



**Redland**  
CITY COUNCIL

# **MINUTES**

## **GENERAL MEETING**

**Wednesday, 23 November 2016**

The Council Chambers  
35 Bloomfield Street  
CLEVELAND QLD

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## 1 DECLARATION OF OPENING

The Deputy Mayor declared the meeting open at 9.34am and acknowledged the Quandamooka people, who are the traditional custodians of the land on which Council meets.

The Mayor also paid Council's respect to their elders, past and present, and extended that respect to other indigenous Australians who are present.

## 2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE

### MEMBERS PRESENT:

Cr W Boglary	Deputy Mayor and Councillor Division 1
Cr P Mitchell	Councillor Division 2 – Teleconference at 9.40am
Cr P Gollé	Councillor Division 3
Cr L Hewlett	Councillor Division 4
Cr M Edwards	Councillor Division 5 – Teleconference at 9.40am
Cr J Talty	Councillor Division 6
Cr M Elliott	Councillor Division 7 – entered at 9.41am
Cr T Huges	Councillor Division 8
Cr P Gleeson	Councillor Division 9
Cr P Bishop	Councillor Division 10

### EXECUTIVE LEADERSHIP TEAM:

Mrs L Rusan	Acting Chief Executive Officer and General Manager Community & Customer Services
Mr N Clarke	General Manager Organisational Services
Mr G Soutar	General Manager Infrastructure & Operations
Mrs D Corbett-Hall	Chief Financial Officer
Mr D Jeanes	Group Manager City Planning & Assessment

### MINUTES

Mrs J Parfitt	Corporate Meetings & Registers
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During the meeting (at 12.31pm) a leave of absence was requested for Mayor Williams as a phone connection could not be established.

### LEAVE OF ABSENCE – MAYOR K WILLIAMS

### COUNCIL RESOLUTION

Moved by: Cr P Bishop  
Seconded by: Cr T Huges

**That Leave of Absence be granted for Mayor Karen Williams who is on Council business attending a Global Ecotourism Conference in Tasmania.**

**CARRIED 9/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Gleeson was not present when the motion was put.  
Mayor Williams was absent from the meeting.

**ABSENCES DURING MEETING**

Cr Elliott entered the meeting at 9.41am at the conclusion of the Devotional Segment.

Cr Elliott left the meeting at 10.20am during public participation and returned at 10.21am during Order of Business.

Cr Huges left the meeting at 10.28am at the commencement of Item 11.1.1 and returned at 10.55am at the conclusion of Item 11.1.1.

Cr Gleeson left the meeting at 12.03pm (adjournment) and returned during discussion on Item 11.1.2.

Cr Gleeson left the meeting at 2.18pm during closed session.

Cr Edwards lost his teleconference connection at approx. 3.38pm during closed session.

**TELECONFERENCE****COUNCIL RESOLUTION**

**Moved by: Cr J Talty**  
**Seconded by: Cr P Bishop**

**That Mayor Karen Williams be granted permission to take part in the General Meeting by teleconference**

**CARRIED 7/0**

Crs Gollé, Hewlett, Huges, Talty, Gleeson, Bishop and Boglary voted FOR the motion.

Cr Elliott was not present when the motion was put.

Crs Williams, Mitchell and Edwards had not yet been granted permission to teleconference and therefore could not vote on the motion.

**COUNCIL RESOLUTION**

**Moved by: Cr P Gleeson**  
**Seconded by: Cr P Bishop**

**That Cr Peter Mitchell be granted permission to take part in the General Meeting by teleconference**

**CARRIED 7/0**

Crs Gollé, Hewlett, Huges, Talty, Gleeson, Bishop and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

Cr Elliott was not present when the motion was put.

Crs Mitchell and Edwards had not yet been granted permission to teleconference and therefore could not vote on the motion.

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**COUNCIL RESOLUTION**

**Moved by:** Cr L Hewlett

**Seconded by:** Cr T Hugues

**That Cr Mark Edwards be granted permission to take part in the General Meeting by teleconference**

**CARRIED 8/0**

Crs Gollé, Hewlett, Hugues, Talty, Gleeson, Bishop, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected to the meeting.

Cr Elliott was not present when the motion was put.

Cr Edwards had not yet been granted permission to teleconference and therefore could not vote on the motion.

### **3 DEVOTIONAL SEGMENT**

Pastor Steve Kennedy, Champions Church and a member of the Ministers' Fellowship led Council in a brief devotional segment.

### **4 RECOGNITION OF ACHIEVEMENT**

#### **4.1 FAREWELL – GARY SOUTAR – GENERAL MANAGER INFRASTRUCTURE & OPERATIONS**

The Deputy Mayor, on behalf of Council, announced she would take the opportunity today to acknowledge the wonderful contribution to the Redlands of retiring General Manager Infrastructure and Operations Gary Soutar, who is attending his final General Meeting today.

Gary started work with the then Redland Shire Council as assistant sub-division engineer on 3 June 1985 and retires next month after 31 ½ years of dedication to our community. I'm sure everyone here would agree that's a pretty good innings in anyone's language!

Gary has been an engineer all his life – he gets great pleasure out of building things.

Over the years he has also built an enviable reputation as a top-notch engineer who gets things done. His legacy in the Redlands is there for all to see.

Gary's first role at Council was to inspect the work of contractors. It was a new position created within Council because of the explosion in growth and the beginnings for places like Vienna Woods and Alexandra Hills.

It was a role Gary performed with gusto, so much so that about a year after arriving from Armidale City Council he was appointed works engineer in charge of the then Redland Shire Council's day labour workforce.

That position morphed into works manager and during the 1999 council restructure to operations and maintenance group manager.

Gary continued to climb the corporate ladder and in 2007 was appointed General Manager Redland Water. He switched to Allconnex in 2010 when the State Government took over water assets from councils and returned when the assets partly returned two years later, when he was reappointed GM of Redland Water.

Another year on and he was appointed to his current position: General Manager Infrastructure and Operations.

Gary has seen much change during his term at council, probably the most noticeable from his perspective being the workforce mix. From around 25% internal and 75% external, he has seen a complete reversal.

He has seen the Redlands more than triple in size and be transformed from a sleepy farming community to a buzzing seaside residential paradise.

He remembers the days when a house and land package at Alex Hills cost less than \$50,000 – because he bought one. He recalls when a canal front block at Raby Bay was \$80,000 – a dim memory for most people.

The days of big projects being delivered by Council remain fresh in his mind – Shore St outside the Cleveland railway station, subdivisions on North Stradbroke Island, the Northern Arterial Road.

He also remembers the boom on the Bay islands, after there was only one bitumen road – the centre Road – on the major islands. He has seen dramatic transport improvements for the SMBI.

He has seen Council transformed into a more efficient and effective organisation, with many of the efficiencies driven by technology.

I know he regards project managing the Bloomfield Street streetscape project as a highlight of his career.

Gary has been known to proudly relate how 50 council staff and contractors completely rebuilt Bloomfield Street between Easter Thursday and Easter Monday – a quite remarkable effort.

If you ask him at the right time, he's likely to tell you that the asphalt he and his team laid over that Easter will never fail. He's actually been heard to say because of the depth you could land a jumbo jet on it.

Gary would also say he has no regrets about his career with council and he certainly no regrets about bowing out for retirement and many more fishing trips with his sons and his mates and toime with his family.

Gary, on behalf of Redland City Council, councillors and our community, I thank you sincerely for your great contribution to our city.

We all wish you tight lines in retirement.

#### **4.2 DEBORAH CORBETT-HALL, CHIEF FINANCIAL OFFICER – PRESENTATION OF 10 YEAR PIN**

Deb commenced with RCC on 22 November 2006. The first position Deb held was as an Executive Support Officer in the Office of the Mayor for 5 months.

Deb then transferred to Finance as an Under Graduate Business Study (Account) for just under a year and was also in higher duties as a Finance Officer for some time.

She then became a Finance Officer on a graduate scale in February 2008 but spent a lot of time in higher duties in various Finance Service Manager positions until she secured a permanent position of Service Manager Commercial Finance (title changed to Finance Manager Financial Planning – October 2015).

Finally, Deb acted in higher duties as the Chief Financial Officer until she was appointed to the position in May 2016.

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**5 RECEIPT AND CONFIRMATION OF MINUTES****5.1 GENERAL MEETING MINUTES 9 NOVEMBER 2016****COUNCIL RESOLUTION**

Moved by: Cr J Talty  
Seconded by: Cr P Gleeson

That the minutes of the General Meeting of Council held 9 November be confirmed.

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

**6 MATTERS OUTSTANDING FROM PREVIOUS COUNCIL MEETING MINUTES**

There are no matters outstanding.

**7 PUBLIC PARTICIPATION****MOTION TO ADJOURN MEETING AT 9.50AM**

Moved by: Cr P Bishop  
Seconded by: Cr M Elliott

That Council adjourn the meeting for a 15 minute public participation segment.

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

1. Mr P Eldridge, Raftyard Pty Ltd, addressed Council in relation to Item 11.1.1 – Proposal to Lease Council Land – John Street, Cleveland.
2. Mrs M Sealy, Victoria Point, addressed Council in relation to Item 11.1.2 – MCU013719 – Shopping Centre Carpark, Teak Lane, Victoria Point.

**MOTION TO EXTEND PUBLIC PARTICIPATION AT 10.04AM**

Moved by: Cr M Elliott  
Seconded by: Cr P Bishop

That Council extend the public participation segment to allow further speakers.

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

3. Mr P Dance, representing IVL Group and Lanrex, advised the meeting that he would let the next speaker, Mr I Lancini speak on the Teak Lane application.
4. Mr I Lancini, Lanrex Property, addressed Council in relation to Item 11.1.2 – MCU013719 – Shopping Centre Carpark, Teak Lane, Victoria Point.

5. Mr B Osland, Thornlands, addressed Council in relation to Item 11.1.1 – Proposal to Lease Council Land – John Street, Cleveland.
6. Ms K Murphy, Thornlands, addressed Council in relation to Items 11.1.1 – Proposal to Lease Council Land – John Street, Cleveland and 11.1.2 – MCU013719 – Shopping Centre Carpark, Teak Lane, Victoria Point after hearing the concerns of the previous speakers.

### **MOTION TO RESUME MEETING AT 10.20AM**

Moved by: Cr T Huges

Seconded by: Cr J Talty

That the meeting proceedings resume.

**CARRIED 9/0**

Crs Gollé, Hewlett, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Elliott was not present when the motion was put.

Cr Williams had not yet connected via teleconference.

## **8 PETITIONS AND PRESENTATIONS**

Nil

## **9 ORDER OF BUSINESS**

### **9.1 MOTION TO ALTER THE ORDER OF BUSINESS**

#### **COUNCIL RESOLUTION**

Moved by: Cr P Bishop

Seconded by: Cr J Talty

**That Item 11.3.4 (as listed on the Agenda) – *Proposal to Lease Council Land, John Street, Cleveland* - be discussed as the first item of business (11.1.1).**

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

#### **COUNCIL RESOLUTION**

Moved by: Cr P Gleeson

Seconded by: Cr L Hewlett

**That Item 11.3.6 (as listed on the Agenda) – *MCU013719 – Shopping Centre Carpark, Teak Lane, Victoria Point* - be discussed as the second item of business (11.1.2).**

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

## 9.2 MOTION TO ACCEPT LATE ITEM

### COUNCIL RESOLUTION

Moved by: Cr J Talty  
Seconded by: Cr T Huges

That a Late Item – *2016-17 First Budget Review* – be received and discussed as Item 11.2.4.

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

### COUNCIL RESOLUTION

Moved by: Cr J Talty  
Seconded by: Cr T Huges

That a Late Confidential Item – *Land Acquisition* – be received and discussed as Item 16.3.1

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

## 9.3 MOTION TO WITHDRAW ITEM

### COUNCIL RESOLUTION

Moved by: Cr J Talty  
Seconded by: Cr P Bishop

That Item 11.2.2 *Review of Corporate Policy POL-2592 Concealed Leaks (as listed on the Agenda)* be withdrawn.

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

### COUNCIL RESOLUTION

Moved by: Cr L Hewlett  
Seconded by: Cr P Bishop

That Item 11.5.1 *Wilson Esplanade – Victoria Point – Foreshore Protection Options (as listed on the Agenda)* be withdrawn.

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

**10 DECLARATION OF MATERIAL PERSONAL INTEREST OR CONFLICT OF INTEREST ON ANY ITEMS OF BUSINESS****10.1 ITEM 11.1.1 PROPOSAL TO LEASE COUNCIL LAND, JOHN STREET, CLEVELAND**

- Cr Huges – see item for details.
- Cr Bishop – see item for details.
- Cr Hewlett – see item for details.
- Cr Gollé – see item for details.

**10.2 ITEM 11.4.4 INDIGISCAPES CENTRE EXTENSION AND UPGRADE**

- Cr Bishop – see item for details.

## 11 REPORTS TO COUNCIL

### 11.1 COMMUNITY & CUSTOMER SERVICES

#### CONFLICT OF INTEREST:

**Cr Huges** declared a perceived conflict of interest in the following item (as defined in the *Local Government Act 2009* s.173) and a perceived bias and stated that she would remove herself from the room and will not partake in this conversation.

Cr Huges stated that she had served previously as an executive member at St James kindergarten and that her children went there. She worshipped at the church for many years, personally knows many of people there and has supported the church on her facebook page. Cr Huges left the room at 10.28am.

**Cr Bishop** declared a perceived conflict of interest in the following item (as defined in the *Local Government Act 2009* s.173) stating that his wife had previously been a Sunday School teacher and her family have been members of the Lutheran church in Woolloongabba. Cr Bishop stated he would remain in the room and vote in the community interests. Cr Bishop voted FOR the motion.

**Cr Hewlett** declared a perceived conflict of interest in the following item (as defined in the *Local Government Act 2009* s.173) as his wife has previously been teacher's assistant at the St James Kindergarten while studying for her degree. His wife currently works for a Lutheran Centre, but is employed and paid by the Department of Education. Cr Hewlett stated he was also confirmed as a Lutheran and was a member of the faith. Cr Hewlett stated he would remain in the room and vote in the community interests. Cr Hewlett voted FOR the motion.

**Cr Gollé** declared a perceived conflict of interest in the following item (as defined in the *Local Government Act 2009* s.173) as his children attended a Lutheran school but would remain in the room and vote in the best interests of the community. Cr Gollé voted FOR the motion.

#### 11.1.1 PROPOSAL TO LEASE COUNCIL LAND - JOHN STREET, CLEVELAND

**Objective Reference:** A1826720  
Reports and Attachments (Archives)

**Attachments:** [Site Map – John Street Cleveland](#)  
[POL-3071 Leasing of Council Land and Facilities](#)

**Authorising Officer:**   
Louise Rusan  
General Manager Community and Customer Services

**Responsible Officer:** Gary Photinos  
Group Manager Environment and Regulation

**Report Author:** Merv Elliott  
Principal Property Consultant

## PURPOSE

The purpose of this report is to seek approval for the commercial lease of Council land at 7 John Street, Cleveland to the Lutheran Church of Australia Queensland District (the Church) to operate the St James Lutheran Community Kindergarten and Childcare Centre playground and to not proceed with a “lease to purchase” agreement as proposed by Council 27 January 2016.

## BACKGROUND

Council resolved 27 January 2016 to:

1. Enter into a lease to purchase agreement with the Lutheran Church of Australia Queensland District for the Council land at Lot 3 on SP143012 situated at 7 John Street, Cleveland Qld 4163; and
2. Delegate authority to the Chief Executive Officer under s.257(1)(b) of the Local Government Act 2009 to negotiate appropriate agreements and bring back a report on options and agreements to Council prior to execution of the documents.

Council are the freehold owners of 7 John Street, Cleveland, a 656m<sup>2</sup> block of land zoned open space. The site was dedicated to Council for park purposes approximately 25 years ago as part of a development approval. The Church is the owner of the adjoining land situated at 27 Waterloo Street Cleveland.

The property at 7 John Street has been used by a subsidiary of the Church, St James Lutheran Community Kindergarten and Childcare Centre for at least the last 20 years as a playground in conjunction with the childcare centre located on adjoining land.

The continued use of a playground is consistent with the open space zoning and existing non-conforming uses would apply.

A number of options and agreements have been assessed and it is now recommended that Council proceeds with a commercial lease agreement in lieu of a lease to purchase agreement.

## ISSUES

### The site

The land had been identified as surplus for public open space purposes as it hasn't been used as public parkland due to the occupation of the site by the Church. Alternative options for the use of the land had been considered by Council but due to public submissions Council resolved to retain the current open space zoning.

The attachment depicts the location of the land.

### **The Local Government Regulations 2012**

Council has discretion under the regulations to consider the Church as a community organisation which allows for certain exceptions to apply when dealing with land either for disposal or leasing.

These exceptions will be discussed in the various commentaries on the options listed below.

### **Community Leasing of Council Land and Facilities Policy POL 3071**

Council policy outlines a commitment to ensure the community use of Council owned and controlled land, which is equitable and benefits the wider community. The policy does not cover commercial leases. A copy of the policy has been attached. As previously stated the operation of a commercial child care facility would not be strictly covered by this policy position.

The default position would then be to treat the operation of the child care facilities as a standard lease.

#### **Options proposed by the Church**

The Church has met with Council Officers to discuss formalisation of the continued occupancy of the land. They have submitted the following 3 options:

- ***Option 1: Council gift the land to the Church to continue its current use by the St James Lutheran Community Kindergarten and Childcare Centre.***

Comments:

This option is not recommended.

This property has a current market value in the region of \$400,000 - \$500,000. The *Local Government Regulations 2012* make specific reference to the disposal of land (valuable non-current assets) and in particular exceptions to the normal process of tender or auction.

The gifting of land to the Church does not fulfil the criteria of an exception as it does not conform to sound contracting principles or that it would pass the public interest test.

In addition, Council is obligated under the regulations to consider the market valuation of the land.

- ***Option 2: A 20 year peppercorn lease is drawn up between Council and the Church to continue its current use by St James Lutheran Community Kindergarten and Childcare Centre playground.***

Comments:

This option is not recommended.

Whilst this option may be considered as complying with Council policy to lease land to Community/Sporting bodies at peppercorn rental the fact that the land is being used in conjunction with a commercial enterprise negates this option.

- ***Option 3: Lease to purchase agreement, over a 20 year period, at \$500 per month with no residual payment at the end of the 20 years.***

Comments:

This option is not recommended.

This process constitutes the disposal/sale of land through a payment plan over a set period. The Church proposal of \$500 per month over a 20 year period and no residual payment equates to a total payment of \$120,000. The Church has clearly indicated that these are the only terms that they will agree to. For an asset estimated to be worth \$1 million plus in 20 years' time this is not an option that can be supported on sound contracting principles.

An acceptable option would be to consider such an agreement where the market valuation of the property was considered at \$480,000 and a monthly payment of \$2,720 per month over a 20 year period based on an interest rate of 3.24% (based on lowest business loan rate currently available through the National Australia Bank)

The *Local Government Regulations 2012* obligates Council to consider the market valuation of the land and there are no grounds for exemption from these provisions.

**Option provided by the adjoining land owner, Raftyard Pty Ltd to Purchase part of the land**

- ***Option 4: The adjoining property owner, Raftyard Pty Ltd has previously made application to Council to purchase part of this site (approximately half) to enable a more functional use of its adjoining site for their redevelopment.***

Comments:

This option was canvassed with the Church and childcare representatives who submitted the following statement strongly opposing this proposal:

*“The proposal that Raftyard has put forward would not allow the childcare centre to continue to operate as it would not meet the following legislative requirements:-*

*Education Law and Regulations – Section 244 (2) (e) - “... Premises are designed in a way that facilitates supervision of children at all times .....” – the proposal would provide a playground space that would not meet the supervision requirements of the children at all times and would not meet best practice requirements. A split playground, along with the block owned by Raftyard Pty Ltd proposes to be released for the Vertical Retirement Village would create a major vision of site issue for the child care centre.*

*Education Law and Regulations – Section 244 (2) (d) and (e) - “..... the location and design of the toilet, washing and drying facilities enable safe use and convenient access by the child.” The proposal would not allow convenient access to the toilets which are located in the child care building and again does not allow full site for the educators to view the children.”*

This appears to be a valid argument against selling part of the site.

Any reconfiguration of the land by Council to give effect to this option would require a code assessable application to be made under the Redlands Planning Scheme.

**Option proposed by Council’s Property Services Unit**

- ***Option 5: A 10 year standard lease to the Church to operate the St James Lutheran Community Kindergarten and Childcare Centre Playground***

Comments:

Due to a number of issues between the Church, the St James Lutheran Community Kindergarten and Childcare Centre and the adjoining land owner (Raftyard Pty Ltd) regarding agreement on the sale of the land and to not disadvantage the Church in its continued operation of the child care facility, it is proposed that Council enter into a 10 year standard lease with the Church on the condition that the land be used for child care facilities playground only.

Where the child care facilities cease to operate the lease shall terminate. A lease represents tenure and an interest in the land. The rental be set at \$6,000 per annum

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or \$500 per month (indexed to 2% every year) which was offered by the Church as part of their lease to purchase offer to Council.

A standard lease provides contractual certainty of tenure for the period of the lease and obligates the lessee contractually to deal with a range of risk, liability and insurances matters.

- ***Option 6: Maintain the Status Quo by reissuing a License to Occupy at peppercorn rental***

Comments:

A license to occupy is a permission to use a specific parcel of land usually for periods not longer than 3 years. A licence is not an interest in the land (such as a lease) as it does not allow for exclusive possession of the land and cannot be transferred, sublet or mortgaged. Where a licence is granted, the right to occupy applies only to the permit holder. The history of occupation of the site by the Church would suggest that the use is more than temporary and that the licence is not the most appropriate instrument to continue to use.

Council can continue to maintain the status quo whereby a peppercorn rental on a licence to occupy agreement. A licence to occupy is an agreement with less certainty of tenure than a lease and Council maintains higher responsibilities as exclusive possession of land cannot be transferred. A licence to occupy is intended for uses of minor nature and no major structural improvements are allowed other than boundary fencing. The arguments of peppercorn applicability as per comments in Option 2 above also apply.

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

The *Local Government Regulation 2012* s.236(1)(b)(ii) requires that Council agree by resolution that it is appropriate to dispose of an interest in land to a community organisation, other than by tender or auction. Council's General Counsel considers that the Church meets the requirements of section.236 (1)(b)(ii) which allows lease of Council land.

### **Risk Management**

Public liability insurance will be the responsibility of the lessee.

### **Financial**

Council will not incur any expenses as lease preparation costs, survey, registration in Titles Office etc. will be met by the Church.

### **People**

This recommendation does not have Council staff implications.

### **Environmental**

No environmental issues have been identified.

### **Social**

Granting a lease to the Church will ensure the continued operation of the St James Lutheran Community Kindergarten and Childcare Centre whilst it continues to operate. If the centre closes down, the land will revert back to Council.

### **Alignment with Council's Policy and Plans**

Council Policy POL-3071 Leasing of Council Land and Facilities supports leases to not-for-profit community organisations.

The Redland City Council Corporate Plan 2015-2020 is supported by this proposal, particularly:

7. Strong and connected communities

- 7.2 Council maximises community benefit from the use of its parklands and facilities by improving access to, and the quality of shared use of, public spaces and facilities by groups for sporting, recreational and community activities.

### **CONSULTATION**

Principal Property Consultant has consulted with Mayor Karen Williams, Cr Peter Mitchell, Cr Hewlett, General Counsel and Church representatives.

### **OPTIONS**

#### **Option 1**

Maintain the Status Quo of reissuing a Licence to Occupy for 3 years with a peppercorn rental.

That Council resolves to:

1. Grant a licence to occupy agreement, in lieu of a lease to purchase agreement, to Lutheran Church of Australia Queensland District over Lot 3 on SP143012 situated at 7 John Street, Cleveland for a period of 3 years at a peppercorn rental subject to the following conditions:
  - a) The permit to occupy is solely for the purposes of operating the St James Lutheran Community Kindergarten and Childcare Centre playground and once this use ceases it will be grounds for terminating the permit to occupy;
  - b) Public risk and liability insurance to be in accord with Council requirements; and
  - c) All legal and associated costs to be responsibility of permit to occupy holder.
2. Agree in accordance with s236(2) of the *Local Government Regulation 2012* that s.236(1)(b)(ii) of the *Local Government Regulation* applies, allowing the proposed licence to occupy to a community organisation other than by tender or auction and that they be exempt from any rental payments (peppercorn); and
3. Delegate authority to the Chief Executive Officer under s.257(1)(b) of the *Local Government Act 2009* to negotiate, make, vary and discharge all documents associated with this transaction.

#### **Option 2**

Council agree to a Lease to Purchase agreement based on market valuation and where negotiations for this agreement are unsuccessful enter into a standard lease agreement.

That Council resolves to:

1. Enter into a 20 year lease to purchase agreement with the Lutheran Church of Australia Queensland District for the Council land at Lot 3 on SP143012 situated at 7 John Street, Cleveland on the following conditions:
-

- a) The lease purchase is solely for the purposes of operating the St James Lutheran Community Kindergarten and Childcare Centre playground, in the event that this use ceases inside the 20 year period Council will have grounds for terminating the lease to purchase; and
  - b) The monthly lease purchase payments (nominally \$2,720 per month) to be based on independent market valuation (approximately \$480,000) for a 20 year period and at an applicable interest rate; and
  - c) All legal and associated costs to be responsibility of the Church.
2. Offer a Standard Lease in lieu of a Lease to Purchase Agreement where negotiations for the Lease to Purchase Agreement are unsuccessful, to the Lutheran Church of Australia Queensland District over Lot 3 on SP143012 situated at 7 John Street, Cleveland for a term not greater than 10 years subject to the following additional requirements:
- a) The lease is solely for the purpose of operating the St James Lutheran Community Kindergarten and Childcare Centre playground and once this use ceases it will be grounds for terminating the lease;
  - b) A rental of \$6,000 per annum be levied and indexed at 2% each year;
  - c) Public risk and liability insurance to be in accord with Council requirements; and
  - d) All legal and associated costs to be the responsibility of the Lessee.
3. Agree in accordance with s236(2) of the *Local Government Regulation 2012* that s.236(1)(b)(ii) of the *Local Government Regulation* applies, allowing the proposed lease to a community organisation other than by tender or auction ; and
4. Delegate authority to the Chief Executive Officer under s.257(1)(b) of the *Local Government Act 2009*, to negotiate, make, vary and discharge all documents associated with this transaction.

#### **OFFICER'S RECOMMENDATION/ COUNCIL RESOLUTION**

Moved by: Cr J Talty  
Seconded by: Cr L Hewlett

**That Council resolves to:**

1. **Grant a licence to occupy agreement, in lieu of a lease to purchase agreement, to Lutheran Church of Australia Queensland District over Lot 3 on SP143012 situated at 7 John Street, Cleveland for a period of 3 years at a peppercorn rental subject to the following conditions:**
  - d) **The permit to occupy is solely for the purposes of operating the St James Lutheran Community Kindergarten and Childcare Centre playground and once this use ceases it will be grounds for terminating the permit to occupy;**
  - e) **Public risk and liability insurance to be in accord with Council requirements; and**
  - f) **All legal and associated costs to be responsibility of permit to occupy holder;**

2. Agree in accordance with s236(2) of the *Local Government Regulation 2012* that s.236(1)(b)(ii) of the *Local Government Regulation* applies, allowing the proposed licence to occupy to a community organisation other than by tender or auction and that they be exempt from any rental payments (peppercorn); and
3. Delegate authority to the Chief Executive Officer under s.257(1)(b) of the *Local Government Act 2009* to negotiate, make, vary and discharge all documents associated with this transaction.

**CARRIED 6/3**

Crs Gollé, Hewlett, Talty, Bishop, Edwards and Mitchell voted FOR the motion.

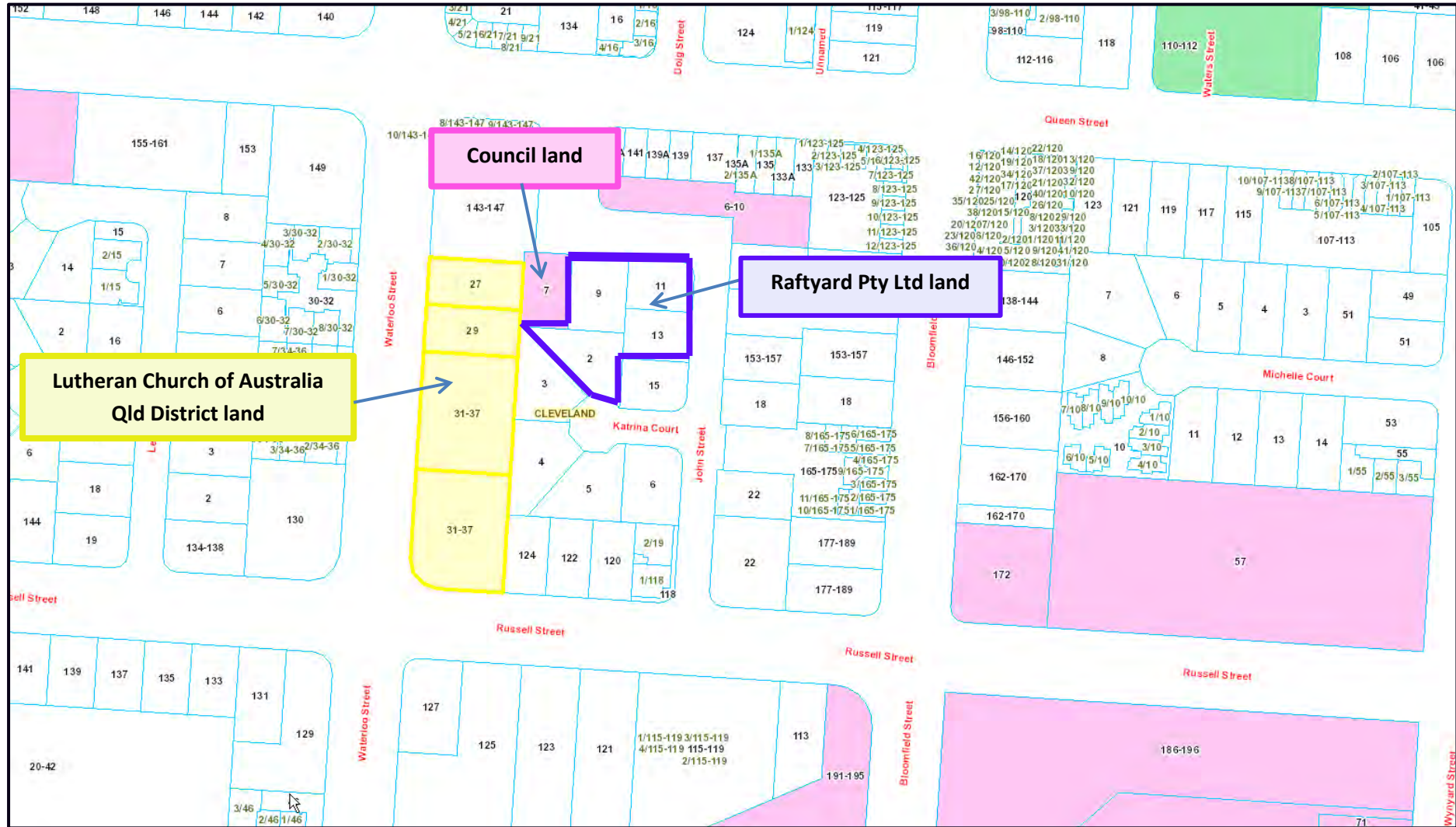
Crs Elliott, Gleeson and Boglary voted AGAINST the motion.

Cr Huges was not present when the motion was put.

Cr Williams had not yet connected via teleconference.

Cr Huges returned to the meeting at 10.55am.

# Site Map of John Street, Cleveland



## Leasing of Council Land and Facilities

### Version Information

#### Head of Power

This policy is developed in accordance with the *Local Government Act 2009* and the *Land Act 1994*.

#### Policy Objective

To provide access to Council owned or managed land and facilities for the delivery of opportunities which contribute to building safe, strong and self reliant communities.

#### Policy Statement

Council is committed to:

1. Maximising the community benefit and use of Council owned and controlled land and facilities.
2. Ensuring equitable, needs based distribution of facilities and land.
3. Ensuring consistent tenure conditions.
4. Defining responsibilities and costs associated with the construction, maintenance and operation of facilities.
5. Acknowledging the contribution of community organisations through the development of partnerships and provision of services and facilities.
6. Working with community organisations to support appropriate financial and asset management practices.

#### Eligibility

7. Leasing of land must benefit the wider community and fall within the following purposes:
  - i. Sporting
  - ii. Recreational
  - iii. Community Services (including health)
  - iv. Arts and Cultural
  - v. Educational
  - vi. Volunteer Emergency Organisations
8. Applicants must have a local connection and interest in the community.
9. All applicant organisations will be incorporated pursuant to the *Associations Act Queensland*.

This policy does not cover commercial leases including mobile telephone facilities.

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#### CMR Team use only

**Department:** Infrastructure & Operations  
**Group:** City Spaces  
**Approved:** Chief Executive Officer / Mayor  
**Date of Approval:** 9 April 2014

**Effective date:** 9 April 2014  
**Version:** 2  
**Review date:** 30 April 2017  
**Page:** 1 of 2

### Lease Area and Type

1. Where a building is to be leased to a community organisation the footprint of the building only is leased from Council.
2. A lease will be granted over the full site where an exclusive or potentially hazardous activity occurs e.g. golf club, bowls club, museum, tennis courts etc.
3. A permit to occupy will be granted for the use of activity areas outside the building footprint and will clearly define all responsibilities of the Club during the term.
4. A permit to occupy will be granted over land and buildings where a community group is trying to establish a new service or program.

### Tenure Term

1. The period of standard lease term will be up to 10 years, with leases of up to 20 or 30 years where the lessee invests significant funds into infrastructure.
2. The period for permits to occupy will be up to five years with the maximum being three years on Crown Land.
3. Longer lease terms may also be negotiated for emergency services.

### Fees and Charges

Fees and charges are to be accordance with Council's annual schedule of fees

### Document Control

- Only the General Manager, Infrastructure & Operations can make amendments to this document. All requests to change contents of this document must first be sent to the Manager, City Spaces.
- Approved amended documents must be submitted to the CMR Team to place the document on the Policy, Guideline and Procedure register.

### Version Information

Version Number	Date	Key Changes
Version 2	April 2014	Administrative changes: <ul style="list-style-type: none"><li>• Changed header and footer to RCC</li><li>• Changed Department and Group responsible</li><li>• Amended <i>Local Government Act</i> from 1993 to 2009</li><li>• Added eligibilities – Education; Volunteer Emergency Organisations</li><li>• Deleted categories</li><li>• Changed <i>Associations Incorporations Act (1991)</i> to <i>Associations Act 1981</i></li><li>• Added dot point 4) This policy does not cover commercial leases including mobile telephone facilities</li></ul>

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#### CMR Team use only

**Department:** Infrastructure & Operations  
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**Page:** 2 of 2

**11.1.2 MCU013719 – SHOPPING CENTRE CARPARK – 32A TEAK LANE  
VICTORIA POINT**

**Objective Reference:** fA36608  
Reports and Attachments (Archives)

**Attachments:** [Attachment 1 – MCU013719 Existing Site Plan](#)  
[Attachment 2 – MCU013719 Proposed Site Plan](#)  
[Attachment 3 – MCU013719 - Acoustic Barrier Locations](#)  
[MCU013719 - Attachment 4 - Landscape Plan](#)

**Authorising Officer:**



**Louise Rusan**  
General Manager Community & Customer  
Services

**Responsible Officer:**

**David Jeanes**  
Group Manager City Planning & Assessment

**Report Author:**

**Sharee Shaw**  
Planning Officer

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**PURPOSE**

This application is referred to the Council for determination.

The development application is for a car park. The application has been assessed against the relevant planning instruments. Although the proposed use does not comply with the intent of the zoning, it is considered that there are sufficient grounds to justify approval despite the conflict.

The key issues identified in the assessment are:

- Zone intent
- Ongoing public safety issues
- Environmental corridor
- Landscaping
- Noise and lighting impacts.

Issues outlined above and public submissions have been addressed in the report. It is therefore recommended that the application be granted a **Development Permit** subject to conditions.

**BACKGROUND**

An application was lodged for a Preliminary Approval to construct a retail complex on property then described as Lot 1 on RP 118272, Lot 2 on RP 151299, Lot 3 on RP 64576 and Lot 2 on RP 62695. The application was refused and the applicant referred the matter to the Planning and Environment Court for determination (Appeal 39 of 1999). The appeal was resolved by way of a Consent Order approving the development with relevant conditions (MC005972).

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Condition 2 of that approval read as follows:

*“The area of land designated ‘Conservation Area’ shall be dedicated to the Crown for Community Purposes (Parks) at no cost to Council, with Redland Shire Council as trustee”.*

A Development Permit granted by Court Order on 17 April 2002 (Appeal 1363 of 2001) upheld this requirement as per condition 3 of this approval (MC005973).

The development was completed and in accordance with the conditions of approval the designated ‘Conservation Area’ was transferred to the Crown. This land was now described as Lot 12 on SP 147233. The land was duly adopted as a Reserve for a Park and placed under the control of the Redland Shire Council as trustee.

On 15 September 2014, Lanrex applied to the State Department of Natural Resources and Mines (DNRM) to purchase Lot 12 on SP 1417233. On the 4 May 2015, DNRM formally provided an agreement to offer a Deed of Grant to Lanrex. That offer remains current.

On 8 October 2014, the council unanimously resolved to surrender its trusteeship over Lot 12 on SP 147233 to the State under the *Land Act 1994*, subject to an assurance that public access to the shopping centre via Teak Lane would be retained.

At the General Meeting of 14 April 2016, A Notice of Motion to Repeal or Amend a Resolution in accordance with s.262 of *Local Government Regulation 2012* was submitted by the Divisional Councillor as follows:

*“That Council resolves that the Chief Executive Officer writes to the Minister, Department of Natural Resources and Mines, and advises that Council has changed its view regarding its earlier request to relinquish the trusteeship of the property described as 32A Teak Lane, Victoria Point; and requests that trusteeship be returned to Council to maintain it as public open space”.*

Council voted in favour of the motion to make this request.

A letter was formalised and sent on the 4 May 2016 to the Minister for State Development and Minister for Natural Resources and Mines. Advice was received on the 12 May 2016 from DNRM with regard to the above request. The following points were advised:

- (a) A decision was made by the Minister to revoke the trusteeship in October 2015;
- (b) The Department has made a valid offer of sale to the applicant of MCU013719; and
- (c) There is no valid reason from their perspective to change this position.

## ISSUES

### Development Proposal & Site Description

#### Proposal

The proposal is for a material change of use (MCU) for "Amendment to Development Permit (Convenience retail centre including a supermarket and specially shops) dated 17 April 2002 (Appeal 1363/01) for ancillary use of Lot 12 on SP147233 for vehicular access, car parking, buffer and pedestrian access" at 32A Teak Lane, Victoria Point.

The plans provide for approximately 230 additional car parking spaces which will be available to the adjoining Lot 11 development. A three (3) metre wide landscaped buffer along the rear boundary of the site that adjoins dwellings to the south; and incidental landscaping within the car park has been proposed. A pedestrian crossing and kerb ramps are included to assist pedestrian access from Teak Lane, into the shopping precinct.

In considering the development type and level of assessment required for a car park on the site, it is concluded that the development cannot be considered as a permissible change to the existing approval under Section 367 of the *Sustainable Planning Act 2009*. Rather, a new development application is required for the development. The proposal is considered to be an undefined use under the current planning scheme and as such requires impact assessment within the Open Space zone.

#### Site & Locality

The site is densely vegetated with a mix of locally occurring species, predominately she-oaks with some eucalypt tree species and a mix of grasses and some weeds (the RCC Regional Ecosystem Mapping classifies the site as 80% 'Of Concern' regrowth and 20% 'Not of Concern' regrowth).

Development in the surrounding area consists predominantly of commercial buildings and residential housing. Medium Density Residential housing adjoins the site to the east. To the west lies land zoned Major Centre, which has been developed to create the Victoria Point Shopping Centre. North of the site is land zoned Conservation, which includes the Erapah Creek.

### Application Assessment

#### ***Sustainable Planning Act 2009***

The application has been made in accordance with the *Sustainable Planning Act 2009* Chapter 6 – Integrated Development Assessment System (IDAS) and constitutes an application for Material Change of Use under the Redlands Planning Scheme.

#### **SEQ Regional Plan 2009-2031**

The site is located within the Urban Footprint in the SEQ Regional Plan 2009-2031.

### State Planning Policies & Regulatory Provisions

The application was initially lodged on the 21 March 2016. It was identified that the site is within a Priority Koala Assessable Development Area under the South East Queensland Koala Conservation State Planning Regulatory Provisions (Koala SPRP). The State Koala Habitat maps identified the majority of the site as “*generally not suitable*” but a portion of the site was identified as being “*low value rehabilitation*” and “*high value other*”. In accordance with Division 6(6.2) of the Koala SPRP, it was determined that the development was within a priority koala assessable development area, which means MCU is prohibited if it is:

- for an urban activity; and
- in an area identified in a local planning instrument as having an open space, conservation, rural or rural residential purpose.

The site is zoned Open Space under the current Redlands Planning Scheme and therefore is identified as having an open space purpose. The definition of *urban activity* in the Koala SPRP includes residential, industrial, retail or commercial activities. As a result, the development as proposed was considered prohibited. In accordance with the *Sustainable Planning Act* s239 if an application is made and any part of the development applied for is prohibited development, the application is taken not to have been made and IDAS does not apply.

A new application was received on the 25 April 2016 with a new layout design to exclude the relevant mapped areas of koala habitat and satisfy the requirements of the Koala SPRP that the proposal is now located outside the prohibited areas.

State Planning Policy/Regulatory Provision	Applicability to Application
<b>SEQ Koala Conservation SPRP</b>	The site is within a Priority Koala Assessable Development Area under the SEQ Koala Conservation SPRP. The applicant has confirmed that no works are being undertaken in areas mapped by the SPRP, which would otherwise make the development prohibited. In this instance there are no requirements under the SPRP.
<b>SPRP (Adopted Charges)</b>	The development is subject to infrastructure charges in accordance with the SPRP (adopted charges) and Council’s adopted infrastructure charges resolution. Details of the charges applicable have been provided under the Infrastructure Charges heading of this report.
<b>State Planning Policy 2014</b>	<b>Environment and Heritage Water Quality</b> Climatic regions – stormwater management design objectives. A Stormwater Management Plan has been submitted with the application which includes an onsite detention system.

State Planning Policy/Regulatory Provision	Applicability to Application
	<p><b>State Transport Infrastructure</b>            The land is within 400m of a public passenger transport facility and the total site area exceeds 5,000m<sup>2</sup>. The site proposes to retain and enhance pedestrian and cycle corridors to the Town Centre. Creating additional car parking within proximity of a transport hub enhances pedestrian connectivity.</p>

### Redlands Planning Scheme

The application has been assessed under the Redlands Planning Scheme version 7. The application is subject to impact assessment. In this regard, the application is subject to assessment against the entire planning scheme. However, it is recognised that the following codes are relevant to the application.

- Open Space Zone Code
- Acid Sulphate Soils Overlay Code
- Habitat Protection Overlay Code
- Road and Rail Noise Impacts Overlay Code
- Excavation and Fill Code;
- Access and Parking Code;
- Centre Design Code:
- Landscape Code.

The most pertinent parts of this assessment are discussed below:

#### Zone Intent

The purpose of the Open Space Zone is to provide for a range of open space and recreational uses that meet the active or passive recreational needs of residents and visitors to meet community needs and facilitates community interaction as a place to meet, socialise and recreate.

The proposal conflicts with the intent of the open space zone code as it:

- Does not provide for a range of open space and recreational uses to meet recreational needs of the City;
- Does not provide for recreation activities on land in public or private ownership;
- Impacts on the amenity and landscape setting of the area;
- Is inconsistent with the open space nature of the zone.

It is noted that the current use of the site also does not strongly achieve the intent of the Open Space Zone code.

The overall outcomes sought for the Open Space zone code are described by six key characteristics. In particular, the current use does not meet the Overall Outcome 4.16.7 (a), (b) and (d) of the Open Space zone code as follows:

**(a) Uses and Other Development**

- (i) Provide for a range of open space and recreational uses that –
  - a. Meet the active or passive recreational needs of residents and visitors to the City;
  - b. Provide for recreation activities not involving access by the general public;
  - c. May include land used for activities not involving access by the general public.
- (ii) Provide for limited range of other uses that –
  - a. Fulfil ancillary functions that are required for the open space to function effectively;
  - b. Do not impact on the amenity and landscape setting of the area.

The term public open space is an over-arching concept that encompasses a variety of spaces within the urban environment that are readily and freely accessible to the wider community, and which is intended primarily for amenity or recreation purposes, whether active or passive. This space does not work and/or deliver spaces that meet community needs. The Teak Lane reserve is not of sufficient size and shape to cater for its intended open space purpose of recreational activities both passive and active. There are no ancillary functions, such as clubhouses, tennis courts as well as picnic tables, playground and amenity facilities.

**(b) Open Space Design**

- (i) Uses and other development are designed in a manner that –
  - a. Contribute to the legibility and character of the local area;
  - b. Provides adequate facilities that meet community needs and expectations based on the population density and demographic structure expected in the area;
  - c. Provide for a range of passive and active recreational opportunities;
  - d. Enhance opportunities for community interaction;
  - e. Complement the broader open space network;
  - f. Form links between existing open space areas.

Outdoor spaces should be well designed and create places that are “fit-for-purpose”, useable and be places where people want to be. It is noted that “Open Space Design” should be of a size and shape that allows for diverse uses and activities, including passive and active recreational opportunities. This could include play areas, with picnic tables and BBQ’s, which would encourage public contact. In this instance there is no community interaction within Teak Lane based on this overall outcome. The site does not provide facilities that meet community needs, such as a hall, club house or community centre. The size of the site prevents any active recreational opportunities which could include swimming pools, golf courses and the like.

The site does not compliment the broader open space network nor does it provide a link between open space areas. It is considered that this park is quite small, relatively speaking; underutilised and provides no purposeful function as a result of a number of factors such as poor location and incompatible adjacent land uses.

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**(d) Amenity**

- (i) Uses and other development achieve a high standard of amenity by -
  - a. Providing high quality useable public and private open space that meets the needs of community;
  - b. Creating open space areas that are safe and comfortable for users;
  - c. Contributing to the liveability of the City through the provision of visual relief from the built environment;
  - d. Providing a landscape setting that complements the specific open space function of the site;
  - e. Eliminating or mitigating impacts associated with light noise, air and traffic.

Useable public open space is generally used for active or passive recreation and leisure (eg areas set aside for sport, recreation and community purposes). As mentioned, the reserve has not been utilised in this way, or deemed to be used this way in the future. Ongoing anti-social issues have been a problem with the park over many years and not an area conducive as a safe and comfortable space for the public. Safety and security issues have been recognised in this public open space that needs ongoing management.

It is possible that the potential does exist to make this site a useful space that complies with the general intent of the Open Space Zone. Council previously consulted with the community about clearing the reserve and making it an open grassed area with furniture, or alternatively allowing purchase of the land by adjoining residents. Both options were not favoured by the residents.

Even if Council were able to acquire the site, there is no guarantee that creating an open grassed area would resolve the antisocial behaviour. Details of the antisocial issues and solutions implemented to date are discussed further in this report.

As there is a conflict with the overall outcomes and intent for the open space zone in the relevant planning instrument, Council must consider whether there are sufficient grounds to justify an approval, despite this conflict. The term *grounds* are defined in S.326 of the *Sustainable Planning Act 2009* to mean matters of public interest. It does not include considerations such as the personal circumstances of the applicant, the owner of the land or another interested party.

It is considered that sufficient grounds do exist in this case to justify approval of the proposed development despite the conflict with the Redlands Planning Scheme. The basis of these grounds is discussed below:

**Ongoing public safety issues**

The site is located between residential properties to the south and service areas of the Town Centre Shopping Centres. It has been well documented over many years of the ongoing anti-social behaviour which has affected the wider community, in particular the nearby residents and the tenants and visitors to the Town Centre Shopping Centre. Below is a brief synopsis of some of those issues:

- Assaults
- Break and Enter
- Loud Noise

- Loitering
- Fighting
- Drug use
- Arson
- Graffiti
- Vandalism.

Significant endeavours have been undertaken by Council, the Queensland Police Service and Centre Management of the Town Centre Shopping Centre to reduce and/or eliminate antisocial behaviour. Some of the strategies implemented include:

- Police patrols
- Graffiti programmes through Council
- Improved lighting to Lot 12
- Restricting access to Lot 12 after hours
- Replacement of parts of the acoustic fence with transparent polycarbonate panels to improve visibility of Teak Lane and Lot 12. There has been vandalism to these panels on many occasions.

The applicant supplied a Social Impact Assessment (SIA) of the proposed change of use from park reserve to car parking area. The assessment has been undertaken through:

- A review of documentary evidence including, but not limited to, planning instruments, court orders, correspondence and media coverage;
- A review of third party documents relevant to the SIA, including available demographic and population statistics and reports on matters relevant to the drivers of the impacts that are under consideration;
- Visual site inspections; and
- Interviews with key stakeholders – namely Centre Management and Council's Community Development Team (for clarification purposes as necessary).

The report identifies key drivers of the prevalence and apparent non-resolvability of the antisocial issues on the site. It pinpoints a potent mix of conditions and key elements as follows:

- Locality demographics
- Site proximity to the Victoria Point State High School
- Characteristics of the site.

A summary of the report findings is below:

- This combination and configuration of socio-spatial circumstances has rendered remediation or management efforts largely ineffective. The report identifies by virtue of the interaction of these three factors and other broader dynamics are increasing the risk of antisocial behaviours.
- The report concludes that whatever amenity benefits are provided by a wooded strip of land located between residential backyards and the Shopping Centre are, in the opinion of the writer, overridden by broader considerations of dis-amenity and public safety risk. The long standing history of antisocial

behaviour attracted by the subject site, and the recognised ineffectiveness of numerous response actions over the past 12 years, have long vexed local residents and various authorities. Nearby residents have consistently complained about a range of antisocial behaviours on the subject site, which have directly impacted on their residential amenity. Issues of drug abuse, illicit alcohol consumption, loud and raucous activity, trespass and break and enters have featured in residential complaints since 2002.

- Only by the transformation of the site's fundamental characteristics can the risks to public safety posed by the site be effectively overcome. Indeed, it is unlikely in the context of current design principles and knowledge concerning public safety that the subject site would be allowable in its current configuration if the shopping centre development was to be undertaken today. The risk of antisocial behaviour and associated dis-amenity effects, together with an overriding risk to public safety, requires action. The proposed development is, in the writer's opinion, the only viable response to the need to demonstrate a willingness to prioritise public safety and mitigate safety-related liabilities.
- Ongoing antisocial behaviour is of serious concern to government, the private sector, communities, families and individuals. It is important to understand the situational and environmental factors that can increase the risk of antisocial behaviour. For example, poorly designed spaces where people can loiter under minimal natural surveillance can create opportunities for individuals and groups to engage in antisocial behaviour as is the situation in Teak Lane.
- It is generally believed that public parks and open spaces should improve the quality of life to those who visit these spaces. However, there are people who also believe that it is not worth investing money in the upkeep and maintenance of local parks and public open spaces because they will "just get vandalised" and be an area where antisocial behaviour will occur. Despite best endeavours of all concerned, it is evident that the subject site remains a focal point of a broad range of antisocial behaviours. The point being that in some instances public open spaces work to improve things and sometimes they do not. In this case, it is apparent it does not work.

Due to the ongoing immoral social behaviour, it is agreed that the time and effort spent in the past to find solutions to this epidemic have been unsuccessful.

### **Internal comments from Council and Local Police**

#### Queensland Police

On the 6 August 2016, Council's Community Safety Officer received an update from Senior Constable Nick Evans from the State Intelligence Counter-Terrorism and Major Event Command Unit, that an intelligence briefing had been prepared for officers of the Bayside Patrol Group with regard to drug use occurring at Teak Lane and that the matter will be dealt with as a Problem Place in the QPS Place and Case Management Strategy.



### Advice from Internal Council Teams

- **City Spaces** support the proposal because it would resolve problems with ongoing maintenance and security concerns.
- The **Community Development Team** has dealt with the antisocial behaviour of Teak Lane for more than 10 years. The following are some of the measures taken over the years:
  - *Several meeting with the residents to try and find solutions to their problems and have established working groups that involved Police, shopping centre, local elected members, local schools and businesses.*
  - *Meeting's with specialists in Crime Prevention Through Environmental Design, whose view was that a major change was required for the problems to be resolved.*
  - *A significant change to the space to open it up for natural surveillance to occur is required. If there is no change to the space than the issue will not change or go away.*
  - *Assaults and drug congregation were still occurring at the beginning of September 2016.*
  - *The proposed design & change of use of the area by the shopping centre provides good crime prevention values and that the shopping centre is best placed financially & resourced to lead the challenge to resolve the issues being experienced here permanently.*
  - *Intervention will not resolve these issues from our community or society permanently, it is believed that the redesign will assist in displacing a good majority of the issues and allow the shopping centre security to better manage the safety of space”.*

It is the view of many areas of Council that the current use of the land as a park is not working and all possible measures have been taken to make this a usable space.

It is noted that from a Council officer viewpoint, the reserve is no longer effective from a community perspective. All strategies have been exhausted and the sale of the land has overwhelming support.

### **Environmental corridor**

The site is zoned Open Space and classified as Bushland Habitat. The proposed car park layout will obviously result in the removal of the vegetation on the site. Council does not have an ability to impose a condition for offsets under the Environmental Offsets Act as the site is not within a designation under the Koala SPRP that would permit this. A Landscape Plan has been conditioned to partly address amenity issues and loss of habitat.

Evidence of Koala activity and presence in the area, especially since 2012, suggests that it has been limited. Based on available data it would also suggest that the movement and presence of Koalas through this bushland strip has been in decline, which is reflective of the broader city-wide decline of the population.

Council's current overlay shows this reserve as Bushland Habitat with no link to an enhancement corridor or koala habitat. This designation was based on material gathered from the Redland Shire Environmental Inventory Stage 4 as a background document for the Draft Redlands Planning Scheme 2006. Part of this document also included the methodology for creating the Habitat Protection Overlay mapping. As part of this document, Teak Lane was an area included in the “general link” category which has the following attributes:

- Small narrow vegetated links adjoining localised and/or isolated patches of bushland to other major/general bushland tracts corridors
- Comprise trees and native plants that link through a series of properties to create a wildlife corridor running through many properties.

Moving forward to the present day, it is supported that in the last 11 years there have been many changes in the City, which has seen land cleared as a result of ongoing development. It has been established in a recent environmental inventory V4.3 that the reserve has been noted as general significance, with no priority or major significance and a reasonably low wildlife corridor. This inventory has no listing of koalas sighted or tree markings (eg with scratches and/or scats).

Whether this area is used as a corridor for, in particular, koalas, is somewhat unknown but it would be inappropriate to deny that this is a possibility. In the final layout plan there is in place habitat connectivity to avoid fragmenting the site and allowing connection for wildlife movement. There is a 3m x 290m landscape buffer proposed for the length of the site along Sycamore Parade. It is noted that the acoustic fence is excluded from the lower eastern side boundary, being approximately 40 metres wide, which joins the Sycamore Parade Park at 327 Colburn Avenue, Victoria Point. This will ensure an area of vegetation and habitat remains after development is completed.

It is considered that the area known as Teak Lane is no longer sustainable as an environmental corridor as originally endorsed.

### **Stormwater Management**

A stormwater management plan has been submitted with the application; the submitted document is a preliminary document prepared by Northern Consulting and achieves the Redlands Planning Scheme requirements at concept level. Further detailed engineering reports will be conditioned for submission at compliance assessment stage. Key elements for analysis would be provision of an onsite detention system of at least 101cum of capacity, electronic files assessment, and solutions for external catchment in terms of lawful point of discharge provision.

### **Landscaping**

The proposed Landscape Intent Plan (David Kearney & Associates 15/047 – LS1) for the car park extension has been assessed. Revisions should be made to the plan to improve CPTED and compliance with the Landscape Code. Compliance assessment to address CPTED elements has been conditioned.

It is accepted that the nature and scale of the visual amenity will be reduced. Obviously some change to the landscape area is to be expected for a development such as a car park but landscaped areas have been allocated around the perimeter of the site, 3 metres in width that will be of a scale and character to accommodate an acceptable visual amenity.

It could be argued that with the present anti-social behaviour of this area, the current amenity experienced by the surrounding properties is not particularly beneficial as noted in the ongoing public safety issues section of this report. Also, it is considered

that it will create a safer and more secure environment incorporating CPTED principles.

### **Noise Amenity**

A Noise and Lighting Impact Assessment has been provided. This report considers potential noise impacts from the proposed development and recommendations for the acoustic attenuation required to meet noise standards.

Given the proximity of the existing residential dwellings to the south and east boundaries of the site, it is recommended that acoustic barriers be constructed to mitigate noise impacts. The following acoustic barriers are required to attenuate the noise impact from car parking activity noise at surrounding sensitive land uses:

- **2m high acoustic barrier** located to the western site boundary of the car parking area
- **2.4m high acoustic barrier** located on the southern site boundary along existing residential dwellings to the south
- **3m high acoustic barrier** located along the eastern car parking area boundary shielding the nearest residential dwellings to east.

The proposed development will alter the current noise control measures in the form of removal of existing acoustic barriers along the southern part of the site positioned to mitigate noise exposure from goods delivery (truck and forklift noise) associated with the western and central buildings along the current shopping centre southern alignment. The barriers are to be removed to provide clear vision over the car parking area for safety and passive surveillance purposes. Their utility is to be replaced by the new acoustic barriers proposed along the southern boundary of the development area.

### **Lighting Impacts**

The proposed development has the potential to impact upon residential neighbours by way of light spill from fixed light, potential glare/obtrusive nature of the fixed lighting, and glare from headlights associated with vehicles manoeuvring on site.

The primary objective of the fixed lighting is to provide effective illumination for the intended activity of combined vehicle and pedestrian access through the car park. As the proposed development is situated in proximity to residential properties the design of the lighting needs to limit any obtrusive effects upon these properties.

Relevant conditions have been recommended to address the nuisance illumination issues, with lighting to be designed to comply with the Australian Standard AS4282:1997 – Control of the Obtrusive Effects of Outdoor Lighting.

Suitable fixed lighting for safety and security will be installed to the new car parking area to comply with Council and Australian Standard requirements. Use of directional fittings with glare shields will be an appropriate basis coupled with suitable mounting heights to prevent adverse glare or light spill at residential areas. Headlight

glare will be screened from residential areas by the proposed acoustic barriers and landscaping.

## **Access and Parking**

### On-site parking

The proposal does not trigger provision of parking spaces. The shopping centre parking spaces were assessed and approved under previous applications/court orders.

### Dedicate parking space for people with disability

Parking for people with disabilities will not be provided given the parking area will be located at the rear of the centre, consequently not providing direct access to the centre's front doors.

### Internal access way, efficient traffic operation

Waste collection vehicles will not be accessing or circulating within the proposed parking area. It is considered that waste and service vehicles will maintain the current arrangements which are a consequence of previous approvals. A condition of approval has been added to address this.

### Parking areas

Layout of parking areas, specifically the width of the circulation road, circulation aisle, parking aisle and parking space – gradients in parking areas - signage – landscaping - Table 4, 6, 7 and 8 in Part 9, Schedule 1.

The parking areas are considered to comply with these sections of the RPS. Further details will be assessed at compliance assessment particularly in relation to line marking, safety, and circulation requirements.

Servicing and manoeuvring areas previously arranged will be maintained.

## **Waste Management**

Previous arrangements will be maintained. Waste collection vehicles will not be accessing or circulating within the proposed parking area.

## **Infrastructure Charges**

If approved, the proposed development is subject to infrastructure charges in accordance with the State Planning Regulatory Provision (adopted charges). The infrastructure charge applicable to this development is \$49,004.30.

This charge has been calculated as follows in accordance with Council's [Adopted Infrastructure Charges Resolution \(No. 2.3\) August 2016](#).

**Notice  
#001440**

Stormwater Infrastructure	
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7,655m <sup>2</sup> Impervious Area X \$10.10/m <sup>2</sup>	\$77,315.50
Demand Credit	
<hr/>	
1 X 3 bedroom residential dwelling X \$28,311.20	\$28,311.20
<b>Total Council Charge:</b>	<b>\$49,004.30</b>

### **OFFSETS**

There are no offsets that apply under Chapter 8 Part 2 of the *Sustainable Planning Act 2009*.

### **REFUNDS**

There are no refunds that apply under Chapter 8 Part 2 of the *Sustainable Planning Act 2009*.

### **State Referral Agencies**

The application was referred to Energex as an advice agency in accordance with Schedule 7 Table 3 Item 8 of the Sustainable Planning Regulations 2009. Energex recommended approval for the Material Change of Use in accordance with the submitted plans of development.

### **Public Consultation**

The proposed development is impact assessable and required public notification. The application was publicly notified for 20 business days from 1 July 2016 until 27 July 2016. A notice of compliance for public notification was received on 11 August 2016.

### **Submissions**

There were 31 properly made submissions received during the notification period. Of these, 9 submitters were in support of the development. A further 10 submissions were received which were not properly made but which were accepted under s305(3) of the *Sustainable Planning Act 2009*. A petition was also received with approximately 300 signatures. The matters raised within these submissions are outlined below.

1.	<p><b>Issue</b> Reduction to visual/scenic amenity.</p> <p><b>Applicant Response</b> Adjoining residents may enjoy aspects of the vegetation existing on the land. However, this has to be balanced against the social disturbance that flows largely from the inability to have surveillance of the area.</p> <p><b>Officer's Comment</b> This issue has been addressed in the assessment section of this report.</p>
2.	<p><b>Issue</b> Increased noise levels from traffic in proposed car park.</p> <p><b>Applicant Response</b> Not provided.</p> <p><b>Officer's Comment</b> An acoustic report has been received as part of this application. This report highlights potential noise impacts from the proposed development and recommendations for the acoustic attenuation that is required to meet the noise standards.</p>
3.	<p><b>Issue</b> Reduced values to property.</p> <p><b>Applicant Response</b> Not provided.</p> <p><b>Officer's Comment</b> Not a planning issue.</p>
4.	<p><b>Issue</b> Reduction in habitat for local wildlife and removal of corridors.</p> <p><b>Applicant Response</b></p> <p><u>In respect to flora:</u></p> <ul style="list-style-type: none"> <li>• The site's vegetation is not analogous with a Threatened Ecological Community (TEC) identified as a Matter of National Environmental Significance (MNES) under the EPBC Act, nor does the site support MNES flora species;</li> <li>• The vegetation is too fragmented and small in scale to be mapped as Regulated Vegetation, and is therefore excluded from the Regulated Vegetation Management Map. The regrowth vegetation that occurs is analogous with a vegetation type that is regionally common;</li> <li>• The site does not support Endangered, Vulnerable and Near Threatened (EVNT) flora species; and</li> <li>• The plant community and species recorded are not otherwise known to be of conservation interest.</li> </ul>

	<p><u>In respect to fauna:</u></p> <ul style="list-style-type: none"> <li>• While conservation significant species occur in the locality, site specific assessment indicates that many of these species are unlikely to be present, and, if present, the site would form only a small component of a much larger ranging area;</li> <li>• The site does not contain wetlands, waterways, structurally diverse vegetation, large woody debris, rock outcrops, cave systems or other features of high fauna habitat value; and</li> <li>• The site has poor connectivity to more intact and contiguous habitat, which compromises its habitat importance strategically.</li> </ul> <p><u>With respect to koalas specifically:</u></p> <ul style="list-style-type: none"> <li>• There is some connectivity between the site and similar fragmented habitat to the east, but the site is otherwise a “dead end” with connectivity to the north, south and west compromised by major roads and urban land uses;</li> <li>• Survey revealed no evidence of scat, suggesting if koalas were present, the level of use would be very low; and</li> <li>• It is also acknowledged that the more contiguous habitat of the Erapah Creek Reserve to the north is known koala habitat.</li> </ul> <p><b>Officer’s Comment</b> This has been addressed within this report.</p>
5.	<p><b>Issue</b> Conflicts with original planning approval through court order and RPS overlays</p> <p><b>Applicant Response</b> Not provided.</p> <p><b>Officer’s Comment</b> This has been addressed within this report.</p>
6.	<p><b>Issue</b> Continuing antisocial behaviour due to secluded location.</p> <p><b>Applicant Response</b> It is absolutely well known by opponents and supporters of this proposal that there is a long and dreadful record of drug dealing, assaults and anti-social behaviour in all forms associated with this land. Neighbours, including some who are now adverse submitters, have complained endlessly to various authorities about this behaviour, to the point where they have suggested a “permanent solution” of man proof fencing to exclude the public from the land.</p> <p>One submitter now says the last two and a half years have been “quiet”, however there has been significant evidence of drug taking/dealing on Lot 12 in just the last few weeks. This has been reported to the police who have the</p>

	<p>area under surveillance once again. Photographs attached to these notes strongly suggest organised drug taking in recent times on Lot 12.</p> <p><b>Officer's Comment</b> While it is acknowledged that historical antisocial behaviour has occurred over many years, it is recognised that a 100% guarantee of no disruptive conduct is impossible to predict but it is considered that the proposal put forward by the applicant will offer a solution to ongoing disagreeable social problems associated with the reserve.</p>
7.	<p><b>Issue</b> Construction of extra parking is not needed. Already ample supply.</p> <p><b>Applicant Response</b> Not provided</p> <p><b>Officer's Comment</b> The purchase of the reserve (Lot 12 on SP 147233) by the applicant will be utilised for access, car parking and a landscape buffer, in support of the adjoining shopping centre use (Shop). Additional parking is not required at this time although it is noted that additional car parking may allow future expansion in this major centre which would be in accordance with the planning scheme and the intent of the SEQ Regional Plan.</p>
8.	<p><b>Issue</b> Creation of more traffic in Town Centre Victoria Point shopping complex.</p> <p><b>Applicant Response</b> Not provided.</p> <p><b>Officer's Comment</b> It is likely that there will be additional traffic. However, that additional traffic is acceptable in this major centre zone.</p>
9.	<p><b>Issue</b> Safety and security risks of a dead end site.</p> <p><b>Applicant Response</b> The car park has been designed so as to comply with the recognised standards. Opening up of this area could only reduce or eliminate the well-known security and safety threats that have been observed and experienced at Lot 12 for many years.</p> <p><b>Officer's Comment</b> The plan of development has addressed all contingencies with regard to safety and security risks of the entire site.</p>
10.	<p><b>Issue</b> 'Buffer zone' between shopping centre and houses will be reduced.</p>



**Applicant Response**

Those residents whose properties abut Lot 12 will be protected by an acoustic fence and a vegetated buffer that will replace existing vegetation. In passing, it is noted also that the car park will be illuminated at night to assist surveillance, but in a way that restricts light emissions to adjoining property, as detailed in the planning documents.

**Officer's Comment**

The original buffer zone was a conservation area between the shopping centre and the residents. The proposed car parking area is considered a buffer zone but taking a different form, by implementing measures to remove ongoing issues associated with the site in its current form. The use of lighting, clear treatment or Perspex fencing and noise attenuation measures and landscaping will ensure a buffer zone to the surrounding residents.

**Deemed Approval**

This application has not been deemed approved under Section 331 of the *Sustainable Planning Act 2009*.

**STRATEGIC IMPLICATIONS****Legislative Requirements**

The request has been assessed in accordance with the *Sustainable Planning Act 2009*. This development application has been assessed against the Redlands Planning Scheme V7 and other relevant planning instruments.

**Risk Management**

Standard development application risks apply. In accordance with the *Sustainable Planning Act 2009* the applicant may appeal to the Planning and Environment Court against a condition of approval or against a decision to refuse. A properly made submitter also has appeal rights.

**Financial**

If approved, Council will collect infrastructure contributions in accordance with the State Planning Regulatory Provisions (adopted charges) and Council's Adopted Infrastructure Charges Resolution.

If the development is refused, there is potential that an appeal will be lodged and subsequent legal costs may apply.

**People**

Not applicable. There are no implications for staff.

**Environmental**

Environmental implications are detailed within the assessment in the "issues" section of this report.

**Social**

Social implications are detailed within the assessment in the "issues" section of this report.

### **Alignment with Council's Policy and Plans**

The assessment and officer's recommendation align with Council's policies and plans as described within the "issues" section of this report.

### **CONSULTATION**

The Planning Assessment Team has consulted with other internal assessment teams where appropriate. Advice has been received from relevant officers and forms part of the assessment of the application.

A copy of the original and subsequent proposals was provided to the Divisional Councillor.

### **CONCLUSION**

The development application has been assessed against the Redlands Planning Scheme and relevant State planning instruments. It is noted that the proposed development conflicts with the Redlands Planning Scheme. However, in accordance with section 326(1)(b) of the *Sustainable Planning Act*, it is considered sufficient grounds to justify the decision despite the conflict have been identified.

The preliminary approval issued by Court Order (Appeal No. 39 of 1999) for the original application for the shopping centre identified the area comprising Lot 12 on SP147233 as an "environmental corridor" to protect remnant vegetation and koala habitat, form a buffer for residential development abutting on the south, and to serve as a publicly accessible open space area.

It is now considered this is not the best use of the land in the current situation, based on the information discussed in this report and the ongoing public safety and amenity factors. It is considered that sufficient grounds do exist in this case to justify approval of the proposed development despite the conflict with the Redlands Planning Scheme as follows:

- The Redlands Planning Scheme (in relation to the subject lot) is out of date due to changing circumstances. The use of the site as an environmental corridor no longer serves this purpose. The reserve provides no habitat connectivity, linking to a CP7 site used for a substation, with the area to the south established residential and area to the north established commercial.
- Council departments have identified ongoing public safety and nuisance issues associated with the current use. Numerous solutions have been implemented over the years by Council, Queensland Police, and Shopping Centre Management with no success. Use of the site as a car park is a logical extension to the Shopping Centre use to the north and provides a viable solution to addressing current issues around surveillance, CPTED, public safety and ongoing anti-social behaviour. It is considered by the relevant experts that all options have been exhausted.
- The existing use of the site also conflicts with the Redlands Planning Scheme as it does not meet active or passive recreational needs of residents and visitors; does not provide for recreational activities; has an adverse impact on amenity in terms of harbouring anti-social behaviour; does not complement the broader open space network nor does it provide a link between open space areas and has

resulted in the creation of an area that is unsafe and failing to meet the needs of the community.

Council may take an alternative view and consider that sufficient grounds do not exist to justify an approval despite the conflict with the planning scheme. In particular, Councillors may conclude that there are alternative means to resolve the anti-social behaviour issues which Council officers believe provide the grounds to justify an approval.

### **OPTIONS**

Council's options are to:

1. Adopt the officer's recommendation to approve the application subject to conditions; or
2. Resolve to approve the application, with or without conditions or subject to different or amended conditions; or
3. Resolve to refuse the application (grounds of refusal would need to be established).

### **MOTION TO SUSPEND STANDING ORDERS AT 10.57AM**

Moved by: Cr P Bishop

Seconded by: Cr J Talty

That Standing Orders be suspended to allow discussion on this item.

CARRIED 10/0

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

### **MOTION TO RESUME STANDING ORDERS AT 11.35AM**

Moved by: Cr M Elliott

That Standing Orders be resumed.

CARRIED 10/0

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

### **OFFICER'S RECOMMENDATION**

Moved by: Cr P Gleeson

Seconded by: Cr J Talty

That Council resolves to issue a Development Permit approval subject to conditions for the Material Change of Use for Amendment to Development Permit (Convenience Retail Centre including a supermarket and specialty shops) dated 17 April 2002 (appeal 1363/01) for ancillary use of lot 12 on SP 147233 for vehicular access, car parking, buffer and pedestrian access at 32a Teak Lane, Victoria Point.

<u>ASSESSMENT MANAGER CONDITIONS</u>	<u>TIMING</u>
1. Comply with all conditions of this approval, at no cost to Council, at the timing periods specified in the right-hand column. Where the column indicates that the condition is an ongoing condition, that condition must be complied with for the life of the development.	
<b>Approved Plans and Documents</b>	
2. Undertake the development in accordance with the approved plans and documents referred to in Table 1, subject to the conditions of this approval and any notations by Council on the plans.	Prior to the use commencing and ongoing.

Plan/Document Title	Reference Number	Prepared By	Date received by Council
Detailed Site Plan	DRAWING NUMBER A_CD_10.02 Amendment 7	Phillips Smith Conwell Architects	24 June 2016
Detailed Site Plan	DRAWING NUMBER A_CD_10.03 Amendment 9	Phillips Smith Conwell Architects	24 June 2016
Detailed Site Plan	DRAWING NUMBER A_CD_10.04 Amendment 8	Phillips Smith Conwell Architects	24 June 2016
Detailed Site Plan	DRAWING NUMBER A_CD_10.05 Amendment 7	Phillips Smith Conwell Architects	24 June 2016
Detailed Site Plan	DRAWING NUMBER A_CD_10.06 Amendment 7	Phillips Smith Conwell Architects	24 June 2016
Detailed Site Plan (as amended in red by Council).	DRAWING NUMBER A_CD_10.02 Amendment 7	MWA Environmental	24 June 2016
Landscape Intent Plan	Drawing No. 15/047 – LS1	David Kearney & Associates	19 April 2016
Noise and Lighting Impact Assessment Amendment of Development Permit Lot 12 on SP 147233 Victoria Point	15-079	MWA Environmental	21 March 2016

Table 1: Approved Plans and Documents

<b>Access, Roadworks and Parking</b>	
3. Access to car parking spaces, vehicle loading and manoeuvring areas and driveways must remain unobstructed and available during the approved hours of operation. Loading and unloading operations must	Prior to the use

be conducted wholly within the site.	commencing and ongoing.
Compliance Assessment	
4. Submit to Council, and receive approval for, Compliance Assessment for the documents and works referred to in Table 2:	Prior to site works commencing.

Document or Works Item	Compliance Assessor	Assessment Criteria
Stormwater assessment	Redland City Council	<ul style="list-style-type: none"> <li>• Redlands Planning Scheme Part 8 Division 9 – Stormwater Management Code</li> <li>• Redlands Planning Scheme Part 11 Policy 3 Chapter 4 – Security Bonding</li> <li>• Redlands Planning Scheme Part 11 Policy 9 Chapter 2 – Documentation and General Conditions and Chapter 6 – Stormwater Management</li> <li>• Redlands Planning Scheme Part 9 Schedule 11 – Water Quality Objectives</li> <li>• Water Sensitive Urban Design Technical Guidelines for South East Queensland</li> <li>• State Planning Policy December 2013</li> <li>• Queensland Urban Drainage Manual</li> <li>• Australian Standard 3500.3:2003 – Plumbing and Drainage – Stormwater Drainage.</li> </ul>
Access and Parking Plans	Redland City Council	<ul style="list-style-type: none"> <li>• Redlands Planning Scheme Part 8 Division 1 – Access and Parking Code</li> <li>• Redlands Planning Scheme Part 11 Policy 3 Chapter 4 – Security Bonding</li> <li>• Redlands Planning Scheme Part 11 Policy 9 Chapter 2 – Documentation and General Conditions and Chapter 15 – Access and Parking</li> <li>• Australian Standard 2890.1:2004 – Parking Facilities – Off-street car parking</li> <li>• Australian/New Zealand Standard 2890.6:2009 – Parking Facilities – Off-street parking for people with disabilities.</li> </ul>
Sediment and Erosion Control Plan	Redland City Council	<ul style="list-style-type: none"> <li>• Redlands Planning Scheme Part 8 Division 6 – Erosion Prevention and Sediment Control Code</li> <li>• Redlands Planning Scheme Part 11 Policy 3 Chapter 4 – Security Bonding</li> <li>• Redlands Planning Scheme Part 11 Policy 9 Chapter 2 – Documentation</li> </ul>

		<p>and General Conditions and Chapter 4 – Erosion Prevention and Sediment Control</p> <ul style="list-style-type: none"> <li>• Institution of Engineers Australia Erosion and Sediment Control Guidelines.</li> </ul>
Earthworks Plans	Redland City Council	<ul style="list-style-type: none"> <li>• Redlands Planning Scheme Part 7 Division 6 – Excavation and Fill Code</li> <li>• Redlands Planning Scheme Part 8 Division 5 – Development Near Underground Infrastructure Code</li> <li>• Redlands Planning Scheme Part 11 Policy 3 Chapter 4 – Security Bonding</li> <li>• Redlands Planning Scheme Part 11 Policy 9 Chapter 2 – Documentation and General Conditions, Chapter 12 – Excavation and Fill and Chapter 13 – Development Near Underground Infrastructure</li> <li>• Australian Standard 2870:2011 – Residential Slabs and Footings</li> <li>• Australian Standard 4678:2002 – Earth-retaining Structures</li> <li>• Australian Standard 3798:2007 – Guidelines on Earthworks for Commercial and Residential Development.</li> </ul>
Construction Management Plan	Redland City Council	<ul style="list-style-type: none"> <li>• Redlands Planning Scheme Part 11 Policy 9 Chapter 2 – Documentation and General Conditions</li> <li>• Redlands Planning Scheme Part 11 Policy 3 Chapter 4 – Security Bonding.</li> </ul>
Landscape Plan	Redland City Council	<ul style="list-style-type: none"> <li>• Redlands Planning Scheme Part 8 Division 8 – Landscape Code</li> <li>• Redlands Planning Scheme Part 9 Schedule 9 – Street Trees</li> <li>• Redlands Planning Scheme Part 11 Policy 3 Chapter 3 – Landscaping and Chapter 4 – Security Bonding</li> <li>• Redlands Planning Scheme Part 11 Policy 9 Chapter 2 – Documentation and General Conditions, Chapter 10 – Parks and Open Space and Chapter 11 – Landscaping</li> <li>• Redlands Planning Scheme Part 11 Policy 16 – Safer by Design</li> <li>• Redlands Planning Scheme Part 11 Policy 17 – Streetscape Design Manuals.</li> </ul>
Pre-Construction Certification	Redland City Council	<ul style="list-style-type: none"> <li>• Redlands Planning Scheme – Policy 5 – Environmental Emissions</li> </ul>

for Acoustic Barrier		
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Table 2: Compliance Assessment

Stormwater Management	
5. Convey roof water and surface water in accordance with the Redlands Planning Scheme Policy 9 Chapter 6 – Stormwater Management to: <ul style="list-style-type: none"> <li>• A lawful point of discharge to manhole structure, asset no. 214389.</li> </ul>	Prior to the use commencing and ongoing.
6. Manage stormwater discharge from the site in accordance with the Redlands Planning Scheme Policy 9 Chapter 6 – Stormwater Management, so as to not cause an actionable nuisance to adjoining properties.	Prior to the use commencing and ongoing.
7. Submit to Council, and receive Compliance Assessment approval for, a stormwater assessment in accordance with the assessment criteria listed in Table 2: Compliance Assessment of this approval and the Civil engineering report ref LAN0105/02:JSW, prepared by Northern Consulting engineers (dated 10 of March 2016). Address both quality and quantity, in accordance with the Redlands Planning Scheme Policy 9 Chapter 6 – Stormwater Management.	As part of request for compliance assessment.
Infrastructure and Utility Services	
8. Pay the cost of any alterations to existing public utility mains, services or installations due to building and works in relation to the proposed development, or any works required by conditions of this approval. Any cost incurred by Council must be paid at the time the works occur in accordance with the terms of any cost estimate provided to perform the works, or prior to plumbing final or the use commencing, whichever is the sooner.	At the time of works occurring.
9. Remove any redundant sewerage connections within the site or servicing the development and provide documentary evidence to Council or its delegate that this has occurred.	Prior to site works commencing.
Construction	
10. Provide temporary drainage during the building construction phase such that discharge from all constructed roofs and paved areas is disposed of to a lawful point of discharge in accordance with the Queensland Urban Drainage Manual (QUDM) Section 3.02 'Lawful Point of Discharge'. Maintain the temporary system for the duration of the building works.	During construction.

<p>11. Rectify any damage done to the road verge during construction, including topsoiling and re-turfing.</p>	<p>Prior to the use commencing.</p>
<p><b>Dust Control</b></p>	
<p>12. Implement dust control measures at each phase of site development and operation in accordance with IECA (2008) Best Practice Erosion and Sediment Control.</p>	<p>During any site works and construction phase.</p>
<p><b>Landscape Works</b></p>	
<p>13. Submit landscape plans to Council for Compliance Assessment in accordance with the assessment criteria listed in Table 2: Compliance Assessment of this approval. Include the following items:</p> <ul style="list-style-type: none"> <li>• 3m wide landscape buffer strip internal to the Acoustic Barrier.</li> <li>• The Acoustic Barrier return/articulated section at the start of Teak Lane must include clear/transparent sections which are vandal proof and allow visibility from the car park through to the Lane</li> <li>• Details of car park landscape and tree planting in accordance with the Redlands Planning Scheme Landscape Code (with tree species selected from Schedule 9 of the Redlands Planning Scheme, unless otherwise approved as part of the compliance assessment approval). Where possible Koala Habitat and native plant species are preferred.</li> <li>• A maintenance plan for the entire landscaping component of the development.</li> <li>• Details of lighting to driveways, public car parks and footpaths within the site and adjoining entrances and access points. This includes lighting of Teak Lane.</li> <li>• A plan showing the tree protection zones (TPZs) around existing trees on the eastern boundary of the car park and those areas excluded from the car park footprint and covered by the SEQ Koala SPRP. The TPZs must be determined in accordance with Australian Standard A.S.4970-2009 – Protection of Trees on Development Sites by a Level 5 qualified Arborist.</li> </ul>	<p>As part of request for compliance assessment.</p>
<p><b>Acoustic Requirements</b></p>	
<p>14. Construct the required 2m-3m high acoustic barriers as per:</p> <ul style="list-style-type: none"> <li>• Figure 4 of the acoustic report - Noise and Lighting Impact Assessment Amendment of development permit LOT 12</li> </ul>	<p>Prior to the use commencing and</p>



<p>ONSP147233 Victoria Point, dated 21 March 2016.</p> <p>Construct the acoustic barrier to achieve a minimum standard that attains a superficial mass of not less than 12.5kg/m<sup>2</sup> and total leakage of less than 1% of the total area. Guidance on the design of the barriers is provided in Noise and Lighting Impact Assessment Amendment of development permit LOT 12 ONSP147233 Victoria Point.</p>	<p>ongoing.</p>
<p>15. Submit the acoustic barrier plans and specifications to Council for Compliance Assessment in accordance with the assessment criteria listed in Table 2: Compliance Assessment of this approval. The plans and specifications must be certified by a suitably qualified acoustic consultant to confirm the noise barrier achieves the requirements of this approval and the assessment criteria detailed in Table 2: Compliance Assessment.</p>	<p>As part of the request for Compliance Assessment.</p>
<p><b>Lighting Requirements</b></p>	
<p>16. Install and maintain the lighting fixtures so that they do not emit glare or light above the levels stated in Australian Standard 4282 – 1997 Control of the Obtrusive Effects of Outdoor Lighting (or the current applicable standard).</p>	<p>Prior to the use commencing and ongoing.</p>
<p><b>Court Order</b></p>	
<p>17. Development may not commence under this development permit until such time as a request for a permissible change, pursuant to section 369 of the Sustainable Planning Act 2009, has been lodged with, and approved by, the relevant responsible entity, which amends or deletes any conditions of existing development approvals applying to the premises (including the preliminary approval granted by the Planning and Environment Court on 10 September 1999 in relation to Appeal No 39 of 1999 (as amended by subsequent Order dated 12 December 2006) and the development permit granted by the Planning and Environment Court on 17 April 2002 in relation to Appeal No 1363 of 2001) that would be contravened by the carrying out of the development approved by this development permit.</p>	<p>Prior to the use commencing.</p>

**ADDITIONAL APPROVALS**

Please be aware that further approvals, other than a Development Permit or Compliance Permit, may still be required for your development. This includes, but is not limited to, the following:

- Compliance assessment as detailed in Table 2 of the conditions

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**REFERRAL AGENCY CONDITIONS**

- **ENERGEX**  
Refer to the attached correspondence from Energex dated 7 June 2016 (Energex reference HBD 5235010 346062).

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**ASSESSMENT MANAGER ADVICE**

- **INFRASTRUCTURE CHARGES**  
Infrastructure charges apply to the development in accordance with the State Planning Regulatory Provisions (adopted charges) levied by way of an Infrastructure Charges Notice. The infrastructure charges are contained in the attached Redland City Council Infrastructure Charges Notice.

- 
- **LIVE CONNECTIONS**  
Redland Water is responsible for all live water and wastewater connections. Contact must be made with Redland Water to arrange live works associated with the development.

Further information can be obtained from Redland Water on 07 3829 8999.

- 
- **COASTAL PROCESSES AND SEA LEVEL RISE**  
Please be aware that development approvals issued by Redland City Council are based upon current lawful planning provisions which do not necessarily respond immediately to new and developing information on coastal processes and sea level rise. Independent advice about this issue should be sought.

- 
- **HOURS OF CONSTRUCTION**  
Please be aware that you are required to comply with the Environmental Protection Act in regards to noise standards and hours of construction.

- 
- **SERVICES INSTALLATION**  
It is recommended that where the installation of services and infrastructure will impact on the location of existing vegetation identified for retention, an experienced and qualified Arborist that is a member of the Australian Arborist Association or equivalent association, be commissioned to provide impact reports and on site supervision for these works.

- 
- **FIRE ANTS**  
Areas within Redland City have been identified as having an infestation of the Red Imported Fire Ant (RIFA). Biosecurity Queensland should be notified on 13 25 23 of proposed development(s) occurring in the Fire Ant Restricted Area before earthworks commence. It should be noted that works involving movements of soil associated with earthworks may be subject to movement controls and failure to obtain necessary approvals from Biosecurity Queensland is an offence. It is a legal obligation to report any sighting or suspicion of fire ants within 24 hours to Biosecurity Queensland on 13 25 23. The Fire Ant Restricted Area as well as general information can be viewed on the Department of Agriculture and Fisheries (DAF) website [www.daf.qld.gov.au/fireants](http://www.daf.qld.gov.au/fireants)

- 
- **CULTURAL HERITAGE**  
Should any aboriginal, archaeological or historic sites, items or places be identified, located or exposed during the course or construction or operation of the development, the Aboriginal and Cultural Heritage Act 2003 requires all activities to cease. For indigenous cultural heritage, contact the Department of Environment and Heritage Protection.

- FAUNA PROTECTION

It is recommended an accurate inspection of all potential wildlife habitats be undertaken prior to removal of any vegetation on site. Wildlife habitat includes trees (canopies and lower trunk) whether living or dead, other living vegetation, piles of discarded vegetation, boulders, disturbed ground surfaces, etc. It is recommended that you seek advice from the Queensland Parks and Wildlife Service if evidence of wildlife is found.

---

- *ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION ACT*

Under the Commonwealth Government's Environment Protection and Biodiversity Conservation Act (the EPBC Act), a person must not take an action that is likely to have a significant impact on a matter of national environmental significance without Commonwealth approval. Please be aware that the listing of the Koala as vulnerable under this Act may affect your proposal. Penalties for taking such an action without approval are significant. If you think your proposal may have a significant impact on a matter of national environmental significance, or if you are unsure, please contact Environment Australia on 1800 803 772. Further information is available from Environment Australia's website at [www.ea.gov.au/epbc](http://www.ea.gov.au/epbc)

Please note that Commonwealth approval under the EPBC Act is independent of, and will not affect, your application to Council.

---

- SURVEY CONTROL INFORMATION

Redland City Council will be transitioning to ADAC XML submissions for all asset infrastructure once the Redlands draft City Plan has been adopted. While current Redland Planning Scheme Policies do not mandate its use, RCC encourages the utilisation of this methodology for submissions.

---

LOST 5/5 (on casting vote of the Chair)

Crs Elliott, Talty, Gleeson, Mitchell and Edwards voted FOR the motion.

Crs Gollé, Hewlett, Huges, Bishop and Boglary voted AGAINST the motion.

Cr Williams had not yet connected via teleconference.

**MOTION TO ADJOURN MEETING AT 12.03PM**

Moved by: Cr P Gleeson

Seconded by: Cr P Bishop

That the meeting adjourn for 30 minutes.

CARRIED 10/0

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Williams had not yet connected via teleconference.

**MOTION TO RESUME MEETING AT 12.30PM**

Moved by: Cr T Huges

Seconded by: Cr P Bishop

That the meeting resume.

CARRIED 9/0

Crs Gollé, Hewlett, Elliott, Huges, Talty, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Gleeson was not present when the motion was put.

Cr Williams had not yet connected via teleconference.

**COUNCIL RESOLUTION**

Moved by: Cr L Hewlett

Seconded by: Cr T Huges

That Council resolves to refuse the application for a development permit, described as being for “Amendment to Development Permit (convenience retail centre including a supermarket and specialty shops) dated 17 April 2002 (Appeal 1363/01) for ancillary use of Lot 12 on SP147233 for vehicular access, car parking, buffer and pedestrian access”, made on or about 25 April 2016 (reference number MCU013719) in relation to 32A Teak Lane, Victoria Point for the following reasons:

- 1 The proposed development conflicts with the overall outcomes for the Open Space Zone in section 4.16.7(2) of Redlands Planning Scheme (version 7.0) (Planning Scheme), in that:
  - (a) in relation to overall outcome (a) (Uses and Other Development), the Proposed Development does not provide for a range of open space and recreational uses that meet the active or passive recreational needs of residents and visitors to the City or otherwise provide for recreation activities on land in public or private ownership;
  - (b) in relation to overall outcome (b) (Open Space Design), the Proposed Development does not:
    - (i) provide for a range of passive and active recreational opportunities;
    - (ii) enhance opportunities for community interaction; or

- (iii) complement the broader open space network;
    - (c) in relation to overall outcome (c) (Built Form), the Proposed Development:
      - (i) does not incorporate existing landscape and topographic features;
      - (ii) does not retain and integrate existing native plants;
      - (iii) does not support the retention and enhancement of habitats and corridors;
      - (iv) does not positively contribute to the visual amenity of the area; and
      - (v) is not consistent with the open space nature of the zone, or the specific function of the site.
    - (d) in relation to overall outcome (d) (Amenity), the Proposed Development does not:
      - (i) provide high quality useable public and private open space that meets the needs of the community;
      - (ii) create open space areas that are safe and comfortable for users;
      - (iii) contribute to the City's liveability through the provision of visual relief from the built environment;
    - (e) in relation to overall outcome (e) (Environment), the Proposed Development does not minimise the need:
      - (i) for excavation and fill; or
      - (ii) to clear native plants.
  - 2 The proposed development conflicts with Specific Outcome S1.2 of the Open Space Zone in section 4.16.8 of the Planning Scheme, in that it does not involve a use that is identified as being consistent with the Open Space Zone.
  - 3 The proposed development conflicts with Specific Outcome S2 of the Open Space Zone in section 4.16.8 of the Planning Scheme, in that it does not :
    - (a) provide for a range of passive and active recreational opportunities; or
    - (b) facilitate community interaction as a place to meet, socialise and recreate.
  - 4 The proposed development conflicts with Specific Outcome S3.1 of the Open Space Zone in section 4.16.8 of the Planning Scheme, in that its site layout does not complement the existing landscape features of the site.
  - 5 The proposed development conflicts with Specific Outcome S3.3 of the Open Space Zone in section 4.16.8 of the Planning Scheme, in that its site coverage and hard surfaces do not minimise built areas as required by that Specific Outcome.
-

- 6 The proposed development conflicts with Specific Outcome S4.3 of the Open Space Zone in section 4.16.8 of the Planning Scheme in that it does not provide high quality landscape planting in accordance with the requirements of that Specific Outcome.
- 7 The proposed development conflicts with Specific Outcome S5.2 of the Open Space Zone in section 4.16.8 of the Planning Scheme in that it does not minimise the need for excavation and fill by activities being located and designed to:
- (a) prevent the unnecessary removal of native plants; or
  - (b) protect the amenity of adjoining properties.
- 8 The proposed development conflicts with Specific Outcome S5.4 of the Open Space Zone in section 4.16.8 of the Planning Scheme in that it does not recognise and enhance the landscape character of the local area.
- 9 The proposed development is not consistent with the intent of condition 2 of the existing preliminary approval granted by the Planning and Environment Court on 10 September 1999 (in relation to Appeal No. BD39 of 1999, as amended by the subsequent Order made by the Court on 12 December 2006 in relation to that appeal), which required the dedication of the subject land, designated as a “Conservation Area”, for “Community Purposes (Parks)”.
- 10 There are no sufficient matters of public interest that would justify a decision to approve the development application despite the conflicts and other issues identified above.

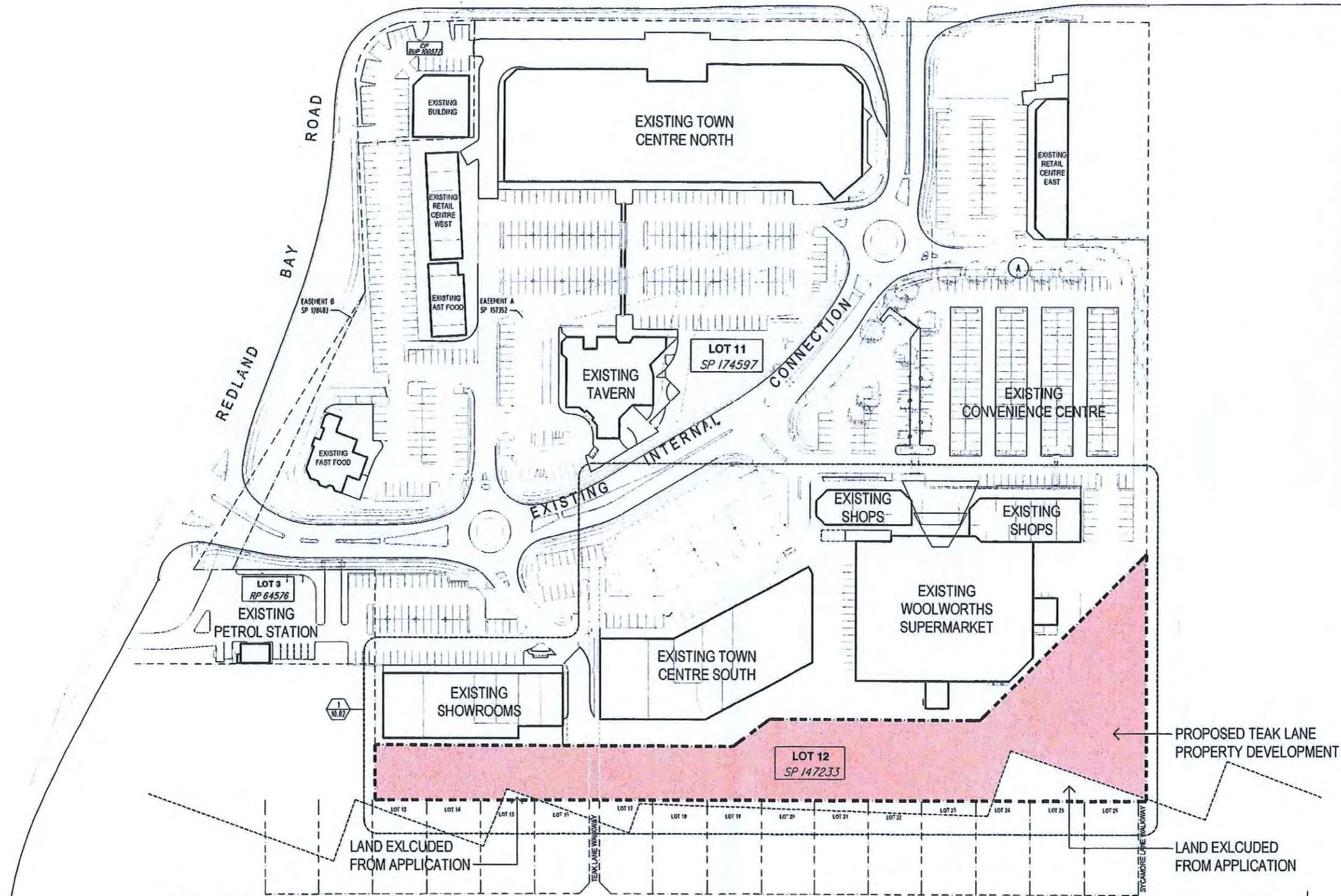
**CARRIED 5/5** (on casting vote of the Chair)

Crs Gollé, Hewlett, Huges, Bishop, and Boglary voted FOR the motion.

Crs Elliott, Talty, Gleeson, Edwards and Mitchell voted AGAINST the motion.

Mayor Williams was absent from the meeting.

COLBURN AVENUE



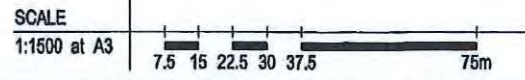
**PROPERTY LOCATION:**  
 VICTORIA POINT TOWN CENTRE  
 369-369 COLBURN AVENUE  
 VICTORIA POINT  
 QUEENSLAND  
 4165

**REAL PROPERTY DESCRIPTION:**  
 LOT 11 SP 174597  
 PARISH OF CLEVELAND  
 COUNTY OF STANLEY  
 SITE AREA (TOTAL): 77,834 sqm  
 EASEMENT A: SP 157352  
 EASEMENT B: SP 128483

**PROPOSED DEVELOPMENT - REAL PROPERTY DESCRIPTION:**  
 LOT 12 SP 147233  
 PARISH OF CLEVELAND  
 COUNTY OF STANLEY  
 SITE AREA (TOTAL): 9,195 sqm  
 KOALA HABITAT AREA (TOTAL): 589 sqm  
 DEVELOPMENT AREA (TOTAL): 8,606 sqm

**1 SITE PLAN - EXISTING**  
**PROPOSED TEAK LANE PROPERTY**  
 SCALE: 1:750 at A1 1:1500 at A3

ISSUED FOR INFORMATION



**PHILLIPS SMITH CONWELL ARCHITECTS**  
 01 Brookes Street, Bowen Hills  
 PO Box 478 Fortitude Valley Qld 4005 Australia  
 t +617 3257 1157  
 f +617 3257 1157  
 a psmith@psc-architects.com.au

NO	AND SUBJECT	DWT	DATE
1	ISSUED FOR INFORMATION	ST/SS	15.01.14
2	EXISTING PETROL STATION AND ISSUED FOR INFORMATION	ST/SS	15.04.14
3	ISSUED FOR INFORMATION	ST/SS	21.02.14
4	ISSUED FOR CLIENT REVISION	ST/SS	22.04.14

**PROJECT**  
 TOWN CENTRE VICTORIA POINT  
 REAR ALLOTMENT CARPARK

**FOR**  
 LANREX PROPERTY

**NON WRITTEN ARCHITECT: SENG & W**

**DRAWING TITLE**  
 SITE PLAN - EXISTING

 NORTH / WALL INDEX	JOB NUMBER	SCALE AT A1
	5410	1:750
DRAWING NUMBER A_CD_10.01	AMENDMENT	SCALE AT A3
	4	1:1500

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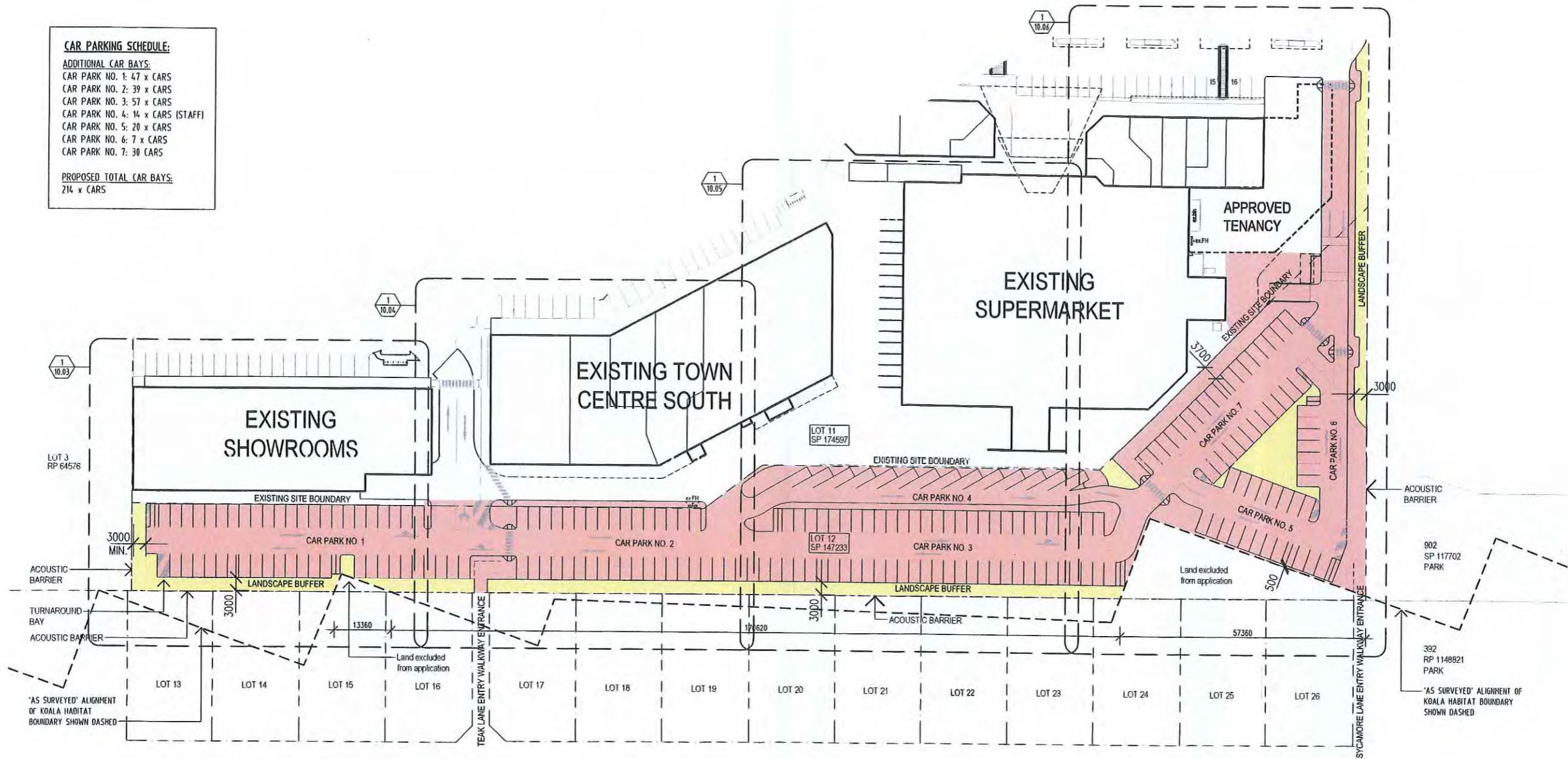
**CAR PARKING SCHEDULE:**

**ADDITIONAL CAR BAYS:**

- CAR PARK NO. 1: 47 x CARS
- CAR PARK NO. 2: 39 x CARS
- CAR PARK NO. 3: 57 x CARS
- CAR PARK NO. 4: 14 x CARS (STAFF)
- CAR PARK NO. 5: 20 x CARS
- CAR PARK NO. 6: 7 x CARS
- CAR PARK NO. 7: 30 CARS

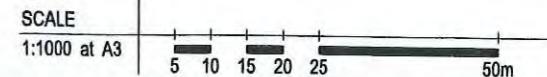
**PROPOSED TOTAL CAR BAYS:**

214 x CARS



**1** DETAIL SITE PLAN - PROPOSED  
 PROPOSED TEAK LANE PROPERTY  
 SCALE: 1:500 at A1 1:1000 at A3

ISSUED FOR INFORMATION



PHILLIPS SMITH CONWELL ARCHITECTS  
 51 Brooks Street Bowen Hills  
 PO Box 479 Fortitude Valley Qld 4006 Australia  
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 e psearch@psc-architects.com.au

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AMD	SUBJECT	INT	DATE
1	ISSUED FOR INFORMATION	SI/SS	15.11.16
2	CARPARK NUMBERS REVISED	SI/SS	15.11.16
3	LANDSCAPE BUFFER TO EASTERN BOUNDARY ENHANCED, TRILLEY BAYS ADDED	SI/SS	12.12.16
4	CARPARK LAYOUT AMENDED TO SHUT TRAFFIC ENGINEERS LAYOUT	SI/SS	21.12.16
5	CARPARK LAYOUT AMENDED TO SHUT TRAFFIC ENGINEERS LAYOUT	SI/SS	14.03.16

6	PEDESTRIAN CROSSING AMENDED, TURNAROUND BAY AND LINERIZING ADJUSTED TO SHUT TRAFFIC ENGINEERS ADVICE	SI/SS	14.03.16
6a	EXTENT OF SUPPLIED KOALA HABIT BOUNDARY INDICATED	SI/SS	07.04.16
6b	CARPARK LAYOUT AMENDED TO SHUT KOALA HABITAT	SI/SS	11.04.16
6c	EXCLUDED LAND NOTED	SI/SS	11.04.16
6d	CARPARK LAYOUT AMENDED TO SHUT KOALA HABITAT	SI/SS	21.04.16

7	ISSUED FOR CLIENT INFORMATION	SI/SS	22.04.16
---	-------------------------------	-------	----------

PROJECT  
 TOWN CENTRE VICTORIA POINT  
 REAR ALLOTMENT CARPARK

FOR  
 LANREX PROPERTY

NOMINATED ARCHITECT: ESR000 8499

PHILLIPS SMITH CONWELL ARCHITECTS

DRAWING TITLE  
 DETAIL SITE PLAN - PROPOSED



JOB NUMBER  
 5410

SCALE AT A1  
 1:500

SCALE AT A3  
 1:1000

DRAWING NUMBER  
 A\_CD\_10.02

AMENDMENT  
 7



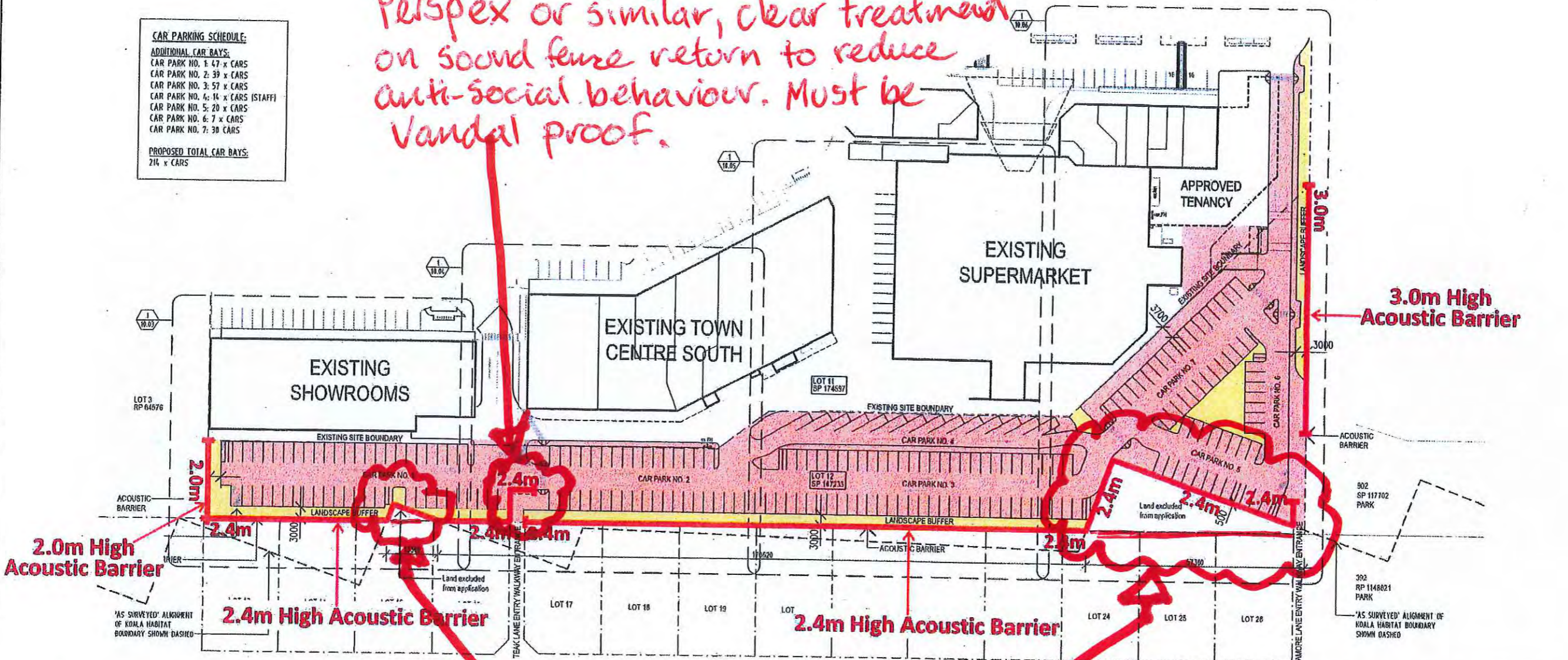
**CAR PARKING SCHEDULE:**

**ADDITIONAL CAR BAYS:**

CAR PARK NO. 1: 47 x CARS  
 CAR PARK NO. 2: 39 x CARS  
 CAR PARK NO. 3: 57 x CARS  
 CAR PARK NO. 4: 14 x CARS (STAFF)  
 CAR PARK NO. 5: 20 x CARS  
 CAR PARK NO. 6: 7 x CARS  
 CAR PARK NO. 7: 30 CARS

**PROPOSED TOTAL CAR BAYS:**  
 214 x CARS

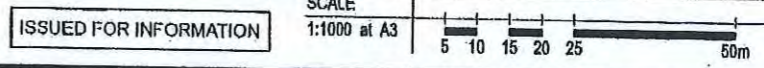
*Perspex or similar, clear treatment on sound fence return to reduce anti-social behaviour. Must be vandal proof.*



**1 DETAIL SITE PLAN - PROPOSED PROPOSED TEAK LANE PROPERTY**  
 SCALE: 1:500 at A1 1:1000 of A3

*Relocate alignment of sound fence along boundary*

<p>Max Womersley &amp; Associates Pty Ltd t/as MWA Environmental        Level 15 241 Adelaide St, Brisbane, QLD 4001        P: 07 3002 5500 F: 07 3002 5550 E: mwa@mwaworld.com.au        W: www.mwaworld.com.au        ABN 84 610 933 084</p>		<b>PROJECT</b> <b>NOISE IMPACT ASSESSMENT</b> <b>PROPOSED REAR ALLOTMENT CAR PARK</b> <b>TEAK LANE VICTORIA POINT</b>	
<b>CLIENT</b> LANREX PROPERTY <b>JOB</b> VICTORIA POINT <b>JOB NO.</b> 15-079 <b>DATE</b> 20/06/16 <b>SCALE</b> 1:1500 (A4)		<b>TITLE</b> <b>ACOUSTIC BARRIER LOCATIONS</b>	
<b>FIGURE 4</b> <b>DRAWING NUMBER</b> 15-079-4		<b>SCALE</b> 1:1000 at A3	



PHILLIPS SMITH CONWELL ARCHITECTS  
 61 Riverside Square, Brisbane QLD 4000 Australia  
 P 07 3287 1167  
 F 07 3287 1167  
 p.sc@psca.com.au

NO	SUBJECT	DATE
1	ISSUED FOR INFORMATION	21/05/16
2	CAPTURE REVISIONS	21/05/16
3	LANDSCAPE BUFFER TO EASTERN BOUNDARY	21/05/16
4	CAPTURE LAYOUT AMENDMENTS TO SHUT SHADE	21/05/16
5	CAPTURE LAYOUT AMENDMENTS TO SHUT SHADE	21/05/16

NO	SUBJECT	DATE
6	PERFORMING ENGINEERING	21/06/16
7	ISSUED FOR CLIENT INFORMATION	21/06/16
8	EXTENT OF SUPPLIED KOALA HABITAT BOUNDARY INDICATES	21/06/16
9	CAPTURE LAYOUT AMENDMENTS TO SHUT SHADE	21/06/16
10	ENCLOSURE LANE WIDTH	21/06/16
11	LANDSCAPE LAYOUT AMENDMENTS TO SHUT SHADE	21/06/16

<b>PROJECT</b> TOWN CENTRE VICTORIA POINT REAR ALLOTMENT CARPARK FOR LANREX PROPERTY	<b>DRAWING TITLE</b> DETAIL SITE PLAN - PROPOSED	<b>NORTH/WALL INDEX</b> 	<b>JOB NUMBER</b> 6410	<b>SCALE AT A1</b> 1:500 <b>SCALE AT A3</b> 1:1000
<b>ISSUED FOR INFORMATION</b>		<b>DATE</b> 20/06/16		<b>ANALYST</b> 7



**INDICATIVE PLANT SCHEDULE**

**Carpark Trees** - clean trunked  
 Cupressus anacardoides  
 Harpullia pendula  
 Waterhousea floribunda

**Carpark Lower Storey**  
 Callistemon Great Balls of Fire - low shrub/hedge  
 Casuarina Couste II  
 Liriodendron Evergreen Giant  
 Lomandra Tilga  
 Phyllanthus multiflorus - low hedge  
 Trachospermum jasminoides Tricolour

**Buffer Planting**  
 Banksia integrifolia - small tree  
 Commersonia bartramia - small tree  
 Elaeagnus argentea - small tree  
 Glochidion litorale - small/medium tree  
 Lomandra longifolia  
 Syzygium australe - screen planting  
 Syzygium tuximanni - screen planting

PLANTS FOR THIS PROJECT WILL BE SELECTED FROM THE LIST ABOVE

**FINAL DESIGN CONSIDERATIONS:**

1. 30M WIDE BUFFERS TO SIDE AND REAR BOUNDARIES WILL BE PLANTED WITH 3 TREE SPECIES CAPABLE OF SURVIVING 3 MONTHS AFTER PLANTING. PLANTING SHALL BE ACCORDING TO THE CODE OF PRACTICE FOR LANDSCAPE DESIGN AND INSTALLATION (2012) AND THE CODE OF PRACTICE FOR LANDSCAPE DESIGN AND INSTALLATION (2012).

