constructing, operating and maintaining a high quality water distribution system; and
- process wastewater in an ecologically sustainable manner by planning, designing, constructing, operating and maintaining a system for the collection, treatment and disposal of wastewater and biosolids.

8 Redland Water's strategies for achieving objectives

Redland Water will strive to show high levels of performance in the following areas in achieving the objectives:

- quality products and service;
- customer services including timely response to complaints and requests; and
- environmental and safety standards.

Other initiatives that will be undertaken to support the objectives are:

- improving the value of the business and meeting Council's capital structure and net return targets;
- managing costs to improve value to customers;
- strengthening demand management to meet the south-east Queensland (SEQ) regional targets for per capita water consumption;
- monitoring and reporting on key financial and non-financial performance indicators; and
- meeting the objectives of the Council of Australian Governments (COAG) and NCP reforms.

9 Redland Water services

Chapter 3A Part 2 of the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* states that, from the end of June 2012, Redland Water, as a commercialised business unit of RCC, will be a service provider subject to the *Water Supply (Safety and Reliability) Act 2008*.

Chapter 2 Part 3 Division 2 of the *Water Supply (Safety and Reliability) Act 2008* provides Redland Water with the general power of a service provider to operate water and wastewater services within the RCC area with current service delivery areas.

The nature and scope of Redland Water's main activities and undertakings are:

9.1 **Water supply service**

Redland Water's undertaking for water supply will include the construction, operation and maintenance of the following assets:

- reticulation network;
- trunk mains;
- services;
- meters;
- hydrants;
- pump stations; and
- reservoirs.

9.2 **Wastewater service**

Redland Water's undertaking for wastewater supply will include the construction, operation and maintenance of the following assets:

- wastewater treatment plants (WWTPs);
- pump stations;
- pressure mains;
- reticulation network;
- manholes;
- effluent mains;
- developing recycled water opportunities; and
- the provision of trade waste services.

10 Reporting to Council

10.1 **Reporting structure**

In line with the key principles of commercialisation in section 28(b) of the Regulation, Redland Water has autonomy in its day-to-day operations.

The reporting structure is such that the General Manager Infrastructure & Operations reports to the Chief Executive Officer (CEO) of RCC regarding Redland Water.

10.2 **Reporting to Council**

Redland Water will provide the following reports to Council:

Monthly:

- monthly key performance indicators (KPIs) as shown in the attached Redland Water scorecard indicators – 2014/15;
- standard set of financial reports; and
- WWTP performance.

Yearly:

- yearly KPIs as shown in the attached Redland Water scorecard indicators – 2014/15;
- statement of financial performance;
- statement of financial position; and
- annual budget as part of corporate process.

11 Meeting our customers' needs

11.1 **Customer service standards**

Water and wastewater

Section 115 of the *Water Supply (Safety & Reliability) Act 2008* requires service providers to prepare a customer service standard (CSS) for its water and wastewater services. It also requires the service provider to clearly state the level of service to be provided to customers, the process for service connection, billing, metering, accounting, customer consulting, complaints and dispute resolution.

The CSS also contains any other matters as mentioned in guidelines issued by DERM. The CSS is reviewed annually and customers are advised of significant changes.

A copy of Redland Water's CSS is available from Redland Water or Council's customer service centres.

For the 2014/15 CSS, Redland Water will make every effort to:

Water

- respond to discoloured water complaints within 4 hours;
- make sure at least 98% of properties, when tested, have a minimum 22 metres static head and flow to the atmosphere of at least 30 litres a minute at the meter;
- improve inadequate water pressure and flow within 28 working days of a test for water services otherwise we will advise of actions required;
- make sure there are no more than 12 water quality incidents per month caused by the distribution network;
- respond to general requests within 5 working days;
- respond to loss of supply within 1 hour on mainland;
- restore 97% of mainland interruptions caused by disruptions in the distribution network within 5 hours;
- make sure there are no more than 8 water main breaks and leaks per month for every 100 kilometres within the distribution main;
- connect new water services for mainland standard connections within 15 working days of the request; and
- respond to general requests within 5 working days.

Wastewater

- restore service to customers within 5 hours following a mainland incident;
- respond to 90% of mainland wastewater blockages or overflows within 1 hour;
- make sure there are no more than 7 dry weather overflows each month;
- respond to reports of odour on the mainland within 5 hours;
- make sure there are no more than 3 odour complaints per month; and
- respond to general requests within 5 working days.

11.2 Customer advice

Redland Water will provide a range of information relating to service advice, accounts and charges on request.

Redland Water will make available information to customers through the use of fact sheets, Redland Water's internet pages, community education programs and so on.

The CSS for water and wastewater also contains useful advice on sustainable water supply and a complaints resolution process for dealing with customer requests and concerns.

11.3 Seeking feedback from our customers and community

Redland Water will collect community feedback information and participate in community consultations. Feedback from surveys and consultation will be used to gauge acceptance of service levels. This mechanism is seen by the CBU as a valuable input into improving services delivery.

Customer feedback may be collected through some or all of the following forms:

- recording unsolicited complaints and comments;
- management or staff attendance at community consultation sessions; and
- formal surveys by a third party consultant or formal surveys by in-house staff as part of Council process.

12 Planning for the future

12.1 Financial planning

- Redland Water will review its financial model on a yearly basis. The financial model will be for a period of no less than 10 years.
- The CBU's budget will be formulated on an annual basis and reviewed quarterly in accordance with the timeframes set by Council, the anticipated capital structure and Council's net return expectations.

12.2 Assets

Redland Water will optimise assets and strive for best value of operations by:

- regularly assessing assets and development of planning reports;
- implementing and improving preventative maintenance programs;
- enhancing asset condition ratings and information;
- timely updating of asset databases;
- improving data for calculation of valuations;
- considering contemporary valuation methodologies in accordance with effective NCP pricing principles; and
- considering the risk of possible obsolescence when evaluating use of advancing technology.

12.3 Employment and training plan

Redland Water will make sure the intellectual property of the CBU is retained and operational processes are maintained in perpetuity by implementing the corporate human resource plan which will:

- recognise the need for succession planning;
- adopt the staff performance appraisal process;
- adopt Council's policy on remuneration packages for staff; and
- undertake staff training programs based on legislative requirements and a skills gap analysis.

12.4 Financial risk

Redland Water will adopt strategies to minimise financial risk by:

- continually reviewing and refining the costing and quotation of jobs;
- following a structured but flexible process for quotation and tendering in line with corporate processes;
- maximising the use of grants and/or subsidies for works;
- ensuring appropriate levels of headworks payments are collected from developers and property owners where applicable;
- adopting Council's policies on funding, so that an appropriate level of depreciation ensures long-term cash flows are not jeopardised;
- ensuring developer contributions are transferred to reserves where appropriate;
- holding an appropriate level of insurance cover; and
- monitoring the sundry debtors to ensure revenues are maximised.

13 Revenue

Revenues are collected by Council and transferred to Redland Water for all services it provides.

13.1 Collection of rates

Redland Water's water and wastewater charges will be integrated on an RCC rate notice.

All outstanding rates will appear in Redland Water's balance sheets.

13.2 Collection of fees, charges and miscellaneous incomes

Revenues for fees and charges will be collected in the following manner:

- prepayment for works associated with developments, new properties or alterations to infrastructure; and
- revenue for other works including trade waste fees will be by invoice with a 30-day payment period.

13.3 Community service obligations (CSOs)

CSO payments will be made by Council for services supplied for less than full cost price in accordance with Council pricing, Council policy or Council operations. A summary of the CSOs will be provided in Council's annual report in accordance with the *Local Government Regulation 2012*.

CSOs may include:

- concessions provided to sporting bodies or clubs;
- concessions, remissions or rebates for specific persons stated in a policy;
- any non-commercially driven concession or remission provided by resolution of Council;
- community services; and
- special audits and assessments outside commercial requirements.

Current CSOs for Council 14/15 are:

Water concessions	\$	85,927
Wastewater concessions	\$	578,377
Total	\$	664,304

13.4 Measurement of water consumptions

All water supplied will be measured through a water meter (including consumption through fire hydrants and water filling stations). Water meters will be read 4 times per annum and water meters upgraded as part of a progressive replacement program.

A permit will be required to take water from fire hydrants or tanker filling stations (Fire Services using hydrants for firefighting only exempted) and for recycled water drawn from Redland Water's recycled water filling facilities. Redland Water may issue a metered standpipe which will incur a bond and hire fee. The potable water or recycled water consumption as indicated on the standpipe will also be charged.

14 Financial Structure

Redland Water are separate units within RCC's financial ledgers.

A separate accounts payable and receivable ledger will operate within RCC's financial system to allow for easy identification of payments.

14.1 Capital structure

The consolidated capital structure of the CBU will comprise community equity to the value of assets less liabilities.

The 10-year Debt to Debt + Equity level shall be in the range of 25-50%, currently the planned level for 2014/15 shall be 47% (this is the ratio of our internal debt \$330m).

14.2 Physical assets

In accordance with the initial CBU establishment plan, the capital structure of Redland Water will include all current and non-current assets and liabilities and equity shown in the financial statements.

14.3 Monetary assets

All current assets as recorded in Redland Water including reserves, debtors and prepayments are to be managed by the CBU.

14.4 Investment

RCC's financial services section will invest all excess cash held by Redland Water at the best possible interest rate.

14.5 Cash balances

The cash balances shall be held at a level that equates to 3-4 months annualised average operational costs.

Refer to attachment 3 – Cash Flows

14.6 Loans

The CBU will utilise debt to fund large infrastructure projects that are associated with the generation of revenue in line with corporate guidelines and Executive Leadership Group (ELG) direction.

14.7 Subsidy

Redland Water will optimise the use of available grants and subsidies by managing the forward planning of future works programs.

14.8 Recognition of assets

Assets will be recognised using industry standards and the methodologies developed through Council's asset valuation policy, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Australian Accounting Standards*.

14.9 Depreciation

Redland Water will depreciate its assets in accordance with the *Australian Accounting Standards* having regard for contemporary depreciation methods.

14.10 Pricing policies

Redland Water will price its services in accordance with NCP methodologies while taking into account RCC policy. This may include introducing additional user pays type fees and charges.

Water charges are set as a 2-part tariff – an access charge and a consumption charge.

Wastewater charges are set as one tariff based on sewer units.

Commercial and industrial properties are charged on a per lot and/or per pedestal or equivalent pedestal (urinal) basis.

14.11 Net return to Council

Redland Water will provide to Council a surplus made up of dividend, income tax and internal debt finance structuring to the value of the following:

Tax on operating capability @ 30% - calculated for each individual product, i.e. water and wastewater.

Dividend: 75% on after tax operating surplus – calculated for each individual product, i.e. water and wastewater.

To achieve the surplus the following parameters will need to be considered:

Revenue: Water increased in line with long-term pricing and financial modeling of Maximum Allowable Revenue (MAR).

Revenues should be modeled to meet the requirements and commercial rates of return required by NCP reforms.

Expenses: Wages increases in line with enterprise bargaining agreement (EBA) and commercial activity needs.

Goods and services increased by no greater than CPI, growth and environmental or legislative influences.

Net Return to Council: The net return to Council is made up of the following:

+ Tax

+ Dividend

+ Internal expenses

+ Competitive neutrality expenses

+ Internal interest

- Internal revenues

- CSO recovery

14.12 Reserves

Constrained Cash Reserves (Redland Water 543 & WasteWater 544)

In late 2013/14 Redland Water established 2 constrained cash reserves on their balance sheet - one each for water and waste water. The purpose of these reserves is to capture

any over and under recovery of maximum allowable revenue due to the price smoothing associated with the large increase in purchase price of bulk water, expected in 2017/18.

Constrained Capital Works Reserves (Redland Water 5134 & WasteWater 5135)

Developer cash contributions received by Redland Water are transferred to constrained cash reserves. It is the purpose of this reserve to fund future capital works that relate to projects that are classified upgrade, expansion or new projects.

14.13 Developer contributions

Redland Water will appropriate developer contributions to the capital works reserve less a portion to be recorded as operating revenue that equates to the interest on Queensland Treasury Corporation (QTC) loans for that year.

Donated assets will be recorded as revenue and the value recorded to the balance sheet as a non-current asset. Donated assets will be recorded in the electronic asset register and as constructed data recorded in the GIS system

ATTACHMENTS

ATTACHMENT 1 – OPERATIONAL BUDGET 2014/15 – 3 YEARS

	Budget Year 1 2014/15 \$'000s	Estimate Year 2 2015/16 \$'000s	Estimate Year 3 2016/17 \$'000s
Operating Revenue			
Rates and Utility Charges	92,426	95,991	99,702
Less: Discounts & Pensioner Remissions	0	0	0
Fees and Charges	760	760	760
Operating Grants and Subsidies	0	0	0
Operating Contributions and Donations	0	0	0
Interest External	613	613	613
Community Service Obligation	664	664	664
Other Revenue	907	907	907
Total Operating Revenue	95,370	98,936	102,646
Operating Expenditure			
Employee Costs	7,688	7,880	8,077
Goods and Services	39,032	43,449	48,024
Finance Costs Other	0	0	0
Other Expenditure	0	0	0
Net Internal costs	3,101	3,251	3,406
Total Operating Expenditure	49,821	54,580	59,507
Earnings before Interest, tax and depreciation (EBITD)	45,550	44,356	43,139
Interest expense	0	0	0
Internal Interest	21,681	25,918	25,918
Depreciation	16,987	17,457	18,592
Operating Surplus/(Deficit)	6,881	980	(1,371)
Income Tax	4,034	2,264	1,558
Dividend	4,163	2,241	1,191
Net Increase in Operating Capacity	(1,316)	(3,525)	(4,120)

ATTACHMENT 2 – CAPITAL FUNDING 2014/2015 – 3 YEARS

	Budget Year 1 2014/15 \$'000s	Estimate Year 2 2015/16 \$'000s	Estimate Year 3 2016/17 \$'000s
<i>Proposed Sources of Capital Funding</i>			
Capital Contributions and Donations	3,500	3,500	3,500
Capital Grants and Subsidies	0	0	0
Proceeds on Disposal of Non Current Assets	0	0	0
Net Transfer (to)from Constrained Capital Reserves	234	(12)	(2,625)
Non Cash Contributions	3,066	3,066	3,066
New Loans	0	0	0
Funding from Utility Revenue	10,048	15,530	8,129
<i>Total Sources of Capital Funding</i>	16,848	22,084	12,070
<i>Proposed Application of Capital Funds</i>			
Contributed Assets	3,066	3,066	3,066
Capitalised Goods & Services	13,383	18,605	8,577
Capitalised Employee Costs	399	413	427
Loan Redemption	0	0	0
<i>Total Application of Capital Funds</i>	16,848	22,084	12,070

ATTACHMENT 3 – CASH FLOWS PROJECTIONS 2014/15 – 3 YEARS

RW 10-YEAR FINANCIAL MODEL - CASH FLOW			
	Year 1	Year 2	Year 3
	2014/15	2015/16	2016/17
	\$'000	\$'000	\$'000
OPERATIONS			
Receipts			
Rates & utilities	92,426	95,991	99,702
Fees & charges	760	760	760
Interest	613	613	613
Grants and subsidies	0	0	0
Contributions	0	0	0
Other revenue	907	907	907
	94,706	98,271	101,982
Payments			
Employee costs	-5,978	-6,127	-6,280
Materials & services	-38,533	-42,935	-47,494
	-44,510	-49,062	-53,775
NET CASH FLOW - OPERATIONS	50,196	49,209	48,207
INVESTING ACTIVITIES			
Proceeds - disposal non current assets	0	0	0
Proceeds - Capital subsidies and grants	3,500	3,500	3,500
Payments - Property, Plant & Equipment	-13,782	-19,018	-9,004
Finance costs	0	0	0
NET CASH FLOW - INVESTING ACTIVITIES	-10,282	-15,518	-5,504
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing - QTC	0	0	0
Repayment of borrowing - QTC	0	0	0
NET CASH FLOW - FINANCING ACTIVITIES	0	0	0
TRANSFERS TO RSC			
Dividend	-4,163	-2,241	-1,191
Tax	-4,034	-2,264	-1,558
Special Dividend - internal debt rsc	-21,681	-25,918	-25,918
Transfers to/from reserves	234	-13	-2,625
Net Internals Other	-4,646	-4,854	-5,069
NET INCREASE (DECREASE) IN CASH HELD	5,624	-1,598	6,342
Cash at the start of the financial year.	15,281	20,905	19,307
CASH AT END OF FINANCIAL YEAR	20,905	19,307	25,649

ATTACHMENT 4 – PROJECTED BALANCE SHEET 2014/15 – 3 YEARS

RW 10 YEAR FINANCIAL - BALANCE SHEET			
	Year 1	Year 2	Year 3
	2014/15	2015/16	2016/17
	\$'000	\$'000	\$'000
CURRENT ASSETS			
Cash	0	0	0
Receivables - rates	13,227	13,227	13,227
Receivables - other	50	50	50
Inventories	0	0	0
Land for resale	0	0	0
Prepayments	51	51	51
Accrued revenue	0	0	0
Debt Internal wastewater	0	0	0
Investments	20,905	19,307	25,649
Total Current Assets	34,234	32,636	38,978
NON CURRENT ASSETS			
Property, plant, and equipment	670,573	687,495	693,268
Total Non Current Assets	670,573	687,495	693,268
TOTAL ASSETS	704,807	720,131	732,246
CURRENT LIABILITIES			
Creditors and Accruals	-3,107	-3,107	-3,107
Debt RCC	330,000	330,000	330,000
Debt water	0	0	0
Employee Provisions	728	728	728
Total Current Liabilities	327,622	327,622	327,622
NON CURRENT LIABILITIES			
Creditors and Accrual	0	0	0
Debt	-0	-0	-0
Employee Provisions	1,018	1,018	1,018
Total Non Current Liabilities	1,018	1,018	1,018
TOTAL LIABILITIES	328,639	328,639	328,639
NET BUSINESS UNIT ASSETS	376,168	391,492	403,607
COMMUNITY EQUITY			
Retained Earnings	337,462	343,317	346,076
Reserves capital works	10,135	10,148	12,772
Reserves over/under mar recovery	28,571	38,027	44,759
asset reval reserve	0	0	0
TOTAL COMMUNITY EQUITY	376,168	391,492	403,607

ATTACHMENT 5 – KEY PERFORMANCE INDICATORS 2014/15

Water:	=	1264km mains	Wastewater:	=	1143km mains
No. active meters (incl multiple meters/prop)	=	53,262	No. of active wastewater services	=	47,890 (non vacant)
No connected props (incl CTS – no children)	=	52,654	Total no. wastewater services	=	49,001 (vacant & non vacant)
Total no connected props (include child props and not including MPPM)	=	58,806			
MPPM	=	537			
Child properties	=	6,689			

KRA and Goals		REDLAND WATER SCORECARD WATER & WASTEWATER INDICATORS – 2014/15	Monthly Target	Unit	Reporting Frequency	Annual Target
Community and Customers	Natural Environment Ensure the enhancement of koala and wildlife habitat including bushland, greenspace, waterways, catchments, air and coastal ecosystems	Average residential water consumption per person a day	max 200 max 230	litres/day/ person	Monthly	max 200 (Medium QWC) max 230 (Perm QWC)
		Nitrogen load from effluent discharge	max 110	avg kg/ day	Monthly	max 110
		Average response or reaction time to wastewater incident	max 60	minutes	Monthly	max 60
		Average response or reaction time to water main breaks within the distribution system	max 60	minutes	Monthly	max 60
		Number of poor pressure complaints	max 3	#	Monthly	max 36
Financial	Financial Management Ensure the long term financial viability of the city and provide public accountability in financial management.	Earnings before interest tax & depreciation (EBITD)	0-5%	%	Monthly	0-5%
		Operating costs per megalitre of water treated	max 2655	\$	Monthly	max 2655
		Operating costs per property serviced (wastewater)	max 368	\$	Monthly	max 368
		Operating performance (expenditure to budget)	+/- 5	%	Monthly	+/- 5
Internal Processes	Deliver Essential Services Provide and maintain water, waste services, roads, drainage and support the provision of transport and waterways infrastructure to sustain our community.	Number of dry weather overflows	max 7	#	Monthly	max 84
		% wastewater service interruptions restored within 5 hrs	min 95	%	Monthly	min 95
		Number of wastewater odour complaints	max 3	#	Monthly	max 36
		Number WWTP non conformances with EPA licence over compliance year	max 0.5	#	Monthly	max 6
		% compliance with Australian Drinking Water Guidelines 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 authority or the bulk transport authority.	min 98	%	Monthly	min 98
		Number of water main breaks and leaks within the distribution main per 100 km	max 8	#	Monthly	max 96
		Unplanned water interruptions caused by the distribution network restored <5hrs	min 97	%	Monthly	min 97
		Number of water quality incidents caused by the distribution network	max 12	#	Monthly	max 144
% capital works program practical completion - % of planned project milestones achieved this quarter	max 95	%	Monthly	max 95		
People and Learning	People Management Development of organisational cultural values and people behaviours in order to meet agreed community expectations.	LTI hours	max 10	Hours lost due to injuries incurred in the workplace	Monthly	max 20

5.5 REDWASTE ANNUAL PERFORMANCE PLAN 2014-2015

Datworks Filename: WM Reporting – WM Annual Performance Plans
WM Reporting – WM Annual Performance Plans

Attachment: [RedWaste Annual Performance Plan 2014-2015](#)

Responsible/Authorising Officer:



Gary Soutar
General Manager Infrastructure and Operations

Author: Shelley Thompson
PA to General Manager Infrastructure and Operations

PURPOSE

The purpose of this report is for council to adopt RedWaste's annual performance plan (APP) for 2014-2015 to meet the requirement of the *Local Government Regulation 2012*.

BACKGROUND

RedWaste is a commercial business unit (CBU) of Redland City Council (RCC).

Section 175 of the *Local Government Regulation 2012* states the annual operational plan for a local government must:

1. Be consistent with its annual budget, and
2. State how the local government will:
 - a) Progress the implementation of the 5-year corporate plan during the period of the annual operational plan; and
 - b) Manage operational risks; and
3. Include an annual performance plan for each commercial business unit of the local government.

It also states that an APP for a CBU is a document containing the following for the financial year:

- a) the unit's objectives;
- b) the nature and extent of the significant business activity the unit is to conduct;
- c) the unit's financial and non-financial performance targets;
- d) the nature and extent of the community service obligations (CSOs) the unit must perform;
- e) the cost of, and funding for, the CSOs;
- f) the unit's notional capital structure, and treatment of surpluses;

- g) the unit's proposed major investments;
- h) the unit's outstanding and proposed borrowings;
- i) the unit's policy on the level and quality of services consumers can expect;
- j) the delegations necessary to allow the unit to exercise autonomy in its commercial activities;
- k) the type of information that the unit's reports to the local government must contain.

ISSUES

RedWaste has conducted a review of its annual performance plan for the 2014-2015 financial year and this is now presented for adoption.

It is recommended that the annual performance plan be adopted.

STRATEGIC IMPLICATIONS

Legislative Requirements

The *Local Government Act 2009* (the *Act*) and the *Local Government Regulation 2012* (the *Regulation*) govern the operation of business units run by local governments.

Section 175 of the *Local Government Regulation 2012* states a local government's operational plan for the financial year must include an annual performance plan for each commercial business unit.

Risk Management

Not applicable.

Financial

Not applicable.

People

Not applicable.

Environmental

Not applicable.

Social

Not applicable.

Alignment with Council's Policy and Plans

This report aligns with council's corporate plan ensuring council's existing infrastructure assets are managed to ensure current service standards are maintained or improved.

CONSULTATION

Consultation has occurred between the General Manager Infrastructure & Operations and the Group Manager Water & Waste Operations.

OPTIONS

1. To adopt the RedWaste Annual Performance Plan for 2014-2015 as attached.
2. To adopt the RedWaste Annual Performance Plan for 2014-2015 with amendments.

OFFICER'S RECOMMENDATION

That Council resolves to adopt the RedWaste Annual Performance Plan for 2014-2015 as attached.

REDWASTE

A commercial business unit of Redland City Council

Performance Plan 2014/15

Table of Contents

1	INTRODUCTION.....	3
2	KEY PRINCIPLES OF A COMMERCIAL BUSINESS UNIT	4
3	REDLAND CITY COUNCIL VISION	4
4	REDWASTE VISION, OBJECTIVES AND FUNCTIONS.....	4
4.1	BUSINESS' FOCUS.....	4
4.1.1	<i>Vision</i>	4
4.1.2	<i>Mission</i>	4
4.1.3	<i>Key drivers</i>	4
5	ROLES OF EACH PARTY.....	4
5.1	ROLE OF REDLAND CITY COUNCIL.....	4
5.2	ROLE OF REDWASTE.....	4
6	UNDERTAKINGS BY THE PARTIES.....	4
6.1	REDLAND CITY COUNCIL	4
6.2	REDWASTE	5
7	REDLAND CITY CORPORATE PLAN OBJECTIVES.....	5
8	REDWASTE'S STRATEGIES FOR ACHIEVING OBJECTIVES.....	6
8.1	SUSTAINABLE RESOURCES AND WASTE STRATEGY	6
8.2	QUEENSLAND WASTE STRATEGY	6
8.3	OTHER STRATEGIES	6
9	REDWASTE SERVICES	6
10	REPORTING TO COUNCIL.....	7
10.1	REPORTING STRUCTURE.....	7
10.2	REPORTING TO COUNCIL	7
11	MEETING OUR CUSTOMERS' NEEDS.....	7
11.1	CUSTOMER SERVICE STANDARDS (CSSS).....	7
11.2	CUSTOMER ADVICE.....	7
11.3	SEEKING FEEDBACK FROM OUR CUSTOMERS AND COMMUNITY	7
12	PLANNING FOR THE FUTURE	8
12.1	FINANCIAL PLANNING	8
12.2	ASSETS	8
12.3	EMPLOYMENT AND TRAINING PLAN.....	8
12.4	FINANCIAL RISK	8
13	REVENUE.....	8
13.1	COLLECTION OF RATES.....	8
13.2	COLLECTION OF FEES, CHARGES AND MISCELLANEOUS INCOMES	8
13.3	COMMUNITY SERVICE OBLIGATIONS (CSOs).....	9
14	FINANCIAL STRUCTURE.....	9
14.1	CAPITAL STRUCTURE	9
14.2	PHYSICAL ASSETS	10
14.3	MONETARY ASSETS	10
14.4	INVESTMENT	10
14.5	CASH BALANCES.....	10
14.6	LOANS	10
14.7	SUBSIDY.....	10
14.8	RECOGNITION OF ASSETS	10
14.9	DEPRECIATION	10
14.10	PRICING POLICIES.....	10
14.11	NET RETURN TO COUNCIL	10
14.12	CONSTRAINED CASH RESERVE – UTILITIES RESERVE (5410)	11
	ATTACHMENTS	12

1 Introduction

RedWaste is a commercial business unit (CBU) of Redland City Council (RCC).

The *Local Government Act 2009* (the *Act*) and the *Local Government Regulation 2012* (the *Regulation*) govern the operation of business units run by local governments.

In deciding whether an activity should be a significant business activity for the 2014-15 financial year, local governments must consider the operating expenditure for the 2013-14 financial year less any depreciation included therein and any expenditure included therein to achieve competitive neutrality which is not actually incurred by the local government plus any loan redemption payments in that year.

Section 19 of the *Regulation* was recently amended to increase the thresholds. The thresholds for the 2014-15 financial year are therefore as follows:

- for water and sewerage combined activities - \$13,300,000; and
- for any other business activity - \$8,900,000.

Section 175 of the *Regulation* states:

- 1) The annual operational plan for a local government must:
 - (a) be consistent with its annual budget; and
 - (b) state how the local government will:
 - (i) progress the implementation of the 5-year corporate plan during the period of the annual operational plan; and
 - (ii) manage operational risks; and
 - (c) include an annual performance plan for each CBU of the local government.
- 2) An annual performance plan for a CBU is a document stating the following for the financial year:
 - (a) the unit's objectives;
 - (b) the nature and extent of the significant business activity the unit is to conduct;
 - (c) the unit's financial and non-financial performance targets;
 - (d) the nature and extent of the community service obligations the unit must perform;
 - (e) the cost of, and funding for, the community service obligations;
 - (f) the unit's notional capital structure, and treatment of surpluses;
 - (g) the unit's proposed major investments;
 - (h) the unit's outstanding and proposed, borrowings;
 - (i) the unit's policy on the level and quality of service consumers can expect;
 - (j) the delegations necessary to allow the unit to exercise autonomy in its commercial activities;
 - (k) the type of information that the unit's reports to the local government must contain.
- 3) A local government may omit information from the copies of the annual performance plan made available to the public if-
 - (a) the information is of a commercially sensitive nature to the commercial business unit; and
 - (b) the information is given to each of the local government's councillors.

Note – See also section 171 (Use of information by councillors) of the *Act*.

- 4) The local government may change an annual performance plan for a commercial business unit at any time before the end of the financial year.

The *Regulation* also requires the CBU's performance to be monitored by the local government against performance targets mentioned in the annual performance plan (APP).

2 Key principles of a commercial business unit

This APP supports the key principles of commercialisation as detailed in section 28 of the Regulation, which are:

- (a) clarity of objectives;
- (b) management autonomy and authority;
- (c) accountability for performance; and
- (d) competitive neutrality.

3 Redland City Council vision

“Enhancing community spirit, lifestyle and the natural environment”.

4 RedWaste vision, objectives and functions

4.1 *Business’ focus*

4.1.1 **Vision**

To be recognised as a professional waste management business that continually improves and adapts our service to customers in support of Council’s vision and objectives for the city.

4.1.2 **Mission**

To meet or exceed agreed standards for the management of solid waste while managing the business for long-term success.

4.1.3 **Key drivers**

The key business drivers are:

- customer service;
- business efficiency;
- environmental sustainability;
- pricing arrangements that reflect true costs, full cost recovery and regulatory requirements;
- competitiveness; and
- the provision of a safe working environment.

5 Roles of each party

5.1 *Role of Redland City Council*

- Owner of business
- Specifies levels of service
- Customer of Waste Management Services

5.2 *Role of RedWaste*

- Service provider for planning and operation of assets
- Customer of Redland City Council
- Owner of waste management assets

6 Undertakings by the parties

6.1 *Redland City Council*

RCC has delegated management autonomy to RedWaste’s management team for:

- entering into contracts in the name of the business unit as a commercial business of Council in line with Council delegations;

- completing approved programs in accordance with Council's budget, operational and corporate plans as well as RedWaste's performance plan;
- promoting and presenting RedWaste to the community as a professional commercial business by undertaking educational, promotional and customer activities;
- developing and implementing budgets and long-term pricing models and financial plans.

RCC will compensate RedWaste the cost of providing any community service obligations (CSOs) in line with section 24 of the *Regulation*. These will be reviewed on an annual basis as part of the performance plan and the budget development process.

Council will buy waste management services from RedWaste under the same terms and conditions as customers.

RCC will operate in accordance with various policies and the corporate plan.

6.2 **RedWaste**

RedWaste will:

- provide waste management operations;
- conduct its business and operations in compliance with the requirements of the *Environmental Protection Act 1994*, *Local Government Act 2009*, other relevant acts and regulations and council policies and guidelines;
- operate within National Competition Policy (NCP) guidelines and deliver an annual net return to Council as detailed in this plan;
- adopt the principles of ecologically sustainable development;
- plan for, build, operate and maintain assets to ensure nominated service levels are maintained;
- commit to the overall Council vision of operating within a best value framework - value for money will be superior to lowest pricing;
- use Council's full range of corporate services by entering into service level agreements (SLAs) with Council;
- implement the approved asset management plans in its day-to-day operations;
- provide monthly reports to Council on its financial and non-financial performance;
- show due diligence in immediately reporting any serious non-compliances or incidents to Council and DEHP as appropriate ;
- pursue and undertake private works on a full cost plus profit basis provided the works fall within the scope, skill and competencies of assigned staff and contractors. Financial risk of Council must be considered when undertaking significant private works projects.

7 Redland City corporate plan objectives

To address key strategies within the RCC Corporate Plan 2010-2015, RedWaste will:

- manage the kerbside collection of domestic and commercial solid wastes and recyclable materials and transport to a suitably approved handling facility;
- oversee the construction, operation, management and maintenance of a network of assets for the segregation and disposal of solid waste and recyclable materials generated from domestic and commercial sources; and
- engage with the community and businesses within the city to improve the overall performance of RedWaste and improve sustainability awareness and implementation.

8 RedWaste's strategies for achieving objectives

8.1 **Sustainable Resources and Waste Strategy**

The Sustainable Resources and Waste Strategy (the Strategy) was adopted by Council in June 2010. The Strategy provides the structure for managing and recovering resources from the waste stream being generated by the community and businesses of the Redland City Council area. The Strategy includes education strategies, litter prevention strategies and an implementation plan outlining proposed actions for the next 5 years.

8.2 **Queensland Waste Strategy**

On 16 April 2014, the State Government released Queensland's Waste Avoidance and Resource Productivity Strategy (2014-2024) Consultation Draft (hereafter referred to as the Draft Strategy).

This is an industry-led strategy that has been developed collaboratively with a steering committee comprising representatives from business and industry, the waste and resource recovery sector, local government, and community and environment groups. The draft strategy proposes a high-level vision and direction for Queensland over the next 10 years. Key features and targets include:

- reducing waste generation by 5% per capita;
- increasing total recycling and resource recovery to 55%; and
- priority wastes and areas for action.

The Draft Strategy focuses on the waste management hierarchy: avoid, reduce, reuse, recycle, recover energy, treat and dispose. Other tools influencing the Draft Strategy are to drive cultural change and avoid the generation of waste in the first instance. The guiding principles include protecting human and environmental health; sharing responsibility for resource management; recognising the cost of waste management; regional differences and opportunities; and full lifecycle management of resources.

8.3 **Other strategies**

RedWaste will strive to provide high levels of performance in the following areas in achieving the objectives:

- quality products and service;
- customer services including timely response to complaints and requests; and
- environmental standards and workplace health and safety standards.

Other initiatives that will be undertaken to support the objectives are:

- improving the value of the business and meeting Council's capital structure and net return targets;
- managing costs to improve value to customers;
- investigating new waste and resource recovery solutions;
- implementing actions identified within Council's waste management strategy and other environmental programs;
- monitoring and reporting on key financial and non-financial performance indicators; and
- meeting the objectives of the Council of Australian Governments (COAG) and NCP reforms.

9 RedWaste Services

RedWaste's undertaking for waste management will include the operation, construction and maintenance of the following assets:

- waste transfer stations; and
- kerbside waste, recycling and green organics collection network.

10 Reporting to Council

10.1 **Reporting structure**

In line with the key principles of commercialisation in section 28(b) of the *Regulation*, RedWaste has autonomy in its day-to-day operations.

The reporting structure is such that the General Manager Infrastructure & Operations reports to the Chief Executive Officer (CEO) of RCC regarding RedWaste.

10.2 **Reporting to Council**

RedWaste will provide the following reports to Council:

Monthly:

- monthly key performance indicators (KPIs) as shown in the attached scorecard indicators – 2014/15; and
- a standard set of financial reports.

Yearly:

- yearly KPIs as shown in the attached scorecard indicators – 2014/15;
- statement of financial performance;
- statement of financial position; and
- annual budget as part of corporate process.

11 Meeting our customers' needs

11.1 **Customer service standards (CSSs)**

For the 2014/15 CSS, RedWaste will make every effort to:

- respond to a missed service on the mainland within 1 working day of the report being registered with RedWaste where the missed service was the fault of the CBU;
- commence new waste services within 2 working days of the request being lodged with RedWaste;
- provide exchanges or alterations to mainland bin services with 2 working days of the request being lodged; and
- respond to non-urgent general requests within 5 working days.

11.2 **Customer advice**

RedWaste will provide a range of information relating to service advice, accounts and charges on request.

RedWaste will make available information to customers through the use of fact sheets, RedWaste's internet pages, community education programs and other like programs.

11.3 **Seeking feedback from our customers and community**

RedWaste will collect community feedback information and participate in community consultations. Feedback from surveys and consultation will be used to gauge acceptance of service levels. This mechanism is seen by the CBU as a valuable input into improving service delivery.

Customer feedback may be collected through some or all of the following forms:

- recording unsolicited complaints and comments;
- management or staff attendance at community consultation sessions; and
- formal surveys by a third party consultant or formal surveys by in-house staff as part of Council process.

12 Planning for the future

12.1 *Financial planning*

- RedWaste will review its financial model on a yearly basis. The financial model will be for a period of no less than 10 years.
- The CBU's budget will be formulated on an annual basis and reviewed quarterly in accordance with the timeframes set by Council, the anticipated capital structure and Council's net return expectations.

12.2 *Assets*

RedWaste will optimise assets and strive for best value of operations by:

- regularly assessing assets and development of planning reports;
- implementing and improving preventative maintenance programs;
- enhancing asset condition ratings and information;
- timely updating of asset databases;
- improving data for calculation of valuations;
- considering contemporary valuation methodologies in accordance with effective NCP pricing principles; and
- considering the risk of possible obsolescence when evaluating use of advancing technology.

12.3 *Employment and training plan*

RedWaste will make sure the intellectual property of the CBU is retained and operational processes are maintained in perpetuity by implementing the corporate human resource plan which will:

- recognise the need for succession planning;
- adopt the staff performance appraisal process;
- adopt Council's policy on remuneration packages for staff: and
- undertake staff training programs based on legislative requirements and a skills gap analysis.

12.4 *Financial risk*

RedWaste will adopt strategies to minimise financial risk by:

- continually reviewing and refining the costing and quotation of jobs;
- following a structured but flexible process for quotation and tendering in line with corporate processes;
- maximising the use of grants and/or subsidies for works;
- adopting Council's policies on funding, so that an appropriate level of depreciation ensures long-term cash flows are not jeopardised;
- holding an appropriate level of insurance cover; and
- monitoring the sundry debtors to ensure revenues are maximised.

13 Revenue

Revenues collected by Council are transferred to RedWaste for all services it provides.

13.1 *Collection of rates*

RedWaste's waste management service charges will be integrated on an RCC rate notice.

All outstanding rates will appear in RedWaste's balance sheets.

13.2 *Collection of fees, charges and miscellaneous incomes*

Revenues for fees and charges will be collected in the following manner:

- revenue for other works including waste disposal fees will be by invoice with a 30-day payment period;

- direct gate fee payment at the time of transaction or monthly account invoice for commercial and non-resident customers; and
- sale of recoverable materials including scrap metal and cardboard.

13.3 **Community service obligations (CSOs)**

CSO payments will be made by Council for services supplied for less than full cost price in accordance with Council pricing, Council policy or Council operations. A summary of the CSOs will be provided in Council's annual report in accordance with Section 35 of the *Local Government Regulation*.

CSOs may include:

- concessions provided to home assist secure program;
- concessions, remissions or rebates for specific persons stated in a policy;
- any non-commercially driven concession or remission provided by resolution of Council;
- community services such as Clean Up Australia Day;
- special audits and assessments outside commercial requirements;
- waiver of disposal fees for charities, schools, clubs, and non-profit organisations;
- waiver of fees for disposal of asbestos, construction and demolition waste from the Bay Islands to Birkdale waste transfer station; and
- emergency disposal of debris from major catastrophes, e.g. storms/floods.

Current CSOs for Council 2014/15 are:

Job Number	Annual Budget
Clean Up Australia Day	\$1,050
Nth Stradbroke Island Transfer Station	\$492,114
Kerbside collections (manual services)	\$33,415
Bulky Item Collection for HAS Clients	\$18,082
Russell Island Transfer Station	\$405,157
Macleay Island Transfer Station	\$385,768
Lamb Island Transfer Station	\$110,914
Karragarra Island Transfer Station	\$98,775
Coochiemudlo Island Transfer Station	\$170,601
	\$1,715,876

14 Financial structure

RedWaste is a separate unit within RCC's financial ledgers.

A separate accounts payable and receivable ledger will operate within RCC's financial system to allow for easy identification of payments.

14.1 **Capital structure**

The consolidated capital structure of the CBU will comprise community equity to the value of assets less liabilities.

The 10-year average Debt to Debt + Equity level shall be in the range of 30-50%, currently the planned level for 2014/15 shall be approximately 34% (this is the ratio of our internal debt \$6m and external debt \$.6m).

14.2 Physical assets

In accordance with the initial CBU establishment plan, the capital structure of RedWaste will include all current and non-current assets and liabilities and equity shown in the financial statements.

14.3 Monetary assets

All current assets as recorded in RedWaste including reserves, debtors and prepayments are to be managed by the CBU.

14.4 Investment

RCC's financial services section will invest all excess cash held by RedWaste at the best possible interest rate.

14.5 Cash balances

The cash balances shall be held at a level that equates to 3-4 months annualised average operational costs.

Refer to attachment 3

14.6 Loans

The CBU will utilise debt to fund large infrastructure projects that are associated with the generation of revenue in line with corporate guidelines and Executive Leadership Group (ELG) direction.

14.7 Subsidy

RedWaste will optimise the use of available grants and subsidies by managing the forward planning of future works programs.

14.8 Recognition of assets

Assets will be recognised using industry standards and the methodologies developed through Council's asset valuation policy, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Australian Accounting Standards*

14.9 Depreciation

RedWaste will depreciate its assets in accordance with the *Australian Accounting Standards* having regard for contemporary depreciation methods.

14.10 Pricing policies

RedWaste will price its services in accordance with NCP methodologies while taking into account RCC policy. This may include introducing additional user pays type fees and charges.

The waste/recycling charge is determined by Council to ensure that it is able to cover costs associated with the provisions of the service. The costs include payment to contractors for both refuse collection and a kerbside recycling service. Disposal costs are also factored into the charge to cover contractor costs for disposal, site development works, transfer station operations, management and administration costs.

14.11 Net return to Council

RedWaste will provide to Council a surplus made up of dividend, income tax and internal debt finance structuring to the value of the following:

Tax on operating capability @ 30%.

Dividend: 50% on after tax operating surplus.

To achieve the surplus the following parameters will need to be considered:

Revenue: Revenues should be modelled to meet the requirements and commercial rates of return required by NCP reforms.

Expenses: Wages increases in line with enterprise bargaining agreement (EBA) and commercial activity needs. Goods and services increased in line with market pricing, growth and environmental or legislative influences.

Retained Earnings: All surplus profit after tax and dividend will be transferred to the Utility Reserve for use by the entity for Capital or Operational projects as required.

Net Return to Council: The net return to Council is made up of the following:

- + Tax
- + Dividend
- + Internal Expenses
- + Competitive Neutrality Expenses
- + Internal interest
- Internal Revenues
- CSO Recovery

14.12 Constrained Cash Reserve – Utilities Reserve (5410)

The purpose of this reserve is to provide for future minor capital commitments, operational contingencies and for offsetting significant increases in waste management fees and charges in subsequent years. Should an operating surplus after tax and dividend above expectation be received, then anything in retained earnings is transferred to the reserve.

ATTACHMENTS

ATTACHMENT 1 – OPERATIONAL BUDGET 2014/2015 – 3 YEARS

	Budget Year 1 2014/15 \$'000s	Estimate Year 2 2015/16 \$'000s	Estimate Year 3 2016/17 \$'000s
<i>Operating Revenue</i>			
Rates and Utility Charges	18,797	19,552	20,338
Less: Discounts & Pensioner Remissions	0	0	0
Fees and Charges	323	336	350
Operating Grants and Subsidies	0	0	0
Operating Contributions and Donations	0	0	0
Interest External	142	281	289
Community Service Obligation	1,716	1,784	1,855
Other Revenue	704	1,251	1,271
<i>Total Operating Revenue</i>	21,683	23,204	24,102
<i>Operating Expenditure</i>			
Employee Costs	992	1,019	1,044
Goods and Services	16,531	17,195	17,886
Finance Costs Other	0	0	0
Other Expenditure	0	0	0
Net Internal costs	393	960	992
<i>Total Operating Expenditure</i>	17,916	19,174	19,922
<i>Earnings before Interest, tax and depreciation (EBITD)</i>	3,767	4,031	4,179
Interest expense	42	25	22
Internal Interest	313	389	425
Depreciation	556	555	599
<i>Operating Surplus/(Deficit)</i>	2,856	3,061	3,134
Income Tax	854	918	940
Dividend	997	1,071	1,097
<i>Net Increase in Operating Capacity</i>	1,005	1,071	1,097

ATTACHMENT 2 – CAPITAL FUNDING 2014/2015 – 3 YEARS

	Budget Year 1 2014/15 \$'000s	Estimate Year 2 2015/16 \$'000s	Estimate Year 3 2016/17 \$'000s
<i>Proposed Sources of Capital Funding</i>			
Capital Contributions and Donations	0	0	0
Capital Grants and Subsidies	0	0	0
Proceeds on Disposal of Non Current Assets	0	0	0
Net Transfer (to)from Constrained Capital Reserves	513	1,349	4,210
Non Cash Contributions	0	0	0
New Loans	0	0	0
Funding from Utility Revenue	69	81	85
<i>Total Sources of Capital Funding</i>	582	1,430	4,295
<i>Proposed Application of Capital Funds</i>			
Contributed Assets	0	0	0
Capitalised Goods & Services	513	1,349	4,210
Capitalised Employee Costs	0	0	0
Loan Redemption	69	81	85
<i>Total Application of Capital Funds</i>	582	1,430	4,295
<i>Other Budgeted Items</i>			
Transfer to Operating Reserve	(997)	1,071	1,097
Transfer from Operating Reserve	0	0	0
WDV of Assets Disposed	0	0	0
Internal Capital Structure Financing	(313)	389	425

ATTACHMENT 3 – CASH FLOW PROJECTIONS 2014/15 – 3 YEARS

RedWaste FINANCIAL MODEL - CASH FLOW PROJECTIONS			
	Budget Year 1 2014/2015 \$	Estimate Year 2 2015/2016 \$	Estimate Year 3 2016/2017 \$
Receipts			
Waste Utility Charges	18,797,126	19,549,709	20,335,210
Fees & charges	323,362	336,256	349,663
Grants and subsidies	0	0	0
Contributions	0	0	0
Proceeds on sale of developed land	0	0	0
Other revenue	2,948,843	3,035,758	3,126,048
	22,069,331	22,921,723	23,810,921
Payments			
Employee costs	(989,223)	(1,013,954)	(1,039,303)
Materials & services	(17,486,770)	(18,140,678)	(18,863,640)
Other expenses	0	0	0
	(18,475,994)	(19,154,632)	(19,902,942)
Interest revenue	142,000	269,027	277,141
Interest expense	(42,535)	(25,326)	(22,011)
Finance costs	0	0	0
NET CASH FLOW - OPERATIONS	3,692,803	4,010,792	4,163,108
INVESTING ACTIVITIES			
Payments - Property, Plant & Equipment	(513,105)	(1,348,500)	(4,210,000)
Proceeds - Capital subsidies & grants and Contributions	0	0	0
Proceeds - disposal non current assets	0	0	0
NET CASH FLOW - INVESTING ACTIVITIES	(513,105)	(1,348,500)	(4,210,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing - Internal	0	0	0
Proceeds from borrowing - QTC	0	0	0
Repayment of borrowing - Internal	0	0	0
Repayment of borrowing - QTC	(68,636)	(81,420)	(84,734)
NET CASH FLOW - FINANCING ACTIVITIES	(68,636)	(81,420)	(84,734)
Return to Council	(2,146,393)	(2,378,026)	(2,460,807)
NET INCREASE (DECREASE) IN CASH HELD	964,669	202,846	(2,592,433)
Cash at the start of the financial year	5,761,007	6,725,676	6,928,522
CASH AT END OF FINANCIAL YEAR	6,725,676	6,928,522	4,336,089

ATTACHMENT 4 – PROJECTED BALANCE SHEET 2014/15 – 3 YEARS

RedWaste FINANCIAL MODEL - CASH FLOW PROJECTIONS			
	Budget Year 1 2014/2015 \$	Estimate Year 2 2015/2016 \$	Estimate Year 3 2016/2017 \$
CURRENT ASSETS			
Cash & Investments	6,725,676	6,928,522	4,336,089
Accounts Receivable	518,296	520,887	523,491
Inventories	0	0	0
Land Held for Resale	0	0	0
Prepaid Expenses	0	0	0
Assets - Held for Sale	0	0	0
Total Current Assets	7,243,972	7,449,409	4,859,581
NON CURRENT ASSETS			
Property, Plant and Equipment	12,118,099	12,911,463	16,522,405
Total Non Current Assets	12,118,099	12,911,463	16,522,405
TOTAL ASSETS	19,362,070	20,360,872	21,381,986
CURRENT LIABILITIES			
Accounts Payable	1,268,499	1,274,841	1,281,216
Current Employee Provisions	54,652	56,018	57,419
Current Loans	81,420	84,734	88,184
	0	0	0
Other Liabilities			
Total Current Liabilities	1,404,571	1,415,594	1,426,818
NON CURRENT LIABILITIES			
Non Current Loans	550,316	465,582	377,399
Non Current Internal loan	6,000,000	5,500,000	6,000,000
Non Current Employee Provisions	66,223	67,879	69,576
Non Current Landfill Rehabilitation Provisions	0	0	0
Total Non Current Liabilities	6,616,539	6,033,461	6,446,974
debt to debt+equity 30-50	34%	30%	30%
TOTAL LIABILITIES	8,021,110	7,449,055	7,873,792
NET ASSETS	11,340,960	12,911,818	13,508,194
COMMUNITY EQUITY			
Retained Earnings Account	367,567	2,216,067	5,926,067
Issued Share Capital	0	0	0
Asset Revaluation Reserve	7,564,288	7,564,288	7,564,288
Cash Reserves	3,409,105	3,131,463	17,839
TOTAL COMMUNITY EQUITY	11,340,960	12,911,818	13,508,194

ATTACHMENT 5 – CAPITAL PROJECTS BUDGET 2014/15

<i>Unit/Team: 3403 - Operations Waste</i>			<i>Expenses</i>
<i>Job Identity</i>	<i>Job No</i>	<i>Description</i>	<i>\$</i>
A	65000	Mobile Garbage Bins	125,000.00
A	65031	Minor Capital Improvements	88,105.00
		RedWaste Infrastructure Sub Total	213,105.00
P	65043	Redland Bay Upgrade	300,000.00
		Waste Planning Sub Total	300,000.00
		Operations Waste Sub Total	513,105.00
Operations Water & Waste Sub Total			513,105.00

ATTACHMENT 6 – KEY PERFORMANCE INDICATORS 2014/15


Vision outcome	RedWaste indicators – 2014/15	Monthly target	Unit	Reporting frequency	Annual target
Green living Our green living choices will improve our quality of life and our children's lives, through our sustainable and energy efficient use of resources, transport and infrastructure, and our well informed responses to risks such as climate change.	Total kilos of domestic waste land filled per capita per year	max 33.4	kg/ cap/ year	Monthly	max 400
	Recyclable material diverted from kerbside collection (recycling and green waste bin only)	min 25	%	Monthly	min 25
	Recyclable/recoverable material diverted from landfill at RCC transfer stations.	min 55%	%	Monthly	55%
An efficient and effective organisation Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.	Earnings before interest tax & depreciation (EBITD)	0-5%	%	Monthly	0-5%
	Operating cost per tonne of waste (waste)	max 157	\$	Monthly	157
	Operating performance (expenditure to budget)	+/- 5	%	Monthly	+/- 5
	Proportion of missed wheelie bins services (refuse, recycling and greenwaste)	max 0.035	%	Monthly	max 0.035
	Lost time injury frequency rate (LTIFR)	max 20	Hours lost due to workplace injuries	Monthly	max 20
Healthy & natural environment A diverse and healthy natural environment, with an abundance of native flora and fauna and rich ecosystems will thrive through our awareness, commitment and action in caring for the environment	% compliance with EHP licence requirements for waste management facilities	min 98	%	Quarterly	min 98

Number of kerbside residential refuse bins at 1 July 2013	=	53,659
Number of kerbside residential recycling bins at 1 July 2013	=	53,712
Number of kerbside residential greenwaste bin at 1 July 2013	=	6,723
Total tonnage of waste handled (2013/14)	=	121,64

5.6 2014-2015 OPERATIONAL PLAN

Datworks Filename: GOV Corporate Performance Reporting

Attachment: [Redland City Council Operational Plan 2014-2015](#)

Responsible/Authorising Officer: 
Nick Clarke
General Manager Organisational Services

Author: **Trevor Green**
Principal Advisor Corporate and Democratic Governance

PURPOSE

This purpose of this report is to recommend the adoption of the Redland City Council Operational Plan 2014/2015.

BACKGROUND

The *Local Government Act 2009* (the Act) requires Council to adopt an Operational Plan each year. The Operational Plan 2014/2015 forms an important part of Council's strategic planning and sets out the work Council plans to deliver towards achievement of the Corporate Plan 2010/2015. This is the final Operational Plan associated with the current Corporate Plan.

The draft Operational Plan is structured to reflect the Redlands 2030 Community Plan and the Corporate Plan 2010/2015. It includes high level projects to be delivered in 2014/2015, which directly contribute to the delivery of Council's Corporate and Community Plans.

ISSUES

The attached draft Operational Plan 2014/2015 is presented to Council for adoption.

The Act also requires the Chief Executive Officer to present a written assessment of the Council's progress towards implementing the annual operational plan at meetings of Council, at least quarterly.

STRATEGIC IMPLICATIONS

Council's Operational Plan 2014/2015 is an important statutory document which sets out how Council intends to implement the Corporate Plan 2010/2015 and achieve the vision and goals of Redlands 2030 Community Plan. The Operational Plan 2014/2015 includes a wide range of projects which directly contribute to the delivery of Council's agreed outcomes.

Legislative Requirements

The *Local Government Act 2009* requires Council to adopt an annual operational plan. The *Local Government Regulation 2012* (section 174) states that "*the chief executive officer must present a written assessment of the local government's*

progress towards implementing the annual operational plan at meetings of the local government held at regular intervals not more than 3 months". Under the same section of the regulation, Council may amend the plan at any time before the end of the financial year.

Risk Management

The risk of not delivering against Council's operational plan is that Council does not achieve the commitments set out in the longer term corporate and community plans. Each project would have associated risks which would be managed by the relevant area of Council.

Financial

The Operational Plan 2014/2015 will be funded from the annual budget. Capital projects are not included in the Operational Plan and are reported separately.

People

Projects within the Operational Plan 2014/2015 are managed by the appropriate area of Council. The delivery of the plan is dependent on staff resources and some projects relate to staff and people issues. The lead group is identified for each project.

Environmental

Some projects within the Operational Plan 2014/2015 directly contribute to Council's environment commitments, in particular those related to the outcome 'Healthy Natural Environment'.

Social

Some projects within the Operational Plan 2014/2015 directly contribute to Council's social agenda, in particular those related to Council's outcome 'Strong and Vibrant Communities'. Almost all projects would have some degree of social impact.

Alignment with Council's Policy and Plans

Council's Operational Plan 2014/2015 outlines planned activities and projects against the nine outcomes within the Corporate Plan 2010/2015. Therefore, it is a key planning document and consistent with both the Corporate Plan 2010/2015 and the Redlands 2030 Community Plan.

