

20150625 Item 5.6 Report Adoption of Budget Estimates and Fixing of Rates and Charges for 2015-2016

Objective Reference: A190474
Reports and Attachments (Archives)

Attachment: [Budget Publication 2015-2016](#)

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PURPOSE

This report presents to Council for adoption the 2015-2016 Annual Budget, Revenue Statement, Statement of Estimated Financial Position, the list of business activities to which the code of competitive conduct applies and rates and charges to be fixed for the financial year and the time period within which they must be paid.

BACKGROUND

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

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

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

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

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

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

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

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

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

ISSUES

Budget Publication

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

In accordance with this section the budget was distributed in the Budget Publication on 10 June 2015.

Annual Budget

The 2015-2016 annual budget presented with this report has been prepared in accordance with section 169 of the Regulation.

Revenue Statement

The 2015-2016 Revenue Statement presented with this report has been prepared in accordance with section 172 of the Regulation.

Rates and Charges

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

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

Council has determined for the 2015-2016 financial year it will levy all 4 types of rates and charges.

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

Under section 80 of the Regulation Council may levy general rates that differ for different categories of rateable land (differential general rates). Council has adopted for the 2015-2016 financial year 24 rating categories.

Under section 77 of the Regulation Council may fix a minimum amount of general rates. Council has determined for the 2015-2016 financial year a minimum general rate will apply in all 24 rating categories.

Section 116 of the Regulation provides the power to limit the increase in the rates or charges. In accordance with section 116, Council has determined for the 2015-2016 financial year that differential general rates increases for the rating categories of 3a, 3b, 4a, and 4b will be limited to 30% and for the rating categories of 12a and 12b differential general rates increases will be limited to 10%.

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

- Karragarra, Lamb, Macleay, Perulpa and Russell Islands.
 - Rural Fire Brigade Special Charge
 - Southern Moreton Bay Islands Translink Operations Special Charge
- Raby Bay canal estate defined in the benefited area maps numbered as RBC-7 version 5, RBC-6 version 5, and RBC-8 version 5.
 - Raby Bay Marina Special Charge
 - Raby Bay Tidal Works (Non Community Title Scheme) Special Charge
 - Ray Bay Tidal Works (Community Title Scheme) Special Charge
- The Aquatic Paradise canal estate defined in the benefited area maps numbered as APC-2 version 5 and APC-9 version 5.
 - Aquatic Paradise Marina Special Charge
 - Aquatic Paradise Special Charge
- The Sovereign Waters lake estate defined in the benefited area map numbers as SWL version 5.
 - Sovereign Waters Lake Special Charge

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

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

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

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

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

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

A concession will also be provided on Water Access and Wastewater charges, and Separate and Special charges to eligible land owners' carrying on a business of primary production where the land is used exclusively for the purpose of farming as detailed in the Revenue Statement 2015-2016.

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

Under Section 133 of the Regulation interest is payable on overdue rates and charges. Council has determined the interest rate for 2015-2016 is 11% and payable from the day the rates or charges become overdue.

The rates and charges to be levied for 2015-2016 are detailed within the 2015-2016 Revenue Statement that is presented for adoption with the 2015-2016 Annual Budget.

Code of Competitive Conduct

Council has determined for the 2015-2016 financial year the code of competitive conduct will be applied on Building Certification Services.

Competitive Neutrality

In compliance with section 43 of the Act and under section 44 of the Act, Council has determined for the 2015-2016 financial year that the significant business activities of RedWaste and Redland Water will be operated as commercialised business activities.

STRATEGIC IMPLICATIONS

Legislative Requirements

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

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

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

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

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

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

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

Risk Management

The preparation for the annual budget and rates and charges for the 2015-2016

financial year involved extensive modelling and successive review by Council and the Executive Leadership Team. Council's budget meeting documentation is also reviewed by King and Company for legal compliance.

Financial

The financial implications of the 2015-2016 annual budget are in line with Council's:

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

Council's long term forecast remains sustainable with 9 out of the 11 key performance indicators being met or exceeded in 2015-2016. The two key performance indicators not meeting the target are Operating Performance and Asset Sustainability ratio. Cash flow from ordinary business is forecast to be lower due to a lower increase for rates and charges and the introduction of the Redland Investment Corporation, which has reclassified cash flows from Operating activities to Investing activities. Council continues to focus on renewal expenditure in its capital program subject to the expenditure being consistent with Council's Asset and Service Management Plans.

People

Nil impact expected as the purpose of the report is to present the 2015-2016 annual budget to Council for adoption.

Environmental

Nil impact expected as the purpose of the report is to present the 2015-2016 annual budget to Council for adoption.

Social

Nil impact expected as the purpose of the report is to present the 2015-2016 annual budget to Council for adoption.

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

A series of budget workshops were conducted with Councillors and the Executive

Leadership Team to prepare the 2015-2016 annual budget and determine the rates and charges to be levied.

OFFICER'S RECOMMENDATION

That Council resolves to:

1. Note the Statement of Estimated Financial Position for year ending 30 June 2015 pursuant to Section 205 of the *Local Government Regulation 2012*;
2. Apply the Code of Competitive Conduct to Building Certification Services pursuant to Section 47 of the *Local Government Act 2009* and Section 33 of the *Local Government Regulation 2012*;
3. Operate the RedWaste significant business activity as a commercialised business activity;
4. Operate the Redland Water significant business activity as a commercialised business activity;
5. Note the content of the report tabled at 5.7.3 Establishment of Reserve Balances and Transfers for 2015-2016;
6. Adopt the 2015-2016 Annual Budget (Attachment 1), which has been prepared in accordance with Section 169 of the *Local Government Regulation 2012*, pursuant to Section 170 of the same Regulation;
7. Adopt the 2015-2016 Revenue Statement including Rates and Charges to be levied that is tabled in the Annual Budget (Attachment 1) and has been prepared in accordance with Section 172 of the *Local Government Regulation 2012*; and
8. Adopt the balance of the Agenda and all other aspects of the budget and financial documents as recommended by Council officers in the Report items 5.7.6 to 5.7.17.



Redland
CITY COUNCIL



Budget

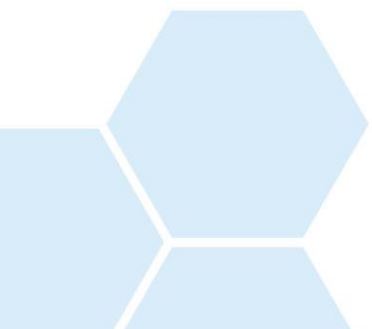
2015–2016

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Mayor's Message



Elected Members



Mayor

Cr Karen Williams



Div 1

Cr Wendy Boglary



Div 10

Cr Paul Bishop



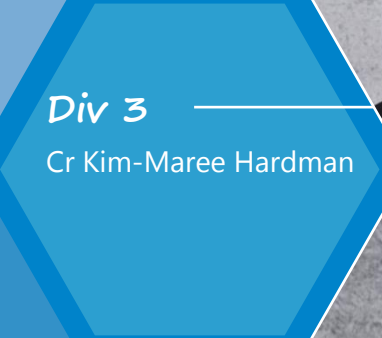
Div 2

Cr Craig Ogilvie



Div 9

Cr Paul Gleeson



Div 3

Cr Kim-Maree Hardman



Div 4

Cr Lance Hewlett



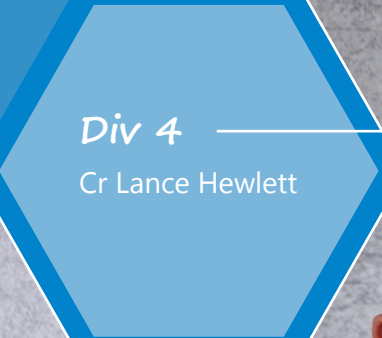
Div 8

Cr Alan Beard



Div 7

Cr Murray Elliott



Div 6

Cr Julie Talty



Div 5

Cr Mark Edwards



Executive
Leadership
Team

Chief Executive
Officer
Bill Lyon



Head of
Human Resources
Amanda Daly



General Manager
Infrastructure &
Operations
Gary Soutar



General Manager
Community &
Customer Services
Louise Rusan



General Counsel
Andrew Ross



Chief Financial
Officer
Linnet Batz



General Manager
Organisational
Services
Nick Clarke

Council's Corporate Plan Outcomes

On 20 May 2015, Redland City Council ('Council') adopted its revised Corporate Plan for the five year period 2015-20. The Corporate Plan contains the themes or 'Vision Outcomes' as communicated by the Redlands community, in the 2010-30 Community Plan. Council's current Corporate Plan identifies the following eight Vision Outcomes.

1. Healthy Natural Environment

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

2. Green Living

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

3. Embracing the Bay

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

4. Quandamooka Country

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

5. Wise Planning and Design

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

6. Supportive and Vibrant Economy

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

7. Strong and Connected Communities

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

8. Inclusive and Ethical Governance

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

The 2015-16 Budget will enable Council to continue delivering the vision, priorities and goals of Redlands 2030 as addressed in the Corporate Plan 2015-20.



2015-2016 Annual Budget at a Glance

Capital Expenditure

\$78.1M



Roads
\$16.45 Million

- Resurfacing Program
- Pavement Rehabilitation Program
- Dust Suppression Program – SMBI
- Road Upgrade Program – Mainland and NSI



Infrastructure
\$6.96 Million

- Cycleways and Footpaths
- Car Park Resurfacing
- Bus Stop Upgrades Program and Bus Shelter improvements



Open Space
\$7.66 Million

- Playground and Park Renewals
- Cleveland Aquatic Centre
- Coochiemudlo Island Foreshore
- Weinam Creek Wetland Park



Marine & Foreshore
\$11.37 Million

- Macleay Island Ramp Carpark
- Russell Tce, Macleay Island, Seawall and Asbestos Capping
- Seawall and Causeway Renewal, Junner St Dunwich
- Pontoon Upgrade Russell Island



Lake and Canals
\$7.68 Million

- Beaufort Crt, Carling Crt and Masthead Dr Revetment Wall Upgrade - Raby Bay
- Aquatic Paradise Navigation Beacon Renewal



Water
\$2.38 Million

- Redland Mainland Water Supply Network
- East Coast Rd, Dunwich, water main renewal
- Meter Replacement Program
- Kinross Road Network Expansion



Wastewater
\$16.08 Million

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



Waste
\$1.57 Million

- Birkdale Transfer Station - Haul Rd and Hardstand
- Mobile Garbage Bins



Other
\$7.93 Million

- Asset Management Advancement
- Fleet Replacement Program
- IT Asset Replacement (Server, Desktop & Network)

Key 2015-2016 Budget Points

General Rate – Residential owner occupied

- Average residential (owner occupied) rate notice increase is 0.8% or less (including utilities and separate charges)
- Average residential general rate increase is 1.7% (mainland and Southern Moreton Bay Islands owner occupied)

Environment Separate Charge

- Increased by \$2.20 (2.59%) from \$85.00 per annum to \$87.20 per annum

Landfill Remediation Separate Charge

- Decreased by \$22.00 per annum (35.48% decrease) from \$62.00 to \$40.00

Waste Pricing

- Increased by an average of 1.93% from \$336.00 per annum to \$342.50 per annum for standard 240L/240L mainland waste bin

Water Pricing – RCC controlled

- Water access increased by 2.35% from \$257.55 per annum to \$263.60 per annum
- Water consumption - Variable Water Residential charge decreased from \$0.838 per kilolitre to \$0.59 per kilolitre

Water Pricing – State controlled

- Water consumption - State Controlled Bulk Water increased from \$1.962 per kilolitre to \$2.161 per kilolitre, an increase of 10.14%

Wastewater Pricing

- Average domestic wastewater charge increased by \$15.50 per annum (2.35% increase) from \$660.25 to \$675.75

Comparative Utilities Bill for Pricing 2015-16				
Domestic Average Water User				
	2014-15	2015-16	Variance	Variance
	\$	\$	2014-15 to 2015-16	2014-15 to 2015-16
			\$	%
Water:				
Access	257.55	263.60	6.05	2.35%
Consumption (200kl):				
Bulk (State Controlled)	392.40	432.20	39.80	10.14%
Retail (RCC Controlled)	167.60	118.00	-49.60	-29.59%
Total Water excluding Wastewater	817.55	813.80	-3.75	-0.46%
Wastewater	660.25	675.75	15.50	2.35%
Refuse (240L Waste / 240L Recycle)	336.00	342.50	6.50	1.93%
TOTAL UTILITY CHARGES	1,813.80	1,832.05	18.25	1.00%

Redlands Rates Comparison from 2014-2015 to 2015-2016

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

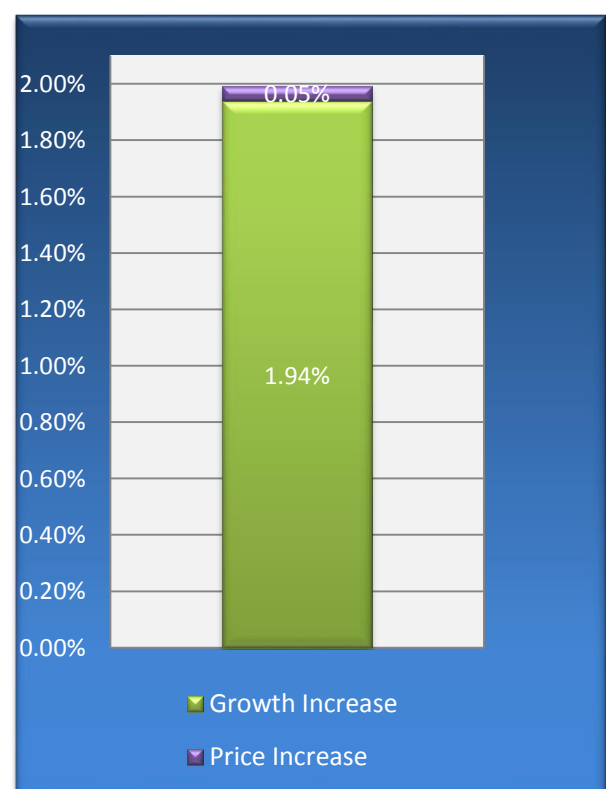
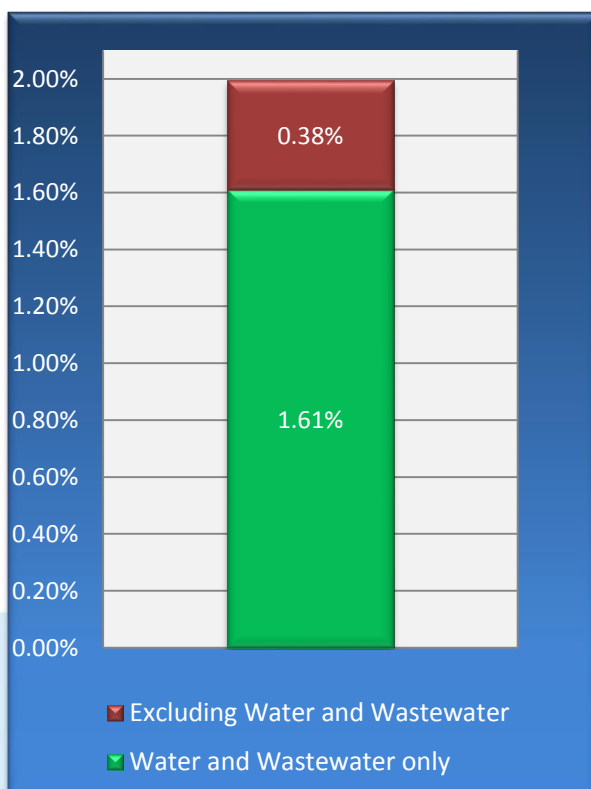
The budget must include the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year, compared with the rates and utility charges levied in the previous budget.