2. THE LANDSCAPE TREATMENT WILL MAINTAIN VISIBILITY BY LEAVING PLANT HEIGHT WITHIN 200M OF REAR EDGE OF THE SITE TO ALLOW THESE PLANTS TO BE PLANTED WITHIN THE 30M WIDE BUFFER. PLANTS SHALL BE PLANTED WITHIN 30M OF THE REAR BOUNDARY. PLANTING SHALL BE ACCORDING TO THE CODE OF PRACTICE FOR LANDSCAPE DESIGN AND INSTALLATION (2012) AND THE CODE OF PRACTICE FOR LANDSCAPE DESIGN AND INSTALLATION (2012).

3. THE SIDE AND REAR BUFFERS AND CARPARK BUFFER PLANTING WILL BE PLANTED WITHIN 30M OF THE REAR BOUNDARY OF THE SITE AND SHALL BE ACCORDING TO THE CODE OF PRACTICE FOR LANDSCAPE DESIGN AND INSTALLATION (2012) AND THE CODE OF PRACTICE FOR LANDSCAPE DESIGN AND INSTALLATION (2012).

**NOTE:**

- 1. PLANTED SPECIES AND PLANT HEIGHTS TO BE DETERMINED TO THOSE SPECIFIED IN THE RPS.
- 2. COMPASS LOCATION OF ALL EXISTING AND PROPOSED PLANTING TO BE PROVIDED IN THE LANDSCAPE WORKS.
- 3. THIS DRAWING TO BE USED IN CONJUNCTION WITH THE ARCHITECTURAL & ASSOCIATED CIVIL & SERVICES DRAWINGS.

**LEGEND:**

- 1. EXISTING PLANTING TO REMAIN
- 2. PROPOSED PLANTING TO BE INSTALLED



**DAVID KEARNEY & ASSOCIATES**  
 Landscape Architects  
 10/110 Colburn Avenue  
 Victoria Point NSW 2250

**PROPOSED CARPARK**  
**VICTORIA POINT TOWN CENTRE**  
 at  
**COLBURN AVENUE VICTORIA POINT**

**SCALE**  
 1:500 AT A1

**DATE**  
 15/04/21

**LANDSCAPE INTENT PLAN**


15/04/21 - LS1

⊙ Landscape plan to be amended to align with carpark set out on civil drawings and RPS.

⊙ Lighting to be provided for Teak Lane.

---

**11.2 OFFICE OF CEO****11.2.1 OCTOBER 2016 MONTHLY FINANCIAL REPORT**

<b>Objective Reference:</b>	<b>A2033228</b> <b>Reports and Attachments Archives</b>
<b>Attachment:</b>	<a href="#"><u>October 2016 Monthly Financial Report</u></a>
<b>Authorising Officer:</b>	 <b>Deborah Corbett-Hall</b> <b>Chief Financial Officer</b>
<b>Responsible Officer:</b>	<b>Leandri Brown</b> <b>Finance Manager Corporate Finance</b>
<b>Report Author:</b>	<b>Udaya Panambala Arachchilage</b> <b>Corporate Financial Reporting Manager</b>

---

**PURPOSE**

The purpose of this report is to note the year to date financial results as at 31 October 2016.

**BACKGROUND**

Council adopts an annual budget and then reports on performance against the budget on a monthly basis. This is not only a legal requirement but enables the organisation to periodically review its financial performance and position and respond to changes in community requirements, market forces or other outside influences.

**ISSUES*****End of Year Accounts Finalisation***

The 2015/2016 annual financial statements were audited by the Queensland Audit Office (QAO) during September and October. The closing asset and liability balances per the financial statements flow through to the opening balances of 2016/2017 as presented in the October monthly financial report.

The audit has not resulted in any adjustments to the opening balances for the 2016/2017 financial year and certification of the financial statements was received from QAO on 24 October 2016.

***Carryover budget 2016/2017 – capital items***

Council adopted a revised 2016/2017 budget on 24 August 2016 to accommodate capital works straddling two financial years. The attached monthly financial report for October includes the changes from the carryover budget.

***Reclassification of Borrowings***

The existing loan accounts were converted to fixed rate loans on 1 April 2016 in line with Queensland Treasury Corporation (QTC) policies. In line with Council's debt

---

policy, debt repayment has been made annually in advance for 2016/2017 in July 2016. QTC borrowings have reduced significantly during October 2016 as prepayments have been applied to borrowings to align with QTC restructure of loans, following end of year accounts finalisation and QAO certification.

### **STRATEGIC IMPLICATIONS**

Council continued to report a strong financial position and favourable operating result at the end of October 2016.

Council has either achieved or favourably exceeded the following Key Financial Stability and Sustainability Ratios as at the end of October 2016:

- Operating surplus ratio;
- Net financial liabilities;
- Ability to pay our bills – current ratio;
- Ability to repay our debt – debt servicing ratio;
- Cash balance;
- Cash balances – cash capacity in months;
- Longer term financial sustainability – debt to asset ratio
- Operating performance ratio; and
- Interest cover ratio.

The following ratios did not meet the target at the end of October 2016:

- Asset sustainability ratio; and
- Level of dependence on general rate revenue.

Council's asset sustainability ratio target is an average long term target and at the end of October 2016, Council's renewal spend on infrastructure assets was \$8.70M compared to depreciation expense on infrastructure assets of \$16.44M for the financial year to date. Council continues to focus on renewal capital works to move this long term measure upwards towards the target zone.

The second quarter rates run for the 2016/2017 financial year occurred in October 2016, resulting in a spike in Council's level of dependence on general rate revenue (excluding utility revenues) to 40.85% (outside the target range of less than 37.5%). Spikes in this ratio are expected to be cyclical and will occur in the months where the quarterly rates are levied.

### **Legislative Requirements**

The October 2016 financial results are presented in accordance with the legislative requirement of section 204(2) of the *Local Government Regulation 2012*, requiring the Chief Executive Officer to present the financial report to a monthly Council meeting.

### **Risk Management**

The October 2016 financial results have been noted by the Executive Leadership Team and relevant officers who can provide further clarification and advice around actual to budget variances.

### **Financial**

There is no direct financial impact to Council as a result of this report; however it provides an indication of financial outcomes at the end of October 2016.

**People**

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

**Environmental**

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

**Social**

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

**Alignment with Council's Policy and Plans**

This report has a relationship with the following items of the 2015-2020 Corporate Plan:

**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.

8.2 Council produces and delivers against sustainable financial forecasts as a result of best practice Capital and Asset Management Plans that guide project planning and service delivery across the city.

**CONSULTATION**

Council departmental officers, Financial Services Group officers and the Executive Leadership Team are consulted on financial results and outcomes throughout the period.

**OPTIONS**

1. That Council resolves to note the financial position, results and ratios for October 2016 as presented in the attached Monthly Financial Report.
2. That Council requests additional information.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

Moved by: Cr M Elliott  
Seconded by: Cr P Gleeson

**That Council resolves to note the financial position, results and ratios for October 2016 as presented in the attached Monthly Financial Report.**

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Mitchell, Edwards and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.



**Redland**  
CITY COUNCIL



# Monthly Financial Report

## October 2016



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## 1. EXECUTIVE SUMMARY

This monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 October 2016. Council's financial statements were signed off and certified by the Queensland Audit Office during October 2016.

The year to date and annual revised budget referred to in this report incorporates the changes from the budget carryovers adopted by Council on 24 August 2016.

### Key Financial Highlights and Overview

Key Financial Results	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000	YTD Variance %	Status
Operating Surplus/(Deficit)	479	18,105	18,046	(59)	0%	🔔
Recurrent Revenue	254,569	98,647	97,216	(1,431)	-1%	🔔
Recurrent Expenditure	254,090	80,542	79,170	(1,372)	-2%	✅
Capital Works Expenditure	84,469	18,618	20,103	1,485	8%	🔔
Closing Cash & Cash Equivalents	133,470	137,710	143,433	5,723	4%	✅

#### Status Legend:

Above budgeted revenue or under budgeted expenditure	✅
Below budgeted revenue or over budgeted expenditure <10%	🔔
Below budgeted revenue or over budgeted expenditure >10%	❌

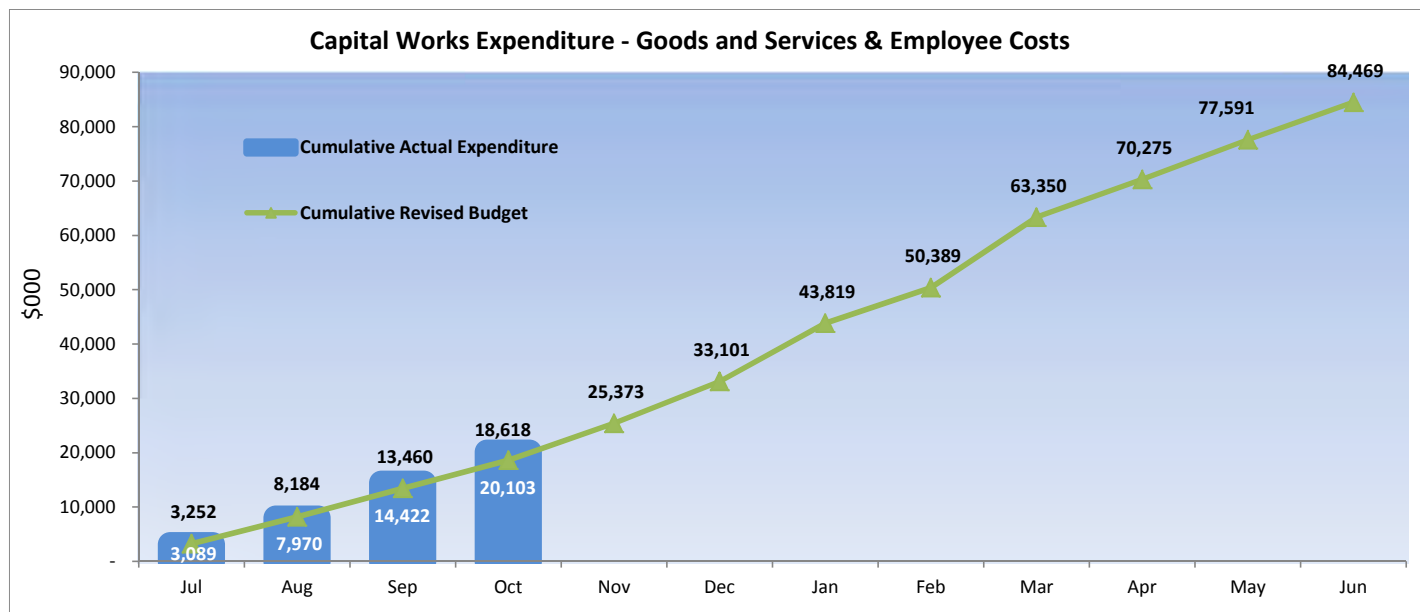
*Note: all amounts are rounded to the nearest thousand dollars.*

Council reported a year to date operating surplus of \$18.05M which is \$60K lower than the budgeted result. The income generated from the second quarter general rates levy is partially offset by \$1.99M in credits held.

Favourable variances in contractor and bulk water purchase costs contributed to the favourable year to date variance in recurrent expenditure. Lower than anticipated bulk water purchase costs are linked to bulk water consumption which is lower than expected. The unfavourable variance in depreciation expense is due to higher opening asset balances for 2016/2017 which include the results from the 2015/2016 asset revaluations, as well as the recognition of developer contributed assets. These year-end adjustments impact the annual depreciation expense going forward.

Council's capital works expenditure exceeded budget by \$1.59M which is mainly due to a \$1.57M land acquisition in September 2016 which was not budgeted for and is being submitted to Council's first budget review in November.

Council expects to adopt its first budget review in November 2016 which will address some of the variances mentioned above.





## 2. KEY PERFORMANCE INDICATORS

### Key Performance Indicators

Financial Stability Ratios and Measures of Sustainability	Target	Annual Revised Budget	YTD October 2016	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	0.19%	18.56%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	79.72%	52.95%	✗
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	-28.65%	-102.13%	✓
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	32.52%	40.85%	✗
Ability to Pay Our Bills - Current Ratio	Target between 1.1 & 4.1	3.83	3.58	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.04%	9.17%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$133.470M	\$143.433M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	7.78	8.98	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	1.72%	1.63%	✓
Operating Performance (%)	Target greater than or equal to 20%	17.29%	22.03%	✓
Interest Cover Ratio (%)	Target between 0% and 5%	-0.42%	-0.46%	✓

#### Status Legend

KPI target achieved or exceeded	✓	KPI target not achieved	✗
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The annual revised budgeted balances for 2016/2017 include the changes from the budget carryovers adopted by Council on 24 August 2016. However, until the first budget review is adopted in November, the balances will reconcile to the financial management system and may be different to the published carryover budget.

### 3. STATEMENT OF COMPREHENSIVE INCOME

#### STATEMENT OF COMPREHENSIVE INCOME

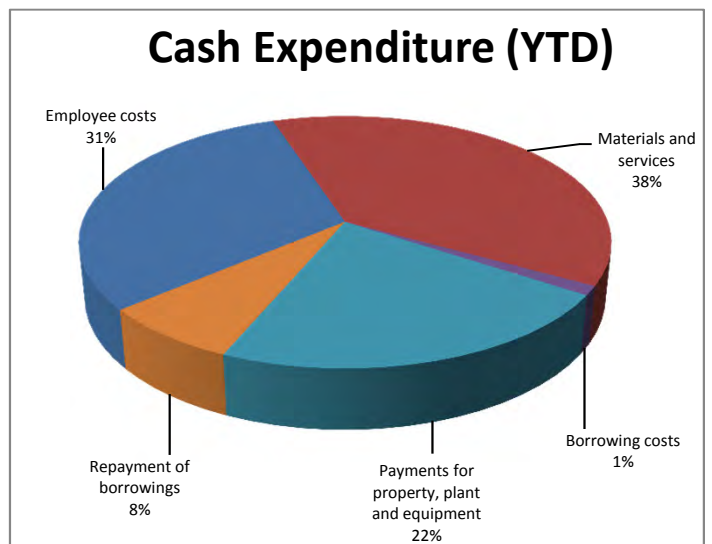
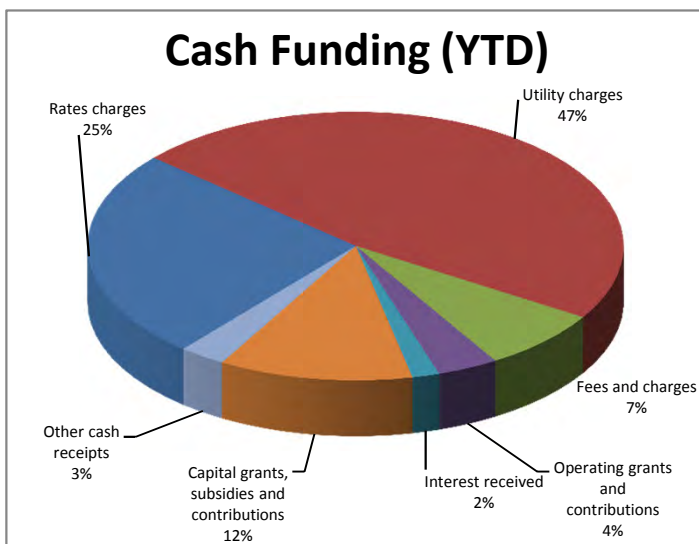
For the period ending 31 October 2016

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Recurrent revenue</b>					
Rates, levies and charges	214,758	214,758	87,085	84,507	(2,578)
Fees and charges	13,291	13,291	5,076	5,149	73
Rental income	811	811	228	177	(51)
Interest received	4,271	4,271	1,324	1,523	199
Investment returns	4,685	4,685	-	-	-
Sales revenue	4,030	4,030	1,459	1,536	77
Other income	763	763	370	642	272
Grants, subsidies and contributions	11,959	11,959	3,105	3,682	577
<b>Total recurrent revenue</b>	<b>254,569</b>	<b>254,569</b>	<b>98,647</b>	<b>97,216</b>	<b>(1,431)</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	32,248	32,448	8,912	10,879	1,967
Non-cash contributions	3,144	3,144	27	94	67
<b>Total capital revenue</b>	<b>35,393</b>	<b>35,593</b>	<b>8,939</b>	<b>10,973</b>	<b>2,034</b>
<b>TOTAL INCOME</b>	<b>289,962</b>	<b>290,162</b>	<b>107,586</b>	<b>108,189</b>	<b>603</b>
<b>Recurrent expenses</b>					
Employee benefits	80,389	80,389	27,777	27,403	(374)
Materials and services	119,315	119,315	34,709	32,399	(2,310)
Finance costs	3,758	3,758	1,180	1,180	-
Depreciation and amortisation	50,628	50,628	16,876	18,188	1,312
<b>Total recurrent expenses</b>	<b>254,090</b>	<b>254,090</b>	<b>80,542</b>	<b>79,170</b>	<b>(1,372)</b>
<b>Capital expenses</b>					
(Gain)/loss on disposal of non-current assets	289	(172)	(176)	(218)	(42)
<b>Total capital expenses</b>	<b>289</b>	<b>(172)</b>	<b>(176)</b>	<b>(218)</b>	<b>(42)</b>
<b>TOTAL EXPENSES</b>	<b>254,379</b>	<b>253,918</b>	<b>80,366</b>	<b>78,952</b>	<b>(1,414)</b>
<b>NET RESULT</b>	<b>35,583</b>	<b>36,244</b>	<b>27,220</b>	<b>29,237</b>	<b>2,017</b>
<b>Other comprehensive income/(loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>35,583</b>	<b>36,244</b>	<b>27,220</b>	<b>29,237</b>	<b>2,017</b>

## 4. STATEMENT OF CASH FLOWS

### STATEMENT OF CASH FLOWS For the period ending 31 October 2016

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	232,889	232,889	73,098	76,821
Payments to suppliers and employees	(202,780)	(202,780)	(63,390)	(62,820)
	<b>30,111</b>	<b>30,110</b>	<b>9,708</b>	<b>14,001</b>
Interest received	4,271	4,271	1,324	1,523
Rental income	811	811	228	177
Non-capital grants and contributions	11,056	11,056	2,207	3,427
Borrowing costs	(3,195)	(3,195)	(3,195)	(1,073)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>43,053</b>	<b>43,053</b>	<b>10,272</b>	<b>18,055</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(77,038)	(84,469)	(18,617)	(20,210)
Proceeds from sale of property, plant and equipment	630	1,091	482	267
Capital grants, subsidies and contributions	32,248	32,448	8,912	10,880
Other cash flows from investing activities	4,685	4,686	-	-
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(39,474)</b>	<b>(46,244)</b>	<b>(9,223)</b>	<b>(9,063)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	(4,551)	(4,551)	(4,551)	(6,771)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(4,551)</b>	<b>(4,551)</b>	<b>(4,551)</b>	<b>(6,771)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(972)</b>	<b>(7,742)</b>	<b>(3,502)</b>	<b>2,221</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>119,449</b>	<b>141,212</b>	<b>141,212</b>	<b>141,212</b>
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>118,477</b>	<b>133,470</b>	<b>137,710</b>	<b>143,433</b>



Total Cash Funding (Actual YTD)	93,094
Total Cash Funding (Annual Revised Budget)	287,252
% of Budget Achieved YTD	32%

Total Cash Expenditure (Actual YTD)	90,873
Total Cash Expenditure (Annual Revised Budget)	294,994
% of Budget Achieved YTD	31%

## 5. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 31 October 2016

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	118,477	133,470	137,710	143,433
Trade and other receivables	25,017	25,805	49,684	54,017
Inventories	779	678	678	675
Non-current assets held for sale	1,309	4,278	4,278	4,099
Other current assets	1,104	2,122	4,241	2,661
<b>Total current assets</b>	<b>146,686</b>	<b>166,353</b>	<b>196,591</b>	<b>204,885</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	956	1,054	1,054	1,054
Property, plant and equipment	2,293,906	2,461,807	2,426,654	2,427,946
Intangible assets	2,000	2,454	3,002	2,954
Other financial assets	73	73	73	73
Investment in other entities	10,063	5,961	5,961	5,961
<b>Total non-current assets</b>	<b>2,306,999</b>	<b>2,471,348</b>	<b>2,436,744</b>	<b>2,437,988</b>
<b>TOTAL ASSETS</b>	<b>2,453,685</b>	<b>2,637,702</b>	<b>2,633,335</b>	<b>2,642,873</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	18,454	20,763	21,826	20,549
Borrowings	4,482	7,701	7,701	7,701
Provisions	7,571	12,465	13,050	12,140
Other current liabilities	2,673	2,534	5,481	16,814
<b>Total current liabilities</b>	<b>33,179</b>	<b>43,465</b>	<b>48,058</b>	<b>57,204</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	40,727	37,604	37,604	35,384
Provisions	12,143	12,350	12,415	13,006
<b>Total non-current liabilities</b>	<b>52,869</b>	<b>49,954</b>	<b>50,019</b>	<b>48,390</b>
<b>TOTAL LIABILITIES</b>	<b>86,048</b>	<b>93,419</b>	<b>98,077</b>	<b>105,594</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,367,637</b>	<b>2,544,283</b>	<b>2,535,258</b>	<b>2,537,279</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	827,411	963,349	963,349	963,349
Retained surplus	1,443,724	1,473,016	1,474,126	1,471,394
Constrained cash reserves	96,502	107,918	97,783	102,536
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,367,637</b>	<b>2,544,283</b>	<b>2,535,258</b>	<b>2,537,279</b>

The annual revised budgeted balances for 2016/2017 include the changes from the budget carryovers adopted by Council on 24 August 2016. However, until the first budget review is adopted in November, the balances will reconcile to the financial management system and may be different to the published carryover budget.



## 6. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 31 October 2016

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Revenue</b>					
Rates charges	85,691	85,691	42,846	41,134	(1,712)
Levies and utility charges	132,436	132,436	45,878	44,964	(914)
<i>Less: Pensioner remissions and rebates</i>	(3,370)	(3,370)	(1,639)	(1,591)	48
Fees and charges	13,291	13,291	5,076	5,149	73
Operating grants and subsidies	11,370	11,370	3,003	3,297	294
Operating contributions and donations	589	589	102	385	283
Interest external	4,271	4,271	1,324	1,523	199
Investment returns	4,685	4,685	-	-	-
Other revenue	5,604	5,604	2,057	2,355	298
<b>Total revenue</b>	<b>254,569</b>	<b>254,569</b>	<b>98,647</b>	<b>97,216</b>	<b>(1,431)</b>
<b>Expenses</b>					
Employee benefits	80,389	80,389	27,777	27,403	(374)
Materials and services	119,731	119,731	34,836	33,035	(1,801)
Finance costs other	562	562	103	107	4
Other expenditure	398	398	144	(321)	(465)
Net internal costs	(814)	(814)	(271)	(315)	(44)
<b>Total expenses</b>	<b>200,266</b>	<b>200,266</b>	<b>62,589</b>	<b>59,909</b>	<b>(2,680)</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>54,303</b>	<b>54,303</b>	<b>36,058</b>	<b>37,307</b>	<b>1,249</b>
Interest expense	3,195	3,195	1,077	1,073	(4)
Depreciation and amortisation	50,628	50,628	16,876	18,188	1,312
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>479</b>	<b>479</b>	<b>18,105</b>	<b>18,046</b>	<b>(59)</b>

### Levies and utility charges breakup For the period ending 31 October 2016

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Levies and utility charges</b>					
Refuse charges	20,903	20,903	6,968	6,868	(100)
Special charges	3,974	3,974	1,987	1,991	4
SES Separate charge	331	331	165	167	2
Environment levy	6,093	6,093	3,047	3,067	20
Landfill remediation charge	2,795	2,795	932	938	6
Wastewater charges	42,254	42,254	14,085	14,222	137
Water access charges	17,989	17,989	5,996	6,038	42
Water consumption charges	38,098	38,098	12,698	11,673	(1,025)
<b>Total Levies and utility charges</b>	<b>132,436</b>	<b>132,436</b>	<b>45,878</b>	<b>44,964</b>	<b>(914)</b>

## 7. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 31 October 2016

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Sources of capital funding</b>					
Capital contributions and donations	29,425	29,425	8,220	9,714	1,494
Capital grants and subsidies	2,824	3,024	692	1,165	473
Proceeds on disposal of non-current assets	630	1,091	482	267	(215)
Capital transfers (to)/ from reserves	(15,839)	(14,382)	(2,366)	(6,397)	(4,031)
Non-cash contributions	3,144	3,144	27	94	67
Funding from general revenue	64,549	69,862	16,141	23,198	7,057
<b>Total sources of capital funding</b>	<b>84,733</b>	<b>92,164</b>	<b>23,196</b>	<b>28,041</b>	<b>4,845</b>
<b>Application of capital funds</b>					
Contributed assets	3,144	3,144	27	94	67
Capitalised goods and services	71,905	79,336	17,369	18,446	1,077
Capitalised employee costs	5,133	5,133	1,249	1,657	408
Loan redemption	4,551	4,551	4,551	7,844	3,293
<b>Total application of capital funds</b>	<b>84,733</b>	<b>92,164</b>	<b>23,196</b>	<b>28,041</b>	<b>4,845</b>
<b>Other budgeted items</b>					
Transfers to constrained operating reserves	(11,683)	(11,683)	(5,428)	(5,779)	(351)
Transfers from constrained operating reserves	10,321	10,321	2,186	1,814	(372)
WDV of assets disposed	919	919	307	49	(258)

## 8. REDLAND WATER & REDWASTE STATEMENTS

### REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 October 2016

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Total revenue	101,625	101,625	33,849	33,031	(818)
Total expenses	57,436	57,436	17,849	16,509	(1,340)
Earnings before interest, tax and depreciation (EBITD)	44,189	44,189	16,000	16,522	522
Depreciation	16,505	16,505	5,502	6,086	584
<b>Operating surplus/(deficit)</b>	<b>27,684</b>	<b>27,684</b>	<b>10,498</b>	<b>10,436</b>	<b>(62)</b>

### REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 October 2016

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Capital contributions, donations, grants and subsidies	6,539	6,539	2,405	3,630	1,225
Net transfer (to)/from constrained capital reserves	(713)	127	616	(371)	(987)
Other	3,065	3,065	-	-	-
Funding from utility revenue	7,993	9,045	1,241	1,816	575
<b>Total sources of capital funding</b>	<b>16,883</b>	<b>18,775</b>	<b>4,262</b>	<b>5,075</b>	<b>813</b>
Contributed assets	3,065	3,065	-	-	-
Capitalised expenditure	13,818	15,711	4,262	5,075	813
<b>Total applications of capital funds</b>	<b>16,883</b>	<b>18,775</b>	<b>4,262</b>	<b>5,075</b>	<b>813</b>

### REDWASTE OPERATING STATEMENT For the period ending 31 October 2016

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Total revenue	22,106	22,106	7,421	7,313	(108)
Total expenses	16,124	16,124	5,506	5,206	(300)
Earnings before interest, tax and depreciation (EBITD)	5,982	5,982	1,915	2,107	192
Interest expense	40	40	13	13	-
Depreciation	572	572	191	52	(139)
<b>Operating surplus/(deficit)</b>	<b>5,371</b>	<b>5,371</b>	<b>1,711</b>	<b>2,042</b>	<b>331</b>

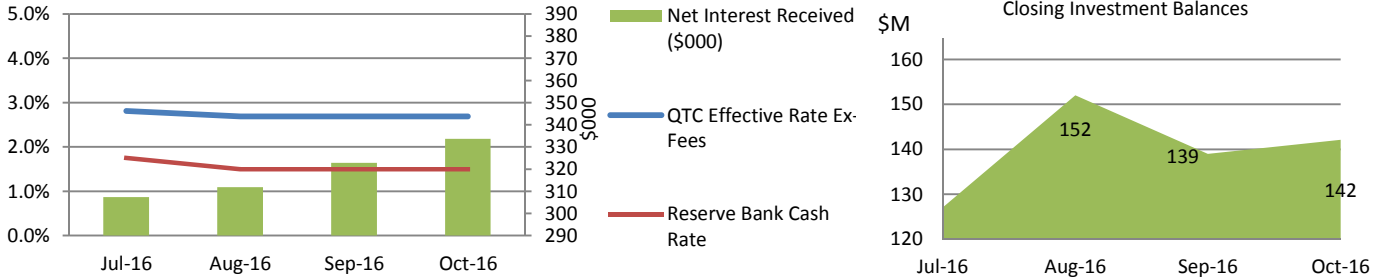
### REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 October 2016

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Funding from utility revenue	307	1,475	366	463	97
<b>Total sources of capital funding</b>	<b>307</b>	<b>1,475</b>	<b>366</b>	<b>463</b>	<b>97</b>
Capitalised expenditure	233	1,400	291	347	56
Loan redemption	75	75	75	116	41
<b>Total applications of capital funds</b>	<b>307</b>	<b>1,475</b>	<b>366</b>	<b>463</b>	<b>97</b>

## 9. INVESTMENT & BORROWINGS REPORT

For the period ending 31 October 2016

### INVESTMENT RETURNS



**Total Investment at End of Month was \$142.14M**

All Council investments are currently held in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC).

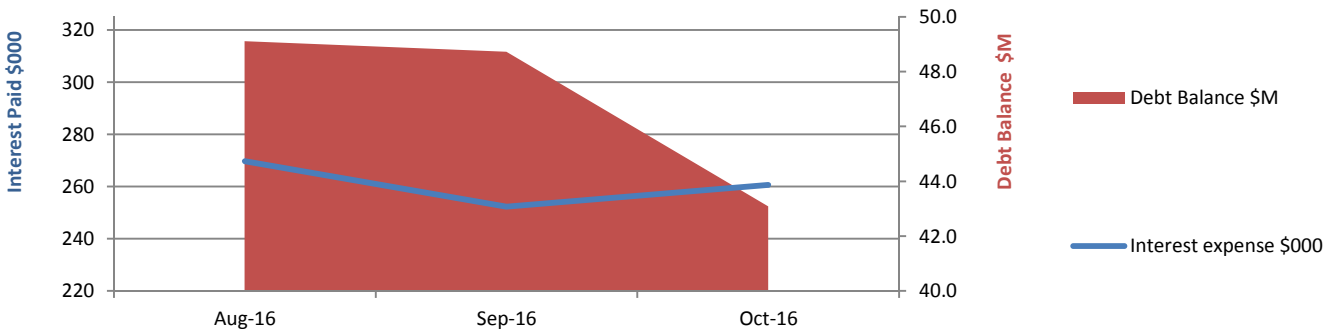
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis. The movement in investment balance is reflective of the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 1.5% in the August 2016 sitting - this has not changed in subsequent months.

Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings. On a daily basis, cash surplus to requirements are deposited with QTC to earn higher interest as QTC is offering a higher rate than what is achieved from Council's transactional bank accounts. Currently the interest rate offered on a daily basis by QTC is comparable to short term deposits available via external brokers.

Council adopted its revised Investment Policy (POL-3013) in May 2016 for the 2016/2017 financial year

### BORROWING COSTS



**Total Borrowings at End of Month was \$43.09M**



The existing loan accounts were converted to fixed rate loans on 1 April 2016 in line with QTC policies. In line with Council's debt policy, debt repayment has been made *annually* in advance for 2016/2017.

QTC borrowings have reduced significantly during October 2016 as prepayments have been applied to borrowings to align with QTC restructure of loans, following end of year accounts finalisation and Queensland Audit Office certification.

Dependent upon timing of monthly QTC statements, interest is accrued based on the prior month's actual interest. Once statements are received in the following month, interest is adjusted accordingly.

Council adopted its revised Debt Policy (POL-1838) in July 2016 for the 2016/2017 financial year



### 10. CONSTRAINED CASH RESERVES

Reserves as at 31 October 2016	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>				
Weinam Creek Reserve	2,406	280	(8)	2,678
Red Art Gallery Commissions & Donations Reserve	2	-	-	2
	<b>2,408</b>	<b>280</b>	<b>(8)</b>	<b>2,680</b>
<b>Utilities Reserve:</b>				
Redland Water Reserve	8,300	-	-	8,300
Redland WasteWater Reserve	1,600	-	-	1,600
	<b>9,900</b>	<b>-</b>	<b>-</b>	<b>9,900</b>
<b>Constrained Works Reserve:</b>				
Parks Reserve	9,150	1,581	(79)	10,652
East Thornlands Road Infrastructure Reserve	674	-	-	674
Community Facility Infrastructure Reserve	1,696	300	-	1,996
Retail Water Renewal & Purchase Reserve	8,911	691	-	9,602
Sewerage Renewal & Purchase Reserve	6,516	2,339	(2,658)	6,197
Constrained Works Reserve-Capital Grants & Contributions	1,549	-	-	1,549
Transport Trunk Infrastructure Reserve	21,897	3,095	(15)	24,977
Cycling Trunk Infrastructure Reserve	5,844	1,054	(325)	6,573
Stormwater Infrastructure Reserve	5,613	655	-	6,268
Constrained Works Reserve-Operational Grants & Contributions	1,666	-	(19)	1,647
Tree Planting Reserve	64	20	(3)	81
	<b>63,580</b>	<b>9,735</b>	<b>(3,099)</b>	<b>70,216</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,794	-	-	6,794
Environment Charge Maintenance Reserve	1,243	3,067	(1,217)	3,093
	<b>8,037</b>	<b>3,067</b>	<b>(1,217)</b>	<b>9,887</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	82	(61)	21
SMBI Translink Reserve	13	465	(238)	240
	<b>13</b>	<b>547</b>	<b>(299)</b>	<b>261</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve	4,113	1,389	(326)	5,176
Aquatic Paradise Canal Reserve	3,685	447	(171)	3,961
Sovereign Waters Lake Reserve	438	28	(11)	455
	<b>8,236</b>	<b>1,864</b>	<b>(508)</b>	<b>9,592</b>
<b>TOTALS</b>	<b>92,174</b>	<b>15,493</b>	<b>(5,131)</b>	<b>102,536</b>

Closing cash and cash equivalents	<b>143,433</b>
Reserves as percentage of cash balance	<b>71%</b>

## 11. GLOSSARY

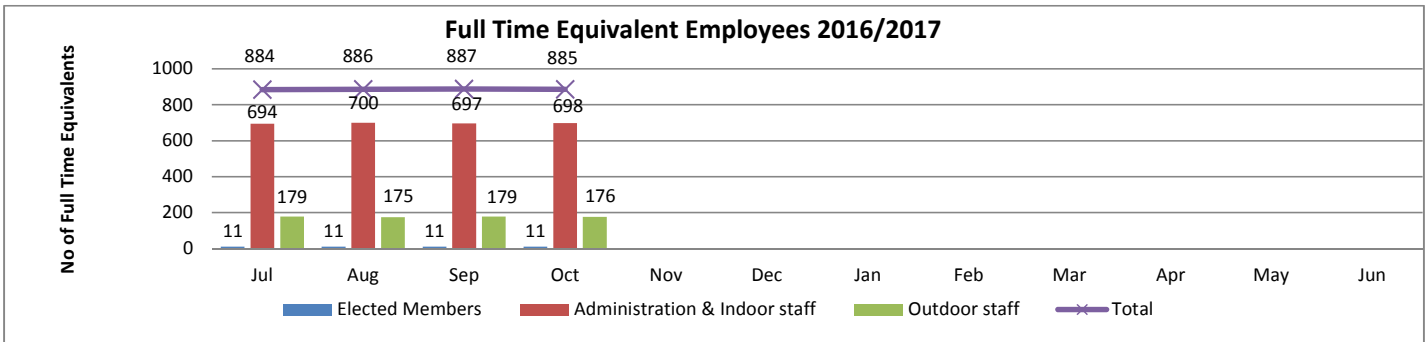
### Definition of Ratios

<b>Operating Surplus Ratio*:</b> <i>This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes</i>	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$
<b>Asset Sustainability Ratio*:</b> <i>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</i>	$\frac{\text{Capital Expenditure on Replacement of Infrastructure Assets (Renewals)}}{\text{Depreciation Expenditure on Infrastructure Assets}}$
<b>Net Financial Liabilities*:</b> <i>This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues</i>	$\frac{\text{Total Liabilities} - \text{Current Assets}}{\text{Total Operating Revenue}}$
<b>Level of Dependence on General Rate Revenue:</b> <i>This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)</i>	$\frac{\text{General Rates} - \text{Pensioner Remissions}}{\text{Total Operating Revenue} - \text{Gain on Sale of Developed Land}}$
<b>Current Ratio:</b> <i>This measures the extent to which Council has liquid assets available to meet short term financial obligations</i>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
<b>Debt Servicing Ratio:</b> <i>This indicates Council's ability to meet current debt instalments with recurrent revenue</i>	$\frac{\text{Interest Expense} + \text{Loan Redemption}}{\text{Total Operating Revenue} - \text{Gain on Sale of Developed Land}}$
<b>Cash Balance - \$M:</b>	Cash Held at Period End
<b>Cash Capacity in Months:</b> <i>This provides an indication as to the number of months cash held at period end would cover operating cash outflows</i>	$\frac{\text{Cash Held at Period End}}{[(\text{Cash Operating Costs} + \text{Interest Expense}) / \text{Period in Year}]}$
<b>Debt to Asset Ratio:</b> <i>This is total debt as a percentage of total assets, i.e. to what extent will our long term debt be covered by total assets</i>	$\frac{\text{Current and Non-current loans}}{\text{Total Assets}}$
<b>Operating Performance:</b> <i>This ratio provides an indication of Redland City Council's cash flow capabilities</i>	$\frac{\text{Net Cash from Operations} + \text{Interest Revenue and Expense}}{\text{Cash Operating Revenue} + \text{Interest Revenue}}$
<b>Interest Cover Ratio:</b> <i>This ratio demonstrates the extent which operating revenues are being used to meet the financing charges</i>	$\frac{\text{Net Interest Expense on Debt Service}}{\text{Total Operating Revenue}}$

\* These targets are set to be achieved on average over the longer term and therefore are not necessarily expected to be met on a monthly basis.

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

### Workforce Reporting



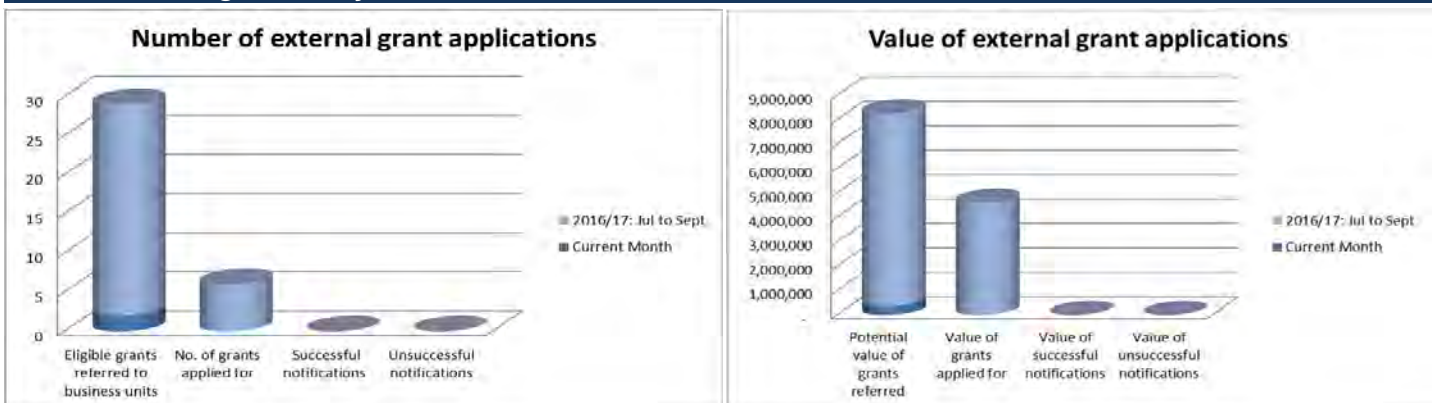
Department Level	Employee Type						Grand Total
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	
Office of CEO	11	4	89	12	15	4	135
Organisational Services	4	5	105	8	7	3	132
Community and Customer Service	38	5	237	54	22	7	363
Infrastructure and Operations	19	6	309	8	8	1	351
<b>Total</b>	<b>72</b>	<b>20</b>	<b>740</b>	<b>82</b>	<b>52</b>	<b>15</b>	<b>981</b>

Note: Full Time Equivalent Employees includes all full time employees at a value of 1 and all other employees, at a value less than 1. The table above demonstrates the headcount by department (excluding agency staff) and does not include a workload weighting. It includes casual staff in their non-substantive roles as at the end of the period where relevant.

### Overdue Rates Debtors

Days Overdue	Oct-15	% Overdue	Oct-16	% Overdue	\$ Variance	% Variance
0 - 30	\$746	0.0%	\$748	0.0%	\$2	0.00%
31 - 60	\$802	0.0%	\$2,000	0.0%	\$1,198	0.00%
61 - 90	\$1,928,537	1.6%	\$2,051,058	1.7%	\$122,521	0.04%
>90	\$3,532,322	3.0%	\$3,129,388	2.5%	-\$402,934	-0.44%
<b>Total</b>	<b>\$5,462,408</b>	<b>4.61%</b>	<b>\$5,183,194</b>	<b>4.21%</b>	<b>-\$279,213</b>	<b>-0.40%</b>

### External Funding Summary



#### Month of October 2016/17

Referred opportunities and application pending (subject to project eligibility):

SES Non Recurrent Grant  
Queensland Tourism Demand Driver Infrastructure Grant Program (TDDI)

#### YTD 2016/17

The YTD main funding applications submitted include:


1. Ex-HMAS Tobruk EOJ - Economic benefit in first year - \$1.50M
2. Local Government Subsidy Scheme Program x 2 applications:
  - Thorneside WWTP (Package of 5 separate projects) - \$2.96M
  - Indigiscapes Native Plant Nursery - \$0.11M



**11.2.2 ANNUAL COMMUNITY FINANCIAL REPORT 2015-16**

**Objective Reference:** A2033231  
Reports and Attachments (Archives)

**Attachment:** [Community Financial Report 2015-16](#)

**Authorising/Responsible Officer:**   
Deborah Corbett-Hall  
Chief Financial Officer

**Report Author:** Leandri Brown  
Finance Manager Corporate Finance

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**PURPOSE**

The purpose of this report is to present the 2015-16 community financial report to Council for noting prior to adoption of the 2015-16 annual report.

**BACKGROUND**

The annual community financial report is a plain language document that contains a summary and high-level analysis of Council's financial performance and position for the 2015-16 financial year.

It is consistent with the audited annual financial statements and discloses how Council has performed against the adopted key financial stability ratios and measures of sustainability. It uses non-technical language and pictorial aids such as graphs and tables to make it an easy-to-follow document for the community and other stakeholders. The attached report was compiled on completion (Queensland Audit Office certification) of the 2015-16 annual financial statements and accompanying notes.

**ISSUES**

There are no issues contained in the community financial report that are not already covered in the 2015-16 annual report or financial statements. The attachment is purely a summary – please refer to the annual report and audited financial statements for full information.

Of note, the results and ratios presented in this report are the consolidated results; it therefore includes the results of Redland City Council as well as the 100% owned subsidiary, Redland Investment Corporation Pty Ltd.

**STRATEGIC IMPLICATIONS****Legislative Requirements**

Section 179 of the *Local Government Regulation 2012* requires a local government to prepare a community financial report for each financial year. The report then forms part of Council's annual report, alongside the Queensland Audit Office certified financial statements, disclosures and financial sustainability statements.

## **Risk Management**

Risk management is undertaken during the year with respect to the financials – Council reviews its actual performance against budget on a monthly basis and formally reviews its budget on a regular basis throughout the year. At the conclusion of the financial statement audit, QAO provides feedback to Council on the general appropriateness of key internal controls that ensure financial information is reasonably complete and accurate.

## **Financial**

There are no direct financial implications arising from this report. This report provides a plain language indication of Council's financial performance for the 2015-16 financial year and the financial position as at 30 June 2016.

## **People**

No impact as the purpose of the report is to present the 2015-16 community financial report.

## **Environmental**

No impact as the purpose of the report is to present the 2015-16 community financial report.

## **Social**

No impact as the purpose of the report is to present the 2015-16 community financial report.

## **Alignment with Council's Policy and Plans**

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

### **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.

8.2 Council produces and delivers against sustainable financial forecasts as a result of best practice Capital and Asset Management Plans that guide project planning and service delivery across the city; and

8.5 Council uses meaningful tools to engage with the community on diverse issues so that the community is well informed and can contribute to decision making.

## **CONSULTATION**

The Corporate Finance Unit and other internal stakeholders discussed the financial results, report layout and accounting treatment of various transactions with the Queensland Audit Office during the interim and final audit visits.

The financial statements were presented to the Audit Committee on 13 October 2016 before sign-off was obtained from the Mayor and the Chief Executive Officer.

**OPTIONS**

1. That Council resolves to note the community financial report for inclusion in the 2015-16 annual report.
2. That Council requests further information.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

**Moved by:** Cr M Elliott

**Seconded by:** Cr T Huges

**That Council resolves to note the community financial report for inclusion in the 2015-16 annual report.**

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Mitchell, Edwards and Boglary voted FOR the motion.

Cr Williams was absent from the meeting.



**Redland**  
CITY COUNCIL



# Community Financial Report

This report summarises Council's financial position and results as at 30 June 2016, based on the consolidated audited financial statements. These financial statements set out the financial performance, financial position, cash flows and changes in community equity for Council, and its subsidiary, Redland Investment Corporation (RIC) Pty Ltd, for 2015-16.

During the financial year, Council continued to deliver a large program of operational and capital works, achieving or exceeding 10 out of 11 performance indicators. We continued to meet all financial commitments and keep debt at low and very manageable levels. This financial year was also the third consecutive year Council has achieved a consolidated operating surplus. In addition to the business-as-usual functions and activities that underpin service delivery to the Redlands community, we continued to focus on economic development, business transformation, portfolio management and disaster management.

The financial year 2015-16 is also the second operating year for RIC, which identifies and evaluates new business opportunities to boost commercial activity in the Redlands. RIC Toondah Pty Ltd was established as a wholly-owned subsidiary of RIC and was formed to oversee the day-to-day management of the Toondah Harbour Priority Development Area.

## Summary of key financial stability and sustainability indicators

Financial stability indicators	Target	Actual performance	
Level of dependence on general rate revenue	< 37.5%	33.59%	✓
Ability to pay our bills – current ratio	1.1 to 4.1	3.86	✓
Ability to repay our debt – debt servicing ratio	≤ 10%	3.24%	✓
Cash balance	≥ \$40m	\$142.93m	✓
Cash balances - cash capacity in months	3 to 4 months	8.69	✓
Longer term financial stability - debt to assets ratio	≤ 10%	1.91%	✓
Operating performance	≥ 20%	20.25%	✓
Interest coverage ratio*	0% to 5%	-0.52%	✓

Measures of sustainability	Target	Actual performance	
Operating surplus ratio	0% to 10%	0.01%	✓
Net financial liabilities ratio**	< 60%	-32.30%	✓
Asset sustainability ratio	> 90%	35.87%	✗

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

\*\*This is calculated using net financial liabilities, i.e. total liabilities minus current assets. The negative number indicates that Council's current assets exceed the total liabilities. Therefore, Council has exceeded this target.

The operating surplus ratio, the net financial liabilities ratio and the asset sustainability ratios have targets to be achieved on average over the long term (a period of at least 10 years) and are not necessarily expected to be met on a monthly or annual basis. Achieving the target for the asset sustainability ratio continues to be a focus area and Council has committed to a long-term financial strategy that works towards meeting this goal. Council also approved a comprehensive asset management project, which will consider the broader principles of asset management and the renewal program over the next financial year and support the capital works prioritisation policy.



## Overview of Council's consolidated financial results

Below are Council's key financial performance highlights (inclusive of RIC):

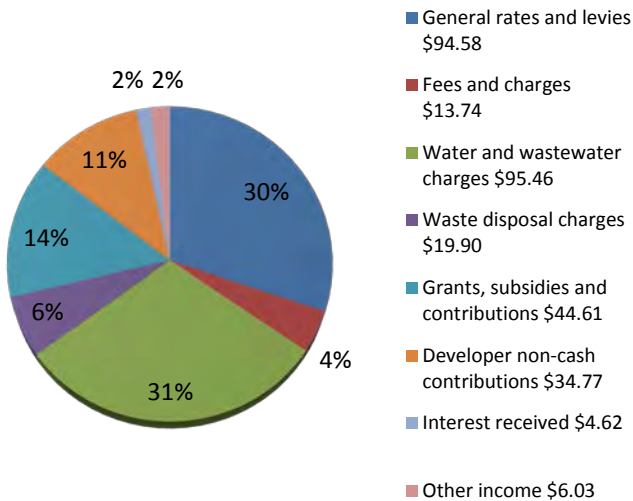
Information at a glance	2015-16 Actual \$millions	2014-15 Actual \$millions*
Operating income	\$245.35m	\$243.59m
Operating expenditure	\$(245.33)m	\$(237.24)m
<b>Net operating surplus/(deficit)</b>	<b>\$0.02m</b>	<b>\$6.35m</b>
Capital grants, subsidies and contribution	\$68.21m	\$51.23m
Other capital income/(expenditure)	\$(3.05)m	\$(2.98)m
<b>Net result</b>	<b>\$65.18m</b>	<b>\$54.60m</b>

\* CPI adjustment for comparability purposes

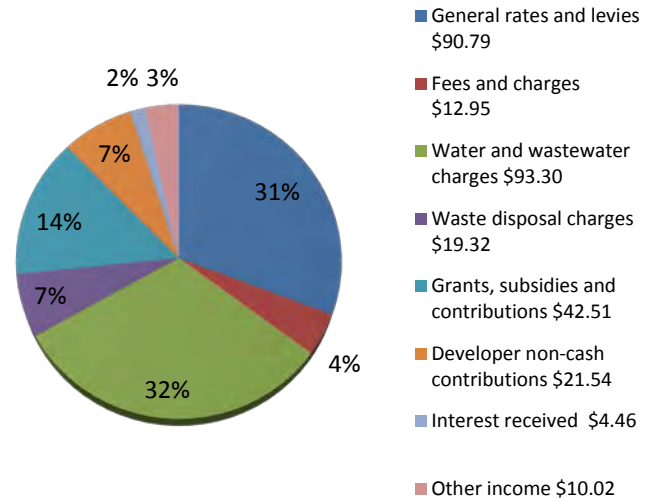
### What were our major sources of income? (Consolidated Statement of Comprehensive Income)

## Year-on-year sources of income

### 2015-16 in millions



### 2014-15 in millions\*



\* CPI adjustment for comparability purposes

Total income received this year (operating income plus capital grants, subsidies and contributions) was \$313.66m, which was \$18.80m (CPI adjusted), or 6.38% greater than the 2014-15 financial year due to general rate increase in line with budget. Other movements included:

- significant cash and non-cash contributions received from developers during the year due to increased development activity in the city; and
- a one-off carbon tax refund in financial year 2014-15 (the refund received by Council was included in 'other income' and passed on to residents through rates notices, resulting in higher 'other income' and lower 'general rates and levies' income respectively in 2014-15).

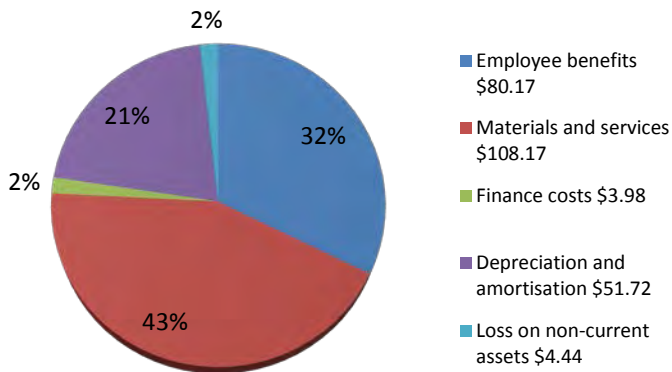


## Where was the money spent?

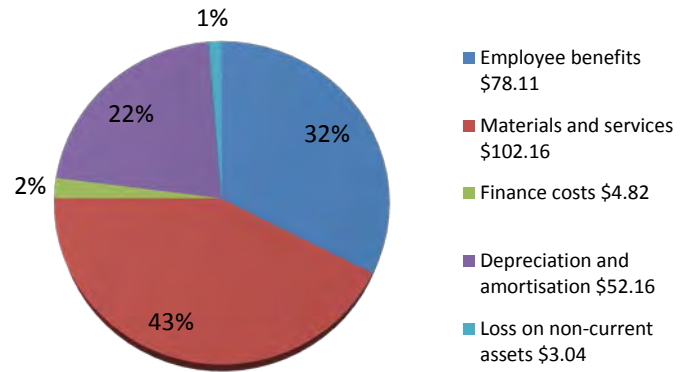
(Consolidated Statement of Comprehensive Income)

### Year-on-year expenses

#### 2015-16 in millions



#### 2014-15 in millions\*



\* CPI adjustment for comparability purposes

Council's expenses for the 2015-16 financial year were \$248.48m, which is an increase of 3.41% compared to the previous year's expenses of \$240.29m (CPI adjusted).

Materials and services costs include Council's estimated cost of restoring landfill sites across the city. When the estimates change, it impacts the expense reported in this category. The estimates change in 2015-16 resulted in a \$5.94m movement in materials and services costs. In addition, a 10.19% price increase in bulk water rates this financial year contributed to the higher expenses for 2015-16.

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

(Consolidated Statement of Financial Position)

Value of community assets	2015-16 Actual \$millions	2014-15 Actual \$millions*	Change %
Total assets	\$2,609.92m	\$2,444.92m	7%
Total liabilities	\$(101.36)m	\$(107.34)m	-6%

<b>Net community assets (community equity)</b>	<b>\$2,508.56m</b>	<b>\$2,337.58m</b>	<b>7%</b>
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See Financial Statements Consolidated Statement of Financial Position for more information  
\* CPI adjustment for comparability purposes

The total value of all assets controlled by Council was \$2.61b at 30 June 2016, of which \$2.42b (92.7%) relates to property, plant and equipment and includes freehold land, buildings, roads, stormwater drainage, water, wastewater, waste, parks infrastructure and plant and equipment.

During the 2015-16 year, land, buildings and waste infrastructure assets were independently valued. Independent desktop valuations were performed and indices applied to: road, stormwater drainage, water and wastewater and other infrastructure assets. The overall impact of the revaluations was an increase of \$135.94m in assets value.

Council borrows only from the Queensland Treasury Corporation (QTC), which is the state government-owned lending agency from which most local government and state authorities borrow to finance large-scale infrastructure projects. At the end of the 2015-16 financial year, Council owed QTC a total of \$49.86m, with \$7.70m payable in the next 12 months and \$42.16m due in subsequent years.



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

(Consolidated Statement of Cash Flows)

The table below compares the main sources of cash receipts and cash paid during the financial years ended 30 June 2015 and 30 June 2016.

Main sources of cash in and out	2015-16 Actual \$millions	2014-15 Actual \$millions*	Change %
Net cash received from operations (excluding interest and borrowing costs)	\$48.82m	\$49.49m	-1%
Purchases and construction of assets	\$(61.32)m	\$(49.33)m	24%
Capital grants, subsidies and contributions	\$33.44m	\$29.70m	13%
Repayment of debt	\$(4.60)m	\$(4.60)m	0%

See Financial Statements "Consolidated Statement of Cash Flows" for more information

\* CPI adjustment for comparability purposes

The cash flow statement is summarised into three activities:

- **Operating activities** – Council's normal day-to-day functions. These include receipts of rates, fees and charges and operating grants offset by payments for employee costs, materials and services and interest costs.
- **Investing activities** – include payments for the purchase and construction of property, plant and equipment and proceeds from the sale of assets.
- **Financing activities** – are repayments of principal on Council's loans. No new loans were drawn down in the year.

Council started the 2015-16 financial year with \$123.96m cash in the bank and ended the year with \$142.93m, exceeding the target for cash capacity in months.

## Summary

Council continues to report a strong financial position, improving processes and challenging our officers to be better tomorrow than we are today.

Council is embracing innovation and collaboration to continue to deliver projects and provide services while maintaining the community assets and financial capital.

**11.2.3 ANNUAL FINANCIAL STATEMENTS 2015-16**

**Objective Reference:** A2032709  
Reports and Attachments (Archives)

**Attachment:** [QAO Certified Financial Statements for the year ended 30 June 2016](#)

**Authorising/Responsible Officer:**



Deborah Corbett-Hall  
Chief Financial Officer

**Report Author:**

Leandri Brown  
Finance Manager Corporate Finance

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**PURPOSE**

The purpose of this report is to present the final (Queensland Audit Office certified) 2015-16 annual financial statements and accompanying notes to Council for noting prior to adoption of the 2015-16 annual report.

**BACKGROUND**

Council prepared annual financial statements which set out the financial performance, financial position, cash flows, changes in community equity, as well as explanatory notes, for the financial year ended 30 June 2016.

The annual financial statements are audited by the Queensland Audit Office (QAO) to confirm the results presented are true and fair, and in accordance with the *Local Government Act 2009*, *Local Government Regulation 2012* and the relevant Australian Accounting Standards. The QAO audit was conducted in two phases – an interim visit in April and a final visit in September.

The audited financial statements were presented to the audit committee before they could be certified by the Mayor and the CEO, as well as the Queensland Audit Office (QAO).

The attached 2015-16 annual financial statements are final and have been certified by the QAO as at 24 October 2016. An unqualified audit opinion was issued confirming that the financial statements are materially correct and presents a true and fair view as at 30 June 2016.

In addition to the annual financial statements, QAO audited the current-year financial sustainability statement. Consistent with other councils and prior years, QAO included an 'emphasis of matter' in the auditor's report to the current-year financial sustainability statement to highlight that the statement is constructed for a particular (special) purpose. As such, it may not be suitable for another purpose. The long-term financial sustainability statement is not audited.

**ISSUES***Consolidated financial statements*

This financial year is the second operating year for Redland Investment Corporation (RIC) Pty Ltd where new business opportunities are identified and evaluated to boost

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commercial activity in the Redlands. RIC Toondah Pty Ltd was established as a wholly-owned subsidiary of RIC and was formed to oversee the day-to-day management of the Toondah Harbour Priority Development Area.

The financial statements presented are for Redland City Council as a group, i.e. includes the financial results of Council, as well as that of RIC.

Furthermore, Council officers streamlined the information presented and disclosed in the annual financial statements and removed immaterial disclosures or disclosures that do not add value to the users of the financial statements.

#### *Operating result*

This financial year is the third consecutive year Council achieved a consolidated operating surplus. In addition to the business-as-usual functions and activities that underpin service delivery to the Redlands community, Council continued to have a focus on innovation, business transformation, economic development, portfolio management and disaster management.

#### *Fixed asset valuations*

Land, buildings and waste landfill asset categories were comprehensively valued during the 2015-16 financial year. The valuation of buildings identified a significant movement due to a combination of increased replacement costs, componentisation, and improved condition ratings on each component.

Desktop valuations were performed on other asset classes such as stormwater, water, wastewater, roads and other infrastructure assets, with the most material index (12%) applied to water and wastewater assets. These assets were last comprehensively valued as at 1 July 2012 and is scheduled for a comprehensive valuation in the 2016-17 financial year.

The overall impact of the comprehensive and desktop valuations was an increase of \$135M in property, plant and equipment.

#### *Future considerations around disclosure of transactions with related parties*

AASB 124 *Related Party Disclosures* now extends to not-for-profit public sector entities for reporting periods beginning on or after 1 July 2016. Redland City Council, as a not-for-profit public sector entity, falls into the scope of this accounting standard and will be required to disclose related party transactions and compensation to 'key management personnel' in its financial statements for the 2016-17 financial year. Over the next few months a process will be implemented to ensure complete and accurate information is gathered, ensuring compliance with this accounting standard.

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

Section 176 of the *Local Government Regulation 2012* requires a local government to prepare the following for each financial year:

- a general purpose financial statement;
- a current-year financial sustainability statement; and
- a long-term financial sustainability statement.

All three requirements were met by the statutory timeframe.

## **Risk Management**

Risk management is undertaken during the year with respect to the financials – Council reviews its actual performance against budget on a monthly basis and formally reviews its budget on a regular basis throughout the year. At the conclusion of the financial statement audit, QAO provides feedback to Council on the general appropriateness of key internal controls that ensure financial information is reasonably complete and accurate.

## **Financial**

There are no additional financial implications arising from this report; the purpose of the report is to present the 2015-16 annual financial statements.

## **People**

No impact as the purpose of the report is to present the 2015-16 annual financial statements.

## **Environmental**

No impact as the purpose of the report is to present the 2015-16 annual financial statements.

## **Social**

No impact as the purpose of the report is to present the 2015-16 annual financial statements.

## **Alignment with Council's Policy and Plans**

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

### **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.

- 8.2 Council produces and delivers against sustainable financial forecasts as a result of best practice Capital and Asset Management Plans that guide project planning and service delivery across the city;
- 8.3 Implementation of the Corporate Plan is well coordinated across Council and through a delivery mechanism that provides clear line of sight, accountability and performance measurement for all employees; and
- 8.5 Council uses meaningful tools to engage with the community on diverse issues so that the community is well informed and can contribute to decision making.

## **CONSULTATION**

The Corporate Finance Unit and other internal stakeholders discussed the financial results, report layout and accounting treatment of various transactions with QAO during the interim and final audit visits.

The financial statements were presented to the Audit Committee on 13 October 2016 before sign-off was obtained from the Mayor and the Chief Executive Officer.

### **OPTIONS**

1. That Council resolves to note the audited financial statements for inclusion in the 2015-16 annual report.
2. That Council requests further information.

### **OFFICER'S RECOMMENDATION/ COUNCIL RESOLUTION**

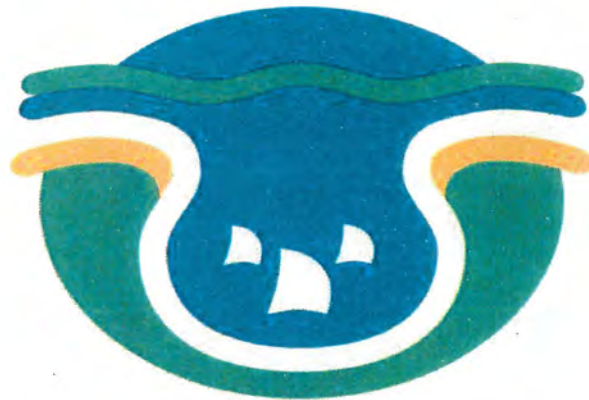
**Moved by: Cr P Gleeson**  
**Seconded by: Cr P Bishop**

**That Council resolves to note the audited financial statements for inclusion in the 2015-16 annual report.**

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.



**Redland**  
CITY COUNCIL

**CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2016**



REDLAND CITY COUNCIL  
**CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Income</b>					
<b>Recurrent revenue</b>					
Rates, levies and charges	4(a)	209,926	200,226	209,926	200,226
Fees and charges	4(b)	13,744	12,751	13,675	12,751
Interest received		4,623	4,387	4,584	4,385
Sales revenue		4,154	4,103	4,154	4,103
Other income		1,733	5,697	2,008	4,534
Grants, subsidies and contributions	5(a)	11,170	12,610	11,170	12,610
<b>Total recurrent revenue</b>		<b>245,350</b>	<b>239,774</b>	<b>245,517</b>	<b>238,609</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	5(b)	33,438	29,232	33,438	29,232
Non-cash contributions	5(b)	34,769	21,200	34,769	21,200
Increase in investment property		98	63	98	63
<b>Total capital revenue</b>		<b>68,305</b>	<b>50,495</b>	<b>68,305</b>	<b>50,495</b>
<b>Total income</b>		<b>313,655</b>	<b>290,269</b>	<b>313,822</b>	<b>289,104</b>
<b>Expenses</b>					
<b>Recurrent expenses</b>					
Employee benefits	6	(80,173)	(76,888)	(79,712)	(76,888)
Materials and services	7	(108,166)	(100,555)	(108,215)	(100,489)
Finance costs		(3,980)	(4,740)	(3,979)	(4,740)
Depreciation and amortisation	8	(51,717)	(51,342)	(51,717)	(51,342)
Impairment loss on non-current assets held-for-sale		(1,289)	-	-	-
<b>Total recurrent expenses</b>		<b>(245,325)</b>	<b>(233,525)</b>	<b>(243,623)</b>	<b>(233,459)</b>
<b>Capital expenses</b>					
Loss on disposal of non-current assets		(3,152)	(2,993)	(3,152)	(2,993)
Impairment loss on non-current assets held-for-sale		-	-	(1,289)	-
<b>Total capital expenses</b>		<b>(3,152)</b>	<b>(2,993)</b>	<b>(4,441)</b>	<b>(2,993)</b>
<b>Total expenses</b>		<b>(248,477)</b>	<b>(236,518)</b>	<b>(248,064)</b>	<b>(236,452)</b>
<b>Net result</b>		<b>65,178</b>	<b>53,751</b>	<b>65,758</b>	<b>52,652</b>
<b>Other comprehensive income/(loss)</b>					
<b>Items that will not be reclassified to net result</b>					
Revaluation of property, plant and equipment	12	135,939	158,726	135,939	158,726
<b>Total comprehensive income/(loss) for the year</b>		<b>201,117</b>	<b>212,477</b>	<b>201,697</b>	<b>211,378</b>

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Current assets</b>					
Cash and cash equivalents	9	142,929	123,956	141,212	121,327
Trade and other receivables	10	25,795	24,674	25,805	25,017
Inventories	11	9,295	10,929	676	774
Non-Current assets held-for-sale		462	57	4,278	10,212
Other current assets		2,122	1,104	2,122	1,104
<b>Total current assets</b>		<b>180,603</b>	<b>160,720</b>	<b>174,093</b>	<b>158,434</b>
<b>Non-Current assets</b>					
Investment property		1,054	956	1,054	956
Property, plant and equipment	12	2,424,908	2,241,265	2,424,916	2,241,265
Intangible assets		3,277	3,606	3,277	3,606
Other financial assets		73	73	6,034	1,233
<b>Total non-current assets</b>		<b>2,429,312</b>	<b>2,245,900</b>	<b>2,435,281</b>	<b>2,247,060</b>
<b>Total assets</b>		<b>2,609,915</b>	<b>2,406,620</b>	<b>2,609,374</b>	<b>2,405,494</b>
<b>Current liabilities</b>					
Trade and other payables	13	22,355	21,615	22,359	21,603
Borrowings	14(a)	7,702	4,482	7,702	4,482
Provisions	15(a)	13,324	14,592	13,316	14,592
Other current liabilities		3,390	2,694	3,390	2,694
<b>Total current liabilities</b>		<b>46,771</b>	<b>43,383</b>	<b>46,767</b>	<b>43,371</b>
<b>Non-current liabilities</b>					
Borrowings	14(b)	42,155	49,973	42,155	49,973
Provisions	15(b)	12,434	12,300	12,416	12,285
<b>Total non-current liabilities</b>		<b>54,589</b>	<b>62,273</b>	<b>54,571</b>	<b>62,258</b>
<b>Total liabilities</b>		<b>101,360</b>	<b>105,656</b>	<b>101,338</b>	<b>105,629</b>
<b>Net community assets</b>		<b>2,508,555</b>	<b>2,300,964</b>	<b>2,508,036</b>	<b>2,299,865</b>
<b>Community equity</b>					
Asset revaluation surplus	16	963,350	827,411	963,350	827,411
Retained surplus		1,545,205	1,473,553	1,544,686	1,472,454
<b>Total community equity</b>		<b>2,508,555</b>	<b>2,300,964</b>	<b>2,508,036</b>	<b>2,299,865</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2016

	Asset Revaluation Surplus \$000	Retained Surplus \$000	Total Community Equity \$000
Note	12		
<b>Consolidated</b>			
<b>Balance as at 1 July 2015</b>	<b>827,411</b>	<b>1,473,553</b>	<b>2,300,964</b>
Assets not previously recognised	-	6,474	6,474
Net result	-	65,178	65,178
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	135,939	-	135,939
<b>Total comprehensive income for the year</b>	<b>135,939</b>	<b>71,652</b>	<b>207,591</b>
<b>Balance as at 30 June 2016</b>	<b>963,350</b>	<b>1,545,205</b>	<b>2,508,555</b>
<b>Balance as at 1 July 2014</b>	<b>668,685</b>	<b>1,419,802</b>	<b>2,088,487</b>
Net result	-	53,751	53,751
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	158,726	-	158,726
<b>Total comprehensive income for the year</b>	<b>158,726</b>	<b>53,751</b>	<b>212,477</b>
<b>Balance as at 30 June 2015</b>	<b>827,411</b>	<b>1,473,553</b>	<b>2,300,964</b>
<b>Council</b>			
<b>Balance as at 1 July 2015</b>	<b>827,411</b>	<b>1,472,454</b>	<b>2,299,865</b>
Assets not previously recognised	-	6,474	6,474
Net result	-	65,758	65,758
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	135,939	-	135,939
<b>Total comprehensive income for the year</b>	<b>135,939</b>	<b>72,232</b>	<b>208,171</b>
<b>Balance as at 30 June 2016</b>	<b>963,350</b>	<b>1,544,686</b>	<b>2,508,036</b>
<b>Balance as at 1 July 2014</b>	<b>668,685</b>	<b>1,419,802</b>	<b>2,088,487</b>
Net result	-	52,652	52,652
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	158,726	-	158,726
<b>Total comprehensive income for the year</b>	<b>158,726</b>	<b>52,652</b>	<b>211,378</b>
<b>Balance as at 30 June 2015</b>	<b>827,411</b>	<b>1,472,454</b>	<b>2,299,865</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Cash flows from operating activities</b>					
Receipts from customers		230,728	227,738	230,272	225,406
Payments to suppliers and employees		(193,941)	(187,733)	(192,533)	(187,688)
		<u>36,787</u>	<u>40,005</u>	<u>37,739</u>	<u>37,718</u>
Interest received		4,624	4,387	4,584	4,385
Non-capital grants and contributions		12,035	8,705	12,035	8,705
Borrowing costs		(3,354)	(3,424)	(3,354)	(3,424)
<b>Net cash inflow/(outflow) from operating activities</b>	21	<u><b>50,092</b></u>	<u><b>49,673</b></u>	<u><b>51,004</b></u>	<u><b>47,384</b></u>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment		(60,678)	(46,630)	(60,678)	(46,630)
Cash investment in Redland Investment Corporation		-	-	-	(340)
Payments for intangible assets		(646)	(1,930)	(646)	(1,930)
Proceeds from sale of property, plant and equipment		1,365	1,904	1,365	1,904
Capital grants, subsidies and contributions		33,438	29,232	33,438	29,232
<b>Net cash inflow/(outflow) from investing activities</b>		<u><b>(26,521)</b></u>	<u><b>(17,424)</b></u>	<u><b>(26,521)</b></u>	<u><b>(17,764)</b></u>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings	14	(4,598)	(4,528)	(4,598)	(4,528)
<b>Net cash inflow/(outflow) from financing activities</b>		<u><b>(4,598)</b></u>	<u><b>(4,528)</b></u>	<u><b>(4,598)</b></u>	<u><b>(4,528)</b></u>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>18,973</b>	<b>27,721</b>	<b>19,885</b>	<b>25,092</b>
Cash and cash equivalents at beginning of the financial year		123,956	96,235	121,327	96,235
<b>Cash and cash equivalents at end of the financial year</b>	9	<u><b>142,929</b></u>	<u><b>123,956</b></u>	<u><b>141,212</b></u>	<u><b>121,327</b></u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

**1 Basis of preparation and compliance**

**1(a) Basis of preparation**

These general purpose financial statements have been prepared for the period 1 July 2015 to 30 June 2016 in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB).

These financial statements are for the group consisting of Redland City Council (RCC) and its subsidiaries (refer to Note 1(b)) and have been prepared under the historical cost convention except for the revaluation of certain non-current assets, financial assets and financial liabilities. The consolidated entity is a public sector not-for-profit entity for the purpose of preparing the financial statements.

**1(b) Principles of consolidation**

The financial statements incorporate the assets and liabilities of all subsidiaries of the Redland City Council (parent entity) as at 30 June 2016, excluding Redheart Pty Ltd and RIC Toondah Pty Ltd. RCC and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is obtained and deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Redland Investment Corporation Pty Ltd (Consolidated)

Redland Investment Corporation Pty Ltd (RIC) was incorporated on 2 December 2014 and is limited by shares. Council has 100% ownership of RIC. This company was formed to enhance the commercial activities of Redland City Council to generate revenue in addition to the traditional fees, charges and rates revenue. This company will oversee a diverse range of projects across the city.

RIC Toondah Pty Ltd (Not Consolidated)

RIC Toondah Pty Ltd (RICT) was incorporated on 26 November 2015 and is limited by shares. Redland Investment Corporation Pty Ltd has 100% ownership of RICT. This company was formed to provide the administration services for the day-to-day management of the relationship between venturers (Minister of Economic Development Queensland (MEDQ), RCC/RICT) and the developer for the project in the Toondah Harbour Priority Development Area (PDA). At 30 June 2016, the company had nil net assets and had no transactions throughout the year.

As the transactions in this entity are not material, it has not been consolidated with Council's financial results.

Redheart Pty Ltd (Not Consolidated)

As at 30 June 2016, Council had control over Redheart Pty Ltd, a company whose principle activity was to act as the holder of the mining lease pursuant to the *Mineral Resources Act 1989* in respect of Council's German Church Road quarry operations. As at 30 June 2016, the company had net assets of \$2 and remained dormant throughout the financial year.

As the transactions in this entity are not material, it has not been consolidated with Council's financial results.

**1(c) Statement of compliance**

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board that are relevant to Council's operations and effective for the current reporting period. The consolidated entity is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS). To the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

**1(d) Constitution**

Redland City Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia. Council's subsidiaries are constituted under the *Corporations Act 2001* and are domiciled in Australia.

**1(e) Date of authorisation**

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

**1(f) Currency**

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

**1(g) Rounding and comparatives**

Amounts included in the consolidated financial statements have been rounded to the nearest \$1,000. Rounding adjustments are included in Inventories in the Consolidated Statement of Financial Position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

## 1 Basis of preparation and compliance - continued

## 1(h) New and amended standards adopted by Council

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

Council has not adopted new or revised Standards and Interpretations issued by the AASB that are not yet effective, except for AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures for Not-For-Profit Public Sector Entities* and AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101*. AASB 2015-7 was early adopted during the previous financial year and provides relief from disclosures of quantitative information about significant unobservable inputs used in fair value measurements and of the sensitivity of certain fair value measurements to changes in unobservable inputs. Based on AASB 2015-2, Council reviewed the presentation and disclosure of information and immaterial disclosures or disclosures that do not add value to the users of the financial statements have been removed.

Other new Standards and Interpretations that have been issued but are not mandatory for 30 June 2016 reporting periods, as well as the assessment of the impact of these new Standards and Interpretations are set out below:

Standard	Nature of change	Impact	Effective dates
AASB 9 <i>Financial Instruments</i> and related amendments to AAS arising from AASB 9	AASB 9 addresses the classification, measurement and de-recognition of financial assets and liabilities. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost. Measurement at amortised cost will be allowed where very specific conditions are met.	Council does not expect the new standard to have a significant impact on the classification and measurement of its financial assets. Council's only "available-for-sale" finance assets are its investments in other entities. However, as these are in the form of unlisted securities these investments are carried at cost.	1 January 2018
AASB 15 <i>Revenue from contracts with customers</i> and related amendments to AAS arising from AASB 15	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services. The new standard is based on the principle that revenue is recognised when control of a good or service is transferred to a customer.	AASB 15 will apply to Council's contracts with customers that do not fall into the scope of the replacement for AASB 1004 <i>Contributions</i> . The AASB issued exposure draft ED260 <i>Income for Not-For-Profit Entities</i> to replace AASB 1004. The most significant change for Council will be to defer income from grants and donations where the delivery of goods and services are enforceable and sufficiently specific, regardless of whether the ultimate beneficiary is the grantor or a third party. The majority of grants and donations received by Council under AASB 1004 is currently recognised on receipt. AASB 15 will be applicable to all the transactions entered into by the Redland Investment Corporation. Revenue from arrangements which create enforceable rights and obligations would need to be deferred until the performance obligations are satisfied. The proposed amendments to other accounting standards as a result of AASB 15 and other amendments will be considered once it has been	1 January 2018
AASB 2015-6 <i>Amendment to Australian Accounting Standards - Extending Related Party Disclosures to Not-For-Profit Public Sector Entities</i>	AASB issued an amendment to AASB 124 <i>Related Party Disclosures</i> in March 2015 to extend these disclosures to not-for-profit public sector entities.	Council is currently considering the required processes for implementation to ensure complete and accurate information can be gathered for compliance with this amendment from 1 July 2016 onwards.	1 July 2016
AASB 16 <i>Leases</i>	The new standard clarifies the distinction between a lease and a service arrangement and is based on the right to control the use of an identified asset during the lease term. The new standard no longer distinguishes between an operating and a finance lease, therefore the main impact on lessees is that almost all leases go on balance sheet. Exemptions are available for short-term and low-value leases.	Council is investigating its current classification of arrangements as either a lease or service arrangement and the applicability of exemptions per this new standard.	1 January 2019

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

**1 Basis of preparation and compliance - continued**

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

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

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

Valuation and depreciation of property, plant and equipment (Note 2(e) and Note 22)

Long-term employee benefit obligations (Note 2(h), Note 13 and Note 15)

Landfill rehabilitation provision (Note 2(i) and Note 15)

Contingent liabilities and contingent assets (Note 18)

Events after the reporting period (Note 24)



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

**2 Significant accounting policies**

**2(a) Revenue**

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier unconditional entitlement to the funds. Revenue is recognised for the major business activities as follows:

Rates and levies

Where rate monies are received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the commencement of the rating period.

Fees and charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue upon receipt. Unspent, non-reciprocal grants are held in reserves (restricted funds).

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled.

Non-cash contributions

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

Cash contributions

Council receives cash contributions from property developers to construct assets such as roads and footpaths for new property developments in accordance with Council's planning scheme policies. These cash contributions are recognised as income when received.

Recurrent/capital classification

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

**2(b) Financial assets and financial liabilities**

Council recognises a financial asset or financial liability in its Consolidated Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument, i.e. the trade date.

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

Financial assets

Cash and cash equivalents (Note 2(c) and Note 9)  
Trade and other receivables - measured at amortised cost (Note 2(d) and Note 10)  
Other financial assets such as prepayments and investments in other companies

Financial liabilities

Trade and other payables - measured at amortised cost (Note 2(g) and Note 13)  
Borrowings - measured at amortised cost (Note 14)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied, except for Goods and Services Tax (GST), refer to Note 2(j). Refer to Note 22 for fair value measurement considerations in relation to financial assets and financial liabilities.

Redland City Council is exposed to various financial risks including credit risk, interest rate risk and liquidity risk. Exposure to financial risks is managed in accordance with Council's approved Long Term Financial Strategy and Strategic Risk Register.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

**2 Significant accounting policies - continued****2(c) Cash and cash equivalents**

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

Council's cash and cash equivalents are subject to a number of internal restrictions that limit the amount that is available for discretionary future uses. Council accounts for these restrictions internally using a system of reserves as follows:

Constrained works reserve

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

Special projects reserve

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

Utilities reserve

This reserve holds funds set aside to meet future specific expenditure for the Redland Water commercial business unit.

Separate charge reserve - Environment

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

Special charge reserve - Other

This reserve was established to hold funds collected from the Rural Fire Levy Special Charge and these funds are distributed to the respective Southern Moreton Bay Islands Rural Fire Brigades. This reserve also holds funds collected for Southern Moreton Bay Islands Translink Special Charge and these funds are distributed to the State Government to assist with transport service on the Bay Islands.

Special charge reserve - Canals

This reserve was established to hold funds collected from the Canal Special Charges and the Sovereign Waters Lake Special Charge for ongoing and future maintenance.

**2(d) Trade and other receivables**

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

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs.

All known bad debts were written-off or provided for at 30 June 2016.

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

**2(e) Fixed and intangible assets**

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, accumulated depreciation and accumulated impairment losses. Non-current asset thresholds for recognition purposes are as follows:

Land	\$1	Water & wastewater	\$5,000
Buildings	\$1	Parks	\$500
Plant & equipment (vehicles; plant)	\$500	Other infrastructure	\$5,000
Plant & equipment (office equipment; furniture)	\$200	Waste	\$1,000
Plant & equipment (computer hardware)	\$1,000	Work in progress	\$1
Plant & equipment (heritage & arts; library books)	\$1	Intangibles	\$1,000
Roads	\$5,000	Investment property	\$1
Stormwater drainage	\$5,000		

Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration such as cost of materials, direct labour and where relevant, the initial estimate of restoring the site on which the assets are located, plus costs incidental to the acquisition, including all costs incurred in preparing the assets for use.

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

Capital and operating expenditure

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

**2 Significant accounting policies - continued**

**2(e) Fixed and intangible assets - continued**

Valuation

All asset categories are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*, except for plant and equipment and work in progress which are measured at cost. The valuation methodology maximises observable inputs where available.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years by engaging either independent external valuers or suitably qualified internal staff. In interim years, valuations are performed using a suitable index where there has been a material variation in the index.

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

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

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

Details of valuers and methods of valuations are disclosed in Note 22.

Investment property

Investment property is property held for the primary purpose of earning rental income and/or capital appreciation. Investment property is initially recognised at cost (including transaction costs) and subsequently revalued under the fair value model. Gains or losses arising from changes in fair value are recognised in the Consolidated Statement of Comprehensive Income for the period in which they arise.

Capital work in progress

The cost of property, plant and equipment being constructed by Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

Depreciation and amortisation

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

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

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

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

Depreciation methods and estimated useful lives of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted, where necessary, to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. Assessments performed as part of the annual process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 12.

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

All physical and intangible assets are assessed for indicators of impairment annually.

Land under roads

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

**2 Significant accounting policies - continued**

**2(f) Leases**

All Council leases are of an operating nature where substantially all the risks and benefits remain with the lessor.

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

**2(g) Trade and other payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price. Amounts owing are unsecured and are generally settled on 30 day terms.

**2(h) Liabilities - employee benefits**

Salaries and Wages

A liability for salaries and wages is recognised and measured as the amount unpaid at reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 13 as a payable.

Long-term employee benefit obligations

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service and is therefore measured as a long-term benefit. The liabilities represent the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to projected future increases in the current pay rates including oncosts, the probability of the employee remaining in Council's employment or other associated employment as well as the timing of leave payouts. The payments are discounted using market yields of government bonds at the end of the reporting period with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Where council does not have an unconditional right to defer this liability beyond 12 months, i.e. the employee has become entitled to annual leave or long service leave, the liability is presented as a current liability.

The liability for long service leave is reported in Note 15 as a provision and re-measurements as a result of changes in assumptions are recognised in profit or loss.

A liability for annual leave is reported in Note 13 as a payable. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values if material.

**2(i) Landfill rehabilitation provision**

A provision is made for the cost of restoration in respect of landfills.

The provision represents the present value of the anticipated future costs associated with the closure of the landfill, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Due to the long-term nature of the liability, the most significant uncertainty in estimating the provision is the cost that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

**2(j) Taxation**

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

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

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

**Corporate Governance**

The corporate governance function supports Council's vision of inclusive and ethical governance through ensuring open, accountable and transparent community outcomes. This function also provides quality leadership at all levels and includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in this function.

**Water and Wastewater Services**

Council's water and wastewater services business unit is a commercially focussed business unit with the principal goals of providing safe drinking water and the collection of wastewater, including the treatment thereof and refuse disposal. It delivers these services through customer and water product quality management, maintenance of the water and wastewater network, asset management, as well as water infrastructure planning, delivery and development services. Additionally, its business goal is to maximise financial returns and cash flows to support Council's other operations.

**Waste Services**

The waste function is responsible for the collection and disposal of waste within the city through its kerbside collection service, household hazardous waste services, disposals at landfills and the operation and maintenance of its transfer stations. It also includes maintenance of closed landfill and environmental monitoring of current and former waste disposal facilities.

**Community Support, Recreation and Facilities**

This function supports the health and wellbeing of our community, promotes strong community spirit and extends to people of all ages, cultures, abilities and needs. The function is supported by a full range of services, programs, organisations and facilities, such as:

- library services;
- youth and aged care services;
- event management;
- community grant funding and sponsorships;
- disaster management and community safety;
- the animal shelter;
- parks, community halls and swimming pools; and
- the Redland Art Gallery and Redland Performing Arts Centre.

**Planning and Development**

This function delivers the careful management of population pressures and supports the sustainable use of land. It includes the recognition of environmental sensitivities and the distinctive character, heritage and atmosphere of our local communities. This function ensures the delivery of a well-planned network of urban, rural and bushland areas and responsive infrastructure and transport systems to support strong, healthy communities.

**Infrastructure Services**

This function is responsible for the sustainable management and maintenance of Council's infrastructure assets, as well as identifying, planning and delivering infrastructure to support the community and ensure a high standard of infrastructure in the Redlands. This function includes the delivery of a high quality and effective road network to facilitate pedestrian, cycle and vehicle transport as well as road and drainage infrastructure construction and rehabilitation.

**Corporate Services**

This function provides support to all of Council and includes administrative, internal audit, budget support, financial accounting, taxation and treasury, human resources, marketing and communication and information technology services. The goal of this function is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

**Economic Development**

This function supports Council's commitment to increasing the city's economic capacity through business growth, and retention, employment generation and sustained economic growth as articulated in the Economic Development Framework 2014-2041. The development of eight industry sector strategy and action plans will be the critical catalyst in attracting investment and achieving key economic objectives. The strategy and action plan will detail prioritised initiatives and activities and resource allocation in future industry growth sectors of Tourism, Health Care and Social Assistance, Education and Training, Manufacturing, High Value-Add Services, Construction, Retail Trade, and Rural Enterprises.

**Business Transformation**

The objective of this function is to make council an increasingly more efficient operation that puts the needs of our community first. The team supports staff to deliver what our customers need faster, better and, where possible, cheaper.

**Portfolio Management**

This function has two responsibilities, one is to create the centre of excellence and a single source of truth to provide methodology, governance, training, advice and support to assist project management teams to plan and deliver successful initiatives; and two be responsible for providing organisational oversight, analysis, and reporting to assist the Executive Leadership Team and elected members to make informed decisions about projects and programs.

**Disaster Management**

This function (also referred to as the Disaster Planning and Operations Unit) provides the community with practical information to help prepare for, respond to and recover from a disaster. The goal of this function is to organise effective response and recovery in the Redland City Council area, minimising and mitigating where possible the impact of a disaster of major emergency.

**Redland Investment Corporation**

Redland Investment Corporation Pty Ltd's business objective is to investigate alternative revenue streams and investment opportunities for the Redlands Community. The Corporation also manages some of Council's underutilised assets with an objective to improve their use or value. Redland Investment Corporation also has in place a Service Level Agreement with Council to act as the preferred commercial consultants for the Priority Development Areas. During the financial year ended 30 June 2016, RIC established a proprietary company, RIC Toondah Pty Ltd, which is wholly owned by RIC and operated under the *Corporation Act 2001*. Refer Note 1(b).

REDLAND CITY COUNCIL  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2016

**3 Statement of functions and activities - continued**

**(b) Analysis of results by function**

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

**Year ended 30 June 2016**

Functions	Gross income				Total Income	Gross expenses		Total Expenses	Net result from recurrent operations	Net Result	Total Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$000	\$000	\$000	\$000		\$000	\$000				
Corporate Governance	203	420	-	-	623	(16,968)	(1)	(16,969)	(16,345)	(16,346)	1,836
Water and Wastewater Services	3	98,265	2,446	17,788	118,502	(68,024)	(331)	(68,355)	30,244	50,147	745,014
Waste Services	-	21,661	-	-	21,661	(16,118)	(204)	(16,322)	5,543	5,339	14,946
Community Support, Recreation and Facilities	1,800	7,922	1,372	4,903	15,997	(59,359)	(145)	(59,504)	(49,637)	(43,507)	150,634
Planning and Development	5	10,828	-	814	11,647	(24,126)	322	(23,804)	(13,293)	(12,157)	5,473
Infrastructure Services	3,448	8,208	3,143	37,791	52,590	(47,353)	(1,990)	(49,343)	(35,697)	3,247	1,288,208
Corporate Services	5,179	87,575	-	48	92,802	(11,675)	(2,092)	(13,767)	81,079	79,035	403,263
<b>Total Council</b>	<b>10,638</b>	<b>234,879</b>	<b>6,961</b>	<b>61,344</b>	<b>313,822</b>	<b>(243,623)</b>	<b>(4,441)</b>	<b>(248,064)</b>	<b>1,894</b>	<b>65,758</b>	<b>2,609,374</b>
Redland Investment Corporation Pty Ltd (net of eliminations)	-	(167)	-	-	(167)	(1,702)	1,289	(413)	(1,869)	(580)	541
<b>Total Consolidated</b>	<b>10,638</b>	<b>234,712</b>	<b>6,961</b>	<b>61,344</b>	<b>313,655</b>	<b>(245,325)</b>	<b>(3,152)</b>	<b>(248,477)</b>	<b>25</b>	<b>65,178</b>	<b>2,609,915</b>

**Year ended 30 June 2015**

Functions	Gross income				Total Income	Gross expenses		Total Expenses	Net result from recurrent operations	Net Result	Total Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$000	\$000	\$000	\$000		\$000	\$000				
Corporate Governance	411	388	14	-	813	(15,302)	(1)	(15,303)	(14,503)	(14,490)	1,424
Water and Wastewater Services	30	94,660	-	14,690	109,380	(66,836)	(411)	(67,247)	27,854	42,133	658,605
Waste Services	-	20,650	-	-	20,650	(16,971)	(5)	(16,976)	3,679	3,674	12,280
Community Support, Recreation and Facilities	1,813	7,591	773	4,650	14,827	(60,126)	(445)	(60,571)	(50,722)	(45,744)	120,163
Planning and Development	12	9,924	-	-	9,936	(21,454)	792	(20,662)	(11,518)	(10,726)	5,020
Infrastructure Services	4,673	9,743	3,492	26,813	44,721	(43,188)	(2,312)	(45,500)	(28,772)	(779)	1,223,357
Corporate Services	5,183	83,531	-	63	88,777	(9,582)	(611)	(10,193)	79,132	78,584	384,645
<b>Total Council</b>	<b>12,122</b>	<b>226,487</b>	<b>4,279</b>	<b>46,216</b>	<b>289,104</b>	<b>(233,459)</b>	<b>(2,993)</b>	<b>(236,452)</b>	<b>5,150</b>	<b>52,652</b>	<b>2,405,494</b>
Redland Investment Corporation Pty Ltd (net of eliminations)	-	1,165	-	-	1,165	(66)	-	(66)	1,099	1,099	1,126
<b>Total Consolidated</b>	<b>12,122</b>	<b>227,652</b>	<b>4,279</b>	<b>46,216</b>	<b>290,269</b>	<b>(233,525)</b>	<b>(2,993)</b>	<b>(236,518)</b>	<b>6,249</b>	<b>53,751</b>	<b>2,406,620</b>

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REDLAND CITY COUNCIL  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>4 Revenue analysis</b>					
<b>(a) Rates, levies and charges</b>					
General rates		85,151	81,521	85,151	81,521
Special charges		3,945	3,800	3,945	3,800
Environment levy		8,675	9,848	8,675	9,848
Water access		17,990	17,289	17,990	17,289
Water consumption		35,435	34,163	35,435	34,163
Wastewater		40,406	38,360	40,406	38,360
Trade waste		1,625	2,027	1,625	2,027
Waste disposal		19,896	19,022	19,896	19,022
Total rates and utility charges		<u>213,123</u>	<u>206,030</u>	<u>213,123</u>	<u>206,030</u>
Less: Pensioner remissions and rebates		<u>(3,197)</u>	<u>(5,804)</u>	<u>(3,197)</u>	<u>(5,804)</u>
		<u><b>209,926</b></u>	<u><b>200,226</b></u>	<u><b>209,926</b></u>	<u><b>200,226</b></u>

<b>(b) Fees and charges</b>					
Fines and penalties		851	574	851	574
Mooring and parking fees		877	968	877	968
Search fees		912	907	912	907
Development and related application fees		5,932	5,365	5,932	5,365
License fees		1,563	1,517	1,563	1,517
Commercial collection fees		212	195	212	195
Operational works application fees		960	943	960	943
Other fees and charges		2,437	2,282	2,368	2,282
		<u><b>13,744</b></u>	<u><b>12,751</b></u>	<u><b>13,675</b></u>	<u><b>12,751</b></u>

**5 Grants, subsidies and contributions**

<b>(a) Recurrent</b>					
General purpose government grants		5,143	5,181	5,143	5,181
Government subsidies and grants		5,495	6,941	5,495	6,941
Contributions		532	488	532	488
		<u><b>11,170</b></u>	<u><b>12,610</b></u>	<u><b>11,170</b></u>	<u><b>12,610</b></u>
<b>(b) Capital</b>					
Government subsidies and grants		6,961	4,278	6,961	4,278
Contributions		26,477	24,954	26,477	24,954
		<u><b>33,438</b></u>	<u><b>29,232</b></u>	<u><b>33,438</b></u>	<u><b>29,232</b></u>
Non-cash contributions	12	<u><b>34,769</b></u>	<u><b>21,200</b></u>	<u><b>34,769</b></u>	<u><b>21,200</b></u>

**Conditions over contributions**

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

Transport infrastructure	11,947	10,112	11,947	10,112
Other infrastructure	7,068	5,984	7,068	5,984
Water and wastewater infrastructure	7,326	8,460	7,326	8,460
Grants and contributions	1,873	1,237	1,873	1,237
	<u>28,214</u>	<u>25,793</u>	<u>28,214</u>	<u>25,793</u>

Contributions and non-reciprocal grants which were recognised as income during a previous reporting period and were expended during the current reporting period in accordance with Council's obligations:

Transport infrastructure	871	1,451	871	1,451
Other infrastructure	1,274	112	1,274	112
Water and wastewater infrastructure	8,877	4,371	8,877	4,371
Grants and contributions	1,314	3,888	1,314	3,888
	<u>12,336</u>	<u>9,822</u>	<u>12,336</u>	<u>9,822</u>

REDLAND CITY COUNCIL  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>6 Employee benefits</b>					
Total staff wages and salaries		63,337	60,846	62,876	60,846
Councillors' remuneration		1,378	1,272	1,378	1,272
Annual leave and long service leave entitlements		7,674	7,992	7,674	7,992
Superannuation		7,735	7,425	7,735	7,425
		<u>80,124</u>	<u>77,535</u>	<u>79,663</u>	<u>77,535</u>
Other employee related expenses		5,322	4,240	5,322	4,240
		<u>85,446</u>	<u>81,775</u>	<u>84,985</u>	<u>81,775</u>
Less: Capitalised employee expenses		(5,273)	(4,887)	(5,273)	(4,887)
		<u>80,173</u>	<u>76,888</u>	<u>79,712</u>	<u>76,888</u>

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

**7 Materials and services**

Contractors		30,672	31,752	31,297	31,752
Consultants		2,908	2,751	2,725	2,751
Other Council outsourcing costs		16,090	14,951	15,888	14,951
Purchase of materials		37,620	35,392	37,620	35,392
Office administration costs		7,309	6,870	7,135	6,870
Electricity charges		5,368	5,929	5,368	5,929
Plant operations		4,480	4,541	4,476	4,541
Information technology resources		2,024	1,848	2,019	1,848
General insurance		1,216	1,506	1,216	1,506
Community assistance		1,670	1,667	1,670	1,667
Audit of annual financial statements by Queensland Audit Office		139	125	133	125
Other material and service expenses		718	1,206	716	1,140
Remediation costs for landfill		(2,048)	(7,983)	(2,048)	(7,983)
		<u>108,166</u>	<u>100,555</u>	<u>108,215</u>	<u>100,489</u>

**8 Depreciation and amortisation**

Depreciation of non-current assets	12	50,786	50,659	50,786	50,659
Amortisation of intangible assets		931	683	931	683
		<u>51,717</u>	<u>51,342</u>	<u>51,717</u>	<u>51,342</u>

**9 Cash and cash equivalents**

Cash at bank and on hand		2,853	5,045	2,336	2,416
Deposits at call		140,076	118,911	138,876	118,911
Balance as per Consolidated Statement of Cash Flows		<u>142,929</u>	<u>123,956</u>	<u>141,212</u>	<u>121,327</u>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

Restricted funds:

Special projects reserve		2,408	2,495	2,408	2,495
Utilities reserve		9,900	9,900	9,900	9,900
Constrained works reserve		63,580	47,702	63,580	47,702
Separate charge reserve - environment		8,036	8,608	8,036	8,608
Special charge reserve - other		13	2	13	2
Special charge reserve - canals		8,237	9,127	8,237	9,127
		<u>92,174</u>	<u>77,834</u>	<u>92,174</u>	<u>77,834</u>
Unrestricted funds		50,755	46,122	49,038	43,493
Total cash and cash equivalents		<u>142,929</u>	<u>123,956</u>	<u>141,212</u>	<u>121,327</u>



REDLAND CITY COUNCIL  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2016

Note	Consolidated		Council	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000

**9 Cash and cash equivalents - continued**

Cash is held with the Australia and New Zealand Banking Group in a normal business cheque account. The bank currently has a short-term credit rating of A-1+ and a long-term credit rating of AA-. Deposits at call are held with Queensland Treasury Corporation which has a short-term credit rating of A-1+ and a long-term credit rating of AA+.

Cash is held at a floating interest rate. The weighted average interest rate is 2.96% (2015: 3.40%).

Council holds three facilities with the Australia and New Zealand Banking Group to facilitate its operational monetary requirements. Unrestricted access was available at balance date to these facilities and their associated values are:

Commercial Card	\$325,000
Electronic Payway	\$5,000,000
Varied Facility	\$5,050,000

**10 Trade and other receivables**

Rates and utility charges	21,048	20,258	21,048	20,258
Trade and other debtors	3,306	3,398	3,316	3,533
GST recoverable	1,995	1,597	1,995	1,805
Less: Allowance for impairment	(554)	(579)	(554)	(579)
	<u>25,795</u>	<u>24,674</u>	<u>25,805</u>	<u>25,017</u>

Interest is charged on outstanding rates at a fixed rate of 11% (2015: 11%) per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other receivables. Credit risk is measured and managed using an ageing analysis.

