



**Redland**  
CITY COUNCIL

# **MINUTES**

## **GENERAL MEETING**

**Wednesday, 22 February 2017**

The Council Chambers  
35 Bloomfield Street  
CLEVELAND QLD

---

## Table of Contents

---

Item	Subject	Page No
1	DECLARATION OF OPENING .....	1
2	RECORD OF ATTENDANCE AND LEAVE OF ABSENCE.....	1
3	DEVOTIONAL SEGMENT.....	1
4	RECOGNITION OF ACHIEVEMENT.....	1
4.1	AUSTRALIA DAY HONOURS AWARDS.....	1
5	RECEIPT AND CONFIRMATION OF MINUTES.....	3
5.1	GENERAL MEETING MINUTES 8 FEBRUARY 2017 .....	3
6	MATTERS OUTSTANDING FROM PREVIOUS COUNCIL MEETING MINUTES.....	4
7	PUBLIC PARTICIPATION.....	4
8	PETITIONS AND PRESENTATIONS.....	4
9	MOTION TO ALTER THE ORDER OF BUSINESS .....	4
10	DECLARATION OF MATERIAL PERSONAL INTEREST OR CONFLICT OF INTEREST ON ANY ITEMS OF BUSINESS .....	4
11	REPORTS TO COUNCIL .....	5
11.1	OFFICE OF CEO .....	5
11.1.1	JANUARY 2017 MONTHLY FINANCIAL REPORT.....	5
11.1.2	UPDATED ASSET GUIDELINES AND PROCEDURES .....	8
11.2	ORGANISATIONAL SERVICES.....	4
11.2.1	OPERATIONAL PLAN QUARTERLY PERFORMANCE REPORT DECEMBER 2016.....	4
11.2.2	POL-3120 DISCOUNTS AND WAIVERS OF FEES, CHARGES AND INFRINGEMENTS – AMENDMENTS.....	7
11.3	COMMUNITY & CUSTOMER SERVICES .....	9
11.3.1	DECISIONS MADE UNDER DELEGATED AUTHORITY FOR CATEGORY 1, 2 & 3 DEVELOPMENTS .....	9
11.3.2	PLANNING AND ENVIRONMENT COURT MATTERS LIST CURRENT AT 27 JANUARY 2017 .....	11

---

11.3.3	MCU013567 OUTDOOR RECREATION FACILITY – 424 REDLAND BAY ROAD, VICTORIA POINT – TREETOPS.....	15
<b>12</b>	<b>MAYORAL MINUTE .....</b>	<b>36</b>
<b>13</b>	<b>NOTICES OF MOTION TO REPEAL OR AMEND RESOLUTIONS.....</b>	<b>36</b>
<b>14</b>	<b>NOTICES OF MOTION.....</b>	<b>36</b>
<b>15</b>	<b>URGENT BUSINESS WITHOUT NOTICE .....</b>	<b>36</b>
<b>16</b>	<b>CONFIDENTIAL SESSION .....</b>	<b>37</b>
<b>16.1</b>	<b>INFRASTRUCTURE &amp; OPERATIONS .....</b>	<b>37</b>
16.1.1	EASEMENT FOR DRAINAGE PURPOSES – MACLEAY ISLAND .....	37
16.1.2	EASEMENT FOR DRAINAGE PURPOSES – RUSSELL ISLAND .....	38
<b>17</b>	<b>MEETING CLOSURE .....</b>	<b>39</b>

## 1 DECLARATION OF OPENING

The Mayor declared the meeting open at 9.31am 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 K Williams	Mayor
Cr W Boglary	Deputy Mayor and Councillor Division 1
Cr P Mitchell	Councillor Division 2
Cr P Gollé	Councillor Division 3
Cr L Hewlett	Councillor Division 4 – entered at 9.33am
Cr M Edwards	Councillor Division 5
Cr J Talty	Councillor Division 6
Cr M Elliott	Councillor Division 7 – entered at 9.42am
Cr T Huges	Councillor Division 8
Cr P Gleeson	Councillor Division 9
Cr P Bishop	Councillor Division 10 – entered at 9.49am

### EXECUTIVE LEADERSHIP TEAM:

Mr B Lyon	Chief Executive Officer
Mr A Ross	A/General Manager Organisational Services
Mrs L Rusan	General Manager Community & Customer Services
Mr P Best	General Manager Infrastructure & Operations
Mrs D Corbett-Hall	Chief Financial Officer
Ms A Daly	Head of Human Resources

### MINUTES

Mrs J Parfitt	Corporate Meetings & Registers
---------------	--------------------------------

## 3 DEVOTIONAL SEGMENT

Pastor Ettiene de Wilzem, Redlands Christian Reformed Church and member of the Ministers' Fellowship led Council in a brief devotional segment.

## 4 RECOGNITION OF ACHIEVEMENT

### 4.1 AUSTRALIA DAY HONOURS AWARDS

One of the many strengths of Redland City is the quality of its residents and their commitment to their community. We are fortunate indeed that we have so many people who are willing to give something back to the place they love.

People like our newest Order of Australia recipients, Elizabeth Parkinson (Birkdale), Edward "Tony" Brown (Dunwich) and Deirdre Hargreaves (Ormiston) who are with us today and Glynn Topfer (Thornlands), who unfortunately could not be here.

All are such inspiring and long-time servants of our community who deserve this accolade.

To have four Redlanders receive the Medal of the Order of Australia is testament to the spirit of volunteerism and community service in our City.

Let me briefly outline the achievements of our honours recipient.

### **Mr Tony Brown OAM**

Tony has been honoured for his decades of service to junior sports on North Stradbroke Island.

There have been countless dawn mornings spent marking out footy fields and years quietly mentoring local talents and opening up opportunities for them to pursue their sporting passions.

I can only imagine how many sausage sizzles he has attended in his tireless efforts to fundraise for the construction of the Allsports Club.

He never seeks recognition for his actions but I know they are done with great love and have had a great impact on the local community.

### **Ms Libby Parkinson OAM**

Libby's OAM honours not only herself, but the servicemen and women whose stories she seeks to preserve.

Libby has continued the work of those who have gone before her in ensuring that the stories of Australian prisoners-of-war will never be forgotten.

Libby, your work as president of the 2/10th Field Regiment Association is something your community, veterans and their families are proud of.

### **Ms Deirdre Hargreaves OAM**

Deirdre's OAM acknowledges her long history of helping...whether through environmental projects, Meals on Wheels, or more than 40 years involvement in the Friends of St Andrew's Church at Ormiston.

A founding member of one of our first bushcare groups, Deirdre is known for her love of the local environment.

Deirdre is also known for her deep empathy for others.

What remains constant is Deirdre's obvious desire to make the community she lives in a better place.

### **Mr Glynn Topfer OAM**

Glynn was honoured with an OAM for his service to surf lifesaving.

His involvement in this quintessential Aussie volunteer organisation stretches back decades at local, state and national levels.

None of our local OAM recipients seeks credit from what they do, which makes it all the more rewarding for us to have a chance to recognise their efforts this morning.

Tony, Libby and Deirdre and Glynn, thank you again for your service to our community and country.

You are, by anyone's definition, "Great Australians" and we can all be thankful – and proud -- that you have chosen to call the Redlands home.

## **Redlands Australia Day Honours**

It gave me great pleasure recently to officiate at the annual Redland City Citizen of the Year Awards, held for the first time at the impressive new Alexandra Hills Convention Centre.

My announcement of Denis Ryan as Citizen of the year was roundly applauded, and is fitting reward for Denis's many years of hard work within our local community.

Young Citizen of the Year is teenage soprano on the rise Leah Lever, Senior Citizen is Col Cunningham, Ian and Judy Wintle took the Local hero Award, the Community Organisation Award was shared by the Redlands Centre for Women and Bayside Vehicle Restorers Club, the Environment and Sustainability Award went to Michael Wilson and the Sports Award to Paralympian Daniel Fox.

A special cheer was reserved for our own Town Crier, Max Bissett, who won the Cultural Award and displayed the special talent that has him hailed as one of the town crying greats.

Redland City also punches well above its weight in the sporting arena with a multitude of representative achievements in a range of sports.

In recent times we have seen surfer of the future Ethan Ewing, of North Stradbroke Island, living up to his "next big thing" tag with a popular victory in the World Junior Surfing Championships. Ethan is the youngest rookie on the world professional circuit and is tipped to make big waves this year and into the future.

On the cricket field young Redlander Sam Heazlett continued his meteoric rise by being selected in the Australian one-day squad who recently completed a short tour of New Zealand. He made his international debut in the first one-dayer at Eden Park, Auckland.

Sam was earmarked for bigger things with a sensational start to his first class career with a century and eight half centuries from his first 13 games. He has also made a name for himself in the shorter version Big Bash, where he has been batting at No 3 for semi-finalists the Brisbane Heat.

On behalf of Redland City I would like to congratulate all Australia Day honours and award winners and our sporting stars for their achievements and wish them all the very best for the future.

## **5 RECEIPT AND CONFIRMATION OF MINUTES**

### **5.1 GENERAL MEETING MINUTES 8 FEBRUARY 2017**

#### **COUNCIL RESOLUTION**

**Moved by: Cr P Gleeson**

**Seconded by: Cr P Bishop**

**That the minutes of the General Meeting of Council held 8 February 2017 be confirmed.**

**CARRIED 11/0**

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

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

Nil.

**7 PUBLIC PARTICIPATION****MOTION TO ADJOURN MEETING AT 9.47AM**

Moved by: Cr W Boglary

Seconded by: Cr P Gollé

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

CARRIED 11/0

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

1. Mr A Murray of Alexandra Hills addressed Council in relation to animal management issues.
2. Mr D Scott, Chief Commissioner Qld Scouts, addressed Council in relation to Item 11.3.3 – Outdoor Recreation Facility at Victoria Point (Treetops).

**MOTION TO RESUME MEETING AT 9.57AM**

Moved by: Cr P Bishop

Seconded by: Cr J Talty

That the meeting proceedings resume.

CARRIED 11/0

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

**8 PETITIONS AND PRESENTATIONS**

Nil.

**9 MOTION TO ALTER THE ORDER OF BUSINESS**

Nil.

**10 DECLARATION OF MATERIAL PERSONAL INTEREST OR CONFLICT OF INTEREST ON ANY ITEMS OF BUSINESS**

Cr J Talty declared a perceived conflict of interest in Item 11.3.1 *Decisions made under Delegated Authority for Category 1, 2 & 3 Developments* – see item for details.

---

## 11 REPORTS TO COUNCIL

### 11.1 OFFICE OF CEO

#### 11.1.1 JANUARY 2017 MONTHLY FINANCIAL REPORT

**Objective Reference:** A2180347  
Reports and Attachments

**Attachment:** [January 2017 Monthly Financial Report](#)

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

**Responsible Officer:** Leandri Brown  
Finance Manager Corporate Finance

**Report Authors:** Udaya Panambala Arachchilage  
Corporate Financial Reporting Manager  
Quasir Nasir  
Corporate Accountant

---

#### PURPOSE

The purpose of this report is to note the year to date financial results as at 31 January 2017.

#### 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

##### ***Final Budget Review 2016-2017 and development of Budget 2017-2018***

Council is working towards a final budget review for 2016-2017 to be finalised early in the fourth quarter of the financial year. This final budget review should also factor in carry forward projects (of a capital nature) and be consistent with the 2017-2018 budget submissions that officers are currently compiling. The attached January 2017 results will help inform officers with their final budget review submissions.

#### STRATEGIC IMPLICATIONS

Council continued to report a strong financial position and favourable operating result at the end of January 2017.

Council has either achieved or favourably exceeded the following key financial stability and sustainability ratios as at the end of January 2017:

- 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 stability – debt to asset ratio; and
- Interest coverage ratio.

The following ratios did not meet the target at the end of January 2017:

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

Council's asset sustainability ratio target is an average long term target and at the end of January 2017, Council's renewal spend on infrastructure assets was \$17.00M compared to depreciation expense on infrastructure assets of \$28.49M for the financial year to date.

Although Council continues to focus on renewal capital works to move this long term measure upwards towards the target zone, it should be noted that the upward revaluation of infrastructure asset classes increases the depreciation expense on infrastructure assets, without an impact to renewal spend.

Further capital spending on non-renewal projects impacts the renewal ratio directly through increasing depreciation expense once the assets are installed and indirectly by redirecting funds from renewal activities. The overall impact is higher depreciation, lower renewal spend and therefore a lower asset sustainability ratio.

The level of dependence on general rate revenue and operating performance ratios fluctuate in line with the rating cycle. The third quarter general rates run for the 2016-2017 financial year occurred in January 2017, resulting in dependence on this revenue stream to increase this month. The operating performance ratio is a cash measure and is expected to increase in February when the third quarter general rates are due for payment.

### **Legislative Requirements**

The January 2017 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 January 2017 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 January 2017.

**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 January 2017 as presented in the attached Monthly Financial Report.
2. That Council requests additional information.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

**Moved by:** Cr P Mitchell  
**Seconded by:** Cr T Huges

**That Council resolves to note the financial position, results and ratios for January 2017 as presented in the attached Monthly Financial Report.**

**CARRIED 11/0**

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



**Redland**  
CITY COUNCIL



# Monthly Financial Report

## January 2017



## CONTENTS

1.	Executive Summary	3
2.	Key Performance Indicators	4
3.	Statement of Comprehensive Income	5
4.	Statement of Cash Flows	6
5.	Statement of Financial Position	7
6.	Operating Statement	8
7.	Capital Funding Statement	9
8.	Redland Water & RedWaste Statements	10
9.	Investment & Borrowings Report	11
10.	Constrained Cash Reserves	12
11.	Glossary	13
12.	Appendix: Additional and Non-financial Information	14

## 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 January 2017. The revised annual budget referred to in this report incorporates the changes from the first budget review adopted by Council on 23 November 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)	(7,396)	12,269	16,159	3,890	32%	✓
Recurrent Revenue	253,697	160,893	159,980	(913)	-1%	🔔
Recurrent Expenditure	261,094	148,624	143,821	(4,803)	-3%	✓
Capital Works Expenditure	90,469	34,289	33,289	(1,000)	-3%	✓
Closing Cash & Cash Equivalents	124,990	135,551	146,360	10,809	8%	✓

#### 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%	✘

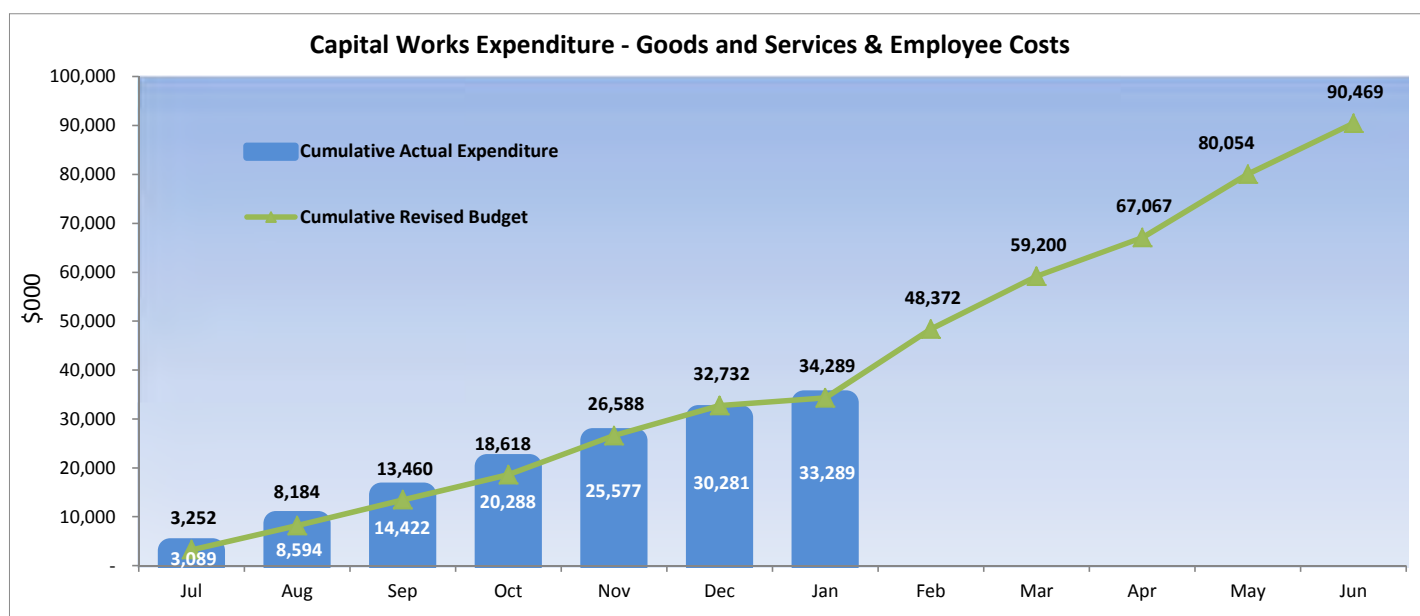
*Note: all amounts are rounded to the nearest thousand dollars.*

The year to date operating surplus of \$16.16M exceeded the year to date revised budget by \$3.89M. The favourable variance is primarily due to the underspends in contractor, consultant, bulk water purchase costs, as well as vacancies across the organisation.

The Q3 general rates notices were issued in January 2017, however income generated from the general rates levy was partially offset by \$1.96M in credits held representing rates received in advance.

The favourable variance in depreciation expense is mainly due to timing of works for a number of projects in progress and awaiting capitalisation.

Council's capital works expenditure is below budget by \$1.00M. This is mainly due to timing of works for a number of projects which are delayed, have not yet commenced or are still in the early stages of being progressed.



## 2. KEY PERFORMANCE INDICATORS

### Key Performance Indicators

Financial Stability Ratios and Measures of Sustainability	Target	Annual Revised Budget	YTD January 2017	Status
<b>Operating Surplus Ratio (%)</b>	Target between 0% and 10% (on average over the long-term)	-2.92%	10.10%	✓
<b>Asset Sustainability Ratio (%)</b>	Target greater than 90% (on average over the long-term)	65.68%	59.66%	✗
<b>Net Financial Liabilities (%)*</b>	Target less than 60% (on average over the long-term)	-25.75%	-63.28%	✓
<b>Level of Dependence on General Rate Revenue (%)</b>	Target less than 37.5%	32.69%	38.10%	✗
<b>Ability to Pay Our Bills - Current Ratio</b>	Target between 1.1 & 4.1	3.71	3.61	✓
<b>Ability to Repay Our Debt - Debt Servicing Ratio (%)</b>	Target less than or equal to 10%	3.05%	4.90%	✓
<b>Cash Balance \$M</b>	Target greater than or equal to \$40M	\$124.990M	\$146.360M	✓
<b>Cash Balances - Cash Capacity in Months</b>	Target 3 to 4 months	7.28	9.05	✓
<b>Longer Term Financial Stability - Debt to Asset Ratio (%)</b>	Target less than or equal to 10%	1.72%	1.66%	✓
<b>Operating Performance (%)</b>	Target greater than or equal to 20%	17.62%	19.64%	✗
<b>Interest Coverage Ratio (%)**</b>	Target between 0% and 5%	-0.51%	-0.41%	✓

#### Status Legend

KPI target achieved or exceeded	✓	KPI target not achieved	✗
---------------------------------	---	-------------------------	---

\* 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)

### 3. STATEMENT OF COMPREHENSIVE INCOME

#### STATEMENT OF COMPREHENSIVE INCOME

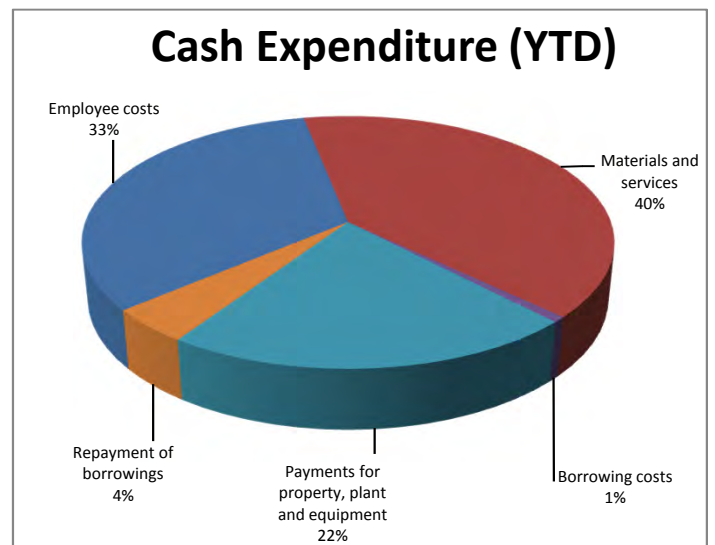
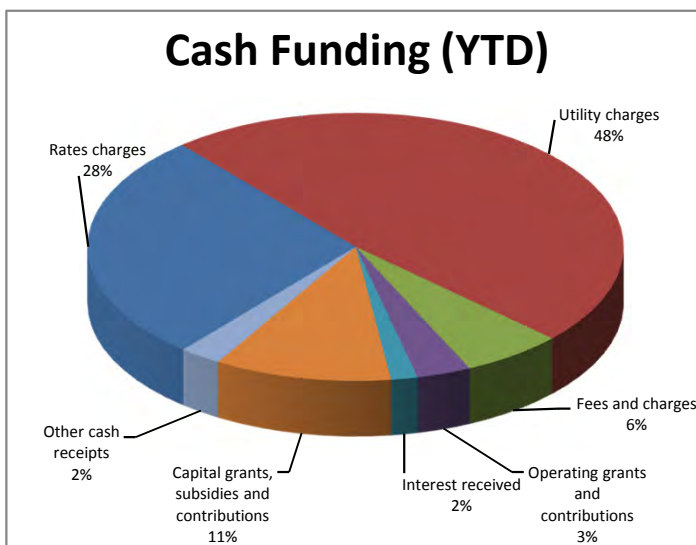
For the period ending 31 January 2017

	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	214,908	140,849	140,859	10
Fees and charges	13,291	13,391	8,196	7,798	(398)
Rental income	811	811	431	350	(81)
Interest received	4,271	4,481	2,633	2,532	(101)
Investment returns	4,685	1,800	-	-	-
Sales revenue	4,030	4,070	2,435	2,237	(198)
Other income	763	1,096	761	782	21
Grants, subsidies and contributions	11,959	13,140	5,588	5,422	(166)
<b>Total recurrent revenue</b>	<b>254,569</b>	<b>253,697</b>	<b>160,893</b>	<b>159,980</b>	<b>(913)</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	32,248	33,955	16,101	16,900	799
Non-cash contributions	3,144	3,144	46	477	431
<b>Total capital revenue</b>	<b>35,393</b>	<b>37,100</b>	<b>16,147</b>	<b>17,377</b>	<b>1,230</b>
<b>TOTAL INCOME</b>	<b>289,962</b>	<b>290,797</b>	<b>177,040</b>	<b>177,357</b>	<b>317</b>
<b>Recurrent expenses</b>					
Employee benefits	80,389	81,514	48,926	48,276	(650)
Materials and services	119,315	120,431	65,345	61,702	(3,643)
Finance costs	3,758	3,763	2,073	2,068	(5)
Depreciation and amortisation	50,628	55,386	32,280	31,775	(505)
<b>Total recurrent expenses</b>	<b>254,090</b>	<b>261,094</b>	<b>148,624</b>	<b>143,821</b>	<b>(4,803)</b>
<b>Capital expenses</b>					
(Gain)/loss on disposal of non-current assets	289	(172)	(94)	1	95
<b>Total capital expenses</b>	<b>289</b>	<b>(172)</b>	<b>(94)</b>	<b>1</b>	<b>95</b>
<b>TOTAL EXPENSES</b>	<b>254,379</b>	<b>260,922</b>	<b>148,530</b>	<b>143,822</b>	<b>(4,708)</b>
<b>NET RESULT</b>	<b>35,583</b>	<b>29,876</b>	<b>28,510</b>	<b>33,535</b>	<b>5,025</b>
<b>Other comprehensive income/(loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	(796)	(796)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>35,583</b>	<b>29,876</b>	<b>28,510</b>	<b>32,739</b>	<b>4,229</b>

## 4. STATEMENT OF CASH FLOWS

### STATEMENT OF CASH FLOWS For the period ending 31 January 2017

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	232,889	233,512	128,596	132,791
Payments to suppliers and employees	(202,780)	(205,026)	(115,862)	(112,117)
	<b>30,110</b>	<b>28,486</b>	<b>12,734</b>	<b>20,674</b>
Interest received	4,271	4,481	2,633	2,532
Rental income	811	811	431	350
Non-capital grants and contributions	11,056	11,367	3,844	5,167
Borrowing costs	(3,195)	(1,066)	(1,066)	(1,066)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>43,053</b>	<b>44,080</b>	<b>18,576</b>	<b>27,657</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(76,938)	(90,469)	(34,289)	(33,190)
Payments for intangible assets	(100)	-	-	(99)
Proceeds from sale of property, plant and equipment	630	1,091	631	658
Capital grants, subsidies and contributions	32,248	33,955	16,101	16,900
Other cash flows from investing activities	4,685	1,800	-	-
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(39,474)</b>	<b>(53,622)</b>	<b>(17,557)</b>	<b>(15,731)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	(4,551)	(6,680)	(6,680)	(6,778)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(4,551)</b>	<b>(6,680)</b>	<b>(6,680)</b>	<b>(6,778)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(972)</b>	<b>(16,222)</b>	<b>(5,661)</b>	<b>5,148</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>124,990</b>	<b>135,551</b>	<b>146,360</b>



Total Cash Funding (Actual YTD)	158,398
Total Cash Funding (Annual Revised Budget)	287,019
% of Budget Achieved YTD	55%

Total Cash Expenditure (Actual YTD)	153,250
Total Cash Expenditure (Annual Revised Budget)	303,241
% of Budget Achieved YTD	51%



## 5. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 31 January 2017

	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	124,990	135,551	146,360
Trade and other receivables	25,017	25,805	52,468	57,959
Inventories	779	678	678	711
Non-current assets held for sale	1,309	4,278	4,278	1,029
Other current assets	1,104	2,122	2,122	2,523
<b>Total current assets</b>	<b>146,686</b>	<b>157,873</b>	<b>195,097</b>	<b>208,582</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	956	1,054	1,054	1,054
Property, plant and equipment	2,293,906	2,463,219	2,427,016	2,426,659
Intangible assets	2,000	2,284	2,698	2,752
Other financial assets	73	73	73	73
Investment in other entities	10,063	5,961	5,961	9,004
<b>Total non-current assets</b>	<b>2,306,999</b>	<b>2,472,591</b>	<b>2,436,802</b>	<b>2,439,542</b>
<b>TOTAL ASSETS</b>	<b>2,453,685</b>	<b>2,630,464</b>	<b>2,631,899</b>	<b>2,648,124</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	18,454	20,763	21,426	21,968
Borrowings	4,482	7,701	7,701	7,701
Provisions	7,571	12,465	12,852	11,326
Other current liabilities	2,673	1,665	4,664	16,716
<b>Total current liabilities</b>	<b>33,179</b>	<b>42,595</b>	<b>46,643</b>	<b>57,711</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	40,727	37,604	36,291	36,193
Provisions	12,143	12,350	12,414	13,443
<b>Total non-current liabilities</b>	<b>52,869</b>	<b>49,954</b>	<b>48,705</b>	<b>49,636</b>
<b>TOTAL LIABILITIES</b>	<b>86,048</b>	<b>92,549</b>	<b>95,348</b>	<b>107,347</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,367,637</b>	<b>2,537,915</b>	<b>2,536,551</b>	<b>2,540,777</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	827,411	963,349	963,349	962,553
Retained surplus	1,443,724	1,471,259	1,472,685	1,472,436
Constrained cash reserves	96,502	103,307	100,517	105,788
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,367,637</b>	<b>2,537,915</b>	<b>2,536,551</b>	<b>2,540,777</b>

## 6. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 31 January 2017

	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	85,841	64,343	63,103	(1,240)
Levies and utility charges	132,436	132,436	78,987	80,167	1,180
<i>Less: Pensioner remissions and rebates</i>	(3,370)	(3,370)	(2,481)	(2,411)	70
Fees and charges	13,291	13,391	8,196	7,798	(398)
Operating grants and subsidies	11,370	12,339	5,177	4,879	(298)
Operating contributions and donations	589	801	411	543	132
Interest external	4,271	4,481	2,633	2,532	(101)
Investment returns	4,685	1,800	-	-	-
Other revenue	5,604	5,977	3,627	3,369	(258)
<b>Total revenue</b>	<b>254,569</b>	<b>253,697</b>	<b>160,893</b>	<b>159,980</b>	<b>(913)</b>
<b>Expenses</b>					
Employee benefits	80,389	81,514	48,926	48,276	(650)
Materials and services	119,731	121,237	66,022	62,610	(3,412)
Finance costs other	562	567	191	186	(5)
Other expenditure	398	73	(160)	(130)	30
Net internal costs	(814)	(878)	(517)	(778)	(261)
<b>Total expenses</b>	<b>200,266</b>	<b>202,512</b>	<b>114,462</b>	<b>110,164</b>	<b>(4,298)</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>54,303</b>	<b>51,185</b>	<b>46,431</b>	<b>49,816</b>	<b>3,385</b>
Interest expense	3,195	3,195	1,882	1,882	-
Depreciation and amortisation	50,628	55,386	32,280	31,775	(505)
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>479</b>	<b>(7,396)</b>	<b>12,269</b>	<b>16,159</b>	<b>3,890</b>

### Levies and utility charges breakup For the period ending 31 January 2017

	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	12,193	12,074	(119)
Special charges	3,974	3,974	2,981	2,987	6
SES Separate charge	331	331	248	252	4
Environment levy	6,093	6,093	4,570	4,609	39
Landfill remediation charge	2,795	2,795	1,630	1,643	13
Wastewater charges	42,254	42,254	24,648	25,097	449
Water access charges	17,989	17,989	10,493	10,591	98
Water consumption charges	38,098	38,098	22,224	22,914	690
<b>Total Levies and utility charges</b>	<b>132,436</b>	<b>132,436</b>	<b>78,987</b>	<b>80,167</b>	<b>1,180</b>

## 7. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 31 January 2017

	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	13,729	15,088	1,359
Capital grants and subsidies	2,824	4,531	2,372	1,812	(560)
Proceeds on disposal of non-current assets	630	1,091	631	658	27
Capital transfers (to)/ from reserves	(15,839)	(10,179)	(5,179)	(9,419)	(4,240)
Non-cash contributions	3,144	3,144	46	477	431
Funding from general revenue	64,549	70,153	28,600	31,112	2,512
<b>Total sources of capital funding</b>	<b>84,733</b>	<b>98,164</b>	<b>40,199</b>	<b>39,728</b>	<b>(471)</b>
<b>Application of capital funds</b>					
Contributed assets	3,144	3,144	46	477	431
Capitalised goods and services	71,905	85,854	31,989	30,368	(1,621)
Capitalised employee costs	5,133	4,615	2,300	2,921	621
Loan redemption	4,551	4,551	5,864	5,962	98
<b>Total application of capital funds</b>	<b>84,733</b>	<b>98,164</b>	<b>40,199</b>	<b>39,728</b>	<b>(471)</b>
<b>Other budgeted items</b>					
Transfers to constrained operating reserves	(11,683)	(11,683)	(8,311)	(8,699)	(388)
Transfers from constrained operating reserves	10,321	10,730	5,146	4,505	(641)
WDV of assets disposed	919	919	536	659	123

## 8. REDLAND WATER & REDWASTE STATEMENTS

### REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 January 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	102,096	102,096	59,530	60,452	922
Total expenses	57,907	57,703	33,067	30,996	(2,071)
Earnings before interest, tax and depreciation (EBITD)	44,189	44,392	26,463	29,456	2,993
Depreciation	16,505	18,062	10,526	10,380	(146)
<b>Operating surplus/(deficit)</b>	<b>27,684</b>	<b>26,330</b>	<b>15,937</b>	<b>19,076</b>	<b>3,139</b>

### REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 January 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	6,539	6,539	3,955	4,862	907
Net transfer (to)/from constrained capital reserves	(713)	1,615	1,324	(76)	(1,400)
Other	3,065	3,065	-	-	-
Funding from utility revenue	7,993	8,790	2,694	3,236	542
<b>Total sources of capital funding</b>	<b>16,883</b>	<b>20,008</b>	<b>7,973</b>	<b>8,022</b>	<b>49</b>
Contributed assets	3,065	3,065	-	-	-
Capitalised expenditure	13,818	16,943	7,973	8,022	49
<b>Total applications of capital funds</b>	<b>16,883</b>	<b>20,008</b>	<b>7,973</b>	<b>8,022</b>	<b>49</b>

### REDWASTE OPERATING STATEMENT For the period ending 31 January 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	24,137	24,137	13,951	13,790	(161)
Total expenses	18,155	17,958	10,356	10,253	(103)
Earnings before interest, tax and depreciation (EBITD)	5,982	6,179	3,595	3,537	(58)
Interest expense	40	40	23	24	1
Depreciation	572	225	130	91	(39)
<b>Operating surplus/(deficit)</b>	<b>5,371</b>	<b>5,915</b>	<b>3,442</b>	<b>3,422</b>	<b>(20)</b>

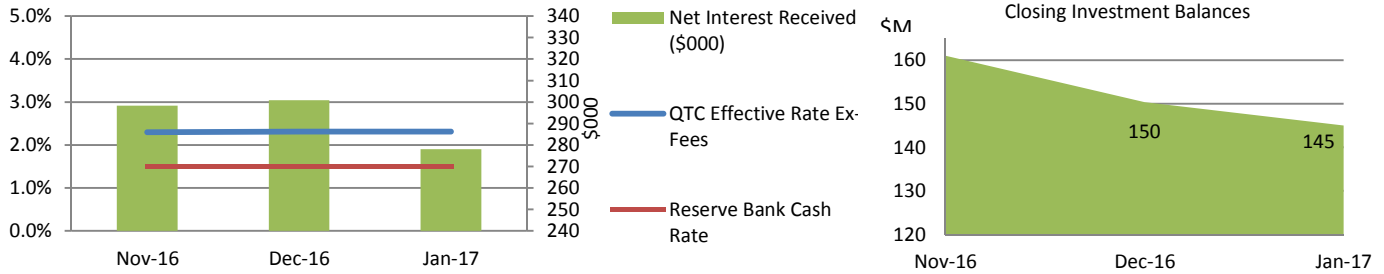
### REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 January 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Funding from utility revenue	307	1,737	786	1,107	321
<b>Total sources of capital funding</b>	<b>307</b>	<b>1,737</b>	<b>786</b>	<b>1,107</b>	<b>321</b>
Capitalised expenditure	233	1,662	711	991	280
Loan redemption	75	75	75	116	41
<b>Total applications of capital funds</b>	<b>307</b>	<b>1,737</b>	<b>786</b>	<b>1,107</b>	<b>321</b>

## 9. INVESTMENT & BORROWINGS REPORT

For the period ending 31 January 2017

### INVESTMENT RETURNS



**Total Investment at End of Month was \$145.79M**

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

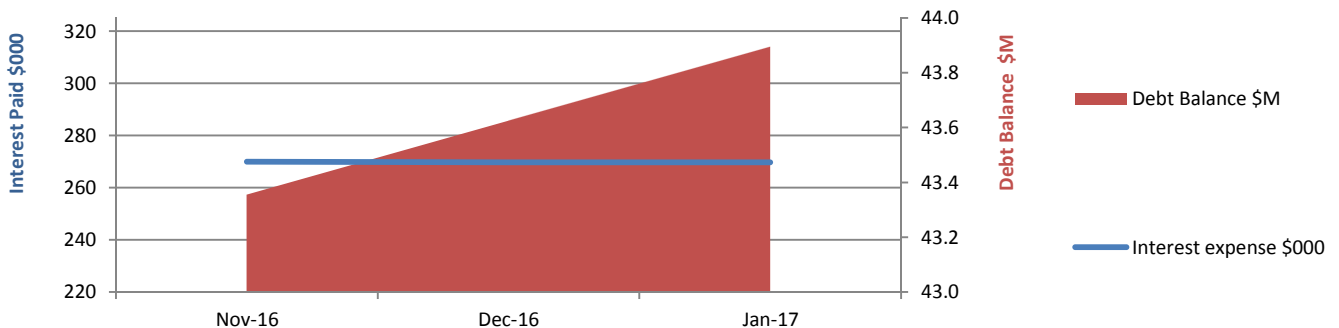
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 the interest rate offered on a daily basis by 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 were \$43.89M**



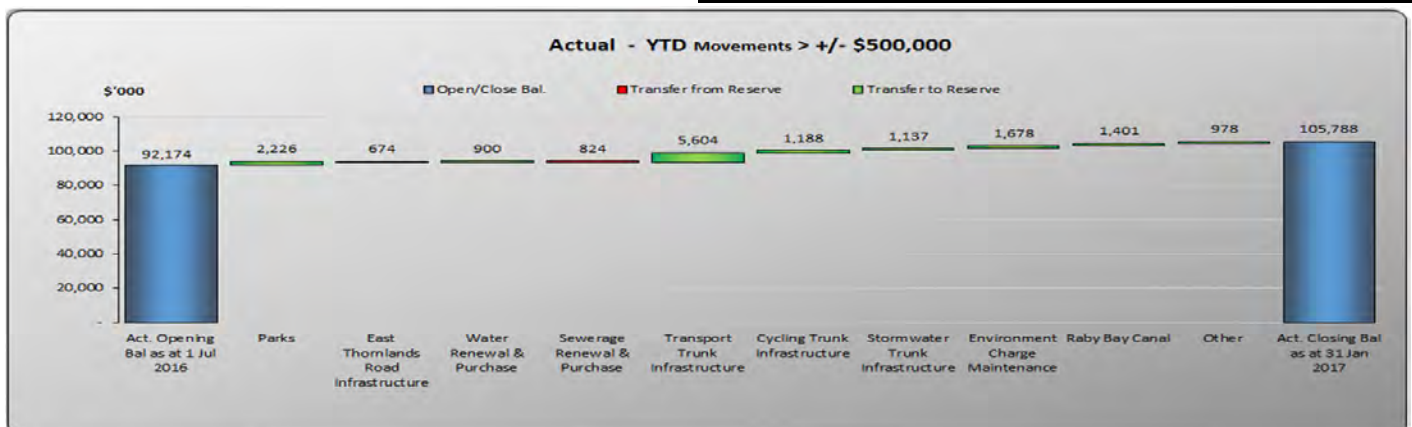
The existing loan accounts were converted to fixed rate loans on 1 April 2016 in line with QTC policies. In line with Council's debt policy, debt repayment has been made *annually* in advance for 2016/2017.