Revenue	Original Budget 2014-15	Original Budget 2015-16	Dollar Change from 2014-15 to 2015-16	Weighted Percentage Change from 2014-15 to 2015-16
Net Revenue (excluding water and wastewater)	110,953,366	111,731,502	778,136	0.38%
Net Revenue (water and wastewater only)	92,426,300	95,689,331	3,263,031	1.61%
Total Net Revenue	203,379,666	207,420,834	4,041,168	1.99%

The total revenue increase 1.99% is made up of two components growth (more properties to rate) and price:

Revenue	Increase from 2014-15 to 2015-16 \$	Increase from 2014-15 to 2015-16 %
Growth Increase	3,933,274	1.94%
Price Increase	107,894	0.05%
Total Net Revenue Change	4,041,168	1.99%

Total Percentage Change in Net Rates and Utility Charges from 2014-2015 to 2015-2016



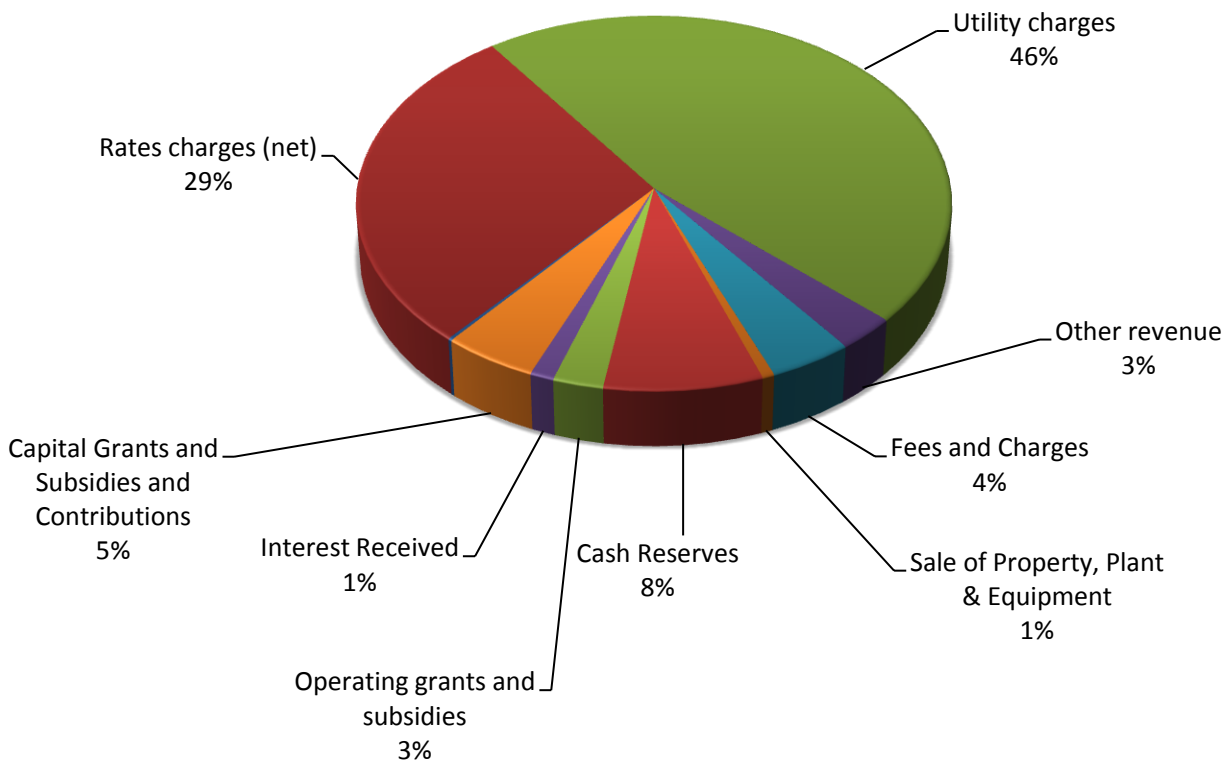
2015-2016 Financial Budget Overview

Where does the money come from?

Redland City Council's cash funding originates from a range of sources with the majority generated from utility charges at 46% and general rate charges at 29%. Council monitors its key performance indicator 'level of dependence on general rate revenue' which demonstrates the reliance on general rates.

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

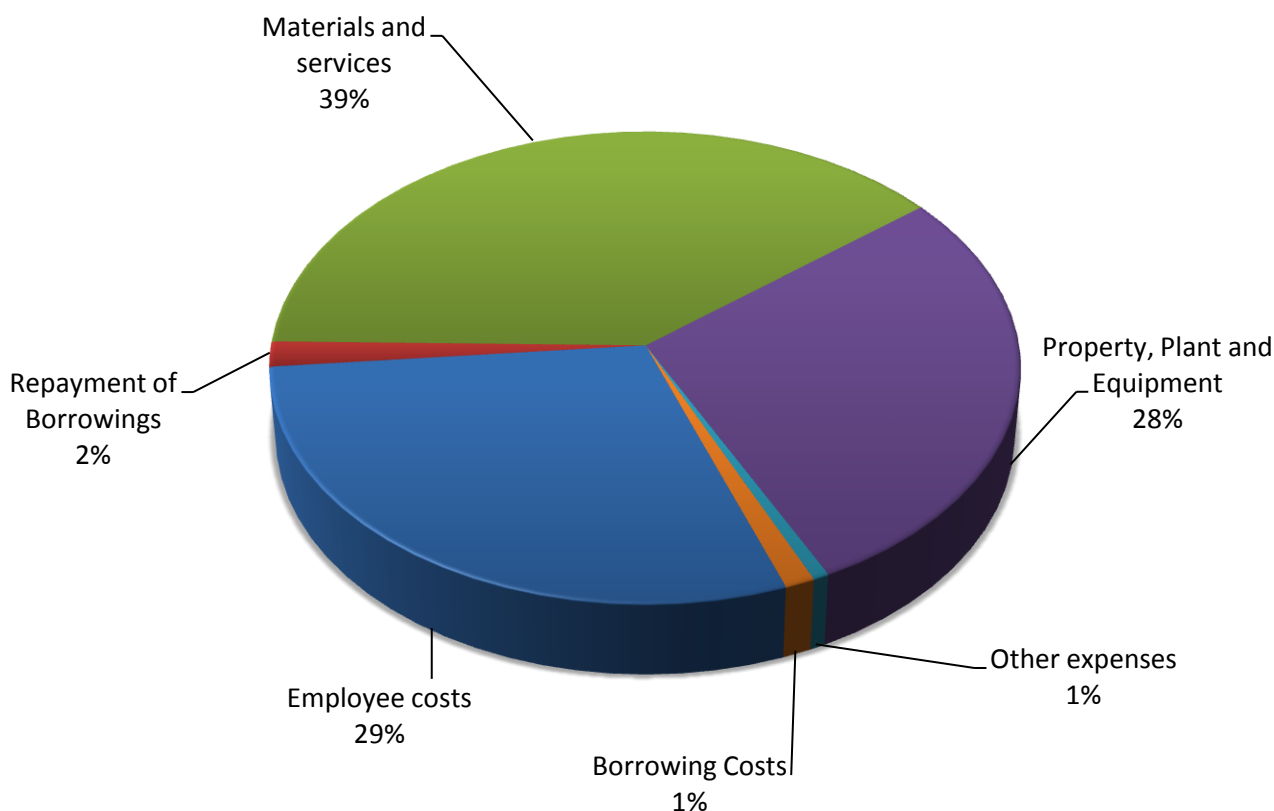
Budget 2015-16 Cash Funding (\$275M)



Where does the money go?

In 2015-16, 39% of the budget has been allocated towards services and activities needed to support the Redlands community, while 28% has been set aside for infrastructure and other capital programs. A further 29% is required for Council employees and service provision of Council activities and programs.

Budget 2015-16 Cash Expenditure (\$275M)



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

In December 2014 Council adopted its Long-Term Financial Strategy (the 'Financial Strategy'). Council's Financial Strategy includes the outcomes of a ten year financial model that has subsequently been updated to align to budget 2015-16 and provide a more recent long-term financial forecast. The following policies have also been updated for the 2015-16 financial year: Debt, Investment, Revenue, Constrained Cash Reserves and Application of Dividends and Tax Equivalent Payments to provide Council with a framework to ensure long-term financial and infrastructure sustainability for the community.

Budgeted Financial Statements

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

Financial Budget Summary

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
Revenue from Ordinary Activities	238,152	252,640	268,528
Expenses from Ordinary Activities	233,389	237,802	255,480
Borrowing Costs	4,657	4,340	4,018
Result from Ordinary Activities	106	10,498	9,030
Capital Income	16,255	12,811	12,531
Capital Expenses	(412)	(390)	341
Total Change in Community Equity	15,949	22,919	21,902

Key Balance Sheet Items

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
Total Assets	2,220,971	2,236,376	2,253,170
Total Liabilities	85,232	77,719	72,610
Net Community Assets	2,135,739	2,158,657	2,180,560
Total Cash at Year End	61,896	77,662	97,150
Total Debt at Year End	49,760	44,709	39,297

Redland City Council – Statement of Comprehensive Income

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
Recurrent revenue			
Rates, levies and charges	207,421	218,324	232,309
Fees and charges	11,638	12,312	13,024
Rental income	890	914	940
Interest received	3,355	2,712	3,200
Investment returns	3,234	6,418	6,739
Sales revenue	3,385	3,478	3,573
Other income	645	661	680
Grants, subsidies and contributions	7,584	7,820	8,064
Total recurrent revenue	238,152	252,640	268,528
Capital revenue			
Grants, subsidies and contributions	13,176	9,647	9,280
Non-cash contributions	3,079	3,164	3,251
Total capital revenue	16,255	12,811	12,531
TOTAL INCOME	254,407	265,450	281,059
Recurrent expenses			
Employee benefits	(77,404)	(72,522)	(74,539)
Materials and services	(106,010)	(116,311)	(121,632)
Finance costs	(4,657)	(4,340)	(4,018)
Depreciation and amortisation	(49,975)	(48,969)	(59,309)
Total recurrent expenses	(238,046)	(242,142)	(259,499)
Capital expenses			
Loss on disposal of non-current assets	(412)	(193)	(191)
Restoration and rehabilitation provision expense	-	(197)	532
Total capital expenses	(412)	(390)	341
TOTAL EXPENSES	(238,458)	(242,532)	(259,157)
NET RESULT	15,949	22,919	21,902
Other comprehensive income/(loss)			
Items that will not be reclassified to net result			
Revaluation of property, plant and equipment	-	-	-
TOTAL COMPREHENSIVE INCOME	15,949	22,919	21,902

Redland City Council – Statement of Financial Position

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

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
CURRENT ASSETS			
Cash and cash equivalents	61,896	77,662	97,150
Trade and other receivables	26,046	20,015	21,254
Inventories	845	845	845
Non-current assets held for sale	354	354	354
Other current assets	1,154	1,186	1,219
Total current assets	90,295	100,062	120,821
NON-CURRENT ASSETS			
Investment property	893	893	893
Property, plant and equipment	2,118,731	2,124,627	2,121,039
Intangible assets	916	658	281
Other financial assets	73	73	73
Investment in other entities	10,063	10,063	10,063
Total non-current assets	2,130,676	2,136,314	2,132,348
Total Assets	2,220,971	2,236,376	2,253,170
CURRENT LIABILITIES			
Trade and other payables	15,369	12,443	12,958
Borrowings	5,559	5,412	5,800
Provisions	8,053	8,543	9,144
Other current liabilities	1,282	1,318	1,354
Total current liabilities	30,263	27,716	29,256
NON-CURRENT LIABILITIES			
Borrowings	44,200	39,296	33,497
Provisions	10,769	10,707	9,858
Total non-current liabilities	54,969	50,003	43,354
Total Liabilities	85,232	77,719	72,610
NET COMMUNITY ASSETS	2,135,739	2,158,657	2,180,560
COMMUNITY EQUITY			
Asset revaluation surplus	668,685	668,685	668,685
Retained surplus	1,415,250	1,439,405	1,463,530
Constrained cash reserves	51,804	50,567	48,345
TOTAL COMMUNITY EQUITY	2,135,739	2,158,657	2,180,560

Redland City Council – Statement of Cash Flows

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

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	223,088	240,491	248,268
Payments to suppliers and employees	(189,183)	(192,867)	(196,748)
	33,905	47,624	51,520
Interest received	3,355	2,712	3,200
Rental income	890	937	937
Non-capital grants and contributions	7,584	8,014	8,044
Borrowing costs	(3,257)	(2,902)	(2,540)
Other cash flows from operating activities	-	(32)	(33)
Net cash inflow from operating activities	42,477	56,353	61,128
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	(77,998)	(53,522)	(54,171)
Payments for intangible assets	(100)	(50)	(50)
Proceeds from sale of property, plant and equipment	1,716	1,935	1,937
Capital grants, subsidies and contributions	13,176	9,647	9,281
Other cash flows from investing activities	3,234	6,453	6,775
Net cash outflow from investing activities	(59,972)	(35,536)	(36,228)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings	-	-	-
Repayment of borrowings	(4,696)	(5,051)	(5,412)
Net cash outflow from financing activities	(4,696)	(5,051)	(5,412)
Net increase/(decrease) in cash and cash equivalents held	(22,191)	15,766	19,488
Cash and cash equivalents at the beginning of the year	84,087	61,896	77,662
Cash and cash equivalents at the end of the financial year	61,896	77,662	97,150