Trade and other receivables ageing analysis:

Fully performing	18,012	17,456	18,022	17,799
Past due but not impaired:				
31 - 60 days	3,392	2,831	3,392	2,831
61 - 90 days	81	35	81	35
> 90 days	4,864	4,931	4,864	4,931
Impaired	(554)	(579)	(554)	(579)
	<u>25,795</u>	<u>24,674</u>	<u>25,805</u>	<u>25,017</u>

**11 Inventories**

Inventories held for distribution - measured at cost	676	774	676	774
Land held for development and resale:				
Opening balance	10,155	-	-	-
Transfer (to)/from other non-current asset class	(1,536)	10,155	-	-
Disposals	-	-	-	-
	<u>8,619</u>	<u>10,155</u>	<u>-</u>	<u>-</u>
	<u>9,295</u>	<u>10,929</u>	<u>676</u>	<u>774</u>

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

## 12 (a) Property, plant and equipment

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

Council - 30 June 2016												
Asset values		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Opening gross value as at 1 July 2015</b>		228,227	123,283	46,016	790,544	529,254	1,014,791	80,015	275,854	14,333	31,113	3,133,430
Assets not previously recognised		-	-	-	-	-	-	-	-	6,474	-	6,474
Replacement cost adjustments		-	-	41	(50)	(9)	(8)	146	-	(1,043)	-	(923)
Work in progress expenditure		-	-	-	-	-	-	-	-	-	60,913	60,913
Transfers from work in progress		-	-	-	-	-	-	-	-	-	(59,624)	(59,624)
Additions		1,076	2,923	6,202	22,501	742	9,836	5,093	10,788	231	-	59,392
Contributed assets at valuation	5(b)	80	-	12	6,925	16,998	10,462	292	-	-	-	34,769
Disposals		(754)	(57)	(5,286)	(4,774)	(123)	(771)	(968)	(600)	(359)	-	(13,692)
Revaluation adjustments		(429)	10,991	-	15,428	38,395	122,274	-	5,451	(6,170)	-	185,940
Transfers between asset classes		344	(7)	(1,268)	145	(189)	-	-	-	(1)	-	(976)
<b>Closing gross value at 30 June 2016</b>		228,544	137,133	45,717	830,719	585,068	1,156,584	84,578	291,493	13,465	32,402	3,405,703
<b>Accumulated depreciation</b>												
<b>Opening balance as at 1 July 2015</b>		-	58,762	24,139	210,526	127,878	387,461	37,507	40,708	5,184	-	892,165
Depreciation adjustments		-	-	3	-	(6)	-	111	-	(2,280)	-	(2,172)
Depreciation for the year	8	-	3,114	4,469	14,178	5,714	16,956	3,516	2,352	487	-	50,786
Depreciation on disposals		-	(53)	(4,200)	(3,008)	(24)	(439)	(835)	(517)	(154)	-	(9,230)
Depreciation on revaluation adjustments		-	(15,851)	-	7,224	9,965	48,452	-	835	(624)	-	50,001
Depreciation on transfers between asset classes		-	16	(812)	36	-	-	-	-	(3)	-	(763)
<b>Accumulated depreciation at 30 June 2016</b>		-	45,988	23,599	228,956	143,527	452,430	40,299	43,378	2,610	-	980,787
<b>Council book value as at 30 June 2016</b>		228,544	91,145	22,118	601,763	441,541	704,154	44,279	248,115	10,855	32,402	2,424,916

Redland Investment Corporation Pty Ltd held no material Property, plant and equipment as at 30 June 2016. As such, the results above are for Council only.

Land with a carrying value of \$12,558,900 has restricted use as a result of a development management agreement entered into with the Walker Group for development of the Toondah Harbour Priority Development Area (refer Note 17).

REDLAND CITY COUNCIL  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2016

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

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

Council - 30 June 2015												
Asset values		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Opening gross value at 1 July 2014</b>		<b>257,538</b>	<b>116,330</b>	<b>45,146</b>	<b>765,998</b>	<b>520,638</b>	<b>1,006,363</b>	<b>67,517</b>	<b>101,699</b>	<b>14,258</b>	<b>25,921</b>	<b>2,921,408</b>
Replacement cost adjustments		-	-	-	(41)	(476)	31	(229)	290	67	-	(358)
Work in progress expenditure		-	-	-	-	-	-	-	-	-	47,885	47,885
Transfer from WIP to non-current assets		-	-	-	-	-	-	-	-	-	(42,693)	(42,693)
Additions		267	657	5,872	23,972	537	3,179	2,741	4,042	168	-	41,435
Contributed assets at valuation	5(b)	-	19	-	6,101	8,635	6,230	215	-	-	-	21,200
Disposals		(691)	(181)	(4,835)	(5,078)	(80)	(1,012)	(1,367)	(123)	-	-	(13,367)
Revaluation adjustments		(18,631)	8,246	-	-	-	-	11,179	169,961	-	-	170,755
Transfers between asset classes		(10,256)	(1,788)	(167)	(408)	-	-	(41)	(15)	(160)	-	(12,835)
<b>Closing gross value at 30 June 2015</b>		<b>228,227</b>	<b>123,283</b>	<b>46,016</b>	<b>790,544</b>	<b>529,254</b>	<b>1,014,791</b>	<b>80,015</b>	<b>275,854</b>	<b>14,333</b>	<b>31,113</b>	<b>3,133,430</b>
<b>Accumulated depreciation</b>												
<b>Opening balance at 1 July 2014</b>		<b>-</b>	<b>53,384</b>	<b>23,440</b>	<b>198,885</b>	<b>123,302</b>	<b>371,367</b>	<b>31,663</b>	<b>34,406</b>	<b>4,777</b>	<b>-</b>	<b>841,224</b>
Depreciation adjustments		-	-	-	(17)	(883)	14	(443)	215	-	-	(1,114)
Depreciation for the year	8	-	3,003	4,962	14,667	5,471	16,682	3,386	2,012	476	-	50,659
Depreciation on disposals		-	(152)	(4,134)	(2,868)	(12)	(602)	(1,014)	(28)	-	-	(8,810)
Depreciation on revaluation adjustments		-	3,979	-	-	-	-	3,934	4,116	-	-	12,029
Transfers between asset classes		-	(1,452)	(129)	(141)	-	-	(19)	(13)	(69)	-	(1,823)
<b>Accumulated depreciation at 30 June 2015</b>		<b>-</b>	<b>58,762</b>	<b>24,139</b>	<b>210,526</b>	<b>127,878</b>	<b>387,461</b>	<b>37,507</b>	<b>40,708</b>	<b>5,184</b>	<b>-</b>	<b>892,165</b>
<b>Council book value as at 30 June 2015</b>		<b>228,227</b>	<b>64,521</b>	<b>21,877</b>	<b>580,018</b>	<b>401,376</b>	<b>627,330</b>	<b>42,508</b>	<b>235,146</b>	<b>9,149</b>	<b>31,113</b>	<b>2,241,265</b>

Redland Investment Corporation Pty Ltd held no Property, plant and equipment as at 30 June 2015 and had no movements during the year. As such, the results above were for both Council and the group.



REDLAND CITY COUNCIL  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2016

Note	Consolidated		Council	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>13 Trade and other payables</b>				
Creditors and accruals	16,013	15,534	16,052	15,546
Annual leave	6,342	6,081	6,307	6,057
	<u>22,355</u>	<u>21,615</u>	<u>22,359</u>	<u>21,603</u>

Creditors and accruals are expected to be settled within 12 months. Of the consolidated annual leave balance, \$4,927,840 (2015: \$4,929,338) is expected to be settled within 12 months from balance date and \$1,414,885 (2015: \$1,151,974) is expected to be settled after more than 12 months.

**14 Borrowings**

**(a) Current**

Loans - Queensland Treasury Corporation (QTC)	7,702	4,482	7,702	4,482
	<u>7,702</u>	<u>4,482</u>	<u>7,702</u>	<u>4,482</u>

**(b) Non-Current**

Loans - Queensland Treasury Corporation (QTC)	42,155	49,973	42,155	49,973
	<u>42,155</u>	<u>49,973</u>	<u>42,155</u>	<u>49,973</u>

**Movement in loans:**

Opening balance at 1 July	54,455	58,983	54,455	58,983
Principal repayments	(4,598)	(4,528)	(4,598)	(4,528)
Closing balance at 30 June	<u>49,857</u>	<u>54,455</u>	<u>49,857</u>	<u>54,455</u>

When Council borrows, it borrows from the Queensland Treasury Corporation. Council's borrowing capacity is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

The market value of QTC loans at the reporting date was \$58,751,489 (2015: \$62,728,471). This represents the value of debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by the Council for any liabilities, however all loans are ultimately guaranteed by the Queensland Government.

Borrowings are in \$AUD denominated amounts and carried at amortised cost, interest is expensed as it is incurred. This is at a weighted average borrowing rate of 7.36%. No borrowing costs were capitalised on qualifying assets.

Expected final repayment dates vary from 15 July 2021 to 15 July 2026. There have been no defaults or breaches of the loan agreement during the year. Following QTC's restructure of debt, Council's annual payment in July 2016 settled a substantial portion of the principal debt which will reduce the interest charges going forward. As such, the current portion as at 30 June 2016 is higher compared to the prior year.

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

Less than 1 year	7,844	7,953	7,844	7,953
1 to 5 years	31,374	31,810	31,374	31,810
Over 5 years	24,793	32,341	24,793	32,341
Total contractual cash flows	64,011	72,104	64,011	72,104
Carrying amount	49,857	54,455	49,857	54,455

**15 Provisions**

**(a) Current**

Landfill rehabilitation	3,554	6,092	3,554	6,092
Workers compensation	444	362	444	362
Long service leave	9,326	8,138	9,318	8,138
	<u>13,324</u>	<u>14,592</u>	<u>13,316</u>	<u>14,592</u>

**(b) Non-Current**

Landfill rehabilitation	10,177	9,848	10,177	9,848
Workers compensation	462	433	462	433
Long service leave	1,795	2,019	1,777	2,004
	<u>12,434</u>	<u>12,300</u>	<u>12,416</u>	<u>12,285</u>

**Movements in provisions:**

Landfill rehabilitation

Opening balance at 1 July	15,940	24,069	15,940	24,069
Increase/(decrease) in provision due to change in discount rate and costs	1,669	(6,300)	1,669	(6,300)
Provision utilised during the period	(4,081)	(2,388)	(4,081)	(2,388)
Unused amounts reversed during the period	-	150	-	150
Increase in provision due to passage of time - borrowing costs	203	409	203	409
Closing balance at 30 June	<u>13,731</u>	<u>15,940</u>	<u>13,731</u>	<u>15,940</u>

This is the present value of the estimated cost of restoring closed landfill sites across the city and is based on Council's 10 year program. The decrease in the closing balance is due to the revision of the program costs offset by a decrease in discount rates. The program is funded by a separate charge.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

Note	Consolidated		Council	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>15 Provisions - continued</b>				
<u>Workers compensation</u>				
Opening balance at 1 July	795	756	795	756
Adjustment for period	111	39	111	39
Closing balance at 30 June	<u>906</u>	<u>795</u>	<u>906</u>	<u>795</u>
<u>Long service leave</u>				
Opening balance at 1 July	10,157	8,918	10,142	8,918
Long service leave entitlement raised	2,070	2,435	2,059	2,420
Long service entitlement used/extinguished	(703)	(773)	(703)	(773)
Long service entitlement paid	(403)	(423)	(403)	(423)
Closing balance at 30 June	<u>11,121</u>	<u>10,157</u>	<u>11,095</u>	<u>10,142</u>

Of the consolidated current long service leave balance, \$934,000 (2015: \$825,000) is expected to be settled within 12 months from balance date and \$8,391,807 (2015: \$7,313,000) is expected to be settled after more than 12 months. The non-current portion relates to employees who have not yet reached the required years of service to be entitled to take long service leave.

**16 Asset revaluation surplus**

The closing balance of the asset revaluation surplus comprises the following asset categories:

Land	63,625	64,054	63,625	64,054
Buildings	58,251	31,409	58,251	31,409
Plant and equipment	105	105	105	105
Roads	285,403	277,199	285,403	277,199
Stormwater drainage	231,443	203,013	231,443	203,013
Water and wastewater	73,822	-	73,822	-
Parks	43,190	43,190	43,190	43,190
Other infrastructure	206,360	201,744	206,360	201,744
Waste	1,151	6,697	1,151	6,697
	<u>963,350</u>	<u>827,411</u>	<u>963,350</u>	<u>827,411</u>

Increases and decreases on revaluation are offset within a class of assets.

**17 Commitments****Operating leases**

Future minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	1,150	982	1,150	982
1 to 5 years	4,788	2,513	4,788	2,513
Greater than 5 years	7,362	4,752	7,362	4,752
	<u>13,300</u>	<u>8,247</u>	<u>13,300</u>	<u>8,247</u>

**Operating contractual commitments**

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

Roadworks	728	1,223	728	1,223
Water and wastewater	2,461	1,158	2,461	1,158
Waste	32,880	46,940	32,880	46,940
Other	25,327	17,326	25,327	17,326
	<u>61,396</u>	<u>66,647</u>	<u>61,396</u>	<u>66,647</u>

These expenditures are payable:

Within 1 year	40,881	32,850	40,881	32,850
1 to 5 years	20,515	33,797	20,515	33,797
Greater than 5 years	-	-	-	-
	<u>61,396</u>	<u>66,647</u>	<u>61,396</u>	<u>66,647</u>

**Capital contractual commitments**

Commitments for the construction of the following assets contracted for at year end but not recognised as liabilities are as follows and are payable within 1 year:

Roadworks	16	21	16	21
Water and wastewater	8,869	1,773	8,869	1,773
Waste	1,117	251	1,117	251
Other	10,603	11,643	10,603	11,643
	<u>20,605</u>	<u>13,688</u>	<u>20,605</u>	<u>13,688</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

**17 Commitments - continued**

Redland City Council has conditionally entered into a Development Management Agreement (DMA) with the Minister of Economic Development Queensland (MEDQ) and Walker Group (Walker) to develop certain land owned by Council and the State as part of the Toondah Harbour project. The DMA was executed in February 2016 and is currently conditional on meeting of a number of requirements such as Native Title, Land Tenure, and an Environmental Impact Statement. In accordance with the DMA, Council land to be developed by Walker as part of this project, which is included in property, plant and equipment and has a carrying value of \$12,558,900, will be leased/licenced to Walker during the development period and is restricted in its use to this purpose only. A portion of the land will be developed and sold to third parties (through Walker). The remaining land, together with community infrastructure assets, will be transferred (where not already owned) to Council.

**18 Contingent liabilities and contingent assets****Contingent liabilities:**

Details and estimates of contingent liabilities as at 30 June 2016 are as follows:

WorkCover self-insurer liability

The estimated claims liability for Council as a self-insurer under the *Workers Compensation and Rehabilitation Act 2003* ('the Act') as at 30 June 2016 is \$944,000 (2015: \$838,000) where estimated claims liability is defined in Section 84 of the Act. The Actuary has recommended that a provision be recognised for \$906,000 (2015: \$795,000) for the total estimated claims liability. Council has in place a bank guarantee with the ANZ Banking Group Ltd for \$5,000,000 (2015: \$5,000,000).

Other claims

The Quandamooka-Redland City Council Indigenous Land Use Agreement (ILUA) sets out broad principles and mechanisms for how parties will work together and meet their respective responsibilities for mutual benefits in accordance with the *Native Title Act 1994*. The ILUA establishes native title validation and consultation for Council's projects and a framework for other policies, programmes and initiatives for the mutual benefit of parties and local community.

Landfill remediation

Council has historically recognised, and continues to recognise, a provision for the remediation of former landfill sites throughout the city to ensure compliance with legal obligations. The legal obligation is broad and covered in a range of legislation such as the *Environmental Protection Act 1994*, *Petroleum and Gas (Production and Safety) Act 2004*, *Sustainable Planning Act 2009* and *Work Health and Safety Act 2011*, plus subordinate legislation (such as various regulations and codes of practice) and other industry guidelines.

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

**Contingent assets:**

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

**19 Superannuation**

Redland City Council contributes to the Local Government Superannuation Scheme (Old) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB 119 *Employee Benefits*.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has three elements, referred to as:

- City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund;
- Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments (closed to new entrants from 1 July 1998); and
- Accumulation Benefits Fund (ABF).

The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in, the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

Council does not have any employees who are members of the CDBF and, therefore is not exposed to the obligations, assets or costs associated with this fund.

The Regional DBF is a defined benefit plan as defined in AASB 119. Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB 119 because the scheme is unable to account to Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

Any amount by which the fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

Note	Consolidated		Council	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000

**19 Superannuation - continued**

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date".

In the 2015 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

Under the Local Government Act 2009 the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

There are currently 69 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 69 entities. Redland City Council made less than 4% of the total contributions to the plan in the financial year ended 30 June 2016.

The next actuarial valuation will be conducted as at 1 July 2018.

The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:

7,634	7,396	7,634	7,396
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The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of councillors was:

139	136	139	136
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**20 Trust funds**

7,343	8,026	7,343	8,026
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Monies collected or held on behalf of other entities

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

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

<b>Net result</b>		<b>65,178</b>	<b>53,751</b>	<b>65,758</b>	<b>52,652</b>
<u>Non-cash items</u>					
Depreciation and amortisation	8	51,717	51,342	51,717	51,342
Prior years errors corrected in-year		(1,363)	(755)	(1,363)	(755)
Non-cash contributions	5(b)	(34,769)	(21,200)	(34,769)	(21,200)
Bad and doubtful debts		(25)	506	(25)	506
Cost of land sold - acquired as contributed equity		-	820	-	-
Land acquired in lieu of rates		(2)	(2)	(2)	(2)
Impairment of assets classified as held-for-sale		1,289	-	1,289	-
Fair value adjustment - investment property		(98)	(63)	(98)	(63)
		<u>16,749</u>	<u>30,648</u>	<u>16,749</u>	<u>29,828</u>
<u>Investing and development activities</u>					
Net loss on disposal of non-current assets		3,152	2,993	3,152	2,993
Capital grants and contributions	5(b)	(33,438)	(29,232)	(33,438)	(29,232)
		<u>(30,286)</u>	<u>(26,239)</u>	<u>(30,286)</u>	<u>(26,239)</u>
<u>Changes in operating assets and liabilities</u>					
(Increase)/decrease in trade and other receivables		(830)	575	(762)	616
(Increase)/decrease in other current assets and inventories		(918)	78	(918)	78
Increase/(decrease) in trade and other payables		661	751	912	379
Increase/(decrease) in provisions		(1,158)	(6,826)	(1,145)	(6,865)
Increase/(decrease) in other current liabilities		696	(3,065)	696	(3,065)
		<u>(1,549)</u>	<u>(8,487)</u>	<u>(1,217)</u>	<u>(8,857)</u>
<b>Net cash inflow/(outflow) from operating activities</b>		<b><u>50,092</u></b>	<b><u>49,673</u></b>	<b><u>51,004</u></b>	<b><u>47,384</u></b>

REDLAND CITY COUNCIL  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**22 Fair value measurements**

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

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

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

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

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

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

The following table represents the material asset classes measured and recognised at fair value at 30 June 2016.

2016	Gross value	Written down value	Level 2	Level 3
	\$000	\$000	\$000	\$000
Land	228,544	228,544	11,948	216,596
Buildings	137,133	91,145	-	91,145
Roads	830,719	601,763	-	601,763
Stormwater drainage	585,068	441,541	-	441,541
Water and wastewater	1,156,584	704,154	-	704,154
Parks	84,578	44,279	-	44,279
Other infrastructure	291,493	248,115	-	248,115
Waste	13,465	10,855	-	10,855
	<b>3,327,584</b>	<b>2,370,396</b>	<b>11,948</b>	<b>2,358,448</b>

2015	Gross value	Written down value	Level 2	Level 3
	\$000	\$000	\$000	\$000
Land	228,227	228,227	12,506	215,721
Buildings	123,283	64,521	-	64,521
Roads	790,544	580,018	-	580,018
Stormwater drainage	529,254	401,376	-	401,376
Water and wastewater	1,014,791	627,330	-	627,330
Parks	80,016	42,509	-	42,509
Other infrastructure	275,854	235,146	-	235,146
Waste	14,333	9,149	-	9,149
	<b>3,056,302</b>	<b>2,188,276</b>	<b>12,506</b>	<b>2,175,770</b>

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

2016 Land	Level 2	Level 3	Total
	\$000	\$000	\$000
Opening balance 1 July 2015	12,506	215,721	228,227
Additions	19	1,137	1,156
Disposals	(21)	(733)	(754)
Transfer level 3 to level 2	12,014	(12,014)	-
Transfer level 2 to level 3	(11,829)	11,829	-
Internal transfer	-	344	344
Revaluation	(741)	312	(429)
Closing balance 30 June 2016	<b>11,948</b>	<b>216,596</b>	<b>228,544</b>

2015 Land	Level 2	Level 3	Total
	\$000	\$000	\$000
Opening balance 1 July 2014	12,729	244,809	257,538
Additions	-	267	267
Disposals	-	(691)	(691)
Transfer level 3 to level 2	-	-	-
Transfer level 2 to level 3	-	-	-
Internal transfer	-	(10,256)	(10,256)
Revaluation	(223)	(18,408)	(18,631)
Closing balance 30 June 2015	<b>12,506</b>	<b>215,721</b>	<b>228,227</b>



## 22 Fair value measurements - continued

### Valuation techniques used to derive fair values

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

### Land

All council freehold land was comprehensively valued as at 30 June 2016 by qualified independent external valuers, AssetVal Pty Ltd.

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

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

### Buildings

All buildings were comprehensively valued as at 30 April 2016 by independently qualified external valuers Cardno (Qld) Pty Ltd. The valuation was applied to the accounts as at 30 June 2016 as no material movement since valuation was identified. Due to the specialist nature of these assets and the absence of an active market, fair value was assessed by using the depreciated replacement cost methodology, however has been informed by property sales data where relevant and available.

Replacement cost was determined with reference to construction costing data contained in Rawlinson's Australia Construction Handbook and databases built from research by external valuers Cardno (Qld) Pty Ltd. Major buildings have been split into components, and these components were valued separately to reflect differing expectations of condition and useful life. Assessment of economic and remaining life was based on historical assessment of similar assets and drawing on experience of the valuer, and this was the basis for determining the depreciated value. Residual values have not been applied to the building assets.

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

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition, expected useful life and remaining life and therefore these assets are considered to be valued as Level 3.

### Road infrastructure assets

Road assets were comprehensively valued as at 1 July 2013 by Cardno (QLD) Pty Ltd. As these are specialist public service assets that are rarely independently sold, depreciated replacement cost was determined as the most appropriate valuation method. These assets were considered to have been valued using Level 3 inputs.

Unit rates were determined with reference to recent Council construction data, Cardno developed databases and cost curves, Rawlinsons Australia Construction Handbook, and other published building indexes. These rates were applied to the asset specifications including depth, length and width. Unit rates take into consideration material, labour, service and overhead costs (Survey 6%, Design 5%, Engineering supervision 3%, Project Management 6%). All roads are divided into segments and componentised into earthworks, base, sub-base and surface to reflect different lives to each component.

Useful lives were developed by Cardno with reference to common engineering and industry practice standards and Council's historical evidence. The expected lives of major culvert assets were reduced by 20% if located within 50m of the coast and 40% if located in poor soils. A review of the pavement rehabilitation history suggested longer base course useful lives for low traffic roads less than 20 years old and as a result longer lives were adopted for these assets.

Pavement condition was determined by Council officers assessing the following criteria: cracks, ravelling, potholes, roughness, rutting and SMEC Pavement Condition Index. Correlation between condition data and age could not be determined and therefore an age based model was adopted to determine remaining useful life and accumulated depreciation. Remaining life and therefore accumulated depreciation was determined on an age basis for all other roads assets.

The significant unobservable inputs used in the valuation of road infrastructure assets were: expected useful life, remaining life and condition.

Qualified external valuers Cardno (Qld) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

## 22 Fair value measurements - continued

### **Stormwater drainage infrastructure assets**

Stormwater drainage assets were independently valued as at 1 July 2013 by qualified external valuers Cardno (QLD) Pty Ltd. As these are specialist public service assets that are rarely independently sold, depreciated replacement cost was determined as the most appropriate valuation method. These assets were considered to have been valued using Level 3 inputs. Unit rates and replacement costs were determined with reference to recent Council construction data, Cardno developed databases and cost curves, Rawlinsons Australia Construction Handbook, and other building indexes. These rates were applied to the asset specifications including depth, length and width. Unit rates take into consideration material, labour, service and overhead costs (Survey 6%, Design 5%, Engineering Supervision 3%, Project Management 6%).

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

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

Condition assessments of Gross Pollutant Traps - Simple and Complex were conducted by Council officers with reference to predetermined condition criteria and remaining life was derived by application of a predetermined scale.

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

Qualified external valuers Cardno (Qld) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

### **Water and wastewater infrastructure assets**

Infrastructure assets re-transferred from Allconnex Water were comprehensively valued as at 1 July 2012 by registered valuers GHD to determine their fair value for initial recognition. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold and as such were classified as being valued using Level 3 inputs. Significant components with differing expected useful lives and replacement costs were valued separately.

Replacement costs were based on the replacement of the assets with a modern, engineering equivalent with cost factor adjustments applied to reflect the location and site conditions likely on replacement. Costs of supply and install were derived from GHD's record of past construction projects, the Rawlinsons Australia Construction Handbook and GHD's infrastructure cost estimating database. These costs were verified against Redland City Council information where available and include 15% oncosts (Survey 3%, Design 5%, Construction Supervision 4%, Project Management 3%).

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

Remaining life of the assets was determined with consideration to the age and performance of the component assets with reference to design lives developed by GHD using common engineering and industry practice standards. Asset condition and performance were assessed by GHD and used to derive a Condition and Performance Factor.

The condition of underground assets was determined with reference to the age of the assets, while the condition of above ground assets was determined from visual inspection against predetermined condition criteria. Performance scores for above ground assets were based on data provided by RCC operator staff on current reliability and current loadings against design capability. Performance scores for passive assets was deemed to be 1.

Condition and performance scores were assessed against remaining economic life to calculate indicative remaining useful lives that were used to determine accumulated depreciation and fair value.

The significant unobservable inputs used in the valuation were soil, development and island factors; asset performance scores (active assets) and condition; and total expected life and remaining life.

Qualified external valuers Cardno (Qld) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

## 22 Fair value measurements - continued

### Parks infrastructure assets

Parks infrastructure assets were independently valued as at 30 April 2015 by qualified external valuers Cardno (QLD) Pty Ltd. The valuation was applied to the accounts as at 30 June 2015 as no material movement since valuation was identified. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold and as a result were considered to have been valued using Level 3 valuation inputs.

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

Asset condition was assessed by RCC internal experts and a sample confirmed as part of the valuation process by the valuer. Condition ratings were assigned based on the International Management Manual Condition Ratings (1 as new to 5 poor). Remaining lives were derived based on the condition of the assets including factors such as the age of the asset, overall condition as noted during inspection, economic and/or functional obsolescence.

The assets were depreciated with reference to expected useful lives determined through application of industry standard ranges (including Institute of Public Works Engineering Australia (IPWEA)), historic assessment of similar assets, and experience gained from similar valuations by Cardno (QLD) Pty Ltd. The condition assessment directly translates to the level of the depreciation applied.

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition and remaining life and therefore these assets are considered to be valued as Level 3. The significant unobservable inputs used in the valuation were asset condition, total expected life and remaining life.

### Other infrastructure assets

These assets include marine, jetty facilities and seawalls and were comprehensively valued as at 30 April 2015 by independent qualified external valuers Cardno (QLD) Pty Ltd. The valuation was applied to the accounts as at 30 June 2015 as no material movement since valuation was identified. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold.

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

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

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition and remaining life and therefore these assets are considered to be valued as Level 3.

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

Qualified external valuers Cardno (Old) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

### Waste infrastructure assets

All waste assets were independently valued as at 30 April 2016 by qualified external valuers AssetVal Pty Ltd. The valuation was applied to the accounts as at 30 June 2016 as no material movement since valuation was identified. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold.

Replacement cost was derived through the application of unit rates through summation of the cost components of the assets. Costs components were determined with reference to direct price quotes obtained from suppliers, reference to costs guides including Rawlinson's Australia Construction Handbook and review of Council's historic costs. A mobilisation factor was also applied for assets located in island locations.

Remaining lives were assigned based on physical assessment of the condition and age of the assets by the valuer. The assets were depreciated on a straight line basis with reference to expected useful lives determined through application of industry standard ranges (including IPWEA), historic assessment of similar assets, and experience gained from similar valuations by AssetVal Pty Ltd.

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition and remaining life and therefore these assets are considered to be valued as Level 3. The significant unobservable inputs used in the valuation were asset condition, total expected life and remaining life.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

## 23 National Competition Policy

## Code of Competitive Conduct

## Business activities to which the code of competitive conduct is applied

A government business activity is one which competes with private businesses and exceeds thresholds set by the Department of Infrastructure, Local Government and Planning. In order to remove any advantages or disadvantages, the competitive neutrality principle

The Code of Competitive Conduct seeks to ensure government businesses compete on the same basis as its competitors by:

- (a) the application of the competitive neutrality principle, by removing or taking into account any competitive advantage or disadvantage when deciding charges for goods or services;
- (b) applying full cost pricing when deciding charges for goods or services, or charging for commercial reasons;
- (c) treating the net cost of performing community service obligations as revenue, except for particular roads activities;
- (d) as part of a local government's financial reporting:
  - (i) that the local government's budget contains an estimated activity statement for each business activity; and
  - (ii) that the local government's annual financial statement contains an activity statement for each business activity.

The activity statement for each business activity must state:

- (a) the revenue and expenses from the business activity; and
- (b) the surplus or deficit for the financial year; and
- (c) if community service obligations were carried on:
  - (i) a description of the community service obligations; and
  - (ii) the cost of carrying out the community service obligations, minus the revenue from the community service obligations.

Council resolved to apply the Code of Competitive Conduct to the following business activities during the financial year ended 30 June 2016: Water and Wastewater, Waste Management and Building Certification.

## Financial performance of activities subject to code of competitive conduct:

Significant Business Activities - 2016	Water and Wastewater	Waste Management	Building Certification
	\$000	\$000	\$000
Revenue for services provided to Council	2,516	667	29
Revenue for services provided to external clients	98,268	21,661	515
Community service obligations	363	1,609	6
	101,147	23,937	550
Less: Expenditure	82,017	17,264	550
Operating surplus/(deficit)	19,130	6,673	-

## Description of Community Service Obligations (CSOs):

Activities	CSO Description	Actual
		\$000
Water and Wastewater	CSOs	
	Water not-for-profit	(86)
	Wastewater not-for-profit	(277)
		<b>(363)</b>
Waste Management	CSOs	
	Birkdale Sanitary Landfill - Gate Waiver Fees	(8)
	North Stradbroke Island Transfer Station	(378)
	Kerbside Recycling	(16)
	Kerbside Waste Collection	(28)
	Kerbside Greenwaste Collection	(1)
	Bulky Item Collection for HAS clients	(20)
	Russell Island Transfer Station	(378)
	Macleay Island Transfer Station	(417)
	Lamb Island Transfer Station	(108)
	Karragarra Island Transfer Station	(89)
Coochiemudlo Island Transfer Station	(164)	
Kerbside Bulky Item Collection	(2)	
		<b>(1,609)</b>
Building Certification Services	CSOs	
	Delivery of professional advice at customer service points	(6)
		<b>(6)</b>

## Anticipated changes to business activities

It is expected that there will be no new business activities to which the Code of Competitive Conduct (CCC) will be applied for the financial year ending 30 June 2017.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

**24 Events after the reporting period**

Council resolved to transfer properties to Redland Investment Corporation Pty Ltd at book value \$3,817,561 (2015: \$10,155,000). These properties are reflected in Council's consolidated financial statements as non-current assets held-for-sale. For the purposes of the consolidated financial statements, these properties are disclosed as part of Inventories (Note 11) to reflect the change in intention to the group.

Council has entered into a joint arrangement with the Minister of Economic Development Queensland (MEDQ) to form a joint operation. The purpose of the joint operation is to oversee the development of the Toondah Harbour PDA and Council's interest in the joint operation is 50% with both parties acting jointly and will make all necessary resources available to ensure maximum benefit for both parties and the community (refer Note 12(a)). RIC Toondah Pty Ltd (refer Note 1(b)) will be the manager of this project.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected the consolidated entity's operations.

**REDLAND CITY COUNCIL  
CONSOLIDATED FINANCIAL STATEMENTS  
For the year ended 30 June 2016**

**MANAGEMENT CERTIFICATE  
For the year ended 30 June 2016**

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

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

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



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**Mayor**  
Karen Williams

Date: 20/10/2016



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**Chief Executive Officer**  
William Harold Lyon

Date: 20/10/2016

## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Redland City Council

### **Report on the Financial Report**

I have audited the accompanying financial report of the Redland City Council, which comprises the statements of financial position as at 30 June 2016, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer of the Council and the consolidated entity comprising the Council and the entities it controlled at the year's end and from time to time during the financial year.

#### *The Council's Responsibility for the Financial Report*

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the Redland City Council and the consolidated entity for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

### **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

*C. G. Strickland* 

C G STRICKLAND CA  
(as delegate of the Auditor-General of Queensland)

Queensland Audit Office  
Brisbane



REDLAND CITY COUNCIL  
**MEASURES OF FINANCIAL SUSTAINABILITY**  
For the year ended 30 June 2016

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Long-term financial sustainability statement

REDLAND CITY COUNCIL  
**CURRENT-YEAR FINANCIAL SUSTAINABILITY STATEMENT**  
 For the year ended 30 June 2016

**Measures of Financial Sustainability**

	How the measure is calculated	Actual	Target
Council's consolidated performance at 30 June 2016 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0.01%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	35.87%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-32.30%	Below 60%
Council's performance at 30 June 2016 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0.77%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	35.87%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-29.63%	Below 60%

**Note 1 - Basis of Preparation**

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited consolidated general purpose financial statements for the year ended 30 June 2016. The asset sustainability ratio is calculated based on capital expenditure on replacement/renewal of infrastructure assets.

**Certificate of Accuracy**  
 For the year ended 30 June 2016

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

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



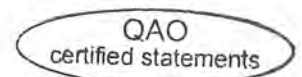
**Mayor**  
 Karen Williams



**Chief Executive Officer**  
 William Harold Lyon

Date: 20/10/2016

Date: 20/10/2016



## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Redland City Council

### **Report on the Current-Year Financial Sustainability Statement**

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Redland City Council for the year ended 30 June 2016, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer of the Council and the consolidated entity comprising the Council and the entities it controlled at the year's end and from time to time during the financial year.

#### *The Council's Responsibility for the Current-Year Financial Sustainability Statement*

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

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's and consolidated entity's future sustainability.

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

### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Opinion*

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Redland City Council and the consolidated entity, for the year ended 30 June 2016, has been accurately calculated.

### *Emphasis of Matter – Basis of Accounting*

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

### **Other Matters - Electronic Presentation of the Audited Statement**

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

C G STRICKLAND CA  
(as delegate of the Auditor-General of Queensland)

Queensland Audit Office  
Brisbane

REDLAND CITY COUNCIL  
**LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT**  
 Prepared as at 30 June 2016

**Measures of Financial Sustainability**

Measure	Target	Actuals	Projected for the years ended								
		30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025

**Council**

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

Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	0.77%	0.19%	0.01%	0.63%	0.88%	1.17%	1.70%	2.41%	3.03%	4.24%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	Greater than 90%	35.87%	77.83%	118.49%	90.16%	94.63%	86.39%	76.09%	77.81%	76.20%	69.82%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Below 60%	-29.63%	-23.82%	-17.84%	-15.84%	-15.79%	-22.87%	-29.25%	-35.90%	-50.62%	-67.04%

**Council's Financial Management Strategy**

Council's Financial Strategy is underpinned by the Long-term Financial Forecast which is a ten year financial model. The model is reviewed following revised budget forecasts and is used to support resource allocation decision making. The financial forecast contains details of the assumptions used to estimate growth rates, price increases, general rates and charges increases, and also provides the financial outputs and financial sustainability measures for each of the ten years.

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

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

The projected results are per the adopted 2016-17 budget which is underpinned by the Financial Strategy. It does not include any revisions based on actual results as at 30 June 2016.

**Certificate of Accuracy**

For the long-term financial sustainability statement prepared as at 30 June 2016

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

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



**Mayor**  
 Karen Williams

Date: 20/10/2016




**Chief Executive Officer**  
 William Harold Lyon

Date: 20/10/2016

**11.2.4 2016-17 FIRST BUDGET REVIEW**

**Objective Reference:** A1993151  
Reports and Attachments (Archives)

**Attachment:** [2016-17 First Budget Review](#)

**Authorising Officer:**   
Deborah Corbett-Hall  
Chief Financial Officer

**Responsible Officer:** Matthew O'Connor  
Finance Manager Financial Planning

**Report Author:** Katharine Bremner  
Budget and Systems Manager

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**PURPOSE**

This report outlines the budgeted financial position following the first four months of 2016-17 service delivery. It also presents the revised budgeted position of Council including requested budget amendments for 2016-17.

Attached to this report are the following details:

- Revised Key Performance Indicators (KPIs) for 2016-17;
- Revised 2016-17 Statement of Comprehensive Income;
- Revised 2016-17 Statement of Cash Flows;
- Revised 2016-17 Statement of Financial Position;
- Revised 2016-17 Operating, Capital Funding and Other Budgeted Items Statements; and
- Summary and detailed budget review submissions listing.

It is proposed that Council resolves to adopt the revised budget for 2016-17 at Redland City Council (RCC) level. In addition to this and in accordance with the *Local Government Regulation 2012*, it is proposed that Council resolve to adopt the Redland Water and RedWaste commercial business financial statements that are presented in the attached documentation. The relevant pages are outlined within the Officer's Recommendation in this report.

**BACKGROUND**

Council adopted its 2016-17 budget at the Special Budget Meeting held on 14 July 2016. This report presents a review of the 2016-17 revised budget following the first four months of 2016-17 service delivery. As part of Council's financial management framework, comprehensive formal budget reviews are undertaken across all groups within each department.

The first formal budget review usually builds on the previous carryover review of the budget and amends previous forecasts. It also includes new submissions based on

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the previously unknown circumstances or information pertaining to the original budget submissions.

Council previously revised the 2016-17 budget on 24 August to include any capital carryover funding and expenditure from 2015-16 to 2016-17.

## **ISSUES**

The proposed variations to the 2016-17 budget are outlined in the financial statements included in the attachment.

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

This proposed budget review is in alignment with the *Local Government Act 2009* and the *Local Government Regulation 2012*. Section 170 of the *Local Government Regulation 2012* permits a local government to amend the budget for the financial year at any time before the end of the financial year.

### **Risk Management**

Council officers monitor budget to actual expenditure on a regular basis and adjust permanent variances when applicable. Council's financial performance and position is reported on a monthly basis.

### **Financial**

This recommendation requires a change to the current year's adopted budget and the accompanying attachments outline the major movements surrounding this review as well as the projected financial statements forecast to 30 June 2017.

The proposed budget review indicates that Council will move from an operating surplus to an operating deficit of approximately \$7.4M. The main factors contributing to this deficit are a \$4.8M adjustment to depreciation due to asset revaluations and adjustments effective 30 June 2016 along with a \$2.9M reduction in anticipated investment returns from the Redland Investment Corporation (RIC). Returns from RIC are forecast to be under budget for 2016-17 due to a reduction in the number of Council owned land parcels to be made available for development. The revised RIC business plan includes a focus on developing new revenue streams.

The cash forecast position for the end of 2016-17 has decreased to \$125M due primarily to the reduced RIC investment return and an increase in the capital expenditure program of \$6M.

All but three of the Key Performance Indicators have been met. Those outside the target range as a result of the budget submissions are the Operating Performance Ratio which is due in the main to Council's creation of the Redland Investment Corporation (RIC). Previously gain on sale of developed land was classified as an operating activity whereas RIC returns are classified as an investing activity. The Asset Sustainability Ratio is also below target from a reduction in the capital program and the proportion of renewal to non-renewal projects. The Operating Surplus Ratio also falls outside the target range due to the operating deficit.

## People

The attached report updates the budget at an organisational level for 2016-17 following submissions from business areas. Specific impacts to people may result from the budget adjustments and will be worked through at a team, unit and group level in accordance with Council's policies and people strategy (when and if they arise).

## Environmental

The attached report updates the budget at an organisational level for 2016-17 following submissions from business areas. Specific impacts to the environment may result from the budget adjustments and will be worked through at a team, unit and group level in accordance with Council's policies and environmental framework (when and if they arise).

## Social

The attached report updates the budget at an organisational level for 2016-17 following submissions from business areas. Specific impacts to people may result from the budget adjustments and will be worked through at a team, unit and group level in accordance with Council's policies and social infrastructure strategy (when and if they arise).

## Alignment with Council's Policy and Plans

This report has a relationship with the following items of the 2015-2020 Corporate Plan:

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.
- 8.2 Council produces and delivers against sustainable financial forecasts as a result of best practice Capital and Asset Management plans that guide project planning and service delivery across the city.

## CONSULTATION

Group managers in consultation with the Executive Leadership Team (ELT) undertook the development of this budget review. Councillors reviewed the budget amendments in a workshop held with ELT on 14 November 2016.

## OPTIONS

### Option 1

That Council resolves to adopt the Revised Budget for 2016-17 at Redland City Council (RCC) level which refers to the following (refer attachment):

1. RCC Statement of Comprehensive Income – page 2;
2. RCC Statement of Cash Flows – page 3;
3. RCC Statement of Financial Position – page 4;
4. RCC Operating and Capital Funding Statement – page 5; and



5. To meet the requirement of the *Local Government Regulation 2012*, adopt the RedWaste and Redland Water Operating and Capital Funding Statements (pages 11 and 12 respectively).

### **Option 2**

That Council resolves to not adopt the revised budget for 2016-17 as presented in the Officer's Recommendation.

### **OFFICER'S RECOMMENDATION/ COUNCIL RESOLUTION**

Moved by: Cr M Elliott  
Seconded by: Cr T Huges

**That Council resolves to adopt the Revised Budget for 2016-17 at Redland City Council (RCC) level which refers to the following (refer attachment):**

1. **RCC Statement of Comprehensive Income – page 2;**
2. **RCC Statement of Cash Flows – page 3;**
3. **RCC Statement of Financial Position – page 4;**
4. **RCC Operating and Capital Funding Statement – page 5; and**
5. **To meet the requirement of the *Local Government Regulation 2012*, adopt the RedWaste and Redland Water Operating and Capital Funding Statements (pages 11 and 12 respectively).**

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.



**Redland**  
CITY COUNCIL

**General Meeting  
23 November 2016**

## **First Budget Review 2016-17**

The statements enclosed are for the parent entity Redland City Council (investment in RIC is included). Group consolidated financials will be presented as part of Council's Annual Financial Statements each year.

<b>Financial Stability and Sustainability Ratios</b>	<b>Original Budget 2016-17</b>	<b>Revised Budget as per Carryover Budget 2016-17</b>	<b>Revised Budget as per First Budget Review 2016-17</b>
<b>Level of dependence on General Rate Revenue</b> Threshold set < 37.5%	32.52%	32.52%	32.69%
<b>Ability to pay our bills - Current Ratio</b> Target between 1.1 and 4.1	4.42	3.62	3.71
<b>Ability to repay our debt - Debt Servicing Ratio (%)</b> Target less than or equal to 10%	3.04%	3.04%	3.05%
<b>Cash Balance \$M</b> Target greater than or equal to \$40m	118.477	133.470	124.990
<b>Cash Balances - cash capacity in months</b> Target 3 to 4 months	6.90	7.78	7.28
<b>Longer term financial stability - debt to asset ratio (%)</b> Target less than or equal to 10%	1.84%	1.82%	1.72%
<b>Operating Performance</b> Target greater than or equal to 20%	17.29%	17.29%	17.62%
<b>Operating Surplus Ratio</b> Target between 0% and 10%	0.19%	0.19%	-2.92%
<b>Net Financial Liabilities</b> Target less than 60%*	-23.82%	-30.09%	-25.75%
<b>Interest Coverage Ratio</b> Target between 0% and 5%**	-0.42%	-0.42%	-0.51%
<b>Asset Sustainability Ratio</b> Target greater than 90%	77.83%	79.72%	65.68%

\* 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 negative)

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Recurrent revenue</b>				
Rates, levies and charges	214,758	214,758	150	214,908
Fees and charges	13,291	13,291	100	13,391
Rental income	811	811	-	811
Interest received	4,271	4,271	210	4,481
Investment returns	4,685	4,685	(2,885)	1,800
Sales revenue	4,030	4,030	40	4,070
Other income	763	763	333	1,096
Grants, subsidies and contributions	11,959	11,959	1,181	13,140
<b>Total recurrent revenue</b>	<b>254,569</b>	<b>254,569</b>	<b>(871)</b>	<b>253,697</b>
<b>Capital revenue</b>				
Grants, subsidies and contributions	32,248	32,448	1,507	33,955
Non-cash contributions	3,144	3,144	-	3,144
<b>Total capital revenue</b>	<b>35,393</b>	<b>35,593</b>	<b>1,507</b>	<b>37,100</b>
<b>TOTAL INCOME</b>	<b>289,962</b>	<b>290,162</b>	<b>636</b>	<b>290,797</b>
<b>Recurrent expenses</b>				
Employee benefits	80,389	80,389	1,125	81,514
Materials and services	119,315	119,315	1,117	120,431
Finance costs	3,758	3,758	5	3,763
Depreciation and amortisation	50,628	50,628	4,757	55,386
<b>Total recurrent expenses</b>	<b>254,090</b>	<b>254,090</b>	<b>7,004</b>	<b>261,094</b>
<b>Capital expenses</b>				
(Gain)/Loss on disposal of non-current assets	289	(172)	-	(172)
Restoration and rehabilitation provision expense	-	-	-	-
<b>Total capital expenses</b>	<b>289</b>	<b>(172)</b>	<b>-</b>	<b>(172)</b>
<b>TOTAL EXPENSES</b>	<b>254,379</b>	<b>253,918</b>	<b>7,004</b>	<b>260,922</b>
<b>NET RESULT</b>	<b>35,583</b>	<b>36,244</b>	<b>(6,368)</b>	<b>29,876</b>
<b>Other comprehensive income/(loss)</b>				
<b>Items that will not be reclassified to a net result</b>				
Revaluation of property, plant and equipment	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>35,583</b>	<b>36,244</b>	<b>(6,368)</b>	<b>29,876</b>

## Statement of Cash Flows

Forecast for the year ending June 2017

	Original Budgeted Cash Flow 2016-17 \$000s	Revised Budget Adj. Cash Opening Bal from 2015-16 \$000s	Proposed Movement First Budget Review \$000s	Proposed Revised Budget 2016-17 \$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	232,889	232,889	623	233,512
Payments to suppliers and employees	(202,780)	(202,780)	(2,246)	(205,026)
	<b>30,110</b>	<b>30,110</b>	<b>(1,623)</b>	<b>28,486</b>
Interest received	4,271	4,271	210	4,481
Rental income	811	811	-	811
Non-capital grants and contributions	11,056	11,056	311	11,367
Borrowing costs	(3,195)	(3,195)	2,129	(1,066)
<b>Net cash inflow from operating activities</b>	<b>43,053</b>	<b>43,053</b>	<b>1,027</b>	<b>44,080</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(76,938)	(84,469)	(6,000)	(90,469)
Payments for intangible assets	(100)	-	-	-
Proceeds from sale of property, plant and equipment	630	1,091	-	1,091
Capital grants, subsidies and contributions	32,248	32,448	1,507	33,955
Other cash flows from investing activities	4,685	4,685	(2,885)	1,800
<b>Net cash outflow from investing activities</b>	<b>(39,474)</b>	<b>(46,244)</b>	<b>(7,378)</b>	<b>(53,622)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	-	-	-	-
Repayment of borrowings	(4,551)	(4,551)	(2,129)	(6,680)
<b>Net cash inflow from financing activities</b>	<b>(4,551)</b>	<b>(4,551)</b>	<b>(2,129)</b>	<b>(6,680)</b>
<b>Net Increase / (Decrease) in Cash Held</b>	<b>(972)</b>	<b>(7,742)</b>	<b>(8,480)</b>	<b>(16,222)</b>
Cash and cash equivalents at the beginning of the year	119,449	141,212		141,212
<b>Cash and cash equivalents at the end of the financial year</b>	<b>118,477</b>	<b>133,470</b>	<b>(8,480)</b>	<b>124,990</b>



# Redland City Council

## Statement of Financial Position Forecast as at 30 June 2017

	Original Budget 2016-17 \$000s	Opening Balance 2016-17 \$000s	Budgeted Movement 2016-17 \$000s	First Budget Review Proposed Movements \$000s	Proposed Revised Budget 2016-17 \$000s
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	118,477	141,212	(7,742)	(8,480)	124,990
Trade and other receivables	25,017	25,805	-	-	25,805
Inventories	779	678	-	-	678
Non-current assets held for sale	1,309	4,278	-	-	4,278
Other current assets	1,104	2,122	-	-	2,122
<b>Total current assets</b>	<b>146,686</b>	<b>174,095</b>	<b>(7,742)</b>	<b>(8,480)</b>	<b>157,873</b>
<b>NON-CURRENT ASSETS</b>					
Investment property	956	1,054	-	-	1,054
Property, plant and equipment	2,293,906	2,424,918	36,889	1,412	2,463,219
Intangible assets	2,000	3,277	(823)	(169)	2,284
Other financial assets	73	73	-	-	73
Investment in other entities	10,063	5,961	-	-	5,961
<b>Total non-current assets</b>	<b>2,306,999</b>	<b>2,435,283</b>	<b>36,066</b>	<b>1,242</b>	<b>2,472,591</b>
<b>TOTAL ASSETS</b>	<b>2,453,685</b>	<b>2,609,378</b>	<b>28,324</b>	<b>(7,238)</b>	<b>2,630,464</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	18,454	22,359	(1,596)	-	20,763
Borrowings	4,482	7,701	-	-	7,701
Provisions	7,571	13,316	(851)	-	12,465
Other current liabilities	2,673	3,390	(856)	(870)	1,665
<b>Total current liabilities</b>	<b>33,179</b>	<b>46,768</b>	<b>(3,303)</b>	<b>(870)</b>	<b>42,595</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	40,727	42,155	(4,551)	-	37,604
Provisions	12,143	12,416	(66)	-	12,350
<b>Total non-current liabilities</b>	<b>52,869</b>	<b>54,571</b>	<b>(4,617)</b>	<b>-</b>	<b>49,954</b>
<b>TOTAL LIABILITIES</b>	<b>86,048</b>	<b>101,339</b>	<b>(7,920)</b>	<b>(870)</b>	<b>92,549</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,367,637</b>	<b>2,508,039</b>	<b>36,244</b>	<b>(6,368)</b>	<b>2,537,915</b>
<b>COMMUNITY EQUITY</b>					
Asset revaluation surplus	827,411	963,349	-	-	963,349
Retained surplus	1,443,724	1,452,517	20,499	(1,756)	1,471,259
Constrained cash reserves	96,502	92,174	15,745	(4,612)	103,307
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,367,637</b>	<b>2,508,039</b>	<b>36,244</b>	<b>(6,368)</b>	<b>2,537,915</b>

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Revenue</b>				
Rates charges	85,691	85,691	150	85,841
Levies and utility charges	132,436	132,436	-	132,436
<i>Less: Pensioner remissions and rebates</i>	(3,370)	(3,370)	-	(3,370)
Fees and charges	13,291	13,291	100	13,391
Operating grants and subsidies	11,370	11,370	969	12,339
Operating contributions and donations	589	589	212	801
Interest external	4,271	4,271	210	4,481
Investment returns	4,685	4,685	(2,885)	1,800
Other Revenue	5,604	5,604	373	5,977
<b>Total revenue</b>	<b>254,569</b>	<b>254,569</b>	<b>(871)</b>	<b>253,697</b>
<b>Expenses</b>				
Employee benefits	80,389	80,389	1,125	81,514
Materials and services	119,731	119,731	1,506	121,237
Finance costs other	562	562	5	567
Other expenditure	398	398	(325)	73
Net Internal Costs	(814)	(814)	(64)	(878)
<b>Total expenses</b>	<b>200,266</b>	<b>200,266</b>	<b>2,246</b>	<b>202,512</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>54,303</b>	<b>54,303</b>	<b>(3,118)</b>	<b>51,185</b>
Interest expense	3,195	3,195	-	3,195
Depreciation and amortisation	50,628	50,628	4,757	55,386
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>479</b>	<b>479</b>	<b>(7,875)</b>	<b>(7,396)</b>

## Capital Funding Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Proposed sources of capital funding</b>				
Capital contributions and donations	29,425	29,425	-	29,425
Capital grants and subsidies	2,824	3,024	1,507	4,531
Proceeds on disposal of non-current assets	630	1,091	-	1,091
Capital transfers (to) from reserves	(15,839)	(14,382)	4,203	(10,179)
Non-cash contributions	3,144	3,144	-	3,144
New loans	-	-	-	-
Funding from general revenue	64,549	69,863	290	70,153
<b>Total sources of capital funding</b>	<b>84,733</b>	<b>92,164</b>	<b>6,000</b>	<b>98,164</b>
<b>Proposed application of capital funds</b>				
Contributed assets	3,144	3,144	-	3,144
Capitalised goods and services	71,905	79,336	6,518	85,854
Capitalised employee costs	5,133	5,133	(518)	4,615
Loan redemption	4,551	4,551	-	4,551
<b>Total application of capital funds</b>	<b>84,733</b>	<b>92,164</b>	<b>6,000</b>	<b>98,164</b>
<b>Other budgeted items</b>				
Transfers to constrained operating reserves	(11,683)	(11,683)	-	(11,683)
Transfers from constrained operating reserves	10,321	10,321	409	10,730
WDV of assets disposed	919	919	-	919
Tax and Dividends	-	-	-	-
Internal Capital Structure Financing	-	-	-	-

## CEO Group

### Operating Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Revenue</b>				
Rates charges	85,691	85,691	150	85,841
Levies and utility charges	241	241	-	241
<i>Less: Pensioner remissions and rebates</i>	(2,899)	(2,899)	-	(2,899)
Fees and charges	607	607	-	607
Operating grants and subsidies	5,128	5,128	-	5,128
Operating contributions and donations	-	-	-	-
Interest external	3,293	3,293	210	3,503
Investment returns	4,685	4,685	(2,885)	1,800
Other Revenue	363	363	273	636
<b>Total revenue</b>	<b>97,110</b>	<b>97,110</b>	<b>(2,252)</b>	<b>94,858</b>
<b>Expenses</b>				
Employee benefits	12,485	12,484	34	12,518
Materials and services	5,218	5,160	(562)	4,598
Finance costs other	306	306	-	306
Other expenditure	135	135	(37)	97
Net Internal Costs	(4,063)	(4,056)	23	(4,033)
<b>Total expenses</b>	<b>14,080</b>	<b>14,028</b>	<b>(542)</b>	<b>13,486</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>83,029</b>	<b>83,082</b>	<b>(1,710)</b>	<b>81,371</b>
Interest expense	3,155	3,155	-	3,155
Depreciation and amortisation	53	53	(22)	30
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>79,821</b>	<b>79,874</b>	<b>(1,688)</b>	<b>78,186</b>

### Capital Funding Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Proposed sources of capital funding</b>				
Capital contributions and donations	-	-	-	-
Capital grants and subsidies	-	-	-	-
Proceeds on disposal of non-current assets	-	-	-	-
Capital transfers (to) from reserves	478	478	-	478
Non-cash contributions	-	-	-	-
New loans	-	-	-	-
Funding from general revenue	5,224	5,224	19	5,243
<b>Total sources of capital funding</b>	<b>5,702</b>	<b>5,702</b>	<b>19</b>	<b>5,721</b>
<b>Proposed application of capital funds</b>				
Contributed assets	-	-	-	-
Capitalised goods and services	989	989	19	1,008
Capitalised employee costs	237	237	-	237
Loan redemption	4,476	4,476	-	4,476
<b>Total application of capital funds</b>	<b>5,702</b>	<b>5,702</b>	<b>19</b>	<b>5,721</b>
<b>Other budgeted items</b>				
Transfers to constrained operating reserves	(343)	(343)	-	(343)
Transfers from constrained operating reserves	192	192	32	223
WDV of assets disposed	-	-	-	-
Tax and Dividends	(18,500)	(18,500)	-	(18,500)
Internal Capital Structure Financing	(19,185)	(19,185)	-	(19,185)



## Organisational Services

### Operating Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Revenue</b>				
Rates charges	-	-	-	-
Levies and utility charges	331	331	-	331
<i>Less: Pensioner remissions and rebates</i>	-	-	-	-
Fees and charges	32	32	-	32
Operating grants and subsidies	76	76	-	76
Operating contributions and donations	-	-	-	-
Interest external	-	-	-	-
Investment returns	-	-	-	-
Other Revenue	139	139	-	139
<b>Total revenue</b>	<b>577</b>	<b>577</b>	<b>-</b>	<b>577</b>
<b>Expenses</b>				
Employee benefits	13,741	13,700	60	13,759
Materials and services	7,604	7,664	444	8,108
Finance costs other	10	10	5	15
Other expenditure	38	38	62	100
Net Internal Costs	(11,577)	(11,578)	(234)	(11,812)
<b>Total expenses</b>	<b>9,816</b>	<b>9,835</b>	<b>336</b>	<b>10,171</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>(9,239)</b>	<b>(9,258)</b>	<b>(336)</b>	<b>(9,594)</b>
Interest expense	-	-	-	-
Depreciation and amortisation	3,608	3,608	155	3,763
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(12,848)</b>	<b>(12,866)</b>	<b>(491)</b>	<b>(13,357)</b>

### Capital Funding Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Proposed sources of capital funding</b>				
Capital contributions and donations	-	-	-	-
Capital grants and subsidies	-	-	-	-
Proceeds on disposal of non-current assets	630	1,091	-	1,091
Capital transfers (to) from reserves	-	-	-	-
Non-cash contributions	-	-	-	-
New loans	-	-	-	-
Funding from general revenue	14,392	4,517	1,198	5,715
<b>Total sources of capital funding</b>	<b>15,022</b>	<b>5,608</b>	<b>1,198</b>	<b>6,806</b>
<b>Proposed application of capital funds</b>				
Contributed assets	-	-	-	-
Capitalised goods and services	15,022	5,608	1,198	6,806
Capitalised employee costs	-	-	-	-
Loan redemption	-	-	-	-
<b>Total application of capital funds</b>	<b>15,022</b>	<b>5,608</b>	<b>1,198</b>	<b>6,806</b>
<b>Other budgeted items</b>				
Transfers to constrained operating reserves	-	-	-	-
Transfers from constrained operating reserves	31	31	-	31
WDV of assets disposed	630	630	-	630
Tax and Dividends	-	-	-	-
Internal Capital Structure Financing	-	-	-	-

## Customer & Community Services

### Operating Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Revenue</b>				
Rates charges	-	-	-	-
Levies and utility charges	-	-	-	-
<i>Less: Pensioner remissions and rebates</i>	-	-	-	-
Fees and charges	9,687	9,687	-	9,687
Operating grants and subsidies	1,764	1,764	56	1,821
Operating contributions and donations	-	-	-	-
Interest external	5	5	-	5
Investment returns	-	-	-	-
Other Revenue	1,162	1,162	-	1,162
<b>Total revenue</b>	<b>12,618</b>	<b>12,618</b>	<b>56</b>	<b>12,674</b>
<b>Expenses</b>				
Employee benefits	28,026	28,068	275	28,343
Materials and services	7,459	7,457	457	7,914
Finance costs other	3	3	-	3
Other expenditure	225	225	74	299
Net Internal Costs	7,341	7,335	35	7,370
<b>Total expenses</b>	<b>43,054</b>	<b>43,088</b>	<b>841</b>	<b>43,930</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>(30,436)</b>	<b>(30,470)</b>	<b>(785)</b>	<b>(31,255)</b>
Interest expense	-	-	-	-
Depreciation and amortisation	1,880	1,880	(31)	1,849
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(32,316)</b>	<b>(32,350)</b>	<b>(754)</b>	<b>(33,104)</b>

### Capital Funding Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Proposed sources of capital funding</b>				
Capital contributions and donations	17,625	17,625	-	17,625
Capital grants and subsidies	636	636	-	636
Proceeds on disposal of non-current assets	-	-	-	-
Capital transfers (to) from reserves	(16,241)	(16,241)	-	(16,241)
Non-cash contributions	-	-	-	-
New loans	-	-	-	-
Funding from general revenue	1,506	1,828	65	1,893
<b>Total sources of capital funding</b>	<b>3,527</b>	<b>3,848</b>	<b>65</b>	<b>3,913</b>
<b>Proposed application of capital funds</b>				
Contributed assets	-	-	-	-
Capitalised goods and services	3,527	3,846	67	3,913
Capitalised employee costs	-	2	(2)	-
Loan redemption	-	-	-	-
<b>Total application of capital funds</b>	<b>3,527</b>	<b>3,848</b>	<b>65</b>	<b>3,913</b>
<b>Other budgeted items</b>				
Transfers to constrained operating reserves	(140)	(140)	-	(140)
Transfers from constrained operating reserves	570	570	74	644
WDV of assets disposed	-	-	-	-
Tax and Dividends	-	-	-	-
Internal Capital Structure Financing	-	-	-	-

# Infrastructure & Operations

(incl Redland Water & RedWaste)

## Operating Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Revenue</b>				
Rates charges	-	-	-	-
Levies and utility charges	131,864	131,864	-	131,864
<i>Less: Pensioner remissions and rebates</i>	(471)	(471)	-	(471)
Fees and charges	2,965	2,965	100	3,065
Operating grants and subsidies	4,402	4,402	912	5,314
Operating contributions and donations	589	589	212	801
Interest external	973	973	-	973
Investment returns	-	-	-	-
Other Revenue	3,941	3,941	100	4,041
<b>Total revenue</b>	<b>144,264</b>	<b>144,264</b>	<b>1,324</b>	<b>145,589</b>
<b>Expenses</b>				
Employee benefits	26,137	26,137	756	26,893
Materials and services	99,450	99,450	1,166	100,617
Finance costs other	243	243	-	243
Other expenditure	-	-	(424)	(424)
Net Internal Costs	7,485	7,485	111	7,596
<b>Total expenses</b>	<b>133,316</b>	<b>133,316</b>	<b>1,610</b>	<b>134,926</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>10,949</b>	<b>10,949</b>	<b>(286)</b>	<b>10,663</b>
Interest expense	40	40	-	40
Depreciation and amortisation	45,088	45,088	4,656	49,743
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(34,178)</b>	<b>(34,178)</b>	<b>(4,942)</b>	<b>(39,120)</b>

## Capital Funding Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Proposed sources of capital funding</b>				
Capital contributions and donations	11,800	11,800	-	11,800
Capital grants and subsidies	2,187	2,387	1,507	3,894
Proceeds on disposal of non-current assets	-	-	-	-
Capital transfers (to) from reserves	(76)	1,380	4,203	5,583
Non-cash contributions	3,144	3,144	-	3,144
New loans	-	-	-	-
Funding from general revenue	43,427	58,294	(992)	57,301
<b>Total sources of capital funding</b>	<b>60,482</b>	<b>77,005</b>	<b>4,718</b>	<b>81,723</b>
<b>Proposed application of capital funds</b>				
Contributed assets	3,144	3,144	-	3,144
Capitalised goods and services	52,367	68,893	5,234	74,126
Capitalised employee costs	4,896	4,893	(516)	4,377
Loan redemption	75	75	-	75
<b>Total application of capital funds</b>	<b>60,482</b>	<b>77,005</b>	<b>4,718</b>	<b>81,723</b>
<b>Other budgeted items</b>				
Transfers to constrained operating reserves	(11,199)	(11,199)	-	(11,199)
Transfers from constrained operating reserves	9,527	9,527	304	9,831
WDV of assets disposed	289	289	-	289
Tax and Dividends	18,500	18,500	-	18,500
Internal Capital Structure Financing	19,185	19,185	-	19,185

# Infrastructure & Operations

(excl Redland Water & RedWaste)

## Operating Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Revenue</b>				
Rates charges	-	-	-	-
Levies and utility charges	12,621	12,621	-	12,621
<i>Less: Pensioner remissions and rebates</i>	-	-	-	-
Fees and charges	2,242	2,242	100	2,342
Operating grants and subsidies	4,402	4,402	912	5,314
Operating contributions and donations	589	589	212	801
Interest external	45	45	-	45
Investment returns	-	-	-	-
Other Revenue	634	634	100	734
<b>Total revenue</b>	<b>20,533</b>	<b>20,533</b>	<b>1,324</b>	<b>21,857</b>
<b>Expenses</b>				
Employee benefits	16,691	16,691	748	17,439
Materials and services	36,696	36,696	1,421	38,117
Finance costs other	242	242	-	242
Other expenditure	-	-	(252)	(252)
Net Internal Costs	6,125	6,125	95	6,220
<b>Total expenses</b>	<b>59,755</b>	<b>59,755</b>	<b>2,011</b>	<b>61,766</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>(39,222)</b>	<b>(39,222)</b>	<b>(687)</b>	<b>(39,909)</b>
Interest expense	-	-	-	-
Depreciation and amortisation	28,011	28,011	3,445	31,456
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(67,233)</b>	<b>(67,233)</b>	<b>(4,132)</b>	<b>(71,365)</b>

## Capital Funding Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Proposed sources of capital funding</b>				
Capital contributions and donations	5,600	5,600	-	5,600
Capital grants and subsidies	1,849	2,049	1,507	3,556
Proceeds on disposal of non-current assets	-	-	-	-
Capital transfers (to) from reserves	637	1,253	2,715	3,968
Non-cash contributions	80	80	-	80
New loans	-	-	-	-
Funding from general revenue	35,127	47,774	(1,000)	46,774
<b>Total sources of capital funding</b>	<b>43,292</b>	<b>56,755</b>	<b>3,222</b>	<b>59,977</b>
<b>Proposed application of capital funds</b>				
Contributed assets	80	80	-	80
Capitalised goods and services	38,537	52,002	3,756	55,758
Capitalised employee costs	4,675	4,673	(534)	4,139
Loan redemption	-	-	-	-
<b>Total application of capital funds</b>	<b>43,292</b>	<b>56,755</b>	<b>3,222</b>	<b>59,977</b>
<b>Other budgeted items</b>				
Transfers to constrained operating reserves	(11,199)	(11,199)	-	(11,199)
Transfers from constrained operating reserves	9,527	9,527	304	9,831
WDV of assets disposed	289	289	-	289
Tax and Dividends	-	-	-	-
Internal Capital Structure Financing	-	-	-	-

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Revenue</b>				
Rates charges	-	-	-	-
Levies and utility charges	20,903	20,903	-	20,903
<i>Less: Pensioner remissions and rebates</i>	-	-	-	-
Fees and charges	409	409	-	409
Operating grants and subsidies	-	-	-	-
Operating contributions and donations	-	-	-	-
Interest external	50	50	-	50
Investment returns	-	-	-	-
Other Revenue	745	745	-	745
<b>Total revenue</b>	<b>22,106</b>	<b>22,106</b>	<b>-</b>	<b>22,106</b>
<b>Expenses</b>				
Employee benefits	1,507	1,507	-	1,507
Materials and services	16,213	16,213	(8)	16,205
Finance costs other	1	1	-	1
Other expenditure	-	-	(176)	(176)
Net Internal Costs	(1,596)	(1,596)	(14)	(1,610)
<b>Total expenses</b>	<b>16,124</b>	<b>16,124</b>	<b>(197)</b>	<b>15,927</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>5,982</b>	<b>5,982</b>	<b>197</b>	<b>6,179</b>
Interest expense	40	40	-	40
Depreciation and amortisation	572	572	(347)	225
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>5,371</b>	<b>5,371</b>	<b>544</b>	<b>5,915</b>

## Capital Funding Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Proposed sources of capital funding</b>				
Capital contributions and donations	-	-	-	-
Capital grants and subsidies	-	-	-	-
Proceeds on disposal of non-current assets	-	-	-	-
Capital transfers (to) from reserves	-	-	-	-
Non-cash contributions	-	-	-	-
New loans	-	-	-	-
Funding from general revenue	307	1,475	262	1,737
<b>Total sources of capital funding</b>	<b>307</b>	<b>1,475</b>	<b>262</b>	<b>1,737</b>
<b>Proposed application of capital funds</b>				
Contributed assets	-	-	-	-
Capitalised goods and services	233	1,400	262	1,662
Capitalised employee costs	-	-	-	-
Loan redemption	75	75	-	75
<b>Total application of capital funds</b>	<b>307</b>	<b>1,475</b>	<b>262</b>	<b>1,737</b>
<b>Other budgeted items</b>				
Transfers to constrained operating reserves	-	-	-	-
Transfers from constrained operating reserves	-	-	-	-
WDV of assets disposed	-	-	-	-
Tax and Dividends	3,220	3,220	-	3,220
Internal Capital Structure Financing	420	420	-	420

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Revenue</b>				
Rates charges	-	-	-	-
Levies and utility charges	98,341	98,341	-	98,341
<i>Less: Pensioner remissions and rebates</i>	(471)	(471)	-	(471)
Fees and charges	315	315	-	315
Operating grants and subsidies	-	-	-	-
Operating contributions and donations	-	-	-	-
Interest external	878	878	-	878
Investment returns	-	-	-	-
Other Revenue	2,562	2,562	-	2,562
<b>Total revenue</b>	<b>101,625</b>	<b>101,625</b>	<b>-</b>	<b>101,625</b>
<b>Expenses</b>				
Employee benefits	7,939	7,939	8	7,947
Materials and services	46,542	46,542	(247)	46,295
Finance costs other	-	-	-	-
Other expenditure	-	-	4	4
Net Internal Costs	2,956	2,956	31	2,986
<b>Total expenses</b>	<b>57,436</b>	<b>57,436</b>	<b>(204)</b>	<b>57,233</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>44,189</b>	<b>44,189</b>	<b>204</b>	<b>44,392</b>
Interest expense	-	-	-	-
Depreciation and amortisation	16,505	16,505	1,557	18,062
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>27,684</b>	<b>27,684</b>	<b>(1,353)</b>	<b>26,330</b>

## Capital Funding Statement

Forecast for the year ending 30 June 2017

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Proposed sources of capital funding</b>				
Capital contributions and donations	6,200	6,200	-	6,200
Capital grants and subsidies	339	339	-	339
Proceeds on disposal of non-current assets	-	-	-	-
Capital transfers (to) from reserves	(713)	127	1,488	1,615
Non-cash contributions	3,065	3,065	-	3,065
New loans	-	-	-	-
Funding from general revenue	7,993	9,045	(255)	8,790
<b>Total sources of capital funding</b>	<b>16,883</b>	<b>18,775</b>	<b>1,233</b>	<b>20,008</b>
<b>Proposed application of capital funds</b>				
Contributed assets	3,065	3,065	-	3,065
Capitalised goods and services	13,598	15,490	1,215	16,705
Capitalised employee costs	220	220	18	238
Loan redemption	-	-	-	-
<b>Total application of capital funds</b>	<b>16,883</b>	<b>18,775</b>	<b>1,233</b>	<b>20,008</b>
<b>Other budgeted items</b>				
Transfers to constrained operating reserves	-	-	-	-
Transfers from constrained operating reserves	-	-	-	-
WDV of assets disposed	-	-	-	-
Tax and Dividends	15,280	15,280	-	15,280
Internal Capital Structure Financing	18,765	18,765	-	18,765

	Original Budget \$000s	Revised Budget as Adopted \$000s	Proposed Changes	
			First Budget Review \$000s	Proposed Revised Budget \$000s
<b>Revenue</b>				
Rates charges	-	-	-	-
Levies and utility charges	-	-	-	-
<i>Less: Pensioner remissions and rebates</i>	-	-	-	-
Fees and charges	282	282	-	282
Operating grants and subsidies	-	-	-	-
Operating contributions and donations	-	-	-	-
Interest external	-	-	-	-
Investment returns	-	-	-	-
Other Revenue	-	-	-	-
<b>Total revenue</b>	<b>282</b>	<b>282</b>	<b>-</b>	<b>282</b>
<b>Expenses</b>				
Employee benefits	333	333	(47)	286
Materials and services	15	15	-	15
Finance costs other	-	-	-	-
Other expenditure	-	-	-	-
Net Internal Costs	120	120	(0)	119
<b>Total expenses</b>	<b>468</b>	<b>468</b>	<b>(47)</b>	<b>421</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>(186)</b>	<b>(186)</b>	<b>47</b>	<b>(139)</b>
Interest expense	-	-	-	-
Depreciation and amortisation	-	-	-	-
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(186)</b>	<b>(186)</b>	<b>47</b>	<b>(139)</b>



**Redland City Council**  
**2016-17 First Budget Review**  
**Summary Submissions**

	No of Submissions	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Redemption / Drawdowns	Reserves	Cash Impact
<b>OPERATING &amp; CAPITAL</b>											
<b>CEO Groups</b>											
Activity Submissions	12	0	2,252,005	-889,895	0	41,200	4,757,380	-4,757,380	0	0	1,403,310
	12	0	2,252,005	-889,895	0	41,200	4,757,380	-4,757,380	0	0	1,403,310
<b>Organisational Services</b>											
Project Submissions	2	0	0	159,000	0	0	0	0	0	0	159,000
Activity Submissions	26	0	0	409,347	-59,996	1,139,600	0	0	0	0	1,488,952
	28	0	0	568,347	-59,996	1,139,600	0	0	0	0	1,647,952
<b>Community &amp; Customer Services</b>											
Project Submissions	11	0	-56,293	156,047	0	60,000	0	0	0	0	159,754
Activity Submissions	16	0	0	651,279	0	30,350	0	0	0	-73,690	681,629
	27	0	-56,293	807,326	0	90,350	0	0	0	-73,690	841,383
<b>Infrastructure &amp; Operations</b>											
Project Submissions	45	-12,365	-577,853	-661,209	-70,000	4,269,791	0	25,000	0	-4,462,010	2,973,364
Councillor Requests	1	0	0	0	0	152,000	0	0	0	0	152,000
Activity Submissions	28	0	-2,253,382	2,173,360	0	697,300	0	844,840	0	-60,000	1,462,118
	74	-12,365	-2,831,234	1,512,151	-70,000	5,119,091	0	869,840	0	-4,522,010	4,587,482
<b>TOTAL SUBMISSIONS</b>	<b>141</b>	<b>-12,365</b>	<b>-635,523</b>	<b>1,997,929</b>	<b>-129,996</b>	<b>6,390,241</b>	<b>4,757,380</b>	<b>-3,887,540</b>	<b>0</b>	<b>-4,595,700</b>	<b>8,480,127</b>
<b>TRANSFERS</b>											
CEO Group	7	0	0	198	0	0	0	0	0	-31,500	198
Organisational Services	1	-52,031	0	0	0	52,031	0	0	0	0	0
Community & Customer Services	1	0	0	-1,568	0	1,568	0	0	0	0	0
Infrastructure & Operations	11	0	0	0	444,164	-444,164	0	0	0	15,353	0
<b>TOTAL TRANSFERS</b>	<b>20</b>	<b>-52,031</b>	<b>0</b>	<b>-1,370</b>	<b>444,164</b>	<b>-390,565</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-16,147</b>	<b>198</b>
<b>BUDGET REVIEW TOTAL</b>	<b>161</b>	<b>-64,396</b>	<b>-635,523</b>	<b>1,996,559</b>	<b>314,168</b>	<b>5,999,676</b>	<b>4,757,380</b>	<b>-3,887,540</b>	<b>0</b>	<b>-4,611,847</b>	<b>8,480,325</b>





## Redland City Council

### 2016-17 First Budget Review

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Reserves	Cash Impact
<b>SUBMISSIONS</b>											
<b>Chief Executive Officer Groups</b>											
<b>Activity Submissions</b>											
0000-412	99109 - Corporate Fund - Revenue reduced as per Mayor and Councillors Workshop held 14 November 2016. RIC Investment Returns (Dividends) to be reduced from \$4.685m to \$1.8m.	Change in Activity Revenue / One Off	0	2,885,000	0	0	0	0	0	0	2,885,000
0000-402	10409 - Asset Advancement Project - Asset Management Project Manager (Level 8.5) and Business Analyst at level 7.3. Operational element of project, the work completed will be governance, current process review, and scoping out the project.	New Employee Position / Position Give-Up / One Off	0	0	154,569	0	0	0	0	0	154,569
0000-301	20901 - HRIS - A major upgrade to our HRIS (Aurion) is required to be completed prior to 30 June 2017. This is a major upgrade requiring specialist consultation from the vendor and the updating of our customised Business Process Automations.	Activity Ask / One Off	0	0	0	0	41,200	0	0	0	41,200
0000-400	Various jobs - Depreciation movement due to revaluations, additions/disposals and includes 2016-17 WIP projection.	Activity Ask / Ongoing	0	0	0	0	0	5,429,214	-5,429,214	0	0
0000-411	52019 - Financial Management Water - Adjustment to depreciation as a result of revised remaining lives of AC pipes (asbestos cement pipes)	Activity Give Up / One Off	0	0	0	0	0	-671,834	671,834	0	0
0000-304	11450 - Traineeship Program - 2016-17 budget give up of Traineeship costs due to the future reduction in traineeship numbers (April - June 2017).	Activity Give Up / One Off	0	0	-112,450	0	0	0	0	0	-112,450
0000-303	10429 - HRIS - Software acquisition for new HRIS will be moved out to 2017-18 (additional 2017-18 budget will be required for implementation).	Deferred / Brought Forward Project / One Off	0	0	-438,000	0	0	0	0	0	-438,000
0000-409	Various jobs - asset and depreciation adjustments	Activity Give Up / One Off	0	0	-494,014	0	0	0	0	0	-494,014
0000-201	11049 - Admin Legal Services - SPER - State Penalties Enforcement Registry increase in revenue.	Change in Activity Revenue / One Off	0	-40,000	0	0	0	0	0	0	-40,000
0000-410	99109 - Admin - Corporate Fund - Increase in Rates revenue due to review post the October rate run.	Activity Ask / One Off	0	-150,000	0	0	0	0	0	0	-150,000
0000-408	99109 - Admin - Corporate Fund Increase in Revenue budget for interest on outstanding rates and interest on investments.	Change in Activity Revenue / One Off	0	-210,128	0	0	0	0	0	0	-210,128
0000-409	99109 - Admin - Corporate Fund Increase in Revenue budget within Miscellaneous Income (relating to the refund of an overpayment of payroll tax in prior years 2009-2011).	Change in Activity Revenue / One Off	0	-232,867	0	0	0	0	0	0	-232,867
			0	2,252,005	-889,895	0	41,200	4,757,380	-4,757,380	0	1,403,310
<b>Chief Executive Officer Groups TOTAL SUBMISSIONS</b>			0	2,252,005	-889,895	0	41,200	4,757,380	-4,757,380	0	1,403,310

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Reserves	Cash Impact
<b>SUBMISSIONS</b>											
<b>Organisational Services</b>											
<b>Project Submissions</b>											
1000-606	10421 - Service Delivery IM - Allocation of resources for a contractor to convert approximately 2.6 million vital physical corporate records on microfiche into digital format for accessibility overtime.	New Project / One Off	0	0	140,000	0	0	0	0	0	140,000
1000-607	10421 - Service Delivery IM - Allocation of resources to conduct the overdue destruction of approximately 6,000 archive boxes containing corporate records.	New Project / One Off	0	0	19,000	0	0	0	0	0	19,000
			<b>0</b>	<b>0</b>	<b>159,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>159,000</b>
<b>Activity Submissions</b>											
1000-609	10421 - Service Delivery IM - RBC Wages were not allocated in the original Information Management 2016-17 budget.	Activity Ask / Ongoing	0	0	240,000	0	0	0	0	0	240,000
1000-700	41405 - Fleet GPS System - Budget request to cover the annual GPS monitoring costs associated with the newly installed GPS units (part of this was originally budgeted in Capital, hence the movement from capital to operational, the 2016-17 element is a request).	Movement between Capital & Operational / Ongoing	0	0	117,036	-59,996	0	0	0	0	57,040
1000-400	10463 - Info Council Software Purchase and Implement Info Council Software - is a specialist software package which assists with the preparation of reports, agendas, minutes and also tracking actions arising from meetings. Although the software is designed primarily for Councillor meetings, it could be used for other meetings such as ELT, Audit Committee or workshops. IM have been involved in the process.	Activity Ask / Ongoing	0	0	62,920	0	0	0	0	0	62,920
1000-200	11001 - Mayors Office Administration - RCC contribution towards the Brisbane Olympic Games 2028 feasibility study. Full amount is \$112,664.58 however there is potential for 50% to be required during 2016-17. Will be requested upon confirmation.	Activity Ask / One Off	0	0	0	0	0	0	0	0	0
1000-203	Mayor and Councillor Expenses - Budget request is to cover estimated additional spend required. In previous years there have only been 3 newsletters however the plan is to produce 4 this year. Additionally, the external printing budget requested this year is insufficient to meet the anticipated costs.	Activity Ask / Ongoing	0	0	52,000	0	0	0	0	0	52,000
1000-612	10420 - Analytical Services IM - Business Intelligence (BI) report writer for a 3 month period to ensure BI is embedded within the business.	Activity Ask / One Off	0	0	50,000	0	0	0	0	0	50,000
1000-502	11046 - Admin - Marketing and Comms - Temporary agency personnel for Website redevelopment project that was extended until end of August (Carryover from prior year) rather than finishing 30 June 2016 as originally planned.	Project Ask / One Off	0	0	34,774	0	0	0	0	0	34,774
1000-300	11053 - Admin-Internal Audit – Org Services departmental restructure will result in the movement of the Risk and Liability Services Unit into the Internal Audit and Risk Group. As per the audit plan FY 2016-17, a review of Public Liability Claims process is scheduled, this will now need to be conducted by an external provider.	Activity Ask / One Off	0	0	30,000	0	0	0	0	0	30,000
1000-601	10119 - Information Management Service Budget Movement from Business Transformation to Information Mgmt - Process Modelling solution (install and licensing). Refer give up submission 1000-100.	Activity Ask / One Off	0	0	27,377	0	0	0	0	0	27,377

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Reserves	Cash Impact
1000-100	10353 - Lean Thinking Practice - Budget Movement from Business Transformation to Information Mgmt - Process Modelling solution (installation and licencing).	Activity Give-Up / One Off	0	0	-27,377	0	0	0	0	0	-27,377
1000-503	11046 - Admin - Marketing & Comms Tobruk EOI contractor fees - SEQ Catchments (\$13,000) to identify suitable ocean floor site that fits criteria and environmental impact; Advisian for projected economic impact, including jobs, from project (\$10,000); graphic design (\$2,600) of submission and collateral (logo for campaign, posters, flyers, t-shirts, EOI submission).	Project Ask / One Off	0	0	25,600	0	0	0	0	0	25,600
1000-501	11046 - Admin - Marketing & Comms - Termination payment.	Project Ask / One Off	0	0	20,905	0	0	0	0	0	20,905
1000-604	20304 - Unified Communications IM – continuation of 2015-16 project, providing Council video conferencing, instant messaging and collaboration services.	Project Ask / One Off	0	0	0	0	393,000	0	0	0	393,000
1000-603	20350 - Server Replacement Activity - VMWare Horizon VDI Replacement.	Activity Ask / Ongoing (in line with 10 year capex program)	0	0	0	0	210,480	0	0	0	210,480
1000-701	41005 - Fleet Replacement Program - Budget request to provide funds for Fleet already purchased under former instruction and 4 x Councillor cars.	Change in Service Expectations / Ongoing (in line with 10 year capex program)	0	0	0	0	163,643	0	0	0	163,643
1000-614	20053 - P&R e-Services/Requests/Customer e-Services - e-Requests and e-Payments (myServices replacement) in conjunction with e-Lodge and e-Customer will deliver the ability for a registered user to view rates, debtors, applications, animals and infringement details and charges; and the ability to pay above via a shopping cart or a guest user to simply pay via a payment reference number.	New Project / One Off	0	0	0	0	150,000	0	0	0	150,000
1000-615	20053 - P&R e-Services/Requests/Customer – CP&A request to Implement E-Lodge & E-Customer to replace eDA, currently administered by state is being replaced, therefore Council won't be able to provide an electronic lodgement option during this time. This will improve customer service, reduce processing times, provide admin efficiencies and improve compliance.	New Project / One Off	0	0	0	0	100,000	0	0	0	100,000
1000-500	20520 –Christmas Tree Cleveland Library Square – This is a replacement request in response to the negative community reaction to the current Christmas tree at Bloomfield and Queen St, Cleveland roundabout being tatty in appearance.	New Project / Ongoing (in line with 10 year capex program)	0	0	0	0	26,000	0	0	0	26,000
1000-602	41005 - Fleet Replacement Program - Budget required for a car for newly appointed Service Manager of (ITIL) Spec within Information Management.	Activity Ask / Ongoing (in line with 10 year capex program)	0	0	0	0	26,000	0	0	0	26,000
1000-610	20006 - Replacement Activity - Desktop Replace 2 scanners. Finance AP and Corporate Scan Room as it is at the end of life and failing.	Activity Ask / Ongoing (in line with 10 year capex program)	0	0	0	0	23,000	0	0	0	23,000
1000-702	41005 - Fleet Replacement Program - Budget request to provide funds for Fleet already purchased under former instruction - 1 car for Legal Services.	New Employee Position / Ongoing (in line with 10 year capex program)	0	0	0	0	22,103	0	0	0	22,103
1000-608	20541 - P&R Core Upgrade & Regulatory Module. Additional resource to assist with the upgrade for 6 weeks.	New Project / One Off	0	0	0	0	9,500	0	0	0	9,500

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Reserves	Cash Impact
1000-616	20053 - P&R e-Services/Requests/Customer - P&R Mobile Inspections proof of concept. To deliver the capability for business areas to connect into mobile inspections. Each business area would need to fund their own implementation once the base capability is in place. There is interest from Health, Local Laws, Animals, Pest Management and City Planning to date.	New Project / One Off	0	0	0	0	8,095	0	0	0	8,095
1000-703	41005 - Fleet Replacement Program - Budget request to provide funds for Fleet already purchased under former instruction - 1 x Tilt Bucket - RD&M.	Project Ask / Ongoing (in line with 10 year capex program)	0	0	0	0	7,779	0	0	0	7,779
1000-401	11050 - Redland WorkCover - Redland Workcover YTD surplus to budget give up as per advice from General Manager.	Activity Give-Up / One Off	0	0	-69,000	0	0	0	0	0	-69,000
1000-101	10132 - Toondah Harbour PDA Budget reduction due to timeframe movements. RIC has also reduced their budget and the total administration budget for 2016-17 is approximately \$900K (\$300K RCC, \$300K MEDQ & \$300K Walker). RCC will require additional budget to cover 50% BDO expenses (estimated at \$30K), and \$15K to cover employee costs incurred to date.	Internals Adjustment / One Off	0	0	-154,888	0	0	0	0	0	-154,888
			0	0	409,347	-59,996	1,139,600	0	0	0	1,488,952
<b>ORGANISATIONAL SERVICES TOTAL SUBMISSIONS</b>			0	0	568,347	-59,996	1,139,600	0	0	0	1,647,952
<b>SUBMISSIONS</b>											
<b>Community and Customer Services</b>											
<b>Project Submissions</b>											
2000-503	Shed Demolition - Runnymede Road - Budget ask for contractors expenditure for the demolition and removal of asbestos of the chicken sheds. This project was delayed in 2015-16 due to discovery of asbestos on the site. Then site taken over by third party and subsequently 2015-16 budget unspent.	Project Ask / One Off	0	0	99,754	0	0	0	0	0	99,754
2000-501	10016 Smoking Reduction in Public Places - Grant Funds received from State for the Reduction of Smoking in Public Places and budget for expenditure of grant.	Reserves Adjustment / Re-alignment / One Off	0	-50,000	50,000	0	0	0	0	0	0
2000-502	Tree Planting Grant Landscaping supplies to complete project life and landscape supplies and contractors expenditure.	Reserves Adjustment / Re-alignment / One Off	0	-6,293	6,293	0	0	0	0	0	0
2000-302	20300 - Call Centre Operating System - ICCCAPEX budget unspent OPEX costs in 2015-16 not included in carryover review, but required for 2016-17. Review commenced May, research and testing is complete. The project delay is due to change over of Skype/Optus network. Budget is for start-up costs and future enhancements (new telephony SW provider).	Project Carryover / One Off	0	0	0	0	70,000	0	0	0	70,000
2000-500	20164 - Argo Trailer - CAPEX give-up/defer to 2018-19. Due to recent overhaul of current machine (Argo unit 287802) required to maintain a viable machine for the stakeholder. Fleet Services assess the machine will be viable to retain in service, therefore the trailer (unit number 2717) replacement is deferred, in line with the machine replacement.	Deferred / Brought Forward Project / One Off	0	0	0	0	-10,000	0	0	0	-10,000
			0	-56,293	156,047	0	60,000	0	0	0	159,754

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Reserves	Cash Impact
<b>Activity Submissions</b>											
2000-708	70085 Planning Scheme Review - Additional 6 months of wages for a level 8 & 8 months of wages for level 7 & 6 to resource the planning scheme project to the current expected commencement date.	Project Ask / Ongoing	0	0	199,983	0	0	0	0	0	199,983
2000-710	11810 Economic Action Plans - Additional funds required to deliver two Action Plans. Quotes received to date revealed a much higher cost than anticipated.	Project Ask / One Off	0	0	130,000	0	0	0	0	0	130,000
2000-704	70085 Planning Scheme Review - Required to fund storm tide re-mapping agreed by Council, external review of the draft City Plan as requested by Council and planning scheme drafting assistance. Storm tide review and re-mapping (\$35K), ecological corridors investigation (\$10K), Thornlands employment investigation (\$15K), External review of planning scheme (\$15K).	Project Ask / One Off	0	0	85,000	0	0	0	0	0	85,000
2000-306	30147 - Home Maintenance (HACC) Recall of unspent 2015-16 COMM HACC grant funding (4-month contract extension for the period 01/07/2015 to 31/10/2015).	Change in Service Expectations	0	0	73,690	0	0	0	0	-73,690	73,690
2000-712	70653 Office of the Group Manager Economic Sustainability - employee costs for Casual Pool Admin Assist.	Activity Ask / One Off	0	0	65,624	0	0	0	0	0	65,624
2000-709	70651 Strong Communities - Additional 7 months wages required for CBD Activation Manager.	Activity Ask / One Off	0	0	64,660	0	0	0	0	0	64,660
2000-312	RPAC Box Office Operations RPAC has undertaken a review of the box office ticketing system as the current ticketing solution is outdated and will no longer be supported once the existing contract expires in May 2017. The ticketing system is part of RPAC core business which processes approximately 25,000 tickets per annum, is accountable for securely processing just under \$650,000 in revenue.	Change in Service Expectations / Ongoing (support and maintenance)	0	0	27,250	0	0	0	0	0	27,250
2000-701	70052 CBD Revitalisation - The early stage of Cleveland CBD activation has identified trader engagement as a critical component. This budget allows for a series of engagement, place-making activities (with specialist placemakers) and street furniture to build a positive platform for future revitalisation. Curated spaces \$10K Consultancy. Trader engagement breakfast \$1.5K.	Project Ask / Ongoing	0	0	20,000	0	0	0	0	0	20,000
2000-707	70085 Planning Scheme Review - Includes all costs associated with the public notification of the planning scheme policies.	Project Ask / One Off	0	0	15,000	0	0	0	0	0	15,000
2000-711	70653 Office of the Group Manager Economic Sustainability and Major Projects Communications strategy.	Activity Ask / One Off	0	0	15,000	0	0	0	0	0	15,000
2000-311	10138 Museums - One off operational payment for NSI Museum to assist the museum with staffing funded from other savings in library services (Refer Submission 2000-310 \$10K give-up).	Change in Service Expectations / Ongoing	0	0	10,000	0	0	0	0	0	10,000
2000-504	41005 Fleet Replacement Budget ask for fleet replacement of vehicle for level 8 Service Manager. Budget for replacement was given up in 2014-15 and not replaced, when due for replacement, as a result of management decisions.	Activity Ask / Ongoing (in line with 10 year capex program)	0	0	0	0	28,000	0	0	0	28,000

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Reserves	Cash Impact
2000-300	40474 RPAC Capital Request for budget. Purchase of new elevated work platform because the old one needed major work due to serious mechanical issues that resulted in high risk to staff safety. Due to the price to rectify, it made more economic sense to purchase a new one. The machine was due to be replaced prior to 2018, i.e. ten year replacement. (Refer to Sub 2000-315 - ICCC underspend)	Activity Ask / One Off	0	0	0	0	12,350	0	0	0	12,350
2000-310	40465 Library Specific Furniture Budget give up as Capalaba desk over quoted (Refer Submission 2000-311 \$10K ask)	Project Give-Up / One Off	0	0	0	0	-10,000	0	0	0	-10,000
2000-713	70653 Office of the Group Manager Transfer Level 5.3 from Strengthening Communities to fund Level 8.3 Program Manager position with vehicle for 7 months.	Activity Ask / One Off	0	0	-14,927	0	0	0	0	0	-14,927
2000-315	11008 - Admin - ICCC Underspend in Salaries and Wages due to vacant positions and staff returning from Maternity Leave and working reduced hours. (Refer to Submissions 2000-300 ask \$12K and 2000-312 ask \$27K).	Activity Give-Up / One Off	0	0	-40,000	0	0	0	0	0	-40,000
			0	0	651,279	0	30,350	0	0	-73,690	681,629
<b>CUSTOMER AND COMMUNITY SERVICES TOTAL SUBMISSIONS</b>			0	-56,293	807,326	0	90,350	0	0	-73,690	841,383
<b>SUBMISSIONS</b>											
<b>Infrastructure and Operations</b>											
<b>Project Submissions</b>											
3000-221	30448 - Aquatic Paradise Dredging - The project budget was estimated using a dredge volume of 45,000m <sup>3</sup> this was based on survey measurements taken at the time. Once the contract was awarded a pre-dredge survey was carried out and the volume was calculated as 52,425m <sup>3</sup> . Budget review is to adjust the budget to compensate for this change. Increase budget from \$1,719,114 to \$1,992,089.	Project Ask / One Off	0	0	263,886	0	0	0	0	-263,886	263,886
3000-206	30085 Major Open Drain Cleaning use of bonds to complete subdivisions Javica South St & Era and South St.	Project Ask / One Off	0	-212,054	212,054	0	0	0	0	0	0
3000-802	71059 - Coastal Adaptation Strategy Development of adaptation strategies that will manage risks associated with the cities coastal and island environments. The advice extends to general planning and engineering assessment on hazards and mitigation options.	Activity Ask / One Off	0	0	40,000	0	0	0	0	0	40,000
3000-235	10260 Norfolk Beach Erosion Rectification - to ensure legislative compliance as the current structure is non-compliant.	Project Ask / One Off	0	0	35,000	0	0	0	0	0	35,000
3000-222	10479 Rid-A-Wreck - New job to cover removal of abandoned vessels which is no longer done by Dept of Marine.	New Project / Ongoing	0	0	30,000	0	0	0	0	0	30,000
3000-231	30253 No Excuses School Road Safety - Put in expense budget and take funding from unearned.	Project Ask / One Off	0	-25,000	25,000	0	0	0	25,000	0	25,000
3000-224	10260 - Norfolk Beach Erosion Protection - Approved via exception report - New job to prepare development application.	Project Ask / One Off	0	0	15,851	0	0	0	0	0	15,851
3000-230	42797 2 Colburn Ave Vic Pt purchase of land plus legals, brokerage etc. Expenses not previously budgeted.	Project Ask / One Off	0	0	0	0	1,708,671	0	0	0	1,708,671
3000-211	40686/46281/42353/46937 Barge Ramps increase budgets to allow completion of the Barge Landing Facility Program with a further contribution of \$152K from Department of Main Roads.	Project Ask / One Off	0	-151,695	0	0	1,124,627	0	0	0	972,932

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Reserves	Cash Impact
3000-228	41189 - Raby Bay New Repair Trial - The initial estimate for this project was based on concept estimates provided by contractors to undertake the work. The costs received from the contractors have been higher than what was provided for the concept estimates. The budget increase reflects these costs. This revenue is sourced from a reserve. The residents association has been asked to consider the budget increase and although it is yet to be confirmed it is likely that they prefer the more expensive option.	Project Ask / One Off	0	0	0	0	900,000	0	0	-900,000	900,000
3000-513	41402 Skate Park Mt Cotton Community Park - Budget ask in total of \$603k but disbursed as per resolution: 12.5.1 Resolution advice 16 where reserve was not included for addition of path and half bowl to skate park + \$21,151 for earthworks and wall plus additional funds due to estimate being over budget allocated - see Objective A1735958, A1735983, A1932488, A1943491, A1957890, A1993766.	Project Ask / One Off	0	0	0	0	603,406	0	0	-633,771	603,406
3000-614	46235 Charlie Buckler Sportsfield Light - Insufficient funds for construction. Estimated requirement from design calculations.	Project Ask / One Off	0	0	0	0	549,300	0	0	-553,733	549,300
3000-306	63006 - Pt Lookout WWTP Require additional funds due to additional purchases - forklift; variation for pipeline costs and chemicals for commissioning. New WWTP Pt Lookout. Aligning reserves - 80% upgrade (to be reserve funded).	Project Ask / One Off	0	0	0	0	420,000	0	0	-1,276,114	420,000
3000-304	63133 - Thorneside WWTP Inlet Works - Additional funds required due to more accurate forecasts from Aquatec Maxcon. \$50k has been transferred from JN 63163 Thorneside outfall upgrade as per RWW capex meeting 06/10/2016.	Project Ask / One Off	0	0	0	0	320,000	0	0	-185,402	320,000
3000-615	41389 Pinklands Sports Lighting Upgrade - Additional funds required to complete park electrical to full AS3000 Compliance including electrical refit of clubhouse.	Project Ask / One Off	0	0	0	0	300,000	0	0	0	300,000
3000-303	64006 - Sewerage Pump Station #6 (Cleveland Showgrounds). Additional funds sought to finalise job requirements and enable project to be completed.	Project Ask / One Off	0	0	0	0	243,000	0	0	0	243,000
3000-314	65046 Birkdale haul road construction - Unused contingency from JN 55073 Birkdale Remediation of which some is requested to be diverted to JN 65046 Birkdale Haul Road Construction capital for road variation.	Movement between Capital & Operational / One Off	0	0	0	0	240,000	0	0	0	240,000
3000-229	41187 - Retention Wall Stabilisation 24 Anchorage Drive to 5 Binnacle - Additional funding required to complete the Geotech Investigation for the 3 retention wall stabilisation jobs in the CAPEX. Rates received in tenders are all over the current allocated budget. Cost savings will be achieved if the additional budget is approved as mobilisation and demobilisation costs will be minimised.	Project Ask / One Off	0	0	0	0	140,000	0	0	-140,000	140,000
3000-218	42816 - Rehabilitation of dredge pond Gravel, employees, good & services, plant hire for construction of a temporary car park at Weinam Ck. \$30K to be received from TMR.	Project Ask / One Off	-12,365	-30,000	0	16,000	136,365	0	0	0	110,000
3000-302	64033 - Sewerage Pump Stn #33 - This should have been a carryover from 2015-16 but was omitted from the submission. Costs have been incurred and the budget required to be corrected. Works include pump installation and pipework rehabilitation.	Project Carryover / One Off	0	0	0	0	120,000	0	0	0	120,000

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Reserves	Cash Impact
3000-226	42781 - Revetment Wall Repair Seacrest Ct 19 - Budget for Geotech investigation is to be brought into current financial year so that project can be fully scoped out in preparation for capital works. Removes reliance on PDG to deliver in same financial year which has not been successful this year.	Project Ask / One Off	0	0	0	0	108,000	0	0	-108,000	108,000
3000-227	42782 - Revetment Wall Repair Piermont Pl 37 - Budget for Geotech investigation is to be brought into current financial year so that project can be fully scoped out in preparation for capital works. Removes reliance on PDG to deliver in same financial year which has not been successful this year.	Project Ask / One Off	0	0	0	0	108,000	0	0	-108,000	108,000
3000-517	41551 Playground Equip Headland Pk NSI - Budget Ask - 100% new. Funded by Parks Reserve. Safety issues - current location is on road reserve and is dangerous as it is very close to road. Equipment also rusting out due to location. Playground being moved into Headland Park. A228914.	Project Ask / One Off	0	0	0	0	105,000	0	0	-105,000	105,000
3000-519	40635 Public Place Projects Design - Budget ask for unbudgeted salary for Landscaper - A1887481 and Landscaper working 2 days per week covering officer on CIP.	Activity Ask / Ongoing	0	0	0	0	100,688	0	0	0	100,688
3000-531	40635 Public Place Projects Design - Budget ask to cover cost of external consultants for the following work - Cultural Heritage Plans for Cylinder Beach and Frenchmen's stairs; Cylinder Beach Foreshore design services; South East Thornlands – youth space design and playground concept.	Project Ask / One Off	0	0	0	0	100,000	0	0	0	100,000
3000-604	41385 Redlands Softball Lighting Upgrade - Additional funds required to complete park electrical to full AS3000 Compliance including electrical refit of clubhouse.	Project Ask / One Off	0	0	0	0	100,000	0	0	0	100,000
3000-525	42855 Boardwalk Orana St to School Road - Boardwalk was badly burnt in fire and needs to be replaced - Email A1992759. Insurance funds will be sought. Replacement and construction cost.	Activity Ask / One Off	0	-100,000	0	0	100,000	0	0	0	0
3000-234	46945 Street Lighting Program Zebra crossing South St Thornlands requires lighting for safe crossing late afternoons and early evening to access pool.	Project Ask / One Off	0	0	0	0	40,000	0	0	0	40,000
3000-216	41569 - SMI Drainage Land Acquisitions - Budget ask based on Council Resolution from General Meeting 17 December 2003. Agreement has now been reached with previous property owner for compensation. Amount required includes legal fees and administration etc.	Project Ask / One Off	0	0	0	0	20,000	0	0	0	20,000
3000-203	42349 Pontoon Upgrade Russell Island transfer grant funding to reserve for future use. Leaving a small budget for items already expended.	Reserves Adjustment / Re-alignment / One Off	0	-125,000	0	0	11,500	0	0	113,500	-113,500
3000-204	46285 William St Breakwater - fund 50% from Department of Transport and Main Roads (DTMR) reserve per agreement.	Reserves Adjustment / Re-alignment / One Off	0	0	0	0	0	0	0	-67,500	0
3000-205	40686 Barge Ramp Upgrade - Coochie - fund 25% from reserve per agreement.	Reserves Adjustment / Re-alignment / One Off	0	0	0	0	0	0	0	-14,343	0
3000-207	40491 One Mile Overflow Parking NSI - increase reserve transfer to full amount of balance.	Reserves Adjustment / Re-alignment / One Off	0	0	0	0	0	0	0	-1,262	0



Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Reserves	Cash Impact
3000-213	42806 - Wellington Street Stage 2 Resurfacing - Ask for new Grants Budget - Part of resurfacing program, project partly funded through TIDS (Transport Infrastructure Development Scheme) (TMR) funding.	Project Ask / One Off	0	-360,000	0	0	0	0	0	0	-360,000
3000-214	42511 - Wellington Street/Northern Arterial Resurfacing - Ask for new grants budget - Part of resurfacing program, project partly funded through TIDS (Transport Infrastructure Development Scheme) (TMR) funding.	Project Ask / One Off	0	-514,189	0	0	0	0	0	0	-514,189
3000-215	70874 - SRRG Capability Development Allocation - Ask for new grants budget - Part of allocation from TIDS (Transport Infrastructure Development Scheme) funds for capability development, TMR funding.	Project Ask / One Off	0	-22,415	0	0	0	0	0	0	-22,415
3000-219	40014 MBC Thornlands (Tindappah - Beveridge) revised grant funding for 2016-17 is to be a reduction of \$162.5k (this 25% progress payment was received earlier than expected on 15-06-2016). There is a transfer from reserves included in this submission to contribute towards the 2016-17 budget expenditure.	Reserves Adjustment / Re-alignment / One Off	0	162,500	0	0	0	0	0	-162,500	162,500
3000-232	40989 Safety Improve, Wynyard St Cleveland Blackspot Project, incorrect budget allocated - giving up some of the expense budget.	Project Ask / One Off	0	0	0	0	-39,766	0	0	0	-39,766
3000-307	64147 - Sewerage Pump Station #47 Increase of reserves to 100% funding, as this is solely driven by Kinross development and therefore can be funded.	Reserves Adjustment / Re-alignment / One Off	0	0	0	0	0	0	0	-6,000	0
3000-521	40961 Carpark Donald Road Redland Bay - Budget Ask - site establishment for Men's Shed being moved from 2017-18 - Council Resolution A1830463.	Project Ask / One Off	0	0	0	50,000	0	0	0	-50,000	50,000
3000-208	41076 Seawall Renewal Cabarita Park, Claytons Rd, Amity Point. Defer design and permit to 2017-18 to ensure deliverability.	Deferred / Brought Forward Project /One Off	0	0	0	0	-70,000	0	0	0	-70,000
3000-609	41148 Avalon Rd Culverts - Project shutdown at client's request. Original scope could not be achieved.	Project Give-Up / One Off	0	0	0	0	-91,000	0	0	0	-91,000
3000-527	10439-RAP Relocation and Partnering Project Community Sports and Recreation - Grants budget give up due to timing.	Project Give-Up / One Off	0	0	-65,000	0	0	0	0	0	-65,000
3000-313	55073 Birkdale remediation unused contingency of which some is requested to be diverted to capital for road variation.	Movement between Capital & Operational / One Off	0	0	-418,000	0	0	0	0	0	-418,000
3000-699	Macleay Island Boat Ramp and Carpark pushed back to 2017-18 as per ELT	Deferred / Brought Forward Project /One Off	0	800,000	-800,000	-136,000	-3,128,000	0	0	0	-3,264,000
			-12,365	-577,853	-661,209	-70,000	4,269,791	0	25,000	-4,462,010	2,973,364
<b>Councillor Requests</b>											
3000-508	20294 - Station masters cottage - Moving the stations masters cottage as per council resolution 27 July 2016 Item 16.1.2.	Activity Ask / One Off	0	0	0	0	152,000	0	0	0	152,000
			0	0	0	0	152,000	0	0	0	152,000