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 January 2017	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>				
Weinam Creek Reserve	2,406	420	(15)	2,811
Red Art Gallery Commissions & Donations Reserve	2	-	-	2
	<b>2,408</b>	<b>420</b>	<b>(15)</b>	<b>2,813</b>
<b>Utilities Reserve:</b>				
Redland Water Reserve	8,300	-	-	8,300
Redland WasteWater Reserve	1,600	-	-	1,600
	<b>9,900</b>	-	-	<b>9,900</b>
<b>Constrained Works Reserve:</b>				
Parks Reserve	9,150	2,596	(370)	11,376
East Thornlands Road Infrastructure Reserve	674	-	(674)	-
Community Facility Infrastructure Reserve	1,696	455	-	2,151
Retail Water Renewal & Purchase Reserve	8,911	901	(1)	9,811
Sewerage Renewal & Purchase Reserve	6,516	3,360	(4,184)	5,692
Constrained Works Reserve-Capital Grants & Contributions	1,549	-	(8)	1,541
Transport Trunk Infrastructure Reserve	21,897	5,637	(33)	27,501
Cycling Trunk Infrastructure Reserve	5,844	1,676	(488)	7,032
Stormwater Infrastructure Reserve	5,613	1,137	-	6,750
Constrained Works Reserve-Operational Grants & Contributions	1,666	-	(168)	1,498
Tree Planting Reserve	64	31	(11)	84
	<b>63,580</b>	<b>15,793</b>	<b>(5,937)</b>	<b>73,436</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,794	-	(43)	6,751
Environment Charge Maintenance Reserve	1,243	4,609	(2,931)	2,921
	<b>8,037</b>	<b>4,609</b>	<b>(2,974)</b>	<b>9,672</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	139	(120)	19
SMBI Translink Reserve	13	698	(475)	236
	<b>13</b>	<b>837</b>	<b>(595)</b>	<b>255</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve	4,113	2,088	(687)	5,514
Aquatic Paradise Canal Reserve	3,685	672	(565)	3,792
Sovereign Waters Lake Reserve	438	42	(74)	406
	<b>8,236</b>	<b>2,802</b>	<b>(1,326)</b>	<b>9,712</b>
<b>TOTALS</b>	<b>92,174</b>	<b>24,461</b>	<b>(10,847)</b>	<b>105,788</b>
				Closing cash and cash equivalents
				<b>146,360</b>
				Reserves as percentage of cash balance
				<b>72%</b>



Infrastructure reserves - YTD growth predominantly from developments in Thornlands and Capalaba. Movement in the Sewerage Renewal & Purchase Reserve is mainly due to \$3.12M spend at Pt Lookout waste water treatment plant. Movement in the East Thornlands Road Infrastructure Reserve is due to closure of the fund and funds transferred to the Transport Trunk Infrastructure Reserve.

## 11. GLOSSARY

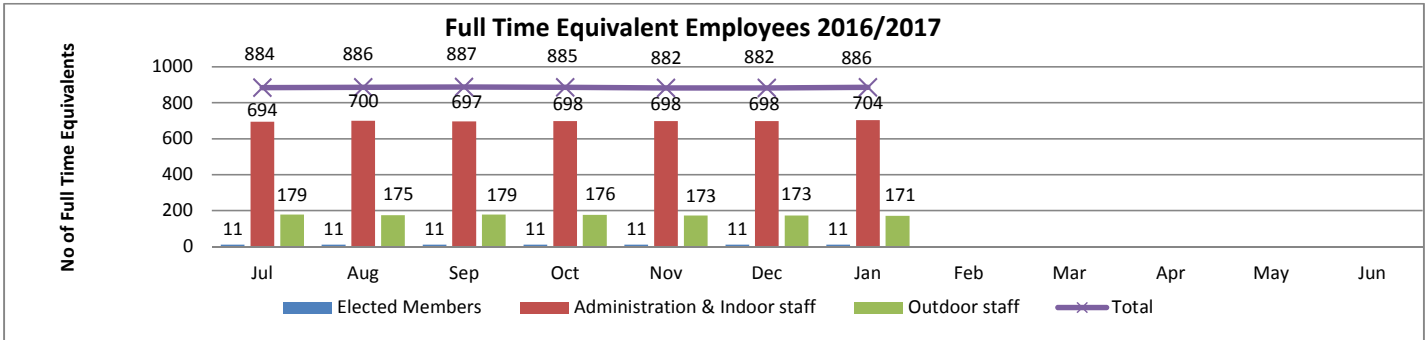
### Definition of Ratios

<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>	$\frac{\text{Total Liabilities - Current Assets}}{\text{Total Operating Revenue}}$
<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>	$\frac{\text{General Rates - Pensioner Remissions}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
<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>	$\frac{\text{Interest Expense + Loan Redemption}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
<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>Longer Term Financial Stability - 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>	$\frac{\text{Net Cash from Operations + Interest Revenue and Expense}}{\text{Cash Operating Revenue + Interest Revenue}}$
<b>Interest Coverage 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



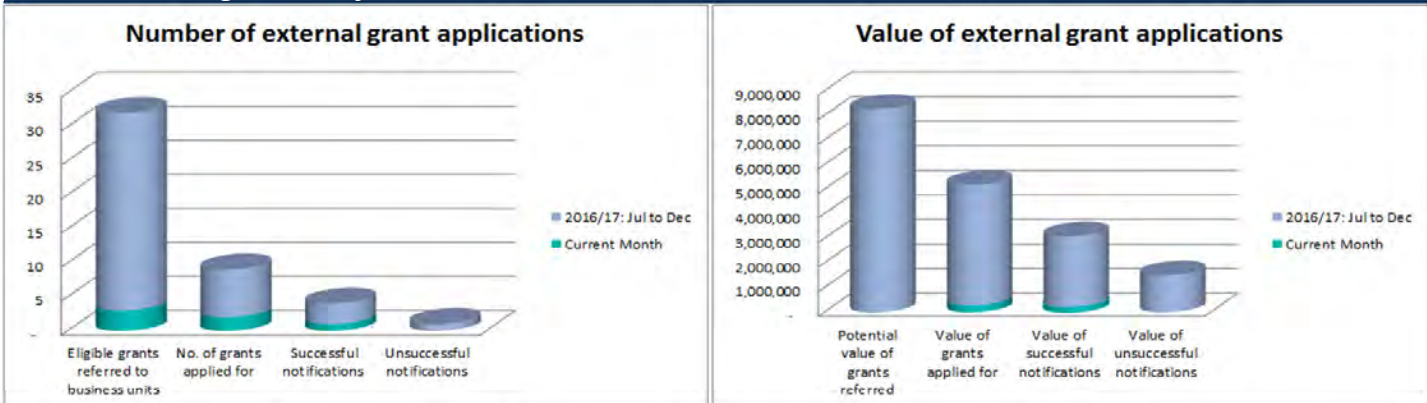
Department Level	Employee Type						Grand Total
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	
Office of CEO	11	3	92	14	10	0	130
Organisational Services	1	7	101	7	9	2	127
Community and Customer Service	35	4	242	59	21	8	369
Infrastructure and Operations	19	7	306	8	9	2	351
<b>Total</b>	<b>66</b>	<b>21</b>	<b>741</b>	<b>88</b>	<b>49</b>	<b>12</b>	<b>977</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	Jan-16	% Overdue	Jan-17	% Overdue	\$ Variance	% Variance
0 - 30	\$98	0.00%	\$1,040	0.00%	\$943	0.00%
31 - 60	\$140	0.00%	\$1,167	0.00%	\$1,027	0.00%
61 - 90	\$1,980,169	1.13%	\$2,213,380	1.21%	\$233,211	0.09%
>90	\$3,478,240	1.98%	\$3,235,098	1.78%	-\$243,142	-0.21%
<b>Total</b>	<b>\$5,458,646</b>	<b>3.11%</b>	<b>\$5,450,685</b>	<b>2.99%</b>	<b>-\$7,961</b>	<b>-0.12%</b>

### External Funding Summary



#### Month of January 2016/17

**In the current month submitted applications include:**

Cycle Network Local Government Grant, applied for two projects for 17/18 delivery:  
 - Cleveland Redland Bay Road Cycleway, contribution of \$0.25M by Department of Transport and Main Roads; and  
 - MBC Beveridge Road segment, contribution of \$0.03M by Department of Transport and Main Roads.

**In the current month successful applications include:**

QCoast2100 Program for Coastal Adaptation Study, grant to cover 4 phases of work over 2016/2017 and 2017/2018 completion timeframes. Total contribution achieved: \$0.20M.

#### YTD 2016/17

**The YTD main funding applications submitted & successful include:**

Local Government Subsidy Scheme Program x 2 applications:  
 - Thorneside WWTP (Package of 5 separate projects) - \$2.75M; and  
 - Indigiscapes Native Plant Nursery - \$0.11M  
 Queensland Anzac Centenary Lasting Legacies Program:  
 - Remembering them: Honouring the First World War soldiers of the Redlands project - \$0.02M  
 QCoast2100 Program for Coastal Adaptation Study:  
 - 4 phases of work over 2016/2017 and 2017/2018 - \$0.20M

**The YTD main funding applications submitted & not successful include:**

- Ex-HMAS Tobruk EOI - Economic benefit in first year - \$1.50M



**11.1.2 UPDATED ASSET GUIDELINES AND PROCEDURES****Objective Reference:****Reports and Attachments****Attachments:**

[GL-2528-001 Accounting Principles and Concepts for Non-Current Assets](#)  
[GL-2528-005 Annual Asset Reviews](#)  
[PR-2528-001-001 Determining the Elements of Cost for Fixed Assets](#)  
[PR-2528-001-017 Work in Progress](#)  
[PR-2528-005-002 Annual Asset Reviews](#)

**Authorising Officer:**

**Deborah Corbett-Hall**  
**Chief Financial Officer**

**Responsible Officer:**

**Leandri Brown**  
**Finance Manager Corporate Finance**

**Report Author:**

**Carolyn Jackson**  
**Manager Capital and Asset Accounting**

---

**PURPOSE**

The purpose of this report is to present the updated asset guidelines and procedures for adoption by Council.

**BACKGROUND**

Following the adoption of the revised *POL-2528 Asset Accounting Policy* by Council on 25 May 2016, a range of updates were applied to the subsidiary guidelines and procedures to allow for improved interpretation and understanding of the policy, especially as it relates to the classification of capital and operational expenditure.

Except for *GL-2528-005 Annual Asset Reviews*, no changes were made to the underlying accounting methodology, principles or application of the policy; rather updates to the structure, discussions, flowcharts and tables have been included to aid interpretation.

The change to *GL-2528-005 Annual Asset Reviews* has allowed for a clearly defined range of assets requiring annual impairment reviews consistent with the policy.

A summary of the impacted guidelines and procedures, and the updates applied is shown in the table below.

PGP Reference	Summary of Changes
<p><b>GL-2528-001</b></p> <p>Asset Accounting Principles and Concepts for Non-Current Assets</p>	<ul style="list-style-type: none"> <li>• All asset definitions collated into one document</li> <li>• Expanded guidance on the initial recognition and subsequent renewal, upgrade and expansion of assets, as well as the inclusion of process flows diagrams</li> <li>• Inclusion of guidance on asset componentisation discussion</li> <li>• Inclusion of discussion on stocktaking practices previously outlined in PR 2525-001-004 now obsolete</li> <li>• Inclusion of Asset Accounting Policies, Guidelines and Procedures (PGPs) structure</li> </ul>
<p><b>PR-2528-001-001</b></p> <p>Determining the Elements of Cost for Fixed Assets</p>	<ul style="list-style-type: none"> <li>• Inclusion of additional water assets examples</li> <li>• Revision to capital and operational costs flow charts for clarity</li> <li>• Inclusion of the Complex Project Lifecycle Matrix to assist with capital and operational cost decisions</li> <li>• Inclusion of Asset Accounting PGP structure</li> </ul>
<p><b>PR-2528-001-017</b></p> <p>Work In Progress</p>	<ul style="list-style-type: none"> <li>• Converted to Procedure from Guideline 2528-004 due to reformatting of PGP structure for Asset Accounting. This procedure now sits under GL 2525-001 Accounting Principles for Non- Current Assets</li> <li>• Inclusion of diagrams and formatting changes for improved readability</li> <li>• Updated for new role and team names</li> <li>• Removed duplicated definitions contained in the related guideline</li> <li>• Inclusion of Asset Accounting PGP structure</li> </ul>
<p><b>GL-2528-005</b></p> <p>Annual Asset Reviews</p>	<ul style="list-style-type: none"> <li>• Remove repetition of AASB 136 from wording of the guideline</li> <li>• Inclusion of Paragraph 5.2.3 to restrict the number or assets subject to Impairment Review</li> <li>• Update to annual review templates/checklists to reflect asset classes</li> <li>• Change the name of this guideline from Fixed Asset Confirmation, Impairment and Depreciation to Annual Asset Reviews</li> <li>• Inclusion of Asset Accounting PGP structure</li> </ul>
<p><b>PR-2528-005-002</b></p> <p>Annual Asset Reviews</p>	<ul style="list-style-type: none"> <li>• Change the name of this procedure from Fixed Asset Confirmation, Impairment and Depreciation to Annual Asset Reviews</li> <li>• Inclusion of Asset Accounting PGP structure</li> </ul>
<p><b>POL- 3052</b></p> <p>Non-Current Asset Revaluation</p>	<ul style="list-style-type: none"> <li>• To be made obsolete as the policy statements have been included in POL-2528. Detailed guidance is provided in GL-2528-012</li> </ul>

## ISSUES

The classification of expenditure as capital or operational is an important aspect of financial governance, budgeting and forecasting. Continued instances of incorrect classification of costs have been noted and the need for improved clarity of the decision making process was evident. Although not changing the underlying methodology, principles or broader interpretation of the policy, the updates to the guidelines and procedures were aimed at addressing this issue.

## STRATEGIC IMPLICATIONS

### Legislative Requirements

Section 104 (6) of the *Local Government Act 2009* requires a local government to ensure its financial policies are regularly reviewed and updated as necessary.

### Risk Management

The updates to these guidelines and procedures are aimed at improving understanding and application of asset accounting concepts and principles to reduce the risk of misinterpretation and error.

### Financial

There is no direct financial impact to Council as a result of this report. However, the continued application of the revised guidelines and procedures will assist in ensuring financial transactions related to assets are materially accurate and complete.

### People

Nil impact is expected as the guidelines and procedures have been updated for clarity and currency only. Once the changes are adopted, information sessions will be available to inform key stakeholders of the clarifications applied in each document. Of note, Council's Asset Management Project Manager will ensure updated PGP's are included in the project roll-out

### Environmental

Nil impact expected as the guidelines and procedures have been updated for clarity and currency only.

### Social

Nil impact expected as the guidelines and procedures have been updated for clarity and currency only.

### 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. 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

The update and review of the guidelines and procedures, including the Flow Charts and the Complex Project Lifecycle Matrix, included consultation with various council officers from the following areas:

- Infrastructure and Operations - Water and Wastewater;
- Infrastructure and Operations - City Spaces;
- Infrastructure and Operations - Project Delivery Group; and
- Financial Services Group.

## OPTIONS

1. That Council resolves to make POL-3052 Non-Current Asset Revaluation obsolete and adopt the following guidelines and procedures:
  - GL-2528-001 Asset Accounting Principles and Concepts for Non-Current Assets;
  - PR-2528-001-001 Determining the Elements of Cost for Fixed Assets;
  - PR-2528-001-017 Work In Progress;
  - GL-2528-005 Annual Asset Reviews; and
  - PR-2528-005-002 Annual Asset Reviews.
2. That Council requests additional information.

## OFFICER'S RECOMMENDATION/ COUNCIL RESOLUTION

Moved by: Cr P Mitchell

Seconded by: Cr T Huges

That Council resolves to make POL-3052 Non-Current Asset Revaluation obsolete and adopt the following guidelines and procedures:

1. GL-2528-001 Asset Accounting Principles and Concepts for Non-Current Assets;
2. GL-2528-005 Annual Asset Reviews;
3. PR-2528-001-001 Determining the Elements of Cost for Fixed Assets;
4. PR-2528-001-017 Work In Progress; and
5. PR-2528-005-002 Annual Asset Reviews.

**CARRIED 11/0**

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

## Accounting Principles and Concepts for Non-Current Assets

### [Version Information](#)

#### 1. Scope

This guideline applies to all Redland City Council employees.

#### 2. Purpose

The purpose is to prescribe a framework for defining, recognising, classifying and depreciating Non-Current Assets.

#### 3. Definitions

A **non-current asset** is a resource, controlled by Council, as a result of past transactions or events which will result in future benefits to flow to Council over a period of more than twelve months.

Characteristics of an asset include the following.

- The future economic benefits that come to Council from using or selling the asset.
- The cost or value can be reliably measured.
- It is expected to be used over more than one financial year.
- Council has *control* over the future benefit.
- The transaction or event that gives rise to the benefit occurred in the past.

Refer to section 4.2.

**Asset Class** is grouping of non-current assets of similar nature and the lowest level of information on non-current assets reported in the financial statements.

**Bulk Assets** is the term given to an accumulation of individual items or components acting as a cohesive whole in the delivery of a service. Expenditure may still be capitalised on items that are individually immaterial, however are significant when considered as a group of assets for example, library books, furniture network, wheelie bins, fencing (under threshold), and signage (under threshold). In these bulk assets the costs of the asset are added to a bulk network at the end of each year and Information only assets are created in the asset register to act as component details.

#### Capital Expenditure

**Capital expenditure** is the acquisition of new physical assets or the construction/ development of a physical asset expected to last for more than 12 months. In addition to **new assets** capital expenditure includes renewal/replacement, expansion and upgrade of existing assets held. It does not include expenditure of an operating or maintenance nature.

**Capital renewal/replacement** is expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally – often this means the removal and replacement of one asset for another of the same specification.

---

#### CMR Team use only

As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g. resurfacing or re-sheeting part of a road network, replacing a section of a drainage network with pipes of the same capacity or resurfacing an oval.

**Capital upgrade** is expenditure, which enhances an existing asset to provide a higher level of service, greater capacity of use and may potentially increase the life of the asset beyond that of its original expected useful life.

It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base, e.g. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

**Capital expansion** is expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure, which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group, e.g. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

**Extension of life.** Expenditure is deemed to extend the life of the asset if the expenditure results in the asset providing benefit beyond the initial life expectation. For example: if the design life of the asset is 12 years to be replaced in 2015 and the expenditure results in the asset lasting until 2017 then the life is deemed to have been extended and may be considered upgrade capital expenditure.

**Capitalisation threshold** is the expenditure limit below which costs are expensed as maintenance and above which is recognised as capital and therefore created as an asset within Council's respective asset register. Refer to 4.2.2 and Appendix 1 for council's capitalisation threshold and amounts

A **Component Asset** is the lowest level of the asset hierarchy to which assets are recognised and financially valued. A separate component asset should be recognised if **each** of the following criteria is met:

- It can be separately identifiable and measurable.
- It is able to be physically separated from other components.
- It requires replacement at regular intervals different to the complex asset to which it relates.
- Its value exceeds the asset recognition threshold.

A **Complex Asset** is a series of interconnected component assets that rely on each other for the production of a service, however may be disaggregated for the purposes of renewal, depreciation or maintenance.

**Condition Assessment** is the methodology is used to assess an asset's condition to determine maintenance strategies and the remaining life over which service levels can be met.

**Contributed Assets** are assets acquired by Council at nominal or no cost, usually by agreement with property developers, through State Government arrangements or bequeathed to Council.

**Carrying Amount** is the cost of the asset less depreciation charge over the life of the asset. Carrying amount is also known as written down value or net book value.

**Decommissioning** is the removal, demolition or elimination of an assets service potential resulting from a specific management decision.

**Depreciable Amount** is the cost of an asset, or other amount substituted for cost, less it's residual or salvage value.

**Depreciated Replacement Cost** is the current replacement cost of an asset, less, where applicable accumulated depreciation to reflect the already consumed or expired future economic benefits of the asset i.e. how much an asset would be worth in today's cost; if it was a similar age.

**Depreciation** is the systematic allocation of the depreciable amount of an asset over its economic life to reflect patterns of consumption of the asset. It effectively allocates the portion of the cost being used or available for use over the life of the asset.

**Design Life** is the expected period of time an asset can be used based on its design characteristics. Can be greater than the period of time Council intends to use an asset.

**Economic Life** or useful life is the period over which an asset is expected to be economically useful to Council. This may be shorter than the design life and should be used as the life for depreciation purposes if it differs from the design life. Refer to 4.2.3

**Elements of Cost** are the types of expenditure that can be appropriately included in the acquisition, renewal or upgrade cost of as asset as prescribed in AASB 116 (16). It includes:

- The purchase price (including the import duties and no refundable purchase taxes after deducting trade discounts and rebates).Excludes GST less any trade.
- Any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial costs of dismantling and removing the item and restoring the site on which it is located.

Refer to section 4.2.5 which includes examples of costs that can be capitalized to the asset.

**Fair value** is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

**Fair Value Hierarchy** gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

**Level 1 inputs** are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2 inputs** are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, i.e. assets are similar but not identical.

**Level 3 inputs** are unobservable inputs for the asset or liability.

**Highest and best use** is the use of a non-financial asset by market participants that would maximise the value of the asset or the group of assets and liabilities (e.g. a business) within which the asset would be used.

**Impairment** An asset is impaired when the carrying amount is greater than the recoverable amount. The purpose of impairment testing is to assess whether the carrying amount of an asset will be recovered through use or sale/disposal of an asset at that time.

**Information Asset** is a small sub-component with a cost below the capitalisation threshold that needs to be visible in the asset register for maintenance or renewal planning. An information asset is not valued and therefore not depreciated. Any value associated with this asset is reflected in the component parent.

**Market value** is a sub-set of fair value. It is an estimate of the price for the asset in an active or liquid market.

**Most Advantageous Market** is the market that maximises the amount that would be received to sell the asset or minimises the amount that would be paid to transfer the liability, after taking into account transaction costs and transport costs.

A **Linear Network** asset can be established where assets are interconnected so that the absence of a small part breaks the connectivity of the whole asset for example water and wastewater pipe networks and the road network. In these cases, individual assets are created for all components and may be valued and depreciated separately.

**Off Maintenance** is the point in time that the period of “On Maintenance” applicable to contributed assets either expires or ceases.

**On Maintenance** is the point in time that Council accepts control of an asset handed over by a property developer and assets are recognised in Council’s accounts. The term “On Maintenance” refers to an effective warranty period whereby the responsibility for rectifying defects associated with the contributed assets rests with the developer.

## Operating/Maintenance Expenditure

**Operating expenditure** is recurrent expenditure, which is continuously required to operate the asset on a day to day basis such as power, fuel, staff, plant equipment, on-costs and overheads, excluding maintenance and depreciation.

**Maintenance expenditure** is recurrent expenditure on the asset, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life. It is expenditure, which was anticipated in determining the asset’s useful life. Maintenance expenditure includes reactive maintenance and repair (pothole patching, painting, etc.), planned maintenance (maintenance and repair to predetermined schedules) and replacement of parts of assets. Generally these costs are immaterial or small in comparison to the overall cost of the asset.

**Optimised Replacement Value** is the cost of a replacement replicating the utility of the asset most efficiently. E.g. if a PVC pipe can replace a concrete pipe and it costs 67% of the concrete pipe

---

### CMR Team use only



with equivalent utility, the concrete pipe is valued at 67%. It is the value replicating the existing asset most efficiently, providing the same service levels, accounting for technological change, over-design and redundancy.

**Optimising** will be used in all valuations. E.g. if a structure was over-designed for its current use, then the item would be valued as if a normal design was in place to provide the required service levels to the community.

**Portable and attractive** items are those items that are set below the asset threshold that are "portable and attractive". It is the responsibility for each Group Manager to determine if they create and maintain separately a portable and attractive items register.

**Recoverable Amount** is the higher of an asset's fair value less costs to sell and its value in use. The value in use of not-for-profit entities (e.g. Council) that is not part of a cash generating unit is defined as depreciated replacement cost. Therefore, the recoverable amount would be the asset's depreciated replacement cost, provided the asset would be replaced if deprived of its use.

**Remaining Useful Life** is the remaining operational life of an asset in service, irrespective of the period an asset has been in use or its design life or initial useful life when first recognised.

**Replacement cost** is a common valuation method for non-commercial infrastructure and may incorporate supply and installation for similar assets in similar condition. It is replacing like with like. E.g. a tin shed with a tin shed - not a tin shed with a brick shed. I.e. there is a distinction between replacement and upgrading.

**Residual value** is the estimated amount obtainable from disposal after deducting the estimated costs of disposal, if the asset was at an age and in a condition that would be expected at the end of its useful life.

**Unobservable Inputs** are inputs used during valuation for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

**Useful life** or Economic Life is the period over which an asset is expected to be economically useful to Council. This may be shorter than the design life and should be used as the life for depreciation purposes if it differs from the design life. Refer to 4.2.3

**Value in Use** is the present value of the future cash flows expected to be derived from the asset.

**Work in Progress (WIP)** is the term used for the interim 'holding' account for costs related to assets under construction. Once a project is complete and the asset is operational, the total costs are transferred from WIP to the appropriate asset account. WIP provides the mechanism to aggregate the total costs associated with asset construction over the total construction period.

## 4. Asset Accounting Principles

### 4.1. Process Overview

In the overall asset creation process the principles outlined in this procedure help to clarify when a project should be treated as capital.

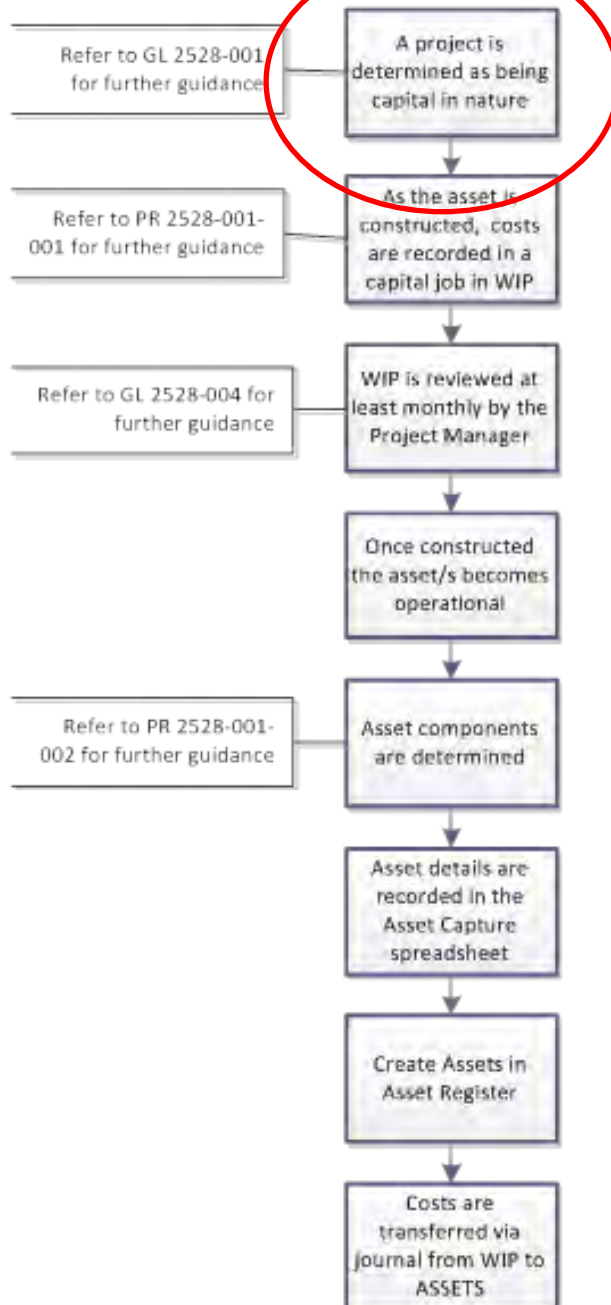
---

#### CMR Team use only

Department: Office of CEO  
Group: Financial Services  
Approved:

Effective date:  
Version: 3  
Review date:  
Page: 5 of 21

## Asset Creation Process Flow



CMR Team use only

## 4.2. Initial Recognition

For an accounting assessment reference should be made to AASB 116 Property, Plant and Equipment. AASB 116 advises expenditure can be capitalised if *all* of the following criteria are met:

- Council has control over the asset.
- It is probable the benefits will flow to Council.
- The benefits are expected to last more than one year.
- The costs exceed the capitalisation threshold for the appropriate class of assets.
- The costs can be reliably measured.

If we consider this definition in general terms:

- We should consider we have an asset when:
  - we can use it and stop others from using it if we choose (**Control**)
  - the value of the resulting asset is quite high (**Capitalisation threshold**)
  - we will continue to use the asset over a long period of time. (**Expected life greater than 1 year**)
- We should start to collect costs that will represent the value of the asset:
  - from the time it is likely we are going to acquire the asset (**Probable benefits**)
  - that includes all the costs that are allowed by the standard to form part of the asset's value. (**Elements of cost**) Refer 2525-001-001.

### 4.2.1. Control

Control over the asset is considered to exist where Council has the power to obtain the benefits from the asset (use it) or the ability to restrict the access of others to those benefits (stop others from using it).

Council is considered to have control over developer contributed assets at the beginning of the 'On-Maintenance' period. Although the developer is responsible for defects during the On-maintenance period, the ownership and control of the asset has been passed to Council.

### 4.2.2. Capitalisation Threshold

The capitalisation threshold provides a monetary value where it has been decided it is worth treating the cost as an asset. While we do get benefit from small items like stationery for example, the cost associated with managing these small costs outweighs the benefit of recording them as assets.

All of the costs that fulfil the 'elements of costs' criteria should be aggregated to form the value of the asset before the threshold test is applied. The thresholds are contained in Appendix 1.

### 4.2.3. Expected Life

Expenditure should only be treated as capital where the expected benefits or expected life of the assets is greater than one year. Costs that are capitalised are gradually treated as expenditure of the Council over the life of the asset through depreciation. Essentially an equal portion of the cost is charged to each year the asset is used.

If the asset life is only one year, then the depreciation expense will equal the total cost of the asset and will be recognised as expenditure in the first year of the assets' life. Therefore there is no additional value in capitalising the cost.

#### 4.2.4. Probability of Benefits

The benefits associated with most Council assets are related to the ability to use the asset in the delivery of good and services to ratepayers. The benefit is considered to be 'probable' if it is more likely than less likely that the ability to use the assets will eventuate.

Consistent with this, costs can only be considered to be capital after the decision to acquire the asset has been made.

#### 4.2.5. Elements of Cost

Once it is determined that an asset exists, it is necessary to determine the value of that asset. In general terms the 'elements of cost' that can be aggregated to value the asset are:

- The costs of purchasing or building the asset.
- The costs specifically incurred to bring that asset to the location and condition that is needed to deliver the goods or services to the community.
- An estimate of costs of removing the asset at the end of its period of use.

The cost of the asset may include such items as:

- employee benefits arising from construction or acquisition
- site preparation
- initial delivery and handling costs,
- installation and assembly
- testing that is operating correctly, professional fees
- cost of borrowing e.g. interest expenses incurred during construction.

Asset value should **NOT** include:

- concept or feasibility costs
- costs of opening a new facility
- costs of introducing a new product or service (including advertising)
- costs of conducting business in a new location
- administration and other general overhead costs Strategic plans, project scoping, investigation and planning approvals
- training costs.

The asset install date is the date the asset became operational for use. Assets will depreciate from the date of installation.

For further details on what costs can be capitalised refer to PR-2528-001-001 Determining the Elements of Cost for Fixed Assets

## 4.3. Spare Parts

Minor items of spare parts and servicing equipment are carried as inventory and expensed when utilised.

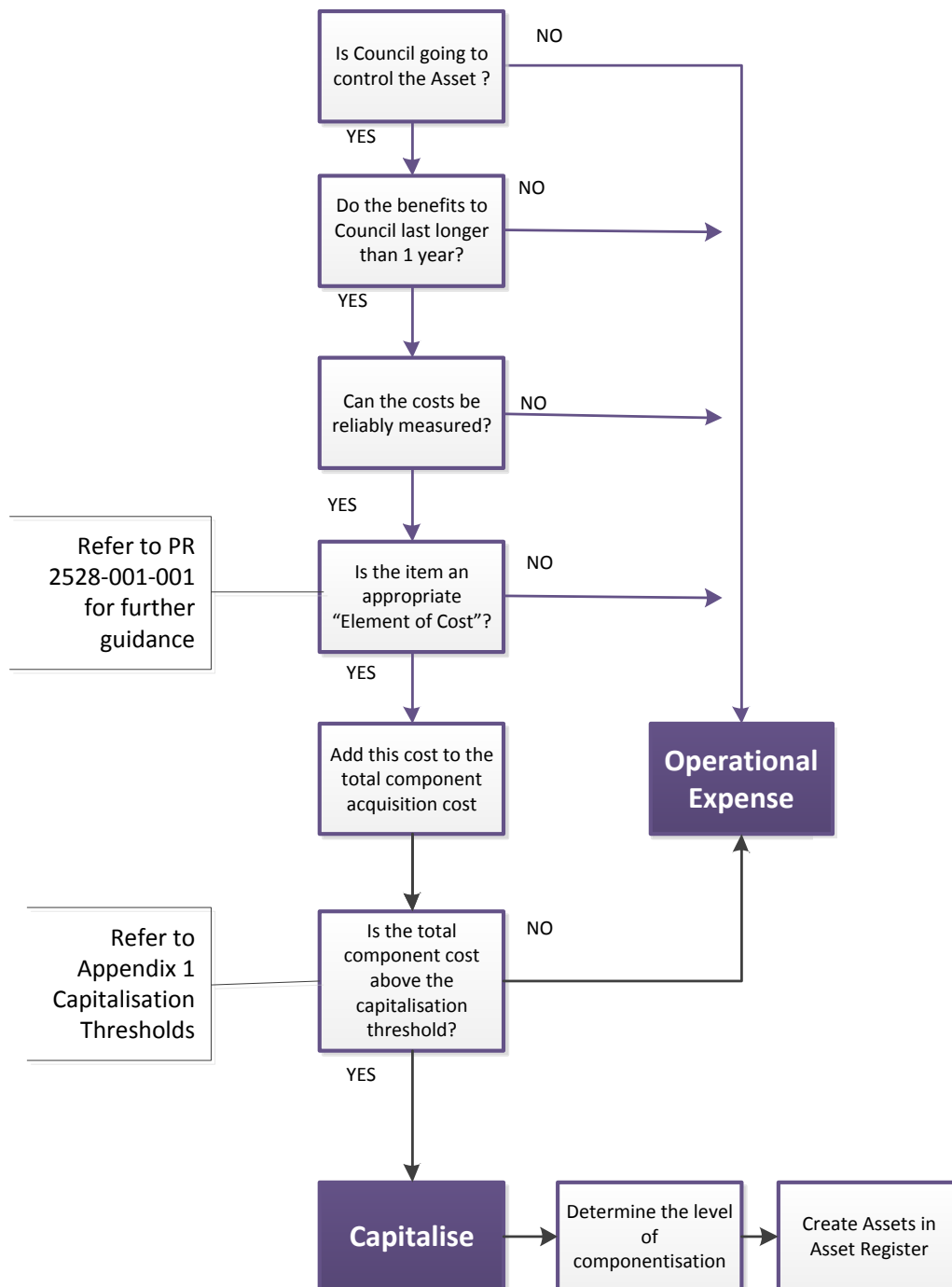
Major spare parts and stand-by equipment are recognised as non-current assets when the following criteria are met:

- exceeds the recognition threshold for the applicable asset class, and
- benefits from the item will be obtained for more than one financial year, or
- the spare part can only be used in connection with an asset that is already recorded within the financial asset register

## 4.4. New Assets

Where a completely new asset is being purchase or constructed the assessment against the asset criteria is quite straight forward. Using the flow chart of the following page may be helpful to determine if a project or cost, should be considered an asset.

## Capital Versus Operating Decision Flow New Assets



## 4.5. Upgrade, Replacement and Renewal of Existing Assets

Where expenditure relates to replacing, renewing and upgrading existing assets additional factors must be considered however the concepts of threshold, future benefit and expected life are still applied.

### 4.5.1. Upgrade

Where expenditure relating to an existing asset exceeds the capitalisation threshold and:

- provides a higher level of service (greater operational capacity or removes bottlenecks), or
- results in a cost saving, or
- extends the life of the resulting asset beyond the original expectation;

the costs can be capitalised as part of the existing asset and the remaining life updated. If these criteria are not met the costs must be expensed.

### 4.5.2. Total Replacement or Renewal

Where costs are incurred in the total replacement or renewal of one asset for another, as long as the asset recognition criteria are met (exceeds capitalisation threshold, life greater than one year and can be reliably measured) the new asset should be bought into account to replace the one that has been disposed.

### 4.5.3. Partial Replacement or Renewal

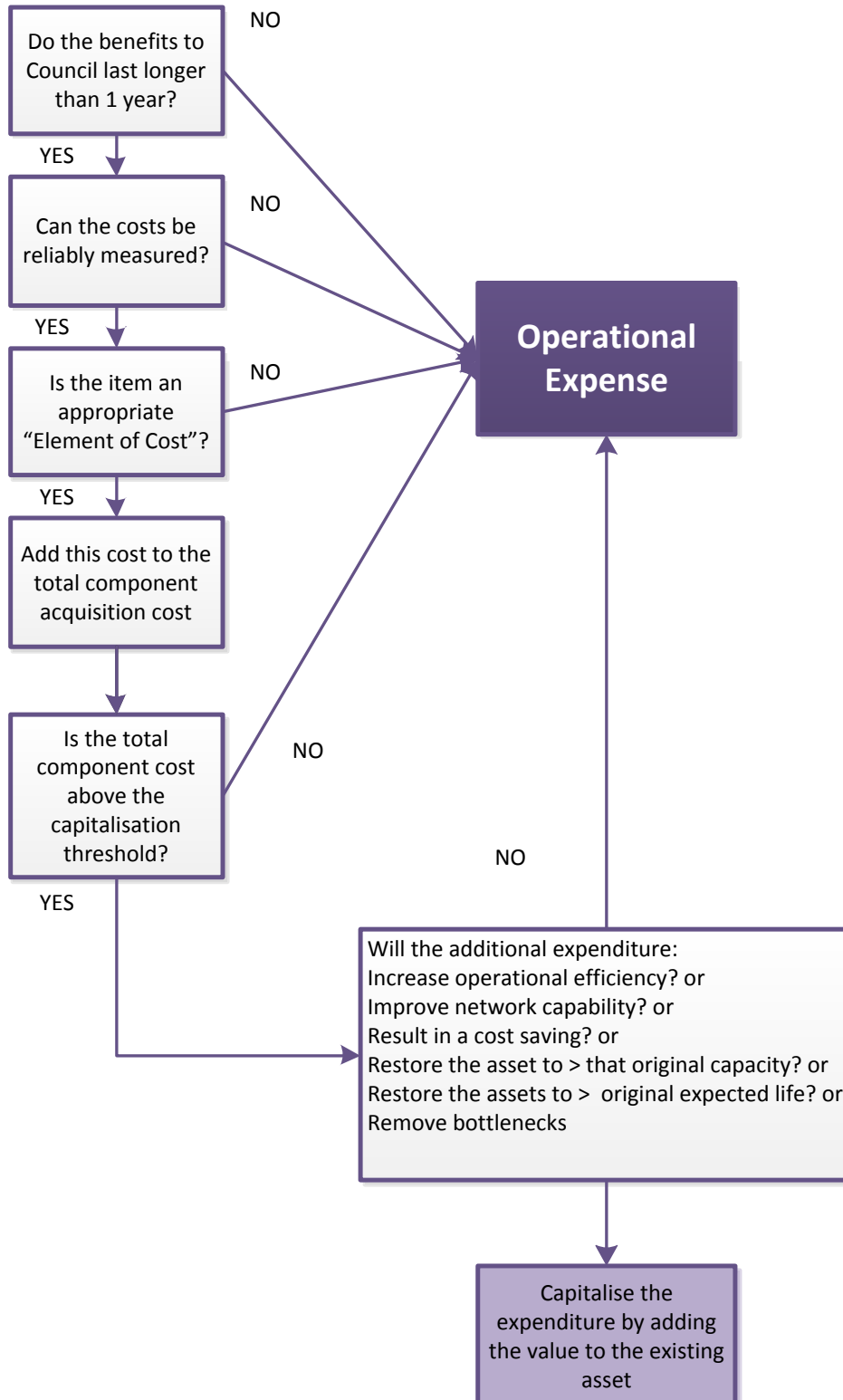
Complications can arise in accounting for renewals or refurbishment when only part of an existing asset is replaced. Where the replaced portion of the asset is not readily identifiable in the asset register, the value of the portion to be disposed cannot be determined. Adding these additional costs without retiring a portion of the existing asset will result in overstating the value of the asset.

The replaced portion of the existing asset may be determined as a percentage of length, area or some other reliable measure or through access to historical records. Where this cannot be determined and the level of service has not been extended, the costs must be treated as operational expenditure.