CONSULTATION

In developing the draft Operational Plan 2014/2015 consultation has occurred with officers and Councillors.

OPTIONS

1. That Council adopts the Operational Plan 2014/2015.
2. That Council adopts the Operational Plan, subject to amendments.
3. That Council defers consideration of the Operational Plan until a further meeting this financial year.

OFFICER'S RECOMMENDATION

That Council resolves to adopt the Operational Plan 2014/2015 (as attached).



Operational Plan

2014/15



Operational Plan 2014/15

Legislation

Under the *Local Government Act 2009*, Council must adopt an operational plan each financial year. This plan sets out the work Council plans to do to contribute to the Corporate Plan 2010-2015 and the Redlands 2030 Community Plan. Council may amend the operational plan at any time by resolution. Council must discharge responsibilities in a way consistent with its annual operational plan. Council must monitor progress against its operational plan and present updates to Council at least quarterly.

The *Local Government Regulation 2012* (section 75) states that the annual operational plan must:

- be consistent with its annual budget
- state how Council will progress the implementation of the Corporate Plan
- manage operational risks
- include an annual performance plan for each commercial business unit of Council

Operational planning

The Redlands 2030 Community Plan was adopted in 2010 and sets out Council's long term vision. Council's Corporate Plan 2010-2015 is a five year plan which outlines how Council will progress the community plan.



The Operational Plan 2014/15 is an important part of Council's strategic planning. The activities and projects in the Operational Plan 2014/15 are funded from the annual budget. This plan is based around the outcomes and strategies in the Redlands 2030 Community Plan and Corporate Plan and has been developed alongside the development of the 2014/15 budget. This plan excludes capital projects which are monitored through the capital expenditure program.

This plan highlights what Council plans to deliver in the 2014-2015 financial year, towards achievement of the long term objectives and outcomes stated in the Corporate Plan and Redlands 2030 Community Plan. The operational plan is not intended to include every activity Council undertakes, in that many of the standard operations or initiatives of Council support the delivery of the Corporate and Community Plans. The intention of the Operational Plan is to highlight the key projects planned for 2014/15 which will specifically progress the implementation of the Corporate Plan 2010-2015.

Managing risk

Council has a comprehensive Enterprise Risk Management Framework which sets out how Council manages its risks. Council maintains risk registers for strategic, operational and activity level risks and these are reviewed and updated quarterly before being approved by Council's Operational Risk Management Committee. In developing the Operational Plan, managers were asked to consider operational risks and what actions were needed to address

these risks. Accordingly, the projects in the 2014/15 Operational Plan address a broad number of Council's operational risks as follows:

- Abrogation and/or delegation of State Government responsibilities
- Ineffective community engagement process
- Inadequate project management
- Ineffective workforce planning
- Ineffective or inadequate asset management
- Failure of assets (both above and below ground)
- Failure to maintain marine infrastructure/canals to expected levels of service
- Inadequate implementation of ILUA
- Major disruption to systems and services
- Ineffective strategic communications and marketing
- Inadequate resourcing to support information management systems and services
- Ineffective workload management
- Inadequate local laws
- Inadequate project management
- Ineffective policy advice
- Ineffective management capability and performance management
- Vendor viability/reliability
- Significant loss of all electronic data
- Inconsistent and/or inaccurate information to customer due to error or out of date information
- Ineffective workplace health and safety management

Council's commercial business units

The *Local Government Regulation 2012* requires Council to include an annual performance plan for each commercial business unit. Council operates two commercial business units.

Redland Water is a department of Redland City Council responsible for water distribution, wastewater collection and treatment (including tradewaste) in Redland City. Redland Water is committed to delivering high quality water safely and reliably to Redland City. At the time of the Operational Plan 2014/15 being considered for adoption, the annual performance plan for 2014/15 was not finalised. This will be available on Council's website after it has been approved by Council.

RedWaste is Redland City Council's waste management unit and is responsible for the management, collection and disposal of waste generated within the city. At the time of the Operational Plan 2014/15 being considered for adoption, the annual performance plan for 2014/15 was not finalised. This will be available on Council's website after it has been approved by Council.

Monitoring implementation of this plan

The Operational Plan 2014/15 will be monitored and quarterly reports on the progress against this plan will be presented to Council. The reports will provide an update on progress with the implementation of the projects within the plan.

OPERATIONAL PLAN 2014/15

Corporate Plan Outcome 1 - Healthy natural environment

A diverse and healthy natural environment, with an abundance of native flora and fauna and rich ecosystems will thrive through our awareness, commitment and action in caring for the environment.

Community priorities

- Maintaining unique biodiversity
- Protecting, restoring and enhancing the environment
- People supporting the environment

Strategies

- 1.1 *Increase biodiversity by taking informed action to protect, enhance and manage our local ecosystems*
- 1.2 *Stop the decline in population of the koala and other species at risk through advocacy, protecting and restoring vital habitat and increasing community engagement and action*
- 1.3 *Protect our natural environment by restoring degraded landscapes, contaminated land and managing fire, pests and other hazards*
- 1.4 *Improve residents' understanding, respect and enjoyment of the local environment through stewardship and partnerships*
- 1.5 *Co-ordinate effective management of the conservation estate on all (private and public) lands in Redlands, through a combination of incentives and various tenure and management arrangements to restore, maintain and plant new habitat*
- 1.6 *Address the decline in the health of Redlands waterways and improve water quality, aquatic populations and their biodiversity*

Number	Project description	Group	Strategies
1	Lamb Island Foreshore Park Seawall and Landfill Management Project Control the accelerated foreshore erosion and threat to the landfill portion of the Tina Avenue Foreshore Park.	Water & Waste Infrastructure / Waste Planning	1.1
2	Birkdale Landfill Remediation Engineered landfill capping solution and rehabilitation of the approval area to ensure the ongoing management of associated environmental emissions, to comply with Department of Environment and Heritage Protection landfill approval conditions.	Water & Waste Infrastructure / Waste Planning	1.3
3	Amity Point Stormwater Mitigation Return the open drains at Amity Point to their functional purpose and reinstate their current and desired levels of service for the community.	City Infrastructure / City Infrastructure Planning	1.1

OPERATIONAL PLAN 2014/15

Corporate Plan Outcome 2 - Green Living

Our green living choices will improve our quality of life and our children's lives, through our sustainable and energy efficient use of resources, transport and infrastructure, and our well informed responses to risks such as climate change.

Community priorities

- Making green choices the norm
- Managing our resources sustainably

Strategies

- 2.1 *Achieve sustainability through strong leadership and innovation, and by effectively planning and managing our services, assets and resources*
- 2.2 *Promote, support and encourage commitment to green living in our community by improving residents' understanding of climate change and achieving greater water, energy and waste conservation and efficiency*
- 2.3 *Promote a 'go local' attitude towards working, socialising, shopping, playing and supporting local production of food*
- 2.4 *Provide and maintain safe and attractive routes for people to walk and cycle throughout the city and to connect to nearby regional centres*
- 2.5 *Achieve greater use of public transport by advocating for improved access to innovative and high quality services*
- 2.6 *Conserve energy and water, improve efficiency and reduce greenhouse gas emissions resulting from Council's energy consumption*
- 2.7 *Keep Redlands clean and green through programs that increase community participation in practical and positive local action to build a sense of ownership and an increasing pride in our city*
- 2.8 *Implement Council's waste management strategy by applying best practice principles in pricing, public awareness, resource management, recycling and recovery*
- 2.9 *Protect our community and the natural environment by managing environmental harm and nuisance caused by industry, business, development from past and present activities*

Number	Project description	Group	Strategies
4	Good Gardening Expo In partnership with the Redland Organic Growers Inc, organise and conduct Redlands 'Good Gardening Expo', to celebrate gardening with local native plants and promote growing one's own food.	Community & Customer Services / Environment & Regulation	2.2
5	RedSWAP program for Primary Schools Launch the 2014 RedSWAP program for Primary Schools in the Redlands to empower Primary Schools to take a lead in waste minimisation and effective recycling practices.	Community & Customer Services / Environment & Regulation	2.2

OPERATIONAL PLAN 2014/15

Corporate Plan Outcome 3 - Embracing the bay

The benefits of the unique ecosystems, visual beauty, spiritual nourishment and coastal lifestyle provided by the islands, beaches, foreshores and water catchments of Moreton Bay will be valued, protected and celebrated.

Community priorities

- Protecting the bay
- Making the bay accessible
- Living sustainably on the islands

Strategies

- 3.1 *Address the social, cultural and economic needs of island communities by partnering with residents and other tiers of government to deliver infrastructure, facilities and services*
- 3.2 *Better manage our foreshores through coordinated planning with a special focus on resilience to the impacts of flooding and storm tides*
- 3.3 *Ensure the ongoing health of the bay by managing creeks, wetlands and stormwater and by protecting natural areas surrounding the bay*
- 3.4 *Promote enjoyment of the bay by improving access for environmentally sensitive recreation activities, education, economic opportunities and eco-tourism*
- 3.5 *Build partnerships with marine research, education institutions and the private sector to develop future research projects and education programs that will improve the health of the bay*
- 3.6 *Support management of the marine park and advocate for a new national park covering a substantial area of North Stradbroke Island*

Number	Project description	Group	Strategies
6	Cleveland WWTP Effluent Toxicity Conduct effluent toxicity testing as well as receiving water monitoring as part of new licence requirements.	Water & Waste Infrastructure / Waste Planning	3.3

OPERATIONAL PLAN 2014/15

Corporate Plan Outcome 4 - Quandamooka country

The rich Aboriginal heritage of the Redlands (Quandamooka) and the Traditional Owners' ongoing custodianship of Quandamooka land and waters will be widely understood and respected, and we will work together for the future of Quandamooka Country.

Community priorities

- Supporting Aboriginal custodians
- Strengthening reconciliation through partnership
- Sharing and educating

Strategies

- 4.1 *Improve community understanding and promote respect for the Quandamooka peoples' relationship with the land and waters of Redlands*
- 4.2 *Negotiate Council's rights and interests with respect to native title land with the Traditional Owners of the land through an Indigenous Land Use Agreement*
- 4.3 *Strengthen partnerships in natural and cultural resource management with local Aboriginal organisations, in particular management of the North Stradbroke Island holiday parks*
- 4.4 *Advocate for the application of Indigenous landscape values in state planning in line with DRO7 the SEQ regional Plan and work with the local Aboriginal community to protect sites and landscapes of significance to their heritage and wellbeing*
- 4.5 *Work with local Traditional Owners and Elders and apply creative and educational techniques to improve employees', residents' and visitors understanding of the heritage, achievements and aspirations of local Aboriginal people*
- 4.6 *Build on Council's partnership with local Aboriginal organisations to strengthen shared planning, service delivery, advocacy and decision-making, using the Quandamooka Aboriginal Community Plan to guide our management of assets and services*
- 4.7 *Support the Quandamooka Forum in its negotiations with Queensland and Commonwealth Government*
- 4.8 *Acknowledge the living culture of local Aboriginal people by formally recognising Traditional Owners in Council ceremonies by observing cultural protocols, promoting traditional knowledge and increasing the profile of Aboriginal heritage through signage, cultural, tourism and community events*
- 4.9 *Work with Traditional Owners of North Stradbroke Island / Minjerriba to establish an Indigenous-focussed knowledge centre in Dunwich to encourage local cultural and economic development opportunities and educate the wider community*

Number	Project description	Group	Strategies
7	Implementation of ILUA Provide coordination and governance over implementation of Council's Indigenous Land use Agreement (ILUA) in partnership with the Quandamooka people.	Corporate Governance	4.2
8	Greater Understanding and Educational Awareness of the Quandamooka People Support community understanding and educational awareness of the Quandamooka people and their relationship with the land through the development of Council's Interaction newsletter, staff magazine, fact sheets, internet and intranet site and external media releases.	Corporate Governance/ Communications	4.1
9	Development of the Cultural Heritage Policy & Guideline Develop a Cultural Heritage policy and guideline in line with the draft Cultural Heritage Management Plan from QYAC.	Infrastructure and Operations/City Spaces	4.3
10	Recognition of Significant Aboriginal Cultural Activities Work with Traditional Owners and Elders in the development of initiatives to raise awareness and improve community understanding of significant Aboriginal cultural activities including Reconciliation Week and NAIDOC Week.	Corporate Governance/ Communications	4.5
11	Building & Strengthening Partnerships with the Quandamooka Aboriginal Community Partner with local Aboriginal organisations through participation in the Quandamooka Forum with State and Federal Government. Monitor and assist with implementation of the Quandamooka Aboriginal Community Plan.	Community & Cultural Services	4.6, 4.7

OPERATIONAL PLAN 2014/15

Corporate Plan Outcome 5 - Wise planning and design

We will carefully manage population pressures and use land sustainably while advocating and taking steps to determine the limits of growth and carrying capacity on a local and national basis, recognising environmental sensitivities and the distinctive character, heritage and atmosphere of local communities. A well-planned network of urban, rural and bushland areas and responsive infrastructure and transport systems will support strong, healthy communities.

Community priorities

- Strengthening physical character and heritage
- Planning for a liveable city
- Prioritising public infrastructure
- Maximising green spaces

Strategies

- 5.1 *Prepare and put in place a new planning scheme for the Redlands that reflects the aspirations and expectations outlined in the Community Plan and Corporate Plans, state interests, recognised in the SEQ Regional Plan and the legal obligations of the Sustainable Planning Act*
- 5.2 *Manage population growth in a compact settlement pattern, having defined the sustainable carrying capacity of the city and limits to population growth*
- 5.3 *Advocate strongly to all levels of government about the impacts of an increased population on the city and the region's liveability and natural systems*
- 5.4 *Review Council's and the community's climate change preparedness, ensuring all risks are understood and plans are activated to deal with expected outcomes*
- 5.5 *Plan and develop a network of accessible centres that provide a wide range of retail, commercial and community services along with local employment opportunities*
- 5.6 *Manage the built environment in a way that creates accessible and user friendly spaces and maintains our local character and identity, ensuring all new developments use high quality design that reflects our sub-tropical climate, promotes health, community harmony and wellbeing*
- 5.7 *Support a sustainable future for rural areas by developing and implementing a rural strategy that recognises the city's heritage, economic, environmental and scenic values and promotes sustainable rural industries and activities*
- 5.8 *Plan and advocate to connect the city's communities with improved public transport including a road, ferry, cycling and walking network that provides safe and efficient movement within the city and the region and supports physical activity; and promote efficient and environmentally responsible private transport*
- 5.9 *Promote housing diversity, choice and affordability to address the city's current and future needs, incorporating medium density housing within and around the city's centres and transport nodes*
- 5.10 *Maintain the quality and liveability of residential areas and protect natural resources*
- 5.11 *Provide for 'place making' throughout the city through creative and inclusive master planning, local area planning, public art and heritage planning and precinct character planning processes to manage development at a local level*
- 5.12 *Plan, provide and advocate for essential physical and social infrastructure that supports community well-being and manage Council's existing infrastructure assets to ensure current service standards are maintained or improved*
- 5.13 *Enhance the city's liveability and enable people to enjoy outdoor activities, social gatherings and community events through planning, providing and managing high quality parks and open spaces*

Number	Project description	Group	Strategies
12	Leachate Collection Upgrade Raise a main from Judy Holt closed landfill direct to a pump station and upgrade the pumps and electricals at the pump station to support the increased volume.	Water & Waste Infrastructure / Waste Planning	5.12

13	<p>Planning Scheme Review</p> <p>Review the current planning scheme in accordance with Council's statutory obligation under the <i>Sustainable Planning Act 2009</i> (Div.4 S.91(1)(a)).</p>	Community and Customer Services/ Planning Scheme Review	5.1
14	<p>Jetty Deck Upgrade - Russell Island</p> <p>Undertake a structural investigation and report of the High Street Jetty (Transport and Main Roads owned) on Russell Island to determine options for replacing the decking in its entirety and improve the overall life of the jetty.</p>	City Infrastructure / Marine Infrastructure Planning	5.12
15	<p>Infrastructure Charges</p> <p>Implement the agreed recommendations from the Infrastructure Charges Review Project.</p>	Governance/ Process and Performance	5.12
16	<p>Long Term Asset Management Plans (LTASMP)</p> <p>Develop a process for the implementation and monitoring of LTAMPS actions across Council and begin monitoring and reporting for current LTASMP actions.</p>	Asset Management Steering Group	5.12
17	<p>Prioritising Public Infrastructure</p> <p>Review Council's Priority Infrastructure Plan.</p>	City Planning and Assessment	5.12

OPERATIONAL PLAN 2014/15

Corporate Plan Outcome 6 - Supportive and vibrant economy

Businesses will thrive and jobs will grow from opportunities generated by low impact industries, cultural and outdoor lifestyle activities, eco-tourism and quality educational experiences.

Community priorities

- Promoting a self-sufficient economy
- Growing local jobs
- Developing skills
- Strengthening the tourism industry

Strategies

- 6.1 *Bolster the local economy and local employment by providing business support to local companies, promoting social enterprise and providing opportunities for creativity, diversity and entrepreneurial activity*
- 6.2 *Market the distinctive image of the Redlands by encouraging low impact businesses that are knowledge-based and creative to establish in the city*
- 6.3 *Promote significant redevelopment of Cleveland and Capalaba as principal regional activity centres delivering mixed-use centres that provide opportunities for economic investment and local employment*
- 6.4 *Bring new business to the Redlands by promoting the city as a sustainable business locale, promoting Redland's advantages and advocating for the relocation of a major state government department*
- 6.5 *Develop partnerships with TAFE and other education providers to promote more tertiary education courses in the Redlands and training that supports local business needs*
- 6.6 *Promote Redlands as a high quality tourism destination and encourage the development of sustainable nature-based, heritage and eco-tourism*

Number	Project description	Group	Strategies
18	Cleveland CBD Revitalisation Provide a significant stimulus for the revitalisation of the Cleveland CBD.	Organisational Services/Priority Developments	6.2
19	Toondah Harbour PDA Undertake an Expression of Interest process and then a Request for Proposal (RFP) process to identify a Preferred Development Partner for the Toondah Harbour Project. The Preferred Development Partner will prepare a development application and submit for approval ready for the development phase to begin in the 2015/16 financial year.	Organisational Services/Priority Developments	6.4
20	Weinam Creek PDA Undertake an Expression of Interest process and then a Request for Proposal (RFP) process to identify a Preferred Development Partner for the Weinam Creek Project. The Preferred Development Partner will prepare a development application and submit for approval ready for the development phase to begin in the 2015/16 financial year.	Organisational Services/Priority Developments	6.4

OPERATIONAL PLAN 2014/15

Corporate Plan Outcome 7 - Strong and connected communities

Our health, wellbeing and strong community spirit will be supported by a full range of services, programs, organisations and facilities, and our values of caring and respect will extend to people of all ages, cultures, abilities and needs.

Community priorities

- Building community spirit and belonging
- Safeguarding community wellbeing
- Building on local strengths

Strategies

- 7.1 *Promote festivals, events and activities for people to come together, developing connections and networks to improve community spirit and enhance 'sense of place'*
- 7.2 *Provide access to quality services, facilities and information that meet the needs of all age groups and communities, especially disadvantaged and vulnerable people*
- 7.3 *Increase community safety, health and wellbeing by planning and delivering programs, services, partnerships, regulations and education*
- 7.4 *Increase the participation of people from all age groups and backgrounds in local heritage, the arts and cultural expression*
- 7.5 *Increase the physical activity participation of residents and deliver programs and incentives that strengthen opportunities for sport and recreation*
- 7.6 *Provide practical programs, support and guidance to the community sector in its delivery of highly valued support services and community projects*
- 7.7 *Increase children and young people's active participation in community life and support their social, cultural and physical development*
- 7.8 *Support "Ageing Well in the Redlands", to enable active participation in all aspects of community life*
- 7.9 *Actively participate in multi-agency forums to support the health and wellbeing of Indigenous residents of the Redlands and work with Aboriginal and Torres Strait Island communities in the Redlands to develop initiatives that respond to their aspirations*
- 7.10 *Minimise the impact of disasters by improving community preparedness and our capacity to respond effectively to support the community when disasters occur*

Number	Project description	Group	Strategies
21	Model Local Laws Deliver a set of new contemporary local laws developed under the Queensland Government's model local laws framework.	Corporate Governance / Local Law Planning	7.3
22	Corporate Plan 2015 - 2020 Deliver a new Redland City Council Corporate Plan for the 2015-2020 period. RCC together with the community will build a plan for the future, identifying actions for Council to undertake.	Corporate Governance	7.3
23	Interim Repairs to Sports Surfaces - Judy Holt Develop effective solutions to maintain the safety of sports field surfaces effected by landfill subsidence, until landfill remediation is complete on this site.	City Spaces / Parks & Conservation	7.5
24	Interim Repairs to Sports Surfaces - Duncan Road Baseball Fields Develop effective solutions to maintain the safety of sports field surfaces effected by landfill subsidence, until landfill remediation is complete on this site.	City Spaces / Parks & Conservation	7.5

25	<p>Interim Repairs to Sports Surfaces - Victoria Point Sharks AFL Field</p> <p>Develop effective solutions to maintain the safety of sports field surfaces effected by landfill subsidence, until landfill remediation is complete on this site.</p>	City Spaces / Parks & Conservation	7.5
26	<p>Sports Field Lighting</p> <p>Complete the audit of sporting fields that are under agreement to sporting organisations, for lighting assets.</p>	City Spaces / City Sport & Venues	7.5
27	<p>Surf Lifesaving QLD (SLSQ) Operations Hub NSI</p> <p>Conduct the planning for the SLSQ Operations Hub (& joint SES emergency response centre) for Point Lookout, including Native Title and deign relating to the establishment of a greenfield site located on East Coast Road.</p>	City Spaces / City Sport & Venue	7.3, 7.10
28	<p>RPAC Backlog Repairs</p> <p>Complete outstanding maintenance items as identified in the audit report and provide a 10 year forecast of works for inclusion in the building's Asset and Services Management Plan.</p>	Infrastructure and Operations	7.1

OPERATIONAL PLAN 2014/15

Corporate Plan Outcome 8 - Inclusive and ethical governance

Deep engagement, quality leadership at all levels, transparent and accountable democratic processes and a spirit of partnership between the community and Council will enrich residents' participation in local decision making to achieve the community's Redlands 2030 vision and goals.

Community priorities

- Engaging communities
- Developing leadership
- Demonstrating accountability

Strategies

- 8.1 *Embed the visions and goals of the Redlands 2030 Community Plan into our planning, operations and culture and develop effective reporting and monitoring arrangements to show how we are progressing on implementation of the Community Plan and this Corporate Plan*
- 8.2 *Provide accessible information through different media to let residents know about local issues and how to get involved in programs and make a positive contribution to their community*
- 8.3 *Establish and maintain effective partnerships with local, regional and national organisations and governments to deliver the visions and goals of the community*
- 8.4 *Deliver broad, rich and deep engagement that reaches residents of all ages, backgrounds and locations, enabling them to contribute their views about plans and decisions affecting them and developing community leadership*
- 8.5 *Be transparent and consistent in the way we manage the organisation, its risks and obligations and ensure we are delivering against our priorities*
- 8.6 *Implement a comprehensive enterprise approach to risk management across the organisation*
- 8.7 *Ensure Council resource allocation is sustainable and delivers on Council and community priorities*
- 8.8 *Provide clear information to citizens about how rates, fees and charges are set and how Council intends to finance the delivery of the Community Plan and Corporate Plan*

Number	Project description	Group	Strategies
29	City Planning and Assessment Planning Portal Provide an online resource for development within the Redlands, through a planning and development portal that links directly to Council's main public website.	City Planning & Assessment	8.2
30	RCC Website Redevelopment Redevelop the Redland City Council website.	Communications, Engagement & Tourism	8.2
31	Community Satisfaction Survey Conduct the Community Satisfaction Survey to describe community perceptions of RCC's current performance and compare this longitudinally to previous survey results.	Communications, Engagement & Tourism	8.5

OPERATIONAL PLAN 2014/15

Corporate Plan Outcome 9 - An efficient and effective organisation

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

Community priorities

- Engaging communities
- Developing leadership
- Demonstrating accountability

Strategies

- 9.1 *Deliver excellent leadership throughout the organisation for the benefit of the community*
- 9.2 *Recruit and retain high quality staff and promote the organisation as an employer of choice*
- 9.3 *Actively promote diversity in the workforce and ensure flexibility is incorporated into work practices to support staff in achieving a healthy work-life balance*
- 9.4 *Provide a safe place for staff to work in and support the health and wellbeing of our people*
- 9.5 *Ensure robust long term financial planning is in place to protect the financial sustainability of Council*
- 9.6 *Implement long term asset management planning that supports innovation and sustainability of service delivery, taking into account the community's aspirations and capacity to pay for desired service levels*
- 9.7 *Develop our procurement practices to increase value for money within an effective governance framework*
- 9.8 *Work 'smarter' across departments, in multi-disciplinary teams to achieve continuous improvement and effective co-ordination*
- 9.9 *Manage security of and access to Council information*
- 9.10 *Use information management, mapping and communication technology to meet Council and community expectations*
- 9.11 *Develop and improve systems to support modern and flexible delivery of services*


Number	Project description	Group	Strategies
32	MySay Conduct change tracker staff surveys to collect and analyse employee data (an undertaking by RCC to perform three, September 2013, May 2014 and a final survey due early 2015).	Human Resources / Workplace Development	9.2
33	Performance Management - (MyGoals) Completion of a performance agreement (and appraisal in 12 months) by all employees (previously this was only applicable to employees covered by the Officers Certified Agreement).	Human Resources / Workplace Development	9.2
34	Workforce Planning Research, design and implement business strategies to reduce risks associated with workforce capacity, capability and flexibility.	Human Resources / Workplace Development	9.1, 9.2
35	Casual Pool Establish a team of quality internal casual employees who have organisational knowledge and the ability to work over multiple teams as needed as well as enabling them to forge a career within Redland City Council.	Human Resources / Workplace Development	9.8
36	Timekeeper Establish an automated payroll timekeeper system to streamline the time sheet process and the management of Flex & TOIL provisions (this will result in improved payroll functions and reduce manual processes by eliminating excessive data entry).	Human Resources / Payroll	9.11

37	BSO Review Implement the recommendations from the administration/business support review (BSO Review) as endorsed by the Executive Leadership Group in November 2013.	Human Resources / Implementation Manager	9.1
38	Information Management Strategy - carry forward Continued implementation of the Information Management Strategy (carry forward).	Information Management	9.10

5.7 ADOPTION OF BUDGET ESTIMATES AND FIXING OF RATES AND CHARGES FOR 2014-2015

Dataworks Filename: FM Corporate Budget

Attachment: Attachment 1. [Budget Book 2014-15](#)

Authorising Officer: 
Bill Lyon
Chief Executive Officer

Responsible Officer: **Deborah Corbett-Hall**
Service Manager Corporate Finance

Author: **Noela Barton**
Service Manager Revenue & Collections
Management

PURPOSE

This report presents to Council for adoption the 2014-2015 Annual Budget, Revenue Statement, Statement of Estimated Financial Position, the list of business activities to which the code of competitive conduct applies and rates and charges to be fixed for the financial year and the time period within which they must be paid.

BACKGROUND

Section 104(5) of the *Local Government Act 2009* (Act) requires Council to prepare a budget each financial year in accordance with the *Local Government Regulation 2012* (Regulation).

The prepared budget must be adopted after 31 May or before 1 August or a later day if decided by the Minister pursuant to Section 170 of the Regulation and 107A(3) of the Act.

Section 169(8) of the Regulation requires the budget must be consistent with the:

- 5 year corporate plan; and
- Annual operational plan.

Section 169 of the Regulation requires that Council must include in the budget a Revenue Statement prepared in accordance with Section 172 of the same Regulation.

Section 205 of the Regulation requires the Chief Executive Officer to present at the annual budget meeting a statement of estimated financial position.

Section 94(2) of the Act requires Council to adopt at its budget meeting for a financial year the rates and charges that are to be levied for the financial year.

Section 47(7) of the Act requires Council to decide each financial year by resolution whether or not the Code of Competitive Conduct will apply to a business activity prescribed under a regulation.

Section 32 of the Regulation sets out the principles that must be applied if the Code of Competitive Conduct applies to a business activity.

ISSUES

Budget Book

Section 107A(2) requires the Mayor to give a copy of the proposed budget to each councillor at least 2 weeks before adoption.

In accordance with this section the budget was distributed in the Budget Book publication on 11 June 2014. Following final peer review a number of minor changes have been made to the publication, which includes formatting, grammar and typographical errors. The table below highlights the main changes. The attached Budget Book includes those changes.

Page #	Item	Amendment	New Text
65	Description of differential general rating categories 2av and 2bv	2av: "rating category 10, 1av or 1bv". 2bv: "rating category 10, 1av or 1bv".	Removed reference to 1bv, now displayed as "category 10 or 1av". Removed reference to 1av, now displayed as "category 10 or 1bv".
66	Description of differential general rating categories 5, 10 and 15	Error in formatting, text hidden.	Table row height expanded to reveal text.
68	RCC charge code	Row 4, item 1bv, was "GR63". Row 8, item 2bv, was "GR65".	Now: "GR62". Now: "GR64".
72	Sovereign Waters Lake Special Charge	Item 1 - Omission of date.	Added date, "amended 26 June 2014", on item 1.
76	Fixed Access Water Charge	Clarified charging regime.	Added "per meter/lot basis".
79	Pensioner Concessions	Clarified method of general rate.	Added the word "Differential" before the words General Rates.

Annual Budget

The 2014-2015 annual budget presented with this report has been prepared in accordance with section 169 of the Regulation.

Revenue Statement

The 2014-2015 Revenue Statement presented with this report has been prepared in accordance with section 172 of the Regulation.

Rates and Charges

The power to levy rates and charges is provided under section 94 of the Act. Section 92 of the Act defines 4 types of rates and charges that a local government has the power to impose:

- General rates (including differential rates);
- Special rates and charges;
- Utility charges; and/or
- Separate rates and charges.

Council has determined for the 2014-2015 financial year it will levy all 4 types of rates and charges.

Under section 94 of the Regulation Council must levy general rates on all rateable land within its local government area and may levy special rates and charges, utility charges and separate rates and charges.

Under section 80 of the Regulation Council may levy general rates that differ for different categories of rateable land (differential general rates). Council has adopted for the 2014-2015 financial year 26 rating categories.

Under section 77 of the Regulation Council may fix a minimum amount of general rates. Council has determined for the 2014-2015 financial year a minimum general rate will apply in all 26 rating categories.

Section 116 of the Regulation provides the power to limit the increase in the rates or charges. In accordance with section 116, Council has determined for the 2014-2015 financial year that differential general rates for the rating categories of 3a, 3b, 4a, and 4b will be limited to 30% and for the rating categories of 12a and 12b differential general rates will be limited to 10%.

Under section 94 of the Regulation Council will levy Special charges in the localised areas of:

- Karragarra, Lamb, Macleay, Perulpa and Russell Islands.
 - Rural Fire Levy
 - Southern Moreton Bay Islands Translink Operations Special Charge
- The Raby Bay canal estate defined in the benefited area maps numbered as RBC-7 version 4, RBC-6 version 4, and RBC-8 version 4.
 - Raby Bay Marina Special Charge
 - Raby Bay Tidal Works (Non Community Title Scheme) Special Charge
 - Ray Bay Tidal Works (Community Title Scheme) Special Charge

- The Aquatic Paradise canal estate defined in the benefited area maps numbered as APC-2 version 4 and APC-9 version 4.
 - Aquatic Paradise Marina Special Charge
 - Aquatic Paradise Special Charge
- The Sovereign Waters lake estate defined in the benefited area map numbers as SWL version 4.
 - Sovereign Waters Lake Special Charge

Under section 103 of the Regulation Council will levy Separate charges (Environment Separate Charge, Landfill Remediation Separate Charge) where it has been determined the community in general will benefit from the service, facility or activity for which the charges are levied.

Under section 99 of the Regulation Council will levy utility charges for services supplied for waste, water, wastewater and tradewaste.

Under Section 118 of the Regulation Council has determined that rates and charges must be paid within a minimum period of 30 days after the issue of the rate notice.

Section 119 of the Regulation provides Council may grant a ratepayer a concession for rates or charges. Council has determined that a concession on differential general rates will be provided to eligible pensioner ratepayers under section 120(1)(a) of the Regulation and on the basis of Council's Policy POL-2557 Council Pensioner Rebate Policy (POL-2557).

A concession will also be provided to pensioner ratepayers under section 120(1)(a) of the Regulation on Separate and Special charges who fulfil the eligibility criteria of an eligible pensioner detailed in POL-2557 if they are the owner occupiers of adjoining residential lots in the same ownership name that are amalgamated for rating purposes and either –

- the main roof structure of the occupied dwelling is constructed over the boundary line of these lots; or
- one of the adjoining lots would, if sold separately, be unable to lawfully accommodate a dwelling; or
- one of the adjoining lots would not be issued a building permit unless an existing approved structure was removed.

A concession will also be provided on Water Access and Wastewater charges, and Separate and Special charges to eligible land owners' carrying on a business of primary production where the land is used exclusively for the purpose of farming as detailed in the Revenue Statement 2014-2015.

Charitable organisations, community groups, sporting associations and independent schools may also attract concessions under section 120(1)(b)(i) of the Regulation, or reduced charges under a Community Service Obligation granted by Council as defined in the resolutions.

Under Section 133 of the Regulation interest is payable on overdue rates and charges. Council has determined the interest rate for 2014-2015 is 11% and payable from the day the rates or charges become overdue.

The rates and charges to be levied for 2014-2015 are detailed within the 2014-2015 Revenue Statement that is presented for adoption with the 2014-2015 Annual Budget.

Code of Competitive Conduct

Council has determined for the 2014-2015 financial year the code of competitive conduct will be applied on the following business activities:

- Redland Performing Arts Centre; and
- Building Certification Services.

Competitive Neutrality

In compliance with section 43 of the Act and under section 44 of the Act, Council has determined for the 2014-2015 financial year that the significant business activity of:

- RedWaste will have full cost pricing principles applied; and
- Redland Water will be operated as a commercialised business activity.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 107A(1) of the Act requires that a local government must consider the budget presented by the mayor and, by resolution, adopt the budget with or without amendment.

Section 170(2) of the Regulation requires if the budget does not comply with section 169 of the Regulation when it is adopted, the adoption of the budget is of no effect.

Section 170A(3) of the Act and pursuant to section 170(1) of the Regulation the budget must be adopted after 31 May or before 1 August or a later day if decided by the Minister.

Section 169 of the Regulation requires that Council must include in the budget a Revenue Statement in accordance with Section 172 of the same Regulation.

Section 94(2) of the *Local Government Act 2009* requires Council to adopt at its budget meeting for a financial year the rates and charges that are to be levied for the financial year.

Section 205 of the Regulation requires the Chief Executive Officer to present at the annual budget meeting a Statement of Estimated Financial Position.

Section 47(7) of the Act requires Council to decide each financial year by resolution whether or not the Code of Competitive Conduct will apply to a business activity prescribed under a regulation.

Risk Management

The preparation for the annual budget and rates and charges for the 2014-2015 financial year involved extensive modelling and successive review by Council and the Executive Leadership Group.

Financial

The financial implications of the 2014-2015 annual budget are in line with Council's:

- Long-term Community Plan;
- Financial Strategy;
- 5 year Corporate Plan; and
- Annual Operational Plan.

People

Nil impact expected as the purpose of the report is to present the 2014-2015 annual budget to Council for adoption.

Environmental

Nil impact expected as the purpose of the report is to present the 2014-2015 annual budget to Council for adoption.

Social

Nil impact expected as the purpose of the report is to present the 2014-2015 annual budget to Council for adoption.

Alignment with Council's Policy and Plans

9. An efficient and effective organisation

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way

- 9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council.
- 9.6 Implement long term asset management planning that supports innovation and sustainability of service delivery, taking into account the community's aspirations and capacity to pay for desired service levels.
- 9.7 Develop our procurement practices to increase value for money within an effective governance framework.
- 9.8 Work 'smarter' across departments, in multi-disciplinary teams to achieve continuous improvement and effective co-ordination.

CONSULTATION

A series of budget workshops were conducted with Councillors and the Executive Leadership Group to prepare the 2014-2015 annual budget and determine the rates and charges to be levied.

OFFICER'S RECOMMENDATION

Council resolves to:

1. **Note the Statement of Estimated Financial Position for year ending 30 June 2014 pursuant to Section 205 of the *Local Government Regulation 2012*;**
2. **Apply the Code of Competitive Conduct to the following business activities pursuant to Section 47 of the *Local Government Act 2009* and Section 33 of the *Local Government Regulation 2012*:**

- Redland Performing Arts Centre; and
 - Building Certification Services;
3. Apply full cost pricing principles to the RedWaste significant business activity;
 4. Operate the Redland Water significant business activity as a commercialised business activity;
 5. Note the content of the report tabled at 5.7.3 Establishment of Reserve Balances and Transfers for 2014-2015;
 6. Note the content of the reports tabled as items 5.7.4 and 5.7.5 Environment Separate Charge and Landfill Remediation Separate Charge;
 7. Adopt the 2014-2015 Annual Budget (Attachment 1), which has been prepared in accordance with Section 169 of the *Local Government Regulation 2012*, pursuant to Section 170 of the same Regulation;
 8. Adopt the 2014-2015 Revenue Statement including Rates and Charges to be levied that is tabled in the Annual Budget (Attachment 1) and has been prepared in accordance with Section 172 of the *Local Government Regulation 2012*; and
 9. Adopt the balance of the Agenda and all other aspects of the budget and financial documents as recommended by Council officers in the Report items 5.7.6 to 5.7.17.



2014-2015
Annual Budget

June 2014

Table of Contents

Mayor’s Message	4
Councillors and Executive Management	5
Council’s Corporate Plan Outcomes	7
2014-2015 Annual Budget at a Glance	8
Key 2014-2015 Budget Points	10
General Rate	10
Environmental Separate Charge	10
Landfill Remediation Separate Charge	10
Waste Pricing	10
Water Pricing	10
Wastewater	10
Debt	11
Investments	11
Constrained Cash Reserves	11
Capital Works Prioritisation Policy	11
2014-2015 Financial Budget Overview	12
Where does the money come from?	12
Where does the money go?	13
Operating Revenue by Year and Category	14
Operating Expenditure by Year and Category	14
Community Equity	15
Budgeted Financial Statements	16
Financial Budget Summary	16
Key Balance Sheet Items	16
Redland City Council – Operating Statement	17
Redland City Council – Capital Funding Statement	18
Redland City Council – Statement of Cash Flows	19
Redland City Council – Statement of Financial Position	20
Redland City Council – Statement of Comprehensive Income	21
Redland City Council – Statement of Changes in Equity	22
Redland City Council – Financial Stability Ratios	23
Redland City Council – Measures of Sustainability	27
Financial Stability Ratios and Measures of Sustainability Overview	30
Business Units Subject to the Code of Competitive Conduct	31
Redland Water Operating Statement	31
Redland Water Capital Funding Statement	32
Redland Water Community Service Obligations	32
RedWaste Operating Statement	33
RedWaste Capital Funding Statement	34
RedWaste Community Service Obligations	35
Prescribed Business Units Financial Statements	36
Redland Performing Arts Centre Operating Statement	36
Building Certification Services Operating Statement	37

Capital Expenditure 2014-2015	38
Capital Expenditure Funding Sources 2014-2015	39
Schedule of Capital Works 2014-2015.....	40
Investment Policy.....	43
Debt Policy	44
Corporate Procurement Policy.....	46
Enterprise Asset and Services Management Policy.....	52
Revenue Policy	57
Constrained Cash Reserves Policy	61
Redlands Rates Comparison from 2013-2014 to 2014-2015	62
Long Term Financial Forecast.....	63
Revenue Statement 2014-2015	64
Differential General Rates	64
Differential General Rating Categories	65
Limitation on Increase of General Rates.....	68
Separate Charges	69
Environment Separate Charge.....	69
Landfill Remediation Separate Charge	69
Special Charges	70
Aquatic Paradise Marina Special Charge	70
Aquatic Paradise Special Charge	70
Raby Bay Marina Special Charge.....	70
Raby Bay Tidal Works (Non Community Title Scheme) Special Charge.....	71
Raby Bay Tidal Works (Community Title Scheme) Special Charge.....	71
Sovereign Waters Lake Special Charge	72
Rural Fire Levy.....	72
Southern Moreton Bay Islands Translink Operations Special Charge.....	73
Utility Charges.....	73
Waste/Recycling Charge.....	73
Water Charges	76
Fixed Access Water Charge	76
Consumption Charge.....	77
Wastewater Charges.....	78
Trade Waste Charges	79
Interest on Overdue Rates.....	79
Rates Concessions.....	79
Pensioner Concessions.....	79
Farming Concessions.....	80
Other Matters	80
Aquatic Paradise Special Charge Benefited Area Map	81
Aquatic Paradise Marina Special Charge Benefited Area Map (APC-9 – version 4).....	82
Raby Bay Community Title Scheme Special Charge Benefited Area Map	83
Raby Bay Marina Special Charge Benefited Area Map.....	84
Raby Bay Non Community Title Scheme Special Charge Benefited Area Map.....	85
Lake Levy Special Charge Benefited Area Map	86

Mayor's Message

Redland City Council's \$259 million budget for 2014-15 lays the foundations for a strong and secure future for our great city.

The Budget not only continues to build a strong financial foundation but invests in projects that will provide for future generations of Redlanders; projects such as the Toondah Harbour and Weinam Creek Priority Development Areas, the Cleveland CBD rejuvenation and the Redlands Planning Scheme.

This is a budget for tomorrow, delivered today.

Redland City is again the benchmark for South East Queensland councils in minimising rates increases.

As Mayor, I am committed to keeping rate rises as low as possible and to ease the cost of living pressures.

For the third year running, internal savings achieved through a relentless focus on efficiency and trimming of excesses have enabled us to absorb millions of dollars in increased external costs. If we passed all extra costs on to ratepayers, rates would have increased by around 10 per cent.

This year we have again kept our headline rate increase to about CPI, with a 3.48 per cent rise.

For category 1A owner occupied property, with a property value of about \$280,000, the general rate increase equates to about 80 cents a week.

Water, waste water and waste utility price rises for 2014-15 have been kept at a modest 3.3 per cent despite a 14.27 per cent hike in state bulk water charges.

We have absorbed a 13 per cent increase in electricity costs and 7 per cent hike in our fuel costs.

We have again recognised the contribution our wonderful pensioners make to our community by maintaining our existing generous rates concessions.

This year's budget will deliver on-the-ground projects that will be seen in your neighbourhood.

We will deliver a \$61.9 million capital program that includes:

- \$14.2 million for local roads
- \$13.7 million for marine and foreshore infrastructure including boat ramp upgrades, new jetties and pontoons
- Nearly \$6 million for parks and open spaces
- \$11.99 million for wastewater treatment plants, including \$3 million for the Point Lookout facility.

This budget delivers for Redland City, and for Redlanders.

It includes a program of long-term city-wide projects, eases cost of living pressures for residents and sets a strong financial direction for Council moving forward.

Federal and State government budgets and policy continue to provide challenges for local government and we cannot remain complacent in an environment where revenue is falling and costs are rising. Council will continue to look for new ways to deliver the projects and services the community expects and to do that in a way that provides value for money for ratepayers.

Our journey of self-improvement will continue as we strive to ensure Redland City remains the best place to live, play and do business.

Councillors and Executive Management

Redland City Councillors



Mayor of Redland City
Cr Karen Williams

Tel: 3829 8623
0416 123 588
mayor@redland.qld.gov.au

Division 1

Wellington Point/Ormiston



Cr Wendy Boglary

Tel: 3829 8619 0408 543 583
wendy.boglary@redland.qld.gov.au

Division 2

Cleveland/North Stradbroke Island



Cr Craig Ogilvie

Tel: 3829 8607 0409 645 672
craig.ogilvie@redland.qld.gov.au

Division 3

Cleveland South/Thornlands



Cr Kim-Maree Hardman

Tel: 3829 8618 0418 195 017
kim-maree.hardman@redland.qld.gov.au

Division 4

Victoria Point/Coochiemudlo Island
Thornlands/Redland Bay



Cr Lance Hewlett

Tel: 3829 8603 0421 880 371
lance.hewlett@redland.qld.gov.au

Division 5

Redland Bay/Bay Islands



Cr Mark Edwards

Tel: 3829 8604 0407 695 667
mark.edwards@redland.qld.gov.au

Division 6

Mt Cotton/Sheldon/Thornlands
Victoria Point/Redland Bay



Cr Julie Talty

Tel: 3829 8606 0418 218 847
julie.talty@redland.qld.gov.au

Division 7

Alexandra Hills/Capalaba



Cr Murray Elliott

Tel: 3829 8732 0418 780 824
murray.elliott@redland.qld.gov.au

Division 8

Birkdale South/Alexandra Hills



Cr Alan Beard (Deputy Mayor)

Tel: 3829 8600 0408 750 963
alan.beard@redland.qld.gov.au

Division 9

Capalaba



Cr Paul Gleeson

Tel: 3829 8620 0488 714 030
paul.gleeson@redland.qld.gov.au

Division 10

Birkdale/Thornside



Cr Paul Bishop

Tel: 3829 8605 0478 836 286
paul.bishop@redland.qld.gov.au

Executive Leadership Group

Redland City Council’s Executive Leadership Group is responsible for delivering strong leadership to the organisation and carrying out the decisions passed in Council meetings.



Mr William Lyon

Chief Executive Officer



Mr Nick Clarke

General Manager Organisational Services



Mrs Louise Rusan

General Manager Community & Customer Services



Mr Gary Soutar

General Manager Infrastructure & Operations



Ms Linnet Batz

Chief Financial Officer



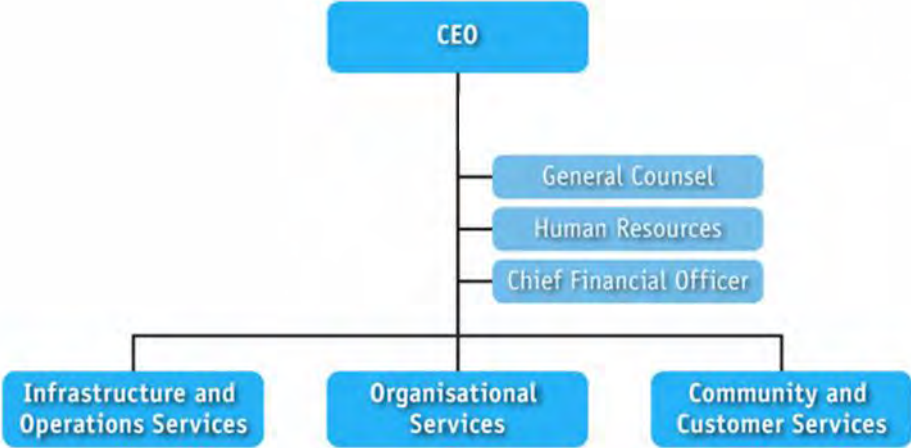
Mr Andrew Ross

General Counsel



Ms Amanda Daly

Head of Human Resources



Council's Corporate Plan Outcomes

On 26th May 2010, Redland City Council adopted its revised Corporate Plan for the five year period 2010 - 2015. The Corporate Plan contains the themes or 'Vision Outcomes' as communicated by the Redlands community, in the 2010-2030 Community Plan. Council's current Corporate Plan identifies the following nine Vision Outcomes.

1. Healthy Natural Environment

A diverse and healthy natural environment, with an abundance of native flora and fauna and rich ecosystems will thrive through our awareness, commitment and action in caring for the environment.

2. Green Living

Our green living choices will improve our quality of life and our children's lives, through our sustainable and energy efficient use of resources, transport and infrastructure, and our well informed responses to risks such as climate change.

3. Embracing the Bay

The benefits of the unique ecosystems, visual beauty, spiritual nourishment and coastal lifestyle provided by the islands, beaches, foreshores and water catchments of Moreton Bay will be valued, protected and celebrated.

4. Quandamooka Country

The rich Aboriginal heritage of the Redlands (Quandamooka) and the Traditional Owners' ongoing custodianship of Quandamooka land and waters will be widely understood and respected, and we will work together for the future of Quandamooka Country.

5. Wise Planning and Design

We will carefully manage population pressures and use land sustainably while advocating and taking steps to determine limits of growth and carrying capacity on a local and national basis, recognising environmental sensitivities and the distinctive character, heritage and atmosphere of local communities. A well-planned network of urban, rural and bushland areas and responsive infrastructure and transport systems will support strong, healthy communities.

6. Supportive and Vibrant Economy

Businesses will thrive and jobs will grow from opportunities generated by low impact industries, cultural and outdoor lifestyle activities, eco-tourism and quality educational experiences.

7. Strong and Connected Communities

Our health, wellbeing and strong community spirit will be supported by a full range of services, programs, organisations and facilities, and our values of caring and respect will extend to people of all ages, cultures, abilities and needs.

8. Inclusive and Ethical Governance

Deep engagement, quality leadership at all levels, transparent and accountable democratic processes and a spirit of partnership between the community and Council will enrich residents' participation in local decision making to achieve the community's Redlands 2030 vision and goals.

9. An Efficient and Effective Organisation

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

The 2014-15 Budget will enable Council to continue delivering the vision, priorities and goals of Redlands 2030 as addressed in the Corporate Plan 2010-2015. During the 2014-15 year Council will review and update its Corporate Plan in readiness for the following five financial years.

2014-2015 Annual Budget at a Glance

Capital Expenditure



Roads
\$14.21 Million

- Asphalt Overlays
- South Redland Road Upgrade Program
- Pavement Rehabilitation Program



Transport
\$4.06 Million

- Car Park Resurfacing
- Nelson & Main Roads Roundabout Construction
- Footpaths, Bus Stops & Lay Bys



Open Space
\$5.95 Million

- Lighting Audit Implementation
- Coochiemudlo Island Foreshore
- Pt. Lookout Gorge Boardwalk stage 3 and Platform



Marine & Foreshore
\$10.41 Million

- Upgrade to Coochiemudlo Island & Victoria Pt. Jetties
- William St, Cleveland – Northern & Southern Ramp Floating Walkway
- Thompson's Beach Stage 2 – Rock Revetment Wall



Lake and Canals **\$3.32 Million**

- Beaufort Court Revetment Wall Upgrade – Raby Bay



Water **\$1.79 Million**

- Point Lookout Water Supply Network Expansion
- Meter Replacement Program
- Kinross Road Network Expansion



Wastewater **\$11.99 Million**

- Point Lookout Wastewater Treatment Plant
- Inlet Works Expansion at Thorneside & Mt Cotton
- Wastewater Pump Stations



Waste **\$513,105**

- Mobile Garbage Bins
- Redland Bay Waste Transfer Station Upgrade



Buildings **\$1.67 Million**

- Bay Islands Sport & Resilience Hub
- Animal Shelter Administration Building Extension
- RPAC Improvements

Key 2014-2015 Budget Points

General Rate

- Average rate notice increase is 3.95% (including utilities and separate charges)
- Average residential general rate increase is 3.50%

Environmental Separate Charge

- In 2011-12 the charge was \$109.80
- In 2012-13 the charge was \$99.80
- In 2013-14 the charge was \$65.00 with a corresponding reduction to the environmental program
- This financial year (2014-15) the levy will increase by \$20 (30.77%) from \$65 to \$85 and the additional revenue will fund the majority of operational environmental works previously funded from general revenue and retained earnings

Landfill Remediation Separate Charge

- Increased by \$2.00 per annum (3.33% increase) from \$60.00 to \$62.00

Waste Pricing

- Increased by an average of 3.38% from \$325 per annum to \$336 per annum for standard 240L/240L mainland waste bin

Water Pricing

- No increase for access charge - domestic water user will remain constant at \$257.55
- No longer a tiered system, now one flat rate of \$2.80 per kilolitre for domestic users
- Water consumption - average increase of 3.80%, (State Controlled Bulk Water increased by 14.27%, offset in part by Council's nil increase to water access)

Wastewater

- Last year there was a \$96.66 reduction of 13.2% (saving \$96.66)
- Average domestic wastewater charge increased by \$26.50 per annum (4.18% increase) from \$633.75 to \$660.25

Comparative Utilities Bill for Pricing 2014-15

Domestic Average Water User

	2013-14 \$	2014-15 \$	Variance 2013-14 to 2014-15 \$	Variance 2013-14 to 2014-15 %
Water:				
Access	257.55	257.55	0.00	0.00%
Consumption (200kl):				
Bulk (State Controlled)	343.40	392.40	49.00	14.27%
Retail (RCC Controlled)	196.14	167.60	-28.54	-14.55%
Total Water excluding Waste Water	797.09	817.55	20.46	2.57%
Waste Water	633.75	660.25	26.50	4.18%
Refuse	325.00	336.00	11.00	3.38%
TOTAL UTILITY CHARGES	1,755.84	1,813.80	57.96	3.30%

Debt

- Council is not budgeting to increase debt in 2014-15 to continue to best utilise the community's assets on its balance sheet
- Whilst cash balances remain above the sustainable target range (3 to 4 months cash capacity), Council will use existing surplus funds and only borrow when necessary for intergenerational capital projects
- Council's long term financial forecast is estimating new loans in the order of \$17.5M over the next ten financial years
- Council will move to prepaying its debt on an annual basis when surplus funds are available to further reduce the liabilities on the community's balance sheet
- Debt will be reduced from \$54.4M at the end of 2013-14 to in the order of \$10.7M at the end of 2023-24 (as outlined in the ten year loan schedule as part of the debt policy) based on current book values, interest rates and new loan assumptions

Investments

- Council is looking to get higher returns on its investments whilst still ensuring the capital is guaranteed
- Council will do this by moving to a more active investment strategy when funds permit and continuing to monitor the community's cash on a daily basis to realise the highest possible rate of return

Constrained Cash Reserves

- Council has collected rates, utilities and other revenue streams each financial year and has ring-fenced these monies for particular purposes
- Council plans to utilise the reserves before increasing debt on the community's balance sheet and has also committed to conducting an annual review of the constrained reserves to ensure the purpose of each reserve is still current and in the interest and requirements of the community

Capital Works Prioritisation Policy

- Council's new capital works prioritisation policy ensures the community's existing infrastructure will be maintained
- Capital expenditure will be prioritised into renewal programs before asset upgrades or the creation of new assets
- Council continues to monitor the asset sustainability ratio and focuses on renewal capital works to move this long term measure upwards towards the target zone

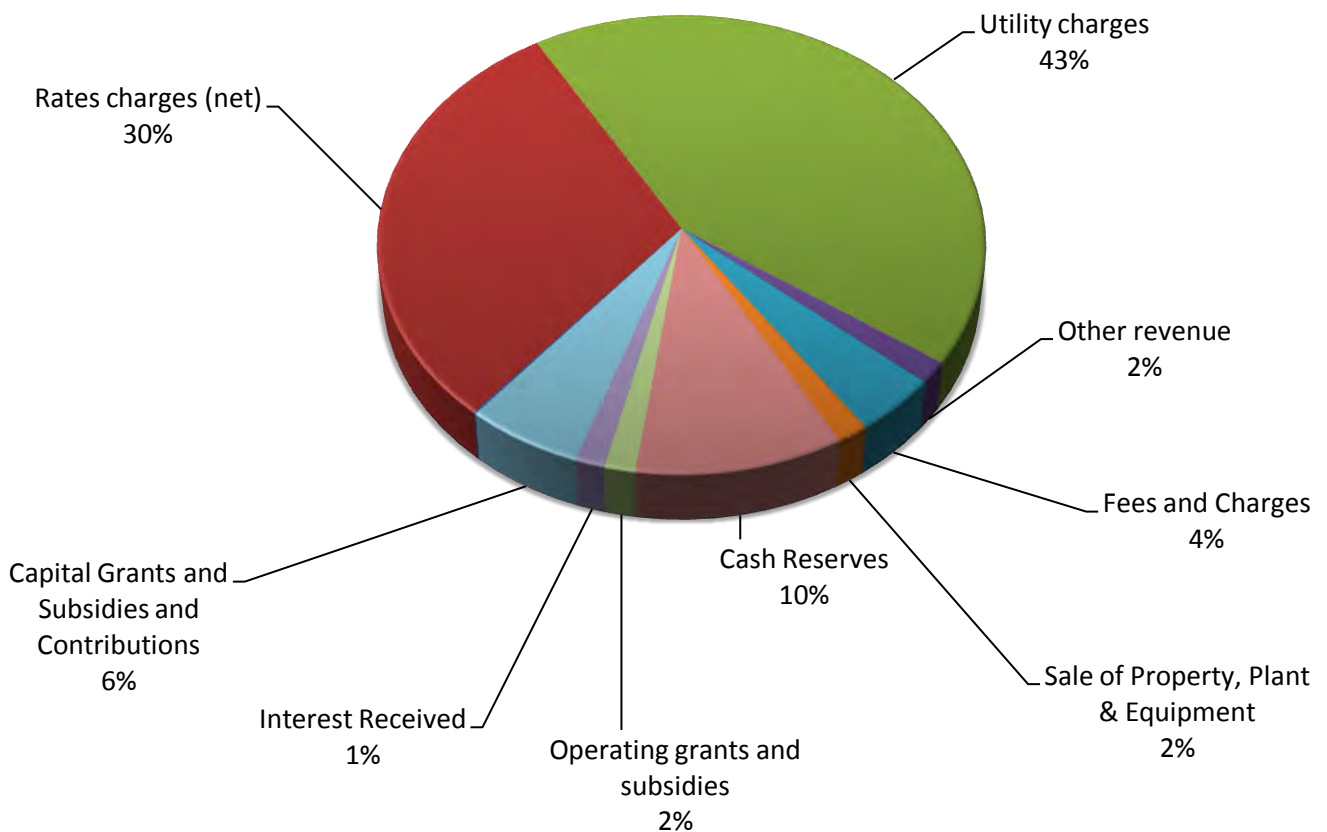
2014-2015 Financial Budget Overview

Where does the money come from?