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Reserves	Cash Impact
<b>Activity Submissions</b>											
3000-200	10912 Raby Bay Eastern Channel Dredging - General Meeting resolution – This operational budget was incorrectly entered as a fully funded project when it was a 50/50 funding arrangement, an exception report was prepared and a subsequent council report, see Council Resolution 24 August 2016 A124442. Refer also submission 3000-250 below.	Change in Service Expectations / One Off	0	-60,000	920,600	0	0	0	40,000	0	900,600
3000-250	10912- Raby Bay Eastern Channel Dredging - further contribution of \$0.8M (ex GST) from TMR, which will obligate RCC to fund an additional expenditure budget of \$0.8M.	Project Ask / One Off	0	-800,000	800,000	0	0	0	0	0	0
3000-601	30253 Thorneside Train Station Park and Ride - Revenue from Dept of Transport. Asset belongs to Dept of Transport. RCC undertaking works on their behalf.	Change in Activity Revenue / One Off	0	-777,210	777,210	0	0	0	777,210	0	777,210
3000-305	55531 - Closed Landfill Administration - Adjust closed landfill offset to align to budget, post carryover from JN 55073 Birkdale Landfill Capping and budget give ups (refer 3000-312 and 3000-313).	Business Unit Adjustment / One Off	0	0	283,690	0	0	0	0	0	283,690
3000-209	10386 Open Drain Restoration Ross Creek silt removal was planned and funded in 2015-16 but not completed. Contract has been awarded.	Activity Ask / One Off	0	0	70,000	0	0	0	0	0	70,000
3000-101	56000 - GM Infrastructure & Operations - Mercer Consulting p/o 249239 Water and Waste Infrastructure Strategic Workforce Plan LOA Ref: Q-HRU10208A, 21/09/16 RCC File No. A1960666. Coachstation p/o 249390 Water & Waste Coaching and Mentoring Quote Ref: INV-0098 Reference RCC WW 1 Att: Steve Riddle	Activity Ask / One Off	0	0	51,860	0	0	0	0	0	51,860
3000-523	10461- Cultural Heritage Mgt Planning - The development of a Cultural Heritage Management Plan for Point Lookout Headland in collaboration with QYAC, RCC, and stakeholders on site including Point Lookout Surf Lifesaving and board riding clubs. Using Environmental Maintenance reserve.	Activity Ask / One Off	0	0	40,000	0	0	0	0	-40,000	40,000
3000-100	56000 - GM Infrastructure and Operations - Davison Recruitment p/o 247556 Rendering of Fees - Placement Fee for General Manager Infrastructure and Operations.	Activity Ask / One Off	0	0	37,500	0	0	0	0	0	37,500
3000-600	42603 Gorge Walk Trailhead, Pt Lookout Funding approved from Transport Dept Main Roads and Council agreed to contribute.	Change in Activity Revenue / One Off	0	-300,000	0	0	600,000	0	0	0	300,000
3000-310	64048 - Sewerage Pump Station #48 (Birkdale). Require additional \$100k as requested RWW capex meeting 06/10/2016.	Activity Ask / One Off	0	0	0	0	100,000	0	0	0	100,000
3000-602	JN 41327 Bus Shelter - Redlands Hospital Variation to original Grant from Passenger Tpt Facilities Program.	Change in Activity Revenue / One Off	0	-35,800	0	0	35,800	0	0	0	0
3000-217	41005- Fleet and maintenance equipment Hyundai i30 for dedicated after hours vehicle, Kombi tool for drainage maintenance, 2 x electric Jackhammers for signage crews, split aircon for Russell Is depot.	Activity Ask / One Off	0	0	0	0	33,500	0	0	0	33,500
3000-309	63120 - Switchboards Request additional \$30 as per RWW capex meeting 06/10/2016 for additional works requirements.	Activity Ask / One Off	0	0	0	0	30,000	0	0	0	30,000
3000-507	44744 - Sport and Recreation land acquisition- Parkland acquisition Russell Island - Sandy Beach.	Activity Ask / One Off	0	0	0	0	23,000	0	0	0	23,000
3000-201	10911 Toondah Harbour Dredging remove lines for unearned revenue as there are no funds available.	Reserves Adjustment / Re-alignment / One Off	0	9,000	0	0	0	0	-9,000	0	0

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Reserves	Cash Impact
3000-202	70002 Emmet Dve Ramp Toondah Harbour Dredging - add line for transfer from unearned revenue.	Reserves Adjustment / Re-alignment / One Off	0	-36,630	0	0	0	0	36,630	0	0
3000-210	30179 and 30366 Ferry Licences greater than expected revenue received for licences.	Activity Ask / One Off	0	-100,000	0	0	0	0	0	0	-100,000
3000-315	64071 - Pump Station #71 (Pt Lookout) - Remove reserve funding as these funds are diverted elsewhere.	Activity Give-Up / One Off	0	0	0	0	0	0	0	-20,000	0
3000-603	JN 42362 Billiau Rd, Mt Cotton Upgrade Grant for Milestones 2 and 3. Recognising income.	Change in Activity Revenue / One Off	0	-152,742	0	0	0	0	0	0	-152,742
3000-506	20293 - Willard Farm Land Purchase - Give up budget from Willard Farm contractor to be able to fund priority project 20294 - Station Masters Cottage as per council resolution.	Activity Give-Up / One Off	0	0	0	0	-125,000	0	0	0	-125,000
3000-311	55011 - Waste Strategy - Give up of budget allocated for ACCC approval for downstream contract as not required.	Activity Give-Up / One Off	0	0	-7,500	0	0	0	0	0	-7,500
3000-401	53100 - Irrigation Field Maintenance - This money can be given up as the irrigation field repairs are not urgent this financial year.	Activity Give-Up / One Off	0	0	-25,000	0	0	0	0	0	-25,000
3000-312	55013 Redland Bay Remediation - Give up unspent budget allocation for leachate removal.	Activity Give-Up / One Off	0	0	-25,000	0	0	0	0	0	-25,000
3000-530	10231 - Public Facilities All Island Facilities Services Unit budget give up due to timing and resources.	Activity Give-Up / One Off	0	0	-25,000	0	0	0	0	0	-25,000
3000-528	10011 - Capalaba Place Facilities Services Unit budget give up due to timing and resources.	Activity Give-Up / One Off	0	0	-35,000	0	0	0	0	0	-35,000
3000-529	30127 - Depot Facilities Mainland Facilities Services Unit budget give up due to timing and resources.	Activity Give-Up / One Off	0	0	-40,000	0	0	0	0	0	-40,000
3000-403	Various jobs Infrastructure and Operations - Contractor costs give up based on 2015-16 and run rate analysis.	Activity Give-Up / One Off	0	0	-250,000	0	0	0	0	0	-250,000
3000-526	30283 - Willard Farm Maintenance 80% Budget give up for Willard Farm Maintenance.	Activity Give-Up / One Off	0	0	-400,000	0	0	0	0	0	-400,000
			0	-2,253,382	2,173,360	0	697,300	0	844,840	-60,000	1,462,118
<b>INFRASTRUCTURE AND OPERATIONS TOTAL SUBMISSIONS</b>			<b>-12,365</b>	<b>-2,831,234</b>	<b>1,512,151</b>	<b>-70,000</b>	<b>5,119,091</b>	<b>0</b>	<b>869,840</b>	<b>-4,522,010</b>	<b>4,587,482</b>
<b>TOTAL SUBMISSIONS</b>			<b>-12,365</b>	<b>-635,523</b>	<b>1,997,929</b>	<b>-129,996</b>	<b>6,390,241</b>	<b>4,757,380</b>	<b>-3,887,540</b>	<b>-4,595,700</b>	<b>8,480,127</b>

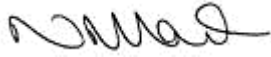
Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Redemption / Drawdowns	Reserves	Cash Impact
<b>TRANSFERS</b>												
<b>Chief Executive Officer Groups</b>												
0000-300	11450 - Traineeship Program - Transfer from reserve for traineeships completed and expenditure incurred in 2015-16 financial year. Transfer from reserve wasn't budgeted to drawdown from reserve so is being corrected now in 2016-17 year.	Reserves Adjustment / Re-alignment	0	0	0	0	0	0	0	0	-31,500	0
0000-000	Adjustment to reflect change to paying interest in arrears instead of advance as part of the QTC loan restructuring.	Re-alignment	0	0	0	0	0	0	0	2,129,120	0	2,129,120
	Corresponding entry		0	0	0	0	0	0	0	-2,129,120	0	-2,129,120
0000-403	10008 - Capital & Asset Accounting Movement between Finance Units, savings in BPU to offset CFU Temporary Agency expenses.	Activity Ask	198	0	106,795	0	0	0	0	0	0	106,993
	Corresponding entry		-198	0	-106,596	0	0	0	0	0	0	-106,795
0000-406	10320 - BPU - Organisational & Community Movement between Finance Units, savings in BPU to offset FSU increase hours.	Activity Ask	110	0	13,155	0	0	0	0	0	0	13,265
	Corresponding entry		-110	0	-13,155	0	0	0	0	0	0	-13,265
0000-407	10320 - BPU - Organisational & Community Movement between Finance Units, BPU to FSU, Fleet budget for retired officer's car.	Activity Ask	-5,616	0	0	0	0	0	0	0	0	-5,616
	Corresponding entry		5,616	0	0	0	0	0	0	0	0	5,616
0000-410	11001 - Admin - Mayor's Office - Movement from consultants to mandatory training.	Transfer	0	0	95,760	0	0	0	0	0	0	95,760
	Corresponding entry		0	0	-95,760	0	0	0	0	0	0	-95,760
0000-411	11041 - Admin Financial Services Grp Mgt - Finance contribution to the preferred supplier's body of work - Consultancy	Business Unit Ask	0	0	28,000	0	0	0	0	0	0	28,000
	Corresponding entry		0	0	-28,000	0	0	0	0	0	0	-28,000
<b>Chief Executive Officer Groups TOTAL TRANSFER SUBMISSIONS</b>			<b>0</b>	<b>0</b>	<b>198</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-31,500</b>	<b>198</b>
<b>TRANSFERS</b>												
<b>Organisational Services</b>												
1000-704	Various Jobs council wide - Internal short term plant hire adjustment for SGAs where the 2015-16 financial year spend was greater than \$5K, to align to the spend in 2015-16, this adjustment will align budgets overall, total value \$233K.	Internals Adjustment	-233,364	0	0	0	0	0	0	0	0	-233,364
	Corresponding entry		181,334	0	0	0	52,031	0	0	0	0	233,364
<b>ORGANISATIONAL SERVICES TOTAL TRANSFER SUBMISSIONS</b>			<b>-52,031</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,031</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Redemption / Drawdowns	Reserves	Cash Impact
<b>TRANSFERS</b>												
<b>Community &amp; Customer Services</b>												
2000-301	11008 ICCC Operational Budget - Reallocation of operational budget for purchase of office assets (Varidesks).	Movement between Capital & Operational	0	0	0	0	1,568	0	0	0	0	1,568
	Corresponding entry		0	0	-1,568	0	0	0	0	0	0	-1,568
<b>COMMUNITY AND CUSTOMER SERVICES TOTAL TRANSFER SUBMISSIONS</b>			<b>0</b>	<b>0</b>	<b>-1,568</b>	<b>0</b>	<b>1,568</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TRANSFERS</b>												
<b>Infrastructure and Operations</b>												
3000-236	30174 Weinam Creek Carpark accounting adjustment - incorrect from original budget.	Change in Activity Revenue	0	-3,021	0	0	0	0	0	0	0	-3,021
	Corresponding entry		0	3,021	0	0	0	0	0	0	0	3,021
3000-500	10501 - Internment Administration Transfer contractor budget to employee costs with the commencement of new Senior Advisor position.	Business Unit Adjustment	0	0	-90,000	0	0	0	0	0	0	-90,000
	Corresponding entry		0	0	90,000	0	0	0	0	0	0	90,000
3000-301	63900 DAP Capalaba WWTP switchboard - Transfer budget from contractors to employee costs due to the fact that the work has been done internally rather than 100% contractors expense.	Internals Adjustment	0	0	0	0	10,000	0	0	0	0	10,000
	Corresponding entry		0	0	0	0	-10,000	0	0	0	0	-10,000
3000-503	40612 - Bay Island Sport and Resilience hub installation of security screening at the Sport and Resilience Hub, Russell Island after vandalism causing a number of broken windows.	Business Unit Adjustment	0	0	0	0	30,000	0	0	0	0	30,000
	Corresponding entry		0	0	0	0	-30,000	0	0	0	0	-30,000
3000-400	55113 - Birkdale Landfill and 55117 Judy Hold Park - These jobs are no longer used and they are not relating to rateable properties. Budget removed to clean up.	Internals Adjustment	22,125	0	0	0	0	0	0	0	0	22,125
	Corresponding entry		-22,125	0	0	0	0	0	0	0	0	-22,125
3000-516	42105 Weinam Creek Wetland Pk Skatepark Transfer costs - only \$10,000 needed for operational costs - see Objective A1943491.	Movement between Capital & Operational	0	0	0	0	52,890	0	0	0	15,353	52,890
	Corresponding entry		0	0	0	-52,890	0	0	0	0	0	-52,890
3000-605	41566 Collingwood Pitt Rd Major Culvert Transfer between employee costs and goods and services. No longer being constructed this financial year. Funds required for design.	Internals Adjustment	0	0	0	0	-50,000	0	0	0	0	-50,000
	Corresponding entry		0	0	0	0	50,000	0	0	0	0	50,000
3000-606	41567 Serpentine Creek Rd Major Culvert Transfer between employee costs and goods and services. No longer being done by PDG internal construction crews. Funds required for design.	Internals Adjustment	0	0	0	0	-50,000	0	0	0	0	-50,000
	Corresponding entry		0	0	0	0	50,000	0	0	0	0	50,000
3000-607	42388 Recreational Boat Ramp Facility Transfer between employee costs and goods and services. No longer being done by PDG internal construction crews. Funds required for design.	Internals Adjustment	0	0	0	0	-100,000	0	0	0	0	-100,000
	Corresponding entry		0	0	0	0	100,000	0	0	0	0	100,000
3000-608	40028 Canoe Launching Pontoon, Ormiston Transfer between employee costs and goods and services. No longer being done by PDG internal construction crews. Funds required for design.	Internals Adjustment	0	0	0	0	-120,000	0	0	0	0	-120,000
	Corresponding entry		0	0	0	0	120,000	0	0	0	0	120,000

Submission Number	Submission Description	Reason	Internals	Revenue	Operating Expenditure	Operating Costs associated with Capital Expenditure	Capital Expenditure	Depreciation	Balance Sheet Adjustments	Redemption / Drawdowns	Reserves	Cash Impact
3000-616	20531 - PDG Corp Allocation Transfer of \$497,054.07 between goods and services and employee costs to reflect changes in jobs confirmed after original budget upload.	PDG Corporate Allocation	0	0	243,321	0	-510,379	0	0	0	0	-267,058
	Corresponding entry		0	0	-243,321	497,054	13,325	0	0	0	0	267,058
<b>INFRASTRUCTURE AND OPERATIONS TOTAL TRANSFER SUBMISSIONS</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>444,164</b>	<b>-444,164</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,353</b>	<b>0</b>
<b>TOTAL TRANSFERS</b>			<b>-52,031</b>	<b>0</b>	<b>-1,370</b>	<b>444,164</b>	<b>-390,565</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-16,147</b>	<b>198</b>

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**11.3 ORGANISATIONAL SERVICES****11.3.1 ADOPTION OF ANNUAL REPORT 2015-16**

<b>Objective Reference:</b>	<b>fA36608</b> <b>Reports and Attachments (Archives)</b>
<b>Attachment:</b>	<a href="#"><u>Annual Report 2015-16</u></a>
<b>Authorising Officer:</b>	 <b>Nick Clarke</b> <b>General Manager Organisational Services</b>
<b>Responsible Officer:</b>	<b>Jo Jones</b> <b>Acting Group Manager Corporate Governance</b>
<b>Report Author:</b>	<b>Joanne Costin</b> <b>Team Leader Governance Services</b>

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**PURPOSE**

The purpose of this report is to recommend to the General Meeting that the Annual Report 2015-16 be adopted. The annual report provides an overview of the financial year, including financial statements, performance data and other statutory information.

The final draft of the Annual Report 2015-16 will be distributed to Councillors separately. Council must publish its annual report on its website within two weeks of adoption.

**BACKGROUND**

Each year, Council adopts an annual report, as required by the *Local Government Act 2009*. The annual report must contain information on Council's financial position, an assessment of its performance in implementing its corporate and operational plans as well as a number of other issues of public interest which are specified in the legislation.

A copy of the Annual Report 2015-16 must be approved by Council before being published.

The final draft of the Annual Report 2015-16 has been prepared for consideration by Councillors and is currently being graphically designed. A copy of the designed version will be circulated before the meeting.

The annual report reviews in detail Council's financial and operational performance for the 2014-15 financial year against the goals set out in the Corporate Plan 2015-2020 and Council's 2015-16 budget.

The report includes Council's audited financial statements and the status of projects budgeted for the 2015-16 financial year, reflecting Council's operational plan. Other content meets Council's reporting obligations under the *Local Government Act 2009* and supporting regulations.

## ISSUES

The Annual Report 2015-16 has been prepared in accordance with the *Local Government Act 2009* and includes performance information linked to Council's Corporate Plan 2015-2020.

## STRATEGIC IMPLICATIONS

### Legislative Requirements

Under section 182 of the *Local Government Regulation 2012*, Redland City Council is required to adopt its annual report within one month after the day the Auditor-General gives the audit report about Council's financial statements for the financial year to the local government.

### Risk Management

The Annual Report 2015-16 includes details of Council's risk management arrangements. There are no direct risk management issues arising from this report.

### Financial

Costs relating to the preparation of the annual report have been met from Council's existing budgets.

### People

The Annual Report 2015-16 includes details of Council's organisational structure as well as information about our employees and Council's People Strategy. There are no direct implications to Council employees resulting from this report.

### Environmental

The Annual Report 2015-16 includes performance indicators about environmental issues, particularly relating to the Healthy Natural Environment and Green Living outcomes within Council's Corporate Plan. The report will be published online, so there will be no environmental impact.

### Social

A number of social issues are captured within the annual report, including performance indicators relating to the Strong and Connected Communities outcome in the Corporate Plan.

Publication of the annual report is a statutory requirement, which provides the community with a range of information about Council's activities throughout the 2015-16 financial year.

There are no direct social implications resulting from the adoption of the Annual Report 2015-16.

### Alignment with Council's Policy and Plans

The annual report aligns with outcome eight in the Corporate Plan 2015-2020: Inclusive and Ethical Governance.

## CONSULTATION

The Mayor, Councillors and the Executive Leadership Team were consulted about the content of the Annual Report.



**OPTIONS**

The adoption and publication of the annual report is a statutory requirement. Therefore, the only options are to adopt the report or adopt with amendments agreed at the General Meeting.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

**Moved by:** Cr P Bishop  
**Seconded by:** Cr T Huges

**That Council resolves to adopt and publish the Redland City Council Annual Report 2015-16.**

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.



**Redland**  
CITY COUNCIL

# Annual Report

2015-16



## Glossary of common terms used in this annual report

**Annual Report** – Council's report on its annual performance, including statements about annual performance, financial statements and disclosures required under legislation.

**Capital works program** – Program of scheduled infrastructure works generally encompassing capital works for road, drainage and building assets.

**Corporate Plan** – A strategic document that sets out Council's plans over five years. It outlines the strategies to be undertaken to achieve the vision and outcomes in the Redlands 2030 Community Plan. It is a legal requirement under the *Local Government Act 2009* for Council to adopt a Corporate Plan.

**Councillors** – Elected members of Council.

**Diversity** – Understanding that each individual is unique, and recognising our individual differences.

**External audit** – An official inspection of an organisation's accounts, processes and procedures, typically by an independent body.

**Financial year** – The 12 months between 1 July of one year and 30 June of the next year. This Annual Report is for the 2015-16 financial year, which spans 1 July 2015 to 30 June 2016.

**Full-time equivalent (FTE)** – The hours worked by one or more staff members that are the equivalent of a full-time employee. For example, this may involve a full-time employee working 36.25 hours per week or two part-time employees each working 18.13 hours per week.

**Governance** – How decisions are made and implemented and how organisations are managed and controlled to achieve objectives. Governance also describes the ways an organisation can be held accountable.

**Key performance indicator** – Evidence of the degree to which Council's actions are achieving intended objectives, for the purposes of monitoring progress.

**Local laws** – The laws adopted by Council that prohibit, regulate and control activities, events, practices and behaviours within Redland City.

**Operational Plan** – A one-year plan that sets out activities to be undertaken in that particular year to achieve the Corporate Plan. An Operational Plan is a legal requirement for Queensland councils under the *Local Government Act 2009*.

**Statutory** – Required under a law or legislation.

**External audit** – An official inspection of an organisation's accounts, processes and procedures, typically by an independent body.

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# Introduction

Each year, Redland City Council publishes an Annual Report. This is a requirement of the *Local Government Act 2009*. The report provides an update to our community about Council's finances, performance and how we have delivered against our plans.

Some information included in this report is required under legislation. An index of this statutory information can be found on pages 70-75.

This Annual Report is the first report against our new Corporate Plan 2015-2020, which reflects the Redlands 2030 Community Plan. It also includes a summary of performance against Council's Operational Plan 2015-16.

## About Redland City

**Traditional (Aboriginal) Owners:** Council acknowledges the Quandamooka People as the Traditional Owners of the lands, winds and waters of the Redlands. The clans of the Quandamooka People include the Nunukul, Ngughi and Goenpul.

## Our city

**Location:** South-east of Brisbane, Queensland

**Area:** 537 square kilometres

**Geography:** Mainland, coast, hinterland and islands (North Stradbroke Island, Coochiemudlo and Peel Islands and the Southern Moreton Bay Islands of Karragarra, Lamb, Macleay and Russell)

**Economy:** Retail trade, health care and social assistance, construction, education and training

**Population:** 149,989<sup>1</sup>



<sup>1</sup> Source – Australian Bureau of Statistics (June 2015 estimated residential population)

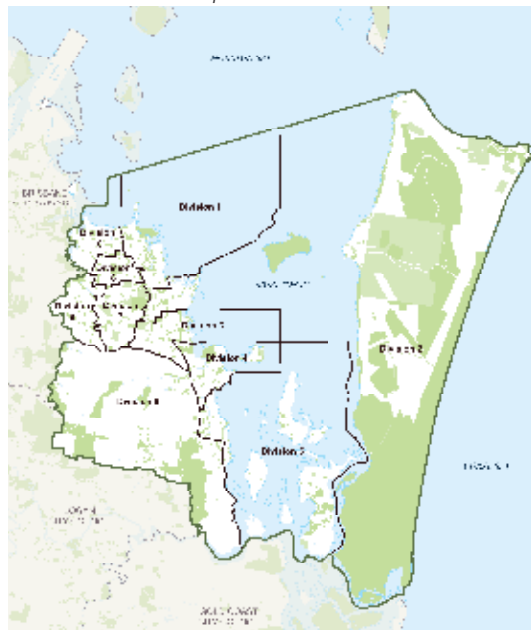
## Divisional boundary changes

On 16 October 2015, following a review of local government divisional boundaries, the Electoral Commission Queensland (ECQ) made changes to various local government divisional boundaries. The ECQ determined that our city be re-divided into 10 divisions, with some changes to existing boundaries to ensure voter numbers were evenly distributed across these divisions. The changes for our city came into effect on 19 March 2016.

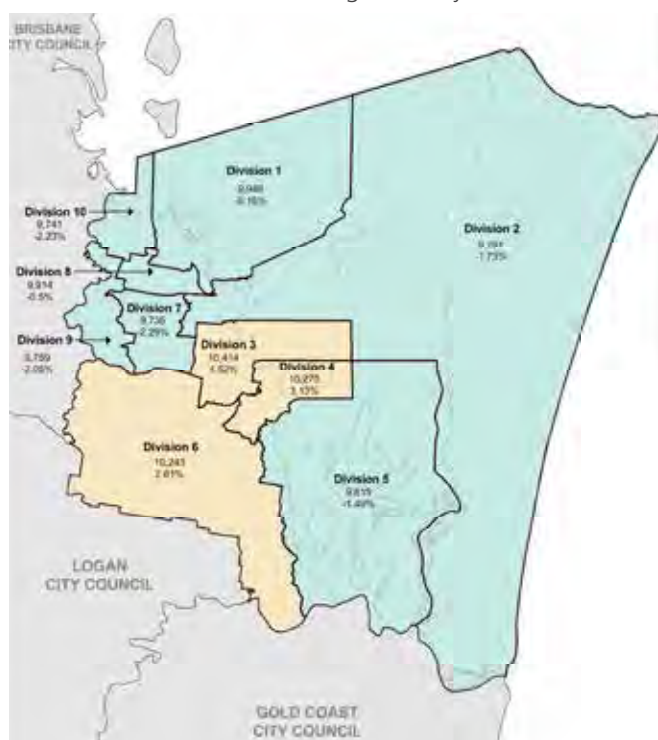
To review the full report for Redlands, visit the [ECQ website](#).

## Redland City Council Electoral Division Boundaries

*Division boundaries prior to review*



*New division boundaries following boundary review*



maps © The State of Queensland 2015

# Vision, mission and values

## Our vision

**Forward thinking, engaged and focused on enriching community lifestyles.**

## Our mission

**Make a difference, make it count.**

## Our values

### Customer service

- We deliver on our commitments and provide excellent customer service.

### One team

- We co-operate and collaborate within and across teams.
- We support our people to perform at their best.

### Accountability

- We take ownership of our responsibilities.
- We are professional and ethical in all we do.

### Growth

- We challenge ourselves to deliver better value for money.
- We will be better tomorrow than we are today.

### Communication

- We are open, honest and constructive in all communications.



# A message from our Mayor and CEO

## From our Mayor

The economic uncertainty that clouded much of 2015-16 saw Council continuing its focus on seeking savings and minimising cost-of-living pressures for our residents.

To ensure future rate rises could continue to be kept at a minimum, Council maintained a business-as-usual and 'no frills' course, which has allowed us to enter the new financial year in good shape, after consecutive operating surpluses.

I made the point in last year's Annual Report that Redland City's strong financial position – underpinned by growing community equity, substantial cash reserves and the lowest local government debt per household in South East Queensland – provided our city with security for the future. I am proud to report that this was further consolidated in 2015-16.

Successive responsible budgets have provided the Redlands with a substantial financial buffer and we navigated 2015-16 with the reassurance that we could not only continue to meet the demands of a growing city but also insulate residents against the full impact of rising costs that are outside of our control.

Among the heftiest of these imposts continued to be the State Government's bulk water charges, with the 2015-16 increase being offset by Council.

Our sound position is very much the product of a whole-of-council effort. Our Chief Executive Officer Bill Lyon and all employees, from our Executive Leadership Team to our crews on the front line, are to be congratulated for the position Council is in.

As Mayor, I am continually heartened by the positive approach we are adopting as an organisation – whether that's through simple pride in the job, innovative thinking or self-improvement – and we can all be very proud of what we achieved through the year.

Our commitment to finding the cost savings and efficiencies that allowed us to produce another enviable result will not diminish, however, this has not meant less attention has been afforded our long-term strategic goals. Quite the contrary.

Council established its new Economic Development Advisory Board under the leadership of communications industry executive Samantha Kennedy and I am excited by its potential. Other members of the board are Jordan Duffy, Jerry Harris, Terry Morris, Catherine O'Donnell and Dr John O'Donnell. This board is of the highest calibre and it has the undeniable experience and expertise to ensure quality strategic advice is presented to Councillors so we can play our part in supporting the local economy and creating local jobs.

The board's first steps have been to prioritise development of action plans for the following sectors, which have the potential to be substantial employment generators:

- health care and social assistance
- education, innovation and training

We have also taken significant strides along the road to showcasing the Redlands as a tourism hotspot and ensuring tourism operators have the support they need. Since we adopted the **Redland City Tourism Strategy and Action Plan 2015–2020** in June 2015, the need to develop our tourism industry became more urgent with the State Government confirming that sand mining will end on North Stradbroke Island by 2019.

*In 2015-16, our reputation as an events destination was further enhanced and, as our renown continues to grow, so too will our community pride and wellbeing.*

During this time the city and North Stradbroke Island's most significant development – the \$1.39 billion Priority Development Area project for Cleveland's Toondah Harbour – was referred by developer Walker Group to the Commonwealth Environment Minister to consider the project's potential environmental impacts and benefits, with a decision expected in 2016-17.

The foundation was also laid this year to ensure Council's wholly-owned subsidiary company, Redland Investment Corporation, is successful in supporting our economy and providing new revenue sources to Council. The company's board was finalised and three external finance, property and construction professionals – Philip Hennessy, Greg Kempton and Mitch Nielsen – were appointed to lead the business. It performed its role well in progressing Toondah Harbour and our other Priority Development Area project at Redland Bay's Weinam Creek, with important foundational documents, the Development Management Agreement and Infrastructure Agreement, being signed by project partners.

This has been a year of consolidation for a city of which we can all be proud. That, however, does not mean it cannot be better – and guaranteeing that we are in a position to meet that challenge has been at the heart of our efforts.

Council's new four-year term was heralded in on 19 March 2016 with three new Councillors elected. I would like to thank the previous Council for its collective guidance and congratulate members of the new Council for their preparedness to work together in the interests of the whole city. Through collaboration and unity of purpose, much more can be achieved in this current Council term.

I would also like to thank Council staff and our many dedicated volunteers for their much-appreciated efforts and especially our residents, whose spirit of community make the Redlands truly the best place to live, work, relax and do business.



**Councillor Karen Williams**  
**Mayor of Redland City**



## From our CEO

Redland City continued to build on its strong financial and operational performances through 2015-16, working towards Council's vision, mission and values, and meeting the needs of residents while continuing to invest in the future.

Our business-as-usual approach produced a third successive operating surplus.

We have achieved this while modestly increasing capital expenditure, reducing debt and supporting a high level of service to the community.

That this has been achieved against the backdrop of economic unpredictability and the cumulative effects of hefty cost increases – in particular the State Government's bulk water charge – speaks volumes of the efforts of Council staff.

I have been encouraged by the genuine and, at times, inspired efforts to work smarter to minimise cost-of-living pressures on our communities while still delivering a substantial city-wide capital works program.

Development and implementation of a range of cost-saving measures continued through the year and, while many of them may seem small, they will have a substantial cumulative effect. This has been very much a year which has positioned Council to achieve future savings.

Our pursuit of innovative ways to deliver major projects more efficiently in the future continued during 2015-16. The review of our Portfolio Management Office is well advanced, with a new framework ready for testing in 2016-17.

The rewards and operating improvements that will come from this and our Business Transformation program will take hold in the new financial year.

We also introduced a new specialist after-hours service provider to ensure smooth handling of residents' needs outside of normal hours. That provider, Well Done International, specialises in local government and understands the impact of weather-related events and other service issues on organisations such as ours.

Council's new Economic Development Advisory Board was established, with the sixth member appointed in May 2016. Redland City is fortunate to have attracted such a highly credentialled and respected team of business and industry identities under the leadership of communications industry executive Samantha Kennedy.

Having people of this calibre, experience and expertise on board will be of immense value to Council as it plans for this city's economic and employment future. It has already begun to forge the strong partnerships needed to create the climate for local business and jobs creation.

Meanwhile, the board of the Redland Investment Corporation – a wholly-owned Council subsidiary company – was finalised, with the foundations laid for it to provide new revenue sources to Council and further support development of our economy.

It will continue to play a lead role on Council's behalf in progressing our Priority Development Area projects at Cleveland's Toondah Harbour and Redland Bay's Weinam Creek.

In April 2016, the \$1.39 billion Toondah Harbour redevelopment – this city's most significant project – was referred by the developer, The Walker Group, to the Commonwealth Environment Minister to consider the potential environmental impacts and benefits. Council is awaiting that decision.

The corporation – which is tasked with getting best value and improved use from surplus land and assets that are not integral to the Redlands Open Space Strategy or the Redlands 2030 Community Plan - is focused on advancing Council's interests during the State Government's Priority Development Area process.

*Just as this organisation has 'future-proofed' its operational capabilities, it has been intent on identifying and developing its leaders of the future.*

A number of initiatives in the area of leadership development were progressed, with the Integrated Leadership Development Strategy 2016-2020 endorsed by Council, as well as our Leadership Capability Framework, which will help us build strong, visible and capable leaders.

All of our leadership development programs are now aligned to the new strategy and framework, to ensure our leaders are receiving the right skills, knowledge and experience to better deliver on our business goals and, ultimately, provide a better service and quality of product to our community and customers.

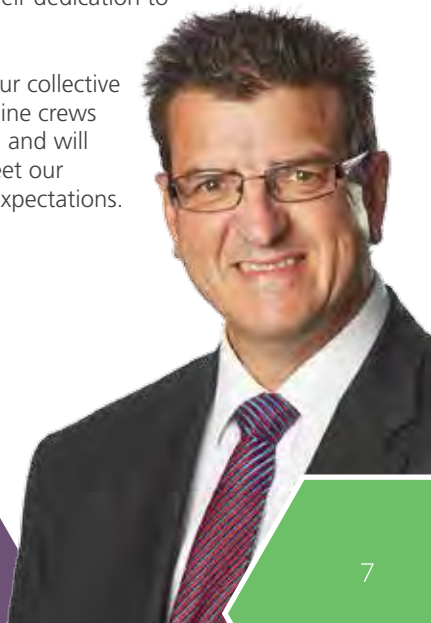
From day one as CEO, worker safety has been a core value for me and I am particularly pleased to report that our safety record continued to improve in 2015-16, with 19 lost-time injuries – down from 21 and 31 the previous two years. I believe one injury is still too high but I am encouraged that our safety consciousness and essential safety training is paying real dividends, both to the organisation and, more importantly, to the individuals who avoid injury.

I would like to thank Mayor Karen Williams and Councillors for their direction and my fellow members of the Executive Leadership Team for their valued guidance and leadership. I would especially like to put on record my appreciation for the efforts of our team and their dedication to our community.

The bottom line is that through our collective efforts – from those of our front-line crews to our executive leaders – we are, and will continue to be, well placed to meet our challenges head on and surpass expectations.



**Bill Lyon**  
CEO of Redland City Council





# Review of 2015-16 highlights

## Forward thinking

Council moved to take local businesses to the world in July 2015 by adopting a revised International Relations Policy aimed at increasing trade and employment opportunities. The International Relations Policy and Guidelines cements the city's growing reputation as a target for international investment by fortifying the Redland's existing international ties and forging new ones. The Redlands already has strong ties with Qinhuangdao in China and Kani City in Japan.

## Trade college opens

The Australian Industry Trade College announced in July 2015 that it would open a new campus at Cleveland's Toondah Harbour. The Council-owned land was selected after comprehensive consultations with developer Walker Group Holdings and the wider community, based on its potential to provide skilled young workers for the Redlands' Priority Development Area project nearby. The college opened in March 2016.

## Park blooms

Community groups presented fashion parades, exercise classes and rock 'n' roll performances in Bloomfield Street Park to celebrate the August 2015 opening of the reinvigorated community space. Upgrading the park in the heart of Cleveland delivered on Council's ongoing commitment to activate the CBD through a vibrant event and activities space. Redlands residents helped to shape the park's facelift by responding to a Council 'call for ideas' campaign and attending Buzz in the Park days.

## Investing in the future

The final two external board directors were appointed to the Redland Investment Corporation (RIC) in August 2015. Council's investment arm was established to generate new revenue streams and help minimise rate increases by identifying alternative revenue sources for Council. The corporation is also managing the development of Cleveland's Toondah Harbour and Redland Bay's Weinam Creek Priority Development Areas on behalf of Council.

## Resilience hub for Bay Islands

The new \$1 million Bay Islands Sport and Resilience Hub was officially opened in October 2015 on Russell Island, complementing the \$2 million Bay Islands Sports Field that opened in October 2013. The hub is a multi-purpose facility that can be used for community activities as well as a centre for the Southern Moreton Bay Islands' disaster training and response.

## Master-planned community

Council conditionally approved the application made to Council for the Shoreline master-planned urban community in November 2015. The \$2.3 billion project in the southern Redlands proposes a mix of lot sizes, a new town centre, employment, recreational and sporting facilities, cycle ways and footpaths network, bus-accessible internal road structure and a network of open space corridors, conservation land and parks. Shoreline, which had been planned over more than a decade, is expected to deliver thousands of jobs and substantial economic boost for the city.

## Centre of excellence

A plan was unveiled in November 2015 for a potential \$50-\$60 million surf life-saving centre of excellence to be set up in Cleveland. Council voted to explore options to accommodate the relocation of Surf Life Saving Queensland (SLSQ) state headquarters to the Redlands, with the potential for the facility to also include a new community pool and emergency services precinct. SLSQ estimated that 200 ongoing full-time local jobs could be created by the move, with hundreds of extra jobs during construction.

## Driving our transport future

Preserving areas for future transport corridors for walking, cycling, cars, buses and light rail was a well-supported idea at November's Redland City transport forums, organised by Council to establish community priorities and possible solutions for transport issues. The series of three forums was the first in Queensland, with residents having an opportunity to talk with expert transport planners, futurists and economists.

## Landmark project unveiled

The Toondah Harbour Priority Development Area project proposed for Cleveland reached a significant milestone in November 2015 when Walker Group Holdings released its proposed master plan. The \$1.3 billion project was also referred to the Commonwealth Government, triggering the environmental impact assessment and approval process that will ensure the long-awaited project maintains the Redlands' environmental character and meets the expectations of the wider community.

## Koala vaccine trials begin

Council provided \$30,000 to the joint University of the Sunshine Coast and Australia Zoo Wildlife Hospital chlamydia vaccine trial for koalas, which began in January 2016.

## Willards farm saved

The 153-year-old Willard's Farm homestead on Old Cleveland Road East was preserved for future generations after Council bought the property in February 2016. Willard's Farm was established in 1863 and has also been known as The Pines and the Cottons' Farm. The Heritage Council refused an application to historically list the property in September 2015.

## Sod turned

The first sod was turned on the \$3.27 million Horizon Foundation Community and Education Centre in March 2016, a facility that will transform under-utilised Council-owned land at Capalaba. The four-hectare site on the corner of Runnymede and Redland Bay Roads, adjacent to Redland IndigiScapes Centre, had been unoccupied for around 10 years. It is proposed to be transformed into a vibrant community and disability services hub expected to inject an estimated \$8 million into the local economy through construction investment and new jobs. Council gave the Horizon Foundation a 50-year lease of the footprint for its new centre.



## Draft City Plan

Following an extended 11-week consultation period, submissions on the draft Redland City Plan closed on 27 November 2015. As part of the public consultation, Council hosted 52 community activities, attended by thousands of residents. Councillors are now considering issues captured in more than 6,000 public submissions. A report on issues raised and proposed amendments will then be provided to the State Government and made available to submitters and the public. Once the Minister approves the amended City Plan, it will be presented to Council for adoption and commencement. Until then, Council will continue to operate under the current Redlands Planning Scheme.

## Quandamooka Country

Council continued to work with Quandamooka People to progress Indigenous Land Use Agreement commitments and strengthen community understanding of Quandamooka culture and history. In August 2015, Quandamooka Yoolooburabee Aboriginal Corporation (QYAC) finalised a declaration creating the largest Land for Wildlife area in the city (almost 1,400 hectares). This partnership agreement sees Council and SEQ Catchments support Traditional Owners and their leadership in works to conserve Quandamooka Country.

There were many cultural highlights for the year. Council was a proud sponsor of the inaugural Quandamooka Festival, providing support for the three-month festival of events and offering Let's Listen, Let's Yarn speakers forums as part of the official program. These forums saw more than 30 speakers come together over six free discussion panels that ranged from politics and arts to recollections of Quandamooka Aunties and their early days on Minjerribah/North Stradbroke Island.

June 2016 also saw Gathering Strands open at Redland Art Gallery. Gathering Strands showcased the work of more than 18 Aboriginal and Torres Strait Islander women and was the culmination of a two-year journey for curator and Quandamooka artist Freja Carmichael, who in 2014 received an emerging curatorial fellowship from the Australia Council for the Arts.



## Taking the lead

Council further strengthened its support for those affected by domestic and family violence by introducing paid domestic violence leave for employees. It became one of the first councils in Queensland to provide an extra 10 days paid leave a year to employees suffering domestic and family violence, helping them to maintain financial independence. Council was a strong supporter of campaigns against domestic and family violence throughout the year.

## Down to business

Council's Economic Development Advisory Board's first full board meeting was held in June 2016, where it took the first steps to formulate action plans to grow the city's key industry sectors. The board is responsible for leading the implementation of the Redland City Economic Development Framework 2014-2041. The group is tasked with delivering tangible economic action plans for the Redlands' key industries, and achieve the framework's ultimate objectives of 30,000 new jobs and increasing the city's gross regional product to \$6.8 billion by 2041.

## Tourism development

Work commenced on action items from the Redland City Tourism Strategy and Action Plan 2015-2020, unanimously adopted by Council on 17 June 2015. Highlights include establishing two dump points for disposal of grey and black water, for self-contained motorised vehicles at John Fredericks Park, Capalaba, and William Street, Cleveland. Under the Enhancing the Visitor Experience Program, the Redlands Track Park trail head was built and opened. It features shelter, bike racks, bike repair stations, maps and water.



Work also started on a five-year Events Strategy and Action Plan, while the city continued to attract films including the national biopic, *Hoges*, with scenes filmed at Mount Cotton.

The Redlands continued to make its mark on the world map with Council showcasing local tourism products at significant industry functions, including the Australian Tourism Exchange. Council further stimulated the local investment and jobs economy with an injection of \$400,000 in January 2016 for the Cleveland CBD and Tourism Accommodation and Incentives Package.

# Milestones and awards

## Mayor's Awards:

This award is the highest recognition of an employee's outstanding contribution to the city through service delivery.

It honours an employee's outstanding personal characteristics that help to make Redlands the best place to live, play, work and do business.

The recipient will represent the best of what Council aims to deliver to the community. The award winners will meet the highest standards of service delivery in their role, in a way that makes them an example to which others can aspire.

### Mayor's Award Winners: Denis Burke and Luke Kinman

Denis is a quiet achiever, demonstrating Council's values every day, and is a credit to the organisation. He always conducts himself in a professional positive light, ensuring excellent workmanship and sets a good example to others. Denis demonstrates Council's values by providing consistent and excellent service.

Luke Kinman's operations management work has been a major factor in driving the transformation of the Redlands Performing Arts Centre from a sleepy regional venue into a busy multi-art-form creative hub for the city. He has reset business goals and outcomes, and delivered a complete shift in how all operations staff work. Luke generates enthusiastic commitment and buy-in from all operations staff.

## CEO's Awards:

### Healthy Natural Environment

#### Candy Daunt

Candy delivered a successful solution to the displacement of a culturally iconic osprey nesting site at Wellington Point. In addition to protecting the iconic species, she also managed the most recent round of whale observations at Point Lookout, Stradbroke Island. Both tasks required coordination of a diverse range of stakeholders to achieve important environmental outcomes.

### Green Living

#### Members of the Facilities Services Team

Energy efficiency initiatives introduced at the Cleveland Administration and Library buildings reduced electricity consumption in 2015-16 by 14%. Around 550 fluorescent T8 tubes containing environmentally harmful chemicals such as mercury were also eliminated from landfill during the year.

### Embracing the Bay

#### Project Delivery Group – Design and Construction Projects Team - Callam Craig, Nicole Bahr, Nigel Carroll, Robyn Hookway, Tammy Hyde, Tony Sloman, Wes Davis

The Design and Construction Projects Team excelled in designing and installing a new rock-armoured seawall, beside a closed landfill at Tina Avenue on Lamb Island. This has a design life of 50 years to prevent erosion at the landfill, cater for increased sea levels and protect the marine park. The park on the former landfill site is now safer for the community to use and enjoy the views.

### Quandamooka Country

#### Di Andrews

Di Andrew's dedication and tireless efforts went far beyond the requirements and expectations of her Council role. Di is an inspirational leader and her contribution and support of the wider Aboriginal and Torres Strait Islander community was again outstanding in 2015-16.

### Wise Planning and Design

#### City Plan Team - Bernard Houston, Callan Langlands, Dean Butcher, Gerard Noon, Jodi Poulsen, John Dujmovic, Kerry Warrilow, Kim Kerwin, Larissa Godfrey, Nastassja Lazarus, Scott Pearson, Stephen Elliott, Sven Ljungberg

The Redlands community had the opportunity to provide feedback on the Draft City Plan through an 11-week public consultation period, delivered by the City Plan Team. This project is one of Council's shining examples of a whole-of-organisation collaboration. It demonstrates what we as a Council can achieve by working together towards a common goal.



## Supportive and Vibrant Economy

### Kristen Banks

Kristen Banks excelled in her tourism work in 2015-16, particularly her lead role in developing the Redland City Tourism Strategy and Action Plan 2015-2020, which was adopted by Council on 17 June 2015.

## Strong and Connected Communities

### Animal Shelter Adoption Team - Ashleigh Knight, Claire Ransley, Michelle Burrridge, Susan Boxall

The Animal Shelter Adoption Team made a difference in the lives of unwanted and abandoned animals in 2015-16, helping them find 'forever' homes in our community. The team demonstrated its compassion and smart business approach in delivering this valuable community service.

## Inclusive and Ethical Governance

### Lorraine Lee

Lorraine's determination, collaborative approach, attention to detail and effective coordination resulted in an excellent new Corporate Plan, which sets Council on a clear path for the next five years. The plan unites the organisation in a clear vision for our community, as well as providing a mission and a set of values that apply to everyone in Council.

## Other awards

### 2015 Resilient Australia Awards

We won a 2015 Resilient Australia Award for our online interactive Redland City Disaster Management Plan, an Australian-first suburb-by-suburb disaster plan.

### Redland SES regional unit of the year... again

Redland City's SES crew was again named best in the Brisbane region at the October 2015 SES awards. It was the seventh year in a row the Redland City SES Unit had been awarded the honour, a remarkable effort that highlighted its commitment to protecting the city.

# Mayor and Councillors' information

## Council elections 2016

Queensland's local government elections were held on 19 March 2016 and resulted in three new Councillors being elected to represent our city for next four years: Peter Mitchell, Paul Gollé and Tracey Huges. Karen Williams was returned for her second term as Mayor.

Councillors Julie Talty, Lance Hewlett, Mark Edwards, Paul Gleeson and Paul Bishop were returned for a second term while Cr Wendy Boglary was returned for a third term and appointed as Deputy Mayor. The longest serving Councillor, Murray Elliott, was also returned and will continue to represent the division he has served since 1997.

-  **Div 1 - Councillor Wendy Boglary (Deputy Mayor)**  
Wellington Point/Ormiston
-  **Div 2 - Councillor Peter Mitchell**  
Cleveland/North Stradbroke Island
-  **Div 3 - Councillor Paul Gollé**  
Cleveland/Thornlands
-  **Div 4 - Councillor Lance Hewlett**  
Victoria Point/Coochiemudlo Island/Redland Bay
-  **Div 5 - Councillor Mark Edwards**  
Redland Bay/Southern Moreton Bay Islands
-  **Div 6 - Councillor Julie Talty**  
Mount Cotton/Sheldon/Thornlands/  
Victoria Point/ Redland Bay
-  **Div 7 - Councillor Murray Elliott**  
Alexandra Hills/Capalaba/Thornlands
-  **Div 8 - Councillor Tracey Huges**  
Birkdale/Alexandra Hills/Ormiston/  
Wellington Point/Cleveland
-  **Div 9 - Councillor Paul Gleeson**  
Capalaba/Birkdale
-  **Div 10 - Councillor Paul Bishop**  
Birkdale North/Thornside

## Former Councillors

On behalf of the Redlands community, Council would like to thank former Deputy Mayor Alan Beard and former Councillors Craig Ogilvie and Kim-Maree Hardman for their service to the city.



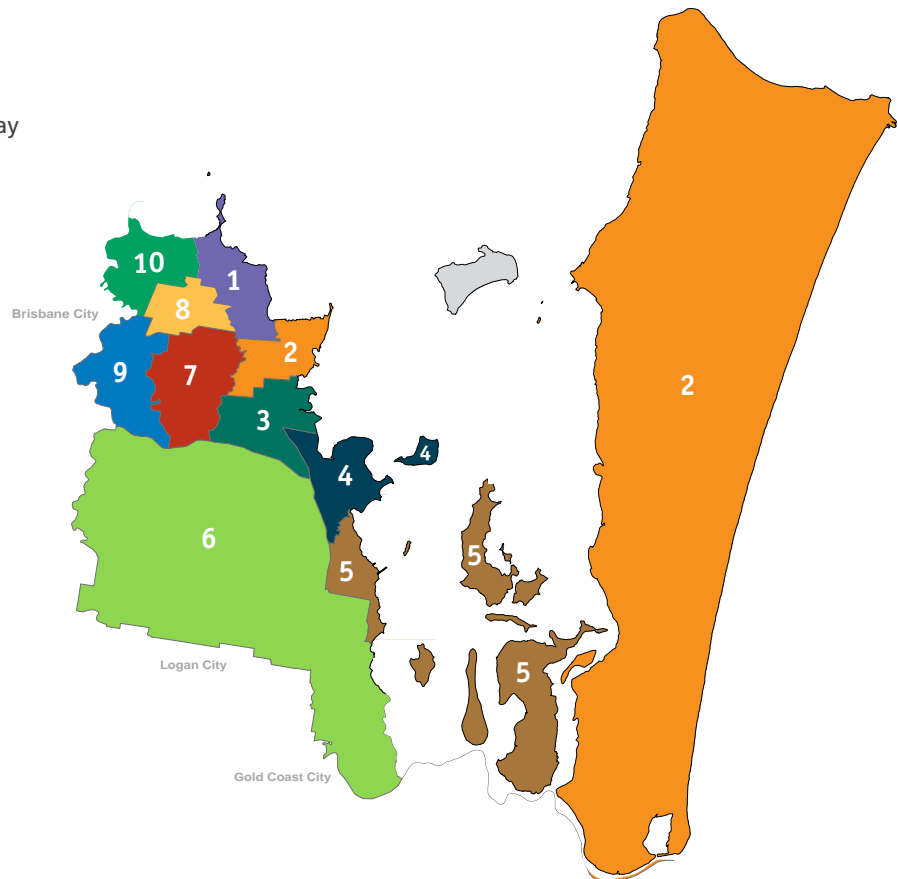
**Cr Craig Ogilvie**  
Represented Division 2  
from 2004 to 2016



**Cr Kim-Maree Hardman**  
Represented Division 3  
from 2012 to 2016



**Cr Alan Beard**  
Represented Division 8  
from 2012 to 2016





## The elected Council's responsibilities

Redland City Council, comprising the Mayor and 10 Councillors, is the elected body responsible for the good governance of Redland City. The elected body has legal obligations requiring members to represent the current and future interests of Redlands residents.

They are democratically elected and accountable to their communities for the decisions they make and the services they provide. Their role also includes other responsibilities such as providing high quality leadership to the community, participating in Council meetings, developing policy and making decisions that are in the interests of the whole community.

The Mayor and Councillors are bound by a Code of Conduct, which is their public commitment to open, accountable and ethical standards of behaviour. The community also plays an important role in contributing to good democratic governance by participating in Council elections, being actively involved in community engagement programs and providing feedback on current issues and the services provided.



### Mayor

#### Councillor Karen Williams

**Graduate of Australian Institute of Company Directors  
Elected: 2004, Mayor since 2012**

Karen was born in the Redlands, raised her family here and has lived in the city for most of her life. She was elected Mayor in April 2012 after serving as the Divisional Councillor for Division 9 (Capalaba) from 2004. Before joining Council, Karen worked for 10 years in the domestic money market both in Sydney and Brisbane and also owned and operated two successful retail floral studios in Brisbane.

Karen is involved with a large number of community organisations and local government bodies. She is Director-Treasurer of the South East Queensland Council of Mayors, Director of South East Queensland Council of Mayors Resilient Rivers Taskforce, a Director of Healthy Waterways and Catchments, a member of the Local Government Association of Queensland Policy Executive Committee, a member of Australian Local Government Association (ALGA), a member of SEQ Regional Plan Committee, a Trustee of the Committee for Economic Development for Australia (CEDA), Chair of the Local Disaster Management Group and Chair of Age-Friendly Redlands Committee (ARC). Karen is a graduate of and holds a Diploma with the Australian Institute of Company Directors.



## Division 1

### Wendy Boglary (Deputy Mayor)

Wellington Point/Ormiston  
Elected: 2008

Wendy's initial career path in banking was followed by two decades of small business success in the Redlands where she ran, with her family, two successful businesses including the Ormiston Foodstore. First elected in 2008, Wendy has held a variety of committee positions and is currently Deputy Mayor, Deputy Chair of the Local Disaster Management Group, Alternate Director of South East Queensland Council of Mayors, Council's representative on the South East Queensland Council of Mayors Environment and Waterways Committee and a Trustee of the Committee for Economic Development for Australia (CEDA).

Wendy has raised her family in the division she now represents, and continues to be involved in a large number of school, sporting and community organisations. She is a graduate of and holds a Diploma with the Australian Institute of Company Directors, a Certificate IV in Workplace Health and Safety, a Diploma of Project Management and is currently completing a Diploma in Local Government.



## Division 2

### Councillor Peter Mitchell

Cleveland/North Stradbroke Island  
Elected: 2016

Peter is a married father of four who has called Redlands home since 1990. He obtained a Bachelor of Physiotherapy at the University of Queensland in 1985 and a Master in Sports Physiotherapy at Griffith University in 1999. He was the owner of a physiotherapy practice in Cleveland for 25 years. He proudly employed local staff, sponsored events, and treated more than 15,000 residents. This experience has shaped a strong work ethic and great appreciation for teamwork. Peter is a keen local sportsman, volunteer and outdoor enthusiast.

Peter is currently Council's representative on the Donald Simpson Community Centre Board of Management, the North Stradbroke Island Historical Museum Inc. and the Redlands Bicycle Advisory Committee.



## Division 3

### Councillor Paul Gollé

Cleveland South/Thornlands  
Elected: 2016

Paul has served in the Australian Defence Force. He has also worked in the corporate sector – both in Australia and internationally – as a specialist consultant for the United States Government, having been involved with projects in the Middle East.

Paul has combined his practical management experience with education, attaining various qualifications from government-accredited organisations, including a diploma in Security Risk Management, Certificate III in Government, Certificate in Human and Physical Resource Supervision, and Certificate III in Resource Operations. He is currently enrolled in a Bachelor of Law.

Paul is currently Council's representative for Regional Mosquito Management and the Redland Museum Advisory Committee.



## Division 4

### Councillor Lance Hewlett

Victoria Point/Coochiemudlo Island/  
Redland Bay  
Elected: 2012

Lance has experience across a range of sectors including the State Government, where he was the Procurement Officer/Manager of the then State Stores Board. He then moved into sales and marketing in the private sector, with positions including National Sales Manager of one of Australia's leading paper merchants/ importers, and Queensland State Manager of a major distributor in the graphic and signage industry. Lance is actively involved with many of Redlands' community organisations.

Lance is a former Chair of Council's Community and Cultural Service Portfolio and is currently appointed to Council's Regional Arts Development Fund Committee (RADF).



## Division 5

### Councillor Mark Edwards

Redland Bay/Southern Moreton Bay Islands  
Elected: 2012

Mark has an association with the Redlands spanning nearly 40 years. He started his working life at a bank in Cleveland, a career which spanned 20 years and saw him climb the ranks through various accountancy and manager positions, culminating in a regional management position in Brisbane. He also engaged in a number of business activities outside banking, primarily in tourism and small-scale residential property development. Mark was previously the Chair of the Council's Audit Committee and Spokesperson for the Office of the CEO (including Internal Audit).



## Division 6

### Councillor Julie Talty

**Mount Cotton/Sheldon/Thornlands/  
Victoria Point/Redland Bay  
Elected: 2012**

Julie holds academic qualifications including a Bachelor of Communication, a Bachelor of Arts with Honours in Media Studies, and a Graduate Diploma in Teaching (Secondary and Middle Years). She has taught at local schools, owned and operated small businesses, and worked for large corporate entities in publishing and the beauty industry. Julie lives in Division 6 in Mount Cotton with her family and is involved in many local community organisations. She has been Chair of Council's City Planning and Assessment Portfolio.



## Division 7

### Councillor Murray Elliott

**Alexandra Hills/Capalaba/Thornlands  
Elected: 1997**

Murray worked in the electricity industry at a senior level before running his own successful retail businesses. He was elected to Council in 1997 and has held many chair positions as well as the role of Deputy Mayor. He has lived in Alexandra Hills for 28 years. Murray is currently Council's representative on the South East Queensland Council of Mayors Infrastructure and Planning Committee.



## Division 8

### Councillor Tracey Huges

**Birkdale/Alexandra Hills/Ormiston/  
Wellington Point/Cleveland  
Elected: 2016**

Tracey is a long-term resident of the Redlands, having lived in Victoria Point for nine years before moving to Wellington Point in 1999, and has raised her family here. Tracey has always been a committed volunteer within the Redlands community, being involved in many church, school, sporting, community groups and events, and thrives on helping others and supporting and promoting our city. She believes her managerial and organisational skills and empathy for others will serve her well in her role as Councillor.

Since being elected as Councillor for Division 8, Tracey has dedicated herself to helping strengthen community values and supporting the many well established volunteer groups that are our city's heart and soul.

Tracey is currently appointed to Council's Age-Friendly Redlands Committee.



## Division 9

### Councillor Paul Gleeson

**Capalaba/Birkdale  
Elected: 2012**

A Redlands resident for 20 years, Paul's work history varies from senior retail management roles to successfully running his own company in the city for 13 years. He is an active member of his local community and has been a staunch advocate for his division since his election. Paul served as Council's Infrastructure, Transport and Traffic Planning and Sport and Recreation portfolio spokesperson and is currently Chair of Council's Audit Committee.



## Division 10

### Councillor Paul Bishop

**Birkdale North/Thornside  
Elected: 2012**

Raised in Wynnum, Paul graduated from QUT (Drama) in 1986. He has worked in film, television, radio and has performed with every major theatre company in Australia. He has served on Actors Equity's National Performers Committee and as an associate artist with the Queensland Theatre Company. Paul spent seven years acting in the police drama Blue Heelers and moved to Birkdale with his four children in 2004. An entrepreneur, presenter, MC, teacher and media maker, Paul founded Arts Evolution in 2005. He is a trained cluster facilitator, attended the United Kingdom's Skoll World Forum on Social Entrepreneurship in 2008 and opened The Red Place, a co-working hub and innovative space, in 2013.

He is currently Chair of Council's Regional Arts Development Fund (RADF), appointed to Council's Age-Friendly Redlands Committee and Council's representative on the South East Queensland Council of Mayors Economic Development Committee.





## Attendance at council meetings

As required under section 186(d) of the *Local Government Regulation 2012*, the table below details the number of local government meetings each Councillor attended during the financial year ending 30 June 2016.

### July 2015-March 2016

Statutory meetings attended	Mayor Cr Williams	Division 1 Cr Boglary	Division 2 Cr Ogilvie	Division 3 Cr Hardman	Division 4 Cr Hewlett	Division 5 Cr Edwards	Division 6 Cr Talty	Division 7 Cr Elliott	Division 8 Cr Beard	Division 9 Cr Gleeson	Division 10 Cr Bishop
General Meetings (14 held)	13	13	14	14	14	13	14	14	13	14	14
Special Meetings (4 held)	4	4	4	4	4	4	4	2	3	4	4
<b>TOTALS</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>17</b>	<b>18</b>	<b>16</b>	<b>16</b>	<b>18</b>	<b>18</b>

### April 2016-June 2016

Statutory meetings attended	Mayor Cr Williams	Division 1 Cr Boglary	Division 2 Cr Mitchell	Division 3 Cr Gollé	Division 4 Cr Hewlett	Division 5 Cr Edwards	Division 6 Cr Talty	Division 7 Cr Elliott	Division 8 Cr Huges	Division 9 Cr Gleeson	Division 10 Cr Bishop
General Meetings (5 held)	5	5	5	5	5	5	5	5	5	5	5
Special Meeting (post-election)	1	1	1	1	1	1	1	1	1	1	1
<b>TOTALS</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

# Councillor remuneration

Increases in remuneration for Councillors are automatically linked to respective increases to the remuneration levels of Queensland Members of the Legislative Assembly.

Mayor: \$166,582 Deputy Mayor: \$85,401 / \$27,658 (Total \$113,059) Councillor: \$98,435

## July 2015 to March 2016 (pre-election)

Division	Name	Gross salary	Superannuation contributions	*Transport	**Discretionary training and discretionary conference registration	^^Delegations and conference related expenses	Mandatory training	Telephone, Blackberry and remote access	##Expenses Council/ community events	Total
	Mayor Williams	125,254.18	15,030.51	9,529.91	530.00	1,734.11	-	2,164.29	515.21	154,758.21
1	Cr Boglary	74,013.88	8,881.74	-	2,181.82	400.55	-	1,311.12	435.00	87,224.11
2	Cr Ogilvie	74,013.88	8,881.74	6,934.72	-	-	-	2,641.91	215.46	92,687.71
3	Cr Hardman	74,013.88	8,881.74	6,412.35	-	-	-	1,003.62	96.82	90,408.41
4	Cr Hewlett	74,013.88	8,881.74	9,879.14	-	54.55	-	1,732.31	454.98	95,016.60
5	Cr Edwards	74,013.88	8,881.74	8,044.92	750.00	1,294.37	-	2,160.80	195.45	95,341.16
6	Cr Talty	74,013.88	8,881.74	8,105.92	-	-	-	1,439.78	324.55	92,765.87
7	Cr Elliott	74,013.88	8,881.74	-	-	-	-	2,634.29	-	85,529.91
8	Cr Beard (Deputy Mayor)	85,400.68	10,248.14	5,932.25	-	-	-	866.16	335.46	102,782.69
9	Cr Gleeson	74,013.88	8,881.74	5,379.28	-	-	-	1,270.92	270.91	89,816.73
10	Cr Bishop	74,013.88	8,881.74	425.60	850.00	1,006.94	-	882.62	209.55	86,270.33
<b>TOTALS</b>		<b>876,779.78</b>	<b>105,214.31</b>	<b>60,644.09</b>	<b>4,311.82</b>	<b>4,490.52</b>	<b>0.00</b>	<b>18,107.82</b>	<b>3,053.39</b>	<b>1,072,601.73</b>

**Support costs** 622,369.50

**Total costs** 1,694,971.23

## April 2016 to June 2016 (post-election)

Division	Name	Gross salary	Superannuation contributions	*Transport	**Discretionary training and discretionary conference registration	^^Delegations and conference related expenses	Mandatory training	Telephone, Blackberry and remote access	##Expenses Council/ community events (inc Mayoral Prayer Breakfast)	Total
	Mayor Williams	41,327.53	4,959.32	3,164.38	-	522.45	922.73	986.84	126.82	52,010.07
1	Cr Boglary (Deputy Mayor)	27,657.70	3,083.14	27.27	615.00	280.00	922.73	446.25	138.50	33,170.59
2	Cr Ogilvie	1,127.12	135.26	400.22	-	190.00	-	761.90	128.18	2,742.68
2	Cr Mitchell	24,045.14	2,885.46	-	-	1,438.93	1,767.28	391.57	-	30,528.38
3	Cr Hardman	1,127.12	135.26	957.65	-	200.00	-	178.98	225.15	2,824.16
3	Cr Gollé	24,045.14	2,885.46	-	-	1,503.90	1,767.28	375.85	-	30,577.63
4	Cr Hewlett	24,420.85	2,930.55	3,080.36	120.00	280.00	922.73	639.84	38.50	32,432.83
5	Cr Edwards	24,420.85	2,930.55	2,525.36	-	320.00	922.73	1,181.27	-	32,300.76
6	Cr Talty	24,420.85	2,930.55	2,494.47	527.27	320.00	922.73	565.19	102.14	32,283.20
7	Cr Elliott	24,420.85	2,930.55	-	-	190.00	922.73	1,130.75	-	29,594.88
8	Cr Beard	1,300.52	156.06	89.55	-	1,746.16	-	385.42	110.32	3,788.03
8	Cr Huges	24,045.14	3,121.25	-	-	-	1,767.28	-	-	28,933.67
9	Cr Gleeson	24,420.85	2,930.55	1,700.94	-	320.00	922.73	481.39	-	30,776.46
10	Cr Bishop	24,420.85	2,930.55	-	-	320.00	922.70	277.03	133.50	29,004.63
<b>TOTALS</b>		<b>291,200.51</b>	<b>34,944.51</b>	<b>14,440.20</b>	<b>1,262.27</b>	<b>7,631.44</b>	<b>12,683.65</b>	<b>7,802.28</b>	<b>1,003.11</b>	<b>370,967.97</b>

\* Business-related transport costs include travel to islands and motor vehicle business use reimbursement

\*\* \$5,000 allowance per term (provides for registration and training fees)

^^Includes travel costs associated with events whether attended in a discretionary capacity or as a delegate (on behalf of Council)

## \$6,000 per annum Mayor or delegate, \$500 per annum per Councillor

**Support costs** 218,750.36

**Total costs** 589,718.33

## Councillors' small grants

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

Over a 12-month period, a total of \$250,000 is available to organisations and individuals as Councillors' Small Grants.

- Up to \$3,000 will be available for organisations. A grant may be increased where an initiative provides a community benefit across more than one Council division.
- Up to \$500 will be available for individuals selected to represent Australia in an international competition.
- Up to \$250 will be available for individuals selected to represent Queensland in a national competition, or who have won at state level and are competing in a national competition.

During 2015-16 financial year, a total \$247,790.32 was distributed to various organisations and individuals.

Division	Councillor	Amount
Mayor	Mayor Karen Williams	\$51,051.69
Div 1	Cr Wendy Boglary	\$19,999.23
Div 2	Cr Craig Ogilvie/Cr Peter Mitchell	\$19,953.05
Div 3	Cr Kim-Maree Hardman/Cr Paul Gollé	\$19,999.91
Div 4	Cr Lance Hewlett	\$21,495.31
Div 5	Cr Mark Edwards	\$19,937.00
Div 6	Cr July Talty	\$20,000.00
Div 7	Cr Murray Elliott	\$16,500.00
Div 8	Cr Alan Beard/Cr Tracey Hugues	\$20,326.82
Div 9	Cr Paul Gleeson	\$19,999.98
Div 10	Cr Paul Bishop	\$18,527.33
<b>Total</b>		<b>\$247,790.32</b>

## Expenses reimbursement and provision of facilities for Councillors

In accordance with section 250 of the *Local Government Regulation 2012*, Council must have an Expenses Reimbursement Policy for Councillors. This policy was reviewed and amended in May 2016.

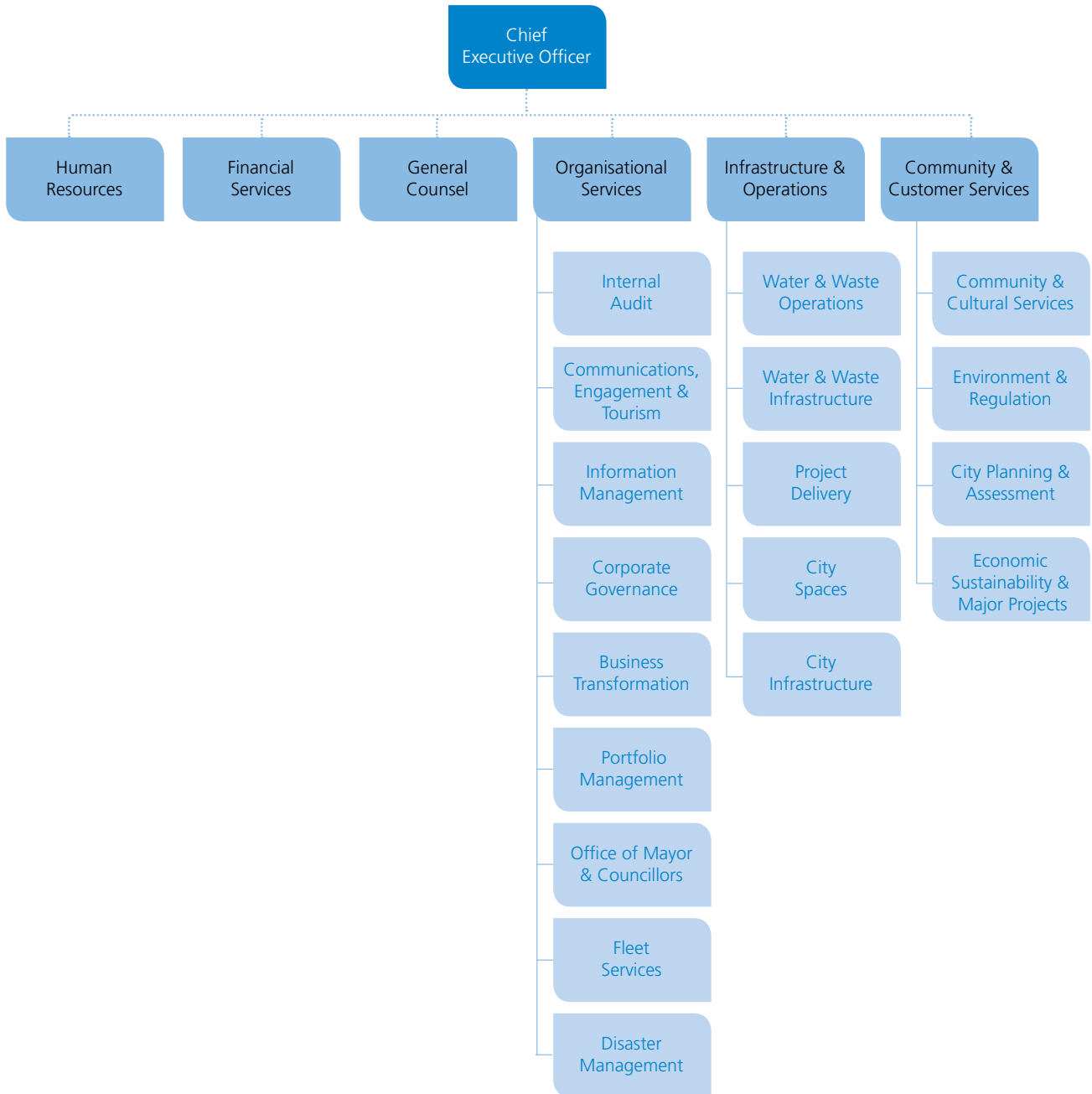
The amendments included the amalgamation of the policy and associated guideline into a single document, redefinition of training categories, simplification of facilities and reimbursement types, and broader options relating to vehicle expenses.

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

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

The full policy is available on our [website](#).

# Our organisation



# Executive Leadership Team



*Chief Executive Officer*

**Bill Lyon**

Bachelor of Business; Graduate Certificate in General Management; Associate Diploma Electrical Engineering



*General Manager Organisational Services and Redlands Local Disaster Coordinator*

**Nick Clarke**

Master of Science; Fellow of Local Government Managers Australia; Member International City/County Management Association

## Changes to the Executive Leadership Team during 2015-16

The position of Chief Financial Officer, previously held by Linnet Batz from 16 June 2014 until 25 December 2015, was temporarily filled by Deborah Corbett-Hall from 7 December 2015. Deborah was the successful candidate following an external recruitment process and has held the position since 30 May 2016.



*General Manager Infrastructure & Operations*

**Gary Soutar**

Bachelor of Engineering (Civil); Registered Professional Engineer Queensland



*General Manager Community & Customer Services*

**Louise Rusan**

Bachelor of Business; Graduate Australian Institute of Company Directors; Member of Local Government Managers Australia



*Head of Human Resources*

**Amanda Daly**

Bachelor of Commerce; Certified Member of Australian Human Resources Institute (CAHRI); Life Styles Inventory™ (LSI) Accredited Practitioner; Myers-Briggs Type Indicator (MBTI) Certified Practitioner; DISC Accredited Practitioner



*Chief Financial Officer*

**Deborah Corbett-Hall**

Master of Mathematics (Honours); Master of Business (Professional Accounting); Fellow of Certified Practising Accountants (FCPA) Australia



*General Counsel*

**Andrew Ross**

Bachelor of Law; Bachelor of Theology; Masters in Health Science

# Redland Investment Corporation

Redland Investment Corporation (RIC) was established by Redland City Council to deliver new development opportunities and an alternative revenue source for the Redland community. It will also respond effectively to broader community needs, including social and environmental aspects. In 2015-16, the two main commercial activities for RIC were professional services and property development projects.

## Vision

Redland Investment Corporation will be an innovative, responsible and sustainable company that achieves its business objectives and creates value to Council and the Redlands community.

## Mission

**Grow** the economy through facilitating development and business opportunities and supporting local jobs.

**Lead** the Redlands development industry by delivering high quality, exemplary projects that take into account the environment, community and best practice industry principles.

**Balance** the long-term impacts of investment decisions with financial returns and consideration of the community's broader needs including social and environmental aspects.

**Negotiate** nominated commercial negotiations on behalf of Council and provide a better financial return for the Redlands community.

**Focus** on creating intergenerational equity for Council and the Redlands community and establish a future fund, at an appropriate time, to ensure economic gains are used for the long-term benefit of the community.

**Build** profitable, successful projects and respected relationships with business groups and the community.

## Property development projects 2015-2016

Land transactions, which include obtaining development approvals to up-lift land, selling under-utilised land, leasing land and making opportunistic land purchases.



REDLAND  
INVESTMENT  
CORPORATION



## Statement of Corporate Intent 2015-16

Version 2

A formal objective and performance agreement between Redland Investment Corporation's Board of Directors and its shareholder Redland City Council

External version

# Our people

## People Strategy 2012-2015

The People Strategy sets out how Council will attract and keep the best people, cultivate the best leaders and create the right conditions for our employees to thrive.

In 2015-16, Council implemented the remaining priorities defined in our People Strategy 2012-15. In 2015-16, Council also developed a new People Strategy 2020 that supports Council's Corporate Plan 2015-2020. The new strategy will be released in 2016-17.

A key priority was introducing strategic organisation-wide workforce planning following the successful pilot in 2014-15. The objective is delivering a plan for each group that considers its current and future businesses, and the workforce skills, knowledge and behaviours required to meet that future state. The outcome is an action plan for each group that addresses those transitional requirements. The project rollout will continue through 2016-17.

Another critical priority was expanding the Leadership Development Program at all leader levels. The previous year focused on establishing a Leadership Capability Framework and benchmarking capability against this framework through the use of leadership assessments, consultations and 360 degree feedback. This year the development programs focused on addressing some of those areas for growth, particularly our leaders' contribution to building a high performance culture.

Other specific priorities included introducing a model for building internal change management capability, identifying leadership talent and moving this talent across the organisation, increasing accountability for performance and behaviour through our investigation review process, reviewing our HR Information System processes to meet increasing requirements of our system, and addressing Safety Audit items, particularly hazards of work, group-level safety documentation and reviewing how we measure safety performance.

### Recruitment and selection

Council implemented a dedicated HR Business Partner structure to further develop positive working relationships between Human Resources and internal managers and stakeholders, with a strong focus on information sharing and developing practical business solutions and strategies.

In alignment with Council's Lean Program, a review was conducted of the onboarding process for new employees to achieve a more streamlined, automated approach. Efficiencies were gained by implementing electronic communication and by providing some essential information via email to new starters. This work will continue in 2016-17, with all onboarding documentation now able to be completed electronically by new employees.

The Casual Resource Pool, established in 2014, continued to be a success with two recruitment processes taking place throughout 2015-16. There are currently more than 30 staff members in the pool, who are in high demand. They provide assistance across all of Council's departments during periods of high workload and/or relieving employees on leave. Many staff in the casual pool succeeded in gaining permanent or long-term employment with Council as a result of gaining diverse experience with their casual placements.

During 2015-16, Council participated in three exhibition programs at Redlands College, Alexandra Hills TAFE and the Cleveland Showgrounds (sponsored by Cleveland District State High School). Staff showcased the benefits of working for Council, the diverse range of career opportunities available and discussed Council's successful annual Traineeship Program with students.

Our employees' work benefits include a local government superannuation scheme, education assistance, employee development and training, an employee wellness program and flexible working arrangements.

## Leadership and corporate employee development

### Leadership development

During 2015-16, a number leadership development initiatives were progressed. The Integrated Leadership Development Strategy 2016-2020 was endorsed, and we embedded our Leadership Capability Framework, which will help us build strong, visible and capable leaders. The Leadership Capability Framework comprises six core capabilities, which all leadership programs are aligned to:

- strategic focus
- adaptability
- building capability
- results-focused
- collaborative and respectful relationships
- personal effectiveness.

Four leadership development programs have been designed:

- Inspired Leaders (Team Leaders and Supervisors)
- Connected Leaders (Service Managers)
- Enabling Leaders (Group Managers)
- Executive Leaders (Executive Leadership Team).

These programs are aligned to the strategy and the framework, which ensures our leaders are working at the right level in the strategic, tactical or operational requirements of our organisation and are receiving the right skills, knowledge and experience to better deliver on our business goals and outcomes. This ultimately provides a better service and quality of product to our community and customers.

Council continues to recognise the priority development of building leadership capability and has invested time into developing a Talent Management Plan to help plan for our future. The plan helps ensure we have the right people in the right jobs at the right time and helps manage our workforce planning requirements well into the future. It will ensure Council can meet the challenges of the next few years, which include:

- major changes to Council's workforce demographic (33% over 55 years)
- an increasing focus on efficiency and delivering performance outcomes
- an increasing focus to meet customer expectations
- a demand to keep up to date and invest in technology such as e-services/social media
- a growing city and greater infrastructure.

## Corporate development

In 2015-16, we continued to enhance the capacity of employees across the organisation through our Corporate Development Program, with an increased focus on developing skills and behaviours to support our organisation's values of customer service, one team, accountability, growth and communication.

To support the Corporate Development Program, a number of new eLearning modules were delivered across Council for both mandatory and developmental training. This enables Council to provide relevant and cost effective training that is flexible and adaptable to the organisation's changing business needs. eLearning modules minimise class-based training and improve cost effectiveness, with employees able to undertake more training at their workstations within shorter periods of time. Council is

continuing to develop more eLearning modules where it is identified that training can be more effectively delivered in this format.

Employees continue to have access to Council's educational assistance allowance scheme, receiving support for tertiary studies that allow staff members to graduate with an accredited qualification (Diploma/Degree or Certificate IV) in business-related areas. These accredited qualifications are supported through various local government programs. Council also coordinated two Diploma of Local Government qualifications internally and these included the Diploma of Local Government Administration and Diploma of Local Government Administration (Asset Management).

As in previous years, we participated in the Local Government Managers Association (LGMA) Challenge. The LGMA Challenge offers experiential learning at a high level for the selected professionals and is a valuable component of leadership development, especially for emerging leaders.

## Trainee and apprenticeship program

Council currently maintains a relationship with Maxima as the Group Training Organisation (GTO) for its trainees and apprentices to ensure we are able to offer a sustainable, improved experience for trainees, apprentices, supervisors and Councillors. In 2015, we hosted 12 full-time trainees and apprentices. In 2016, this was expanded to bring the total apprentices and trainees hosted within the organisation to 17. The trainee and apprenticeship program continues to provide opportunities to 'earn and learn' across a variety of departments in a local government setting. Positions are offered to school leavers, mature-aged people looking at re-entering the workforce, and other applicants who face barriers to employment. The number of trainees and apprentices will grow over the next few years, positioning them to assist in our succession planning for an ageing workforce.

Areas of study include qualifications in Business Administration, Automotive Apprenticeship, Horticulture, Parks and Gardens Apprenticeship, Live Production, Library Services, Companion Animal Services, Arts Administration and Marketing. Council receives funding from the State Government to subsidise employment costs for our trainees and apprentices. A graduation ceremony was held in March 2016 to congratulate and farewell our participants in the 2015 traineeship program.



## Employee satisfaction

In the 2015 'MySay' staff survey, with over 700 views collected across the organisation, 66% of respondents felt that business performance had improved, an increase of 16% since 2014. There was significant improvement across all drivers measured in the survey – these included resourcing, vision, leadership, discipline and energy. One of the greatest strengths identified by our people in 2015-16 was the increased flow of clear communication. There were also improvements in teamwork, development of staff and people embracing the bigger picture, leading to increased passion and drive for the work that we do.

The results also identified the need to continue to focus on building the organisation's culture. As a result, our priority focus on vision and direction, continuous improvement and change management, implemented the previous year, was reviewed and renewed.

In 2015, consultation was undertaken with employees to review and develop a new vision, mission and values for the organisation. The focus in 2015-16 was to bring the vision, mission and values to life by placing a focus on getting the 'leadership fundamentals' right through initiatives such as the Leadership Development Program.

The second initiative, to 'improve the way we work' through the Lean methodology, continues to progress within the organisation with monetary and time savings being achieved.

The third initiative, 'building organisational change capability', is progressing and currently building change capability through developing and embedding a Council change management framework and toolkit. It also involves developing change management training programs to be rolled out through the Leadership Development Program and Corporate Training Program in 2016-17.

Human Resources continues to support business leaders in implementing action plans to improve employee satisfaction and align efforts with business objectives.

## Diversity and inclusion

Council is committed to preventing discrimination within our organisation. In 2015-16, we:

- reviewed all Human Resources guidelines and procedures for equity and diversity, including but not limited to creating a new guideline for providing financial and non-financial assistance to Council employees who are the victims of family and domestic violence
- promoted programs to support the personal, professional and career development of diverse groups including women, emerging leaders, Aboriginal and Torres Strait Islander people and people from culturally and linguistically diverse backgrounds
- provided coaching, training, mentoring, advice and support
- supported and promoted the Employee Assistance Program.

In 2015-16, Council continued to develop an Aboriginal and Torres Strait Islander Training and Employment Strategy in consultation with the Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC).

## Certified agreement

The relevant Council industrial instruments expired on 30 June 2016 and did not provide for any future wage increases beyond that date. Both before and after the expiration of those instruments, Council has been prevented by legislation from undertaking formal enterprise bargaining to replace the existing industrial arrangements, or having any newly bargained agreement certified by the Queensland Industrial Relations Commission (QIRC).

The newly modernised Local Government Award has not been made operational because various decisions of, and appeals to, the QIRC and the Queensland Industrial Court about the re-determination of the new Local Government Modern Award are yet to be finalised. The legislative ban will remain in place until such time as the newly modernised Local Government Award has been finalised and made operational.

In the absence of a new operational modernised Local Government Award and the nominal expiration date of the current industrial instruments, Council provided an administrative increase to all relevant employees' and officers' gross base wages by 1.7% from 1 July 2016. The terms and conditions contained in the industrial instruments have also been rolled over and preserved.

## Safety and wellbeing

Council's Safety First-Redland agenda continued to grow and develop in 2015-16 as we continue to embed health and safety as a priority in all that we do.

The Safety Management Plan continues to guide our development as we strive for zero injuries in the workplace.

Council conducts an externally audited safety system annually with positive results reflected in the audit.

Council continues to use internal audits to monitor safety performance and, in the last year, has benchmarked Council's groups against the Australian Standard 4801. All groups were compliant overall with the Australian Standard for Occupational Health and Safety Systems.

Our workers continue to be committed to health and safety at work, with Council continuing to record low injury rates.

Our frontline leaders are continuing to work on embedding safety culture, refining safety systems and demonstrating safety leadership.

A significant amount of the operational work we do is on or near roadways. In 2015-16, our focus has been on ensuring this work is undertaken safely, with the revision of Traffic Management Plans and the further development of Council-specific Traffic Guidance Schemes.

In 2015-16, we also focused on aging workforce issues, with field workers aged under 25 and over 45 being taken through role-relevant health monitoring and function capacity assessments.

Further continuous improvements were incorporated into Council's Safety Management System Software (Vault), enabling better reporting and application-based features being rolled out to improve the information flow from worksites.

## Employees at a glance

### Employees (total number of employees)<sup>2</sup>

Permanent	745
Permanent part-time	81
Temporary contract of service full-time	36
Temporary contract of service part-time	15
Contract of service (executive)	21
Casual (based on hours worked)	73
Total	971

<sup>2</sup> Based on employee's substantive position

<sup>3</sup> Excludes staff from Redland Investment Corporation

## Corporate profile

Full-time equivalent (FTE) employees (Includes contract of service and Councillors. FTE for full-time and part-time based on hours of work pattern and not actual hours worked)	870.94 <sup>3</sup>
Casual full-time equivalent employees (based on hours worked)	10.90
Full-time permanent positions	906
Part-time permanent positions	59
Part-time temporary positions	128
Part-time temporary positions	20
New full-time permanent positions	25
New part-time permanent positions	1
New full-time temporary positions	38
New part-time temporary positions	8
New casual positions	67

## Employees recruited

Internal (under Redland City Council Officers' Agreement)	44
External (under Redland City Council Employees' Agreement)	30
<b>Total</b>	<b>74</b>

## Employee departures

Employee-initiated turnover rate	8.21%
Employer-initiated turnover rate	2.36%
Employees made redundant	4
Employees redeployed/retrained due to redundancy	10

## Gender balance

	Female	Male
Executive/senior management group	32%	68%
Elected representatives	36%	64%
Total employees	51%	49%

## Executive Leadership Team

The total remuneration packages below for senior executives include base salary, vehicle allowance and superannuation.

Remuneration range	Number of Executive Leadership Team paid
\$200,000 to \$300,000	5
\$300,000 to \$400,000	2

## Business Transformation at Council

We started our Business Transformation journey in late 2014 with the objective of embedding a culture of improvement across all parts of Council. The Business Transformation Group was established to design a continual improvement framework based on the Lean methodology.

Business Transformation delivers sustainable business improvement with a focus on removing wasted activity and adding value to the services that we deliver to our community.

Business Transformation includes three key areas of focus:

**'Lean foundation setting'** is Council's performance culture, which is being implemented through a comprehensive Lean training program undertaken by all employees.

**'Cross functional improvement'** is focused on significant efficiency gains as a result of group/unit process improvement delivered by cross-functional Lean teams.

**'Strategic improvement'** is focused across major strategic projects that are identified through strategic planning, prioritised by leadership and delivered by integrated project teams.

## Building our capability



# Governance at Redland City Council

## Community Plan

The Redlands 2030 Community Plan, adopted by Council in 2010, was developed with extensive input from our community. This ambitious plan responds to local, national and global challenges. The Redlands 2030 Community Plan sets out a vision for 2030.

As articulated in the plan, in 2030, the Redlands will be a well-designed, vibrant city of mainland and island communities, each with distinctive character, heritage and lifestyles. Our shared values will shape the way we care for each other and how we protect the land, seas and waters where we choose to be.

The plan sets out eight outcomes:

- Healthy natural environment
- Green living
- Embracing the bay
- Quandamooka Country
- Wise planning and design
- Supportive and vibrant economy
- Strong and connected communities
- Inclusive and ethical governance.

## Corporate Plan

The Corporate Plan 2015-2020 sets out how Council will deliver the Redlands 2030 Community Plan. The Corporate Plan outlines Council's objectives for the current five-year period and is structured around the eight outcomes in the Community Plan.

The Corporate Plan sets out Council's vision, mission and values as well as outlining what Council will do to progress the eight outcomes in the Community Plan.

## Operational Plan

Each year, Council must develop and adopt an Operational Plan, which sets out what we plan to do during the financial year towards the delivery of the Corporate Plan 2015-2020. Operational planning is closely linked to budget development.

The projects in the Operational Plan 2015-16 were delivered by teams across Council and progress against the plan was reported every three months to Councillors. These reports are available on Council's website. A summary of Council's performance against this plan is outlined on pages 33-50.



## Right to Information and Information Privacy

The *Right to Information Act 2009* and the *Information Privacy Act 2009* provide the community with access to information balanced by appropriate protection for individuals' privacy. The public can apply for access to documents held by a council, subject to statutory exemptions, unless it is contrary to the public interest to provide that information. The legislation also allows individuals to apply for amendments to be made to documents concerning their personal affairs, where it is believed the information is incomplete, out of date, inaccurate or misleading.

Applications received under the <i>Right to Information Act 2009</i> (RTI)	43
Applications received under the <i>Information Privacy Act 2009</i> (IP)	16
<b>Total applications received</b>	<b>59</b>
Total number of pages processed <sup>4</sup>	6,961

These figures represent an increase of 18% on the number of applications for 2014-15.

<sup>4</sup> Included 783 pages considered and processed by Council at the request of the Officer of the Information Commissioner Queensland

One application was withdrawn and 54 decisions were issued to applicants, all within legislative timeframes. Five applications remained on hand as at 30 June 2016.

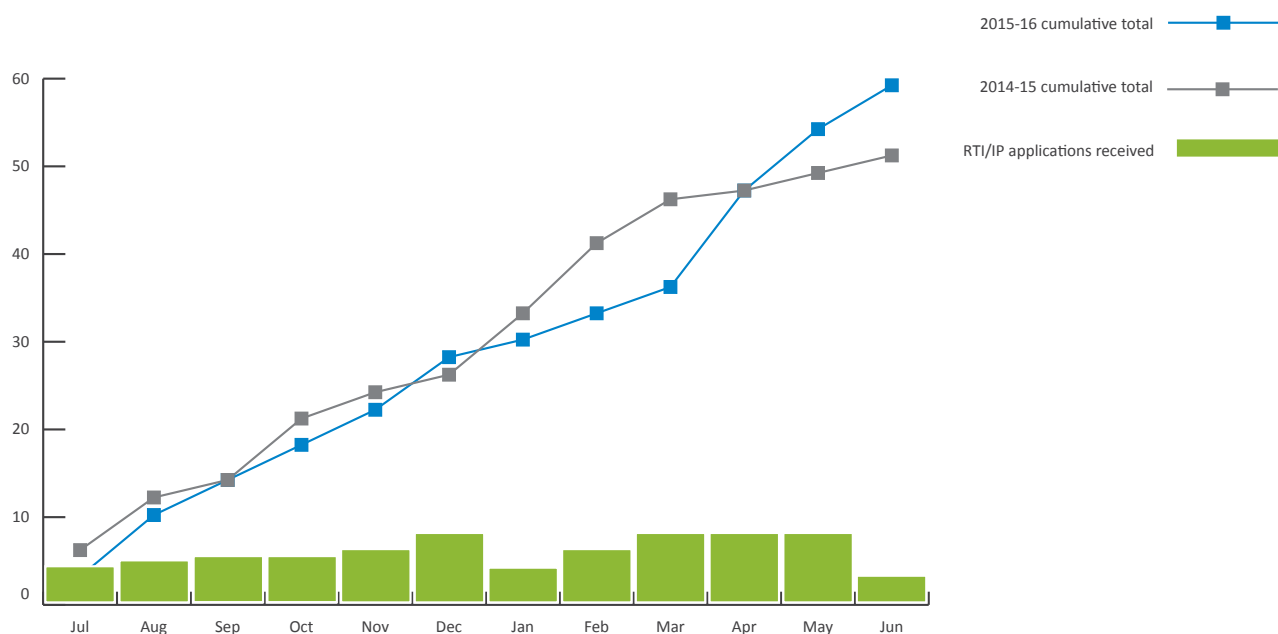
Two internal review applications were received, one made under the *Right to Information Act 2009* and the other under the *Information Privacy Act 2009*. The Right to Information internal review addressed sufficiency of search issues and after further searches were requested by the internal reviewer, an additional 84 pages were located and released in full and/or part to the applicant.

The Information Privacy internal review related to refusal of access to documents. The original decision was varied by the internal reviewer and the applicant was given access to a further 10 part-pages.

During 2015-16, Council received notice from the Office of the Information Commissioner Queensland (OIC) of four requests received by OIC for external review of original decisions. Council received advice from the OIC that two of the external reviews were withdrawn by the applicants. After providing detailed submissions to the OIC on the two other external reviews, both original decisions made by Council were affirmed by the OIC.

An external review matter from 2013-14 was settled in 2015-16 after the OIC requested Council identify the relevant pages to be released to the applicant and provide submissions to OIC on refusal of access to any remaining pages. Council made a decision on 783 pages, confirmed by the OIC.

### RTI & IP applications received



## Risk management

Council's commitment to an enterprise-wide risk management program remains steadfast. Significant risks are identified and managed as far as reasonably can be achieved in accordance with the principles of the Australia/New Zealand/ISO Standard 31000.

The primary documentation in place to achieve this purpose includes Council's Enterprise Risk Management Policy and Framework, and its accompanying Risk Assessment Handbook.

Formal Risk Registers cover strategic, operational and activity-based risks. Regular reviews of these registers take place to ensure the currency of the identified risks and the need to track additional risks.

Council's Operational Risk Management Committee (ORMC) continues to review and endorse the risk registers. Additionally, claims statistics are presented to the ORMC, keeping executive management informed about the nature and number of claims being received. Under the direction of the ORMC, risk areas of note are to receive closer scrutiny.

In 2015-16, Council's Business Continuity Plan was tested in a wide-scale test scenario with other agencies and found to be operationally sound.

## Fraud and corruption prevention

Council's Fraud and Corruption Prevention Policy (POL-3060) forms part of Council's overall approach to transparent corporate governance. The policy informs all Council officers, Councillors, consultants and contractors of Council's position regarding fraud and corruption and the consequences of failing to comply with the provisions of the policy.

Council is committed to:

- a zero-tolerance approach to fraud and corruption
- corruption and fraud control and management as an integral component of effective corporate governance
- transparent and accountable processes consistent with sound business practices and organisational standards of compliance
- preventing fraud and corruption and investigating all suspected incidents and taking appropriate action
- maintaining an integrated Fraud and Corruption Prevention Framework to minimise the impact and reduce the risk of fraud and corruption within the work environment.

The Fraud and Corruption Prevention Framework is Council's strategic guideline that:

- defines management and staff responsibilities
- ensures the implementation of robust practices for the effective detection, investigation and prevention of fraud and corruption of any description within Council.

## Administrative action complaints

Council is committed to fair and effective management of administrative complaints. This commitment is underpinned by our Complaints Management Process Policy (POL-3037), which supports Council's priority to deliver inclusive and ethical governance for the community. The policy includes clear accountabilities, ethical standards of behaviours and a commitment to act in accordance with the local government principles contained in the *Local Government Act 2009*. The policy provides a clear administrative method of handling and resolving complaints made about:

- a decision, or a failure to make a decision, including a failure to provide a written statement of reasons for a decision
- an act, or failure to do an act
- the formulation of a proposal or intention and/or
- the making of a recommendation.

During 2015-16, the following statistics were reported in accordance with the requirements of Section 187 (1)-(2) of the *Local Government Regulation 2012*.

Council received 122 new administrative action complaints that were dealt with under the complaints process. Of these, 114 were resolved as at 30 June 2016, leaving eight unresolved and carried over to 2016-17.

## Mayor and Councillor conduct

The *Local Government Act 2009* provides a framework for assessing complaints about the conduct or performance of Councillors. Under the Act, each complaint is required to be assessed to determine whether it is about misconduct, inappropriate conduct, corrupt conduct or another matter. If the complaint is not frivolous, vexatious or lacking in substance, it is then referred to the appropriate individual, panel or tribunal for further action. It is a requirement under the *Local Government Regulation 2012* that the Annual Report contains details of complaints received about Councillors' conduct or performance. In 2015-16, 23 Councillor complaints were received.

The table shows the reporting requirements contained in the *Local Government Regulation 2012*. None or more than one section can apply to a complaint, therefore the figures in the table do not total 23.

Complaints reported in accordance with section 186(f) of the <i>Local Government Regulation 2012</i>		
(a)	Frivolous, vexatious or unsubstantiated	11
(b)	Complaints about the Mayor or Deputy Mayor referred to the department's chief executive	0
(c)	Councillors complaints referred to the Mayor	4
(d)	Complaints referred to the department's chief executive	0
(e)	Complaints assessed by the department's chief executive as being about corrupt conduct under the <i>Crime and Corruption Act 2001</i>	0
(f)	Complaints heard by a regional conduct review panel and/or tribunal	5
(g)	Complaint is about another matter	4
Complaints reported in accordance with section 186(d) of the <i>Local Government Regulation 2012</i>		
(h)	Regional Conduct Review Panel orders and recommendations	1
(i)	Tribunal orders and recommendations	0
(j)	Mayor or department's chief executive orders reprimanding a Councillor for inappropriate conduct	4

Complaint orders/recommendations summary detail reported in accordance with Section 186(e) of the <i>Local Government Regulation 2012</i>		
The name of each Councillor who was subject to an order under section 180 and 181	Description of misconduct or inappropriate conduct engaged in by each of the Councillors	Summary of order or recommendation
Councillor Murray Elliott Section 180(2)	Misconduct: Release of incomplete and misleading information to a journalist	Decision: 19/10/15 - Determined by the Tribunal (Department of Infrastructure Local Government and Planning)  (a) Councillor Elliott ordered to make a public apology at the next general meeting of Council on 21/10/15
Councillor Paul Bishop Section 181(2) (a) & (b)	Inappropriate Conduct: Use of social media - comments were inappropriate, misleading and/or manipulative	Decision: 05/11/15 - Determined by the Mayor (a) An order reprimanding the Councillor for the inappropriate conduct  (b) An order that any repeat of the inappropriate conduct be referred to the regional conduct review panel as misconduct
Councillor Craig Ogilvie Section 181(2) (a) & (b)	Inappropriate Conduct: Using offensive language to another person during a workshop	Decision: 15/12/15 - Determined by the Mayor (a) An order reprimanding the Councillor for the inappropriate conduct  (b) An order that any repeat of the inappropriate conduct be referred to the regional conduct review panel as misconduct
Councillor Paul Gleeson Section 181(2) (a) & (b)	Inappropriate Conduct: Use of social media – language and tone did not demonstrate respect to those with whom the Councillor was engaging	Decision: 20/01/16 - Determined by the Mayor (a) An order reprimanding the Councillor for the inappropriate conduct
Councillor Paul Gleeson Section 181(2) (a) & (b)		

## Internal Audit Report

Internal Audit provides Councillors and senior management with assurance that internal control systems are efficient, effective and economically viable, and that risk is appropriately addressed so objectives can be met.

Internal Audit operates as an independent function within Council, reporting directly to the CEO and the Audit Committee on audit and investigation findings. For administrative, financial and employee management, Internal Audit reports to the General Manager Organisational Services.

Internal Audit reviews and advises on:

- legislative and policy compliance
- operational cost-effectiveness and efficiency
- reliability of financial and related management information
- use of public funds and assets under Council's control
- adequacy and accuracy of accounting and computing systems.

Internal Audit also:

- conducts special assignments or investigations as requested by the CEO
- provides an advisory function concerning business improvement processes and systems of internal controls.

In 2015-16, its findings confirmed that a satisfactory internal control environment exists within Council.

### Major achievements:

In 2015-16, Internal Audit:

- issued 14 audit reports with 175 recommendations and 30 business improvement opportunities
- strengthened relationships by providing advisory services to committees and user groups within Council
- continued to improve professionalism by reviewing and updating procedures and operating manuals for quality control.

### Audit Committee

The Audit Committee complements the relationship between Internal Audit and the wider organisation, safeguarding Internal Audit's independence and further increasing the Internal Audit function's effectiveness and value to Council.

Prior to the local government elections in March 2016, the Audit Committee comprised the Mayor, Cr Mark Edwards as the Spokesperson of the Office of the CEO Portfolio, and two independent external members: Mr Virendra Dua and Mr Peter Dowling. The Audit Committee was chaired by Cr Edwards. Following the elections, the Audit Committee comprised the Mayor, Cr Paul Gleeson, Mr Virendra Dua and Mr Peter Dowling, with Cr Gleeson appointed by Council as the Chairperson of the Audit Committee. The portfolio committee system is no longer being used since the elections.

The primary objective of the Audit Committee is to help Council fulfil its corporate governance role and oversight of financial management and reporting responsibilities imposed under Sections 208–211 of the *Local Government Regulation 2012* and other relevant legislation.

### Major achievements:

In 2015-16, the Audit Committee:

- monitored Internal Audit's performance against the approved 2015–16 Internal Audit Plan
- reviewed audit reports and actions taken to address recommendations
- checked the resolution of prior-period Queensland Audit Office audit issues
- reviewed monthly and end-of-year financial information, including financial status and performance
- reviewed changes in accounting practices and policies
- monitored the implementation of Council's fraud control policy and initiatives
- monitored risk management strategies, policies and procedures and advised on the management of Council's strategic risks.

Under its charter, the committee meets four times a year. The external and internal auditors, the CEO, General Managers and Chief Financial Officer attend each meeting.

## External Audit

Council is audited annually by the Queensland Audit Office, which reports to Queensland Parliament as part of its role to enhance public sector accountability. It continuously reviews and assesses the internal control environment surrounding Council's financial and related systems and practices. This provides a statutory mechanism for external review of Council's financial operations and other corporate matters affecting the sound management of the organisation.





# Council performance

Delivering the Operational Plan 2015-16



# 1. Healthy natural environment

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Annual waterways recovery report and rating.	2015-16 water quality rating results indicated an overall decline in freshwater creek water quality compared to last year, with 14 out of 15 creek catchments rating poor to fair condition (93.0%). Below-average rainfall, less water flow and flushing created stagnant pools where nutrients became concentrated. This resulted in high nutrient levels, and low flow conditions, as well as increased levels of weeds and algae that impacted on the ecosystem health and aesthetic value of our creeks.
2.	The number of volunteers and hours spent caring for natural assets.	More than 800 volunteers spent 8,345 hours caring for our natural assets. Key activities included three major community plantings, major events at IndigiScapes and more than 40 active Bushcare groups (for more information see 1.1.3).
3.	Participation in fauna monitoring, protection, rescue and recovery programs.	More than 130 volunteers spent more than 9,000 hours participating in rescue and recovery programs, including monitoring and surveying threatened species and delivering Redlands' after hours wildlife ambulance and Redlands' wildlife care network (for more information see 1.2.1).
4.	The number of enhancement projects completed each year to improve access, safety and comfort for visitors.	10 enhancement projects were completed in 2015-16, including mountain bike trails, revised horse stiles and entrances, website information on canoe launch sites, and new fire/recreational access trails (for more information see 1.4.1 and 1.4.2).

## Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
12	10	2

Group partners: City Spaces, Environment and Regulation

## 2015-16 key achievements and challenges



## **1.1 Redlands' natural assets including flora, fauna, habitats, biodiversity, ecosystems and waterways, are managed, maintained and monitored.**

1.1.1 Activities were delivered in partnership with internal and external stakeholders to monitor and improve water bodies, including research, evaluating options, developing water quality objectives for use in development assessment, and delivering improvement projects at Hilliard's Creek and Victoria Point wastewater treatment plants.

1.1.2 Works were undertaken to rehabilitate riparian corridors in priority areas including Birkdale (Sunnybay Drive, Creek Road, Shonagh St), Redland Bay - Gordon Road and Bream Place, Capalaba (Firtree and Swamp Box Conservation Area), Cleveland (Smith Street, Oyster Point), Ormiston (Empire Vista and Gloucester Street). Works involved weed control, revegetation and maintenance within these areas.

1.1.3 Council continued to support and grow volunteer Bushcare activities by advertising for new members, providing first aid training, guidance and advice, and coordinating working bees. Council supported several key events including the 20-year Bushcare anniversary celebrations, Bushcare Major Day Out, annual social and open days, community meetings and Trees for Weeds events.

1.1.4 Major community plantings were coordinated across the city in partnership with conservation groups including the Australian Koala Foundation, Clear Horizon, Capalaba College, Conservation Volunteers Australia, University of Queensland and Bay Island Conservation Inc.

## **1.2 Threatened species are maintained and protected, including the vulnerable koala species.**

1.2.1 Community volunteers were supported to deliver projects that help protect threatened ecological communities at several sites, including Lamb Island and Coochiemudlo Island. Habitat plantings for koalas and glossy black cockatoos were completed.

1.2.2 Programs were delivered to further educate the community about wildlife protection and management, including providing information and training for volunteers. Interpretative signage and support was also provided to the Citizen Science Portal, which developed partnerships with community members, schools and businesses.

1.2.3 Surveys were conducted on several threatened species, including Phiasus Australus on Coochiemudlo Island, koalas on North Stradbroke Island, flying fox camp sites across the city, glossy black cockatoos on Russell Island and Macleay Island, and, in conjunction with The Atlas of Living Australia, raptor nests (including the osprey nest) at Wellington Point.

1.2.4 Koala area provisions and mapping within Local Law 2 were reviewed, community consultation completed and subsequent policy advice prepared.

## **1.3 Community and private landholder stewardship of natural assets increases.**

1.3.1 A program of educational training events and workshops was delivered at IndigiScapes to raise awareness and increase knowledge of a wide range of environmental topics, including support to develop relevant skills.

1.3.2 Services, such as site visits and workshops, were provided to private landholders who are managing their land for improved environmental outcomes. More than 50 new landholders signed on to habitat protection programs.

## **1.4 Visitors experience our natural assets through high standard facilities, trails, interpretation and low impact commercial ventures.**

1.4.1 Public access to conservation areas for recreational use was improved through the provision of new maps and online information about trails in the Bayview Conservation Area, Redland Track Park and other reserves across the city.

1.4.2 The Enhancing the Visitor Experience Program was adopted and Council started works to improve parking access, trailhead facilities, trails, new signage and interpretive information at conservation areas.

## 2. Green living

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Annual corporate greenhouse gas emissions.	Council reduced overall kilowatt hour consumption and greenhouse gas emissions by 12% in our main building facilities at Cleveland Administration Building, Cleveland Library, Capalaba Place and South Street Depot. 2015-16 greenhouse emissions totalled 1,794 tonnes Co2-e (carbon dioxide equivalent). Council reduced total fleet fuel litre usage by 5%. 2015-16 equivalent greenhouse gas emissions were 1,580 tonnes of Co2-e.
2.	Number of activities that educate, provide information and advocate sustainable building design for the community.	Performance outcomes promoting a sub-tropical and climate responsive design character were included in the draft Redland City Plan (for more information see 2.2.1).
3.	Council's resource recovery rate (percentage recycled).	47.3% (target 47.8%).
4.	Km of pedestrian pathways and cycleways.	5.5 km of footpaths were constructed in 2015-16 (total footpaths 400.5 km). No additional cycleways were delivered in 2015-16, however. Council started construction of the Moreton Bay Cycle Network in Thornlands (total cycleways 56.2 km).

### Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
7	5	2

Group partners: City Infrastructure, Economic Sustainability and Major Projects, Environment and Regulation, Water and Waste Infrastructure





## 2015-16 Key achievements and challenges

### **2.1 Council's policies and plans support ecologically sustainable development and respond to climate change issues.**

2.1.1 The Climate Change Action Plan has been reviewed internally in accordance with Council's new Green Living Policy Statement, and will be presented to Council for consideration during the 2016-17 financial year.

2.1.2 Horizon Foundation was consulted to identify opportunities for a new community garden space at the Runnymede site, and a community garden was incorporated into the site draft master plan.

2.1.3 Provisions for storm tide inundation have been included in the draft Redland City Plan as a result of changes associated with climate change. The draft plan is currently being reviewed by Council following a community consultation process.

### **2.2 Sustainable building design (for example, solar panels and water tanks) is supported through education and advocacy.**

2.2.1 Performance outcomes promoting a sub-tropical and climate responsive design character were included in the draft Redland City Plan residential zone codes. The draft plan is currently under review following a community consultation process.

### **2.3 Council's waste management plans address current and future needs, and include plans for closed landfills and regional collaboration.**

2.3.1 Construction works were undertaken to rehabilitate the Birkdale landfill remediation area.

### **2.4 Council and the community actively recycle and reduce waste.**

2.4.1 The Waste Reduction and Recycling Plan (Waste Strategy) was adopted in December 2015 following community consultation on the draft strategy.

### **2.5 Transport planning reflects a desire to maximise economic, environmental and liveability outcomes through quality road design, public transport, pedestrian and cycling strategies.**

2.5.1 A program of construction works was delivered to upgrade and maintain active and public transport infrastructure in accordance with asset and service management plans.

2.5.2 Council coordinated a joint advocacy and technical working group, with representatives from Brisbane City Council, Translink and Department of Transport and Main Roads, resulting in a report and proposal for cross-boundary transport and infrastructure priorities for road and public transport.

2.5.3 New 'in and out' trails were constructed to link the Bayview Staging Area to the existing trails in the Bayview Conservation Area, and funding applications were prepared for future trail works and upgrades.

## 3 - Embracing the bay

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Annual Healthy Waterways report card rating.	Redlands overall rating - C+ Waterway benefits rating - 3.5 In 2015 there were 285 landholders and 48 community groups involved in activities that protect and improve waterways.
2.	Quality of life data for island communities (Australian Bureau of Statistics Socio-Economic Index for Areas).	Census is undertaken every five years. Next census is due for completion in 2016-17.
3.	Implementation of the Redland City Disaster Management Plan.	The Redland Disaster Management Plan, Part Two (Islands of Moreton Bay) has been implemented.
4.	Number of new bay access points for low impact recreational activities.	Council upgraded some existing bay access points, however, no new bay access points for low impact recreational activities were constructed in 2015-16.
5.	Implementation of Priority Development Areas (PDA).	The Toondah Harbour PDA Scheme and Weinam Creek PDA Scheme were created.

### Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
8	4	4
Group partners: City Infrastructure, City Spaces, Environment and Regulation, Redlands Investment Corporation		



## 2015-16 Key achievements and challenges

### **3.1 Council collaborates with partners to understand, nurture and protect Moreton Bay's marine health and values.**

3.1.1 Asset and service management plans for stormwater infrastructure were adopted following a review of existing plans and the development of policies to support funding for best practice projects.

3.1.2 Council participated in a range of activities as part of the Healthy Waterways partnership, including involvement in working groups and management committees, promotional events for 'Connect to your Creek' week, and facilitating the erosion and sediment control demonstration project.

3.1.3 A Healthy Water Play program was implemented and levels of enterococci were monitored in selected coastal sites to ensure safe recreational use of the bay. Management actions will be taken if the water becomes unsuitable for recreation.

### **3.2 Communities on the islands and foreshores enjoy equitable access to development opportunities and community services.**

3.2.1 Council worked with the Walker Corporation to finalise an agreement for the provision of transport and services infrastructure at Toondah Harbour PDA and conducted workshops to progress transport and services at Weinam Creek.

### **3.3 Our community is ready for and adapting to changing coastlines, storm tide and severe weather.**

3.3.1 Work started on a Coastal Adaptation Strategy, based on outcomes of studies. Internal and external stakeholders were engaged to identify opportunities to progress relevant activities and develop funding options.

### **3.4 Redland City's residents and visitors can easily access the foreshore and use recreation infrastructure for boating and non-boating activities.**

3.4.1 The number of visitors, rescues and first aid treatments at bathing reserves on North Stradbroke Island was monitored and Council developed public notification signage on all foreshore areas.

3.4.2 Asset and service management plans for marine and canal infrastructure assets were reviewed and revised. Council managed the delivery of the Raby Bay revetment wall construction, Aquatic Paradise Dredging project, and the transfer of the Coochiemudlo jetty from the Department of Transport and Main Roads to Council.

### **3.5 Priority Development Areas support equitable outcomes for island residents, such as access to transport and facilities.**

3.5.1 The Toondah Harbour Development Management Agreement, developed by the Walker Corporation, was approved by Council following relevant assessments.

3.5.2 Council advised the Walker Corporation on preparations of an environmental impact assessment for Toondah Harbour.

3.5.3 Council reviewed development proposals from the Walker Corporation for Toondah Harbour PDA and Weinam Creek PDA, and negotiated outcomes.



## 4 - Quandamooka Country

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Attendance at Council's cultural awareness and heritage training.	Cultural awareness information was included in all staff inductions (134 attendees) and volunteer inductions at the Redland Art Gallery (40 attendees). More than 30 staff attended Quandamooka information sessions as part of NAIDOC week. Cultural heritage training delivery has been reviewed for future courses (for more information see 4.1.2).
2.	Community understanding of the Quandamooka People's relationship with their traditional land and waters.	Research indicates general awareness of local Aboriginal history and culture is improving. Of residents surveyed, 77% in 2014 had strong knowledge or awareness compared to 72% in 2012, and 60% in 2010 (Community Satisfaction Surveys).
3.	Council's progress with implementing the Indigenous Land Use Agreement (ILUA).	Progress on ILUA projects continued and was reviewed through the ILUA Consultative Committee.
4.	Visitation numbers and quality of experiences on North Stradbroke Island (Minjerribah).	Total visitation numbers to North Stradbroke Island are not available, however, the island has an estimated capacity to accommodate up to 10,000 people at any one time, based on the number of accommodation beds available, and capacity for day trippers and visitors staying in their own accommodation. Visitation numbers on North Stradbroke Island are at a capacity during peak holiday periods such as Christmas/New Year and Easter. Based on survey results, 80% of people see the island as a good value for money holiday destination and most people travel to the island to relax, swim, fish or go four-wheel driving. Events on the island are also attracting large number of visitors (Stradbroke Ferries Survey 2015).

### Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
6	1	5

Group partners: Corporate Governance, Human Resources, Communication, Engagement and Tourism





## 2015-16 Key achievements and challenges

### **4.1 Council's organisational and staff capacity to deliver positive outcomes for Aboriginal communities, including the Quandamooka People, is improved through policy, cultural awareness training and cultural heritage training for elected members and Council staff.**

4.1.1 Staff understanding and cultural awareness of Aboriginal (including the Quandamooka People) and Torres Strait Islander People has increased. This has been achieved through developing and publishing information, coordinating Council participation in key events such as National Reconciliation Week and National Aborigines and Islanders Day Observance Committee (NAIDOC) Week, distributing information from Aboriginal organisations, and incorporating information about the Quandamooka People in Council's staff induction program.

4.1.2 Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC) was engaged to deliver future cultural heritage training and Council worked with QYAC to progress course delivery in 2016-17.

### **4.2 Council's and the community's respect and understanding of the Quandamooka Peoples' relationship with their traditional land and waters continue to improve.**

4.2.1 Council staff members were supported to observe Acknowledgment and Welcome to Country protocols by developing resources, such as information cards and a list of local Elders. Staff provided advice and coordinated Elder participation at key Council events. A new 'Quandamooka Country' section has been developed for Council's new website, including an Acknowledgement of Country statement on every page.

4.2.2 The Pacific Tides Event on 8 August 2015 was delivered as part of the Quandamooka Festival. The festival involved Quandamooka and Pacific Island artists and community groups delivering events and workshops to more than 4,500 participants. 'Standing Together: the Art of Reconciliation' Community Art partnership and 'Let's Listen, Let's Yarn' speakers forums were also delivered. Council sponsored and supported significant community events such as Quandamooka Festival and Dunwich State School NAIDOC celebrations.

### **4.3 Council continues to support and resource the delivery of commitments under the Indigenous Land Use Agreement (ILUA) with the Quandamooka People.**

4.3.1 QYAC and Council held a workshop in July 2015 with key internal stakeholders as a first step in developing an employment strategy.

### **4.4 Council works with the Quandamooka Traditional Owners to help them achieve their goal of establishing North Stradbroke Island (Minjerrabah) as a global eco-cultural tourism destination.**

4.4.1 Tourism-related activities on North Stradbroke Island were delivered in collaboration with QYAC, including promotion of the Quandamooka Festival, inclusion of Jandai language in tourism maps, commissioning artwork, and funding Quandamooka dancers to perform at the Indigenous All Stars community event.



## 5 - Wise planning and design

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Implementation of the Redland City Plan and Local Government Infrastructure Plan (and subsequent twice-year reviews).	Public notification of the draft Redland City Plan was completed in 2015-16 (for more information see 5.1.2). Council is developing a draft Local Government Infrastructure Plan (for more information see 5.1.1).
2.	Development is consistent with legislation, best practice and community expectations, guided by relevant plans and strategies.	Development throughout the city was implemented in accordance with the <i>Sustainable Planning Act 2009</i> , the Redlands Planning Scheme and other relevant planning instruments. This will continue to be guided by the State Government's planning reform agenda and Council's introduction of the new Redland City Plan.
3.	Council meets or improves on Integrated Development Assessment System timeframes.	Council met its target of 90% compliance for determining development applications within Integrated Development Assessment (IDAS) timeframes.
4.	Levels of participation in regional collaboration and advisory groups.	Council was represented on the following groups: <ul style="list-style-type: none"> <li>• SEQ Development Assessment Managers Group</li> <li>• SEQ Healthy Waterways water quality improvement devices guideline development group</li> <li>• LGAQ Infrastructure Charges Think Tank.</li> </ul>

### Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
9	3	6
Group partners: City Infrastructure, City Planning and Assessment, Economic Sustainability and Major Projects, Water and Waste Infrastructure		





## 2015-2016 Key achievements and challenges

### **5.1 Growth and development in the city is sustainably managed through the adoption and implementation of the Redland City Plan and Local Government Infrastructure Plan.**

5.1.1 Council reviewed final demographics for the draft Local Infrastructure Plan and incorporated water supply and sewer infrastructure networks. An expert consultant was engaged to provide technical assistance, financial sufficiency analysis and statutory third party compliance reviews. An extension to the statutory timeframe was obtained from the Queensland Minister for Infrastructure, Local Government and Planning, to prepare the draft Local Government Infrastructure Plan.

5.1.2 Public notification of the draft Redland City Plan was completed. Council commenced a review of submissions and conducted workshops with Councillors to consider submissions.

### **5.2 Redland City's character and liveability are enhanced through a program of master planning, place-making and centre improvement strategies, including maximising opportunities through the catalyst Toondah Harbour Priority Development Area and Redlands Health and Wellbeing Precinct projects to build a strong and connected Cleveland.**

5.2.1 Council collaborated with Metro South Health and Hospital Service to develop a master plan and project scope for the Redlands Health and Wellness Precinct. Expressions of interest are being sought by Metro South with plans to progress the project in 2016-17.

5.2.2 The phase one review of the Birkdale Commonwealth Land was completed, with a site report on key features and further investigations needed to inform future use options. Council engaged with internal and external stakeholders to identify potential land use limitations and options to progress land acquisition and development.

### **5.3 An effective and efficient development assessment process delivers quality development that is consistent with legislation, best practice and community expectations.**

5.3.1 Road, traffic and stormwater drainage network connectivity were reviewed and Council delivered safety improvements as part of the Black Spot project at Wellington Street, Queen Street and Coburg Street in Cleveland.

5.3.2 Implementation of an e-planning tool progressed, by delivering the PlanningXchange BROWSE module. Council progressed testing of the TRACK module and started preliminary investigations of an e-lodgement solution.

### **5.4 Regional collaboration and targeted advocacy drives external funding for key infrastructure upgrades and enhanced community outcomes.**

5.4.1 Actions within the Netserv Plan were delivered. Council reviewed the plan to identify future additional water and sewerage infrastructure, based on changes in population densities identified in the draft Redland City Plan.

5.4.2 Council submitted 39 grant applications (20 operating grant applications and 19 capital grant applications) to 21 funding programs. More than \$10m in operating grants were received to deliver a range of Council services, including road resurfacing and marine infrastructure operations. More than \$6.9m in capital grants were received, including \$3.85m to upgrade the Point Lookout Wastewater Treatment Plant, \$300,000 to upgrade lookout facilities at Point Lookout, and more than \$3.48m in transport infrastructure funding to support upgrades to public transport facilities and transport network improvements.

## 6 - Supportive and vibrant economy

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Employment growth and tourism numbers.	<p>There was a slight reduction in the unemployment rate for the Redlands from 5.3% (December 2015) to 5.1% (March 2016) (Department of Employment).</p> <p>2014-15 total visitor numbers to the Redlands:</p> <ul style="list-style-type: none"> <li>• 368,041 international visitor nights</li> <li>• 1,560,174, domestic visitor nights</li> <li>• 733,457 domestic day trips (National Institute of Economic and Industry Research, 2016).</li> </ul> <p>In 2014-15, tourism accounted for 2.4% of the Redlands' gross regional product, or \$90.8m (Tourism Research Australia, unpublished data from the National Visitor Survey and International Visitor Survey 2015).</p> <p>Total Redlands tourism employment was 1,345 (3.1% of total employment in the city) (2015 Tourism Satellite ABS).</p>
2.	Attendance numbers and economic return at events across the city.	More than 218,000 people attended 40 major city events, injecting more than \$22.8m into the local economy.
3.	Implementation of the early actions and future strategic directions from the North Stradbroke Island Economic Transition Strategy.	The North Stradbroke Island Economic Transition Strategy is being finalised by the State Government. Council will work with the State Government once the strategy is finalised.
4.	Number of sites developed by Redland Investment Corporation for commercial and community benefits.	Planning development approvals were lodged on three sites.
5.	Number of action plans developed by the Industry Economic Advisory Board.	The Redland Economic Development Advisory Board was established (for more information see 6.5.1). Two action plans will be prioritised by the Board for development in 2016-17.
6.	Finalise development management agreement for Toondah Harbour PDA.	The Development Management Agreement for Toondah Harbour PDA was completed.
7.	Support negotiations with stakeholders on environmental and development approvals Toondah Harbour PDA.	Council supported the Walker Corporation to lodge an application with the Coordinator General.
8.	Finalise report for proposals for Weinam Creek PDA.	Council assessed the proposal for Weinam Creek PDA and provided recommendations.
9.	Finalise development management agreement for Weinam Creek PDA.	Council reviewed the Development Management Agreement for Weinam Creek PDA and made recommendations.

### Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
7	3	4

Group partners: Communication, Engagement and Tourism, Economic Sustainability and Major Projects, Redlands Investment Corporation



## 2015-2016 Key achievements

### **6.1 Council supports infrastructure that encourages business and tourism growth.**

6.1.1 Council helped the State Government develop the North Stradbroke Island Transition Strategy.

6.1.2 Programs were delivered to revitalise the Cleveland CBD, including opening the upgraded Bloomfield Street Park, a lighting replacement study, aligning the Cleveland CBD Master Plan to outcomes in the draft Redland City Plan, and identifying vacant business district spaces for activation through the Cleveland Renew Program.

### **6.2 Redland City delivers events, activities and performances that bring economic and social benefits to the community.**

6.2.1 Council supported a number of new events, including the Retro Eat Boutique Market, Caravan, Camping, Boating and 4x4 Expo, Relish Food Festival, 4WD Show & Shine, Redlands Rockabilly Revival, Redlands Cycling Criterium and the Bayview Blast National Series Mountain Bike Race.

6.2.2 Council engaged with event organisers and internal stakeholders to improve event permits and associated processes. Work began to develop a Five-Year Events Strategy and Action Plan.

### **6.3 Council's involvement in the State Government's North Stradbroke Island Economic Transition Committee supports and aligns with Council's strategic objectives, which help deliver long-term economic sustainability for North Stradbroke Island (Minjerribah).**

6.3.1 Council advocated to the State Government for a definitive mine closure date for North Stradbroke Island. The State Government is ending sand mining on the island by 2019.

### **6.4 Council receives a return on the community's investment in land to enhance economic and community outcomes.**

6.4.1 An operational structure for the Redlands Investment Corporation was developed.

### **6.5 Growth in key sectors identified in Council's Economic Development Framework is supported through the development and implementation of action plans by the Industry Economic Development Advisory Board.**

6.5.1 The Redland Economic Development Advisory Board was established with appointment of six Board members including the Chair. Council is also represented on the Board.

### **6.6 Development will be facilitated specifically in the Toondah Harbour Priority Development Area (PDA) and Weinam Creek PDA with a focus on economic growth.**

6.6.1 Council is waiting on finalisation of environmental impact assessments.



## 7 - Strong and connected communities

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Number of community activities delivered.	<p>Council delivered:</p> <ul style="list-style-type: none"> <li>• 1,853 library programs and events to more than 18,400 people</li> <li>• 183 not-for-profit events (more than 28,800 attendees) and 20 free festival and events (more than 5,600 attendees) at the Redlands Performing Arts Centre</li> <li>• more than 25 community events (more than 140,000 attendees) and 26 corporate Council events (more than 14,000 attendees)</li> <li>• 51 community events through Redlands Art Galleries (more than 1,800 attendees).</li> </ul>
2.	Number of community groups with leases/permits for Council facilities.	In 2015-16, there were 81 community groups with leases and 80 with lease to occupy (previously called permit to occupy).
3.	Number of strategic partnerships formed and number of successful grant applications.	<p>In 2015-16, Council partnered with the following organisations:</p> <ul style="list-style-type: none"> <li>• Horizon Foundation, to deliver a multi-purpose disability centre on Council land</li> <li>• seven external organisations, as part of the planning process for the Cleveland community hub</li> <li>• Australian Industry Trade College, to establish a technical school in Cleveland</li> <li>• Autism Spectrum Disorder School, to establish a new school at the Alexandra Hills TAFE campus</li> <li>• Surf Life Saving Queensland, to establish an emergency and aquatic facility</li> <li>• Family Support Group Australia, on the Headspace consortium, which aims to better coordinate services and improve access for young people to mental health and related services</li> <li>• Donald Simpson Community Centre, to provide programs and services that align with Council's Seniors Policy</li> <li>• Redland Bay and Alexandra Hills Men's Sheds group, to improve access to Council land and facilities as well as access to funding from all levels of government.</li> </ul> <p>Council's community grants program expenditure totalled \$486,283 including:</p> <ul style="list-style-type: none"> <li>• organisational support grants – \$35,949</li> <li>• project support grants – \$102,539</li> <li>• conservation grants – \$74,435</li> <li>• capital infrastructure – \$187,000</li> <li>• Regional Arts Development Fund – \$86,360.</li> </ul> <p>Council's sponsorship expenditure totalled \$163,877.</p> <p>Councillors' small grants program \$247,790.32 (see page 18 for breakdown by division).</p>
4.	Number of volunteers and hours donated towards Council projects.	More than 1,000 volunteers contributed more than 30,000 hours of service in 2015-16. Volunteers were involved in a wide range of Council programs and services, including Bushcare, wildlife care network and ambulance service, environment surveys, graffiti removal, disaster management, and volunteering at IndigiScapes, Redlands Art Gallery and Animal Shelter.
5.	Implementation of Redland City Disaster Management Plan.	The Redlands Disaster Management Plan Part Five (Disaster Recovery) was delivered.

### Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan	Cancelled
11	7	3	1

Group partners: City Spaces, Community and Cultural Services, Disaster Planning and Operations, Economic Sustainability and Major Projects



## 2015-2016 Key achievements

### **7.1 Festivals, events and activities bring together and support greater connectivity between cross-sections of the community.**

7.1.1 The draft Redlands Libraries Strategy was developed with key internal stakeholders. Consultation on the draft strategy will continue with Councillors and external stakeholders in 2016-17. The State Government First Five Forever Program was implemented, involving partnerships with speech pathologists, health care and early childhood centres to support language and literacy with children up to five years old.

7.1.2 Three programs were implemented in partnership with groups across the city: Libraries 2U; Redlands Libraries Connecting to You – Home Library Service; and Redlands Libraries Connecting to You – First Five Forever.

7.1.3 The Redlands Youth Strategy was developed and adopted. Council started implementing the strategy, and developing monitoring arrangements to track progress and internal networks to support the delivery of actions.

### **7.2 Council maximises community benefit from the use of its parklands and facilities by improving access to, and the quality and shared use of, public spaces and facilities by groups for sporting, recreational and community activities.**

7.2.1. An online venue booking system was developed, for implementation in 2016-17, to enable a more streamlined and customer-centric booking portal where customers will be able to book, manage and pay for venue hire online.

### **7.3 Council's assessment of community issues and needs provides timely opportunities to pursue grants and partnerships that realise long-term benefits.**

7.3.1 Council secured support for Pacific Tides Festival (total grants: \$65,000), Redland Art Gallery Exhibition (grant: \$18,000), Straddie Style Exhibition (in kind and sponsorship: \$4,000), Gathering Strands (grants and sponsorship: \$22,000), Redland Art Awards 2016 (in kind and sponsorship: \$500) and Regional Arts Development Fund (grant: \$63,000).

### **7.4 Council supports volunteerism and participation in civic projects through clear and supportive Council processes to reduce red-tape, and engage and recruit volunteers for Council projects.**

7.4.1 Investigations were completed to confirm the need for a seniors' precinct and general community hub in Cleveland.

### **7.5 The community's preparedness for disasters is improved through community education, training and strong partnerships between Council and other agencies.**

7.5.1 Additional training was provided to the Emergency Operations Team in preparation for the fire and storm season and to exercise parts of the Disaster Management Plan. Exercise 'Sodor Surprise' was conducted in June 2016, which involved multiple agencies to fully test Council's Disaster Management and Business Continuity Plans.

7.5.2 Information on disaster preparedness was provided to the community at regular events such as festivals and school fetes and library displays. Council also partnered with organisations to distribute brochures and promote awareness.

7.5.3 Council developed and delivered Part Five of the Redland Disaster Management Plan (Disaster Recovery), in both printed and online versions.



## 8 - Inclusive and ethical governance

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Customer satisfaction with Council's e-services/online services through our Community Satisfaction Survey.	Indicators were included in the 2016 Community Satisfaction Survey.
2.	Financial Strategy key performance indicators including measures of sustainability.	Key performance indicators available September/October 2016.
3.	Tracking the improvement of asset management maturity and capacity.	An asset management maturity assessment commenced and will be completed in 2016-17 (for more information see 8.2.1).
4.	Corporate Plan implementation is effectively tracked and performance reported.	Annual corporate planning reports were aligned to deliver the Corporate Plan and a review of performance reporting commenced.
5.	Individual performance is effectively managed through Council's MyGoals process.	92% of Council employees had clear and achievable performance objectives (MyGoals survey 2015-16).
6.	Community satisfaction with engagement activities.	56% of residents were satisfied that they had the opportunity to have their say in key decisions (2014 biennial Community Satisfaction Survey).
7.	Portfolio of projects is tracked and managed to align with Council's strategic objectives.	A core project management skills program was established. 115 staff trained in project management and project delivery planning. 120 staff were involved in change management activities.

### Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
15	3	12

Group partners: Information Management, Communication, Engagement and Tourism, City Planning and Assessment, Financial Services, City Infrastructure, Corporate Governance, Business Transformation, Human Resources



## 2015-16 Key achievements and challenges

### **8.1 Council's Information Management Strategy and technology systems are engineered to increase efficiency and provide excellent customer service outcomes.**

8.1.1 Council delivered phase one of the initial install and configuration of Business Intelligence and commenced delivery of phase two, which involves transactional reporting from core systems, including developing financial and reporting functions.

8.1.2 Development of a new Council website began, including updating content in preparation for a planned website launch in August 2016.

8.1.3 Objective, a new electronic document records management system, was implemented. This involved migrating more than one million documents from Council's previous system and integration with the Property and Rating system.

8.1.4 Implementation of a planning and development portal was reviewed with key internal stakeholders. The project was amended to incorporate planning and development information as part of Council's new website.

### **8.2 Council produces and delivers against sustainable financial forecasts as a result of best practice Capital and Asset Management Plans that guide project planning and service delivery across the city.**

8.2.1 Council commissioned experienced local government consultants to conduct an asset maturity assessment and established a working group to progress the Asset Management Advancement Project in 2016-17.

8.2.2 The 2016-17 Asset Management and Service Plan was approved for traffic facilities and street lighting.

### **8.3 Implementation of the Corporate Plan is well coordinated across Council and through a delivery mechanism that provides clear line of sight, accountability and performance measurement for all employees.**

8.3.1 A review of Council's performance reporting policy and guideline commenced in 2015-16 and will continue in 2016-17.

8.3.2 The draft People Strategy was developed, based on analysis of information including Council's MySay survey and consultation with stakeholders.

8.3.3 Council's vision, mission and values were communicated through workshops to raise awareness throughout the organisation.

8.3.4 Relevant stakeholders were consulted to determine the scope for a review of Council's current plans and strategies, to be undertaken in 2016-17.

8.3.5 The Integrated Leadership Development Strategy 2016–2020 was adopted and the Leadership Development Program continued to be implemented. Council established an internal coaching bench (stage 1 – identification and training of internal coaches).

### **8.4 A continuous improvement focus underpins the organisation, creating a supportive environment for ideas and positive, well-managed change that enhances internal and external outcomes.**

8.4.1 A change management maturity audit was undertaken with input from Group Managers and Service Managers to determine Council's maturity capability. Council applied Prosci change management methodology to selected projects.

8.4.2 A strategic workforce planning project was piloted with two Council groups to establish a methodology that will continue to be rolled out across Council in 2016-17.

8.4.3 Council's Business Transformation Program and Model were defined to support improvement projects that deliver value, efficiency and embed a culture of continual improvement. 471 staff across all levels completed Lean Basics (Introduction to Continual Improvement/Lean). 37 staff completed Lean Learners (Exploration of the use of Lean tools and techniques). 48 Lean Improvement projects were introduced in 2015-16, demonstrating the transition towards a performance culture.

8.4.4 Council started implementing a three-year improvement program for portfolio management by recruiting staff for a new Centre of Excellence and delivering staff training in core basic project management skills.

### **8.5 Council uses meaningful tools to engage with the community on diverse issues so that the community is well informed and can contribute to decision making.**

8.5.1 Training was provided to officers to enable them to support and deliver community engagement activities as part of Council's draft Redland City Plan project.

## Business Unit Statement of Operations and Annual Report

RedWaste, a commercial business unit of Redland City Council, is Council's waste management unit. It is responsible for the following activities:

- collecting kerbside waste, recycling and green waste
- operating two mainland and six island waste handling facilities including Council's tip shop, RecycleWorld
- collecting waste and recycling from park and street bins
- maintaining existing and planning for future waste and recycling infrastructure
- providing waste and recycling education and extension programs
- delivering programs and initiatives to meet Council's waste strategy targets for waste reduction and resource recovery.

RedWaste provided services to Council and the community in accordance with the RedWaste Annual Performance Plan (APP) 2015-16. In 2015-16, RedWaste provided essential waste and recycling collection services to 57,080 households.

### Our statutory duties

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

- changes made to the annual performance plan during the year
- impacts of the annual performance plan, including:
  - financial position
  - operating surplus or deficit
  - prospects
  - details of Council's direction to the unit.

### Redland City Council's Waste Strategy

Following public consultation, Council's new waste management strategy, the Waste Reduction and Recycling Plan 2015-2020, was adopted in December 2015. The plan sets direction for increasing recycling and resource recovery and builds on the previous 10-year waste plan. It highlights achievements from the past five years and sets objectives and targets and an implementation plan for the next five years, from 2015 to 2020.

#### Highlights and achievements delivered under the previous Sustainable Resources from Waste Plan 2010-2020 include:

- increasing overall domestic recycling performance from 39% in 2010 to 47% in 2015
- providing a greater choice of wheelie bins, including a larger 340-litre recycling bin adopting the National Standard (AS4123.7-2006) for bin lid colours
- introducing the kerbside green organics wheelie bin collection service in 2011, which is now accessed by 9,361 households
- installing a permanent household hazardous waste disposal facility at the Redland Bay Waste Transfer Station, with over 79 tonnes of hazardous material received since December 2014
- providing electronic (e-waste) recycling services, capturing 964 tonnes since March 2013
- introducing bulk bin recycling services at waste transfer stations, residential and commercial properties, and on North Stradbroke Island
- introducing segregated cardboard collection services in 2014 at North Stradbroke, Russell, Macleay and Coochiemudlo Island waste transfer stations and recycling 249 tonnes of cardboard since that time
- expanding public place recycling infrastructure to promote 'away from home' recycling
- entering into an agreement with Bay Islands Community Service, where good quality items are segregated at Russell and Macleay Island waste transfer stations and collected for distribution to local communities
- implementing the 'Rethink your rubbish' campaign and RedSWAP (Redlands School Waste-Wise Action Program) for schools
- progressing regional collaboration actions and investigations with Brisbane and Logan City Councils.

## Specific highlights for 2015-16

- A total of 4,321 tonnes of scrap metal was recovered at Council waste transfer stations, generating \$710,831 in revenue, offsetting cost of operations.
- Construction and demolition waste (bricks and concrete) for recycling increased by 13% from 2014-15, all of which is sent for reprocessing and beneficial reuse.
- The number of waste bins transported from waste transfer stations to landfill decreased by 93 (4.8%) due to improved compaction and efficiency.
- More than 600 residential customers accessed Council's free hazardous waste facility at Redland Bay Waste Transfer Station, responsibly disposing of 55.7 tonnes of hazardous materials.
- The Birkdale Waste Transfer Station green waste bypass lane was completed, reducing queuing times and improving safety for customers.
- The Birkdale Landfill remediation project commenced in March 2015, and was significantly progressed throughout the 2015-16 financial year.
- Council's environment and waste education officers delivered 45 school waste education visits and community events, as well as four professional development workshops relating to waste minimisation, recycling, composting and litter prevention.
- Four local primary schools graduated from RedSWAP. St Rita's Catholic Primary School, Vienna Woods State School, Ormiston State School and Capalaba College all successfully completed the two-year waste minimisation program.
- A revised schools' waste minimisation program was developed including a schools' grants program.
- Council's two water refill stations were used at 13 community events, promoting the use of reusable bottles rather than single-use water bottles.

## Key performance indicators

Number of domestic waste collections				
	2012-13	2013-14	2014-15	2015-16
Waste and recycling	52,415	53,659	55,252	57,080
Green waste	6,673	7,419	8,331	9,361

Recyclable material diverted from kerbside waste stream				
	2012-13	2013-14*	2014-15*	2015-16
Total kerbside domestic waste (tonnes)	54,895	53,636	55,949	56,243
Total kerbside co-mingled recycling (tonnes)	11,742	11,619	12,413	11,814
Total kerbside green waste (tonnes)	2,008	2,087	2,451	2,677
Percentage of kerbside material diverted from landfill	25.1%	25.6%	26.6%	25.8%

\* Previously published figures have been adjusted due to the receipt of all available waste and recycling data

Recoverable material diverted from landfill at waste transfer stations				
	2012-13	2013-14	2014-15	2015-16
Total waste received at transfer stations (tonnes)	55,719	65,494	57,701	47,650
Materials diverted for recycling/reuse at transfer stations (tonnes)	38,492	45,273	42,050	34,687
Recoverable material diverted from landfill at transfer stations	69%	69%	73%	73%

Kilograms per household per week				
	2012-13	2013-14	2014-15	2015-16
Kerbside domestic collection (waste, recycling and green waste)	20.1	19.6	19.6	18.9
Kerbside waste collection	15.1	14.6	14.3	13.8
Kerbside recycling collection (recycling and green waste)	5.0	5.0	5.3	4.9

Resource recovery rate – total waste material diverted for reuse and recycling				
	2012-13*	2013-14*	2014-15*	2015-16
Total domestic waste handled (tonnes)	108,020	106,251	103,562	103,893
Total waste diverted from landfill (tonnes)	50,620	48,423	49,377	49,178
Waste recycled (% of total waste)	46.9%	45.6%	47.7%	47.3%

Complaints and compliments				
	2012-13	2013-14	2014-15	2015-16
Percentage of missed service complaints	0.026%	0.026%	0.027%	0.028%
Percentage of other complaints	0.003%	0.0004%	0.0002%	0.003%
Number of compliments	31	17	23	24

\*Previously published figures have been adjusted due to the receipt of all available waste and recycling data

## Annual Performance Plan (APP) – Key performance indicators

Corporate Plan priority	KPI	Key performance indicator	Frequency	APP annual target	Yearly KPI achieved
Green living	1	Total kg of domestic waste landfilled per capita per year	Monthly	Max 372 kg	364 kg
	2	Municipal solid waste resource recovery rate	Monthly	Min 47.8%	47.3%
Healthy and natural environment processes	3	% compliance with Department of Environment and Heritage Protection waste licence requirements for waste management facilities	Quarterly	Min 98%	99.5%
An efficient and effective organisation	4	Waste operating revenue	Monthly	+/- 5%	0.93% KPI achieved
	5	Waste operating goods and services	Monthly	+/- 5%	-0.44% KPI achieved
	6	Waste capital expenditure	Monthly	+/- 5%	-62.59%, KPI not achieved*
	7	Operating cost per tonne of waste	Monthly	<\$153.06	\$148.51 KPI achieved
	8	Lost time injury frequency rate	Monthly	Max 20	0

\* Variances exist in Birkdale Transfer Station haul road and hardstand \$1.1m, which were carried over into 2016-17, and Wasteman Upgrade, \$100,000, which was no longer required at that time.

# RedWaste Business Unit Annual Performance Plan

Council adopted the RedWaste Annual Performance Plan (APP) at the Special Meeting held on 14 July 2016. The APP includes:

- objectives of the unit
- nature and extent of the significant business the unit conducts
- financial and non-financial performance targets
- nature, extent, cost of and funding for the community service obligations the unit must perform
- notional capital structure and treatment of surpluses
- proposed major investments
- outstanding and proposed borrowings
- the unit's policy on the level and quality of service consumers can expect
- delegations necessary to allow the unit to exercise autonomy in its commercial activities
- the type of information that the unit's report to the local government must contain.

## **Council decisions affecting the RedWaste business unit during 2015-16**

- Council provided fee exemptions for waste disposed by registered not-for-profit organisations and community groups, under its community service obligations.
- Council resolved on 9 December 2015 to adopt the Waste Reduction and Recycling Plan 2015-2020.
- Council resolved on 11 May 2016 to call tenders for an on-demand bulky household item collection service and operation of RecycleWorld.
- Council resolved on 21 October 2015 to call expressions of interest for waste transfer station contracts.

## **Financial report and community service obligations**

Details of RedWaste's consolidated financial statements for the year ended 30 June 2016 are contained in the Financial Statements on pages 70-104.

# Redland Water

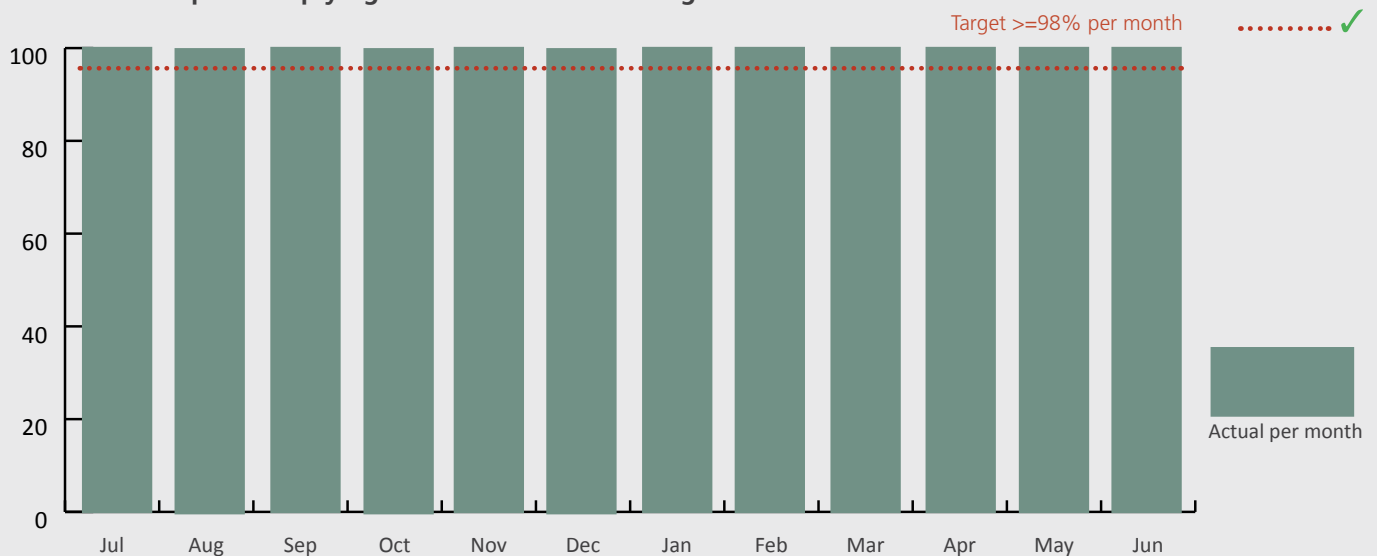
## Redland Water highlights

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

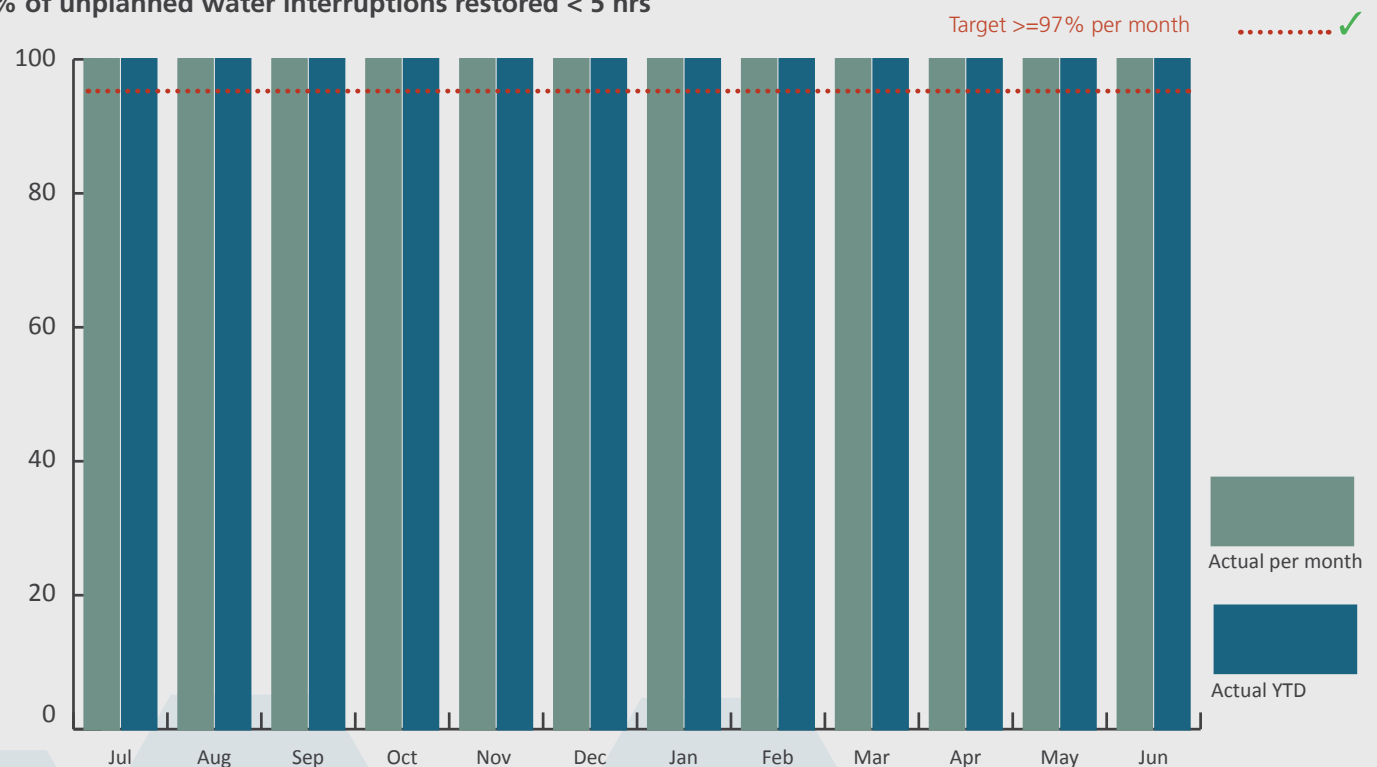
Redland Water contributes to preserving the city's quality of life by servicing the Redlands population through 56,425 water connections and 50,339 wastewater connections. In 2015-16, Redland Water supplied 12,276 megalitres of drinking water to customers and treated 9,834 megalitres of wastewater.

### How did we do operationally?

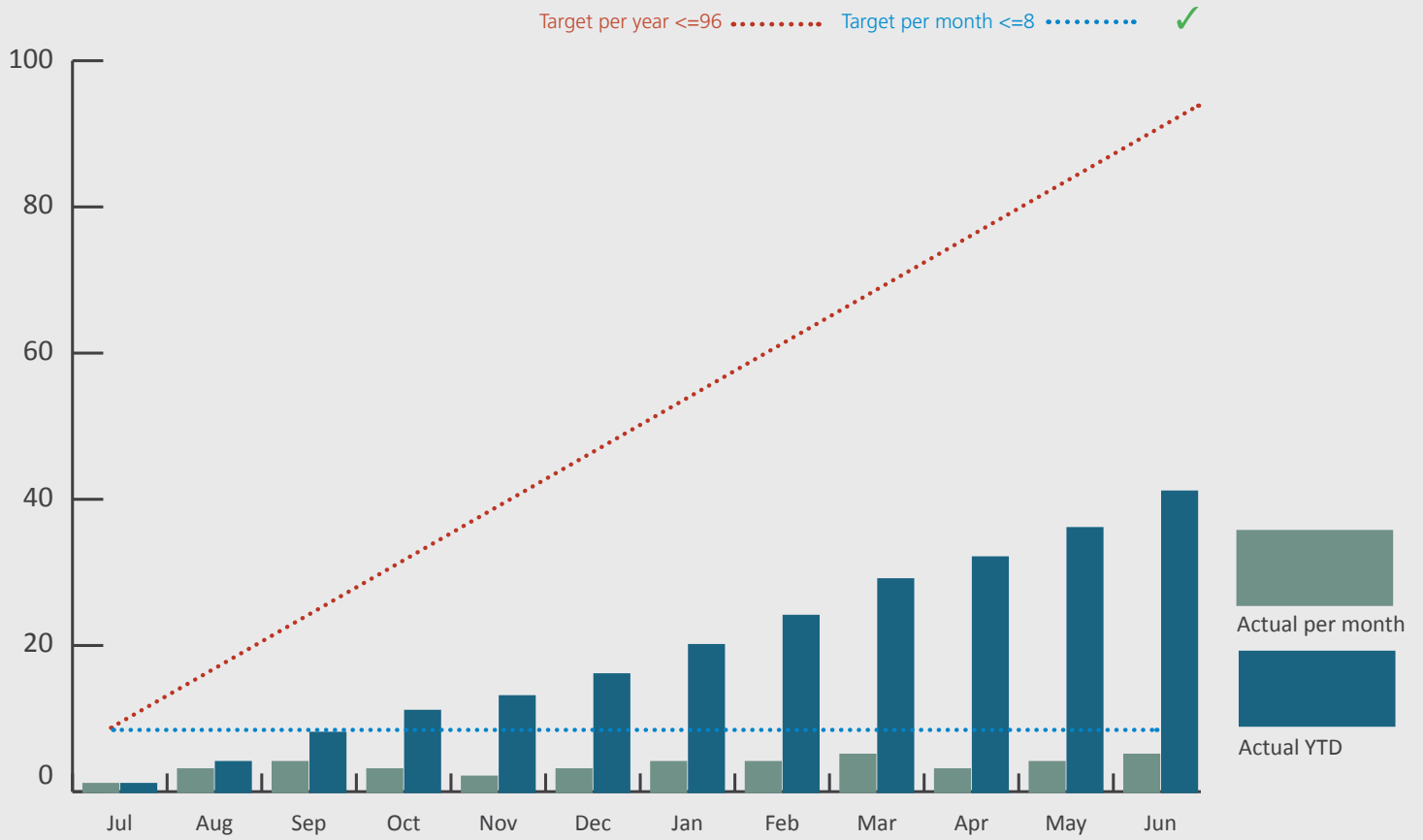
#### % of water samples complying with Australian Drinking Water Guidelines



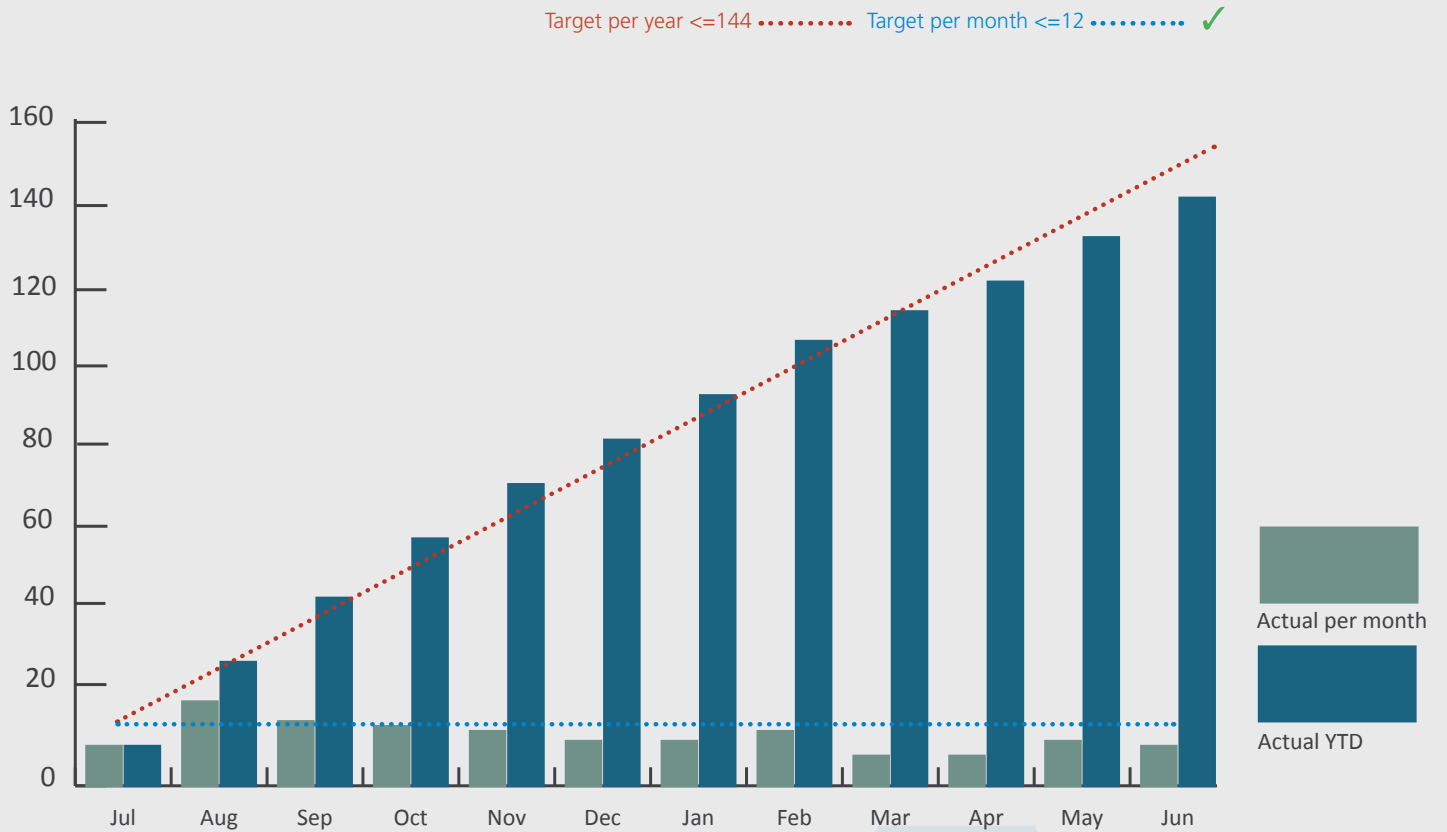
#### % of unplanned water interruptions restored < 5 hrs



### Number of water main breaks and leaks

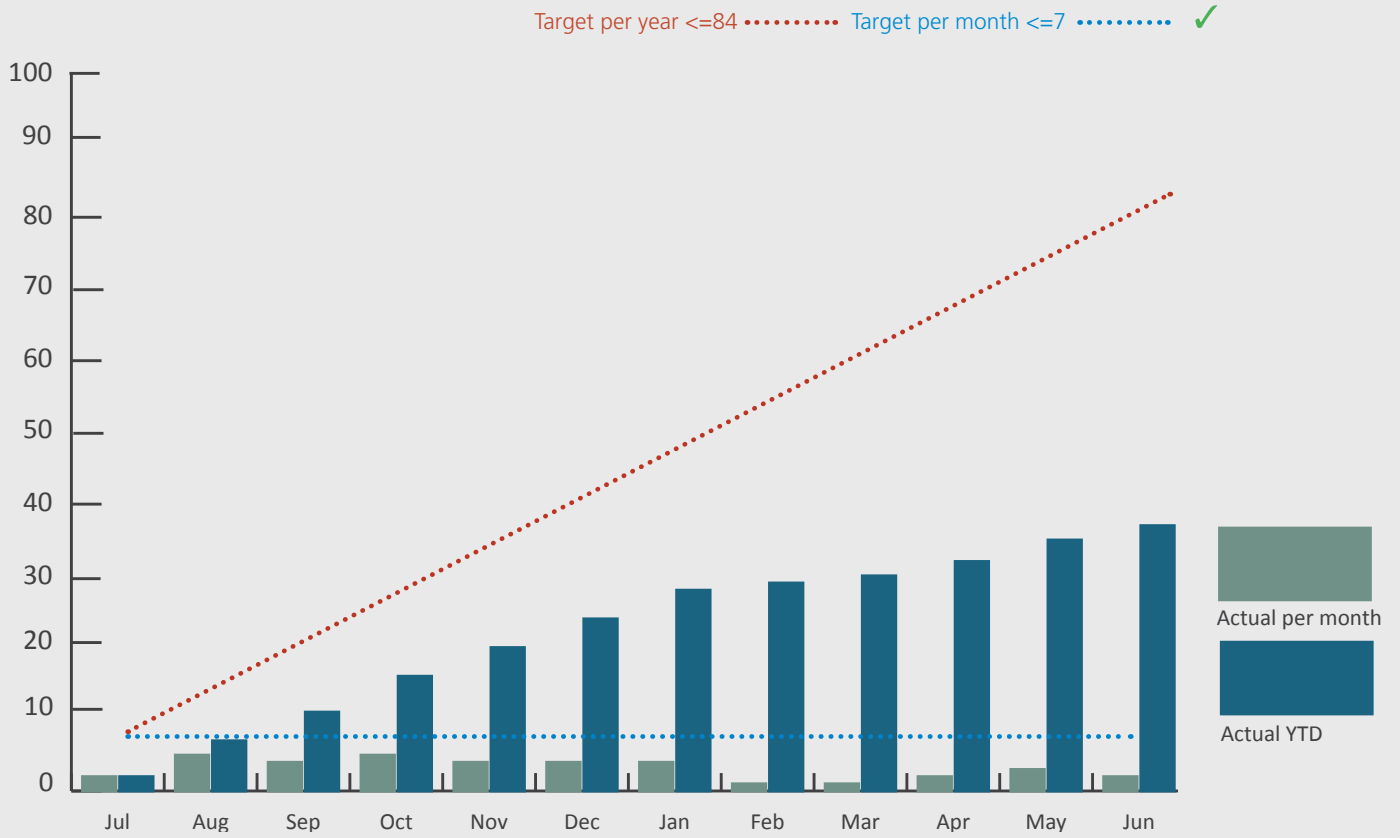


### Number of water quality incidents per month

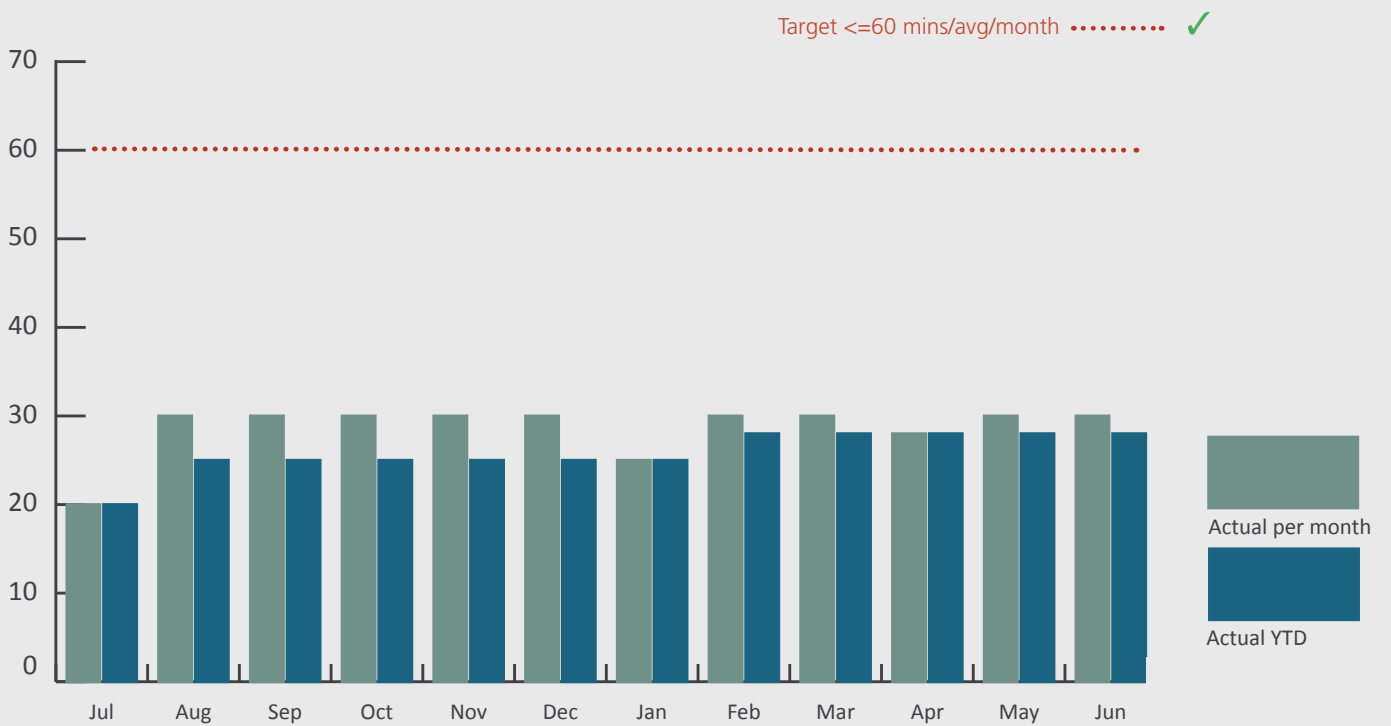




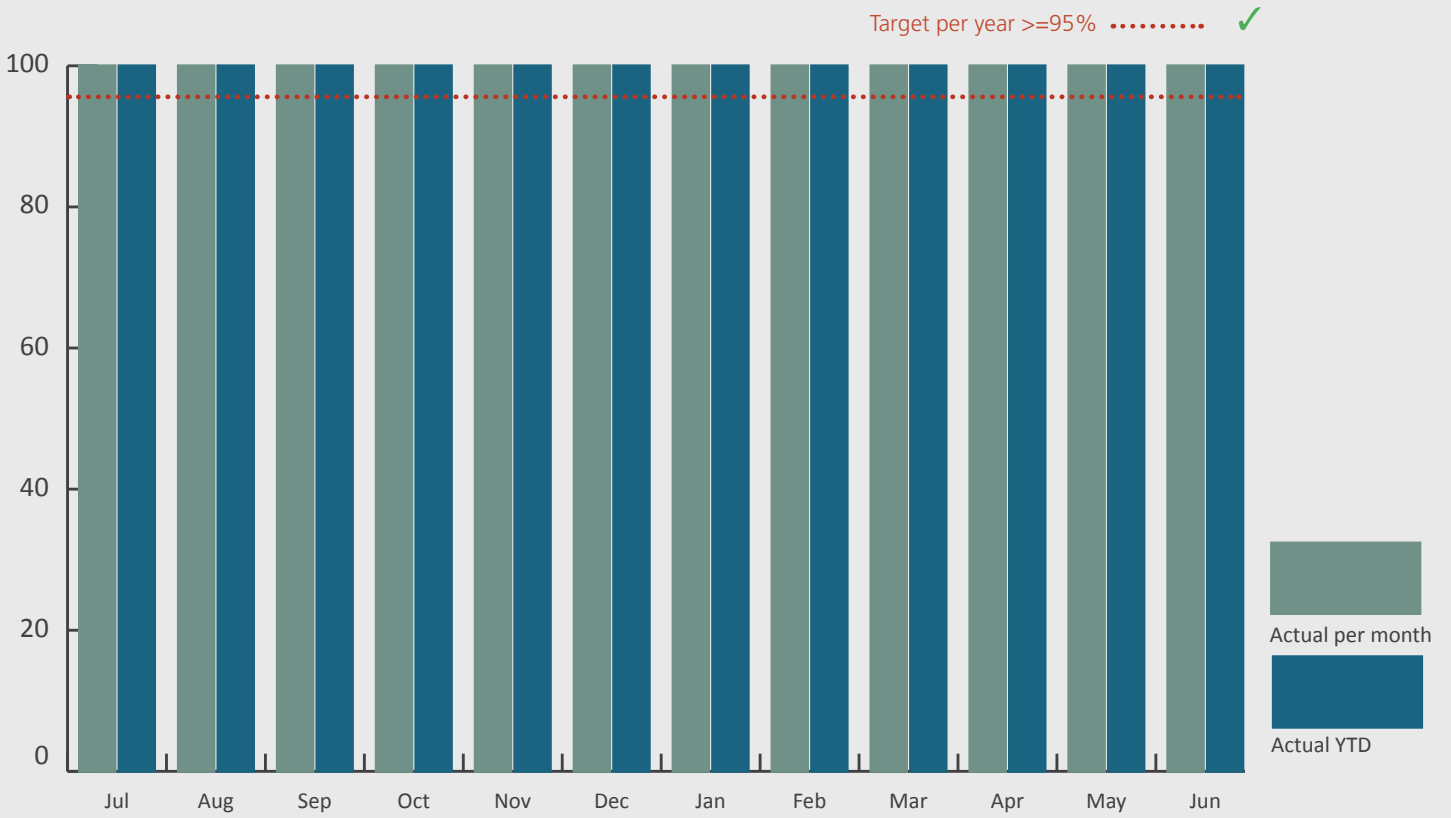
### Overall number of dry weather overflows



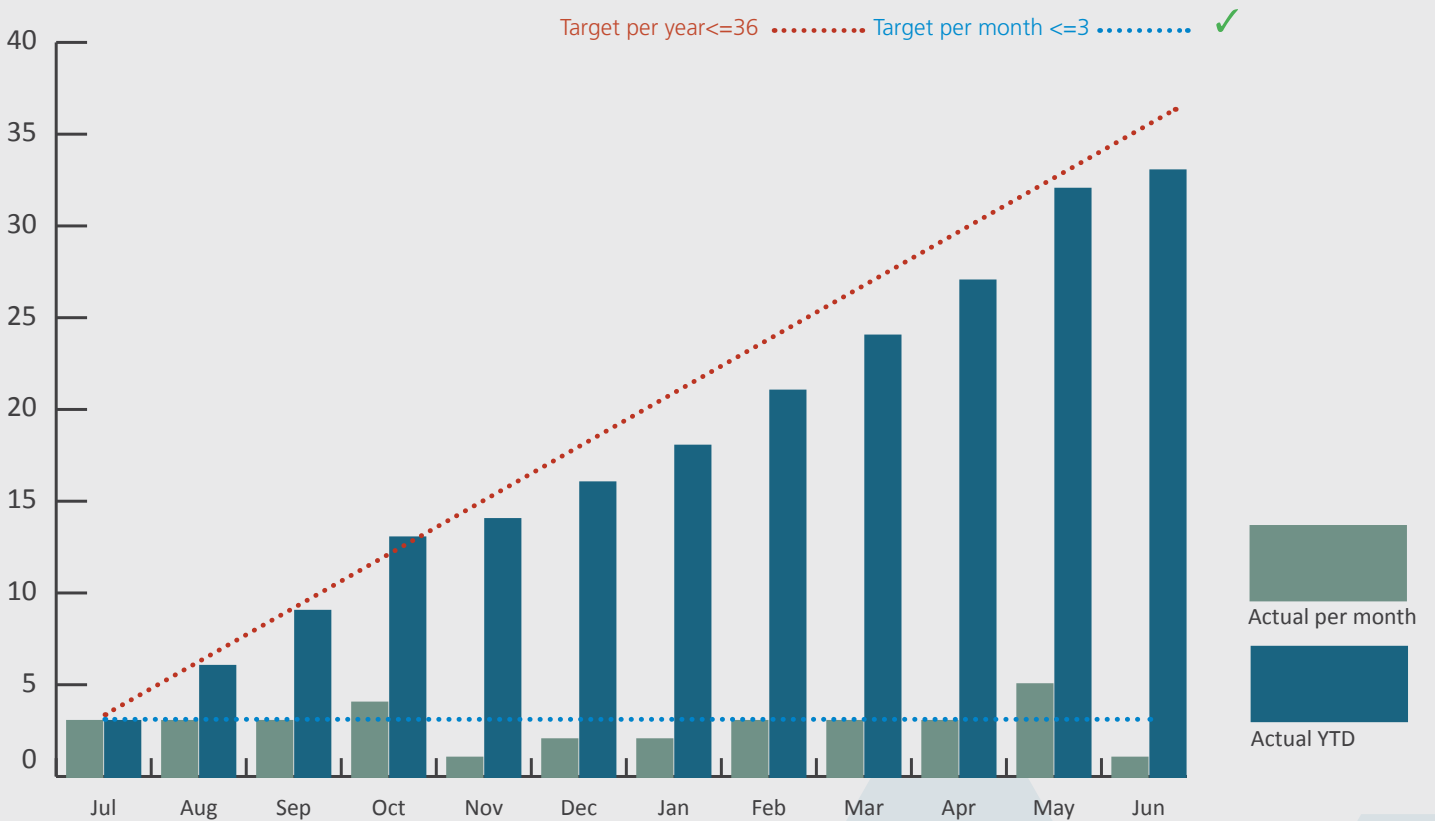
### Average response or reaction time to wastewater incident



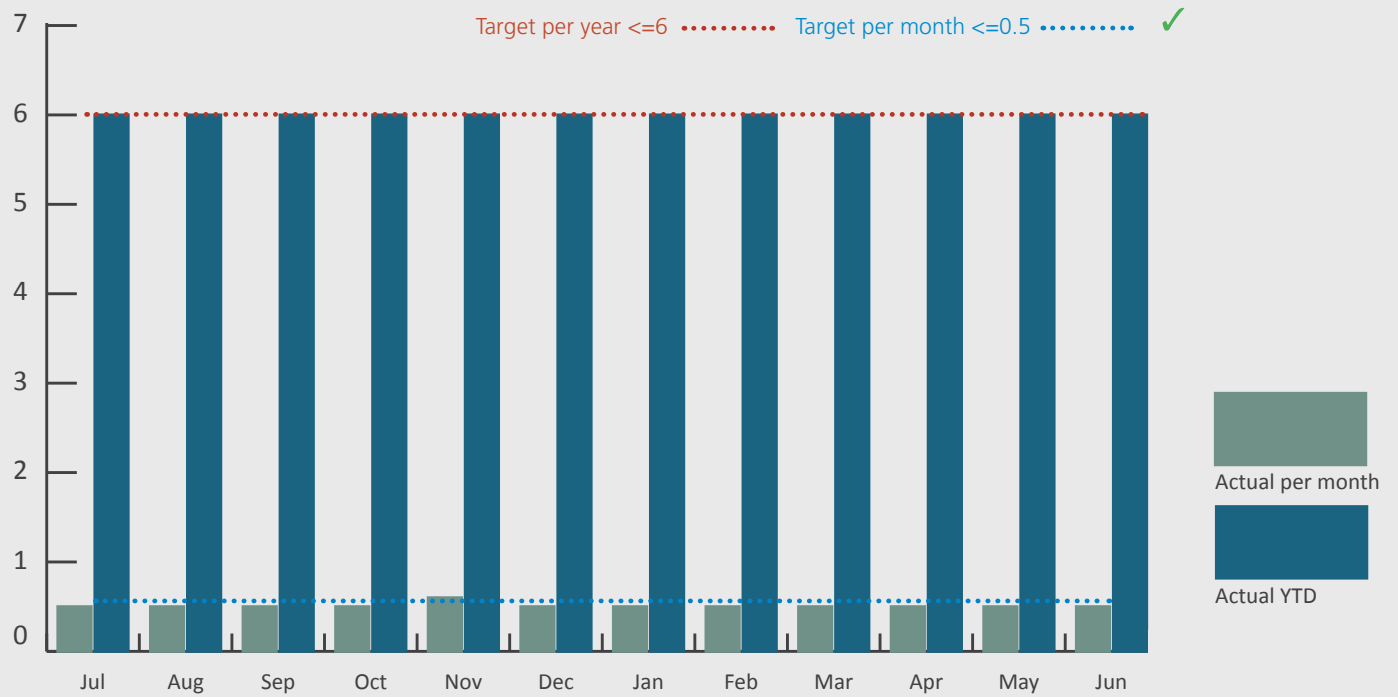
**% service interruptions restored within 5 hrs (wastewater)**



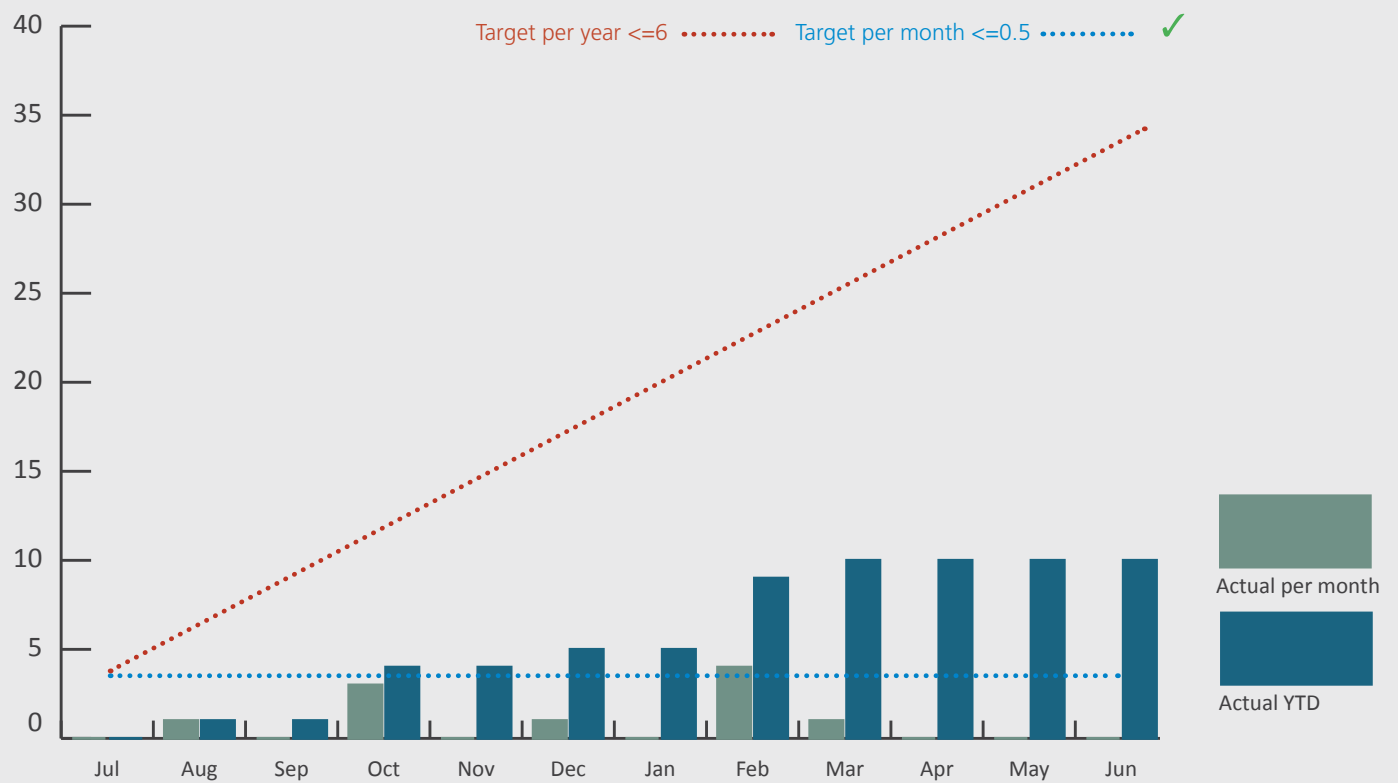
**Number of wastewater odour complaints per month**



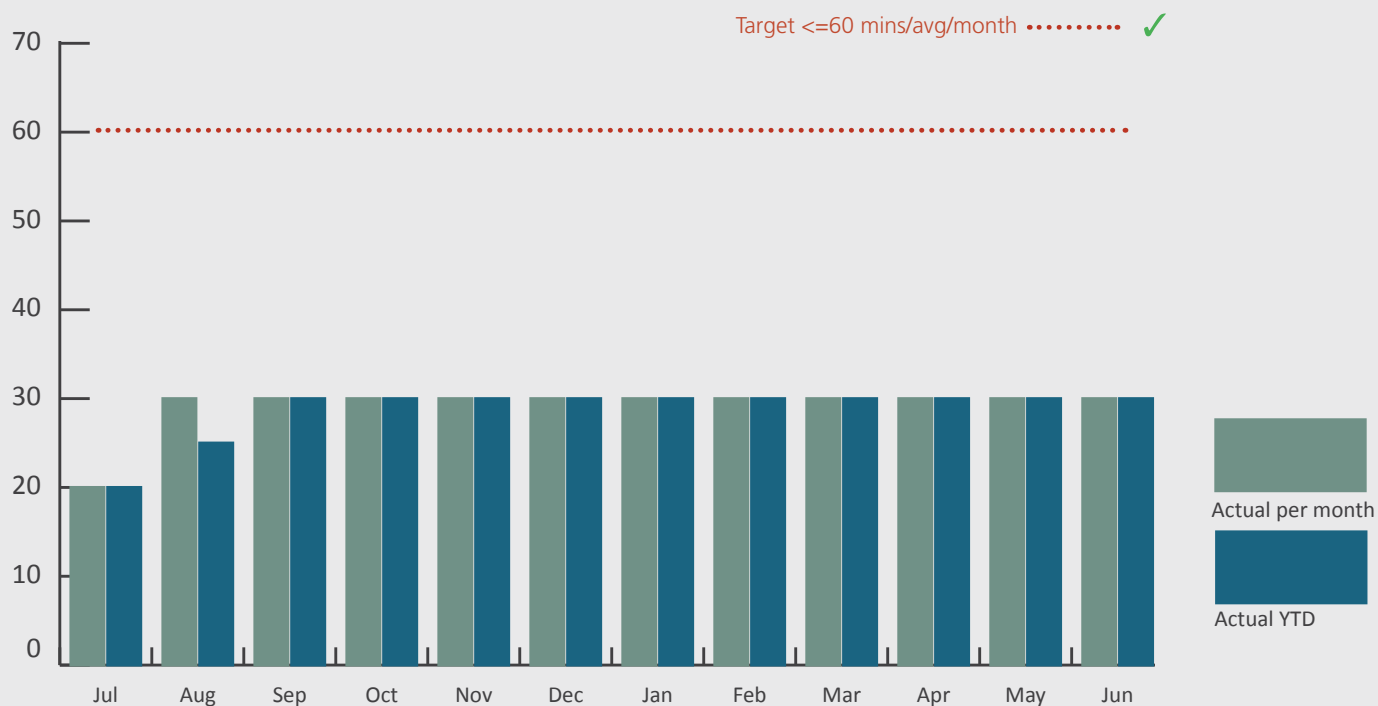
### Number of wastewater treatment plants non-conformances with EPA licence over compliance year



### Number of poor pressure complains (deficient)



## Average response time to water main breaks



## Water supply

Project	Description	Budget	Expenditure to date	Comments
Complete annual water meter replacement program	A rolling program of replacing water meters occurs each year.	\$274,907	\$279,196	4,719 meters were replaced as at 30 June 2016.
Redland mainland water supply system network	Construction of new water mains in the Thornlands district meter area and the Alexandra Hills water supply zone.	\$195,691	\$166,002	Savings were realised on this project by undertaking construction of mains by internal crews.

Water	
Reservoirs	5
Length of water main	1,281 km
Water meters	56,425
Water connections including multiple properties per meter (MPPM)	66,599
Water purchased	13,334 ML
Water supplied	12,276 ML
<b>Total assets</b>	<b>\$275m</b>

# Wastewater

Project	Description	Budget	Expenditure to date	Comments
Pump Station 6 upgrade – ensure adequate capacity exists for development	Upgrade capacity of existing pump station through constructing an additional 450 mm rising main and upgrading of pumps.	\$3,210,557	\$3,441,464	Rising main constructed. All pumps, generator, switchboard, variable frequency drive control systems and harmonics arrived. Detailed design completed. Tender documents issued to contractors. Construction started in October 2015 and was commissioned in May 2016.
Point Lookout Waste Water Treatment Plant	Tender issued and analysed.	\$10,560,000	\$9,827,137	Building commenced late 2015 and due for commissioning in October 2016.
Dunwich gravity sewer	Installation of gravity sewer connections to more than 200 homes, enabling properties to cease using septic systems.	\$697,700	\$688,805	Delays have been caused by rock and the need to repair leaks. Some additional scope also included to ensure all residences are connected to a sewer service.

Completed works at Pump Station 6, Cleveland Showgrounds



Point Lookout Wastewater Treatment Plant under construction

Wastewater	
Treatment plants	7
Pumping stations	136
Length of sewer main	1,175 km
Active services (excluding vacant land)	50,339
Wastewater treated (effluent)	9,834 ML
Sludge for reuse	100% (19,201 tonnes)
Recycled effluent for reuse	353 ML
Trade waste generators	797
Trade waste discharged to sewer	382 ML
<b>Total assets</b>	<b>\$429m</b>

## Our statutory duties

Under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*, Redland Water is required to prepare a Water Netserv Plan. This plan is now in place, with the required endorsement from the Deputy Premier that it is consistent with the South East Queensland Regional Plan.

Redland Water continues to maintain close liaison and regional collaboration with South East Queensland water service providers and Seqwater.

Currently, Redland Water is required to report against its Drinking Water Quality Management Plan, which was reviewed on 20 June 2016 and submitted to the Regulator for approval on 23 June 2016. Further reviews are required to be completed every two years. The first regular audit of the plan was conducted on 9 and 10 March 2016. Further audits are required to be completed every four years. Redland Water provided the Regulator with regular audit reports on 19 April 2016 in accordance with section 108 of the *Water Supply (Safety & Reliability) Act 2008*.

Redland Water is also required to provide the Regulator with an annual report, pursuant to sections 141 and 142 of the *Water Supply (Safety & Reliability) Act 2008* in each financial year and this report must be made available to the public.

This report details Redland Water's performance for the 2015-16 financial year and fulfils the business unit's duties under the *Local Government Act 2009*, the *Water Act 2000* and the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*.

## Environmental initiatives

Redland Water continued its focus on improving environmental performance of its wastewater treatment plants, pump stations and water and wastewater reticulation mains. Activities for 2015-16 included:

### Potable Water

- Network augmentations were constructed in Thornlands and Wellington Point to improve network performance at both peak demand and during fire flow events. These were completed late June 2016.
- The AC main in Queen Street, Cleveland, was replaced. The newly constructed main will provide a greater level of service for customers in the immediate vicinity and limit the potential for a broken main near the Black Swamp Wetlands.

### Wastewater

- There was a continued focus on preventative maintenance at wastewater treatment plants, including preparing asset management plans for these facilities.
- New inlet screens were installed and grit was removed at Mount Cotton Waste Water Treatment Plant.
- Pump stations were upgraded at Point Lookout.
- The SCADA system was upgraded at Thorneside Waste Water Treatment Plant.
- 15 pump stations were renewed.
- 100% of all biosolids produced from the wastewater treatment plants were reused via land application.
- The Dunwich sewer project was completed.
- The effluent lagoon at Mount Cotton Waste Water Treatment Plant was restored.
- Construction progressed on the new Point Lookout Waste Water Treatment Plant.
- The Dunwich irrigation area was upgraded.

## Delivering on customer service

### Customer service standards

Customer service standards describe and define the levels of service Redland Water commits to provide its customers for water and wastewater services.

Below is a summary of Redland Water's water and wastewater service standard key performance indicators (KPIs), targets and performance for 2015-16, as adopted by Council in the Redland Water Annual Performance Plan for water and wastewater services.

KPI	Measure	Target	Actual	Comment
Maintenance costs per property serviced (water)	\$ per month	\$4.25 per month/ \$50.94 per year	\$46.54	KPI achieved
Maintenance costs per property serviced (wastewater)	\$ per month	\$8.53 per month/ \$102.31 per year	\$79.91 per year	KPI achieved
Treatment costs per property serviced (wastewater)	\$ per month	\$12.90 per month/ \$154.86 per year	\$145.53 per year	KPI achieved
Water and wastewater operating revenue (actual to budget)	%	+/-5%	0.76%	KPI achieved
Water and wastewater operating goods and services expenditure (actual to budget)	%	+/-5%	-4.23%	KPI achieved
Water and wastewater capital expenditure (actual to budget)	%	+/-5%	-9.82%	KPI not achieved
% of water samples complying with Australian Drinking Water Guidelines	%	Max 98%	100%	KPI achieved (100% result every month)
Number of wastewater treatment plant non-conformances with <i>Environmental Protection Act 1994</i> licence over compliance year	#	Max 6	0	KPI achieved
Lost time injury frequency rate	#	Max 20	25.44	KPI not achieved

## Managing our assets

### **Operational performance 2015-16**

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

- water supply to customers
- wastewater collection and treatment
- trade waste.

Redland Water also:

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

### **Drinking water quality monitoring**

Drinking water quality monitoring is undertaken through a verification monitoring program approved by the Regulator. Under the *Water Supply (Safety and Reliability) Act 2008* Section 102, and under the *Public Health Act 2005*, Redland Water must report to the Regulator any non-compliance with health guidelines or report an event that may impact public health. 100% compliance with Australian Drinking Water Guidelines was achieved in 2015-16 and there was no incident reported to the Regulator.

Redland Water is required to provide the Department of Energy and Water Supply with annual reports within 120 business days of the end of the financial year.



# Other statutory information

## Business activities

Under the *Local Government Act 2009*, Council must provide specific information about its operations and key policies. This section includes a large portion of the information required under the Act, with the remaining information in other sections of this annual report.

A full list of annual reporting requirements for councils required under the Act is provided on pages 70-75, along with directions on where to find the relevant information in this report.

## Business activities subject to the Code of Competitive Conduct

### Significant business activities

Redland Water is a commercial business unit of Redland City Council, responsible for water supply and wastewater treatment. You can find more information on Redland Water's activities in 2015-16 on pages 54-63.

RedWaste, which looks after Council's waste management activities, is also a significant business activity. You can find more information on RedWaste's activities in 2015-16 on pages 50-53.

### Prescribed business activities

Council also undertook the following business activity during the period:

- building certification
- on 25 June 2016, by Council resolution, the Redland Performing Arts Centre (RPAC) was removed from the application of Code of Competitive Conduct as it typically operated at a loss.

The competitive neutrality principle has been applied to all business activities above. There were no investigation notices given in 2015-16 under section 48 of the *Local Government Regulation 2012* for competitive neutrality complaints.

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

- a local government's Annual Report for a financial year must include an annual operations report for each commercial business unit
- an annual operations report for a commercial business unit means a document that contains the following information for the previous financial year:
  - information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan
  - particulars of any changes made to the unit's annual performance plan
  - particulars of the impact the changes had on the unit's:
    - financial position
    - operating surplus or deficit
    - prospects
    - particulars of any directions the local government gave the unit.

### Beneficial enterprise

Under section 41 of the *Local Government Act 2009* a local government's annual report for each financial year must contain a list of all the beneficial enterprises that were conducted during the financial year. Council has one beneficial enterprise, **Redland Investment Corporation**.

### Overseas travel

Name	Destination	Purpose	Cost (excl GST)
Councillor Mark Edwards	Norfolk Island	Australia's Small Island Forum	\$1,945
Kim Kerwin (Group Manager, Economic Sustainability and Major Projects)			\$1,945

## Services supplied by another government

Under section 190(d) of the *Local Government Regulation 2012*, we must include details of any service, facility or activity supplied by another local government (under an agreement for conducting a joint government activity), where special rates or charges were levied. There were no services supplied by another government in 2015-16.

## Registers

Council maintains a number of registers that are available to the public:

- Adopted Committee and Council meeting dates
- Assets
- Authorised Persons
- Beneficial Enterprise
- Business Activities
- Cat and Dog
- Complaints
- Corporate Gift
- Cost Recovery Fees
- Council Policies
- Delegations
- Contact with Lobbyists
- Local Laws and Subordinate Local Laws
- Mayor to CEO Directions
- Minutes of Local Government Meetings
- Personal Identification (in relation to animals)
- Regulated Dogs
- Regulatory Fees
- Roads.

- Statement of Interests for
  - Councillors
  - Chief Executive Officer
  - senior contract employees
  - a person who is related to a Councillor, Chief Executive Officer, officer or senior contract employee.

## Tenders

During 2015-16 there were no changes to tenders.

## Shareholder delegates

There were no shareholder delegates for corporate entities in 2015-16.

## Rates and concessions

The *Local Government Regulation 2012* provides Council with the powers to grant concessions to individuals and classes of landowners. Council provides concessions to pensioners on rates and various other services Council provides to the community.

## Pensioner concessions

Pensioner concessions on general rates are provided to eligible pensioner ratepayers on the basis of Council's Policy POL-2557. The concessions available to eligible pensioners on the general rate for the 2015-16 financial year were:

- ratepayers in receipt of a maximum pension \$330
- ratepayers not in receipt of maximum pension \$165

# Community Financial Report

This report summarises Council's financial position and results as at 30 June 2016, based on the consolidated audited financial statements. These financial statements set out the financial performance, financial position, cash flows and changes in community equity for Council and its subsidiary Redland Investment Corporation (RIC) Pty Ltd for 2015-16.

During the financial year, Council continued to deliver a large program of operational and capital works, achieving or exceeding 10 out of 11 performance indicators. We continued to meet all financial commitments and keep debt at low and very manageable levels. This financial year was also the third consecutive year Council has achieved a

consolidated operating surplus. In addition to the business-as-usual functions and activities that underpin service delivery to the Redlands community, we continued to focus on economic development, business transformation, portfolio management and disaster management.

The financial year 2015-16 was also the second operating year for RIC, which identifies and evaluates new business opportunities to boost commercial activity in the Redlands. RIC Toondah Pty Ltd was established as a wholly-owned subsidiary of RIC and was formed to oversee the day-to-day management of the Toondah Harbour Priority Development Area.

## Summary of key financial stability and sustainability indicators

Financial stability indicators	Target	Actual performance	
Level of dependence on general rate revenue	< 37.5%	33.59%	✓
Ability to pay our bills – current ratio	1.1 to 4.1	3.86	✓
Ability to repay our debt – debt servicing ratio	≤ 10%	3.24%	✓
Cash balance	≥ \$40m	\$142.93m	✓
Cash balances – cash capacity in months	3 to 4 months	8.69	✓
Longer term financial stability – debt to assets ratio	≤ 10%	1.91%	✓
Operating performance	≥ 20%	20.25%	✓
Interest coverage ratio*	0% to 5%	-0.52%	✓
Measures of sustainability	Target	Actual performance	
Operating surplus ratio	0% to 10%	0.01%	✓
Net financial liabilities ratio**	< 60%	-32.30%	✓
Asset sustainability ratio	> 90%	35.87%	✗

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

\*\* This is calculated using net financial liabilities, i.e. total liabilities minus current assets. The negative number indicates that Council's current assets exceed the total liabilities. Therefore, Council has exceeded this target.

The operating surplus ratio, the net financial liabilities ratio and the asset sustainability ratios have targets to be achieved on average over the long term (a period of at least 10 years) and are not necessarily expected to be met on a monthly or annual basis. Achieving the target for the asset sustainability ratio continues to be a focus area and Council has committed to a long-term financial strategy that works towards meeting this goal. Council also approved a comprehensive asset management project, which will consider the broader principles of asset management and the renewal program over the next financial year and support the capital works prioritisation policy.

## Overview of Council's consolidated financial results

Below are Council's key financial performance highlights (inclusive of RIC):

Information at a glance	2015-16 Actual \$millions	2014-15 Actual \$millions*
Operating income	\$245.35m	\$243.59m
Operating expenditure	\$(245.33)m	\$(237.24)m
<b>Net operating surplus/(deficit)</b>	<b>\$0.02m</b>	<b>\$6.35m</b>
Capital grants, subsidies and contribution	\$68.21m	\$51.23m
Other capital income/(expenditure)	\$(3.05)m	\$(2.98)m
<b>Net result</b>	<b>\$65.18m</b>	<b>\$54.60m</b>

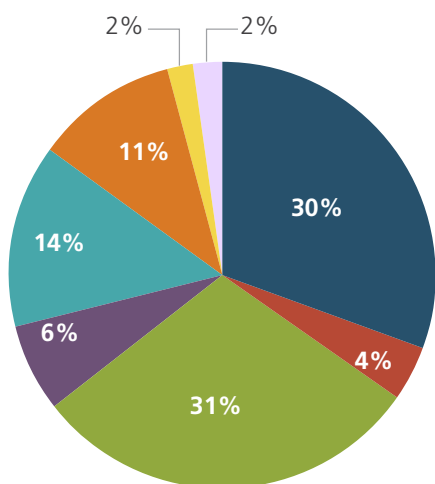
\* CPI adjustment for comparability purposes.

# What were our major sources of income?

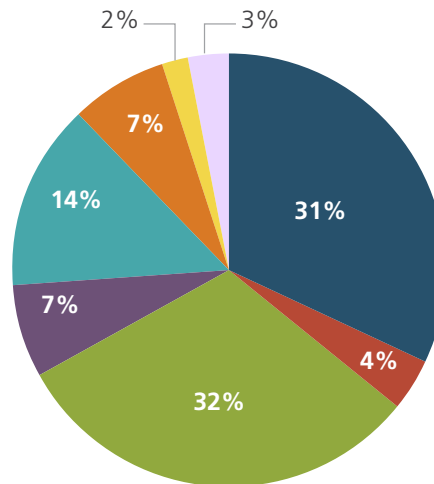
(Consolidated Statement of Comprehensive Income)









## Year-on-year sources of income









2015-16 in millions



2014-15 in millions\*



	General rates and Levies \$94.58m
	Fees and charges \$13.74m
	Water and Wastewater charges \$95.46m
	Waste Disposal charges \$19.90m
	Grants, subsidies and contributions \$44.61m
	Developer non-cash contributions \$34.77m
	Interest received \$4.62m
	Other income \$6.03m

	General rates and Levies \$90.79m
	Fees and charges \$12.95m
	Water and Wastewater charges \$93.30m
	Waste Disposal charges \$19.32m
	Grants, subsidies and contributions \$42.51m
	Developer non-cash contributions \$21.54m
	Interest received \$4.46m
	Other income \$10.02m

\* CPI adjustment for comparability purposes.

Total income received this year (operating income plus capital grants, subsidies and contributions) was \$313.66m, which was \$18.80m (CPI adjusted), or 6.38% greater than the 2014-15 financial year due to general rate increase in line with budget. Other movements included:

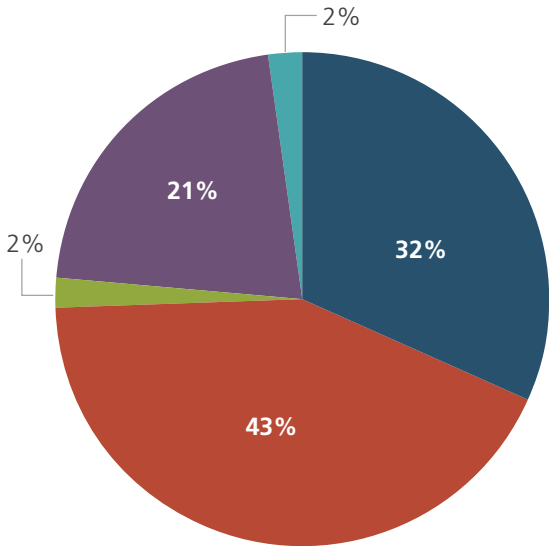
- significant cash and non-cash contributions received from developers during the year due to increased development activity in the city; and
- a one-off carbon tax refund in financial year 2014-15 (the refund received by Council was included in 'other income' and passed on to residents through rates notices, resulting in higher 'other income' and lower 'general rates and levies' income respectively in 2014-15).

# Where was the money spent?

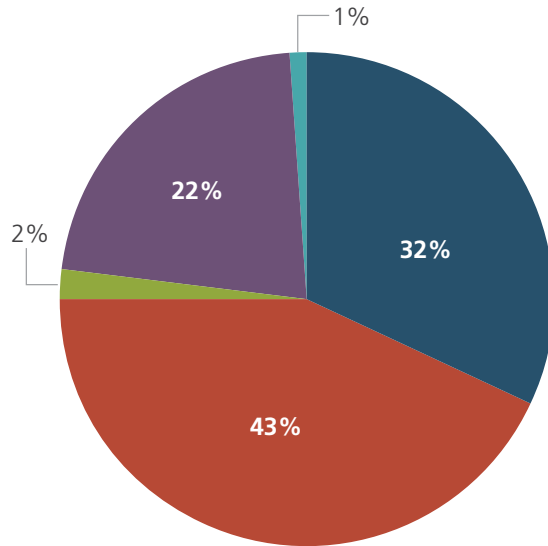
(Consolidated Statement of Comprehensive Income)

## Year-on-year expenses

2015-16 in millions



2014-15 in millions\*



- Employee benefits \$80.17m
- Materials and services \$108.17m
- Finance costs \$3.98m
- Depreciation and amortisation \$51.72m
- Loss on non-current assets \$4.44m

- Employee benefits \$78.11m
- Materials and services \$102.16m
- Finance costs \$4.82m
- Depreciation and amortisation \$52.16m
- Loss on non-current assets \$3.04m

\* CPI adjustment for comparability purposes.

Council's expenses for the 2015-16 financial year were \$248.48m, which is an increase of 3.41% compared to the previous year's expenses of \$240.29m (CPI adjusted).

Materials and services costs include Council's estimated cost of restoring landfill sites across the city. When the estimates change, it impacts the expense reported in this category. The estimates change in 2015-16 resulted in a \$5.94m movement in materials and services costs. In addition, a 10.19% price increase in bulk water rates this financial year contributed to the higher expenses for 2015-16.

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

(Consolidated Statement of Financial Position)

Value of community assets	2015-16 Actual \$millions	2014-15 Actual \$millions*	Change %
Total assets	\$2,609.92m	\$2,444.92m	7%
Total liabilities	\$(101.36)m	\$(107.34)m	-6%
<b>Net community assets (community equity)</b>	<b>\$2,508.56m</b>	<b>\$2,337.58m</b>	<b>7%</b>

See Financial Statements (Consolidated Statement of Financial Position) for more information.

\* CPI adjustment for comparability purposes

The total value of all assets controlled by Council was \$2.61b at 30 June 2016, of which \$2.42b (92.7%) relates to property, plant and equipment and includes freehold land, buildings, roads, stormwater drainage, water, wastewater, waste, parks infrastructure and plant and equipment.

During 2015-16, land, buildings and waste infrastructure assets were independently valued. Independent desktop valuations were performed and indices applied to: road, stormwater drainage, water and wastewater and other

infrastructure assets. The overall impact of the revaluations was an increase of \$135.94m in assets value.

Council borrows only from the Queensland Treasury Corporation (QTC), which is the State Government-owned lending agency from which most local government and state authorities borrow to finance large-scale infrastructure projects. At the end of the 2015-16 financial year, Council owed QTC a total of \$49.86m, with \$7.70m payable in the next 12 months and \$42.16m due in subsequent years.

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

(Consolidated Statement of Cash Flows)

The table below compares the main sources of cash receipts and cash paid during the financial years ended 30 June 2015 and 30 June 2016.

Main sources of cash in and out	2015-16 Actual \$millions	2014-15 Actual \$millions*	Change %
Net cash received from operations (excluding interest and borrowing costs)	\$48.82m	\$49.49m	-1%
Purchases and construction of assets	\$(61.32)m	\$(49.33)m	24%
Capital grants, subsidies and contributions	\$33.44m	\$29.70m	13%
Repayment of debt	\$(4.60)m	\$(4.60)m	0%

See Financial Statements (Consolidated Statement of Cash Flows) for more information.

\* CPI adjustment for comparability purposes

The cash flow statement is summarised into three activities:

- **Operating activities** – Council's normal day-to-day functions. These include receipts of rates, fees and charges and operating grants offset by payments for employee costs, materials and services and interest costs.
- **Investing activities** – include payments for the purchase and construction of property, plant and equipment and proceeds from the sale of assets.
- **Financing activities** – are repayments of principal on Council's loans. No new loans were drawn down in the year.

Council started the 2015-16 financial year with \$123.96m cash in the bank and ended the year with \$142.93m, exceeding the target for cash capacity in months.

### Summary

Council continues to report a strong financial position, improving processes and challenging our officers to be better tomorrow than we are today. Council is embracing innovation and collaboration to continue to deliver projects and provide services while maintaining the community assets and financial capital.

# Index of statutory information

State Government legislation requires councils to include specific information in an annual report each year. The table below provides an index of where you can find that information throughout this report. In some instances, the 'provision' column summarises the relevant act requirements for the sake of space. For the full wording for each provision, please refer to the source legislation.

<b>Local Government Act 2009</b>			
Requirement	Chapter	Section	Page
<p><b>Identifying beneficial enterprises</b></p> <p>A local government report for each financial year must contain a list of all the beneficial enterprises that the local government conducted during the financial year.</p>	3	41	64
<p><b>Identifying significant business activities</b></p> <p>A local government report for each financial year must:</p> <p>(a) contain a list of all the business activities that the local government conducted during the financial year</p> <p>(b) identify the business activities that are significant business activities</p> <p>(c) state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied</p> <p>(d) state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.</p>	3	45	64
<p><b>Annual report must detail remuneration</b></p> <p>(1) The annual report of a local government must state:</p> <p>(a) the total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government</p> <p>(b) the number of employees in senior management who are being paid each band of remuneration.</p> <p>(2) The senior management of a local government consists of the chief executive officer and all senior executive employees of the local government.</p> <p>(3) Each band of remuneration is an increment of \$100,000.</p>		201	25
<p><b>Financial sustainability statements</b></p> <p>(1) A local government's current-year financial sustainability statement must state the relevant measures of financial sustainability for the financial year to which the statement relates.</p> <p>(2) A local government's long-term financial sustainability statement must state:</p> <p>(a) the relevant measures of financial sustainability for the nine financial years following the year to which the statement relates</p> <p>(b) an explanation of the local government's financial management strategy that is consistent with the long-term financial forecast.</p>	5	178	103-104  107

**Local Government Act 2009**

Requirement	Chapter	Section	Page
<p><b>Community financial report</b></p> <p>(1) A local government must prepare a community financial report for each financial year.</p> <p>(2) The community financial report for a financial year must:</p> <p>(a) contain a summary and an analysis of the local government's financial performance and position for the financial year</p> <p>(b) be consistent with the general purpose financial statement for the financial year</p> <p>(c) include the relevant measures of financial sustainability for the financial year</p> <p>(d) be written in a way that can be easily understood by the community.</p>	5	179	66
<p><b>Preparation of annual report</b></p> <p>(1) A local government must prepare an annual report for each financial year.</p> <p>(2) The local government must adopt its annual report within one month after the day the Auditor-General gives the Auditor-General's audit report about the local governments' financial statements for the financial year to the local government.</p> <p>(3) However, the Minister for Local Government may, by notice to the local government, extend the time by which the annual report must be adopted.</p> <p>(4) The local government must publish its annual report on its website within two weeks of adopting the annual report.</p>	5	182	N/A
<p><b>Financial statements</b></p> <p>The annual report for a financial year must contain:</p> <p>(a) the general purpose financial statement for the financial year, audited by the auditor-general</p> <p>(b) the current-year financial sustainability statement for the financial year, audited by the auditor-general</p> <p>(c) the long-term financial sustainability statement for the financial year</p> <p>(d) the auditor-general's audit reports about the general purpose financial statement and the current-year financial sustainability statement.</p>	5	183	76
<p><b>Community financial report</b></p> <p>The annual report for a financial year must contain the community financial report for the financial year.</p>	5	184	66



**Local Government Act 2009**

Requirement	Chapter	Section	Page
<b>Particular resolutions</b> The annual report for a financial year must contain: (a) a copy of the resolutions made during the financial year under section 250(1) (b) a list of any resolutions made during the financial year under section 206(2).	5	185	18
<b>Councillors</b> The annual report for a financial year must contain particulars of: (a) for each Councillor, the total remuneration, including superannuation contributions, paid to the Councillor during the financial year (b) the expenses incurred by, and the facilities provided to, each Councillor during the financial year under the local government's expenses reimbursement policy (c) the number of local government meetings that each Councillor attended during the financial year (d) the total number of the following during the financial year: (i) orders and recommendations made under section 180(2) or (4) of the Act (ii) orders made under section 181 of the Act (e) each of the following during the financial year: (i) the name of each Councillor for whom an order or recommendation was made under section 180 of the Act or an order was made under section 181 of the Act (ii) a description of the misconduct or inappropriate conduct engaged in by each of the Councillors (iii) a summary of the order or recommendation made for each Councillor (f) the number of each of the following during the financial year: (i) complaints about the conduct or performance of Councillors for which no further action was taken under section 176C(2) of the Act (ii) complaints referred to the department's chief executive under section 176C(3)(a)(i) of the Act (iii) complaints referred to the mayor under section 176C(3)(a)(ii) or (b)(i) of the Act (iv) complaints referred to the department's chief executive under section 176C(4)(a) of the Act (v) complaints assessed by the chief executive officer as being about corrupt conduct under the <i>Crime and Corruption Act 2001</i> (vi) complaints heard by a regional conduct review panel (vii) complaints heard by the tribunal (viii) complaints to which section 176C(6) of the Act applied.	5	186	17 18 16 30 30 30 30 30 30 30 30

<b>Local Government Act 2009</b>			
Requirement	Chapter	Section	Page
<p><b>Administrative action complaints</b></p> <p>(1) The annual report for a financial year must contain:</p> <p>(a) a statement about the local government's commitment to dealing fairly with administrative action complaints</p> <p>(b) a statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process.</p> <p>(2) The annual report must also contain particulars of:</p> <p>(a) the number of the following during the financial year:</p> <p>(i) administrative action complaints made to the local government</p> <p>(ii) administrative action complaints resolved by the local government under the complaints management process</p> <p>(iii) administrative action complaints not resolved by the local government under the complaints management process</p> <p>(b) the number of administrative action complaints under paragraph (a)(iii) that were made in a previous financial year.</p>	5	187	29
<p><b>Overseas travel</b></p> <p>(1) The annual report for a financial year must contain the following information about any overseas travel made by a Councillor or local government employee in an official capacity during the financial year:</p> <p>(a) for a Councillor - the name of the Councillor</p> <p>(b) for a local government employee - the name of, and position held by, the local government employee</p> <p>(c) the destination of the overseas travel</p> <p>(d) the purpose of the overseas travel</p> <p>(e) the cost of the overseas travel.</p> <p>(2) The annual report may also contain any other information about the overseas travel the local government considers relevant.</p>	5	188	64
<p><b>Expenditure on grants to community organisations</b></p> <p>The annual report for a financial year must contain a summary of:</p> <p>(a) the local government's expenditure for the financial year on grants to community organisations</p> <p>(b) expenditure from each councillor's discretionary fund, including:</p> <p>(i) the name of each community organisation to which an amount was allocated from the fund</p> <p>(ii) the amount and purpose of the allocation.</p>	5	189	18, 46

**Local Government Act 2009**

Requirement	Chapter	Section	Page
<b>Other contents</b>	5	190	
(a) The annual report for a financial year must contain the following information:			33-49
(a) the chief executive officer's assessment of the local government's progress towards implementing its five-year corporate plan and annual operational plan			
(b) particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year			
(c) an annual operations report for each commercial business unit			50-63
(d) details of any action taken for, and expenditure on, a service, facility or activity:			65
(i) supplied by another local government under an agreement for conducting a joint government activity			
(ii) for which the local government levied special rates or charges for the financial year			65
(e) the number of invitations to change tenders under section 228(7) during the financial year			65
(f) a list of the registers kept by the local government			65
(g) a summary of all concessions for rates and charges granted by the local government			65
(h) the report on the internal audit for the financial year			31
(i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints			64
(j) the local government's responses in the financial year on the Queensland Competition Authority's recommendations on any competitive neutrality complaints under section 52(3).			
(b) In this section, an 'annual operations report for a commercial business unit' means a document that contains the following information for the previous financial year:			50-63
(a) information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan			
(b) particulars of any changes made to the unit's annual performance plan for the previous financial year			
(c) particulars of the impact the changes had on the unit's:			
(i) financial position			
(ii) operating surplus or deficit			
(iii) prospects			
(d) particulars of any directions the local government gave the unit.			