If the portion of the renewal can be determined, and the costs of the renewal exceeds the capitalisation threshold of the appropriate asset class, the renewal costs may be capitalised to the existing asset after the appropriate portion of the existing asset is retired.

For further guidance on what costs should be treated as an element of cost refer to ***PR 2528-001-001 Determining the Elements of Costs for Fixed Assets.***

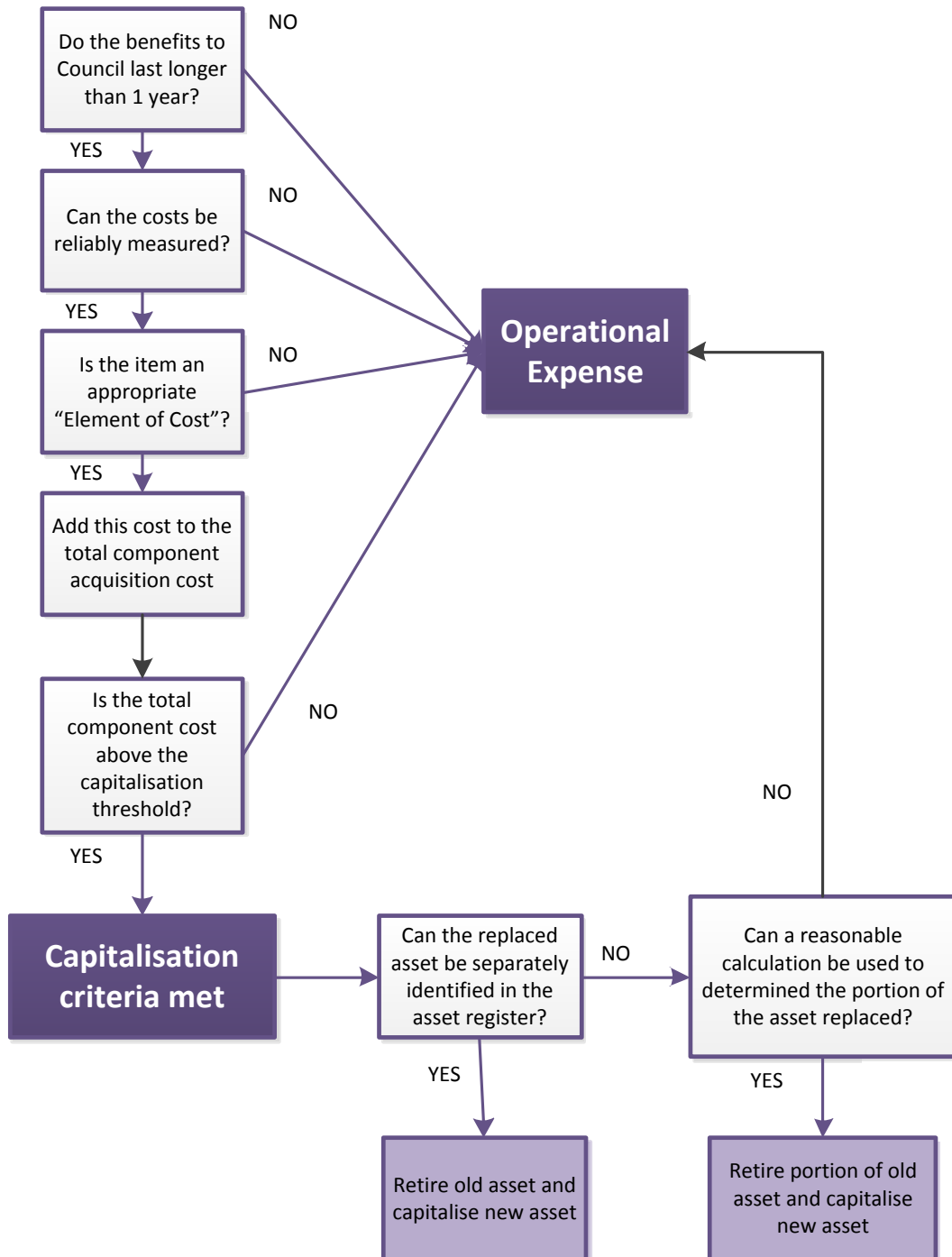
## Capital Versus Operating Decision Flow Upgraded Assets



CMR Team use only



## Capital Versus Operating Decision Flow Replacement Assets



## 4.6. Asset Componentisation

Each individual asset is to be identified and recorded separately in the Fixed Asset Register for identification and depreciation purposes. The exception is bulk assets like library books, artwork paintings and mobile garbage bins.

To determine the individual assets to be recognised, each item of Property Plant and Equipment is to be disaggregated into separate identifiable significant components to allow for:

- the calculation of depreciation and valuation
- maintenance planning
- renewal planning.

An asset will be recorded separately in the asset register as a component asset where the component:

- it can be separately identifiable and measurable.
- it can be able to be physically separated from other components.
- it will require replacement at regular intervals (potentially different to the life of the complex asset to which it relates.
- its value exceeds the asset recognition threshold.

*An information asset may be created for small components that do not reach the capitalisation threshold, yet need to be identified for maintenance or other planning purposes.*

## 4.7. Depreciation

All physical non-current assets with limited useful lives are to be depreciated over their estimated (and remaining) lives. The following items are exceptions:

- paintings and artwork appreciate in value and will not be depreciated;
- land does not have a limited useful life and therefore depreciation is not realized;
- earthworks on roads and stormwater assets; and
- rock armor on revetment and seawalls have an unlimited life therefore do not depreciate.

The depreciation rate will be based upon the design life or remaining useful life of the asset over which the asset's service potential is expected to be consumed. Determination of the remaining useful life considers factors including technical / commercial obsolescence, abnormal wear and tear and aesthetic characteristics of the asset. Default useful lives have been applied to the assets and may be amended by authorisation from the Group Manager to whom the asset is assigned.

The useful life is to be reviewed annually by Group Managers and included in the Depreciation and Impairment Review signed off annually by the responsible Group Manager.

Depreciation is to be calculated monthly and where possible, to begin when the asset is operational or ready/available for use. There may be instances where some costs are yet to be recorded or when the "as constructed" drawings are not yet finalised. Once delays are finalised, the actual installation date will be recorded in the fixed asset register.

Depreciation should cease in the period the asset becomes obsolete or is retired. If assets are required to be held on stand-by for extended periods, they will be treated in the same way as all non-current assets and in some cases, their useful remaining lives may require reassessment.

Non-current assets under construction at a period end should be recognised as Capital Work in Progress in the financial statements. These are capital costs are not yet ready depreciated and the asset is not yet commissioned/ready for use.

## 4.8. Asset Stocktake

Asset stocktakes are to be completed regularly by the Asset Assignees and may involve the sighting of specific assets or other verification processes. It the responsibility of the asset assignee to provide full documentation for the stock take of assets under their control to demonstrate a structured stock taking framework is in place and an auditable approach to stock taking has been followed. Stocktakes can be completed on a rolling basis and should include tests of both understatement and overstatement.

### 4.8.1. Overstatement Test

This consists of checking items recorded in the register physically exist and are in working condition, as such the register is not overstated. If items do not exist or if they have been transferred, a detailed explanation must be given, including the steps taken to arrive at this conclusion as well as verification completed and provided to Capital and Asset Accounting.

If assets are found to be duplicate records in the asset register, due diligence must be observed and thorough documentation recorded in support. Duplicate records are treated as prior period corrections in the financial statements, with an ensuing note (which is subject to external audit scrutiny); meaning the thorough documentation supplied by the stocktaker is paramount. Duplicate assets should always have a disposal date of the first date of the current financial period (01/07/20##).

### 4.8.2. Understatement Test

This consists of checking that items in the field have been recorded on the asset register. If not recorded, an entry into an asset acquisition spreadsheet needs to be completed and sent to the Capital and Asset Accounting Team.

### 4.8.3. Integrity Checking

While physical sighting is the most reliable stocktake method the nature of infrastructure assets is that other verification methods may be appropriate especially in relation to below ground or inaccessible items. Alternate sources of information should be utilised in completing the checks as they contain extensive information, such as DrawTrack, NearMap, ArcReader, or Objective. Desktop verification matching visual imagery against asset records is an alternative method and may be appropriate for asset classes including roads, pathways and buildings.

Where visual verification is completed, each item is to be physically sighted and stocktaked, signed by the stock taker, authorised by their manager and peer reviewed by an appropriate colleague. Each completed form is required to be signed by the Group Manager before being forwarded to Capital and Asset Accounting for final review and input.

---

#### CMR Team use only

Department: Office of CEO  
Group: Financial Services  
Approved:

Effective date:  
Version: 3  
Review date:  
Page: 15 of 21

A holistic approach needs to be taken with every stocktake. All data should be considered, ranging from the scope of all 'REGISTERED', 'DISPOSED', 'OUT OF SERVICE', 'PRIVATE' and 'INFORMATION' across all asset classes. Due to legacy data inaccuracies, assets across all departments should be included in the stocktake i.e. not just Parks assets are looked at in one location as they may be captured as Road assets as well as including surrounding locations.

Due to the required revaluation of all asset classes on a scheduled basis, a review of the replacement cost of the assets assigned is unnecessary.

Some key considerations when completing the stocktake include:

- the assets listed still exist and recorded to the correct SGA;
- the job number for depreciation expense is correct;
- the remaining life is accurate; and
- the location, make, model, serial number and other specifications are complete and accurate. Where these are not recorded, the information will be noted on the stock take sheet.

The stocktake of corporate assets including furniture, fixtures and fittings will be coordinated by the Capital and Asset Accounting Team.

#### **4.8.4. Responsibilities of Capital and Asset Accounting**

The Capital and Asset Accounting Team are custodian and key stakeholder for all of Council's financially registered assets. The Capital and Asset Accounting Team can provide support to the Asset Assignees to coordinate the stock take process. If any assets need updating, the team will action updates upon the receipt of completed, signed and authorised stocktake sheets. Any under or over statement found through the stocktaking process will need to be accompanied by sufficient information and verified and approved before it can be accepted by the team. Stocktaking data in the format requested by Asset Assignees will be extracted for all Finance One and Maximo assets if the assignee is unable to complete this task themselves.

#### **4.9. Residual values**

Residual values recorded against vehicle and large plant items should be determined as follows:

- Vehicles – The Red Book is used to estimate the vehicle residual values after adjustments take place for the levels of accessories included.
- Trucks – The residuals are estimated at the time of quotation based upon expected proceeds of the trucks being disposed.

Trailers and plant and equipment will be excluded from having residual values included as these items do not attract a significant disposal value. E.g. plant and equipment is sometimes sold together with other items on a pallet.

Residual values only relate to sale items; not re-use of materials.

#### **Reference Documents**

This Guideline has been developed to support the application or administration of

- POL-2528 Asset Accounting Policy

# guideline document



**GL-2528-001**

- GL-2528-012 Revaluation of Non-Current Assets
- GL-2528-011 Non Current Asset Retirements
- PR-2528-001-017 Work in Progress
- GL-2528-005 Annual Asset Reviews
- PR-2528-001-001 Determining Elements of Costs for Fixed Assets
- PR-2528-005-002 Annual Asset Reviews

---

**CMR Team use only**

**Department:** Office of CEO  
**Group:** Financial Services  
**Approved:**

**Effective date:**  
**Version:** 3  
**Review date:**  
**Page:** 17 of 21

The relationship between the PGP's can be seen in the diagram below.

### Asset Accounting PGP's



**CMR Team use only**

**Department:** Office of CEO  
**Group:** Financial Services  
**Approved:**

**Effective date:**  
**Version:** 3  
**Review date:**  
**Page:** 18 of 21

## Associated Documents

The following associated documents support this guideline:

- AASB 116 – Property, Plant and Equipment
- AASB 136 – Impairment of Assets

## Document Control

- Only the Chief Financial Officer can approve amendments to this guideline. Please forward any requests to change the content of this document to the Finance Manager Corporate Finance.
- Approved amended documents must be submitted to the Corporate Meetings & Registers Team to place the document on the Policy, Guidelines and Procedures Register.

## Version Information

Version No.	Date	Key Changes
3	February 2017	<ul style="list-style-type: none"><li>• All asset definitions collated into one document</li><li>• Expanded guidance on the initial recognition and subsequent renewal, upgrade and expansion of assets, as well as the inclusion of process flows diagrams</li><li>• Inclusion of guidance on asset componentisation discussion</li><li>• Inclusion of discussion on stocktaking practices previously outlined in PR 2525-001-004 now obsolete</li><li>• Inclusion of Asset Accounting PGP structure</li></ul>

[Back to Top](#)

---

### CMR Team use only

Department: Office of CEO  
Group: Financial Services  
Approved:

Effective date:  
Version: 3  
Review date:  
Page: 19 of 21

# guideline document

## Appendix 1: Capitalisation Thresholds

Asset Class	Asset Category	Examples	Threshold
Land	Land	All land in RCC ownership <i>Land under Roads is NOT recognised as a Council asset.</i>	ALL
Buildings	Buildings	Administration buildings, depots, sheds, amenities, community halls, cabins	ALL
	Fixtures and Fittings	Air conditioning, hot water systems, fans, awnings and blinds, cable network	\$500
Plant and Equipment	Plant and equipment	Power tools, generators, mowers, edgers trimmers, winches, cleaners, survey equipment, GPS, vehicles, boats	\$500
	Office equipment and Furniture	Audio visual equipment, televisions, projectors, kitchen appliances, general office equipment	\$200
	IM equipment (individual items excluding mobile phones)	Pc's, servers, printers, computer hardware and peripheral devices	\$1,000
	IM Network (annual under threshold)	Pc's, servers, printers, computer hardware and peripheral devices	ALL
	Collection network	Library, artwork, furniture	ALL
Intangible	Software	Includes both internally generated and externally provided. When the software is an integral part of the related hardware it should be treated together with the hardware	\$1,000
Roads	Infrastructure Assets (individual assets)	Bus shelters, lighting, pathways, traffic signals, streetscapes, bridges, crash barriers, retaining walls, signs, fencing	\$5,000
	Networked	Road seal, pavement, , bus shelters, LATMS's, Car parks, earthworks	ALL
Stormwater Drainage	Infrastructure Assets (individual assets)	Manholes and pits, end structures, surface drains, gross pollutant traps	\$5,000
	Networked	Subsurface pipes and drainage	ALL

**CMR Team use only**



# guideline document

**GL-2528-001**

Asset Class	Asset Category	Examples	Threshold
Water and Wastewater	Infrastructure Assets (individual assets)	Motors, switchboards, pumps, structures, instrumentation, sheds, electrical wiring,	\$5,000
	Networked	Subsurface pipes, conduits, valves, hydrants, meters	ALL
Other Infrastructure	Infrastructure Assets (individual assets)	Jetties, navigation beacons, berthing piles, sea walls	\$5,000
Parks	Park and Sporting Furniture	Tables, seats, BBQ's, play equipment, bin enclosures, signage, taps/fountains	\$500
	Infrastructure Assets (individual assets)	Path structures, Shelters, sports facilities, lighting, retaining walls, pumps, and switchboards.	\$5,000
Waste	Infrastructure Assets (individual assets)	Lighting, fencing, structures, sheds, manholes, mechanical and electrical.	\$5,000
	Networked	Wheelie Bins	ALL

**CMR Team use only**

**Department:** Office of CEO  
**Group:** Financial Services  
**Approved:**

**Effective date:**  
**Version:** 3  
**Review date:**  
**Page:** 21 of 21

## Annual Asset Reviews

### [Version Information](#)

#### 1. Scope

This guideline is applicable to all Groups across Council that are assigned fixed assets.

#### 2. Purpose

The purpose of this guideline is to provide assistance in the following three primary areas:

1. To facilitate annual impairment checks of fixed assets to ensure that assets are carried at no more than their recoverable amount.
2. To facilitate an annual review of depreciation rates, remaining useful lives and methodologies for fixed assets.
3. To provide checklists for Group Managers and General Managers when reviewing lists of assets within their group for approval/confirmation purposes at year end.

#### 3. Definitions

For all definitions please refer to GL-2528-001 Asset Accounting Principles and Concepts for Non-Current Assets.

#### 4. Actions and Responsibilities

**Corporate Finance** – This unit is responsible for liaising with Group Managers to discuss impairment reviews, depreciation rates/methodologies and useful remaining lives. This unit is responsible for distributing and overseeing the collection of the data required for the Impairment and Depreciation Reviews and the Fixed Asset Confirmation.

The Corporate Finance Unit is also responsible for liaising with internal and external auditors and for registering the completed documents within Objective.

**Group Managers** – The Group Managers are to complete the Impaired Asset Checklist and the Depreciation Checklist. Group Managers are also responsible for confirming with their General Managers that work has been undertaken so the Fixed Asset Confirmation can be completed.

**General Managers** – The General Managers are to review and to consider the Fixed Asset Confirmation prior to approval.

Details of the tasks and checklists are contained in the Procedure PR-2528-005-002 Annual Asset Reviews.

---

#### CMR Team use only

Department: Office of CEO  
Group: Financial Services  
Approved:

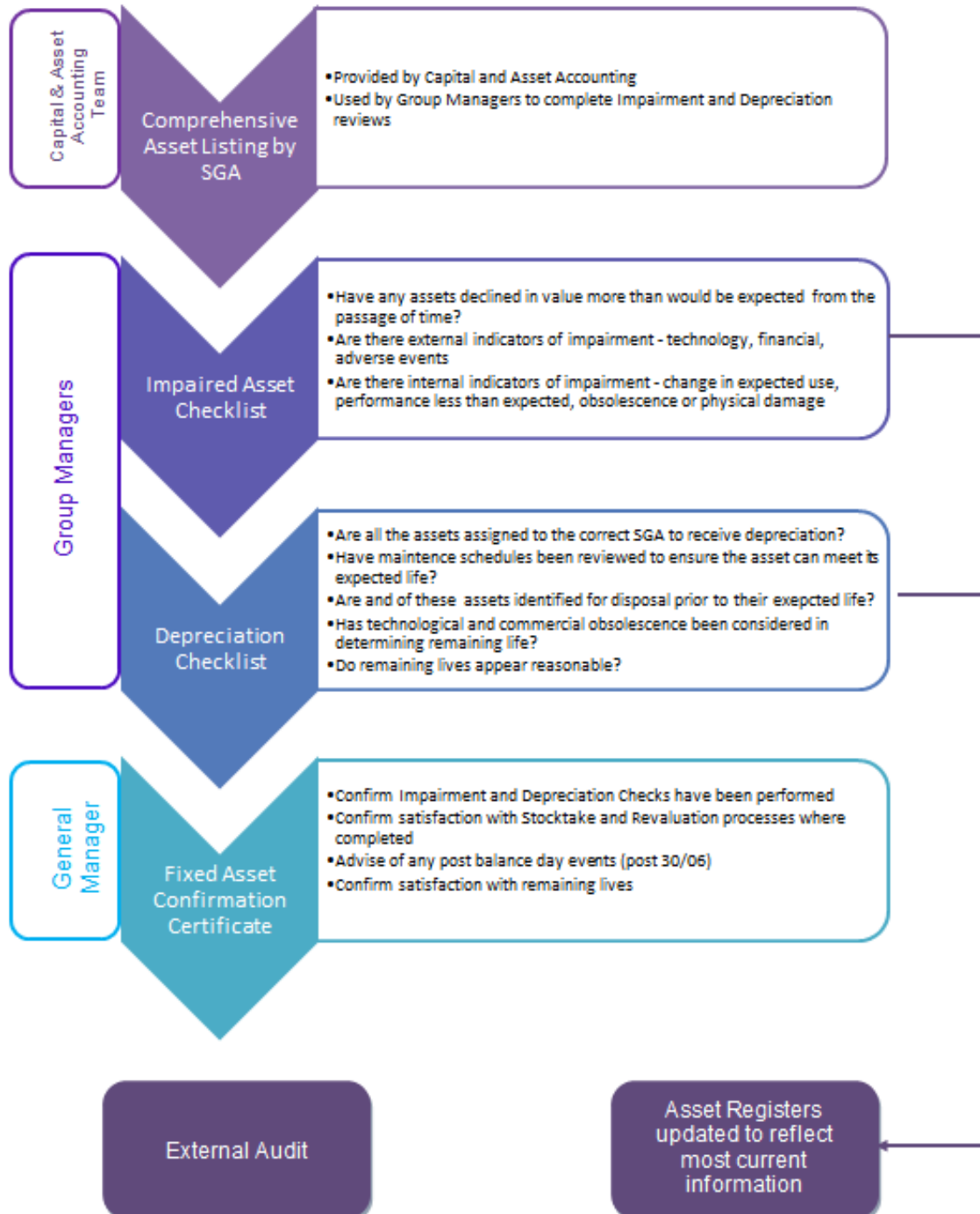
Effective date:  
Version: 3  
Review date:  
Page: 1 of 10

## 5. Actions and Responsibilities

### 5.1. Process Overview

The overall process results from a number of steps completed by various officers within Council as reflected in the flow chart below. The detailed process for each review is contained in PR-2528-005-002 Annual Asset Reviews.

## Asset Reviews Quick Reference



## **5.2. Impairment Review and Checklist Appendix 1**

- 5.2.1. Each year, Group Managers with assets under their control that are subject to impairment testing, will complete an impairment review for those assets.
- 5.2.2. The checklist contained in Appendix 2 provides the guidance required to complete the review and is to be retained as audit evidence.
- 5.2.3. Assets subject to impairment testing include:
- Individual, simple assets with a carrying value greater than \$100,000;
  - All Bridges, Marine (Jetties, Boat Ramps, Revetment Walls, Seawalls), Buildings, Pump Stations, and Water Treatment Plants. These generally are complex assets parenting a variety of lower value, simple assets.
  - The above ground Road network, and the Sub-surface networks of Water, Wastewater, and Stormwater are to be considered from a whole of network perspective.
- 5.2.4. If there are any impaired assets identified, the Group Manager and the Finance Manager Corporate Finance will determine the recoverable amount for impaired assets.
- 5.2.5. The Capital and Asset Accounting Team will apply the accounting treatment prescribed in AASB 136 Impairment of Assets.

## **5.3. Depreciation Review and Checklist Appendix 2**

- 5.3.1. Each year, Group Managers are to complete a depreciation review of all assets under their control. The review provides confidence that the parameters driving depreciation are accurate including expected life, remaining life, and expected disposal or obsolescence.
- 5.3.2. The checklist contained in Appendix 2 provides the guidance required to complete the review and is to be retained as audit evidence.

## **5.4. Fixed Asset Confirmation Certificates Appendix 3**

- 5.4.1. Each year after:
- the Impairment and Depreciation Reviews are completed;
  - Work in Progress (WIP) has closed; and
  - asset reconciliations are finalised;
- the Fixed Asset Confirmation for each Department will be produced by Capital and Asset Accounting.
- 5.4.2. The certificates list the year end replacement values for fixed assets across Council and aggregated will equal the values of fixed assets contained in the

---

**CMR Team use only**

Annual Report. The following issues must be considered by the General Manager before approving:

- Has stocktakes/verification of assets per this listing been completed during the financial year under review?
- Have all Annual Asset Reviews as prescribed by PR-2528-005-002 been completed?
- Are the replacement values reflective of physical revaluations or indexation reviews undertaken during the financial year under review (if relevant)?
- Post Balance Date Events – events after year end which significantly impacts the values or existence of assets that we are reporting at year end communicated to the Corporate Finance Unit; and
- Remaining Useful Lives – are the remaining useful lives attached to this certificate reflective of findings noted in the depreciation review and checklist?

5.4.3. The certificate included in Appendix 3 must be completed by the General Manager and returned to the Capital and Asset Accounting Team as audit evidence.

## 6. Reference Documents

- AASB 116 Property, Plant and Equipment
- AASB 136 Impairment of Assets
- PR-2528-005-002 Annual Asset Reviews.

## 7. Associated Documents

- POL-2528 Asset Accounting Policy

The relationship between the Asset Accounting PGP's is shown in the diagram below.

### Asset Accounting PGP's



#### CMR Team use only

# guideline document

**GL-2528-005**

## Document Control

- Only the Chief Financial Officer can approve amendments to this guideline. Please forward any requests to change the content of this document to the Finance Manager Corporate Finance
- Approved amended documents must be submitted to the Corporate Meetings & Registers Team to place the document on the Policy, Guidelines and the Procedures Register.

## Version Information

Version number	Date	Key Changes
3	February 2017	<ul style="list-style-type: none"><li>• Remove repetition of AASB 136 from wording of the guideline</li><li>• Inclusion of Paragraph 5.2.3 to restrict the number or assets subject to Impairment Review</li><li>• Update to annual review templates/checklists to reflect asset classes</li><li>• Change of name of this guideline from Fixed Asset Confirmation, Impairment and Depreciation to Annual Asset Reviews</li><li>• Inclusion of Asset Accounting PGP structure</li></ul>

[Back to Top](#)

---

### CMR Team use only

Department: Office of CEO  
Group: Financial Services  
Approved:

Effective date:  
Version: 3  
Review date:  
Page: 7 of 10



## Impaired Assets Checklist for \_\_\_\_\_ Assets for year ending 30 June 201X

Please briefly indicate your reasoning behind your responses in the "Comments" box for each question, no matter what you responded.

External Indicators of Impairment	Yes	No	N/A	Comments
(a) Has the market value of any assets under your control declined significantly more than expected as a result of the passage of time or normal use, during the period?				<i>Answer YES if any of the assets under your control have significantly reduced in value beyond what has been expected with normal depreciation because of the usage of the asset or it has just worn out significantly quicker than expected.</i>
(b) Has there been any adverse event in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated?				<i>Answer YES if there have been advances in technology, changes to the market (i.e. demand for the asset), significant changes to the economy (i.e. GFC) or legal changes (i.e. legislation) in which the asset operates.</i>
(c) Has any change in interest rates occurred that is likely to affect an asset's value in use?				<i>Answer YES if there have been increases in interest rates that would reduce the recoverable amount of the asset or the asset's value in use.</i>
(d) Has there been any other external indicators that you are aware of that has not been identified?				<i>Answer YES if There has been something else, not listed above, which has occurred during the financial year that has seen the assets under your control reduced in value</i>

Internal Indicators of Impairment	Yes	No	N/A	Comments
(a) Has there been obsolescence or physical damage to an asset?				<i>Answer YES if Damage has occurred to any of your assets or have they now become obsolete which has reduced their value</i>
(b) Has there been an adverse change to the expected use of an asset, including plans for restructuring or replacement that is contemplated in advance of that estimated by the application of the current depreciation rate.				<i>Answer YES if Changes have occurred in Council that has meant the way in which any of your assets are used has changed. Changes include the asset becoming idle, plans to stop or change the operation that the asset is involved in, plans to dispose of the asset before it was expected to be and changing the useful life to fixed life rather than indefinite. This does not include assets that are held for sale</i>
(c) Has the performance of the asset been less than expected?				<i>Answer YES if there have been assets under your control that performed at a reduced level to what was expected and has decreased its value</i>
(d) Has there been any other internal indicator identified?				<i>Answer YES if there has been something else, not listed above, which has occurred during the financial year that has seen the assets under your control reduced in value that occurred within Council</i>

Authorised by the **Group Manager**

Manager Name (Please Print)	Manager Signature	Manager Title	Date
			...../...../.....

## Depreciation Checklist for \_\_\_\_\_ Assets for year ending 30 June 201X

If there is a significant change in the expected pattern of consumption of any assets within each Group, then the rates would require alteration in the Fixed Asset Register.

*Please briefly indicate your reasoning behind your responses in the "Comments" box for each question, no matter what you responded.*

Indicator review to determine the useful life of an asset	Yes	No	N/A	Comments
a) Is the expected useful life assigned to the asset aligned with capacity or physical output?				<i>Answer YES if assets under your control were working at their expected capacity and output and this accurately reflects their useful lives</i>
b) Has the expected wear and tear associated with the asset and the repair and maintenance program been reviewed to ensure that the asset can meet its predicted useful life?				<i>Answer YES if the maintenance programs and expected wear and tear were reviewed and it was found that the assets under your control will last for their useful lives</i>
c) Has the potential technical and commercial obsolescence of the asset been reviewed to determine if the useful life that has been assigned appears reasonable?				<i>Answer YES if the chances that any of your assets becoming obsolete sooner than expected due to technical and commercial improvements has been considered and their useful lives are still appropriate</i>
d) Are there future legal or similar restrictions that may apply to assets that may impact upon the useful life of the asset?				<i>Answer YES if there were future restrictions placed your assets that would significantly alter their useful lives</i>
e) Is there any asset under your control that needs to be disposed after a specific time that is different to the useful life assigned?				<i>Answer YES if any asset under your control has had to be disposed after a specific time other than the useful life</i>
f) Is there any other indicator that you have identified that may lead to a useful life of an asset being different to that in the Fixed Asset Register?				<i>Answer YES if there was any other reason, than those above, than have caused the useful life of an asset under your control to differ to the Fixed Asset Register</i>

Authorised by the Group Manager

Manager Name (Please Print)	Manager Signature	Manager Title	Date
			...../...../.....

FIXED ASSET CONFIRMATION CERTIFICATE FOR 2015/2016 to period 13																
Community and Customer Services GM																
General Ledger Balances – Department '2000'																
SGA & Description	BUILDINGS	OTHER STRUCT	PLANT/EQUIP	OFF EQUIP/FURN	FIR/FITTING	HARDWARE	SOFTWARE	HERITAGE/ART	LIBRARY BOOKS	PARKS	ROADS	STORMWATER	WTR/WSTWTR	OTHER INFRA	WASTE	LAND
004 - Community and Customer Services GM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
025 - City Planning & Assessment	0	0	0	2,702	0	0	0	0	0	0	0	0	0	0	0	0
030 - Community and Cultural Services Administration	0	0	0	467	0	0	0	0	0	0	0	0	0	0	0	0
031 - Off of Supervisor Strengthening Communities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
043 - Environment and Regulation	0	0	0	3,124	0	0	0	0	0	0	0	0	0	0	0	0
114 - Property Management	1,985,253	17,493	0	0	0	0	0	0	0	0	70,083	0	0	14,403	0	0
119 - Integrated Customer Contact Centre	0	0	0	25,266	0	0	0	0	0	0	0	0	0	0	0	0
146 - Fedland Art Gallery	13,919	0	457	15,494	10,339	397	0	636,985	0	0	0	0	0	0	0	0
151 - Community Care Services	0	0	0	0	0	0	0	0	0	0	0	0	0	3,977	0	0
153 - Libraries	0	0	300	194,855	66,885	31,156	0	4,827	3,929,411	0	0	0	0	0	0	0
167 - Animal Management	704,935	22,897	0	5,141	0	0	0	0	0	0	11,682	0	0	14,156	0	0
170 - Community Development	0	0	0	1,396	0	0	0	0	0	0	0	0	0	0	0	0
171 - Health & Environment	0	14,688	14,051	1,202	0	7,518	0	0	0	5,634	0	0	0	0	0	0
202 - Local Laws	0	16,980	7,690	177	0	0	0	0	0	0	0	0	0	0	0	0
238 - Community Grants	0	0	0	527	0	0	0	0	0	0	0	0	0	0	0	0
248 - Engineering and Environment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
277 - Environmental Education	551,909	41,900	21,053	19,977	15,838	0	0	0	0	460,176	92,105	0	0	797	0	0
307 - City Environment	0	1,400	8,076	0	0	0	0	0	0	0	0	0	0	5,963	0	0
312 - Fedland Performing Arts Centre	10,065,933	0	29,683	258,025	165,700	1,755	2,665	7,182	0	0	0	0	0	18,776	0	0
323 - Community Safety	0	0	0	703	0	0	0	0	0	0	0	0	0	0	0	0
335 - Indigiscapes Centre	0	0	0	552	0	0	0	0	0	0	0	0	0	0	0	0
360 - Economic Development Unit	0	0	0	239	0	0	0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>13,321,947</b>	<b>115,357</b>	<b>81,309</b>	<b>529,845</b>	<b>258,761</b>	<b>40,826</b>	<b>2,664</b>	<b>648,993</b>	<b>3,929,411</b>	<b>465,809</b>	<b>173,870</b>	<b>0</b>	<b>0</b>	<b>58,072</b>	<b>0</b>	<b>0</b>
<b>19,626,867</b>																
<b>Reconciling Items to Asset Register</b>																
Depreciation correction	-10				-281											
Transfer to SGA 044 in 16/17										3,606						
<b>ADJUSTED TOTALS</b>	<b>13,321,938</b>	<b>115,357</b>	<b>81,309</b>	<b>529,845</b>	<b>258,480</b>	<b>40,826</b>	<b>2,664</b>	<b>648,993</b>	<b>3,929,411</b>	<b>469,415</b>	<b>173,870</b>	<b>0</b>	<b>0</b>	<b>58,072</b>	<b>0</b>	<b>0</b>
<b>19,630,182</b>																

I certify, to the best of my knowledge, that the following checks were performed on the asset base listed as being under my control:

- Scheduled Stock takes or other verification processes were undertaken during the year;
- Impairment checks have been completed;
- Revaluations have been completed satisfactorily;
- Post balance day events that have a material impact on assets have been advised to Capital and Asset Accounting;
- Remaining lives have been reviewed and appear to be fairly stated

Manager Name (please print)	Manager Signature	Manager Title	Date

\* Comprehensive valuations were completed for Land, Buildings, Waste  
 \* Indexation was applied to: Roads, Stormwater, Water, Wastewater

## Determining the Elements of Cost for Fixed Assets

1.	SCOPE .....	2
2.	PURPOSE .....	2
3.	DEFINITIONS .....	2
4.	ACTIONS AND RESPONSIBILITIES .....	2
4.1.	COUNCIL .....	2
4.2.	COUNCIL OFFICERS .....	2
5.	REFERENCE DOCUMENTS .....	3
6.	ASSOCIATED DOCUMENTS .....	3
7.	DISCUSSION .....	3
7.1.	GUIDING PRINCIPLES .....	3
7.2.	ELEMENT OF COST .....	7
7.3.	PROJECT PHASES .....	7
7.4.	DIRECTLY ATTRIBUTABLE COSTS QUICK REFERENCE .....	10
8.	QUICK REFERENCE EXAMPLES – ASSET CLASS SPECIFIC .....	14
8.1.	ARTWORK .....	14
8.2.	BUILDINGS .....	15
8.3.	BUS SHELTERS .....	16
8.4.	BRIDGES AND MAJOR CULVERTS .....	17
8.5.	FENCING ASSETS .....	18
8.6.	FIXTURES AND FITTINGS .....	19
8.7.	FOOTPATHS .....	20
8.8.	HERITAGE ASSETS .....	21
8.9.	IM HARDWARE .....	22
8.10.	LAND .....	23
8.11.	LANDSCAPING .....	24
8.12.	LIBRARY BOOKS .....	25
8.13.	LIGHTING AND TRAFFIC SIGNALS .....	26
8.14.	LIGHT VEHICLES .....	27
8.15.	MARINE .....	28
8.16.	OFFICE FURNITURE AND EQUIPMENT .....	29
8.17.	OTHER STRUCTURES .....	30
8.18.	OTHER ASSETS NOT ELSEWHERE ADDRESSED .....	31
8.19.	PLANT AND EQUIPMENT .....	32
8.20.	PLAYGROUNDS AND PLAY EQUIPMENT .....	33
8.21.	ROAD AND CAR PARK ASSETS .....	34
8.22.	ROAD INVENTORY AND FURNITURE .....	36
8.23.	SEAWALLS, CANALS AND REVETMENT WALLS .....	37
8.24.	SIGN ASSETS .....	38
8.25.	SOFTWARE .....	39
8.26.	SPORTING OVALS .....	40
8.27.	STORMWATER DRAINAGE .....	41
8.28.	STORMWATER QUALITY .....	42
8.29.	STREETSCAPES AND URBAN ART .....	43
8.30.	WASTE TRANSFER STATION ASSETS .....	44
8.31.	CLOSED LANDFILL SITES .....	45
8.32.	WATER AND SEWERAGE PASSIVE INFRASTRUCTURE (PIPE NETWORKS) .....	46
8.33.	WATER AND SEWERAGE ACTIVE INFRASTRUCTURE .....	47

## Determining the Elements of Cost for Fixed Assets

### 1. Scope

This procedure applies to all property, plant and equipment assets of Redland City Council.

### 2. Purpose

The purpose of this procedure is to outline the methodology and rationale to be applied in determining if expenditure incurred on behalf of Council should be expensed or capitalised for accounting purposes.

### 3. Definitions

For a full list of definitions refer to GL- 2528-001 Accounting Principles and Concepts for Non-Current Assets.

### 4. Actions and Responsibilities

#### 4.1. Council

- Council will classify expenditure for both budgeting and reporting of actual costs giving regard to:
  - the purpose of the expenditure;
  - capitalisation thresholds; and
  - the accounting frameworks including AASB 116 Property Plant and Equipment.

#### 4.2. Council Officers

All Council Officers are responsible for:

- Preparing, managing or reviewing Capital or Operational expenditure budgets and jobs.
- Providing financial support and advice.
- Preparing, reviewing and authorising Business Cases.
- Preparing, reviewing and authorising Finance 1 Job Request Forms.
- Approving and processing purchase requisitions, orders and invoices.

All Council Officers will:

- Review proposed expenditure to determine whether it is of a capital or an operational nature.
- Review Work in Progress on a monthly basis to ensure that operational expenditure is identified and expensed and that only expenditure of a capital nature is carried forward as an asset.
- Budget for capital and operational expenditure appropriately.
- Immediately move expenditure from Work In Progress (WIP) to the asset register upon financial completion of capital works.
- Ensure estimates of new, renewal, upgrade and expansion are accurately recorded.

## 5. Reference Documents

This procedure has been developed to support the application and administration of

- POL-2528 Asset Accounting Policy, and
- GL-2528-001 Accounting Principles and Concepts for Non-Current Assets.

## 6. Associated Documents

The following associated document and standard support this procedure:

- AASB 116 Property Plant and Equipment.

## 7. Discussion

### 7.1. Guiding Principles

Costs should be considered 'Capital' costs where they contribute to the construction or acquisition of an asset.

GL 2528-001 Accounting Principles and Concepts for Non-Current Assets outlines the following criteria to be applied to determine if an asset exists and therefore the costs should be treated as capital costs.