Redland City Council – Statement of Changes in Equity

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

	Asset Revaluation Surplus \$000s	Retained Surplus \$000s	Constrained Cash Reserves \$000s	Total Community Equity \$000s
Balance as at 1 July 2015	668,685	1,385,358	65,747	2,119,790
Net result	-	15,949	-	15,949
Total comprehensive income for the year	-	15,949	-	15,949
Transfers to and from reserves:				
Transfers to Reserves	-	(17,218)	17,218	-
Transfers from Reserves	-	31,161	(31,161)	-
Total transfers to and from reserves	-	13,943	(13,943)	-
Balance as at 30 June 2016	668,685	1,415,250	51,804	2,135,739

	Asset Revaluation Surplus \$000s	Retained Surplus \$000s	Constrained Cash Reserves \$000s	Total Community Equity \$000s
Balance as at 1 July 2016	668,685	1,415,250	51,804	2,135,739
Net result	-	22,919	-	22,919
Total comprehensive income for the year	-	22,919	-	22,919
Transfers to and from reserves:				
Transfers to Reserves	-	(16,377)	16,377	-
Transfers from Reserves	-	17,613	(17,613)	-
Total transfers to and from reserves	-	1,236	(1,236)	-
Balance as at 30 June 2017	668,685	1,439,405	50,567	2,158,657

	Asset Revaluation Surplus \$000s	Retained Surplus \$000s	Constrained Cash Reserves \$000s	Total Community Equity \$000s
Balance as at 1 July 2017	668,685	1,439,405	50,567	2,158,657
Net result	-	21,902	-	21,902
Total comprehensive income for the year	-	21,902	-	21,902
Transfers to and from reserves:				
Transfers to Reserves	-	(16,734)	16,734	-
Transfers from Reserves	-	18,957	(18,957)	-
Total transfers to and from reserves	-	2,223	(2,223)	-
Balance as at 30 June 2018	668,685	1,463,530	48,345	2,180,560

Redland City Council – Operating Statement

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

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
Revenue			
Rates charges	82,760	85,337	87,993
Levies and utility charges	128,121	136,089	147,512
<i>Less: Pensioner remissions and rebates</i>	(3,460)	(3,102)	(3,196)
Fees and charges	11,638	12,312	13,024
Operating grants and subsidies	7,053	7,273	7,499
Operating contributions and donations	531	548	565
Interest external	3,355	2,712	3,200
Investment returns	3,234	6,418	6,739
Other revenue	4,920	5,055	5,192
Total revenue	238,152	252,640	268,528
Expenses			
Employee benefits	77,404	72,523	74,539
Materials and services	106,542	116,754	122,090
Finance costs other	1,400	1,438	1,478
Other expenditure	347	455	470
Net internal costs	(879)	(899)	(928)
Total expenses	184,814	190,271	197,649
Earnings before interest, tax and depreciation (EBITD)	53,338	62,369	70,879
Interest expense	3,257	2,902	2,540
Depreciation and amortisation	49,975	48,969	59,309
OPERATING SURPLUS/(DEFICIT)	106	10,498	9,030

Redland City Council – Capital Funding Statement

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

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
Proposed sources of capital funding			
Capital contributions and donations	6,133	3,990	3,990
Capital grants and subsidies	7,043	5,657	5,291
Proceeds on disposal of non-current assets	1,716	1,935	1,937
Capital transfers (to)from reserves	14,566	1,192	2,009
Non-cash contributions	3,079	3,164	3,251
New loans	-	-	-
Funding from general revenue	53,336	45,849	46,407
Total sources of capital funding	85,873	61,787	62,883
Proposed application of capital funds			
Contributed assets	3,079	3,164	3,251
Capitalised goods and services	72,366	48,906	49,496
Capitalised employee costs	5,732	4,666	4,725
Loan redemption	4,696	5,051	5,412
Total application of capital funds	85,873	61,787	62,883

Redland City Council – Other Budgeted Items

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
Other budgeted items			
Transfers to constrained operating reserves	(11,131)	(11,477)	(11,834)
Transfers from constrained operating reserves	10,509	11,521	12,049
WDV of assets disposed	2,128	2,128	2,128

Financial Stability Ratios and Measures of Sustainability Overview

Council's ten year financial forecast is frequently updated to reflect changes to policy direction, budget review movements and market influences. The figures below are reflecting assumptions, parameters and indices as agreed for 2015-16 budget development and as in previous years are subject to change following budget adoption.

Redland City Council	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Surplus Ratio Target between 0% and 10% (on average over the long-term)	0.04%	4.16%	3.36%	3.15%	2.41%	3.21%	3.38%	5.08%	6.54%	3.66%
Asset Sustainability Ratio (Infrastructure Assets Only) Greater than 90% (on average over the long-term)	76.54%	67.92%	59.62%	60.38%	55.72%	65.35%	51.76%	58.31%	68.03%	47.45%
Net Financial Liabilities Ratio Less than 60% (on average over the long-term)*	-2.13%	-8.84%	-17.95%	-20.67%	-27.07%	-32.23%	-41.58%	-51.71%	-60.64%	-66.05%

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

Redland City Council	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Level of dependence on General Rate Revenue (Excludes utility revenues and discounts) - Threshold set < 37.5%	33.58%	32.64%	31.66%	31.60%	31.50%	31.60%	31.63%	31.62%	31.59%	32.86%
Ability to pay our bills - Current Ratio Target between 1.1 and 4.1**	2.98	3.61	4.13	4.10	4.39	4.69	5.58	7.16	8.10	8.57
Ability to repay our debt - Debt Servicing Ratio (%) Target less than or equal to 10%	3.34%	3.15%	2.96%	2.87%	2.77%	2.67%	2.57%	1.93%	0.85%	0.85%
Cash Balances - \$ 000s Cash Balance - \$ 000s	61,896	77,662	97,150	99,782	113,471	122,278	146,084	176,144	208,546	223,117
Cash Balances - cash capacity in months Target 3 to 4 months	3.86	4.76	5.85	5.76	6.27	6.53	7.44	8.69	9.95	10.31
Longer term financial stability - debt to asset ratio (%) Target less than or equal to 10%	2.24%	2.00%	1.74%	1.48%	1.20%	0.90%	0.58%	0.33%	0.22%	0.10%
Operating Performance Target greater than or equal to 20%	18.08%	22.35%	23.47%	22.83%	22.09%	22.31%	21.68%	22.29%	22.92%	20.62%
Interest Coverage Ratio Between 0% and 5%***	-0.04%	0.08%	-0.25%	-0.49%	-0.80%	-1.04%	-1.30%	-1.63%	-1.90%	-2.15%

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

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

As Council is keeping rate increases low in 2015-16 and is pursuing opportunities in the investment space more proactively, net cash flows from operating activities are budgeted to miss the 20% target in 2015-16. Cash balances remain high and significant revenue streams are budgeted in the investing space where previously this would have been classified as operating cash flows. Council will monitor this ratio every month to look for opportunities to bring it back above the target before the end of the year.

Business Units Subject to the Code of Competitive Conduct

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

These statements provide key revenue, expense and balance sheet items. Future years' estimates result from our internal financial strategy and forecasting models, drawing on assumptions and parameters that are revised throughout the year.

Redland Water Operating Statement

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
Revenue			
Rates and utility charges	95,689	99,668	103,343
<i>Less: Pensioner remissions and rebates</i>	(670)	(224)	(229)
Fees and charges	325	325	325
Operating grants and subsidies	0	0	0
Operating contributions and donations	0	0	0
Interest external	953	953	953
Community Service obligation	560	560	560
Other revenue	1,362	1,362	1,362
Total revenue	98,219	102,644	106,314
Expenses			
Employee benefits	7,972	8,172	8,376
Materials and services	43,255	51,115	54,541
Finance costs other	0	0	0
Other expenditure	0	0	0
Net internal costs	3,315	3,468	3,625
Total expenses	54,542	62,754	66,542
Earnings before interest, tax and depreciation (EBITD)	43,677	39,889	39,772
Interest expense	0	0	0
Internal interest	21,215	17,483	17,483
Depreciation	17,081	18,592	19,093
Operating surplus/(deficit)	5,381	3,814	3,196
Income tax	3,564	3,140	3,002
Dividend	1,907	506	260
Net increase in operating capacity	(90)	168	(66)

Redland Water Capital Funding Statement

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
Proposed sources of capital funding			
Capital contributions and donations	3,500	3,582	3,666
Capital grants and subsidies	0	0	0
Proceeds on disposal of non-current assets	0	0	0
Net transfer (to)/from constrained capital reserves	(2,714)	(2,107)	4,499
Non-cash contributions	3,000	3,071	3,143
New loans	0	0	0
Funding from Utility Revenue	17,680	7,529	8,482
Total sources of capital funding	21,466	12,075	19,790
Proposed application of capital funds			
Contributed assets	3,000	3,071	3,143
Capitalised goods & services	18,217	8,750	16,387
Capitalised employee costs	249	254	260
Loan redemption	0	0	0
Total application of capital funds	21,466	12,075	19,790

Redland Water Community Service Obligations

Job Number	Job Name	Description of the nature of the CSO	Budget 2015-16 Year 1 \$	Estimate 2016-17 Year 2 \$	Estimate 2017-18 Year 3 \$
52019	Water concession not for profit	Reduced charges for water for charities and not for profit organisations	110,000	110,000	110,000
53019	Wastewater concession not for profit	Reduced charges for wastewater for charities and not for profit organisations	450,000	450,000	450,000
			560,000	560,000	560,000

RedWaste Operating Statement

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
Revenue			
Rates and utility charges	20,051	20,703	21,377
<i>Less: Pensioner remissions and rebates</i>	0	0	0
Fees and charges	312	322	333
Operating grants and subsidies	0	0	0
Operating contributions and donations	0	0	0
Interest external	150	408	497
Community service obligation	1,565	1,615	1,668
Other revenue	1,297	1,297	1,297
Total revenue	23,375	24,345	25,172
Expenses			
Employee benefits	1,434	1,470	1,507
Materials and services	15,360	15,860	16,376
Finance costs other	1	0	0
Other expenditure	0	0	0
Net internal costs	448	461	474
Total expenses	17,243	17,791	18,357
Earnings before interest, tax and depreciation (EBITD)	6,132	6,554	6,815
Interest expense	42	33	27
Internal interest	495	531	584
Depreciation	553	646	664
Operating surplus/(deficit)	5,042	5,344	5,540
Income tax	1,514	1,604	1,662
Dividend	1,767	1,871	1,939
Net increase in operating capacity	1,761	1,869	1,939

RedWaste Capital Funding Statement

	Budget 2015-16 Year 1 \$000s	Estimate 2016-17 Year 2 \$000s	Estimate 2017-18 Year 3 \$000s
Proposed sources of capital funding			
Capital contributions and donations	0	0	0
Capital grants and subsidies	0	0	0
Proceeds on disposal of non-current assets	0	0	0
Net transfer (to)from constrained capital reserves	0	0	0
Non-cash contributions	0	0	0
New loans	0	0	0
Funding from Utility Revenue	1,639	310	623
Total sources of capital funding	1,639	310	623
Proposed application of capital funds			
Contributed assets	0	0	0
Capitalised goods & services	1,541	233	540
Capitalised employee costs	29	0	0
Loan redemption	69	77	83
Total application of capital funds	1,639	310	623
Proposed sources of capital funding			
Capital contributions and donations	0	0	0
Capital grants and subsidies	0	0	0

RedWaste Community Service Obligations

Job Number	Job Name	Description of the nature of the CSO	Budget 2015-16 Year 1 \$	Estimate 2016-17 Year 2 \$	Estimate 2017-18 Year 3 \$
55004	Clean Up Australia Day	Acceptance of Clean Up Australia Day waste at transfer stations, provision of bulk waste bins and waste disposal for cleanup sites	1,050	1,084	1,119
55005	Birkdale Transfer Station	Fee Exemptions for community groups and waste disposal waivers under POL-0057.	7,400	7,641	7,889
55006	Redland Bay Transfer Station	Fee Exemptions for community groups and waste disposal waivers under POL-0057.	3,500	3,614	3,731
55007	North Stradbroke Island Transfer Station	Acceptance of residential waste and commercial greenwaste at island transfer stations, including waste disposal and management costs	341,467	352,577	364,050
55021/ 55022/ 55023	Kerbside Recycling/Waste Collection/ Greenwaste collection	Subsidisation of collection costs for properties requiring manual collection to support the elderly or people with disabilities	43,353	44,764	46,220
55064	Bulky Item Collection for HAS Clients	Exemption of fees for waste disposal to Home Assist Secure clients	17,331	17,895	18,477
55081	Russell Island Transfer Station	Acceptance of residential waste and commercial greenwaste at island transfer stations, including waste disposal and management costs	434,749	448,894	463,500
55082	Macleay Island Transfer Station	Acceptance of residential waste and commercial greenwaste at island transfer stations, including waste disposal and management costs	368,105	380,082	392,449
55083	Lamb Island Transfer Station	Acceptance of residential waste at island transfer stations, including waste disposal and management costs	94,290	97,358	100,526
55084	Karragarra Island Transfer Station	Acceptance of residential waste at island transfer stations, including waste disposal and management costs	94,926	98,015	101,204
55085	Coochiemudlo Island Transfer Station	Acceptance of residential waste and commercial greenwaste at island transfer stations, including waste disposal and management costs	158,361	163,513	168,834
			1,564,532	1,615,437	1,667,999

Prescribed Business Unit Financial Statement

Council has one continuing prescribed business unit that is subject to the code of competitive conduct in 2015-16, Building Certification. During the budget deliberations for 2015-16 financial year Council determined to no longer classify Redland Performing Arts Centre as a business activity subject to the code of competitive conduct as it no longer meets the criteria.