**Public Sector Ethics Act 1994**

Requirement	Chapter	Section	Page
Reporting The chief executive officer of a public sector entity must ensure that each annual report of the entity includes an implementation statement giving details of the action taken during the reporting period to comply with the following sections: <ul style="list-style-type: none"><li>• section 15 (Preparation of codes of conduct)</li><li>• section 21 (Education and training)</li><li>• section 22 (Procedures and practices of public sector entities).</li></ul>	5	23	22-25



**Consolidated Financial Statements**  
for the year ended 30 June 2016



REDLAND CITY COUNCIL  
**CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2016

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REDLAND CITY COUNCIL  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Income</b>					
<b>Recurrent revenue</b>					
Rates, levies and charges	4(a)	209,926	200,226	209,926	200,226
Fees and charges	4(b)	13,744	12,751	13,675	12,751
Interest received		4,623	4,387	4,584	4,385
Sales revenue		4,154	4,103	4,154	4,103
Other income		1,733	5,697	2,008	4,534
Grants, subsidies and contributions	5(a)	11,170	12,610	11,170	12,610
<b>Total recurrent revenue</b>		<b>245,350</b>	<b>239,774</b>	<b>245,517</b>	<b>238,609</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	5(b)	33,438	29,232	33,438	29,232
Non-cash contributions	5(b)	34,769	21,200	34,769	21,200
Increase in investment property		98	63	98	63
<b>Total capital revenue</b>		<b>68,305</b>	<b>50,495</b>	<b>68,305</b>	<b>50,495</b>
<b>Total income</b>		<b>313,655</b>	<b>290,269</b>	<b>313,822</b>	<b>289,104</b>
<b>Expenses</b>					
<b>Recurrent expenses</b>					
Employee benefits	6	(80,173)	(76,888)	(79,712)	(76,888)
Materials and services	7	(108,166)	(100,555)	(108,215)	(100,489)
Finance costs		(3,980)	(4,740)	(3,979)	(4,740)
Depreciation and amortisation	8	(51,717)	(51,342)	(51,717)	(51,342)
Impairment loss on non-current assets held-for-sale		(1,289)	-	-	-
<b>Total recurrent expenses</b>		<b>(245,325)</b>	<b>(233,525)</b>	<b>(243,623)</b>	<b>(233,459)</b>
<b>Capital expenses</b>					
Loss on disposal of non-current assets		(3,152)	(2,993)	(3,152)	(2,993)
Impairment loss on non-current assets held-for-sale		-	-	(1,289)	-
<b>Total capital expenses</b>		<b>(3,152)</b>	<b>(2,993)</b>	<b>(4,441)</b>	<b>(2,993)</b>
<b>Total expenses</b>		<b>(248,477)</b>	<b>(236,518)</b>	<b>(248,064)</b>	<b>(236,452)</b>
<b>Net result</b>		<b>65,178</b>	<b>53,751</b>	<b>65,758</b>	<b>52,652</b>
<b>Other comprehensive income/(loss)</b>					
<b>Items that will not be reclassified to net result</b>					
Revaluation of property, plant and equipment	12	135,939	158,726	135,939	158,726
<b>Total comprehensive income/(loss) for the year</b>		<b>201,117</b>	<b>212,477</b>	<b>201,697</b>	<b>211,378</b>

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Current assets</b>					
Cash and cash equivalents	9	142,929	123,956	141,212	121,327
Trade and other receivables	10	25,795	24,674	25,805	25,017
Inventories	11	9,295	10,929	676	774
Non-Current assets held-for-sale		462	57	4,278	10,212
Other current assets		2,122	1,104	2,122	1,104
<b>Total current assets</b>		<b>180,603</b>	<b>160,720</b>	<b>174,093</b>	<b>158,434</b>
<b>Non-Current assets</b>					
Investment property		1,054	956	1,054	956
Property, plant and equipment	12	2,424,908	2,241,265	2,424,916	2,241,265
Intangible assets		3,277	3,606	3,277	3,606
Other financial assets		73	73	6,034	1,233
<b>Total non-current assets</b>		<b>2,429,312</b>	<b>2,245,900</b>	<b>2,435,281</b>	<b>2,247,060</b>
<b>Total assets</b>		<b>2,609,915</b>	<b>2,406,620</b>	<b>2,609,374</b>	<b>2,405,494</b>
<b>Current liabilities</b>					
Trade and other payables	13	22,355	21,615	22,359	21,603
Borrowings	14(a)	7,702	4,482	7,702	4,482
Provisions	15(a)	13,324	14,592	13,316	14,592
Other current liabilities		3,390	2,694	3,390	2,694
<b>Total current liabilities</b>		<b>46,771</b>	<b>43,383</b>	<b>46,767</b>	<b>43,371</b>
<b>Non-current liabilities</b>					
Borrowings	14(b)	42,155	49,973	42,155	49,973
Provisions	15(b)	12,434	12,300	12,416	12,285
<b>Total non-current liabilities</b>		<b>54,589</b>	<b>62,273</b>	<b>54,571</b>	<b>62,258</b>
<b>Total liabilities</b>		<b>101,360</b>	<b>105,656</b>	<b>101,338</b>	<b>105,629</b>
<b>Net community assets</b>		<b>2,508,555</b>	<b>2,300,964</b>	<b>2,508,036</b>	<b>2,299,865</b>
<b>Community equity</b>					
Asset revaluation surplus	16	963,350	827,411	963,350	827,411
Retained surplus		1,545,205	1,473,553	1,544,686	1,472,454
<b>Total community equity</b>		<b>2,508,555</b>	<b>2,300,964</b>	<b>2,508,036</b>	<b>2,299,865</b>

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



REDLAND CITY COUNCIL  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the year ended 30 June 2016

	Asset Revaluation Surplus \$000	Retained Surplus \$000	Total Community Equity \$000
Note	12		
<b>Consolidated</b>			
<b>Balance as at 1 July 2015</b>	<b>827,411</b>	<b>1,473,553</b>	<b>2,300,964</b>
Assets not previously recognised	-	6,474	6,474
Net result	-	65,178	65,178
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	135,939	-	135,939
<b>Total comprehensive income for the year</b>	<b>135,939</b>	<b>71,652</b>	<b>207,591</b>
<b>Balance as at 30 June 2016</b>	<b>963,350</b>	<b>1,545,205</b>	<b>2,508,555</b>
<b>Balance as at 1 July 2014</b>			
<b>Balance as at 1 July 2014</b>	<b>668,685</b>	<b>1,419,802</b>	<b>2,088,487</b>
Net result	-	53,751	53,751
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	158,726	-	158,726
<b>Total comprehensive income for the year</b>	<b>158,726</b>	<b>53,751</b>	<b>212,477</b>
<b>Balance as at 30 June 2015</b>	<b>827,411</b>	<b>1,473,553</b>	<b>2,300,964</b>
<b>Council</b>			
<b>Balance as at 1 July 2015</b>	<b>827,411</b>	<b>1,472,454</b>	<b>2,299,865</b>
Assets not previously recognised	-	6,474	6,474
Net result	-	65,758	65,758
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	135,939	-	135,939
<b>Total comprehensive income for the year</b>	<b>135,939</b>	<b>72,232</b>	<b>208,171</b>
<b>Balance as at 30 June 2016</b>	<b>963,350</b>	<b>1,544,686</b>	<b>2,508,036</b>
<b>Balance as at 1 July 2014</b>			
<b>Balance as at 1 July 2014</b>	<b>668,685</b>	<b>1,419,802</b>	<b>2,088,487</b>
Net result	-	52,652	52,652
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	158,726	-	158,726
<b>Total comprehensive income for the year</b>	<b>158,726</b>	<b>52,652</b>	<b>211,378</b>
<b>Balance as at 30 June 2015</b>	<b>827,411</b>	<b>1,472,454</b>	<b>2,299,865</b>

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

REDLAND CITY COUNCIL  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>Cash flows from operating activities</b>					
Receipts from customers		230,728	227,738	230,272	225,406
Payments to suppliers and employees		(193,941)	(187,733)	(192,533)	(187,688)
		36,787	40,005	37,739	37,718
Interest received		4,624	4,387	4,584	4,385
Non-capital grants and contributions		12,035	8,705	12,035	8,705
Borrowing costs		(3,354)	(3,424)	(3,354)	(3,424)
<b>Net cash inflow/(outflow) from operating activities</b>	21	<b>50,092</b>	<b>49,673</b>	<b>51,004</b>	<b>47,384</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment		(60,678)	(46,630)	(60,678)	(46,630)
Cash investment in Redland Investment Corporation		-	-	-	(340)
Payments for intangible assets		(646)	(1,930)	(646)	(1,930)
Proceeds from sale of property, plant and equipment		1,365	1,904	1,365	1,904
Capital grants, subsidies and contributions		33,438	29,232	33,438	29,232
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(26,521)</b>	<b>(17,424)</b>	<b>(26,521)</b>	<b>(17,764)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings	14	(4,598)	(4,528)	(4,598)	(4,528)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(4,598)</b>	<b>(4,528)</b>	<b>(4,598)</b>	<b>(4,528)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>18,973</b>	<b>27,721</b>	<b>19,885</b>	<b>25,092</b>
Cash and cash equivalents at beginning of the financial year		123,956	96,235	121,327	96,235
<b>Cash and cash equivalents at end of the financial year</b>	9	<b>142,929</b>	<b>123,956</b>	<b>141,212</b>	<b>121,327</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

**1 Basis of preparation and compliance****1(a) Basis of preparation**

These general purpose financial statements have been prepared for the period 1 July 2015 to 30 June 2016 in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB).

These financial statements are for the group consisting of Redland City Council (RCC) and its subsidiaries (refer to Note 1(b)) and have been prepared under the historical cost convention except for the revaluation of certain non-current assets, financial assets and financial liabilities. The consolidated entity is a public sector not-for-profit entity for the purpose of preparing the financial statements.

**1(b) Principles of consolidation**

The financial statements incorporate the assets and liabilities of all subsidiaries of the Redland City Council (parent entity) as at 30 June 2016, excluding Redheart Pty Ltd and RIC Toondah Pty Ltd. RCC and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is obtained and deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

**Redland Investment Corporation Pty Ltd (Consolidated)**

Redland Investment Corporation Pty Ltd (RIC) was incorporated on 2 December 2014 and is limited by shares. Council has 100% ownership of RIC. This company was formed to enhance the commercial activities of Redland City Council to generate revenue in addition to the traditional fees, charges and rates revenue. This company will oversee a diverse range of projects across the city.

**RIC Toondah Pty Ltd (Not Consolidated)**

RIC Toondah Pty Ltd (RICT) was incorporated on 26 November 2015 and is limited by shares. Redland Investment Corporation Pty Ltd has 100% ownership of RICT. This company was formed to provide the administration services for the day-to-day management of the relationship between venturers (Minister of Economic Development Queensland (MEDQ), RCC/RICT) and the developer for the project in the Toondah Harbour Priority Development Area (PDA). At 30 June 2016, the company had nil net assets and had no transactions throughout the year.

As the transactions in this entity are not material, it has not been consolidated with Council's financial results.

**Redheart Pty Ltd (Not Consolidated)**

As at 30 June 2016, Council had control over Redheart Pty Ltd, a company whose principle activity was to act as the holder of the mining lease pursuant to the *Mineral Resources Act 1989* in respect of Council's German Church Road quarry operations. As at 30 June 2016, the company had net assets of \$2 and remained dormant throughout the financial year.

As the transactions in this entity are not material, it has not been consolidated with Council's financial results.

**1(c) Statement of compliance**

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board that are relevant to Council's operations and effective for the current reporting period. The consolidated entity is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS). To the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

**1(d) Constitution**

Redland City Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia. Council's subsidiaries are constituted under the *Corporations Act 2001* and are domiciled in Australia.

**1(e) Date of authorisation**

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

**1(f) Currency**

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

**1(g) Rounding and comparatives**

Amounts included in the consolidated financial statements have been rounded to the nearest \$1,000. Rounding adjustments are included in Inventories in the Consolidated Statement of Financial Position.

### 1 Basis of preparation and compliance - continued

#### 1(h) New and amended standards adopted by Council

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

Council has not adopted new or revised Standards and Interpretations issued by the AASB that are not yet effective, except for AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures for Not-For-Profit Public Sector Entities* and AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101*. AASB 2015-7 was early adopted during the previous financial year and provides relief from disclosures of quantitative information about significant unobservable inputs used in fair value measurements and of the sensitivity of certain fair value measurements to changes in unobservable inputs. Based on AASB 2015-2, Council reviewed the presentation and disclosure of information and immaterial disclosures or disclosures that do not add value to the users of the financial statements have been removed.

Other new Standards and Interpretations that have been issued but are not mandatory for 30 June 2016 reporting periods, as well as the assessment of the impact of these new Standards and Interpretations are set out below:

Standard	Nature of change	Impact	Effective dates
AASB 9 <i>Financial Instruments</i> and related amendments to AAS 9 arising from AASB 9	AASB 9 addresses the classification, measurement and de-recognition of financial assets and liabilities. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost. Measurement at amortised cost will be allowed where very specific conditions are met.	Council does not expect the new standard to have a significant impact on the classification and measurement of its financial assets. Council's only "available-for-sale" finance assets are its investments in other entities. However, as these are in the form of unlisted securities these investments are carried at cost.	1 January 2018
AASB 15 <i>Revenue from contracts with customers</i> and related amendments to AAS arising from AASB 15	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services. The new standard is based on the principle that revenue is recognised when control of a good or service is transferred to a customer.	AASB 15 will apply to Council's contracts with customers that do not fall into the scope of the replacement for AASB 1004 <i>Contributions</i> . The AASB issued exposure draft ED260 <i>Income for Not-For-Profit Entities</i> to replace AASB 1004. The most significant change for Council will be to defer income from grants and donations where the delivery of goods and services are enforceable and sufficiently specific, regardless of whether the ultimate beneficiary is the grantor or a third party. The majority of grants and donations received by Council under AASB 1004 is currently recognised on receipt. AASB 15 will be applicable to all the transactions entered into by the Redland Investment Corporation. Revenue from arrangements which create enforceable rights and obligations would need to be deferred until the performance obligations are satisfied. The proposed amendments to other accounting standards as a result of AASB 15 and other amendments will be considered once it has been.	1 January 2018
AASB 2015-6 <i>Amendment to Australian Accounting Standards - Extending Related Party Disclosures to Not-For-Profit Public Sector Entities</i>	AASB issued an amendment to AASB 124 <i>Related Party Disclosures</i> in March 2015 to extend these disclosures to not-for-profit public sector entities.	Council is currently considering the required processes for implementation to ensure complete and accurate information can be gathered for compliance with this amendment from 1 July 2016 onwards.	1 July 2016
AASB 16 <i>Leases</i>	The new standard clarifies the distinction between a lease and a service arrangement and is based on the right to control the use of an identified asset during the lease term. The new standard no longer distinguishes between an operating and a finance lease, therefore the main impact on lessees is that almost all leases go on balance sheet. Exemptions are available for short-term and low-value leases.	Council is investigating its current classification of arrangements as either a lease or service arrangement and the applicability of exemptions per this new standard.	1 January 2019

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1 Basis of preparation and compliance - continued

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

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

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

- Valuation and depreciation of property, plant and equipment (Note 2(e) and Note 22)
- Long-term employee benefit obligations (Note 2(h), Note 13 and Note 15)
- Landfill rehabilitation provision (Note 2(i) and Note 15)
- Contingent liabilities and contingent assets (Note 18)
- Events after the reporting period (Note 24)

2 Significant accounting policies

2(a) Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier unconditional entitlement to the funds. Revenue is recognised for the major business activities as follows:

Rates and levies

Where rate monies are received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the commencement of the rating period.

Fees and charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue upon receipt. Unspent, non-reciprocal grants are held in reserves (restricted funds).

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled.

Non-cash contributions

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

Cash contributions

Council receives cash contributions from property developers to construct assets such as roads and footpaths for new property developments in accordance with Council's planning scheme policies. These cash contributions are recognised as income when received.

Recurrent/capital classification

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

2(b) Financial assets and financial liabilities

Council recognises a financial asset or financial liability in its Consolidated Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument, i.e. the trade date.

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

Financial assets

Cash and cash equivalents (Note 2(c) and Note 9)  
Trade and other receivables - measured at amortised cost (Note 2(d) and Note 10)  
Other financial assets such as prepayments and investments in other companies

Financial liabilities

Trade and other payables - measured at amortised cost (Note 2(g) and Note 13)  
Borrowings - measured at amortised cost (Note 14)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied, except for Goods and Services Tax (GST), refer to Note 2(j). Refer to Note 22 for fair value measurement considerations in relation to financial assets and financial liabilities.

Redland City Council is exposed to various financial risks including credit risk, interest rate risk and liquidity risk. Exposure to financial risks is managed in accordance with Council's approved Long Term Financial Strategy and Strategic Risk Register.

2 Significant accounting policies - continued

2(c) Cash and cash equivalents

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

Council's cash and cash equivalents are subject to a number of internal restrictions that limit the amount that is available for discretionary future uses. Council accounts for these restrictions internally using a system of reserves as follows:

Constrained works reserve

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

Special projects reserve

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

Utilities reserve

This reserve holds funds set aside to meet future specific expenditure for the Redland Water commercial business unit.

Separate charge reserve - Environment

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

Special charge reserve - Other

This reserve was established to hold funds collected from the Rural Fire Levy Special Charge and these funds are distributed to the respective Southern Moreton Bay Islands Rural Fire Brigades. This reserve also holds funds collected for Southern Moreton Bay Islands Translink Special Charge and these funds are distributed to the State Government to assist with transport service on the Bay Islands.

Special charge reserve - Canals

This reserve was established to hold funds collected from the Canal Special Charges and the Sovereign Waters Lake Special Charge for ongoing and future maintenance.

2(d) Trade and other receivables

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

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs.

All known bad debts were written-off or provided for at 30 June 2016.

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

2(e) Fixed and intangible assets

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, accumulated depreciation and accumulated impairment losses. Non-current asset thresholds for recognition purposes are as follows:

Land	\$1	Water & wastewater	\$5,000
Buildings	\$1	Parks	\$500
Plant & equipment (vehicles; plant)	\$500	Other infrastructure	\$5,000
Plant & equipment (office equipment; furniture)	\$200	Waste	\$1,000
Plant & equipment (computer hardware)	\$1,000	Work in progress	\$1
Plant & equipment (heritage & arts; library books)	\$1	Intangibles	\$1,000
Roads	\$5,000	Investment property	\$1
Stormwater drainage	\$5,000		

Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration such as cost of materials, direct labour and where relevant, the initial estimate of restoring the site on which the assets are located, plus costs incidental to the acquisition, including all costs incurred in preparing the assets for use.

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

Capital and operating expenditure

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

2 Significant accounting policies - continued

2(e) Fixed and intangible assets - continued

Valuation

All asset categories are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*, except for plant and equipment and work in progress which are measured at cost. The valuation methodology maximises observable inputs where available.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years by engaging either independent external valuers or suitably qualified internal staff. In interim years, valuations are performed using a suitable index where there has been a material variation in the index.

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

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

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

Details of valuers and methods of valuations are disclosed in Note 22.

Investment property

Investment property is property held for the primary purpose of earning rental income and/or capital appreciation. Investment property is initially recognised at cost (including transaction costs) and subsequently revalued under the fair value model. Gains or losses arising from changes in fair value are recognised in the Consolidated Statement of Comprehensive Income for the period in which they arise.

Capital work in progress

The cost of property, plant and equipment being constructed by Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

Depreciation and amortisation

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

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

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

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

Depreciation methods and estimated useful lives of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted, where necessary, to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. Assessments performed as part of the annual process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 12.

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

All physical and intangible assets are assessed for indicators of impairment annually.

Land under roads

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



2 Significant accounting policies - (continued)

2(f) Leases

All Council leases are of an operating nature where substantially all the risks and benefits remain with the lessor.

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

2(g) Trade and other payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price. Amounts owing are unsecured and are generally settled on 30 day terms.

2(h) Liabilities - employee benefits

Salaries and Wages

A liability for salaries and wages is recognised and measured as the amount unpaid at reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 13 as a payable.

Long-term employee benefit obligations

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service and is therefore measured as a long-term benefit. The liabilities represent the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to projected future increases in the current pay rates including oncosts, the probability of the employee remaining in Council's employment or other associated employment as well as the timing of leave payouts. The payments are discounted using market yields of government bonds at the end of the reporting period with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Where council does not have an unconditional right to defer this liability beyond 12 months, i.e. the employee has become entitled to annual leave or long service leave, the liability is presented as a current liability.

The liability for long service leave is reported in Note 15 as a provision and re-measurements as a result of changes in assumptions are recognised in profit or loss.

A liability for annual leave is reported in Note 13 as a payable. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values if material.

2(i) Landfill rehabilitation provision

A provision is made for the cost of restoration in respect of landfills.

The provision represents the present value of the anticipated future costs associated with the closure of the landfill, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Due to the long-term nature of the liability, the most significant uncertainty in estimating the provision is the cost that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

2(j) Taxation

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

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

2 **Statement of functions and activities**

(a) **Functions of the consolidated entity**

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

**Corporate Governance**

The corporate governance function supports Council's vision of inclusive and ethical governance through ensuring open, accountable and transparent community outcomes. This function also provides quality leadership at all levels and includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in this function.

**Water and Wastewater Services**

Council's water and wastewater services business unit is a commercially focussed business unit with the principal goals of providing safe drinking water and the collection of wastewater, including the treatment thereof and refuse disposal. It delivers these services through customer and water product quality management, maintenance of the water and wastewater network, asset management, as well as water infrastructure planning, delivery and development services. Additionally, its business goal is to maximise financial returns and cash flows to support Council's other operations.

**Waste Services**

The waste function is responsible for the collection and disposal of waste within the city through its kerbside collection service, household hazardous waste services, disposals at landfills and the operation and maintenance of its transfer stations. It also includes maintenance of closed landfill and environmental monitoring of current and former waste disposal facilities.

**Community Support, Recreation and Facilities**

This function supports the health and wellbeing of our community, promotes strong community spirit and extends to people of all ages, cultures, abilities and needs. The function is supported by a full range of services, programs, organisations and facilities, such as:

- library services;
- youth and aged care services;
- event management;
- community grant funding and sponsorships;
- disaster management and community safety;
- the animal shelter;
- parks, community halls and swimming pools; and
- the Redland Art Gallery and Redland Performing Arts Centre.

**Planning and Development**

This function delivers the careful management of population pressures and supports the sustainable use of land. It includes the recognition of environmental sensitivities and the distinctive character, heritage and atmosphere of our local communities. This function ensures the delivery of a well-planned network of urban, rural and bushland areas and responsive infrastructure and transport systems to support strong, healthy communities.

**Infrastructure Services**

This function is responsible for the sustainable management and maintenance of Council's infrastructure assets, as well as identifying, planning and delivering infrastructure to support the community and ensure a high standard of infrastructure in the Redlands. This function includes the delivery of a high quality and effective road network to facilitate pedestrian, cycle and vehicle transport as well as road and drainage infrastructure construction and rehabilitation.

**Corporate Services**

This function provides support to all of Council and includes administrative, internal audit, budget support, financial accounting, taxation and treasury, human resources, marketing and communication and information technology services. The goal of this function is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

**Economic Development**

This function supports Council's commitment to increasing the city's economic capacity through business growth, and retention, employment generation and sustained economic growth as articulated in the Economic Development Framework 2014-2041. The development of eight industry sector strategy and action plans will be the critical catalyst in attracting investment and achieving key economic objectives. The strategy and action plan will detail prioritised initiatives and activities and resource allocation in future industry growth sectors of Tourism, Health Care and Social Assistance, Education and Training, Manufacturing, High Value-Add Services, Construction, Retail Trade, and Rural Enterprises.

**Business Transformation**

The objective of this function is to make council an increasingly more efficient operation that puts the needs of our community first. The team supports staff to deliver what our customers need faster, better and, where possible, cheaper.

**Portfolio Management**

This function has two responsibilities, one is to create the centre of excellence and a single source of truth to provide methodology, governance, training, advice and support to assist project management teams to plan and deliver successful initiatives; and two be responsible for providing organisational oversight, analysis, and reporting to assist the Executive Leadership Team and elected members to make informed decisions about projects and programs.

**Disaster Management**

This function (also referred to as the Disaster Planning and Operations Unit) provides the community with practical information to help prepare for, respond to and recover from a disaster. The goal of this function is to organise effective response and recovery in the Redland City Council area, minimising and mitigating where possible the impact of a disaster of major emergency.

**Redland Investment Corporation**

Redland Investment Corporation Pty Ltd's business objective is to investigate alternative revenue streams and investment opportunities for the Redlands Community. The Corporation also manages some of Council's underutilised assets with an objective to improve their use or value. Redland Investment Corporation also has in place a Service Level Agreement with Council to act as the preferred commercial consultants for the Priority Development Areas. During the financial year ended 30 June 2016, RIC established a proprietary company, RIC Toondah Pty Ltd, which is wholly owned by RIC and operated under the *Corporation Act 2001*. Refer Note 1(b).

REDLAND CITY COUNCIL  
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 For the year ended 30 June 2016

**3 Statement of functions and activities - continued**

(b) Analysis of results by function  
 Income, expenses and assets defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2016

Functions	Gross income			Gross expenses		Total income	Total expenses	Net result from recurrent operations	Net result	Total assets
	Recurrent		Grants	Recurrent	Capital					
	Grants	Other	Other	Other	Other					
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Corporate Governance	203	420	-	(16,968)	(1)	623	(16,969)	(16,345)	(16,346)	1,836
Water and Wastewater Services	3	98,265	2,446	(66,024)	(331)	118,502	(68,355)	30,244	50,147	745,014
Waste Services	-	21,661	-	(16,118)	(204)	21,661	(16,322)	5,543	5,339	14,946
Community Support, Recreation and Facilities	1,800	7,922	1,372	(59,359)	(145)	15,997	(59,504)	(49,637)	(43,507)	150,634
Planning and Development	5	10,828	-	(24,126)	322	11,647	(23,804)	(13,293)	(12,157)	5,473
Infrastructure Services	3,448	8,208	3,143	(47,353)	(1,990)	52,590	(49,343)	(35,697)	3,247	1,288,208
Corporate Services	5,179	87,575	48	(11,675)	(2,092)	92,802	(13,767)	81,079	79,035	403,263
<b>Total Council</b>	<b>10,638</b>	<b>234,879</b>	<b>6,961</b>	<b>(243,623)</b>	<b>(4,441)</b>	<b>313,822</b>	<b>(248,064)</b>	<b>1,894</b>	<b>65,758</b>	<b>2,609,374</b>
Redland Investment Corporation Pty Ltd (net of eliminations)	-	(167)	-	(1,702)	1,289	(167)	(413)	(1,869)	(580)	541
<b>Total Consolidated</b>	<b>10,638</b>	<b>234,712</b>	<b>6,961</b>	<b>(245,325)</b>	<b>(3,152)</b>	<b>313,655</b>	<b>(248,477)</b>	<b>25</b>	<b>65,178</b>	<b>2,609,915</b>

Year ended 30 June 2015

Functions	Gross income			Gross expenses		Total income	Total expenses	Net result from recurrent operations	Net result	Total assets
	Recurrent		Grants	Recurrent	Capital					
	Grants	Other	Other	Other	Other					
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Corporate Governance	411	368	14	(15,302)	(1)	813	(15,303)	(14,503)	(14,490)	1,424
Water and Wastewater Services	30	94,660	-	(66,896)	(411)	109,380	(67,247)	27,854	42,133	659,605
Waste Services	-	20,650	-	(16,971)	(5)	20,650	(16,976)	3,679	3,674	12,280
Community Support, Recreation and Facilities	1,813	7,591	773	(60,126)	(445)	14,827	(60,571)	(50,722)	(45,744)	120,163
Planning and Development	12	9,924	-	(21,454)	792	9,936	(20,662)	(11,518)	(10,726)	5,020
Infrastructure Services	4,673	9,743	3,492	(43,188)	(2,312)	44,721	(45,500)	(28,772)	(779)	1,223,357
Corporate Services	5,183	83,531	63	(9,582)	(611)	88,777	(10,193)	79,132	78,584	384,645
<b>Total Council</b>	<b>12,122</b>	<b>226,487</b>	<b>4,279</b>	<b>(233,459)</b>	<b>(2,993)</b>	<b>289,104</b>	<b>(236,452)</b>	<b>5,150</b>	<b>52,652</b>	<b>2,405,494</b>
Redland Investment Corporation Pty Ltd (net of eliminations)	-	1,165	-	(66)	-	1,165	(66)	1,099	1,099	1,126
<b>Total Consolidated</b>	<b>12,122</b>	<b>227,652</b>	<b>4,279</b>	<b>(233,525)</b>	<b>(2,993)</b>	<b>290,269</b>	<b>(236,518)</b>	<b>6,249</b>	<b>53,751</b>	<b>2,406,620</b>

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REDLAND CITY COUNCIL  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2016

	Consolidated		Council	
	2016	2015	2016	2015
Note	\$000	\$000	\$000	\$000
<b>4 Revenue analysis</b>				
<b>(a) Rates, levies and charges</b>				
General rates	85,151	81,521	85,151	81,521
Special charges	3,945	3,800	3,945	3,800
Environment levy	8,675	9,848	8,675	9,848
Water access	17,990	17,289	17,990	17,289
Water consumption	35,435	34,163	35,435	34,163
Wastewater	40,406	38,360	40,406	38,360
Trade waste	1,625	2,027	1,625	2,027
Waste disposal	19,896	19,022	19,896	19,022
Total rates and utility charges	<b>213,123</b>	<b>206,030</b>	<b>213,123</b>	<b>206,030</b>
Less: Pensioner remissions and rebates	(3,197)	(5,804)	(3,197)	(5,804)
	<b>209,926</b>	<b>200,226</b>	<b>209,926</b>	<b>200,226</b>

<b>(b) Fees and charges</b>				
Fines and penalties	851	574	851	574
Mooring and parking fees	877	968	877	968
Search fees	912	907	912	907
Development and related application fees	5,932	5,365	5,932	5,365
License fees	1,563	1,517	1,563	1,517
Commercial collection fees	212	195	212	195
Operational works application fees	960	943	960	943
Other fees and charges	2,437	2,282	2,368	2,282
	<b>13,744</b>	<b>12,751</b>	<b>13,675</b>	<b>12,751</b>

**5 Grants, subsidies and contributions**

<b>(a) Recurrent</b>				
General purpose government grants	5,143	5,181	5,143	5,181
Government subsidies and grants	5,495	6,941	5,495	6,941
Contributions	532	488	532	488
	<b>11,170</b>	<b>12,610</b>	<b>11,170</b>	<b>12,610</b>

<b>(b) Capital</b>				
Government subsidies and grants	6,961	4,278	6,961	4,278
Contributions	26,477	24,954	26,477	24,954
	<b>33,438</b>	<b>29,232</b>	<b>33,438</b>	<b>29,232</b>

Non-cash contributions	12	<b>34,769</b>	<b>21,200</b>	<b>34,769</b>	<b>21,200</b>
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**Conditions over contributions**

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

Transport infrastructure	11,947	10,112	11,947	10,112
Other infrastructure	7,068	5,984	7,068	5,984
Water and wastewater infrastructure	7,326	8,460	7,326	8,460
Grants and contributions	1,873	1,237	1,873	1,237
	<b>28,214</b>	<b>25,793</b>	<b>28,214</b>	<b>25,793</b>

Contributions and non-reciprocal grants which were recognised as income during a previous reporting period and were expended during the current reporting period in accordance with Council's obligations:

Transport infrastructure	871	1,451	871	1,451
Other infrastructure	1,274	112	1,274	112
Water and wastewater infrastructure	8,877	4,371	8,877	4,371
Grants and contributions	1,314	3,888	1,314	3,888
	<b>12,336</b>	<b>9,822</b>	<b>12,336</b>	<b>9,822</b>

REDLAND CITY COUNCIL  
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For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>6 Employee benefits</b>					
Total staff wages and salaries		63,337	60,846	62,876	60,846
Councillors' remuneration		1,378	1,272	1,378	1,272
Annual leave and long service leave entitlements		7,674	7,992	7,674	7,992
Superannuation		7,735	7,425	7,735	7,425
		<u>80,124</u>	<u>77,535</u>	<u>79,663</u>	<u>77,535</u>
Other employee related expenses		5,322	4,240	5,322	4,240
		<u>85,446</u>	<u>81,775</u>	<u>84,985</u>	<u>81,775</u>
Less: Capitalised employee expenses		(5,273)	(4,887)	(5,273)	(4,887)
		<u>80,173</u>	<u>76,888</u>	<u>79,712</u>	<u>76,888</u>

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

**7 Materials and services**

Contractors		30,672	31,752	31,297	31,752
Consultants		2,908	2,751	2,725	2,751
Other Council outsourcing costs		16,090	14,951	15,888	14,951
Purchase of materials		37,620	35,392	37,620	35,392
Office administration costs		7,309	6,870	7,135	6,870
Electricity charges		5,368	5,929	5,368	5,929
Plant operations		4,480	4,541	4,476	4,541
Information technology resources		2,024	1,848	2,019	1,848
General insurance		1,216	1,506	1,216	1,506
Community assistance		1,670	1,667	1,670	1,667
Audit of annual financial statements by Queensland Audit Office		139	125	133	125
Other material and service expenses		718	1,206	716	1,140
Remediation costs for landfill		(2,048)	(7,983)	(2,048)	(7,983)
		<u>108,166</u>	<u>100,555</u>	<u>108,215</u>	<u>100,489</u>

**8 Depreciation and amortisation**

Depreciation of non-current assets	12	50,786	50,659	50,786	50,659
Amortisation of intangible assets		931	683	931	683
		<u>51,717</u>	<u>51,342</u>	<u>51,717</u>	<u>51,342</u>

**9 Cash and cash equivalents**

Cash at bank and on hand		2,853	5,045	2,336	2,416
Deposits at call		140,076	118,911	138,876	118,911
Balance as per Consolidated Statement of Cash Flows		<u>142,929</u>	<u>123,956</u>	<u>141,212</u>	<u>121,327</u>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

Restricted funds:

Special projects reserve		2,408	2,495	2,408	2,495
Utilities reserve		9,900	9,900	9,900	9,900
Constrained works reserve		63,580	47,702	63,580	47,702
Separate charge reserve - environment		8,036	8,608	8,036	8,608
Special charge reserve - other		13	2	13	2
Special charge reserve - canals		8,237	9,127	8,237	9,127
		<u>92,174</u>	<u>77,834</u>	<u>92,174</u>	<u>77,834</u>
Unrestricted funds		50,755	46,122	49,038	43,493
Total cash and cash equivalents		<u>142,929</u>	<u>123,956</u>	<u>141,212</u>	<u>121,327</u>

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	2016 \$000	2015 \$000	2016 \$000	2015 \$000

**9 Cash and cash equivalents - continued**

Cash is held with the Australia and New Zealand Banking Group in a normal business cheque account. The bank currently has a short-term credit rating of A-1+ and a long-term credit rating of AA-. Deposits at call are held with Queensland Treasury Corporation which has a short-term credit rating of A-1+ and a long-term credit rating of AA+.

Cash is held at a floating interest rate. The weighted average interest rate is 2.96% (2015: 3.40%).

Council holds three facilities with the Australia and New Zealand Banking Group to facilitate its operational monetary requirements. Unrestricted access was available at balance date to these facilities and their associated values are:

Commercial Card	\$325,000
Electronic Payway	\$5,000,000
Varied Facility	\$5,050,000

**10 Trade and other receivables**

Rates and utility charges	21,048	20,258	21,048	20,258
Trade and other debtors	3,306	3,398	3,318	3,533
GST recoverable	1,995	1,597	1,995	1,805
Less: Allowance for impairment	(554)	(579)	(554)	(579)
	<u>25,795</u>	<u>24,674</u>	<u>25,805</u>	<u>25,017</u>

Interest is charged on outstanding rates at a fixed rate of 11% (2015: 11%) per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other receivables. Credit risk is measured and managed using an ageing analysis.

Trade and other receivables ageing analysis:

Fully performing	18,012	17,456	18,022	17,799
Past due but not impaired:				
31 - 60 days	3,392	2,831	3,392	2,831
61 - 90 days	81	35	81	35
> 90 days	4,864	4,931	4,864	4,931
Impaired	(554)	(579)	(554)	(579)
	<u>25,795</u>	<u>24,674</u>	<u>25,805</u>	<u>25,017</u>

**11 Inventories**

Inventories held for distribution - measured at cost	676	774	676	774
Land held for development and resale:				
Opening balance	10,155	-	-	-
Transfer (to)/from other non-current asset class	(1,536)	10,155	-	-
Disposals	-	-	-	-
	<u>8,619</u>	<u>10,155</u>	<u>-</u>	<u>-</u>
	<u>9,295</u>	<u>10,929</u>	<u>676</u>	<u>774</u>

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

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

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**13 (a) Property, plant and equipment**

Asset class	Note	Land		Buildings		Plant and equipment		Roads		Stormwater drainage		Water and wastewater		Parks infrastructure		Other infrastructure		Waste		Work in progress		Total
		Fair value	n/a	Fair value	10-75	Cost	3-10	Fair value	10-100	Fair value	20-150	Fair value	10-134	Fair value	15-60	Fair value	15-100	Fair value	5-70	Cost	n/a	
Range of estimated useful life in years																						
<b>Council - 30 June 2016</b>																						
Assets		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening gross value as at 1 July 2015		228,227	123,263	46,016	790,544	529,254	1,014,791	80,015	275,854	14,333	31,113	3,133,430										
Assets not previously recognised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,474
Replacement cost adjustments		-	-	41	(50)	(9)	(8)	146	-	(1,043)	-	(923)										6,474
Work in progress expenditure		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(923)
Transfers from work in progress		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,913
Additions		1,076	2,923	6,202	22,501	742	9,836	5,093	10,788	231	-	59,392										60,913
Contributed assets at valuation	5(a)	80	32	12	6,925	16,998	10,462	292	-	-	-	-										(59,624)
Disposals		(754)	(57)	(5,286)	(4,774)	(123)	(771)	(968)	(600)	(359)	-	(13,692)										34,769
Revaluation adjustments		(429)	10,991	-	15,428	38,395	122,274	-	5,451	(6,170)	-	185,940										(13,692)
Transfers between asset classes		344	(7)	(1,268)	145	(189)	-	-	-	(1)	-	-										185,940
Closing gross value at 30 June 2016		228,544	137,133	45,717	830,719	585,068	1,156,564	84,578	291,493	13,465	32,402	3,405,703										3,405,703
<b>Accumulated depreciation</b>																						
Opening balance as at 1 July 2015		-	58,762	24,139	210,526	127,878	387,461	37,507	40,708	5,184	-	892,165										
Depreciation adjustments		-	-	3	-	(6)	-	111	-	(2,280)	-	(2,172)										(2,172)
Depreciation for the year	8	-	3,114	4,469	14,178	5,714	16,956	3,516	2,352	487	-	50,786										50,786
Depreciation on disposals		-	(53)	(4,200)	(3,008)	(24)	(439)	(835)	(517)	(154)	-	(9,230)										(9,230)
Depreciation on revaluation adjustments		-	(15,851)	-	7,224	9,965	48,452	-	835	(624)	-	50,001										50,001
Depreciation on transfers between asset classes		-	16	(812)	36	-	-	-	-	(3)	-	(763)										(763)
Accumulated depreciation at 30 June 2016		-	45,988	23,598	228,956	143,527	452,430	40,299	43,378	2,610	-	980,767										980,767
Council book value as at 30 June 2016		228,544	91,145	22,118	601,763	441,541	704,134	44,279	248,115	10,855	32,402	2,424,916										2,424,916

Redland Investment Corporation Pty Ltd held no material Property, plant and equipment as at 30 June 2016. As such, the results above are for Council only.

Land with a carrying value of \$12,558,900 has restricted use as a result of a development management agreement entered into with the Walker Group for development of the Toondah Harbour Priority Development Area (refer Note 17).

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

Asset class	Note	Land	Buildings	Plant and equipment	Roads	Stormwater drainage	Water and wastewater	Parks	Other infrastructure	Waste	Work in progress	Total
Basis of measurement		Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	
Range of estimated useful life in years		n/a	10-75	3-10	10-100	20-150	10-134	16-60	15-100	5-70	n/a	
<b>Council - 30 June 2015</b>												
<b>Asset values</b>		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening gross value at 1 July 2014		257,538	116,330	45,146	765,998	520,638	1,006,363	67,517	101,698	14,258	25,921	2,921,408
Replacement cost adjustments		-	-	-	(41)	(476)	31	(229)	290	67	-	(358)
Work in progress expenditure		-	-	-	-	-	-	-	-	-	47,885	-47,885
Transfer from WIP to non-current assets		-	-	-	-	-	-	-	-	-	(42,693)	(42,693)
Additions		267	657	5,872	23,972	537	3,179	2,741	4,042	168	-	41,435
Contributed assets at valuation	5(b)	-	18	-	6,101	8,635	6,230	215	-	-	-	21,200
Disposals		(691)	(181)	(4,835)	(5,078)	(80)	(1,012)	(1,367)	(123)	-	-	(19,367)
Revaluation adjustments		(18,631)	8,246	-	-	-	-	11,179	169,961	-	-	170,755
Transfers between asset classes		(10,256)	(1,788)	(167)	(408)	-	-	(41)	(15)	(160)	-	(12,835)
<b>Closing gross value at 30 June 2015</b>		<b>228,227</b>	<b>123,283</b>	<b>46,016</b>	<b>790,544</b>	<b>529,254</b>	<b>1,014,791</b>	<b>80,015</b>	<b>275,854</b>	<b>14,333</b>	<b>31,113</b>	<b>3,133,430</b>
<b>Accumulated depreciation</b>												
Opening balance at 1 July 2014		-	53,384	23,440	198,865	123,302	371,367	31,863	34,406	4,777	-	841,224
Depreciation adjustments		-	-	-	(17)	(883)	14	(443)	215	-	-	(1,114)
Depreciation for the year	8	-	3,003	4,962	14,667	5,471	16,682	3,386	2,012	476	-	50,659
Depreciation on disposals		-	(152)	(4,134)	(2,868)	(12)	(602)	(1,014)	(28)	-	-	(8,810)
Depreciation on revaluation adjustments		-	3,979	-	-	-	-	3,934	4,116	-	-	12,029
Transfers between asset classes		-	(1,452)	(129)	(141)	-	-	(18)	(13)	(59)	-	(1,823)
<b>Accumulated depreciation at 30 June 2015</b>		<b>-</b>	<b>56,762</b>	<b>24,139</b>	<b>210,526</b>	<b>127,878</b>	<b>387,461</b>	<b>37,507</b>	<b>40,708</b>	<b>5,184</b>	<b>-</b>	<b>892,165</b>
<b>Council book value as at 30 June 2015</b>		<b>228,227</b>	<b>64,521</b>	<b>21,877</b>	<b>580,018</b>	<b>401,376</b>	<b>627,330</b>	<b>42,508</b>	<b>235,146</b>	<b>9,149</b>	<b>31,113</b>	<b>2,241,265</b>

Redland Investment Corporation Pty Ltd held no Property, plant and equipment as at 30 June 2015 and had no movements during the year. As such, the results above were for both Council and the group.





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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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Note	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>13 Trade and other payables</b>				
Creditors and accruals	16,013	15,534	16,052	15,546
Annual leave	6,342	6,081	6,307	6,057
	<u>22,355</u>	<u>21,615</u>	<u>22,359</u>	<u>21,603</u>

Creditors and accruals are expected to be settled within 12 months. Of the consolidated annual leave balance, \$4,927,840 (2015: \$4,929,338) is expected to be settled within 12 months from balance date and \$1,414,885 (2015: \$1,151,974) is expected to be settled after more than 12 months.

**14 Borrowings**

**(a) Current**

Loans - Queensland Treasury Corporation (QTC)	7,702	4,482	7,702	4,482
	<u>7,702</u>	<u>4,482</u>	<u>7,702</u>	<u>4,482</u>

**(b) Non-Current**

Loans - Queensland Treasury Corporation (QTC)	42,155	49,973	42,155	49,973
	<u>42,155</u>	<u>49,973</u>	<u>42,155</u>	<u>49,973</u>

**Movement in loans:**

Opening balance at 1 July	54,455	58,983	54,455	58,983
Principal repayments	(4,598)	(4,528)	(4,598)	(4,528)
Closing balance at 30 June	<u>49,857</u>	<u>54,455</u>	<u>49,857</u>	<u>54,455</u>

When Council borrows, it borrows from the Queensland Treasury Corporation. Council's borrowing capacity is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

The market value of QTC loans at the reporting date was \$58,751,489 (2015: \$62,728,471). This represents the value of debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by the Council for any liabilities, however all loans are ultimately guaranteed by the Queensland Government.

Borrowings are in \$AUD denominated amounts and carried at amortised cost, interest is expensed as it is incurred. This is at a weighted average borrowing rate of 7.36%. No borrowing costs were capitalised on qualifying assets.

Expected final repayment dates vary from 15 July 2021 to 15 July 2026. There have been no defaults or breaches of the loan agreement during the year. Following QTC's restructure of debt, Council's annual payment in July 2016 settled a substantial portion of the principal debt which will reduce the interest charges going forward. As such, the current portion as at 30 June 2016 is higher compared to the prior year.

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

Less than 1 year	7,844	7,953	7,844	7,953
1 to 5 years	31,374	31,810	31,374	31,810
Over 5 years	24,793	32,341	24,793	32,341
Total contractual cash flows	<u>64,011</u>	<u>72,104</u>	<u>64,011</u>	<u>72,104</u>
Carrying amount	49,857	54,455	49,857	54,455

**15 Provisions**

**(a) Current**

Landfill rehabilitation	3,554	6,092	3,554	6,092
Workers compensation	444	362	444	362
Long service leave	9,326	8,138	9,318	8,138
	<u>13,324</u>	<u>14,592</u>	<u>13,316</u>	<u>14,592</u>

**(b) Non-Current**

Landfill rehabilitation	10,177	9,848	10,177	9,848
Workers compensation	462	433	462	433
Long service leave	1,795	2,019	1,777	2,004
	<u>12,434</u>	<u>12,300</u>	<u>12,416</u>	<u>12,285</u>

**Movements in provisions:**

**Landfill rehabilitation**

Opening balance at 1 July	15,940	24,069	15,940	24,069
Increase/(decrease) in provision due to change in discount rate and costs	1,669	(6,300)	1,669	(6,300)
Provision utilised during the period	(4,081)	(2,388)	(4,081)	(2,388)
Unused amounts reversed during the period	-	150	-	150
Increase in provision due to passage of time - borrowing costs	203	409	203	409
Closing balance at 30 June	<u>13,731</u>	<u>15,940</u>	<u>13,731</u>	<u>15,940</u>

This is the present value of the estimated cost of restoring closed landfill sites across the city and is based on Council's 10 year program. The decrease in the closing balance is due to the revision of the program costs offset by a decrease in discount rates. The program is funded by a separate charge.

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Note	Consolidated		Council	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>15 Provisions - continued</b>				
<b>Workers compensation</b>				
Opening balance at 1 July	795	756	795	756
Adjustment for period	111	39	111	39
Closing balance at 30 June	<u>906</u>	<u>795</u>	<u>906</u>	<u>795</u>
<b>Long service leave</b>				
Opening balance at 1 July	10,157	8,918	10,142	8,918
Long service leave entitlement raised	2,070	2,435	2,059	2,420
Long service entitlement used/extinguished	(703)	(773)	(703)	(773)
Long service entitlement paid	(403)	(423)	(403)	(423)
Closing balance at 30 June	<u>11,121</u>	<u>10,157</u>	<u>11,095</u>	<u>10,142</u>

Of the consolidated current long service leave balance, \$934,000 (2015: \$825,000) is expected to be settled within 12 months from balance date and \$8,391,807 (2015: \$7,313,000) is expected to be settled after more than 12 months. The non-current portion relates to employees who have not yet reached the required years of service to be entitled to take long service leave.

**16 Asset revaluation surplus**

The closing balance of the asset revaluation surplus comprises the following asset categories:

Land	63,625	64,054	63,625	64,054
Buildings	58,251	31,409	58,251	31,409
Plant and equipment	105	105	105	105
Roads	285,403	277,199	285,403	277,199
Stormwater drainage	231,443	203,013	231,443	203,013
Water and wastewater	73,822	-	73,822	-
Parks	43,190	43,190	43,190	43,190
Other infrastructure	206,360	201,744	206,360	201,744
Waste	1,151	6,697	1,151	6,697
	<u>963,350</u>	<u>827,411</u>	<u>963,350</u>	<u>827,411</u>

Increases and decreases on revaluation are offset within a class of assets.

**17 Commitments**

**Operating leases**

Future minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	1,150	982	1,150	982
1 to 5 years	4,788	2,513	4,788	2,513
Greater than 5 years	7,362	4,752	7,362	4,752
	<u>13,300</u>	<u>8,247</u>	<u>13,300</u>	<u>8,247</u>

**Operating contractual commitments**

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

Roadworks	728	1,223	728	1,223
Water and wastewater	2,461	1,158	2,461	1,158
Waste	32,880	46,940	32,880	46,940
Other	25,327	17,326	25,327	17,326
	<u>61,396</u>	<u>66,647</u>	<u>61,396</u>	<u>66,647</u>

These expenditures are payable:

Within 1 year	40,881	32,850	40,881	32,850
1 to 5 years	20,515	33,797	20,515	33,797
Greater than 5 years	-	-	-	-
	<u>61,396</u>	<u>66,647</u>	<u>61,396</u>	<u>66,647</u>

**Capital contractual commitments**

Commitments for the construction of the following assets contracted for at year end but not recognised as liabilities are as follows and are payable within 1 year:

Roadworks	16	21	16	21
Water and wastewater	8,869	1,773	8,869	1,773
Waste	1,117	251	1,117	251
Other	10,603	11,643	10,603	11,643
	<u>20,605</u>	<u>13,688</u>	<u>20,605</u>	<u>13,688</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

## 17 Commitments - continued

Redland City Council has conditionally entered into a Development Management Agreement (DMA) with the Minister of Economic Development Queensland (MEDQ) and Walker Group (Walker) to develop certain land owned by Council and the State as part of the Toondah Harbour project. The DMA was executed in February 2016 and is currently conditional on meeting of a number of requirements such as Native Title, Land Tenure, and an Environmental Impact Statement. In accordance with the DMA, Council land to be developed by Walker as part of this project, which is included in property, plant and equipment and has a carrying value of \$12,558,900, will be leased/licenced to Walker during the development period and is restricted in its use to this purpose only. A portion of the land will be developed and sold to third parties (through Walker). The remaining land, together with community infrastructure assets, will be transferred (where not already owned) to Council.

## 16 Contingent liabilities and contingent assets

**Contingent liabilities:**

Details and estimates of contingent liabilities as at 30 June 2016 are as follows:

WorkCover self-insurer liability

The estimated claims liability for Council as a self-insurer under the *Workers Compensation and Rehabilitation Act 2003* (The Act) as at 30 June 2016 is \$944,000 (2015: \$838,000) where estimated claims liability is defined in Section 84 of the Act. The Actuary has recommended that a provision be recognised for \$906,000 (2015: \$795,000) for the total estimated claims liability. Council has in place a bank guarantee with the ANZ Banking Group Ltd for \$5,000,000 (2015: \$5,000,000).

Other claims

The Quandamooka-Redland City Council Indigenous Land Use Agreement (ILUA) sets out broad principles and mechanisms for how parties will work together and meet their respective responsibilities for mutual benefits in accordance with the *Native Title Act 1994*. The ILUA establishes native title validation and consultation for Council's projects and a framework for other policies, programmes and initiatives for the mutual benefit of parties and local community.

Landfill remediation

Council has historically recognised, and continues to recognise, a provision for the remediation of former landfill sites throughout the city to ensure compliance with legal obligations. The legal obligation is broad and covered in a range of legislation such as the *Environmental Protection Act 1994*, *Petroleum and Gas (Production and Safety) Act 2004*, *Sustainable Planning Act 2009* and *Work Health and Safety Act 2011*, plus subordinate legislation (such as various regulations and codes of practice) and other industry guidelines.

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

**Contingent assets:**

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

## 19 Superannuation

Redland City Council contributes to the Local Government Superannuation Scheme (Old) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB 119 *Employee Benefits*.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has three elements, referred to as:

- City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund;
- Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments (closed to new entrants from 1 July 1998); and
- Accumulation Benefits Fund (ABF).

The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in, the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

Council does not have any employees who are members of the CDBF and, therefore is not exposed to the obligations, assets or costs associated with this fund.

The Regional DBF is a defined benefit plan as defined in AASB 119. Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB 119 because the scheme is unable to account to Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

Any amount by which the fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.

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	2016 \$000	2015 \$000	2016 \$000	2015 \$000

**19 Superannuation - continued**

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date".

In the 2015 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

Under the Local Government Act 2009 the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

There are currently 69 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 69 entities. Redland City Council made less than 4% of the total contributions to the plan in the financial year ended 30 June 2016.

The next actuarial valuation will be conducted as at 1 July 2018.

The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:

	7,634	7,396	7,634	7,396
--	-------	-------	-------	-------

The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of councillors was:

	139	136	139	136
--	-----	-----	-----	-----

**20 Trust funds**

Monies collected or held on behalf of other entities

	7,343	8,026	7,343	8,026
--	-------	-------	-------	-------

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

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

<b>Net result</b>		<b>65,178</b>	<b>53,751</b>	<b>65,758</b>	<b>52,652</b>
<b>Non-cash items</b>					
Depreciation and amortisation	8	51,717	51,342	51,717	51,342
Prior years errors corrected in-year		(1,363)	(755)	(1,363)	(755)
Non-cash contributions	5(b)	(34,769)	(21,200)	(34,769)	(21,200)
Bad and doubtful debts		(25)	506	(25)	506
Cost of land sold - acquired as contributed equity		-	820	-	-
Land acquired in lieu of rates		(2)	(2)	(2)	(2)
Impairment of assets classified as held-for-sale		1,289	-	1,289	-
Fair value adjustment - investment property		(98)	(63)	(98)	(63)
		<u>16,749</u>	<u>30,648</u>	<u>16,749</u>	<u>29,828</u>
<b>Investing and development activities</b>					
Net loss on disposal of non-current assets		3,152	2,993	3,152	2,993
Capital grants and contributions	5(b)	(33,438)	(29,232)	(33,438)	(29,232)
		<u>(30,286)</u>	<u>(26,239)</u>	<u>(30,286)</u>	<u>(26,239)</u>
<b>Changes in operating assets and liabilities</b>					
(Increase)/decrease in trade and other receivables		(830)	575	(762)	616
(Increase)/decrease in other current assets and inventories		(918)	78	(918)	78
Increase/(decrease) in trade and other payables		661	751	912	379
Increase/(decrease) in provisions		(1,158)	(6,826)	(1,145)	(6,865)
Increase/(decrease) in other current liabilities		696	(3,065)	696	(3,065)
		<u>(1,549)</u>	<u>(8,487)</u>	<u>(1,217)</u>	<u>(8,857)</u>
<b>Net cash inflow/(outflow) from operating activities</b>		<u><b>50,092</b></u>	<u><b>49,673</b></u>	<u><b>51,004</b></u>	<u><b>47,384</b></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

## 22 Fair value measurements

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

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

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

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

Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

Fair value based on inputs that are directly or indirectly observable for the asset or liability (Level 2)

Fair value based on unobservable inputs for the asset and liability (Level 3)

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

The following table represents the material asset classes measured and recognised at fair value at 30 June 2016.

2016	Gross value	Written down value	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Land	228,544	228,544	11,948	216,596
Buildings	137,133	91,145	-	91,145
Roads	830,719	601,763	-	601,763
Stormwater drainage	585,068	441,541	-	441,541
Water and wastewater	1,156,584	704,154	-	704,154
Parks	84,578	44,279	-	44,279
Other infrastructure	291,493	248,115	-	248,115
Waste	13,465	10,855	-	10,855
	<b>3,327,584</b>	<b>2,370,396</b>	<b>11,948</b>	<b>2,358,448</b>

2015	Gross value	Written down value	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Land	228,227	228,227	12,506	215,721
Buildings	123,283	64,521	-	64,521
Roads	790,544	580,018	-	580,018
Stormwater drainage	529,254	401,376	-	401,376
Water and wastewater	1,014,791	627,330	-	627,330
Parks	80,016	42,509	-	42,509
Other infrastructure	275,854	235,146	-	235,146
Waste	14,333	9,149	-	9,149
	<b>3,056,302</b>	<b>2,188,276</b>	<b>12,506</b>	<b>2,175,770</b>

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

2016 Land	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Opening balance 1 July 2015	12,506	215,721	228,227
Additions	19	1,137	1,156
Disposals	(21)	(733)	(754)
Transfer level 3 to level 2	12,014	(12,014)	-
Transfer level 2 to level 3	(11,829)	11,829	-
Internal transfer	-	344	344
Revaluation	(741)	312	(429)
Closing balance 30 June 2016	<b>11,948</b>	<b>216,596</b>	<b>228,544</b>

2015 Land	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Opening balance 1 July 2014	12,729	244,809	257,538
Additions	-	267	267
Disposals	-	(691)	(691)
Transfer level 3 to level 2	-	-	-
Transfer level 2 to level 3	-	-	-
Internal transfer	-	(10,256)	(10,256)
Revaluation	(223)	(18,408)	(18,631)
Closing balance 30 June 2015	<b>12,506</b>	<b>215,721</b>	<b>228,227</b>

## 22 Fair value measurements - continued

### Valuation techniques used to derive fair values

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

### Land

All council freehold land was comprehensively valued as at 30 June 2016 by qualified independent external valuers, AssetVal Pty Ltd.

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

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

### Buildings

All buildings were comprehensively valued as at 30 April 2016 by independently qualified external valuers Cardno (Old) Pty Ltd. The valuation was applied to the accounts as at 30 June 2016 as no material movement since valuation was identified. Due to the specialist nature of these assets and the absence of an active market, fair value was assessed by using the depreciated replacement cost methodology, however has been informed by property sales data where relevant and available.

Replacement cost was determined with reference to construction costing data contained in Rawlinson's Australia Construction Handbook and databases built from research by external valuers Cardno (Old) Pty Ltd. Major buildings have been split into components, and these components were valued separately to reflect differing expectations of condition and useful life. Assessment of economic and remaining life was based on historical assessment of similar assets and drawing on experience of the valuer, and this was the basis for determining the depreciated value. Residual values have not been applied to the building assets.

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

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition, expected useful life and remaining life and therefore these assets are considered to be valued as Level 3.

### Road infrastructure assets

Road assets were comprehensively valued as at 1 July 2013 by Cardno (QLD) Pty Ltd. As these are specialist public service assets that are rarely independently sold, depreciated replacement cost was determined as the most appropriate valuation method. These assets were considered to have been valued using Level 3 inputs.

Unit rates were determined with reference to recent Council construction data, Cardno developed databases and cost curves, Rawlinson's Australia Construction Handbook, and other published building indexes. These rates were applied to the asset specifications including depth, length and width. Unit rates take into consideration material, labour, service and overhead costs (Survey 6%, Design 5%, Engineering supervision 3%, Project Management 6%). All roads are divided into segments and componentised into earthworks, base, sub-base and surface to reflect different lives to each component.

Useful lives were developed by Cardno with reference to common engineering and industry practice standards and Council's historical evidence. The expected lives of major culvert assets were reduced by 20% if located within 50m of the coast and 40% if located in poor soils. A review of the pavement rehabilitation history suggested longer base course useful lives for low traffic roads less than 20 years old and as a result longer lives were adopted for these assets.

Pavement condition was determined by Council officers assessing the following criteria: cracks, ravelling, potholes, roughness, rutting and SMEC Pavement Condition Index. Correlation between condition data and age could not be determined and therefore an age based model was adopted to determine remaining useful life and accumulated depreciation. Remaining life and therefore accumulated depreciation was determined on an age basis for all other roads assets.

The significant unobservable inputs used in the valuation of road infrastructure assets were: expected useful life, remaining life and condition.

Qualified external valuers Cardno (Old) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

## 22 Fair value measurements - continued

### Stormwater drainage infrastructure assets

Stormwater drainage assets were independently valued as at 1 July 2013 by qualified external valuers Cardno (OLD) Pty Ltd. As these are specialist public service assets that are rarely independently sold, depreciated replacement cost was determined as the most appropriate valuation method. These assets were considered to have been valued using Level 3 inputs. Unit rates and replacement costs were determined with reference to recent Council construction data, Cardno developed databases and cost curves, Rawlinsons Australia Construction Handbook, and other building indexes. These rates were applied to the asset specifications including depth, length and width. Unit rates take into consideration material, labour, service and overhead costs (Survey 6%, Design 5%, Engineering Supervision 3%, Project Management 6%).

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

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

Condition assessments of Gross Pollutant Traps - Simple and Complex were conducted by Council officers with reference to predetermined condition criteria and remaining life was derived by application of a predetermined scale.

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

Qualified external valuers Cardno (Old) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

### Water and wastewater infrastructure assets

Infrastructure assets re-transferred from Allconnex Water were comprehensively valued as at 1 July 2012 by registered valuers GHD to determine their fair value for initial recognition. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold and as such were classified as being valued using Level 3 inputs. Significant components with differing expected useful lives and replacement costs were valued separately.

Replacement costs were based on the replacement of the assets with a modern, engineering equivalent with cost factor adjustments applied to reflect the location and site conditions likely on replacement. Costs of supply and install were derived from GHD's record of past construction projects, the Rawlinsons Australia Construction Handbook and GHD's infrastructure cost estimating database. These costs were verified against Redland City Council information where available and include 15% oncosts (Survey 3%, Design 5%, Construction Supervision 4%, Project Management 3%).

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

Remaining life of the assets was determined with consideration to the age and performance of the component assets with reference to design lives developed by GHD using common engineering and industry practice standards. Asset condition and performance were assessed by GHD and used to derive a Condition and Performance Factor.

The condition of underground assets was determined with reference to the age of the assets, while the condition of above ground assets was determined from visual inspection against predetermined condition criteria. Performance scores for above ground assets were based on data provided by RCC operator staff on current reliability and current loadings against design capability. Performance scores for passive assets was deemed to be 1.

Condition and performance scores were assessed against remaining economic life to calculate indicative remaining useful lives that were used to determine accumulated depreciation and fair value.

The significant unobservable inputs used in the valuation were soil, development and island factors; asset performance scores (active assets) and condition; and total expected life and remaining life.

Qualified external valuers Cardno (Old) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

## 22 Fair value measurements - continued

### Parks infrastructure assets

Parks infrastructure assets were independently valued as at 30 April 2015 by qualified external valuers Cardno (QLD) Pty Ltd. The valuation was applied to the accounts as at 30 June 2015 as no material movement since valuation was identified. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold and as a result were considered to have been valued using Level 3 valuation inputs.

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

Asset condition was assessed by RCC internal experts and a sample confirmed as part of the valuation process by the valuer. Condition ratings were assigned based on the International Management Manual Condition Ratings (1 as new to 5 poor). Remaining lives were derived based on the condition of the assets including factors such as the age of the asset, overall condition as noted during inspection, economic and/or functional obsolescence.

The assets were depreciated with reference to expected useful lives determined through application of industry standard ranges (including Institute of Public Works Engineering Australia (IPWEA)), historic assessment of similar assets, and experience gained from similar valuations by Cardno (QLD) Pty Ltd. The condition assessment directly translates to the level of the depreciation applied.

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition and remaining life and therefore these assets are considered to be valued as Level 3. The significant unobservable inputs used in the valuation were asset condition, total expected life and remaining life.

### Other infrastructure assets

These assets include marine, jetty facilities and seawalls and were comprehensively valued as at 30 April 2015 by independent qualified external valuers Cardno (QLD) Pty Ltd. The valuation was applied to the accounts as at 30 June 2015 as no material movement since valuation was identified. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold.

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

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

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition and remaining life and therefore these assets are considered to be valued as Level 3.

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

Qualified external valuers Cardno (Old) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

### Waste infrastructure assets

All waste assets were independently valued as at 30 April 2016 by qualified external valuers AssetVal Pty Ltd. The valuation was applied to the accounts as at 30 June 2016 as no material movement since valuation was identified. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold.

Replacement cost was derived through the application of unit rates through summation of the cost components of the assets. Costs components were determined with reference to direct price quotes obtained from suppliers, reference to costs guides including Rawlinson's Australia Construction Handbook and review of Council's historic costs. A mobilisation factor was also applied for assets located in island locations.

Remaining lives were assigned based on physical assessment of the condition and age of the assets by the valuer. The assets were depreciated on a straight line basis with reference to expected useful lives determined through application of industry standard ranges (including IPWEA), historic assessment of similar assets, and experience gained from similar valuations by AssetVal Pty Ltd.

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition and remaining life and therefore these assets are considered to be valued as Level 3. The significant unobservable inputs used in the valuation were asset condition, total expected life and remaining life.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

## 23 National Competition Policy

## Code of Competitive Conduct

## Business activities to which the code of competitive conduct is applied

A government business activity is one which competes with private businesses and exceeds thresholds set by the Department of Infrastructure, Local Government and Planning. In order to remove any advantages or disadvantages, the competitive neutrality principle

The Code of Competitive Conduct seeks to ensure government businesses compete on the same basis as its competitors by:

- (a) the application of the competitive neutrality principle, by removing or taking into account any competitive advantage or disadvantage when deciding charges for goods or services;
- (b) applying full cost pricing when deciding charges for goods or services, or charging for commercial reasons;
- (c) treating the net cost of performing community service obligations as revenue, except for particular roads activities;
- (d) as part of a local government's financial reporting:
  - (i) that the local government's budget contains an estimated activity statement for each business activity; and
  - (ii) that the local government's annual financial statement contains an activity statement for each business activity.

The activity statement for each business activity must state:

- (a) the revenue and expenses from the business activity; and
- (b) the surplus or deficit for the financial year; and
- (c) if community service obligations were carried on:
  - (i) a description of the community service obligations; and
  - (ii) the cost of carrying out the community service obligations, minus the revenue from the community service obligations.

Council resolved to apply the Code of Competitive Conduct to the following business activities during the financial year ended 30 June 2016: Water and Wastewater, Waste Management and Building Certification.

## Financial performance of activities subject to code of competitive conduct:

Significant Business Activities - 2016	Water and Wastewater	Waste Management	Building Certification
	\$000	\$000	\$000
Revenue for services provided to Council	2,516	667	29
Revenue for services provided to external clients	98,268	21,661	515
Community service obligations	363	1,609	6
	101,147	23,937	550
Less: Expenditure	82,017	17,264	550
Operating surplus/(deficit)	19,130	6,673	-

## Description of Community Service Obligations (CSOs):

Activities	CSO Description	Actual
		\$000
Water and Wastewater	CSOs	
	Water not-for-profit	(86)
	Wastewater not-for-profit	(277)
		(363)
Waste Management	CSOs	
	Birkdale Sanitary Landfill - Gate Waiver Fees	(8)
	North Stradbroke Island Transfer Station	(378)
	Kerbside Recycling	(16)
	Kerbside Waste Collection	(28)
	Kerbside Greenwaste Collection	(1)
	Bulky Item Collection for HAS clients	(20)
	Russell Island Transfer Station	(378)
	Macleay Island Transfer Station	(417)
	Lamb Island Transfer Station	(108)
	Karragarra Island Transfer Station	(89)
Coochiemudlo Island Transfer Station	(164)	
Kerbside Bulky Item Collection	(2)	
		(1,609)
Building Certification Services	CSOs	
	Delivery of professional advice at customer service points	(6)
		(6)

## Anticipated changes to business activities

It is expected that there will be no new business activities to which the Code of Competitive Conduct (CCC) will be applied for the financial year ending 30 June 2017.

QAO  
certified statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2016

**24 Events after the reporting period**

Council resolved to transfer properties to Redland Investment Corporation Pty Ltd at book value \$3,817,561 (2015: \$10,155,000). These properties are reflected in Council's consolidated financial statements as non-current assets held-for-sale. For the purposes of the consolidated financial statements, these properties are disclosed as part of Inventories (Note 11) to reflect the change in intention to the group.

Council has entered into a joint arrangement with the Minister of Economic Development Queensland (MEDQ) to form a joint operation. The purpose of the joint operation is to oversee the development of the Toondah Harbour PDA and Council's interest in the joint operation is 50% with both parties acting jointly and will make all necessary resources available to ensure maximum benefit for both parties and the community (refer Note 12(a)). RIC Toondah Pty Ltd (refer Note 1(b)) will be the manager of this project.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected the consolidated entity's operations.

REDLAND CITY COUNCIL  
CONSOLIDATED FINANCIAL STATEMENTS  
For the year ended 30 June 2016

MANAGEMENT CERTIFICATE  
For the year ended 30 June 2016

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

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

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



**Mayor**  
Karen Williams

Date: 20/10/2016



**Chief Executive Officer**  
William Harold Lyon

Date: 20/10/2016

GAO  
certified statements

## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Redland City Council

### Report on the Financial Report

I have audited the accompanying financial report of the Redland City Council, which comprises the statements of financial position as at 30 June 2016, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer of the Council and the consolidated entity comprising the Council and the entities it controlled at the year's end and from time to time during the financial year.

#### *The Council's Responsibility for the Financial Report*

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the Redland City Council and the consolidated entity for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

### **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

C G STRICKLAND CA  
(as delegate of the Auditor-General of Queensland)

Queensland Audit Office  
Brisbane

REDLAND CITY COUNCIL  
**MEASURES OF FINANCIAL SUSTAINABILITY**  
For the year ended 30 June 2016

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REDLAND CITY COUNCIL  
**CURRENT-YEAR FINANCIAL SUSTAINABILITY STATEMENT**  
 For the year ended 30 June 2016

**Measures of Financial Sustainability**

	How the measure is calculated	Actual	Target
Council's consolidated performance at 30 June 2016 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0.01%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	35.87%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-32.30%	Below 60%
Council's performance at 30 June 2016 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0.77%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	35.87%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-29.63%	Below 60%


**Note 1 - Basis of Preparation**

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited consolidated general purpose financial statements for the year ended 30 June 2016. The asset sustainability ratio is calculated based on capital expenditure on replacement/renewal of infrastructure assets.

**Certificate of Accuracy**  
 For the year ended 30 June 2016

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

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



**Mayor**  
 Karen Williams

Date: 20/10/2016



**Chief Executive Officer**  
 William Harold Lyon

Date: 20/10/2016

QAO  
 certified statements

## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Redland City Council

### **Report on the Current-Year Financial Sustainability Statement**

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Redland City Council for the year ended 30 June 2016, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer of the Council and the consolidated entity comprising the Council and the entities it controlled at the year's end and from time to time during the financial year.

#### *The Council's Responsibility for the Current-Year Financial Sustainability Statement*

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

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's and consolidated entity's future sustainability.

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



### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Opinion*

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Redland City Council and the consolidated entity, for the year ended 30 June 2016, has been accurately calculated.

### *Emphasis of Matter – Basis of Accounting*

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

### **Other Matters - Electronic Presentation of the Audited Statement**

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

C G STRICKLAND CA  
(as delegate of the Auditor-General of Queensland)

Queensland Audit Office  
Brisbane

**REDLAND CITY COUNCIL  
LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT**  
Prepared as at 30 June 2016

**Measures of Financial Sustainability**

Measure	Target	Projected for the years ended									
		Actual: 30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025

**Council**

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

Measure	Actual: 30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025
Operating surplus ratio	0.77%	0.18%	0.01%	0.63%	0.88%	1.17%	1.70%	2.41%	3.03%	4.24%
Asset sustainability ratio	35.87%	77.83%	118.49%	90.16%	94.63%	86.39%	76.09%	77.81%	76.20%	59.82%
Net financial liabilities ratio	-29.63%	-23.82%	-17.84%	-15.84%	-15.79%	-22.87%	-29.25%	-35.90%	-50.62%	-67.04%

**Council's Financial Management Strategy**

Council's Financial Strategy is underpinned by the Long-term Financial Forecast which is a ten year financial model. The model is reviewed following revised budget forecasts and is used to support resource allocation decision making. The financial forecast contains details of the assumptions used to estimate growth rates, price increases, general rates and charges increases, and also provides the financial outputs and financial sustainability measures for each of the ten years.

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

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

The projected results are per the adopted 2016-17 budget which is underpinned by the Financial Strategy. It does not include any revisions based on actual results as at 30 June 2016.

**Certificate of Accuracy**

For the long-term financial sustainability statement prepared as at 30 June 2016

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).  
In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



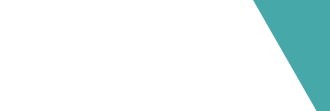
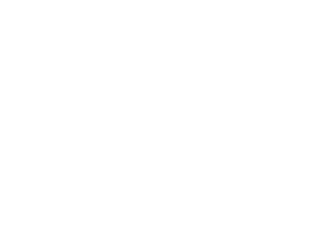
**Mayor**  
Karen Williams

Date: 20/10/2016



**Chief Executive Officer**  
William Harold Lyon

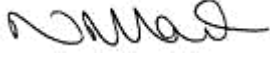
Date: 20/10/2016



**11.3.2 EXPENSES REIMBURSEMENT AND PROVISION OF FACILITIES FOR COUNCILLORS – POL-3076**

**Objective Reference:** fA36608  
Reports and Attachments (Archives)

**Attachment:** [POL-3076 – Expenses Reimbursement and Provision of Facilities for Councillors](#)

**Authorising Officer:**   
Nick Clarke  
General Manager Organisational Services

**Responsible Officer/  
Report Author:** Jo Jones  
Acting Group Manager Corporate Governance

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**PURPOSE**

The purpose of this report is to propose a change to Council's policy for Expenses Reimbursement and Provision of Facilities for Councillors. The proposed change reflects the additional travel and accommodation needed for Councillors who travel to and from islands.

**BACKGROUND**

The purpose of the policy is to ensure the payment of legitimate and reasonable expenses incurred by councillors in discharging their duties and responsibilities as councillors; and to provide facilities to councillors for those purposes. The policy outlines the facilities which are provided to councillors and reimbursement of expenses which are acceptable under the policy.

In 2016/17, Councillors have an annual budget of up to \$1250 each for travel and accommodation requirements.

**ISSUES**

Some Councillors need to engage effectively with stakeholders and communities living on islands. Therefore, travel expenses will be higher as travel to and from islands via ferry is required to effectively represent these divisions.

In particular, a Councillor may need overnight accommodation in order to attend certain meetings, events and engagements on the islands, due to the restrictions of the ferry timetables. It is also considered necessary for a Councillor to travel with their own car, to enable multiple meetings on the island.

The current policy allows for travel to/from the islands and accommodation, unless the Councillor lives on one of the islands. However, to avoid any confusion, the following wording is suggested:

Under reimbursement of expenses, item 3 be amended to read:

- “3. Travel to/from the islands. This does not include the cost of ferry/barge transport for a Councillor who lives on one of the islands and who is travelling between his/her home and the mainland. *The Policy acknowledges the special needs for Councillors whose division and*
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*electoral duties included the Moreton Bay islands (NSI, Coochiemudlo and SMBI) who are reasonably required to attend business related and community events, meetings and functions which are subject to transport and ferry times, and who may incur incidental accommodation and related expenses, which may be paid for in accordance with this Policy.*

The additional cost is estimated to be \$3000 for the rest of 2016/17 and approximately \$6000 for 2017/18. This cost will be dependent on ferry and accommodation prices and due to likely changes, is budgeted each year, rather than being included in the policy itself.

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

The policy is in line with the principles set out in the *Local Government Act 2009*.

### **Risk Management**

The proposed change to the policy does not present any significant financial risk to Council.

### **Financial**

The additional cost of travel and accommodation for Councillors for 2016/17 is expected to be around \$3000 for January to June. The additional cost for next financial year will be around \$6000 but this will be confirmed as part of the budget setting process.

### **People**

The additional allowance will enable Councillors to claim reasonable travel and accommodation expense to enable effective engagement with residents and stakeholder organisations on the Islands and attend events which require overnight accommodation.

### **Environmental**

No significant environmental implications

### **Social**

The additional allowance will enable more effective engagement by the Councillor.

### **Alignment with Council's Policy and Plans**

The proposed changes are consistent with Council's Corporate Plan 2015-2020, in particular outcome 8, inclusive and ethical governance.

## **CONSULTATION**

Councillors have been consulted. The CEO and General Counsel have been consulted and are supportive of the proposals

**OPTIONS**

1. That Council resolves to approve the amendment to the Policy 3076 *Expenses Reimbursement and Provision of Facilities for Councillors* as attached and budget to enable Councillors to claim additional expenses in respect of travel and accommodation.
2. That Council resolves to not approve the changes to Policy 3076 and confirm that Councillors is expected to operate within the same budget for travel and accommodation as other Councillors.
3. That Council resolves to request additional amendments to Policy 3076 *Expenses Reimbursement and Provision of Facilities for Councillors* in respect of facilities and expenses.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

Moved by: Cr J Talty  
Seconded by: Cr P Gleeson

**That Council resolves to approve the amendment to the Policy 3076 *Expenses Reimbursement and Provision of Facilities for Councillors* as attached.**

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.

## Expenses Reimbursement and Provision of Facilities for Councillors

### Version Information

### Policy Objective

The objective of this policy is to ensure the payment of legitimate and reasonable expenses incurred by councillors for discharging their duties and responsibilities as councillors; and to provide facilities to councillors for those purposes. This is to ensure that councillors are not financially disadvantaged as a result of carrying out their official duties. The policy is also aimed at reflecting the community's expectations about the extent of a councillor's duties and responsibilities and its expectations about the resources and reimbursement provided to councillors from the public purse. This Policy does not deal with the provision of remuneration, nor does it cover non-business-related expenses or facilities incurred by other people, including a councillor's partner.

The policy objective is aligned with the local government principles in section 4, *Local Government Act 2009* (the Act).

### Provision of Facilities

Councillors are entitled to the following facilities for discharging their duties and responsibilities as councillors:

1. A dedicated office for each councillor's exclusive use.
2. Access to corporate meeting rooms
3. Shared administrative support
4. Computer and communications equipment (generally consistent with that provided to the Executive Leadership Team). Limited private use of computer equipment and telephones is permitted providing that the use is lawful and that the use is appropriate (would not bring Council or the councillor into disrepute, e.g. pornography, gambling or operating a business). Private use of Council's landline and mobile phones (calls and texts) will be reimbursed by each councillor by means of salary deduction (\$11.50 per fortnight).
5. Stationery and printing. This excludes use for personal promotion.
6. Newspapers and journals (shared access).
7. Personal protective equipment.
8. Insurance, including: public liability, professional indemnity, personal accident and travel insurance (domestic and international).
9. Newsletters. Council may publish divisional newsletters up to four times per year. None will be published in the period of three months prior to a local government election.
10. Parking space for a motor-vehicle.
11. Salary sacrificing into superannuation, subject to Australian Taxation Office rulings and any other relevant policy.
12. Salary sacrificing to lease a motor-vehicle.
13. Vehicle: Councillors may select one of the following options:

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a. The option of a fully maintained motor-vehicle\* (owned or leased by Council) for official business use, with access to private use of that vehicle. A councillor using a Council supplied vehicle for private purposes, will make a contribution to Council to reimburse it for the private use of that vehicle. The private use component is valued at 10% of the annual cost of the vehicle to Council, inclusive of Fringe Benefits Tax, and will be deducted from the councillor's post-tax salary on a fortnightly basis. Councillors choosing this option will select a vehicle from the range offered by Council; or

b. The option of reimbursement for the business-related mileage of a privately owned or privately leased vehicle, based upon 90% of the total distance travelled (from odometer readings based on the first three months usage and then averaged out over the remainder of the four-year term), using the ATO rate applicable at the time. Payments will be made through payroll fortnightly, following the initial three months data gathering period.

(\* A Council supplied vehicle will be limited to 4 cylinder, petrol or diesel, and must meet all criteria required for use by Council employees, e.g. safety standards and whole of life costs. The vehicle will be chosen from the approved list for managers. The list is based upon a purchase price range set for managers at executive level. The vehicle type must be consistent with community expectations.

A Council vehicle approved for private use may be driven by any driver with a full class C licence, with the prior approval of the councillor. Members of the councillor's immediate family who are currently provisional drivers on 'P' plates may drive the vehicle, however the vehicle must not be driven by anyone on 'L' plates. Councillors will be expected to comply with Council's guidelines relating to motor-vehicle use to the extent that is relevant to their roles, e.g. safety requirements and restrictions on the use of a fuel card.)

No councillor may use any Council-provided facility for any purpose in connection with an election campaign, including the use of Council equipment to contribute to social media sites containing election material. A Council provided motor-vehicle shall not have any election-related material applied to it. Adhesive temporary signs that do not damage paintwork, may be applied to indicate the name of the councillor, his/her division, the council name and the councillor's photograph. No other information, including slogans, is permitted on the vehicle.

These facilities remain the property of Council and must be looked after and, where appropriate, returned at the conclusion of the electoral term.

### Reimbursement of Expenses

Councillors are entitled to reimbursement of expenses legitimately incurred for discharging their duties and responsibilities as councillors:

1. Parking charges relating to attendance at meetings and other functions. This includes paid parking related to travel to and from the islands.
2. Travel by air, other public transport, hire car or taxi. Air travel must be booked through Council's Travel Coordinator. Taxi vouchers, Go Cards and ferry/barge vouchers are available upon request.
  - a. Domestic air travel will be in economy class. International air travel may be in premium economy or business class where offered.
  - b. The CEO or delegate may approve a councillor's request to extend a business trip to include a private component subject to all the costs relating to the private component being paid for by the councillor.
  - c. International travel requires the prior approval of Council.
  - d. The CEO or delegate may approve reimbursement of business-related expenses (within

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budget) incurred by a councillor while on a privately-funded overseas trip. This is limited to costs incurred for travel, accommodation and the cost of attending a conference (if applicable). If a claim relates to a conference or other training, the councillor's discretionary training budget shall be used.

3. Travel to/from the islands. This does not include the cost of ferry/barge transport for a councillor who lives on one of the islands and who is travelling between his/her home and the mainland. The Policy acknowledges the special needs for councillors whose division and electoral duties include the Moreton Bay islands (NSI, Coochiemudlo and SMBI) who are reasonably required to attend business related and community events, meetings and functions which are subject to transport and ferry times, and who may incur incidental accommodation and related expenses, which may be paid for in accordance with this Policy.
4. Accommodation associated with attending training, conferences, etc (must be booked through the Travel Coordinator).
5. Meals associated with overnight stays or full-day activities where a meal is not provided.
6. Professional development. 'Core training' and 'industry-specific training' are listed in Attachment A.
  - a. Councillors undertaking 'core and industry-specific training' will have the costs met by Council. Training that does not fall within either list will have the costs met by Council, using the councillor's discretionary training budget until that fund is exhausted.
  - b. The discretionary training budget for each councillor is set at \$8,000 per term. The budget includes payment for costs associated with the training, e.g. travel and accommodation. The training must be approved in advance and the content must be relevant to the duties of a councillor.
  - c. Where the training involves attendance at a conference, the councillor must present a report to a Council meeting within three months of their attendance.
7. Hospitality.
  - a. This includes councillors attending events and functions as a representative of Council. This also includes councillor attendance at events where they have been invited solely or mainly due to their role as a councillor, albeit not in an official capacity. Examples include: fundraising events (for charity), festivals, celebratory dinners (for community groups/members) and other community events. This does not include any event, whether fundraising or not, intended to promote a candidate for election to any level of government;
  - b. Reasonable costs incurred will be reimbursed. Minor expenditure to pay for raffle tickets is acceptable, however any prizes won will be returned to be redrawn or will become the property of Council. Requests from the community for donations of gifts for raffle prizes, etc will not be refunded. Applicants can use Council's small grants programme for such requests.
  - c. A shared pool of funds, set each year in the budget, will be used for reimbursing councillors' hospitality expenses. Other examples of expenses that are not covered include: personal costs associated with being away from home, e.g. kennel fees, in-flight movies, hotel mini bar; and the payment of infringements.
8. The Mayor is entitled to a corporate credit card because of the larger number of transactions due to the role. The same rules apply to its use as are applied to employees with a corporate credit card.
9. A councillor travelling on business internationally may apply to be issued with a corporate credit

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card for the period of travel. These cards may only be used to pay for expenses that can be claimed under this policy.

10. Tax receipts must be provided for each claim. If a tax receipt is lost, a statutory declaration will be required prior to reimbursement.
11. No expenses related to any election campaign (not just local government) may be claimed.
12. For reimbursement of expenses relating to motor-vehicles, see the 'Provision of Facilities' section above.

Authorisation of the provision of facilities and the reimbursement of expenses to any councillor is by the CEO or his/her delegate.

The CEO or delegate may use discretion to determine a request that falls outside of this policy, making any decision in accordance with the policy objective.

### Related Policies/Legislation/Documents

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- Redland City Council Procurement Manual
- *Income Tax Assessment Act 1997*
- Taxation Rulings issued by the Australian Taxation Office
- *Redland City Council Procedure PR-2812-001-002 Driver Responsibilities for Use, Care and Maintenance of Council's Passenger Fleet Vehicles*
- *Redland City Council Guideline GL-3043-003 Fuel Card Use*

### Reporting Requirements

- Disclosure of publicly funded overseas travel – Annual Report
- Domestic and international travel – Council reports and Annual Report (international only)
- Resolutions made during the year authorising the payment or provision of remuneration, including expenses paid or facilities provided to Councillors or members of committees of the local government – Annual Report
- Particulars of the total remuneration paid or provided, including expenses paid or facilities provided to each Councillor during the year and the total superannuation contributions paid for each Councillor during the year – Annual Report
- A copy of POL-3076 Expenses Reimbursement and Provision of Facilities for Councillors – Annual Report and Council's website
- Changes to POL-3076 – update on Council's website

### Version Information

Version number	Date	Key changes
6	October 2012	Removal of reference to DLG published guideline
7	May 2016	<ul style="list-style-type: none"><li>• Amalgamates policy and guideline into a single document</li><li>• Redefinition of training categories</li><li>• Simplification of facilities and reimbursement types</li><li>• Broadening of options relating to vehicle expenses</li></ul>

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# policy document

8	November 2016	<ul style="list-style-type: none"><li>• Change reflects the additional travel and accommodation needed for Councillors who travel to and from Islands.</li></ul>
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## Attachment A

### **Core & Industry Specific Training Expenses Reimbursement and Provision of Facilities for Councillors Policy POL-3076**

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The following is a list of **core training requirements** which usually require attendance by at least one, and in some cases all Councillors. Guidance is provided alongside each item. Payment of expenses incurred in attending these events does not affect each Councillor's discretionary training budget:

1. Australian Local Government Association - National General Assembly (It is usual for one or more Councillors to attend this event. The most senior Councillor, usually the Mayor, attending the event will be the official voting delegate of Council.)
2. Local Government Association of Queensland - State Conference (It is usual for one or more Councillors to attend this event. Council will decide by resolution, prior to the event, which one or more of its attendees will have delegated voting authority as it is usual for Council to have several votes on each motion before the Conference.)
3. Australian Local Government Womens' Association – National Conference (It is usual for one or more female councillors to attend this event, which is also open for male councillors to attend.)
4. Local Government Association of Queensland - Civic Leaders and Financial Summit (It is usual for the Mayor, Deputy Mayor and CEO only to be invited to attend this event.)
5. Local Government Association of Queensland - Elected Member Professional Development (All Councillors attend this training.)
6. Quandamooka Country Cultural Heritage Training – Delivered through QYAC on North Stradbroke Island.
7. Australian Institute of Company Directors – Completion of the Company Directors Course facilitates a high level understanding of the role of a director.
8. Courses provided by providers other than the Local Government Association of Queensland (e.g. the Department of Infrastructure, Local Government and Planning), which relate to updating Councillors with regard to their core responsibilities, e.g. changes to legislation. (All Councillors attend this training.)
9. Redland City Council training programmes which are required to enable Councillors to fulfil their core responsibilities, e.g. information technology/software, occupational health and

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safety, Councillor induction, code of conduct and meeting procedures. (All Councillors attend this training.)

The following is a list of other local government **industry-specific training opportunities** which are of sufficient relevance to a Councillor's responsibilities to be of significant potential benefit to each elected member, and it is likely that a Councillor will wish to attend and present his/her learnings back to the full Council. In that regard, attendance, whilst not mandatory, will not require the use of a Councillor's discretionary training budget to meet the associated costs:

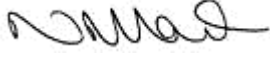
1. Local Government Association of Queensland – Infrastructure Summit
2. Local Government Association of Queensland – Disaster Management Conference
3. Local Government Association of Queensland – Community Wellbeing Symposium
4. Local Government Association of Queensland – Diploma in Local Government Course
5. Local Government Managers Australia – National Congress
6. Local Government Managers Australia (Queensland) – Queensland State Conference
7. Planning Institute of Australia – National Congress
8. Planning Institute of Australia – Queensland State Conference
9. Queensland Environmental Law Association – State Conference
10. Australian Local Government Women's Association – National Conference
11. Australian Local Government Women's Association – Queensland State Conference

Other training, not mentioned above will be funded from each councillor's discretionary training budget.

**11.3.3 POL-3120 DISCOUNTS AND WAIVERS OF FEES, CHARGES AND INFRINGEMENTS**

**Objective Reference:** fA36608  
Reports and Attachments (Archives)

**Attachment:** [POL-3120 Discounts and Waivers of Fees, Charges and Infringements](#)

**Authorising Officer:**   
Nick Clarke  
General Manager Organisational Services

**Responsible Officer:** Jo Jones  
Acting Group Manager Corporate Governance

**Report Author:** Jen Gisler  
Acting Service Manager Strategy & Governance

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**PURPOSE**

This report seeks Council adoption of the Discounts and Waivers of Fees, Charges and Infringements Policy. This policy consolidates and streamlines Council Policy in terms of discounts and waivers of Council Fees, Charges and Infringements.

**BACKGROUND**

It is an objective of the Policy Development Manual and the Policy, Guideline and Procedure review process to rationalise and streamline Council's corporate documents to de-clutter the number and complexity of Council policies and supporting documents.

It is Council's general practice to offer discounts and waivers of its fees and charges in certain circumstances in accordance with established guidelines to support the community and its customers.

However, the current policy environment is complex and difficult for officers to administer. This has been confirmed through recent internal audits.

**ISSUES**

POL-3120 Discounts and Waivers of Fees, Charges and Infringements (as attached) represents a consolidation of three current policies:

- POL-2659 Community Benefit Policy for Fees and Charges Discounts
- POL-3114 Exceptional Circumstance Waiver Policy
- POL-3094 Fee Waivers and discounts relating to City Planning and Assessment

This consolidation will achieve a single policy supported by operational guidelines which are currently in development

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

Local Government has a legislative responsibility to make decisions that improve outcomes for the community.

This includes governance arrangements such as clear policy statements creating transparent and effective processes for making these decisions in the public interest. The consolidation of the three policies allows council to meet its legislative requirements and create transparent and effective processes for decision making in terms of discounts and waivers.

### **Risk Management**

The consolidation allows Council to address strategic level risks. It also resolves an issue highlighted by internal auditors.

### **Financial**

This policy will impact on the recording and tracking of fee discounts and waivers which will allow Council to accurately manage its finances.

### **People**

This policy will provide efficient and effective decision making frameworks for Council officers.

### **Environmental**

There are no implications on the Environment.

### **Social**

This Policy supports Council's efforts in supporting the community in terms of appropriate costs for the provision of services and facilities.

### **Alignment with Council's Policy and Plans**

The consolidation allows Council to reflect the intent of Council's Corporate Plan 2015-2020 and the Community Plan.

## **CONSULTATION**

Council's Corporate Governance Unit has consulted with the Executive Leadership Group, Senior Managers Group and Operational Leadership Group in the development of this Policy.

## **OPTIONS**

### **Option 1**

That Council resolves to:

1. Adopt POL-3120 Discounts and Waivers of Fees, Charges and Infringements, as attached, to replace and make obsolete:
  - a. POL-2659 Community Benefit Policy for Fees and Charges Discounts; and
  - b. POL-3114 Exceptional Circumstance Waiver Policy; and
  - c. POL-3094 Fee Waivers and discounts relating to City Planning and Assessment; and

2. Note that updated guidelines to support POL – 3120 Discounts and Waivers of Fees, Charges and Infringements will be prepared

### **Option 2**

That Council resolves not to adopt POL 3120 Discounts and Waivers of Fees, Charges and Infringements and retain the existing policies.

### **OFFICER'S RECOMMENDATION/ COUNCIL RESOLUTION**

Moved by:           Cr P Bishop  
Seconded by:       Cr J Talty

That Council resolves to:

1. Adopt POL-3120 Discounts and Waivers of Fees, Charges and Infringements, as attached, to replace and make obsolete:
  - a) POL–2659 Community Benefit Policy for Fees and Charges Discounts; and
  - b) POL–3114 Exceptional Circumstance Waiver Policy; and
  - c) POL–3094 Fee Waivers and discounts relating to City Planning and Assessment; and
2. Note that updated guidelines to support POL-3120 Discounts and Waivers of Fees, Charges and Infringements will be prepared and approved by relevant managers.

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.



### Discounts and Waivers of Fees, Charges and Infringements

#### [Version Information](#)

#### Head of Power

- *Local Government Act 2009*
- Redland City Council Corporate Plan 2015-2020

#### Policy Objective

The objective of this Policy is to provide a framework to facilitate appropriate discounting and waivers of Council fees, charges or infringements.

Note: this policy excludes Community Service Obligations of Prescribed and Significant Businesses within Council (refer POL-2658).

#### Policy Statement

Council is committed to:

1. Considering requests to reduce or waive fees or charges in accordance with established criteria and following established guidelines to ensure appropriate decision making, documentation and record keeping;
2. Considering requests to waive infringements through an appeal process, in accordance with established criteria and documented procedures as appropriate;
3. Providing discounts in certain circumstances, in accordance with approved guidelines;
4. Ensuring that there are clear written guidelines, procedures and record keeping for the application of discounts and waivers; and
5. In circumstances outside of established guidelines, providing an avenue for review through the Chief Executive Officer (CEO) to facilitate the waiver of fees, charges, fines, or orders in exceptional circumstances, where appropriate, noting that the exceptional circumstances guideline is not an appeal mechanism, but reserved for situations of genuine exceptional circumstances. This is clearly defined in the *Local Government Regulation 2012* (s122), and delegated to the CEO.

#### Version Information

Version number	Date	Key Changes
1	23 November 2016	New policy

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**11.3.4 REPORT OF THE AUDIT COMMITTEE MEETING – 13 OCTOBER 2016**

**Objective Reference:** fA36608  
Reports and Attachments (Archives)

**Attachment:** [Audit Committee Minutes – 13 October 2016](#)

**Authorising Officer:**   
Nick Clarke  
General Manager Organisational Services

**Responsible Officer/Author:** Siggy Covill  
Group Manager Internal Audit

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**PURPOSE**

The purpose of this report is to present the minutes of the Audit Committee meeting on 13 October 2016 to Council for adoption in accordance with Section 211 of the *Local Government Regulation 2012*.

**BACKGROUND**

The primary objective of the Audit Committee is to assist Council in fulfilling its corporate governance role and oversight of financial measurement and reporting responsibilities imposed under the *Local Government Act 2009*, the *Financial Accountability Act 2009* and other relevant legislation.

To fulfil this objective and in order to enhance the ability of Councillors to discharge their legal responsibility, it is necessary that a written report is presented to Council as soon as practicable after a meeting of the Audit Committee about the matters reviewed at the meeting and the committee's recommendations about these matters.

**ISSUES**

Please refer to the attached Minutes of the Audit Committee meeting held on 13 October 2016.

**STRATEGIC IMPLICATIONS****Legislative Requirements**

Requirements from the *Local Government Act 2009*, the *Local Government Regulation 2012* and the *Financial Accountability Act 2009* have been taken into account during the preparation of this report.

**Risk Management**

There are no opportunities or risks for Council resulting from this report.

**Financial**

There are no financial implications impacting Council as a result of this report.

**People**

There are no implications on people as a result of this report.

**Environmental**

There are no environmental impacts resulting from this report.

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**Social**

There are no social implications as a result of this report.

**Alignment with Council's Policy and Plans**

Relationship to Corporate Plan: 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.

8.4 A continuous improvement focus underpins the organisation, creating a supportive environment for ideas and positive, well-managed change that enhances internal and external outcomes.

**CONSULTATION**

The Audit Committee minutes are presented for confirmation as a true and accurate record of proceedings at its next meeting.

**OPTIONS**

1. That Council accepts this report, which summarises the issues discussed at the Audit Committee meeting of 13 October 2016;
2. That Council accepts this report and requests additional information; or
3. That Council not accepts this report and requests an alternative method of reporting.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

**Moved by: Cr P Gleeson**

**Seconded by: Cr P Bishop**

**That Council resolves to accept this report, which summarises the issues discussed at the Audit Committee Meeting of 13 October 2016.**

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.



**Redland**  
CITY COUNCIL

# **MINUTES**

## **AUDIT COMMITTEE MEETING**

**Thursday, 13 October 2016**

**Commencing at 9.30 am**

**Council Chambers  
1st floor Administration Building  
Bloomfield Street Cleveland QLD 4163**

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ATTACHMENT

## 1 DECLARATION OF OPENING

The Chairperson declared the meeting open at 9.34am.

## 2 RECORD OF ATTENDANCE AND APOLOGIES

### Membership:

Cr Paul Gleeson	Councillor Member and Chairperson
Cr Karen Williams (Mayor)	Councillor Member
Mr Virendra Dua	External Member
Mr Peter Dowling	External Member

### Secretary:

Ms Siggie Covill	Group Manager Internal Audit
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### Attendees:

Mr Bill Lyon	Chief Executive Officer
Ms Louise Rusan	General Manager Community and Customer Services
Mr Andrew Ross	Acting General Manager Organisational Services
Ms Deborah Corbett-Hall	Chief Financial Officer
Ms Claire Lovejoy	Acting General Counsel
Ms Jo Jones	Acting Group Manager Corporate Governance
Mr Peter Gould	Service Manager Workplace Health, Safety & Wellbeing
Ms Leandri Brown	Finance Manager Corporate Finance
Mr Kailesh Naidu	Senior Internal Auditor
Mr Denis Byram	Queensland Audit Office (QAO)
Mr Martin Power	Bentleys – QAO Audit Representative
Ms Ashley Carle	Bentleys – QAO Audit Representative
Mr Peter Kelley	Chief Executive Officer – Redland Investment Corporation (RIC)
Ms Anca Butcher	Senior Solicitor

### Observers:

Mr Paul Bishop	Councillor
Mr Mark Edwards	Councillor

### Minutes:

Ms Charmaine Shakespeare	PA to General Manager Organisational Services
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### Apologies:

Mr Nick Clarke	General Manager Organisational Services
Mr Gary Soutar	General Manager Infrastructure and Operations

## 3 CONFLICT OF INTEREST DECLARATION

Audit Committee members were requested to declare any conflict of interest arising from matters to be discussed during the meeting.

Mr Peter Dowling declared that he is a member of the TAFE Queensland Board.

#### 4 RECEIPT AND CONFIRMATION OF MINUTES

The minutes of the Audit Committee meeting of 8 September 2016 were presented for confirmation by the Committee.

##### 4.1 BUSINESS ARISING FROM PREVIOUS MINUTES

Business arising from the minutes of the meetings from 21 July and 8 September 2016 of this committee were presented.

###### 21 July 2016:

- 4.1.1 As per Item 3.1 (Business Arising From Previous Minutes) the Committee requested that a framework be prepared to manage and monitor compliance and to show accountability and controls.
- *Update provided. Item carried forward.*
- 4.1.2 As per Item 3.1 (Business Arising From Previous Minutes) the Committee requested that the educational phase of the implementation of the Portfolio Management Office includes advice on reporting to auditors as a requirement, and managing and closing off of projects.
- *Update provided. Item carried forward.*
- 4.1.3 As per Item 3.1 (Business Arising From Previous Minutes) the Committee requested that (i) the Audit Committee be notified of any strategic changes to the Draft City Plan; (ii) reporting on projects be split between capital and operational projects; and (iii) the Audit Committee be briefed on the arrangements and structure of the Redland Investment Corporate Pty Ltd and its subsidiaries when finalised.
- *(i) & (ii) Update provided. Items carried forward.*
  - *(iii) Completed. Refer Item 5.3.*
- 4.1.4 As per Item 3.1 (Business Arising From Previous Minutes) the Committee requested that options and processes for adding funds to Go Cards be investigated.
- *Update provided. Item carried forward.*
- 4.1.5 As per Item 3.1 (Business Arising From Previous Minutes) the Committee requested that members of the Internal Audit team be trained on the new processes by the Portfolio Management Office.
- *Update provided. Item carried forward.*
- 4.1.6 As per Item 4.3 (Redland Investment Corporation) the Committee requested that Mr Phil Hennessy, Chairman of Redland Investment Corporation Pty Ltd (RIC) and RIC Toondah Pty Ltd, be invited to present the future strategy for RIC and an overview of arrangements and activities at the October Audit Committee meeting.
- *Completed. Refer Item 5.3.*
- 4.1.7 As per Item 5.3 (Asset Valuations) the Committee requested that the Chief Financial Officer investigates the reasons for the 49% increase in building valuation and provides an update to the Committee.
- *Completed. Chief Financial Officer provided an update on 8 September 2016.*
- 4.1.8 As per Item 7.2 (Annual Audit Plan 2016-2017) the Committee requested that the asset management project be used as a pilot to include Internal Audit as an integral part of the advisors to the project.
- *Update provided. Item carried forward.*
-



4.1.9 As per Item 8 (Internal Audit Reports) the Committee requested that (i) audit reports be adapted to capture management responses for business improvement opportunities; and (ii) that a mechanism be put in place to follow up on business improvement opportunities raised by Internal Audit.

- *Update provided. Item completed.*

4.1.10 As per Item 11.6 (Draft Audit Committee Charter and Internal Audit Charter) the Committee requested that minor amendments be incorporated in the Audit Committee Charter as discussed and circulated to the Committee for final approval.

- *Completed and approved by Council on 24 August 2016.*

#### 8 September 2016:

4.1.11 As per Item 4.1 (Draft Annual Financial Statements) the Committee requested that the Chief Financial Officer updates wording to the notes to the draft financial statements as discussed to provide further clarity in the explanations.

- *Completed. Refer Item 6.2.*

### **COMMITTEE DECISION**

**That the Audit Committee notes the receipt and confirmation of the prior minutes and updates as presented.**

## **5 UPDATE FROM THE CHIEF EXECUTIVE OFFICER**

### **5.1 GENERAL COUNCIL MATTERS**

The Chief Executive Officer reported to the Audit Committee on notable matters.

### **5.2 CAPITAL AND OPERATIONAL ADVISORY PANEL**

The Chief Executive Officer updated the Audit Committee on progress of the Capital and Operational Advisory Panel.

### **5.3 REDLAND INVESTMENT CORPORATION**

The Chief Executive Officer of RIC updated the Audit Committee on progress of the Redland Investment Corporation.

### **COMMITTEE DECISION**

- 1. That the Audit Committee notes the report and updates as presented; and**
- 2. That future updates on Redland Investment Corporation provide additional detail and more extensive reporting by the CEO of RIC.**

## **6 COUNCIL FINANCIAL REPORTS**

### **6.1 END OF MONTH FINANCIAL REPORTS**

Council's end of month reports for June, July and August 2016 were presented to the Audit Committee.

## **6.2 ANNUAL FINANCIAL STATEMENTS**

The audited draft annual financial statements for the year ended 30 June 2016 were presented to the Audit Committee for information.

## **6.3 ASSET VALUATIONS**

The Chief Financial Officer presented an update on asset valuations to the Audit Committee.

### **COMMITTEE DECISION**

**That the Audit Committee notes the financial reports and updates as presented.**

## **7 QUARTERLY COMPLIANCE SURVEYS**

The quarterly compliance survey for the June 2016 quarter was presented to the Audit Committee.

### **COMMITTEE DECISION**

**That the Audit Committee notes the quarterly compliance survey as presented.**

## **8 INTERNAL AUDIT PLAN**

### **8.1 AUDIT PLAN STATUS**

The status of the Audit Plan 2016-2017 was presented to the Committee for noting.

### **COMMITTEE DECISION**

**That the Audit Committee notes the status of the Audit Plan as presented.**

## **9 INTERNAL AUDIT REPORTS**

The following reports were presented for Audit Committee consideration:

### **9.1 OFFICE OF THE CEO**

- Conflict of Interest Management

### **9.2 ORGANISATIONAL SERVICES**

- Data Integrity of Corporate Reporting

### **COMMITTEE DECISION**

**That the Audit Committee notes the reports as presented.**

## **10 AUDIT RECOMMENDATIONS DUE FOR IMPLEMENTATION**

### **10.1 INTERNAL AUDIT RECOMMENDATIONS**

The Group Manager Internal Audit presented a progress report on audit recommendations due for implementation to the Committee. The relevant General Managers commented on overdue open recommendations, where required.

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**COMMITTEE DECISION**

1. That the Audit Committee notes the reports and updates as presented; and
2. That all overdue high-rated recommendations include a status update and expected completion date.

**11 UPDATE FROM EXTERNAL AUDITORS**

Bentleys presented their Closing Report for the Year Ended 30 June 2016 and an update on notable matters to the Committee.

**COMMITTEE DECISION**

That the Audit Committee notes the Closing Report and update as presented.

**12 OTHER BUSINESS****12.1 FRAUD AND CORRUPTION PREVENTION**

The Group Manager Internal Audit updated the Committee on the Fraud and Corruption Prevention Framework implementation.

**COMMITTEE DECISION**

That the Audit Committee notes the update as presented.

**12.2 RISK MANAGEMENT**

The Acting Group Manager Corporate Governance updated the Committee on risk management issues.

**COMMITTEE DECISION**

1. That the Audit Committee notes the update as presented; and
2. That the Acting Group Manager Corporate Governance reviews and updates specific strategic risks as per the strategic risk register.

**12.3 COMPLAINTS MANAGEMENT**

An update on administrative action and Councillor complaints was provided to the Committee.

**COMMITTEE DECISION**

That the Audit Committee notes the update as presented.

**12.4 PROCUREMENT**

An update on Council's procurement was presented to the Committee.

**COMMITTEE DECISION**

That the Audit Committee notes the update as presented.

**12.5 WORKPLACE HEALTH AND SAFETY**

An update on workplace health and safety matters was provided to the Committee.

**COMMITTEE DECISION**

**That the Audit Committee notes the update as presented.**

**13 MEETING CLOSURE**

The Chairperson declared the meeting closed at 11.34am.

ATTACHMENT

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**11.4 COMMUNITY & CUSTOMER SERVICES****11.4.1 DECISIONS MADE UNDER DELEGATED AUTHORITY FOR CATEGORY 1, 2 & 3 DEVELOPMENT APPLICATIONS**

**Objective Reference:** fA36608  
Reports and Attachments (Archives)

**Attachment:** [Decisions Made Under Delegated Authority 23.10.2016 to 05.11.2016](#)

**Authorising Officer:**



**Louise Rusan**  
General Manager Community & Customer  
Services

**Responsible Officer:** David Jeanes  
Group Manager City Planning & Assessment

**Report Author:** Debra Weeks  
Senior Business Support Officer

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**PURPOSE**

The purpose of this report is for Council to note that the decisions listed below were made under delegated authority for Category 1, 2 and 3 development applications.

This information is provided for public interest.

**BACKGROUND**

At the General Meeting of 27 July, 2011, Council resolved that development assessments be classified into the following four Categories:

Category 1 – Minor Complying Code Assessments and Compliance Assessments and associated administrative matters, including correspondence associated with the routine management of all development applications;

Category 2 – Complying Code Assessments and Compliance Assessments and Minor Impact Assessments;

Category 3 – Moderately Complex Code & Impact Assessments; and

Category 4 – Major and Significant Assessments

The applications detailed in this report have been assessed under:-

- Category 1 criteria - defined as complying code and compliance assessable applications, including building works assessable against the planning scheme, and other applications of a minor nature, including all accelerated applications.
- Category 2 criteria - defined as complying code assessable and compliance assessable applications, including operational works, and Impact Assessable applications without submissions of objection. Also includes a number of

process related delegations, including issuing planning certificates, approval of works on and off maintenance and the release of bonds, and all other delegations not otherwise listed.

- Category 3 criteria that are defined as applications of a moderately complex nature, generally mainstream impact assessable applications and code assessable applications of a higher level of complexity. Impact applications may involve submissions objecting to the proposal readily addressable by reasonable and relevant conditions. Both may have minor level aspects outside a stated policy position that are subject to discretionary provisions of the Planning Scheme. Applications seeking approval of a plan of survey are included in this category. Applications can be referred to General Meeting for a decision.

#### **OFFICER'S RECOMMENDATION/ COUNCIL RESOLUTION**

**Moved by: Cr T Huges**  
**Seconded by: Cr P Bishop**

**That Council resolves to note this report.**

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.