We should consider we have an asset when:

- we can use the asset to deliver goods and services and stop others from using it if we choose, (**Control**)
- the value of the resulting asset is above the capitalisation threshold, (**Recognition threshold**)
- we will continue to use the asset for more than 12 months. (**Greater than 1 year**)

We should start to collect costs that will represent the value of the asset:

- from the time it is likely we are going to acquire the asset (**Probable benefits**) and
- include all the costs that are allowed by the accounting standard to form part of the asset value. (**Elements of cost**)

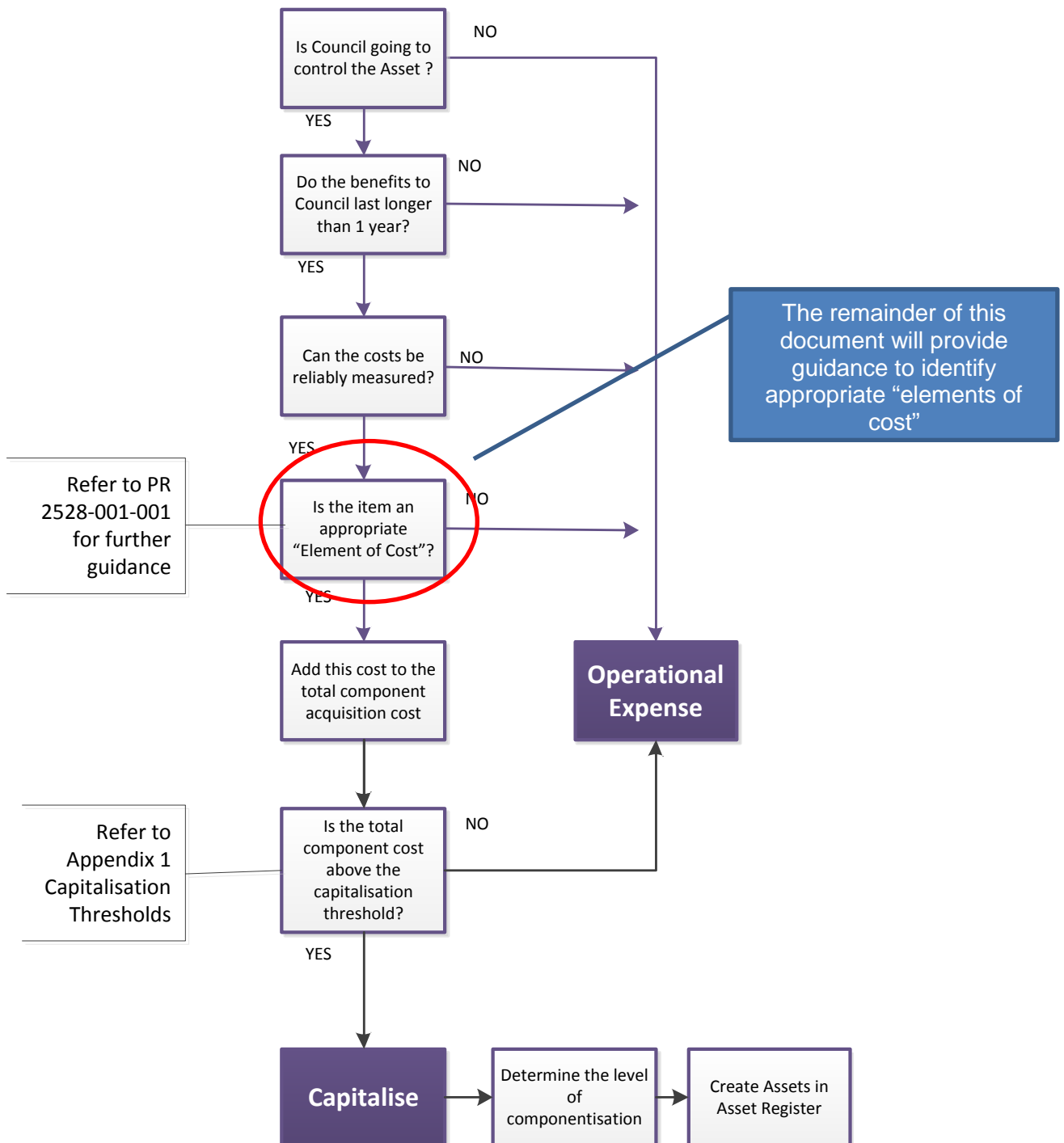
By contrast maintenance and operating costs should be treated as operational costs and include the following types of expenditure:

- day to day costs of running the asset (operating costs)
  - fuel
  - staff costs
  - power
  - consumables.
- recurrent expenditure incurred to ensure the asset reaches its expected life and capacity:
  - reactive maintenance and repairs (potholing, patching, painting, breakage repair)
  - planned maintenance (servicing costs, inspections, testing).

The decision flow on the following page provides the overall decision process. The remainder of this document will further explore the process to determine if a cost should be considered an appropriate 'element of cost'.

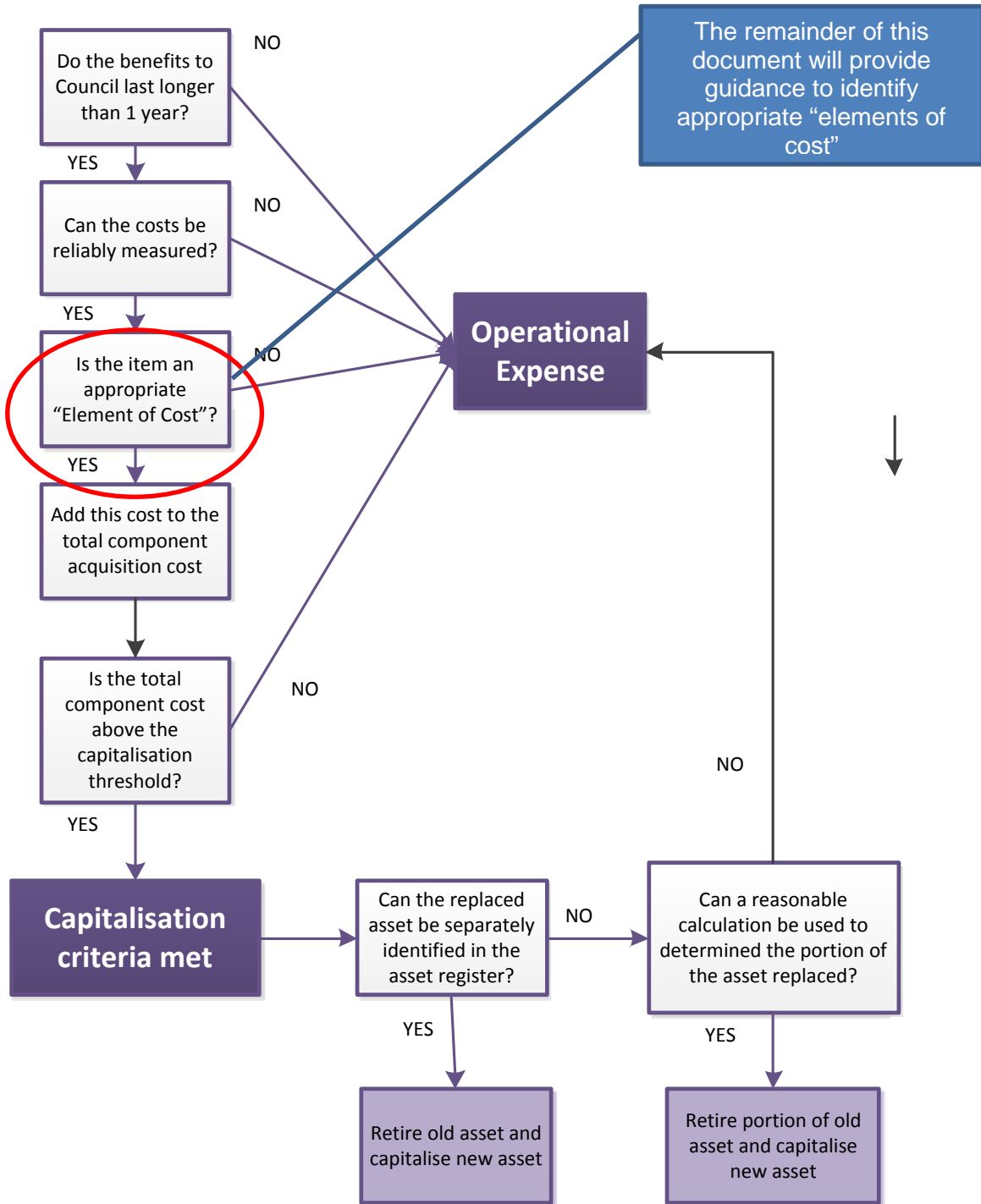
#### CMR Team use only

## Capital Versus Operating Decision Flow New Assets



**CMR Team use only**

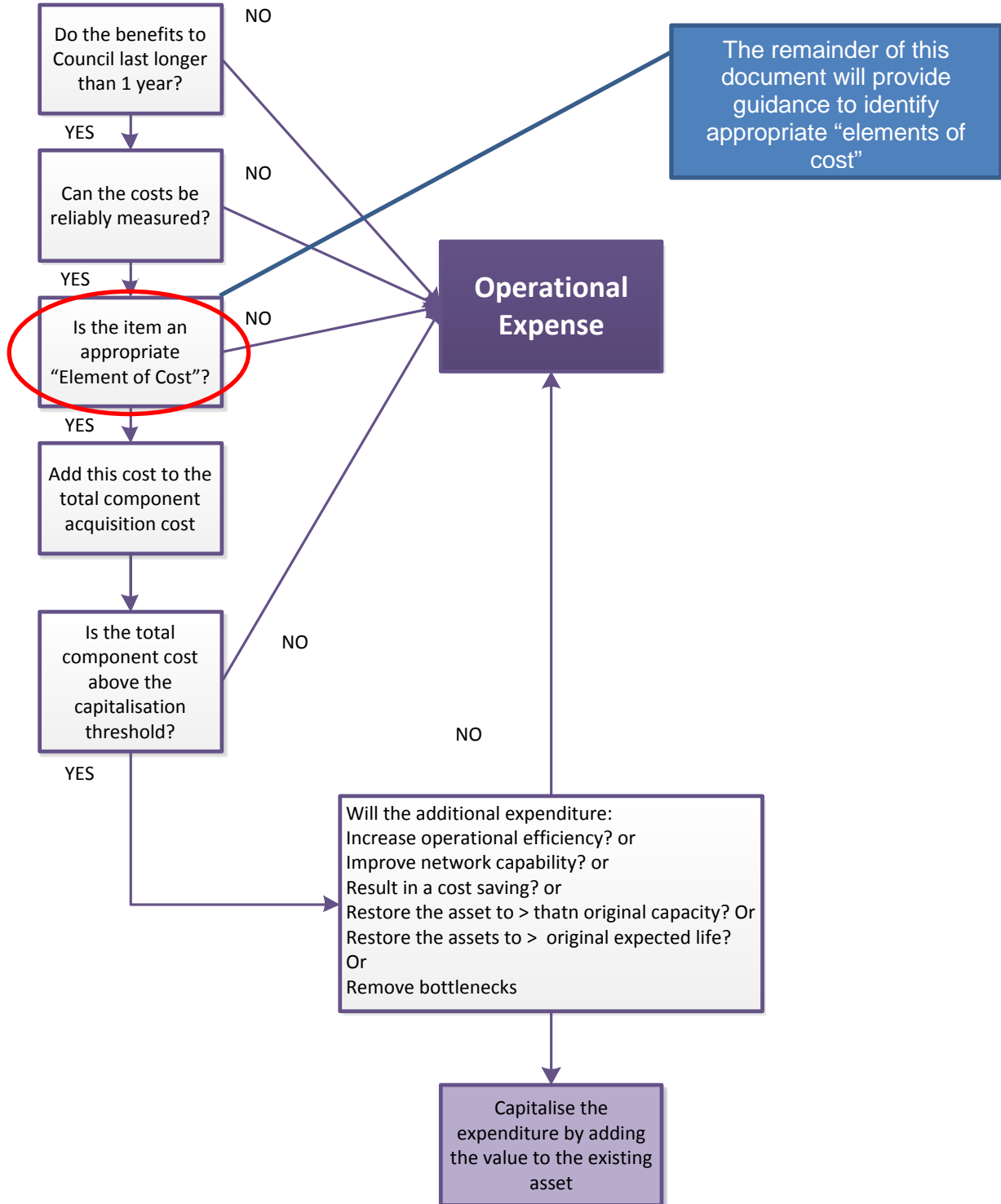
## Capital Versus Operating Decision Flow Replacement Assets



**CMR Team use only**



## Capital Versus Operating Decision Flow Upgraded Assets



**CMR Team use only**

## 7.2. Element of Cost

Costs that are classified as “elements of cost” are those costs directly attributable to the asset that are incurred to bring the asset to the condition and location required:

- Direct materials, labour and consumables used in construction.
- Delivery, handling and installation.
- Professional fees for Project Managers/ Engineers, Legal costs.
- Site preparation and Survey costs.
- Testing it is functioning properly (i.e. HazOp and ‘Commissioning’ activities).
- Borrowing costs during construction.

Note: The element of cost test only applies where there is a resulting **asset**. For example costs associated with street trees (not defined as **assets** by our Policy), will not flow through to this decision point, i.e.: there is no guarantee of a life beyond one year.

Costs specifically excluded from being ‘elements of cost’ are:

- Training.
- Costs to introduce a new product or service (marketing).
- Administration and general overheads.
- Costs to conduct business at a new location during construction.
- Data Migration.
- Abnormal waste in construction.

In simple terms:

- Can you see a direct link between the costs being incurred to construct or acquire the asset?
- Was the cost only incurred to ensure the asset exists?

## 7.3. Project Phases

In the life of many complex and some simple projects there are a number of phases the project will move through including:

- Scoping and options analysis.
- Application for funding.
- Design.
- Tender evaluation and procurement.
- Construction and installation.
- Post implementation.

CMR Team use only

# procedure document



PR-2528-001-001

The phase of the project will often influence the 'element of cost' decision.

Generally the costs incurred in the 'design' and 'construction and installation' phases will be considered appropriate elements of cost and may be aggregated to form the asset value. Costs incurred in the remaining phases generally are operational in nature although there are some exceptions for each.

The accounting standard requires the costs must be 'directly attributable' to the resulting asset and that the benefits resulting from the asset are likely to be realised'. These conditions are difficult to fulfill in the phases other than Design and Construction and Installation.

The table below provides further advice on the treatment of costs at the various project phases.

---

**CMR Team use only**

**Department:** CEO  
**Group:** Financial Services  
**Approved:** Chief Financial Officer  
**Date of Approval:**

**Effective date:**  
**Version:** 5  
**Review date:**  
**Page:** 8 of 49

# procedure document

Complex Project Lifecycle							
Lifecycle stage	Whole of Project Costs	Scoping and Options Analysis	Application for Funding	Design	Tender Evaluation/ Procurement	Construction and/ or installation	Post Implementation
Description of phase	These costs may be incurred over the life of the project however their treatment is not dependant on the project phase	This phase of work involves scoping out the work that needs to be completed and considering the options available. This may be called concept development or feasibility study and occurs before approval for the project to commence has been obtained.	This phase includes activities designed to gain approval in concept and budget to proceed to design and construction	This may include the internal design or the engagement of external design agent to complete the construction designs. This phase may be coupled with the construction phase in a design and construct contract	This phase includes the invitation and assessment of tenders, quotations and purchase order activities	The is the phase in which the asset is constructed or installed. This may be by internal work crews and managers or be completed by external agents	Once construction is complete there are a number of post construction handover and finalisation activities that do not impact the value of the asset produced
Capital Activities				External consultant or internal staff cost for successful design	Incidental project staff costs conducting purchasing activities (these costs may be allocated over all assets constructed). These are generally not separately identifiable tasks of the project team	Costs directly attributable to the asset that are incurred to bring the asset to the condition and location required: <ul style="list-style-type: none"> <li>Direct materials, labour and consumables used in construction</li> <li>Delivery, handling and installation</li> <li>Professional fees for Project Managers/ Engineers, Legal costs</li> <li>Site preparation and Survey costs</li> <li>Testing it is functioning properly (ie HazOp and 'Commissioning' activities)</li> <li>Borrowing costs during construction</li> </ul>	
Operational Activities	<ul style="list-style-type: none"> <li>Training – Project Team and End user training</li> <li>Meeting costs</li> <li>Steering Committee Costs</li> </ul>	<ul style="list-style-type: none"> <li>Mandate development</li> <li>ASMP development</li> <li>Feasibility Study</li> <li>Master planning</li> </ul>	<ul style="list-style-type: none"> <li>Project Brief</li> <li>Cost Benefit Analysis</li> <li>Forward Design Proposal</li> </ul>	<ul style="list-style-type: none"> <li>External consultant or internal staff costs for unsuccessful or abandoned design options. These costs may be initially treated as capital however written off when abandoned</li> </ul>	<ul style="list-style-type: none"> <li>General procurement activities during construction or installation</li> <li>Tender document development and assessment</li> </ul>	<ul style="list-style-type: none"> <li>Training</li> <li>Costs to introduce a new product or service (marketing)</li> <li>Administration and general overheads</li> <li>Costs to conduct business at a new location during construction</li> <li>Data Migration</li> <li>Abnormal waste in construction</li> </ul> <p>Where the total of the incidental operational elements of a project are less than 10% of the capitalised costs, they may be treated as 'incidental operational costs' and the value allocated to the resulting assets on a pro-rata basis</p>	<ul style="list-style-type: none"> <li>Post implementation review</li> <li>Benefits realisation assessment</li> <li>Asset Capture</li> <li>Ascon development</li> <li>Cost of operating the asset</li> <li>Depreciation</li> <li>Ongoing repairs and Maintenance</li> <li>Insurance</li> </ul>
Rationale	These costs do not add to the future benefit of the asset being acquired or constructed and are incurred in the everyday operational activities of the business	At this stage there is no certainty the project will commence to the next stage or that an asset will result. As the 'future benefits' are not probable (as required by the accounting standards), this is treated as operational cost	At this stage there is no certainty the project will commence to the next stage or that an asset will result. As the 'future benefits' are not probable (as required by the accounting standards), this is treated as operational cost	By this stage the project and asset construction is likely to result and future benefits realised.  The value of the resulting asset (ie capitalised costs) should only include the direct costs of construction of the chosen asset hence the exclusion of unsuccessful designs	Costs incurred prior to the selection of a successful tender are to be treated as operational.	To capitalise the costs the following conditions must be met: <ul style="list-style-type: none"> <li>The asset must have a life greater than 1 year;</li> <li>The total cost of the asset must meet the capitalisation threshold;</li> </ul> Refer PR2528-001-001 for details.  The capitalised costs are totalled together to represent the value of the resulting asset. It is expected that there are project costs that will need to be incurred that will not be included in the valuation of the resulting asset.	Costs in this phase of the project are not directly attributable to the asset construction and therefore are treated as operational. Refer to PR2528-001-001

## 7.4. Directly Attributable Costs Quick Reference

The table below provides some guidance on the treatment of regular expenditure types.

### Quick Reference Examples

Expenditure	Accounting treatment	Rationale / Additional Considerations
Costs associated with opening a new facility (e.g. Banners, advertising, printing)	Operating	Specifically excluded from cost of acquisition refer AASB 116 19 (a)
Preparing an asset for resale	Operating	If it is a major expenditure, it may be classified as part of the costs of sale for the item, otherwise expensed.
Sale costs	Operating	Generally fairly insignificant
Cost subsequent to initial recognition	Capital	Expenditure on assets must be capitalised (i.e. added to the carrying amount of the asset) when it improves the condition of the asset beyond its originally assessed standard of performance or capacity. This can occur through: <ul style="list-style-type: none"> <li>• an increase in the annual service potential provided by the asset; or</li> <li>• increasing the useful life of the asset.</li> </ul>
Demolition Costs	Operating	There is no service potential created when demolishing an asset. Where an asset is demolished and not replaced, the costs are operating.
	Capital	Where land and a building is purchased, with the intention to demolish the building, the land may have been “deflated” in value, recognising that there are additional costs of demolition. In this case, it is appropriate to increase the land value by the amount of the demolition costs. <p>The costs associated with the demolition of the old asset may be capitalised as site preparation costs (AASB 116 para.17(b)) of the new asset <b>only</b> where there is</p> <ul style="list-style-type: none"> <li>• no provision for restoration (as a result of a legal or constructive obligation to restore the site) of the old asset as per AASB 116 paragraph 16 and 18;</li> <li>• and there exists, prior to the demolition, a formal management commitment to demolish and build on the site of the old asset.</li> </ul>

**CMR Team use only**

# procedure document

Expenditure	Accounting treatment	Rationale / Additional Considerations
Training costs for the acquisition of a new asset	Operating	Because training costs rarely are of a type to qualify for capitalisation, Treasury policy requires all training costs to be expensed.
Small attractive and portable items less than the \$ threshold	Operating	These assets do not meet that capitalization threshold however, these items should be recorded in the Unit's portable and attractive items register.
Mobile telephones	Operating	In recent years, mobile telephones have become a commodity and costs are reducing for basic models. They are portable and attractive items, and are recorded on IM's database only and not capitalised.
Contribution to the acquisition or repair of assets not RCC owned	Operating	Where ownership will not be retained by Council upon construction, the costs are to be treated as operational costs. For example costs of installing Rating 1 and 2 rating lighting to be owned by Energex.
	Capital	Where costs are incurred in completing a whole project, to relocate, repair or update assets owned by a 3 <sup>rd</sup> party, the costs may be capitalised and reflected in the value of the Council controlled assets. For example repairing a ratepayer's driveway or pool damaged by council while installing a road or revetment wall.
Restoring an asset or the network to its original capacity.  Note that this includes patching potholes, repairing a break in a water main, most reactive work, work undertaken with no set schedule.	Operating	<p>This is generally operating. There would need to be MAJOR increases in any of the following for this expenditure to be treated as capital:</p> <ul style="list-style-type: none"> <li>• Major increases in operational efficiencies</li> <li>• Major improvement in network capacity/capability</li> <li>• Substantial, quantifiable network cost savings</li> <li>• Restore assets greater than original capacity</li> <li>• The identifiable removal of capacity bottlenecks</li> <li>• Specific assets would be costed accurately and identified</li> </ul> <p>The asset recognition criteria must also be met (&gt;1 year, cost &gt; threshold).</p>

**CMR Team use only**

# procedure document

<b>Expenditure</b>	<b>Accounting treatment</b>	<b>Rationale / Additional Considerations</b>
The cost of opening a new facility	Operating	Not a cost directly attributable to bringing the asset to a condition necessary for it to be operating (AASB 116 19(a)).
Cost to introduce a new product / service (incl. costs of advertising and promotional activities)	Operating	Not a cost directly attributable to bringing the asset to a condition necessary for it to be operating (AASB 116 19(b)).
Cost of conducting business in a new location or with a new class of customer (including staff training)	Operating	Not a cost directly attributable to bringing the asset to a condition necessary for it to be operating (AASB 116 19(c)).
Administration and other general overhead costs	Operating	Not a cost directly attributable to bringing the asset to a condition necessary for it to be operating (AASB 116 19(d)).
Costs of site preparation	Capital	A direct cost attributable to bringing the asset to the location and condition necessary to provide service levels (AASB 116 17(b)). It may be appropriate to allocate these costs over a number of assets generated from the one project.
Earthen / Soft Assets	Operational	As the useful life of these assets cannot be determined, these costs should be expensed in the period they are incurred including trees, scrubs, turf, sand, and mounded or landscaped earth.
Installation and assembly costs	Capital	A direct cost attributable to bringing the asset to the location and condition necessary to provide service levels (AASB 116 17(d)).
Costs of testing a new asset for fit for purpose	Capital	A direct cost attributable to bringing the asset to the location and condition necessary to provide service levels (AASB 116 17(e)).
Cost of professional fees	Capital	A direct cost attributable to bringing the asset to the location and condition necessary to provide service levels (AASB 116 17(f)).
Maintenance to correct wear and tear preventing an asset achieving its expected useful life	Operational	These costs are incurred to ensure the assets reaches its expected useful life and therefore meets the definition of maintenance costs.
Concept Designs	Operational	Irrespective if the concept is approved / not, it is operating. Concepts are just that - concepts. If the "concept" is approved, then detailed designs are prepared. The concept expenses remain in operating as it is a "sunk" cost.
Costs associated with the	Operational	At this stage there is no certainty the project will

**CMR Team use only**

# procedure document



PR-2528-001-001

Expenditure	Accounting treatment	Rationale / Additional Considerations
development of Business Cases, Project Mandates, Feasibility Studies, Asset Management Plans, Project Brief, Cost Benefit Analysis, Froward Design Proposal		commence to the next stage or that an asset will result. As the 'future benefits' are not probable (as required by the accounting standards), this is treated as operational cost.
Condition Inspections and assessments	Operational	Not a cost directly attributable acquisition costs to bringing the asset to a condition necessary for it to be operating.

CMR Team use only

Department: CEO  
Group: Financial Services  
Approved:  
Date of Approval:

Effective date:  
Version: 4  
Review date:  
Page: 13 of 49



## 8. Quick Reference Examples – Asset Class Specific

(Assume life > 1 year and cost > capitalisation threshold)

### 8.1. Artwork

Artwork is considered a Bulk asset and only those assets considered to be of cultural significance are included in the asset register. Artwork of this nature is not depreciated.

Operating Expenditure	Capital Expenditure
Maintenance & Repair	Renewal
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li></ul>	<ul style="list-style-type: none"><li>New assets as a network</li></ul>
Examples	
<ul style="list-style-type: none"><li>Cleaning</li></ul>	

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

# procedure document

## 8.2. Buildings

This Buildings class refers to major buildings including the Administration, Library and Depot Buildings.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"> <li>Reactive and programmed maintenance</li> <li>Replacing minor components</li> <li>Partial replacement &lt;\$5,000</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of whole asset</li> <li>Replacement/ renewal of a significant component &gt; \$5000 where the retired portion can be readily identified or split in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>New assets</li> <li>Upgrade assets</li> <li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li> </ul>
Examples		
<ul style="list-style-type: none"> <li>Painting after initial recognition</li> <li>Replacing access ladders and access hatches - Replacing such items does not increase the asset's life past its original design life</li> <li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li> <li>Underpinning a building to prevent or arrest creep.</li> <li>Replacing carpets, stripping and polishing of floors</li> <li>A concept design for a building entrance / foyer</li> <li>Replacing components in a building lift that maintains its speed and carrying capacity (where the assets are not desperately identifiable in the asset register)</li> <li>Reconfiguration of workstations due to staff movements and relocations</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of a portion of the building roof where the disposed portion can be determined and the costs &gt; \$5000</li> </ul>	<ul style="list-style-type: none"> <li>Adding Security Systems, Fire Protection, PA Systems, CCTV</li> </ul>

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

**CMR Team use only**

## 8.3. Bus Shelters

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>• Reactive and programmed maintenance</li><li>• Replacing minor components</li><li>• Replacement or refurbishment &lt;\$5000</li></ul>	<ul style="list-style-type: none"><li>• Replacement of whole asset</li><li>• Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified or split in the asset register</li><li>• Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li></ul>	<ul style="list-style-type: none"><li>• New assets</li><li>• Upgrade assets</li></ul>
Examples		
<ul style="list-style-type: none"><li>• Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li></ul>		<ul style="list-style-type: none"><li>• Adding Braille path</li></ul>
<ul style="list-style-type: none"><li>• Replacing broken glass panels</li></ul>		<ul style="list-style-type: none"><li>• Adding glass panels to existing shelter to provide weather protection</li></ul>

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

CMR Team use only

## 8.4. Bridges and Major Culverts

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"> <li>Reactive and programmed maintenance</li> <li>Replacing minor sections</li> <li>Replacement or refurbishment &lt;\$5000</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of whole asset</li> <li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified or split in the asset register</li> <li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li> </ul>	<ul style="list-style-type: none"> <li>New assets</li> <li>Upgrade assets</li> </ul>
Examples		
<ul style="list-style-type: none"> <li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li> </ul>		<ul style="list-style-type: none"> <li>Replacing a road bridge or footbridge with concrete culverts - Eliminating a bridge and replacing with concrete culverts also dispenses with a lot of bridge maintenance activities. Concrete culverts are simpler, economical to insert and generally have longer lives than bridges</li> </ul>

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

**CMR Team use only**

## 8.5. Fencing Assets

Fencing assets are recognised as individual assets where they exceed the capitalization threshold of \$5000. Those assets below the threshold are capitalized as a network and supported by individual INFORMATION only assets in the asset register.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<b>Individual Assets</b>	<b>Individual Assets</b>	<b>Individual Assets</b>
<ul style="list-style-type: none"> <li>• Reactive and programmed maintenance</li> <li>• Replacing minor components</li> <li>• Replacement of a significant component &gt; \$5000 where the retired portion cannot be readily identified in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>• Replacement of whole asset</li> <li>• Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>• New assets</li> <li>• Upgrade assets</li> </ul>
<b>Network Assets</b>	<b>Network Assets</b>	<b>Network Assets</b>
<ul style="list-style-type: none"> <li>• Reactive and programmed maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Replacement under the threshold</li> </ul>	<ul style="list-style-type: none"> <li>• New and upgraded under the threshold</li> </ul>

Where the asset has been separately identified and has been being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register. Assets are not disposed from the networked asset.

CMR Team use only

## 8.6. Fixtures and Fittings

Fixtures and fittings include hot water systems, air conditioning, and lighting and include any item that is fixed to the buildings and will transfer to the new owner if the building was sold. These are recognised separately on installation however at valuation time are offset against the new building valuation.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Renewal of a partial asset &gt;\$500</li></ul>	<ul style="list-style-type: none"><li>New assets</li><li>Upgrade assets</li></ul>
Examples		
<ul style="list-style-type: none"><li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li></ul>		

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

## 8.7. Footpaths

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"> <li>Reactive and programmed maintenance</li> <li>Replacing minor sections</li> <li>Replacement or refurbishment &lt;\$5000</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of whole asset</li> <li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified or split in the asset register</li> <li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li> <li>\$5000 cost is approximately 70m<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>New assets</li> <li>Upgrade assets</li> </ul>
Examples		
<ul style="list-style-type: none"> <li>Grassed or gravel pathways</li> </ul>		<ul style="list-style-type: none"> <li>Widening a footpath</li> </ul>
<ul style="list-style-type: none"> <li>Surface Patching</li> </ul>		
<ul style="list-style-type: none"> <li>Soft Landscaping</li> </ul>		
<ul style="list-style-type: none"> <li>Master Planning</li> </ul>		
<ul style="list-style-type: none"> <li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li> </ul>		

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

**CMR Team use only**

## 8.8. Heritage assets

These are assets considered to have a historical significant and may be heritage listed. These assets are not depreciated where a maintenance plan is in place to ensure the longevity of the asset.

Operating Expenditure		Capital Expenditure	
Maintenance & Repair		Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li></ul>	<ul style="list-style-type: none"><li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified in the asset register</li></ul>		<ul style="list-style-type: none"><li>New assets</li></ul>

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.



## 8.9. IM Hardware

IM Hardware includes servers, desktop PCs, laptops, projectors and other peripheral devices. Where the individual item is above the threshold, they are recorded and valued separately in the asset register. Monitors, Wyse terminals and desktop computers (below threshold) are created as Information assets in the asset register. Each year a network parent is created and valued for these assets and each Information Asset is parented to these network assets in the asset register.

The annual network asset is disposed once it has fully depreciated at the end of the expected life *not* as the individual information assets are disposed.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"> <li>Reactive and programmed maintenance</li> <li>Replacing minor components</li> <li>Replacement of a significant component &gt; \$1000 where the retired portion cannot be readily identified in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of whole asset</li> <li>Replacement of a significant component &gt; \$1000 where the retired portion can be readily identified in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>New assets</li> <li>Upgrade assets</li> </ul>
Network Assets	Network Assets	Network Assets
<ul style="list-style-type: none"> <li>Reactive and programmed maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of Wyse terminals, desktops and monitors under the threshold</li> </ul>	<ul style="list-style-type: none"> <li>Purchase of new Wyse terminals, desktops and monitors under the threshold</li> </ul>

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

**CMR Team use only**

# procedure document

## 8.10. Land

All Land assets are recognised as assets regardless of value.

Operating Expenditure		Capital Expenditure	
Maintenance & Repair	Renewal	Upgrade / Expansion	
	<ul style="list-style-type: none"><li>Land assets cannot be renewed</li></ul>	<ul style="list-style-type: none"><li>All new assets held as free hold</li><li>Land held as lease hold or under roads is <b>not</b> RCC property</li></ul>	
Examples			
<ul style="list-style-type: none"><li>Mowing</li><li>Legal costs where purchase did not eventuate</li></ul>		<ul style="list-style-type: none"><li>Where land and a building is purchased, with the intention to demolish the building, the land may have been “deflated” in value, recognizing that there are additional costs of demolition. In this case, the value of the land should be increased by the amount of the demolition costs once the building has been removed</li></ul>	

CMR Team use only

## 8.11. Landscaping

This class of assets for valuation includes retaining walls, garden edging and other 'hard' assets. Soft or Earthen assets are not valued.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>Reactive or programmed maintenance to landscaping assets</li><li>Replacing minor components</li><li>Replacement of a significant component &gt; \$5000 where the retired portion cannot be readily identified in the asset register</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified in the asset register</li></ul>	<ul style="list-style-type: none"><li>New assets Upgrade assets</li></ul>
Examples		
<ul style="list-style-type: none"><li>Earthen or soft asset installation or replacement</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole concrete pitch, court, lighting structure, irrigation system, etc.</li></ul>	
<ul style="list-style-type: none"><li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li></ul>		

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

# procedure document

## 8.12. Library books

Library Books are networked and depreciated over 7 years. Each year one asset is created for the total value of the network purchased.

Operating Expenditure		Capital Expenditure	
Maintenance & Repair	Renewal	Upgrade / Expansion	
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Purchases of newspapers, annuals and magazines</li></ul>		<ul style="list-style-type: none"><li>All purchases are considered to be new capital</li></ul>	

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

## 8.13. Lighting and Traffic Signals

This category includes lighting in parks, car parks and road reserve

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li><li>Replacement or refurbishment &lt;\$5000</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified or split in the asset register</li><li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li></ul>	<ul style="list-style-type: none"><li>New assets</li><li>Upgrade assets</li></ul>
Examples		
<ul style="list-style-type: none"><li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li><li>Globe replacement &lt;\$5000</li></ul>		

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

## 8.14. Light Vehicles

Light Vehicle assets are recognised individually in the asset register and include vehicles, 4wd and Utes.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Renewal of a partial asset &gt;\$5000</li></ul>	<ul style="list-style-type: none"><li>New assets</li><li>Upgrade assets</li></ul>
Examples		
<ul style="list-style-type: none"><li>Discretionary purchase of accessories added after the vehicle is acquired for private use by the driver (these items may be reimbursed by the driver)</li><li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li><li>Insurance and registration upon purchase – although initially they are classed as capital they are transferred to 823004 and 823005 upon recognition</li></ul>		<ul style="list-style-type: none"><li>Accessories acquired with a new vehicle</li></ul>

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

## 8.15. Marine

This asset category includes jetties, pontoons, wharves, berthing piles, navigation beacons.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li><li>Replacement or refurbishment &lt;\$5000</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified or split in the asset register</li><li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li></ul>	<ul style="list-style-type: none"><li>New assets</li><li>Upgrade assets</li></ul>

### Examples

- Cleaning boat ramps – programmed maintenance
- Maintenance to correct wear and tear preventing an asset achieving its expected useful life

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

CMR Team use only

## 8.16. Office Furniture and Equipment

Office Furniture and Equipment assets include kitchen appliances, furniture and general office equipment. These are recognised individually where they exceed the capitalisation threshold. However a network exists for the capitalisation of all furniture and office chairs. One parent network asset is created each year for all furniture and office chairs purchased that are below the threshold.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Renewal of a partial asset &gt;\$200</li></ul>	<ul style="list-style-type: none"><li>New assets</li><li>Upgrade assets</li></ul>
Examples		
<ul style="list-style-type: none"><li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li></ul>		

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

**CMR Team use only**



## 8.17. Other Structures

Other Structures include shed and small work depots.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li><li>Partial replacement &lt;\$500</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Renewal of a partial asset &gt;\$500</li><li>Replacement of a significant component &gt; \$500 where the retired portion can be readily identified or split in the asset register</li><li>Refurbishment &gt;\$500 where the life is extended beyond initial expectation</li></ul>	<ul style="list-style-type: none"><li>New assets</li><li>Upgrade assets</li></ul>
Examples		
<ul style="list-style-type: none"><li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li></ul>		

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

## 8.18. Other Assets not elsewhere addressed

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li><li>Replacement of a significant component &gt; \$5000 where the retired portion cannot be readily identified in the asset register</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified in the asset register</li></ul>	<ul style="list-style-type: none"><li>New assets</li><li>Upgrade assets</li></ul>
<ul style="list-style-type: none"><li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li></ul>		

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

## 8.19. Plant and equipment

Plant assets include fixed and portable plant, earth moving, lifting equipment and power tools.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Renewal of a partial asset &gt;\$500</li></ul>	<ul style="list-style-type: none"><li>New assets</li><li>Upgrade assets (adding components greater than \$500)</li></ul>
Examples		
<ul style="list-style-type: none"><li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li></ul>	<ul style="list-style-type: none"><li>Fleet replacement program</li></ul>	<ul style="list-style-type: none"><li>Accessories and attachments i.e. buckets</li></ul>

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

## 8.20. Playgrounds and play equipment

Playground assets are recognised as each individual asset over the threshold of \$500.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>• Reactive maintenance to playground assets</li><li>• Programmed maintenance</li><li>• Replacing minor components</li><li>• Replacement of a significant component &gt; \$500 where the retired portion cannot be readily identified in the asset register</li></ul>	<ul style="list-style-type: none"><li>• Replacement of whole asset</li><li>• Replacement of a significant component &gt; \$500 where the retired portion can be readily identified in the asset register</li></ul>	<ul style="list-style-type: none"><li>• New assets</li><li>• Upgrade assets</li></ul>
Examples		
<ul style="list-style-type: none"><li>• Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li><li>• Graffiti removal</li><li>• Repainting</li><li>• Replacement of the shade cloth on a permanent shade structure</li></ul>	<ul style="list-style-type: none"><li>• Replacement of an individual piece of play equipment with the same or similar</li></ul>	

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

## 8.21. Road and Car Park Assets

Roads assets are a connected network and so all assets are **captured** regardless of the threshold. However replacement or renewal of assets with a value <\$5,000 are considered to be maintenance. This category considers base, sub-base and seal assets or both road and car park assets.

Operating Expenditure		Capital Expenditure	
Maintenance & Repair	Renewal	Upgrade / Expansion	
<ul style="list-style-type: none"> <li>Reactive and programmed maintenance</li> <li>Replacing minor components</li> <li>Replacement or refurbishment &lt;\$5000</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of whole asset</li> <li>Replacement of a significant component (&gt; \$5000) where the retired portion can be readily identified or split in the asset register :                             <ul style="list-style-type: none"> <li>Standard reseal approx. 11m<sup>2</sup></li> <li>Sub base - 20m<sup>2</sup></li> <li>Base - 20m<sup>2</sup></li> </ul> </li> <li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li> </ul>	<ul style="list-style-type: none"> <li>New assets regardless of value</li> <li>Upgrade assets</li> </ul>	
Examples			
<ul style="list-style-type: none"> <li>Pot hole repair and patching i.e. renewal &lt;\$5000</li> </ul>	<ul style="list-style-type: none"> <li>Resealing</li> </ul>	<ul style="list-style-type: none"> <li>Improving the water shedding capacity of roads by installing extra catch-pits</li> </ul>	
<ul style="list-style-type: none"> <li>Landscaping / vegetating alongside of a road</li> </ul>		<ul style="list-style-type: none"> <li>Replacing a crusher dust car park with bitumen - Change to the car park surface that increases its useful life</li> </ul>	
<ul style="list-style-type: none"> <li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li> </ul>		<ul style="list-style-type: none"> <li>Widening a road (Adding surface area to an existing asset and improving its road carrying capability)</li> </ul>	
<ul style="list-style-type: none"> <li>Maintaining a road to its original standard, and not improving it over and above its original design.</li> <li>Street sweeping</li> </ul>			
<ul style="list-style-type: none"> <li>Assessing traffic flow or the condition of the road - The operating capacity of the road is not being increased as the condition of the road is being verified.</li> </ul>			
<ul style="list-style-type: none"> <li>Line-remarking</li> </ul>			

**CMR Team use only**

# procedure document



**PR-2528-001-001**

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

---

**CMR Team use only**

**Department:** CEO  
**Group:** Financial Services  
**Approved:**  
**Date of Approval:**

**Effective date:**  
**Version:** 4  
**Review date:**  
**Page:** 35 of 49

## 8.22. Road Inventory and Furniture

This category includes LATM's, verges, kerb and channel, and shoulders, guard rails. Replacement or renewal of asses with a value <\$5,000 are considered to be maintenance.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"> <li>Reactive and programmed maintenance</li> <li>Replacing minor components</li> <li>Replacement or refurbishment &lt;\$5000</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of whole asset</li> <li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified or split in the asset register                             <ul style="list-style-type: none"> <li>160m of B2 K&amp;C</li> </ul> </li> <li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li> </ul>	<ul style="list-style-type: none"> <li>New assets</li> <li>Upgrade assets</li> </ul>
Examples		
<ul style="list-style-type: none"> <li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of a portion of Kerb and Channel where the total cost &gt;\$5000 and the lineal portion of the total asset can be determined.</li> </ul>	<ul style="list-style-type: none"> <li>Adding a traffic island (asset has a current and future economic benefit, by means of physically separating the traffic and making the roads a safer place to travel upon</li> </ul>
<ul style="list-style-type: none"> <li>Replacement of a portion of kerb and channel where the total costs &lt;\$5000</li> </ul>		

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

## 8.23. Seawalls, Canals and Revetment Walls

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
	Maintenance & Repair	Renewal
<ul style="list-style-type: none"> <li>Reactive and programmed maintenance</li> <li>Replacing minor components</li> <li>Replacement or refurbishment &lt;\$5000</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of whole asset</li> <li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified or split in the asset register</li> <li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li> </ul>	<ul style="list-style-type: none"> <li>New assets</li> <li>Upgrade assets</li> </ul>
Examples		
<ul style="list-style-type: none"> <li>Dredging - Channel dredging is not an asset, but regarded as programmed maintenance</li> </ul>		<ul style="list-style-type: none"> <li>Extending a groyne - The expenditure results in a more effective groyne, able to stabilise a beach to the extent it was not possible before</li> </ul>
<ul style="list-style-type: none"> <li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life i.e. reinstatement after storm events</li> </ul>		<ul style="list-style-type: none"> <li>Adding extra rock walls - It provides a more stable harbour or canal enclosure and adds to the appeal for the public living within. If the rock wall is replenished existing rocks, bringing the rock wall to a similar condition as previously, the expenditure would be expensed</li> <li>Improving revetments by upgrading anchoring systems for rocks - The rock anchoring system would be improved and may prevent future costs in wall repair</li> </ul>

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

*NOTE: The rock armour portion of the seawalls, groynes and revetment walls is separately recognised and is treated as a non-depreciating asset therefore any work to re-instate existing assets is treated as operational. Capital works can be completed where the asset is upgraded to a higher level of service*

**CMR Team use only**

Department: CEO  
Group: Financial Services  
Approved:  
Date of Approval:

Effective date:  
Version: 4  
Review date:  
Page: 37 of 49



## 8.24. Sign Assets

Signage assets are recognised as individual assets where they exceed the capitalisation threshold of \$5000.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
	Renewal	Upgrade / Expansion
Maintenance & Repair		
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li><li>Replacement of a significant component &gt; \$5000 where the retired portion cannot be readily identified in the asset register</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified in the asset register (would be unique situation for signage)</li></ul>	<ul style="list-style-type: none"><li>New assets</li><li>Upgrade assets</li></ul>

### Examples

- Repair of damage or removal of graffiti
- Replacement of sign where it has been individually recorded in the asset register with a cost >\$5000

Where the asset has been separately identified and has been being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

Assets are not disposed from the networked asset.