Redland City Council's cash funding originates from a range of sources with the majority generated from utility charges at 43% and general rate charges at 30%. Council monitors its key performance indicator 'level of dependence on general rate revenue' which demonstrates the reliance on general rates.

Capital and Operating grants, subsidies and contributions are forecast to total 8% of cash funding and this revenue assists Council in delivering a variety of capital programs and various operational maintenance activities. Additionally, fees and charges from the issue of permits and consideration of applications and community related services contribute approximately 4% of funds.

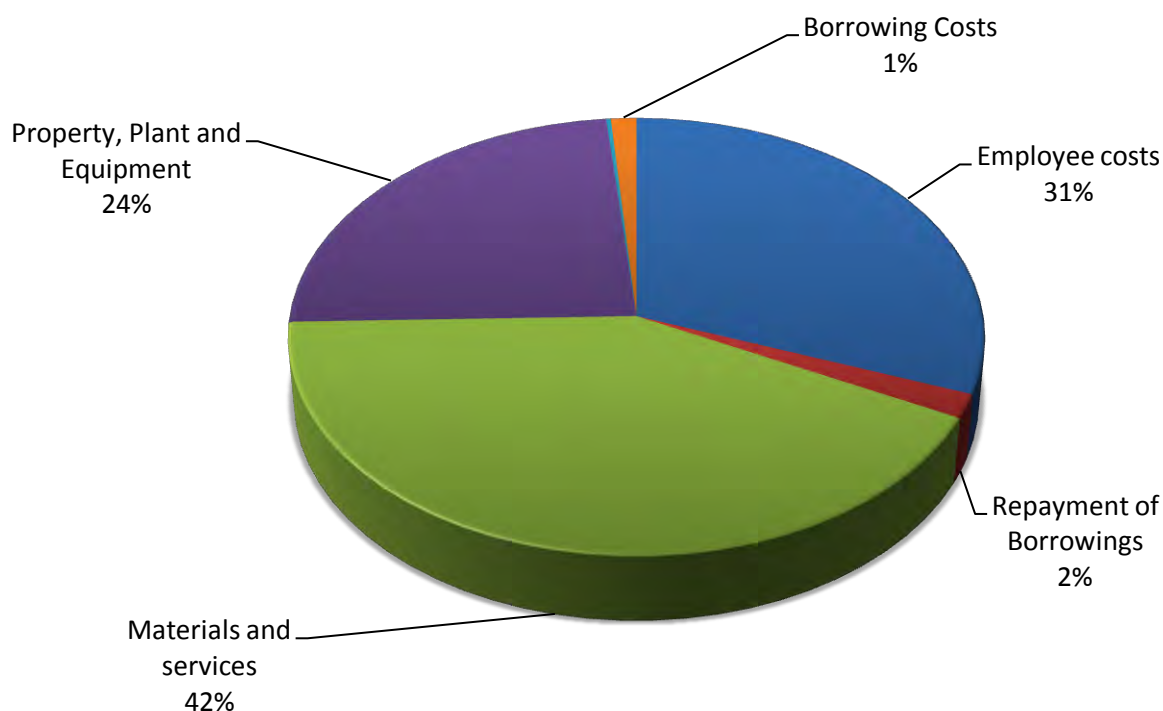
Budget 2014-15 Cash Funding (\$259M)



Where does the money go?

In 2014-15, 42% of the budget has been allocated towards services and activities needed to support the Redlands community, while 24% have been set aside for infrastructure and other capital programs. A further 31% is required for Council employees and service provision of Council activities and programs.

Budget 2014-15 Cash Expenditure (\$259M)

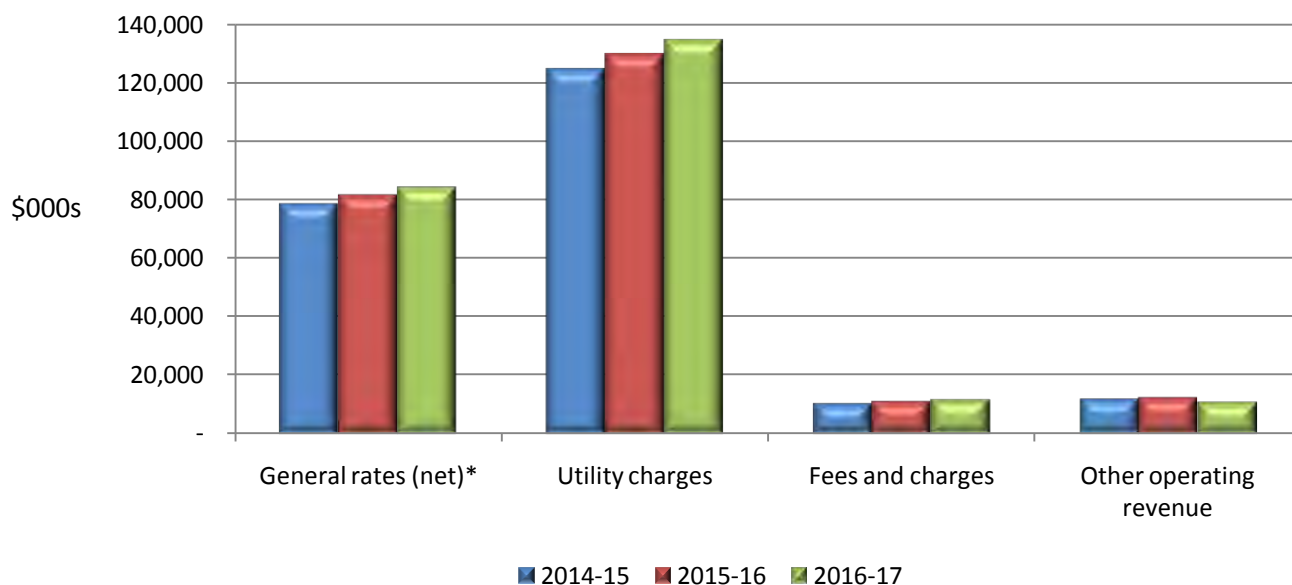


Borrowing costs are the expenses relating to the interest that has accrued on the loan. The repayment of borrowings is the expenditure associated with the principal amount borrowed.

Prior to the annual budget development process in December 2013, Council reviewed and updated its 10 Year Financial Strategy (the Strategy), which includes the consideration of long term planning to adequately invest in infrastructure sustainability. Council also recently adopted two new financial management policies: Constrained Cash Reserves Policy and also a Capital Works Prioritisation Policy. These two policies in addition to the existing Revenue, Debt, Investment, Asset Management and Procurement Policies provide council with a framework to ensure long term financial and infrastructure sustainability for the community.

Operating Revenue by Year and Category

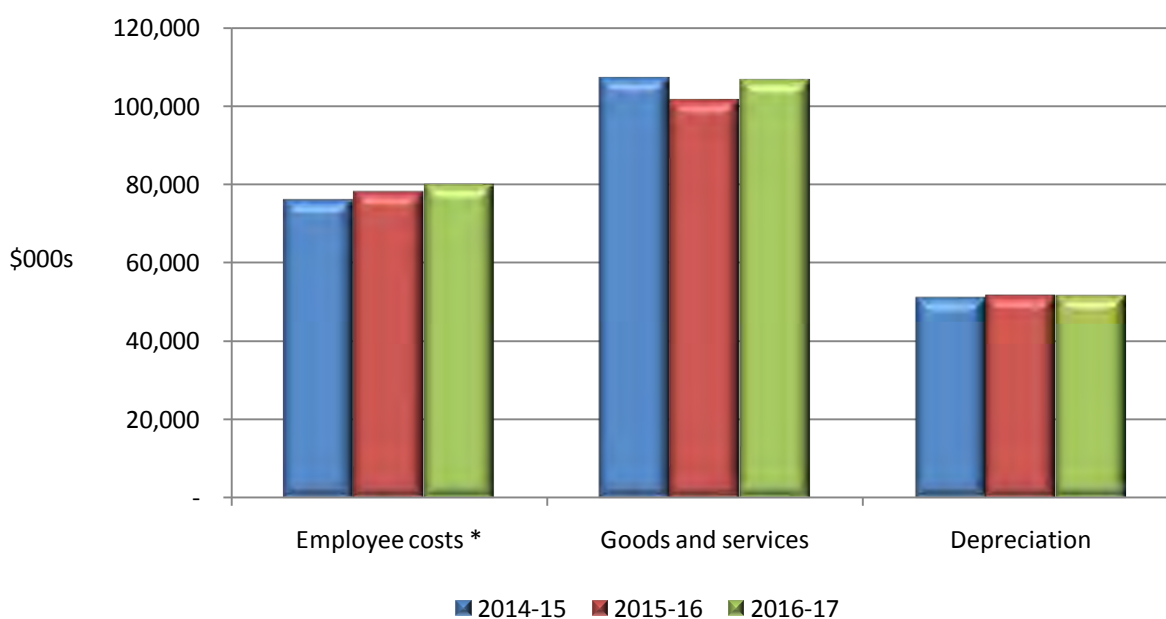
Council's operating revenue funds its daily business and can be divided into four main categories (refer to the graph below). 2014-15 is the budgeted amount where the two outer years are estimates based on strategy projections, industry indices and parameters. Council reviews its long term financial model and strategy annually where the estimates for 2015-16 and 2016-17 will be updated. Council monitors its reliance on general rates revenue through a key performance indicator to gauge the need to generate revenue from other sources.



*General Rates (net) equals General Rate Revenue less Pensioner Remissions.

Operating Expenditure by Year and Category

The following graph shows the level of different operating expenditure components and the graph illustrates the budget for the 2014-15 and estimates for 2015-16 and 2016-17 financial years.



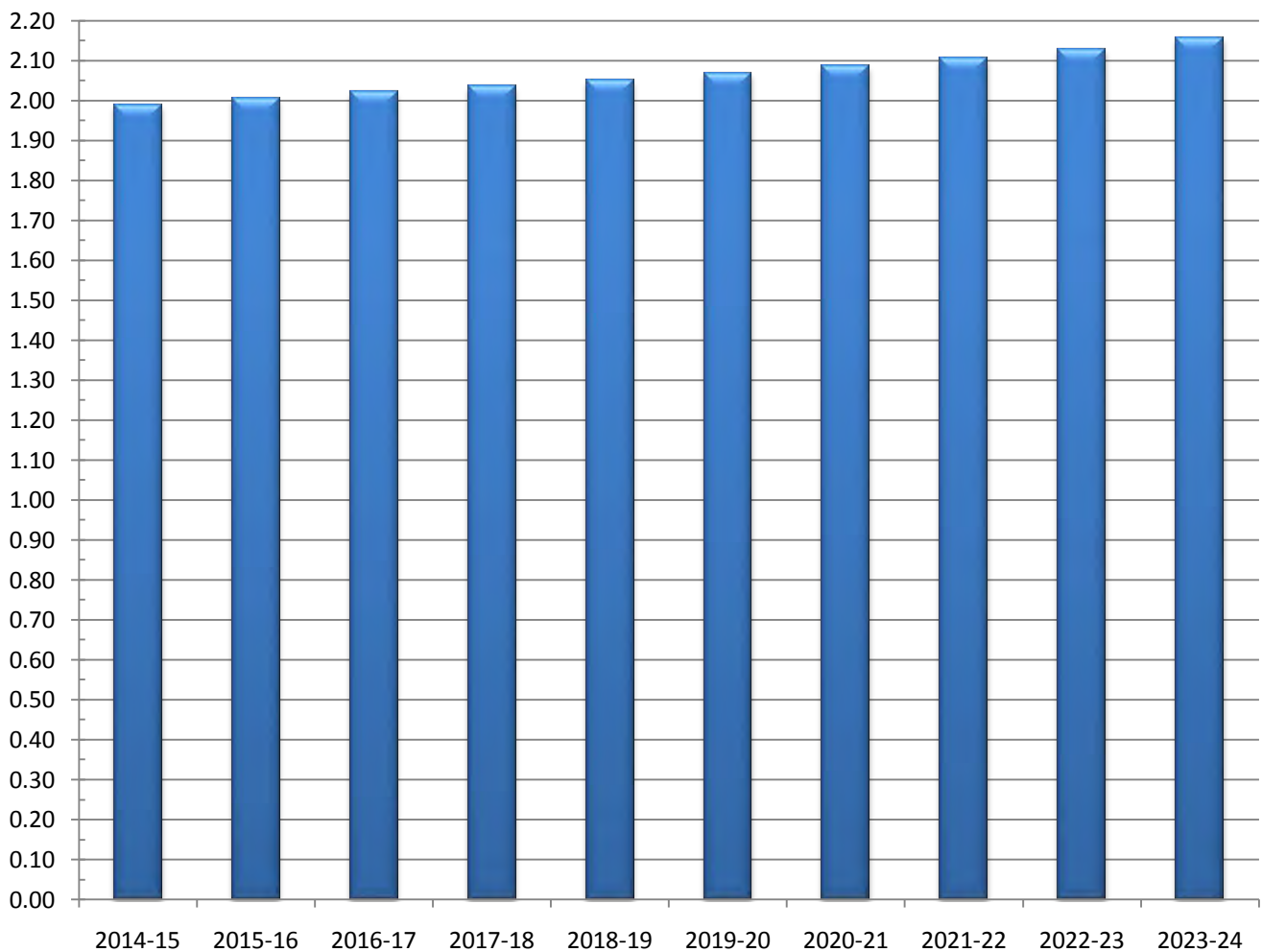
*Employee costs include Councillors' remuneration.

Community Equity

Community equity continues to demonstrate that Council owns more than it owes. Key financial indicators including debt to asset ratio and net financial liabilities, ([refer pages 23-30](#)), also illustrate the current financial position is within target range.

The difference between city's assets and liabilities is Community Equity, which is estimated to be \$1.99 Billion at the end of the 2014-15 financial year. The following graph shows the forecast community equity for the financial years 2014-15 to 2023-24. The estimated positions for future years are outputs of Council's strategic financial modelling.

Community Equity (\$ Billion)



Budgeted Financial Statements

These statements provide key revenue, expense and balance sheet items. Future years' estimates result from our internal financial strategy and forecasting model, drawing on assumptions, indices and parameters that are revised on a quarterly basis.

Financial Budget Summary

	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
Revenue from Ordinary Activities	226,144	234,695	241,721
Expenses from Ordinary Activities	233,727	230,288	237,365
Borrowing Costs	3,643	3,544	3,530
Result from Ordinary Activities	(11,226)	863	827
Capital Income	18,196	14,046	14,093
Asset Revaluation adjustments	-	-	-
Gain/(Loss) on Disposal of Non-Current Assets	3,192	1,226	1,093
Total Change in Community Equity	10,161	16,134	16,012

Key Balance Sheet Items

	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
Total Assets	2,107,615	2,124,275	2,142,476
Total Liabilities	118,388	118,914	121,104
Net Community Assets	1,989,227	2,005,361	2,021,372
Total Cash at Year End	49,157	51,066	52,358
Total Debt at Year End	54,395	54,148	55,539

Redland City Council – Operating Statement

The information below outlines the revenue and expenditure for operational activities, projects and programs by line item and category.

	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
Revenue			
Rates	81,366	84,308	87,356
Other levies and utility charges	124,757	129,491	134,513
<i>Less: Pensioner Remissions</i>	(2,743)	(2,842)	(2,945)
Fees and charges	10,629	11,216	11,895
Operating grants & subsidies	3,983	4,127	4,276
Operating contributions & donations	260	269	279
Interest received	3,872	1,966	2,043
Gain on sale of developed land	0	2,000	0
Other revenue	4,021	4,161	4,305
Total revenue	226,144	234,695	241,721
Expenses			
Employee costs	76,094	77,996	79,946
Materials and services	107,098	101,323	106,555
Finance costs	281	290	298
Other expenditure	315	327	340
Net internal costs	(988)	(1,027)	(1,068)
Total expenses	182,799	178,908	186,071
Earnings before interest, tax & depreciation (EBITD)	43,345	55,787	55,650
Interest expense	3,362	3,255	3,231
Depreciation and amortisation	51,209	51,670	51,592
OPERATING SURPLUS / (DEFICIT)	(11,226)	863	827
Transfers to Constrained Operating Reserves	(13,124)	(12,129)	(12,398)
Transfers from Constrained Operating Reserves	12,180	12,557	12,947

Redland City Council – Capital Funding Statement

This statement displays the capital funds expected by Council and how these funds will be allocated to capital projects and activities.

	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
Proposed Sources of Capital Funding			
Capital contributions & donations	6,188	5,719	5,846
Capital grants & subsidies	8,862	5,083	4,903
Proceeds on disposal of non-current assets	4,049	2,083	1,950
Capital transfers (to)from reserves	4,602	14,319	1,613
Non cash contributions	3,146	3,243	3,344
New loans	0	5,000	7,500
Funding from general revenue	42,787	36,860	50,093
Total sources of capital	69,633	72,308	75,249
Proposed Application of Capital Funds			
Contributed Assets	3,146	3,243	3,344
Capitalised Goods & Services	56,263	58,007	59,805
Capitalised Employee Costs	5,636	5,811	5,991
Loan Redemption	4,589	5,247	6,110
Total Application of Capital Funds	69,633	72,308	75,249
Other Budgeted Items			
WDV of assets disposed	(857)	(857)	(857)
Tax & dividends	0	0	0
Internal capital structure financing	0	0	0

Redland City Council – Statement of Cash Flows

Cash movement is illustrated for the three areas: operating, investing and financing.

	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates charges (net)	78,623	81,399	84,344
Utility charges	111,427	129,386	134,407
Fees and charges	10,879	11,216	11,895
Operating grants and subsidies	3,983	4,127	4,276
Cash contributions	260	269	279
Sale of developed land	0	2,000	0
Other revenue	4,021	4,161	4,305
Receipts from Customers	209,192	232,557	239,506
Employee costs	(79,473)	(77,934)	(79,883)
Materials and services	(109,237)	(99,630)	(104,798)
Other expenses	(596)	(327)	(340)
Payments to Suppliers and Employees	(189,306)	(177,891)	(185,021)
	19,886	54,666	54,485
Interest Received	3,872	1,966	2,043
Borrowing Costs	(3,362)	(3,544)	(3,530)
Net Cash Outflow from Operating Activities	20,396	53,088	52,998
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment	(61,899)	(63,818)	(65,796)
Capital Grants and Subsidies and Contributions	15,050	10,803	10,749
Proceeds from Sale of Property, Plant & Equipment	4,049	2,083	1,950
Net Cash Outflow from Investing Activities	(42,800)	(50,932)	(53,097)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of Borrowings	0	5,000	7,500
Repayment of Borrowings	(4,589)	(5,247)	(6,110)
Net Cash Outflow from Financing Activities	(4,589)	(247)	1,390
Net Increase/(Decrease) in Cash Held	(26,993)	1,909	1,292
Cash at Beginning of Year	76,150	49,157	51,066
Cash at Year End	49,157	51,066	52,358

Redland City Council – Statement of Financial Position

The statement below includes the community's assets, Council's liabilities and equity.

	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
CURRENT ASSETS			
Cash & Investments	49,157	51,066	52,358
Accounts Receivable	34,311	34,482	34,655
Inventories	943	943	943
Prepaid Expenses	1,320	1,366	1,413
Non-Current Assets Held for Sale	467	467	467
	86,198	88,325	89,836
NON-CURRENT ASSETS			
Property, Plant and Equipment	2,021,416	2,035,950	2,052,640
	2,021,416	2,035,950	2,052,640
Total Assets	2,107,615	2,124,275	2,142,476
CURRENT LIABILITIES			
Accounts Payable	17,301	17,901	18,522
Employee Provisions	2,468	2,529	2,593
Loans	5,247	6,110	6,846
Provision for Rehabilitation	1,144	1,144	1,144
Other Liabilities	3,201	3,312	3,427
	29,360	30,996	32,532
NON-CURRENT LIABILITIES			
Loans	49,149	48,039	48,693
Employee Provisions	10,998	10,998	10,998
Provision for Rehabilitation	28,189	28,189	28,189
Other Liabilities	693	693	693
	89,028	87,918	88,572
Total Liabilities	118,388	118,914	121,104
NET COMMUNITY ASSETS	1,989,227	2,005,361	2,021,372
COMMUNITY EQUITY			
Retained Earnings Account	1,943,304	1,974,185	1,992,358
Cash Reserves	45,923	31,176	29,014
TOTAL COMMUNITY EQUITY	1,989,227	2,005,361	2,021,372

Redland City Council – Statement of Comprehensive Income

	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
Recurrent Revenue			
Rates Charges	81,366	84,308	87,356
Levies & Charges	124,757	129,491	134,513
<i>less: Pensioner Remissions</i>	(2,743)	(2,842)	(2,945)
Fees & Charges	10,629	11,216	11,895
Operating Grants & Subsidies	3,983	4,127	4,276
Operating Contributions & Donations	260	269	279
Interest External	3,872	1,966	2,043
Gain on sale of developed land	0	2,000	0
Other Revenue	4,021	4,161	4,305
Total Recurrent Revenue	226,144	234,695	241,721
Capital Revenue			
Grants, Subsidies & Contributions	15,050	10,803	10,749
Non-cash Contributions	3,146	3,243	3,344
Increase/(decrease) in investment property	0	0	0
Total Capital Revenue	18,196	14,046	14,093
TOTAL REVENUE	244,340	248,741	255,814
Recurrent Expenses			
Employee Costs	76,094	77,996	79,946
Goods & Services	106,425	100,623	105,827
Finance Costs	3,643	3,544	3,530
Depreciation and Amortisation	51,209	51,670	51,592
Total Recurrent Expenses	237,370	233,833	240,895
Capital Expenses			
(Gain)/Loss on Disposal of Non-current Assets	(3,192)	(1,226)	(1,093)
Total Capital Expenses	(3,192)	(1,226)	(1,093)
TOTAL EXPENSES	234,178	232,607	239,802
NET RESULT	10,161	16,134	16,012
Other Comprehensive Income/(Loss)			
Increase/(decrease) in asset revaluation surplus	0	0	0
Total Other Comprehensive Income/(Loss)	0	0	0
TOTAL COMPREHENSIVE INCOME	10,161	16,134	16,012

Redland City Council – Statement of Changes in Equity

The movement in reserves and retained earnings for the following three years is forecasted below.

Budget 2014-15	Retained Surplus \$000s	Asset Revaluation Surplus \$000s	Other Reserves \$000s	TOTAL \$000s
Balance at 1 July 2014	1,362,652	566,833	49,580	1,979,065
Net result for Period	10,161	0	0	10,161
Transfers to Reserves	(19,295)	0	19,295	0
Transfers from Reserves	22,953	0	(22,953)	0
Asset Revaluation Adjustments	0	0	0	0
Balance as at 30 June 2015	1,376,471	566,833	45,923	1,989,227

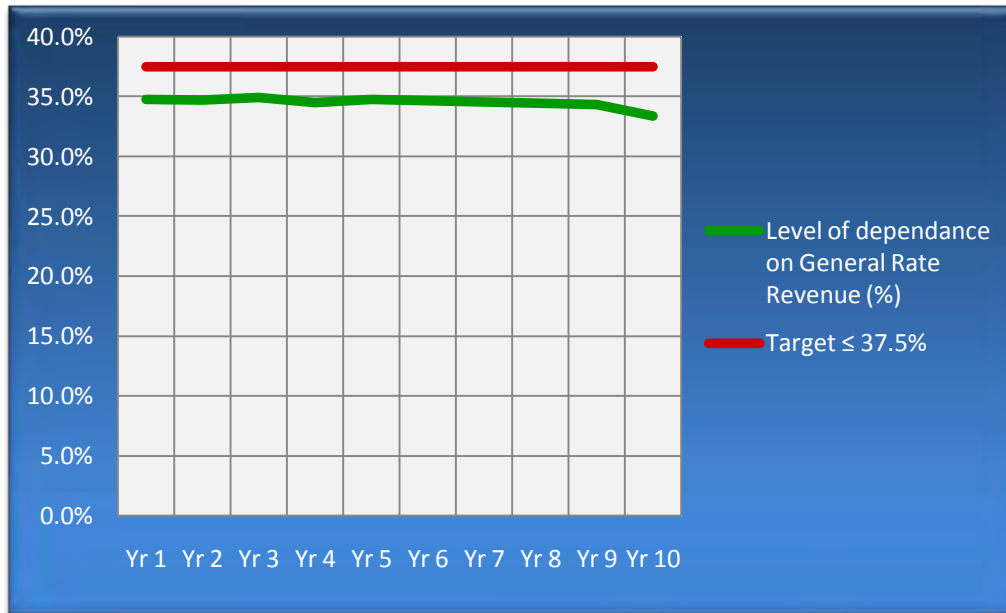
Budget 2015-16	Retained Surplus \$000s	Asset Revaluation Surplus \$000s	Other Reserves \$000s	TOTAL \$000s
Balance at 1 July 2015	1,376,471	566,833	45,923	1,989,227
Net result for Period	16,134			16,134
Transfers to Reserves	(17,329)		17,329	0
Transfers from Reserves	32,076		(32,076)	0
Asset Revaluation Adjustments	0	0	0	0
Balance as at 30 June 2016	1,407,352	566,833	31,176	2,005,361

Budget 2016-17	Retained Surplus \$000s	Asset Revaluation Surplus \$000s	Other Reserves \$000s	TOTAL \$000s
Balance at 1 July 2016	1,407,352	566,833	31,176	2,005,361
Net result for Period	16,012			16,012
Transfers to Reserves	(17,713)		17,713	0
Transfers from Reserves	19,874		(19,874)	0
Asset Revaluation Adjustments	0	0	0	0
Balance as at 30 June 2017	1,425,525	566,833	29,014	2,021,374

Redland City Council – Financial Stability Ratios

During the annual review of Council’s Financial Strategy, Council has reviewed its Key Performance Indicators to ensure the ratios provide ‘stretch’ targets and that financial sustainability is maintained.

Level of Dependence on General Revenue (excludes Utility revenues)

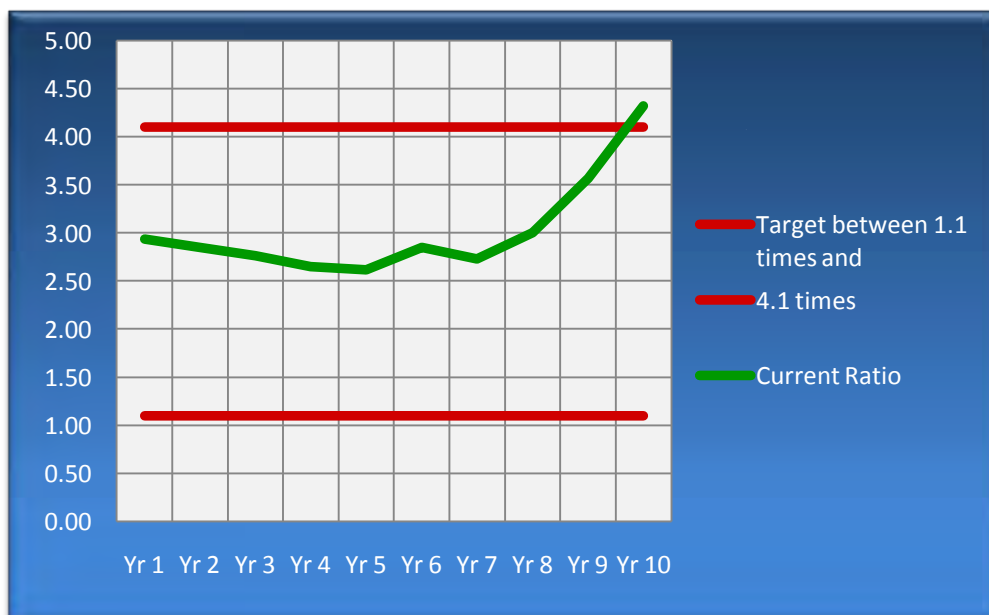


$(General\ Rates - Pensioner\ remissions) / (Total\ Operating\ Revenue - Gain\ on\ sale\ of\ Developed\ Land)$

Target of less than or equal to 37.5%

This ratio measures Redlands City Council’s reliance on operating revenue from general rates.

Current Ratio - Ability to Pay our Bills

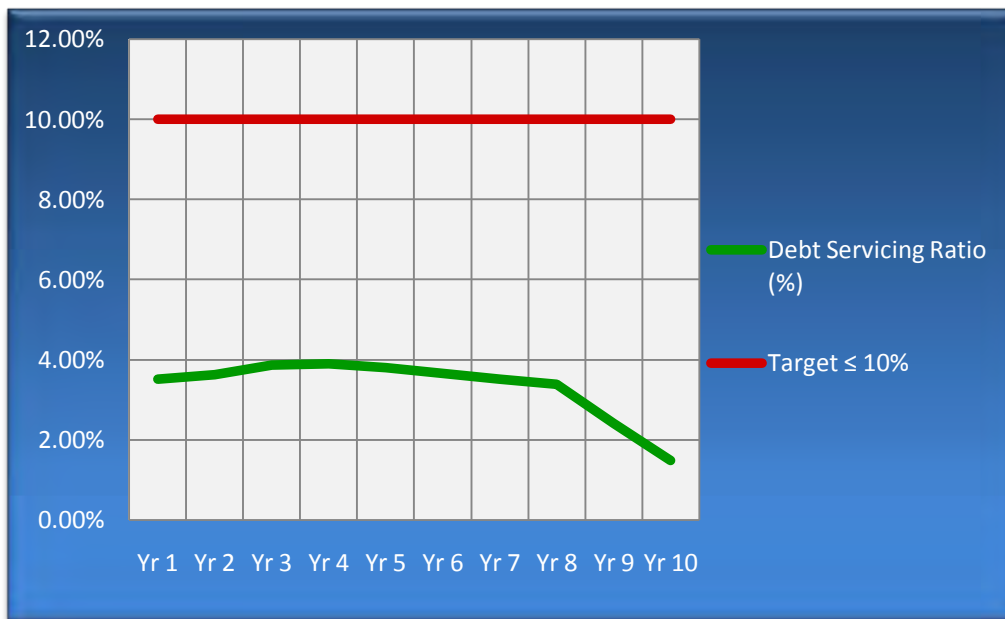


$Current\ Assets / Current\ Liabilities$

Target between 1.1 and 4.1

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

Debt Service Ratio – The ability to repay our debt



$(Interest\ expense + Loan\ Redemption) / (Total\ Operating\ Revenue - Gain\ on\ sale\ of\ Developed\ Land)$

Target of less than or equal to 10%

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

Cash Capacity in Months

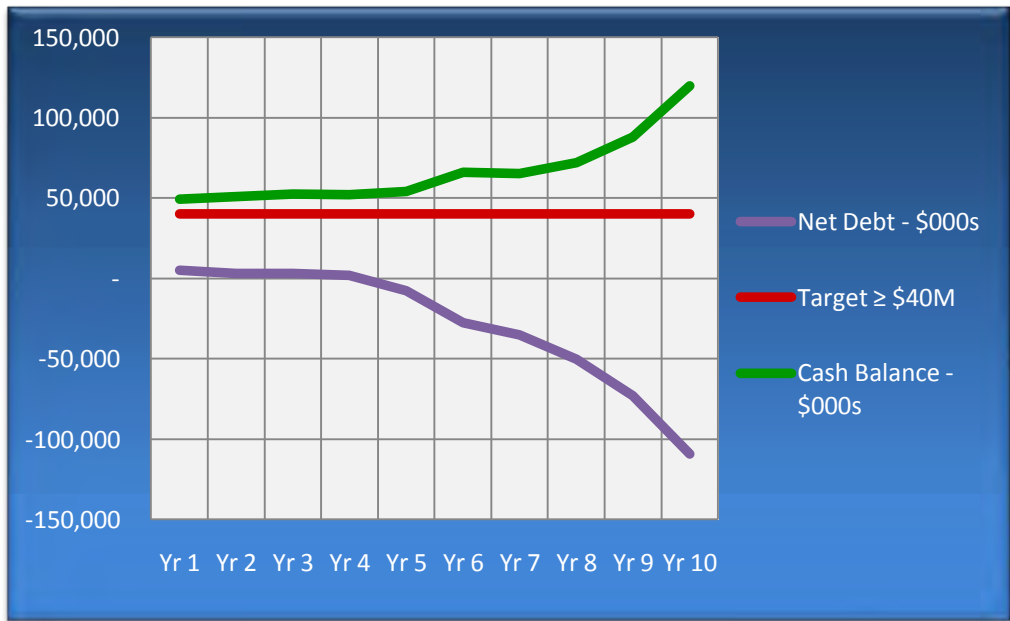


$Cash\ held\ at\ Period\ End / [(Cash\ Operating\ Costs + Interest\ Expense) / Period\ in\ Year]$

Target of 3 to 4 Months

This provides an indication as to the number of months ‘cash held at period end’ would cover for recurrent expenses.

Cash Balances - \$000s

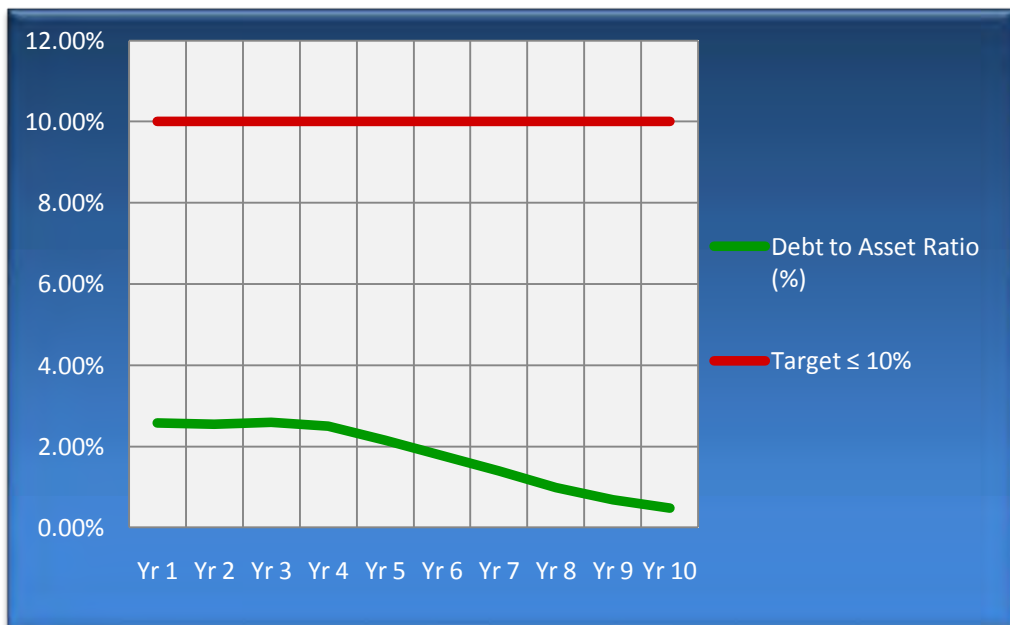


Cash held at Period End / [(Cash Operating Costs + Interest Expense) / Period in Year]

Target of greater than or equal to \$40 Million

This provides an indication as to the 'cash held at period end' would cover for recurrent expenses.

Debt to Asset Ratio



Current and Non-Current Loans / Total Assets

Target of less than or equal to 10%

This is total debt as a percentage of total assets to see what percentage of long term debt could be covered by total assets.

Operating Performance



$(\text{Net Cash from operations} + \text{Interest Revenue and expense}) / (\text{Cash Operating Revenue} + \text{Interest Revenue})$

Target Greater than or equal to 20%

This provides an indication of Council's healthy cash flow capabilities.

The Operating Performance result at 9.57% for the 2014-15 financial year is unfavourable due in part to the investment of \$7.5M of intergenerational projects including Redlands Planning Scheme Review, Priority Development Areas and Cleveland Central Business District Revitalisation. It also includes canal and lake dredging projects, which are funded through constrained cash reserves although impact in-year expenditures.

Redland City Council – Measures of Sustainability

The measures of sustainability demonstrate the predicted movement over the next 10 financial years with respect to asset consumption, asset sustainability and financial sustainability.

Operating Surplus Ratio

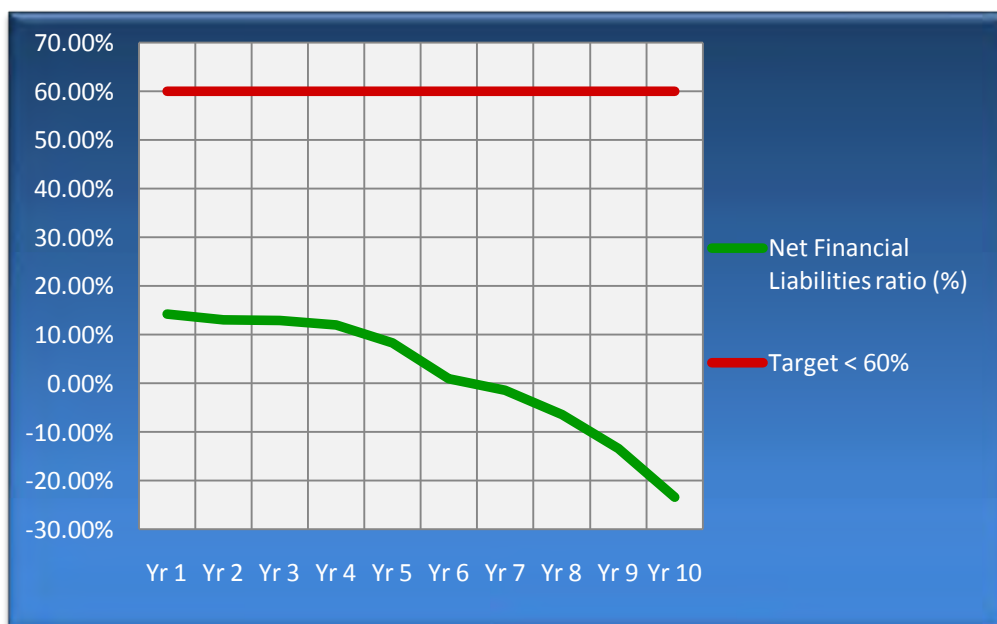


Net Operating Surplus / Total Operating Revenue

Target between 0% and 10%

This is an indicator of the extent to which revenues raised cover operational expenses or are available for capital funding purposes. Refer to comments above in regards to Operating Performance and intergenerational projects impacting on this ratio.

Net Financial Liabilities Ratio



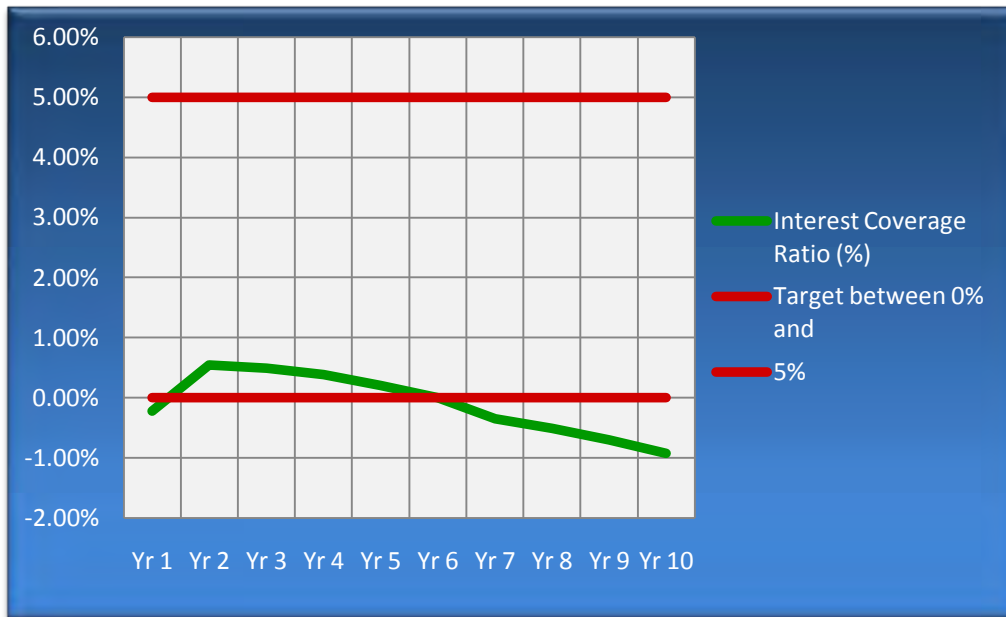
(Total Liabilities – Current Assets) / Total Operating Revenue

Target less than 60% (on average over long-term)

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



Interest Cover Ratio



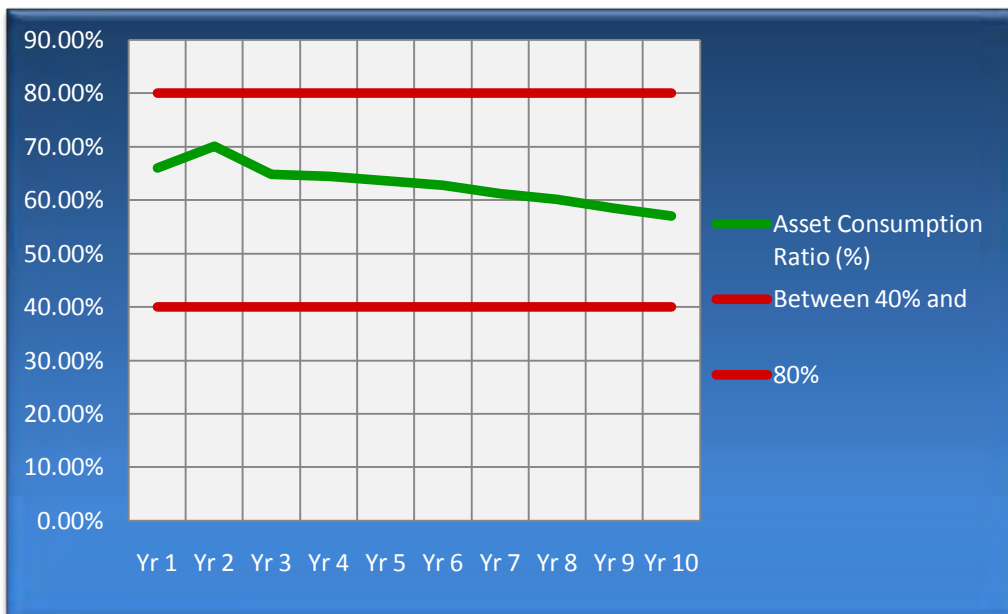
Net interest expense on Debt Service / Total Operating Revenue

Target between 0% and 5%

The Interest Coverage Ratio exceeds the target range when interest revenue is greater than interest expense (and the ratio is negative), therefore Council is on target in Year 1.

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

Asset Consumption Ratio

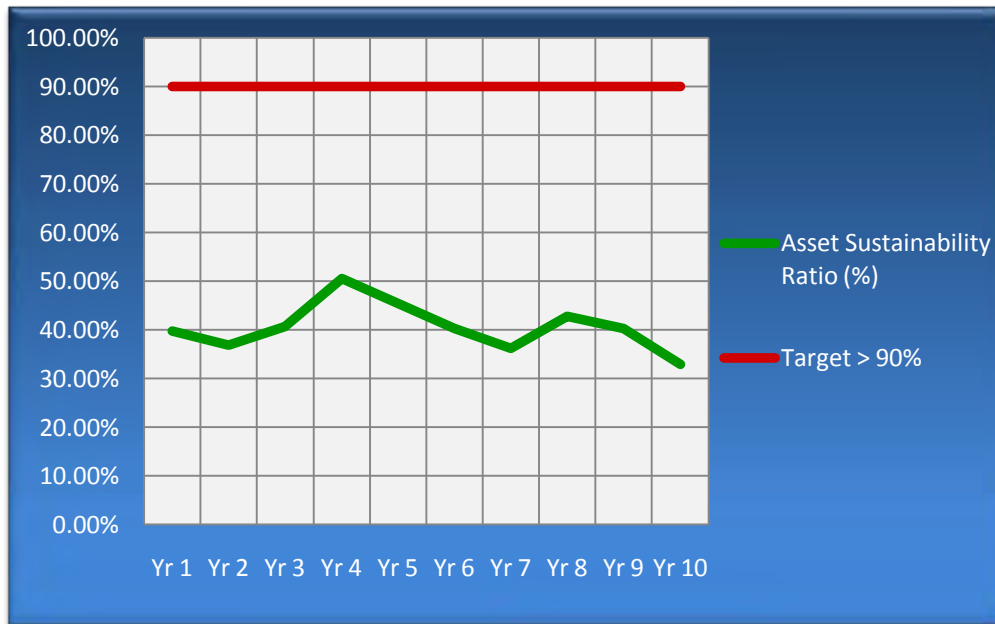


Written Down Value of Infrastructure Assets / Gross Current Replacement Cost of Infrastructure Assets

Target between 40% and 80%

The average proportion of 'as new' value remaining in the infrastructure assets. This ratio seeks to highlight the aged condition of our stock physical assets.

Asset Sustainability Ratio



Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense

Target greater than 90%

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

Council recently adopted a Capital Works Prioritisation Policy with the focus on renewal expenditure including annual reviews of the capital program, which should support the organisation in improving performance against this stretch target.

Financial Stability Ratios and Measures of Sustainability Overview

The table below represents the information displayed in the previous graphs. Redland City Council's ten year financial forecast is updated on a quarterly basis and also as part of the annual budget development. The figures below are reflecting assumptions, parameters and indices as part of the 2014-15 budget development and as in previous years are subject to change following budget adoption due to the fact that Council's ten year financial forecast is a living document.

Redland City Council	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Level of dependence on General Rate Revenue (Excludes Utility Revenues) - Threshold set ≤ 37.5%	34.8%	34.7%	34.9%	34.5%	34.8%	34.7%	34.5%	34.4%	34.3%	33.4%
Ability to pay our bills - Current Ratio Target between 1.1 and 4.1*	2.94	2.85	2.76	2.65	2.61	2.85	2.73	3.00	3.57	4.32
Ability to repay our debt - Debt Servicing Ratio (%) Target ≤ 10%	3.52%	3.62%	3.86%	3.90%	3.80%	3.66%	3.52%	3.38%	2.41%	1.48%
Cash Balance - \$ 000s Target ≥ \$40M	49,157	51,066	52,358	51,964	54,027	66,098	65,325	71,883	87,847	119,737
Cash Balances - cash capacity in months Target 3 to 4 months	3.06	3.38	3.33	3.10	3.12	3.68	3.50	3.70	4.33	5.64
Longer term financial stability - debt to asset ratio (%) Target ≤ 10%	2.58%	2.55%	2.59%	2.49%	2.14%	1.78%	1.39%	0.98%	0.68%	0.48%
Operating Performance Target ≥ 20%	9.6%	22.6%	21.9%	20.7%	20.4%	20.3%	20.4%	20.3%	20.0%	21.5%
Operating Surplus/(Deficit)	-11,226	863	827	132	419	2,666	5,086	7,047	8,569	17,901
Operating Surplus Ratio Target between 0% and 10% (on average over the long-term)	-4.96%	0.37%	0.34%	0.05%	0.16%	0.98%	1.80%	2.41%	2.81%	5.52%
Net Financial Liabilities Ratio < 60% (on average over the long-term)**	14.23%	13.03%	12.94%	11.99%	8.34%	0.95%	-1.49%	-6.42%	-13.34%	-23.42%
Interest Coverage Ratio Between 0% and 5%***	-0.23%	0.55%	0.49%	0.38%	0.21%	0.00%	-0.35%	-0.51%	-0.70%	-0.92%
Asset Sustainability Ratio (Infrastructure Assets Only) > 90% (on average over the long-term)	39.68%	36.87%	40.65%	50.55%	45.41%	40.23%	36.17%	42.70%	40.25%	32.90%
Asset Consumption Ratio (Infrastructure Assets Only) Target between 40% and 80%	66.04%	70.14%	64.87%	64.48%	63.63%	62.74%	61.21%	60.09%	58.52%	57.02%

* The current ratio is still favourable when exceeding 4:1, more current assets than current liabilities

**The Net Financial Liabilities Ratio exceeds the target range when current assets are greater than total liabilities (and the ratio is negative)

***The Interest Coverage Ratio exceeds the target range when interest revenue is greater than interest expense (and the ratio is a negative)

Business Units Subject to the Code of Competitive Conduct

In accordance with Section 169(3) of the *Local Government Regulation 2012*, Council's budget must include the estimated costs for the local government's significant business activities carried out, using a full cost pricing basis. Council's budget also contains separate operating statements for the adopted prescribed business units.

Redland Water Operating Statement

	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
<i>Operating Revenue</i>			
Rates and Utility Charges	92,426	95,991	99,702
Less: Discounts & Pensioner Remissions	0	0	0
Fees and Charges	760	760	760
Operating Grants and Subsidies	0	0	0
Operating Contributions and Donations	0	0	0
Interest External	613	613	613
Community Service Obligation	664	664	664
Other Revenue	907	907	907
<i>Total Operating Revenue</i>	95,370	98,936	102,646
<i>Operating Expenditure</i>			
Employee Costs	7,688	7,880	8,077
Goods and Services	39,032	43,449	48,024
Finance Costs Other	0	0	0
Other Expenditure	0	0	0
Net Internal costs	3,101	3,251	3,406
<i>Total Operating Expenditure</i>	49,821	54,580	59,507
<i>Earnings Before Interest, Tax and Depreciation (EBITD)</i>	45,550	44,356	43,139
Interest expense	0	0	0
Internal Interest	21,681	25,918	25,918
Depreciation	16,987	17,457	18,592
<i>Operating Surplus/(Deficit)</i>	6,881	980	(1,371)
Income Tax	4,034	2,264	1,558
Dividend	4,163	2,241	1,191
<i>Net Increase in Operating Capacity</i>	(1,316)	(3,525)	(4,120)

Redland Water Capital Funding Statement

	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
<i>Proposed Sources of Capital Funding</i>			
Capital Contributions and Donations	3,500	3,500	3,500
Capital Grants and Subsidies	0	0	0
Proceeds on Disposal of Non-Current Assets	0	0	0
Net Transfer (to)from Constrained Capital Reserves	234	(12)	(2,625)
Non Cash Contributions	3,066	3,066	3,066
New Loans	0	0	0
Funding from Utility Revenue	10,048	15,530	8,129
<i>Total Sources of Capital Funding</i>	16,848	22,084	12,070
<i>Proposed Application of Capital Funds</i>			
Contributed Assets	3,066	3,066	3,066
Capitalised Goods & Services	13,383	18,605	8,577
Capitalised Employee Costs	399	413	427
Loan Redemption	0	0	0
<i>Total Application of Capital Funds</i>	16,848	22,084	12,070

Redland Water Community Service Obligations

Job Number	Job Name	Description of the nature of the CSO	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
52019	Water concession not for profit	Reduced charges for water for charities and not for profit organisations	85,928	85,928	85,928
53019	Wastewater concession not for profit	Reduced charges for wastewater for charities and not for profit organisations	578,377	578,377	578,377
			664,304	664,304	664,304

RedWaste Operating Statement

	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
<i>Operating Revenue</i>			
Rates and Utility Charges	18,797	19,552	20,338
Less: Discounts & Pensioner Remissions	0	0	0
Fees and Charges	323	336	350
Operating Grants and Subsidies	0	0	0
Operating Contributions and Donations	0	0	0
Interest External	142	269	277
Community Service Obligation	1,716	1,784	1,855
Other Revenue	704	1,251	1,271
<i>Total Operating Revenue</i>	21,683	23,193	24,090
<i>Operating Expenditure</i>			
Employee Costs	992	1,017	1,042
Goods and Services	16,531	17,195	17,886
Finance Costs Other	0	0	0
Other Expenditure	0	0	0
Net Internal costs	393	952	985
<i>Total Operating Expenditure</i>	17,916	19,165	19,913
<i>Earnings Before Interest, Tax and Depreciation (EBITD)</i>	3,767	4,028	4,178
Interest expense	42	25	22
Internal Interest	313	389	425
Depreciation	556	555	599
<i>Operating Surplus/(Deficit)</i>	2,856	3,058	3,132
Income Tax	854	918	940
Dividend	997	1,071	1,097
<i>Net Increase in Operating Capacity</i>	1,005	1,069	1,095

Note: the estimated budget figures shown for year 2 and year 3 may differ slightly when detailed budgets are prepared for each subsequent year (e.g. contract rates may change as contracts change or shifts in recyclables revenue).