## Decisions Made Under Delegated Authority 23.10.2016 to 29.10.2016

### CATEGORY 1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
BWP003863	Design and Siting - Domestic Outbuilding	Strickland Certification Pty Ltd	1 Oak Street Ormiston QLD 4160	Concurrence Agency Referral	27/10/2016	NA	Approved	1
BWP003888	Design and Siting - Dwelling Extension	The Certifier Pty Ltd	9-11 Rose Street Ormiston QLD 4160	Concurrence Agency Referral	28/10/2016	NA	Approved	1
BWP003752	Design and Siting - Garage Extension	Suzanne Kate HEMBROW	8 Mainroyal Court Cleveland QLD 4163	Concurrence Agency Referral	26/10/2016	NA	Approved	2
BWP003833	Domestic Additions - Overlay Assessment	The Certifier Pty Ltd	14 Kinsail Court Cleveland QLD 4163	Code Assessment	27/10/2016	NA	Development Permit	2
BWP003866	Design and Siting - Dwelling	Suncoast Building Approvals	144 Bay Street Cleveland QLD 4163	Concurrence Agency Referral	27/10/2016	NA	Approved	2
ROL006106	Standard Format: 1 into 2	Christine Marie DANDIE	13 Blake Street Cleveland QLD 4163	Code Assessment	26/10/2016	NA	Development Permit	2
BWP003850	Design and Siting - Dwelling House	Residential Building Approvals	1 Coen Street Thornlands QLD 4164	Concurrence Agency Referral	26/10/2016	NA	Approved	3
BWP003870	Design and Siting - Dwelling	Apex Certification & Consulting	7 Yaroomba Close Thornlands QLD 4164	Concurrence Agency Referral	27/10/2016	NA	Approved	3
ROL006104	Reconfiguring a Lot - 1 into 2	Michell Town Planning & Development Norman Herbert ZIEGENFUSZ	85 Thornlands Road Thornlands QLD 4164	Code Assessment	27/10/2016	NA	Development Permit	3

ROL006107	Reconfiguring a Lot - 1 into 2	Statewide Survey Group Pty Ltd Consulting Surveyors	16 Sandalwood Street Thornlands QLD 4164	Code Assessment	28/10/2016	NA	Development Permit	3
ROL006111	1 into 2 Standard Format	Building Code Approval Group Pty Ltd	10 Abbotsleigh Street Thornlands QLD 4164	SPA - 20 Day Compliance Assessment	25/10/2016	NA	Compliant	3
MCU013823	New Dwelling	East Coast Surveys Pty Ltd	42 Korsman Drive Thornlands QLD 4164	Code Assessment	28/10/2016	NA	Development Permit	3
BWP003824	Design and Siting - Dwelling Extension	Building Certification Consultants Pty Ltd	14 Norfolk Court Victoria Point QLD 4165	Concurrence Agency Referral	24/10/2016	NA	Approved	4
BWP003856	Referral Agency Response - Dwelling House	Maurice Garth DONNELLY	20-22 Mercury Road Russell Island QLD 4184	Concurrence Agency Referral	24/10/2016	NA	Approved	5
BWP003860	Design and Siting - Dwelling House	Steve Bartley & Associates Pty Ltd	8-10 Cane Street Redland Bay QLD 4165	Concurrence Agency Referral	27/10/2016	NA	Approved	5
ROL005922	Standard Format : 1 into 4 Lots	East Coast Surveys Pty Ltd	89 Main Street Redland Bay QLD 4165	Impact Assessment	2/10/2015	27/10/16	Development Permit	5
BWP003858	Design and Siting - Carport	Lee-ann LINNINGER	49 Orchid Drive Mount Cotton QLD 4165	Concurrence Agency Referral	26/10/2016	NA	Approved	6
BWP003873	Design and Siting - Dwelling	Bartley Burns Certifiers & Planners	55 Bankswood Drive Redland Bay QLD 4165	Concurrence Agency Referral	28/10/2016	NA	Approved	6
MCU013840	New Dwelling, Secondary Dwelling and Outbuilding	East Coast Surveys Pty Ltd	2-22 Woodlands Drive Thornlands QLD 4164	Code Assessment	25/10/2016	NA	Development Permit	6
ROL006092	Standard Format - 3 into 2	East Coast Surveys Pty Ltd	83-85 Boundary Road Thornlands QLD 4164	Code Assessment	25/10/2016	NA	Development Permit	6
BWP003872	Design and Siting - Carport and Shed	The Certifier Pty Ltd	14 Marina Street Alexandra Hills QLD 4161	Concurrence Agency Referral	27/10/2016	NA	Approved	8
OPW002073	Advertising Device - Upgrade to existing Device on site	Espin Capital Pty Ltd	80-82 Finucane Road Alexandra Hills QLD 4161	Code Assessment	24/10/2016	NA	Development Permit	8



ROL006051	Standard Format: 1 into 4	JDC Designs & Planning	42 Gardenia Drive Birkdale QLD 4159	Code Assessment	27/10/2016	NA	Development Permit	8
BWP003857	Design and Siting - Carport	DBR Certification	267-271 Ney Road Capalaba QLD 4157	Concurrence Agency Referral	27/10/2016	NA	Approved	9
BWP003859	Design and Siting - Carport	Bartley Burns Certifiers & Planners	1 Boom Court Birkdale QLD 4159	Concurrence Agency Referral	25/10/2016	NA	Approved	10
BWP003875	Design and Siting - Dwelling House	The Certifier Pty Ltd	18 Somersby Court Birkdale QLD 4159	Concurrence Agency Referral	26/10/2016	NA	Approved	10
BWP003876	Design and Siting - Dwelling House and Shed	The Certifier Pty Ltd	16 Somersby Court Birkdale QLD 4159	Concurrence Agency Referral	26/10/2016	NA	Approved	10
BWP003877	Design and Siting - Dwelling House and Shed	The Certifier Pty Ltd	14 Somersby Court Birkdale QLD 4159	Concurrence Agency Referral	26/10/2016	NA	Approved	10
BWP003889	Design and Siting - Carport	The Certifier Pty Ltd	215 Mooroodu Road Thorneside QLD 4158	Concurrence Agency Referral	27/10/2016	NA	Approved	10
ROL006108	Reconfiguring a Lot - 1 into 2 Lots	Michell Town Planning & Development	29 David Street Thorneside QLD 4158	Code Assessment	25/10/2016	NA	Development Permit	10

## CATEGORY 2

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
ROL005732	Standard format: 1 into 7 lots	AJS Surveys Pty Ltd East Coast Surveys Pty Ltd	262-276 Boundary Road Thornlands QLD 4164	Code Assessment	29/08/2014	27/10/16	Development Permit	3

ROL006081	Standard Format 1 into 2 Lots	East Coast Surveys Pty Ltd	67-69 Queen Street Redland Bay QLD 4165	Code Assessment	25/10/2016	NA	Development Permit	5
MCU013800	Tourist Accommodation, Indoor Recreation Facility, Dwelling House	Santoshi Development Consultants Pty Ltd	77-83 Duncan Road Sheldon QLD 4157	Impact Assessment	27/10/2016	NA	Application Cancelled	6
BWP003883	Building over/near relevant infrastructure - Gazebo	Applied Building Approvals	9 Bauhinia Street Birkdale QLD 4159	ConRef 20 Day Referral	27/10/2016	NA	Approved	10
OPW002093	Operational Works - Stormwater Drainage Works (relates to C87)	Knobel Consulting Pty Ltd	Address For Past Property/Land Only 22-34 Collingwood Road Birkdale QLD 4159	SPA - 15 Day Compliance Assessment	25/10/2016	NA	Compliance Certificate Approved	10

## Decisions Made Under Delegated Authority 30.10.2016 to 05.11.2016

### CATEGORY 1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
BWP003809	Design and Siting - Carport x 2	DBR Certification	7 Kerridge Court Wellington Point QLD 4160	Concurrence Agency Referral	1/11/2016	NA	Approved	1
BWP003891	Design and Siting - Patio	Garry Edward KIRSTEN	5 Armagh Street Ormiston QLD 4160	Concurrence Agency Referral	2/11/2016	NA	Approved	1
BWP003895	Design and Siting - Dwelling House	Steve Bartley & Associates Pty Ltd	230 Wellington Street Ormiston QLD 4160	Concurrence Agency Referral	4/11/2016	NA	Approved	1
BWP003913	Design and Siting - Dwelling House	Building Code Approval Group Pty Ltd	109 Spurs Drive Wellington Point QLD 4160	Concurrence Agency Referral	2/11/2016	NA	Approved	1
MCU013839	Dwelling House, Earthworks and Retaining Wall	Suzanne Kate HEMBROW	225 Main Road Wellington Point QLD 4160	Code Assessment	4/11/2016	NA	Development Permit	1
BWP003893	Design and Siting - Carport and Shed	Fluid Approvals	113 Island Street Cleveland QLD 4163	Concurrence Agency Referral	4/11/2016	NA	Approved	2
BWP003884	Design & Siting - Combined - Dwelling House and DNU	Michell Town Planning & Development	104 Mooloomba Road Point Lookout QLD 4183	Concurrence Agency Referral	3/11/2016	NA	Approved	2
BWP003793	Design and Siting - Shed and Carport	Applied Building Approvals	4 Plover Drive Thornlands QLD 4164	Concurrence Agency Referral	3/11/2016	NA	Approved	3
BWP003878	Design and Siting - Garage and Carport	Strickland Certification Pty Ltd	127 South Street Cleveland QLD 4163	Concurrence Agency Referral	31/10/2016	NA	Approved	3
BWP003880	Design and Siting - Dwelling	GMA Certification Group Pty Ltd	26 Affinity Way Thornlands QLD 4164	Concurrence Agency Referral	31/10/2016	NA	Approved	3
BWP003882	Design and Siting - Dwelling	Pacific Approvals Pty Ltd	18 Reading Street Russell Island QLD 4184	Concurrence Agency Referral	31/10/2016	NA	Approved	5

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
MCU013859	Dwelling House - ADA	Applied Building Approvals	61 Falconhurst Road Russell Island QLD 4184	Code Assessment	1/11/2016	NA	Development Permit	5
BWP003864	Design and Siting - Dwelling House	Simonds Homes	42 Ellabay Crescent Redland Bay QLD 4165	Concurrence Agency Referral	2/11/2016	NA	Approved	6
BWP003800	Design and Siting - Outbuilding	The Certifier Pty Ltd	82 Hanover Drive Alexandra Hills QLD 4161	Concurrence Agency Referral	31/10/2016	NA	Approved	7
MCU013842	Secondary Dwelling	Ronald David HUDD Rosemary Joy HUDD	35 Lyndon Road Capalaba QLD 4157	Code Assessment	1/11/2016	NA	Development Permit	7
BWP003855	Build Over / Near Sewer	Melissa Anna DAJIC	164 Finucane Road Alexandra Hills QLD 4161	ConRef 20 Day Referral	1/11/2016	NA	Approved	8
BWP003894	Design and Siting - Dwelling House	Steve Bartley & Associates Pty Ltd	41 Albert Street Ormiston QLD 4160	Concurrence Agency Referral	2/11/2016	NA	Approved	8
BWP003902	Design and Siting - Shed	Bartley Burns Certifiers & Planners	26 Bayford Street Birkdale QLD 4159	Concurrence Agency Referral	2/11/2016	NA	Approved	8
BWP003879	Design & Siting - Carport	Building Code Approval Group Pty Ltd	7 Akala Place Capalaba QLD 4157	Concurrence Agency Referral	2/11/2016	NA	Approved	9
BWP003691	Domestic Outbuilding - Garage	Ross Forsythe GILLESPIE	79 Cavell Street Birkdale QLD 4159	Code Assessment	31/08/2016	3/11/16	Development Permit	10
BWP003886	Design & Siting - Open Carport	Building Approvals Qld	12-14 Maud Street Birkdale QLD 4159	Concurrence Agency Referral	4/11/2016	NA	Approved	10

## CATEGORY 2

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
OPW001836.2	Aged Person & Special Needs Facility (Stages 3-6)	Ormiston Retirement Village Pty Ltd As Trustee	174-186 Wellington Street Ormiston QLD 4160	SPA - 15 Day Compliance Assessment	3/11/2016	NA	Compliance Certificate Approved	1
OPW002103	Rock Armour Seawall & Beach Access Ramp	Redland City Council	9A Wilson Esplanade Victoria Point QLD 4165	Code Assessment	4/11/2016	NA	Development Permit	4
OPW002095	Operational Works - ROL 2 into 4	Raymond WASSENBURG	24-26 Sandy Cove Place Redland Bay QLD 4165	Code Assessment	3/11/2016	NA	Development Permit	5
OPW002049	Operational Works - MCU - Apartment (28 Units)	Froggatt Developments Pty Ltd	21 Pittwin Road North Capalaba QLD 4157	SPA - 15 Day Compliance Assessment	2/11/2016	NA	Compliance Certificate Approved	9
OPW002105	Operational Works - Domestic Driveway Crossover	Peter Antony ROLLS	6 Dianella Place Capalaba QLD 4157	Code Assessment	2/11/2016	NA	Development Permit	9

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### 11.4.2 PLANNING & ENVIRONMENT COURT MATTERS LIST CURRENT AT 8 NOVEMBER 2016

**Objective Reference:** fA36608  
Reports and Attachments (Archives)

**Authorising Officer:**   
Louise Rusan  
General Manager Community and Customer  
Services

**Responsible Officer:** David Jeanes  
Group Manager City Planning and Assessment

**Report Authors:** Kim Peeti  
Acting Service Manager Planning Assessment  
Graham Simpson  
Service Manager Development Control

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#### PURPOSE

The purpose of this report is for Council to note the current appeals and other matters/proceedings in the Planning and Environment Court.

#### BACKGROUND

Information on these matters may be found as follows:

##### 1. Planning and Environment Court

- a) Information on current appeals and declarations with the Planning and Environment Court involving Redland City Council can be found at the District Court web site using the "Search civil files (eCourts) Party Search" service: <http://www.courts.qld.gov.au/esearching/party.asp>
- b) Judgements of the Planning and Environment Court can be viewed via the Supreme Court of Queensland Library web site under the Planning and Environment Court link: <http://www.sclqld.org.au/qjudgment/>

##### 2. Department of Infrastructure, Local Government and Planning (DILGP)

The DILGP provides a Database of Appeals (<http://www.dlg.qld.gov.au/resources/tools/planning-and-environment-court-appeals-database.html>) that may be searched for past appeals and declarations heard by the Planning and Environment Court.

The database contains:

- A consolidated list of all appeals and declarations lodged in the Planning and Environment Courts across Queensland of which the Chief Executive has been notified.
  - Information about the appeal or declaration, including the appeal number, name and year, the site address and local government.
-

**APPEALS**

<b>1.</b>	<b>File Number:</b>	Appeal 2675 of 2009 - (MC010624)
<b>Applicant:</b>		<b>L M Wigan</b>
<b>Application Details:</b>		Material Change of Use for residential development (Res A & Res B) and preliminary approval for operational works. 84-122 Taylor Road, Thornlands.
<b>Appeal Details:</b>		Applicant appeal against refusal.
<b>Current Status:</b>		A minor change to the application was allowed by the Court on 4 November 2015. Mediation held on 21 October 2016. Review set down for 2 December 2016.

<b>2.</b>	<b>File Number:</b>	Appeal 3641 of 2015 - (MCU012812)
<b>Applicant:</b>		<b>King of Gifts Pty Ltd and HTC Consulting Pty Ltd</b>
<b>Application Details:</b>		Material Change of Use for Combined Service Station (including car wash) and Drive Through Restaurant 604-612 Redland Bay, Road, Alexandra Hills
<b>Appeal Details:</b>		Applicant appeal against refusal.
<b>Current Status:</b>		Appeal filed in Court on 16 September 2015. Without Prejudice meeting held December 2015. Direction orders obtained on 24 August 2016. Minor change application heard in court on 12 October 2016. Matter set down for four day hearing in January 2017.

<b>3.</b>	<b>File Number:</b>	Appeal 4541 of 2015 - (ROL005873)
<b>Applicant:</b>		<b>Loncor Properties Pty Ltd</b>
<b>Application Details:</b>		Reconfiguring a Lot (1 into 43 lots) - 35-41 Wrightson Road, Thornlands
<b>Appeal Details:</b>		Applicant appeal against refusal.
<b>Current Status:</b>		Appeal filed in Court on 20 November 2015. Trial held 25 to 28 October 2016. Final submissions 31 October 2016. Awaiting Judgment.

<b>4.</b>	<b>File Number:</b>	Appeals 4940 of 2015, 2 of 2016 and 44 of 2016 - (MCU013296)
<b>Applicant:</b>		<b>Lipoma Pty Ltd, Lanrex Pty Ltd and Victoria Point Lakeside Pty Ltd</b>
<b>Application Details:</b>		Preliminary Approval for Material Change of Use for Mixed Use Development and Development Permit for Reconfiguring a Lot (1 into 2 lots) 128-144 Boundary Road, Thornlands
<b>Appeal Details:</b>		Submitter appeals against approval.
<b>Current Status:</b>		Appeals filed in Court on 18 December 2015, 4 January 2016 and 6 January 2016. Directions orders obtained 19 February 2016. Trial held 27-30 September 2016. Final submissions 7 October 2016. Awaiting Judgment.

<b>5.</b>	<b>File Number:</b>	Appeal 2709 of 2016 - (ROL005993)
<b>Applicant:</b>		<b>Golden Ponds Estates Pty Ltd</b>
<b>Application Details:</b>		Reconfiguration of Lots by 1 into 2 lots subdivision at 60 Korsman Drive, Thornlands.
<b>Appeal Details:</b>		Applicant appeal against Council refusal
<b>Current Status:</b>		Appeal filed 12 July 2016. Experts being briefed.

<b>6.</b>	<b>File Number:</b>	Appeal 3348 of 2016 - (MCU013632)
<b>Applicant:</b>		<b>Gregory Mark Wood</b>
<b>Application Details:</b>		Home Business at 31 Drevesen Avenue, Cleveland (Lot 42 on RP118194)
<b>Appeal Details:</b>		Applicant appeal against conditions
<b>Current Status:</b>		Appeal filed 23 August 2016. Without prejudice meeting held 11 October 2016. Council's application to strike out the appeal has been set down for 28 November 2016.

<b>7.</b>	<b>File Number:</b>	Appeal 4004 of 2016 - (BD155692)
<b>Applicant:</b>		<b>Michelle Maree Webb</b>
<b>Application Details:</b>		Dwelling House at 236-246 Queen Street, Cleveland Building works (deemed material change of use in accordance with s265 of the <i>Sustainable Planning Act 2009</i> )
<b>Appeal Details:</b>		Applicant appeal against Council refusal
<b>Current Status:</b>		Appeal filed 5 October 2016.

#### OTHER PLANNING & ENVIRONMENT COURT MATTERS/PROCEEDINGS

<b>8.</b>	<b>File Number:</b>	2771, 2772 and 2774 of 2016
<b>Applicant:</b>		<b>KFA Investments Pty Ltd</b>
<b>Development:</b>		Unlawful filling at 91-101, 91-141 and 115 Rocky Passage Road, Redland Bay (Lot 1, Lot 2 and Lot 4 on SP117632)
<b>Appeal Details:</b>		Appeals against Enforcement Notices
<b>Current Status:</b>		Appeals filed 15 July 2016. Without prejudice meeting on 3 August 2016. Review set down for 8 December 2016.

<b>9.</b>	<b>File Number:</b>	3075 of 2016
<b>Applicant:</b>		<b>Michelle Maree Webb</b>
<b>Development:</b>		Dwelling House at 236-246 Queen Street, Cleveland (Lot 20 on SP175602)
<b>Proceeding Details:</b>		Council application for declarations that the Building Works approval (BD155692) be set aside, a Material Change of Use be applied for, the premises be revegetated and associated orders
<b>Current Status:</b>		Mediation scheduled 10 November 2016 to be postponed until December 2016.



<b>10.</b>	<b>File Number:</b>	3870 of 2016
<b>Applicant:</b>		<b>Redland City Council</b>
<b>Respondent:</b>		<b>John Alexander Anderson</b>
<b>Development:</b>		Outdoor storage of goods, machinery, and vehicles) at 79 and 81 Harvey Street, Russell Island
<b>Appeal Details:</b>		Unlawful use
<b>Current Status:</b>		Council to list documents and lodge affidavits 10 November Mr Anderson to lodge affidavit material by 16 December 2016 Hearing to be scheduled March 2017

<b>11.</b>	<b>File Number:</b>	3871 of 2016
<b>Applicant:</b>		<b>Redland City Council</b>
<b>Respondent:</b>		<b>John Alexander Anderson</b>
<b>Development:</b>		Outdoor storage of goods, machinery, containers and vehicles) at 24 Pia Street, Russell Island
<b>Appeal Details:</b>		Unlawful use
<b>Current Status:</b>		Council to list documents and lodge affidavits 10 November Mr Anderson to lodge affidavit material by 16 December 2016 Hearing to be scheduled March 2017

<b>12.</b>	<b>File Number:</b>	3873 of 2016
<b>Applicant:</b>		<b>Redland City Council</b>
<b>Respondent:</b>		<b>Clint John McDonald and Lucas John McDonald</b>
<b>Development:</b>		Dwelling House or Warehouse at 3 Basil Court, Lamb Island
<b>Appeal Details:</b>		Unlawful use
<b>Current Status:</b>		Court review 4 November 2016

### **OFFICER'S RECOMMENDATION/ COUNCIL RESOLUTION**

**Moved by:** Cr J Talty  
**Seconded by:** Cr P Bishop

**That Council resolves to note this report.**

**CARRIED 10/0**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.

**11.4.3 ANIMAL REGULATION SYSTEMATIC INSPECTION PROGRAM**

**Objective Reference:** fA36608  
Reports and Attachments (Archives)

**Authorising Officer:**



**Louise Rusan**  
**General Manager Community and Customer Services**

**Responsible Officer:**

**Gary Photinos**  
**Group Manager Environment and Regulation**

**Report Author:**

**Donna Wilson**  
**Service Manager Compliance Services**

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**PURPOSE**

The purpose of this report is to seek approval to conduct systematic inspection programs for:

- Unregistered cats throughout Redland City, in accordance with *section 134* of the *Local Government Act 2009*; and
- Unregistered dogs throughout Redland City in accordance with *section 113*, of the *Animal Management (Cats and Dogs) Act 2008*.

**BACKGROUND****1. Systematic Inspection Program for unregistered cats**

Redland City Council resolved to retain cat registration at the General Meeting of 9 October 2013. As a result, the systematic inspection program carried out by Council to regulate compliance with cat registration is no longer contained under the *Animal Management (Cats and Dogs) Act 2008*.

Registration of cats is now a local law requirement under *Part 6 – Registration of Cats, Local Law No.2 (Animal Management) 2015* and the systematic inspection program has the *Local Government Act 2009* as its operational head of power.

**2. Systematic Inspection Program for unregistered dogs**

The *Animal Management (Cats and Dogs) Act 2008* places a mandatory requirement throughout Queensland for all dogs over the age of twelve weeks to be registered with the local authority in which the dog/s resides.

**ISSUES**

Identifying ownership of animals is a fundamental requirement to enable Animal Management officers to address community concerns that arise as a result of the keeping of animals.

Systematic Inspection Programs for unregistered animals assist Council in:

- Increasing the number of animals wearing identification tags;
-

- Improve Council's ability to reunite owners of wandering animals through registration tags;
- Determine the accuracy of Council records;
- Obtain new registrations; and
- Follow up on overdue registrations

The Systematic Inspection Programs, if approved, will commence on 9<sup>th</sup> January 2017 and will continue for a period of three (3) months until 7<sup>th</sup> April 2017. The *Animal Management (Cats and Dogs) Act 2008* and the *Local Government Act 2009* require the Systematic Inspection Programs to be advertised in the local paper at least 14 days, but not more than 28 days prior to the commencement of the programs.

The programs will allow authorised officers to enter private property within the Redland City area to gain access to the front door of the dwelling and the surrounding garden areas, and to all business premises by way of normal public access.

The programs do not authorise access to a building or other structures used for residential purposes, and will be conducted between 8am and 5pm, Monday to Friday within the approved period.

Details of the Systematic Inspection Programs will be available at Council's Customer Service Centres, as well as Council's social media outlets and website.

These programs also allow Officers the opportunity to educate animal owners on their obligations relating to koala protection. In conjunction with Communications and the Environment and Education Unit, a fact sheet will be provided to pet owners to ensure compliance with the provisions of *Local Law 2 (Animal Management)* specifically relating to pets and koalas.

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

Undertaking the systematic inspection program of unregistered cats is in accordance with *section 134* of the *Local Government Act (2009)*.

Undertaking the systematic inspection program of unregistered dogs is in accordance with the provision of *section 113* of the *Animal Management (Cats and Dogs) Act 2008*.

Council receives approximately 3,753 animal related complaints each financial year, and impounds approximately 1300 animals during the same period. These programs provide a proactive approach to achieve registration compliance and educate animal owners of their obligations in line with community expectations.

### **Risk Management**

No risks have been identified as part of this report.

### **Financial**

Authorised Officers completing these programs are employed on a three (3) month contract. The Systematic Inspection Programs have been identified within the current 2016/2017 budget. Council would expect a higher level of annual revenue from increased cat and dog registrations, in addition to improved control and management of animals.

Accordingly, it is expected that revenue raised during the program will contribute to salaries identified as the major cost. Other expenses would be minor incidental costs such as vehicles, printing and stationery.

### **People**

There are no identified implications as part of this report.

### **Environmental**

The purpose of *Local Law 2 (Animal Management) 2015* is to regulate and manage the keeping and control of animals in the local government's area in a way that:

- Balances community expectations with the rights of individuals; and
- Protects the community against risks to health and safety; and
- Prevents pollution and other environmental damage; and
- Protects the amenity of the local community and environment

The opportunity to provide educational information as part of the systematic inspection programs supports this purpose.

### **Social**

The Systematic Inspection Programs support the need to regulate and manage the keeping of animals in a manner that is consistent with the expectations of the community.

## **ALIGNMENT WITH COUNCIL'S POLICY AND PLANS**

### **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.

To achieve this objective, Council is committed to promoting responsible pet ownership through the enforcement of all provisions of *Local Law No. 2 (Animal Management) 2015* and the *Animal Management (Cats and Dogs) Act 2008*.

## **CONSULTATION**

Environment and Education Unit

### **OPTIONS**

1. That pursuant to *section 113* of the *Animal Management (Cats and Dogs) Act 2008*, Council resolves to approve the systematic inspection program for unregistered dogs.
2. That pursuant to *section 134* of the *Local Government Act (2009)*, Council resolves to approve the systematic inspection program for unregistered cats.
3. The systematic inspection programs of unregistered cats and unregistered dogs are to be conducted between 9 January 2017 and 7 April 2017, inclusive.
4. That Council resolve to act only on complaints received.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

Moved by: Cr P Gleeson  
Seconded by: Cr P Gollé

That Council resolves as follows:

1. That pursuant to *section 113 of the Animal Management (Cats and Dogs) Act 2008*, Council approves the systematic inspection program for unregistered dogs;
2. That pursuant to *section 134 of the Local Government Act 2009*, Council approves the systematic inspection program for unregistered cats; and
3. The systematic inspection program of unregistered cats and unregistered dogs are to be conducted between 9 January 2017 and 7 April 2017, inclusive.

**CARRIED 8/2**

Crs Hewlett, Elliott, Huges, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Crs Gollé and Talty voted AGAINST the motion.

Mayor Williams was absent from the meeting.

**CONFLICT OF INTEREST**

Cr Bishop declared a perceived conflict of interest (as defined in the Local Government Act 2009 s.173) stating that “*prior to my election as a councillor I was involved in a community reference group. Prior to that I was also involved in some consultation and I was actually contracted as a consultant advocating for community uses in relation to the court order suggesting that this portion of land was attributed to the community as a result of a nearby development approval*”. Cr Bishop remained in the room, voting in the community interests. Cr Bishop voted FOR the motion.

**11.4.4 INDIGISCAPES CENTRE EXTENSION AND UPGRADE**

**Objective Reference:** fA36608  
**Reports and Attachments (Archives)**

**Attachments:** [IndigiScapes Final Master Plan \(AECOM Pty Ltd\)](#)  
[Redlands IndigiScapes Centre Redevelopment Triple Bottom Line Assessment of Additional Value \(2017-2022\) \(EarthCheck Pty Ltd\)](#)  
[Strategic Review \(EarthCheck Pty Ltd\)](#)

**Authorising Officer:**



**Louise Rusan**  
**General Manager Community and Customer Services**

**Responsible Officer:**

**Gary Photinos**  
**Group Manager Environment and Regulation**

**Report Author:**

**Ben McMullen**  
**Service Manager Environment and Education**

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**PURPOSE**

The purpose of this report is to seek approval to implement the IndigiScapes Centre extension and upgrade program in accordance with the concept and master plan developed in 2015-16, through the capital works program.

**BACKGROUND**

- IndigiScapes is a tourism, community engagement and education resource for Redland City which opened in 2000. It operates 7 days per week attracting 50,000 visitors per year and serves a number of functions namely:
    - A community hub providing an environmental education, meeting space and volunteer coordination for over 350 volunteers.
    - A tourism and events destination with a 400 m<sup>2</sup> interpretation centre, 40 seat café, gift shop, 80 person meeting room and hosting 6 to 8 events per year.
    - Recreation and Open Space with 4 kilometres of walking tracks, native botanical gardens, demonstration gardens, playground and picnic areas, open space situated on 13 hectares of bushland.
-

- Office accommodation for 16 staff with 4 currently accommodated in a rented demountable office building.
  - A native plant nursery producing 12,000 stems per year, and
  - Visitor Information Centre
- The only significant upgrade to the centre (besides the rental of a demountable office building) since its opening has been the connection to sewerage in 2014.
  - The Horizons Foundation started construction of their \$7 million centre on the adjoining Runnymede Site after Council provided them with a 50 year lease over the land.
  - In response to some significant asset management issues with the current centre and the opportunity for building a strong partnership arrangement with Horizon for their Training RTO, commercial kitchen and meeting rooms, a concept and master planning exercise for IndigiScapes was commissioned.
  - The outcome of that concept and master planning process is now being presented for formal consideration. This is part of the ongoing approval process that will ultimately inform whether or not this extension and upgrade will form part of the future capital works program.

## **ISSUES**

### **A Key Community and Tourism Focal Point**

It is envisaged IndigiScapes will be a key community and tourist focal point within the context of the new precinct incorporating the Horizons Development and master planned Runnymede Road site. The Centre provides an opportunity for visitors to have a high quality experience based on the surrounding IndigiScapes landscape.

Through a strong commitment to the environmental education and sustainable tourism agenda, the Centre also has the opportunity to become a benchmark in the growing tourist industry in the area while maintaining its key function of environmental education.

To maintain the existing high profile and service standards of this centre in the eyes of the community, a capital investment is required. This project specifically aligns with Corporate Plan 2020 outcome 1.4 "Visitors experience our natural assets through high standard facilities, trails, interpretations and low impact commercial ventures".

In 2014-15, the IndigiScapes Centre Extension project is flagged in the 10 year Capital Works program and funding was foreshadowed in the program to reflect the possibility of these works. \$50,000 was invested in 2015-16 for market research, cost benefit analysis and concept design.

The concept design work undertaken in 2015-16 has been used to update the project cost estimates in the forward capital works program. Council is still to decide on this program

### **The Concept and Master Planning Process**

The attached final concept and master plan outlines a design rationale for IndigiScapes which draws together the opportunities presented by the adjacent

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Horizon and Council sites to establish a holistic environmental and cultural experience for the community and an attractive destination for repeat visitors and new visitors alike.

While a key priority for the project is to address the existing shortfalls with the existing Visitor Centre building, the Master Plan also aims to take a broader, longer term view to identify and combine wider site opportunities into a compelling overall vision. It seeks to achieve an expanded IndigiScapes experience and enhanced connectivity and way-finding between the various precincts within the site.

A summary of the elements as shown in the figure below are:

- 1 . Relocated Nursery
- 2 . New pedestrian connection to the nursery
- 3 . 7 Senses playground and welcome to Country landscape area
- 4 . Terraced interface between building and open space
- 5 . Café extension
- 6 . Highlighting the existing 400 year old Tallowwood Tree
- 7 . Lightning strike inspired skywalk
- 8 . New theatrette and entry to enhance arrival experience
- 9 . Existing bus layover and add covered link way
- 10 . Fish Breeding tank area
- 11 . Bold, visible entry statement
- 12 . Clear legible path connections to horizon site
- 13 . Enhanced visitor centre entry focus
- 14 . Upgrade display garden entry gates and fence
- 15 . New toilet facilities
- 16 . Market space (out of scope for this project: Runnymede Project)
- 17 . Events, overflow and multi-purpose space (out of scope for this project: Runnymede Project)
- 18 . Revegetated area
- 19 . Welcome to Country Picnic Lawn
- 20 . Expanded staff accommodation area





**Asset Management and Improvement to Business as Usual/Fit for Purpose**

- Some staff have been housed in the onsite temporary portable structure (the donga) for several years and should be moved into the main building.
- Amenities need to be brought up to current standards.
- Additional storage is required within the building for materials and equipment used in interpretation and extension programs.
- Increased café space will allow for higher levels of utilisation and income, and safe exit in an emergency.
- Weather proofing of the atrium is required for visitor and staff amenity.
- The entry statement requires visual reinforcement to improve site legibility.
- Improved building entrance design, and extended interpretation and retail space will allow for higher levels of community education and increased revenue.
- The IndigiScapes nursery is limited by space and solar access. Moving the nursery to a more sun exposed portion of the Runnymede Road site will allow for increased production, servicing a greater proportion of Council's native plant needs and increase sales to the community.

**Emerging Opportunities/Economic Uplift/Improvement of Experience**

- Through the development of the concept plan it has been identified that by bringing forward the stages of the project, Council will be in a position to better capitalise on the opportunity to attract and service visitors to the Redlands associated with the 2018 Commonwealth Games to be held at the Gold Coast.
- It will also allow IndigiScapes to expand its visitor options for its traditional market and provide a richer interpretive experience.
- A Skywalk, Seven Senses Garden Playground, Theatrette and Amphitheatre have all been identified as features which would add to the existing range and theme of experiences offered at IndigiScapes, providing for improved visitor attraction and engagement.
- Initial enquiry indicates these options may be capable of attracting external funding partners.

**Quandamooka connections**

- Indigenous cultural heritage interpretation will support Council's relationships with the Quandamooka people and extend IndigiScapes product offering into a market where there are few contemporaries in South East Queensland.
- Officers are currently in discussions with QYAC representatives to establish authentic indigenous cultural heritage experiences at IndigiScapes. This collaboration will identify a number of products and experiences that can be packaged for visitors to IndigiScapes to stimulate increased attraction.

**Horizon Foundation Development**

- The Horizon Foundation (Horizons) has been granted a 50 year lease over a significant portion of the adjacent Runnymede site.
- Horizons have obtained Council approval for a \$multi-million development on the site including a new building, car park and landscaping.
- Ongoing demands for overflow car parking to accommodate visitors to IndigiScapes will require extra space to be found on the Runnymede site.

- It would be desirable for this to be accommodated in the short term in the area of disused chicken sheds. This is also the area most likely to be suitable for the relocation of the IndigiScapes native plant nursery.
- Horizons will be establishing a range of community/social enterprises on the site having a high level of relatability and synergy with the programs and functions of IndigiScapes.

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

The program of works proposed for IndigiScapes is consistent with the existing and intended future use of the site under the provisions of Council's planning scheme. Detailed design stages will address building and planning approval processes.

### **Risk Management**

#### **Opportunities**

The program capitalises on opportunities to improve and enhance the visitor experience at IndigiScapes by improving facilities and experiences and increase recognition of IndigiScapes as an educational and recreational facility for the Redlands community. The program will provide appropriate accommodation for the Environment and Education Unit staff at the IndigiScapes Centre. It will also capitalise on opportunities to increase visitation and utilisation of IndigiScapes flowing from the location of the Horizons development on the adjacent Runnymede road site and the 2018 Commonwealth Games on the Gold Coast.

#### **Risks**

Disruption to Business as Usual service delivery: The implementation of the master plan will involve a range of site works including landscape and building construction activities. There is a risk that site users will be unreasonably impacted if the implementation phase of the project is not actively managed and coordinated to minimise impacts on users.

Cost Over runs: The implementation of the master plan will be subject to potential industry fluctuations in the cost of procuring design and construction services that are outside of Council's control. To minimise the impact of these risks allowance has been provided for 20% preliminary costs for the project (includes contractor overheads and profits, insurance, site sheds, temporary services mobilising and deploying plant general maintenance costs offsite etc). A contingency of 20% has been factored into the cost estimate for construction activities. Design costs have been calculated based on an allowance of 12% of construction costs. All works will be subject to a competitive procurement process.

Risk of doing nothing: Without the program of works outlined in the master plan, the IndigiScapes visitor experience will date further with time, and competitor destinations increasing erode market share of visitors. Visitor rates are likely to fall without enhancing the visitor experience. Parking and amenities will continue to be problematic and interfere with visitor appreciation of the centre during high use periods. Some staff will continue to be accommodated in the donga and storage problems will be ongoing. Amenity upgrades will likely be required in any case, as will works to the atrium to resolve existing water leaks. Opportunities to collaborate with the adjacent Horizons Foundation development may be hampered.

## Financial

### Capital Funding

Initially, \$50,000 was allocated in 2015-16 for concept design. In 2016-17, \$156,000 was allocated in for the implementation of stage 1 of the Master Plan which includes the relocation of the IndigiScapes Nursery to the lower chicken shed site on the adjacent Council land (Runnymede Road site). Once Council approval for the overall concept and master plan has been obtained the balance of the extension and upgrade will be reaffirmed within the 10 year capital works program. The current projected budget of \$3.739 million for the project includes the \$156,000 allocated in 2016-17 as year 1 with the delivery of the entire program in 2021-2022 year.

To bring forward the program in any way as suggested during the Councillor workshop 23<sup>rd</sup> August 2016 and commence the detailed design for the Visitor Centre Expansion an additional \$170 000 will need to be allocated in this financial year. Should the procurement of these services occur before December 2016 there is a likelihood of getting this work completed in the current financial year.

The current written down value of the structures, road networks, parks infrastructure and buildings comprising IndigiScapes is \$1.15 million. Annual depreciation costs of the assets are ~\$70,000 and building maintenance costs are \$44,000. The projected total asset value of IndigiScapes at completion of the program will be \$4.716 million. The projected annual asset depreciation costs for the extended and upgraded centre will be \$187,000 in the first year of operation, with annual building maintenance costs of \$85,280 in that year. The asset life will be from 6 – 60 years depending on the individual asset.

Projected costing for the implementation of the master plan is included in **Attachment 1**.

External Funding:

Potential funding sources for the capital infrastructure projects at IndigiScapes:

Funder	Funding Program	Likelihood of success
Department of Infrastructure, Local Government and Planning	Local Government Subsidy Scheme Program	Reasonable, meets government priorities
Department of Tourism, Major Events, Small Business and the Commonwealth Games	Queensland Tourism Infrastructure Fund	Reasonable, the project has met government priorities of previous years. The program has not yet been announced in 2017.
Department of Transport and Main Roads	Scenic Lookout Restoration Fund	Unlikely. This project was submitted for funding in 2016 and not funded. The program has not yet been announced in 2017.
Crowd Funding	Via a recognised crowd funding program	Limited to Reasonable. A variety of initiatives are funded through multiple small contributions and the centre has the potential to capture the imagination of a wider audience.

### Operational Funding

Additional operational costs associated with the completed extension and upgrades include:

	Current	At completion 2021	Difference
annual asset depreciation	\$79,145	\$186 385	<b>\$107 240</b>
annual building maintenance	\$43 386	\$85 280	<b>\$ 41 894</b>
staffing costs (discussed in People Section)	\$423 169	\$532 403	<b>\$109 234 (+1.6 FTE)</b>
Total	\$545 700	\$804 068	<b>\$258 368</b>

### Economic Benefit

In order to better understand the strategic market context of IndigiScapes and estimate the predicted benefit of the Centre Extension and Upgrade two studies were commissioned. Both of these studies were undertaken by EarthCheck Pty Ltd. They were a Strategic Review of IndigiScapes (to inform concept planning) and a Triple Bottom Line Assessment from 2017-2022 (to estimate the economic, social and environmental benefits of the new investment). A copy of these two reports is available at **Attachment 2 and 3**.

The Strategic Review identified that IndigiScapes, has the potential to become an important regional events and functions location as well as a community 'must do' location for weekends and when visitors come to stay. As the region captures only 4.4% of the Brisbane market, the opportunity exists to further grow the Nature-based visitor market. In addition to attracting nature-based visitors, other markets with growth potential include:

- Event visitors;
- Education visitors; and
- Indigenous culture visitors

The Triple Bottom Line (TBL) Assessment attempted to provide an indicative measure of the potential, additional value of the Centre from the planned investment. The TBL Assessment is not an economic impact assessment of the centre nor is it a feasibility analysis. However, it draws on quantitative data (when available) and qualitative analysis (which have been monetised where possible).

The economic benefits of the investment were calculated through a value assessment, to estimate the impact the investment will have on direct and indirect onsite, induced and offsite spend through the increased appeal and visitation to the centre.

As part of this assessment low, medium and high visitor scenario forecasts were used to predict the visitor forecasts to IndigiScapes. By attracting new visitors to the Centre, visitor spend will not only increase onsite but also increase in the region. This additional offsite expenditure will trickle through the economy, creating indirect expenditure (induced spend), supporting direct and indirect jobs in the economy.

The report indicates that on a medium scenario, over the period of investment (2017-2022), IndigiScapes is forecasted to receive approximately \$557,700 in direct onsite spend, contributing to \$377,270 in indirect onsite spend. Over the same period of investment, IndigiScapes is predicted to support 7.2 FTEs through capital investment, \$1.2 million in additional offsite regional spend from new visitors, contributing to \$798,220 indirect offsite spend and supporting 15 new direct FTEs.

### **People**

The implementation of the master plan will enhance the visitor experience of IndigiScapes, and improve staff amenity.

New public facilities that enhance visitor experience include:

- a. Toilets, gardens and playgrounds attractions
- b. Covered entry, expanded foyer, increased café capacity, and outdoor terrace seating
- c. Indigenous cultural heritage and “Welcome to Country” space
- d. Theatrette and covered walkway and
- e. SkyWalk feature to Tallowood Tree.

New back of house facilities that improve staff working conditions include:

- a. Additional internal office space to allow staff currently located within the onsite temporary portable structure (the donga) to be moved into the main building
- b. Additional toilet facilities will be provided for staff and the public, including an end of trip facility for staff and
- c. Improved storage area and provision of alternative fire escape.

Staff levels will be affected by the implementation of the master plan through both the design\construction phase and the operational phase. During the design\construction phase the program will require additional project management capacity in the form of a project management coordinator part time (0.5 FTE), to ensure that tasks associated with detailed design, procurement, project coordination, sequencing, budget management and reporting are coordinated across all relevant areas of Council. This role is currently being resourced through collaboration with City Spaces where a staff position is being shared.

In the operational phase it is projected that the following staffing changes and additions will be necessary:

- a. Full time Nursery Coordinator Position new 1 FTE.
- b. Permanent Part Time Cook\ Food Leader 0.8 FTE to become full time.
- c. Casual Centre Services Attendant 0.6 x 2 to permanent part time 0.6 x 2. (no financial implications).
- d. Administration Officer full time level 1 Contract to become full time permanent level 2.
- e. Permanent part time Visitor Services Operator 0.8 FTE to become full time.

### **Environmental**

IndigiScapes has been established to provide a community resource that promotes greater understanding, appreciation and action to protect and restore the environmental values of the Redlands. The proposed works will add to the attraction and utility of IndigiScapes in performing this important function.

Opportunities will be explored through the detailed design phase to create opportunities to further showcase sustainable building design and construction principles. This will include investigation of alternative energy generation opportunities.

Every care will be taken to minimise an environmental impacts that are incurred as a result of the expansion of the footprint of buildings on site and any vegetation cleared will be offset through restoration activities on the balance of the site.

### **Social**

The EarthCheck TBL assessment discussed the principal areas of social benefit from the program as relating to education, health, social welfare and indigenous employment. These benefits are summarised as follows.

**Education:** “Researchers have found that the ideal formula for learning is engagement which can be a factor of how the participant interacts with, or is stimulated by, an environment. With learning correlating with change in behaviour, developing a process whereby knowledge is created through the transformation of experience ideally places IndigiScapes to apply this experience-based method of teaching. Through innovative techniques to capture the imagination and by use of interpretation, children will learn the science behind how nature works, how to take action to protect it, the benefits of nature in relation to health, and the connection to global challenges to protect their natural surroundings. Based on the current mix of visitors, it is estimated that an additional 7,500 students and young families will go through the Centre in 2020 inspiring new ‘nature-lovers’ who will visit, and appreciate natural area conservation.”

**Health Benefits:** “The current health statistics and trends passing through younger generations create the need for more physical activity amongst all ages.

IndigiScapes will provide an outdoor setting for children and adults to be active. Research shows that children who spend time outdoors are most strongly correlated with high rates of physical activity. Furthermore, outdoor temperatures, both cold and hot, result in the body using more energy than in air-conditioned or heated environments. IndigiScapes provides an ideal setting where visitors can partake in nature-based physical activity or ‘nature-play’, as well as provide education on the natural environment through engagement of physical activity. Being in a natural environment and allowing them to learn hands-on stimulates human senses and encourages a more active and playful way of learning, and ultimately, a more actively lifestyle.

Evidence also suggests that there is a strong correlation between physical activities in the natural environments, ‘nature-play’, and psychological benefits, such as stress and anxiety reduction. One study showed that 8-10 year old children exposed to high levels of nature were less stressed and recovered from stressful events more successfully than those in homes and backyards that lacked contact with nature. Thus some of the substantial physical and mental health challenges facing the community have the ability to be addressed by increasing physical activity in natural places.”

**Social Welfare:** “Outdoor education offers many benefits for young individuals in terms of personal development. Experiencing a variety of outdoor settings helps children feel more comfortable in a range of environments and an opportunity to learn about their own strengths and weaknesses.

It will also teach how persistence in extending one's limitations can bring success in challenging situations, be it physical, emotional or social. IndigiScapes will be optimally positioned to apply guided reflections that will determine how they might approach a similar situation for future reference in conveying a vital element of the learning experience transferring learning into everyday contexts.

Another important aspect of outdoor education is an improved level of motivation, as children are naturally mobile and geared toward moving around. Research has found that the positive effects on the child's motivation levels carried over to traditional indoor learning after the outdoor learning had concluded.

IndigiScapes will also provide children with the opportunity to develop skills through team building exercises, dealing directly with concepts such as leadership, inclusiveness, and the value of working towards a common goal with recognition of the unique attributes of each individual.

It is proven that outdoor education achieves the gains in communication by requiring children to work as teams to solve problems on expeditions. Furthermore, outdoor education offers an opportunity for staff and students to interact and build strong relationships on 'neutral ground' away from the normal classroom environment. Children are encouraged to work not only with their peers, but with adults in achieving common goals. By broadening a child's involvement in the wider community they acquire skills which benefit their own participation and specific situations they may encounter in the future.

Developing skills such as learning how to care for and protect natural resources and the environment they live in, or playing a role in preparing and informing them about bushfire dangers are the multiple possible outcomes through developing personal attributes for children.

IndigiScapes currently has ~350 volunteers engaged with the organisation through a range of programs, 30 of these volunteers work onsite, 92% are seniors and 5% have a disability. The volunteer program allows for many social benefits including, developing the community's job skills, giving elderly people a sense of self-worth and providing a platform for disabled people to socially interact with the community. The current program is well positioned for growth to provide continued and enhanced social benefit to the community.

Further to the IndigiScapes programs and volunteer networks, the new Horizon development adjacent to the property (due for completion in 2017) will provide key social enterprise partnerships. The partnership between IndigiScapes and Horizon will greatly benefit the disabled students and trainers at Horizon by providing them with a 'real-world' place to work and learn, and in doing so helping to provide them with fundamental skills they can take through their careers and into the community."

Indigenous employment: "Currently, there is little-to-no Indigenous engagement in IndigiScapes' programs except for minimal retelling of Indigenous stories. IndigiScapes has the potential to lower the number of unemployed Indigenous residents in the community, and are currently working with Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC) to employ Indigenous Guides at the Centre to assist with tours, development of tours and the creation of hands-on Indigenous experiences.

Employing Indigenous guides will enhance the visitor experience at the IndigiScapes Centre and provides benefits employees, as it allows Indigenous people to share their traditions and values, and for the culture to be shared.

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Visitors can be educated on the Indigenous origins of the country and the way in which nature has been preserved and respected through the culture. Rangers will also receive professional training, providing them with long-term job opportunities.

In working with the QYAC as many as 5 part-time guide and interpretation positions could be supported in 2022.”

### **Alignment with Council's Policy and Plans**

The IndigiScapes Centre Extension and Upgrade will contribute to the following Corporate Plan 2020 Outcomes:

- 1.1 Redland's natural assets including flora, fauna, habitats, biodiversity, ecosystems and waterways are managed, maintained and monitored.
- 1.2 Threatened species are maintained and protected, including the vulnerable koala species.
- 1.3 Community and private landholder stewardship of natural assets increases.
- 1.4 Visitors experience our natural assets through high standard facilities, trails, interpretation and low impact commercial ventures.

### **CONSULTATION**

A visioning workshop for the IndigiScapes Centre Extension and Upgrade was held in late November 2015. This workshop included representatives from across Council, the State Government's Tourism team, local tourism industry operators and IndigiScapes Centre volunteers.

Following the development of a draft concept plan, further consultation was undertaken with:

- Funding Coordinator Financial Services Group
- Financial Manager Business Partnering
- Group Manager City Spaces
- Construction Projects Service Manager
- Design Service Manager
- Service Manager Project Management
- Service Manager Plumbing Services
- Service Manager Engineering and Environment
- Principal Advisor Strategic Partnerships

Councillor conducted a familiarisation visit/workshop at the centre on 23<sup>rd</sup> August 2016.

### **OPTIONS**

The following options only include additional costs for capital expenditure required and does not include additional recurrent expenditure expected in the completion year.

#### **Option 1**

That Council resolves as follows:

1. To adopt the IndigiScapes Centre Extension and Upgrade Master Plan 2016, acknowledging that implementation will cost an estimated \$3.739 million between 2016-17 and 2020-21, and update the Capital Works Program accordingly.



2. To bring forward the program and commence the detailed design for the Visitor Centre Expansion allocated an additional \$170 000 in this financial year through the budget review process.

### **Option 2**

That Council resolves as follows:

1. To adopt IndigiScapes Centre Extension and Upgrade Master Plan 2016 in part as directed by Council and update the capital works program to reflect the revised scope of the Master Plan; and
2. Acknowledging that implementation for unfunded actions will be considered as part of future budget deliberations.

### **Option 3**

That Council resolves to defer the adoption of the Master Plan pending direction from Council about changes to the documents.

### **PROCEDURAL MOTION AT 1.32PM**

Moved by: Cr M Edwards

That this matter lie on the table.

LOST 5/5 (casting vote of the Chair)

Crs Huges, Talty, Gleeson, Edwards, Mitchell voted FOR the motion.

Crs Gollé, Hewlett, Elliott, Bishop and Boglary voted AGAINST the motion.

Mayor Williams was absent from the meeting.

### **MOTION TO SUSPEND STANDING ORDERS AT 1.35PM**

Moved by: Cr M Elliott

Seconded by: Cr J Talty

That Standing Orders be suspended to allow discussion on this item.

CARRIED 10/0

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.

### **MOTION TO RESUME STANDING ORDERS AT 2.05PM**

Moved by: Cr P Bishop

Seconded by: Cr M Elliott

That Standing Orders be resumed.

CARRIED 10/0

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

Moved by: Cr M Elliott  
Seconded by: Cr P Bishop

That Council resolves to:

1. Adopt the IndigiScapes Centre Extension and Upgrade Master Plan 2016, acknowledging that implementation will cost an estimated \$3.739 million between 2016-17 and 2020-21;
2. Commence the detailed design for the Visitor Centre Expansion bringing forward an additional \$170,000 in this financial year through the budget review process; and
3. Update the Capital Works Program accordingly.

**CARRIED 8/2**

Crs Gollé, Hewlett, Elliott, Huges, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Crs Talty and Gleeson voted AGAINST the motion

Mayor Williams was absent from the meeting.



**Redlands IndigiScapes**  
**Environmental Education**  
**+ Visitor Centre**

# Document Control Sheet

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**Project:** Redland IndigiScapes Environmental Education + Visitor Centre (IndigiScapes)  
**Report Title:** Preliminary Concept Report + Costing  
**Client Reference:**  
**Revision / Version:** Issue C  
**Authors:** Josh Hinwood, Trevor Boobyer, James Dorrat, Tom Ford, Wei Ming Loy  
**Approved by:** James Dorrat  
**Date:** 17.06.2016  
**File Location:** 60479369/Draft Docs/Reports/Indesign/151209\_Prelim design report  
**Distribution:** Electronic Copies to:

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Revision	Date	Approved	Details of Revision
Issue A	18.12.2015	James Dorrat	Preliminary
Issue B	27.05.2016	Josh Hinwood	Final Draft
Issue C	17.06.2016	Josh Hinwood	Final

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Preliminary Order of Cost Estimate



# 1.0 Introduction

## 1.1 Purpose of this Report

This report presents our Master Plan design proposal and costing for the IndigiScapes Centre and it's surrounds.

This document demonstrates a consultative and site responsive process and master plan outcomes, developed through a clear understanding of the site, its issues and the needs and desires of the Redland City Council and project stakeholders.

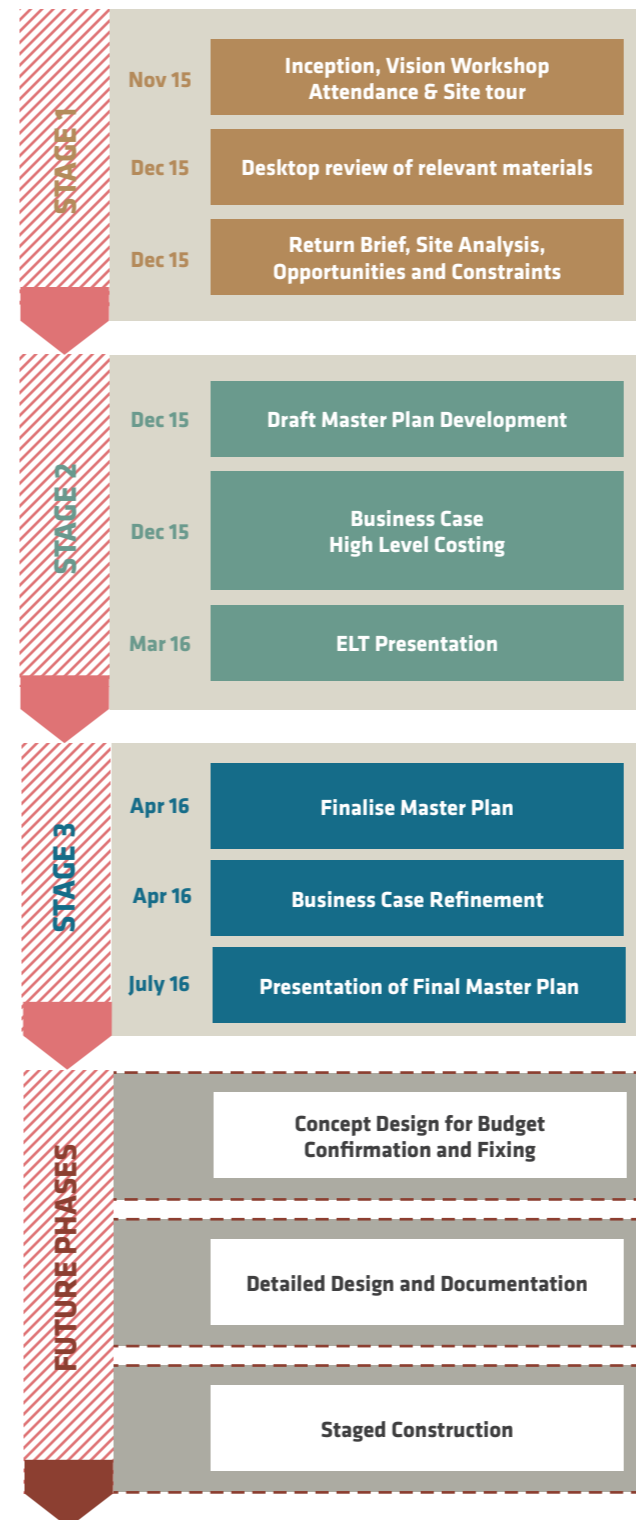
Following consideration of possible architectural strategies and building additions the master plan has been developed for the purpose of seeking and gaining project funding and forms a brief for the future concept design, design development and implementation of proposed site and facility upgrades.

## 1.2 Process

A collaborative and consultative briefing , visioning, master plan development and costing process has been undertaken as demonstrated in the steps outlined in the adjacent methodology diagram.

The first step was a workshop facilitated by Earthcheck (commissioned separately by RCC). This workshop formed an important role in setting the over arching vision for IndigiScapes and informing the Business Case.

The workshop identified the regional visitor profile, strengths, weaknesses, opportunities and threats before establishing priorities and a list of projects that form part of the illustrated master plan presented within this report.



## 1.3 Setting the Scene

IndigiScapes, located in Capalaba just 30 minutes from the Brisbane CBD, has evolved to become one of the Redland's key local and visitor attractions, a community hub and a recreational space for locals to enjoy.

Attracting over 50,000 visitors per annum, the site is also the office and depot for 16 Council staff, home of the community nursery and popular location for events, including weddings.

The stakeholder workshop held on November 30th, 2015 and facilitated by EarthCheck confirmed IndigiScapes current offering as follows:

### Community Hub

- Environmental Education and meeting space
- Reception – Gift shop
- 63 car parks, free access, wheelchair friendly

### Tourism & Events Destination

- Interpretation Centre - 400m<sup>2</sup>
- 40 seat café specialising in bush food
- Meeting room – 80 people (used 4 times per week)
- 6-8 major events per year

### Recreation space

- Walking tracks – 4km
- Display gardens
- 14 native plant gardens
- Playground
- Picnic area

IndigiScapes now has a significant opportunity to leverage and coordinate with a soon to be developed community facility on the adjacent Horizon site.

## 1.4 Creating a Holistic IndigiScapes Experience

The original intent of IndigiScapes was to 'Make a Difference' and educate the community on the value of planting indigenous species in their private gardens in place of exotic / introduced species.

This original intent has now evolved to encompass a variety of symbiotic activities and amenities including:

- A cafe that is renown for its Bush Tucker Menu and locally sourced produce
- A place for environmental education
- A gift shop showcasing the works of Redlands artists and crafts
- A services park with active and passive play opportunities

This diversity of offering has enhanced the reach and attractiveness of IndigiScapes as a community and tourist destination. However this has altered the original scope of the Centre operations.

Workshop discussions confirmed that the name IndigiScapes can often be misleading to potential visitors who are unfamiliar with the Centre.

This Master Plan, combined with opportunities presented by the adjacent Horizon site presents a key opportunity to enhance the IndigiScapes offering and strengthen its brand as a holistic Indigenous Experience, combining:

- Indigenous natural landscapes and demonstration plantings
- Indigenous fauna within the natural environment
- Indigenous food
- The culture of the indigenous people of Redlands

## 1.5 Core Experiences

Redlands IndigiScapes is an Environmental education and visitor centre which provides:

- A key community activity hub for Redlands City
- An introduction to Redlands Conservation Estate
- A knowledge portal on the environmental values of the City and how to conserve them
- Environmental education about native plants and animals
- An indigenous cultural experience
- An extension hub for environmental programs

The top 3 core experiences / attractions for IndigiScapes can be defined as:

### 1. BUSH TUCKER

- Food, plants, tours, classes
- Indigenous culture and tours
- Local organic food markets
- Indigenous interpretation and storytelling

### 2. NATIVE BOTANIC GARDENS

- A showcase of native plants
- A focus on activities in a native bush environment
- A peaceful and 'calm' space for the local community
- Promotion of well-being, physical and mental health

### 3. COMMUNITY CONNECTEDNESS

- Storytelling, arts and culture
- Community partnerships
- Community events

***“IndigiScapes is an environmental education and Visitor Centre which specialises in bush tucker and local native plants in a family friendly natural bush setting. The Centre is a community hub which provides a window to the Redlands City and its Conservation Estate.”***

# 2.0 Design Considerations

## 2.1 Scope of Work

During the stakeholder workshop held on the 1st of December 2015, the site's key physical needs were determined as outlined below. This scope forms the basis of the Master Plan elements.

It should be noted that a number of these items are beyond the detailed scope of this commission, however have been included within the long term Master Plan and will need to be explored and refined in further detail during future studies.

### PRE ARRIVAL

- New website needed together with new messaging (scheduled for July to December 2016. Website redevelopment project Phase 2)
- Keep it clean and uncluttered

### WAYFINDING

- Clean up site entrances and put in 'way finding' signage to manage Horizon site access

### INTERPRETIVE CENTRE

- Current entrance lacks direction and focus
- Messages and interpretation need to be reviewed
- Displays are confused

### RELOCATE NURSERY

- Determine how nursery is linked between IndigiScapes and the adjacent RCC sites

### STAFF ACCOMMODATION

- More accommodation needed and improved staff amenity required

### GIFT SHOP

- Bush Tucker and local produce (arts & crafts) offers enormous potential as a defining point of difference

- Current shop fit out is flat and linear (supermarket aisle style design) and does not showcase the products on display

### TOILETS

- Need to be refreshed and expanded and do not meet current building code requirements

### CAFÉ

- Enhance capacity and capitalise on the opportunity for shared use of the new commercial kitchen at the adjacent Horizon site

### OUTSIDE EVENTS SPACE

- Outside toilets required to the eastern end of the site
- New interpretation to link to both sites
- Indigenous tour options
- Food markets

### INSIDE EVENTS VENUE

- Develop new interpretive displays to meet space changes in display areas

### NATURAL LANDSCAPE

- Explore skywalk option / tree canopy walkway
- Access to the creek edge
- Reinforce the importance of the Tallowwood tree

### CHILDREN'S PLAYGROUND

- 7 senses playground
- Sensory garden space
- Indigenous inspiration
- Enhance picnic facilities

## 2.2 Current Building Issues

A number of functional issues exist with the current IndigiScapes entry foyer and office accommodation. These items are proposed to be rectified through implementation of the proposed building works:

- Current office capacity is too small and requires expansion to accommodate 8 additional staff. This would subsequently remove the adjacent site office shed.
- The nursery is too small, too shady and needs to be relocated to a new location on the adjacent RCC site.
- Staff facilities including lunch room and toilets are not adequate.
- Staff and visitors share the public toilets. The design of the public toilets means that cubicles are in view from the entry foyer when the door is left open. Toilets also do not meet current DDA requirements.
- The entry foyer is not weatherproof.
- The cafe fire stairs are not code compliant as they exit through the kitchen.

## 2.3 Site Inspiration

The site exhibits a number of natural and built sources of inspiration that will be enhanced through the Master Plan and will inform the design style and materiality of the architectural extension to the existing IndigiScapes Centre.

- The existing architectural form and materiality of the Visitor Centre are appropriate to the site and exhibit a light weight, light touch character including tin and timber, wide eaves and shady verandas that blend with the bushland setting.
- Meandering bushland trails allow for exploration of the site
- The adjacent creek and wetland offers a point of interest and destination
- The story of the Tallowwood tree provides an interesting narrative and opportunity for enhancement of the IndigiScapes visitor experience.



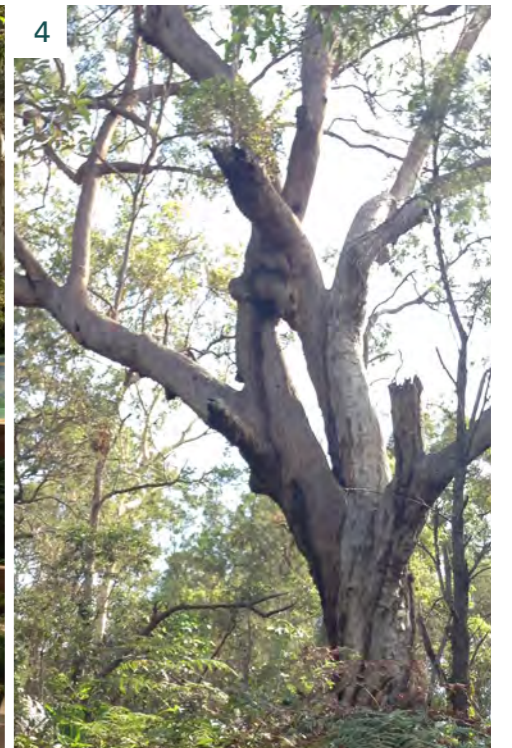
ISSUES

1. The on-site nursery is spatially constrained with no room for expansion, is too shady to maximise the growth of grow plants and is a back of house facility located on prime land adjacent the IndigiScapes visitor entry
2. The IndigiScapes Visitor Centre building is too small to cater for current staff needs, with 4 staff working out of a temporary site shed and another 4 staff located off site
3. The building does not provide for adequate cleaners storage and has an outdoor lunch room
4. The Visitor Centre entry foyer is not weatherproof due to its open roof design and temporary measures have been installed that detract



INSPIRATION

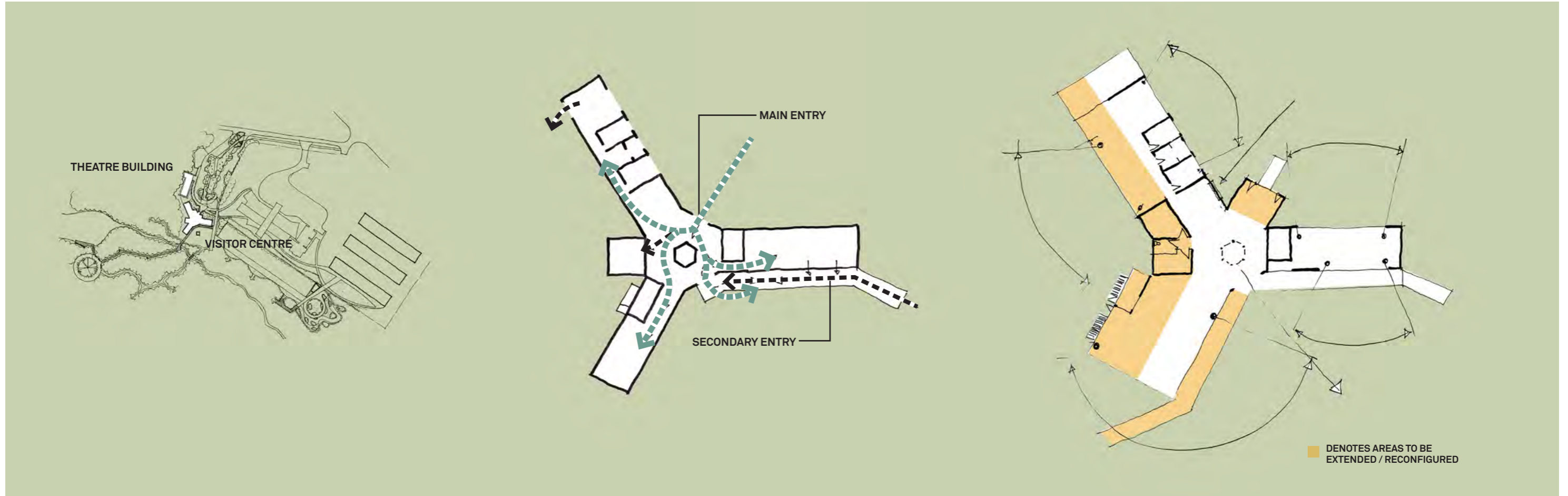
1. Light touch architecture of the existing IndigiScapes Centre with wide eaves, shady verandahs and tin and timber character
2. Bushland trails to explore
3. Opportunities to view the site's natural creek and wetland
4. The 400 year old remnant Tallowwood tree with its twisted form as a result of being struck by lightning early on in its life



## 2.4 Site analysis

The design process is based on site responsive design which requires an understanding of the local site conditions, surrounding context, building + client aspiration. This site analysis summarises climatic conditions, access and views and informs the Master Plan process.





**SITING**

Significant trees are to be retained wherever possible with new built elements taking advantage of already cleared areas of the site.

- Theatre building located in existing clearing currently occupied by the nursery
- Nursery relocation to adjacent clear site to allow for expansion
- IndigiScapes office expansion to occur to north and west of existing offices to cleared area occupied by temporary site shed and outdoor patio
- Skywalk location to be confirmed on site to minimise clearing of significant vegetation

**EXISTING CIRCULATION**

Existing circulation is based around an internal 'rotunda' and 'makeshift' reception.

- Entry foyer expansion to occur at the front of the building to enhance entry and increase the presence of the reception and displays / shop
- This subsequently allows for the 'rotunda' to be de-cluttered and made weatherproof, allowing for a clear line of sight and movement through to the cafe and proposed skywalk.

**VIEWS**

Views include significant understory and creek views to the south east across the picnic lawn. These clear views are to remain uninterrupted by the proposed new building works.

# 3.0 Master Plan

## 3.1 Master Plan and Design Rationale

The design rationale for the IndigiScapes Master Plan draws together the opportunities presented by the adjacent Horizon and Council sites to establish a holistic environmental and cultural experience for the community and an attractive destination for established and new visitors alike.

While a key priority for the project is to address the existing shortfalls with the existing Visitor Centre building, the Master Plan also aims to take a broader, longer term view to identify and combine wider site opportunities into a compelling overall vision.



### *An expanded IndigiScapes experience*

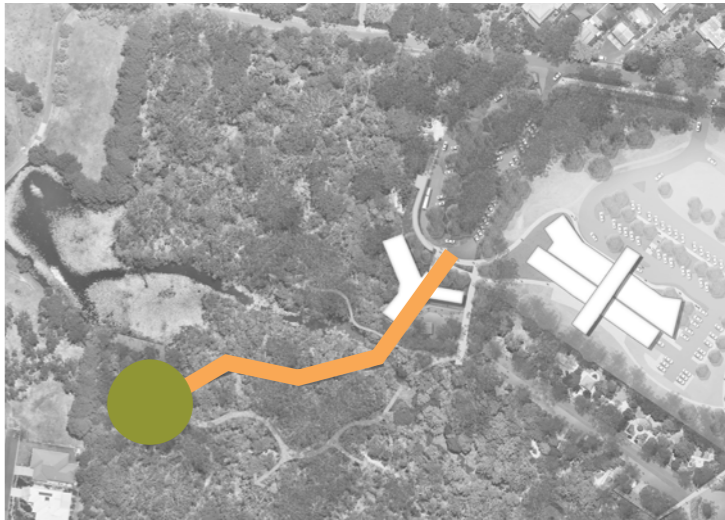
Embrace synergies with the adjacent Horizon and RCC sites to provide an expanded, holistic experience including

- new and improved nursery
- cultural and play experiences within an expanded eastern area of the site
- an elevated skywalk experience focusing on the 400 year old Tallowwood tree
- a new theatrette
- a terraced outdoor ampitheatre



### *A connected IndigiScapes*

Enhanced connectivity and wayfinding between the various precincts within the site. Reinforce the role of the Visitor Centre through an enhanced entry foyer to promote circulation through (as opposed to around) the building as a portal to the broader IndigiScapes experience.



### *The lightning strike!*

Inspired by the lightning strike that 'saved' the 400 year old Tallowwood. A strong central spine draws visitors through the car park, building entry and directly to the Tallowwood via an elevated Skywalk. The architectural forms of the landscape and structure boldly reference this unique storey and provide a new and enticing visitor experience.

- |  |   |
|--|---|
| 1 Relocated nursery  | 10 Fish tanks to remain                           |
| 2 New pedestrian connection to nursery                     | 11 Bold, visible entry statement                  |
| 3 7 Senses play ground & welcome to country landscape area | 12 Clear legible path connections to horizon site |
| 4 Terraced interface between building and open space       | 13 Enhanced visitor centre entry focus            |
| 5 Cafe extension   | 14 Upgraded display garden entry gates and fence  |
| 6 Existing Tallow wood tree                                | 15 New amenities building                         |
| 7 Lightning strike inspired skywalk                        | 16 Market space                                   |
| 8 New theatre and entry to enhance arrival experience      | 17 Events, overflow and multi-purpose space       |
| 9 Retain existing bus layover and add covered link         | 18 Revegetation area                              |
|  | 19 Welcome to Country Picnic Lawn                 |



### 3.2 Entry Landscape and Visitor Centre Surrounds



The enhanced site entrance provides clear and direct wayfinding from Runnymede Road. A new vertical entry blade sign provides for a clear point of arrival. The existing car park is nestled amongst established trees and leads directly to the Visitor Centre entrance where a new canopy and foyer enhances the presence of the building.

The relocation of the nursery to the adjacent eastern RCC site has opened up the opportunity for a new theatrette with covered pedestrian link adjacent to the Visitor Centre.

Once visitors move through the Visitor Centre, the interface with the southern picnic lawn is enhanced by the introduction of seating terraces to create a usable amphitheatre for events and a more open transition between building and landscape.

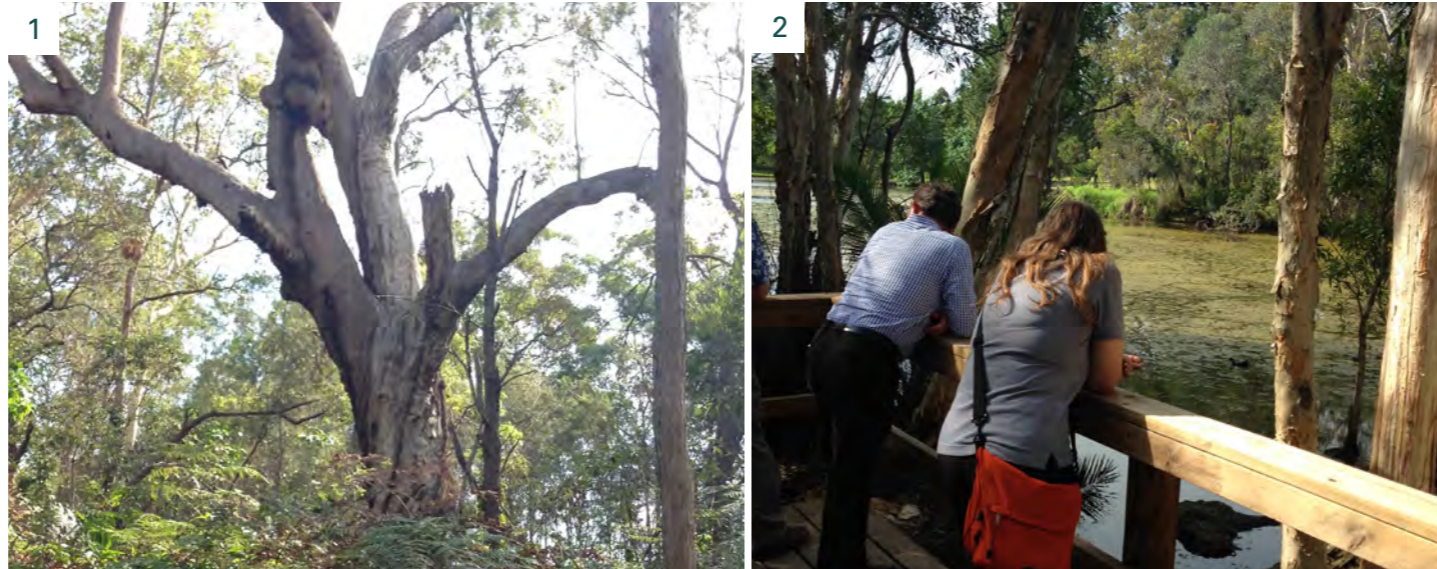
1. Bold entry wayfinding signage element
2. Existing parking nestled amongst trees
3. Covered link connecting Theatrette to Visitor Centre entrance
4. Picnic lawn
5. Alternate entry for market and event days
6. Additional car parking bays
7. Theatrette
8. Tour bus parking



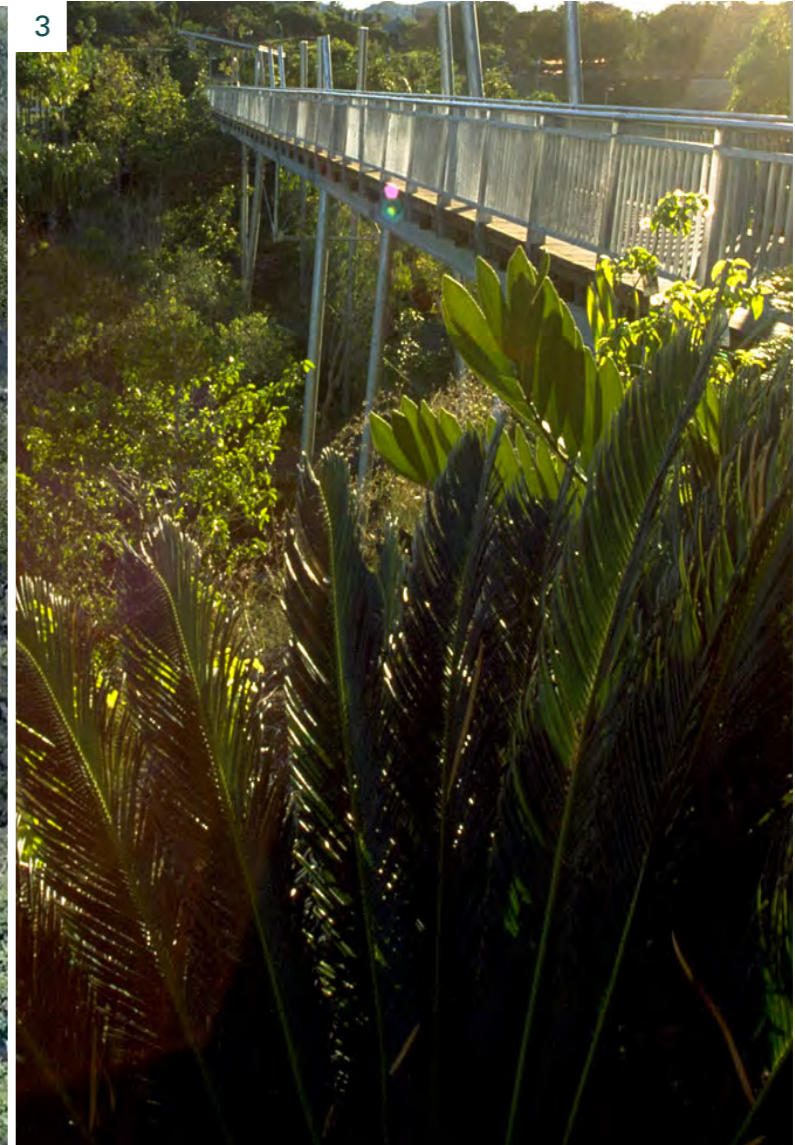
### 3.3 Skywalk and Tallowwood Tree

A key element for the enhancement of the IndigiScapes visitor experience is the potential for a tree top skywalk linking the visitor centre directly to the 400 year old Tallowwood tree.

Inspired by the lightning strike that struck the tree at a young age the skywalk starts as an elevated walkway and gradually descends to provide all abilities access to the Tallowwood and adjacent wetland viewing deck.



- 1. 400 year old Tallowwood tree
- 2. Existing wetland deck
- 3. Tree top elevated sky walk
- 4. Disabled accessible ramp down to ground level



### 3.4 Welcome to Country Picnic Lawn, 7 Senses Play Area and Nursery



The eastern entry to the site provides a key opportunity to enhance recreational amenity within the IndigiScapes site.

Enhanced picnic facilities, and amenity is embedded within the existing bushland setting.

The educational display garden precinct is enhanced by the introduction of a 7 senses nature playground that provides children the opportunity to engage with the bushland environment and increases the weekday appeal of IndigiScapes.

This area of the site has the opportunity to include a cultural overlay as a welcome to country garden that also recognises and educates visitors on the importance of the site and the Redlands to our indigenous community.

The adjacent new nursery site also presents an opportunity for visitors to become engaged with the process of growing native plants and bush tucker.

1. Seven senses nature play
2. Enhanced picnic amenity
3. Indigenous inspired welcome to country area
4. Existing display gardens and market street
5. Expanded native nursery with opportunity to engage community visitation, education and plant sales
6. Bush tucker tours through existing display gardens
7. Second toilet facility







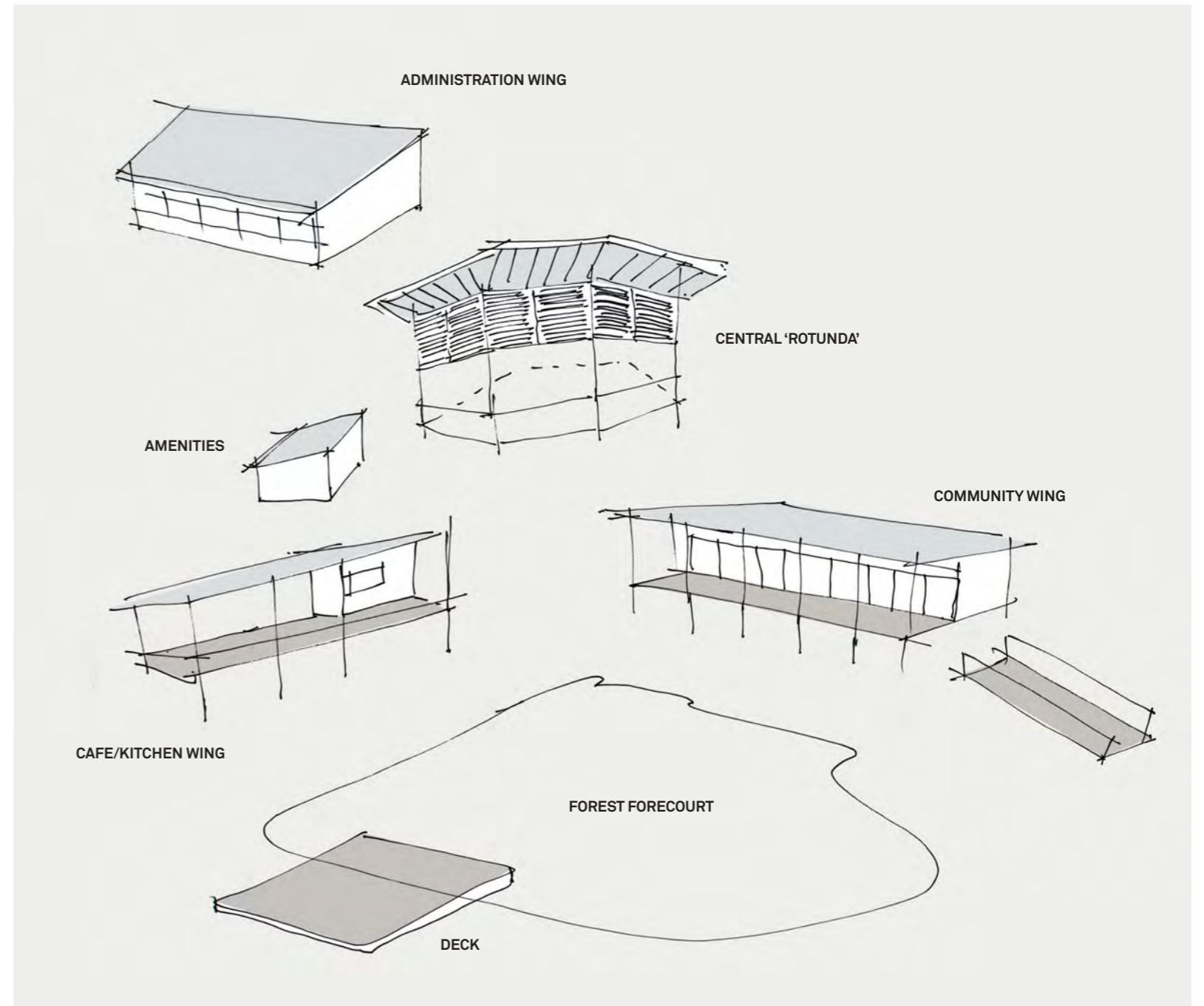
# 4.0 Building Concepts

## 4.1 Existing Visitor Centre

Overall, flexibility of spaces will be key in ensuring that the building is utilised to its full capacity for a varying range of activities and functions.

The current building layout is comprised of 3 wings each with a distinct use (office, cafe and community rooms), centred around the central rotunda space.

This simple delineation of uses and form is to be respected and enhanced through the proposed expansion of the visitor centre.





The adjacent diagram shows the existing layout and room uses of the existing IndigiScapes Visitor Centre



## 4.2 Proposed Visitor Centre Alterations

A number of building alterations are proposed to address the shortfall in existing staff spatial requirements, staff and visitor amenity and building code compliance issues.

### PHILOSOPHY

- Adopt a light touch and maintain the character of the Centre
- Maintain "Agent of Change" stance and build on current reputation
- Increase functionality of existing building
- Provide flexibility for expansion and various administration groupings
- Provide high quality amenity
- Increase economic possibilities

### FUNCTIONALITY AND FLEXIBILITY

- Increase entry size and include reception counter/ cloaks and entry area display. Current retail trend in museum/visitor centres is to locate shop and gifts at entry in open plan manner
- Rework roof of main rotunda area. Currently this area is problematic due to exposure to the rain. This renders the use of the area limited. Provide new roof, removing vertical columns and poles, re-floor area and with sympathetic external cladding
- Refurbish and increase amenities to provide compliance.
- Expansion of staff office space to cater for an additional 8 persons and, provide staff amenities and storage
- It should be noted that if future additional staff capacity increase is required (beyond the specified 8 additional staff), the option would exist to convert the newly proposed store room at the end of the north western wing into office space in order to cater for another 3-4 staff. Further capacity could also be achieved through removal of internal office walls and conversion of the staff wing into an open plan office environment

### ECONOMIC ENHANCEMENT

- Increase Café' and kitchen size and capacity and address emergency egress requirements
- New Feature 'Skywalk'
- New Amphitheatre and stairs to forecourt
- New separate Theatrette on current Nursery site





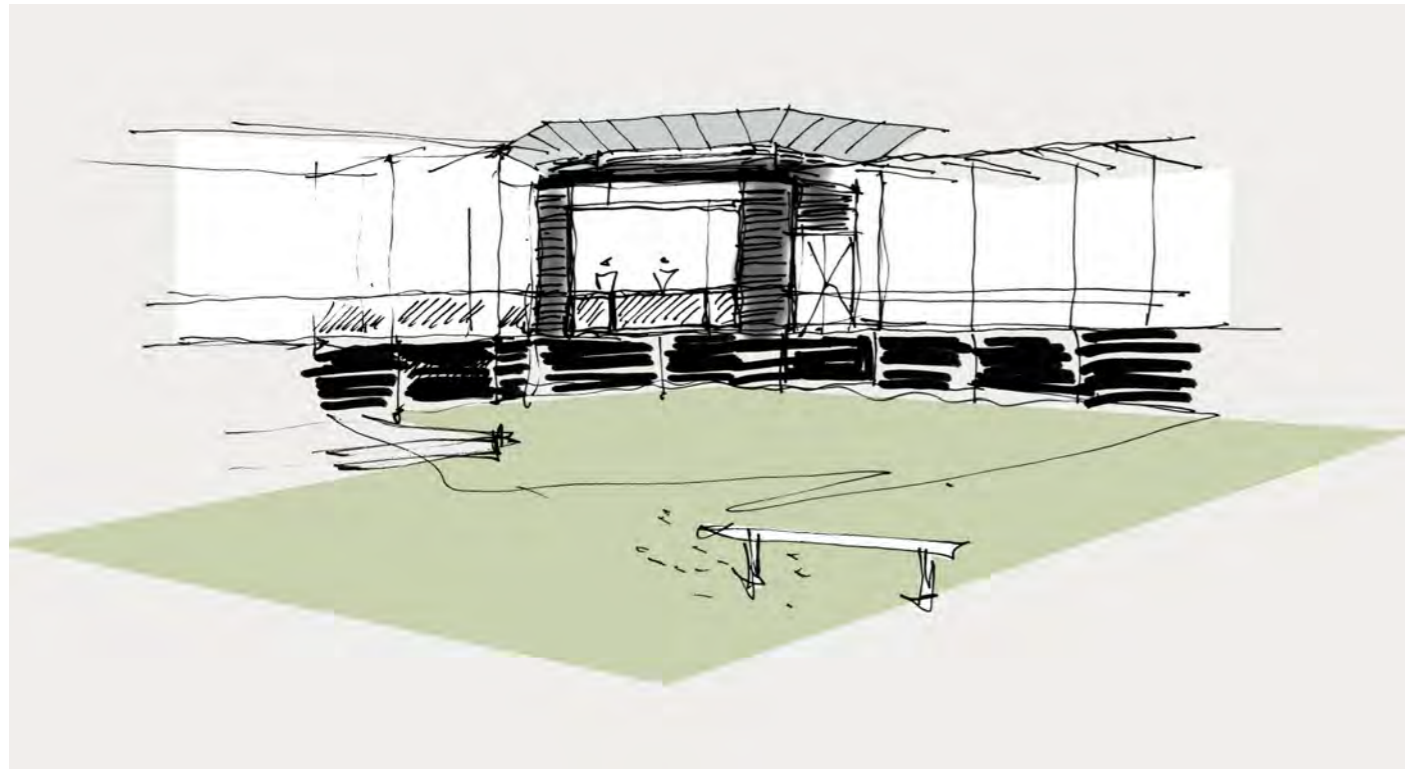
The adjacent diagram shows the proposed expansion of the existing office / admin and cafe / dining wings and the inclusion of a new entry foyer to free up additional display space in the central rotunda and draw retail displays closer to the front door.

ALTERNATE OPTION **A**

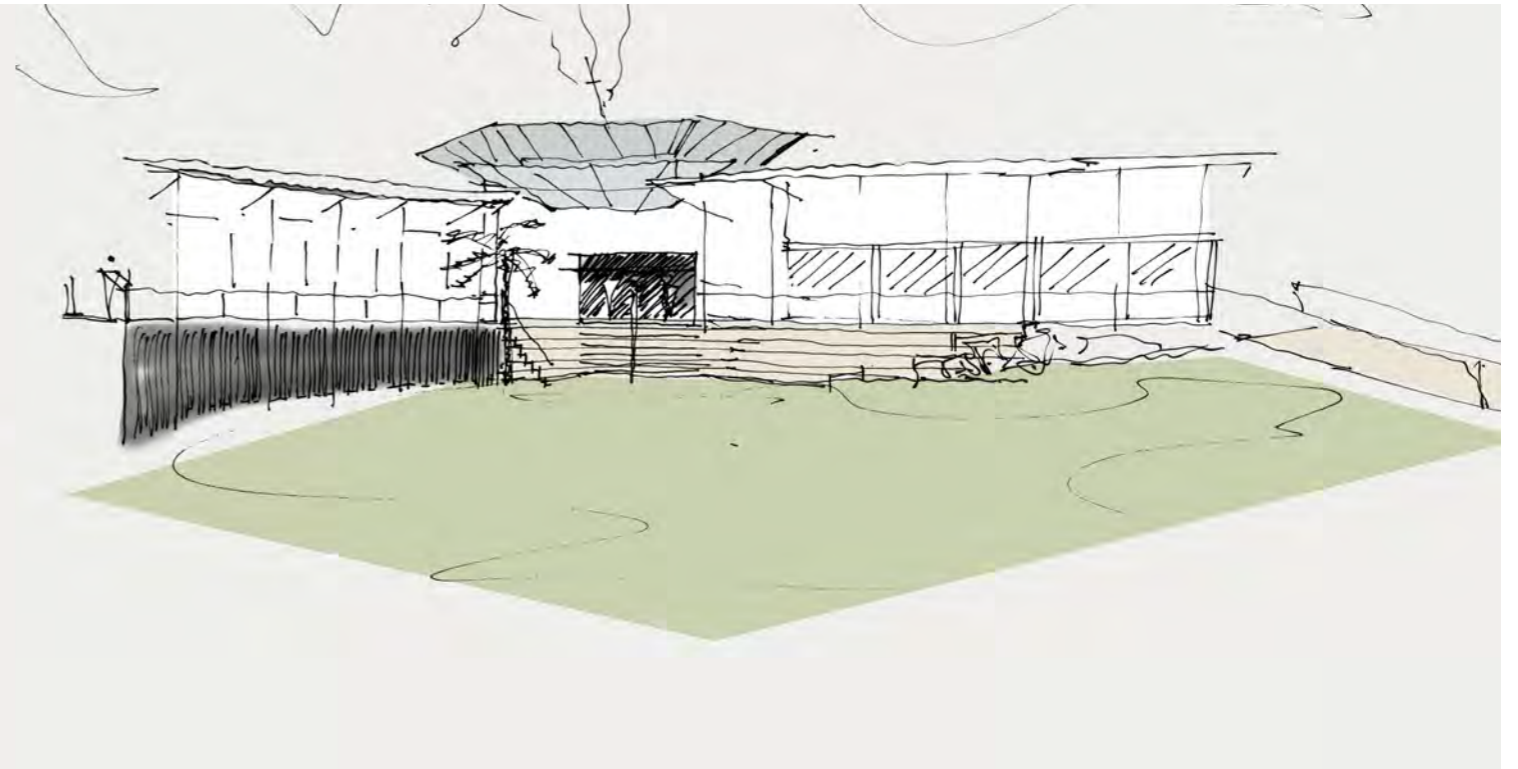
Remove Kitchen Servery from community rooms and replace with tea point and servery to single community room.

This would allow to open up existing community room for exhibition space that connects directly to the central rotunda.





SKETCH : EXISTING FORECOURT AREA



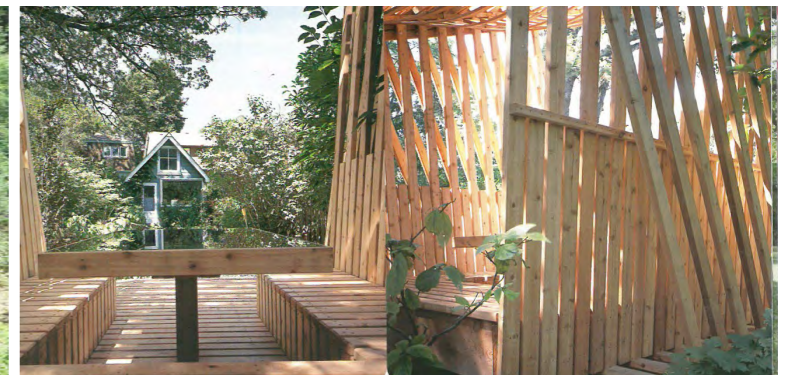
SKETCH : NEW AMPHITHEATRE SEATING & STAIRS



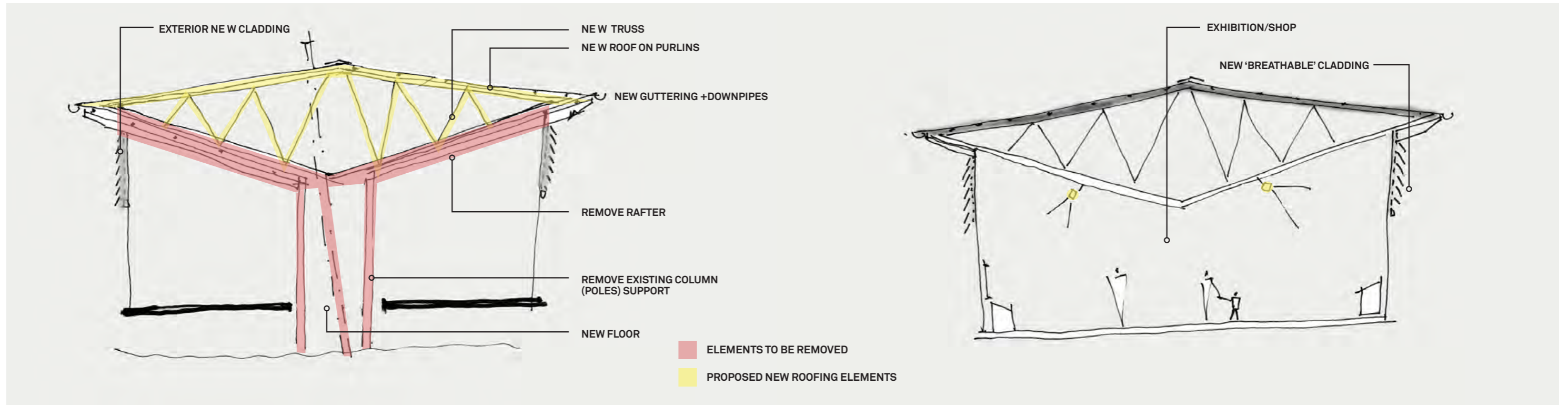
EXAMPLE MATERIALITY: TERRACED AMPHITHEATRE



EXAMPLE MATERIALITY: TIMBER WALKWAY AND TIMBER CLADDING



### 'ROTUNDA' ROOF ELEMENTS REWORKED



SECTION : PROPOSED 'ROTUNDA' RECONFIGURATION

SECTION : 'ROTUNDA' - NEW OUTWARD PITCHED ROOF



EXAMPLE MATERIALITY : ROOFING, DISPLAY AREA, TIMBER CLADDING AND TIMBER TRUSS

## 4.3 Theatrette

The Theatrette is intended as a flexible space that is nestled within the clearing where the existing nursery is located.

The Theatrette provides a flexible space that enhances the visitor experience for IndigiScapes tour groups and the local community.

Designed to cater for 50 seated guests, the Theatrette offers the opportunity for tour groups to gain an overview of the IndigiScapes philosophy and key offering prior to exploring the Visitor Centre and surrounding display gardens and bushland trails.

This provides a strong environmental, cultural and educational opportunity so that all IndigiScapes visitors are clear about the importance of this place and its mission.

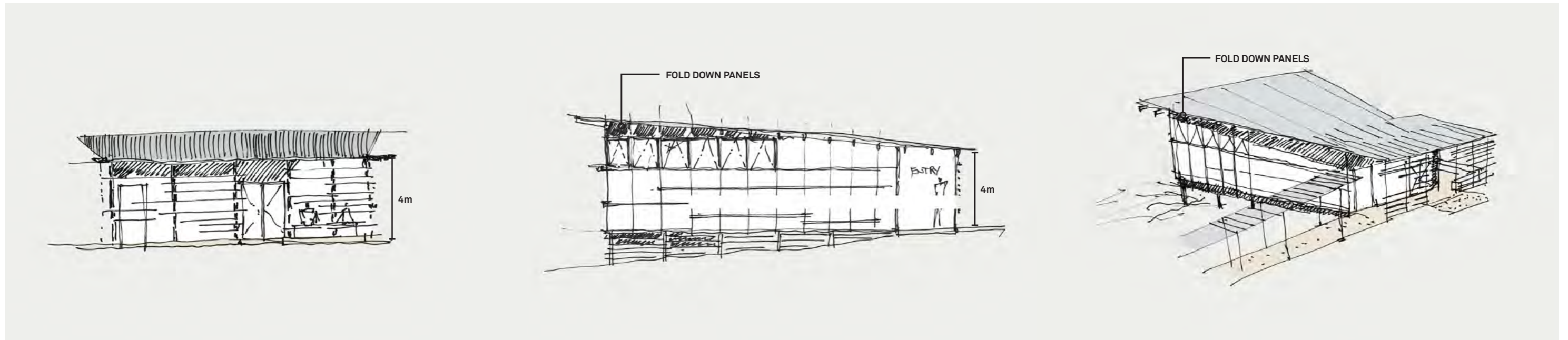
Following a visit to the theatrette, a covered walkway connects users directly into the Visitor Centre.

The theatrette also offers flexibility for community uses such as the screening of films, school and university group presentations and lectures.





### THEATRETTE DETAILS



FRONT ELEVATION

SIDE ELEVATION

SKETCH



EXAMPLE MATERIALITY : TIMBER PANELLING + TIMBER SHINGLES



# 5.0 Strategies

## 5.1 Parking

Visitor car parking is a key issue that needs to be addressed at IndigiScapes. The existing entry car park provides approximately 40 spaces, with limited opportunity to expand this quantity to 46 due to the presence of surrounding significant mature trees.

While this existing facility is generally adequate for weekday needs, the refurbishment of the Visitor Centre and addition of longer term attractions such as the skywalk, welcome to country garden and seven senses children's play ground is projected to create increased demand for parking, particularly on the weekend and during holiday periods.

The adjacent Horizon site offers a key opportunity to provide for secondary overflow parking during busy times. This site's provides another 54 formalised car parking bays that can be used by IndigiScapes during weekends. As the IndigiScapes and Horizon car parks are not connected by vehicle driveway, there would be a need for clear directional signage and web site advertising to ensure visitors are aware of its existence .

The adjacent RCC site provides further opportunity for over flow parking during events. This may be as high as 260 additional spaces.



## 5.2 Staging and Funding

Determining the proposed staging of works shown within the Master Plan is dependant upon a number of factors and needs to be considered against;

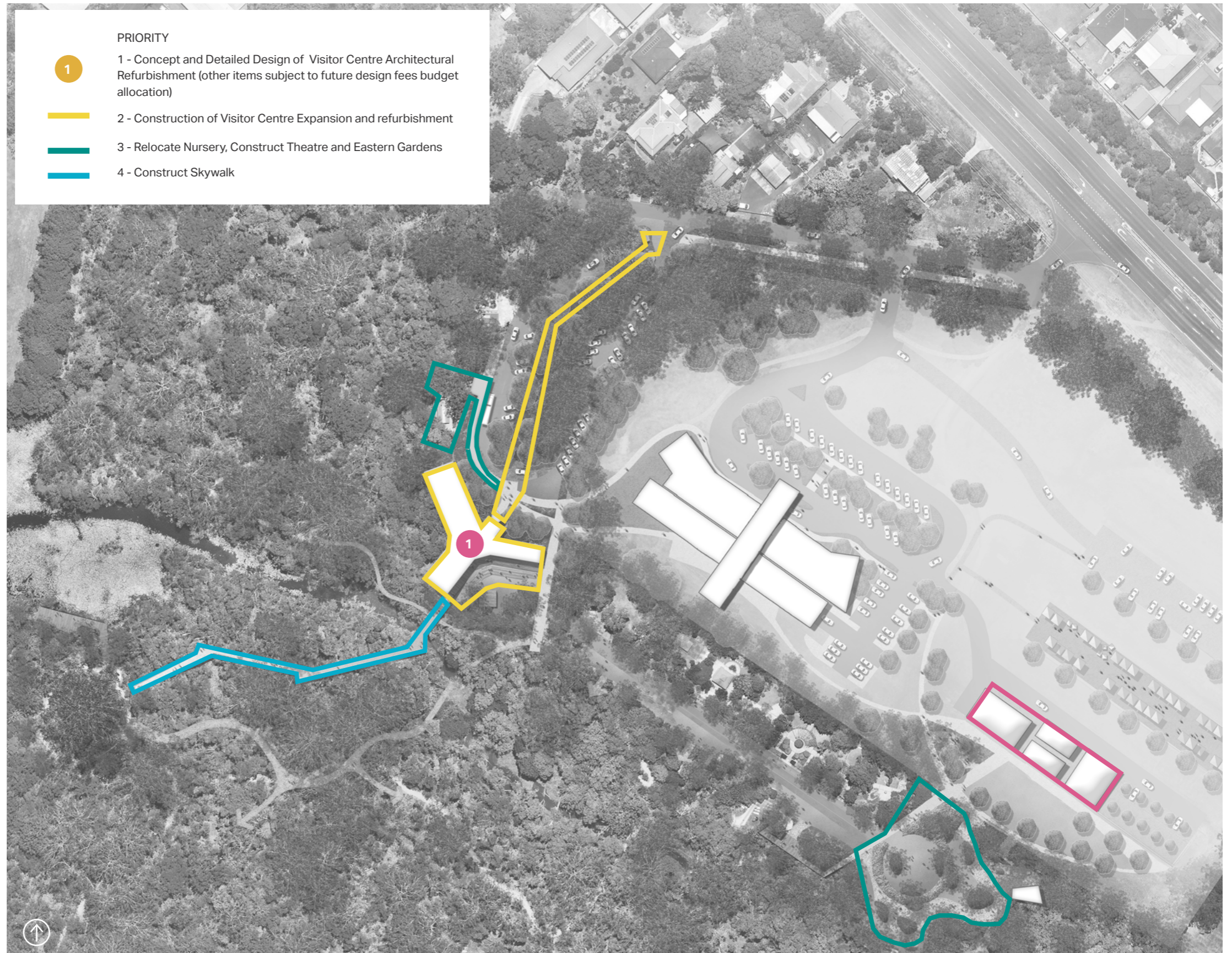
- the demand for upgrades
- anticipated capital cost
- the value / benefit and return they will bring to IndigiScapes,
- the availability of Council funding

The estimated construction cost of the master plan works as outlined within this report is \$3,739,000 (Refer to section 6.0 for cost estimate summary and Appendix for costing elemental breakdown).

This capital works estimate informs a RCC program submission that is proposed to be included within Council's capital works schedule.

The timing and costs associated with the Horizon site and broader eastern RCC chicken farm site are outside the scope of this study and are excluded from this staging plan.

PRIORITY	TIMING	BUDGET (excl GST)	ALLOCATED TO
1	2016/17	\$156,000	Nursery relocation and visitor centre early work detailed design
2	2017/18 2018/19	\$704,000 \$704,000	Visitor centre expansion / refurbishment
3	2019/20 2020/21	\$747,500 \$747,500	theatrette and eastern gardens and amenities
4	2021/22	\$680,000	Skywalk
<b>CONSTRUCTION</b>		<b>\$3,739,000</b>	



# 6.0 Costing

## 6.1 Estimate Summary

The Preliminary Order of Cost Estimate has been broken down into a number of items as described in this report and is summarised as follows.

Please refer to the Preliminary Order of Cost Estimate contained within the Appendix of this report for a full breakdown of the cost estimate.