# procedure document

## 8.25. Software

This asset class is further discussed in GL 2528-002 Computer Software Treatment and Accounting.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>• Research and Development</li><li>• Concept costs</li><li>• Vendor assessment</li><li>• Office automation tools i.e. MS suite of products</li><li>• Data recovery and firewalls</li><li>• License renewals</li></ul>	<ul style="list-style-type: none"><li>• Replacement of whole asset</li></ul>	<ul style="list-style-type: none"><li>• New assets</li><li>• Off the shelf and contractor developed</li><li>• Initial License purchase</li><li>• Upgrade assets – software/ version upgrades</li></ul>

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

## 8.26. Sporting Ovals

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"> <li>Reactive maintenance</li> <li>Programmed maintenance or servicing (etc.)</li> <li>Replacement of a significant component &gt; \$500 where the retired portion cannot be readily identified in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of whole concrete pitch, court, lighting structure, irrigation system, etc.</li> <li>Replacement of a significant component &gt; \$500 where the retired portion can be readily identified in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>New assets</li> <li>Upgrade assets</li> </ul>

### Examples

- Maintenance to correct wear and tear preventing an asset achieving its expected useful life
- Installation of Turf or other earthen assets
- Replacement of grassed area
- mowing, topdressing
- patching, crack filling of pitches, courts
- repainting, line marking

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

CMR Team use only

## 8.27. Stormwater Drainage

These below grounds assets are an interconnected networked so all assets are captured as individual components in the asset register regardless of value. These assets include Stormwater pipes, pits, end structures, open drains.

Operating Expenditure		Capital Expenditure	
Maintenance & Repair	Renewal	Upgrade / Expansion	
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Replacement of a portion of an asset</li><li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li></ul>	<ul style="list-style-type: none"><li>New assets regardless of value</li><li>Upgrade assets</li></ul>	
Examples			
<ul style="list-style-type: none"><li>Soft Landscaping</li><li>Inspections and condition assessments</li></ul>			

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

## 8.28. Stormwater Quality

This class of assets only includes those 'hard' elements of stormwater quality including gross pollutant traps, spillways and energy dissipaters. Soft elements like swales, bio-retention basins etc. are not valued as these are [earthen / soft assets](#).

Operating Expenditure		Capital Expenditure	
Maintenance & Repair	Renewal	Upgrade / Expansion	
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Replacement of a portion of an asset</li><li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li></ul>	<ul style="list-style-type: none"><li>New assets regardless of value</li><li>Upgrade assets</li></ul>	
Examples			
<ul style="list-style-type: none"><li>Soft Landscaping</li></ul>	<ul style="list-style-type: none"><li>Replacement of existing GPT's (Gross Pollutant Traps) with same capacity</li></ul>		
<ul style="list-style-type: none"><li>Vegetation clearing from ponds and wetlands</li></ul>			
<ul style="list-style-type: none"><li>Inspections and condition assessments</li></ul>			

**CMR Team use only**

## 8.29. Streetscapes and Urban Art

This asset category includes items that are included in urban streetscapes like seats, bins, artwork, and fountains (excluding lighting).

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"> <li>Reactive maintenance to playground assets</li> <li>Programmed maintenance (repainting, ground cover)</li> <li>Replacing minor components (seats, etc.)</li> <li>Replacement of a significant component &gt; \$500 where the retired portion cannot be readily identified in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of whole asset</li> <li>Replacement of a significant component &gt; \$500 where the retired portion can be readily identified in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>New assets</li> <li>Upgrade assets</li> </ul>
Examples		
<ul style="list-style-type: none"> <li>Graffiti removal</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of a seat with another of same size and function- retire the original seat</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of a seat with a table seat combination – retire the original seat</li> </ul>
<ul style="list-style-type: none"> <li>Maintenance to correct wear and tear preventing an asset achieving its expected useful life</li> </ul>		
<ul style="list-style-type: none"> <li>Repainting</li> </ul>		

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

**CMR Team use only**

## 8.30. Waste Transfer Station Assets

This category includes wheelie bins, hard stands, fencing and other site embellishments associated with the transfer stations.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"> <li>Reactive and programmed maintenance</li> <li>Replacing minor components</li> <li>Replacement or refurbishment &lt;\$5000</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of whole asset</li> <li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified or split in the asset register</li> <li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li> </ul>	<ul style="list-style-type: none"> <li>New assets</li> <li>Upgrade assets</li> </ul>
Examples		
<ul style="list-style-type: none"> <li>Replacing a pump with a pump of similar capacity where the disposed pump cannot be identified in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>Replacing a pump with a pump of similar capacity where the disposed pump can be identified in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>Wheelie bin acquisitions - These are part of a networked group of assets, rather than accounting for each item separately and assigned a 10-year life and the annual acquisition expenditure is aggregated and capitalised as an individual asset at year-end</li> </ul>
<ul style="list-style-type: none"> <li>Re-vegetating a landfill site – these costs will be expensed to the Landfill remediation Reserve</li> </ul>		<ul style="list-style-type: none"> <li>Landfill capping and lining where introduced materials have been utilised</li> </ul>

Where an asset is being partially or completely replaced, the replaced asset or portion of the asset must be retired from the asset register.

# procedure document



**PR-2528-001-001**

## **8.31. Closed Landfill Sites**

Assets associated with closed landfill sites including leachate monitoring, gas flares, gas monitoring wells and other remediation and monitoring activities are to be treated as operational costs.

---

**CMR Team use only**

**Department:** CEO  
**Group:** Financial Services  
**Approved:**  
**Date of Approval:**

**Effective date:**  
**Version:** 4  
**Review date:**  
**Page:** 45 of 49



## 8.32. Water and Sewerage Passive Infrastructure (Pipe Networks)

This category includes Wastewater gravity and pressure mains and pits; and Water pipes and conduits, hydrants, meters, fittings and connections. These form the Water and wastewater networks, so to maintain connectivity, all components are captured.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"><li>Reactive and programmed maintenance</li><li>Replacing minor components</li><li>Replacement or refurbishment</li></ul>	<ul style="list-style-type: none"><li>Replacement of whole asset</li><li>Replacement or refurbishment of a component</li></ul>	<ul style="list-style-type: none"><li>New assets</li><li>Upgrade assets</li></ul>
Examples		
<ul style="list-style-type: none"><li>Pit cleaning</li></ul>	<ul style="list-style-type: none"><li>Replacing pipes or pits with same capacity and materials</li></ul>	<ul style="list-style-type: none"><li>Upgrading pipe capacity</li></ul>
<ul style="list-style-type: none"><li>Condition assessments</li></ul>		<ul style="list-style-type: none"><li>Pipework to new developments</li></ul>

CMR Team use only

## 8.33. Water and Sewerage Active Infrastructure

This category covers the assets at the pump stations and treatment facilities and includes Switchboards, Telemetry, Pipes, Pumps Motors, Structures and Mechanical Equipment.

Operating Expenditure	Capital Expenditure (assume life >1 year, cost > threshold)	
Maintenance & Repair	Renewal	Upgrade / Expansion
<ul style="list-style-type: none"> <li>Reactive and programmed maintenance</li> <li>Replacing minor components</li> <li>Replacement or refurbishment &lt;\$5000</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of whole asset</li> <li>Replacement of a significant component &gt; \$5000 where the retired portion can be readily identified or split in the asset register</li> <li>Refurbishment &gt;\$5000 where the life is extended beyond initial expectation</li> </ul>	<ul style="list-style-type: none"> <li>New assets</li> <li>Upgrade assets</li> </ul>
Examples		
<ul style="list-style-type: none"> <li>Replacing a pump with a pump of similar capacity where the disposed pump cannot be identified in the asset register (i.e. below the threshold)</li> </ul>	<ul style="list-style-type: none"> <li>Replacing a pump with a pump of similar capacity where the disposed pump can be identified in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>Replacing or installing a pump with a greater capacity</li> </ul>
<ul style="list-style-type: none"> <li>Installation or replacement of small below threshold components i.e. chains and fittings</li> </ul>		

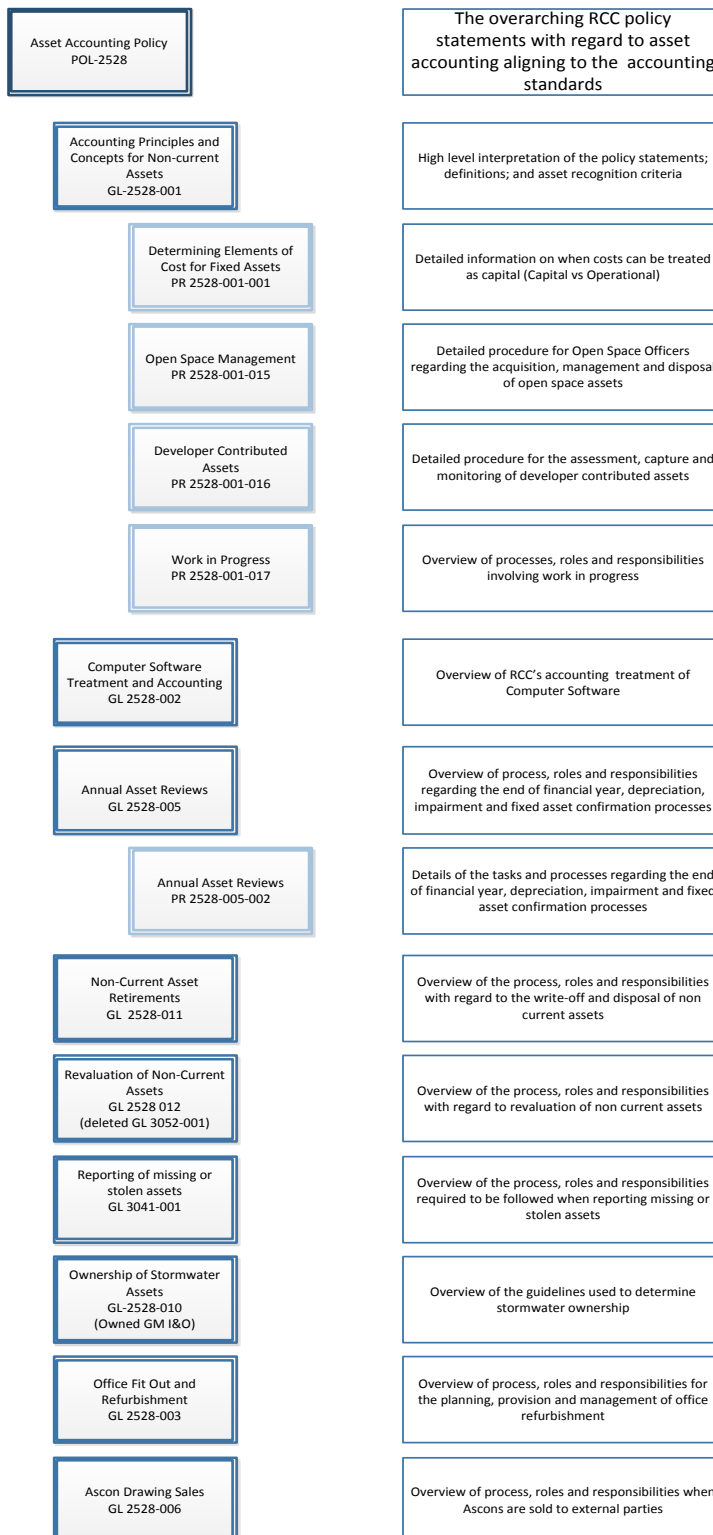
**CMR Team use only**

# procedure document

**PR-2528-001-001**

The relationship between the Asset Accounting PGPs is shown in the diagram below.

## Asset Accounting PGPs



**CMR Team use only**

Department: CEO  
Group: Financial Services  
Approved:  
Date of Approval:

Effective date:  
Version: 4  
Review date:  
Page: 48 of 49

# procedure document

## Document Control

- Only the Chief Financial Officer can approve amendments to this procedure. Please forward any requests to change the content of this document to the Finance Manager Corporate Finance
- Approved amended documents must be submitted to the Office of the Chief Executive Officer to place the document on the Policy, Guidelines and Procedures Register.

## Version Information

Version number	Date	Key Changes
4	February 2017	<ul style="list-style-type: none"><li>• Inclusion of additional water assets examples</li><li>• Revision to capital and operational costs flow charts for clarity</li><li>• Inclusion of the Complex Project Lifecycle Matrix to assist with capital and operational cost decisions</li><li>• Inclusion of Asset Accounting PGP structure</li></ul>

[Back to Top](#)

---

### CMR Team use only

Department: CEO  
Group: Financial Services  
Approved:  
Date of Approval:

Effective date:  
Version: 4  
Review date:  
Page: 49 of 49

## Work in Progress

### [Version Information](#)

#### 1. Scope

This guideline applies to all Redland City Council employees.

#### 2. Purpose

The purpose is to prescribe a procedure for managing Work in Progress from the time a job number is raised until the assets are operational and ready for commissioning.

#### 3. Definitions

*Definitions can be obtained from GL-2528-001 Accounting Principles and Concepts for Non-Current Assets*

#### 4. Actions and Responsibilities

##### 4.1. Asset Assignees

- The asset assignee is the final owner of the asset and is responsible for the constructed or acquired assets upon hand over from Project Delivery Group (PDG) or other supplier.
- Over the life of the asset, asset assignees are responsible for the maintenance, stocktake and renewal of the assets and must also budget for its depreciation expense.
- Marine Asset Assignees are also responsible for the definition and specification of assets resulting from PDG construction activities.

##### 4.2. Budget and Systems Team

- The Budget and Systems Team coordinates, checks and processes Job Request Forms to create new job numbers.

##### 4.3. Project Manager

- A Project Manager is any officer responsible for the management of a capital job, i.e. any job that results in the construction or acquisition of non-current assets.
- The Project Manager may change over the life of the asset depending on the phase of work of the project. The Project Manager is recorded against the project in Finance 1 as the lead agent.
- The PDG acts as Project Manager for the construction of a range of medium to major capital works projects on behalf of other areas in Council.
- The Project Manager must review WIP regularly to:
  - ensure costs are appropriate, i.e. of a capital nature/appropriately captured and do not exceed budget; and

---

#### CMR Team use only

# procedure document

**PR-2528-001-017**

- costs are capitalised promptly once construction is complete and no longer than 2 months after the practical completion of the job.
- The Project Manager is responsible for the collation and provision of asset capture information for provision to the Capital and Asset Accounting Team. The exception is where PDG completes work on behalf of City Infrastructure Group for Marine Assets. In this case the City Infrastructure is responsible for asset capture.

---

**CMR Team use only**

**Department:** CEO  
**Group:** Financial Services  
**Approved:**

**Effective date:**  
**Version:** 4  
**Review date:**  
**Page:** 2 of 12

- Where PDG completes construction the asset data capture is addressed as follows:

*Table 1 Asset Capture Responsibilities*

PDG Managed Constructions					
Business Group	Work Completed	Asset Capture Responsibility	Data	Asset Capture	Data Format
City Spaces	Open Space Installations Sports fields Park Lighting	PDG			Spreadsheet
	Pathways	PDG			Ascon
City Infrastructure	Road Reseals / Rehabilitation	PDG			Ascon/ Autocad drawing
	Barge and Boat Ramps Marine Infrastructure	City Infrastructure			Spreadsheet
	Revetment Walls				Ascons
	Bus Shelters Bikeways	PDG PDG			Spreadsheet Ascon
Business Group Managed Constructions					
City Spaces	Park Installations	City Asset Management	Spaces		Spreadsheet
City Infrastructure	Marine Infrastructure • Jetties • Boat Ramps • Marine Facilities	City Infrastructure			Spreadsheet (supported by Ascon)
	Roads and Stormwater Assets renewal	City Infrastructure			Spreadsheet
Redland Water Infrastructure	Water and Wastewater Pump Stations and Treatment (active assets)	Project Managers RW			Spreadsheet
	Water and Wastewater Passive Asset	Project Managers RW			Ascon

#### 4.4. Capital and Asset Accounting Team

The Capital and Asset Accounting Team is responsible for:

- verification of the assets created to the project costs in WIP;
- creating/uploading the assets in Maximo or Finance 1 and providing financial verifications;

**CMR Team use only**

- creating and processing the WIP transfers for new assets;
- the monthly reconciliation of the movement to the WIP accounts;
- monthly delivery of the WIP Report to Stakeholders;
- co-ordination of the annual Work in Progress Audit Confirmation; spatially capturing the asset information into the GIS for assets including Stormwater Roads, Water and Wastewater, pathways and marine; and
- uploading asset capture spread sheets into Maximo for valuation.

## 5. Guidelines

### 5.1. Overview

Work in Progress is a holding account to collate costs (Elements of Costs refer to GL 2528-001 and PR 2528-001-001) before they are turned into assets.

A Work in Progress account holds and records the costs for property, plant and equipment under construction or in the process of being constructed that are not completed or operational.

Unlike expense accounts, the value of WIP accumulates over time until the assets are operational and the costs are transferred to the relevant asset account.



### 5.2. Forward Design

- Many jobs have design costs incurred up to 3 years prior to construction of the job. These jobs may be identified in the monthly WIP spreadsheet as "Design" to signify that the design work has commenced for a project to begin in a future financial year.
- These are valid hold over costs as long as there is a strong probability (i.e.>80%) that the jobs will go ahead using that intended design. As soon as it is determined the job will require alternate design, these costs must be treated as operational and not capitalised into the resulting asset.



## 5.3. PDG Administration Costs – up front

- For PDG contracts, PDG costs will be identified and charged to the job up front. In general terms, the costs will consist of a flat 10% charge on the cost of the project plus an additional 1% charge for corporate overheads. These may vary within specific projects at the discretion of the Manager - PDG and the costs are to be incorporated into the commissioned asset(s). The initial charge will be based on the initial approved budget.
- The capital jobs associated with PDG Administration will be separately identified in the Monthly WIP report. At year end, these costs must offset each other to ensure all PDG costs have been appropriately allocated to each job they have provided services to. It is the responsibility of the Manager - PDG to ensure costs are appropriately offset at year end and any under recovery must be treated as operational costs at year end.

## 5.4. Treatment of Operating Costs

- It is the Project Sponsor's responsibility to review expenditure while the project is in the conceptual design stage. At this stage they are the lead agent and therefore Project Manager. Only those costs that can be commissioned (ie treated as capital) will remain on the job once construction begins.
- Once the project is under construction, it will be the Project Manager's responsibility to review expenditure for items of an operational nature. Items of an operational nature are to be expensed upon occurrence and a final check to be done at the financial finalisation of the job. All operational costs must be written off from Capital jobs at year end and must not be rolled over in WIP. (Refer PR 2528-001-001 for further guidance on what costs can be treated as capital).

## 5.5. Authority to Process / Approve operating expenses recorded in Work in Progress

- *WIP Budgeted Operational Costs*  
Any operating costs identified as part of the budget development process associated with a capital project must be budgeted to natural account 824098. These costs will be considered budgeted operational costs and as long as this approved amount is not exceeded no further authorisation is required.
- *WIP Unbudgeted Operational Costs*  
Guideline GL-2528-011 Non-Current Asset Retirements specifies that any operational components are to be authorised by the Asset Assignee's Group or General Manager and expensed on a monthly basis.
- *WIP Prior Year's Costs*  
All write-offs (prior year's costs) or transfers to operating from WIP (current year costs) must be made in accordance with the employee's financial delegation level applied at a job level. If there is a decision made to write-off expenditure on several jobs relating to a single project, then that expenditure must be aggregated when applying the appropriate delegation level.

---

### CMR Team use only

***Although Service Managers and other staff may have financial delegation levels, only Group Managers and above have authority to write off WIP expenditure from prior years and to authorise current year transfers to operating expenditure.***

This authorisation is 'in principle' and must be ratified by ELT at the next Budget review.

## **5.6. Cancelled jobs**

The Project Sponsor is responsible for notifying the Project Administrator / Manager PDG, Group Manager for the Asset Assignee and the Capital and Asset Accounting Team when a project is cancelled. All costs incurred to date are to be expensed in the same month that cancellation is approved. All costs incurred by other departments in good faith, will be the responsibility of the Project Sponsor.

## **5.7. Work in Progress Monitoring**

- Each month the Capital and Asset Accounting Team will distribute the WIP Spreadsheet detailing the reconciliation of the movements and WIP balances for the month.
- Project Managers will review the balance of the job, the construction progress and the costs added to ensure the costs are validly capital and do not exceed budget.
- The WIP spreadsheet will be updated by the Project Manager within 2 weeks to provide comment if:
  - the asset is operational however asset capture details have not been forwarded;
  - if the budget has been fully spent and the asset details have not been forwarded; and
  - costs have not been added to the job in 2 months – an explanation as to the status of the job must be provided.
- A summary the WIP spreadsheet will be provided to Group Managers via Objective for management review and confirmation via Objective Workflow.

## **5.8. Completion of Construction**

- Within 2 months of the asset being operational the asset capture details are to be provided to Capital and Asset Accounting Team.
- Where the assets are to be spatially captured AsCon drawings or AutoCad files are to be forwarded to the Capital and Asset Accounting Team.
- All other details are to be provided via the Asset Capture Spreadsheets and the supporting documentation must include:
  - sufficient cost details are provided to allow determination of costs for each asset constructed – i.e. Bill of Quantities, contract or invoice details, allocation of construction costs;
  - reconciliation of total costs to the WIP Balance;
  - recording details of any asset retirements;
  - sufficient details to easily locate and identify the asset (description, location, GPS co-ordinates or As Con Plans, photographs); and
  - detailed specifications to assist in re-valuation and renewal programs (length, width, depth, material, size, capacity etc.)

---

**CMR Team use only**

- The Project Manager will prepare handover documentation and provide opportunity for handover inspection to the Asset Assignee.
- The Project Manager will notify Budget and Systems when a job is complete to allow the update of the Finance One of job completion date.

## **5.9. Late Costs**

- The Project Manager is responsible for a project's construction and cost, and assumes the role to manage the treatment of late expenditure. All possible steps must be taken to ensure all internal and external costs have been charged to the job prior to capitalisation. If however late costs are charged and exceed the asset's financial threshold, the cost must be capitalised.
- The financial threshold is determined as the lesser of \$5,000 or 1% of the project costs and provides relativity when large value projects are involved. All costs under this threshold are to be treated as a write-off or transfer of operational expenditure.

## **5.10. Acceptable Timeframes for Capitalising**

Assets should be commissioned from WIP as soon as they are operationally delivering the required service levels and all the costs have been captured. Throughout the year, this should be in the same month the job being marked as complete, and no longer than two months after the job is completed. Completed jobs are not to carry over in WIP to the new financial year.

## **5.11. Work in Progress Audit Confirmation**

At the end of each financial year once all final accruals and WIP transfers are completed, a Work in Progress Audit Confirmation will be forwarded to each Project Manager for confirmation that all the necessary checks outlined above have been completed for each project. An example of this document from 2016 is contained in Appendix 1.

## **6. Reference Documents**

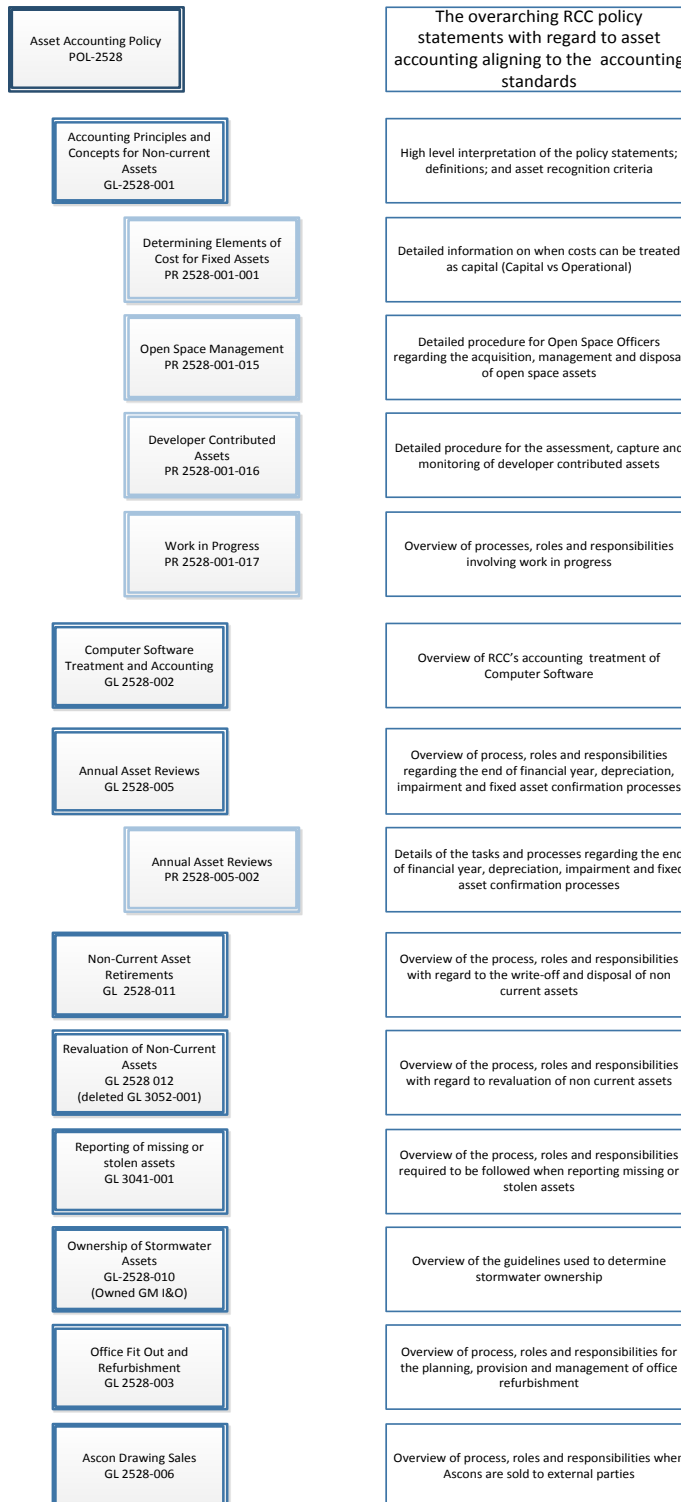
This Guideline has been developed to support the application or administration of Policy POL-2528 Asset Accounting Policy.

Other documents include:

- GL-2528-001 Accounting Principles and Concepts for Non-Current Assets
- PR-2528-001-001 Determining the Elements of Cost for Fixed Assets

The relationship between the Asset Accounting PGP's is shown below.

## Asset Accounting PGP's



## 7. Document Control

- Only the Chief Financial Officer can approve amendments to this procedure. Please forward any requests to change the content of this document to the Finance Manager Corporate Finance.
- Approved amended documents must be submitted to the Corporate Meetings & Registers Team to place the document on the Policy, Guidelines and the Procedures Register.

### Version Information

Version number	Date	Key Changes
4	February 2017	<ul style="list-style-type: none"><li>• Converted to Procedure from Guideline 2528-004 due to reformatting of PGP structure for Asset Accounting. This procedure now sits under GL 2525-001 Accounting Principles for Non-Current Assets</li><li>• Inclusion of diagrams and formatting changes for improved readability</li><li>• Updated for new role and team names</li><li>• Removed duplicated definitions contained in the related guideline</li><li>• Inclusion of Asset Accounting PGP structure</li><li>•</li></ul>
3	10/ 2012	<ul style="list-style-type: none"><li>• Updated references to key staff due to structure changes</li><li>• Updated and clearly articulated Project Manager responsibilities</li><li>• Clarified the procedures for the write-off of operational costs in capital projects and the appropriate authority required.</li><li>• Removed Appendix 1 regarding treatment of operating costs as this was clarified in the body of the procedure.</li><li>• Removed reference to PR-2528-004-003 Work in Progress Transfers and PR-2528-004-001 Work in Progress Lifecycle. These procedures are now obsolete.</li><li>• Removed reference to specific projects as these are now obsolete.</li><li>• Added a section on Work in Progress Audit Confirmation together with an additional Appendix to reflect the updated end of financial year WIP process</li><li>• Included an additional Appendix 2 on the accounting treatment of PDG corporate allocation as this process was previously not documented.</li></ul>

**CMR Team use only**

Department: CEO  
Group: Financial Services  
Approved:

Effective date:  
Version: 4  
Review date:  
Page: 9 of 12

### Work in Progress Audit Confirmation Financial Year Ended 30 June 2016

**Responsible Project Manager:**

As the *Project Manager* responsible for these jobs I certify the following for jobs listed in the Blue table below:

- The costs recorded against each job have been reviewed and are capital in nature as per Procedure 2528-001-001 Interpretation of Capital and Operational Costs Associated with Fixed Assets.
- All deliveries of goods and services received prior to 30/06/2016 are reflected in the costs of the job
- All costs recorded on the job have been accurately recorded to the correct job and account number.
- As at 30/06/2016 construction was *not* complete or the assets generated from the job were not being used.
- The current status of the job is noted in the comments section below.

Job Number	Description	Work in Progress Balance 30/06/2016	Project Manager Comments
TOTAL			

===== □

As the **Project Manager** responsible for these jobs I certify the following for jobs listed in the Red table below:

- The costs recorded against each job have been reviewed and are capital in nature as per Procedure 2528-001-001 Interpretation of Capital and Operational Costs Associated with Fixed Assets.
- All costs recorded on the job have been accurately recorded to the correct job and account number.
- All deliveries of goods and services received prior to 30/06/2016 are reflected in the costs of the job
- As at 30/06/2016 construction **was** complete or the assets generated from the job **were** being used however final asset capture (i.e. assets created in the asset register) was not completed at end financial year. These jobs have been accrued to 2015/16.



Job Number	Description	Accrued Value 30/06/2016	Project Manager Comments

TOTAL



\_\_\_\_\_  
Responsible Manager

\_\_\_\_\_  
Position Title

\_\_\_\_\_  
Date







## Annual Asset Reviews

### **IMPORTANT: COMPLIANCE REQUIREMENT**

#### **1. Scope**

This procedure outlines the process to be followed to complete the Annual Asset Reviews.

#### **2. Purpose**

The purpose of this procedure is to ensure the appropriate process is followed for the completion of the:

- Impaired Asset Checklist;
- Depreciation Checklist; and
- The Fixed Asset confirmation.

#### **3. Definitions**

For definitions refer to GL 2528-001 Accounting Principles and Concepts for Non-Current Assets.

#### **4. Background**

**4.1.** Consistent with GL-2528-005 Annual Asset Reviews managers with assets assigned to them are required to complete three key checks at financial year end to ensure assets are accurately presented in the accounts. These reviews are:

- Impaired Asset Checklist – Group Managers
- Depreciation Checklist – Group Managers; and
- Fixed Asset Confirmation Certificate – General Managers.

**4.2.** While the purpose of each review is different, together they assist to ensure Council is compliant with the relevant Accounting Standards along with demonstrating that Council maintains strong internal controls surrounding the financial management of fixed assets. This procedure is aimed at assisting managers to understand the requirements of the reviews and to complete them with an appropriate level of rigor and understanding.

**4.3.** Towards the end of each financial year, Group Managers will be provided with a comprehensive list of assets under their control and this listing will include all corporate and infrastructure assets.

**4.4.** The details from this listing will provide the basis of the Impairment and Depreciation reviews. These reviews are returned, with any supporting documentation to the Capital and Asset Accounting Team.

---

**CMR Team use only**

Department: Office of CEO  
Group: Financial Services  
Approved:  
Date of Approval:

Effective date:  
Version: 2  
Review date:  
Page: 1 of 15

# procedure document

**PR-2528-005-002**

- 4.5. Once the final Asset Reconciliations are completed at year end, a Fixed Asset Confirmation Certificate will be distributed to General Managers to review and authorise on the basis that the Impairment and Depreciation checklists have been completed by their Group Managers.

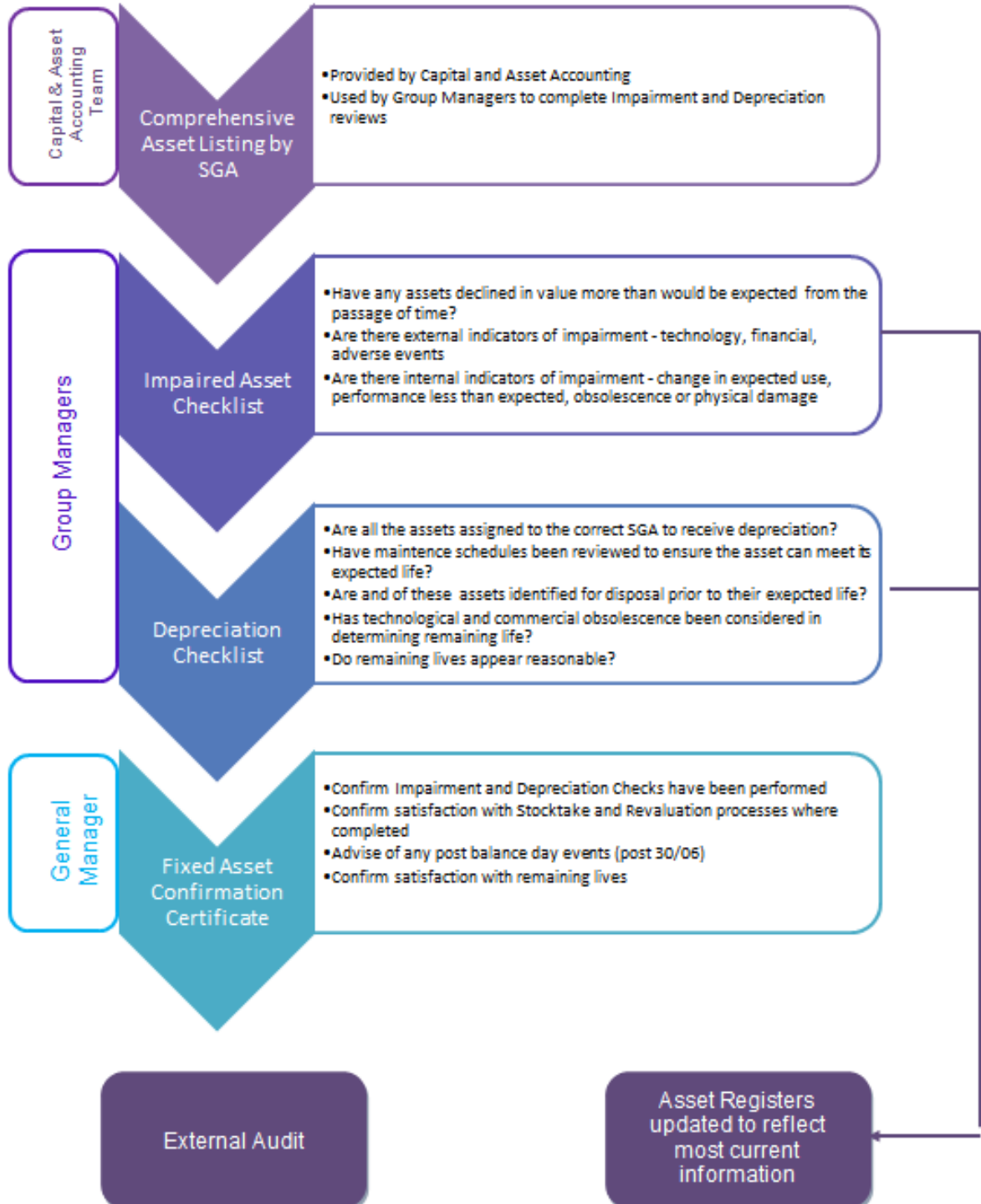
---

**CMR Team use only**

**Department:** Office of CEO  
**Group:** Financial Services  
**Approved:**  
**Date of Approval:**

**Effective date:**  
**Version:** 2  
**Review date:**  
**Page:** 2 of 15

## Asset Reviews Quick Reference



CMR Team use only

Department: Office of CEO  
Group: Financial Services  
Approved:  
Date of Approval:

Effective date:  
Version: 2  
Review date:  
Page: 3 of 15

## 5. Impaired Asset Checklist

5.1. Accounting Standard AASB 136 Impairment of Assets requires assets to be tested annually for indicators of impairment to assess if assets are being held in the accounts at a value greater than the asset's recoverable amount.

### Impairment

The decline in the future economic benefits or service potential of an asset, over and above the use reflected by depreciation.

5.2. Assets subject to impairment testing include:

- Individual, simple assets with a carrying value greater than \$100,000;
- **All** Bridges, Marine (Jetties, Boat Ramps, Revetment Walls, Seawalls), Buildings, Pump Stations, and Water Treatment Plants. These generally are complex assets parenting a variety of lower value, simple assets.
- The above ground Road network, and the Sub-surface networks of Water, Wastewater, and Stormwater are to be considered from a whole of network perspective.

5.3. There are two key factors to consider:

- Are there indicators of impairment? (are these signs that assets will not reach its full life or service expectation?)
- Does the carrying amount exceed the higher of fair value less costs to sell or depreciated replacement cost?

### ACTION

Group Managers who are asset assignees are required:

- to review assets to determine if there are indicators of impairment and where present
- complete the Impaired Asset Checklist and
- where impairment is indicated provide documentation to the Capital and asset Accounting Team so they can determine if an impairment loss should be recognised.