Building Certification Operating Statement

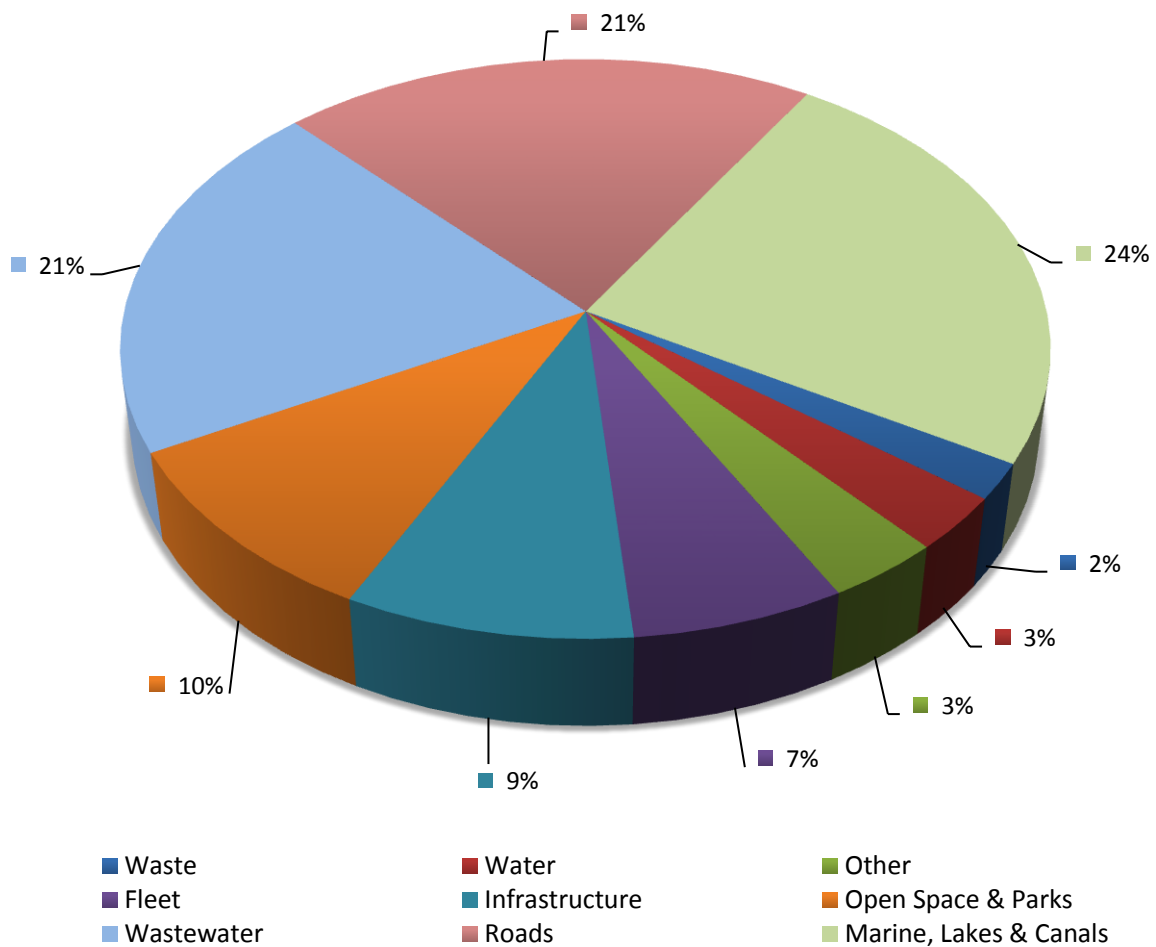
	Budget 2015-16 Year 1 \$	Estimate 2016-17 Year 2 \$	Estimate 2017-18 Year 3 \$
Revenue			
Operating revenue	235,263	242,321	249,591
Internal revenue	0	0	0
Interest received	0	0	0
Community service obligation	18,000	18,540	19,096
Contribution from general fund	120,700	123,425	128,131
Total revenue	373,963	384,286	396,818
Expenses			
Employee benefits	211,742	217,035	223,546
Materials and services	30,818	31,774	32,918
Depreciation	0	0	0
Internal expenditure	100,920	104,049	107,795
Other full cost attribution	13,373	13,788	14,284
Competitive neutrality adjustments	17,110	17,640	18,275
Total expenses	373,963	384,286	396,818
Operating surplus/(deficit)	0	0	0
Income tax	0	0	0
Dividend	0	0	0
Net increase in operating capacity	0	0	0
Community service obligations:			
Professional advice to customers	18,000	18,540	19,096
Total community service obligations	18,000	18,540	19,096

Capital Expenditure 2015-2016

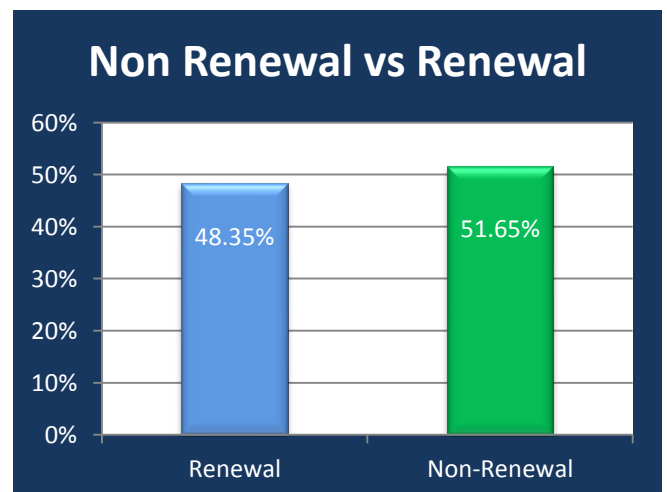
Total \$78.1M (excluding contributed assets)

Council reviewed its latest 10 year capital program throughout the 2015-16 budget development process, ensuring its sustainability and deliverability. As per previous years, financial and asset sustainability were the focus of the capital program, with Council considering renewal of existing assets more favourably than the purchase of new assets. New assets not only impact on capital expenditure but also bring associated whole of life operating and maintenance costs with them. Key factors in the construction of the capital expenditure program are deliverability and community desire. A total of \$78.1M has been planned for capital works in 2015-16.

Capital Expenditure by Category 2015-2016 \$78.1M



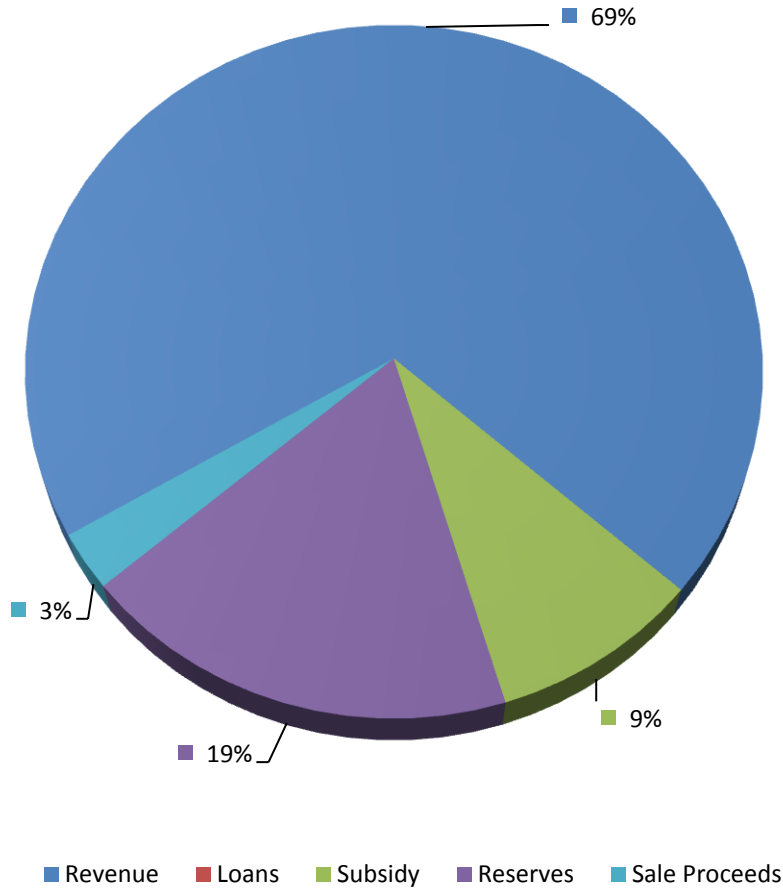
Category	\$ Amount \$000s	% 2015-16
Waste	1,570	2.01%
Water	2,381	3.05%
Other	2,772	3.55%
Fleet	5,162	6.61%
Infrastructure	6,963	8.92%
Open Space & Parks	7,661	9.81%
Wastewater	16,084	20.60%
Roads	16,454	21.07%
Marine, Lakes & Canals	19,051	24.39%
Total	78,098	100.00%



Capital Expenditure Funding Sources 2015-2016

Total \$78.1M (excluding contributed assets)

The sources of Capital Expenditure funding are shown below:



Source of Funding	\$ Amount \$000s	% 2015-16
Revenue	54,361	69.61%
Loans	0.00	0.00%
Subsidy	7,043	9.02%
Reserves	14,566	18.65%
Sale Proceeds	2,128	2.72%
Total	78,098	100.00%

The capital works program for 2015-16 has been constructed to address the priorities of the 2015-2020 Corporate Plan, as well as the outputs from the Asset and Service Management Plans. These plans have ensured Council focuses on renewing and maintaining assets to provide financial and asset sustainability to the community.

Additionally, the program also includes capital investment into Council’s technology and capability that will assist in the delivery and maintenance of the infrastructure throughout the City. The overall expenditure on capital works is budgeted to be \$78.1M for 2015-16.

Long-Term Financial Forecast

As per Section 169 of the *Local Government Regulation 2012*, Council is required to display a long-term financial forecast that covers a period of at least 10 years. The forecast includes Council's Income, Expenditure and the value of Councils Assets, Liabilities and Community Equity.

Year 1 of the forecast depicts the adopted budget for financial year 2015-16. From year 2 to year 10 of the forecast, values have been derived from Council's Financial Strategy that works towards balancing the increase in revenue from the community to fund the replacement and renewal of assets.

	Year 1 Budget 2015-16 \$000s	Year 2 Forecast 2016-17 \$000s	Year 3 Forecast 2017-18 \$000s	Year 4 Forecast 2018-19 \$000s	Year 5 Forecast 2019-20 \$000s
Total Income	254,407	265,450	281,059	290,533	298,299
Total Expenditure	238,458	242,532	259,157	268,232	279,119
Total Assets	2,220,971	2,236,376	2,253,170	2,269,692	2,282,895
Total Liabilities	85,232	77,719	72,610	66,832	60,854
Community Equity	2,135,739	2,158,657	2,180,560	2,202,861	2,222,040

	Year 6 Forecast 2020-21 \$000s	Year 7 Forecast 2021-22 \$000s	Year 8 Forecast 2022-23 \$000s	Year 9 Forecast 2023-24 \$000s	Year 10 Forecast 2024-25 \$000s
Total Income	312,028	321,826	334,951	349,543	346,435
Total Expenditure	287,446	300,599	306,738	315,437	325,443
Total Assets	2,301,026	2,316,292	2,339,658	2,372,166	2,391,495
Total Liabilities	54,404	48,443	43,596	41,998	40,334
Community Equity	2,246,622	2,267,849	2,296,062	2,330,169	2,351,161

Revenue Statement 2015-2016

Differential General Rates

Redland City Council has adopted a differential rating scheme for the 2015-16 financial year that is guided by the principles of sustainable financial management, fairness, and Council's policy objectives for various segments of our community.

The differential rating scheme for 2015-16 has 24 categories of land.

For the purposes of categorisation the following definitions apply:

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

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

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

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

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

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

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

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

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

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

Differential General Rate Table

Rating Category	Rating Category Description	Charge Code (RCC Use)	Band	Rate in the Dollar	Band 'b' Step Down	Minimum General Rate \$	Minimum General Rate Threshold \$	Cap
1a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value equal to or less than \$305,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, and is the registered owner's principal place of residence.	GR20	<= \$305,000	0.00441426	N/a	882.00	199,807	0%
1b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value greater than or equal to \$305,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, and is the registered owner's principal place of residence.	GR20	> \$305,000	0.00331070	-25%	1,346.35	406,666	0%
2a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value equal to or less than \$305,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.	GR25	<= \$305,000	0.00531936	N/a	971.00	182,541	0%
2b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value greater than or equal to \$305,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.	GR25	> \$305,000	0.00398960	-25%	1,622.41	406,660	0%
2av	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10, with a value equal to or less than \$305,000, where it is considered likely to be granted a development permit, or permits, for the erection of a building for residential, commercial or industrial purposes should application be made.	GR64	<= \$305,000	0.00558919	N/a	971.00	173,728	0%
2bv	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10, with a value greater than or equal to \$305,001, where it is considered likely to be granted a development permit, or permits, for the erection of a building for residential, commercial or industrial purposes should application be made.	GR64	> \$305,000	0.00419190	-25%	1,704.70	406,665	0%
3a	Includes all rateable land on the Southern Moreton Bay Islands with a value equal to or less than \$55,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is the registered owner's principal place of residence.	GR30	<= \$55,000	0.01761592	N/a	624.00	35,423	30%

Differential General Rate Table

Rating Category	Rating Category Description	Charge Code (RCC Use)	Band	Rate in the Dollar	Band 'b' Step Down	Minimum General Rate \$	Minimum General Rate Threshold \$	Cap
3b	Includes all rateable land on the Southern Moreton Bay Islands with a value greater than or equal to \$55,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is the registered owner's principal place of residence.	GR30	>\$55,000	0.01056950	-40%	968.88	91,668	30%
4a	Includes all rateable land on the Southern Moreton Bay Islands with a value equal to or less than \$55,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.	GR35	<= \$55,000	0.02118070	N/a	891.00	42,067	30%
4b	Includes all rateable land on the Southern Moreton Bay Islands with a value greater than or equal to \$55,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.	GR35	>\$55,000	0.01270840	-40%	1,164.94	91,667	30%
5	<p>Includes all rateable land that is used, or is intended for residential use or any other purpose other than Commercial or Industrial that has been identified in the Southern Moreton Bay Islands Development Entitlements Protection Regulation 2006 that has recognised development potential and where the current owner was in possession of the land immediately before 13 April 2005.</p> <p>The development entitlements, which existed under the 'superseded' Transitional Planning Scheme, have been protected on these lots for a period of ten years from the commencement of the Redlands Planning Scheme or until a change in ownership occurs as the protection of development entitlements does not extend to future owners of land included in this category.</p> <p>Land in this category is included in the Conservation Sub-Area CN1 zone of the Redlands Planning Scheme.</p>	GR24	N/a	0.02041003	N/a	742.00	36,355	0%
6	Includes all rateable land on the Mainland, Coochiemudlo Island and North Stradbroke Island that is used in whole or in part for a commercial or industrial purpose, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for commercial or industrial purposes, other than that categorised in rating category 19. This category includes not-for-profit organisations and clubs.	GR21	N/a	0.00497467	N/a	1,151.00	231,372	0%
7	Includes all rateable land on the Southern Moreton Bay Islands that is used in whole or in part for a commercial or industrial purpose, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for commercial or industrial purposes. This category includes not-for-profit organisations and clubs.	GR31	N/a	0.00919402	N/a	1,158.00	125,951	0%