RedWaste Capital Funding Statement

	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
Proposed Sources of Capital Funding			
Capital Contributions and Donations	0	0	0
Capital Grants and Subsidies	0	0	0
Proceeds on Disposal of Non-Current Assets	0	0	0
Net Transfer (to)from Constrained Capital Reserves	513	1,349	4,210
Non Cash Contributions	0	0	0
New Loans	0	0	0
Funding from Utility Revenue	69	81	85
Total Sources of Capital Funding	582	1,430	4,295
Proposed Application of Capital Funds			
Contributed Assets	0	0	0
Capitalised Goods & Services	513	1,349	4,210
Capitalised Employee Costs	0	0	0
Loan Redemption	69	81	85
Total Application of Capital Funds	582	1,430	4,295
Other Budgeted Items			
Transfer to Operating Reserve	(997)	(1,071)	(1,097)
Transfer from Operating Reserve	0	0	0

Note: the estimated budget figures shown for year 2 and year 3 may differ slightly when detailed budgets are prepared for each subsequent year (e.g. contract rates may change as contracts change or shifts in recyclables revenue).

RedWaste Community Service Obligations

Job Number	Job Name	Description of the nature of the CSO	Budget Year 1 2014-15 \$000s	Estimate Year 2 2015-16 \$000s	Estimate Year 3 2016-17 \$000s
55004	Clean Up Australia Day	Acceptance of Clean Up Australia Day waste at transfer stations, provision of bulk waste bins and waste disposal for cleanup sites	1,050	1,092	1,136
55007	North Stradbroke Island Transfer Station	Acceptance of residential waste and commercial greenwaste at island transfer stations, including waste disposal and management costs	492,114	510,839	530,825
55021/ 55022	Kerbside Recycling/Waste Collection	Subsidisation of collection costs for properties requiring manual collection to support the elderly or people with disabilities	33,416	34,758	36,154
55064	Bulky Item Collection for HAS Clients	Exemption of fees for waste disposal to Home Assist Secure clients	18,082	18,808	19,564
55081	Russell Island Transfer Station	Acceptance of residential waste and commercial greenwaste at island transfer stations, including waste disposal and management costs	405,157	421,434	438,365
55082	Macleay Island Transfer Station	Acceptance of residential waste and commercial greenwaste at island transfer stations, including waste disposal and management costs	385,768	401,266	417,387
55083	Lamb Island Transfer Station	Acceptance of residential waste at island transfer stations, including waste disposal and management costs	110,914	115,370	120,005
55084	Karragarra Island Transfer Station	Acceptance of residential waste at island transfer stations, including waste disposal and management costs	98,775	102,744	106,871
55085	Coochiemudlo Island Transfer Station	Acceptance of residential waste and commercial greenwaste at island transfer stations, including waste disposal and management costs	170,601	177,455	184,585
			1,715,876	1,783,767	1,854,893

Note: the estimated budget figures shown for year 2 and year 3 may differ slightly when detailed budgets are prepared for each subsequent year (e.g. contract rates may change as contracts change or shifts in recyclables revenue).

Prescribed Business Units Financial Statements

Council has continuing prescribed business units that are subject to the code of competitive conduct in 2014-15, these are: Redland Performing Arts Centre and Building Certification Services. During the budget deliberations for 2014-15 financial year Council determined to no longer classify Redland Art Gallery and Cemeteries as business activities subject to the code of competitive conduct as they no longer meet the criteria.

Redland Performing Arts Centre Operating Statement

	Budget 2014-15 \$	Estimate 2015-16 \$	Estimate 2016-17 \$
Revenue			
Operating Revenue	477,702	487,256	497,002
Internal Revenue	17,524	17,874	18,232
Interest Received	0	0	0
Community Service Obligation	145,732	148,646	151,619
Contribution from General Fund	1,455,921	1,508,184	1,562,261
Total Revenue	2,096,879	2,161,962	2,229,114
Expenditure			
Employee Costs	830,823	851,593	872,883
Materials & Services	590,104	610,757	632,134
Depreciation	424,801	439,669	455,058
Internal Expenditure	193,037	199,794	206,786
Other Full Cost Attribution	20,792	21,520	22,273
Competitive Neutrality Adjustments	37,322	38,628	39,980
Total Operating Expenditure	2,096,879	2,161,962	2,229,114
Operating Surplus/(Deficit)	0	0	(0)
Income Tax	0	0	0
Dividend	0	0	0
Net Increase in Operating Capacity	0	0	(0)
<u>Community Service Obligations:</u>			
Rental Hire Subsidy	29,914	30,512	31,122
Seniors' Concerts	11,000	11,220	11,444
Community Access (residency) subsidy	75,000	76,500	78,030
Marketing Subsidy	8,818	8,994	9,174
RPAC Staff CSO Hours	21,000	21,420	21,848
Total Community Service Obligations	145,732	148,646	151,619

Note: The forecasted years above may differ when detailed budgets are prepared for each subsequent year.

Building Certification Services Operating Statement

	Budget 2014-15 \$	Estimate 2015-16 \$	Estimate 2016-17 \$
Revenue			
Operating Revenue	373,883	381,361	388,988
Internal Revenue	0	0	0
Interest Received	0	0	0
Community Service Obligation	24,659	25,152	25,655
Contribution from General Fund	97,962	103,838	109,952
Total Revenue	496,504	510,351	524,595
Expenditure			
Employee Costs	353,014	361,839	370,885
Materials & Services	19,365	20,042	20,744
Depreciation	0	0	0
Internal Expenditure	95,762	99,114	102,583
Other Full Cost Attribution	12,345	12,777	13,224
Competitive Neutrality Adjustments	16,018	16,579	17,159
Total Operating Expenditure	496,504	510,351	524,595
Operating Surplus/(Deficit)	0	(0)	(0)
Income Tax	0	0	0
Dividend	0	0	0
Net Increase in Operating Capacity	0	(0)	(0)
Community Service Obligations:			
Professional advice to Customers	24,659	25,152	25,655
Total Community Service Obligations	24,659	25,152	25,655

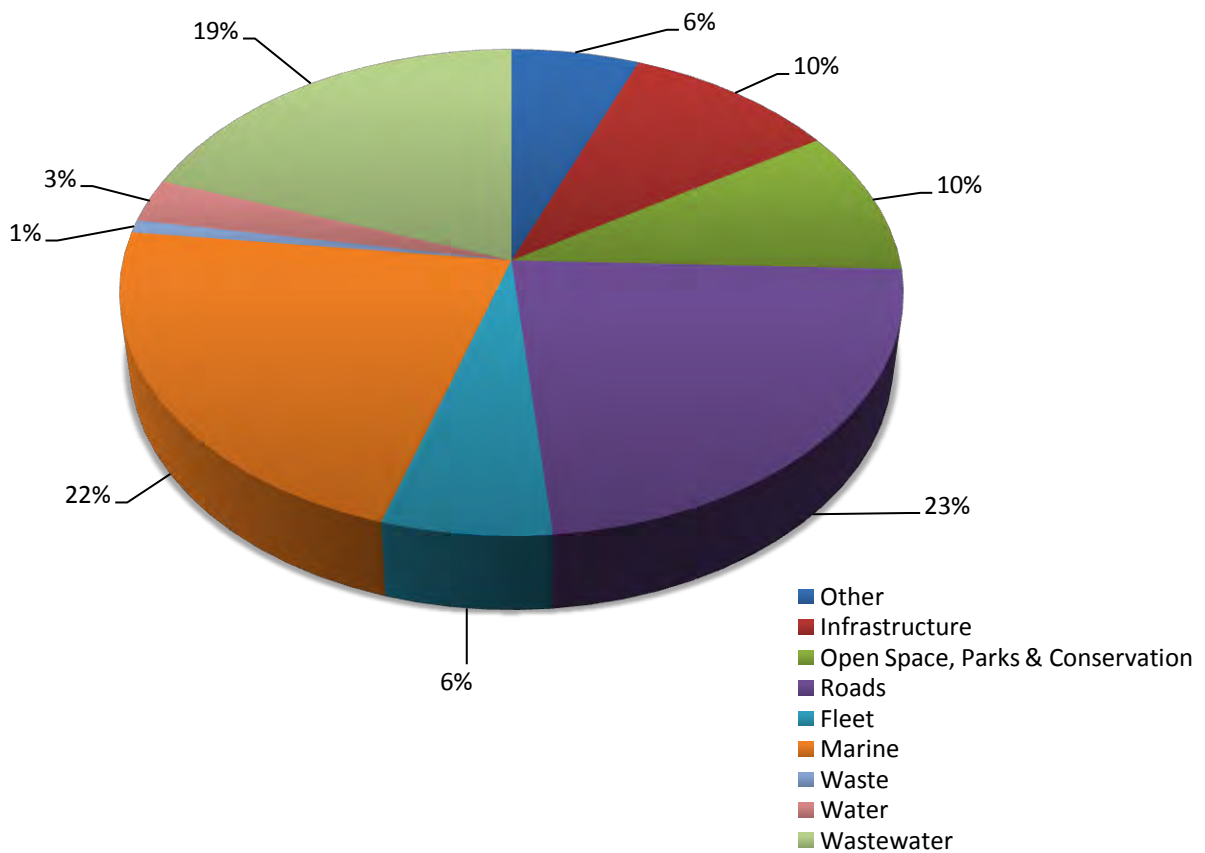
Note: The forecasted years above may differ when detailed budgets are prepared for each subsequent year.

Capital Expenditure 2014-2015

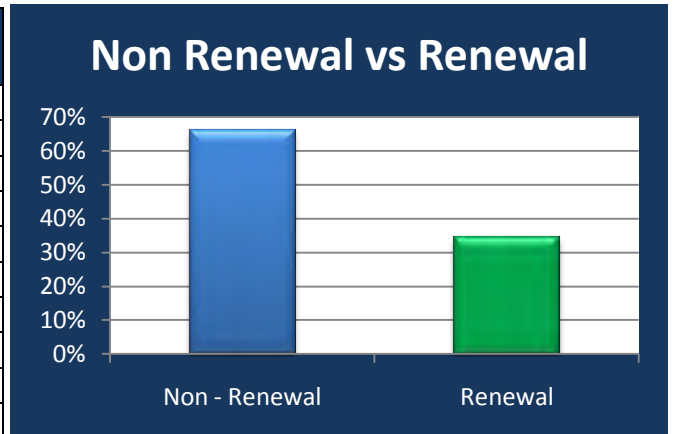
Total \$61.899M (excluding contributed assets)

Council reviewed its latest 10 year capital program throughout the 2014-15 budget development process, ensuring its sustainability and deliverability. As per previous years, financial and asset sustainability were the focus of the capital program, with Council considering renewal of existing assets more favourable than the purchase of new assets. New assets not only impact on capital expenditure but also bring associated whole of life operating and maintenance costs with them. Key factors in the construction of the capital expenditure program are deliverability and community desire. A total of \$61.899M has been planned for capital works in 2014-15.

Capital Expenditure by Category 2014-2015 \$61.899 M



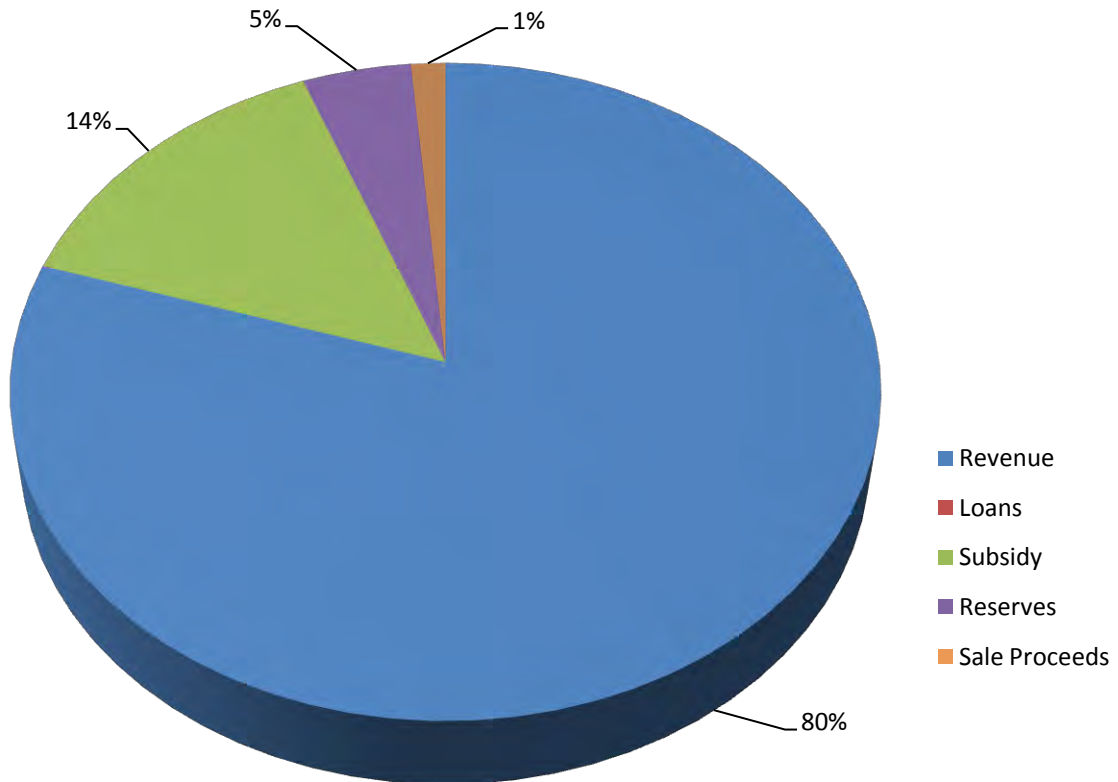
Category	Amount \$	2014-15 %
Roads	14,206,526	22.95%
Marine	13,727,385	22.18%
Wastewater	11,993,928	19.38%
Infrastructure	6,170,962	9.97%
Open Space, Parks & Conservation	5,949,337	9.61%
Fleet	3,842,169	6.21%
Other	3,707,519	5.99%
Water	1,787,949	2.89%
Waste	513,105	0.83%
Total	61,898,880	100.00%



Capital Expenditure Funding Sources 2014-2015

Total \$61.899M (excluding contributed assets)

The sources of Capital Expenditure funding are shown below.



Source of Funding	2014-15 %
Revenue	80
Loans (no new borrowings)	0
Subsidy	14
Reserves	4
Sale Proceeds	1

Schedule of Capital Works 2014-2015

The capital works program for 2014-15 has been constructed to address the priorities of the 2010-2015 Corporate Plan, as well as the outputs from the Asset and Service Management Plans. These plans have ensured Council focuses on renewing and maintaining assets to provide financial and asset sustainability to the community.

Additionally, the program also includes capital investment into Council's technology and capability that will assist in the delivery and maintenance of the infrastructure throughout the City. The overall expenditure on capital works is budgeted to be \$61.899M for 2014-15 and is listed below by category of expenditure.

Open Space Infrastructure, Parks & Conservation	
Infrastructure - Open Space	
Lighting Audit Implementation	1,000,000
Coochiemudlo Island Foreshore	430,000
Henry Ziegenfusz Sportsfield - Drainage Improvements & Field Upgrade	312,000
Bloomfield Street Park	300,000
W.H. Yeo Park	300,000
Charlie Buckler Sportsfield Lighting	275,000
Public Place - Projects Design	269,993
Wellington Pt. Village - Viewing Platform to RAMSAR Wetlands	200,000
Wellington Point Tennis Court & Wellington Pt. Reserve Playground sandpit/ship	120,000
William Taylor Memorial Sportsground	110,000
Russell Island Parks: High Street, Pioneer Children's & Lions Boulevard	97,000
Cleveland Aquatic Centre	80,000
Streetscape Bins Upgrade	40,000
Total Infrastructure - Open Space	3,533,993
Parks & Conservation	
Urban Wildlife Corridor	960,000
Point Lookout Gorge Boardwalk Stage 3 & Platform	733,000
Community Infrastructure Fund	500,000
Path and Park Renewal - Cleveland Pt., Bayview Conservation & Macleay Island	172,344
German Church Men's Shed	50,000
Total Parks & Conservation	2,415,344
Total Open Space Infrastructure, Parks & Conservation	5,949,337
Infrastructure	
Buildings	
Bay Islands Sport & Resilience Hub	980,000
Animal Shelter Admin Extension	200,000
Performing Arts Centre, Cultural Centre and Art Gallery	354,100
Building Management - Security Systems, Fixtures and Fittings	140,500
Total Buildings	1,674,600
Other	
Plant & Equipment	339,000
Performing Art Centre Operations, Public Art & Acquisitions	101,338
Total Other	440,338

Transport	
Car Park Resurfacing	1,340,000
Nelson and Main Roads Roundabout Construction Wellington Pt.	1,100,000
Footpaths	750,000
Bus Stops & Lay Bys	260,000
Footpath Rehabilitation Program	250,000
Pathway and Cycleway Lighting, Facilities and Signage	156,024
Disability Discrimination Act Improvements - Bus Stops	100,000
Bus Shelter Renewal	100,000
Total Transport	4,056,024
Total Infrastructure	6,170,962

Marine	
Lake and Canal Estates	
Beaufort Court Revetment Wall Upgrade	3,320,000
Total Lake and Canal Estates	3,320,000
Marine SMBI, NSI & Mainland and Foreshore Protection	
Coochiemudlo Island Jetty (Disability Discrimination Act Compliance)	4,660,000
Victoria Point Jetty Disability Discrimination Act Upgrade	2,660,000
William Street Northern & Southern Ramp Floating Walkway	900,000
Thompson's Beach Stage 2 - Rock Revetment Wall	612,063
Upgrade Boat Ramp (Toes Plank & Wall) – Macleay Island	550,000
Russell Terrace Macleay Island Sea Wall and Asbestos Capping	330,000
Seawall & Causeway Renewal - Junner St Dunwich	300,000
North St, Redland bay Revetment Wall	224,392
Mainland - Boat Ramp and Seawall Upgrades/Renewals	110,579
SMBI - Pontoon, Boat Ramp and Seawall Upgrades	60,350
Total Marine SMBI, NSI & Mainland and Foreshore Protection	10,407,385
Total Marine	13,727,385

Waste	
Redland Bay Upgrade	300,000
Mobile Garbage Bins	125,000
Minor Capital Improvements	88,105
Total Waste	513,105

Roads	
Asphalt Overlays	8,220,876
South Redland Road Upgrade Program	2,500,000
Pavement Rehabilitation Program	1,125,650
Road Upgrade Program – Southern Moreton Bay Islands	1,000,000
One Mile Overflow Parking - North Stradbroke Island	445,000
Flinders Street – Capital Infrastructure	350,000
Collingwood/Spoonbill Streets and Carinyan Drive/Stratus Street Birkdale	320,000
Thorneside Road Pedestrian Refuge Improvements	100,000
Bloomfield St Pedestrian Refuge	100,000
Babiana and Robinia Street Traffic Island Installation	45,000
Total Roads	14,206,526

Waste Water

Pt. Lookout Waste Water Treatment Plant	3,000,000
Sewerage Pump Stations	2,765,328
Waste Water Treatment Plant Inlet Works Expansions, Thorneside and Mt Cotton	2,410,000
Dunwich Sewerage Gravity Sewers	1,131,000
Pumps and Switchboards	726,300
Pump Station Infiltration reduction	500,000
Odour works at inlet – Cleveland	300,000
Flow Meters, Aerators & Mixers, Pipes & Valves and Lifting Gear	221,700
Pumps & Macerators, Odour Control, Dosing Pumps and Clarifiers	190,000
Cleveland Waste Water Treatment Plant	150,000
Confined Space Safety Equipment (Pump Stations and Reticulation)	150,000
Control Systems and Pipe Work & Valves	137,100
Civil, Generators, Cranes & Hoists and Blowers & Compressors	132,000
Pump Station Bypass Enabling	100,000
Thorneside Sewage Treatment Plant Odour Control - Additional Carbon Unit	70,000
Minor Wastewater Plant & Equipment	10,500

Total Waste Water **11,993,928**

Water

Kinross Rd Master Plan Area Network expansion	585,853
Pt. Lookout Water Supply Systems Network expansion	519,686
Redland Mainland Water Supply Systems Network	282,895
Meter Replacement Program	240,000
New Water Services (Mainland & Southern Moreton Bay Islands)	94,700
Minor water capital works (plant and equipment, tanker filling stations and mains construction)	64,815

Total Water **1,787,949**

Other

Fleet Replacement Program	3,842,169
Replacement Activity - Desktop, Server & Network	1,242,000
Technical Services	945,679
Business Intelligence and Data Warehouse Project	700,000
Project Management Services, Design Services & Project Delivery Units (incl. Road Construction)	438,893
Councillor Community Infrastructure Minor Capital Projects	100,000
Minor Other Capital (encompassing Drainage Extension, Software, Photography, Community Halls, Art Gallery and Home Maintenance - HACC)	95,075
Office Equipment and Furniture	70,000
Administration - Libraries	60,598
Disaster Management, State Emergency Service (SES) and Flood Response Subsidy	55,275

Total Other **7,549,689**

Total Budgeted Expenditure

61,898,880

Investment Policy

Head of Power

Section 104 of the *Local Government Act 2009* (Qld) (the Act) requires a local government to produce an Investment Policy as part of its financial management system. The Act also defines Council as a statutory body and subsequently Council must also consider the *Statutory Bodies Financial Arrangements Act 1982* (Qld).

Policy Objective

To maximise earnings from authorised financial investments of surplus funds after assessing and minimising all associated risks in accordance with the annually revised and adopted Long Term Financial Strategy.

Policy Statement

1. Council's philosophy for investments is to guarantee the capital value of investments with the goal of maximising returns through an active investment strategy within this overall risk philosophy.
2. Council is committed to achieving this goal by:
 - Investing only in investments as authorised under current legislation;
 - Investing only with approved institutions;
 - Investing to facilitate diversification and minimise portfolio risk;
 - Investing to guarantee the capital value of investments;
 - Investing to facilitate working capital requirements;
 - Reporting on the performance of its investments on a monthly basis as part of the monthly financial reports to committee;
 - Conducting an annual review of all investments and associated returns as part of the annual review of the Long Term Financial Strategy; and
 - Ensuring no more than 30% of Council's investments are held with one financial institution, or one fund manager for investments outside of the Queensland Treasury Corporation (QTC) or the Queensland Investment Corporation (QIC) cash funds or Bond Mutual Funds.
3. Council will follow an active investments management strategy over the next ten financial years in order to maximise the returns generated from investing cash balances.
4. Council's investment objectives are to exceed the benchmark of the United Bank of Switzerland (UBS) Bank Bill Index.

Debt Policy

Head of Power

Section 104 of the *Local Government Act 2009 (Qld) (the Act)* requires a Local Government to produce a Debt Policy as part of its financial management system. *The Act* also defines Council as a statutory body and subsequently Council's borrowing activities continue to be governed by the *Statutory Bodies Financial Arrangements Act 1982 (Qld)*.

Policy Objective

To ensure the sound management of Council's existing and future debt after assessing and minimising all associated risks in accordance with the annually revised and adopted Long Term Financial Strategy (Financial Strategy).

Policy Statement

1. Long term borrowings (between 2 and 20 years) will only be used to finance capital works that will provide services now and into the future. No long-term borrowings will be used to finance recurrent expenditure and the operational activities of the Council.
2. When seeking funding for capital works, Council will, whenever possible, use its existing constrained cash reserves. The use of any existing cash reserves will be subject to the purpose of the reserve in addition to maintaining all relevant financial ratios and measures of sustainability within adopted Financial Strategy targets.
3. Long term borrowings will be undertaken for capital works only where the interest and debt principal repayments can be serviced and relevant financial ratios and measures are maintained within approved Financial Strategy targets.
4. Long term borrowings will be aligned to specific projects and/or asset classes rather than being pooled to ensure transparency and accountability is maintained. Borrowings will be nominated through the priority needs of the capital program and will be determined through the normal budgetary and approval process of Council.
5. Debt service payments will be made annually in advance in order to minimise Council's interest expense, providing sufficient cash resources are available to Council. The annual payments will be made in July in accordance with the weighted terms of each debt pool held with QTC.
6. Council will continue to review its debt and seek to repay or restructure its debt to ensure repayment in the shortest possible time or reduction in interest payments subject to overall budgetary constraints.
7. New loans will be considered only if the subsequent increase in debt servicing payments allows the total debt servicing ratio to remain within Financial Strategy targets.
8. The term of new loans will be a maximum of twenty years for Water, Waste and General requirements. The debt term shall not exceed the finite life of the related asset/s.

Proposed Borrowings

Current planning by Council is to attribute long term borrowings for the period of the Financial Strategy to the following areas:

- **Risk Management** – Council is committed to the management of risk so it is important that management policies, procedures and practices are in place to minimise Council’s exposure to risk. Potential risk can be identified, and/or opportunities associated with Council’s long-term financial planning, by using risk assessment methodology, to quantify the level of risk, before deciding which option to adopt to begin to implement appropriate mitigation, and/or funding options, to manage the risk.
- **Asset Management** – The *Local Government Regulation 2012 (Qld)* requires Councils to effectively plan and manage their infrastructure assets, focusing particularly on ensuring that a full renewals program is in place over the long-term planning cycle. This will require Redland City Council to support a realignment of capital spending prioritisation towards renewal activities, rather than expansion of capital infrastructure, which may require Council to seek additional long term borrowings in order to fund capital expenditure on new, upgrade and expansion activities.
- **Inter-Generational Projects** – spreading the cost of these projects over a long term will minimise the revenue impact on the community, as well as addressing the need of providing for infrastructure development immediately to meet expected future demographic needs. Council may need to increase existing debt levels through additional long-term borrowings to fund these projects. Projects are defined to be inter-generational if the associated assets have estimated useful lives of 25 years or more.

Schedule of ten year forecasted Redland City Council debt 2014-2024

	Forecast Year1 2014-15 \$'000	Forecast Year 2 2015-16 \$'000	Forecast Year3 2016-17 \$'000	Forecast Year4 2017-18 \$'000	Forecast Year5 2018-19 \$'000	Forecast Year6 2019-20 \$'000	Forecast Year7 2020-21 \$'000	Forecast Year8 2021-22 \$'000	Forecast Year9 2022-23 \$'000	Forecast Year10 2023-24 \$'000
New Loans	-	5,000	7,500	5,000	-	-	-	-	-	-
Interest	3,362	3,255	3,231	3,064	2,622	2,152	1,650	1,115	736	523
Redemption	4,589	5,247	6,110	6,846	7,287	7,757	8,259	8,785	6,606	4,286
Closing Balance	54,395	54,148	55,539	53,693	46,406	38,648	30,389	21,604	14,998	10,712

Schedule of forecasted weighted average remaining terms in years 2014-2024

	30/06/15	30/06/16	30/06/17	30/06/18	30/06/19	30/06/20	30/06/21	30/06/22	30/06/23	30/06/24
Weighted average (existing loans)	9.07	8.10	7.14	6.20	5.28	4.40	3.62	3.08	3.12	2.15
Weighted average (including new loans)	9.07	8.46	8.09	7.61	6.75	5.96	5.28	4.84	4.77	3.95

Please note that Redland City Council’s ten year financial forecast is updated on a quarterly basis and also as part of the annual budget development. The figures above are reflecting assumptions, parameters and indices as part of the 2014-15 budget development and as in previous years are subject to change following budget adoption due to the fact that Council’s ten year financial forecast is a living document.

Corporate Procurement Policy

1. Head of Power

Section 198 of the *Local Government Regulation 2012* (Qld) (**LGR 2012**) requires the Redland City Council (**Council**) to prepare and adopt a procurement policy and review its policy annually.

The purpose of Council's Procurement Policy (**Policy**) is to set out Council's framework for its procurement and contracting activities (**Procurement**) in a manner that complies with applicable laws, including the *Local Government Act 2009* (Qld) (**LGA 2009**) and the LGR 2012.

2. Policy Objective

By carrying out Procurement in accordance with this Policy, Council's objective is to attain the following outcomes:

- (a) deliver excellence in procurement outcomes for its residents;
- (b) comply with all applicable laws including the LGA 2009 and LGR 2012;
- (c) conduct procurement and contracting activities within a sound governance and probity environment;
- (d) encourage sustainable procurement practices;
- (e) the efficient and timely delivery of Council's capital works, operational and service delivery programs;
- (f) achieve value for money for Council;
- (g) promote an open, efficient and competitive market place for suppliers;
- (h) implement procurement processes that are ethical and fair;
- (i) develop local business and industry; and
- (j) a commitment to promote, develop and utilise the services of social enterprises.

This Policy has been established to be consistent with legislation which applies to Procurement. Relevant legislation will prevail to the extent of any inconsistency between this Policy and that legislation. Council's goal to reduce red tape and save public funds will also be a consideration in Council's annual review of this Policy and its procurement practices.

2.1 Policy scope

This policy applies to all Council Procurement and must be followed by Local Government Employees, elected members of Council and any person who undertakes Procurement on behalf of Council.

3. Policy Statement

Council will carry out Procurement in the following manner.

3.1 Sound Contracting Principles

Council will develop systems that allow Council to carry out Procurement in a manner that is consistent with the Sound Contracting Principles. The Sound Contracting Principles will be applied when contracting for the supply of goods or services (including the carrying out of works¹) and the disposal of assets.²

¹ LGA 2009, s. 104(4).

² LGA 2009, s.104.

The **Sound Contracting Principles** are:

- (a) value for money; and
- (b) open and effective competition; and
- (c) the development of competitive local business and industry; and
- (d) environmental protection; and
- (e) ethical behaviour and fair dealing.

Regard is to be had for each principle, although each principle may not receive equal consideration,³ depending on the particular Procurement.

The Sound Contracting Principles are to be practically addressed as follows:

3.1.1 Value for money

The achievement of value for money is not determined solely by the price of the goods, services or works. Council must consider various factors when assessing value for money including but not limited to:

- (a) contribution to the achievement of Council's wider priorities and strategic objectives;
- (b) fitness for purpose, quality, service and support over the life of the product or period of the procurement;
- (c) whole-of-life cost which may include costs incurred at the time of acquiring, costs expended when using, maintaining and disposing of the goods;
- (d) internal administration costs;
- (e) technical compliance costs;
- (f) risk exposure; and
- (g) the value of any associated environmental benefits.

3.1.2 Open and effective competition

All Procurement will be conducted by Council using an open and competitive process. Open and effective competition will be achieved by ensuring that:

- (a) procurement procedures and processes are visible to Council, suppliers and the public;
- (b) prospective suppliers have a realistic and equal opportunity to do business with Council;
- (c) prospective suppliers are encouraged to submit bids based on clear specifications; and
- (d) all offers will be evaluated and assessed in accordance with probity principles, and using procedures and evaluation criteria specified in the quote or tender documentation.

3.1.3 The development of competitive local business and industry

Council encourages the development of competitive local businesses and will endeavour to promote and support competitive local industry in its Procurement.

In addition to price, performance, quality and suitability, Council may also consider the following factors when conducting its Procurement:

³ LGA 2009, s. 104(8).

- (a) employment opportunities for the region;
- (b) economic growth for the region;
- (c) readily available goods, services and support; and
- (d) the benefit to Council of contracting with local suppliers and the associated local commercial transactions that flow from that contracting.

Council acknowledges that due to its location in the South-East Queensland metropolitan area, and as a significant purchaser of goods and services from the private sector, a "local" business for certain Procurements will vary and may be a business based in the South-East Queensland region, Queensland or interstate.

Further, it is accepted that local government can directly and indirectly benefit local business by procuring from a local, Queensland or interstate based supplier by utilising whole-of-government arrangements to access local and other domestic suppliers of works, goods or services. This strategy will encourage local business to compete within a wider market through the whole-of government tendering platforms.

3.1.4 Environmental protection

Council has broader environmental commitments and initiatives in which it is actively engaged. Procurement carried on by Council will take into consideration a range of environmental factors including:

- (a) environmental impacts for the whole life cycle of products and services including manufacture, supply, use, maintenance and disposal;
- (b) suitability of environmentally responsible products, services, works and assets that satisfy whole-of-life value for money criteria and have minimal negative impact on the environment;
- (c) sourcing products that have reduced environmental impacts throughout their life cycle, for example:
 - minimal or no use of environmentally harmful chemicals ,
 - less packaging and waste to landfill;
 - energy efficient and reduced carbon pollution; or
 - water efficient and reduced water use;
- (d) use of products made from any recycled materials.

Council can provide an example to business, industry and the community in promoting the use of environmentally responsible works, products and services.

3.1.5 Ethical behaviour and fair dealing

Council will conduct Procurement impartially, fairly, independently, in an open manner with integrity to ensure probity and accountability in its Procurement processes and outcomes. Council will promote ethical behaviour and fair dealing by:

- (a) ensuring policy compliance in Procurement;
- (b) ensuring compliance with Council's Code of Conduct;
- (c) creating and maintaining an effective procurement process that is open, transparent and accountable;
- (d) ensuring compliance with the probity principles;
- (e) developing and implementing probity plans for all significant procurements;

- (f) identifying and where necessary addressing real, potential or perceived conflicts of interest between Council, its Local Government Employee's and prospective or existing contractors;
- (g) ensuring consistent and impartial treatment of all contractors whether prospective and existing.

3.2 Entering into Contracts

The LGR 2012 prescribes provisions about Procurement for:

- (a) the carrying out of work; or
- (b) the supply of goods and services; or
- (c) the disposal of non-current assets.⁴

Council applies the LGR 2012, Chapter 6 Contracting, Part 3 Default contracting procedures (ss. 223-238) to its Procurement (**Default Contracting Procedures**).

3.2.1 Contracting value thresholds

The LGR 2012 identifies two thresholds that will determine the procurement process that must be adopted. Those thresholds identify:

- A "medium-sized contractual arrangement" is any contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$15,000 or more but less than \$200,000 in a financial year or over the proposed term of the contractual arrangement.
- A "large-sized contractual arrangement" is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$200,000 or more in a financial year or over the proposed term of the contractual arrangement.

3.2.2 Aggregation of contractual arrangements

For the purposes of the Default Contracting Procedures, Council will comply with LGR 2012 s224(4) which states that the expected value of a contractual arrangement with a supplier for a financial year, or over the proposed term of the contractual arrangement, is the total expected value of all of the local government's contracts with the supplier for goods and services of a similar type under the arrangement.

3.3 Exceptions for medium-sized and large-sized contractual arrangements (LGR 2012, ss. 229-235)

Subject to Council policy, under any one of the exceptions set out in the Default Contracting Procedures (the exceptions are set out in summary form in the list below, refer to LGR 2012 for full details), Council may enter into:

- (a) a medium-sized contractual arrangement without first inviting written quotes; or
- (b) a large-sized contractual arrangement without first inviting written tenders for the supply of goods and services.

The Default Contracting Procedures exceptions:

- Quote or Tender Consideration Plan (LGR 2012, s. 230);
- Approved Contractor List (LGR 2012, s. 231);
- Register of Pre- Qualified Suppliers (LGR 2012, s. 232);
- Preferred Supplier Arrangement (LGR 2012, s. 233);
- Local Government Association Arrangement (LGR 2012, s. 234);

⁴ LGR 2012, s. 216.

- Sole Supplier (LGR 2012, s. 235(a));
- Specialised Supplier (LGR 2012, s. 235(b));
- Genuine Emergency (LGR 2012, s. 235(c));
- Auction Purchase (LGR 2012, s. 235(d));
- Second-hand Goods (LGR 2012, s. 235(e));
- Governmental Arrangement (LGR 2012, s. 235(f)).

However, Council officers should not proceed pursuant to any of the s. 235 exceptions (Sole supplier (LGR 2012, s. 235(a)), Specialised supplier (LGR 2012, s. 235(b)), Genuine emergency (LGR 2012, s. 235(c)), Auction Purchase (LGR 2012, s. 235(d)), Second-hand goods (LGR 2012, s. 235(e)) and Governmental arrangement (LGR 2012, s. 235(f))) without consultation with, and approval from the Manager of Procurement Services.

3.3.1 Low value contracting

Low value contracting is any 'one off' procurement below \$15,000 (ex GST) which is also low risk. Council requires that these Procurements be carried out in accordance with the Sound Contracting Principles and the internal delegations and procedures in place for the completion of these 'one off', low value, low risk procurements. Noting that the minimum requirement is that a verbal quote be obtained from a supplier before the procurement is finalised.

The Council's procurement service is available to provide assistance for these procurements.

3.4 Other relevant legislation

3.4.1 Powers to delegate (LGA 2009, ss. 257, 259 & LGR 2012, s. 238)

Council may delegate by resolution, a power under the LGA 2009 or another Act to the Chief Executive Officer (CEO).⁵ Any delegation to the CEO will be reviewed annually.⁶ The Council must not delegate a power that an Act states must be exercised by resolution.⁷ Council may delegate a power with conditions.

Council has delegated to the CEO powers related to Procurement. The CEO has in turn delegated these powers onto appropriately qualified Local Government Employees. These delegations are recorded in the delegations register maintained by the CEO.⁸

3.4.2 Unauthorised spending (LGR 2012, s. 173)

Council may only spend money in a financial year if it is adopted in the budget for the financial year; or before adopting its budget for the financial year, if it then provides for the spending in the budget for that financial year.

Council may spend money, not authorised in its budget, for genuine emergency or hardship. In this instance Council must make a resolution about spending the money, either before, or as soon as practicable after, the money is spent. The resolution must state how the spending is to be funded.

3.4.3 Annual Report – changes to tenders (LGR 2012, s. 190)

Council will include the number of invitations to change tenders under the LGR 2012, section 228(7) during that financial year in its annual report for the financial year.

3.4.4 Publishing details of Contracts worth \$200,000 or more (LGR 2012, s. 237)

Council will, as soon as practicable after entering into a Contract worth \$200,000 or more (GST exclusive) publish the relevant details of the Contract:

⁵ LGA 2009, s. 257(1)(b).

⁶ LGA 2009, s. 257(4).

⁷ LGA 2009, s. 257(2).

⁸ LGA 2009, s. 260.

- (a) on its website (<http://www.redland.qld.gov.au/>); and
- (b) in a conspicuous place in a public office.

Relevant details of a Contract means:

- (a) the person with whom Council has entered into the Contract;
- (b) the value of the Contract; and
- (c) the purpose of the Contract.

3.4.5 Councillor requests for information

The LGA 2009 provides the circumstances under which Councillors may request information or assistance from Local Government Employees. The Councillor's Acceptable Request Guidelines provide a framework for this process. This guideline outlines the processes for Councillors requesting, and Local Government Employees providing, information.

Councillors and Local Government Employees should comply with the legislation, policy and relevant Codes of Conduct when dealing with Procurement.

Councillors should direct any issues regarding Procurement to the CEO. They should not attempt to influence any Procurement. Attempts to do so may constitute a breach of legislation and/or the Councillor Code of Conduct].

4. Social Procurement

The Council will develop processes, including a process for social tendering, to ensure that social enterprises become part of a diverse supplier market and that positive social impacts form part of the deliverables in Council's procurement practices.

5. Definitions

Contract means a contract (including purchase orders and purchase card transactions) for:

- (a) the supply of goods or services; or
- (b) the carrying out of work; or
- (c) the disposal of non-current assets.

In this instance, the term does not include a contract of employment between Council and a Local Government Employee (as defined in the LGA 2009).

Local Government Employees means a Local Government Employee (as that term is defined in the LGA 2009) of the Redland City Council who undertakes Procurement, but does not include a person engaged on a contract for service for a defined time or designated project.

Sound Contracting Principles means the principles provided in the LGA 2009, s. 104.

6. Related Policies, Plans and Legislation

- *Local Government Act 2009* (Qld)
- *Local Government Regulation 2012* (Qld)
- *Statutory Bodies Financial Arrangements Act 1982* (Qld)
- *Public Sector Ethics Act 1994* (Qld)
- *Disaster Management Act 2003* (Qld)
- Council's current Corporate Plan
- Council's current Operational Plan
- Council's current delegations
- Council's Code of Conduct

Enterprise Asset and Services Management Policy

Head of Power

Section 104 (s) (a) (ii) of the *Local Government Act, 2009* and Section 167 of the *Local Government Regulation 2012* requires the production of a long-term Asset Management Plan (AMP). Section 168 of the Regulation outlines requirements of the AMP.

This policy also supports Council's Corporate Plan 2010-2015, Objective 9.6 "*Implement long term asset management planning that supports innovation and sustainability of service delivery, taking into account the community's aspirations and capacity to pay for desired service levels*".

Policy Objective

The goal of the Asset Management Plan is for Redland City Council, on behalf of the community, to meet a required level of service in a way that is financially sustainable way through the creation, acquisition, operation and maintenance, renewal and disposal of assets to provide for present and future customers and communities. An Asset Management System approach is central to asset management by taking account of the total cost of an asset throughout its life. A successful asset management plan is judged through better service at an improved costing, not a better asset.

The Redland City Council Asset Management System follows the recognised Plan, Do, Check, Act cycle. The PDCA Cycle is used to effect both major performance breakthroughs as well as small incremental improvements in projects and processes. This supports the requirements for continuous improvement.

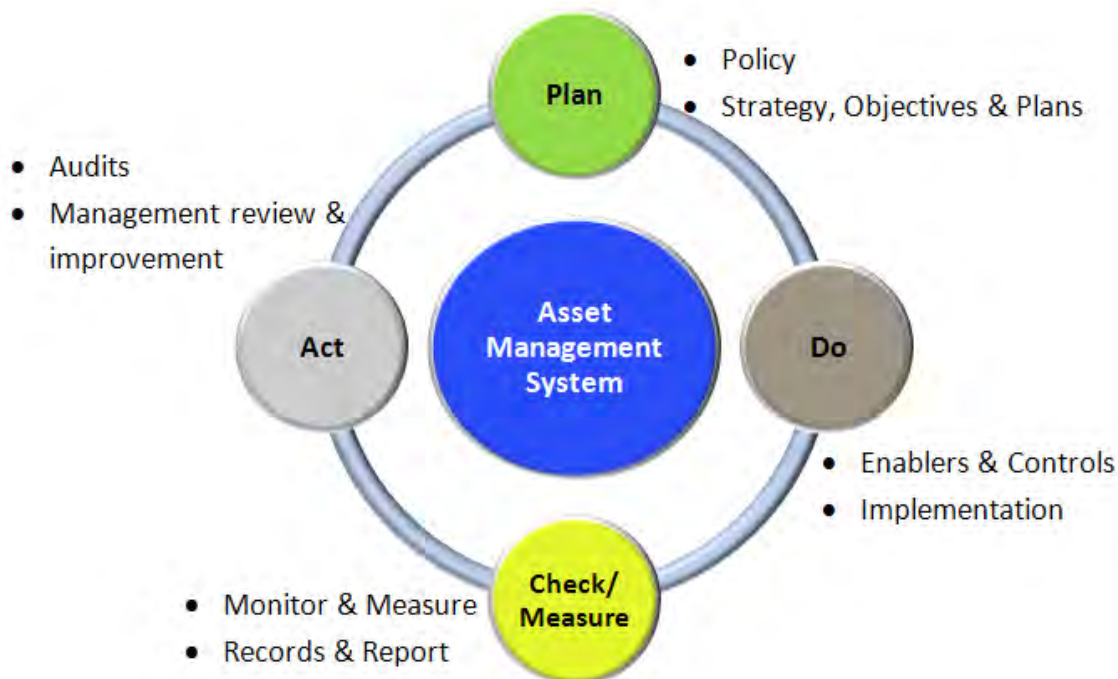


Figure 1: Asset Management System

Policy Statement

1. Council recognises that the use of sound asset and services management practices will significantly assist in achieving its corporate vision of *“Enhancing community spirit, lifestyle and the natural environment”* and its mission *“To be a sustainable and effective organisation with clever and caring people”*. It is also recognised that priorities on occasions may change and the Asset Management committee will be required to adapt to these changes and provide options and impacts regarding these changes.
2. Redland City Council is therefore committed to implementing and advancing all aspects of Enterprise Asset and Services Management to the overall advantage of the organisation, the community and other relevant stakeholders. Council is committed to putting in place mechanisms that support:
 - Providing relevant data and information on all assets, to support and enhance planning and decision-making (*please see Data Management Policy POL-1002*);
 - Minimise the total cost of asset ownership
 - More effective utilisation of current council assets
 - Improved management of high-risk assets such as playgrounds and footpaths with a corresponding reduction in liability-related incidents;
 - Effective coordination of Council’s planning, long-term budgeting and general operations and activities;
 - Enhanced delivery of services directed towards greater community benefit and utilisation of Council’s limited resources;
 - Better understanding of Council’s financial and legal statutory obligations and liabilities;
3. Enterprise Asset and Services Management will assist in planning for reduced or delayed demand for new assets through better understanding of asset performance and the practical application of service planning and demand management techniques.
4. Council is committed to:
 - Effectively developing sound Enterprise Asset and Services Management practices, and in so doing Council acknowledges that the process is a corporate and not a technical responsibility. As such, Council has adopted the following framework for successful policy implementation:
 - Sufficient resources will be made available to allow efficient, safe and secure management of all assets under Council’s control within approved Financial Strategy parameters;
 - Council’s Executive Leadership Group has the overall responsibility for developing and implementing effective asset management systems, plans, processes and procedures;
 - Asset Custodians with management or supervisory responsibilities will be considered accountable for the effective management and performance of assets and services within their respective areas of responsibility;
 - Council is committed to educating all staff on the relevance and application of sound asset and services management practices and actively encourages the integration of these practices into all day-to-day operations;
 - Appropriate asset information systems will be developed and maintained for the purposes of monitoring overall asset performance, risk related incidents, relevant costs and regulatory reporting requirements. Systems will be periodically reviewed with consideration to any functional limitations (i.e. integration), the application of improved technologies and any potential strategic or operational risks;

- Levels of Service will be developed and set in consultation with the community while clearly considering the ongoing cost of service provision and using the community planning process and other suitable consultation mechanisms;
 - Asset and Service Management Plans are to be developed for all major asset groups. Plans are to be linked to, and support, other corporate planning and reporting processes. The following details will be included in each plan:
 - Details of the specific asset group (e.g. roads, water, buildings);
 - Linkages to other corporate plans and strategies;
 - Broad asset lifecycle management strategies;
 - Current and desired “levels of service”;
 - Risk management and mitigation;
 - Consideration of “non-asset” service solutions;
 - Financial summary including maintenance and operational costs and capital expenditures relating to potential renewal, upgrade or new works;
 - Relevant performance indicators;
 - Improvement strategies.
 - Assets and related management operations will be periodically re-evaluated to determine the most cost effective and appropriate service delivery solutions, thoroughly considering “total lifecycle costs” and all relevant matters surrounding long-term sustainability and intergenerational equity. Any changes in strategy are then to be reflected in updated Asset Management Plans and Long-term Financial Plans.
5. It is understood that the consistent application of the above responsibilities, principles and practices will support Council in the delivery of appropriate and cost effective services and the practical achievement of our corporate plan objectives.

Asset Management program functions and tasks

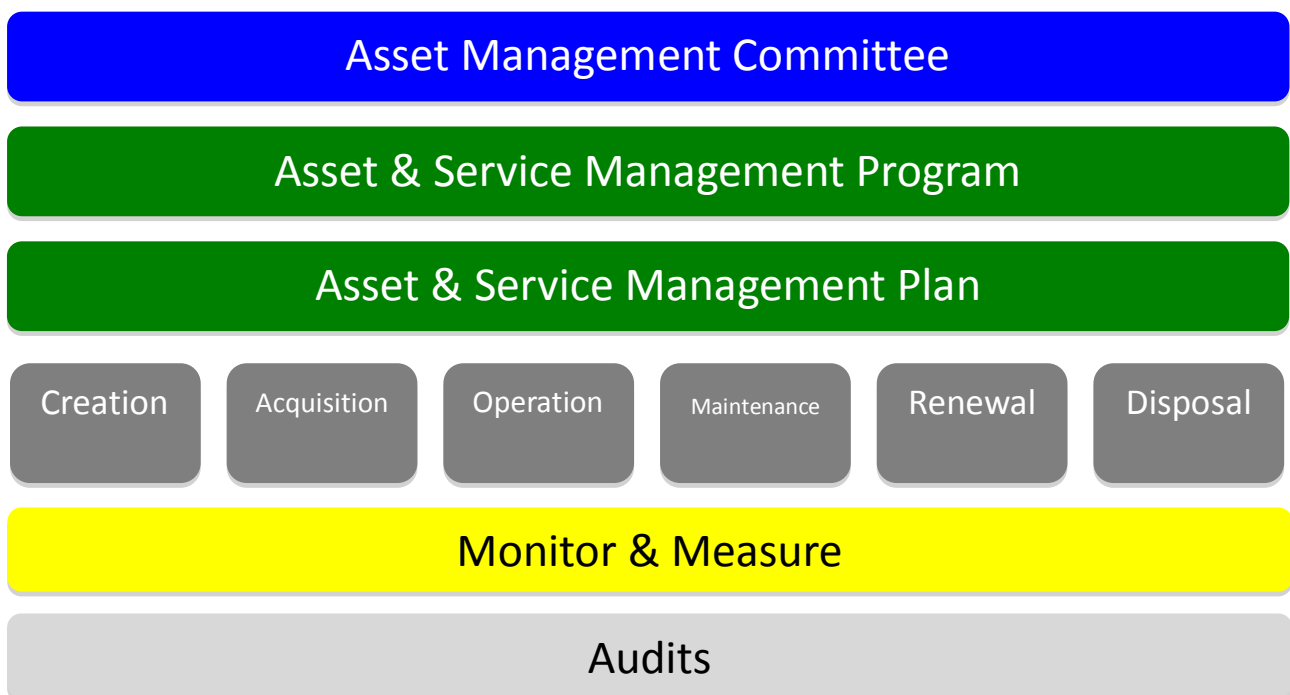


Figure 2: Asset Management Program and Function

The **Asset Management Committee** is the cross functional team responsible to manage the end-to-end asset management process. Its' primary purpose is to ensure that:

- The strategic goals for the organisation drive effective asset management
- A solution development focus is enabled in RCC
- Activities and tasks of the AMP are prioritised if resources are not available to complete all tasks
- Any risks and or issues are mitigated in an appropriate manner
- AMP reporting is reviewed on a regular basis
- Trust and partnership are fostered across the organisation, removing any elements of the specifier-provider model
- A risk management approach is taken with regards to decision making
- Review Business process and opportunities to improve asset lifecycle
- The Corporate Governance Office retains accountability for the Committee

The **Enterprise Asset Management Program** is the tactical document that defines Councils goals, requirements and strategies, this document is used to provide the over arching reference to prepare asset management plans.

Enterprise Asset Management Plans are the operational documents that that define the operational elements for Councils assets it includes information on the creation, acquisition, operation, maintenance, renewal and disposal of assets. The plans will be either basic or advanced; the accountability for the plan type rests solely with the Asset Management Committee

Enterprise Asset Management Plan elements:

Asset Creation is the asset that Council will create to provide value to Council and the Community.

Asset Acquisition, are the assets that Council will procure to provide value to Council and the Community.

Asset Operation is the way the Council will go about running the asset on behalf of Council and the Community.

Asset Maintenance is the actions necessary to retain an asset as near as practical to its original condition. It excludes cleaning, rehabilitation or any capital investment.

Asset Renewal is expenditure on an existing asset, which returns the service potential or the life of the asset to that which it had originally, this is considered a capital investment

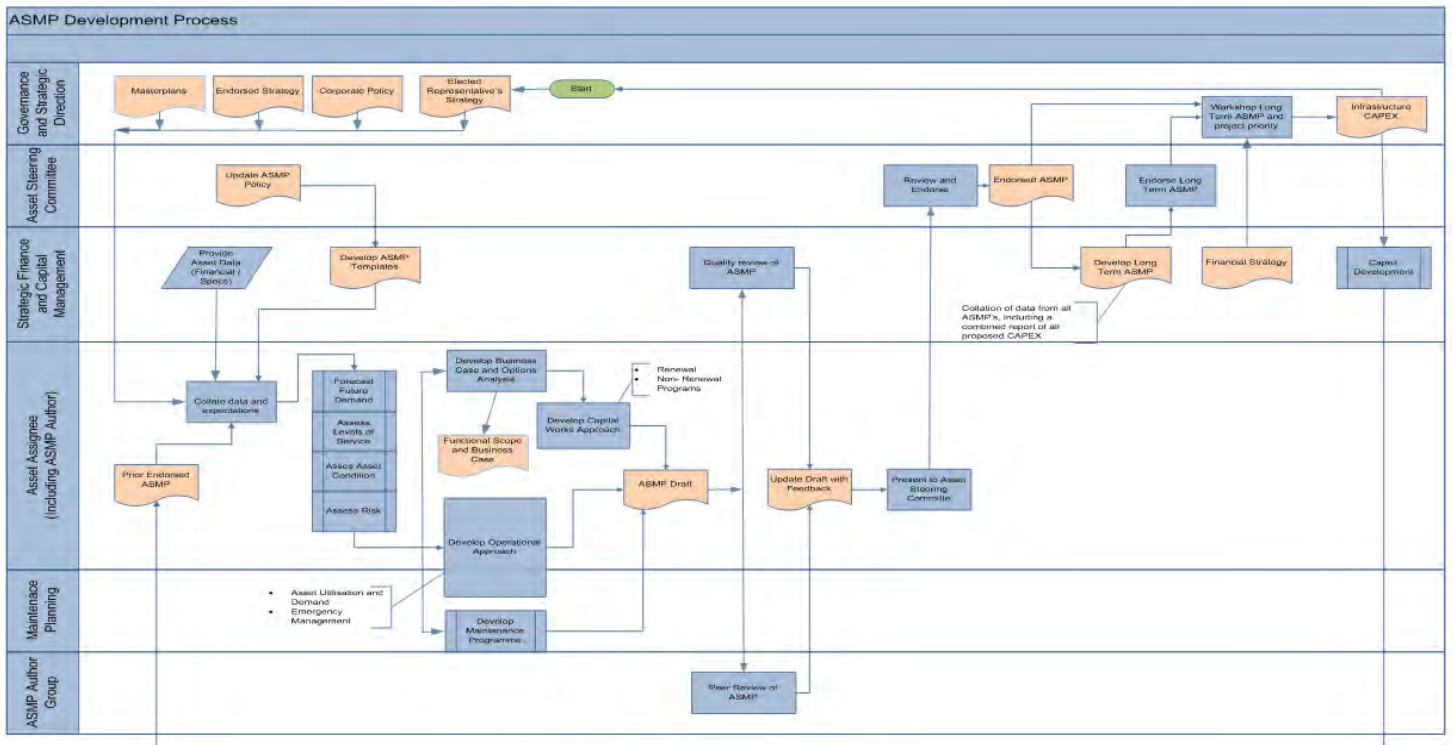
Asset disposal are activities necessary to dispose of decommissioned assets and the costs of these.