5.4. Follow the guidance provided in the template on page 7. If further guidance is required, refer to section 2.5.

#### CMR Team use only

Department: Office of CEO  
Group: Financial Services  
Approved:  
Date of Approval:

Effective date:  
Version: 2  
Review date:  
Page: 4 of 15

## 5.5. Impairment Indicators

Some examples of indicators of impairment (*Extracted from Non-Current Asset Policies for the Queensland Public Sector*)

### 5.5.1. *Cessation of the demand or need for a service provided for an asset*

The asset maintains its service potential but the demand for the service had ceased

A school closed because of a lack of demand for school services arising from a population shift to other areas. It is not anticipated that this demographic trend affecting the demand for the school services will reverse in the foreseeable future.

A railway line closed due to lack of patronage (for example, the population in a rural area has substantially moved to the city due to successive years of drought and those who have stayed behind use the cheaper bus service).

A convention centre or stadium whose principal lessee does not renew its lease with the result that the facility is expected to close.

### 5.5.2. *Significant long-term changes in the technological environment with an adverse effect on Council*

The service utility of an asset may be reduced if technology has advanced to produce an alternative that provides better and more efficient service.

Medical diagnostic equipment is rarely or never used because a newer machine embodying more advanced technology provides more accurate results.

Software is no longer being supported by the external supplier because of technological advances and the agency does not have the personnel to maintain the software.

Computer hardware has become obsolete as the result of technological development.

### 5.5.3. *Significant long-term changes in the legal or government policy environment*

As asset's service potential may be reduced as a result of a change in law or regulation.

An automobile does not meet new emission standards or a plane that does not meet new noise standards.

A school can no longer be used for instruction purposes due to new safety regulations regarding its building materials or emergency exit procedure.

#### CMR Team use only

Department: Office of CEO  
Group: Financial Services  
Approved:  
Date of Approval:

Effective date:  
Version: 2  
Review date:  
Page: 5 of 15

A water treatment plant cannot be used because it does not meet new environmental standards

#### **5.5.4. Evidence is available of physical damage of an asset**

Physical damage would likely result in the asset being unable to provide the level of service it was once able to provide.

A building damaged by fire or flood or other factors.

A building closed due to identification of structural deficiencies.

Sections of an elevated roadway that have sagged, indicating that that segment of roadway will need to be replaced in 15 years rather than the original design life of 30 years.

A dam whose spillway has been reduced as a result of a structural assessment.

A water treatment plant whose capacity has been reduced by intake blockage and the removal of the blockage is not economical.

A bridge is weight-restricted due to identification of structural deficiencies.

Equipment is damaged and can no longer be repaired or for which repairs are not economically feasible.

#### **5.5.5. Significant long-term changes in the extent to which an asset is used, or is expected to be used, with an adverse effect on Council**

If an asset is not being used to the same degree as it was when originally put into service or the expected useful life of the asset is shorter than originally estimated, the asset may be impaired. A significant long-term decline in the demand for an asset's services may translate itself into a significant long-term change in the extent to which the asset is used.

A mainframe computer that is underutilized because many applications have been converted or developed to operate on servers or PC platforms.

#### **5.5.6. Significant long-term changes in the manner in which an asset is used, or is expected to be used, with an adverse effect on the Council**

If the asset is not being used in the same way as it was when originally put into service, the asset may be impaired.

A school building that is being used for storage rather than for educational purposes.

**5.5.7. Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected**

Internal reports may indicate that an asset is not performing as expected or its performance is deteriorating over time.

An internal health department report on operations of a rural clinic may indicate that an x-ray machine used by the clinic is impaired because the cost of maintaining the machine has significantly exceeded that originally budgeted.

## **5.6. Impaired Asset Checklist**

Once the necessary reviews have been completed the Impaired Asset Checklist should be completed and forwarded to the Capital and Asset Accounting Team. Where Impairment indicators have been identified, supporting documentation must also be supplied.

## Impaired Assets Checklist for \_\_\_\_\_ Assets for year ending 30 June 201X

*Please briefly indicate your reasoning behind your responses in the "Comments" box for each question, no matter what you responded.*

External Indicators of Impairment	Yes	No	N/A	Comments
(a) Has the market value of any assets under your control declined significantly more than expected as a result of the passage of time or normal use, during the period?				<i>Answer YES if any of the assets under your control have significantly reduced in value beyond what has been expected with normal depreciation because of the usage of the asset or it has just worn out significantly quicker than expected.</i>
(b) Has there been any adverse event in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated?				<i>Answer YES if there have been advances in technology, changes to the market (i.e. demand for the asset), significant changes to the economy (i.e. GFC) or legal changes (i.e. legislation) in which the asset operates.</i>
(c) Has any change in interest rates occurred that is likely to affect an asset's value in use?				<i>Answer YES if there have been increases in interest rates that would reduce the recoverable amount of the asset or the asset's value in use.</i>
(d) Has there been any other external indicators that you are aware of that has not been identified?				<i>Answer YES if There has been something else, not listed above, which has occurred during the financial year that has seen the assets under your control reduced in value</i>

Internal Indicators of Impairment	Yes	No	N/A	Comments
(a) Has there been obsolescence or physical damage to an asset?				<i>Answer YES if Damage has occurred to any of your assets or have they now become obsolete which has reduced their value</i>
(b) Has there been an adverse change to the expected use of an asset, including plans for restructuring or replacement that is contemplated in advance of that estimated by the application of the current depreciation rate.				<i>Answer YES if Changes have occurred in Council that has meant the way in which any of your assets are used has changed. Changes include the asset becoming idle, plans to stop or change the operation that the asset is involved in, plans to dispose of the asset before it was expected to be and changing the useful life to fixed life rather than indefinite. This does not include assets that are held for sale</i>
(c) Has the performance of the asset been less than expected?				<i>Answer YES if there have been assets under your control that performed at a reduced level to what was expected and has decreased its value</i>
(d) Has there been any other internal indicator identified?				<i>Answer YES if there has been something else, not listed above, which has occurred during the financial year that has seen the assets under your control reduced in value that occurred within Council</i>

Authorised by the **Group Manager**

Manager Name (Please Print)	Manager Signature	Manager Title	Date
			...../...../.....



## 6. Depreciation Review

### 6.1. The purpose of this checklist is to ensure:

- assets, and therefore depreciation, have been assigned to the correct Manager's SGA,
- the remaining useful life of the asset is reasonable and reflective of the pattern of consumption of the asset.

#### Depreciation

*The systematic allocation of the capital costs of an asset over its useful life*

Council applies straight line depreciation over the life of the asset. The purpose of this review is not to change the depreciation methodology.

A review of the asset listing is required to ensure all assets that the Manager is responsible for are correctly recorded and no assets are missing.

#### Useful Life

*The period over which the asset is expected to be available for use by Council*

The estimation of useful life and remaining useful life must be made based on experience and with reference to a realistic replacement program as defined in the Asset and Service Management Plan. This should not purely be the manufacturers expected life but be informed by internal process and experience.

#### ACTION

Group Managers who are asset assignees are required:

- to review assets on the Asset Listing to confirm they are correctly assigned;
- Complete the Depreciation Review; and
- Where changes are required, provide documentation to Capital and Asset Accounting for action.

### 6.2. Depreciation Checklist

The depreciation checklist is completed once the asset details are reviewed and updates recorded.

CMR Team use only

Department:  
Group:  
Approved:

Effective date:  
Version: 2  
Review date:  
Page: 9 of 15

## Depreciation Checklist for \_\_\_\_\_ Assets for year ending 30 June 201X

If there is a significant change in the expected pattern of consumption of any assets within each Group, then the rates would require alteration in the Fixed Asset Register.

*Please briefly indicate your reasoning behind your responses in the "Comments" box for each question, no matter what you responded.*

Indicator review to determine the useful life of an asset	Yes	No	N/A	Comments
a) Is the expected useful life assigned to the asset aligned with capacity or physical output?				<i>Answer YES if assets under your control were working at their expected capacity and output and this accurately reflects their useful lives</i>
b) Has the expected wear and tear associated with the asset and the repair and maintenance program been reviewed to ensure that the asset can meet its predicted useful life?				<i>Answer YES if the maintenance programs and expected wear and tear were reviewed and it was found that the assets under your control will last for their useful lives</i>
c) Has the potential technical and commercial obsolescence of the asset been reviewed to determine if the useful life that has been assigned appears reasonable?				<i>Answer YES if the chances that any of your assets becoming obsolete sooner than expected due to technical and commercial improvements has been considered and their useful lives are still appropriate</i>
d) Are there future legal or similar restrictions that may apply to assets that may impact upon the useful life of the asset?				<i>Answer YES if there were future restrictions placed your assets that would significantly alter their useful lives</i>
e) Is there any asset under your control that needs to be disposed after a specific time that is different to the useful life assigned?				<i>Answer YES if any asset under your control has had to be disposed after a specific time other than the useful life</i>
f) Is there any other indicator that you have identified that may lead to a useful life of an asset being different to that in the Fixed Asset Register?				<i>Answer YES if there was any other reason, than those above, than have caused the useful life of an asset under your control to differ to the Fixed Asset Register</i>

Authorised by the Group Manager

Manager Name (Please Print)	Manager Signature	Manager Title	Date
			...../...../.....

## 7. Fixed Asset Confirmation Certificate

### 7.1. Purpose

The purpose of the Fixed Asset Confirmation Certificate is for the General Manager's to confirm:

- scheduled Stocktakes or other verification processes were undertaken during the year;
- impaired asset checks have been completed;
- revaluations have been completed satisfactorily;
- post balance day events that have a material impact on assets have been advised to the Capital and Asset Accounting Team; and
- remaining lives appear to be fairly stated.

Once final asset reconciliations are completed and the final asset balances are determined for the financial year, the Fixed Asset Confirmation Certificate will be forwarded to General Managers.

The verification of impairment and remaining lives is completed as part of the Impairment and Deprecation reviews.

### 7.2. Stocktake or Other Verification process

Stocktakes are required to be completed on a regular basis by Asset Assignees as a means to ensure the asset register is a true reflection of the physical asset base. It may be appropriate that other practices including valuation or condition inspections have occurred during the year that also contribute to the refinement of the asset database. Alternatively rotational stocktakes over a number of years may be deemed to be an appropriate practice.

### 7.3. Revaluation

Revaluations are completed every 4 years and the updated asset values are reflected in the asset database. While the revaluation is coordinated via Capital and Asset Accounting, key staff from the business are included in the process and required to verify the valuation data and report prior to acceptance.

### 7.4. Post Reporting Period Events

#### Post Reporting Period Events

Events that occur after 30/06 and prior to signoff that materially affect the value in the accounts

The Fixed asset confirmation certificate is completed after any revaluation is applied and the Asset Reconciliations are completed – some months after the physical year end. While the 'numbers' may reflect the position as at 30 June 20##, there may be events that occur after 30/06 and before sign off that will impact the valuation of

**CMR Team use only**

Department:  
Group:  
Approved:

Effective date:  
Version: 2  
Review date:  
Page: 11 of 15

assets for example a significant weather event or change in legislation. Where the event is expected to materially affect the value of the assets, the details must be disclosed in the notes to the final accounts.

## 7.5. Fixed Asset Confirmation Certificate

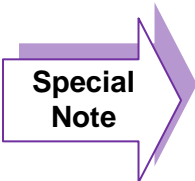


**ACTION**

General Managers complete the Fixed Asset Confirmation Certificate and return it promptly to the Capital and Asset Accounting Team.

The Certificate is based on the data contained in the General Ledger and is reported by Asset Class (Roads, Stormwater, Parks, Other Infrastructure, Waste, Buildings, Library, Plant and Equipment, Hardware, Software, Fixtures and Fittings) by SGA.

The Asset Listing provided at the time the Impairment and Depreciation checks were completed will have been updated with all the assets purchased or transferred from WIP at year end and so will vary from the initial data. However, the confirmation certificates are required to be provided to the External Auditors (mid September) and therefore a very timely response will be necessary.



**Special Note**

Asset data is expected to be finalised late August and the return back by mid September allowing a maximum of two weeks turnaround. To ensure a prompt turnaround of the certificate, all additional checks and information required should be sourced and completed prior to the end of August.

An example of the expected layout is included on the following page.

**FIXED ASSET CONFIRMATION CERTIFICATE FOR 2015/2016 to period 13**

**Community and Customer Services GM**

**General Ledger Balances - Department '2000'**

<b>SGA &amp; Description</b>	<b>BUILDINGS</b>	<b>OTHER STRUCT</b>	<b>PLANT/EQUIP</b>	<b>OFF EQUIP/FURN</b>	<b>FIB/FITTING</b>	<b>HARDWARE</b>	<b>SOFTWARE</b>	<b>HERITAGE/ART</b>	<b>LIBRARY BOOKS</b>	<b>PARKS</b>	<b>ROADS</b>	<b>STORMWATER</b>	<b>WTR/WSTEWTR</b>	<b>OTHER INFRA</b>	<b>WASTE</b>	<b>LAND</b>		
004 - Community and Customer Services GM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
025 - City Planning & Assessment	0	0	0	2,702	0	0	0	0	0	0	0	0	0	0	0	0		
030 - Community and Cultural Services Administration	0	0	0	467	0	0	0	0	0	0	0	0	0	0	0	0		
031 - Off of Supervisor Strengthening Communities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
043 - Environment and Regulation	0	0	0	3,124	0	0	0	0	0	0	0	0	0	0	0	0		
114 - Property Management	1,985,253	17,493	0	0	0	0	0	0	0	0	70,093	0	0	14,403	0	0		
119 - Integrated Customer Contact Centre	0	0	0	25,266	0	0	0	0	0	0	0	0	0	0	0	0		
146 - Redland Art Gallery	13,919	0	457	15,494	10,339	397	0	636,985	0	0	0	0	0	0	0	0		
151 - Community Care Services	0	0	0	0	0	0	0	0	0	0	0	0	0	3,977	0	0		
153 - Libraries	0	0	300	194,855	66,885	31,156	0	4,827	3,929,411	0	0	0	0	0	0	0		
167 - Animal Management	704,935	22,897	0	5,141	0	0	0	0	0	0	11,682	0	0	14,156	0	0		
170 - Community Development	0	0	0	1,396	0	0	0	0	0	0	0	0	0	0	0	0		
171 - Health & Environment	0	14,688	14,051	1,202	0	7,518	0	0	0	5,634	0	0	0	0	0	0		
202 - Local Laws	0	16,980	7,690	177	0	0	0	0	0	0	0	0	0	0	0	0		
238 - Community Grants	0	0	0	527	0	0	0	0	0	0	0	0	0	0	0	0		
248 - Engineering and Environment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
277 - Environmental Education	551,909	41,900	21,053	19,977	15,838	0	0	0	0	460,176	92,105	0	0	797	0	0		
307 - City Environment	0	1,400	0	8,076	0	0	0	0	0	0	0	0	0	5,963	0	0		
312 - Redland Performing Arts Centre	10,065,933	0	29,683	258,025	165,700	1,755	2,665	7,182	0	0	0	0	0	18,776	0	0		
323 - Community Safety	0	0	0	703	0	0	0	0	0	0	0	0	0	0	0	0		
335 - Indigiscapes Centre	0	0	0	552	0	0	0	0	0	0	0	0	0	0	0	0		
360 - Economic Development Unit	0	0	0	239	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Totals</b>	<b>13,321,947</b>	<b>115,357</b>	<b>81,309</b>	<b>529,845</b>	<b>258,761</b>	<b>40,826</b>	<b>2,664</b>	<b>648,993</b>	<b>3,929,411</b>	<b>465,809</b>	<b>173,870</b>	<b>0</b>	<b>0</b>	<b>58,072</b>	<b>0</b>	<b>0</b>		
									<b>19,626,867</b>									
<b>Reconciling Items to Asset Register</b>																		
Depreciation correction	-10					-281												
Transfer to SGA 044 in 16/17										3,606								
<b>ADJUSTED TOTALS</b>	<b>13,321,938</b>	<b>115,357</b>	<b>81,309</b>	<b>529,845</b>	<b>258,480</b>	<b>40,826</b>	<b>2,664</b>	<b>648,993</b>	<b>3,929,411</b>	<b>469,415</b>	<b>173,870</b>	<b>0</b>	<b>0</b>	<b>58,072</b>	<b>0</b>	<b>0</b>		
									<b>19,630,182</b>									

I certify, to the best of my knowledge, that the following checks were performed on the asset base listed as being under my control:

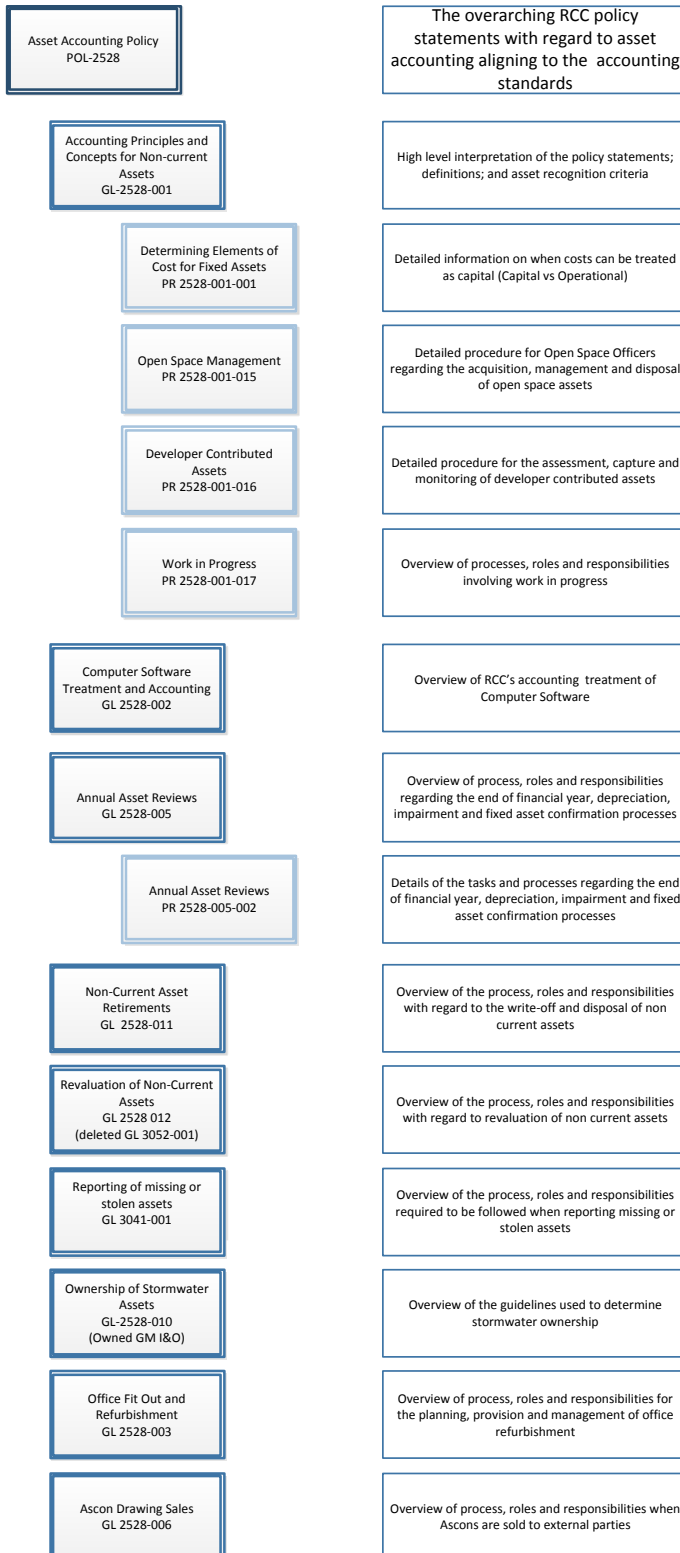
- Scheduled Stock takes or other verification processes were undertaken during the year;
- Impairment checks have been completed;
- Revaluations have been completed satisfactorily;
- Post balance day events that have a material impact on assets have been advised to Capital and Asset Accounting;
- Remaining lives have been reviewed and appear to be fairly stated

<b>Manager Name (please print)</b>	<b>Manager Signature</b>	<b>Manager Title</b>	<b>Date</b>

\* Comprehensive valuations were completed for Land, Buildings, Waste  
 \* Indexation was applied to: Roads, Stormwater, Water, Wastewater

The relationship between the Asset Accounting PGPs is shown below.

## Asset Accounting PGPs



**CMR Team use only**

Department: Office of CEO  
Group: Financial Services  
Approved:

Effective date:  
Version: 2  
Review date:  
Page: 14 of 15

## Document Control


- Only the Chief Financial Officer can approve amendments to this procedure. Please forward any requests to change the content of this document to the Finance Manager Corporate Finance
- Approved amended documents must be submitted to the Corporate Meetings & Registers Team to place the document on the Policy, Guidelines and the Procedures Register.

## Version Information

Version number	Date	Key Changes
2	February 2017	<ul style="list-style-type: none"><li>• Inclusion of Asset Accounting PGP structure</li><li>• Change the name of this procedure from Fixed Asset Confirmation, Impairment and Depreciation to Annual Asset Reviews</li></ul>

## 11.2 ORGANISATIONAL SERVICES

### 11.2.1 OPERATIONAL PLAN QUARTERLY PERFORMANCE REPORT DECEMBER 2016

<b>Objective Reference:</b>	<b>A2169160</b>
<b>Attachment:</b>	<a href="#"><u>Operational Plan Quarterly Performance Report December 2016</u></a>
<b>Authorising Officer:</b>	 <b>Tracey Walker</b> <b>Acting General Manager Organisational Services</b>
<b>Responsible Officer:</b>	<b>Andrew Hurford</b> <b>Group Manager Corporate Planning and Transformation</b>
<b>Author:</b>	<b>Lorraine Lee</b> <b>Senior Advisor Strategic and Community Planning</b>

#### PURPOSE

The purpose of this report is to provide a progress report against the Operational Plan 2016/17 for the second quarter from 1 October to 31 December, 2016. This report is the second report for the Operational Plan 2016/17.

#### BACKGROUND

The *Local Government Act 2009* (the Act) requires Council to adopt an Operational Plan each year. The Operational Plan 2016/17 forms an important part of Council's strategic planning and sets out the work Council plans to deliver towards achievement of the Corporate Plan 2015-2020.

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

#### ISSUES

The report provides a status update for each significant activity, together with a comment outlining progress for the quarter. The information in the report has been provided by the responsible departments for each significant activity.

Significant Activities	Number
Completed	3
On Track	62
Monitor	4
Concern	4
Cancelled	0
<b>Total</b>	<b>73</b>



Overall it is noted that 62 of 73 significant activities are on track for completion this financial year as planned. Three significant activities have already been completed, four are being closely monitored, indicating they are slightly behind target with their progress, and just four significant activities are listed as being of concern.

More detailed information on each significant activity is outlined in the attached Operational Plan Quarterly Performance Report.

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

Council's Operational Plan 2016/17 is an important statutory plan which sets out Council's plans to deliver the Corporate Plan 2015-2020 to achieve the vision, outcomes and goals of the Redlands 2030 Community Plan. The Operational Plan 2016/17 includes a wide range of significant activities which directly contribute to the delivery of Council's agreed outcomes. Tracking progress against this plan provides a useful assessment of Council's performance in delivering against its plans.

The Local Government Regulation 2012 (section 174) states that *"the chief executive officer must present a written assessment of the local government's progress towards implementing the annual operational plan at meetings of the local government held at regular intervals not more than 3 months"*. Under the same section of the regulation, Council is allowed to amend the plan at any time before the end of the financial year.

### **Risk Management**

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

### **Financial**

The Operational Plan 2016/17 is funded from the annual budget.

### **People**

Significant activities listed in the Operational Plan 2016/17 are managed by the individual area in Council responsible for the significant activity. The status and comments of significant activities in the attached report have been provided by the relevant officer for each significant activity and compiled by Council's Corporate Planning and Transformation Group. Although delivery of the plan itself is dependent on staff resources and some significant activities relate to people issues, there are no direct impacts on people resulting from this report.

### **Environmental**

Some significant activities within the Operational Plan 2016/17 directly contribute to Council's environmental commitments. However, this report does not have any direct environmental impacts.

### **Social**

Some significant activities within the Operational Plan 2016/17 directly contribute to Council's social commitment. However, this report does not have any direct social impacts.

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

Council's Operational Plan 2016/17 outlines planned significant activities against the eight outcomes in the Corporate Plan 2015-2020. As such, it is a key planning document and consistent with both the Corporate Plan 2015-2020 and the Redlands 2030 Community Plan.

**CONSULTATION**

The Corporate Planning and Transformation Group has prepared the attached report in consultation with relevant officers and managers within Council. The status and comments have been provided by the officers involved in delivering the particular significant activities within the Operational Plan 2016/17.

**OPTIONS**

1. That Council resolves to note the Quarterly Operational Plan Performance Report for December 2016 and approves the changes to the Operational Plan 2016/17 listed in this report.
2. That Council requests additional information in relation to the attached Quarterly Operational Plan Performance Report for December 2016.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

**Moved by:** Cr W Boglary  
**Seconded by:** Cr T Huges

**That Council resolves to note the Quarterly Operational Plan Performance Report for December 2016.**

**CARRIED 11/0**

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



# Operational Plan 2016 - 17

December 2016



# Summary

Vision Outcome	Complete	On Track	Monitor	Concern	Cancelled	Total
1 Healthy natural environment	1	12	0	0	0	13
2 Green living	0	6	0	0	0	6
3 Embracing the bay	0	7	0	1	0	8
4 Quandamooka Country	0	3	3	2	0	8
5 Wise planning and design	0	7	1	0	0	8
6 Supportive and vibrant economy	0	8	0	0	0	8
7 Strong and connected communities	1	7	0	1	0	9
8 Inclusive and ethical governance	1	12	0	0	0	13
<b>Total:</b>	3	62	4	4	0	73

**On Track:**

The significant activity is progressing on time and on budget and is on track for delivery by 30 June, 2017.

**Monitor:**

There are issues with timeframes and/or budget but it is still expected that with close monitoring the significant activity can be delivered by 30 June, 2017.

**Concern:**

There are significant delays or budget issues and it is unlikely that the significant activity will be delivered by 30 June, 2017.

# 1. Healthy natural environment

## 2020 Strategic 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.

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
§ Plan and deliver conservation restoration activities.	1.1.2	City Spaces	On Track	Works and weed control have been planned and currently being undertaken in prioritised catchments - Coolnwynpin, Tarradarrapin, Hilliards, Moogurrapum and Erapah.
§ Improve accessibility of protected areas for health and wellbeing, while conserving biodiversity.	1.2.2	City Spaces	On Track	Installed new pedestrian/cycling bridge across Hilliard Creek in the Redland Track Park. Re-route and upgrade of 'Hilliards Squeeze' trail to protect an Aboriginal Cultural Heritage landscape. Install of horse rails near the Stone Hut Bayview Conservation Area (BCA) . Artworks for interpretive signage for Stone Hut finished. Installation of horse stiles at Kidd St. Construction of 3 kms of multiuse trail at BCA.Maintenance of Mudlark trail at BCA. Trailcare occurred in various areas and tracks.
§ Enhance the visitor experience of Redland's natural assets.	1.4.1	City Spaces	On Track	Ford Rd Conservation Area has been remapped. Signage plan for Don and Christine Burnett and Ford Rd Conservation Areas has been developed in conjunction with Qld Parks & Wildlife Service and Logan City Council ready for installation of new signage for the whole Koala Bushland Conservation Area (Includes Don and Christine Burnett and Ford Rd Conservation areas, Venmans National Park, Neville Lawrie Reserve, and Daisy Hill Regional Park). Revision of mapping of Don and Christine Burnett reserve.
§ Manage Council owned water bodies for improved environmental outcomes.	1.1.1	Environment & Regulation	On Track	Finalised input to the City Plan Policy for Artificial Waterbodies including locally derived physico-chemical water quality guideline values for Lacustrine Wetlands (including artificial waterbodies).
§ Engage and deliver restoration through partnership with community and external groups.	1.1.3	Environment & Regulation	On Track	Bushcare - 66 working bees, 14 extension visits and one community planting event on Coochiemudlo Island for the quarter.
§ Develop and commence implementing a program to plant one million native plants in the Redlands by 2020.	1.1.4	Environment & Regulation	On Track	Received confirmation of grant from Department of Infrastructure, Local Government and Planning and associated paperwork lodged.

## 1. Healthy natural environment

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
S Develop natural environment strategies under the Natural Environment Policy.	1.2.1	Environment & Regulation	On Track	Koala Conservation Strategy and Action Plan adopted in December 2016. Networks and Corridor Plan progressing.
S Plan and deliver community education programs to protect native wildlife.	1.2.3	Environment & Regulation	On Track	2044 phone calls to the Redlands Wildlife Rescue services were received for the quarter.
S Plan and support the development of habitats for threatened species.	1.2.4	Environment & Regulation	On Track	Analysis of Citizen Science Raptor Nest project is being undertaken with a report due in March for recommended management options. Attended glossy black cockatoo conservancy annual meeting, and two surveys. Platypus eDNA sampling. North Stradbroke Island koala survey.
S Partner with community for improved environmental outcomes.	1.3.1	Environment & Regulation	On Track	Various workshops and training including snake awareness, forest school training, native stingless bees, Halloween event (flying-foxes). 11 school visits with 301 participants and six field trips with 180 participants for the quarter.
S Deliver land management extension programs within the community.	1.3.2	Environment & Regulation	On Track	66 Habitat Protection (Environmental Partnerships) property visits and one school planting event for the quarter.
S Manage the customer experience at IndigiScapes.	1.4.2	Environment & Regulation	On Track	Approximately 9254 visitors to the centre. One event held and Gardens and Cafe were open right through Christmas break (except Christmas Day)
S Review koala area provisions and mapping within Local Law 2 including consultation with community.	C/F	Environment & Regulation	Completed	Local Law 2 koala area provisions and mapping completed and gazetted in first quarter.

## 2. Green living

### 2020 Strategic Outcomes

- 2.1 Council's policies and plans support ecologically sustainable development and respond to climate change issues.
- 2.2 Sustainable building design (including solar panels and water tanks) is supported through education and advocacy.
- 2.3 Council's waste management plans address current and future needs, and include plans for closed landfills and regional collaboration.
- 2.4 Council and the community actively recycle and reduce waste.
- 2.5 Transport planning reflects a desire to maximise economic, environmental and liveability outcomes through quality road design, public transport, pedestrian and cycling strategies.

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
S Develop and manage active and public transport assets and services.	2.5.1	City Infrastructure	On Track	Currently working toward completion. Detailed design of Moreton Bay Cycleway Victoria Point (Cameron Court to Pt. O'Halloran Road) to be underway shortly. Community consultation for this is also to take place shortly. Funding applications to Transport and Main Roads for trunk cycleways are currently being completed. A design for the retaining wall at Wellington Point Recreation Reserve footpath is underway.
S Plan and develop access on the bay islands and connections to the mainland.	2.5.2	City Infrastructure	On Track	Boat ramp usage data being analysed to determine current capacity and utilisation of boat ramps in the Redlands for consideration in the Redlands Transport Plan. Marine Infrastructure Planning Unit is progressing projects to upgrade SMBI Ferry Terminals. Funding applications for scoping a potential redevelopment of Junner Street Transport Hub. All tasks are ongoing.
S Manage implementation of the Redland City Council Climate Change Action Plan.	2.1.1	Environment & Regulation	On Track	Draft Climate and Energy Action Plan 2016-2021 completed and to be further progressed. Coordinate Energy and Solar Project Working Group. Greenhouse gas emission dash board under development. Liaising with other strategies to incorporate climate resilience and transition - disaster, transport and water cycle.
S Provide information to raise community awareness and education.	2.2.1	Environment & Regulation	On Track	This is about Green Living awareness and education. Engaged in partnership project with Moreton Bay Regional Council and Sunshine Coast Regional Council to share resources, information, events and green living choices through the Living Smart web site.
S Plan and deliver waste management services to meet current and future needs of the city.	2.3.1	Water & Waste Operations	On Track	The waste disposal strategy remains in initial stages of development.

---

## 2. Green living

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
5 Reduce the amount of waste going into landfill.	2.4.1	Water & Waste Operations	On Track	YTD resource recovery is 45.8% against a target of 48.6%. Kilograms of domestic waste landfill per capita is 183kg against a YTD target of 186kg.

---



### 3. Embracing the bay

#### 2020 Strategic Outcomes

- 3.1 Council collaborates with partners to understand, nurture and protect Moreton Bay's marine health and values.
- 3.2 Communities on the islands and foreshores enjoy equitable access to development opportunities and community services.
- 3.3 Our community is ready for and adapting to changing coastlines, storm tide and severe weather.
- 3.4 Redland City's residents and visitors can easily access the foreshore and use recreation infrastructure for boating and non-boating activities.
- 3.5 Priority Development Areas support equitable outcomes for island residents, such as access to transport and facilities.

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
S Develop a coastal adaptation strategic plan.	3.3.1	City Infrastructure	On Track	Phase 1 of the Coastal Adaptation Strategy was adopted by Council in December 2016 to allow the next stages to proceed. The next stages of the project are to begin a comprehensive community engagement program and also initiate Phase 2 - Emerging Risks of the Coastal Adaptation Strategy.
S Manage Redland City Council's marine and canal infrastructure.	3.4.1	City Infrastructure	On Track	Dredging work continuing at Aquatic Paradise and Raby Bay. Funding for Raby Bay has now been approved and with Project Delivery Group for procurement.
S Manage risk hazards to the public.	3.4.2	City Spaces	On Track	Replacing signs as required when they come up for renewal.
S Establish the Redland Canoe and Kayak Trail.	3.4.3	City Spaces	On Track	Entry point signs - Work has been completed and now waiting for the signs to go in identifying the water entry points.
S Partner with and support community organisations to build the capacity to deliver services and projects on the islands.	3.2.1	Community & Cultural Services	On Track	Launch of the South Moreton Bay Island Outreach Service took place on 17 Nov 2016. The service aims to work with organisations to provide outreach social services to local residents and address service delivery gaps.
S Build community resilience to ensure residents have capacity to prepare, respond and recover from severe weather events.	3.3.2	Disaster Planning & Operations	On Track	Planned Community Engagements across each of the islands and suburbs of the mainland for the next 12 months.
S Partner with Healthy Waterways and SEQ Catchments to monitor and improve the values of the bay and enhance the communities experience of the bay.	3.1.1	Environment & Regulation	On Track	On-going activity. Successfully ran the Connect to your Creek and Bay event at Raby Bay in 2016. Will run event again in 2017. Success with completed Fishway construction on Hilliards Creek and post survey showing greater movement of fish.

---

### 3. Embracing the bay

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
§ Progress development of Priority Development Area (PDA) activities that support equitable access.	3.5.1	Redlands Investment Corporation	Concern	An Environmental Impact Statement application for Toondah Harbour PDA was submitted to the Federal Department of Environment (November 2015). Federal Department has pushed back date to 17th July 2017.

---

## 4. Quandamooka Country

### 2020 Strategic Outcomes

- 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.
- 4.2 Council's and the community's respect and understanding of the Quandamooka peoples' relationship with their traditional land and waters continue to improve.
- 4.3 Council continues to support and resource the delivery of commitments under the Indigenous Land Use Agreement (ILUA) with the Quandamooka People.
- 4.4 Council works with the Quandamooka Traditional Owners to help them achieve their goal of establishing North Stradbroke Island (Minjerribah) as a global eco-cultural tourism destination.

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
S Support the development of eco-cultural tourism.	4.4.1	Communication, Engagement & Tourism	On Track	Report provided to Tourism Sub-Committee by Council on eco-tourism opportunities as identified through the Global Eco Tourism Asia Pacific Summit, with focus on establishing a significant walking trail on each of the islands and mainland. Identification of best trail routes for improvement and promotion is underway, in conjunction with Tourism Sub-Committee.
S Deliver programs, events, displays and exhibitions through Council's libraries, art galleries and performing arts centre to showcase Aboriginal history, art and culture and enhance community understanding of these aspects.	4.2.2	Community & Cultural Services	On Track	The Gathering Strands entry for the Gallery And Museum Achievement Awards 2016 was listed as a finalist and results were announced in November. Unfortunately, this entry did not win. Redland Performing Arts Complex investigating creating a community cultural development officer/workspace in RCC Auditorium.
S Increase Redland City Council elected members and staff awareness of cultural heritage.	4.1.1	Corporate Governance	Monitor	QYAC Aboriginal Cultural Heritage Training session was being organised for mid November subsequently cancelled by QYAC. New dates to be advised early in 2017.
S Promote awareness and understanding of the local Aboriginal and Torres Strait Islander culture through events.	4.2.1	Corporate Governance	On Track	Senior Advisor (SA) continues to share current news articles with key Redland City Council staff and elected members, attends meetings when invited to increase understanding. SA held an information session with Integrated Customer Contact Centre (ICCC) new staff. SA met with Deputy Mayor and Councillor Mitchell to undertake information sessions.
S Partner with QYAC to plan and monitor commitments under the ILUA.	4.3.1	Corporate Governance	Monitor	ILUA Consultative Committee, Capital Works Forum (CWF) and Land, Sea and Environment Committees met in October 2016, many commitments continue to progress with CWF mode of operation to be reviewed and revisited in 2017.

## 4. Quandamooka Country

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
§ Plan and deliver commitments under the ILUA in partnership with QYAC.	4.3.2	Corporate Governance	Monitor	Council is reviewing QYAC's involvement in the capital program process following discussions about the effectiveness of the Capital Works Forum.
§ Develop a Cultural Heritage policy and guideline in line with the draft Cultural Heritage Management Plan from QYAC.	C/F	Corporate Governance	Concern	Meeting to be scheduled in first quarter of 2017 with relevant officers to discuss next steps. Proposals will be brought to Executive Leadership Team and Councillors for further discussion.
§ Embed Indigenous cultural awareness training at Redland City Council.	4.1.2	Human Resources	Concern	Meetings with QYAC have been requested by Council's Senior Advisor Indigenous Partnerships. Council continues to seek suitable times for QYAC to provide training as agreed.

## 5. Wise planning and design

### 2020 Strategic Outcomes

- 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.*
- 5.2 *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.*
- 5.3 *An effective and efficient development assessment process delivers quality development that is consistent with legislation, best practice and community expectations.*
- 5.4 *Regional collaboration and targeted advocacy drives external funding for key infrastructure upgrades and enhanced community outcomes.*

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
S Plan and develop cross-boundary transport and infrastructure priorities.	5.4.2	City Infrastructure	On Track	Committee meeting organised for February 3, 2017. Two documents are being prepared (1) evaluating existing infrastructure projects and (2) developing a strategic initiative to address cross boundary connectivity.
S Finalise the Local Government Infrastructure Plan (LGIP).	5.1.1	City Planning & Assessment	On Track	First draft of the LGIP amendment document and Financial Analysis Model (FAM) largely completed. Statutory Reviewer has undertaken first review and populated the mandatory checklist. Awaiting a draft of the Infrastructure Design Manual Planning Scheme Policy (PSP2) for the City Plan, which needs to be assessed to ensure consistency/integration between the policy and LGIP. It is anticipated the draft policy will be available towards the end of January.
S Maintain effective systems and processes that underpin quality, timely decision making for development applications.	5.3.1	City Planning & Assessment	On Track	Project plan has been drafted for Planning Act transition. Business readiness assessment completed for Department of Infrastructure, Local Government and Planning to inform Planning Act transition assistance. Discussions with the department remain ongoing. Funding secured to implement e-lodgement tool as part of Council wide e-services project. Draft project plan complete and all stakeholders engaged. Move to procure a vendor in Q3. Workflow request still pending.
S Develop master plan for Redland Aquatic Redevelopment.	5.2.2	City Spaces	Monitor	Project delayed pending Surf Life Saving Queensland board approval.
S Finalise the Redland City Plan.	5.1.3	Economic Sustainability & Major Projects	On Track	Finalised extensive workshop program with Council that went through all submission issues. Submission report going to General Meeting of Council in Q3.
S Coordinate a Redlands master planning and place making program.	5.2.1	Economic Sustainability & Major Projects	On Track	Held breakfast with Cleveland traders and stakeholders. Established a program of place making activities that are being delivered in 2016/17.