Differential General Rate Table

Rating Category	Rating Category Description	Charge Code (RCC Use)	Band	Rate in the Dollar	Band 'b' Step Down	Minimum General Rate \$	Minimum General Rate Threshold \$	Cap
8	Includes all rateable land that is used in whole or in part for quarry or extractive industry purposes, or intended for use in whole or in part by virtue of its improvements, or activities conducted upon the land of quarry or extractive industry purposes. This category includes land where a current State licence or permit to extract material from the ground exists.	GR22	N/a	0.01533438	N/a	1,896.00	123,644	0%
10	Includes all rateable land that has been identified as having an insurmountable drainage constraint or a constraint of such nature that it is unlikely a development permit, or permits, for the erection of a dwelling house on the land would be granted. Includes some rateable land that has been identified as having significant conservation values. All rateable land included in this category identified with insurmountable drainage problems or conservation values is zoned Conservation Sub-Area CN1 in the Redlands Planning Scheme. This category also includes all rateable land on the Southern Moreton Bay Islands that is vacant and has been included within the Open Space zone of the Redlands Planning Scheme.	GR06	N/a	0.00588833	N/a	282.00	47,891	0%
11	Includes subdivided land that is not yet developed in accordance with Section 50 of the <i>Land Valuation Act 2010 (Part 2 Subdivision 3 Discounting for subdivided land not yet developed)</i> . For the purpose of levying the General Rate the value of land subject to this Section will be discounted by 40%. A discount is not applicable for land valued as a community management scheme. Furthermore, a minimum general rate will not apply to this land in accordance with Section 77(3) of the <i>Local Government Regulation 2012</i> .	GR05	N/a	0.01144447	N/a	N/a	N/a	0%
12a	Includes all rateable vacant land on the Southern Moreton Bay Islands with a value equal to or less than \$28,500 where the land is considered likely to be granted a development permit, or permits, for the construction of a building for residential, commercial or industrial purposes should application be made.	GR32	<= \$28,500	0.03660552	N/a	945.00	25,816	10%
12b	Includes all rateable vacant land on the Southern Moreton Bay Islands with a value greater than or equal to \$28,501 where the land is considered likely to be granted a development permit, or permits, for the construction of a building for residential, commercial or industrial purposes should application be made.	GR32	> \$28,500	0.02196330	-40%	1,043.26	47,500	10%
14	One or more land parcels in the same registered name where the land is used in whole or in part for the purpose of a retail shopping centre with a total gross lettable floor area greater than or equal to 30,000 square metres whose tenants include one or more discount department stores, one or more major supermarkets, and 10 or more national retail chain stores or food outlets.	GR16	N/a	0.00774324	N/a	123,566.00	15,957,919	0%

Differential General Rate Table								
Rating Category	Rating Category Description	Charge Code (RCC Use)	Band	Rate in the Dollar	Band 'b' Step Down	Minimum General Rate \$	Minimum General Rate Threshold \$	Cap
15	One or more land parcels in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for the purpose of a shopping centre with a total gross lettable floor area between 10,000 and 30,000 square metres. Tenants include one or more major supermarkets and 5 or more national chain retail stores or food outlets.	GR15	N/a	0.00727120	N/a	72,712.00	10,000,000	0%
16	One or more land parcels in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for carrying on retail business having 20 or more self-contained places of business, one of which is a supermarket, where the cluster of businesses are promoted, or generally regarded, as a shopping centre or shopping village.	GR14	N/a	0.00598065	N/a	31,800.00	5,317,148	0%
17	One or more land parcels in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for carrying on retail business having 5 or more self-contained places of business, one of which is a supermarket or grocery outlet, where the cluster of businesses are promoted, or generally regarded, as constituting a shopping court or shopping centre.	GR13	N/a	0.00492689	N/a	2,328.00	472,509	0%
18	One or more land parcels located on the Southern Moreton Bay Islands in the same registered name where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for carrying on retail business having 5 or more self-contained places of business, one of which is a supermarket or grocery outlet, where the cluster of businesses are promoted, or generally regarded, as constituting a shopping court or shopping centre.	GR33	N/a	0.00420375	N/a	1,800.00	428,189	0%
19	One or more land parcels located on the Mainland, Coochiemudlo or North Stradbroke Islands in the same registered name where two or more self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the total land area is greater than or equal to 4,000 square metres.	GR17	N/a	0.00498046	N/a	4,102.00	823,619	0%

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

Limitation on Increase of General Rates

Section 116 of the *Local Government Regulation 2012* allows for the limitation of increase in a rate levied. For 2015-16 Council will limit the impact of valuation increases by applying a 30 percent cap to the rating categories of 3a, 3b, 4a, and 4b, and a 10 percent cap to 12a and 12b.

Separate Charges

Environment Separate Charge

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

In prior years the revenue raised through the Environment Separate charge funded both capital and operational components. Past revenues collected are currently quarantined in reserve for capital components, predominantly for land purchase, acquisition of the conservation interests in land, and the funding of ancillary facilities that support or enhance environmental outcomes. Council has determined that in 2015-16 the revenue raised through this charge in 2015-16 will fund operational projects and activities, predominantly directed towards waterway, pest and land management, foreshore and catchment rehabilitation and maintenance, track and trail maintenance and repairs, koala habitat restoration, environmental education, strengthening stewardship of the natural environment and implementation of environment strategies and policy:

- POL-3130 Green Living Policy
- POL-3128 Natural Environment Policy

In the financial year 2015-16 the Environment Separate Charge will be levied in accordance with Section 103 of the *Local Government Regulation 2012* and will be applied on a per lot basis and is subject to Council's Farming Concession.

Charge Code (RCC Use)	Separate Charge	Charge Amount \$	Charge Basis
EN01	Environment Charge	87.20	Charge per lot

Landfill Remediation Separate Charge

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

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

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

Charge Code (RCC Use)	Separate Charge	Charge Amount \$	Charge Basis
EN03	Landfill Remediation Charge	40.00	Charge per lot

Special Charges

Aquatic Paradise Marina Special Charge

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

1. The Overall Plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 28 June 2011, amended 27 June 2013 and 26 June 2014.
2. The service, facility or activity funded by the Special Charge is described in the Aquatic Paradise Marina Special Charge Overall Plan. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Aquatic Paradise Marina Special Charge Overall Plan.
3. The rateable land to which the Special Charge applies is as identified in the benefited area map [APC-9 version 5](#).
4. The Annual Implementation Plan for 2015-16 comprises the Aquatic Paradise Marina Annual Implementation Plan 2015-16 adopted by Council 25 June 2015.
5. The Aquatic Paradise Marina Special Charge for the year 2015-16 is \$2,731.72.

Aquatic Paradise Special Charge

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

1. The Overall Plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 27 June 2013 and amended 26 June 2014.
2. The service, facility or activity funded by the Special Charge is described in the Aquatic Paradise Special Charge Overall Plan. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Aquatic Paradise Special Charge Overall Plan.
3. The rateable land to which the Special Charge applies is as identified in the benefited area map [APC-2 version 5](#).
4. The Annual Implementation Plan for 2015-16 comprises the Aquatic Paradise Special Charge Annual Implementation Plan 2015-16 adopted by Council 25 June 2015.
5. The Aquatic Paradise Special Charge for the year 2015-16 is \$2,731.72.

Sovereign Waters Lake Special Charge

In accordance with Section 94 of the *Local Government Regulation 2012*, Council will make and levy a Special Charge, to be known as the Sovereign Waters Lake Special Charge (the 'Special Charge') as follows:

1. The overall plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 12 July 2000 and amended 27 June 2013 and 26 June 2014.
2. The service, facility or activity funded by the Special Charge is the dredging, water quality monitoring, maintenance, cleaning works of the Lake, wetland zones, perimeter walls, pollution control devices and tide exchange system. It is Council's opinion that this service, facility or activity provides a special benefit to the rateable land to be levied with the Special Charge.
3. The rateable land to which the Special Charge applies is the waterfront land identified in the Benefited Area Map [SWL version 5](#).
4. The Annual Implementation Plan for 2015-16 comprises the Sovereign Waters Lake Special Charge Annual Implementation Plan 2015-16 adopted by Council on 25 June 2015.
5. The Special Charge for the year 2015-16 is \$689.48.

Raby Bay Marina Special Charge

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

1. The overall plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 28 June 2011, amended 27 June 2013 and 26 June 2014.
2. The service, facility or activity funded by the Special Charge is described in the Raby Bay Marina Special Charge Overall Plan. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Raby Bay Marina Special Charge Overall Plan.
3. The rateable land to which the Special Charge applies is as identified in the benefited area map [RBC-8 version 5](#).
4. The Annual Implementation Plan for 2015-16 comprises the Raby Bay Marina Annual Implementation Plan 2015-16 adopted by Council 25 June 2015.
5. The Raby Bay Marina Special Charge for the year 2015-16 is \$1,133.84.

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

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

1. The overall plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 28 June 2011, amended 27 June 2013 and 26 June 2014.
2. The service, facility or activity funded by the Special Charge is described in the Raby Bay (Non Community Title Scheme) Special Charge Overall Plan. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Raby Bay (Non Community Title Scheme) Special Charge Overall Plan.
3. The rateable land to which the Special Charge applies is as identified in the benefited area map [RBC-6 version 5](#).
4. The Annual Implementation Plan for 2015-16 comprises the Raby Bay Tidal Works (Non Community Title Scheme) Annual Implementation Plan 2015-16 adopted by Council on 25 June 2015.
5. The Raby Bay Tidal Works (Non Community Title Scheme) Special Charge for the year 2015-16 is \$2,243.28.

Raby Bay Tidal Works (Community Title Scheme) Special Charge

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

1. The overall plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 28 June 2011, amended 27 June 2013 and 26 June 2014.
2. The service, facility or activity funded by the Special Charge is described in the Raby Bay (Community Title Scheme) Special Charge Overall Plan. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Raby Bay (Community Title Scheme) Special Charge Overall Plan.
3. The rateable land to which the Special Charge applies is as identified in the benefited area map [RBC-7 version 5](#).
4. The Annual Implementation Plan for 2015-16 comprises the Raby Bay Tidal Works (Community Title Scheme) Annual Implementation Plan 2015-16 adopted by Council on 25 June 2015.
5. The Raby Bay Tidal Works (Community Title Scheme) Special Charge for the year 2015-16 is \$1,299.92.

Charge Code (RCC Use)	Separate Charge	Charge Amount \$	Charge Basis
CA06	Raby Bay Tidal Works (Non CTS)	2,243.28	Per standard lot, including lots 1 to 12 on GTP 2073
CA07	Raby Bay Tidal Works (CTS)	1,299.92	Per unit in a Community Title Scheme, excluding lots 1 to 12 on GTP 2073
CA08	Raby Bay Marina	1,133.84	Per marina berth
CA09	Aquatic Paradise Marina	2,731.72	Per marina berth
CA02	Aquatic Paradise	2,731.72	Per standard lot
LA01	Sovereign Waters Lake	689.48	Per standard lot

Rural Fire Brigade Special Charge

In accordance with Section 94 of the *Local Government Regulation 2012* and Section 128a of the *Fire and Emergency Services Act 1990* Council has determined that each parcel of rateable land identified as the whole of Karragarra, Lamb, Russell, Macleay and Perulpa Islands will specially benefit from the service provided by the Rural Fire Brigades. Funds raised through the Rural Fire Brigade Special Charge will be contributed to the Rural Fire Service Southern Moreton Bay Islands Local Area Finance Committee who will distribute the funds to the Rural Fire brigades established within the benefited area to purchase and maintain equipment and provide a fire service to properties within the benefited area. Council adopted the Overall Plan for the Rural Fire Brigade Special Charge on 25 June 2015.

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

Charge Code (RCC Use)	Separate Charge	Charge Amount \$	Charge Basis
FLO6	Rural Fire Brigade Special Charge	20.00	Charge per lot

Southern Moreton Bay Islands Translink Operations Special Charge

In accordance with Section 94 of the *Local Government Regulation 2012*, Council will make and levy a Special Charge, to be known as the SMBI Translink Operations Special Charge (the 'Special Charge') as follows:

1. The service, facility or activity funded by the Special Charge is toward the contribution agreed to under the Funding Agreement executed 18 December 2012 for ferry operations to the Southern Moreton Bay Islands between Redland City Council and the State of Queensland (acting through the Department of Transport and Main Roads).
2. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said SMBI Translink Operations Special Charge Overall Plan adopted 27 June 2013, amended 25 June 2015.
3. The rateable land to which the Special Charge applies is all rateable land on the Southern Moreton Bay Islands of Karragarra, Lamb, Macleay, Perulpa and Russell Islands, excluding land categorised for the purposes of the differential general rate as Rating Category 10.
4. The Overall Plan for the supply of the service, facility or activity funded by the Special Charge was adopted 27 June 2013 and is outlined in the report titled *Southern Moreton Bay Island Translink Operations Special Charge* tabled at the Special Meeting 27 June 2013, as amended by the report tabled at the Special Meeting 25 June 2015.
5. The Annual Implementation Plan for 2015-16 was adopted by Council 25 June 2015 and is set out in the report '*Southern Moreton Bay Island Translink Operations Special Charge*' tabled at the Special Meeting 25 June 2015.
6. The Special Charge for the year 2015-16 is \$89.31.

Charge Code (RCC Use)	Separate Charge	Charge Amount \$	Charge Basis
TL01	SMBI Translink Operations Special Charge	89.31	Per rateable property, excluding Constrained land

Utility Charges

Utility charges are made and levied in accordance with Chapter 4 Part 7 of the *Local Government Regulation 2012* and Council's corporate policies associated to each charge.