Enterprise Monitor and Measurement is the ongoing process of measuring asset condition. The intent is not only to identify if replacement or renewal is required, but to also evaluate frequency and activities involved in normal maintenance.

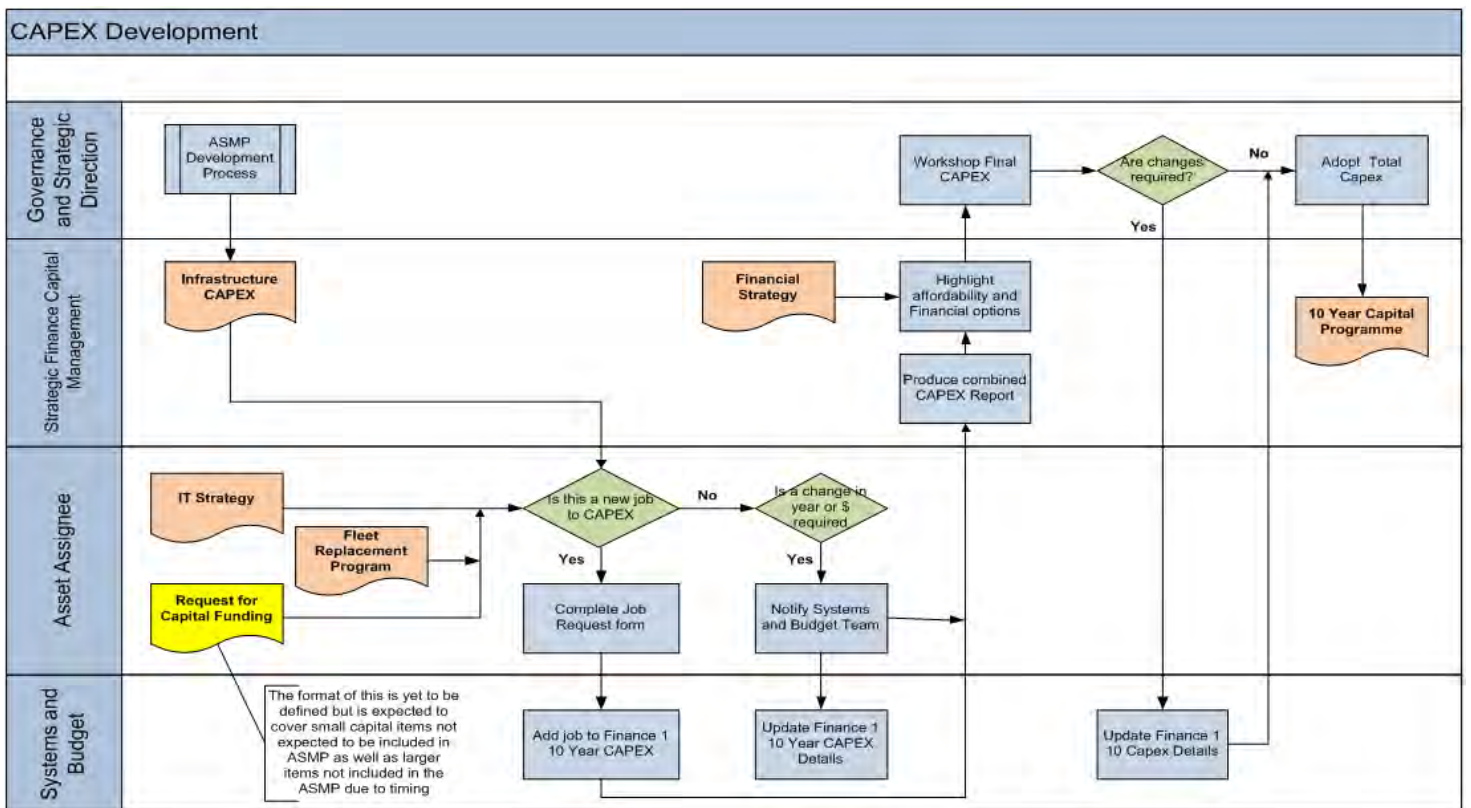
Audits are performed to ensure that;

- Required service levels are being met
- Assets total cost of ownership are being reduced
- Asset related procedures are being conducted as planned
- Asset plans are updated, improved and produced at a level of quality that is agreed by the Asset Management Committee
- Audits will include Asset register, Unit rates and Condition assessments

ASMP Development Process



CAPEX Plan



Revenue Policy

Head of Power

Section 169(2) of the *Local Government Regulation 2012 (Regulation)* requires a local government to include in its financial budget a revenue policy. Section 170 of the *Regulation* requires a local government to adopt a budget each financial year.

Section 193(3) of the *Regulation* requires a local government to review its revenue policy annually in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

Policy Objective

The purpose of this Revenue Policy is to set out the principles used by Council for:

- The making and levying of rates and charges;
- Recovery of overdue rates and charges;
- Exercising of concession powers in relation to rates and charges;
- Community Service Obligations;
- Application of user pays models;
- Revenue from commercial activities;
- Revenue from other external sources; and
- Setting cost-recovery fees.

Policy Statement

Council will be guided by the following principles:

Accountability — Council will be accountable to the providers of funds to ensure those funds are applied efficiently and effectively to satisfy the objective for which the funds were raised.

Transparency — Council will be transparent in its revenue raising activities and will endeavour to use systems and practices able to be understood by the community.

Representation — Council will act in the interests of the whole community in making decisions about rates and charges.

Sustainable financial management — Council will ensure it manages revenue diligently and that the application of funds is founded on sustainable strategic objectives which result in timely and optimal investment in identified priorities.

Fairness — While the rating legislation requires Council to use property valuations as the basis for raising rate revenue, Council will monitor the impact of valuation changes and moderate increases where possible.

Differentiation of categories — Council will apply different rates to various categories of property that will reflect the particular circumstances of the categories and Council's policy objectives related to those categories.

Special needs and user pays — Council will draw from various revenue sources to fund special needs including (but not necessarily limited to):

- separate rates or charges for whole of community programmes;
- special rates or charges for recovery of costs from beneficiaries;
- utility charges for specific services based generally on usage;
- statutory fees and charges in accordance with legislation, regulation or local laws;
- commercial fees and charges where users can clearly be identified.

Social conscience — Council will apply a range of concessions (e.g. for pensioners and institutions) and will accommodate special circumstances where hardship can be demonstrated.

Making and Levying of Rates and Charges

In levying rates and charges, Council will schedule the issue of rate notices quarterly in the months of July, October, January and April.

Differential General Rates

General Rate revenue provides essential whole of community services not funded through subsidies, grants, contributions or donations received from other entities, or not provided for by other levies or charges.

Council will consider full cost recovery options before calculating the differential general rate.

Rating legislation requires the general rate to be calculated on the Value of the land, however Council recognises that various segments of the community impact on and use services, activities, and facilities differently.

When determining the differential rating categories the ongoing changes to community characteristics will be considered along with revaluations, which can have a significant impact on properties.

Due to the socio-economic diversity and the large differences in land valuations with the Redland City area Council will monitor the distribution of rate payers within the Residential rating categories of 1a and 1b to ensure that an appropriate majority are within reasonable boundary levels of the Minimum General Rate of rating category 1a.

Separate and Special Charges

Where it is appropriate, Council will utilise separate and special charges to programmes that benefit the whole community equally or benefit specific groups within the community respectively.

Utility Charges

In setting Utility charges, Council will take into consideration factors such as:

- Legislative requirements, including National Competition policy;
- Council Policy objectives;
- Recovery of sufficient revenue to cover costs and a return on assets;
- Other sources of revenue where appropriate

Recovery of Overdue Rates and Charges

Council will continue to provide flexibility to rate payers and debtors suffering demonstrated financial difficulty in 2014-15 by entering into short to long term arrangements.

Interest will be charged on rates and charges outstanding past the due date unless a mutually agreed arrangement is in place and is honored. If an arrangement defaults, it will be cancelled and interest charged

Cost effective processes will be applied in the recovery of overdue rates and charges.

Exercise of Concession Powers in Relation to Rates and Charges

Chapter 4, Part 10 of the *Local Government Regulation 2012* provides Council with the powers to grant concessions to individuals and classes of land owners. Council has determined that pensioners (owner occupiers) as defined by the *Local Government Regulation 2012* are entitled to receive concessions on rates and various other services that Council provides to the community. Other charitable organisations, community groups, sporting associations and independent schools may also be entitled to concessions.

Pursuant to section 120 of the *Local Government Regulation 2012* Council will provide a concession to property owners whose land is being exclusively used for the business of farming (primary production) to assist and encourage endurance in their particular industry, which will benefit the economic development of the City as a whole.

Community Service Obligations

In accordance with *Corporate Policy-2658 Community Service Obligation Policy* Council may subsidise the operations of commercialised business units or activities in order to achieve social, economic, environmental or other objectives associated with, or incidental to, the delivery of services by those business units or activities.

Council may charge for such activities at a rate less than the full cost price of a service. The difference between the full cost price and the actual charge will be treated as a Community Service Obligation (CSO). CSOs must be transparent, fully costed, and funded. Each CSO will be funded from an identified budget.

Council will continue to support existing community service obligations for Water and Wastewater charges provided for under:

- Corporate Policy POL-3028 — Application of Water Charges
- Corporate Policy POL-3027 — Wastewater Services – Application of Charges
- Statutory Policy POL-1234 — Trade Waste Policy

These community service obligations will be reviewed regularly to ensure they continue to form part of Council's strategic objectives.

In addition Council will provide the following Water Charge Remission Policies:

- POL-2592 Water Charge Remissions for Concealed Leaks
- POL-0027 Water Charge Remissions for Home Dialysis Machine Users

Application of User Pays Models

Council supports the principle that there is an increased focus on user pays models and that these will be developed where they are considered appropriate and in accordance with policy.

Council has adopted the policy of a conservative approach to increases in fees and charges with a view to minimising excessive impacts on user pays groups. There is also need to consider Community Service Obligations (CSOs) when considering this principle.

Revenue from Commercial Activities

In order to minimise price increases on residents through the General Rate, Council is committed to exploring additional or alternative revenue streams through the establishment of business activities under the National Competition Policy framework where this is appropriate and in accordance with policy.

In doing this the following principles will be considered:

The adoption of a business activity is to ensure that the creation of a competitive environment will encourage Council to better identify and specify what it actually does and why.

The determination of the standard and quality of each business activity required based upon community/customer expectations and achieving best value for money irrespective of whether the service is delivered by an internal or external provider.

By concentrating upon outcomes rather than processes, service specification is likely to encourage innovation and new solutions to meeting the needs and expectations of the community and customers.

Revenue from Other External Sources

Where possible, Council will seek to supplement revenue through application for external grants and subsidies. Every opportunity will be taken to maximise revenue in support of capital and operational spending. External funding, however, must be strategically targeted and in alignment with community and corporate objectives.

Cost-recovery fees

Section 97 of the *Local Government Act 2009* allows Council to set cost-recovery fees.

The Council recognises the validity of fully imposing the user pays principle for its cost-recovery fees, unless the imposition of the fee is contrary to its express social, economic, environmental and other corporate goals (such as, for example, the community service obligations outlined above) . This is considered to be the most equitable and effective revenue approach, and is founded on the basis that the City's revenue base cannot subsidise the specific users or clients of Council's regulatory products and services.

However, in setting its cost-recovery fees, Council will be mindful of the requirement that such a fee must not be more than the cost to Council of providing the service or taking the action to which the fee applies.

Infrastructure Charges

Infrastructure charges for new developments are currently regulated by the State Government and are subject to annual change. The breakup of the charge is as follows:

Stormwater	5.6%
Roads	17.2%
Cycleway	6.9%
Parks	37.0%
Community	2.3%
Water and Wastewater	31%

Infrastructure charges for a new development will fund approximately 50-60% of the trunk infrastructure and 100% of non-trunk infrastructure (i.e. residential streets, drainage etc).

Constrained Cash Reserves Policy

Head of Power

Section 104 of the *Local Government Act 2009* requires that a local government establishes a system of financial management to ensure financial sustainability. A local government is financially sustainable if the local government is able to maintain its financial capital and infrastructure capital over the long term.

Policy Objective

To ensure Council's constrained cash reserves are only restricting funds for current or future planned expenditure and that constrained cash reserves never exceed cash balances.

Policy Statement

1. Council's philosophy is to ensure funds held in constrained cash 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.
2. 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 committee;
 - Reporting constrained cash reserves as a subset of cash balances in annual statutory reporting;
 - Ensuring constrained cash reserves do not exceed cash balances at any given time;
 - Conducting an annual review of all constrained cash reserves for relevance and future requirements in accordance with the Long Term Financial Strategy and other appropriate strategies and plans;
 - Reviewing forecast reserve movements as an integral part of the annual budget development process; and
 - Transferring funds from constrained cash reserves back to retained earnings when the purpose of the reserve is no longer valid or required or when the funds have been expended on planned works.

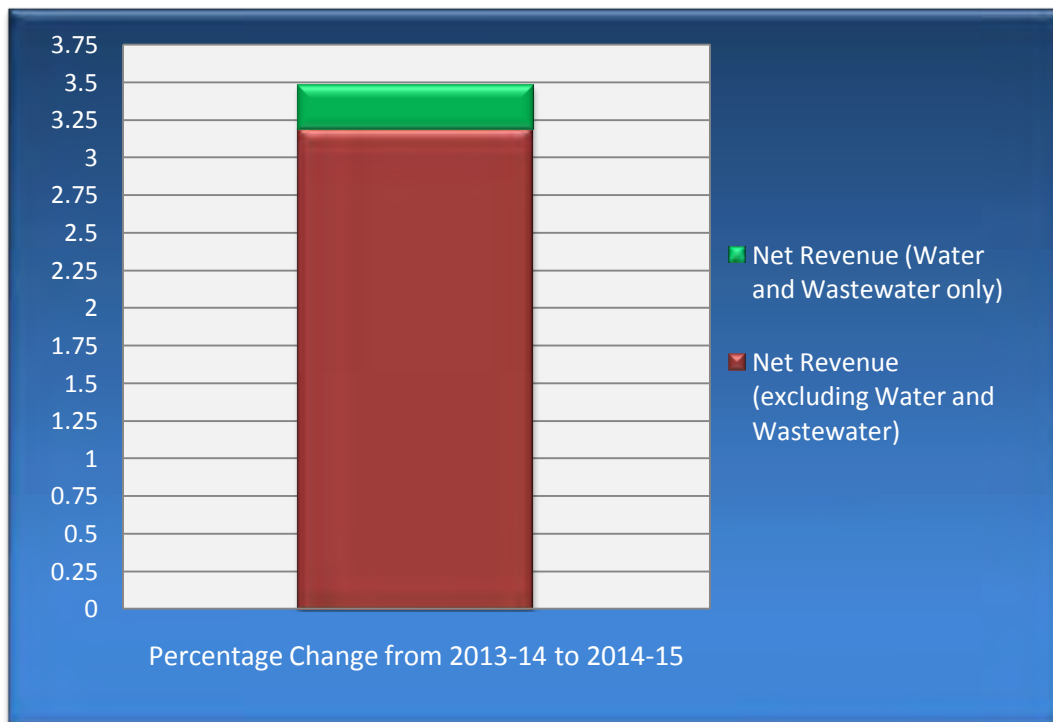
Redlands Rates Comparison from 2013-2014 to 2014-2015

Section 169 of the *Local Government Regulation 2012* requires the disclosure of the following information in Council’s annual budget:

The budget must include the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year, compared with the rates and utility charges levied in the previous budget.

This information is expressed in the tables below as a percentage decrease or increase.

Revenue	Revised Budget for 2013-14	Budget 2014-15	Dollar Change from 2013-14 to 2014-15	Percentage Change from 2013-14 to 2014-15
Net Revenue (excluding Water and Wastewater)	104,683,566	110,953,366	6,269,800	5.99%
Net Revenue (Water and Wastewater only)	91,860,996	92,426,300	565,304	0.62%
Total Net Revenue RCC	196,544,562	203,379,666	6,835,104	3.48%



Long Term Financial Forecast

As per section 169 of the *Local Government Regulation 2012*, Council is required to display a long term financial forecast that covers a period of at least ten years. The forecast includes Council's Income, Expenditure and the value of Councils Assets, Liabilities and Community Equity.

Year 1 of the forecast depicts the adopted budget for financial year 2014-15. From year 2 to year 10 of the forecast, values have been derived from Councils long-term Financial Strategy that works towards balancing the increase in revenue from the community to fund the replacement and renewal of assets. Redland City Council's ten year financial forecast is updated on a quarterly basis and also as part of the annual budget development. The figures below are reflecting assumptions, parameters and indices as part of the 2014-15 budget development and as in previous years are subject to change following budget adoption due to the fact that Council's ten year financial forecast is a living document.

	Year 1 Budget 2014-15 \$000s	Year 2 Estimate 2015-16 \$000s	Year 3 Estimate 2016-17 \$000s	Year 4 Forecast 2017-18 \$000s	Year 5 Forecast 2018-19 \$000s
Total Income	244,340	248,741	255,814	266,969	275,650
Total Expenditure	234,178	232,607	239,802	252,610	259,567
Total Assets	2,107,615	2,124,275	2,142,476	2,155,836	2,165,507
Total Liabilities	118,388	118,914	121,104	120,104	113,692
Community Equity	1,989,227	2,005,361	2,021,372	2,035,732	2,051,814

	Year 6 Forecast 2019-20 \$000s	Year 7 Forecast 2020-21 \$000s	Year 8 Forecast 2021-22 \$000s	Year 9 Forecast 2022-23 \$000s	Year 10 Forecast 2023-24 \$000s
Total Income	283,027	293,851	305,786	315,663	335,867
Total Expenditure	266,821	275,331	285,651	294,903	306,228
Total Assets	2,174,860	2,186,058	2,198,377	2,213,534	2,239,924
Total Liabilities	106,840	99,518	91,702	86,099	82,850
Community Equity	2,068,020	2,086,540	2,106,675	2,127,435	2,157,075

Revenue Statement 2014-2015

Differential General Rates

Redland City Council has adopted a differential rating scheme for the 2014-15 financial year that is guided by the principles of sustainable financial management, fairness, and Council's policy objectives for various segments of our community.

The differential rating scheme for 2014-15 has 26 categories of land.

For the purposes of categorisation the following definitions apply:

Categorisation of Land – For the purposes of rating categorisation Council will use its discretion under Section 81 of the *Local Government Regulation 2012* to categorise land. Later categorisation of land for the following reasons will be determined under Section 82 of the *Local Government Regulation 2012*:

- Land has inadvertently not been categorised; or
- Land becomes rateable land; or
- Redland City Council considers that the rating category of a parcel of land should be changed, in view of the description of each rating category; or
- Two or more parcels of rateable land are amalgamated into a single parcel of rateable land.

In instances where adequate proof of residency is not provided Council will use its discretion to decide rating categorisation.

Common Area – is the common property in a Community Title Scheme or a Building Unit Plan or Group Titles Plan that is owned by the owners' of the lots in the scheme or plan.

Extractive Industry - An extractive industry is any activity that removes material substance from the ground.

Principal place of residence – A residential dwelling in which at least one of the registered owner/s of the land, or a person who is a life tenant of the dwelling made under a Will or Court Order, lives on an ongoing daily basis. Where the occupation is transient (i.e. less than 3 months), temporary or of a passing nature this is not sufficient to establish occupation as a principal place of residence.

Southern Moreton Bay Islands – refers to Karragarra, Lamb, Macleay, Perulpa and Russell Islands.

Standard Lot – a single parcel of land or contiguous parcels of land in the same ownership name where the roof line of a residential dwelling extends over more than one lot.

Vacant land – land that has no building erected thereon capable of being used for a residential dwelling or commercial or industrial purposes. It may include land with an erected structure such as a storage shed, garage, or derelict building.

Value – means the value assigned under the *Land Valuation Act 2010*. In a Community Title Scheme, Building Unit Plan or Group Title Plan the value assigned to a lot is the value of the scheme land apportioned between the lots included in the scheme in proportion to the interest schedule lot entitlement for each lot.

Differential General Rating Categories

Category	Description
1a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value equal to or less than \$305,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, and is the registered owner's principal place of residence.
1b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value greater than or equal to \$305,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, and is the registered owner's principal place of residence.
1av	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10, with a value equal to or less than \$305,000, where it is not considered likely a development permit, or permits, for the erection of a building would be approved should application be made.
1bv	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10, with a value greater than or equal to \$305,001, where it is not considered likely a development permit, or permits, for the erection of a building would be approved should application be made.
2a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value equal to or less than \$305,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.
2b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value greater than or equal to \$305,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.
2av	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10 or 1av with a value equal to or less than \$305,000, where it is considered likely to be granted a development permit, or permits, for the erection of a building for residential, commercial or industrial purposes should application be made.
2bv	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10 or 1bv with a value greater than or equal to \$305,001, where it is considered likely to be granted a development permit, or permits, for the erection of a building for residential, commercial or industrial purposes should application be made.
3a	Includes all rateable land on the Southern Moreton Bay Islands with a value equal to or less than \$65,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is the registered owner's principal place of residence.
3b	Includes all rateable land on the Southern Moreton Bay Islands with a value greater than or equal to \$65,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is the registered owner's principal place of residence.
4a	Includes all rateable land on the Southern Moreton Bay Islands with a value equal to or less than \$65,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.

Differential General Rating Categories

Category	Description
4b	Includes all rateable land on the Southern Moreton Bay Islands with a value greater than or equal to \$65,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.
5	<p>Includes all rateable land that is used, or is intended for residential use or any other purpose other than Commercial or Industrial that has been identified in the <i>Southern Moreton Bay Islands Development Entitlements Protection Regulation 2006</i> that has recognised development potential and where the current owner was in possession of the land immediately before 13 April 2005.</p> <p>The development entitlements, which existed under the 'superseded' Transitional Planning Scheme, have been protected on these lots for a period of ten years from the commencement of the Redlands Planning Scheme or until a change in ownership occurs as the protection of development entitlements does not extend to future owners of land included in this category.</p> <p>Land in this category is included in the Conservation Sub-Area CN1 zone of the Redlands Planning Scheme.</p>
6	Includes all rateable land on the Mainland, Coochiemudlo Island and North Stradbroke Island that is used in whole or in part for a commercial or industrial purpose, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for commercial or industrial purposes, other than that categorised in rating category 19. This category includes not-for-profit organisations and clubs.
7	Includes all rateable land on the Southern Moreton Bay Islands that is used in whole or in part for a commercial or industrial purpose, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for commercial or industrial purposes. This category includes not-for-profit organisations and clubs.
8	Includes all rateable land that is used in whole or in part for quarry or extractive industry purposes, or intended for use in whole or in part by virtue of its improvements, or activities conducted upon the land of quarry or extractive industry purposes. This category includes land where a current State licence or permit to extract material from the ground exists.
10	<p>Includes all rateable land that has been identified as having an insurmountable drainage constraint such that it is unlikely a development permit, or permits, for the erection of a dwelling house on the land would be granted. Includes some rateable land that has been identified as having significant conservation values. All rateable land included in this category identified with insurmountable drainage problems or conservation values is zoned Conservation Sub-Area CN1 in the Redlands Planning Scheme.</p> <p>This category also includes all rateable land on the Southern Moreton Bay Islands that is vacant and has been included within the Open Space zone of the Redlands Planning Scheme.</p>
11	Includes subdivided land that is not yet developed in accordance with Section 50 of the <i>Land Valuation Act 2010</i> (Part 2 Subdivision 3 Discounting for subdivided land not yet developed). For the purpose of levying the General Rate the value of land subject to this Section will be discounted by 40%. A discount is not applicable for land valued as a community management scheme. Furthermore, a minimum general rate will not apply to this land in accordance with Section 77(3) of the <i>Local Government Regulation 2012</i> .
12a	Includes all rateable vacant land on the Southern Moreton Bay Islands with a value equal to or less than \$33,000 where the land is considered likely to be granted a development permit, or permits, for the construction of a building for residential, commercial or industrial purposes should application be made.
12b	Includes all rateable vacant land on the Southern Moreton Bay Islands with a value greater than or equal to \$33,001 where the land is considered likely to be granted a development permit, or permits, for the construction of a building for residential, commercial or industrial purposes should application be made.

Differential General Rating Categories	
Category	Description
14	One or more land parcels in the same registered name where the land is used in whole or in part for the purpose of a retail shopping centre with a total gross lettable floor area greater than or equal to 30,000 square metres whose tenants include one or more discount department stores, one or more major supermarkets, and 10 or more national retail chain stores or food outlets.
15	One or more land parcels in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for the purpose of a shopping centre with a total gross lettable floor area between 10,000 and 30,000 square metres. Tenants include one or more major supermarkets and 5 or more national chain retail stores or food outlets.
16	One or more land parcels in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for carrying on retail business having 20 or more self-contained places of business, one of which is a supermarket, where the cluster of businesses are promoted, or generally regarded, as a shopping centre or shopping village.
17	One or more land parcels in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for carrying on retail business having 5 or more self-contained places of business, one of which is a supermarket or grocery outlet, where the cluster of businesses are promoted, or generally regarded, as constituting a shopping court or shopping centre.
18	One or more land parcels located on the Southern Moreton Bay Islands in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for carrying on retail business having 5 or more self-contained places of business, one of which is a supermarket or grocery outlet, where the cluster of businesses are promoted, or generally regarded, as constituting a shopping court or shopping centre.
19	One or more land parcels located on the Mainland, Coochiemudlo or North Stradbroke Islands in the same registered name where two or more self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the total land area is greater than or equal to 4,000 square metres.

A separate rate-in-the-dollar and minimum general rate will apply to land identified within each category except for category 11. The minimum general rate will be applied to land below a certain (threshold) valuation and is determined by Council's opinion of what reflects a fair contribution towards the services provided to all ratepayers as well as basic general administration costs.

Differential General Rates Table								
Rating Category	Band		Minimum General Rate [MGR] \$	Rate In the Dollar	MGR Threshold \$	Step Down	Cap	Charge Code (RCC Use)
	From \$	To \$						
1a	0	305,000	860.00	0.00435110	197,651			GR20
1b	305,001	99,999,999	1,327.09	0.00348100	381,237	-20%		GR20
1av	0	305,000	860.00	0.00435110	197,651			GR62
1bv	305,001	99,999,999	1,327.09	0.00348100	381,237	-20%		GR62
2a	0	305,000	946.00	0.00525876	179,890			GR25
2b	305,001	99,999,999	1,603.92	0.00420700	381,251	-20%		GR25
2av	0	305,000	946.00	0.00525876	179,890			GR64
2bv	305,001	99,999,999	1,603.92	0.00420700	381,251	-20%		GR64
3a	0	65,000	608.00	0.01847186	32,915		30%	GR30
3b	65,001	99,999,999	1,200.67	0.01108300	108,334	-40%	30%	GR30
4a	0	65,000	868.00	0.02222676	39,052		30%	GR35
4b	65,001	99,999,999	1,444.74	0.01333600	108,334	-40%	30%	GR35
5	0	99,999,999	723.00	0.02254846	32,064			GR24
6	0	99,999,999	1,122.00	0.00498348	225,144			GR21
7	0	99,999,999	1,129.00	0.01006682	112,151			GR31
8	0	99,999,999	1,848.00	0.01494577	123,647			GR22
10	0	99,999,999	275.00	0.00420495	65,399			GR06
11	0	99,999,999	n/a	0.00984547	n/a			GR05
12a	0	33,000	921.00	0.03833328	24,026		10%	GR32
12b	33,001	99,999,999	1,265.00	0.02300000	55,000	-40%	10%	GR32
14	0	99,999,999	120,435.00	0.00759064	15,866,251			GR16
15	0	99,999,999	70,869.00	0.00690054	10,270,069			GR15
16	0	99,999,999	30,994.00	0.00604985	5,123,101			GR14
17	0	99,999,999	2,269.00	0.00498776	454,914			GR13
18	0	99,999,999	1,754.00	0.01012464	173,241			GR33
19	0	99,999,999	3,998.00	0.00505030	791,635			GR17

Limitation on Increase of General Rates

Section 116 of the *Local Government Regulation 2012* allows for the limitation of increase in a rate levied. For 2014-15 Council will limit the impact of valuation increases by applying a 30 percent cap to the rating categories of 3a, 3b, 4a, and 4b, and a 10 percent cap to 12a and 12b.

Separate Charges

Environment Separate Charge

Section 94 of the *Local Government Act 2009* provides Council may levy a separate charge as defined at section 92(5). Council has determined that the community in general will benefit from the protection, management, promotion and enhancement of biodiversity. This includes koala habitat, bushland, green space, waterways, catchments, air and coastal ecosystems in the City that cannot always be effectively protected through Council's regulatory powers or management powers.

In prior years the revenue raised through the Environment Separate charge funded both capital and operational components. Past revenues collected are currently quarantined in reserve for capital components, predominantly for land purchase, acquisition of the conservation interests in land, and the funding of ancillary facilities that support or enhance environmental outcomes. Council has determined that in 2014-15 the revenue raised through this charge in 2014-15 will fund operational projects, predominantly directed towards waterway, pest and land management, foreshore and catchment rehabilitation and maintenance, track and trail maintenance and repairs, koala habitat restoration, environmental education, strengthening stewardship of the natural environment and implementation of environment strategies and policy:

- Corporate Environment Policy POL-2644;
- Corporate POL-3069 Redlands Koala Policy (2008);
- Corporate Policy POL-3077 Environment Charge Acquisition and Management Policy
- Corporate Policy POL-3070 Biodiversity Policy
- Corporate Policy POL-2609 Vegetation Enhancement Policy

In the financial year 2014-15 the Environment Separate Charge will be levied in accordance with section 103 of the *Local Government Regulation 2012* and will be applied on a per lot basis and is subject to Council's Farming Concession.

Charge Code (RCC Use)	Separate Charge	Charge Amount \$	Charge Basis
EN01	Environment Charge	85.00	Charge per lot

Landfill Remediation Separate Charge

Section 94 of the *Local Government Act 2009* provides Council may levy a separate charge as defined at section 92(5).

Council has determined the community in general will benefit from the monitoring and remediation of all closed landfills to prevent environmental harm. This is done by a separate charge levied in accordance with section 103 of the *Local Government Regulation 2012*. The funds raised from the Landfill Remediation Separate charge will be expended in accordance with *Corporate Policy POL-3091 Landfill Remediation Separate Charge Policy*.

This charge is applied on a per lot basis and will be subject to Council's Farming Concession.

Charge Code (RCC Use)	Separate Charge	Charge Amount \$	Charge Basis
EN03	Landfill Remediation Charge	62.00	Charge per lot

Special Charges

Aquatic Paradise Marina Special Charge

In accordance with Section 94 of the *Local Government Regulation 2012*, Council will make and levy a special charge, to be known as the Aquatic Paradise Marina Special Charge (the "special charge") as follows:

1. The Overall Plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 28 June 2011, amended 27 June 2013 and 26 June 2014.
2. The service, facility or activity funded by the Special Charge is described in the Aquatic Paradise Marina Special Charge Overall Plan. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Aquatic Paradise Marina Special Charge Overall Plan.
3. The rateable land to which the special charge applies is as identified in the benefited area map [APC-9 version 4](#).
4. The Annual Implementation Plan for 2014-15 comprises the Aquatic Paradise Marina Annual Implementation Plan 2014-15 adopted by Council 26 June 2014.
5. The Aquatic Paradise Marina Special Charge for the year 2014-15 is \$3,278.51.

Aquatic Paradise Special Charge

In accordance with Section 94 of the *Local Government Regulation 2012*, Council will make and levy a special charge, to be known as the Aquatic Paradise Special Charge (the "special charge") as follows:

1. The Overall Plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 27 June 2013, amended 26 June 2014.
2. The service, facility or activity funded by the Special Charge is described in the Aquatic Paradise Special Charge Overall Plan. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Aquatic Paradise Special Charge Overall Plan.
3. The rateable land to which the special charge applies is as identified in the benefited area map [APC-2 version 4](#).
4. The Annual Implementation Plan for 2014-15 comprises the Aquatic Paradise Special Charge Annual Implementation Plan 2014-15 adopted by Council 26 June 2014.
5. The Aquatic Paradise Special Charge for the year 2014-15 is \$2,662.51.

Raby Bay Marina Special Charge

In accordance with Section 94 of the *Local Government Regulation 2012*, Council will make and levy a special charge, to be known as the Raby Bay Marina Special Charge (the "special charge") as follows:

1. The overall plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 28 June 2011, amended 27 June 2013 and 26 June 2014.
2. The service, facility or activity funded by the Special Charge is described in the Raby Bay Marina Special Charge Overall Plan. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Raby Bay Marina Special Charge Overall Plan.
3. The rateable land to which the special charge applies is as identified in the benefited area map [RBC-8 version 4](#).
4. The Annual Implementation Plan for 2014-15 comprises the Raby Bay Marina Annual Implementation Plan 2014-15 adopted by Council 26 June 2014.
5. The Raby Bay Marina Special Charge for the year 2014-15 is \$1,105.10.

Raby Bay Tidal Works (Non Community Title Scheme) Special Charge

In accordance with Section 94 of the *Local Government Regulation 2012*, Council will make and levy a special charge, to be known as the Raby Bay Tidal Works (non Community Title Scheme) Special Charge (the "special charge") as follows:

1. The overall plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 28 June 2011, amended 27 June 2013 and 26 June 2014.
2. The service, facility or activity funded by the Special Charge is described in the Raby Bay (Non Community Title Scheme) Special Charge Overall Plan. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Raby Bay (Non Community Title Scheme) Special Charge Overall Plan.
3. The rateable land to which the special charge applies is as identified in the benefited area map [RBC-6 version 4](#).
4. The Annual Implementation Plan for 2014-15 comprises the Raby Bay Tidal Works (Non Community Title Scheme) Annual Implementation Plan 2014-15 adopted by Council on 26 June 2014.
5. The Raby Bay Tidal Works (Non Community Title Scheme) Special Charge for the year 2014-15 is \$2,186.45.

Raby Bay Tidal Works (Community Title Scheme) Special Charge

In accordance with Section 94 of the *Local Government Regulation 2012*, Council will make and levy a special charge, to be known as the Raby Bay Tidal Works (Community Title Scheme) Special Charge (the "special charge") as follows:

1. The overall plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 28 June 2011, amended 27 June 2013 and 26 June 2014.
2. The service, facility or activity funded by the Special Charge is described in the Raby Bay (Community Title Scheme) Special Charge Overall Plan. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Raby Bay (Community Title Scheme) Special Charge Overall Plan.
3. The rateable land to which the special charge applies is as identified in the benefited area map [RBC-7 version 4](#).
4. The Annual Implementation Plan for 2014-15 comprises the Raby Bay Tidal Works (Community Title Scheme) Annual Implementation Plan 2014-15 adopted by Council on 26 June 2014.
5. The Raby Bay Tidal Works (Community Title Scheme) Special Charge for the year 2014-15 is \$1,266.98.

Charge Code (RCC Use)	Special Charge	Charge Amount \$	Charge Basis
CA06	Raby Bay Tidal Works (Non CTS) Special Charge	2,186.45	Raby Bay per standard lot, including lots 1 to 12 on GTP 2073
CA07	Raby Bay Tidal Works (CTS) Special Charge	1,266.98	Raby Bay per unit in a Community Title Scheme, excluding lots 1 to 12 on GTP 2073
CA08	Raby Bay Marina Special Charge	1,105.10	Raby Bay per marina berth
CA09	Aquatic Paradise Marina Special Charge	3,278.51	Aquatic Paradise per marina berth
CA02	Aquatic Paradise Special Charge	2,662.51	Aquatic Paradise per standard lot

Sovereign Waters Lake Special Charge

In accordance with Section 94 of the *Local Government Regulation 2012*, Council will make and levy a special charge, to be known as the Sovereign Waters Lake Special Charge (the "special charge") as follows:

1. The overall plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 12 July 2000, **amended 26 June 2014**.
2. The service, facility or activity funded by the special charge is the dredging, water quality monitoring, maintenance, cleaning works of the Lake, wetland zones, perimeter walls, pollution control devices and tide exchange system. It is Council's opinion that this service, facility or activity provides a special benefit to the rateable land to be levied with the special charge.
3. The rateable land to which the special charge applies is the waterfront land identified in the Benefited Area Map [SWL version 4](#).
4. The Annual Implementation Plan for 2014-15 comprises the Sovereign Waters Lake Special Charge Annual Implementation Plan 2014-15 adopted by Council on 26 June 2014.
5. The special charge for the year 2014-15 is \$672.00.

Charge code (RCC Use)	Special Charge	Charge Amount \$	Charge Basis
LA01	Sovereign Waters Lake Special Charge	672.00	Charge per lot

Rural Fire Levy

In accordance with Section 94 of the *Local Government Regulation 2012* and Section 128A of the *Fire and Rescue Service Act 1990* Council has determined that each parcel of rateable land identified as the whole of Karragarra, Lamb, Russell, Macleay and Perulpa Islands will specially benefit from the service provided by the Rural Fire Brigades. Funds raised through the Rural Fire Levy Special Charge will be contributed to the rural fire brigades established within the benefited area to purchase and maintain equipment and provide a fire service to properties in the benefited area. Council adopted the Overall Plan for each Rural Fire Levy Charge on 26 June 2014. The charge will be subject to Council's Farming Concession.

Charge Code (RCC Use)	Special Charge	Charge Amount \$	Charge Basis
FL02	Macleay and Perulpa Islands Rural Fire Levy	20.00	Charge per lot
FL03	Lamb Island Rural Fire Levy	30.00	Charge per lot
FL04	Russell Island Rural Fire Levy	10.00	Charge per lot
FL05	Karragarra Rural Fire Levy	30.00	Charge per lot

Southern Moreton Bay Islands Translink Operations Special Charge

In accordance with Section 94 of the *Local Government Regulation 2012*, Council will make and levy a special charge, to be known as the SMBI Translink Operations Special Charge (the "special charge") as follows:

1. The service, facility or activity funded by the special charge is toward the contribution agreed to under the Funding Agreement executed 18 December 2012 for ferry operations to the Southern Moreton Bay Islands between Redland City Council and the State of Queensland (acting through the Department of Transport and Main Roads).
2. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said SMBI Translink Operations Special Charge Overall Plan adopted 27 June 2013.
3. The rateable land to which the special charge applies is all rateable land on the Southern Moreton Bay Islands of Karragarra, Lamb, Macleay, Perulpa and Russell Islands, excluding land categorised for the purposes of the differential general rate as Rating Category 10.
4. The Overall Plan for the supply of the service, facility or activity funded by the special charge was adopted 27 June 2013 and is outlined in the report titled *Southern Moreton Bay Island Translink Operations Special Charge* tabled at the Special Meeting 27 June 2013.
5. The Annual Implementation Plan for 2014-15 was adopted by Council 26 June 2014 and is set out in the report titled *Southern Moreton Bay Island Translink Operations Special Charge* tabled at the Special Meeting 26 June 2014.
6. The special charge for the year 2014-15 is \$87.95.

Charge Code (RCC Use)	Special Charge	Charge Amount \$	Charge Basis
TL01	SMBI Translink Operations Special Charge	87.95	Per rateable property, excluding Constrained land

Utility Charges

Utility charges are made and levied in accordance with Chapter 4 Part 7 of the *Local Government Regulation 2012* and Council's Corporate policies associated to each charge.

Council will apply utility charges for all Community Titles Scheme land according to sections 195 and 196 of the *Body Corporate and Community Management Act 1997* and section 64(d) of the *Building Units and Group Titles Act 1980*.

Waste/Recycling Charge

Waste and recycling charges are Utility charges that are made and levied in accordance with section 99 of the *Local Government Regulation 2012* and Council's Corporate Policy POL-2836 Waste and Recycling Collection Services.

The waste/recycling charge is determined by Council, together with other revenue sources, to ensure that it is able to cover the costs associated with the provision of the waste management service. The costs include payment to contractors for waste collection, a kerbside recycling service and a voluntary green waste service (for waste/recycling charges the Bay Islands is deemed to be the Southern Moreton Bay Islands, North Stradbroke Island and Coochiemudlo Island). Disposal costs are also factored into the charge to cover contractor costs for disposal, site development works, environmental monitoring, management, statutory charges such as the carbon tax, and administration costs, as well as other costs associated with the use of Council's transfer stations by residents and other users.

Services in excess of those listed in the following schedules are subject to Special Quotation.

Residential Kerbside Waste Services				
RedWaste Utility Charges	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
240L Waste / 240L Recycling	RF01	336.00	RF201	371.00
140L Waste / 240L Recycling	RF15	254.00	RF215	320.00
240L Waste / 340L Recycling	RF301	339.00	RF218	372.00
140L Waste / 340L Recycling	RF302	254.00	RF219	338.00
140L Waste / 140L Recycling	RF303	223.00	RF220	308.00
240L Green Waste	RFG01	53.00	N/a	N/a
Additional Bin and Service - Scheduled Days				
240L Additional Waste Bin	RF09	168.00	RF209	231.00
240L Additional Recycling Bin	RF16	68.00	RF216	73.00
140L Additional Waste Bin	RF17	122.00	RF217	232.00
340L Additional Recycling Bin	RF53	75.00	RF253	85.00
240L Additional Green Waste Bin	RFG02	32.00	N/a	N/a
Additional Service Existing Bin (Temporary Lift) - Scheduled Days		Amount Per Lift \$		
140L Waste Bin per lift	RF12	12.00	N/a	N/a
240L Waste Bin per lift	RF13	11.00	N/a	N/a
240L Recycling Bin per lift	RF14	10.00	N/a	N/a
Additional Service Existing Bin (Temporary Lift) - Scheduled Days		Amount Per Lift \$		
340L Recycling Bin per lift	RF54	9.00	N/a	N/a
240L Green Waste Bin per lift	RFG03	6.00	N/a	N/a
Additional Service Existing Bin (Temporary Lift) – Outside Scheduled Days		Amount Per Lift \$		
240L Additional Waste Service per lift	RF40	46.00	N/a	N/a
140L Additional Waste Service per lift	RF41	31.00	N/a	N/a
240L Additional Recycling Service per lift	RF42	25.00	N/a	N/a
340L Additional Recycling Service per lift	RF55	26.00	N/a	N/a

Commercial Kerbside Collection Services				
RedWaste Utility Charges	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
240L Waste / 240L Recycling	RFC01	309.00	RFC201	331.00
140L Waste / 240L Recycling	RFC15	241.00	RFC215	312.00
240L Waste / 340L Recycling	RFC301	309.00	RFC218	331.00
140L Waste / 340L Recycling	RFC302	241.00	RFC219	312.00
140L Waste / 140L Recycling	RFC303	212.00	RFC220	291.00
240L Recycling (Stand Alone) Bin	RFC16	56.00	RFC216	67.00
340L Recycling (Stand Alone) Bin	RFC53	79.00	RFC253	95.00
240L Green Waste	RFG01	53.00	N/a	N/a
240L Additional Waste Bin	RFC09	199.00	RFC209	242.00

Residential Bulk Waste Bin Collection Service				
RedWaste Utility Charges - Size (m ³)	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
Waste Service Bulk Bin size (m³) - 1 service per week				
0.66 m ³	RF20	1,559.00	N/a	N/a
1.10 m ³	RF23	1,871.00	N/a	N/a
1.50 m ³	RF26	1,212.00	RF106	2,565.00
2.25 m ³	RF29	1,788.00	RF109	3,658.00
3.00 m ³	RF32	2,327.00	RF112	4,767.00
4.00 m ³	RF35	2,986.00	RF115	6,001.00
Additional Waste Service Bulk Bin size (m³) - Lift only; 1 service per week		Amount Per Lift \$		Amount Per Lift \$
0.66 m ³	RF21	36.00	N/a	N/a
1.10 m ³	RF24	36.00	N/a	N/a
1.50 m ³	RF27	24.00	RF107	66.00
2.25 m ³	RF30	35.00	RF110	90.00
3.00 m ³	RF33	45.00	RF113	111.00
4.00 m ³	RF36	58.00	RF116	136.00
Temporary Waste Service (= < 3 months) Bulk Bin size (m³) – Bin and Lift; 1 service		Amount Per Bin & Lift \$		Amount Per Bin & Lift \$
0.66 m ³	RF22	68.00	N/a	N/a
1.10 m ³	RF25	68.00	N/a	N/a
1.50 m ³	RF28	58.00	RF108	83.00
2.25 m ³	RF31	56.00	RF111	105.00
3.00 m ³	RF34	67.00	RF114	126.00
4.00 m ³	RF37	79.00	RF117	151.00

Residential and Commercial Bulk Recycling Bin Service				
RedWaste Utility Charges – Size (m ³)	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
Recycle Service Bulk Bin size (m³) - 1 service per fortnight				
1.10 m ³	RF63	5,611.00	N/a	N/a
1.50 m ³	RF66	771.00	RF136	1,676.00
2.25 m ³	RF69	1,120.00	RF139	2,436.00
3.00 m ³	RF72	1,425.00	RF142	3,069.00
4.00 m ³	RF75	1,770.00	RF145	3,747.00
Additional Recycling Service Bulk Bin size (m³) Lift only; 1 service		Amount Per Lift \$		Amount Per Lift \$
1.10 m ³	RF65	72.00	N/a	N/a
1.50 m ³	RF68	75.00	RF138	157.00
2.25 m ³	RF71	79.00	RF141	157.00
3.00 m ³	RF74	82.00	RF144	157.00
4.00 m ³	RF77	87.00	RF147	157.00
Temporary Recycling Service (≤ 3 months) Bulk Bin Size (m³) - Bin and Lift; 1 service		Amount Per Bin & Lift \$		Amount Per Bin & Lift \$
1.10 m ³	RF64	235.00	N/a	N/a
1.50 m ³	RF67	170.00	RF137	360.00
2.25 m ³	RF70	175.00	RF140	360.00
3.00 m ³	RF73	187.00	RF143	360.00
4.00 m ³	RF76	201.00	RF146	360.00

Commercial Bulk Waste Bin Collection Service				
RedWaste Utility Charges - Size (m ³)	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
Waste Service Bulk Bin size (m³) - 1 service per week				
0.66 m ³	RFC20	2,026.00	N/a	N/a
1.10 m ³	RFC23	2,104.00	N/a	N/a
1.50 m ³	RFC26	1,545.00	RFC106	2,436.00
2.25 m ³	RFC29	2,288.00	RFC109	3,465.00
3.00 m ³	RFC32	2,993.00	RFC112	4,554.00
4.00 m ³	RFC35	3,876.00	RFC115	5,716.00
Additional Waste Service Bulk Bin size (m³) - Lift only; 1 service per week		Amount Per Lift \$		Amount Per Lift \$
0.66 m ³	RFC21	38.00	N/a	N/a
1.10 m ³	RFC24	38.00	N/a	N/a
1.50 m ³	RFC27	28.00	RFC107	73.00
2.25 m ³	RFC30	41.00	RFC110	99.00
3.00 m ³	RFC33	54.00	RFC113	123.00
4.00 m ³	RFC36	70.00	RFC116	152.00
Temporary Waste Service (≤3 months) Bulk Bin size (m³) – Bin and Lift; 1 service		Amount Per Bin & Lift \$		Amount Per Bin & Lift \$
0.66 m ³	RFC22	63.00	N/a	N/a
1.10 m ³	RFC25	63.00	N/a	N/a
1.50 m ³	RFC28	58.00	RFC108	89.00
2.25 m ³	RFC31	61.00	RFC111	114.00
3.00 m ³	RFC34	75.00	RFC114	139.00
4.00 m ³	RFC37	91.00	RFC117	168.00

Water Charges

Water charges are set as a two part tariff – a fixed access charge and a consumption charge. This is a requirement of the *Local Government Act 2009* to satisfy National Competition Policy. The prices are set to eventually recover sufficient revenue so that the water supply business covers its costs including a contribution to Council and a return on the assets employed in the business. This full cost pricing is also a requirement of National Competition Policy.

Fixed Access Water Charge

Fixed Water Access charges will be applied on a per **meter**/lot basis, except where

1. Adjoining residential lots in the same ownership name are amalgamated for rating purposes and either-
 - the main roof structure of an occupied dwelling is constructed over the adjoining boundary line of those lots, or
 - one of the adjoining lots would, if sold separately, be unable to lawfully accommodate a dwelling, or
 - one of the adjoining lots would not be issued a building permit unless an existing approved structure was removed,

then the Fixed Water Access charge will be applied against such adjoining lots as if they are one lot. All other adjoining lots will be charged the Fixed Water Access charge on a per lot basis.

2. The land associated to the property is undeveloped and landlocked, i.e. there is no private or public access or egress to the property.
3. The property is categorised for the purpose of the Differential General Rate as Rating Category 10 (Constrained Land)
4. The property:

- a. Cannot be serviced by the reticulated water system; or
- b. Can be serviced by the reticulated water system, but
 - i. is not currently serviced by the reticulated water system; and
 - ii. the property boundary is greater than 25 meters from the nearest water main; and
 - iii. the property owner has not requested connection to the reticulation water network; and
 - iv. it is not planned for an extension of the reticulation network in the current or next financial year which will bring the network within 25 meters of the property boundary line.

Fixed Water Access charges cover costs associated with asset replacement, administration, billing, replacement of water meters, and repair of the reticulation system.

Attribute Type (RCC Use)	Type of Charge	Charge Amount \$	Charge Basis
VBW01, VBW03, VBW04	Fixed Water Access (domestic)	\$257.55	per meter/lot
VBW02	Fixed Water Access (caravan parks)	\$64.39	per unit

Units, Flats, Guest Houses, Multiple Dwellings 20mm to 150mm and Residential 25mm to 150mm		
Attribute Type (RCC Use)	Meter Size	Charge
VBM20	20mm	\$257.55
VBM25	25mm	\$402.00
VBM32	32mm	\$659.00
VBM40	40mm	\$1,030.00
VBM50	50mm	\$1,610.00
VBM80	80mm	\$4,121.00
VBM100	100mm	\$6,439.00
VBM150	150mm	\$14,487.00
Commercial and Industrial		
VBW20	20mm	\$335.00
VBW25	25mm	\$523.00
VBW32	32mm	\$857.00
VBW40	40mm	\$1,339.00
VBW50	50mm	\$2,093.00
VBW80	80mm	\$5,357.00
VBW100	100mm	\$8,371.00
VBW150	150mm	\$18,833.00

Consumption Charge

The consumption charge is calculated at a flat rate for Residential and Concessional, and at a separate flat rate for Non-residential and Council. The consumption charge is made up of 2 components, the first is the State Government's Bulk Water Charge for the purchase of potable water and the second is Council's retail charge for distribution to the households which includes administration, billing, replacement of water meters, and repair of the reticulation system.

Attribute Type (RCC Use)	Charge Description	Retail Water Price (RCC) Per Kilolitre	State Bulk Water Price Per Kilolitre	Total Price
VWC01	Residential (Domestic, Caravan Parks, Units, Flats, Guest Houses, Multiple Dwellings)	0.838	1.962	2.80
VWC03	Concessional	0.838	1.962	2.80
VWC02	Non – residential (commercial, industrial)	1.908	1.962	3.87
VWC04	Council	1.908	1.962	3.87

Wastewater Charges

The Wastewater Fixed Access charge is set as one tariff based on sewer units. Commercial and industrial properties are charged on a per lot and/or, per pedestal or equivalent pedestal (urinal) basis. The prices are set to eventually recover sufficient revenue so that the sewerage business covers its costs including a contribution to Council and a return on the assets employed in the business. This full cost pricing is also a requirement of National Competition Policy.

Developed residential and vacant residential properties are charged for 25 sewer units.

The residential Wastewater Fixed Access charge will be applied on a per lot basis, except where:

1. Adjoining residential lots in the same ownership name are amalgamated for rating purposes and either-
 - the main roof structure of an occupied dwelling is constructed over the adjoining boundary line of those lots, or
 - one of the adjoining lots would, if sold separately, be unable to lawfully accommodate a dwelling, or
 - one of the adjoining lots would not be issued a building permit unless an existing approved structure was removed,
 then the Wastewater Fixed Access charge will be applied against such adjoining lots as if they are one lot. All other adjoining lots will be charged the Wastewater Fixed Access charge on a per lot basis.
2. The land associated to the property is undeveloped and landlocked, i.e. there is no private or public access or egress to the property.
3. The property is categorised for the purpose of the Differential General Rate as Rating Category 10 (Constrained Land)
4. The property:
 - a. Cannot be serviced by the reticulated water system; or
 - b. Can be serviced by the reticulated water system, but
 - i. is not currently serviced by the reticulated water system; and
 - ii. the property boundary is greater than 25 meters from the nearest water main; and
 - iii. the property owner has not requested connection to the reticulation water network; and
 - iv. it is not planned for an extension of the reticulation network in the current or next financial year which will bring the network within 25 meters of the property boundary line.

Wastewater Fixed Access charge covers costs associated with asset replacement for seven treatment plants, approximately 120 pump stations, and the treatment of wastewater, administration, billing, and repair to mains and reticulation systems.

Attribute Type (RCC Use)	Charge Description	Charge \$	Charge Basis
VSW01	Wastewater Fixed Access Charge	\$26.41	per unit

Trade Waste Charges

Some sewered properties are required to pay Trade Waste charges if they discharge higher strength waste to the sewer. Trade Waste charges are comprised of three parts, one for access, one based on the volume and one based on strength and quantity of waste accepted by Council for treatment. The same philosophy for setting wastewater charges applies for Trade Waste charges.

Attribute Type (RCC Use)	Charge Description	Charge \$	Charge Basis
VTP01	Trade Waste Generator Charge	\$394.65	per annum
VTW01	Trade Waste Discharge – Volume:	\$2.19	per Kl
VTW01	Trade Waste Discharge - Quantity:	B.O.D (Biochemical Oxygen Demand)	\$1.60 per kg
		C.O.D (Chemical Oxygen Demand)	\$1.60 per kg
		N.F.R (Non Filterable Residue)	\$0.72 per kg
		T.O.G (Total Oil and Grease)	\$0.72 per kg
		Phosphorus	\$6.63 per kg
		Nitrogen	\$1.98 per kg
		Food waste disposal units based on power of motor.	\$34.16 as charge “C” (see policy)
		Constant “d” for use when determining “additional Charge” for excess strength waste.	1.0

Interest on Overdue Rates

Under section 133 of the *Local Government Regulation 2012*, interest, calculated on daily rests and applied as compound interest, may be charged on overdue rates from as soon as a rate becomes overdue. For 2014-15 interest will be applied at the rate of 11% per annum as provided by the above section.

If a mutually agreed arrangement is in place on overdue rates and is honoured interest will not accrue. However, if an agreed arrangement defaults, it will be considered cancelled and interest charged as if the arrangement was never entered into.

Rates Concessions

Chapter 4, Part 10 of the *Local Government Regulation 2012* provides Council with the powers to grant concessions for individuals and classes of land owners. Council has determined that pensioners as defined by the aforementioned Regulation are entitled to receive a concession on rates. Other charitable organisations, community groups, sporting associations, independent schools, and property owners who use their land for the business of farming may also be entitled to concessions or reduced charges under a Community Service Obligation.