---

## 5. Wise planning and design

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
S Advocate for key city building infrastructure including identifying funding paths for delivery.	5.4.1	Economic Sustainability & Major Projects	On Track	Attended Council of Mayors South East Queensland Economic Development Committee meetings. Investigating funding and financial options including co-funding partnerships to build and make available enhanced broadband infrastructure including expression of interest process and business user survey.
S Service development demands.	5.1.2	Water & Waste Infrastructure	On Track	Developer needs met for this quarter.

## 6. Supportive and vibrant economy

### 2020 Strategic Outcomes

- 6.1 Council supports infrastructure that encourages business and tourism growth.
- 6.2 Redland City delivers events, activities and performances that bring economic and social benefits to the community.
- 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).
- 6.4 Council receives a return on the community's investment in land to enhance economic and community outcomes.
- 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.
- 6.6 Development will be facilitated specifically in the Toondah Harbour Priority Development Area (PDA) and the Weinam Creek PDA with a focus on economic growth.

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
S Develop tourism infrastructure.	6.1.2	Communication, Engagement & Tourism	On Track	Work continued on community engagement around design of new and upgraded jetties for the Southern Moreton Bay Islands.
S Develop strategies and activities to support key events.	6.2.1	Communication, Engagement & Tourism	On Track	The Redland City Events Strategy and Action Plan 2017-2022 was unanimously adopted by Council on 13 December 2016. Council support was also provided to key events including Mt Cotton Christmas Carols, Twilight Makers Market and Island Vibe.
S Partner with external stakeholders to deliver key city building infrastructure to support Council's priorities.	6.1.1	Economic Sustainability & Major Projects	On Track	Horizon Foundation Runnymede Road disability centre due for completion January 2017. Organised Council funding for associated road works. Developed operational requirements and concept plan for Cleveland Community Hub.
S Plan and coordinate Redland's participation in the Gold Coast Commonwealth Games legacy events.	6.2.2	Economic Sustainability & Major Projects	On Track	The Commonwealth Games Liaison Committee (comprising of both Council officers and State Government representatives) continues to meet monthly, planning Council and community responses for 2018 Commonwealth Games opportunities.
S Support economic transition for North Stradbroke Island (NSI).	6.3.1	Economic Sustainability & Major Projects	On Track	Internal communication of the State Government's endorsement of the North Stradbroke Island Economic Transition Strategy in September and ongoing liaison with the Department of State Development with regards to governance arrangement. Redland Investment Corporation continuing to work with the Walker Group, State and Federal Governments to map the path under environmental guidelines.

## 6. Supportive and vibrant economy

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
§ Develop action plans for key industry sectors.	6.5.1	Economic Sustainability & Major Projects	On Track	Healthcare and Social Assistance Action Plan - quotations received, assessed and successful company engaged. Education and Training Action Plan - quotations received and assessed, engage successful company in Q3.
§ Develop strategic opportunities for Redland City Council land holdings.	6.4.1	Redlands Investment Corporation	On Track	Redlands Investment Corporation business plan for 17/18 due for council noting in March.
§ Facilitate process with Economic Development Queensland.	6.6.1	Redlands Investment Corporation	On Track	Redlands Investment Corporation meeting regularly with Economic Development Queensland and providing ongoing assistance.



## 7. Strong and connected communities

### 2020 Strategic Outcomes

- 7.1 Festivals, event and activities bring together and support greater connectivity between cross-sections of the community.
- 7.2 Council maximises community benefit from the use of its parklands and facilities by improving access to, and the quality and share use of, public spaces and facilities by groups for sporting, recreational and community activities.
- 7.3 Council's assessment of community issues and needs provides timely opportunities to pursue grants and partnerships that realise long-term benefits.
- 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.
- 7.5 The community's preparedness for disasters is improved through community education, training and strong partnerships between Council and other agencies.

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
§ Plan for effective sport and recreation areas.	7.2.1	City Spaces	On Track	The first draft of the Sport Facilities Demand Study Report is due for completion in the second week of January 2017.
§ Develop master plan for Cleveland skate park renewal.	7.2.2	City Spaces	On Track	Consultant engaged for January start.
§ Conduct planning for the Surf Lifesaving Queensland Operations Hub and join SES emergency response centre for Point Lookout, including Native Title and design relating to the establishment of a greenfield site located on East Coast Road.	C/F	City Spaces	Concern	Working with stakeholders on feasibility and identifying specific sites.
§ Design and deliver an annual calendar with a range of festivals, events and activities across the city.	7.1.1	Community & Cultural Services	Completed	The 2017 calendar year of events and programs for Redland Performing Arts Complex and Redland Art Gallery will launch publicly on 23 February.
§ Develop a public art strategy for Council that maximises community benefits from grant funding and ensures a vibrant public art program across the city.	7.1.2	Community & Cultural Services	On Track	The five year Public Art strategy document is now under review by Group Manager and key stakeholders towards a Councillor workshop date to be confirmed.
§ Undertake planning to align library services to changing customer needs.	7.2.3	Community & Cultural Services	On Track	Change of leadership within Community & Cultural Services group has delayed any movement on the library strategy. Councillor Workshop was held in November and feedback was sourced from Councillors. Now awaiting new leadership to finalise.
§ Promotion and delivery of multi-agency education programs.	7.5.1	Disaster Planning & Operations	On Track	Planned Community Engagements across each of the islands and suburbs of the mainland for the next 12 months.

---

## 7. Strong and connected communities

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
§ Partner with community organisations and the private sector to deliver social infrastructure supporting community needs.	7.3.1	Economic Sustainability & Major Projects	On Track	Horizon Foundation Runnymede Road disability centre due for completion 2017. Organised Council funding for associated road works. Developed operational requirement and concept plan for Cleveland Community Hub.
§ Provide opportunities for volunteers to participate in a range of existing Council projects and activities.	7.4.1	Environment & Regulation	On Track	Volunteer opportunities provided at the Centre's nursery, cafe, after hours wildlife ambulance, wildlife volunteer network phone service, and bushcare. In the Cleveland office two University of Queensland work experience students.

---

## 8. Inclusive and ethical governance

### 2020 Strategic Outcomes

- 8.1 Council's Information Management Strategy and technology systems are engineered to increase efficiency and provide excellent customer service outcomes.
- 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.
- 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.
- 8.5 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.

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
§ Implement a continuous improvement framework.	8.4.1	Business Transformation	On Track	The LEAN outside workers program has been rolled out successfully to all outside workers across council, further embedding our performance culture. LEAN practitioners will commence in 2017. Key internal efficiency projects relating to the strategy and planning framework and organisational performance reporting are ongoing.
§ Improve Council's e-service capability.	8.1.2	Communication, Engagement & Tourism	On Track	Discussions are underway to develop a bin collection day calendar on Council's website. Over 75% of infringement notices are now paid online since the introduction of the Tenix system in July 2016.
§ Review Council's community engagement model and framework.	8.5.1	Communication, Engagement & Tourism	Completed	Community engagement model and framework were reviewed as part of the new Community Engagement Policy and Guidelines. Policy and Guidelines were approved December 2016.
§ Report and align Council activities to implement the Corporate Plan 2020 Outcomes.	8.3.1	Corporate Governance	On Track	Developed pilot system for Operational Plan reporting in business intelligence and commenced internal stakeholder feedback process. The new system provides visibility and tracking of Corporate Plan 2020 outcomes.
§ Optimise Redland City Council's asset management capability.	8.2.1	Financial Services	On Track	The Asset Management Project Plan was presented and endorsed by ELT on 19 December 2016. This draft project will now be presented to the Mayor and Councillors on 25th January 2017 to receive their feedback. The Project Manager is also recruiting a Business Analyst in January and the first Steering Committee was held on 16 December 2016. The Product Descriptions are being created, approved by the Steering Committee and assigned to producers from January 2017.

## 8. Inclusive and ethical governance

Significant Activity	Op Plan Ref	Report Lead	Status	Comment
§ Align staff capability and performance to deliver the Corporate Plan 2020 Outcomes.	8.3.2	Human Resources	On Track	MyGoals framework review commenced with an expression of interest for Working Group members sent to OLG. Draft People Strategy 2017-2020 developed in consultation with staff to attract, retain and build staff capability in line with the 2020 Corporate Plan. Strategy to be finalised and released to all staff in next quarter.
§ Embed change management capability within continual improvement programs.	8.4.2	Human Resources	On Track	ADKAR change management on-line toolkit developed. Group manager workshop held to plan & develop leadership strategies to manage organisational changes. The CET Group engaged to rollout communication plan for organisational changes
§ Align the organisational structure to meet with changing operational requirements.	8.4.3	Human Resources	On Track	Infrastructure & Operations Plans commenced October 2016. Water & Waste Operations and Infrastructure Groups completed December 2016. City Spaces, City Infrastructure and Project Delivery Groups will continue early 2017. Schedule for 2017 workforce planning activities is being finalised.
§ Drive innovation and improvement through capable leadership.	8.4.4	Human Resources	On Track	Unaugural Strategic Directions Forum - Strategy and Innovation Workshop was held on 2 and 3 November 2016 with Executive Leadership Team and Group Managers.
§ Improve organisational performance through employee feedback.	8.4.5	Human Resources	On Track	External consultant continuing to work across outdoor leadership group assisting in embedding actions and desired culture from Infrastructure & Operations department focus groups. This work will extend to March 2017. Next MySay survey methodology and date to be determined when new CEO is appointed. Rollout of employee culture surveys and results workshops completed in City Planning and Assessment Group. Action planning to improve group performance underway.
§ Deliver a healthy and safe Redland City Council environment.	8.4.6	Human Resources	On Track	Safety Advisors are very active in the business partnering activities. Safety Topic Talks continue to be prepared and presented monthly. Safety Management System audits have been conducted. Hazards of Work interactions with the business are providing fruitful from an engagement and compliance point of view. A commitment to effective and people focussed case management and investigation processes continues.
§ Implement Council's Information Management Strategy and Plans.	8.1.1	Information Management	On Track	Information Management's Strategy and Plans are currently being implemented within council. This will be an evolving process as Information Management's Strategy is from 2016 - 2019. This quarter, IM is focusing on an AS IS process mapping for Property & Rating and Enterprise Cash Receipting IM technical services while also consolidating RCC's Data centres from two to one.

---

## 8. Inclusive and ethical governance


Significant Activity	Op Plan Ref	Report Lead	Status	Comment
§ Improve Council's asset management governance.	8.2.2	Project Delivery Group	On Track	Met with all major stakeholders (includes PMO) to discuss deliverability of 2017-18 capital works program.

---

**11.2.2 POL-3120 DISCOUNTS AND WAIVERS OF FEES, CHARGES AND INFRINGEMENTS – AMENDMENTS**

**Objective Reference:** A124442  
Reports and Attachments (Archives)

**Attachment:** [POL-3120](#)

**Authorising Officer:**   
Tracey Walker  
Acting General Manager Organisational Services

**Responsible Officer:** Paul Holtom  
Group Manager Corporate Governance

**Report Author:** Jen Gisler  
Service Manager Strategy and Governance

---

**PURPOSE**

This report seeks Council adoption of the amended Discounts and Waivers of Fees, Charges and Infringements Policy. This policy was recently adopted by Council, however, requires minor amendment to ensure it complies with the requirements of the *Local Government Regulation 2009*.

**BACKGROUND**

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.

Council adopted POL3120 Discounts and Waivers of Fees, Charges and Infringements at the general meeting on 23 November 2016. Since that time further consultation with the CEO's office and General Counsel have identified a minor correction required to ensure that the Policy strictly complies with the *Local Government Regulation 2009*.

**ISSUES**

The policy requires minor amendment to Statement 5 to tie in a specific reference to a "stated class of ratepayers i.e. those experiencing hardship" to clarify and bring the Policy into alignment with the requirements of the *Local Government Regulation 2009*.

The amendments made to the attached Policy address the changes required.

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

The amendment to this policy brings it into line with the requirements of the *Local Government Regulation 2009*.

---

**Risk Management**

The consolidation allows Council to address strategic level risks by ensuring the Policy complies with legislation.

**Financial**

This amendment to the policy will not impact on the organisation financially.

**People**

The amended policy will continue to provide efficient and effective decision making frameworks for Council officers.

**Environmental**

There are no implications on the Environment.

**Social**

This amended Policy continues to support Councils 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 amended Policy continues to allow 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 General Counsel and the Chief Executive's Office in the amendment of this Policy.

**OPTIONS****Option 1**

That Council resolves to adopt amended POL-3120 Discounts and Waivers of Fees, Charges and Infringements, as attached.

**Option 2**

That Council resolves not to adopt amended POL 3120 Discounts and Waivers of Fees, Charges and Infringements and retain the existing policy.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

**Moved by:** Cr T Huges

**Seconded by:** Cr W Boglary

**That Council resolves to adopt amended POL-3120 Discounts and Waivers of Fees, Charges and Infringements, as attached.**

**CARRIED 11/0**

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

### 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 for a stated class of ratepayers i.e. those experiencing hardship, noting that the exceptional circumstances guideline is not an appeal mechanism, but reserved for situations of genuine exceptional circumstances, for which the applicant may be required to produce particular information or documents to be eligible for consideration. 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
2	22 February 2017	Minor amendment to statement 5 – including reference to “a stated class of ratepayers” as required by the <i>Local Government Regulation 2009</i>

[Back to Top](#)

---

#### CMR Team use only

Department:  
Group:  
Approved by:  
Date of Approval:

Effective date:  
Version:  
Review date:  
Page: 1 of 1




**CONFLICT OF INTEREST**

Cr Talty declared a perceived conflict of interest in the following item (as defined in the *Local Government Act 2009* s.173) as a family member is listed in the attachment to this item. Cr Talty stated she would remain in the chamber and vote in the community interests. Cr Talty voted FOR the motion.

**11.3 COMMUNITY & CUSTOMER SERVICES****11.3.1 DECISIONS MADE UNDER DELEGATED AUTHORITY FOR CATEGORY 1, 2 & 3 DEVELOPMENTS**

**Objective Reference:** A2174768  
Reports and Attachments (Archives)

**Attachment:** [Decisions Made Under Delegated Authority 22.02.2017 to 04.02.2017](#)

**Authorising Officer:**   
Kim Kerwin  
Acting General Manager Community & Customer Services

**Responsible Officer:** David Jeanes  
Group Manager City Planning & Assessment

**Report Author:** Debra Weeks  
Senior Business Support Officer

---

**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 P Gleeson**

**Seconded by: Cr W Boglary**

**That Council resolves to note this report.**

**CARRIED 11/0**

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

## Decisions Made Under Delegated Authority 22.01.2017 to 28.01.2017

### CATEGORY 1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
BWP003975	Design and Siting - Carport	Ken DUTTON	10 Wagan Place Wellington Point QLD 4160	Concurrence Agency Referral	27/01/2017	NA	Approved	1
BWP003986	Patio	The Certifier Pty Ltd	47 Allan Day Drive Wellington Point QLD 4160	Code Assessment	27/01/2017	NA	Development Permit	1
BWP004011	Referral Agency Response - Dwelling House	Kevin SMITH	7 Christine Court Cleveland QLD 4163	Concurrence Agency Referral	25/01/2017	NA	Approved	2
MCU013816	Multiple Dwelling x 4	East Coast Surveys Pty Ltd	17-19 Longland Street Cleveland QLD 4163	Code Assessment	25/01/2017	NA	Development Permit	2
MCU013870	Dwelling House	East Coast Surveys Pty Ltd	10A Illawong Crescent Dunwich QLD 4183	Code Assessment	27/01/2017	NA	Development Permit	2
BWP003981	Design and Siting - Carport and Shed	DBR Certification	66 Dinwoodie Road Thornlands QLD 4164	Concurrence Agency Referral	23/01/2017	NA	Approved	3
BWP004024	Design & Siting - Carport	Applied Building Approvals	76 Sycamore Parade Victoria Point QLD 4165	Concurrence Agency Referral	27/01/2017	NA	Approved	4
MCU013753	Dual Occupancy	East Coast Surveys Pty Ltd	15 Prescoter Drive Victoria Point QLD 4165	Code Assessment	25/01/2017	NA	Development Permit	4
BWP003992	Design and Siting - Dwelling House	Rosa FERA	26 Noogie Street Macleay Island QLD 4184	Concurrence Agency Referral	25/01/2017	NA	Approved	5
BWP004016	Design and Siting - Dwelling	Development Certification	15-17 Fontebasso Circuit Redland Bay QLD 4165	Concurrence Agency Referral	27/01/2017	NA	Approved	6

## Decisions Made Under Delegated Authority 22.01.2017 to 28.01.2017

### CATEGORY 2

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
MCU013874	Multiple Dwelling (13 Units) over four Development Stages	Wolter Consulting Group	Oaklands Street Child Care Centre 9-11 Oaklands Street Alexandra Hills QLD 4161	Code Assessment	27/01/2017	NA	Development Permit	7

## Decisions Made Under Delegated Authority 29.01.2017 to 04.02.2017

### CATEGORY 1

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
MCU013392	Dwelling House - and pool	Anita Michele DOUGAL Development Solutions Qld	86 Douro Road Wellington Point QLD 4160	Code Assessment	15/09/2015	31/01/17	Development Permit	1
OPW002144	Driveway Crossover Works	Christopher James PALIN	18 Edie Terrace Wellington Point QLD 4160	Code Assessment	02/02/2017	NA	Development Permit	1
ROL006135	Standard Format: 2 into 3 lots	Building Code Approval Group Pty Ltd	10-12 Dell Street Cleveland QLD 4163	Code Assessment	03/02/2017	NA	Development Permit	2
BWP003898	Design and Siting - Carport	Lester Joseph EVANS	50 Omega Avenue Cleveland QLD 4163	Concurrence Agency Referral	02/02/2017	NA	Approved	3
ROL006140	Standard Format: 1 into 2 Lots	Dorelle WEICK Martin Jeffery KLINE	26 Base Street Victoria Point QLD 4165	Code Assessment	01/02/2017	NA	Development Permit	4
BWP004026	Design and Siting - Patio	John Leonard BURNS Sharen Joyce BURNS	1A Waterfront Easement Redland Bay QLD 4165	Concurrence Agency	02/02/2017	NA	Approved	5
MCU013916	Dwelling House - ADA	Leefran Developments Pty Ltd	18 Coorong Street Macleay Island QLD 4184	Code Assessment	02/02/2017	NA	Development Permit	5
BWP004019	Design and Siting - Outbuilding (shed)	Pacific Approvals Pty Ltd	3 Joe Wood Court Alexandra Hills QLD 4161	Concurrence Agency Referral	30/01/2017	NA	Approved	7
BWP003885	Design and Siting - Garage and Carport	David A HOLMAN	3 Timothy Court Capalaba QLD 4157	Concurrence Agency Referral	01/02/2017	NA	Approved	9
BWP004021	Design and Siting - Patio	Applied Building Approvals	5 Barton Street Capalaba QLD 4157	Concurrence Agency Referral	30/01/2017	NA	Approved	9

## Decisions Made Under Delegated Authority 29.01.2017 to 04.02.2017

### CATEGORY 2

Application Id	Application Full Details	Applicant	Associated Property Address	Primary Category	Decision Date	Negotiated Decision Date	Decision Description	Division
BWP003984	Building over or near relevant infrastructure (sewer line) - House	Sunvista Homes Pty Ltd	9 Yaroomba Close Thornlands QLD 4164	Concurrence Agency Referral	02/02/2017	NA	Approved	3
OPW002138	Operational Works - ROL 1 into 3 - Sewerage Infrastructure	Alan George HOPE	141-145 Main Street Redland Bay QLD 4165	Code Assessment	31/01/2017	NA	Development Permit	5
MC005294	EXTENSION TO MCDONALDS	McDonalds Properties (Australia) Pty Ltd Phillips Smith Conwell Architects Pty Ltd	203-215 Old Cleveland Road Capalaba QLD 4157	Code Assessment	20/04/1999	3/02/17	Development Permit	9

**11.3.2 PLANNING AND ENVIRONMENT COURT MATTERS LIST CURRENT AT  
27 JANUARY 2017**

**Objective Reference:** A2175349  
Reports and Attachments (Archives)

**Authorising Officer:**



**Kim Kerwin**  
Acting General Manager Community and  
Customer Services

**Responsible Officer:** David Jeanes  
Group Manager City Planning and Assessment

**Report Author:** Kim Peeti  
Acting Service Manager Planning Assessment

---

**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/gjudgment/>

**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 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. Hearing was due to commence 6 February 2017 however as a result of new material submitted late by appellant, matter now set down for review 8 February 2017.

<b>2.</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>3.</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>4.</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>5.</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.

<b>6.</b>	<b>File Number:</b>	Appeal 4807 of 2016 - (MCU013719)
<b>Applicant:</b>		<b>IVL Group Pty Ltd and Lanrex Pty Ltd</b>
<b>Application Details:</b>		Car Park at 32A Teak Lane, Victoria Point (Lot 12 on SP147233)
<b>Appeal Details:</b>		Applicant appeal against Council refusal
<b>Current Status:</b>		Appeal filed 6 December 2016.

#### OTHER PLANNING & ENVIRONMENT COURT MATTERS/PROCEEDINGS

<b>7.</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 discussions continuing.

<b>8.</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>		Proceedings filed in Court on 5 August 2016. Court ordered mediation to occur before 14 March 2017.

<b>9.</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>		Draft orders proposed. Response due Council to list documents and lodge affidavits 10 November 2016. Mr Anderson to lodge affidavit material by 16 December 2016. Hearing to be scheduled March 2017.

<b>10.</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 2016. Mr Anderson to lodge affidavit material by 16 December 2016. Hearing to be scheduled March 2017.

<b>11.</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>		Proceedings filed 23 September 2016. Hearing to be scheduled for March 2017.

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

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

**That Council resolves to note this report.**

**CARRIED 11/0**

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

**11.3.3 MCU013567 OUTDOOR RECREATION FACILITY – 424 REDLAND BAY ROAD, VICTORIA POINT – TREETOPS**

**Objective Reference:** A2078582  
Reports and Attachments (Archives)

**Attachment:** [Attachment 1 Aerial Map](#)  
[Attachment 2 Locality Map](#)  
[Attachment 3 Zoning](#)  
[Attachment 4 Habitat Protection & Koala SPRP](#)  
[Attachment 5 Proposal Plans](#)

**Authorising Officer:**



**Kim Kerwin**  
Acting General Manager Community and  
Customer Services

**Responsible Officer:**

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

**Report Author:**

**Scott Pearson**  
Planning Officer

---

**PURPOSE**

Council has received an application seeking a Development Permit for a Material Change of Use on land at 424 Redland Bay Road, Victoria Point for the purpose of an Outdoor Recreation Facility.

The application has been assessed against the relevant provisions of the Redlands Planning Scheme and the proposed development is considered to comply with the scheme. The key issues identified in the assessment of this report are the appropriateness of the use and tree protection.

The application was referred to the State Assessment and Referral Agency (SARA) and conditions were sent to Council on 10 October 2016. Five (5) properly made submissions, one (1) not properly made submission, a proforma and a petition via change.org were lodged during the notification period. The issues raised in the submissions have been addressed in this report.

Overall, the proposal is considered to comply with the relevant Codes. It is therefore recommended that the application be granted a Development Permit subject to conditions identified in the Officer's Recommendation.

**BACKGROUND**

The subject site is currently used by The Scout Association of Australia. It was previously used for residential purposes, and in 1975 Council approved an application (R456) to rezone the site from special purposes to environmental centre. The land currently contains a number of small buildings, such as the scout hall and

---

training facilities. The site also contains a number of walking tracks and camping areas.

## **ISSUES**

### **Development Proposal and Site Description**

#### **Proposal**

The application is for a Material Change of Use for an Outdoor Recreation Facility. The actual activity will involve high ropes, flying foxes, bridges and nets across a 4ha area. The exact location of the course has not been designed at this stage however the construction is not anticipated to have a detrimental impact to the existing vegetation.

A demountable building is proposed as a reception and kiosk as well as car park area near the frontage of the site. The car park area will utilise an existing internal gravel road and the demountable building situated to minimise environmental impacts.

Access will be obtained directly from Colburn Avenue. All necessary urban services will be connected to the site.

#### **Site**

The subject site is identified as Lots 38 & 145 on SL4362 and Lot 36 on S31103 and 424 Redland Bay Road, Victoria Point. The land is zoned Conservation and contains a number of overlays. The total land area is equal to 384,277m<sup>2</sup> (38.43ha). However the leased area for the outdoor recreation facility is just 4ha.

The property has previously been used for residential purposes and by the Scout Association for various activities and currently accommodates several buildings. The land is heavily vegetated and contains a number of internal dirt roads and walking tracks. It has two main access points to Redland Bay Road and Colburn Avenue. The land is quite undulating and generally drains out to Moreton Bay, via Erapah Creek.

#### **Surrounding Area**

The site itself is immediately bordered by Erapah Creek to the north, Conservation zoned land to the east, Colburn Avenue/Link Road to the south and Redland Bay Road to the west.

The broader surrounding area to the south/south west is predominantly commercial in nature with the site located close to the Victoria Point centre.

Beyond that the site is surrounded largely by Urban Residential and Medium Density Residential land in all directions except the north, which contains Conservation and Environmental Protection land surrounding 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 under the SEQ Regional Plan 2009-2031. The proposal is considered to comply with the provisions of the Regional Plan.

### **State Planning Policies & Regulatory Provisions**

#### SEQ Koala Conservation SPRP

The site falls within the *Priority Koala Assessable Area* of the South East Queensland Koala State Planning Regulatory Provisions.

The proposal for Outdoor Recreation is not defined as an urban activity and therefore the use is not prohibited.

The majority of the site is mapped as *Medium Value Bushland*. The location where the development is proposed on the site is a mix of *Medium Value, Generally Not Suitable* and *Low Value Rehabilitation*.

The site was assessed against Table 6, Column 2 of the SPRP. Table 6, Column 2, Point 2 requires that the site design avoid clearing trees in areas of high value and medium value rehabilitation. The proposed car park is located at the front of the site, adjacent to Redland Bay Road in an area which was previously disturbed and is predominantly regrowth vegetation with some Eucalyptus trees scattered throughout.

The proposal requires the removal of 5 non-juvenile Eucalyptus trees for the car park area, which is considered to be acceptable in the *Low Value Rehabilitation* classification. No trees will be removed in the *Medium Value Bushland* designation for the office building. Consequently, the proposal complies with the Koala SPRP.

#### SPRP (Adopted Charges)

The development is subject to infrastructure charges in accordance with the SPRP (adopted charges) and Council's adopted resolution. Details of the charges applicable have been provided under the Infrastructure Charges heading of this report.

#### State Planning Policy July 2014

The SPP mapping identifies the site as within a Noise corridor – State controlled road. The application was referred to SARA and has been conditioned by the State accordingly.

SPP mapping also identifies two matters of State environmental significance, being:

- Matters of State Environmental Significance (MSES) – Regulated vegetation/Essential Habitat

The site contains areas mapped as 'wildlife habitat' and 'regulated vegetation' on the State Planning Policy Interactive Mapping System. The Terrestrial Ecological Assessment report prepared by BAAM contains a review and assessment of the MSES relevant to the site.

It is considered the proposed development will not result in a significant impact on the existing regulated vegetation and wildlife habitat on-site. The development has been designed and located to result in minimal removal of native vegetation and to avoid impact on the existing koala habitat, which is recognised as 'habitat critical to the survival of Koala'.

The proposed office has been located in a predominantly cleared area that does not require the removal of any mature trees.

The minimal clearing of trees for the proposed car park and office is also deemed not to cause any undue impacts on two other species listed under the *Nature Conservation Act* that are potentially present on-site; the Grey-headed Flying-fox (*Pteropus poliocephalus*) and Eastern Curlew (*Numenius madagascariensis*). The ecological assessment report states that no other fauna species listed under the *Nature Conservation Act* are expected to occur, at the site of proposed works.

- MSES – Wetlands and Waterways

The entire site is mapped as 'High Ecological Significance Wetland' on the State Planning Policy Interactive Mapping System. The Terrestrial Ecological Assessment report by BAAM notes that High Ecological Significance (HES) Wetlands outside the Great Barrier Reef catchments are managed via local government planning schemes. Assessment against the Redlands Planning Scheme reveals that the proposed development is located outside the areas mapped as 'Major Waterway' and 'Waterways and Wetland Buffer' on the Waterways, Wetlands and Moreton Bay Overlay. The proposal therefore complies with the self-assessable criteria of the Waterways, Wetlands and Moreton Bay Overlay Code.

The proposed development will not adversely impact on the waterway or habitats associated with the waterway on-site, given the separation distance between the development and the waterway. No vegetation within the Waterways and Wetland Buffer will be removed or damaged as part of the proposed development, and consequently will maintain waterway habitats and provide a vegetated buffer for stormwater treatment.

There are no other mapped hazards under the SPP and therefore the proposal is considered to comply with this planning instrument.

SPP2014 – Water Quality – The site does not trigger the assessment criteria as the proposed development will not result in a total impervious area of 25 per cent of the site.

### **Redlands Planning Scheme**

The application has been assessed under the Redlands Planning Scheme version 7.1.

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:

- Conservation Zone Code
- Access and Parking Code

- Erosion Prevention and Sediment Control Code
- Excavation and Fill Code
- Infrastructure Works Code
- Landscape Code
- Stormwater Management Code
- Acid Sulfate Soils Overlay Code
- Bushfire Hazard Overlay Code
- Habitat Protection Overlay Code
- Flood Prone Storm Tide and Drainage Constrained Land Overlay Code
- Road and Rail Noise Impact Overlay Code
- Waterways Wetlands and Moreton Bay Overlay Code.

The most pertinent parts of this assessment are discussed below.

### Consistency of Use

The Conservation Zone code lists an Outdoor Recreation Facility as an inconsistent use only when in sub-area CN1; or where not catering primarily for tourist activities or recreational pursuits that have a direct connection with the natural or resource values of the area. The site is not located within the CN1 sub-area.

The Conservation Zone code Overall Outcomes 4.3.7(2)(b)(i) require uses and development to be based on appreciation of the natural environment, including recreational and tourism uses that contribute to the public and private landscape network, and to cover only a small portion of the land.

Given the entire site is almost 40 hectares and the area to be used for the high ropes course covers only a small portion of the entire site (with an area of approximately 10%) the proposal is considered to be small scale and has a direct connection with the natural environment.

Specific Outcome S2.2 of the zone code seeks for uses and development to:

- support environmental values and provide opportunities for appreciation or study of those values
- promote tourism activities that are complimentary to, and have a direct connection with, environmental values
- provide opportunities for recreational pursuits that have a direct connection with the environmental values of the land.

The proposed development provides an outdoor recreation experience that has a direct connection with the natural environmental values of the land and provides opportunity for tourism activities that are complimentary to this environment. It is therefore considered the proposed development is consistent with the intent of the Conservation Zone.

### Built Form

The car parking area and office building have been designed to minimise tree removal and comply with the building height and setback provisions under the zone code. The building will not be visible from the main street, and includes architectural elements, such as a large deck, to enhance its visual interest. The specific route of the high ropes course and associated tracks will be determined as part of the

---

compliance assessment stage, having regard to arboriculture and vegetation management recommendations.

### Cultural Heritage

Specific Outcome S4.1 of the Conservation Zone code requires uses and development to not adversely impact on cultural heritage values. There are no mapped or registered cultural heritage values on the 4ha part of the site where the development is proposed to be located. The larger site contains a number of scar trees and there is potential for further aboriginal cultural heritage elements to be found on the site. Such matters are covered by the *Aboriginal and Cultural Heritage Act 2003*, which would require the development to be stopped or redesigned should any part of the development conflict with this Act. Consequently, advice has been included in the conditions package for a full cultural heritage survey to be undertaken.

### Other Codes

- **Access and Parking Code** – Council’s Access and Parking Schedule nominates a rate for outdoor recreation to be “as determined by the local government”. A total of 57 parking spaces have been provided, which has been supported by a traffic impact assessment.

The traffic impact assessment makes assumptions based on the operation of a similar facility at Mt Tamborine (run by the same operator). The use involves allocation of session times to individual patrons and group bookings, thereby regulating demand to avoid overcrowding of the course. The maximum number of individuals allowed per session is 30 persons with group bookings allowing a maximum of 50 persons per group session. It is a reasonable expectation that most corporate groups and school groups will car pool or arrange for bus transportation. Based on conservative estimates, the maximum parking demand identified is 66 spaces for weekend operation 10 years after opening.

The traffic assessment concludes that the 57 spaces proposed are sufficient to cater for the majority of car parking demand on site with an informal overflow area provided to ensure there is no requirement for vehicles to park on Colburn Avenue. The traffic assessment also nominates a 10 years projected future demand of 66 car parking spaces and relevant conditions have been included to reflect this.

A formal traffic survey was completed on Colburn Avenue as part of the traffic impact assessment, and the report makes recommendations for mitigation works to ensure suitable access arrangements are in place.

Having regard to the results of the traffic impact assessment, the mitigation works and car parks proposed are considered appropriate for the type of development proposed and, subject to conditions, will provide safe and functional access and on-site parking that meets user needs in accordance with the Overall Outcomes of the Access and Parking Code.

- **Erosion Prevention and Sediment Control Code** – conditions have been recommended to ensure compliance with this code.
- **Excavation and Fill Code** – conditions have been recommended to ensure compliance with this code.



- **Infrastructure Works Code** – conditions have been recommended to ensure compliance with this code.
- **Landscape Code** - the proposal provides adequate space for landscaping. A condition requiring compliance assessment of detailed landscape plans has been included.
- **Stormwater Management Code** – a legal point of discharge has been conditioned and stormwater quality treatment is not considered necessary in this instance given the scale of the development and the surrounding area.

### Overlays

- **Acid Sulfate Soils Overlay** – The site is mapped between 5 and 29 metres AHD. The site does not trigger the assessable criteria for this overlay as there are no requirements for excavation or fill. The proposal complies with the self-assessable criteria of the overlay code.
- **Bushfire Hazard** – The site is mapped as Medium Bushfire Hazard. The Overall Outcomes of the overlay code seek to ensure uses and development are sited, designed and managed to minimise the risk of bushfire to people and property.

The proposal for a high ropes course has very little built form, apart from the kiosk and office. Nonetheless, a Bushfire Management Plan was prepared by Rob Friend and Associates Pty Ltd. The report scores the site with a hazard score of 11. Due to there being very little built form, the requirement for a Bushfire Management Plan that stringently addresses the overlay is not considered reasonable. The report set out various management actions for the development as follows:

1. Car parks – no groundcovers to grow within parking bays. Any vegetation to a height of 6 metres is to be removed within 5 metres of the car parking bays. This does not include non-juvenile Eucalyptus trees. All groundcovers are to be maintained at a height of 200mm or less for a distance of 5 metres from the car parking bays. Papery or fibrous barks are to have groundcovers for a distance of 2 metres maintained around the trunk, specifically with a focus during the bushfire season – September to April.
2. Office Building – the building should be constructed of fire rated material. All shrubs to a height of 6 metres to be removed 10 metres around the building. Vegetation within 6 metres of the building should be of a less flammable nature. A reticulated hydrant within 5 metres is recommended.
3. Excavation Plan – a plan which identifies the mode of evacuation and refuge is to be developed. No flammable liquids are to be stored on site.

The Bushfire Management Plan has been included in the conditions in the approved plans and documents and an advisory note will be included that external advice should be sought in regards to appropriate building construction materials. Management of understorey and groundcover vegetation under and surrounding the route of the high ropes course has been conditioned and will be considered in more detail at the compliance assessment stage.

- **Habitat Protection** – The entire site is subject to the Habitat Protection Overlay. The majority of the site is mapped Bushland Habitat with an area to the north-east of the site designated as Marine Habitat. The Overall Outcomes of the overlay code in relation to the Bushland Habitat designation seek to protect, maintain and improve the existing extent of remnant and non-remnant vegetation by preventing clearing or fragmentation of viable habitat areas and incorporating adequate buffers to prevent degradation from edge effects.

Specific Outcome S2.1(3) of the overlay code require all alternatives to be explored to locate development outside of areas mapped Bushland Habitat. Given that the entire site is mapped by the Overlay, it is not possible to locate development outside these areas. Where this is not achievable the Specific Outcome suggests assessment determines the appropriate location, design, scale and intensity of development that will protect the long term environmental and habitat values in these areas.

The applicant has gone to great lengths to minimise impacts on the site by locating the development in an area that was already disturbed where an old scout hut was located. The car parking area has been situated to the front of the property. This area has been previously disturbed and is dominated by regrowth vegetation. This area was also chosen to help reduce any edge effects associated with car parking.

An arborist's report has been submitted that reviews and assesses the impact of the proposed car park and building works on the existing trees located on the site. A condition has been included for a vegetation management plan and an amended arborist report to specifically identify the route of the high ropes course, trees suitable for retention and removal in relation to the proposed works, and relevant tree protection and management measures in accordance with Australian Standard A.S.4970-2009 'Protection of Trees on Development Sites'.

The submitted arborist report is considered sufficient at a concept level to demonstrate the development is of a scale, intensity and design that can achieve compliance with the Bushland Habitat designation of the Habitat Protection Overlay.

- **Flood Prone Storm Tide and Drainage Constrained Land Overlay** – No part of the proposal is within the mapped hazard area and therefore there are no requirements.
- **Road and Rail Noise Impacts Overlay** – The overlay is not relevant to the proposed use as it does not introduce any noise sensitive receptors.
- **Waterways, Wetlands and Moreton Bay Overlay** – The site contains areas mapped as 'Major Waterway' and 'Waterways and Wetland Buffer'. The proposal complies with the self-assessable criteria of the Overlay Code as the use is located outside of the area shown on the overlay map.

### **Infrastructure Charges**

There are no infrastructure charges applicable to this application as the credit of 2 lots (\$56,000) exceeds the charge of  $241\text{m}^2 \times \$180/\text{m}^2 = \$43,380$ .

### **State Referrals**

SARA provided a referral agency response dated 10 October 2016, in regards to the *Sustainable Planning Regulation 2009* Schedule 7, Table 3, Item 1 – State controlled road. The Department indicated there was no objection to the proposed development subject to referral agency conditions in regards to the layout, car parking and stormwater management. The Department's referral response, including conditions, will be attached to Council's Decision Notice.

### **Public Consultation**

The proposed development is Impact Assessable and required public notification. The application was incorrectly advertised on 9 March 2016 and then readvertised with the correct dates for 15 business days from 17 March until 8 April 2016. A notice of compliance was received on 12 April 2016.

Five (5) properly made submissions, one (1) not properly made submission, a proforma and a petition via change.org were lodged during the notification period.