Council will apply utility charges for all Community Titles Scheme land according to Sections 195 and 196 of the *Body Corporate and Community Management Act 1997* and Section 64(d) of the *Building Units and Group Titles Act 1980*.

Waste/Recycling Charge

Waste and recycling charges are Utility charges that are made and levied in accordance with Section 99 of the *Local Government Regulation 2012* and Council's Corporate Policy POL-2836 Waste and Recycling Collection Services.

The waste/recycling charge is determined by Council, together with other revenue sources, to ensure that it is able to cover the costs associated with the provision of the waste management service. The costs include payment to contractors for waste collection, a kerbside recycling service and a voluntary green waste service. Disposal costs are also factored into the charge to cover contractor costs for disposal, site development works, environmental monitoring, management, statutory charges and administration costs, as well as other costs associated with the use of Council's transfer stations by residents and other users.

Services in excess of those listed in the following schedules are subject to Special Quotation.

Residential Kerbside Waste Services				
RedWaste Utility Charges	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
240L Waste / 240L Recycling	RF01	342.50	RF201	371.00
140L Waste / 240L Recycling (existing only)	RF15	266.50	RF215	335.50
240L Waste / 340L Recycling	RF301	349.00	RF218	392.00
140L Waste / 340L Recycling	RF302	266.50	RF219	358.00
140L Waste / 140L Recycling	RF303	238.50	RF220	319.00
240L Green Waste	RFG01	54.50	N/a	N/a
Additional Bin and Service - Scheduled Days				
240L Additional Waste Bin	RF09	172.50	RF209	231.50
240L Additional Recycling Bin	RF16	88.00	RF216	93.00
140L Additional Waste Bin	RF17	142.00	RF217	232.00
340L Additional Recycling Bin	RF53	95.00	RF253	105.00
240L Additional Green Waste Bin	RFG02	52.00	N/a	N/a
Additional Service Existing Bin (Temporary Lift) - Scheduled Days		Amount Per Lift \$		
140L Waste Bin per lift	RF12	12.00	N/a	N/a
240L Waste Bin per lift	RF13	11.00	N/a	N/a
240L Recycling Bin per lift	RF14	13.00	N/a	N/a
Additional Service Existing Bin (Temporary Lift) - Scheduled Days		Amount Per Lift \$		
340L Recycling Bin per lift	RF54	9.00	N/a	N/a
240L Green Waste Bin per lift	RFG03	6.00	N/a	N/a
Additional Service Existing Bin (Temporary Lift) – Outside Scheduled Days		Amount Per Lift \$		
240L Additional Waste Service per lift	RF40	46.00	N/a	N/a
140L Additional Waste Service per lift	RF41	31.00	N/a	N/a
240L Additional Recycling Service per lift	RF42	25.00	N/a	N/a
340L Additional Recycling Service per lift	RF55	26.00	N/a	N/a

Commercial Kerbside Collection Services				
RedWaste Utility Charges	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
240L Waste / 240L Recycling	RFC01	309.00	RFC201	351.00
140L Waste / 240L Recycling (existing only)	RFC15	241.00	RFC215	332.00
240L Waste / 340L Recycling	RFC301	309.00	RFC218	351.00
140L Waste / 340L Recycling	RFC302	261.00	RFC219	332.00
140L Waste / 140L Recycling	RFC303	223.50	RFC220	311.00
240L Recycling (Stand Alone) Bin	RFC16	76.00	RFC216	87.00
340L Recycling (Stand Alone) Bin	RFC53	99.00	RFC253	115.00
240L Green Waste	RFG01	54.50	N/a	N/a
240L Additional Waste Bin	RFC09	199.00	RFC209	242.00

Residential Bulk Waste Bin Collection Service				
RedWaste Utility Charges - Size (m ³)	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
Waste Service Bulk Bin size (m³) - 1 service per week				
0.66 m ³	RF20	1,579.00	N/a	N/a
1.10 m ³	RF23	1,891.00	N/a	N/a
1.50 m ³	RF26	1,232.00	RF106	2,585.00
2.25 m ³	RF29	1,808.00	RF109	3,678.00
3.00 m ³	RF32	2,347.00	RF112	4,787.00
4.00 m ³	RF35	3,006.00	RF115	6,021.00
Additional Waste Service Bulk Bin size (m³) - Lift only; 1 service per week		Amount Per Lift \$		Amount Per Lift \$
0.66 m ³	RF21	36.00	N/a	N/a
1.10 m ³	RF24	44.00	N/a	N/a
1.50 m ³	RF27	36.00	RF107	70.50
2.25 m ³	RF30	53.50	RF110	97.50
3.00 m ³	RF33	65.00	RF113	123.00
4.00 m ³	RF36	78.00	RF116	154.00
Temporary Waste Service (= < 3 months) Bulk Bin size (m³) – Bin and Lift; 1 service		Amount Per Bin & Lift \$		Amount Per Bin & Lift \$
0.66 m ³	RF22	68.00	N/a	N/a
1.10 m ³	RF25	68.00	N/a	N/a
1.50 m ³	RF28	58.00	RF108	84.00
2.25 m ³	RF31	73.50	RF111	111.00
3.00 m ³	RF34	87.00	RF114	136.50
4.00 m ³	RF37	99.00	RF117	167.50

Residential and Commercial Bulk Recycling Bin Service				
RedWaste Utility Charges – Size (m ³)	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
Recycle Service Bulk Bin size (m³) - 1 service per fortnight				
1.10 m ³	RF63	5,611.00	N/a	N/a
1.50 m ³	RF66	771.00	RF136	1,676.00
2.25 m ³	RF69	1,120.00	RF139	2,436.00
3.00 m ³	RF72	1,425.00	RF142	3,069.00
4.00 m ³	RF75	1,770.00	RF145	3,747.00
Additional Recycling Service Bulk Bin size (m³) Lift only; 1 service		Amount Per Lift \$		Amount Per Lift \$
1.10 m ³	RF65	92.00	N/a	N/a
1.50 m ³	RF68	95.00	RF138	177.00
2.25 m ³	RF71	99.00	RF141	177.00
3.00 m ³	RF74	102.00	RF144	177.00
4.00 m ³	RF77	107.00	RF147	177.00

Residential and Commercial Bulk Recycling Bin Service				
RedWaste Utility Charges – Size (m ³)	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
Temporary Recycling Service (≤3 months) Bulk Bin Size (m³) - Bin and Lift; 1 service		Amount Per Bin & Lift \$		Amount Per Bin & Lift \$
1.10 m ³	RF64	235.00	N/a	N/a
1.50 m ³	RF67	170.00	RF137	360.00
2.25 m ³	RF70	175.00	RF140	360.00
3.00 m ³	RF73	187.00	RF143	360.00
4.00 m ³	RF76	201.00	RF146	360.00

Commercial Bulk Waste Bin Collection Service				
RedWaste Utility Charges - Size (m ³)	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
Waste Service Bulk Bin size (m³) - 1 service per week				
0.66 m ³	RFC20	2,026.00	N/a	N/a
1.10 m ³	RFC23	2,124.00	N/a	N/a
1.50 m ³	RFC26	1,565.00	RFC106	2,456.00
2.25 m ³	RFC29	2,308.00	RFC109	3,485.00
3.00 m ³	RFC32	3,013.00	RFC112	4,574.00
4.00 m ³	RFC35	3,896.00	RFC115	5,736.00
Additional Waste Service Bulk Bin size (m³) - Lift only; 1 service per week		Amount Per Lift \$		Amount Per Lift \$
0.66 m ³	RFC21	38.00	N/a	N/a
1.10 m ³	RFC24	44.00	N/a	N/a
1.50 m ³	RFC27	36.00	RFC107	73.00
2.25 m ³	RFC30	53.50	RFC110	99.00
3.00 m ³	RFC33	70.50	RFC113	123.00
4.00 m ³	RFC36	90.00	RFC116	154.00
Temporary Waste Service (≤3 months) Bulk Bin size (m³) – Bin and Lift; 1 service		Amount Per Bin & Lift \$		Amount Per Bin & Lift \$
0.66 m ³	RFC22	63.00	N/a	N/a
1.10 m ³	RFC25	64.00	N/a	N/a
1.50 m ³	RFC28	58.00	RFC108	89.00
2.25 m ³	RFC31	73.50	RFC111	114.00
3.00 m ³	RFC34	90.50	RFC114	139.00
4.00 m ³	RFC37	111.00	RFC117	168.00

Water Charges

Water charges are set as a two part tariff – a fixed access charge and a consumption charge. This is a requirement of the *Local Government Act 2009* to satisfy National Competition Policy. The prices are set to eventually recover sufficient revenue so that the water supply business covers its costs including a contribution to Council and a return on the assets employed in the business. This full cost pricing is also a requirement of National Competition Policy.

Fixed Access Water Charge

Fixed Water Access charges will be applied on a per meter/lot basis, except where:

1. Adjoining residential lots in the same ownership name are amalgamated for rating purposes and either:
 - the main roof structure of an occupied dwelling is constructed over the adjoining boundary line of those lots; or
 - one of the adjoining lots would, if sold separately, be unable to lawfully accommodate a dwelling; or
 - one of the adjoining lots would not be issued a building permit unless an existing approved structure was removed;
 then the Fixed Water Access charge will be applied against such adjoining lots as if they are one lot. All other adjoining lots will be charged the Fixed Water Access charge on a per lot basis.
2. The land associated to the property is undeveloped and landlocked, i.e. there is no private or public access or egress to the property.
3. The property is categorised for the purpose of the Differential General Rate as Rating Category 10 (Constrained Land).
4. The property:
 - a. Cannot be serviced by the reticulated water system; or
 - b. Can be serviced by the reticulated water system; but
 - i. is not currently serviced by the reticulated water system; and
 - ii. the property boundary is greater than 25 metres from the nearest water main; and
 - iii. the property owner has not requested connection to the reticulation water network; and
 - iv. it is not planned for an extension of the reticulation network in the current or next financial year which will bring the network within 25 metres of the property boundary line.

Fixed Water Access charges cover costs associated with asset replacement, administration, billing, replacement of water meters, and repair of the reticulation system.

Attribute Type (RCC Use)	Type of Charge	Charge Amount \$	Charge Basis
VBW01, VBW03, VBW04	Fixed Water Access (domestic)	\$263.60	per meter/lot
VBW02	Fixed Water Access (caravan parks)	\$65.90	per unit

Units, Flats, Guest Houses, Multiple Dwellings 20mm to 150mm and Residential 25mm to 150mm			Commercial and Industrial		
Attribute Type (RCC Use)	Meter Size	Charge	Attribute Type (RCC Use)	Meter Size	Charge
VBM20	20mm	\$263.60	VBW20	20mm	\$342.68
VBM25	25mm	\$411.88	VBW25	25mm	\$535.44
VBM32	32mm	\$674.82	VBW32	32mm	\$877.27
VBM40	40mm	\$1,054.41	VBW40	40mm	\$1,370.73
VBM50	50mm	\$1,647.52	VBW50	50mm	\$2,141.77
VBM80	80mm	\$4,217.64	VBW80	80mm	\$5,482.93
VBM100	100mm	\$6,590.06	VBW100	100mm	\$8,567.08
VBM150	150mm	\$14,827.64	VBW150	150mm	\$19,275.93

Consumption Charge

The consumption charge is calculated at a flat rate for Residential and Concessional, and at a separate flat rate for Non-residential and Council. The consumption charge is made up of 2 components, the first is the State Government's Bulk Water Charge for the purchase of potable water and the second is Council's retail charge for distribution to the households which includes administration, billing, replacement of water meters, and repair of the reticulation system.

Attribute Type (RCC Use)	Charge Description	Retail Water Price (RCC) Per Kilolitre	State Bulk Water Price Per Kilolitre	Total Price
VWC01	Residential*	0.59	2.161	2.751
VWC03	Concessional	0.59	2.161	2.751
VWC02	Non – residential**	1.35	2.161	3.511
VWC04	Council	1.35	2.161	3.511

*Residential – defined under Section 99AQ(2)(b) *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* as:

- (a) the customer is a customer of the distributor-retailer for the water services and wastewater services; and
- (b) the services are provided to premises at which someone lives (the resident); and
- (c) no-one other than the resident is a customer of the distributor-retailer for water services and wastewater services provided to the premises

Residential includes houses, units, flats, guest houses and multiple dwellings.

**Non-residential – defined under Section 99AR(2)(b) *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* as:

- (a) the customer is a customer of the distributor-retailer for the water services and wastewater services; and
- (b) the customer is not a residential customer of the distributor-retailer for the water services and wastewater services; and
- (c) no-one else is a customer of the distributor-retailer for water services and wastewater services provided to the premises.

Non-residential includes properties with a commercial, business or industrial use. Non-residential includes caravan parks.

Wastewater Charges

The Wastewater Fixed Access charge is set as one tariff based on sewer units. Commercial and industrial properties are charged on a per lot and/or, per pedestal or equivalent pedestal (urinal) basis. The prices are set to eventually recover sufficient revenue so that the sewerage business covers its costs including a contribution to Council and a return on the assets employed in the business. This full cost pricing is also a requirement of National Competition Policy.

Developed residential and vacant residential properties are charged for 25 sewer units.

The residential Wastewater Fixed Access charge will be applied on a per lot basis, except where:

1. Adjoining residential lots in the same ownership name are amalgamated for rating purposes and either:
 - the main roof structure of an occupied dwelling is constructed over the adjoining boundary line of those lots; or
 - one of the adjoining lots would, if sold separately, be unable to lawfully accommodate a dwelling; or
 - one of the adjoining lots would not be issued a building permit unless an existing approved structure was removed;

then the Wastewater Fixed Access charge will be applied against such adjoining lots as if they are one lot. All other adjoining lots will be charged the Wastewater Fixed Access charge on a per lot basis.

2. The land associated to the property is undeveloped and landlocked, i.e. there is no private or public access or egress to the property.
3. The property is categorised for the purpose of the Differential General Rate as Rating Category 10 (Constrained Land).
4. The property:
 - a. Cannot be serviced by the reticulated sewer system; or
 - b. Can be serviced by the reticulated sewer system; but
 - i. is not currently serviced by the reticulated sewer system; and
 - ii. the property boundary is greater than 25 metres from the nearest sewer main; and
 - iii. the property owner has not requested connection to the reticulation sewer network; and
 - iv. it is not planned for an extension of the reticulation network in the current or next financial year which will bring the network within 25 metres of the property boundary line.