Pensioner Concessions

Pensioner concessions on **Differential** General Rates are provided to eligible pensioner ratepayers on the basis of Council’s Policy POL- 2557 Council Pensioner Rebate Policy.

The concessions available to eligible pensioners on the **Differential** General Rate for 2014-15 are:

For ratepayers in receipt of a maximum pension	\$330.00 per financial year
For ratepayers NOT in receipt of maximum pension	\$165.00 per financial year

A Pensioner concession on Separate and Special charges (Canal, Environment, Landfill Remediation and Rural Fire charges) is available to pensioners who fulfil the eligibility criteria established in Council’s Corporate Policy POL-2557 and are owner/occupiers of adjoining residential lots in the same ownership name, which are amalgamated for rating purposes, and either:

- the main roof structure of an occupied dwelling is constructed over the adjoining boundary line of those lots, or
- one of the adjoining lots would, if sold separately, be unable to lawfully accommodate a dwelling, or
- one of the adjoining lots would not be issued a building permit unless an existing approved structure was removed,

whereby only one of each separate and special charge that may be properly made and levied on the adjoining lots will be applied. All other adjoining lots will be charged Separate and Special charges on a per lot basis.

Farming Concessions

In accordance with Chapter 4 Part 10 of the *Local Government Regulation 2012*, Council will provide a concession under section 120(f) to property owners' who are carrying on a business of primary production where the land is used exclusively for the purpose of farming.

Council will remit all but one of each Water Fixed Access charge, Wastewater Fixed Access charge, Separate and Special charge that may be properly made and levied on the subject land parcels.

The farming concession is available to eligible land owners' with contiguous parcels of land in the same ownership name. Land will be considered as contiguous when separated by a road. Land will not be considered contiguous where water connections are made to separate parcels of land.

For the purposes of this concession farming includes activities such as aquaculture production, horticulture and agriculture production and the raising, breeding or production of poultry or livestock for the purpose of selling them or their bodily produce.

Other Matters

- The Council will continue to collect adopted infrastructure charges in accordance with the State Planning Regulatory Policy and *Sustainable Planning Act 2009* which provides for the Council to recover through developer contributions a proportion of the cost of infrastructure needed to meet growth in the City.
- Cost-Recovery fees are established under section 97 of the *Local Government Act 2009*. Council has set cost-recovery fees at a level to recover up to the full cost price of administering the fee, but no more. This includes direct and indirect costs, operating and maintenance overheads, and use of capital. Some cost-recovery fees may be subsidised by revenue representing community service obligations to achieve policy objectives and desired community outcomes.
- Pursuant to section 262 of the *Local Government Act 2009*, Council has the power to charge for a service or facility, other than a service or facility for which a cost-recovery fee may be fixed. These business activity charges are subject to the goods and services tax and may be reviewed by Council at any time. The nature, level and standard of the service or facility is considered by Council in the setting of charges for business activities. Charges for business activities include (but are not limited to) rents, plant hire, private works and hire of facilities.

Aquatic Paradise Special Charge Benefited Area Map (APC-2 – version 4)



BENEFIT AREA MAP
Map: APC-2 Version 4

Canal Charges
 CA02 - Aquatic Paradise Special Charge



1:5,000

0 50 100 150 200

Meters



Produced by
Spatial Business Intelligence
30 June 2013

Data correct at time of production

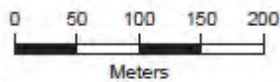
Aquatic Paradise Marina Special Charge Benefited Area Map (APC-9 – version 4)



BENEFIT AREA MAP
Map: APC-9 Version 4




1:5,000



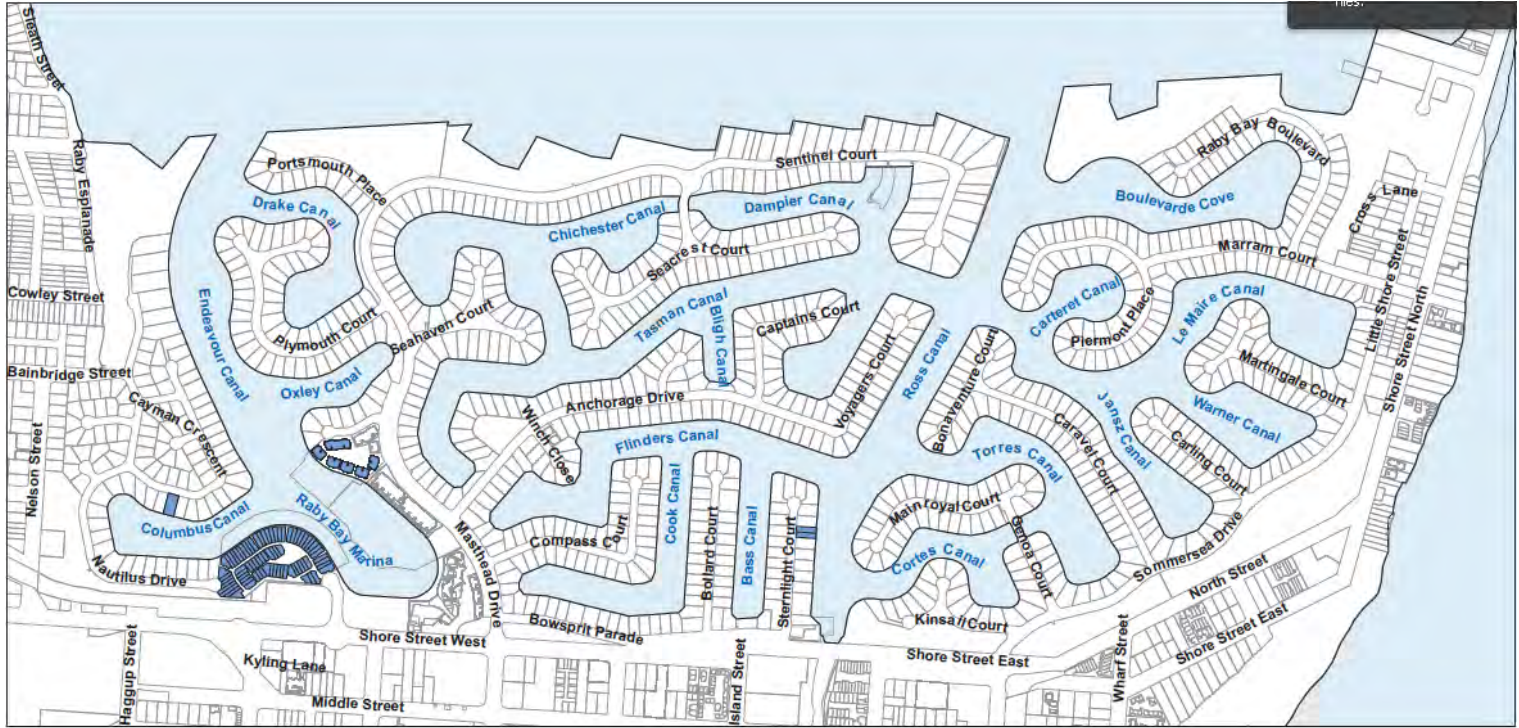
Produced by
Spatial Business Intelligence
30 June 2013

Canal Charges

 CA09 - Aquatic Paradise Marina Special Charge

Data correct at time of production

Raby Bay Community Title Scheme Special Charge Benefited Area Map (RBC-7 – version 4)



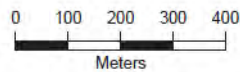
BENEFIT AREA MAP Map: RBC-7 Version 4



1:10,000

Canal Charges

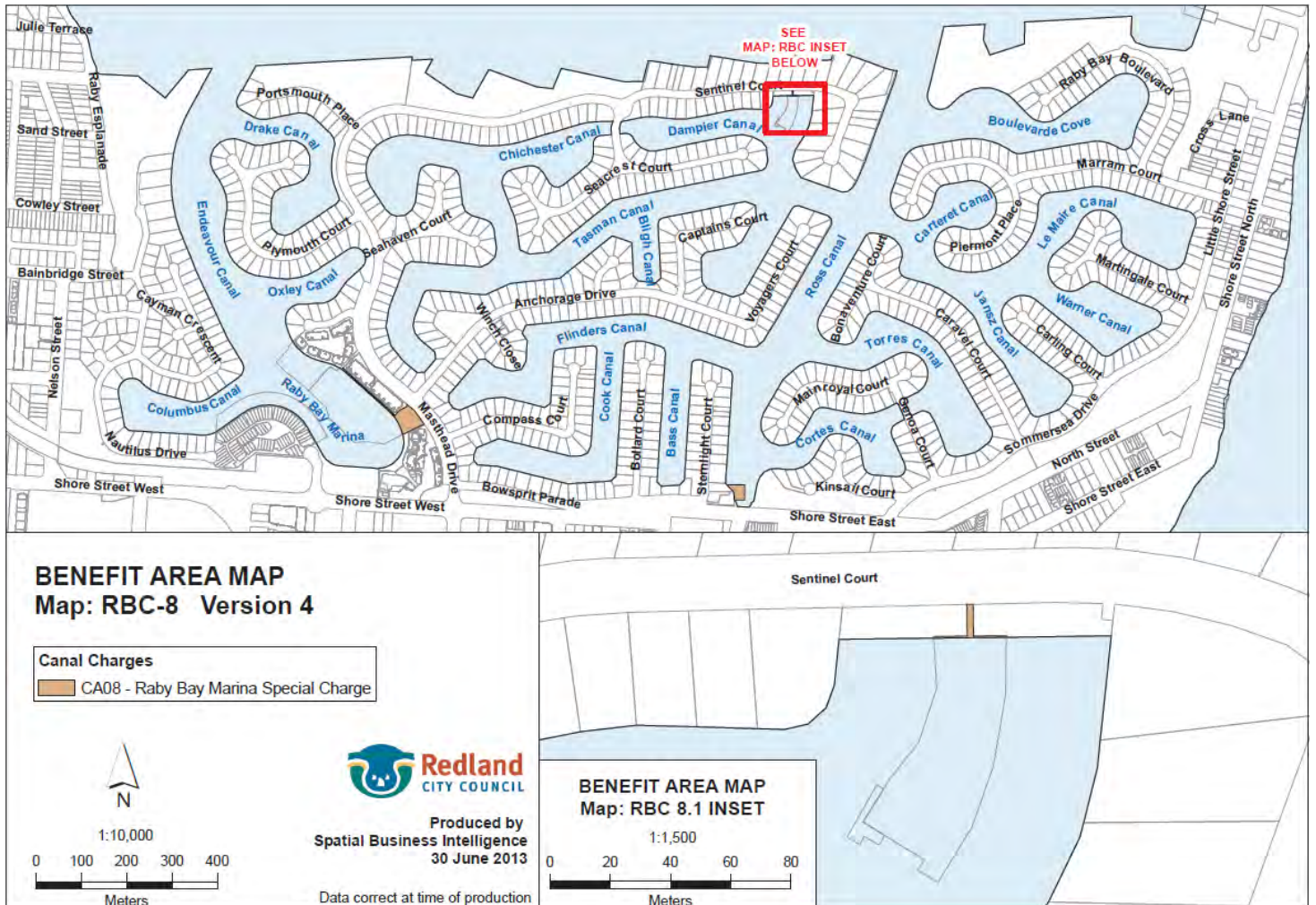
CA07 - Raby Bay Tidal Works (CTS) Special Charge



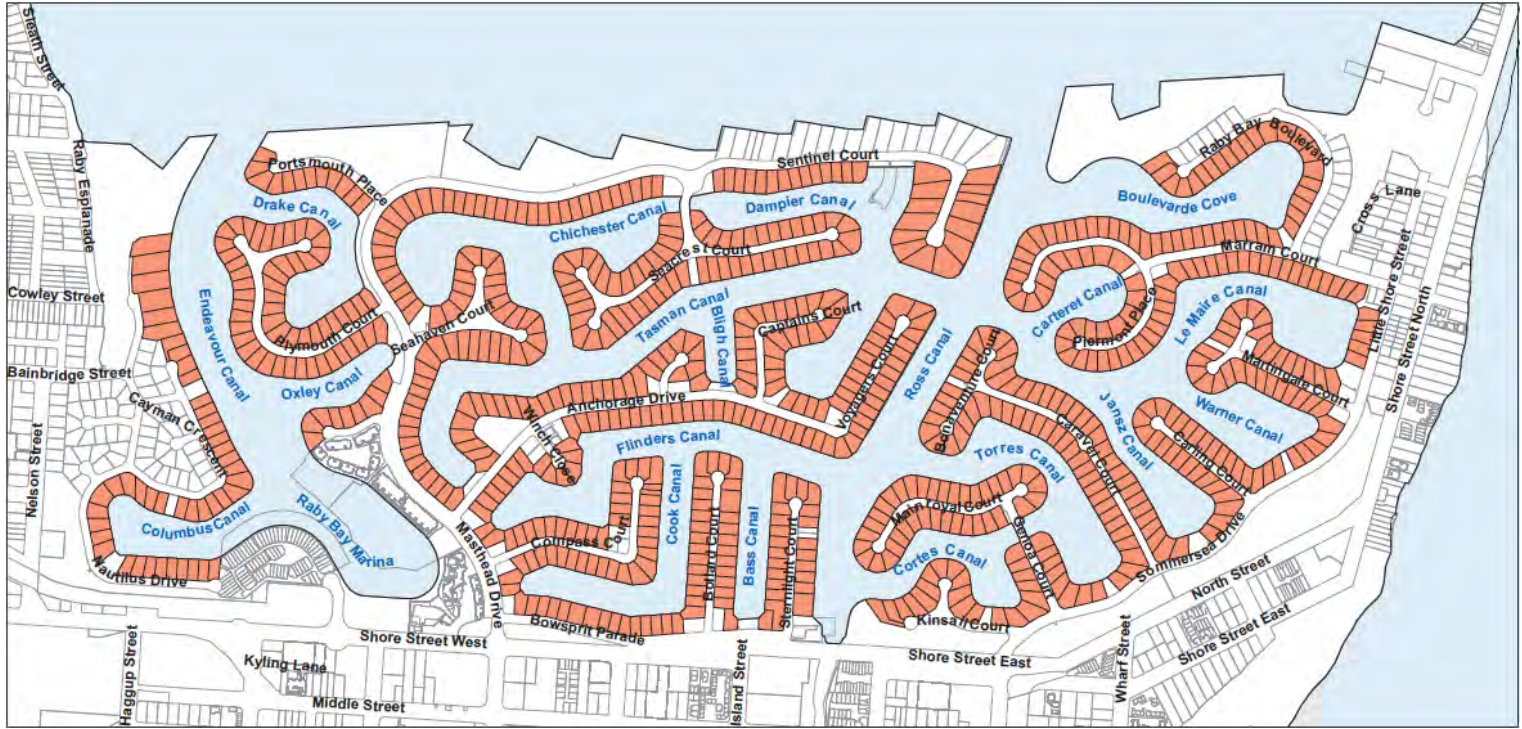
Produced by
Spatial Business Intelligence
30 June 2013

Data correct at time of production

Raby Bay Marina Special Charge Benefited Area Map (RBC-8 and RBC8.1 inset – version 4)



Raby Bay Non Community Title Scheme Special Charge Benefited Area Map (RBC-6 – version 4)



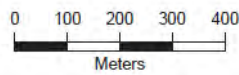
BENEFIT AREA MAP Map: RBC-6 Version 4



1:10,000

Canal Charges

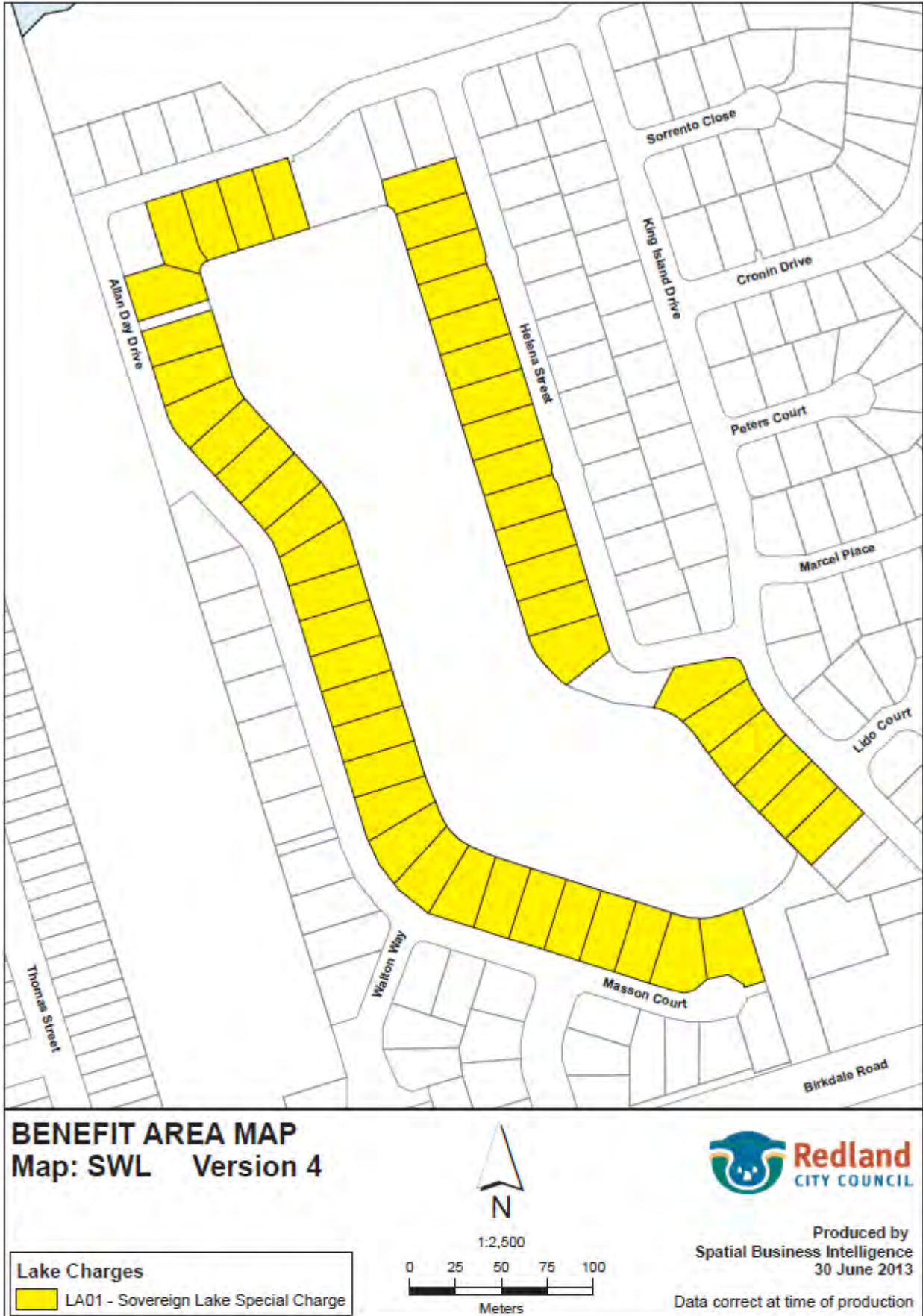
 CA06 - Raby Bay Tidal Works (non CTS) Special Charge




Produced by
Spatial Business Intelligence
30 June 2013

Data correct at time of production

Lake Levy Special Charge Benefited Area Map (SWL – version 4)



5.7.1 STATEMENT OF ESTIMATED FINANCIAL POSITION 2013/2014

Datworks Filename:	FM Financial Statements
Attachment:	<u>Statement of Estimated Financial Position 2013/2014</u>
Responsible/Authorising Officer:	 Bill Lyon Chief Executive Officer
Author:	Deborah Corbett-Hall Service Manager Corporate Finance

PURPOSE

The purpose of this report is to present Council's estimated financial position for the 2013/2014 financial year in accordance with section 205 of the *Local Government Regulation 2012*. The attachment outlines Council's forecasted financial operations and financial position for the 2013/2014 financial year.

BACKGROUND

Council adopts an annual budget at the beginning of each financial year and undertakes revisions of the budget at quarterly intervals. The information contained in the attached financial report provides details of the original budget and also a forecast of expenditure for the June period of 2013/2014.

ISSUES

Please refer to the attached Statement of Estimated Financial Position 2013/2014 and associated commentary.

The *final* financial position of Council will be determined following the end of the 2013/2014 year and in accordance with the requirements of Australian Accounting Standards and other appropriate accounting obligations.

STRATEGIC IMPLICATIONS

Council annually reviews its Financial Strategy and builds in efficiency measures along with growth and price considerations. The Financial Strategy provides the high level policy position and direction for the annual budget development process. Council then reviews its budget on a quarterly basis following adoption, responding to market, community and policy changes.

Legislative Requirements

Section 205(1) of the *Local Government Regulation 2012* requires the Chief Executive Officer to present a statement of estimated financial position to the annual budget meeting.

Risk Management

Each quarterly budget review has been adopted following a rigorous development and consultation process. Finance Officers, the Chief Financial Officer and the Executive Leadership Group also review the monthly performance and position and discuss possible causes of action when appropriate. Additionally, Council's Audit Committee reviews the monthly financial statements and discusses variances when necessary.

Financial

This report does not include any financial implications. The attachment compares the adopted original budget against year-end forecasts for the 2013/2014 financial year. As these figures are anticipated and unaudited, they are subject to change with the completion of the financial year-end accounting process.

People

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon original budget versus forecasted financial performance and position for the 2013/2014 financial year.

Environmental

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon original budget versus forecasted financial performance and position for the 2013/2014 financial year.

Social

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon original budget versus forecasted financial performance and position for the 2013/2014 financial year.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the Corporate Plan:

9. An efficient and effective organisation

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way

9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council

9.6 Implement long term asset management planning that supports innovation and sustainability of service delivery, taking into account the community's aspirations and capacity to pay for desired service levels

9.7 Develop our procurement practices to increase value for money within an effective governance framework

CONSULTATION

Finance Officers and the Acting Chief Financial Officer reviewed the attached information and confirm the information is provided in accordance with legislative requirements.

OPTIONS

1. Council resolves to note the Statement of Estimated Financial Position for 2013/2014 as presented in the attached report.
2. Council requests additional information.

OFFICER'S RECOMMENDATION

Council resolves to note the Statement of Estimated Financial Position for 2013/2014 as presented in the attached report.



**Redland City Council Statement of Financial Position
Forecast Financial Position 30 June 2014**

	2013/14 Annual Original Budget (\$000s)	Forecasted Balance at 30 June 2014 (\$000s)	Variation to Original Budget (\$000s)	% Variation to Original Budget	Comments on Variation between Forecast at 30 June 2014 and Original Budget
CURRENT ASSETS					
Cash & Investments	80,139	96,308	16,169	20.2%	The variance is attributable mainly to additional capital grants, subsidies and cash contributions received during the year. This is also reflected in the higher transfers to reserves. Payments for property, plant and equipment are also significantly lower than what was originally anticipated. The higher cash & investments balance is offset by the payments for materials & services which are expected to exceed the budgeted amount (when considering the total year to date payments for material and services and the expense anticipated for the month of June). The original budget was adopted prior to the finalisation of the 2012/13 financial statement results, resulting in a \$2.5M variance to the original budget.
Accounts Receivable	14,832	22,910	8,078	54.5%	In line with the rating cycle the current forecasted balance is expected to be further reduced at the end of the financial year (cash receipts will outweigh new charges to the debtor accounts during June 2014). The original budget was adopted prior to the finalisation of the 2013/14 financial statement results, resulting in a \$6.1M variance to the original budget. Debtor balances continue to be monitored through the debtor control measures which were put in place last year. No other significant movements are anticipated.
Inventories	991	901	(90)	(9%)	The movement in inventories is a result of the parts & materials issued during the financial year. No material variances are anticipated at the end of 2013/14.
Prepaid Expenses	1,035	962	(73)	(7%)	Prepayments are allocated to the relevant expense accounts over the period of time the item relates to. The balance at the end of 2013/14 is expected to be consistent with prior years.
Assets - Held for Sale	29	(0)	(29)	(100%)	All assets held for sale at the beginning of this year were sold as planned. Our assessments at the end of the year should identify any assets that should be included in this category based on the specific requirements of the accounting standards.
Total Current Assets	97,027	121,082	24,055	24.8%	
NON-CURRENT ASSETS					
Property, Plant and Equipment, including Investment Property and Intangible Assets	1,820,678	1,992,142	171,464	9.4%	The original budget was developed and adopted prior to the finalisation of the 2012/13 financial statement results, explaining the major part of the \$171.5M variance to the original budget. The forecasted position does not reflect the anticipated outcome of the assets revaluation currently being performed by independent valuers.
Accounts Receivable	9	0	(9)	(100%)	The original budget was developed and adopted prior to the finalisation of the 2012/13 financial statement results. The final financial results did not have a non-current portion for accounts receivable. This is expected to be consistent at the end of 2013/14
Shares in Other Companies	0	73	73	100%	The original budget was developed and adopted prior to the finalisation of the 2012/13 financial statement results. Shares in Other Companies has an opening balance of \$73K in the 2013/14 financial year - no material variances are anticipated at the end of 2013/14.
Total Non-Current Assets	1,820,687	1,992,215	171,528	9.4%	
TOTAL ASSETS	1,917,714	2,113,297	195,583	10.2%	



	2013/14 Annual Original Budget (\$000s)	Forecasted Balance at 30 June 2014 (\$000s)	Variation to Original Budget (\$000s)	% Variation to Original Budget	Comments on Variation between Forecast at 30 June 2014 and Original Budget
CURRENT LIABILITIES					
Accounts Payable	24,209	11,623	(12,586)	(52%)	The original budget was developed and adopted prior to the finalisation of the 2012/13 financial statement results, explaining \$12.6M of the variance to original budget. The expected accounts payable balance does not include any accruals that will be processed during the end of year process.
Current Employee Provisions	6,510	12,830	6,320	97.1%	The forecasted employee provisions balance reflects the recent changes in the accounting standards which required Council to revisit the calculation of this balance. The recent changes also required Council to revisit the current/non-current classification of this liability in our Statement of Financial Position. The anticipated balance (based on analysis of February 2014 employee data) reflects the change in measurement, as well as the new current/non-current split.
Current Loans	5,979	4,124	(1,855)	(31%)	The original budget was developed and adopted prior to the finalisation of the 2012/13 financial statement results, explaining the \$1.9M variance to the original budget. At the end of the year, the current portion will be determined based on the statement that is provided by QTC. Together with non-current loans, borrowings are less than originally budgeted due to Council's decision to utilise existing cash balances as a priority over borrowings. As a result there were no drawdowns from loans during the current financial year.
Current Landfill Rehabilitation Provisions	435	857	422	97.1%	The original budget was developed and adopted prior to the finalisation of the 2012/13 financial statement results, resulting in a \$5.4M variance in the current portion to the original budget. Together with the non-current portion of these provisions, the total balance is expected to remain consistent with the prior year at this stage. It is anticipated that the \$819K provision (current and non-current) for the German Church quarry will no longer be required at the end of the financial year as it is expected that the surface will be level and may be developed into a sporting complex. This reduction in the provision will be offset by an estimated \$700K increase in the landfill provision due to revised costs. The current portion of this provision will be reassessed at the end of the 2013/14 financial year based on the expected settlement of the provision within the next 12 months.
Other Liabilities	1,474	14,270	12,796	868.1%	The original budget was developed and adopted prior to the finalisation of the 2012/13 financial statement results, explaining \$4.8M of the variance to the original budget. Unearned utility revenue will be assessed at year end and will change the forecasted position at the end of 2013/14. The remaining variance is primarily due to additional unexpended capital grants of \$2.2M which includes a \$750K grant from Department of Transport & Main Roads for Floating Pontoons at William Street and a \$1.5M capital grant from Translink for the Victoria Point Ferry Terminal upgrade. Council's original budget also anticipated that the dredging work at Toondah Harbour would be completed by 30 June 2014. At this stage, \$4.6M of this grant money is still unexpended. Due to delays outside of Council's control, State Government agreed for this program to be extended to 31 December 2014.
Total Current Liabilities	38,608	43,704	5,096	13.2%	



	2013/14 Annual Original Budget (\$000s)	Forecasted Balance at 30 June 2014 (\$000s)	Variation to Original Budget (\$000s)	% Variation to Original Budget	Comments on Variation between Forecast at 30 June 2014 and Original Budget
NON-CURRENT LIABILITIES					
Non-Current Loans	65,284	54,872	(10,412)	(15.9%)	Together with current loans, borrowings are less than originally budgeted due to Council's decision to utilise existing cash balances as a priority over borrowings. As a result there were no drawdowns from loans during the financial year.
Non-Current Employee Provisions	9,754	1,810	(7,944)	(81.4%)	The forecasted employee provisions balance reflects the recent changes in the accounting standards which required Council to revisit the calculation of this balance. The recent changes also required Council to revisit the current/non-current classification of this liability in our Statement of Financial Position. The anticipated balance (based on analysis of February employee data) reflects the change in measurement, as well as the new current/non-current split.
Non-Current Landfill Rehabilitation Provisions	28,558	34,369	5,811	20.3%	The original budget was developed and adopted prior to the finalisation of the 2012/13 financial statement results, explaining \$6.1M of the variance to the original budget. Together with the non-current portion of these provisions, the total balance is expected to remain consistent with the prior year at this stage. It is anticipated that the \$819K provision for the German Church quarry will no longer be required at the end of the financial year as it is expected that the surface will be level and may be developed into a sporting complex. This reduction in the provision will be offset by an estimated \$700K increase in the landfill provision due to revised costs. The current/non-current split will be reassessed at the end of the 2013/14 financial year where the portion of the provision which is expected to be settled within the next 12 months will be transferred to current.
Non-Current Trade & Other Payables	1,027	693	(334)	(32.5%)	The original budget was developed and adopted prior to the finalisation of the 2012/13 financial statement results, resulting in a \$334K variance to budget.
Total Non-Current Liabilities	104,623	91,744	(12,879)	(12.3%)	
TOTAL LIABILITIES	143,231	135,448	(7,783)	(5.4%)	
NET ASSETS	1,774,483	1,977,849	203,366	11.5%	
COMMUNITY EQUITY					
Retained Earnings	1,728,791	1,920,554	191,763	11.1%	The variance in retaining earnings is a combined result of the variances above.
Cash Reserves	45,692	57,295	11,603	25.4%	The original budget was developed and adopted prior to the finalisation of the 2012/13 financial results, explaining \$14.1M of the variance to the original budget. Cash holdings are always more than sufficient to cover cash reserves (community funds held for particular purposes). Of note, the higher than expected developer cash contributions resulted in the actual transfers to reserves during the year being \$8.4M higher than anticipated. \$7M in reserves have been transferred back to retained earnings during the year, the most material of these reserves being the Landfill Remediation Charge Reserve at \$5.7M. As a result, the \$3.8M transfer to reserves (per the original budget) did not occur. The forecasted reduction in reserves (based on capital works) is \$5M.
TOTAL COMMUNITY EQUITY	1,774,483	1,977,849	203,366	11.5%	



Redland City Council Financial Report
Forecast Financial Results for the period ending 30 June 2014

	2013/14 Annual Original Budget (\$000s)	Forecast Actuals to 30 June 2014 (\$000s)	Variation to Original Budget (\$000s)	% Variation to Original Budget	Comments on Variation between Forecast at 30 June 2014 and Original Budget
OPERATING REVENUE					
Rates Charges	77,623	77,684	61	0.1%	<u>Favourable variance</u> The forecasted revenue from rates charges for the 2013/14 financial year is consistent with the original budget forecast.
Other Rates and Utility Charges	119,189	119,776	587	0.5%	<u>Favourable variance</u> Water consumption for non-residential properties was higher than anticipated during this year resulting in a favourable variance of \$1.1M to the original budget. This favourable variance is partially offset by lower than anticipated base water charges (unfavourable variance of \$542K).
Less: Pensioner Remissions	(2,670)	(2,676)	(6)	0.2%	<u>Unfavourable variance</u> The forecasted Pensioner Remissions for the 2013/14 financial year is consistent with the original budget forecast.
Fees and Charges	9,775	10,644	869	8.9%	<u>Favourable variance</u> Development application fee revenue has a favourable variance of \$515K due to new/additional subdivisions which occurred during the 2013/14 year. This has also resulted in plumbing fee revenue and building regulatory fee revenue having a combined favourable variance of \$440K.
Operating Grants and Subsidies	10,016	7,403	(2,614)	(26.1%)	<u>Unfavourable variance</u> The material grants in this line item relate to dredging works funded by State Government where Council is undertaking this work on behalf of State Government. Delays (outside of Council's control) have been experienced in these dredging works and as such, the revenue in relation to this work cannot be recognised until the significant milestones in each project have been achieved. It was originally anticipated that works will be completed by 30 June 2014, however revised expectations and program extensions granted by State Government indicate the work should be completed during the 2014/15 financial year.
Operating Contributions and Donations	0	988	988	0%	<u>Favourable variance</u> The variance is mainly due to \$617K in contributions received from the Natural Disaster and Recovery Arrangements (NDRRA) during the month of April 2014. This was not anticipated during original budget development.
Interest External	4,104	3,786	(318)	(7.7%)	<u>Unfavourable variance</u> Interest revenue is lower than anticipated in the original budget due to an interest rate reduction by the Reserve Bank of Australia of 25 base points during the financial year. As a result of this interest rate reduction, the QTC cash fund year to date return decreased from 4.14% to 3.49% from June 2013 to May 2014.
Other Revenue	3,681	5,651	1,970	53.5%	<u>Favourable variance</u> \$449K of this variance relates to year to date favourable variances in Water & Waste Water Recoverable works (\$361K), as well as commercial rent (\$88K). \$538K additional revenue was generated from Department of Main Roads (DMR) due to asphalt works undertaken along Cleveland-Redland Bay Rd Thornlands and at Victoria Pt on behalf of DMR. This revenue was not incorporated in the original budget. A \$64K first progress payment was received from Department of Transport during April 2014 for the design & construction of Capalaba Entry State and \$110K was generated from the Birkdale Sanitary Landfill project. These were not included in the 2013/2014 original budget. Waste management sales was higher than originally anticipated, explaining a further \$105K of the total variance. \$147K in revenue is expected from water and wastewater recoverable works before end of the financial year. Commercial rates and waste sales are expected to generate \$62K and \$50K respectively over the month of June.
Total Operating Revenue	221,718	223,256	1,538	0.7%	



	2013/14 Annual Original Budget (\$000s)	Forecast Actuals to 30 June 2014 (\$000s)	Variation to Original Budget (\$000s)	% Variation to Original Budget	Comments on Variation between Forecast at 30 June 2014 and Original Budget
OPERATING EXPENDITURE					
Employee Costs	74,422	72,038	(2,384)	(3.2%)	<u>Favourable variance</u> The favourable variance in employee costs is mainly due to an anticipated decrease in the long service leave provision at the end of financial year by \$1.94M. The forecasted employee provisions balance reflects the recent changes in the accounting standards which required Council to revisit the calculation of this balance. The calculation of the anticipated change is based on employee information as at 28 February 2014 and will be revisited at the end of June 2014.
Goods and Services	96,879	101,456	4,577	4.7%	<u>Unfavourable variance</u> The variance is attributable to Bulk Water Purchases which are higher than originally anticipated. The variance to original budget as at 31 May 2014 was \$3.83M (unfavourable). Bulk Water Purchases are accrued based on anticipated water consumption. Accrued expenditure will be determined post 30 June 2014 to ensure the completeness of the expenditure and the related creditor balances.
Finance Costs Other	311	355	44	14.0%	<u>Unfavourable variance</u> The variance is primarily due to write-offs of overdue rates and valueless lands (\$26K). Bank transaction fees were also \$20K higher than originally anticipated.
Other Expenditure	293	1,364	1,072	365.8%	<u>Unfavourable variance</u> Increase of other expenditure primarily due to a refund of \$1.12M in developers contributions. These contributions were originally received in 2007.
Net Internal Costs	(1,096)	(975)	121	(11.1%)	<u>Unfavourable variance</u> These costs are internal to Redland City Council and are relatively consistent with the original budget forecast.
Total Operating Expenditure	170,809	174,238	3,428	2.0%	
Earnings before Interest, tax and depreciation (Earnings before Interest, tax and depreciation)					
Earnings before Interest, tax and depreciation (Earnings before Interest, tax and depreciation)	50,909	49,018	(1,890)	(3.7%)	
Interest expense	3,798	3,857	60	1.6%	<u>Unfavourable variance</u> The anticipated forecast is consistent with the original budget forecast.
Depreciation	46,794	49,443	2,649	5.7%	<u>Unfavourable variance</u> Depreciation expense per the original budget was based on the previous asset valuation of \$1,820M and an average depreciation rate of 2.5%. The actual asset value at the end of June 2013 was \$1,990M. The original budget was developed and adopted prior to the finalisation of the 2012/13 financial statement results, and as such the asset value used to calculate the anticipated depreciation charge was not the final figure.
Operating Surplus/(Deficit)	317	(4,282)	(4,599)	(1450.5%)	
Transfers to Constrained Operating Reserves	(13,639)	(11,140)	2,498	(18.3%)	During the financial year Council closed out a number of reserves, resulting in the transfers to reserve being lower than originally anticipated.
Transfers from Constrained Operating Reserves	11,128	17,944	6,817	61.3%	The increase in transfers from reserves are mainly due to increased transfers from the Environmental Reserve, Constrained Works Capital Reserve and Constrained Work Reserve by \$1.69M, \$1.45M and \$3.42M respectively. The constrained reserves include \$2.55M of Financial Assistance Grant which was unknown at the time of original budget formulation. This will be transferred from the reserve before end of the financial year.



	2013/14 Annual Original Budget (\$000s)	Forecast Actuals to 30 June 2014 (\$000s)	Variation to Original Budget (\$000s)	% Variation to Original Budget	Comments on Variation between Forecast at 30 June 2014 and Original Budget
CAPITAL FUNDING STATEMENT					
Sources of Capital Funding					
Capital Contributions and Donations	4,896	13,231	8,335	170.2%	<u>Favourable variance</u> Public open space parks contributions and Redland Water augmentation contributions have favourable variances of \$1.61M and \$2.15M respectively when compared to the original budget. Infrastructure charges are hard to predict due to developers having the option to pay the charges at any point before the due date and revenue is recognised on receipt. The cycleway infrastructure charges and stormwater trunk infrastructure charges are \$1.03M higher than the original budget. Transport infrastructure charges are \$1.9M higher than originally budgeted, mainly due to the commencement of the Kinross Road and Moreton Road projects for which \$1.3M and \$221K was received in the form of developer contributions.
Capital Grants and Subsidies	4,261	5,275	1,015	23.8%	<u>Favourable variance</u> This variance to original budget is mainly due to additional grant receipts of \$361K from the Department of Transport & Main Roads for the construction of Bay & Smith Street Roundabout, as well as the Old Cleveland Road East and Birkdale & Wellington Point projects. During the year \$182K was received from Emergency Management Queensland for the NSI Natural Disaster Management Centre project. This was not anticipated at the time of original budget formulation. An additional \$350K in capital grants are expected to be received for the upgrade of boat ramps at Russell Island and Yabby Street NSI.
Proceeds on Disposal of Non Current Assets	1,424	2,492	1,068	75%	<u>Favourable variance</u> Primarily due to sales proceeds of SMBI Land Exchange program \$1.06M. These disposals were not originally budgeted for.
Capital Transfers (to)from Reserves	3,975	(4,342)	(8,317)	(209.2%)	The variance is a combined result of the higher transfers to reserves (due to higher than expected developer cash contributions received during the year) and lower than anticipated transfers from reserves (due to delays in the capital program).
Non-Cash Contributions	3,154	984	(2,170)	(68.8%)	<u>Unfavourable variance</u> Non-cash contributions from developers in relation to the Redland Water & Wastewater projects were significantly lower than originally anticipated. These type of contributions are not entirely within Council's control as the estimates used to determine the budgeted figure is subject to a substantial degree of variability.
New Loans	10,581	0	(10,581)	(100%)	<u>Favourable variance</u> The variance to original budget is due to Council's decision to continue utilising existing cash balances as a priority over borrowings. This decision was adopted as part of the Q3 budget review.
Funding from General Revenue	35,897	38,185	2,288	6.4%	This movement illustrates the increased reliance on general revenue during the year as a result of the lower than anticipated capital transfers from reserves (due to delayed capital programs) and the reduced loan drawdowns.
Total Sources of Capital Funding	64,188	55,826	(8,362)	(13.0%)	
Proposed Application of Capital Funds					
Contributed Assets	3,154	984	(2,170)	(68.8%)	<u>Unfavourable variance</u> Contributed Assets are linked to the non-cash contributions from developers. Non-cash contributions from developers in relation to the Redland Water & Wastewater projects were significantly lower than originally anticipated. These type of contributions are not entirely within Council's control as the estimates used to determine the budgeted figure is subject to a substantial degree of variability.
Capitalised Goods & Services	48,623	46,314	(2,309)	(4.7%)	<u>Favourable variance</u> The forecasted balance for expenditure under the capital program is lower than originally anticipated. The variance is caused by delays in various construction projects, as well as delays in the Fleet Replacement Program, which results in the actual capital expenditure being lower than the original budgeted amounts.
Capitalised Employee Costs	8,294	4,422	(3,872)	(46.7%)	
Loan Redemption	4,118	4,106	(12)	(0.3%)	<u>Favourable variance</u> The anticipated forecast is consistent with the original budget forecast.
Total Application of Capital Funds	64,188	55,826	(8,362)	(13.0%)	
Other Budgeted Items					
WDV of Assets Disposed	(304)	(3,872)	(3,567)	1173.1%	The variance to original budget is mainly due to the written down value of disposed fleet vehicles (\$1.58M) and the written down value of disposed RCC properties through the SMBI land exchange program during the financial year (\$1.59M).
Tax and Dividends	0	0	0	(0%)	No variance - No explanation required
Internal Capital Structure Financing	0	0	0	(0%)	No variance - No explanation required

5.7.2 NATIONAL COMPETITION POLICY REQUIREMENTS FOR SIGNIFICANT AND OTHER BUSINESS ACTIVITIES IN 2014/2015

Datworks Filename: FM Corporate Budget

Attachment: [Register of Business Activities 2014-2015](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Deborah Corbett-Hall
Service Manager Corporate Finance

Author:

Sandra Carseldine
Senior Accountant Commercial Businesses

PURPOSE

The purpose of this report is to identify activities that are business activities for 2014/2015 based on the current financial forecasts for the 2013/2014 financial year and to review the application of the Code of Competitive Conduct (CoCC) to business activities across Redland City Council.

The financial statements containing the estimated costs of the significant business activity and other business activities will be included in the 2014/2015 Budget Publication for adoption at the Special Budget Meeting 26th June 2014.

BACKGROUND

Section 47(7) of the *Local Government Act 2009* states a local government must decide each financial year, by resolution, whether or not to apply the code of competitive conduct to a business activity prescribed under a regulation.

Additionally, section 34(1) of the *Local Government Regulation 2012* requires that a Local Government's budget must contain an estimated activity statement for each business activity.

As part of the annual budget deliberations, Council considered the change to the threshold for prescribed business activities and also the desired focus on commercial opportunities.

ISSUES

Redland City Council is required to consider the legislated financial thresholds to ascertain whether new business activities will be introduced for the 2014/2015 financial year in line with current legislative requirements.

The Department of Local Government, Community Recovery and Resilience (The Department) provides an annual bulletin to update the thresholds.

The latest Departmental thresholds were published in January 2014 for the 2013/2014 financial year:

For Significant Business Activities:

- water and sewerage combined activities - \$13,300,000
- other activities - \$8,900,000

For Prescribed Business Activities \$312,000

Of note, these thresholds are outlined at section 19 of the *Local Government Regulation 2012* and are anticipated to be indexed early in the 2014/2015 financial year.

In deciding whether an activity should be a new Significant or Prescribed Business Activity for the 2014/2015 financial year, local governments must consider the operating expenditure for the 2013/2014 financial year plus any depreciation included therein and any expenditure included therein to achieve competitive neutrality which is not actually incurred by the local government plus any loan redemption payments in that year.

The following table provides a review of the threshold implications and provides recommendation regarding the applicability of the framework:

Activity	Classification	Comments
Redland Water	Significant Business Activity that is commercialised	No change from 2013/2014
Waste Operations & Planning 'RedWaste'	Significant Business Activity	No change from 2013/2014
Redland Performing Arts Complex	Business Activity subject to the code of competitive conduct	No change from 2013/2014
Building Certification	Business Activity subject to the code of competitive conduct	No change from 2013/2014
Cemeteries Operations	Business Activity subject to the code of competitive conduct	Under the threshold, therefore no longer subject to the code of competitive conduct
Redland Art Gallery	Business Activity subject to the code of competitive conduct	Minimal revenue is derived from this business, therefore no longer subject to the code of competitive conduct

STRATEGIC IMPLICATIONS

An annual review of the Long Term Financial Strategy with Councillors and the Executive Leadership is anticipated to be conducted between October and December of the 2014/2015 financial year.

Legislative Requirements

Section 47(7) of the *Local Government Act 2009* states a local government must decide each financial year, by resolution, whether or not to apply the code of competitive conduct to a business activity prescribed under a regulation. This report contains a proposal for the 2014/2015 financial year that will be reviewed on the completion of the 2013/2014 end of year financial statements.

Risk Management

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

Financial

There are no financial implications impacting Council as a result of this report – all business activities are budgeted for and operating statements are provided in the budget publication.

People

Nil impact expected as the purpose of this document is to propose the business activities for the 2014/2015 financial year in accordance with the legislative requirements.

Environmental

Nil impact expected as the purpose of this document is to propose the business activities for the 2014/2015 financial year in accordance with the legislative requirements.

Social

Nil impact expected as the purpose of this document is to propose the business activities for the 2014/2015 financial year in accordance with the legislative requirements.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the Corporate Plan:

9. An efficient and effective organisation

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way

- 9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council
- 9.6 Implement long term asset management planning that supports innovation and sustainability of service delivery, taking into account the community's aspirations and capacity to pay for desired service levels
- 9.7 Develop our procurement practices to increase value for money within an effective governance framework
- 9.8 Work 'smarter' across departments, in multi-disciplinary teams to achieve continuous improvement and effective co-ordination

CONSULTATION

Finance Officers, the Chief Financial Officer and the Executive Leadership Group have reviewed the existing business activities during 2013 on a quarterly basis. As part of the annual budget development, Council discussed the business activities during a workshop held on 26th February 2014.

OPTIONS

Option 1

1. That Redland Water continues to be classified as a significant business activity to be run as a commercial business unit and Waste Operations & Planning (RedWaste) continues to be classified as a significant business activity; and
2. To apply the Code of Competitive Conduct to the following business activities:
 - a. Redland Performing Arts Centre; and
 - b. Building Certification Services.

Option 2

That Council requests further information or propose amendments to the proposed business activity listing above.

OFFICER'S RECOMMENDATION

That Council resolves as follows:

1. **That Redland Water continues to be classified as a Significant Business Activity to be run as a Commercial Business Unit and Waste Operations & Planning (RedWaste) continues to be classified as a Significant Business Activity; and**
2. **To apply the Code of Competitive Conduct to the following business activities:**
 - a. **Redland Performing Arts Centre; and**
 - b. **Building Certification Services.**

REDLAND CITY COUNCIL - REGISTER OF BUSINESS ACTIVITIES TO WHICH THE CODE OF COMPETITIVE NEUTRALITY PRINCIPLE APPLIES

Section 56 of the LG Regulation 2012, requires Council to hold a Register of Business Activities

“Section 56 Register

(1) A local government must establish a register of business activities to which the competitive neutrality principle applies.

(2) The register must state the following—

(a) Business activities to which the local government has applied the competitive neutrality principle, and the day from which the competitive neutrality principle applied to each business activity;

(b) Business activities to which the code of competitive conduct applies, and the date from which the code applied to each business activity;

(c) a list of-

(i) Current investigation notices for competitive neutrality complaints; and

(ii) The business activities to which the complaints relate; and

(iii) The local government’s responses to the QCA’s recommendations on the complaints.

Business Activity	Business Activity	Competitive Neutrality Commenced	Code of Competitive Conduct Commenced	QCA as a Referee	Investigation Notices for Complaints	Decision on Referees Recommendations
Water & Wastewater Services	Significant	1 July 1998	1 July 1998	Nil	Nil	
Waste Management Services	Significant	1 July 1998	1 July 1998	Nil	Nil	
Redland Performing Arts Centre	No	1 July 2008	1 July 2008	Nil	Nil	
Building Certification Services	No	1 July 2008	1 July 2008	Nil	Nil	

5.7.3 ESTABLISHMENT OF RESERVE BALANCES AND TRANSFERS FOR 2014/2015

Dataworks Filename: FM Corporate Budget

Attachment: [Reserve Transfers and Anticipated Reserve Balances for 2014/2015](#)

Responsible/Authorising Officer:



Bill Lyon
Chief Executive Officer

Author:

Deborah Corbett-Hall
Service Manager Corporate Finance

PURPOSE

The purpose of this report is to provide details of Redland City Council reserve balances and transfers for the 2014/2015 financial year. Whilst this is no longer a requirement under the *Local Government Act 2009* or *Local Government Regulation 2012*, constrained reserves demonstrate to the community that funds are held for particular purposes.

BACKGROUND

Each year Council develops and adopts a budget that includes forecasts for transfers to and from both operational and capital reserves. As part of the 2014/2015 budget development process, a Constrained Cash Reserves Policy was developed and adopted to underpin Council's commitment to financial sustainability.

ISSUES

Redland City Council has established its reserves in the operating fund by including each reserve in its annual budget or by a separate resolution.

The attachment outlines the opening balance of reserves as at 1 July 2013, the anticipated closing balance of reserves as at 30 June 2014, and budgeted transfers and anticipated balances for 2014/2015.

STRATEGIC IMPLICATIONS

Council reviews its budget on a monthly basis against actual performance and position and also formally revises its budget quarterly. Additionally, each year Council reviews its long term Financial Strategy and considers the constrained cash held as a subset of community equity, ensuring the constrained cash in the reserves is fully funded from cash and cash balances.

Legislative Requirements

Section 104 of the *Local Government Act 2009* requires that a local government establishes a system of financial management to ensure financial sustainability. Additionally, in the interests of transparency and accountability, Council is keen to

illustrate to the community its constrained cash balances as the funds are held for particular purposes.

Risk Management

Reserve balances are reviewed on a monthly basis to ensure they are not overdrawn or exceed the cash balances of Council, an established practice now underpinned by Council's Constrained Cash Reserves Policy.

Financial

There are no direct financial impacts to Council resulting from this report – transfers to and from reserves are a movement in community equity and increases in reserves hold community funds for *particular* purposes.

People

Nil impact expected as the purpose of the attached report is to provide an overview of the transfers to and from constrained reserves for the 2014/2015 financial year.

Environmental

Nil impact expected as the purpose of the attached report is to provide an overview of the transfers to and from constrained reserves for the 2014/2015 financial year.

Social

Nil impact expected as the purpose of the attached report is to provide an overview of the transfers to and from constrained reserves for the 2014/2015 financial year.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the Corporate Plan:

9. An efficient and effective organisation

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way

9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council

CONSULTATION

The Executive Leadership Group and Councillors have been consulted as part of the recent budget workshops in relation use of reserves to fund operational and capital jobs in the 2014/2015 financial year. The transfers are identified as line items on the face of the Operating and Capital Funding Statements.

OPTIONS

1. Council resolves to adopt the forecast reserve balances and transfers identified in the attachment as a result of the 2014/2015 budget development workshops.
2. Council amends some of the transfers to and from reserves – noting this will also result in a change to revenues or expenditures relating to particular jobs, projects or works programs.

OFFICER'S RECOMMENDATION

Council resolves to adopt the forecast reserve balances and transfers identified in the attachment as a result of the 2014/2015 budget development workshops.