The matters raised within these submissions are discussed below:

<b>1.</b>	<p><b>Issue</b></p> <p>The exclusion of Lot 38 on SL4362 from the MATERIAL CHANGE OF USE – Outdoor Sport and Recreation Use (Development Permit) - (MCU 013567) makes the address on Cleveland-Redland Bay Road redundant. As the requested, MATERIAL CHANGE OF USE – Outdoor Sport and Recreation Use (Development Permit) is mostly adjacent to the gravel road on lot 145 on SL4362 the correct address for this application (MCU01357) is 330 Colburn Avenue, Victoria Point 4165.</p> <p><b>Officer's Comment</b></p> <p>The public notice correctly identifies all lots included in the proposal and the correct street names and numbers according to Council records. Council has no record of 330 Colburn Avenue and this would be misleading to anyone wishing to view more details of the proposal.</p>
<b>2.</b>	<p><b>Issue</b></p> <p>The proposal will negatively impact on koalas, particularly koalas getting caught in the ropes course and the removal of non-juvenile koala habitat trees is not permitted in medium value bushland habitat. The removal of other trees and ground cover will also impact on fauna.</p> <p><b>Officer's Comment</b></p> <p>The applicant has stated that sections of the ropes course will be closed until koalas move through the ropes course so as to not disturb them. Conditions have been imposed to ensure this. No non-juvenile koala habitat trees will be removed from the area mapped as medium value bushland habitat. No ground cover will be removed for the ropes course either.</p>
<b>3.</b>	<p><b>Issue</b></p> <p>The EPBC legislation requires protection of the white breasted sea eagle.</p>

	<p><b>Officer's Comment</b></p> <p>The applicant has submitted an ecological report, which has been assessed by Council's environmental team. The proposal will not detrimentally impact on any protected species.</p>
4.	<p><b>Issue</b></p> <p>Concerns about what is being done to protect the Indigenous heritage on the site. There is a potential bora ring and middens expected to be situated on site and a long history with the scouts.</p> <p><b>Officer's Comment</b></p> <p>A condition has been imposed requiring a cultural heritage survey to be undertaken. Should any conflict with the <i>Aboriginal Cultural Heritage Act 2003</i> arise, the development will be stopped or redesigned to comply.</p>
5.	<p><b>Issue</b></p> <p>Increase in rates if a 'for profit' organisation is introduced on the site.</p> <p><b>Officer's Comment</b></p> <p>This is not a town planning matter.</p>
6.	<p><b>Issue</b></p> <p>The development will have a significant impact on our road infrastructure, causing even more congestion on roads already unable to cope with the ever increasing size of our population in this part of Redlands.</p> <p><b>Officer's Comment</b></p> <p>Colburn Avenue is capable of handling the additional traffic generated by the proposal and this has been accepted and conditioned by the Department of Transport &amp; Main Roads, via SARA.</p>

## DEEMED APPROVAL

The approval of this application has not been issued under Section 331 of the *Sustainable Planning Act 2009*.

## CONCLUSION

The application has been assessed against the provisions of the Redlands Planning Scheme and other relevant instruments. Overall, the proposal is considered to comply with the Specific Outcomes of the applicable codes.

Having due regard to the applicant's proposal, the referral agency response and the public submissions lodged against the application, it is recommended that a Development Permit be issued subject to conditions.

## STRATEGIC IMPLICATIONS

### Legislative Requirements

In accordance with the *Sustainable Planning Act 2009* this development application has been assessed against the Redlands Planning Scheme V7.1 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 submitter also has appeal rights.

**Financial**

If approved, Council will not collect infrastructure contributions as per 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 assessment teams where appropriate. Comments from the relevant teams have been provided in the assessment.

A copy of the original proposal was provided to the divisional Councillor. The Councillor has requested that the application be brought to Council for determination.

**OPTIONS**

Council's options are to:

1. Adopt the officer's recommendation to approve the application subject to conditions.
2. Resolve to approve the application, without conditions or subject to different or amended conditions.
3. Resolve to issue a preliminary approval subject to meeting additional requirements.
4. Resolve to refuse the application.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

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

That Council resolves that a Development Permit approval be issued for the Material Change of Use for an Outdoor Recreation Facility on land at 424 Redland Bay Road, Victoria Point, subject to the following conditions:

<u>ASSESSMENT MANAGER CONDITIONS</u>			<u>TIMING</u>
<p>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.</p>			
<u>Approved Plans and Documents</u>			
<p>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.</p>			Prior to the use commencing and ongoing.
Plan/Document Title	Reference Number	Prepared By	Plan/Doc. Date
Site Plan	SD01 Issue B	Mark Williams	02/02/2016
Elevations & Perspectives	SD02 Issue B	Mark Williams	02/02/2016
Bus Turning Template Sketch	7722-160906-SK02	HCE Engineers	Undated
Car Park Layout (amended in red)	301001-01933-00-CI-DAL-0010 Rev A	Worley Parsons	29/04/2016
Traffic Impact Assessment	301001-01933-00-CI-REP-0001	Worley Parsons	05/05/2016
Terrestrial Ecological Assessment	Version 0	Biodiversity Assessment and Management Pty Ltd	22/06/2015
Bushfire Management Plan	RF15-039-02	Rob Friend & Associates Pty Ltd	27/01/2016

Table 1: Approved Plans and Documents

<b>Land Dedication and Design</b>		
3. Locate, design and install outdoor lighting, where required, to minimise the potential for light spillage to cause nuisance to neighbours.		Prior to the use commencing and ongoing.
4. Design and construct the office and kiosk around any existing non-juvenile koala habitat trees to ensure their retention as indicated on the approved plans.		Prior to the use commencing and ongoing.
<b>Compliance Assessment</b>		
5. 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>
Waste Management Plan	Redland City Council	<ul style="list-style-type: none"> <li>• Redlands Planning Scheme Part 11 Policy 9 Chapter 16 – Waste Management</li> </ul>
Access and Parking Plans	Redland City Council	<ul style="list-style-type: none"> <li>• Traffic Impact Assessment 301001-01933-00-CI-REP-0001, prepared by Worley Parsons, dated 5 May 2016</li> <li>• Redlands Planning Scheme Part 8 Division 1 – Access and Parking Code</li> </ul>

		<ul style="list-style-type: none"> <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>
Road and Footpath Works	Redland City Council	<ul style="list-style-type: none"> <li>• Redlands Planning Scheme Part 7 Division 4 – Domestic Driveway Crossover Code</li> <li>• Redlands Planning Scheme Part 8 Division 7 – Infrastructure Works 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 5 – Road and Path Design</li> </ul>
Earthworks Plan	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>
Amended Arborist Report	Redland City Council	<ul style="list-style-type: none"> <li>• Redlands Planning Scheme Part 11 Policy 9 Chapter 11 – Landscaping s9.11.6.3</li> <li>• Australian Standard 4373:2007 – Pruning of</li> </ul>



		<p>Amenity Trees</p> <ul style="list-style-type: none"> <li>• Australian Standard 4970:2009 – Protection of Trees on Development Sites</li> <li>• Bushfire Management Plan RF15-039-02 prepared by Rob Friend &amp; Associates Pty Ltd and dated 21 January 2016</li> </ul>
Vegetation Management Plan	Redland City Council	<ul style="list-style-type: none"> <li>• SEQ Koala Conservation SPRP Table 6, Column 2, Item 6</li> <li>• Redlands Planning Scheme Habitat Protection Overlay Code Specific Outcome S2.1(3)(b)(iii)</li> <li>• Redlands Planning Scheme Policy 4 – Ecological Impacts</li> </ul>
Koala Offsets Plan	Redland City Council	<ul style="list-style-type: none"> <li>• <i>Environmental Offsets Act 2014</i></li> <li>• SEQ Koala SPRP</li> </ul>

Table 2: Compliance Assessment

<b>Environment</b>		
6.	<p>Design and construct any new internal fencing to be koala friendly as identified in the Koala-sensitive Design Guideline November 2012, produced by the Queensland Department of Environment and Heritage. The guideline can be accessed on the Department's website:</p> <p><a href="http://www.ehp.qld.gov.au/wildlife/koalas/legislation/pdf/koala-sensitive-design-guideline.pdf">http://www.ehp.qld.gov.au/wildlife/koalas/legislation/pdf/koala-sensitive-design-guideline.pdf</a></p>	Prior to on maintenance and ongoing.
7.	<p>Submit to Council and receive approval for an amended Arborist Report that includes a tree management plan in accordance with the assessment criteria listed in Table 2: Compliance Assessment of this approval. The amended report must be prepared by a minimum Level 5 qualified arborist. Include the following:</p> <ul style="list-style-type: none"> <li>• Provide a tree species list including a structural integrity and health assessment of all existing trees to be retained and removed.</li> <li>• Detail relevant tree protection measures and establish tree protection zones (TPZs) around all existing trees identified for retention.</li> <li>• Outline the specific routes of the high ropes course and associated tracks.</li> <li>• Demonstrate how the ropes, cables, platforms and the like will be attached to trees and provide static-load testing details regarding the trees ability to sustain variable loads</li> </ul>	As part of request for compliance assessment.

<p>and trunk abrasion.</p> <ul style="list-style-type: none"> <li>• Outline the location of proposed free-standing poles and climbing structures and how these will be installed. If poles are located within TPZs of trees to be retained, demonstrate compliance with AS4970-2009 Protection of Trees on Development Sites.</li> <li>• Detail the extent of understorey and groundcover clearing required under and surrounding the proposed rope course activity area.</li> </ul>	
<p>8. Submit to Council and receive approval for a Vegetation Management Plan that specifies trees to be retained and proposed ongoing maintenance rehabilitation on site, in accordance with the assessment criteria listed in Table 2: Compliance Assessment of this approval. Include the following:</p> <ul style="list-style-type: none"> <li>• Details of any proposed planting of native plants (including koala habitat trees).</li> <li>• Details of any proposed ongoing weed control and maintenance. Note: Weed control must be undertaken in a manner that minimises impacts to native vegetation and local fauna.</li> <li>• Routine maintenance pruning program of existing mature trees. Ongoing tree monitoring program prepared by a Level 5 qualified arborist must be implemented upon commencement of use, to ensure safety of people is not compromised.</li> <li>• All tree pruning works must be undertaken by a qualified Arborist in accordance with AS4373-2007 <i>'Pruning of Amenity Trees'</i>.</li> </ul>	<p>As part of request for compliance assessment.</p>
<p>9. Appoint an accredited Fauna Spotter to examine the site for fauna before any trees are felled. An accredited fauna spotter is a person or company holding a current Rehabilitation Permit issued by the Department of Environment and Heritage under Section 275(d) of the <i>Nature Conservation (Administration) Regulation 2006</i>.</p>	<p>Prior to commencement of site works.</p>
<p>10. Submit to Council and receive approval for a Koala Offsets Plan, in accordance with the assessment criteria listed in Table 2: Compliance Assessment of this approval. Include details of how Koala Offsets will be approached onsite. For every non-juvenile Koala Habitat tree removed there is a requirement to offset each tree in accordance with the <i>Environmental Offsets Act 2014</i>.</p>	<p>As part of request for compliance assessment.</p>

<p>11. Implement all bushfire management recommendations outlined within the approved Bushfire Management Plan prepared by Rob Friend &amp; Associates Pty Ltd, dated 27/01/16.</p>	<p>During construction and ongoing</p>
<p><b><u>Landscape Works</u></b></p>	
<p>12. Species native to the area must be used for any proposed planting. Do not use any species listed as declared or non-declared weed species in Part B of Council's Pest Management Plan (PMP) 2012-2016 or the Vegetation Enhancement Strategy and Policy.</p> <p><b><u>Note:</u></b> You can access the PMP at:</p> <p><a href="http://www.redland.qld.gov.au/EnvironmentWaste/EnvironmentPlans/Pages/Pest-Management-Plan.aspx">http://www.redland.qld.gov.au/EnvironmentWaste/EnvironmentPlans/Pages/Pest-Management-Plan.aspx</a></p>	<p>Prior to the use commencing.</p>
<p>13. Appoint a qualified Arborist, holding a minimum AQF level 5 in Arboriculture, to supervise any works required within identified TPZs to ensure the long term health and viability of the trees. TPZs must be determined in accordance with Australian Standard AS4970-2009 Protection of Trees on Development Sites.</p>	<p>During any approved works for clearing of vegetation, demolition and construction works.</p>
<p>14. Undertake routine arboricultural maintenance pruning on existing trees that are to be retained and protected within the proposed development site and road reserve to ensure the trees are at an acceptable level of risk.</p> <p>All tree pruning works must be undertaken by a qualified Arborist in accordance with AS4373-2007 'Pruning of Amenity Trees'.</p>	<p>Prior to the use commencing.</p>
<p><b><u>Access, Roadworks and Parking</u></b></p>	
<p>15. Provide parking in accordance with approved plans and Traffic Impact Assessment prepared by Worley Parsons.</p> <p>Access to car parking spaces, bicycle spaces, bin bays</p>	<p>Prior to the use commencing and ongoing.</p>

<p>and driveways must remain unobstructed and available for their intended purpose during approved hours of operation. Any loading and unloading operations must be conducted wholly within the site.</p>	
<p>16. Submit to Council, and obtain approval for, engineering plans and details showing the following frontage works in accordance with the assessment criteria listed in Table 2: Compliance Assessment of this approval:</p> <ol style="list-style-type: none"> <li>a) Internal access road construction including sealed road pavements, edge treatments and surface drainage</li> <li>b) Internal sealed car manoeuvring (B99) and parking areas</li> <li>c) Internal 14.5m bus manoeuvring and on-site parking area</li> <li>d) Verge/footpath facilities in Colburn Avenue to enable pedestrian/cycle crossing to the development</li> <li>e) Reinstatement of all disturbed verge areas</li> <li>f) Removal of redundant vehicle access</li> <li>g) Entry treatment/access to the site including permanent vehicular crossover to the Colburn Avenue frontage of the site</li> <li>h) Adjustments and relocations necessary to public utility services resulting from these works.</li> </ol>	<p>As part of request for compliance assessment.</p>
<p><b><u>Stormwater Management</u></b></p>	
<p>17. Convey roof water and surface water in accordance with the Redlands Planning Scheme Policy 9 Chapter 6 – Stormwater Management to a lawful point of discharge within the development site.</p>	<p>Prior to the use commencing and ongoing.</p>
<p>18. 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.</p>	<p>Prior to the use commencing and ongoing.</p>
<p>19. Submit to Council, and obtain approval for, a stormwater assessment that addresses quantity and scour minimisation in accordance with the assessment criteria listed in Table 2: Compliance Assessment of this approval. Include the following:</p> <ul style="list-style-type: none"> <li>• Detailed drawings with design levels of the proposed stormwater management systems and associated works related to car parking and internal road drainage and scour treatments.</li> </ul>	<p>As part of request for compliance assessment.</p>

<b><u>Infrastructure and Utility Services</u></b>	
20. 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.
21. Connect the development to external reticulated sewer, external reticulated water and electricity supply in accordance with the assessment criteria listed in Table 2: Compliance Assessment of this approval.	Prior to the use commencing.
22. 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.
<b><u>Construction</u></b>	
23. Design, implement and maintain measures and practices in accordance with Best Practice Erosion and Sediment Control published by the International Erosion Control Association (Australasian Chapter) 2008 that also must be consistent with the following: <ul style="list-style-type: none"> <li>a) minimise erosion in all areas of the site and access point where soil is exposed and implement measures that minimise erosion</li> <li>b) maintain effective stabilisation of all site surfaces within the development. The method used must continue to achieve effective stabilisation in the medium to long term.</li> </ul>	Prior to site works commencing.
24. Rectify any damage done to the road verge during construction, including topsoiling and re-turfing.	Prior to the use commencing.
<b><u>Waste Management</u></b>	
25. Submit to Council a copy of a written agreement with a waste services provider to provide and maintain a bin collection service to the development.	Prior to the use commencing and ongoing.

26. Install a screened refuse storage area for the storage of bins. The storage area must be impervious, well drained, provided with a hose cock, enclosed and illuminated for night time use.	Prior to the use commencing and ongoing.
--	--

### ADDITIONAL APPROVALS

The following further Development Permits and/or Compliance Permits are necessary to allow the development to be carried out.

- Building Works.

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
- Plumbing and drainage works
- Permit to work in/on a State controlled road
- Food Business Licence – for any development proposing to conduct a food business under the *Food Act 2006*.

### REFERRAL AGENCY CONDITIONS

Queensland Department of Infrastructure, Local Government and Planning (DILGP)

Refer to the attached correspondence from the DTMR dated 10 October 2016 (DILGP reference SDA-0915-024283).

### ASSESSMENT MANAGER ADVICE

- **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.

- **Cultural Heritage**  
Should any aboriginal, archaeological or historic sites, items or places be identified, located or exposed during the course of 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.

Given the known presence of scar trees on the broader site, there is potential for further aboriginal cultural heritage elements to be found. It is

---

recommended you undertake a full cultural heritage survey prior to commencing any works on the site.

---

- **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.

---

- **Survey and As-constructed Information**

Upon request, the following information can be supplied by Council to assist survey and engineering consultants to meet the survey requirements:

- a) A map detailing coordinated and/or levelled PSMs adjacent to the site.
- b) A listing of Council (RCC) coordinates for some adjacent coordinated PSMs.
- c) An extract from Department of Natural Resources and Mines SCDM database for each PSM.
- d) Permanent Survey Mark sketch plan copies.

This information can be supplied without charge once Council received a signed declaration from the consultant agreeing to Council's terms and conditions in relation to the use of the supplied information.

Where specific areas within a lot are being set aside for a special purpose, such as building sites or environmental areas, these areas should be defined by covenants. Covenants are registered against the title as per Division 4A of the *Land Title Act 1994*.

---

- **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)

---

- **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.

---

**CARRIED 11/0**

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

**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

---



**Attachment 1 – Aerial Map**



**Attachment 2 – Locality Map (site context)**



**Attachment 3 – Zone Map**

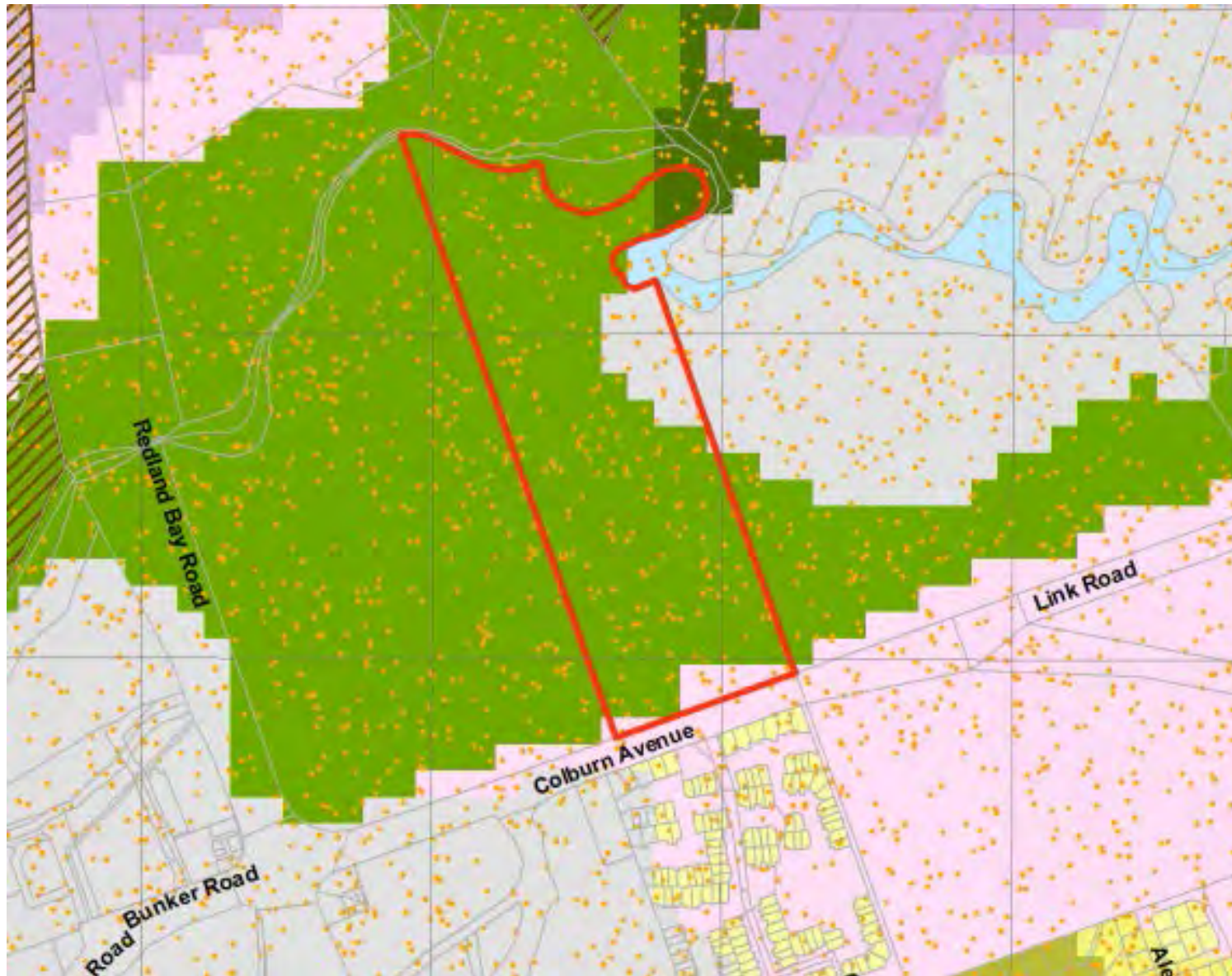


# Attachment 4 – Habitat Protection Overlay & Koala SPRP Mapping

## RPS Habitat Protection Overlay

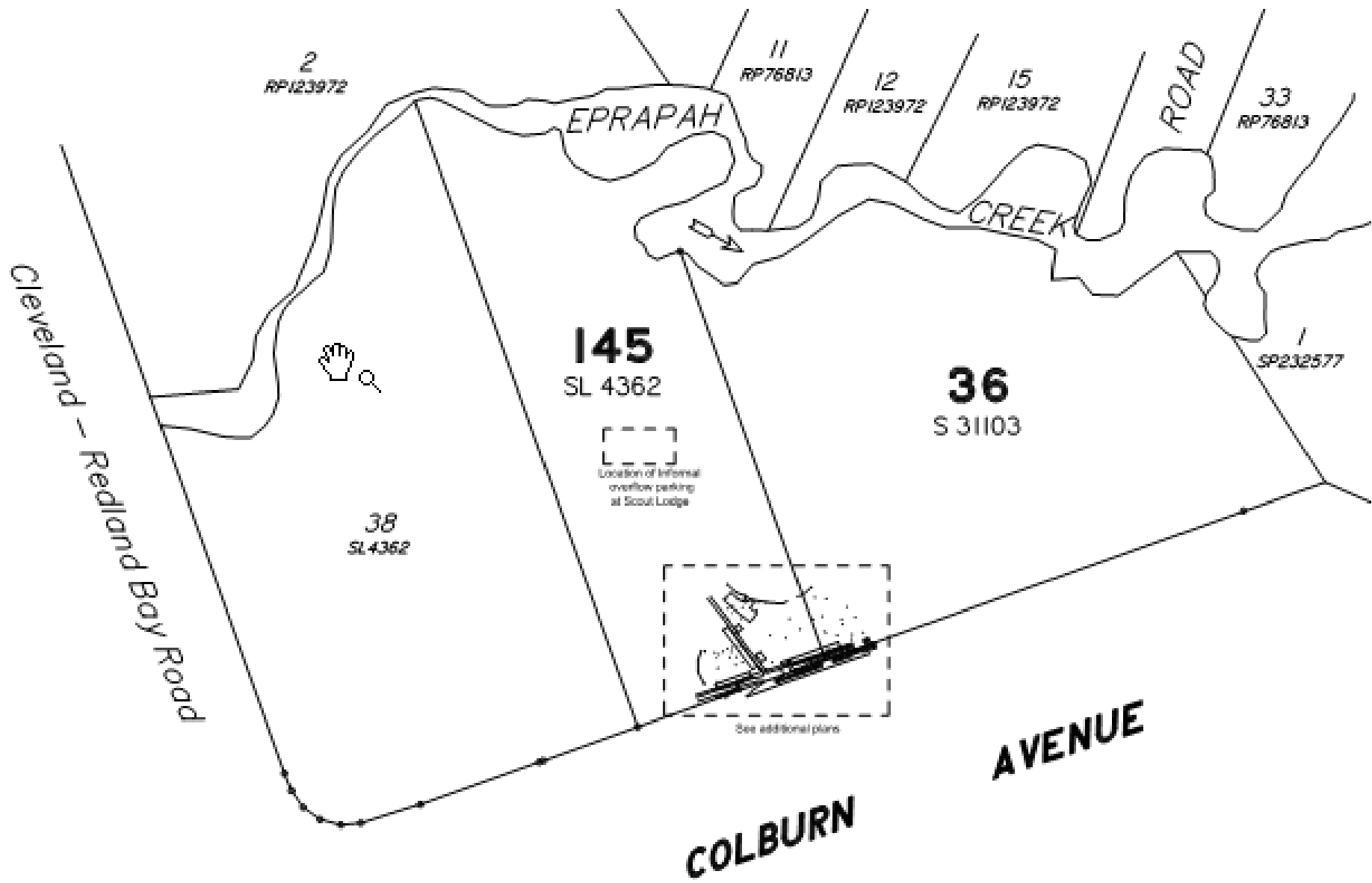


SEQ Koala Conservation SPRP



- Koala SPRP - Habitat Values**
- Bushland Habitat**
- High Value Bushland
  - Medium Value Bushland
  - Low Value Bushland
- Suitable for Rehabilitation**
- High Value Rehabilitation
  - Medium Value Rehabilitation
  - Low Value Rehabilitation
- Other Areas of Value**
- High Value Other
  - Medium Value Other
  - Low Value Other
  - Generally not suitable
  - Water

Attachment 5 – Proposal Plans





ENTRANCE PERSPECTIVE



GENERAL PERSPECTIVE

PROJECT INFORMATION	
1	PROJECT NAME: Victoria Point Tree Top Challenge
2	CLIENT: Tailored Adventures Pty Ltd
3	DATE: 10/10/2023
<b>MARK WILLIAMS</b> ARCHITECTS 2001 Upper Macleay Street, Macleay NSW 2155 Phone: 02 9550 1234   Fax: 02 9550 1235 www.markwilliams.com.au	
<b>Victoria Point Tree Top Challenge</b> 145 SL 4362 424 Hubland Bay Road VIC 3208	
<b>Tailored Adventures Pty Ltd</b> 145 SL 4362 424 Hubland Bay Road VIC 3208	
<b>SITE PLAN</b>	
These drawings and design and the layout shall be used in the vicinity of Mark Williams Architects and not for any other purpose or without the written permission of Mark Williams Architects. All applications must be submitted to the relevant authorities and not to be used for any other purpose.	
PROJECT NO: SD01 B SHEET NO: 01 DATE: 10/10/2023	SCALE: 1:500 DRAWN BY: [Name] CHECKED BY: [Name]

**PRELIMINARY**  
NOT TO BE USED FOR CONSTRUCTION



SD01 B



GENERAL PERSPECTIVE



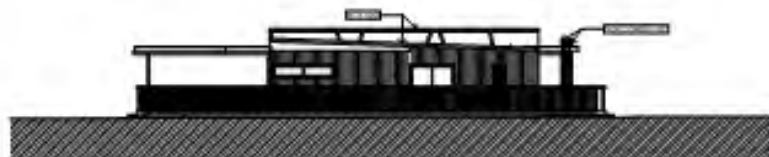
NORTH ELEVATION  
SCALE 1:100



EAST ELEVATION  
SCALE 1:100



SOUTH ELEVATION  
SCALE 1:100



WEST ELEVATION  
SCALE 1:100

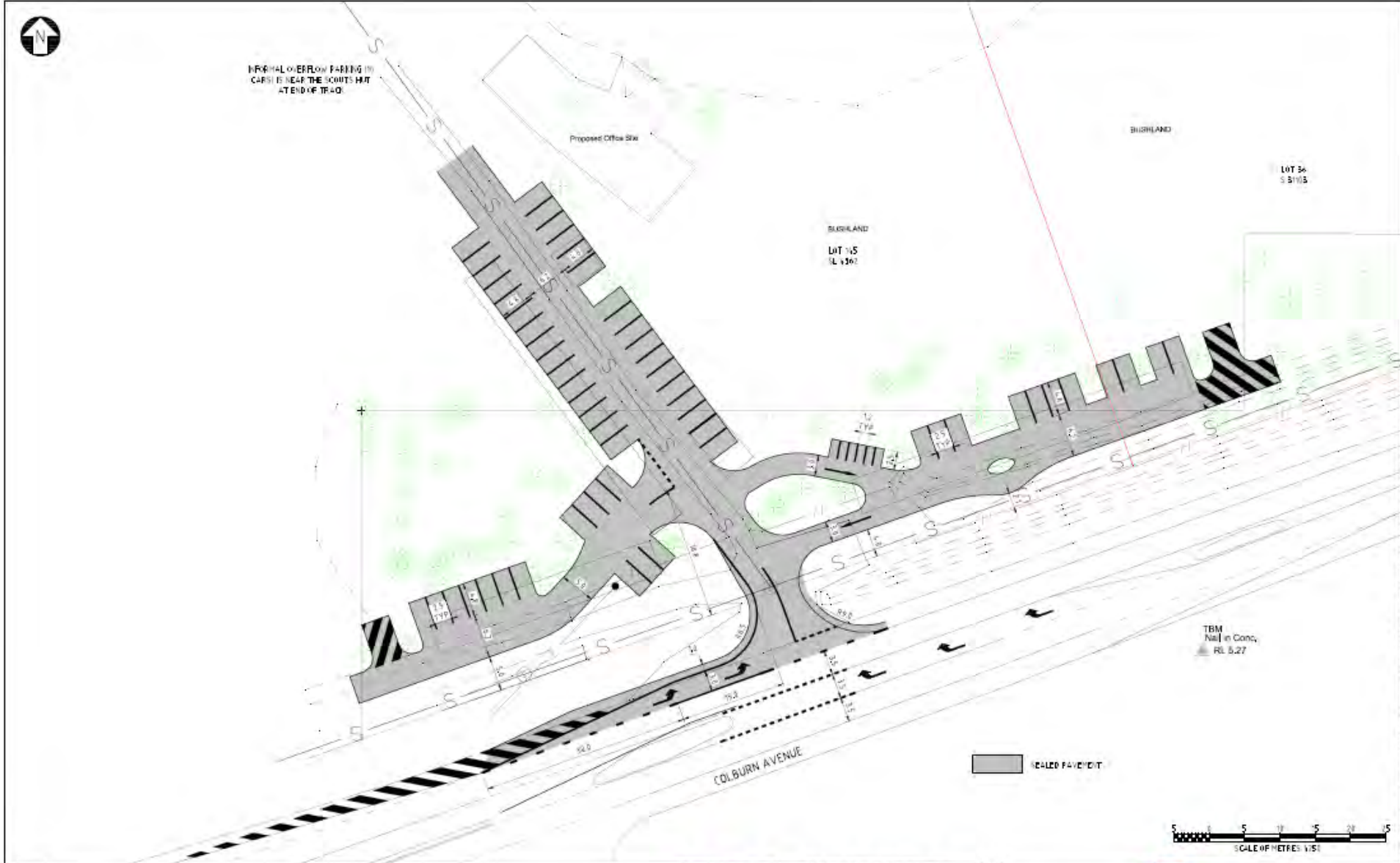


GENERAL PERSPECTIVE

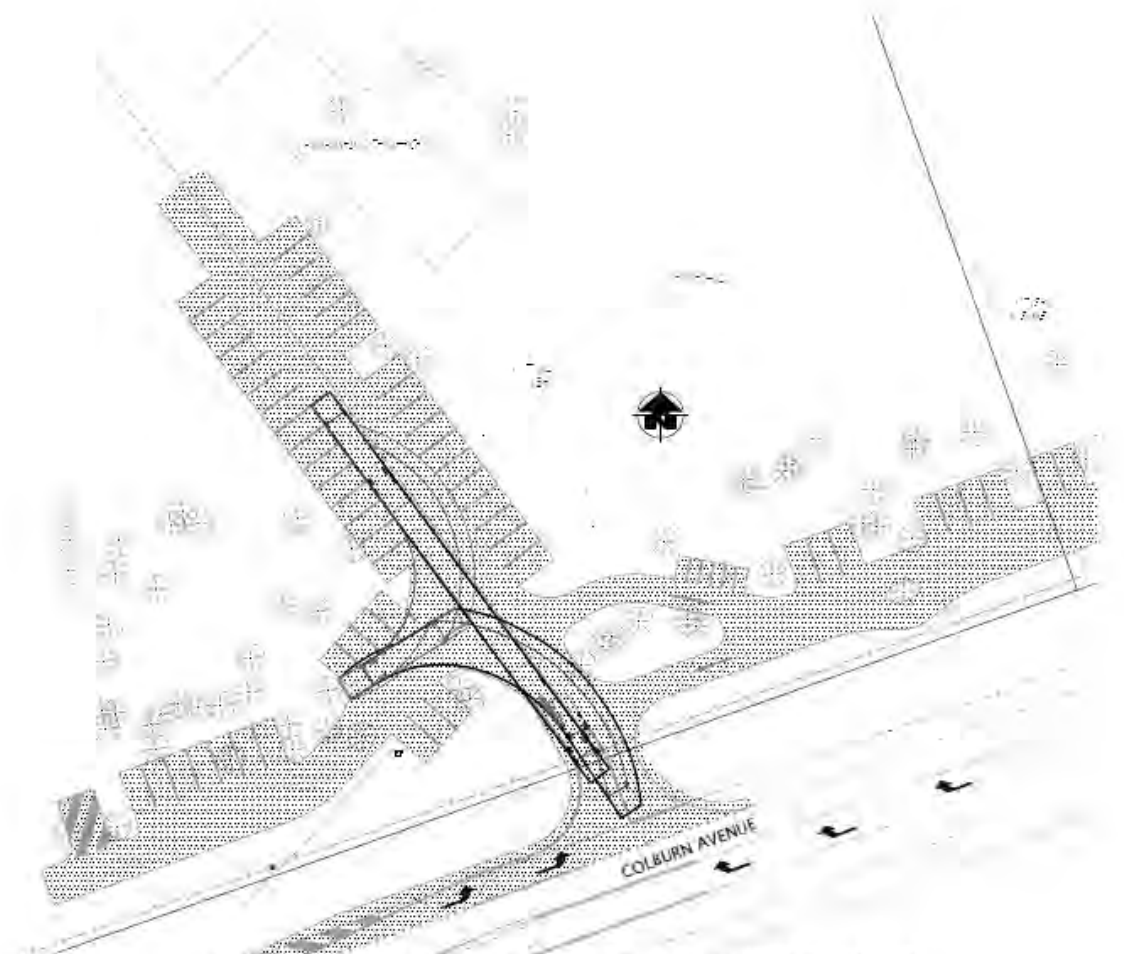
**PRELIMINARY**  
NOT TO BE USED FOR CONSTRUCTION

PROJECT INFORMATION	
Project Name	Victoria Point Tree Top Challenge
Client	Esquire Green Environmental Education Centre 411 Redland Bay Road Esquire Point QLD 4207
Architect	Talbot Architecture Pty Ltd
ELEVATIONS & PERSPECTIVES	
These drawings and any other documents prepared by the Architect for the Client are the property of the Architect. All rights are reserved and no part of these drawings or any other documents can be reproduced or transmitted in any form or by any means electronic, mechanical, photocopying, recording, or by any information storage and retrieval system, without the prior written permission of the Architect.	
All agreed dimensions are indicated on the drawings and shall be used as the basis for construction.	
Scale	1:100
Sheet No.	SD02 B





											<b>OneWay</b> Copyright © 2015 OneWay Engineering Pty Ltd 40/41 Pitt St Sydney NSW 2000		<b>FOR INFORMATION ONLY</b> <b>NOT FOR CONSTRUCTION</b>					<b>WorleyParsons</b> TREE TOPS CHALLENGE COLBURN AVENUE, VICTORIA POINT CARPARK LAYOUT			
<small>© All drawings prepared solely for the use of the client under license and are not to be used for any other purpose without the written consent of WorleyParsons. All rights reserved.</small>											<small>301001-01510</small>		<small>301001-01933-00-CI-DAL-0010</small>				<small>0</small>				



AUSTROADS 2013 LONG RIGID BUS (14.5m) TURN AROUND MANDEUVRE  
 SCALE 1:500 @ A3

LEGEND	
	EXISTING LOT
	EXISTING CURB
	EXISTING TREE TO BE RETAINED
	EXISTING SIDE OF STRIP

PROJECT  
 424 REDLAND BAY ROAD  
 VICTORIA POINT

TITLE  
 AUSTROADS 2013 LONG  
 RIGID BUS (14.5m) TURNING  
 TEMPLATE SKETCH

**HCE Engineers**  
 14/140-14/141 Colburn Avenue  
 Victoria Point QLD 4074

PROJECT NO: 14/140-14/141  
 DRAWING NO: 14/140-14/141-01  
 DATE: 14/10/2014


7722-160906-SK02

**NOT FOR CONSTRUCTION**  
 CONCEPT ONLY. CONSTRUCTION DRAWINGS  
 SUBJECT TO OPERATIONAL WORKS APPROVAL



**16 CONFIDENTIAL SESSION****16.1 INFRASTRUCTURE & OPERATIONS****16.1.1 EASEMENT FOR DRAINAGE PURPOSES – MACLEAY ISLAND**

**Objective Reference:** A124439  
Reports and Attachments (Archives)

**Authorising Officer:**   
Peter Best  
General Manager Infrastructure & Operations

**Responsible Officer:** Bradley Salton  
Acting Group Manager City Infrastructure

**Report Author:** Len Purdie  
Principal Engineer

**EXECUTIVE SUMMARY**

A confidential report from General Manager Infrastructure & Operations was presented to Council for consideration under Section 275(1) of the *Local Government Regulation 2012*.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

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

1. That Council acquire an easement over part of lot 93 on RP112785, for stormwater drainage purposes pursuant to Section 6 of the *Acquisition of Land Act 1967*;
2. That the Chief Executive Officer be delegated authority under section 257(1)(b) of the *Local Government Act 2009* to negotiate the purchase price pursuant to Division 3 of the *Acquisition of Land Act 1967*;
3. That, if negotiations with the owner are unsuccessful as per item 1, Council proceed with resumption action under Division 2 of the *Acquisition of Land Act 1967* and the acquired land is then dedicated as road pursuant to Section 51 of the *Land Title Act 1994*;
4. That the Chief Executive Officer be delegated authority (under s.257(1)(b) of the *Local Government Act 2009*) to negotiate, make, vary, discharge and sign all necessary documentation; and
5. That the report and attachments remain confidential.


**CARRIED 11/0**

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

---

**16.1.2 EASEMENT FOR DRAINAGE PURPOSES – RUSSELL ISLAND**

**Objective Reference:** A124439  
Reports and Attachments (Archives)

**Authorising Officer:**   
Peter Best  
General Manager Infrastructure & Operations

**Responsible Officer:** Bradley Salton  
Acting Group Manager City Infrastructure

**Report Author:** Len Purdie  
Principal Engineer City Infrastructure Planning

---

**EXECUTIVE SUMMARY**

A confidential report from General Manager Infrastructure & Operations was presented to Council for consideration under Section 275(1) of the *Local Government Regulation 2012*.

**OFFICER'S RECOMMENDATION/  
COUNCIL RESOLUTION**

**Moved by:** Cr M Elliott  
**Seconded by:** Cr M Edwards

**That Council resolves as follows:**

1. That Council acquire an easement over part of lot 43 on SP126449, for stormwater drainage purposes pursuant to Section 6 of the *Acquisition of Land Act 1967*;
2. That the Chief Executive Officer be delegated authority under section 257(1)(b) of the *Local Government Act 2009* to negotiate the purchase price pursuant to Division 3 of the *Acquisition of Land Act 1967*;
3. That, if negotiations with the owner are unsuccessful as per item 1, Council proceed with resumption action under Division 2 of the *Acquisition of Land Act 1967* and the acquired land is then dedicated as road pursuant to Section 51 of the *Land Title Act 1994*;
4. That the Chief Executive Officer be delegated authority (under s.257(1)(b) of the *Local Government Act 2009* to negotiate, make, vary, discharge and sign all necessary documentation; and
5. That the report and attachments remain confidential.

**CARRIED 11/0**

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

**17 MEETING CLOSURE**

There being no further business, the Mayor declared the meeting closed at 10.31am.

**Signature of Chairperson:** \_\_\_\_\_

**Confirmation date:** \_\_\_\_\_