### PRIORITY

- 1 - Relocate Nursery and Early Works Detailed Design of Visitor Centre Architectural Refurbishment
- 2 - Construction of Visitor Centre Expansion and refurbishment
- 3 - Relocate Nursery, Construct Theatre and Eastern Gardens
- 4 - Construct Skywalk

Item No.	Description	Estimate Cost ( \$ )
1	Nursery (assume approx. 500m2)	75,000
2	Priority design development of visitor centre office expansion	81,000
<b>TOTAL PRIORITY 1</b>		<b>156,000</b>
3	Covered entry	30,000
4	Foyer entry (reconfigure and extend existing)	120,000
5	Offices	184,000
6	Café including works to kitchen and seminar area	192,000
7	Staff room / crib	Included with Item 5
8	Staff amenities	66,000
9	Display area including alteration and upgrade to existing roof and façade	329,000
10	Gift shop	Included in Item 9
11	Circulation	Included in Item 9
12	Amenities (existing)	243,000
13	Female facilities	Included with Item 12
14	Male facilities	Included with Item 12
15	Disabled facilities	Included with Item 12
16	Store	126,000
17	External seating (amphitheatre)	68,000
18	Plant room / services – to remain as existing	Excluded
19	Car parking – make good existing	Excluded
20	Additional parking bays to existing car park	30,000
21	Buses – to remain as current	Excluded
22	Road entry signage	20,000
23	Bin storage and refuse area	Excluded
24	Central median access	Excluded
<b>TOTAL PRIORITY 2</b>		<b>1,408,000</b>
25	Theatrette	852,000
26	Covered walkway from theatrette to centre	81,000
27	Female facilities	68,000
28	Male facilities	66,000
29	Horizon site access – with landscaping and external works	Included with Item 30
30	Landscaping and external works	428,000
<b>TOTAL PRIORITY 3</b>		<b>1,495,000</b>
32	Skywalk (assume approx. 150m long)	680,000
33	Tree enclosure with architectural feature	Excluded
<b>TOTAL PRIORITY 4</b>		<b>680,000</b>
<b>GRAND TOTAL (Excl GST)</b>		<b>3,739,000</b>

## 6.2 Inclusions and Assumptions

The Order of Cost Estimate includes the following:

- Upgrade to existing entry
- Upgrade and reconfiguration of existing facility
- New theatrette
- New timber seating terraces to Amphitheatre
- Covered entry
- Provision for minor works only to the gift shop, bin storage and refuse area and make good existing car park
- Loose furniture to offices
- AV to theatre
- Allowance for hard landscaping - soft landscaping by IndigiScapes
- Allowance for services, i.e. lighting and power
- No Air-Conditioning to Visitor Centre and Office. Split system to theatrette.
- Fire protection (Statutory signage, fire detectors and other fire-fighting accessories and equipment as required)
- BWIC – Builders Work in Connection with Services (Penetration through walls, floor, etc.)
- Estimate and Scope has been re-adjusted based on advice received from Client – 16 June 2016.
- 20% Preliminaries generally for - Contractor's overhead and profits, insurance, site sheds, temporary services, cost of services incurred during construction duration, contractor's cost to mobilise and demobilise plant, equipment and labour, site fence, general maintenance cost of site – cleaning, rubbish removal, contractor's security (i.e. cost to provide bank guarantees), etc
- 20% Contingency – both Design and Construction
- 12% Consultants design and documentation fee up to tender date (approx \$400,000 total)
- Assume works will be competitively tendered

## 6.3 Exclusions

The following items are excluded from the estimate:

- Relocation of existing services
- AV equipment to Visitor Centre
- Upgrade to plant room / services
- Upgrade to existing bus drop-off
- Decanting
- External lighting
- Any client cost
- Staging of works
- Artwork and decorative items
- Statutory fees
- Design and consultant fees during construction period
- Land, legal and finance costs
- Portable long service leave levy, and WHS fees
- Furniture, Fittings and Equipment
- Escalation - beyond Q3 2016
- Removal of hazardous materials
- Client insurance costs
- After hours work
- Goods and Services Tax (GST)
- Any upgrade to existing site sewerage infrastructure or other serves within the site
- Traffic management or any upgrades to external site roads such as turning lanes or traffic signal modifications
- No allowance for roof or lighting to Skywalk
- No allowance for works outside of the IndigiScapes property boundary. Works shown in the Master Plan on adjacent Horizon and RCC sites have not been costed

## 6.4 Maintenance Costs

Based upon the scope of works identified in this Master Plan and the Preliminary Order of Cost Estimate enclosed as an attachment to this report, the annual maintenance budget for new capital works would be in the order of \$37,390 (1% of Capital Cost).

This Budget is an indicative estimate only, which is over and above the current maintenance budgets already in place for the existing facility, and actual expenditure may vary.

The estimate above is for planned maintenance only, and does not include provision for capital replacement or further future expansion or future internal building modifications of the facility for additional staff.

## 6.5 Further Studies Required

During the ELT presentation to Council in March 2016 two items were identified as needing further assessment that are outside the scope of this report. These are;

- Capacity of existing site sewerage infrastructure (and other utilities) to cope with the planned future expansion
- The impact of the combined IndigiScapes expansion, Horizon site development and future planned use of the adjacent RCC site on the surrounding roads with regard to traffic volumes, management or any required upgrades to external site roads such as turning lanes or traffic signal modifications.

These items are outside the scope of the current Master Plan commission and associated Preliminary Order of Cost Estimate and will require further investigation and studies to be undertaken to determine their impact on the project.

The above list only includes those items raised by Council. Other additional studies will also be required in order to progress the Master Plan proposals through to Detailed Design and Construction and are to be determined by Council / the Consultant during the future phases of the project.



# Redlands IndigiScapes Centre Redevelopment

## Triple Bottom Line Assessment of Additional Value (2017-2022)

March 2016

Prepared by EarthCheck for: Redland City Council



# Executive Summary

The Redlands IndigiScapes Centre (IndigiScapes) is a multi-purpose environmental education and visitor centre located in Capalaba. Opening in February 2000 the centre caters for a wide range of uses, creating a unique environment for visitors and locals alike.

Growing from just 8,500 visitors in 2001 to currently attracting approximately 46,700 visitors per annum, the Centre plays a valuable role in the local community and for a segment of the visitor market. As visitor numbers to the region grow, the opportunity exists to extend the visitor market with a series of new attractions, as well as increasing the return on investment for the community with new facilities to better meet their needs.

Tourism in Queensland and the Brisbane region are growing steadily, and it is estimated that the Indigiscapes Centre could attract an extra 5,000 – 30,000 additional visitors, with a significantly higher growth in leisure visitors from an investment in more ‘tourism related’ infrastructure.

To assist in planning for the future growth of the Centre, a Vision Workshop was held in November, 2015 with participation from tourism experts, Council staff, Centre staff and volunteers and key stakeholders. This workshop identified the opportunity to extend the Centre’s focus on Indigenous interpretation (supporting the name, Indigiscapes) and creating new visitor facilities including a skywalk, sensory landscape and playground and elevated boardwalks.

Following the Vision Workshop IndigiScapes worked with AECOM to translate this vision into a Site Analysis and Preliminary Concept Report & Costings. The Preliminary Concept Report and Costing outlined a \$3.66 million redevelopment plan for the Centre including the following recommendations.

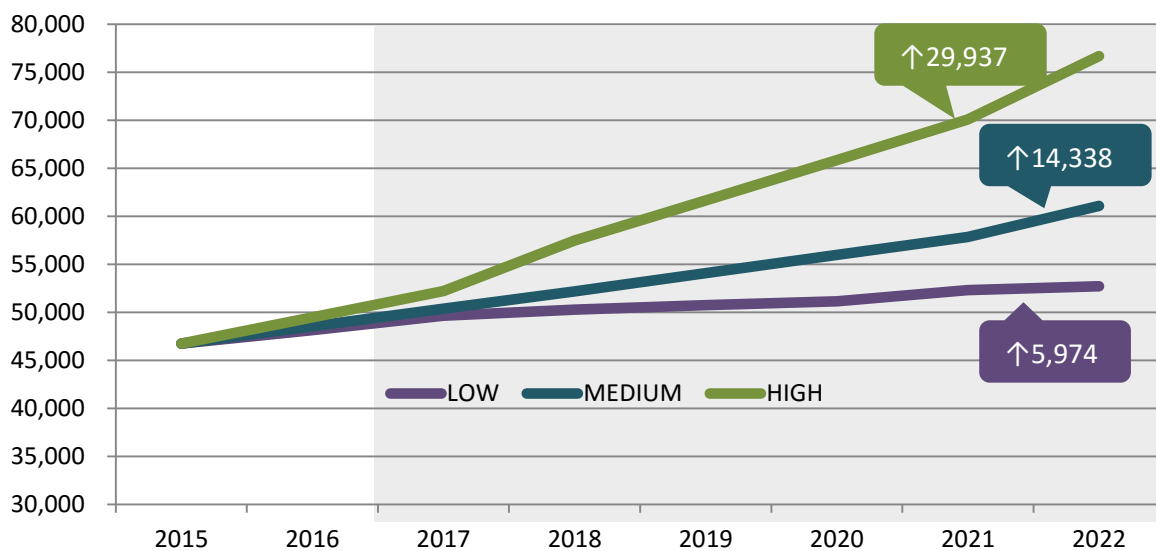
OPPORTUNITIES	DESIGN IMPLICATIONS
<b>Embracing Sustainable Tourism</b>	Ensuring the design, planning and building of the Interpretive Centre is socially, environmentally and economically responsible.
<b>Presenting a more professional experience</b>	Redevelopment of the entrance <ul style="list-style-type: none"> <li>- New entry gate and fence to display gardens</li> <li>- Covered path access</li> <li>- Upgrade of bin enclosure area</li> <li>- Pedestrian footpath from Runnymede Road</li> <li>- Pavement, landscaping, signage</li> </ul>
<b>Attracting new markets</b>	Upgrade of existing visitor centre including: <ul style="list-style-type: none"> <li>- Theatrette</li> <li>- New entryway and reception</li> <li>- New staff/administration office</li> <li>- Increase of the café kitchen and seating</li> <li>- Development of skywalk</li> <li>- Linkages of the external deck and amphitheatre.</li> <li>- A sensory landscape and playground area</li> <li>- New elevated boardwalk connection to existing lookout trail</li> </ul>

**This report has been commissioned by Redland City Council to estimate the additional value that could be generated across the areas of economic, social and environmental benefits from such an investment.** In order to estimate the predicted impact the new development of IndigiScapes Council employed EarthCheck to prepare this Triple Bottom Line Assessment of the impacts of additional visitation between 2017-2022 as a result of the planned investment.




To estimate the economic, social and environmental benefits this report begins with identification of the potential 'new market' that can be attracted, and then explores the immediate environmental and social impacts of the investment. This Triple Bottom Line Assessment aims to understand the impact of the investment in the facility; it is neither an economic impact assessment of the Centre's operations nor a feasibility analysis of the investment.

The report draws on quantitative data (when available) and qualitative analysis (which have been monetised where possible), starting with the estimated potential increase in visitation. A sensitivity analysis was undertaken on a low (natural growth), medium (most likely) and high (optimistic) scenario for visitor growth, shown in Figure A below.

**Figure A: IndigiScapes Forecasted Onsite Visitation Scenarios (2017-2022)**



Based on an investment of \$3.66 million in the redevelopment of the Centre as per the Preliminary Concept Design, it is estimated that between 2017-2022 the Centre could:

<b>ECONOMIC</b> 	<ul style="list-style-type: none"> <li>➤ <b>Attract an additional 8,364 visitors to the centre in 2022</b></li> <li>➤ <b>Generate an additional \$82,663 in onsite spend in 2022</b></li> <li>➤ <b>Increase in additional regional expenditure of \$1.2M from 2017-2020</b></li> </ul>
<b>SOCIAL</b> 	<ul style="list-style-type: none"> <li>➤ <b>Inspire up to 7,500 young nature lovers</b></li> <li>➤ <b>Save the Australian Health Care System up to \$769,230 per annum</b></li> <li>➤ <b>Support up to 15 direct jobs (FTEs) and up to 5 part-time indigenous jobs</b></li> </ul>
<b>ENVIRONMENTAL</b> 	<ul style="list-style-type: none"> <li>➤ <b>Save up to \$50,000 p.a. on energy (compared to other visitor centres)</b></li> <li>➤ <b>Save \$2,225 p.a. in water costs (compared to other visitor centres)</b></li> <li>➤ <b>Save \$550 p.a. in waste management costs (compared to other visitor centres)</b></li> </ul>



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## DISCLAIMER

The information and recommendations provided in this document are made on the basis of information available at the time of preparation and the assumptions outlined throughout the document. While all care has been taken to check and validate material presented in this report, independent research should be undertaken before any action or decision is taken on the basis of material contained in this report. This report does not seek to provide any assurance of project viability and EarthCheck accepts no liability for decisions made or the information provided in this report.



# 1.0 Setting the Scene

## *IndigiScapes*

The Redlands IndigiScapes Centre (IndigiScapes) is a multi-purpose environmental education and visitor centre located within Capalaba. Opening in February 2000 the centre has the ability to facilitate multiple facets of tourism through their facilities, creating a unique and exclusive environment for visitors.

Growing from just 8,500 visitors in 2001 to currently attracting approximately 46,700 visitors per annum, the Centre plays a valuable role in the local community and for a segment of the visitor market. As visitor numbers to the region grow, the opportunity exists to extend the visitor market with a series of new attractions, as well as increasing the return on investment for the community with new facilities to better meet their needs.

The IndigiScapes information centre contains displays, fact sheets and knowledgeable staff that deliver consistent material on the natural environment of the Redlands. The centre also provides information on plants and animals through a variety of interactive and interpretive material. Specifically for animals the centre provides information on native animals, pest animals, Redlands wildlife rescue and how visitors can help their local wildlife.

The centre works hard on education on the local flora providing information on the regional ecosystems of Redlands, mangrove habitats, trees, locally significant plants, and weed. IndigiScapes have formed a particular focus of involving children to give a sense of wonder and interest in the natural environment. Along with the information centre IndigiScapes contains facilities for conferences/seminars, options between guided and audio tours, gift shop, multiple nature trails, tea garden café, and weddings.

## *Visioning Workshop*

IndigiScapes recently conducted a vision workshop with key partners to understand the current and competitive landscape looking towards creating a vision for the future through prioritising projects and improvements by impact and timing. The workshop specifically targeted signature experience looking at the desired core function and core/hero experience. The desired core functions identified that IndigiScapes as a provider for community activity, conservation estates, knowledge portal on environmental values and conservation, education on natural flora and fauna, and indigenous cultural experience.

## *Core/Hero Experiences*



**Natural Environment:**

- Nurturing nature
- Combating pests
- Living with nature



**Green Living:**

- Waste wise
- Energy efficiency
- Sustainable life styles



**Embracing the Bay:**

- Water ecosystems
- Catchment protection

IndigiScapes' vision is to be an environmental education and visitor centre which specialises in bush tucker, local native plants, indigenous cultural heritage interpretation and sustainability education, in a family friendly natural bush setting.

### *About the development*

Since its opening in 2000, there has been limited capital investment, while the Centre has grown to be a key service centre and a hub for the local community with approximately 50,000 visitors per annum. To maintain the existing high profile and standards of this centre in the eyes of the community, additional capital investment is required.

Following the Visioning Workshop in November, 2015 IndigiScapes worked with AECOM to complete the Site Analysis and Preliminary Concept Report & Costings for next stage of development of the centre. The Site Analysis has detailed the site's opportunities and constraints, and recommendations for the design process responding to the existing building setting, environmental, social, economic and cultural issues, and includes developing and testing concept designs.

The key opportunities for the design presented in the Site Analysis Report include:

- Sustainable Tourism Agenda – strong commitment to nature and integration of local people in its operation and development. Sustainability is fundamental in ensuring the design, planning and building of the Interpretive Centre is socially, environmentally and economically responsible.
- Tourism Accreditation and Sustainability – opportunity for IndigiScapes to align itself with a tourism accreditation program.
- Key Sustainable Design Principles – minimising environmental impacts, being unique, achieving authenticity, reflection of community values, adding value, telling the story, enhancing a sense of place through design, and building local capacity.
- Energy – should reduce the need for energy consumption. Important consideration in the reduction of energy on site will be passive solar design, mechanical services and equipment, renewable energy and embodied energy.
- Materials - should consider materials from a life-cycle perspective.
- Social and Economical – Informal gathering spaces where visitors can gather and interact, and provide good access for all.

The Preliminary Concept & Costings Report details an extensive plan for the redevelopment of IndigiScapes. The main elements of the Concept Plan include:

- Covered path access between new building facility (theatrette) and existing building
- Upgrade of bin enclosure area with screening.
- Provision of pedestrian footpath from Runnymede Road to IndigiScapes, along with seats and bins for visitor use.
- Upgrade of existing visitor centre – including new entryway and reception, replacement of flooring, increased amenities and refurbishment of interior, inclusion of staff amenities (including shower and change room), new staff/administration office, increase of the café kitchen and seating, development of skywalk, and linkages of the external deck and amphitheatre.
- Pavement, landscaping, informational/directional signage and bins for visitor use in forecourt area.
- Upgrade of path to display gardens.
- New entry gate and fence to display gardens.
- Development of a boardwalk connection to existing Coolnwynpin Creek Viewing Deck
- Provision of natural stone seating, interpretational information signage and open lawn area in the Indigenous welcome to country area.
- Provision of a sensory landscape and playground area with seats and bins for visitor use
- Provision of a new boardwalk connection to existing lookout trail.
- Provision of elevated timber skywalk structure through the bushland to connect the visitor centre to existing Tallowwood tree.
- Provision of upgraded seating for tallowwood area.

Overall, \$3.66 million is estimated for the redevelopment of IndigiScapes according to the Preliminary Concept Design. These infrastructure and grounds improvements will ultimately increase the appeal of the centre, and provide better facilities and more capacity for visitors.

Objectives of the redevelopment are to:

- Improve and enhance the visitor experience at IndigiScapes by improving facilities and experiences;
- Increase recognition of IndigiScapes as an educational and recreational facility for the Redlands community;
- Provide appropriate accommodation for environment and Education Team staff at the IndigiScapes Centre; and
- Capitalise on opportunities to increase visitation and utilisation of IndigiScapes flowing from the location of the Horizons development on the adjacent Runnymede road site and the 2018 Commonwealth Games on the Gold Coast.

Horizon Foundation (Horizon) has planned to develop a new 1,600 sqm facility specially designed to help people with disabilities. This new facility will be adjacent to IndigiScapes, and will accommodate meeting rooms, training facilities, employment services, family case management services, and an early-intervention centre. Further to the IndigiScapes programs and volunteer networks, the new Horizon development (due for completion in 2017) will provide key social enterprise partnerships.

Figure 1: Master Plan for IndigiScapes



## 1.1 Purpose of the Report:

In order to estimate the predicted impact the new development of IndigiScapes will have to the centre and community, **EarthCheck have undertaken a Triple Bottom Line Assessment from 2017-2022, to estimate the economic, social and environmental benefits of the new investment.** This Triple Bottom Line Assessment aims to measure the potential, additional value of the Centre from the planned \$3.66 million investment. It is not an economic impact assessment of the centre nor a feasibility analysis. The following report draws on quantitative data (when available) and qualitative analysis (which have been monetised where possible).

The economic benefits of the investment were calculated through a value assessment, to estimate the impact the investment will have on direct and indirect onsite, induced and offsite spend through the increased appeal and visitation to the centre. As part of this assessment low, medium and high visitor scenario forecasts were used to predict the visitor forecasts to IndigiScapes. By attracting new visitors to the centre, visitor spend will not only increase onsite but also increase in the region. This additional offsite expenditure will trickle through the economy, creating indirect expenditure (induced spend), supporting direct and indirect jobs in the economy.

To estimate the social impact of the investment, EarthCheck has evaluated the development across three key social indicators – Education, Health, Social Welfare and Indigenous employment and culture. The centre will increase environmental education in the region, which is essential as today's youth grow up more disconnected from nature than any other generation. IndigiScapes is ideally placed to engage children with the environment and share key ways in order to protect it. IndigiScapes is also likely to improve the health offering to the community, by offering more appealing gardens and natural space to relax, unwind, explore and play. Through IndigiScapes' partnership with Horizon, added benefits to the disabled community through training and hands-on learning opportunities. It is also planned that IndigiScapes will employ Indigenous rangers to assist with the tours and tour development, having a positive effect on Indigenous employment in the region, Indigenous moral, as well as benefiting the community through learning of their culture and traditions.

The environmental benefits of the new centre have been estimated based on EarthCheck's Benchmarking Baseline and Best Practice levels for energy, water and waste consumption per visitor. These Baseline and Best Practice levels have been derived from nine similar Visitor Centres within the EarthCheck database, as well as extensive worldwide research into available and appropriate case studies, industry surveys, engineering design handbooks, and audits. These Baseline and Best Practice levels allow an assessment of the centre's environmental performance in terms of energy and water consumption and waste levels, to determine key environmental performance areas as well as areas of improvement.

The following assessment and recommendations for IndigiScapes' predicted economic, social and environmental (triple bottom line) impact once the redevelopment has occurred ensures that it will align to Ecologically Sustainable Development principles.

## 1.2 Regional Visitor Profile

To understand the potential of IndigiScapes it is important to understand the regional tourism context. The available tourism data from the National and International Visitor Survey does not have a large enough sample size to create a visitor profile for Capalaba alone. The data provided in this report is based on three-year averages for the statistical area of Cleveland-Stradbroke which includes the regions of Redland Islands, Ormiston, Cleveland, Thornlands, Victoria Point, Capalaba, Sheldon-Mount Cotton and Redland Bay. Note: Data has been rounded to the nearest thousand to avoid misinterpretation.



### International Visitors:

Cleveland-Stradbroke received approximately 28,000 international visitors in the year ending December 2014. These visitors stayed approximately 221,000 nights equating to an average length of stay (ALOS) of 7.9 nights. International visitors spent approximately \$2.1M in year ending December 2014.

### Top 3 Markets (Share)

1. New Zealand (18%)
2. China (14%)
3. Singapore (12%)

### Top 3 Markets (Growth since 2010)

1. China (70.4% per annum)
2. Hong Kong (69.8% per annum)
3. Switzerland (21% per annum)

### Domestic Overnight Visitors:

There were approximately 305,000 domestic overnight visitors in the year ending December 2014. These visitors spent approximately \$59M, staying over 1.2M nights with an ALOS of 4.0 nights in year ending December 2014. The domestic overnight visitor market has experienced a 1.9% per annum growth since year ending December 2014.

### Top 3 Markets (Share)

1. Brisbane (42%)
2. Regional Queensland (27%)
3. New South Wales (22%)

### Top 3 Markets (Growth since 2010)

1. Tasmania (74.0% per annum)
2. Western Australia (51.3% per annum)
3. ACT (42.8% per annum)

### Day Visitors:

In the Year Ending December 2014 Cleveland-Stradbroke approximately 59% of visitors came for a day trip, or just over 470,000 day visitors.

### Purpose:

The main purpose of visit for visitors to Cleveland-Stradbroke was for Holiday (55.4%), visiting friends and relatives (VFR) (34.0%), followed by Events (7.0%) and Business (6.9%).

### 1.3 Market Profiles

The below table provides a comparison of Cleveland-Stradbroke’s main visitor markets and the percentage share of the Brisbane market. Overall, the region captures 4.4% of the Brisbane market, with Nature-based visitors the largest market by size and share in daytrips, domestic overnight and international overnight visitors. That is, visitors to engage in nature-based activities (including the subsets of walking, cycling and whale watching) while on holidays. Due to the small sample size data has been rounded to the nearest 500 to avoid misinterpretation of the data accuracy.

**Table 1: Key Visitor Markets**

	BRISBANE VISITATION				CLEVELAND-STRADBROKE REGION VISITATION				SHARE OF BRISBANE MARKET
	DAY	DO	INT	TOTAL	DAY	DO	INT	TOTAL	
<b>Event Visitors</b>	1,158,000	271,000	-	1,429,500	49,000	7,000	-	56,000	3.9%
<b>Business Visitors</b>	1,259,500	1,159,000	120,000	2,538,500	37,000	17,500	1,000	55,500	2.2%
<b>Education Visitors</b>	77,500	65,500	64,000	207,000	7,000	-	1,500	8,500	4.1%
<b>Nature Based Visitors (NBV)</b>	1,281,500	1,396,500	836,500	3,514,500	155,000	205,500	25,500	386,500	11.0%
<b>Adventure Visitors</b>	1,040,500	808,000	419,500	2,268,500	105,500	135,000	13,500	254,000	11.2%
<b>Indigenous Based Visitors</b>	19,500	12,000	150,000	181,500	-	6,000	3,000	9,000	5.1%
<b>Arts and Heritage Based Visitors</b>	897,000	753,500	544,500	2,195,500	25,000	52,500	13,000	90,500	4.1%
<b>Regional Overnight</b>	-	2,033,000	636,500	2,669,000	-	140,000	19,000	158,500	5.9%
<b>TOTAL VISITATION</b>	<b>12,039,500</b>	<b>5,104,000</b>	<b>975,500</b>	<b>18,118,500</b>	<b>470,000</b>	<b>304,500</b>	<b>28,000</b>	<b>802,500</b>	<b>4.4%</b>

#### Opportunities

The core target market is: **Nature-based visitors**

Markets with growth potential include:

- **Event visitors;**
- **Education visitors;** and
- **Cultural Heritage** visitors.

Adventure visitors are well-represented but also have room to grow as do Business travel (including business events). Note that some markets overlap, so there is some duplication of the visitor numbers.

## 1.4 SWOT Analysis

Based on the current and planned activities the following SWOT Analysis was completed:

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> <li>• Strong community support</li> <li>• Well established reputation</li> <li>• Growing local population</li> <li>• Established gardens / grounds</li> <li>• Community garden / nursery</li> <li>• Education market links</li> <li>• Events / Weddings</li> </ul>	<ul style="list-style-type: none"> <li>• Expanded events spaces</li> <li>• Growing the education market</li> <li>• Strong community links to the garden, nursery and the site</li> <li>• 2018 Commonwealth Games</li> <li>• More hands-on experiences</li> <li>• Expanded office space</li> <li>• Cooperation with the adjacent Horizon site (Training RTO, Commercial kitchen, Meeting venue, relocate nursery)</li> <li>• New Experiences (health and wellness, indigenous, wildlife, events, kids playground, treetop adventure, and educational areas)</li> </ul>
WEAKNESSES	THREATS
<ul style="list-style-type: none"> <li>• <b>WEAKNESSES</b></li> <li>• Unclear market positioning and brand</li> <li>• Lack of indigenous cultural engagement (suggested in the name IndigiScapes)</li> <li>• Limited tourism infrastructure</li> <li>• Carpark size and accessibility</li> <li>• Limited office space for staff</li> </ul>	<ul style="list-style-type: none"> <li>• <b>THREATS</b></li> <li>• Competing against the adjacent Horizon site</li> <li>• Loss of market share to the redevelopment of Walkabout Creek and Daisy Hill</li> </ul>

### Implications:

- Indigiscapes needs to be **clearly positioned** in the market through both marketing and future development
- The name suggests an **indigenous component** which is currently lacking
- The **site is constrained** by its car parking, venue size and office space – expansion of these are immediate priorities



## 2.0 Triple Bottom Line - Economic

In order to assess the potential additional economic impacts of the investment to IndigiScapes, a value analysis was undertaken based on the investments ability to increase visitation. These new visitors would contribute to an increase of tourism spend in region as well as onsite. This induced offsite expenditure has significant benefits for the region (including jobs). The combined direct and indirect value of construction, onsite and offsite expenditure has been calculated in the following section. The following data sources and assumptions were applied to the economic analysis:

**Table 2: List of Assumptions and Sources**

<b>Assumptions: Onsite Visitation</b>	<b>Low Onsite Visitor Scenario (Natural Growth)</b>	<b>Medium Onsite Visitor Scenario</b>	<b>High Onsite Visitor Scenario</b>
<b>Residents</b>	Currently, 30% of visitors to IndigiScapes are residents, growing at approximately 2%p.a to 2022 based on population forecasts published by OESR, 2012 and the increased appeal of IndigiScapes.	Under a medium scenario, residents will grow by approximately 3%p.a. (1% above low scenario).	Under a high scenario, IndigiScapes will capture 15% of the total resident population in 2022 (currently captures about 9%).
<b>School Groups</b>	In 2015, there were approximately 31 school visits, with an average of 33 students per visit. School groups are forecasted to increase by national tourism growth forecasts for day visits.	School visits will gradually increase to at least one per school week in 2022 (40 per year), with the number of students per visit remaining the same as 2015 levels.	School visits will gradually increase to approximately 60 visits per year, with the number of students per visit remaining the same as 2015 levels.
<b>Business &amp; Conference</b>	The current numbers of business and conference visitors were estimated using the assumption that there were, on average, 3 events per week at IndigiScapes, with approximately 30 delegates each. The number of conferences at IndigiScapes will decline to 1 event per week (each with approximately 30 delegates) due to development at Horizon.	The number of conferences at IndigiScapes will decline to 2 events per week (each with approximately 30 delegates) due to the link with Horizon.	The number of conferences at IndigiScapes will remain constant with current conference estimates (approximately 3 conferences per year, each with about 30 delegates).
<b>Weddings</b>	Approximately 2% of all visitors to IndigiScapes are for weddings. Based on TRA's proportion of domestic overnight and day visitors to the region for the purpose of a leisure event, these visitors are assumed to grow by national tourism growth rates for these markets.	The weddings market will gradually increase to 2022 by 20% above natural growth (Low Scenario) forecasts.	The weddings market will gradually increase to 2022 by 30% above natural growth (Low Scenario) forecasts.

<b>Events</b>	There are currently about 4 major events per year at IndigiScapes (with approximately 2,500 people/major event) and 4 minor events per year (approximately 100 people per minor event). These visitors are assumed to grow at national tourism growth rates under a low scenario.	The events market will remain at 4 major events per year, however with the increased capacity through investment, attendance will grow to 3,000 people per major event. Minor events will increase to 5 per year, with approximately 100 people per event.	The events market will increase to 5 major events per year, however with the increased capacity through investment, attendance will grow to 3,000 people per major event. Minor events will increase to 6 per year, with approximately 100 people per event.
<b>Leisure Visitors</b>	Leisure visitors are assumed to grow at TFC forecast rates under a low scenario.	The leisure market will gradually increase to 2022 by 30% above natural growth (Low Scenario) forecasts.	The leisure market will gradually increase to 2022 by 40% above natural growth (Low Scenario) forecasts.

<b>Other Assumptions:</b>	
<b>Overall Visitation</b>	Onsite visitation (including school visits and number of students) has been provided by the client for 2015. Growth in visitors is aligned to the Tourism Forecasting Committee estimates for key segments to 2022.
<b>Construction</b>	Assumption: Construction finishes in 2022.
<b>Construction Flow-On</b>	Based on the split of the \$3.66 million investment between 2017-2022 (provided in the Business Plan), the construction flow-on values have been determined using Redland City Economic Profile for the construction industry. Indirect benefit is assumed to be consistent with the Gold Coast's construction industry, sourced from the Monash University CGE Model.
<b>Onsite Visitor Spend</b>	On average, visitors to IndigiScapes currently spend \$7.22 per person. This will grow by CPI. However, as tourists are not currently being targeted, their visitor spend will increase due to the new investment. Their spend is assumed to increase by 25% in 2022 (5%p.a. over 5 years).
<b>Indirect Value from Additional Onsite Visitor Spend</b>	Using the Tourism Satellite for the Brisbane Region, published by Tourism and Events Queensland, estimates were made on the induced impacts (indirect expenditure, direct jobs and indirect jobs) from the direct onsite expenditure estimates.
<b>Additional Tourism Expenditure from New Visitors</b>	<p>The origins of visitors are assumed to be proportionate to IndigiScapes current overall visitor market (i.e. 69% Domestic Day, 18% Domestic Overnight and 13% international). Domestic day visitors are assumed to stay an extra 30% of a day in the Redland's region due to IndigiScapes, while domestic overnight and international visitors would spend an added 50% of a day in region each. The spend per night estimates were sourced from Tourism and Events Regional Profiles, assuming that it is consistent with the overall Brisbane Region. CPI has also been applied over the analysis period to these spend per night values to ensure they are consistent with each year.</p> <p>Using the Tourism Satellite for the Brisbane Region, published by Tourism and Events Queensland, estimates were made on the induced impacts (indirect expenditure, direct jobs and indirect jobs) from the additional direct expenditure estimates.</p>

### Capital Flow On

The following timeline for the \$3.66 million investment to IndigiScapes has been provided.

**Table 3: Capital Investment Timeline**

IndigiScapes	2017	2018	2019	2020	2021	2022	TOTAL
<b>Direct Capital Costs</b>	\$156,000	\$700,000	\$750,000	\$750,000	\$750,000	\$550,000	\$3,656,000

These capital costs will flow through the Redland’s economy, and into regional and national economies. This flow on has been calculated using Redland City Economic Profile, with the indirect benefit assumed to be consistent with Monash University’s CGE Model. The direct capital costs to IndigiScapes will support the following across all economies:

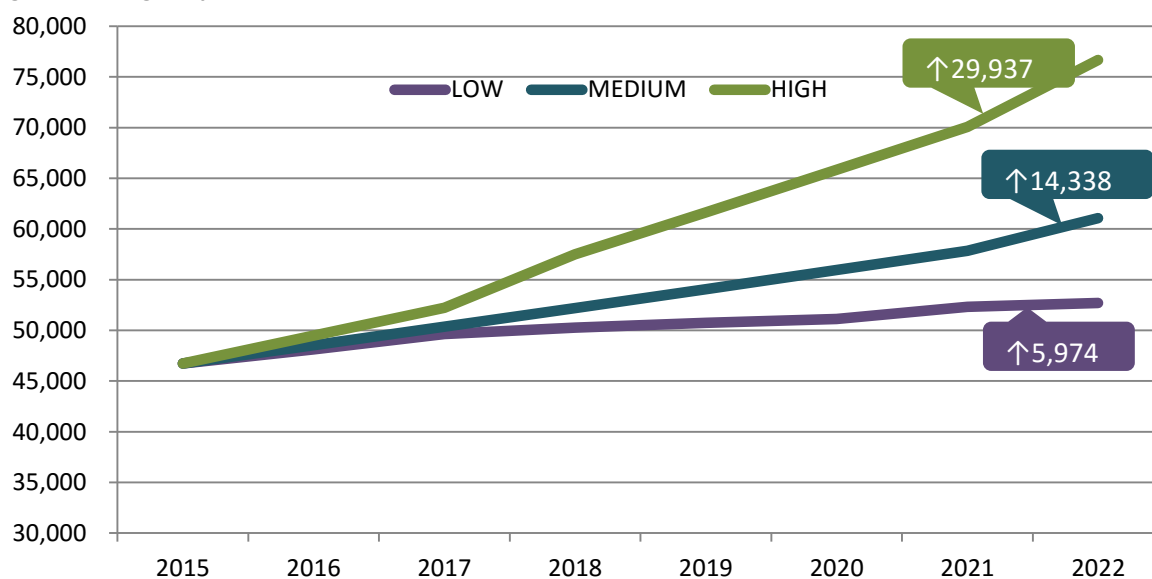
**Table 4: Capital Investment Flow On**

IndigiScapes	2017	2018	2019	2020	2021	2022	TOTAL
<b>New Direct Jobs (FTE)</b>	0.3	1.4	1.5	1.5	1.5	1.1	7.2
<b>Value-Added</b>	\$38,466	\$172,604	\$184,933	\$184,933	\$184,933	\$135,617	\$901,486
<b>Indirect Value</b>	\$221,520	\$994,000	\$1,065,000	\$1,065,000	\$1,065,000	\$781,000	\$5,191,520
<b>New Indirect Jobs (FTE)</b>	0.7	3.2	3.4	3.4	3.4	2.5	16.7

### Onsite Visitation and Spend

Onsite visitation forecasts are based on visitation figures provided by the client for 2015. As a low onsite visitor scenario, it was assumed that visitation would reflect overall forecast market growth at Tourist Forecast Committee (TFC) rates, thus reflecting the ‘natural growth’ of the market. Under a medium scenario, assumptions were made (see Table 2) reflecting a moderate growth scenario and most plausible prediction based on the investment to IndigiScapes, increasing the attraction’s appeal and increase in marketing to visitors as well as residents. The high scenario represents ambitious onsite visitation goals to IndigiScapes.

**Figure 1: IndigiScapes Onsite Visitation (2015-2022)**



**Table 5: IndigiScapes Onsite Visitation by Key Markets**

IndigiScapes Visitors (Medium Scenario)	2015	2022	Average % Growth p.a.
Residents	14,020	17,243	3%
School	1,030	1,329	4%
Business & Conference	4,680	3,120	- 4%
Weddings	935	1,385	6%
Events	10,400	12,500	3%
Leisure Visitors	15,669	25,495	8%
<b>Total</b>	<b>46,734</b>	<b>61,072</b>	<b>4%</b>

On average, visitors to IndigiScapes currently spend \$7.22 per person. This is predicted to grow by CPI to 2022. However, as tourists are not currently being targeted, their visitor spend will increase due to the new investment and appeal of the centre. Therefore, new visitors to the centre (above natural growth) will increase their spend by 5% p.a. over 5 years to 2022.

Based on calculated estimates of the average spend per visitor, it is forecasted that IndigiScapes would receive the following visitor spend:

**Table 6: Estimated IndigiScapes Onsite Spend**

IndigiScapes Visitor Spend	2017	2018	2019	2020	2021	2022
Medium Scenario	\$379,274	\$404,946	\$437,022	\$471,325	\$507,424	\$557,701

**Table 7: Estimated Visitors and Onsite Spend – All Scenarios**

Summary	Current	2022		
		LOW	MEDIUM	HIGH
Visitors	46,734	52,708	61,072	76,671
Onsite Spend	\$337,419	\$475,038	\$557,701	\$701,985

This money spent onsite will flow throughout the Redland's economy and into the regional and national economies, generating indirect spend. Based on the Tourism Satellite Account for the Brisbane Tourism Region, by 2022 under a medium scenario, the direct onsite spend will support 7 new jobs (FTEs), and generate a further \$377,270 in indirect value, supporting 6.3 new indirect jobs (FTEs).

#### **Additional Tourism Expenditure from New Visitors**

It is forecast that IndigiScapes will increase visitation from 2017 onwards due the new investment and increased appeal of the attraction. This will encourage new visitation above the natural growth of visitors (Low Scenario).

These new visitors will have a significant impact on additional expenditure in the region. The origin of these new visitors are assumed to be proportionate and remain constant with IndigiScapes' current overall visitor market mix (i.e. 69% Domestic Day, 18% Domestic Overnight and 13% International).

The spend per night estimates were sourced from Tourism and Events Regional Profiles, assuming that it is consistent with the overall Brisbane Region. It was also assumed that domestic day visitors stay an extra 30% of a day in the Redland's region due to IndigiScapes, while domestic overnight and international visitors would spend an added 50% of a day in region each. CPI has also been applied to these spend per night values to ensure they are consistent with the year to calculate the direct value of additional tourism expenditure from new visitors.

Using the Tourism Satellite for the Brisbane Region, published by Tourism and Events Queensland, the following estimates have been made on the value add (indirect expenditure, direct jobs and indirect jobs) from this additional direct expenditure.

**Table 8: Forecast Value-Add from Additional Tourism Expenditure (above natural growth)**

<b>IndigiScapes Visitors</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>TOTAL</b>
<b>Direct Value</b>	\$24,452	\$81,321	\$152,018	\$230,064	\$265,956	\$426,164	\$1,179,975
<b>Indirect Value</b>	\$16,541	\$55,012	\$102,836	\$155,631	\$179,911	\$288,287	\$798,219
<b>New Direct Jobs (FTE)</b>	0.3	1.0	1.9	2.9	3.4	5.4	14.9
<b>New Indirect Jobs (FTE)</b>	0.3	0.9	1.7	2.6	3.0	4.8	13.4

Whilst this money would be generated by new visitors to IndigiScapes, not all of this spend will remain within the local economy. Following market norms, it is anticipated that approximately 50% of this spend will economically leak into the regional, national and international economies.

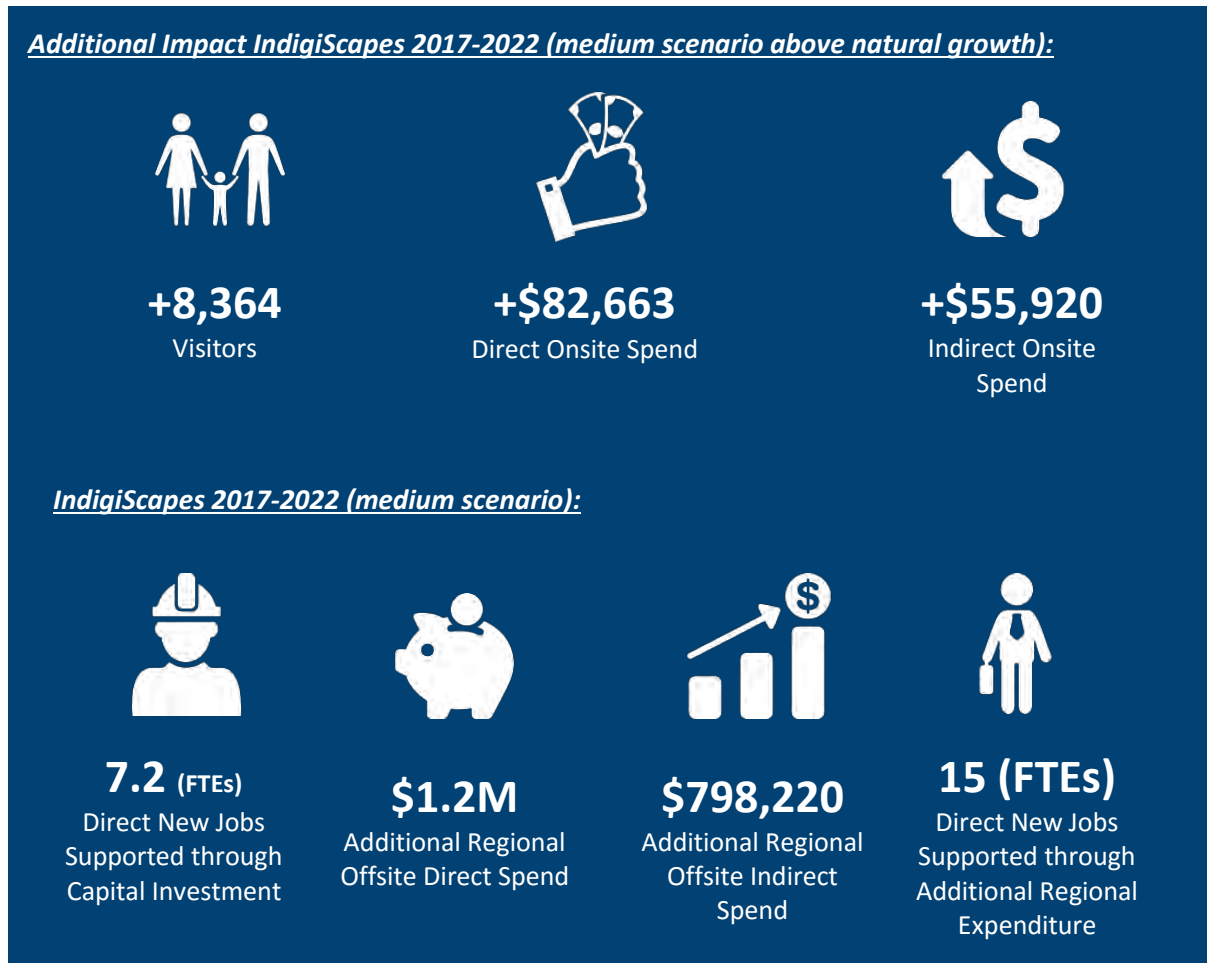
Due to economic leakage, it is anticipated that approximately half of this spend will leak into the regional economy, national economy and then international economy.

### OVERALL BENEFIT

Overall, IndigiScapes is forecasted to receive approximately \$557,700 in direct onsite spend, contributing to \$377,270 in indirect onsite spend. Over the period of investment (2017-2022), IndigiScapes is predicted to support 7.2 FTEs through capital investment, \$1.2 million in additional offsite regional spend from new visitors, contributing to \$798,220 indirect offsite spend and supporting 15 new direct FTEs.

The figure below summarises the impact of IndigiScapes' investment under a medium scenario above natural growth (Low Scenario) in 2022.

Figure 2: Additional economic impact to IndigiScapes (above natural growth)



## 3.0 Triple Bottom Line - Social

The following section outlines the social benefits and impacts of IndigiScapes and how this will affect the community of the Redlands Region in terms of education, health and unemployment.

SOCIAL	
<b>Education</b>	Youth growing up disconnected from nature, providing education, creating awareness and reducing physical inactivity. (Source: The Nature Conservancy, 2015)
<b>Health</b>	High numbers of obesity/physical inactivity rates in Australia. Participation rate compared to health costs for inactive Australia. (Source: Australian Institute of Health and Welfare & Medibank)
<b>Indigenous Employment</b>	Unemployment rate among Indigenous peoples in Redland (LGA) is 18%, non-Indigenous is 5.4%. Unemployment rate among Indigenous peoples in Queensland Territory is 18%, non-Indigenous is 5.8%. (Source: 2011 Census Community Profiles)

### Educational benefits

Rise of the information age has transitioned today's youth to feature greater separation from nature than any previous generation. It is estimated that by 2030, 60 percent of city residents, who make up the majority of the world's population, will be under 18<sup>1</sup>. Lack of exposure to nature at an early age will potentially form cohort ideologies that priorities alternative initiatives thus displacing the role of environmental protection for future generations. IndigiScapes can use its unique position to meet this challenge head-on with a determined focus to help youth learn about the natural environment through interpretation and education. By engaging in physical activity they will be encouraged to make positive contributions to their community using a proactive learning environment.

Researchers have found that the ideal formula for learning is engagement which can be a factor of how the participant interacts with, or is stimulated by, an environment. With learning correlating with change in behaviour, developing a process whereby knowledge is created through the transformation of experience ideally places IndigiScapes to apply this experience-based method of teaching. Through innovative techniques to capture the imagination and by use of interpretation, children will learn the science behind how nature works, how to take action to protect it, the benefits of nature in relation to health, and the connection to global challenges to protect their natural surroundings.

***Based on the current mix of visitors, it is estimated that an additional 7,500 students and young families will go through the Centre in 2020 inspiring new 'nature-lovers' who will visit, appreciate and vote for natural area conservation.***

### Health benefits

Australia is currently struggling through a health epidemic with an increasingly higher number of overweight and obese people. Almost 2 out of 3 (63%) Australian adults are overweight or obese and another 1 in 4 children (25%) are considered overweight due to a combination of physical inactivity and poor diets.<sup>1</sup> Australia's current weight situation is cause for major concern with the increase in health related diseases amongst the population, which will develop a need to accommodate this growth in health problems through investment in the health industry. Taking into account the healthcare, loss of productivity and mortality costs, the total economic costs (of obesity) is estimated to be around \$13.8

<sup>1</sup> Australian Institute of Health and Welfare

billion per year<sup>2</sup> (this equates to \$630 per Australian resident). The current health statistics and trends passing through younger generations create the need for more physical activity amongst all ages. Indigiscapes will provide an outdoor setting for children and adults to be active. Research shows that children who spend time outdoors are most strongly correlated with high rates of physical activity<sup>3</sup>. Furthermore, outdoor temperatures, both cold and hot, result in the body using more energy than in air-conditioned or heated environments<sup>4</sup>. IndigiScapes provides an ideal setting where visitors can partake in nature-based physical activity or 'nature-play', as well as provide education on the natural environment through engagement of physical activity. Being in a natural environment and allowing them to learn hands-on stimulates human senses and encourages more a more active and playful way of learning, and ultimately, a more actively lifestyle.

Evidence also suggests that there is a strong correlation between physical activities in the natural environments, 'nature-play', and psychological benefits, such as stress and anxiety reduction. One study showed that 8-10 year old children exposed to high levels of nature were less stressed and recovered from stressful events more successfully than those in homes and backyards that lacked contact with nature<sup>4</sup>. Thus some of the substantial physical and mental health challenges facing the community have the ability to be addressed by increasing physical activity in natural places.

***If just 1 in 50 visitors to Indigiscapes in 2022 (1,221 people) are encouraged to be more active and this improves their health it could save the country \$769,230 per annum (assuming costs per resident remain constant to 2022).***

### **Social welfare benefits**

Outdoor education offers many benefits for young individuals in terms of personal development. Experiencing a variety of outdoor settings helps children feel more comfortable in a range of environments and an opportunity to learn about their own strengths and weaknesses. It will also teach how persistence in extending one's limitations can bring success in challenging situations, be it physical, emotional or social. IndigiScapes will be optimally positioned to apply guided reflections that will determine how they might approach a similar situation for future reference in conveying a vital element of the learning experience transferring learning into everyday contexts. Another important aspect of outdoor education is an improved level of motivation, as children are naturally mobile and geared toward moving around. Research has found that the positive effects on the child's motivation levels carried over to traditional indoor learning after the outdoor learning had concluded.

IndigiScapes will also provide children with the opportunity to develop skills through team building exercises, dealing directly with concepts such as leadership, inclusiveness, and the value of working towards a common goal with recognition of the unique attributes of each individual. It is proven that outdoor education achieves the gains in communication by requiring children to work as teams to solve problems on expeditions. Furthermore, outdoor education offers an opportunity for staff and students to interact and build strong relationships on 'neutral ground' away from the normal classroom environment. Children are encouraged to work not only with their peers, but with adults in achieving common goals. By broadening a child's involvement in the wider community they acquire skills which benefit their own participation and specific situations they may encounter in the future. Developing skills such as learning how to care for and protect natural resources and the environment they live in, or playing a role in preparing and informing them about bushfire dangers are the multiple possible outcomes through developing personal attributes for children.

Currently IndigiScapes is demonstrating a social consecutiveness that could only grow with further development of the site and program. IndigiScapes currently has 350 volunteers engaged with the

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<sup>2</sup> Medibank

<sup>3</sup> Sallis J F. and Saelens B E. 2000. Assessment of physical activity by self-report: status, limitations and future directions. Res Q Exerc Sport, 71(2 supp), S1-S14

<sup>4</sup> Godbey, G. (2009). Outdoor Recreation, Health, and Wellness: Understanding and Enhancing the Relationship. Washington DC: Resources for the Future. This report is available online at: <http://www.rff.org/documents/RFF-DP-09-21.pdf> (Volume 5)



organisation through a range of programs, 30 of these volunteers work onsite, 92% are seniors and 5% have a disability. The volunteer program allows for many social benefits including, developing the community's job skills, giving elderly as sense of self-worth and providing a platform for disabled people to socially interact with the community. The current program is well positioned for growth to provide continued and enhanced social benefit to the community.

Further to the IndigiScapes programs and volunteer networks, the new Horizon development adjacent to the property (due for completion in 2017) will provide key social enterprise partnerships. Horizon Foundation is developing a new facility specifically designed to help people with disabilities, and will accommodate meeting rooms, training facilities, employment service, and an early-intervention centre. Social partnerships between the co-located organisations are centred on the café, nursery and function rooms. Currently, IndigiScapes source their food externally, however following discussions between the two organisations, the current plan is for Horizons to provide all catering and food for IndigiScapes cafe. This will provide students undertaking training courses at Horizons (particularly in hospitality) real-world skills in food preparation.

The planned expansion of the nursery at IndigiScapes will be enhanced through another partnership with Horizon, who will provide labour through their training programs (i.e. horticulture and land conservation). Expanding the nursery from mainly rainforest species to a broader range of species favouring varied climatic conditions will require additional labour as well as provide fundamental theoretical and hands-on techniques for the students at Horizon. This additional labour will enable IndigiScapes to reach their goal of providing Redland City Council's internal plant needs.

Because of Horizon's well-known reputation in the education, training and conference market, the planned development will incorporate two conference and meeting venues with breakout rooms, large outdoor areas and a café (catering). After discussions, it is planned that Horizon's will dominate this space, allowing IndigiScapes to focus on its programs, marketing and school market.

The partnership between IndigiScapes and Horizon will greatly benefit the disabled students and trainers at Horizon by providing them with a 'real-world' place to work and learn, and in doing so helping to provide them with fundamental skills they can take through their careers and into the community.

### **Indigenous employment**

According to the 2011 Census Community Profiles, the Redland (LGA) area has a relatively high level of Indigenous unemployment (13.1%), compared to non-Indigenous residents (5.2%). The median weekly personal income of Indigenous residents is approximately \$437, which is also less than non-Indigenous residents (\$611). At the time of the census, there were approximately 2,618 Indigenous people living in the Redland Bay (LGA) area, with the median age being just 21 years (the median age for non-Indigenous residents was 40 years).

Similarly, Queensland has higher levels of Indigenous unemployment (18%) compared to non-Indigenous residents (5.8%), while the median weekly personal income for Indigenous residents is about \$384, compared to non-Indigenous residents \$593. There were approximately 155,824 Indigenous residents at the time of the census, with the median age being 20 years (37 years for non-Indigenous residents).<sup>5</sup>

Currently, there is little-to-no Indigenous engagement in IndigiScapes' programs except for minimal retelling of Indigenous stories. IndigiScapes has the potential to lower the number of unemployed Indigenous residents in the community, and are currently planning to employ Indigenous rangers at the Centre to assist with tours, development of tours and the creation of hands-on Indigenous experiences. Employing Indigenous rangers to guide visitors throughout their experience at the IndigiScapes Centre provides benefits for both visitors and employees, as it allows Indigenous people to share their traditions and values and for the culture to be shared. Visitors can be educated on the Indigenous origins of the

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<sup>5</sup> 2011 Census Community Profiles, Australian Bureau of Statistics

country and the way in which nature has been preserved and respected through the culture. Rangers will also receive professional training, providing them with long-term job opportunities. It is envisaged that these experiences will be available at the IndigiScapes Centre in the next six months.

Outdoor education offers countless benefits for younger generations in terms of health, effective learning and social attributes. Early exposure to nature and using teaching methods such as engagement and interpretation are expected to make current and future generations more aware of the importance of environmental protection and help create responsible stewards of the planet. Stimulating children through the engagement of physical activity and learning in an outdoor environment will help change age cohort ideologies with motivation to live an active lifestyle from an early age, thus minimising the number of overweight and obese children and decreasing healthcare costs. Social aspects of outdoor learning will benefit children in terms of personal development, obtaining skills needed to work within a team environment, both with peers and adults, and increase their eagerness to learn which is fast becoming a lost characteristics with the rise of technology. Additionally, the social development through outdoor learning will contribute to the wider community by encouraging involvement from an early age onwards.

***In working with the Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC) as many as 5 part-time ranger, guide and interpretation positions could be supported in 2022.***

**Figure 3: Additional social impact to IndigiScapes (above natural growth)**



## 4.0 Triple Bottom Line - Environment

The final section will include an overview of the environmental performance indicators and comparisons of IndigiScapes' energy, water and waste usage with the EarthCheck Program Baseline and Best Practice levels.

ENVIRONMENTAL	
<b>Energy Usage</b>	<u>Performance per visitor:</u> EarthCheck Baseline: 15.2 MJ EarthCheck Best Practice: 10.7 MJ IndigiScapes Centre: 6.1 MJ
<b>Water Usage</b>	<u>Performance per visitor:</u> EarthCheck Baseline: 28.3 litres EarthCheck Best Practice: 19.8 litres IndigiScapes Centre: 37.4 litres
<b>Waste Usage</b>	<u>Performance per visitor:</u> EarthCheck Baseline: 0.3 litres EarthCheck Best Practice: 0.4 litres IndigiScapes Centre: 0.4 litres

To determine and evaluate the environmental performance of the IndigiScapes Centre, data was collected for energy usage, water consumption and generated waste throughout 2015 and has been compared to Baseline and Best Practice levels taken from nine similar Visitor Centres from the existing EarthCheck database.

The EarthCheck Program uses values for its Baseline and Best Practice levels for each indicator derived from extensive worldwide research into available and appropriate case studies, industry surveys, engineering design handbooks, energy, water and waste audits, and climatic and geographic conditions. National and regional data for per capita energy use, greenhouse gas and other emissions, wastes to landfill and water consumption, where available provide background data for normalisation of the expected performance values for per customer or employee, and/or overall performance. They are used to gauge the regional or national situation and environmental performances that an enterprise is based in, and hence what are reasonable levels to expect the enterprise to achieve.

**A benchmarking result at, or above, the Baseline level demonstrates to all stakeholders that the enterprise is achieving above average performance and a result below the Baseline level indicates that an enterprise can and should carry out actions that will make beneficial improvements in performance.**

A major determinant of energy consumption in some sectors, primarily those centred on buildings such as visitor centres will be the dominant climatic conditions in which the enterprise is located. In general, to maintain the same level of indoor comfort, visitor centres operating in hot or cold climates will consume more energy than those in temperate climates.

Similarly, it is recognised that in certain sectors a major determinant of potable water consumption will be the climate in which it is located, in particular those with large grounds and/or significant water-based facilities or activities. That is, visitor centres located in hot climates are more likely to consume more potable water than equivalent ones in cooler climates. In consideration of this factor, Baseline and Best Practice levels can vary in relation to country location.

### Energy Usage

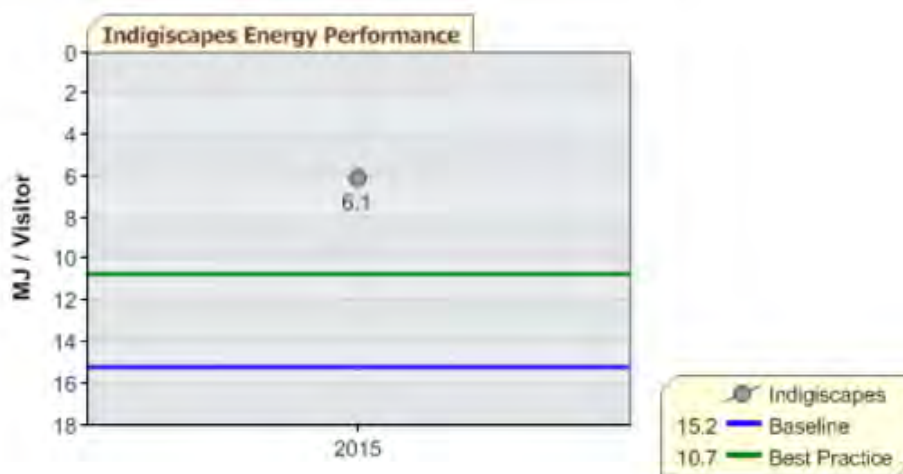
The IndigiScapes Centre consumed a total energy usage of 79,421 kWh, having welcomed 46,732 visitors in 2015; the Centres' overall energy performance was calculated at 6.1 MJ per visitor. In order to estimate the significance of the overall energy performance relating to baseline energy usage, the numbers have been generated from a sample of comparable visitor centre performances. The Baseline for energy usage per visitor in comparable centres is generally 15.2 MJ per visitor, while the Best Practice indicates a total of 10.7 MJ per visitor, meaning that the IndigiScapes Centre performs well under baseline and is therefore very efficient in adopting cost-effective practices in terms of energy usage.

While performance is currently above Best Practice, the new IndigiScapes Centre redevelopment will further reduce the need for energy consumption and recognises that reducing energy costs not only decrease greenhouse gas emissions but will also reduce long-term running costs. In its Concept Plan, IndigiScapes recognises the importance of alternative considerations in the reduction of energy on site through passive solar design, mechanical services and equipment, renewable energy and embodied energy. Opportunities lay in utilising passive solar design strategies to maintain thermal comfort and minimise energy for the heating and cooling of buildings. The requirements in order to achieve this include an evaluation of current design in terms of additions to the building, design appropriate shading to limit over heating in summer and maximise solar access in winter, insulation of walls and roof to prevent heat gain and consideration of the size and placement of openings to allow for light penetration without significant heat gain.

Further reduction of energy consumption can be achieved through consideration of solar or instantaneous gas hot water systems and insulating existing hot water pipes to reduce heat loss, especially with the planned development of showers and similar amenities. Minimising overall usage of lighting where possible, the utilisation of low wattage compact fluorescent lamps, the use of reflective surfaces and/or light colours to increase the efficiency of the lighting also provide more simple solutions for energy savings. By adopting these approaches to minimise energy consumption, IndigiScapes can improve their energy performance and become even more cost effective in the long term.

**Figure 2: Comparative Energy Use – IndigiScapes vs EarthCheck Benchmark**

**The planned design will aim to improve the energy efficiency of the building, even if it only maintains**



**the high level of efficiency from the current design. In 2022, the Centre is saving up to \$50,018 per annum on energy costs compared to other visitor centres in Australia (under a medium scenario, assuming energy costs remain at \$0.09c/MJ).**

## Water Usage

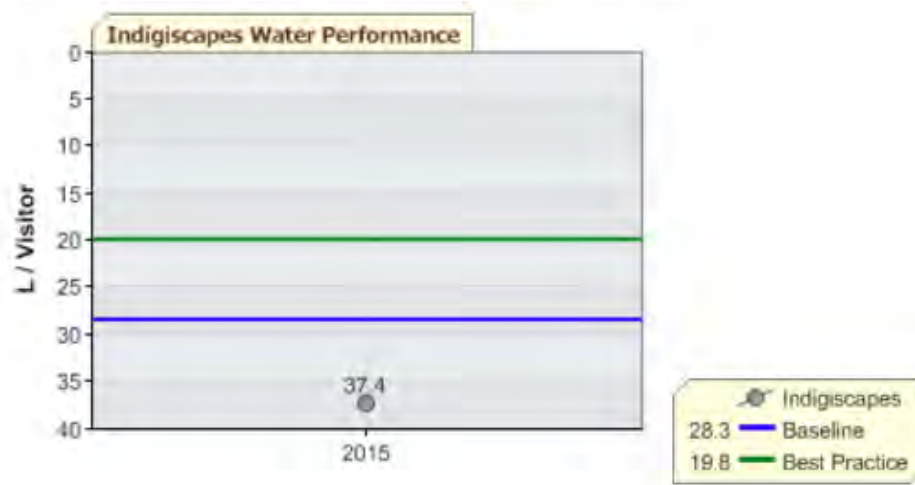
To determine IndigiScapes' performance in terms of water consumption the same technique is applied as for energy usage. The total amount of water usage for 2015 equals 1749kL, meaning that IndigiScapes currently uses 37.4 litres of water per visitor.

The Baseline for similar visitor centres through the EarthCheck Benchmarking tool is 28.3 litres per visitor, while the Best Practice indicates a performance of 19.8 litres per visitor. Although the Centre's performance is lower than the Baseline, the results of their water consumption is impacted by the café which is not present in other facilities in the benchmark. The IndigiScapes Centre uses most of its water in the café and kitchen facilities, as tank water is used for lavatories and to provide water for the nursery. Therefore, the challenge for the IndigiScapes Centre is to apply water conservation methods to reduce the amount of water usage and operating costs currently being spent in the café and kitchen facilities.

The overall water consumption for the café and kitchen facilities could be improved by reviewing operational procedures and installing water efficient fixtures and equipment. Updating the appliances and fixtures in the café during the refurbishment will help to improve efficiency. Water waste in kitchens can often be the result of staff habits, therefore increasing awareness about efficient water practices is also important.

The installation of taps and a dishwasher that are water efficient, along with the implementation of water efficient kitchen procedures should help reduce water consumption to the EarthCheck Baseline. Efficiencies will also be gained through an increased number of visitors.

**Figure 3: Comparative Water Consumption – IndigiScapes vs EarthCheck Benchmarks**



If the Centre could reduce its consumption from 37.4 L/Visitor to the benchmark of 28.3L/Visitor, it would save as much as 11 backyard swimming pools.

*In 2022, if the Centre achieved baseline water consumption benchmarks, it would save up to \$2,225 per annum on water costs compared to its current performance (under a medium scenario, assuming water costs remain at \$0.004/L).*

### Waste Usage

Waste presents a valuable loss of resources and many other hidden costs, such as degraded visitor amenity, poor public image and costs to the environment and local community. IndigiScapes generated a total waste usage of 5,850kg in 2015 which equates to 0.4 litres of waste generated per visitor. Coincidentally, 0.4 litres per visitor is also the Baseline performance as set by similar visitor centres. However, IndigiScapes can still improve their waste usage to achieve the Best Practice level of 0.3 litres.

**Figure 4: Comparative Waste Consumption – IndigiScapes vs EarthCheck Benchmarks**



Preventing waste from being generated in the first place will eliminate these costs. There are many options available to reduce waste. First, it is necessary to undertake a waste audit to understand the typical types and quantities of wastes being generated, things to consider include: supply chain management, standard operating procedures, training and education and monitoring and reviewing the processes to ensure efficient waste management. Alternatively, by reusing or recycling waste, there is the potential to reduce disposal costs and possibly even generate some revenue or contribute to charitable causes. The recycling of electronics, plastics, construction waste, organic waste, paper and glass would be a good start to reduce waste usage and minimise overall impact on the environment. All bin throughout the property should have both recyclable and general waste options.

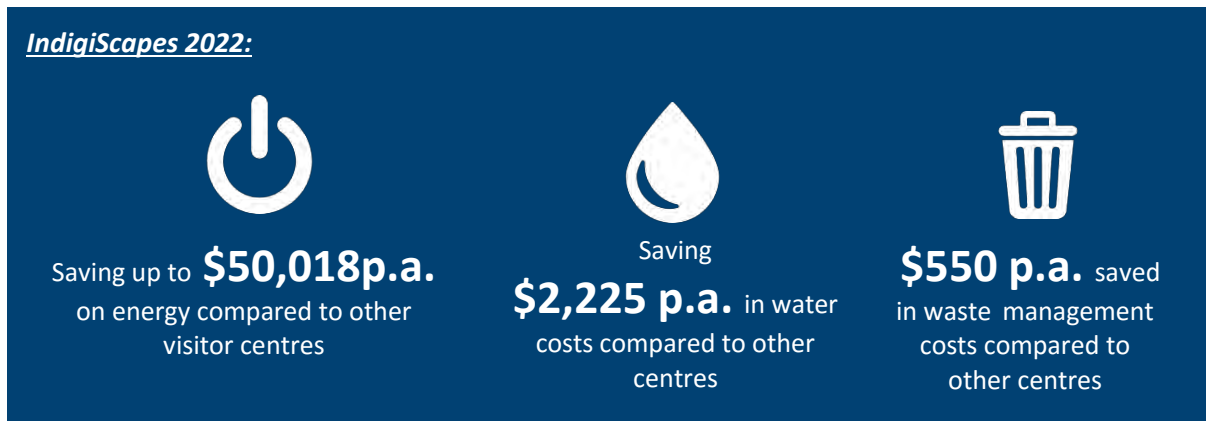
In the Concept Plan, the use of materials from a life-cycle perspective by selecting materials based on availability, source, consumption, durability, re-usability and whether they can be recycled is considered. The opportunity to use recycled and locally sourced materials is recognised and requirements have been mentioned to design the building for durability to reduce the need for replacement or removal of material or sections of the building and to consider a building design based on standard material sizes in order to reduce waste output.

***If the new centre (in 2022) was to achieve the Best Practice level of 0.3L/visitor, IndigiScapes would save approximately 25.5 bins of waste, saving up to \$550 per annum (under a medium scenario, costs remain at \$0.09/L).***

### Conclusion

The Baseline and Best Practice performance levels for EarthCheck indicators are continuously reviewed and are likely to change over time. This review by a team of international experts, takes into account “business-as-usual” changes in practices, equipment and facilities, as well as regulations and general improvement trends in performance, and provides useful feedback to the user of the indicators. If the new IndigiScapes Visitor Centre is built according to Best Practice Ecologically Sustainable Development principles and recommendations for reducing waste generation, energy and water consumption are taken into account, the new building should operate at Best Practice level.

Figure 4: Additional environmental impact from investment in IndigiScapes






## 5.0 Conclusion

The Redlands IndigiScapes Centre (IndigiScapes) is a multi-purpose environmental education and visitor centre located within Capalaba. Opening in February 2000 the centre has the ability to facilitate multiple facets of tourism through their facilities, creating a unique and exclusive environment for visitors. The centre's core hero experiences are:

Following a Vision Workshop in November, 2015, and reflecting on their core hero experiences, IndigiScapes worked with AECOM to complete the Site Analysis and Preliminary Concept Report & Costings for next stage of development of the centre. The Site Analysis identified a number of opportunities and design implications:

The overall investment required in the redevelopment is **\$3.66 million** according to the Preliminary Concept Design. The benefit of this investment in 2022 is across the Triple Bottom-Line, shown below:

<p><b>ECONOMIC</b></p> 	<ul style="list-style-type: none"> <li>➤ <b>Attract an additional 8,364 visitors to the centre in 2022 (above natural growth)</b></li> <li>➤ <b>Generate an additional \$82,663 in onsite spend in 2022 (above natural growth)</b></li> <li>➤ <b>Total increase in additional regional direct expenditure of \$1.2M from 2017-2020 supporting 15 direct jobs (FTEs)</b></li> </ul>
<p><b>SOCIAL</b></p> 	<ul style="list-style-type: none"> <li>➤ <b>Inspire up to 7,500 young nature lovers</b></li> <li>➤ <b>Save the Australian Health Care System up to \$769,230 per annum</b></li> <li>➤ <b>Support up to 5 part-time indigenous jobs</b></li> </ul>
<p><b>ENVIRONMENTAL</b></p> 	<ul style="list-style-type: none"> <li>➤ <b>Saving up to \$50,018 p.a. on energy compared to other visitor centres</b></li> <li>➤ <b>Saving \$2,225 p.a. in water costs compared to other visitor centres</b></li> <li>➤ <b>\$550 p.a. saved in waste management costs compared to other centres</b></li> </ul>

Overall, IndigiScapes is forecasted to receive approximately \$557,700 in direct onsite spend, contributing to \$377,270 in indirect onsite spend. Over the period of investment (2017-2022), IndigiScapes is predicted to support 7.2 FTEs through capital investment, \$1.2 million in additional offsite regional spend from new visitors, contributing to \$798,220 indirect offsite spend and supporting 15 new direct FTEs.

IndigiScapes will have significant social benefits for the community, especially through education and engagement of younger generations, reducing health care costs through increased outdoor activity and through supporting Indigenous employment. Early exposure to nature and using teaching methods such as engagement and interpretation are expected to make current and future generations more aware of the importance of environmental protection and help create responsible stewards of the planet. Stimulating visitors through the engagement of physical activity and learning in an outdoor environment



will help change age cohort ideologies with motivation to live an active lifestyle from an early age, thus decreasing healthcare costs. In working with the Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC) as many as 5 part-time ranger, guide and interpretation positions could be supported in 2022.

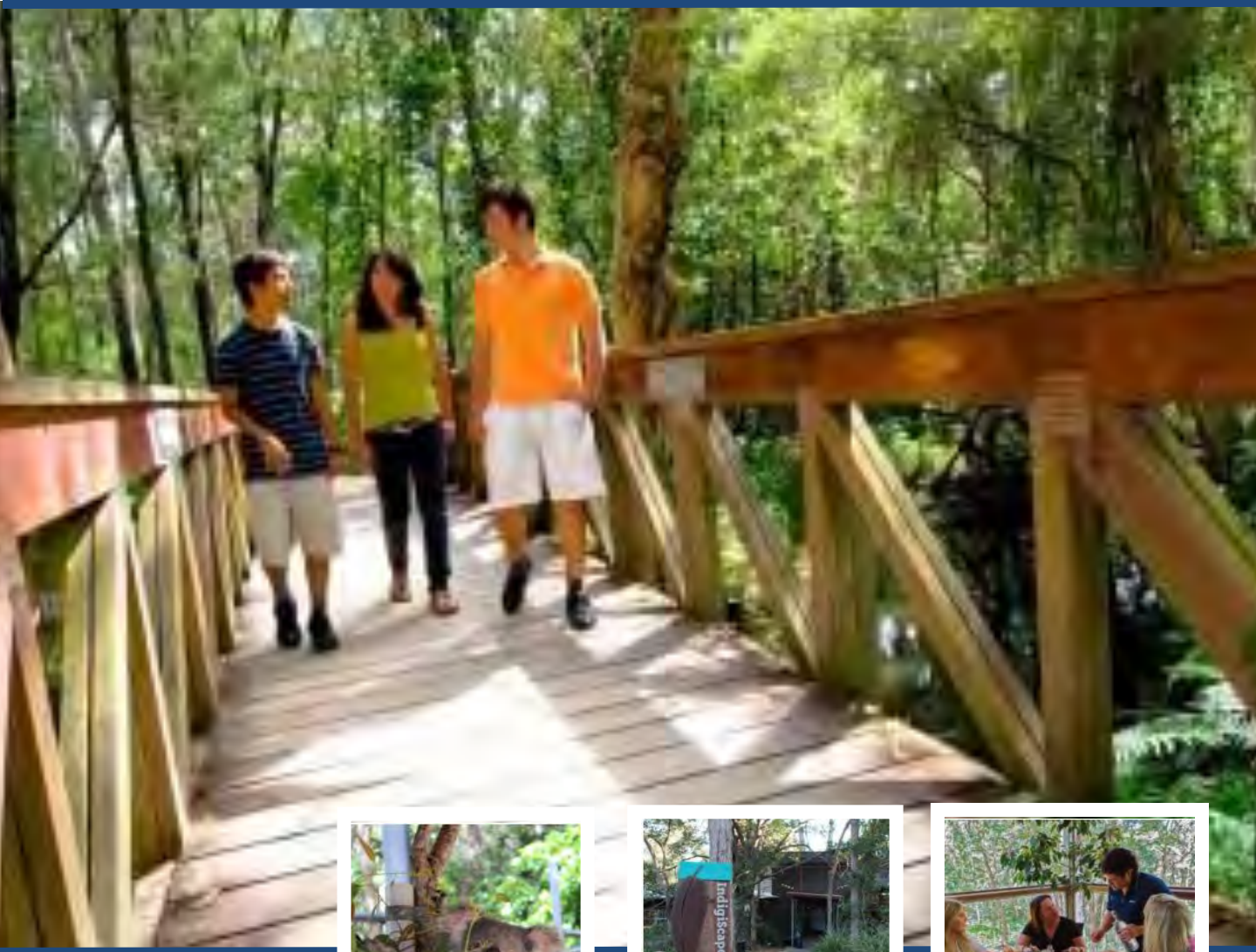
IndigiScapes was compared to EarthCheck's Baseline and Best Practice levels taken from nine similar visitor centres within the EarthCheck database in order to evaluate their environmental performance. Currently achieving above Best Practice in energy consumption, the planned design will aim to improve the energy efficiency of the building to maintain the high level of efficiency from the current design. If current energy consumption levels are maintained, IndigiScapes will save up to \$50,018 per annum on energy costs in 2022. Water consumption is currently below benchmark levels. If IndigiScapes achieved baseline levels in 2022, the centre could save the equivalent of 12.4 swimming pools (\$2,225 per annum). Similarly, if IndigiScapes achieved best practice in waste generation by 2022, the centre could save approximately 11.7 averaged sized bins of waste (\$550 per annum).

The investment required for the redevelopment of IndigiScapes will have significant benefits for all economic, social and environmental aspects of the region. Attracting an estimated additional 8,364 visitors to the region, the centre will help generate an additional \$1.2 million in gross tourism expenditure to the region, as well as supporting the community through inspiring up to 7,500 young nature lovers, saving the Australian Health Care System up to \$769,230 per annum through increased outdoor activity, and setting environmental goals for the energy and water consumption and waste generation. Through economic, social and environmental analyses, this Triple Bottom Line Assessment has highlighted the benefits of the redevelopment of the Redlands IndigiScapes Centre.

## 6.0 Appendix: Table of Costings

The table below details the costings for the planned investment to IndigiScapes, prepared by AECOM:

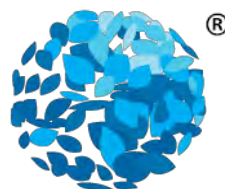
Item No.	Description	Estimate Cost ( \$ )
	<b>Centre Facilities</b>	
1	Covered entry	11,000
2	Foyer entry (reconfigure and extend existing)	122,000
3	Offices	209,000
4	Café including works to kitchen and seminar area	164,000
5	Staff room / crib	Included with Item 3
6	Staff amenities	69,000
7	Display area including alteration and upgrade to existing roof and façade	336,000
8	Theatrette	774,000
9	Gift shop	10,000
10	Circulation	Included
11	Amenities (existing)	246,000
12	Female facilities	Included with Item 11
13	Male facilities	Included with Item 11
14	Disabled facilities	Included with Item 11
15	Store	118,000
16	External seating (amphitheatre)	66,000
17	Plant room / services – to remain as existing	Excluded
18	Car parking – make good existing	25,000
19	Buses – to remain as current	Excluded
	<b>Other External Facilities</b>	
20	Road entry signage	80,000
21	Bin storage and refuse area	9,000
22	Skywalk (assume approx. 150m)	393,000
23	Tree enclosure with architectural feature	Included with Item 30
24	Covered walkway from theatrette to centre	Included with Item 30
	<b>Additional Parkland Amenities and Entry</b>	
25	Female facilities	39,000
26	Male facilities	37,000
27	Nursery (assume approx. 500m <sup>2</sup> )	22,000
28	Central median access	29,000
29	Horizon site access – with landscaping and external works	Included with Item 30
30	Landscaping and external works	897,000
	<b>Total</b>	<b>3,656,000</b>



## REDLANDS INDIGISCAPES

Strategic Review – Reflections on the Vision Workshop  
*Held on Monday November 30<sup>th</sup>*

December 2015



EARTHCHECK

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## DISCLAIMER

The information and recommendations provided in this document are made on the basis of information available at the time of preparation and the assumptions outlined throughout the document. While all care has been taken to check and validate material presented in this report, independent research should be undertaken before any action or decision is taken on the basis of material contained in this report. This report does not seek to provide any assurance of project viability and EarthCheck accept no liability for decisions made or the information provided in this report.



# 1

## SETTING THE SCENE

Indigiscapes, located in Capalaba just 20 minutes from the Brisbane CBD, has evolved to become one of the Redland's key local and visitor attractions, a community hub and a recreational space for locals to enjoy.

Attracting over 50,000 visitors per annum, the site is also the office and depot for 16 Council staff, home of the community nursery and popular location for events, including weddings.

From a stakeholder workshop held on November 30<sup>th</sup>, 2015 Indigiscapes is seen as a:

### **Community Hub**

- Environmental Education and meeting space
- Reception – Gift shop
- 30 car parks, free access, wheelchair friendly

### **Tourism & Events Destination**

- Interpretation Centre - 400m<sup>2</sup>
- 40 seat café specialising in bush food
- Meeting room – 80 people (used 4 times per week)
- 6-8 major events per year

### **Recreation space**

- Walking tracks – 4km
- Botanic gardens
- 14 native plant gardens
- Playground
- Picnic area

## INTRODUCTION

To understand the potential of Indigiscapes it is important to understand the regional tourism context. The available tourism data from the National and International Visitor Survey does not have a large enough sample size to create a visitor profile for Capalaba alone. The data provided in this report is based on three-year averages for the statistical area of Cleveland-Stradbroke which includes the regions of Redland Islands, Ormiston, Cleveland, Thornlands, Victoria Point, Capalaba, Sheldon-Mount Cotton and Redland Bay.

Data has been rounded to the nearest thousand to avoid misinterpretation.

## DOMESTIC OVERNIGHT VISITORS

There were approximately 305,000 domestic overnight visitors in the year ending December 2014. These visitors spent approximately \$59M, staying over 1.2M nights with an ALOS of 4.0 nights in year ending December 2014. The domestic overnight visitor market has experienced a 1.9% per annum growth since year ending December 2014.

### Top 3 Markets (Share)

1. Brisbane (42%)
2. Regional Queensland (27%)
3. New South Wales (22%)



## INTERNATIONAL VISITORS

Cleveland-Stradbroke received approximately 28,000 international visitors in the year ending December 2014. These visitors stayed approximately 221,000 nights equating to an average length of stay (ALOS) of 7.9 nights. International visitors spent approximately \$2.1M in year ending December 2014. Overall this market has declined by 0.1% per annum

### Top 3 Markets (Share)

1. New Zealand (18%)
2. China (14%)
3. Singapore (12%)

### Top 3 Markets (Growth since 2010)

1. China (70.4% per annum)
2. Hong Kong (69.8% per annum)
3. Switzerland (21% per annum)

### Top 3 Markets (Growth since 2010)

1. Tasmania (74.0% per annum)
2. Western Australia (51.3% per annum)
3. ACT (42.8% per annum)

## DAY VISITORS

In the Year Ending December 2014 Cleveland-Stradbroke approximately 59% of visitors came for a day trip, or just over 470,000 day visitors.

This accounts for 76% of the Redlands day visitor market and 4.4% of the Brisbane day visitor market.

## PURPOSE

The main purpose of visit for visitors to Cleveland-Stradbroke was for Holiday (55.4%), visiting friends and relatives (VFR) (34.0%), followed by Events (7.0%) and Business (6.9%).

## OVERVIEW

The below table provides a comparison of Cleveland-Stradbroke's main visitor markets and the percentage share of the Brisbane market.

Overall, the region captures 4.4% of the Brisbane market, with **Nature-based visitors** the largest market by size and share in daytrips, domestic overnight and international overnight visitors. That is, visitors to engage in nature-based activities (including the subsets of walking, cycling and whale watching) while on holidays.

Due to the small sample size data has been rounded to the nearest 500 to avoid misinterpretation of the data accuracy.

## OPPORTUNITIES

The core target market is: **Nature-based visitors**

Markets with growth potential include:

- **Event visitors;**
- **Education visitors;** and
- **Cultural Heritage** visitors.

Adventure visitors are well-represented but also have room to grow as do Business travel (including business events). Note that some markets overlap, so there is some duplication of the visitor numbers.

Each of the top three markets is expanded on in Section 2: Opportunities.

	BRISBANE VISITATION				CLEVELAND-STRADBROKE REGION VISITATION				SHARE OF BRISBANE MARKET
	DAY	DO	INT	TOTAL	DAY	DO	INT	TOTAL	
<i>Event Visitors</i>	1,158,000	271,000	-	1,429,500	49,000	7,000	-	56,000	3.9%
<i>Business Visitors</i>	1,259,500	1,159,000	120,000	2,538,500	37,000	17,500	1,000	55,500	2.2%
<i>Education Visitors</i>	77,500	65,500	64,000	207,000	7,000	-	1,500	8,500	4.1%
<i>Nature Based Visitors (NBV)</i>	1,281,500	1,396,500	836,500	3,514,500	155,000	205,500	25,500	386,500	11.0%
<i>Adventure Visitors</i>	1,040,500	808,000	419,500	2,268,500	105,500	135,000	13,500	254,000	11.2%
<i>Indigenous Based Visitors</i>	19,500	12,000	150,000	181,500	-	6,000	3,000	9,000	5.1%
<i>Arts and Heritage Based Visitors</i>	897,000	753,500	544,500	2,195,500	25,000	52,500	13,000	90,500	4.1%
<i>Regional Overnight</i>	-	2,033,000	636,500	2,669,000	-	140,000	19,000	158,500	5.9%
<b>TOTAL VISITATION</b>	<b>12,039,500</b>	<b>5,104,000</b>	<b>975,500</b>	<b>18,118,500</b>	<b>470,000</b>	<b>304,500</b>	<b>28,000</b>	<b>802,500</b>	<b>4.4%</b>

**STRENGTHS**

- Strong community support
- Well established reputation
- Growing local population
- Established gardens / grounds
- Community garden / nursery
- Education market links
- Events / Weddings

**WEAKNESSES**

- Unclear market positioning and brand
- Lack of indigenous cultural engagement (suggested in the name Indigiscapes)
- Limited tourism infrastructure
- Carpark size and accessibility
- Limited office space for staff

**OPPORTUNITIES**

- Expanded events spaces
- Growing the education market
- Strong community links to the garden, nursery and the site
- 2018 Commonwealth Games
- More hands-on experiences
- Expanded office space
- Cooperation with the adjacent Horizon site (Training RTO, Commercial kitchen, Meeting venue, relocate nursery)
- New Experiences (health and wellness, indigenous, wildlife, events, kids playground, treetop adventure, and educational areas)

**THREATS**

- Competing against the adjacent Horizon site
- Loss of market share to the redevelopment of Walkabout Creek and Daisy Hill

**IMPLICATIONS**

- Indigiscapes needs to be **clearly positioned** in the market through both marketing and future development
- The name suggests an **indigenous component** which is currently lacking
- The **site is constrained** by its car parking, venue size and office space – expansion of these are immediate priorities



# 2

## OPPORTUNITIES & CHALLENGES

IndigiScapes is an environmental education and visitor centre which specialises in bush tucker and local native plants in a family friendly natural bush setting. The Centre is a community hub which provides a window to the Redlands City and its Conservation Estate.

The Centre:

- Provides hands on interactive displays and tours which feature native plants ,wildlife and indigenous story telling;
- Bush walks in a family friendly setting with picnic areas, playgrounds, and free barbecues;
- A café and gift shop providing fresh local produce with a unique bush tucker twist;
- A native botanic garden showcase featuring over 400 local plant species.

Indigiscapes, has the potential to become an important regional events and functions location as well as a community ‘must do’ location for weekends and when visitors come to stay.

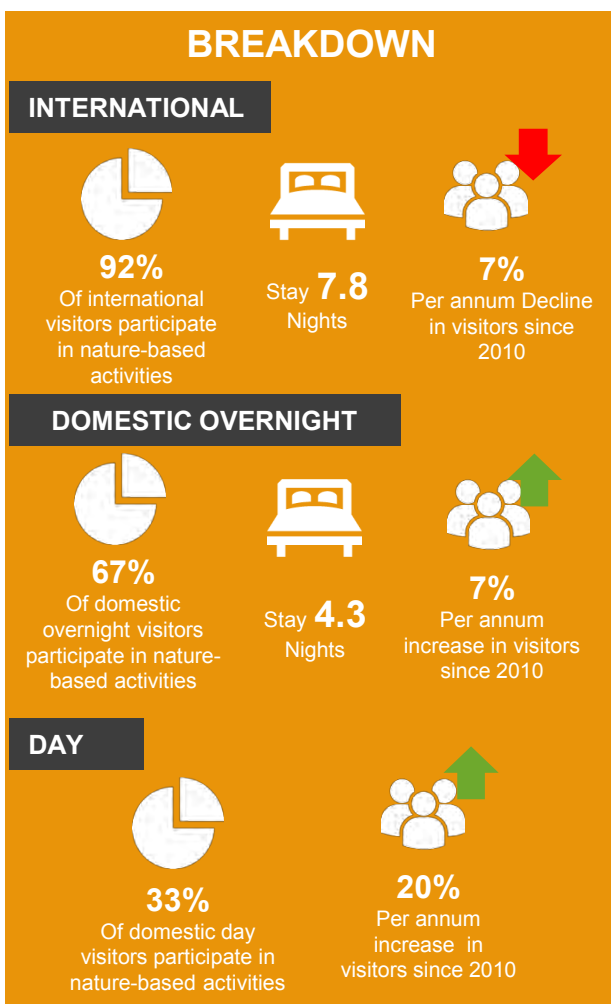
As the region captures only 4.4% of the Brisbane market, the opportunity exists to further grow the Nature-based visitor market. In addition to attracting nature-based visitors, other markets with growth potential include:

- Event visitors;
- Education visitors; and
- Indigenous culture visitors

The precinct also have room to grow in the Business travel market (including business events). The following section provides an understanding of the needs of these markets, and recommends a series of potential projects for the precinct. Following this are a brief analysis of the challenges.

## NATURE-BASED VISITORS

Nature-based tourism is the core market for Indigiscapes, and forms a significant component of Australia's visitor economy, ranking among top travel motivators for international visitors to the country. No longer a niche market, ecotourism is now one of Queensland's greatest competitive advantages. The below infographic provides an overview of the region's nature-based market:



## SITE OPPORTUNITIES

While nature-based visitors are the primary market for the region, and possibly for Indigiscapes, the opportunity exists to better meet the needs of this market and to increase the precinct's share of the market.

To achieve growth in the nature-based tourism market, the following are recommended:

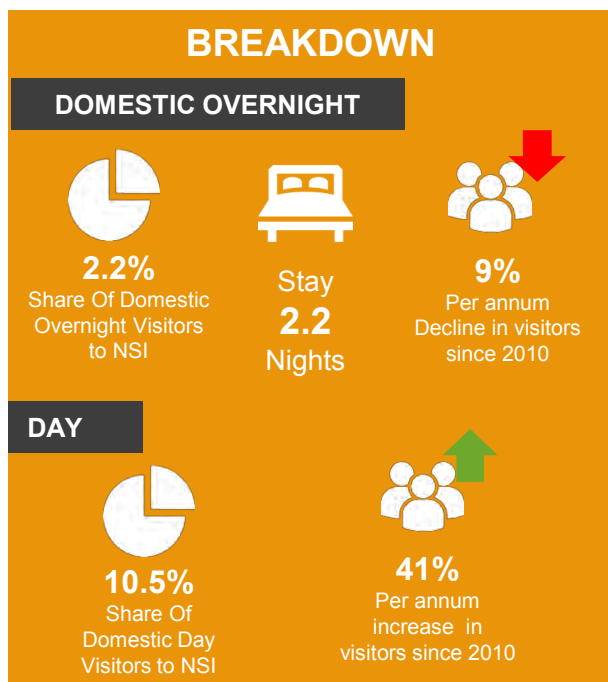
- 1. Integrated Marketing Program**– design an integrated marketing program including website, social media, advertising and publicity to highlight the key features of the precinct.
- 2. A Tree Tops walk** – the opportunity exists to develop a nature-based tourism attraction such as a tree-top walk, flying fox or treehouse aimed at the family market. While this may not be a paid attraction it could offer a new reason to visit the precinct.
- 3. Access to water areas** – it is recognised that the water areas of the site need to be more accessible as a point of interest.
- 4. Redesign of the nursery as an attraction** – the nursery could become a key attraction, as well as a working nursery. As new elements are added to the site including bush tucker garden, the nursery will be a key part of the experience providing seed stock for bush tucker plants to be purchased.

## EVENT VISITORS

Events play a key role in fostering regional tourism and economic development. As reflected in the merger of Tourism Queensland and Events Queensland, tourism and events are intrinsically linked and require a streamlined, strategic and focussed approach. Events are an integral part of a region’s proactive approach to tourism, economic and social development.

Events can be a cost effective method of promoting a region and its attractions, create positive brand imagery for a destination, and assist in overcoming seasonality of demand and appeal to multiple target segments.

The below infographic provides an overview of region’s current event market:



## SITE OPPORTUNITIES

The precinct has the potential to expand its events offering in partnership with the Horizon site redevelopment. This could include new function spaces and a commercial kitchen. This will be examined through the Concept Planning process.

The following opportunities exist in growing the events market:

- 1. Health and wellness events** – the site could offer a range activities including healthy eating weekends and yoga classes. This will require some exclusive access to outdoor spaces which needs to be considered in the concept design.
- 2. New HORIZON commercial kitchen and event and training facilities** – a partnership with Horizon could provide the venue with essential space to grow the events market. If secured, it is recommended that the precinct be more actively marketed to the business events, weddings and conference markets.
- 3. Active promotion** – promotion of the new facilities and the potential of the space as an events venue are needed to maintain market share and compete with new spaces such as Walkabout Creek, Queens Park in Ipswich and Daisy Hill.

## EDUCATION VISITORS

The education tourism market is very important to Australia's economy. Education visitors are those that travel to a destination specifically to participate in education activities. The below infographic provides an overview of the region's current education market:



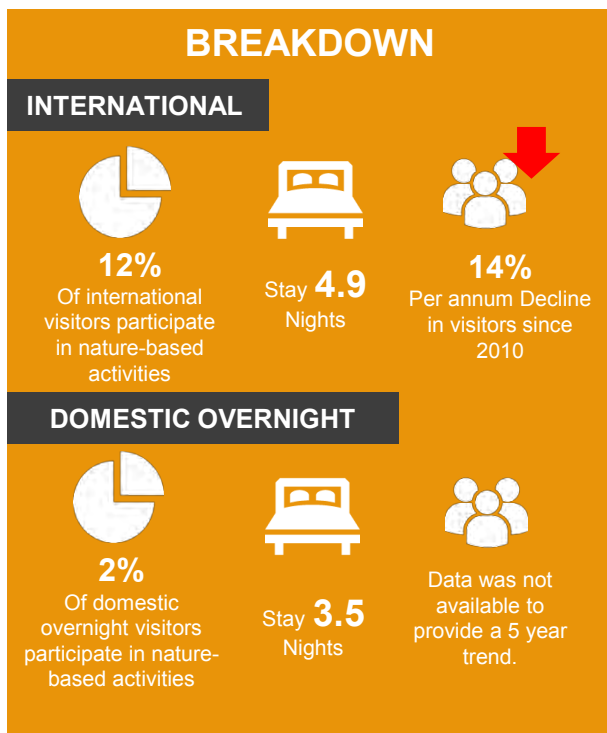
## SITE OPPORTUNITIES

The schools market is a staple for the site, however broader education partnerships are also possible. It is recommended that the precinct look to develop new education partnerships including:

- 1. Research and development projects with university researchers** – this could include projects on sustainability and biodiversity, even sustainable design (bringing in a university partner for the detailed design phase to gain an international sustainable design certification).
- 2. Children's sensory gardens and playground** – creating a new children's playground with sensory gardens and potentially a link to the treehouse / tree top walk. The current approach to interpretation on site is perfectly aimed at the education market, the opportunity exists to take this one step further with learning playspaces such as those created in the Eden Project in Cornwall (UK).
- 3. New theatrette for interactive presentations and interpretation** – the site needs a presentation space for group discussion and interactive presentations. Lessons from the design of new facilities at nearby attractions including Currumbin Sanctuary, David Fleays Wildlife Park, and Mon Repos in Bundaberg.

## INDIGENOUS CULTURE VISITORS

Indigenous culture visitors are those that participate in visiting an aboriginal site or community or experience aboriginal arts and craft and cultural displays. The below infographic provides an overview of NSI's current indigenous culture market:



## SITE OPPORTUNITIES

The name Indigiscapes lends itself to a connection with the local Quandamooka people as well as links to neighbouring groups. This partnership could result in a new layer of product and experience development, which could include:

- 1. Indigenous storytelling and bush tucker trails and tours** – the site lends itself to guided walks and would be ideal for a bush garden / bush tucker experience where the participants return to an interactive interpretation space where they could prepare the food and to a children's sensory garden. This idea works in concert with the events spaces listed on the previous page.
- 2. Bush tucker food and specialist merchandise** - once a connection is made through the grounds, there is an opportunity to create sales of bush tucker related products in the retail area. The retail space needs to be redesigned to lift its appeal as part of the concept plan.
- 3. Bush and indigenous nursery with classes** – the redevelopment of the nursery provides an opportunity to create a learning space and retail space for seedlings of bush tucker plants. This needs to link directly with the retail space inside to avoid additional staffing.

Nature-based visitors are the largest market by size and share in daytrips, domestic overnight and international overnight visitors to the Redlands. Indigiscapes only partially meets their needs, with the primary markets being education and events.

The precinct has the potential to grow its share of the nature-based visitors market as well as increase its share of:

- Event visitors;
- Education visitors; and
- Indigenous culture visitors

The challenges to achieving this include:

- Growing competition** – new facilities at sites such as Walkabout Creek, Currumbin Sanctuary, Queens Park (Ipswich), and Daisy Hill create competition in the nature-based visitor market. At present the precinct doesn't have the 'pulling power' of nature-based attractions to compete. Each of the locations listed are creating event spaces for business events, weddings and family events that will impact on the market for Indigiscapes.
- Hands-on learning** – education facilities are increasingly offering 'hands-on' learning. While Indigiscapes offers outdoor learning spaces it does not currently have the group learning and interaction facilities needed to meet the needs of the education market. Engaging with teachers in the design process is essential.
- A clear point of difference** – through the design process it is essential that the site create a point of difference that can be promoted. A **focus on kids education in understanding how to live with nature in an urban environment through a strong indigenous link** (including bush tucker) could be that point of difference as opposed to trying to compete on wildlife experiences (Fleays, Daisy Hill), outdoor adventure (Walkabout Creek) or major event spaces (Robelle Domain, Southbank, etc).

## Global Trends and Competitors

### NATIONAL

- Soft and hard adventure options
- Gourmet food tourism
- Water activities
- Outdoor adventure courses
- Cycling/high ropes courses
- Edutainment and Learning
- Participation and hands on activities
- Science discovery
- Interactive displays

### REGIONAL

- Thought provoking interpretation
- Role playing
- Indigenous storytelling

### LOCAL

- Picnic facilities
- Nature playscape
- Events
- Activity trails

### COMPETITORS

- Daisy Hill Recreation Centre
- Walkabout Creek (Outdoor Adventure)
  - Nature based recreation
  - Ranger led interpretation
  - Fun activities for families
  - Canoe launch facilities
  - Nature playscape
  - Events

# 3

## THE WAY FORWARD

### Vision Statement

IndigiScapes is an environmental education and visitor centre which specialises in bush tucker and local native plants in a family friendly natural bush setting.

The Centre is a community hub which provides a window to the Redlands City and its Conservation Estate.

The Centre:

- Provides hands on interactive displays and tours which feature native plants ,wildlife and indigenous story telling;
- Bush walks in a family friendly setting with picnic areas, playgrounds, and free barbecues;
- A café and gift shop providing fresh local produce with a unique bush tucker twist; and
- A native botanic garden showcase featuring over 400 local plant species.

### Desired Core Function

Redlands Indigiscapes is principally an Environmental education and visitor centre which provides:

- A key community activity hub for Redlands Shire
- An introduction to Redlands Conservation Estate
- A knowledge portal on the environmental values of the City and how to conserve them
- Environmental education about native plants and animals
- An indigenous cultural experience

### Core/Hero Experiences

#### 1. Bush Tucker

- Food, plants, tours, classes
- Indigenous culture and tours
- Local organic food markets
- Indigenous interpretation and storytelling

#### 2. Native Botanic Gardens

- A showcase of native plants
- A focus on activities in a native bush environment
- A peaceful and 'calm' space for the local community
- Promotion of well-being, physical and mental health

#### 3. Community Connectedness

- Storytelling, arts and culture
- Community partnerships
- Community events

### Recommended Priorities

**1.0 Pre arrival** – create a new website with new messaging and keep it clean and uncluttered

**2.0 Road signage** - clean up site entrances and put in 'way finding' signage simplify site access

**3.0 Interpretation Centre** - Current entrance lacks direction and focus. Create a clear theme and redesign the displays around that theme (living with nature in the city)

**4.0 Relocate nursery** - Determine how nursery is linked between both sites and design it as part of the attraction for education groups and visitors

**5.0 Office space** - More space needed

**6.0 Gift shop** – redesign the space to integrate the link outside and introduce bush tucker

**7.0 Café** – to stay as it is but determine link with new commercial kitchen at HORIZON and upgrade the toilets

**8.0 Outside events space** - Outside toilets needed and new interpretation to link to both sites including Indigenous tour options

**9.0 Botanic gardens** - Review tree top walk / treehouse concept and improve access to water

**10.0 Children's playground** – create a 7 senses playground and review public art space

### Priority Projects

6.1 Complete Master Plan Development (Due April 2016)

6.2 Align IndigiScapes plan with Master Plan from HORIZONS (nursery, kitchen, training space, walking links)

6.3 Establish working relationship with QYAC and develop engagement plan for onsite indigenous bush tucker tour and interpretation

6.4 Undertake a review of Council's '7C's' Master Plan which explains the conservation estate

6.5 Establish a modern interpretation plan for IndigiScapes



### Directions on 'Unfinished Business'

1. **Commonwealth Games 2018** – while there is likely to be increased visitation to across SEQ during the 2018 Commonwealth Games, it is the opinion of the consultants that Indigiscapes will have limited impact unless there are well established indigenous products and programs available on-site that are recognisably different to those offered on Minjerribah, at Dreamworld and the State Library.
2. **Concept plan development** – the concept plan needs to focus on the development of competitive advantage based on a strong understanding of the future market needs. This report provides some indicators of the likely markets, further work is needed to ensure the concept plan meets the needs of the market, while also creating a clear position in the market away from Walkabout Creek (following its redevelopment in 2016) and Daisy Hill.
3. **Prepare clear KPIs for business and operations** - the development of a Business Plan / Business Case to support the Concept Development Plan would greatly improve the application to bring forward funding and would help to engage new partners such as QYAC. This should include an economic impact assessment of the \$2.6M investment and could potentially support a larger investment.
4. **Education / R&D / Research opportunities** – Discussions are required with University and schools about how they want to use the site before the concept plan is finalised. The Queensland Government has recently developed an Education Tourism strategy identifying Brisbane, Gold Coast and Cairns as the principle hubs for national and international education that Indigiscapes could tap into.
5. **HORIZON Master Plan alignment** – discussions with Horizon are vital before the concept plan progresses to avoid duplication. It is possible the two sites will be complementary, however the management arrangements and ongoing partnership will need to be established and maintained to avoid future competition between the sites.
6. **QYAC engagement and planning** – it is recommended that a facilitated workshop be held with QYAC in response to the recently announced funding program for development of new tourism assets on Minjerribah and what impact that will have on the organisations resources and priorities and the likelihood of a tangible partnership with Indigiscapes before 2018.
7. **Public art grant funds** – working with the arts and funding areas of Council it is ideal timing to seek additional State funds for regional arts projects to enliven the space. Some inspiration could be drawn from projects like the Eden Project in Cornwall and their use of art and interpretation in concert.
8. **Keep community connected** – the community have a strong connection to the place and as such need to be brought along on the journey following the draft concept plan by sharing the concept plan drawings and seeking feedback in a dedicated display in the centre.
9. **Architectural treatment** – it was suggested at the workshop by the architects that Centre's current architecture needs to be reviewed. This may require a significantly larger investment than that planned and as such a Business Case may be required to support the additional funds.

**12 MAYORAL MINUTE**

Nil

**13 NOTICES OF MOTION TO REPEAL OR AMEND RESOLUTIONS**

Nil

**14 NOTICES OF MOTION**

Nil

**15 URGENT BUSINESS WITHOUT NOTICE**

Nil

**16 CLOSED SESSION****MOTION TO CLOSE THE MEETING AT 2.09PM**

Moved by: Cr M Elliott

Seconded by: Cr T Huges

That the meeting be closed to the public pursuant to Section 275(1) of the *Local Government Regulation 2012*, to discuss the following items:

16.1.1 Notice of Motion – Cr Bishop – Purchase of Land Thorneside;

16.2.1 Road Closure – Headland Park, Point Lookout; and

16.3.1 Land Acquisition

The reason that is applicable in this instance is as follows:

*(h) other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage*

CARRIED 10/0

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Mayor Williams was absent from the meeting.

**MOTION TO REOPEN MEETING AT 3.48PM**

Moved by: Cr P Bishop

Seconded by: Cr J Talty

That the meeting be again opened to the public.

CARRIED 9/0

Crs Gollé, Hewlett, Elliott, Huges, Talty, Gleeson, Bishop, Edwards, Mitchell and Boglary voted FOR the motion.

Cr Edwards had lost his teleconference connection.

Mayor Williams was absent from the meeting.

**16.1 NOTICE OF MOTION – CR BISHOP****16.1.1 PURCHASE OF LAND, THORNESIDE****COUNCIL RESOLUTION**

Moved by: Cr P Bishop

Seconded by: Cr M Elliott

That Council resolves to:

1. Enter into negotiations to voluntarily purchase the land as described in the confidential attachment, at fair market value for local government purposes;
2. Delegate authority to the Chief Executive Officer under section 257(1)(b) of the *Local Government Act 2009* to negotiate, to keep councillors informed of the progress of negotiations, and to make, vary and discharge the contract and to sign all documentations in regards to this matter; and
3. Note the confidential attachment remains confidential until such time as the acquisition of the said land has been finalised.

**CARRIED 6/2**

Crs Gollé, Hewlett, Elliott, Huges, Bishop and Boglary voted FOR the motion.

Crs Talty and Mitchell voted AGAINST the motion.

Cr Gleeson was not present when the motion was put.

Cr Edwards had lost his teleconference connection.

Mayor Williams was absent from the meeting.

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**16.2 INFRASTRUCTURE & OPERATIONS****16.2.1 ROAD CLOSURE – HEADLAND PARK, POINT LOOKOUT NSI**

**Objective Reference:** A124439  
Reports and Attachments (Archives)



**Authorising Officer:**  
Brad Taylor  
Acting General Manager Infrastructure &  
Operations

**Responsible Officer:** Lex Smith  
Group Manager City Spaces

**Report Author:** Claire Hardy  
Landscape Architect

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**EXECUTIVE SUMMARY**

A confidential report from General Manager Infrastructure & Operations was discussed in closed session in accordance with Section 275(1) of the *Local Government Regulation 2012*.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

**Moved by:** Cr P Mitchell  
**Seconded by:** Cr M Elliott

**That Council resolves as follows:**

- 1. To make an application to the State Government, under the provisions of section 99 of the *Land Act 1994* to permanently close portions of Kennedy Drive and East Coast Road, Point Lookout, North Stradbroke Island;**
- 2. That the land from these road closures be amalgamated into the adjoining Lot 1 AP5382 and declared a reserve for park and recreation purposes with Council accepting trusteeship of this land; and**
- 3. To delegate authority to the Chief Executive Officer under s.257(1)(b) of the *Local Government Act 2009* to negotiate, make, vary, discharge and sign all relevant documentation associated with the road closures and amalgamation.**

**CARRIED 7/1**

Crs Gollé, Hewlett, Elliott, Huges, Talty, Mitchell and Boglary voted FOR the motion.

Crs Bishop voted AGAINST the motion.

Cr Gleeson was not present when the motion was put.

Cr Edwards had lost his teleconference connection.

Mayor Williams was absent from the meeting.

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**16.3 OFFICE OF CEO****16.3.1 ACQUISITION OF LAND**

**Objective Reference:** **A2068988**  
**Reports and Attachments (Archives)**



**Authorising Officer:**  
**Louise Rusan**  
**Acting Chief Executive officer**

**Responsible Officer:**  
**Peter Kelley**  
**Chief Executive Officer**  
**Redland Investment Corporation**

**Report Author:**  
**Anca Butcher**  
**Legal Counsel**

**PURPOSE**

A confidential report from Acting Chief Executive Officer was discussed in closed session in accordance with Section 275(1) of the *Local Government Regulation 2012*.

**OFFICER'S RECOMMENDATION/  
 COUNCIL RESOLUTION**

**Moved by:** Cr M Elliott  
**Seconded by:** Cr J Talty

**That Council resolves to:**

1. Adopt Option 1; and
2. Note that this report remains confidential until the acquisition of the subject land has been finalised.

**CARRIED 6/2**

Crs Hewlett, Elliott, Huges, Talty, Mitchell and Boglary voted FOR the motion.

Crs Gollé and Bishop voted AGAINST the motion.

Cr Gleeson was not present when the motion was put.

Cr Edwards had lost his teleconference connection.

Mayor Williams was absent from the meeting.

**17 MEETING CLOSURE**

There being no further business, the Deputy Mayor declared the meeting closed at 3.53pm.

**Signature of Chairperson:** \_\_\_\_\_

**Confirmation date:** \_\_\_\_\_