RESERVE TRANSFERS AND ANTICIPATED RESERVE BALANCES

Reserves by Category	Opening Balance 01/07/2013	Anticipated Closing Balance 30/06/2014 (revised budget)	2014-2015 Budgeted Movement		Anticipated Closing Balance 30/06/2015
			TO	FROM	
<u>Special Projects Reserve</u>					
Cemetery Reserve *	\$398,855.92	\$0.00			\$0.00
State Emergency Service Reserve *	\$19,832.68	\$0.00			\$0.00
Weinam Creek Reserve	\$2,335,019.62	\$2,694,854.22	\$557,669.00	-\$1,580,300.00	\$1,672,223.22
Contributions to Road Maintenance Reserve *	\$155,175.04	\$0.00			\$0.00
Redland WorkCover Reserve	\$5,146,837.06	\$4,966,936.06	\$115,500.00	-\$703,802.54	\$4,378,633.52
Contributions to Raby Bay Land Sales Reserve *	\$277,625.30	\$0.00			\$0.00
Art Gallery Commissions & Donations Reserve	\$14,466.93	\$16,466.93			\$16,466.93
Interest Free Loans Reserve *	\$486,832.56	\$0.00			\$0.00
Halls Reserve *	\$2,036.80	\$0.00			\$0.00
Raby Bay Maintenance Reserve **	\$336,388.07	\$0.00			\$0.00
Aquatic Paradise Maintenance Reserve **	\$936,337.15	\$0.00			\$0.00
Sovereign Waters Maintenance Reserve **	\$118,458.50	\$0.00			\$0.00
SMBI Capital Reserve	\$3,317,089.13	\$2,699,189.13	\$1,157,776.00	-\$328,085.00	\$3,528,880.13
	\$13,544,954.76	\$10,377,446.34	\$1,830,945.00	-\$2,612,187.54	\$9,596,203.80
<u>Utilities Reserve</u>					
RedWaste Reserve	\$2,496,726.81	\$3,029,224.81	\$996,512.00	-\$513,105.00	\$3,512,631.81
Redland Water Reserve ***	\$0.00	\$0.00			\$0.00
Redland Wastewater Reserve ***	\$0.00	\$0.00			\$0.00
	\$2,496,726.81	\$3,029,224.81	\$996,512.00	-\$513,105.00	\$3,512,631.81
<u>Constrained Works Capital Reserve</u>					
Street Tree Planting Reserve	\$50,110.85	\$52,744.93	\$10,000.00		\$62,744.93
Parks Reserve	\$253,517.73	\$1,701,577.71	\$953,250.00	-\$490,000.00	\$2,164,827.71
SP1 Wellington Pt Road Infrastructure Reserve	\$463,311.65	\$463,311.65			\$463,311.65
Redland Bay South Road Infrastructure Reserve	\$442,652.28	\$442,652.28			\$442,652.28
East Thornlands Road Infrastructure Reserve	\$674,351.38	\$674,351.38			\$674,351.38
Car Parking Reserve	\$339,993.21	\$339,993.21			\$339,993.21
Street Lighting Reserve *	\$12,808.15	\$0.00			\$0.00
Quarry Development Reserve *	\$357,830.57	\$0.00			\$0.00
Roadworks Infrastructure Other Reserve *	\$2,029,504.86	\$0.00			\$0.00
Community Facility Infrastructure Reserve	\$147,986.39	\$307,306.00	\$35,875.00		\$343,181.00
Water Renewal & Purchase Reserve	\$4,385,033.92	\$4,954,570.87	\$1,500,000.00	-\$898,084.31	\$5,556,486.56
Sewerage Renewal & Purchase Reserve	\$5,640,694.95	\$4,118,809.75	\$2,000,000.00	-\$2,835,795.20	\$3,283,014.55
Constrained Cap Grants & Contributions Reserve	\$3,742,989.47	\$1,884,096.82	\$0.00	-\$1,874,096.82	\$10,000.00
Transport Trunk Infrastructure Reserve	\$1,316,383.93	\$4,476,750.49	\$1,400,000.00		\$5,876,750.49
Cycling Trunk Infrastructure Reserve	\$407,223.05	\$308,882.33	\$102,500.00		\$411,382.33
Stormwater Infrastructure Reserve	\$1,071,966.67	\$1,593,078.69	\$169,125.00		\$1,762,203.69
Constrained Opr Grants & Contributions Reserve	\$4,004,686.83	\$568,814.60	\$0.00	-\$35,419.20	\$533,395.40
	\$25,341,045.89	\$21,886,940.71	\$6,170,750.00	-\$6,133,395.53	\$21,924,295.18
<u>Separate Charge Reserve - Environment</u>					
Environment Charge Acquisition Reserve	\$7,035,850.23	\$6,935,850.23			\$6,935,850.23
Environment Charge Maintenance Reserve	\$1,253,555.59	\$1,380,311.67	\$5,636,605.00	-\$5,636,605.22	\$1,380,311.45
Landfill Remediation Charge Reserve *	\$5,737,847.55	\$0.00			\$0.00
	\$14,027,253.37	\$8,316,161.90	\$5,636,605.00	-\$5,636,605.22	\$8,316,161.68
<u>Special Charge Reserve - Other</u>					
Bay Island Rural Fire Levy Reserve	\$0.00	\$0.00	\$53,130.00	-\$53,130.00	\$0.00
SMBI Translink Reserve	\$0.00	\$0.00	\$948,520.00	-\$948,520.00	\$0.00
	\$0.00	\$0.00	\$1,001,650.00	-\$1,001,650.00	\$0.00
<u>Special Charge Reserve - Canals</u>					
Raby Bay Canal Reserve	\$0.00	\$3,591,293.19	\$2,750,089.14	-\$4,353,225.80	\$1,988,156.53
Aquatic Paradise Canal Reserve	\$559,040.88	\$1,881,472.84	\$848,458.10	-\$2,614,643.00	\$115,287.94
Sovereign Waters Lake Reserve	\$385,982.54	\$497,668.25	\$60,000.00	-\$87,768.00	\$469,900.25
Raby Bay Tidal Works Non CTS Reserve **	\$2,881,575.87	\$0.00			\$0.00
Raby Bay Tidal Works CTS Reserve **	\$245,992.93	\$0.00			\$0.00
Raby Bay Marina Reserve **	\$209,978.30	\$0.00			\$0.00
Aquatic Paradise Marina Reserve **	\$64,237.08	\$0.00			\$0.00
	\$4,346,807.60	\$5,970,434.28	\$3,658,547.24	-\$7,055,636.80	\$2,573,344.72
BALANCES	\$59,756,788.43	\$49,580,208.04	\$19,295,009.24	-\$22,952,580.09	\$45,922,637.19

* These reserves will be closed at 30 June 2014 in line with council resolution - 9 October 2013.

** These reserves will be amalgamated into the 3 existing canal & lake reserves at 30 June 2014 in line with council resolution - 9 October 2013.

*** These reserves will be created at 30 June 2014 as part of end of year accounts finalisation.

5.7.4 ENVIRONMENT SEPARATE CHARGE 2014/2015**Datworks Filename: FM Corporate Budget****Authorising Officer:****Bill Lyon
Chief Executive Officer****Responsible Officer:****Deborah Corbett-Hall
Service Manager Corporate Finance****Author:****Noela Barton
Service Manager Revenue & Collections
Management**

PURPOSE

The purpose of this report is to submit to Council for noting the Environment Separate Charge for the 2014/2015 financial year.

BACKGROUND

In accordance with section 94 of the *Local Government Act 2009*, Council may levy a separate charge as defined at section 92(5). Council has determined that the community in general will benefit from the protection, management, promotion and enhancement of biodiversity. This includes koala habitat, bushland, green space, waterways, catchments, air and coastal ecosystems in the City that cannot always be effectively protected through Council's regulatory powers or management powers. The charge is applied on a per lot basis and is subject to Council's Farming Concession.

ISSUES

In the financial year 2014/2015 the Environment Separate Charge will be \$85.00 and charged on a per lot basis. The Charge will fund operational projects that include activities such as:

- Bushland and fire management;
- Foreshore and catchment rehabilitation and maintenance;
- Aquatic weed control;
- Track and trail maintenance and repairs;
- Koala habitat restoration;
- Environmental education.

STRATEGIC IMPLICATIONS**Legislative Requirements**

Section 94(1)(b) of the *Local Government Act 2009* provides that a local government may levy separate rates and charges.

Section 94(2) of the *Local Government Act 2009* says a local government must decide by resolution at the financial year's budget meeting what rates and charges are to be levied for that financial year.

Section 92(5) of the *Local Government Act 2009* states, Separate rates and charges are for any other service, facility or activity.

Section 103(3) of the *Local Government Regulation 2012* provides that a local government may levy separate rates or charges for a service, facility or activity, whether or not the service, facility or activity is supplied by the local government.

Risk Management

Council reviews the planned revenue and expenditure on an annual basis in order to best align value for money against the vision outcome communicated to us by the Redlands community in the 2010/2030 Community Plan for a healthy natural environment:

- Maintaining unique biodiversity
- Protecting, Restoring and Enhancing the Environment
- People Supporting the Environment

Financial

The financial implication for the financial year 2014/2015 is revenue in the order of \$5.6m.

People

Nil impact expected as the purpose of the report is to submit to Council for noting the Environment Separate Charge for 2014/2015.

Environmental

Nil impact expected as the purpose of the report is to submit to Council for noting the Environment Separate Charge for 2014/2015.

Social

Nil impact expected as the purpose of the report is to submit to Council for noting the Environment Separate Charge for 2014/2015.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the Corporate Plan:

1. Healthy natural environment

A diverse and healthy natural environment, with an abundance of native flora and fauna and rich ecosystems will thrive through our awareness, commitment and action in caring for the environment

CONSULTATION

The Environment Separate Charge for 2014/2015 is put forward for noting after consultation with the Councillors, the Executive Leadership Group, and officers from

the Environment and Regulation Group, Infrastructure and Operations Group and Financial Services.

OPTIONS

Council resolves to note the content of this report for the Environment Separate Charge for 2014/2015.

OFFICER'S RECOMMENDATION

Council resolves to note the content of this report for the Environment Separate Charge for 2014/2015.

5.7.5 LANDFILL REMEDIATION SEPARATE CHARGE 2014/2015**Dataworks Filename: FM Corporate Budget****Authorising Officer:****Bill Lyon
Chief Executive Officer****Responsible Officer:****Deborah Corbett-Hall
Service Manager Corporate Finance****Author:****Noela Barton
Service Manager Revenue & Collections
Management**

PURPOSE

The purpose of this report is to submit to Council for noting the Landfill Remediation Separate Charge for the 2014/2015 financial year.

BACKGROUND

In accordance with section 94 of the *Local Government Act 2009*, Council may levy a separate charge as defined at section 92(5). Council has determined that the community in general will benefit from the monitoring and remediation of closed landfills and the charge. The charge is applied on a per lot basis and is subject to Council's Farming Concession.

Management and expenditure of the charge is determined by corporate policy POL-3091 Landfill Remediation Separate Charge.

ISSUES

The Landfill Remediation Separate Charge will be \$62.00 and charged on a per lot basis in 2014/2015. The Charge will fund operational projects that include activities such as:

- Sharks/Ern Dowling Closed Landfill Area Victoria Point;
- Remediation South St Sanitary;
- North Stradbroke Site Remediation;
- Remediation Redland Bay;
- Leachate Management System Design;
- Birkdale Landfill Remediation;
- Russell Island Waste Transfer Closed Landfill management;
- Tina Avenue Foreshore redesign/construction Stage 3;
- Giles Road Hardfill Remediation;
- John Fredericks Park design, testing and minor works;
- Judy Holt Northern Landfill Batters design;
- Major integrated works – northern batters;
- Sharks Football Club design;
- Judy Holt Park – testing, leachate and minor works;

- Duncan Road Baseball Fields;
- Redland Bay Closed Landfill capping;
- Landfill remediation minor works; and
- Landfill Site Investigations Program.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(1)(b) of the *Local Government Act 2009* provides that a local government may levy separate rates and charges.

Section 94(2) of the *Local Government Act 2009* says a local government must decide by resolution at the financial year's budget meeting what rates and charges are to be levied for that financial year.

Section 92(5) of the *Local Government Act 2009* states, Separate rates and charges are for any other service, facility or activity.

Section 103(3) of the *Local Government Regulation 2012* provides that a local government may levy separate rates or charges for a service, facility or activity, whether or not the service, facility or activity is supplied by the local government.

Risk Management

Council monitors the closed landfill remediation program regularly and also provides for the liability in the Statement of Financial Position.

Financial

The financial implication for the financial year 2014/2015 is revenue in the order of \$4.1m.

People

Nil impact expected as the purpose of the report is to submit to Council for noting the Landfill Remediation Separate Charge for 2014/2015.

Environmental

Nil impact expected as the purpose of the report is to submit to Council for noting the Landfill Remediation Separate Charge for 2014/2015.

Social

Nil impact expected as the purpose of the report is to submit to Council for noting the Landfill Remediation Separate Charge for 2014/2015.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the Corporate Plan:

2. Healthy natural environment

A diverse and healthy natural environment, with an abundance of native flora and fauna and rich ecosystems will thrive through our awareness, commitment and action in caring for the environment

- 1.3 Protect our natural environment by restoring degraded landscapes, contaminated land and managing fire, pests and other hazards

CONSULTATION

As part of Council's annual budget development process, Council, the Executive Leadership Group and finance officers considered the 2014/2015 anticipated expenditure, separate charge and revenue streams on 13 February 2014.

OPTIONS

Council resolves to note the content of this report for the Landfill Remediation Separate Charge for 2014/2015.

OFFICER'S RECOMMENDATION

Council resolves to note the content of this report for the Landfill Remediation Separate Charge for 2014/2015.

5.7.6 CITY CANALS SPECIAL CHARGE ANNUAL IMPLEMENTATION PLAN 2014-2015

Dataworks Filename: FM Corporate Budget

Attachments: [City Canals Special Charge Annual Implementation Plan](#)
[Benefited Area Map Aquatic Paradise](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Murray Erbs
Group Manager City Infrastructure

Authors:

Libby Vogt – Financial Analyst
Jodi Van Der Meer – Acting Financial Relations & Development Manager
Noela Barton – Service Manager Revenue & Collections Management

PURPOSE

This report presents the Annual Implementation Plan for 2014-2015 for the City Canals Special Charge referenced as Benefited Area Map APC-2 version 4 to Council for adoption.

BACKGROUND

12 July 2000 – Overall Plan adopted for Shire Canals Special Charge. An Annual Implementation Plan for the City Canals Special Charge has been adopted each financial year.

28 June 2011 – After community consultation Council determined that it would continue with the Overall Plan, but would not raise any additional revenue through the City Canals Special Charge and no levy would apply for the financial year 2011-2012. An Annual Implementation Plan for the City Canals Special Charge was adopted.

12 July 2012 - Council determined that it would continue with the Overall Plan, but would not raise any additional revenue through the City Canals Special Charge and no levy would apply for the financial year 2012-2013. An Annual Implementation Plan for the City Canals Special Charge was adopted.

27 June 2013 – Council determined that it would continue with the Overall Plan, but would not raise any additional revenue through the City Canals Special Charge and no levy would apply for the financial year 2013-2014. An Annual Implementation Plan for the City Canals Special Charge was adopted.

ISSUES

Anticipated closing balance 30 June 2014 of the Reserve accounts for funds collected under the Overall Plan adopted 12 July 2000 are:

- Aquatic Paradise Canal Reserve \$237,673.53

Council has determined for the financial year 2014-2015 that it will continue with the Overall Plan adopted 12 July 2000, but it will not raise any additional revenue through the City Canals Special Charge and no levy will apply for the financial year 2014-2015.

An Annual Implementation Plan for the City Canals Special Charge is attached and put forward for adoption. The total expenditure under the City Canals Special Charge Annual Implementation Plan for 2014-2015 is \$237,673.53, which is quarantined in Reserve.

Annual Implementation Plan for 2014/2015	
Activity	Estimated Cost
Aquatic Paradise Dredging	\$190,488.35
Canal Maintenance	\$32,335.00
Aquatic Paradise Dredge Planning	\$14,850.00
TOTAL	\$237,673.35

The Reserve will be fully expended and reduced to nil during the 2014-2015 financial year. The total expenditure as outlined in the Annual Implementation Plan for 2014-2015 will reduce the reserve balance to nil by 30 June 2015.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires a local government's resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires the local government must adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

The risk has been mitigated by adopting an Annual Implementation Plan each financial year until the funds levied under the City Canals Special Charge are fully expended.

Financial

Council has determined for the financial year 2014-2015 that it will continue with the Overall Plan adopted 12 July 2000, but it will not raise any additional revenue through the City Canals Special Charge and no levy will apply for the financial year 2014-2015.

People

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the City Canals Special Charge.

Environmental

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the City Canals Special Charge.

Social

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the City Canals Special Charge.

Alignment with Council's Policy and Plans

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, Senior Management of City Infrastructure, Financial Services and General Counsel.

OPTIONS

Option 1

1. Adopt the City Canals Special Charge Annual Implementation Plan for the 2014-2015 financial year; and
2. Note that no levy will be raised for the 2014-2015 financial year for the City Canals Special Charge.

Option 2

That Council resolves not to adopt the Officer's Recommendation.

OFFICER'S RECOMMENDATION

That Council resolves to:

- 1. Adopt the City Canals Special Charge Annual Implementation Plan for the 2014-2015 financial year; and**
- 2. Note that no levy will be raised for the 2014-2015 financial year for the City Canals Special Charge.**

CITY CANALS SPECIAL CHARGE
Annual Implementation Plan for 2014/2015

Aquatic Paradise Canal Reserve

Job Number	Activity	Estimated Cost
30448	Aquatic Paradise Dredging	\$ 190,488.35
30367	Canal Maintenance	\$ 32,335.00
30041	Aquatic Paradise Dredge Planning	\$ 14,850.00
<i>TOTAL</i>		\$ 237,673.35



BENEFIT AREA MAP

Map: APC-2 Version 4

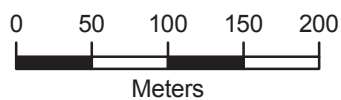


Produced by
Spatial Business Intelligence
30 June 2013

Canal Charges

 CA02 - Aquatic Paradise Special Charge

1:5,000



Data correct at time of production

5.7.7 SOVEREIGN WATERS LAKE LEVY OVERALL PLAN AND ANNUAL IMPLEMENTATION PLAN 2014-2015

Dataworks Filename: FM Corporate Budget

Attachments: [Sovereign Waters Lake Special Charge Overall Plan-2014-15](#)
[Sovereign Waters Lake Annual Implementation Plan](#)
[Benefited Area Map Sovereign Waters Lake](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Murray Erbs
Group Manager City Infrastructure

Authors:

Libby Vogt – Financial Analyst
Jodi Van Der Meer – Acting Financial Relations & Development Manager
Noela Barton – Service Manager Revenue & Collections Management

PURPOSE

This report presents an amendment to the Sovereign Waters Lake Special Charge Overall Plan and the Sovereign Waters Lake Special Charge Annual Implementation Plan for 2014-2015 for the benefited area referenced as Benefited Area Map SWL version 4 to Council for adoption.

BACKGROUND

12 July 2000 — The Overall Plan and an Annual Implementation Plan adopted for the Sovereign Waters Lake Special Charge at Council's Special Budget meeting.

An Annual Implementation Plan was adopted each subsequent financial year since 2000.

In 2011-2012 a new methodology was introduced at the Sovereign Waters Lake Estate. This methodology suspended the special charge and at the same time introduced a new rating category that was applied to the properties in the benefited area.

27 June 2013 – Adopted an amended Overall Plan and 2013-2014 Annual Implementation Plan and adopted a Council contribution of 30 percent toward the cost of the 2013-2014 Annual Implementation Plan.

ISSUES

Overall Plan

The amended Overall Plan presented for adoption with this report includes minor amendments to the sections sub-titled *Rateable Land to which the Special Charge Applies* and *Estimated Cost of Carrying out the Overall Plan*. These amendments have been made in order that the Overall Plan does not need to be brought back to Council for adoption on a yearly basis, which is consistent with section 94(4) and 94(9) of the *Local Government Regulation 2012*.

Annual Implementation Plan

The Sovereign Waters Lake Special Charge Annual Implementation Plan for 2014-2015 is attached. Revenue raised under the Sovereign Waters Lake Special Charge for 2014-2015 will be reserved to fund the 10 year Sovereign Lakes canal special charge works plan. In 2014-2015 the Reserve will fund activities associated with lake maintenance, cleaning, dredge and disposal planning.

Annual Implementation Plan	
Activity	Estimated Cost
Sovereign Waters Lake Maintenance	\$39,550
Sovereign Waters Lake Cleaning and Maintenance	\$36,479
Sovereign Waters Lake Dredge and Disposal Planning	\$11,739
TOTAL	\$87,768

It is proposed the 2014-2015 Sovereign Waters Lake Special Charge is set at \$672.00 for a standard lot. It is also proposed that for the financial year 2014-2015 the Council Contribution will be \$14,400.00, which is 30% of the total revenue raised.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires a local government's resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires the local government must adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(5) of the Regulation enables a local government to levy under an overall plan, special rates or charges for 1 or more years before any of the special rates or charges are spent in carrying out the overall plan.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

KBR consultants were engaged to prepare a long term Lake Management Plan. This report was completed in May 2013. This report has been used to develop the Annual Implementation Plan.

Financial

It is proposed that the 2014-2015 Sovereign Waters Lake Special Charge be \$672.00 for a standard lot.

The total expenditure under the Sovereign Waters Lake Special Charge Annual Implementation Plan for 2014-2015 is \$87,768.

People

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Sovereign Waters Lake Special Charge.

Environmental

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Sovereign Waters Lake Special Charge.

Social

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Sovereign Waters Lake Special Charge.

Alignment with Council's Policy and Plans

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, Senior Management of City Infrastructure, Financial Services and General Counsel.

OPTIONS

Option 1

1. Amend the Sovereign Waters Lake Special Charge Overall Plan, as recommended in this report;

2. Adopt the Sovereign Waters Lake Special Charge Annual Implementation Plan for the 2014-2015 financial year; and
3. Apply a Council Contribution of 30 percent towards the cost of the Sovereign Waters Lake Special Charge Annual Implementation Plan for the 2014-2015 financial year.

Option 2

That Council resolves not to adopt the Officer's Recommendation.

OFFICER'S RECOMMENDATION

That Council resolves to:

- 1. Amend the Sovereign Waters Lake Special Charge Overall Plan, as recommended in this report;**
- 2. Adopt the Sovereign Waters Lake Special Charge Annual Implementation Plan for the 2014-2015 financial year; and**
- 3. Apply a Council Contribution of 30 percent towards the cost of the Sovereign Waters Lake Special Charge Annual Implementation Plan for the 2014-2015 financial year.**

Overall Plan – Sovereign Waters Lake Special Charge

Redland City Council Budget 2014/2015

Council makes this overall plan for Sovereign Waters Lake Special Charge in accordance with section 92 (3) of the *Local Government Act 2009* and Part 6 section 94(3) of the *Local Government Regulation 2012*.

Service, Facility or Activity

The special charge is for the service and activity of dredging, water quality monitoring, maintenance, cleaning works of the Lake, wetland zones, perimeter walls, pollution control devices and tide exchange system, located at Sovereign Waters identified within the Benefited Area Map comprising:

- Dredge and Disposal Planning as required
- Monitoring Cleaning and Maintenance as required

Rateable Land to which the Special Charge Applies

The special benefited land is identified on the Benefited Area Map for the Sovereign Waters Lake Special Charge. The Benefited Area Map is updated on an annual basis to accommodate for any boundary changes and attached to the Annual Implementation Plan report presented each financial year at the special budget meeting. It includes all rateable land where the land adjoins the lake revetment wall within the benefited area.

Special Benefits

This service, facility or activity specially benefits the land or its occupier because:

- The dredging of the lake and wetland zones maintains the lake amenity and water quality within the benefited area.
- Maintaining the perimeter wall assists in retaining all land within the benefited area.
- Monitoring the lake water level, water quality and perimeter walls to assist in planning maintenance.
- Cleaning the lake the overall amenity of the benefited area and the functionality of the water treatment systems.
- The land and its occupiers receive a special benefit from proximity to the lake and associated special amenity from the lakes structural, recreational, social, health and visual elements.

Estimated Cost of Carrying out the Overall Plan

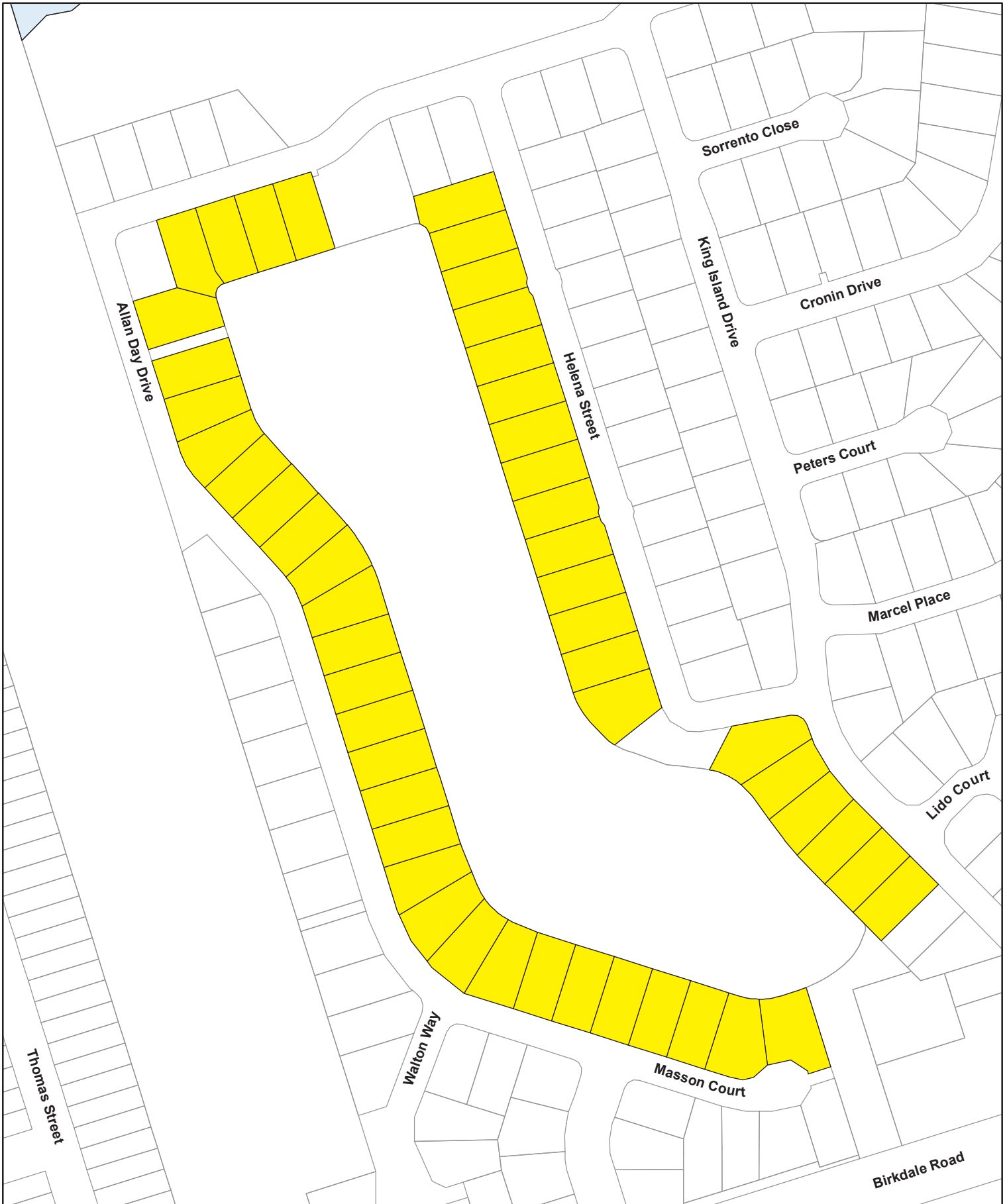
The overall plan is anticipated to be ongoing to ensure the function and amenity of the lake.

Estimated Time for Carrying out the overall plan

The overall plan is estimated to be ongoing to maintain the function and amenity of the lake.

SOVEREIGN WATERS LAKE SPECIAL CHARGE
Annual Implementation Plan for 2014/2015

Annual Implementation Plan		
Job Number	Activity	Estimated Cost
30134	Sovereign Waters Lake Maintenance	\$ 39,550
30185	Sovereign Waters Lake Cleaning and Maintenance	\$ 36,479
70036	Sovereign Waters Lake Dredge and Disposal Planning	\$ 11,739
		<i>TOTAL</i> \$ 87,768



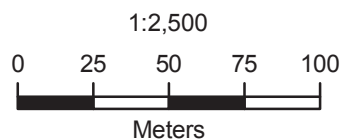
BENEFIT AREA MAP
Map: SWL Version 4



Produced by
Spatial Business Intelligence
 30 June 2013

Lake Charges

 LA01 - Sovereign Lake Special Charge



Data correct at time of production

5.7.8 AQUATIC PARADISE MARINA SPECIAL CHARGE OVERALL PLAN AND ANNUAL IMPLEMENTATION PLAN 2014-2015

Dataworks Filename: FM Corporate Budget

Attachments: [Aquatic Paradise Marina Special Charge Overall Plan-2014-15](#)
[2014-2015 Aquatic Paradise Marina Annual Implementation Plan](#)
[Aquatic Paradise Special Charge Benefited Area Map](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Murray Erbs
Group Manager City Infrastructure

Authors:

Libby Vogt – Financial Analyst
Jodi Van Der Meer – Acting Financial Relations & Development Manager
Noela Barton – Service Manager Revenue & Collections Management

PURPOSE

This report presents an amendment to the Aquatic Paradise Marina Special Charge Overall Plan and the Annual Implementation Plan for 2014-2015 for the Aquatic Paradise Marina Special Charge for the benefited area referenced as Benefited Area Map APC-9 Version 4 to Council for adoption.

BACKGROUND

28 June 2011 – The Overall Plan was adopted for the Aquatic Paradise Marina Special Charge at Council Special Budget meeting 28 June 2011.

28 June 2011 and 12 July 2012 - An Annual Implementation Plan for the Aquatic Paradise Marina Special charge was adopted.

27 June 2013 – Adopted an amended Overall Plan and Annual Implementation Plan for the Aquatic Paradise Marina Special charge and adopted a Council contribution of 20% toward the cost of the Annual Implementation Plan for 2013-2014.

ISSUES

Overall Plan

The amended Overall Plan presented for adoption with this report includes minor amendments to the sections sub-titled *Rateable Land to which the Special Charge Applies* and *Estimated Cost of Carrying out the Overall Plan*. These amendments have been made in order that the Overall Plan does not need to be brought back to

Council for adoption on a yearly basis, which is consistent with section 94(4) and 94(9) of the *Local Government Regulation 2012*.

Annual Implementation Plan

It is proposed the Aquatic Paradise Marina Special Charge for 2014-2015 will be set at \$3,278.51 per marina berth.

The Council contribution will be \$22,481.00, which is 30% of the total revenue raised.

Revenue raised under the Aquatic Paradise Marina Special Charge in 2014-2015 will be quarantined in the Aquatic Paradise Canal Reserve. In 2014-2015 the Reserve will fund activities associated with dredge planning and dredging, as well as canal maintenance.

Annual Implementation Plan 2014-2015	
Activity	Estimated Cost
Aquatic Paradise Dredging	\$153,867
Canal Maintenance	\$2,064
Aquatic Paradise Dredge Planning	\$948
Total	\$156,879

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires that a local government's resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires the local government to adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

KBR Consultants were engaged to prepare for the Aquatic Paradise estate a long term Canal Management Plan. This report was completed in December 2012. This report has been used to develop the Annual Implementation Plan.

Financial

It is proposed that the Aquatic Paradise Marina Special Charge for 2014-2015 be set at \$3,278.51 per marina berth.

Total expenditure under the Aquatic Paradise Marina Special Charge Annual Implementation Plan for 2014-2015 is \$156,879.00.

People

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Aquatic Paradise Marina Special Charge.

Environmental

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Aquatic Paradise Marina Special Charge.

Social

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Aquatic Paradise Marina Special Charge.

Alignment with Council's Policy and Plans

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS

Option 1

1. Amend the Aquatic Paradise Marina Special Charge Overall Plan, as recommended in this report;
2. Adopt the Aquatic Paradise Marina Special Charge Annual Implementation Plan for the 2014-2015 financial year; and
3. Apply a Council contribution of 30 percent toward the cost of the Aquatic Paradise Marina Special Charge Annual Implementation Plan for the 2014-2015 financial year.

Option 2

That Council resolves not to adopt the Officer's Recommendation.

OFFICER'S RECOMMENDATION

That Council resolves to:

- 1. Amend the Aquatic Paradise Marina Special Charge Overall Plan, as recommended in this report;**
- 2. Adopt the Aquatic Paradise Marina Special Charge Annual Implementation Plan for the 2014-2015 financial year; and**
- 3. Apply a Council contribution of 30 percent toward the cost of the Aquatic Paradise Marina Special Charge Annual Implementation Plan for the 2014-2015 financial year.**

Overall Plan - Aquatic Paradise Marina Special Charge

Redland City Council Budget 2014/2015

Council makes this overall plan for Aquatic Paradise Marina Special Charge in accordance with section 92 (3) of the Local Government Act 2009 and Part 6 section 94(2) of the Local Government Regulation 2012.

Service, Facility or Activity

The special charge is for the service and activity of dredging, maintenance and cleaning works of the canal and its revetments, improvements and navigational aids located at Aquatic Paradise identified within the Benefited Area Map comprising:

- Dredging as required
- Planning as required
- Canal Maintenance as required
- Navigational Beacon Pile Maintenance as required

Rateable Land to which the Special Charge Applies

The special benefited land is identified on the Benefited Area Map for the Aquatic Paradise Marina special charge. The Benefited Area Map is updated on an annual basis to accommodate for any boundary changes and attached to the Annual Implementation Plan report presented each financial year at the special budget meeting. It includes all rateable land used to access marine berths.

Special Benefits

This service, facility or activity specially benefits the land or its occupier because:

- The dredging of the canals keeps the canals navigable within the benefited area.
- Maintaining the revetments assists in retaining all land within the benefited area.
- Monitoring the canal and revetments to assist in planning maintenance and dredging activities assists in keeping the canals navigable and assists in retaining all the land within the benefited area.
- Cleaning the canal and navigational aids maintains the overall amenity of the benefited area and the functionality of the canals.
- The land and its occupiers receive a special benefit from proximity to the canals and associated special amenity from the canals structural, recreational, social, health and visual elements.

Estimated Cost of Carrying out the Overall Plan

The overall plan is anticipated to be ongoing to ensure the function and amenity of the canal.

Estimated Time for Carrying out the overall plan

The overall plan is estimated to be ongoing to maintain the function and amenity of the canal.

AQUATIC PARADISE MARINA SPECIAL CHARGE
Annual Implementation Plan for 2014/2015

Annual Implementation Plan		
Job Number	Activity	Estimated Cost
30448	Aquatic Paradise Dredging	\$ 153,867
30367	Canal Maintenance	\$ 2,064
30041	Aquatic Paradise Dredge Planning	\$ 948
		<i>TOTAL</i> \$ 156,879



BENEFIT AREA MAP

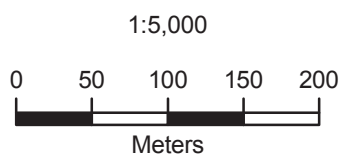
Map: APC-9 Version 4



Produced by
Spatial Business Intelligence
30 June 2013

Canal Charges

 CA09 - Aquatic Paradise Marina Special Charge



Data correct at time of production

5.7.9 AQUATIC PARADISE SPECIAL CHARGE OVERALL PLAN AND ANNUAL IMPLEMENTATION PLAN 2014-2015

Datworks Filename: FM Corporate Budget

Attachments: [Aquatic Paradise Special Charge Overall Plan 2014-15](#)
[Aquatic Paradise 2014-2015 Annual Implementation Plan](#)
[Benefited Area Map Aquatic Paradise](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Murray Erbs
Group Manager City Infrastructure

Authors:

Libby Vogt – Financial Analyst
Jodi Van Der Meer – Acting Financial Relations & Development Manager
Noela Barton – Service Manager Revenue & Collections Management

PURPOSE

This report presents an amendment to the Aquatic Paradise Special Charge Overall Plan and the Annual Implementation Plan for 2014-2015 for the Aquatic Paradise Special Charge for the benefited area referenced as Benefited Area Map APC-2 version 4 to Council for adoption.

BACKGROUND

Prior to 1 July 2011 a special charge was levied on Aquatic Paradise standard allotments under an Overall Plan adopted 12 July 2000. The special charge was known as the City Canals Special Charge. In 2011-2012 a new methodology was introduced for the raising of revenue to cover expenditure of the canal maintenance at the Aquatic Paradise Estate. This methodology suspended the City Canals Special Charge and at the same time introduced a new rating category in the benefited area that included within the levied differential general rate a proportion of revenue that was transferred to the reserve account from the general fund for the funding of canal maintenance in the benefited area.

An Annual Implementation Plan continues to be adopted for the City Canals Special Charge on an annual basis, with the balance of funds expected to be expended by 30 June 2015.

27 June 2013 – Adopted an Overall Plan and Annual Implementation Plan for the Aquatic Paradise Special Charge and adopted a council contribution of 30% toward the cost of the Annual Implementation Plan for 2013-2014.

ISSUES

Overall Plan

The amended Overall Plan presented for adoption with this report includes minor amendments to the sections sub-titled *Rateable Land to which the Special Charge Applies* and *Estimated Cost of Carrying out the Overall Plan*. These amendments have been made in order that the Overall Plan does not need to be brought back to Council for adoption on a yearly basis, which is consistent with section 94(4) and 94(9) of the *Local Government Regulation 2012*.

Annual Implementation Plan

The Annual Implementation Plan for 2014-2015 is attached. In 2014-2015 revenue raised under the Aquatic Paradise Special Charge will be quarantined in the Aquatic Paradise Canal Reserve. The Reserve will fund activities associated with dredging in 2014-2015.

Annual Implementation Plan	
Activity	Estimated Cost
Aquatic Paradise Dredging	\$2,220,091
<i>TOTAL</i>	\$2,220,091

It is proposed the Aquatic Paradise Special Charge for 2014-2015 is set at \$2,662.51 for a standard lot. It is also proposed that the Council contribution will be \$229,356.00, which is 30% of the total revenue raised.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires a local government's resolution to levy special rates or charges must identify; the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires that the local government must adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(5) of the Regulation enables a local government to levy under an overall plan, special rates or charges for 1 or more years before any of the special rates or charges are spent in carrying out the overall plan.

Revenue raised under the Aquatic Paradise Special Charge for 2014-2015 will be reserved to fund the 10 year Aquatic Paradise canal special charge works plan.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

KBR Consultants were engaged to prepare for the Aquatic Paradise estate a long term Canal Management Plan. This report was completed in December 2012. This report has been used to develop the Annual Implementation Plan.

Financial

It is proposed the Aquatic Paradise Special Charge for 2014-2015 be set at \$2,662.51 for a standard lot.

Total expenditure under the Aquatic Paradise Special Charge Annual Implementation Plan for 2014-2015 is \$2,220,090.65.

People

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Aquatic Paradise Special Charge.

Environmental

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Aquatic Paradise Special Charge.

Social

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Aquatic Paradise Special Charge.

Alignment with Council's Policy and Plans

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS

Option 1

1. Amend the Aquatic Paradise Special Charge Overall Plan, as recommended in this report;
2. Adopt the Aquatic Paradise Special Charge Annual Implementation Plan for the 2014-2015 Financial Year; and
3. Apply a Council contribution of 30 percent toward the cost of the Aquatic Paradise Special Charge Annual Implementation Plan for the 2014-2015 financial year.

Option 2

That Council resolves not to adopt the Officer's Recommendation.

OFFICER'S RECOMMENDATION

That Council resolves to:

1. Amend the Aquatic Paradise Special Charge Overall Plan, as recommended in this report;
2. Adopt the Aquatic Paradise Special Charge Annual Implementation Plan for the 2014-2015 Financial Year; and
3. Apply a Council contribution of 30 percent toward the cost of the Aquatic Paradise Special Charge Annual Implementation Plan for the 2014-2015 financial year.

Overall Plan - Aquatic Paradise Special Charge

Redland City Council Budget 2014/2015

Council makes this overall plan for Aquatic Paradise Special Charge in accordance with section 92 (3) of the Local Government Act 2009 and Part 6 section 94(2) of the Local Government Regulation 2012.

Service, Facility or Activity

The special charge is for the service and activity of dredging, maintenance and cleaning works of the canal and its revetments, improvements and navigational aids located at Aquatic Paradise identified within the Benefited Area Map comprising:

- Dredging as required
- Planning as required
- Canal Maintenance as required
- Navigational Beacon Pile Maintenance as required

Rateable Land to which the Special Charge Applies

The special benefited land is identified on Benefited Area Map for the Aquatic Paradise Special Charge. The Benefited Area Map is updated on an annual basis to accommodate for any boundary changes and attached to the Annual Implementation Plan report presented each financial year at the special budget meeting. It includes all rateable land recorded in the land record as a standard lot that abuts a canal revetment wall in the Aquatic Paradise canal estate.

Special Benefits

This service, facility or activity specially benefits the land or its occupier because:

- The dredging of the canals keeps the canals navigable within the benefited area.
- Maintaining the revetments assists in retaining all land within the benefited area.
- Monitoring the canal and revetments to assist in planning maintenance and dredging activities assists in keeping the canals navigable and assists in retaining all the land within the benefited area.
- Cleaning the canal and navigational aids maintains the overall amenity of the benefited area and the functionality of the canals.
- The land and its occupiers receive a special benefit from proximity to the canals and associated special amenity from the canals structural, recreational, social, health and visual elements.

Estimated Cost of Carrying out the Overall Plan

The overall plan is anticipated to be ongoing to ensure the function and amenity of the canal.

Estimated Time for Carrying out the Overall Plan

The overall plan is estimated to be ongoing to maintain the function and amenity of the canal.

AQUATIC PARADISE SPECIAL CHARGE
Annual Implementation Plan for 2014/2015

Annual Implementation Plan		
Job Number	Activity	Estimated Cost
30448	Aquatic Paradise Dredging	\$ 2,220,091
	<i>TOTAL</i>	\$ 2,220,091



BENEFIT AREA MAP

Map: APC-2 Version 4

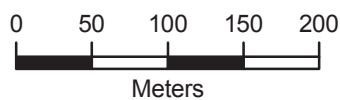


Produced by
 Spatial Business Intelligence
 30 June 2013

Canal Charges

CA02 - Aquatic Paradise Special Charge

1:5,000



Data correct at time of production

5.7.10 RABY BAY MARINA SPECIAL CHARGE OVERALL PLAN AND ANNUAL IMPLEMENTATION PLAN 2014-2015

Dataworks Filename: FM Corporate Budget

Attachments: [Raby Bay Marina Special Charge Annual Implementation Plan](#)
[Benefited Area Map Raby Bay Marina](#)
[Raby Bay Marina Special Charge Overall Plan 2014-15](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Murray Erbs
Group Manager City Infrastructure

Authors:

Libby Vogt – Financial Analyst
Jodi Van Der Meer – Acting Financial Relations & Development Manager
Noela Barton – Service Manager Revenue & Collections Management

PURPOSE

This report presents an amendment to the Raby Bay Marina Special Charge Overall Plan and the Raby Bay Marina Special Charge Annual Implementation Plan for 2014-2015 for the benefited area referenced as Benefited Area Map RBC-8 version 4 to Council for adoption.

BACKGROUND

28 June 2011 – The Overall Plan was adopted for the Raby Bay Marina Special Charge at Council Special Budget meeting.

28 June 2011 and 12 July 2012 – An Annual Implementation Plan for the Raby Bay Marina Special Charge was adopted.

27 June 2013 – An amended Overall Plan and Annual Implementation Plan was adopted for the Raby Bay Marina Special Charge. Adopted a council contribution of 20 percent toward the cost of the Annual Implementation Plan.

ISSUES

Overall Plan

The amended Overall Plan presented for adoption with this report includes the following sentence to make it clear that the works contemplated by the overall plan are to be funded by a combination of 'up front' loan funds (with repayments for that loan to be funded by the special charge) as well as the special charge itself.

“The works contemplated by the overall plan are to be funded by a combination of ‘up front’ loan funds (with repayments for that loan to be funded by the special charge) as well as the special charge itself.”

Loans

On 30/6/2013 a loan for \$4.5m for a term of 12 years was drawn down for capital works undertaken in accordance with the overall plan. The purpose of the loan was to fund revetment wall upgrades and repairs in the following locations:

- 12 Seahaven Court
- 25 & 26 Seacrest Court
- 47, 48, 49 Piermont Place
- 4 Mainroyal Court

An amount of \$28,969 of funds levied through the Raby Bay Marina Special Charge will contribute to service the loan repayment in 2014-2015.

Annual Implementation Plan

It is proposed the Raby Bay Marina Special Charge for 2014-2015 will be set at \$1,105.10 per marina berth.

The Council contribution will be \$27,904.00, which is 20% of the total revenue raised.

In 2014-2015 revenue raised under the Raby Bay Marina Special Charge will be quarantined in the Raby Bay Canal Reserve. The Reserve will fund the activities and services as detailed in the 2014-2015 Raby Bay Marina Special Charge Annual Implementation Plan.

Annual Implementation Plan for 2014/2015	
Activity	Estimated Cost
Beaufort Court (10-15) Revetment Wall Upgrade	\$199,200
Raby Bay Canal Maintenance	\$11,133
Monitoring Revetment Walls	\$8,692
Raby Bay Canal Planning (consultants)	\$6,000
Rock Armour Replacement	\$7,200
Service	
Loan repayment	28,969
TOTAL	\$261,194

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires a local government's resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires the local government must adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

A Geotechnical Investigation Analysis Report was completed for the Raby Bay Canal estate by consultants KBR. This report was completed 24 June 2013. This report is the basis for a planned trial in Raby Bay of a new repair technique. The Raby Bay Ratepayers Association has been consulted and is involved in scoping out the trial, which is to take place in the 2014-2015 financial year.

Financial

It is proposed the 2014-2015 the Raby Bay Marina Special Charge is set at \$1,105.10 per marina berth. The total expenditure under the Raby Bay Marina Special Charge Annual Implementation Plan for 2014-2015 is \$261,194.

People

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Raby Bay Marina Special Charge.

Environmental

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Raby Bay Marina Special Charge.

Social

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Raby Bay Marina Special Charge.

Alignment with Council's Policy and Plans

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS**Option 1**

1. Amend the Raby Bay Marina Special Charge Overall Plan, as recommended in this report;
2. Adopt the Raby Bay Marina Special Charge Annual Implementation Plan for the 2014-2015 financial year; and
3. Apply a Council contribution of 20 percent toward the cost of the Annual Implementation Plan for the 2014-2015 financial year.

Option 2

That Council resolves not to adopt the Officer's Recommendation.

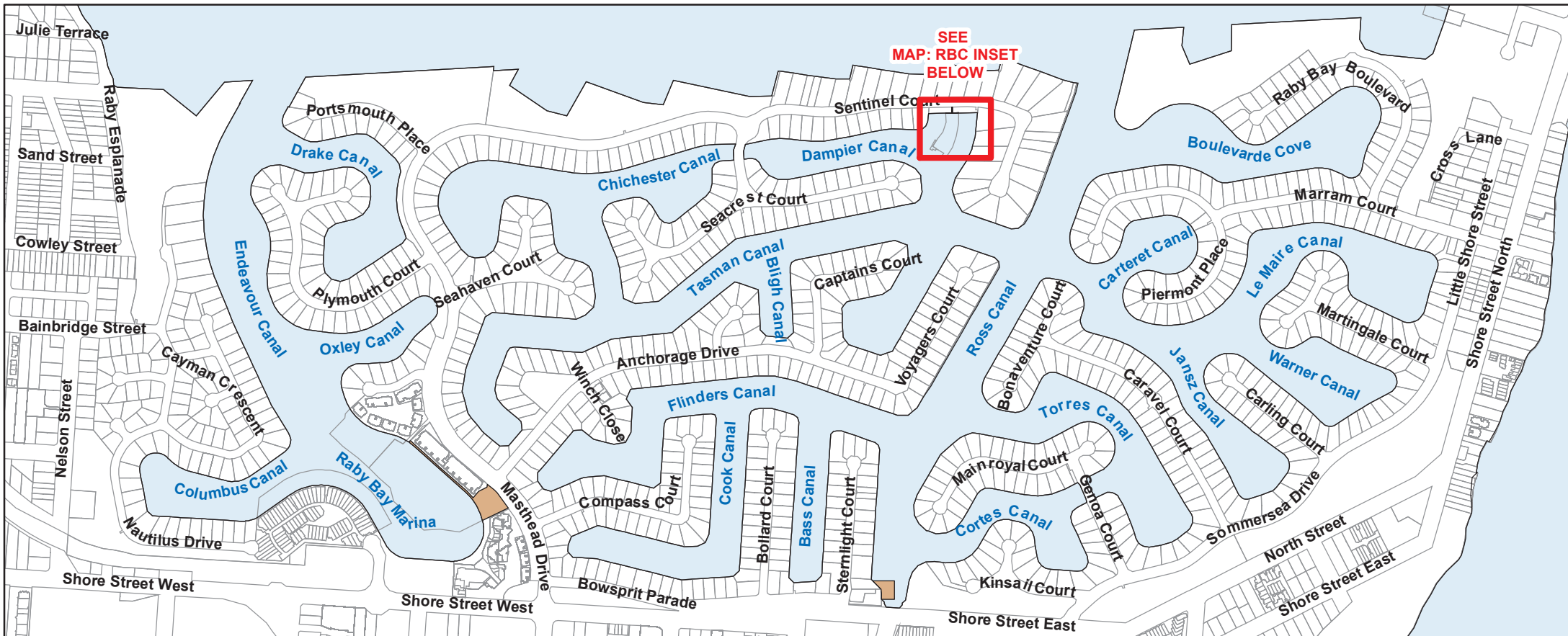
OFFICER'S RECOMMENDATION

That Council resolves to:

1. **Amend the Raby Bay Marina Special Charge Overall Plan, as recommended in this report;**
2. **Adopt the Raby Bay Marina Special Charge Annual Implementation Plan for the 2014-2015 financial year; and**
3. **Apply a Council contribution of 20 percent toward the cost of the Annual Implementation Plan for the 2014-2015 financial year.**

**RABY BAY MARINA SPECIAL CHARGE
Annual Implementation Plan for 2014/2015**

Job Number	Activity	Estimated Cost
40577	Beaufort Court (10-15) Revetment Wall Upgrade	\$ 199,200
30394	Raby Bay Canal Maintenance	\$ 11,133
30399	Monitoring Revetment Walls	\$ 8,692
70833	Raby Bay Canal Planning (consultants)	\$ 6,000
70084	Rock Armour Replacement	\$ 7,200
	Service	
	Loan Repayment	\$ 28,969
	<i>TOTAL</i>	\$ 261,194



SEE
MAP: RBC INSET
BELOW

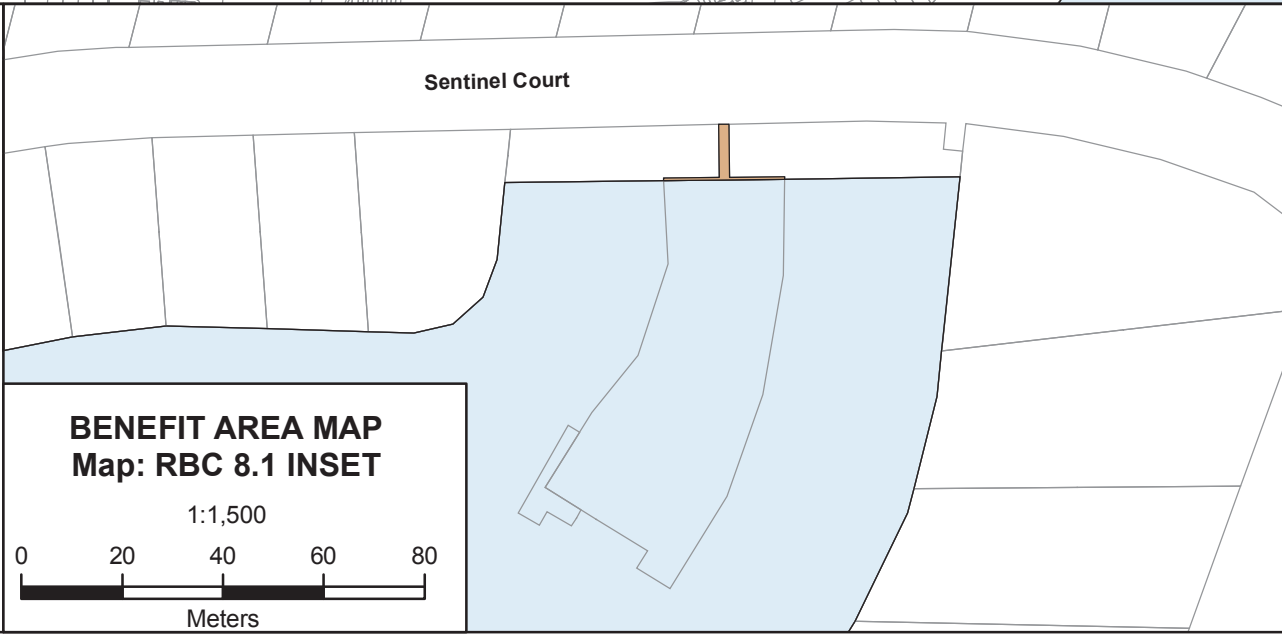
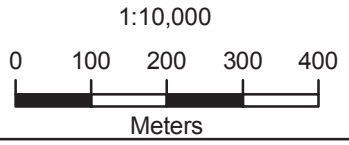
BENEFIT AREA MAP Map: RBC-8 Version 4

Canal Charges
 CA08 - Raby Bay Marina Special Charge



Produced by
Spatial Business Intelligence
 30 June 2013

Data correct at time of production



Overall Plan – Raby Bay Marina Special Charge

Redland City Council Budget 2014/2015

Council makes this overall plan for Raby Bay Marina Special Charge in accordance with section 92 (3) of the Local Government Act 2009 and Part 6 section 94(2) of the Local Government Regulation 2012.

Service, Facility or Activity

The special charge is for the service and activity of dredging, maintenance and cleaning works of the canal and its revetments, improvements and navigational aids located at Raby Bay comprising:

- Dredging as required
- Planning as required
- Canal Maintenance as required
- Navigational Beacon Pile Maintenance as required
- Revetment Walls as required

The works contemplated by the overall plan are to be funded by a combination of up front loan funds (with repayments for that loan to be funded by the special charge), as well as the special charge itself.

Rateable Land to which the Special Charge Applies

The special benefited land is identified on the Benefited Area Map for the Raby Bay Marina special charge. The Benefited Area Map is updated on an annual basis to accommodate for any boundary changes and attached to the Annual Implementation Plan report presented each financial year at the special budget meeting. It includes all rateable land used to access marine berths and/or for the purpose of carrying on a boat mooring business.

Special Benefits

This service, facility or activity specially benefits the land or its occupier because:

- The dredging of the canals keeps the canals navigable within the benefited area.
- Maintaining the revetments assists in retaining all land within the benefited area.
- Monitoring the canal and revetments to assist in planning maintenance and dredging activities assists in keeping the canals navigable and assists in retaining all the land within the benefited area.
- Cleaning the canal and navigational aids maintains the overall amenity of the benefited area and the functionality of the canals.
- The land and its occupiers receive a special benefit from proximity to the canals and associated special amenity from the canals structural, recreational, social, health and visual elements.

Estimated Cost of Carrying out the Overall Plan

The overall plan is anticipated to be ongoing to ensure the function and amenity of the canal.

Estimated Time for Carrying out the Overall Plan

The overall plan is estimated to be ongoing to maintain the function and amenity of the canal.

5.7.11 RABY BAY TIDAL WORKS (COMMUNITY TITLE SCHEME) SPECIAL CHARGE OVERALL PLAN AND ANNUAL IMPLEMENTATION PLAN 2014-2015

Datworks Filename: FM Corporate Budget

Attachments: [Raby Bay Tidal Works CTS Annual Implementation Plan](#)
[Benefited Area Map Raby Bay CTS](#)
[Raby Bay CTS Special Charge Overall Plan 2014-15](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Murray Erbs
Group Manager City Infrastructure

Author:

Libby Vogt – Financial Analyst
Jodi Van Der Meer – Acting Financial Relations & Development Manager
Noela Barton – Service Manager Revenue & Collections Management

PURPOSE

This report presents an amendment to the Raby Bay Tidal Works (Community Title Scheme) Special Charge Overall Plan and the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for 2014-2015 for the benefited area referenced as Benefited Area Map RBC-7 version 4 to Council for adoption.

BACKGROUND

28 June 2011 – The Overall Plan was adopted for the Raby Bay (Community Title Scheme) Special Charge at Council Special Budget meeting.

28 June 2011 and 12 July 2012 – An Annual Implementation Plan for the Raby Bay (Community Title Scheme) Special Charge was adopted.

27 June 2013 – An amended Overall Plan and the Annual Implementation Plan was adopted for the Raby Bay Tidal Works (Community Title Scheme) Special Charge. Adopted a Council contribution of 20 percent toward the cost of the Annual Implementation Plan for 2013-2014.

ISSUES

Overall Plan

The amended Overall Plan presented for adoption with this report includes the following sentence to make it clear the works contemplated by the overall plan are to

be funded by a combination of up front loan funds (with repayments for that loan to be funded by the special charge) as well as the special charge itself.

“The works contemplated by the overall plan are to be funded by a combination of up front loan funds (with repayments for that loan to be funded by the special charge) as well as the special charge itself.”

Along with this, minor amendments have been made to the sections sub-titled *Rateable Land to which the Special Charge Applies* and *Estimated Cost of Carrying out the Overall Plan*. These amendments have been made in order that the Overall Plan does not need to be brought back to Council for adoption on a yearly basis, which is consistent with section 94(4) and 94(9) of the *Local Government Regulation 2012*.