Wastewater Fixed Access charge covers costs associated with asset replacement for seven treatment plants, approximately 120 pump stations, and the treatment of wastewater, administration, billing, and repair to mains and reticulation systems.

Attribute Type (RCC Use)	Charge Description	Charge \$	Charge Basis
VSW01	Wastewater Fixed Access Charge	\$27.03	per unit

Trade Waste Charges

Some sewered properties are required to pay Trade Waste charges if they discharge higher strength waste to the sewer. Trade Waste charges are comprised of three parts, one for access, one based on the volume and one based on strength and quantity of waste accepted by Council for treatment. The same philosophy for setting wastewater charges applies for Trade Waste charges.

Attribute Type (RCC Use)	Charge Description	Charge \$	Charge Basis
VTP01	Trade Waste Generator Charge	\$403.92	per annum
VTW01	Trade Waste Discharge – Volume:	\$2.24	per Kl
VTW01	Trade Waste Discharge - Quantity:	B.O.D (Biochemical Oxygen Demand)	\$1.64 per kg
		C.O.D (Chemical Oxygen Demand)	\$1.64 per kg
		N.F.R (Non Filterable Residue)	\$0.74 per kg
		T.O.G (Total Oil and Grease)	\$0.74 per kg
		Phosphorus	\$6.79 per kg
		Nitrogen	\$2.03 per kg
		Food waste disposal units based on power of motor	\$34.96 as charge 'C' (see policy)
		Constant 'd' for use when determining 'additional Charge' for excess strength waste	1.0

Interest on Overdue Rates

Under Section 133 of the *Local Government Regulation 2012*, interest, calculated on daily rates and applied as compound interest, may be charged on overdue rates from as soon as a rate becomes overdue. For 2015-16 interest will be applied at the rate of 11% per annum as provided by the above section.

If a mutually agreed arrangement is in place on overdue rates and is honoured, interest will not accrue. However, if an agreed arrangement defaults, it will be considered cancelled and interest charged as if the arrangement was never entered into.

Rates Concessions

Chapter 4, Part 10 of the *Local Government Regulation 2012* provides Council with the powers to grant concessions for individuals and classes of land owners. Council has determined that pensioners as defined by the aforementioned *Regulation* are entitled to receive a concession on rates. Other charitable organisations, community groups, sporting associations, independent schools, and property owners who use their land for the business of farming may also be entitled to concessions or reduced charges under a Community Service Obligation.

Pensioner Concessions

Pensioner concessions on Differential General Rates are provided to eligible pensioner ratepayers on the basis of Council's Policy: POL- 2557 Council Pensioner Rebate.

The concessions available to eligible pensioners on the Differential General Rate for 2015-16 are:

- For ratepayers in receipt of a maximum pension \$330.00 per financial year
- For ratepayers NOT in receipt of maximum pension \$165.00 per financial year

A Pensioner concession on Separate and Special charges (Canal, Environment, Landfill Remediation and Rural Fire charges) is available to pensioners who fulfil the eligibility criteria established in Council's Corporate Policy POL-2557 and are owner/occupiers of adjoining residential lots in the same ownership name, which are amalgamated for rating purposes, and either:

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

whereby only one of each separate and Special Charge that may be properly made and levied on the adjoining lots will be applied. All other adjoining lots will be charged Separate and Special charges on a per lot basis.

Farming Concessions

In accordance with Chapter 4 Part 10 of the *Local Government Regulation 2012*, Council will provide a concession under Section 120(f) to property owners' who are carrying on a business of primary production where the land is used exclusively for the purpose of farming.

Council will remit all but one of each Water Fixed Access charge, Wastewater Fixed Access charge, Separate and Special charge that may be properly made and levied on the subject land parcels.

The farming concession is available to eligible land owners' with contiguous parcels of land in the same ownership name. Land will be considered as contiguous when separated by a road. Land will not be considered contiguous where water connections are made to separate parcels of land.

For the purposes of this concession farming includes activities such as aquaculture production, horticulture and agriculture production and the raising, breeding or production of poultry or livestock for the purpose of selling them or their bodily produce.

Other Matters

- The Council will continue to collect adopted infrastructure charges in accordance with the State Planning Regulatory Policy and *Sustainable Planning Act 2009* which provides for the Council to recover through developer contributions a proportion of the cost of infrastructure needed to meet growth in the City.
- Cost-Recovery fees are established under Section 97 of the *Local Government Act 2009*. Council has set cost-recovery fees at a level to recover up to the full cost price of administering the fee, but no more. This includes direct and indirect costs, operating and maintenance overheads, and use of capital. Some cost-recovery fees may be subsidised by revenue representing community service obligations to achieve policy objectives and desired community outcomes.
- Pursuant to Section 262 of the *Local Government Act 2009*, Council has the power to charge for a service or facility, other than a service or facility for which a cost-recovery fee may be fixed. These business activity charges are subject to the goods and services tax and may be reviewed by Council at any time. The nature, level and standard of the service or facility is considered by Council in the setting of charges for business activities. Charges for business activities include (but are not limited to) rents, plant hire, private works and hire of facilities.

Aquatic Paradise Marina Special Charge Benefit Area Map

(APC-9 – version 5)

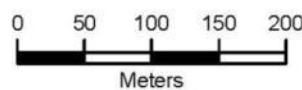


BENEFIT AREA MAP Map: APC-9 Version 5

Canal Charges
CA09 - Aquatic Paradise Marina Special Charge



1:5,000



Produced by
Spatial Business Intelligence
30 June 2015

Data correct at time of production

Aquatic Paradise Special Charge Benefit Area Map

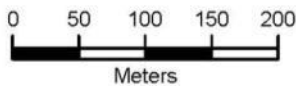
(APC-2 – version 5)



BENEFIT AREA MAP
Map: APC-2 Version 5



1:5,000



Produced by
 Spatial Business Intelligence
 30 June 2015

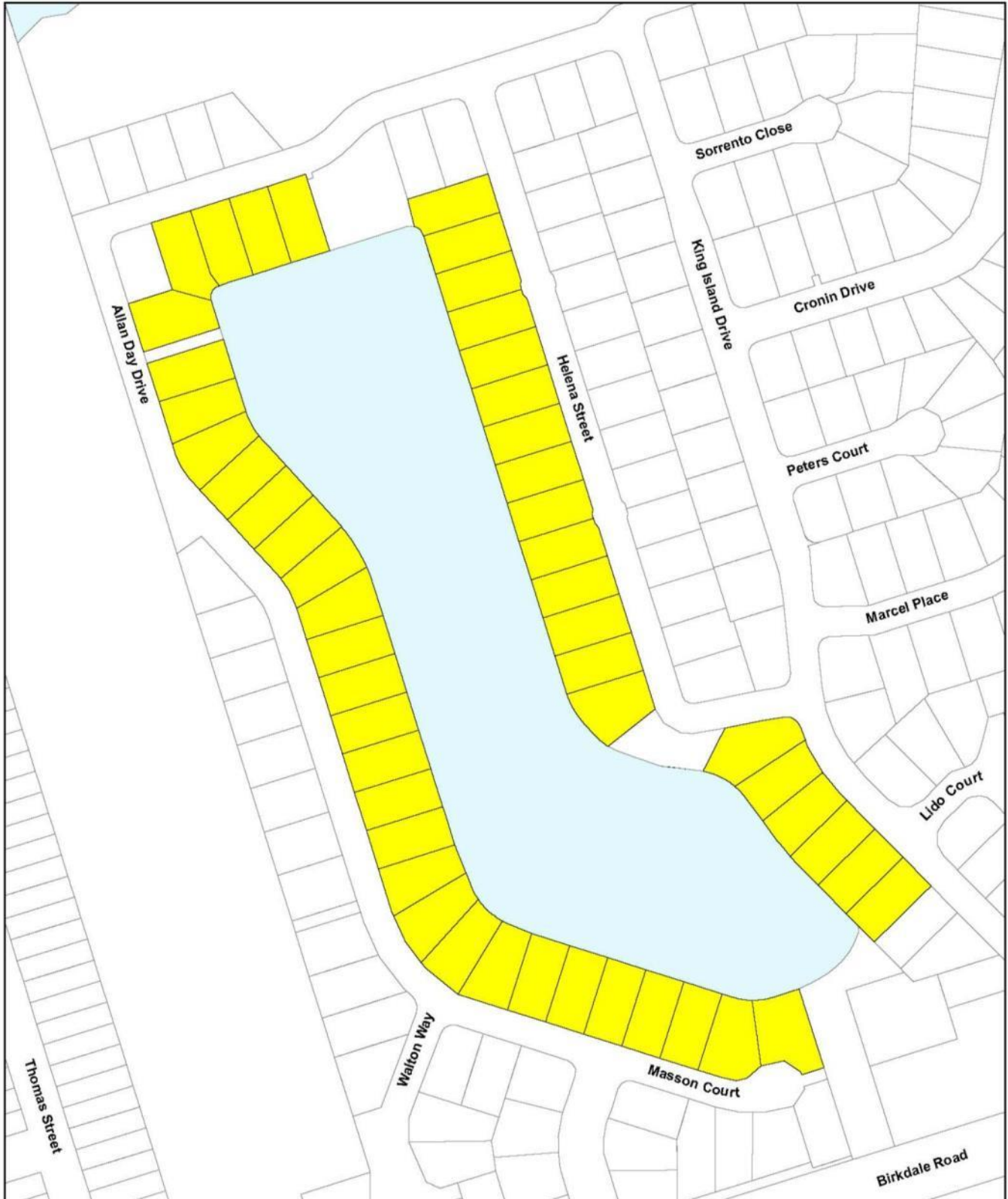
Canal Charges

CA02 - Aquatic Paradise Special Charge

Data correct at time of production

Sovereign Waters Lake Special Charge Benefit Area Map

(SWL – version 5)



BENEFIT AREA MAP Map: SWL Version 5



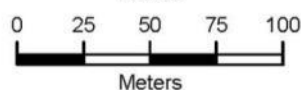
Produced by
Spatial Business Intelligence
30 June 2015

Lake Charges

 LA01 - Sovereign Lake Special Charge



1:2,500



Data correct at time of production

Raby Bay Community Title Scheme Special Charge Benefit Area Map

(RBC-7 – version 5)