Loans

On 30/6/2013 a loan for \$4.5m for a term of 12 years was drawn down for capital works undertaken in accordance with the overall plan. The purpose of the loan was to fund revetment wall upgrades and repairs in the following locations:

- 12 Seahaven Court
- 25 & 26 Seacrest Court
- 47, 48, 49 Piermont Place
- 4 Mainroyal Court

An amount of \$33,797 of funds levied through the Raby Bay Tidal Works (Community Title Scheme) Special Charge will contribute to service the loan repayment in 2014-2015.

Annual Implementation Plan

It is proposed the Raby Bay Tidal Works (Community Title Scheme) Special Charge for 2014-2015 will be set at \$1,266.98 per unit.

The Council contribution will be \$38,009.00, which is 20% of the total revenue raised.

In 2014-2015 revenue raised under the Raby Bay Tidal Works (Community Title Scheme) Special Charge will be quarantined in the Raby Bay Canal Reserve. The Reserve will fund the activities and services as detailed in the 2014-2015 Raby Bay (Community Title Scheme) Special Charge Annual Implementation Plan.

Annual Implementation Plan	
Activity	Estimated Cost
Beaufort Court (10-15) Revetment Wall Upgrade	\$232,400
Raby Bay Canal Maintenance	\$12,989
Monitoring Revetment Walls	\$10,140
Raby Bay Canal Planning (consultants)	\$7,000
Rock Armour Replacement	\$8,400
Service	
Loan Repayment	\$33,797
TOTAL	\$304,726

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires a local government's resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires the local government must adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

A Geotechnical Investigation Analysis Report was completed for the Raby Bay Canal estate by consultants KBR. This report was completed 24 June 2013. This report is the basis for a planned trial in Raby Bay of a new repair technique. The Raby Bay Ratepayers Association has been consulted and is involved in scoping out the trial, which is to take place in the 2014-2015 financial year.

Financial

It is proposed the Raby Bay Tidal Works (Community Title Scheme) Special charge is set at \$1,266.98 per unit. The total expenditure under the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for 2014-2015 is \$304,726.

People

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Raby Bay Tidal Works (Community Title Scheme) Special Charge.

Environmental

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Raby Bay Tidal Works (Community Title Scheme) Special Charge.

Social

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Raby Bay Tidal Works (Community Title Scheme) Special Charge.

Alignment with Council's Policy and Plans

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS

Option 1

Council resolves to;

1. Amend the Raby Bay Tidal Works (Community Title Scheme) Special Charge Overall Plan, as recommended in this report;
2. Adopt the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for the 2014-2015 financial year; and
3. Apply a Council contribution of 20 percent toward the cost of the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for the 2014-2015 financial year.

Option 2

Council resolves to not adopt the Officer's Recommendation.

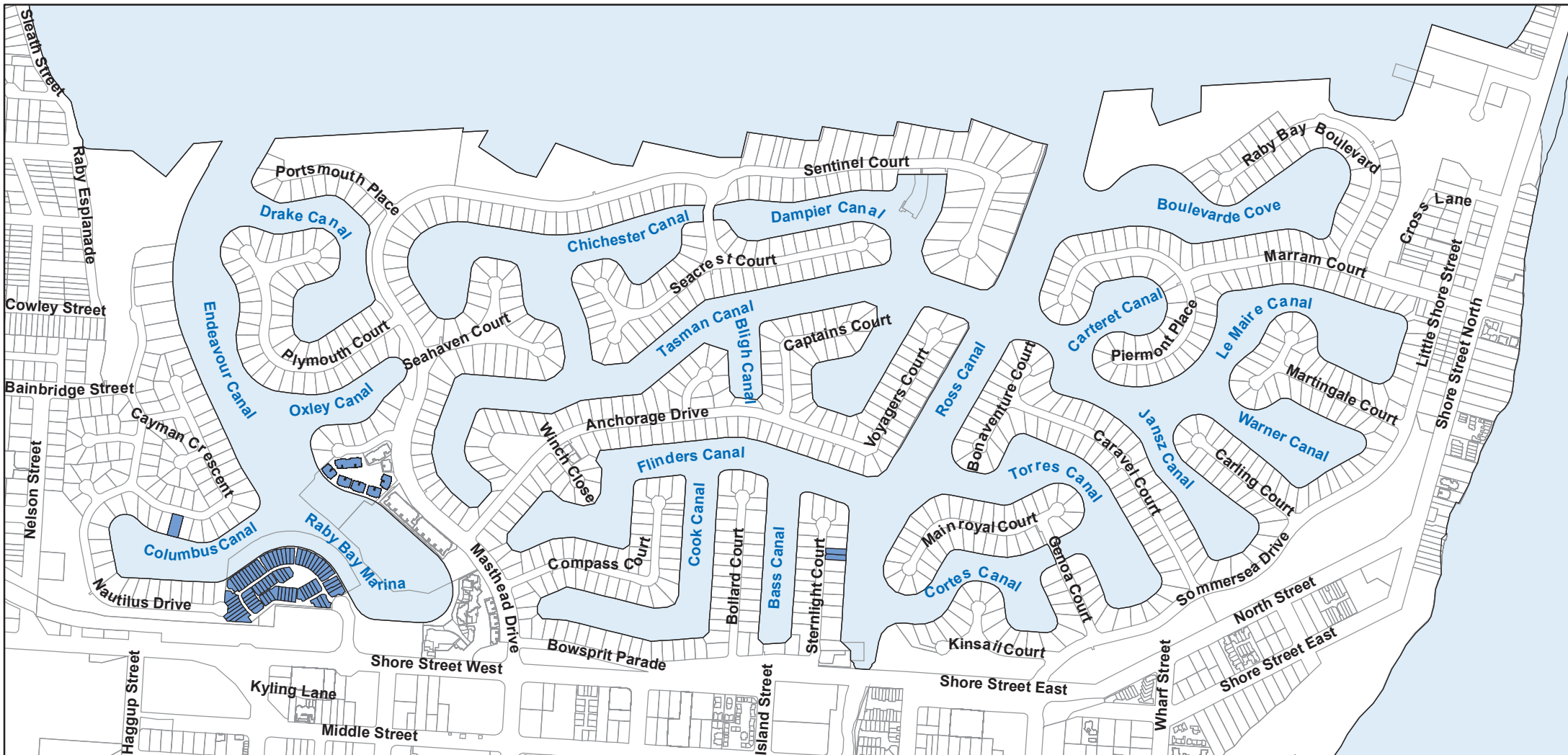
OFFICER'S RECOMMENDATION

Council resolves to:

1. **Amend the Raby Bay Tidal Works (Community Title Scheme) Special Charge Overall Plan, as recommended in this report;**
2. **Adopt the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for the 2014-2015 financial year; and**
3. **Apply a Council contribution of 20 percent toward the cost of the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for the 2014-2015 financial year.**

**RABY BAY TIDAL WORKS (COMMUNITY TITLE SCHEME) SPECIAL CHARGE
Annual Implementation Plan for 2014/2015**

Annual Implementation Plan		
Job Number	Activity	Estimated Cost
40577	Beaufort Court (10-15) Revetment Wall Upgrade	\$ 232,400
30394	Raby Bay Canal Maintenance	\$ 12,989
30399	Monitoring Revetment Walls	\$ 10,140
70833	Raby Bay Canal Planning (consultants)	\$ 7,000
70084	Rock Armour Replacement	\$ 8,400
	Service	
	Loan Repayment	\$ 33,797
	TOTAL	\$ 304,726




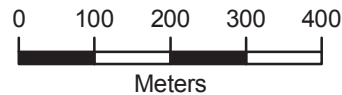
BENEFIT AREA MAP

Map: RBC-7 Version 4

1:10,000

Canal Charges

 CA07 - Raby Bay Tidal Works (CTS) Special Charge



Produced by
Spatial Business Intelligence
30 June 2013

Data correct at time of production

Overall Plan – Raby Bay Tidal Works (Community Title Scheme) Special Charge

Redland City Council Budget 2014/2015

Council makes this overall plan for Raby Bay (Community Title Scheme) Special Charge in accordance with section 92 (3) of the Local Government Act 2009 and Part 6 section 94(2) of the Local Government Regulation 2012.

Service, Facility or Activity

The special charge is for the service and activity of dredging, maintenance and cleaning works of the canal and its revetments, improvements and navigational aids located at Raby Bay that is identified within the Benefited Area Map, comprising:

- Dredging as required
- Planning as required
- Canal Maintenance as required
- Navigational Beacon Pile Maintenance as required
- Revetment Walls as required

The works contemplated by the overall plan are to be funded by a combination of up front loan funds (with repayments for that loan to be funded by the special charge), as well as the special charge itself.

Rateable land to which the Special Charge Applies

The special benefited land is identified on the Benefited Area Map for the Raby Bay Tidal Works (Community Title Scheme) special charge. The Benefited Area Map is updated on an annual basis to accommodate for any boundary changes and attached to the Annual Implementation Plan report presented each financial year at the special budget meeting.

It includes all rateable land where the land or the common property within a Community Title Scheme or Building Unit Plan or Group Title Plan abuts a canal revetment wall in the Raby Bay canal estate, excluding land identified as lots 1 to 12 on GTP 2073.

Special Benefits

This service, facility or activity specially benefits the land or its occupier because:

- The dredging of the canals keeps the canals navigable within the benefited area.
- Maintaining the revetments assists in retaining all land within the benefited area.
- Monitoring the canal and revetments to assist in planning maintenance and dredging activities assists in keeping the canals navigable and assists in retaining all the land within the benefited area.
- Cleaning the canal and navigational aids maintains the overall amenity of the benefited area and the functionality of the canals.
- The land and its occupiers receive a special benefit from proximity to the canals and associated special amenity from the canals structural, recreational, social, health and visual elements.

Estimated Cost of Carrying out the Overall Plan

The overall plan is anticipated to be ongoing to ensure the function and amenity of the canal.

Estimated Time for Carrying out the Overall Plan

The overall plan is estimated to be ongoing to maintain the function and amenity of the canal.

5.7.12 RABY BAY TIDAL WORKS (NON COMMUNITY TITLE SCHEME) SPECIAL CHARGE ANNUAL IMPLEMENTATION PLAN 2014-2015

Dataworks Filename: FM Corporate Budget

Attachments: [Raby Bay Tidal Works Non CTS Annual Implementation Plan](#)
[Benefited Area Map Raby Bay Non CTS Raby Bay NCTS Special Charge Overall Plan 2014-15](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Murray Erbs
Group Manager City Infrastructure

Author:

Libby Vogt, Financial Analyst
Jodi Van Der Meer, Acting Financial Relations & Development Manager
Noela Barton, Service Manager Revenue & Collections Management

PURPOSE

This report presents an amendment to the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Overall Plan and the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for 2014-2015 for the benefited area reference as Benefited Area Map RBC-6 version 4 to Council for adoption.

BACKGROUND

28 June 2011 – The Overall Plan was adopted for the Raby Bay (Non Community Title Scheme) Special Charge at Council Special Budget meeting.

28 June 2011 and 12 July 2012 – An Annual Implementation Plan for the Raby Bay (Non Community Title Scheme) Special Charge was adopted.

27 June 2013 – An amended Overall Plan and the Annual Implementation Plan was adopted for the Raby Bay (Non Community Title Scheme) Special Charge. Adopted a Council contribution of 20 percent toward the cost of the Annual Implementation Plan for 2013-2014.

ISSUESOverall Plan

The amended Overall Plan presented for adoption with this report includes the following sentence to make it clear that the works contemplated by the overall plan are to be funded by a combination of 'up front' loan funds (with repayments for that loan to be funded by the special charge) as well as the special charge itself.

“The works contemplated by the overall plan are to be funded by a combination of up front loan funds (with repayments for that loan to be funded by the special charge) as well as the special charge itself.”

Along with this, minor amendments have been made to the sections sub-titled *Rateable Land to which the Special Charge Applies* and *Estimated Cost of Carrying out the Overall Plan*. These amendments have been made in order that the Overall Plan does not need to be brought back to Council for adoption on a yearly basis, which is consistent with section 94(4) and 94(9) of the *Local Government Regulation 2012*.

Loans

On 30/6/2013 a loan for \$4.5m for a term of 12 years was drawn down for capital works undertaken in accordance with the overall plan. The purpose of the loan was to fund revetment wall upgrades and repairs in the following locations:

- 12 Seahaven Court
- 25 & 26 Seacrest Court
- 47, 48, 49 Piermont Place
- 4 Mainroyal Court

An amount of \$420,049 of funds levied through the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge will contribute to service the loan repayment in 2014-2015.

Annual Implementation Plan

It is proposed the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge for 2014-2015 will be set at \$2,186.45 per unit.

The Council contribution will be \$445,489.00, which is 20% of the total revenue raised.

In 2014-2015 revenue raised under the Raby Bay (Non Community Title Scheme) Special Charge will be quarantined in the Raby Bay Canal Reserve. The Reserve will fund the activities and services as detailed in the 2014-2015 Raby Bay (Non Community Title Scheme) Special Charge Annual Implementation Plan.

Annual Implementation Plan	
Activity	Estimated Cost
Beaufort Court (10-15) Revetment Wall Upgrade	\$2,888,400
Raby Bay Canal Maintenance	\$161,430
Monitoring Revetment Walls	\$126,026
Raby Bay Canal Planning (consultants)	\$87,000
Rock Armour Replacement	\$104,400
Service	
Loan Repayment	\$420,049
TOTAL	\$3,787,306

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires a local government's resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires the local government must adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

A Geotechnical Investigation Analysis Report was completed for the Raby Bay Canal estate by consultants KBR. This report was completed 24 June 2013. This report is the basis for a planned trial in Raby Bay of a new repair technique. The Raby Bay Ratepayers Association has been consulted and is involved in scoping out the trial, which is to take place in the 2014/15 financial year.

Financial

It is proposed the Raby Bay Tidal Works (Non Community Title Scheme) Special charge is set at \$2,186.45 per unit. The total expenditure under the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for 2014-15 is \$3,787,306.

People

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge.

Environmental

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge.

Social

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge.

Alignment with Council's Policy and Plans

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS

Option 1

Council resolves to;

1. Amend the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Overall Plan, as recommended in this report;
2. Adopt the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for the 2014-2015 financial year; and
3. Apply a Council contribution of 20 percent toward the cost of the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for the 2014-2015 financial year.

Option 2

Council resolves to not adopt the Officer's Recommendation.

OFFICER'S RECOMMENDATION

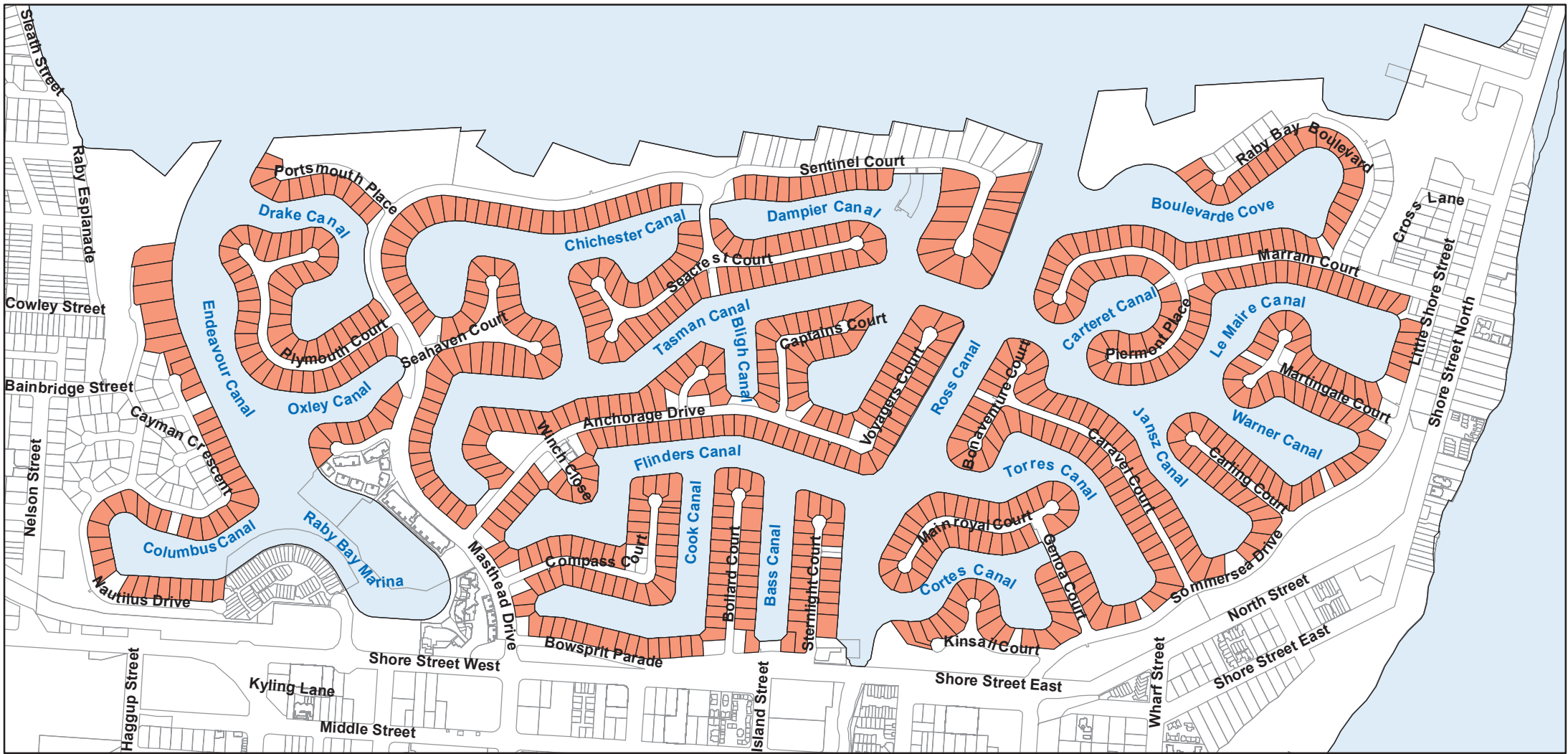
That Council resolves to:

1. **Amend the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Overall Plan, as recommended in this report;**
2. **Adopt the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for the 2014-2015 financial year; and**
3. **Apply a Council contribution of 20 percent toward the cost of the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for the 2014-2015 financial year.**

**RABY BAY TIDAL WORKS (NON COMMUNITY TITLE SCHEME) SPECIAL CHARGE
Annual Implementation Plan for 2014/2015**

Annual Implementation Plan

Job Number	Activity	Estimated Cost
40577	Beaufort Court (10-15) Revetment Wall Upgrade	\$ 2,888,400
30394	Raby Bay Canal Maintenance	\$ 161,430
30399	Monitoring Revetment Walls	\$ 126,026
70833	Raby Bay Canal Planning (consultants)	\$ 87,000
70084	Rock Armour Replacement	\$ 104,400
Service		
	Loan Repayment	\$ 420,049
	TOTAL	\$ 3,787,305



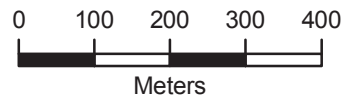
BENEFIT AREA MAP

Map: RBC-6 Version 4

1:10,000

Canal Charges

CA06 - Raby Bay Tidal Works (non CTS) Special Charge



Produced by
Spatial Business Intelligence
30 June 2013

Data correct at time of production

Overall Plan – Raby Bay Tidal Works (Non Community Title Scheme) Special Charge

Redland City Council Budget 2014/2015

Council makes this overall plan for Raby Bay Tidal Works (Non Community Title Scheme) Special Charge in accordance with section 92 (3) of the Local Government Act 2009 and Part 6 section 94(2) of the Local Government Regulation 2012.

Service, Facility or Activity

The special charge is for the service and activity of dredging, maintenance and cleaning works of the canal and its revetments, improvements and navigational aids located at Raby Bay identified within the Benefited Area Map comprising:

- Dredging as required
- Planning as required
- Canal Maintenance as required
- Navigational Beacon Pile Maintenance as required
- Revetment Walls as required

The works contemplated by the overall plan are to be funded by a combination of up front loan funds (with repayments for that loan to be funded by the special charge), as well as the special charge itself.

Rateable Land to which the Special Charge Applies

The special benefited land is identified on the Benefited Area Map for the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge. The Benefited Area Map is updated on an annual basis to accommodate for any boundary changes and attached to the Annual Implementation Plan report presented each financial year at the special budget meeting.

It includes all rateable land where the land abuts a canal revetment wall in the Raby Bay canal estate. The Benefited Area includes land identified as lots 1 to 12 on GTP 2073, but excludes land identified in the Raby Bay Tidal Works (Community Title Scheme) Benefited Area Map as being charged a Raby Bay Tidal Works (Community Title Scheme) Special Charge.

Special Benefits

This service, facility or activity specially benefits the land or its occupier because:

- The dredging of the canals keeps the canals navigable within the benefited area.
- Maintaining the revetments assists in retaining all land within the benefited area.
- Monitoring the canal and revetments to assist in planning maintenance and dredging activities assists in keeping the canals navigable and assists in retaining all the land within the benefited area.
- Cleaning the canal and navigational aids maintains the overall amenity of the benefited area and the functionality of the canals.
- The land and its occupiers receive a special benefit from proximity to the canals and associated special amenity from the canals structural, recreational, social, health and visual elements.

Estimated Cost of Carrying out the Overall Plan

The overall plan is anticipated to be ongoing to ensure the function and amenity of the canal.

Estimated Time for Carrying out the Overall Plan

The overall plan is estimated to be ongoing to maintain the function and amenity of the canal.

5.7.13 SOUTHERN MORETON BAY ISLANDS TRANSLINK OPERATIONS SPECIAL CHARGE ANNUAL IMPLEMENTATION PLAN 2014-2015

Dataworks Filename: FM Corporate Budget

Attachments: [SMBI Translink Operations Annual Implementation Plan](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Murray Erbs
Group Manager City Infrastructure

Authors:

Libby Vogt – Financial Analyst
Jodi Van Der Meer – Acting Financial Relations & Development Manager
Noela Barton – Service Manager Revenue & Collections Management

PURPOSE

This report presents the Southern Moreton Bay Islands TransLink Operations Special Charge Annual Implementation Plan for 2014-2015 to Council for adoption.

BACKGROUND

19 June 2013 – Council resolved to raise a special charge in the annual budget for 2013-2014 to fund the contribution agreed to under the Funding Agreement executed 18 December 2012 for ferry operations to the Southern Moreton Bay Islands between Redland City Council and the State of Queensland (acting through the Department of Transport and Main Roads).

27 June 2013 – Council adopted the Southern Moreton Bay Islands TransLink Operations Special Charge Overall Plan and the 2013-2014 Annual Implementation Plan.

ISSUES

The State of Queensland (the State) and Redland City Council (RCC) agree they wish to promote and improve public transport to all communities in Redland City. Both are committed to the staged extension of public transport services between Weinam Creek and the Southern Moreton Bay Islands to reduce the costs of living and broaden the economic benefits to these Islands.

On 18 December 2012, RCC entered into a funding agreement with the State for TransLink to provide ferry operations between Weinam Creek, Karragarra, Lamb, Macleay, Perulpa and Russell Islands for a trial period of 2½ years, which will be referred to as the Southern Moreton Bay Islands Transport Operations trial which provides public transport services to the Benefited Land.

Special rates and charges are for services, facilities and activities that have a special association with particular land. Council has established the SMBI TransLink

Operations Special Charge (SMBI TransLink Operations Special Charge) has a special association to the land identified because the land or its occupier will specially benefit from the service, facility or activity provided by the Southern Moreton Bay Islands Transport Operations trial through the extension of public transport services and the broadening of economic benefits this trial may bring to the Islands.

The land that would obtain a particular benefit from the service (Benefited Land) identified in the Overall Plan is all rateable properties on the Southern Moreton Bay Islands of Karragarra, Lamb, Macleay, Perulpa and Russell Islands, excluding land categorised for differential general rate purposes as rating category 10.

The State agrees that funds raised under the SMBI TransLink Operations Special Charge will be used only for the purpose of providing the State Services and the Ticketing Services identified in the Overall Plan.

The time period for the Southern Moreton Bay Islands Transport Operations trial is 1 July 2013 to 1 January 2016.

The Annual Implementation Plan for 2014-2015 is attached, and comprises the payment for \$948,520 (which excludes GST) of the special charges collected to the State of Queensland (acting through the Department of Transport and Main Roads) for the provision of the service.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 92(3) of the *Local Government Act 2009* (LGA) requires that for a special rate or charge to be levied the service, facility or activity has to have a special association with particular land.

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires the resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(4) of the Regulation requires the overall plan must be adopted before, or at the same time as the local government first resolves to levy the special rates or charges.

Section 94(6) of the Regulation requires an annual implementation plan to be adopted if the overall plan for the special charge is for more than 1 year.

Section 94(7) of the Regulation requires an annual implementation plan for a financial year to be a document that sets out the actions or processes that are to be carried out in the financial year for the service, facility or activity for which the special rates or charges apply.

Section 94(15) of the Regulation declares that a local government may make and levy a special rate or charge for a service, facility or activity whether or not the services is supplied or undertaken by the local government.

Risk Management

The adoption of a special charge for the payment of the financial obligations under the funding agreement will provide transparency for the SMBI residents and ratepayers in the benefited area regarding the purpose of the funds collected.

Financial

It is proposed the SMBI TransLink Operations Special Charge will be set at \$87.95 for 2014-2015.

The amount of the SMBI TransLink Operations Special Charge has been determined by the SMBI Translink Special Charge modelling implementation by apportioning an equal share of the payment across the Southern Moreton Bay Island rateable properties excluding properties categorised for the purposes of the differential general rate as rating category 10.

The Annual Implementation Plan is the payment of the annual funding amount of the service pursuant to the agreement between the Council and the State of Queensland (acting through the Department of Transport and Main Roads) for the provision of the service. That amount for the 2014-2015 financial year is \$948,520.

People

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Southern Moreton Bay Islands TransLink Operations Special Charge.

Environmental

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Southern Moreton Bay Islands TransLink Operations Special Charge.

Social

Nil impact expected as the purpose of this report is to adopt the Annual Implementation Plan for the Southern Moreton Bay Islands TransLink Operations Special Charge.

Alignment with Council's Policy and Plans

Redlands 2030 Community Plan:

- 5. Wise Planning and Design – Prioritising Public Infrastructure
 - Goal 11 – Connections within and around the Redlands: In line with sustainability; new transit systems, improved roads, car parks and public transport options to keep pace with demand; and increase connectivity in and around the Redlands, and most notably with the Bay Islands, Brisbane and the Gold Coast.

Redland City Council Corporate Plan 2010-2015

- 5. Wise Planning and Design
 - 5.8: Plan and advocate to connect the city's communities with improved public transport including a road, ferry, cycling and walking network that provides safe and efficient movement within the city and the region and

supports physical activity; and promote efficient and environmentally responsible private transport.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS

Option 1

Adopt the attached Southern Moreton Bay Islands Translink Operations Special Charge Annual Implementation Plan for the 2014-2015 financial year.

Option 2

That Council resolves not to adopt the Officer's Recommendation.

OFFICER'S RECOMMENDATION

That Council resolves to adopt the attached Southern Moreton Bay Islands Translink Operations Special Charge Annual Implementation Plan for the 2014-2015 financial year.

Annual Implementation Plan 2014-2015

Southern Moreton Bay Islands TransLink Operations Special Charge

This Annual Implementation Plan is made in accordance with section 94(7) of the Local Government Regulation 2012.

Actions to be carried out

The Southern Moreton Bay Islands TransLink Operations Special Charge (the 'special charge') for 2014-2015 will be \$87.95 which will be levied on a quarterly basis in the months of July, October, January and April. It will be identified on the rate notice as the 'SMBI TransLink Operations Special Charge'.

The total revenue raised by the special charge in 2014-2015 will be \$948,520. All revenue raised will be paid by the Council to the State to meet the ongoing cost of funding the Southern Moreton Bay Islands Transport Operations trial (which service is being provided by the State).

Expenditure for 2014-2015 will be \$948,520 pro-rata quarterly in arrears within 28 days of the due date for the payment of Redland City Council rates for the Southern Moreton Bay Island areas of Karragarra, Lamb, Macleay, Perulpa and Russell Islands.

5.7.14 OVERALL PLAN - KARRAGARRA ISLAND RURAL FIRE LEVY SPECIAL CHARGE 2014/2015

Dataworks Filename: FM Corporate Budget

Attachment: [Rural Fire Brigade Budgets 2014-15](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Deborah Corbett-Hall
Service Manager Corporate Finance

Author:

Noela Barton
Service Manager Revenue & Collections
Management

PURPOSE

To submit to Council for adoption the Karragarra Island Rural Fire Levy Special Charge overall plan for the 2014/2015 financial year.

BACKGROUND

Council has in previous financial years contributed to the Southern Moreton Bay Islands rural fire brigades through the raising of revenue from a Rural Fire Levy Special charge.

It is the practice of Council to adopt on an annual basis an overall plan for each rural fire brigade that covers a 12 month period.

OVERALL PLAN

The Rural Fire Service is provided in areas where there is no urban fire service and is fully staffed by volunteers from the community.

The Karragarra Island Rural Fire Levy Special Charge is levied to contribute funding to the service, facilities and activities provided by the Karragarra Island Rural Fire Brigade, including:

- Responding to the outbreak of fires within its area, and in surrounding areas in support of other rural fire brigades and emergency service workers;
- Working in conjunction with Rural Operations staff from the QFRS undertaking a range of planning and preparation activities throughout the year to ensure communities are prepared for the fire season, which includes hazard reduction burns;
- Controlling the use of fire by providing authorised Fire Wardens to manage permits to light fires;

- Having brigade members engage in delivering community education and awareness on fire behaviour and prevention.

The Special Charge is set in consultation with the Queensland Fire and Rescue Service (QFRS) Rural Operations Area Director for the Redlands district area and is considered in relevance to the annual budget 2014/2015, which is attached.

The rateable land over which the Karragarra Island Rural Fire Levy Special charge is levied is described as all rateable land on Karragarra Island (Benefited Land) excluding land that is rated as rating category 10 for the purposes of levying the differential general rate. Land that is levied a Rural Fire Levy Special Charge obtains a special benefit from the provision of the service, facilities and activities because the special charge provides for a fire service on the island that is occupied by the Benefited Land.

The Brigade has approximately \$15,000 in funds held and have budgeted for total operating costs of \$23,400 in 2014/2015.

For 2014/2015 the Brigade requests a levy of \$30.00 per annum which is supported by the QFRS.

The charge of \$30.00 will be levied on a quarterly basis in the months of July, October, January and April and charged on a per lot basis on all rateable land on Karragarra Island.

Based on the current property data held in the Rating system Council officers estimate the amount to be raised by the levy and therefore the estimated cost of the overall plan for 2014/2015 as \$8,010.

The estimated time for implementing the overall plan is 1 year, ending on 30 June 2015.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 128A of the *Fire and Emergency Services Act 1990* declares that a local government may make and levy special rates and charges and contribute the amounts raised to the rural fire brigades.

Section 91 of the *Local Government Act 2009* (LGA) enables a local government to levy rates and charges on land and for a service, facility or activity that is supplied or undertaken by the local government or by someone on behalf of the local government.

Section 94(1) of the LGA, declares that a local government may decide to levy a special rate or charge.

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires that where a local government decides to levy special rates or charges the resolution must identify the land to which the special rates or charges apply and the overall plan for the service, facility or activity.

Section 94(6) of the Regulation requires if an overall plan is for no more than 1 year it negates the need to also adopt an Annual Implementation Plan.

Section 96 of the Regulation requires if an overall plan is implemented and not all the funds levied are spent by the end of the overall plan the funds must be paid back to the current owners of the land on which the special rates or charges were levied as soon as practicable. There is no requirement to return any unspent charges from the previous Rural Fire Levy Special Charge, provided Council has discharged its duty by providing the revenue raised to each fire brigade in each financial year they were imposed. Council discharges its duty for the time limit for carrying out the overall plan by monthly payment of all revenue received from the special charge to the Karragarra Island Rural Fire Brigade.

Risk Management

Council annually reviews special charges during the budget process. For 2014/2015 Council has established a position that it will support the Karragarra Island Rural Fire brigade by raising revenue through a special charge in order for the Brigade to continue to provide an essential service to the local community.

Financial

The levy proposed for 2014/2015 is in response to the budget prepared by the Karragarra Island Rural Fire Service Brigade that is completed in consultation with the Area Director Rural Operations QFRS.

People

Nil impact expected.

Environmental

The levy supports the Karragarra Island Rural Fire Brigade to provide an essential service to their local community. The activities undertaken by the Brigade include responding to the outbreak of fires within their local area and in surrounding areas in support of other rural fire brigades and emergency service workers.

They work in conjunction with Rural Operations staff from the QFRS undertaking a range of planning and preparation activities throughout the year to ensure communities are prepared for the fire season, which includes hazard reduction burns. They control the use of fire by providing authorised Fire Wardens to manage permits to light fires. Brigade members also engage in delivering community education and awareness on fire behaviour and prevention.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the Corporate Plan:

9. An efficient and effective organisation

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

CONSULTATION

The Overall Plan for the Karragarra Island Rural Fire Levy for 2014/2015 is put forward for adoption after consultation with the Area Director Rural Operations QFRS, Councillors, Chief Executive Officer and the Chief Financial Officer.

OPTIONS

Option 1

That Council resolves to:

1. Adopt the overall plan described in this report for the Karragarra Island Rural Fire Levy Special Charge for 2014/2015; and
2. Fix the Karragarra Island Rural Fire Levy Special Charge for 2014/2015 at \$30.00 per annum to be charged on a per lot basis on all rateable land on Karragarra Island.

Option 2

That Council resolves not to adopt the Officer's Recommendation.

OFFICER'S RECOMMENDATION

That Council resolves to:

1. **Adopt the overall plan described in this report for the Karragarra Island Rural Fire Levy Special Charge for 2014/2015; and**
2. **Fix the Karragarra Island Rural Fire Levy Special Charge for 2014/2015 at \$30.00 per annum to be charged on a per lot basis on all rateable land on Karragarra Island excluding land that is rated as rating category 10 for the purposes of levying the differential general rate.**

**5.7.15 OVERALL PLAN - LAMB ISLAND RURAL FIRE LEVY SPECIAL CHARGE
2014/2015**

Dataworks Filename: FM Corporate Budget

Attachment: [Rural Fire Brigade Budgets 2014-15](#)

Authorising Officer:



**Bill Lyon
Chief Executive Officer**

Responsible Officer:

**Deborah Corbett-Hall
Service Manager Corporate Finance**

Author:

**Noela Barton
Service Manager Revenue & Collections
Management**

PURPOSE

To submit to Council for adoption the Lamb Island Rural Fire Levy Special Charge overall plan for the 2014/2015 financial year.

BACKGROUND

Council has in previous financial years contributed to the Southern Moreton Bay Islands rural fire brigades through the raising of revenue from a Rural Fire Levy Special charge.

It is the practice of Council to adopt on an annual basis an overall plan for each rural fire brigade that covers a 12 month period.

OVERALL PLAN

The Rural Fire Service is provided in areas where there is no urban fire service and is fully staffed by volunteers from the community.

The Lamb Island Rural Fire Levy Special Charge is levied to contribute funding to the service, facilities and activities provided by the Lamb Island Rural Fire Brigade, including:

- Responding to the outbreak of fires within its area, and in surrounding areas in support of other rural fire brigades and emergency service workers;
- Working in conjunction with Rural Operations staff from the QFRS undertaking a range of planning and preparation activities throughout the year to ensure communities are prepared for the fire season, which includes hazard reduction burns;
- Controlling the use of fire by providing authorised Fire Wardens to manage permits to light fires;
- Having brigade members engage in delivering community education and awareness on fire behaviour and prevention.

The Special Charge is set in consultation with the Queensland Fire and Rescue Service (QFRS) Rural Operations Area Director for the Redlands district area and is considered in relevance to the annual budget 2014/2015, which is attached.

The rateable land over which the Lamb Island Rural Fire Levy Special Charge is levied is described as all rateable land on Lamb Island (Benefited Land) excluding land that is rated as rating category 10 for the purposes of levying the differential general rate. Land that is levied a Rural Fire Levy Special Charge obtains a special benefit from the provision of the service, facilities and activities because the special charge provides for a fire service on the island that is occupied by the Benefited Land.

The Brigade has approximately \$10,000 in funds held and have budgeted for total operating costs of \$31,360 in 2014/2015.

For 2014/2015 the Brigade requests a levy of \$30 per annum which is supported by the QFRS.

The charge of \$30.00 will be levied on a quarterly basis in the months of July, October, January and April and charged on a per lot basis on all rateable land on Lamb Island.

Based on the current property data held in the Rating system Council officers estimate the amount to be raised by the levy and therefore the estimated cost of the overall plan for 2014/2015 as \$22,680.

The estimated time for implementing the overall plan is 1 year, ending on 30 June 2015.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 128A of the *Fire and Emergency Services Act 1990* declares that a local government may make and levy special rates and charges and contribute the amounts raised to the rural fire brigades.

Section 91 of the *Local Government Act 2009* (LGA) enables a local government to levy rates and charges on land and for a service, facility or activity that is supplied or undertaken by the local government or by someone on behalf of the local government.

Section 94(1) of the LGA, declares that a local government may decide to levy a special rate or charge.

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires that where a local government decides to levy special rates or charges the resolution must identify the land to which the special rates or charges apply and the overall plan for the service, facility or activity.

Section 94(6) of the Regulation requires if an overall plan is for no more than 1 year it negates the need to also adopt an Annual Implementation Plan.

Section 96 of the Regulation requires if an overall plan is implemented and not all the funds levied are spent by the end of the overall plan the funds must be paid back to the current owners of the land on which the special rates or charges were levied as soon as practicable. There is no requirement to return any unspent charges from the previous Rural Fire Levy Special Charge, provided Council has discharged its duty by providing the revenue raised to each fire brigade in each financial year they were imposed. Council discharges its duty for the time limit for carrying out the overall plan by monthly payment of all revenue received from the special charge to the Lamb Island Rural Fire Brigade.

Risk Management

Council annually reviews special charges during the budget process. For 2014/2015 Council has established a position that it will support the Lamb Island Rural Fire brigade by raising revenue through a special charge in order for the Brigade to continue to provide an essential service to the local community.

Financial

The levy proposed for 2014/2015 is in response to the budget prepared by the Lamb Island Rural Fire Service Brigade which is completed in consultation with the Area Director Rural Operations QFRS.

People

Nil impact expected.

Environmental

The levy supports the Lamb Island Rural Fire Brigade to provide an essential service to their local community. The activities undertaken by the Brigade include responding to the outbreak of fires within their local area and in surrounding areas in support of other rural fire brigades and emergency service workers.

They work in conjunction with Rural Operations staff from the QFRS undertaking a range of planning and preparation activities throughout the year to ensure communities are prepared for the fire season, which includes hazard reduction burns. They control the use of fire by providing authorised Fire Wardens to manage permits to light fires. Brigade members also engage in delivering community education and awareness on fire behaviour and prevention.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the Corporate Plan:

9. An efficient and effective organisation

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

CONSULTATION

The Overall Plan for the Lamb Island Rural Fire Levy for 2014/2015 is put forward for adoption after consultation with the Area Director Rural Operations QFRS, Councillors, Chief Executive Officer and the Chief Financial Officer.

OPTIONS

Option 1

That Council resolves to:

1. Adopt the overall plan described in this report for the Lamb Island Rural Fire Levy Special Charge for 2014/2015; and
2. Fix the Lamb Island Rural Fire Levy Special Charge for 2014/2015 at \$30 per annum to be charged on a per lot basis on all rateable land on Lamb Island.

Option 2

That Council resolves not to adopt the Officer's Recommendation.

OFFICER'S RECOMMENDATION

That Council resolves to:

1. **Adopt the overall plan described in this report for the Lamb Island Rural Fire Levy Special Charge for 2014/2015; and**
2. **Fix the Lamb Island Rural Fire Levy Special Charge for 2014/2015 at \$30 per annum to be charged on a per lot basis on all rateable land on Lamb Island excluding land that is rated as rating category 10 for the purposes of levying the differential general rate.**

**5.7.16 OVERALL PLAN - MACLEAY AND PERULPA ISLANDS RURAL FIRE
LEVY SPECIAL CHARGE 2014/2015**

Dataworks Filename: FM Corporate Budget

Attachment: [Rural Fire Brigade Budgets 2014-15](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Deborah Corbett-Hall
Service Manager Corporate Finance

Author:

Noela Barton
Service Manager Revenue & Collections
Management

PURPOSE

To submit to Council for adoption the Macleay and Perulpa Islands Rural Fire Levy Special Charge overall plan for the 2014/2015 financial year.

BACKGROUND

Council has in previous financial years contributed to the Southern Moreton Bay Islands rural fire brigades through the raising of revenue from a Rural Fire Levy Special charge.

It is the practice of Council to adopt on an annual basis an overall plan for each rural fire brigade that covers a 12 month period.

OVERALL PLAN

The Rural Fire Service is provided in areas where there is no urban fire service and is fully staffed by volunteers from the community.

The Macleay and Perulpa Islands Rural Fire Levy Special Charge is levied to contribute funding to the service, facilities and activities provided by the Macleay Island Rural Fire Brigade, including:

- Responding to the outbreak of fires within its area, and in surrounding areas in support of other rural fire brigades and emergency service workers;
- Working in conjunction with Rural Operations staff from the QFRS undertaking a range of planning and preparation activities throughout the year to ensure communities are prepared for the fire season, which includes hazard reduction burns;
- Controlling the use of fire by providing authorised Fire Wardens to manage permits to light fires;

- Having brigade members engage in delivering community education and awareness on fire behaviour and prevention.

The Special Charge is set in consultation with the Queensland Fire and Rescue Service (QFRS) Rural Operations Area Director for the Redlands district area and is considered in relevance to the annual budget 2014/2015, which is attached.

The rateable land over which the Macleay and Perulpa Islands Rural fire Levy Special Charge is levied is described as all rateable land on the Macleay and Perulpa Islands (Benefited Land) excluding land that is rated as rating category 10 for the purposes of levying the differential general rate. Land that is levied a Rural Fire Levy Special Charge obtains a special benefit from the provision of the service, facilities and activities because the special charge provides for a fire service on the islands that is occupied by the Benefited Land.

The Brigade has approximately \$55,000 in funds held and have budgeted for total operating costs of \$130,000 in 2014/2015.

For 2014/2015 the Brigade requests a levy of \$20.00 per annum which is supported by the QFRS.

The charge of \$20.00 will be levied on a quarterly basis in the months of July, October, January and April and charged on a per lot basis on all rateable land on Macleay and Perulpa Islands.

Based on the current property data held in the Rating system Council officers estimate the amount to be raised by the levy and therefore the estimated cost of the overall plan for 2014/2015 as \$75,120.

The estimated time for implementing the overall plan is 1 year, ending on 30 June 2015.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 128A of the *Fire and Emergency Services Act 1990* declares that a local government may make and levy special rates and charges and contribute the amounts raised to the rural fire brigades.

Section 91 of the *Local Government Act 2009* (LGA) enables a local government to levy rates and charges on land and for a service, facility or activity that is supplied or undertaken by the local government or by someone on behalf of the local government.

Section 94(1) of the LGA, declares that a local government may decide to levy a special rate or charge.

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires that where a local government decides to levy special rates or charges the resolution must identify the land to which the special rates or charges apply and the overall plan for the service, facility or activity.

Section 94(6) of the Regulation requires if an overall plan is for no more than 1 year it negates the need to also adopt an Annual Implementation Plan.

Section 96 of the Regulation requires if an overall plan is implemented and not all the funds levied are spent by the end of the overall plan the funds must be paid back to the current owners of the land on which the special rates or charges were levied as soon as practicable. There is no requirement to return any unspent charges from the previous Rural Fire Levy Special Charge, provided Council has discharged its duty by providing the revenue raised to each fire brigade in each financial year they were imposed. Council discharges its duty for the time limit for carrying out the overall plan by monthly payment of all revenue received from the special charge to the Macleay Island Rural Fire Brigade.

Risk Management

Council annually reviews special charges during the budget process. For 2014/2015 Council has established a position that it will support the Macleay Island Rural Fire brigade by raising revenue through a special charge in order for the Brigade to continue to provide an essential service to the local community.

Financial

The levy proposed for 2014/2015 is in response to the budget prepared by the Macleay Island Rural Fire Service Brigade that is completed in consultation with the Area Director Rural Operations QFRS.

People

Nil impact expected.

Environmental

The levy supports the Macleay Island Rural Fire Brigade to provide an essential service to the local community. The activities undertaken by the Brigade include responding to the outbreak of fires within their local area and in surrounding areas in support of other rural fire brigades and emergency service workers.

They work in conjunction with Rural Operations staff from the QFRS undertaking a range of planning and preparation activities throughout the year to ensure communities are prepared for the fire season, which includes hazard reduction burns. They control the use of fire by providing authorised Fire Wardens to manage permits to light fires. Brigade members also engage in delivering community education and awareness on fire behaviour and prevention.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the Corporate Plan:

9. An efficient and effective organisation

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

CONSULTATION

The Overall Plan for the Macleay and Perulpa Islands Rural Fire Levy for 2014/2015 is put forward for adoption after consultation with the Area Director Rural Operations QFRS, Councillors, Chief Executive Officer and the Chief Financial Officer.

OPTIONS

Option 1

That Council resolves to:

1. Adopt the overall plan described in this report for the Macleay and Perulpa Islands Rural Fire Levy Special Charge for 2014/2015; and
2. Fix the Macleay and Perulpa Islands Rural Fire Levy Special Charge for 2014/2015 at \$20.00 per annum to be charged on a per lot basis on all rateable land on Macleay and Perulpa Islands.

Option 2

That Council resolves not to adopt the Officer's Recommendation.

OFFICER'S RECOMMENDATION

That Council resolves to:

1. **Adopt the overall plan described in this report for the Macleay and Perulpa Islands Rural Fire Levy Special Charge for 2014/2015; and**
2. **Fix the Macleay and Perulpa Islands Rural Fire Levy Special Charge for 2014/2015 at \$20.00 per annum to be charged on a per lot basis on all rateable land on Macleay and Perulpa Islands excluding land that is rated as rating category 10 for the purposes of levying the differential general rate.**

5.7.17 OVERALL PLAN – RUSSELL ISLAND RURAL FIRE LEVY - SPECIAL CHARGE 2014/2015

Dataworks Filename: FM Corporate Budget

Attachment: [Rural Fire Brigade Budgets 2014-15](#)

Authorising Officer:



Bill Lyon
Chief Executive Officer

Responsible Officer:

Deborah Corbett-Hall
Service Manager Corporate Finance

Author:

Noela Barton
Service Manager Revenue & Collections
Management

PURPOSE

To submit to Council for adoption the Russell Island Rural Fire Levy Special Charge overall plan for the 2014/2015 financial year.

BACKGROUND

Council has in previous financial years contributed to the Southern Moreton Bay Islands rural fire brigades through the raising of revenue from a Rural Fire Levy Special charge.

It is the practice of Council to adopt on an annual basis an overall plan for each rural fire brigade that covers a 12 month period.

OVERALL PLAN

The Rural Fire Service is provided in areas where there is no urban fire service and is fully staffed by volunteers from the community.

In 2014/2015, the Russell Island Rural Fire Levy Special Charge will be levied to contribute funding to the service, facilities and activities provided by the Russell Island Rural Fire Brigade including:

- Responding to the outbreak of fires within its area, and in surrounding areas in support of other rural fire brigades and emergency service workers;
- Working in conjunction with Rural Operations staff from the QFRS undertaking a range of planning and preparation activities throughout the year to ensure communities are prepared for the fire season, which includes hazard reduction burns;
- Controlling the use of fire by providing authorised Fire Wardens to manage permits to light fires;
- Having brigade members engage in delivering community education and awareness on fire behaviour and prevention.

The Special Charge is set in consultation with the Queensland Fire and Rescue Service (QFRS) Rural Operations Area Director for the Redlands district area and is considered in relevance to the annual budget 2014/2015, which is attached.

The rateable land over which the Russell Island Rural Fire Levy Special Charge is levied is described as all rateable land on Russell Island (Benefited Land) excluding land that is rated as rating category 10 for the purposes of levying the differential general rate. Land that is levied a Rural Fire Levy Special Charge obtains a special benefit from the provision of the service, facilities and activities because the special charge provides for a fire service on the island that is occupied by the Benefited Land.

The Brigade has approximately \$30,000 in funds held and have budgeted for total operating costs of \$100,900 in 2014/2015.

For 2014/2015 the Brigade requests a levy of \$10.00 per annum which is supported by the QFRS.

The charge of \$10.00 will be levied on a quarterly basis in the months of July, October, January and April and charged on a per lot basis on all rateable land on Russell Island.

Based on the current property data held in the Rating system Council officers estimate the amount to be raised by the levy and therefore the estimated cost of the overall plan for 2014/2015 as \$69,040.

The estimated time for implementing the overall plan is 1 year, ending on 30 June 2015.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 128A of the *Fire and Emergency Services Act 1990* declares that a local government may make and levy special rates and charges and contribute the amounts raised to the rural fire brigades.

Section 91 of the *Local Government Act 2009* (LGA) enables a local government to levy rates and charges on land and for a service, facility or activity that is supplied or undertaken by the local government or by someone on behalf of the local government.

Section 94(1) of the LGA, declares that a local government may decide to levy a special rate or charge.

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires that where a local government decides to levy special rates or charges the resolution must identify the land to which the special rates or charges apply and the overall plan for the service, facility or activity.

Section 94(6) of the Regulation requires an if an overall plan is for no more than 1 year it negates the need to also adopt an Annual Implementation Plan.

Section 96 of the Regulation requires if an overall plan is implemented and not all the funds levied are spent by the end of the overall plan the funds must be paid back to the current owners of the land on which the special rates or charges were levied as soon as practicable. There is no requirement to return any unspent charges from the previous Rural Fire Levy Special Charge, provided Council has discharged its duty by providing the revenue raised to each fire brigade in each financial year they were imposed. Council discharges its duty for the time limit for carrying out the overall plan by monthly payment of all revenue received from the special charge to the Russell Island Rural Fire Brigade.

Risk Management

Council annually reviews special charges during the budget process. For 2014/2015 Council has established a position that it will support the Russell Island Rural Fire brigade by raising revenue through a special charge in order for the Brigade to continue to provide an essential service to the local community.

Financial

The levy proposed for 2014/2015 is in response to the budget prepared by the Russell Island Rural Fire Service Brigade which is completed in consultation with the Area Director Rural Operations QFRS.

People

Nil impact expected.

Environmental

The levy supports the Russell Island Rural Fire Brigade to provide an essential service to their local community. The activities undertaken by the Brigade include responding to the outbreak of fires within their local area and in surrounding areas in support of other rural fire brigades and emergency service workers.

They work in conjunction with Rural Operations staff from the QFRS undertaking a range of planning and preparation activities throughout the year to ensure communities are prepared for the fire season, which includes hazard reduction burns. They control the use of fire by providing authorised Fire Wardens to manage permits to light fires. Brigade members also engage in delivering community education and awareness on fire behaviour and prevention.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the Corporate Plan:

9. An efficient and effective organisation

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

CONSULTATION

The Overall Plan for the Russell Island Rural Fire Levy for 2014/2015 is put forward for adoption after consultation with the Area Director Rural Operations QFRS, Councillors, Chief Executive Officer and the Chief Financial Officer.

OPTIONS

Option 1

That Council resolves to:

1. Adopt the overall plan described in this report for the Russell Island Rural Fire Levy Special Charge for 2014/2015; and
2. Fix the Russell Island Rural Fire Levy Special Charge for 2014/2015 at \$10.00 per annum to be charged on a per lot basis on all rateable land on Russell Island.

Option 2

That Council resolves not to adopt the Officer's Recommendation.

OFFICER'S RECOMMENDATION

That Council resolves to:

1. **Adopt the overall plan described in this report for the Russell Island Rural Fire Levy Special Charge for 2014/2015; and**
2. **Fix the Russell Island Rural Fire Levy Special Charge for 2014/2015 at \$10.00 per annum to be charged on a per lot basis on all rateable land on Russell Island excluding land that is rated as rating category 10 for the purposes of levying the differential general rate.**

6 MEETING CLOSURE

Rural Fire Brigade Budgets 2014-15

REDLAND CITY COUNCIL 2014/15	Rateable Properties	Brigade Classification	Number of Appliances	Number of Slip-on units or Trailers	Number of Stations	Number of Incidents last year (Jan - Dec)	Area serviced by the Brigade (Sq Km)	Total Station Operation Costs	Total Vehicle Operating Costs	Total Equipment Operating Costs	Total Personal Protective Equipment Costs	Total Public Relations Costs	Total Training Costs	Total Minor Equipment Costs	Total Administration Costs	Appliance Replacement Costs	Capital Costs (station)	Total Operating Costs	Bank Balance Operations AC	Funding Required From Levy	LEVY REQUIRED PER RATEABLE PROPERTY (rounded)
Karragarra Island	272	Village	1	0	1	0	2	\$2,400.00	\$2,000.00	\$3,000.00	\$1,500.00	\$1,000.00	\$1,000.00	\$2,000.00	\$2,500.00	\$0.00	\$8,000.00	\$23,400.00	\$15,000.00	\$8,160.00	\$30.00
Lamb Island	763	Village	1	0	2	0	1	\$3,900.00	\$7,800.00	\$2,200.00	\$1,000.00	\$260.00	\$3,500.00	\$700.00	\$2,000.00	\$0.00	\$10,000.00	\$31,360.00	\$10,000.00	\$21,360.00	\$30.00
Macleay Island	3772	Izone	4	0	1	0	6	\$21,000.00	\$11,000.00	\$5,000.00	\$5,000.00	\$2,000.00	\$10,000.00	\$28,000.00	\$8,000.00	\$15,000.00	\$25,000.00	\$130,000.00	\$55,000.00	\$75,000.00	\$20.00
Russell Island	7475	Izone	3	0	1	0	14	\$17,800.00	\$14,500.00	\$5,500.00	\$2,000.00	\$2,000.00	\$17,500.00	\$7,500.00	\$9,100.00	\$25,000.00	\$0.00	\$100,900.00	\$30,000.00	\$70,900.00	\$10.00
Average	3070							\$11,275.00	\$8,825.00	\$3,925.00	\$2,375.00	\$1,315.00	\$8,000.00	\$9,550.00	\$5,400.00	\$12,500.00	\$10,750.00	\$73,915.00	\$31,250.00	\$42,605.00	\$22.50
Total	12282							\$45,100.00	\$35,300.00	\$15,700.00	\$9,500.00	\$5,260.00	\$32,000.00	\$38,200.00	\$21,600.00	\$40,000.00	\$43,000.00	\$285,660.00	\$110,000.00	\$175,420.00	\$90.00