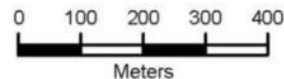
BENEFIT AREA MAP Map: RBC-7 Version 5



1:10,000

Canal Charges

 CA07 - Raby Bay Tidal Works (CTS) Special Charge

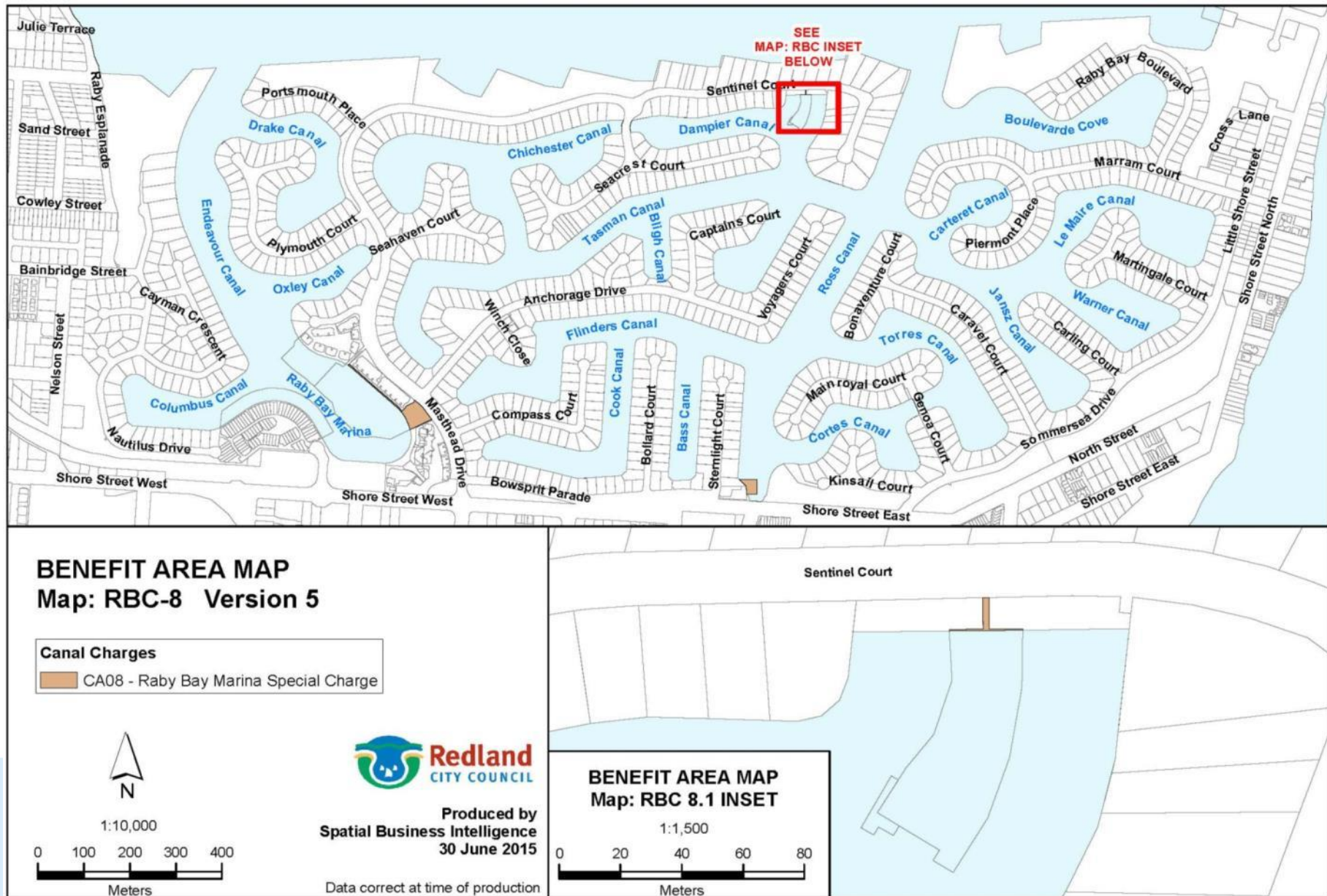


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30 June 2015

Data correct at time of production

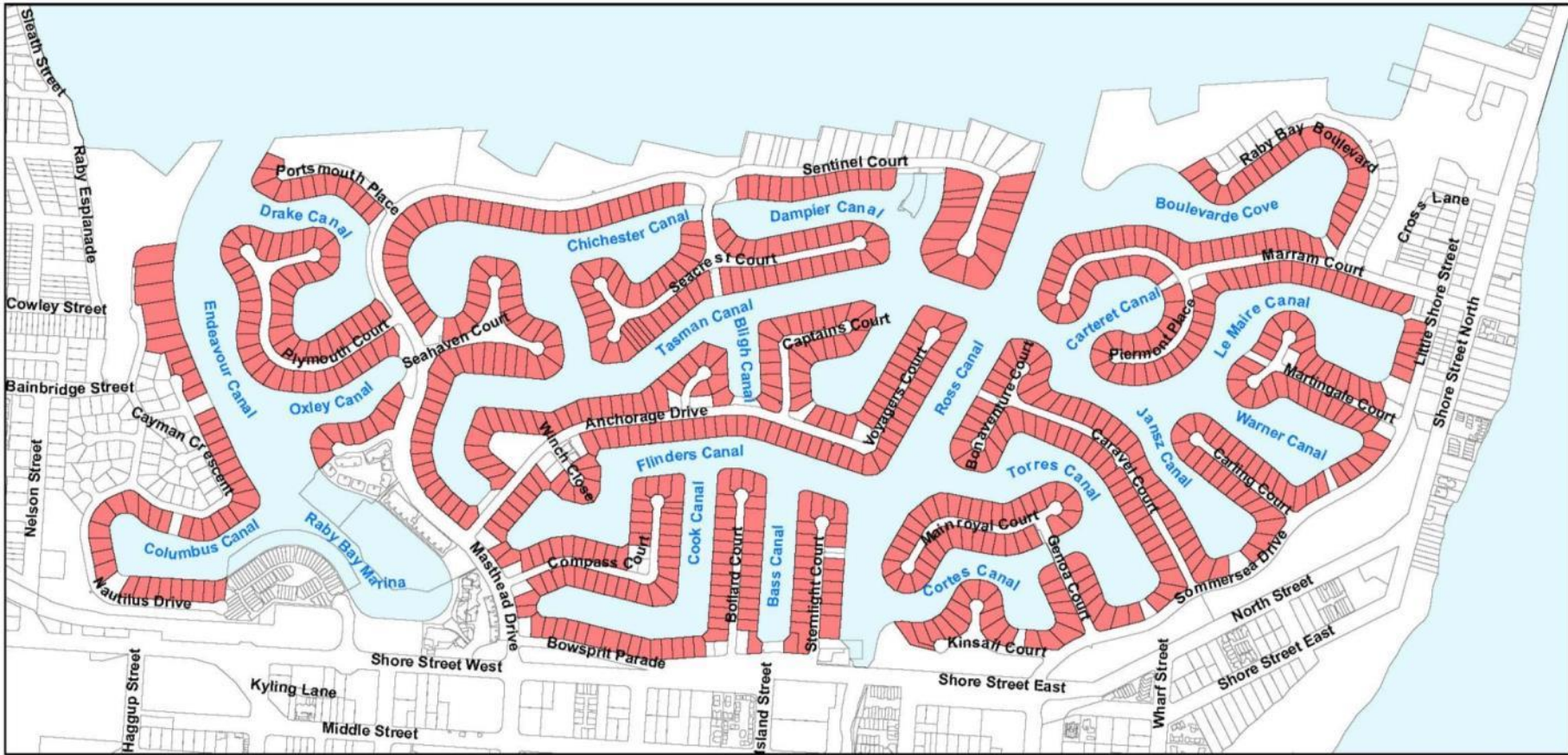
Raby Bay Marina Special Charge Benefit Area Map

(RBS-8 and RBC8.1 inset – version 5)



Raby Bay Non Community Title Scheme Special Charge Benefit Area Map

(RBC-6 – version 5)



BENEFIT AREA MAP

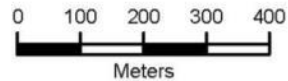
Map: RBC-6 Version 5



1:10,000

Canal Charges

 CA06 - Raby Bay Tidal Works (non CTS) Special Charge



Produced by
Spatial Business Intelligence
30 June 2015

Data correct at time of production

Annexure 1 – Revenue Policy POL-1837

Head of Power

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

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

Policy Objective

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

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

Policy Statement

Council will be guided by the following principles:

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

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

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

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

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

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

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

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

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

Making and Levying of Rates and Charges

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

Differential General Rates

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

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

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

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

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

Separate and Special Charges

Where it is appropriate, Council will utilise separate and Special Charges to programs that benefit the whole community equally or benefit specific groups within the community respectively.

Utility Charges

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

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

Exercise of Concession Powers in Relation to Rates and Charges

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

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

Recovery of Overdue Rates and Charges

In accordance with Section 120(1)(c), 121(b) and 122(1)(b) of the *Local Government Regulation 2012*, Council will continue to provide flexibility to rate payers and sundry debtors experiencing demonstrated financial hardship in 2015-16 by entering into short to long term arrangements.

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

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

Community Service Obligations

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

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

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

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

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

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

- Corporate Policy POL-2592 Concealed Leaks Policy
- Corporate Policy POL-0027 Water Charge Remissions for Home Dialysis Machine Users
- Corporate Policy POL-1235 Trade Waste Charge Remission for Concealed Water Leaks

Application of User Pays Models

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

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

Revenue from Commercial Activities

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

In doing this the following principles will be considered:

- The adoption of a business activity is to ensure that the creation of a competitive environment will encourage Council to better identify and specify what it actually does and why.
- The determination of the standard and quality of each business activity required based upon community/customer expectations and achieving best value for money irrespective of whether the service is delivered by an internal or external provider.
- By concentrating upon outcomes rather than processes, service specification is likely to encourage innovation and new solutions to meeting the needs and expectations of the community and customers.

Revenue from Other External Sources

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

Cost-recovery fees

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

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

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

Infrastructure Charges

Infrastructure charges imposed on new development for the provision of local government trunk infrastructure are currently regulated by the State Government. They are subject to annual indexation but only to the extent that the maximum regulated charge rate is not exceeded. The breakup of the residential development charge to constrained reserves for each network is as follows:

- Stormwater 7%
- Local Roads 35%
- Cycleways 15%
- Parks 19%
- Community Facilities 3%
- Water Supply and Wastewater 21%

For non-residential development the split is:

- Transport 79%
- Water Supply and Wastewater 21%

Infrastructure charges fund approximately 50-65% of all trunk infrastructure costs planned by Council to meet development growth in the City over the next 15 years.

Annexure 2 – Debt Policy POL-1838

Head of Power

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

Policy Objective

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

Policy Statement

Council is committed to:

1. Only using long-term borrowings (between 2 and 20 years) to finance capital works that will provide services now and into the future. No long-term borrowings will be used to finance recurrent expenditure and the operational activities of the Council;
2. Utilising its existing constrained cash reserves when seeking funding for capital works. The use of any existing cash reserves will be subject to the purpose of the reserve in addition to maintaining all relevant financial ratios and measures of sustainability within adopted Financial Strategy targets;
3. Undertaking long-term borrowings for capital works only if the interest and debt principal repayments can be serviced and relevant financial ratios and measures are maintained within approved Financial Strategy targets;
4. Aligning borrowings to specific projects and/or asset classes rather than being pooled to ensure transparency and accountability is maintained. Borrowings will be nominated through the priority needs of the capital program and will be determined through the normal budgetary and approval process of Council;
5. Prepaying debt service payments annually in advance in order to minimise Council's interest expense, providing sufficient cash resources are available to Council. The annual payments will be made in July in accordance with the weighted terms of each debt pool;
6. Reviewing its debt regularly and seeking to repay or restructure its debt to ensure repayment in the shortest possible time or resulting in a reduction in interest payments subject to maintenance of key performance indicators in the Financial Strategy;
7. Considering new loans only if existing cash balances cannot fund the desired works and the subsequent increase in debt servicing payments allows the total debt servicing ratio to remain within Financial Strategy targets;
8. Ensuring the term of any new loans will be a maximum of 20 years for Water, Waste and General requirements. The debt term shall not exceed the finite life of the related asset/s; and
9. Recovering costs of new loans taken out on behalf of commercial businesses, commercial opportunities, joint ventures, associates or subordinates through the administration of a management fee in line with current market rates.

Proposed Borrowings

New borrowings are restricted to work that falls into one of the following three categories:

- **Risk Management** – Council’s Financial Strategy outlines risks and opportunities in key areas in addition to Council’s risk management register;
- **Asset Management** – Council’s long-term asset and service management plans will outline capital spending that may need debt funding; or
- **Inter-Generational Projects** – Projects are defined to be inter-generational if the associated assets have estimated useful lives of 25 years or more.

Schedule of forecasted debt 2016-2025: *Local Government Regulation 2012 Section 192(2)(a)*

	Budget Year 1 2015-16 \$000s	Forecast Year 2 2016-17 \$000s	Forecast Year 3 2017-18 \$000s	Forecast Year 4 2018-19 \$000s	Forecast Year 5 2019-20 \$000s	Forecast Year 6 2020-21 \$000s	Forecast Year 7 2021-22 \$000s	Forecast Year 8 2022-23 \$000s	Forecast Year 9 2023-24 \$000s	Forecast Year 10 2024-25 \$000s
Opening Balance	54,455	49,760	44,709	39,297	33,497	27,287	20,625	13,484	7,697	5,126
New Loans	-	-	-	-	-	-	-	-	-	-
Interest	3,257	2,902	2,540	2,153	1,742	1,291	812	429	281	134
Redemption	4,696	5,051	5,412	5,800	6,211	6,662	7,141	5,787	2,571	2,719
Closing Balance	49,760	44,709	39,297	33,497	27,287	20,625	13,484	7,697	5,126	2,407

Schedule of forecasted remaining repayment terms in years 2016-2025: *Local Government Regulation 2012 Section 192(2)(b)*

	Budget Year 1 30/6/2016	Forecast Year 2 30/6/2017	Forecast Year 3 30/6/2018	Forecast Year 4 30/6/2019	Forecast Year 5 30/6/2020	Forecast Year 6 30/6/2021	Forecast Year 7 30/6/2022	Forecast Year 8 30/6/2023	Forecast Year 9 30/6/2024	Forecast Year 10 30/6/2025
Weighted Average (existing loans)	8.10	7.14	6.20	5.29	4.43	3.67	3.21	3.11	2.14	1.24
Weighted Average (incl. new loans)	8.10	7.14	6.20	5.29	4.43	3.67	3.21	3.11	2.14	1.24

Annexure 3 – Investment Policy POL-3013

Head of Power

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

Policy Objective

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

Policy Statement

1. Council's philosophy for investments is to protect the capital value of investments with the goal of maximising returns through an active investment strategy within this overall risk philosophy.
2. Council is committed to achieving this goal by:
 - Investing only in investments as authorised under current legislation;
 - Investing only with approved institutions;
 - Investing to facilitate diversification and minimise portfolio risk;
 - Investing to protect the capital value of investments (balancing risk with return opportunities);
 - Investing to facilitate working capital requirements;
 - Reporting on the performance of its investments on a monthly basis as part of the monthly financial reports to Council;
 - Conducting an annual review of all investments and associated returns as part of the annual review of the Long-Term Financial Strategy; and
 - Ensuring no more than 30% of Council's investments are held with one financial institution, or one fund manager for investments outside of the Queensland Treasury Corporation (QTC) or the Queensland Investment Corporation (QIC) cash funds or Bond Mutual Funds.
3. Council will follow an active investments management strategy over the next 10 financial years in order to maximise the returns generated from investing cash balances.
4. Council's investment objectives are to exceed the benchmark of the United Bank of Switzerland (UBS) Bank Bill Index.
5. Council may also consider investing in commercial opportunities, joint ventures, associates and subsidiaries in the future. Prior to investment, a comprehensive analysis will be undertaken to ensure the benefits of the investment outweigh the risks and costs. The analysis will ensure any proposal for investment outside a financial institution/fund manager will maintain or improve all relevant financial ratios and measures of sustainability within adopted Financial Strategy targets. Any investment outside of a financial institution/fund manager must also be consistent with the principles and objectives contained in Council's Revenue and Dividend Policies.

Annexure 4 – Constrained Cash Reserves Policy POL-3010

Head of Power

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

Policy Objective

To ensure Council's constrained cash reserves:

- are only restricting funds for current or future planned expenditure; and
- do not exceed cash balances at the end of the financial year, to align with the disclosure requirements of the Department of Local Government, Community Recovery and Resilience (DLGCRR) and the Queensland Audit Office (QAO).

Policy Statement

1. Council's philosophy is to ensure funds held in constrained cash reserves are restricted to deliverables consistent with the Long-Term Financial Strategy, Long-Term Asset Management Plan, Corporate Plan and Annual Operational Plan and Budget.
2. Council is committed to achieving this goal by:
 - Reporting on constrained cash reserves on a monthly basis as part of the monthly financial reports to committee;
 - Reporting constrained cash reserves as a subset of cash balances in annual statutory reporting;
 - Ensuring constrained cash reserves do not exceed cash balances at the end of the financial year;
 - Conducting an annual review of all constrained cash reserves for relevance and future requirements in accordance with the Long-Term Financial Strategy and other appropriate strategies and plans;
 - Reviewing forecast reserve movements as an integral part of the annual budget development process; and
 - Transferring funds from constrained cash reserves back to retained earnings when the purpose of the reserve is no longer valid or required or when the funds have been expended on planned works.

Annexure 5 – Application of Dividends and Tax Equivalent Payments Policy POL-3117

Head of Power

The establishment of this policy is consistent with the *Local Government Act 2009 (Qld)*, *Local Government Regulation 2012 (Qld)* and also the Local Government Tax Equivalent Regime (LGTER).

Policy Objective

The objective is to clarify Council's intention for its use of financial returns received from commercialised or corporatised business activities and any subsidiaries or associates.

Policy Statement

Council

- currently receives dividends and tax equivalent payments from its commercialised business activities; and
- will look to receive dividends and tax equivalent payments from any corporatised business activities, subsidiaries or associates in the future.

Council is committed to:

1. transparently accounting, reconciling and reporting the receipt of such financial returns in accordance with the Australian Accounting Standards and LGTER; and
2. applying all financial returns to the provision of community benefit.

Associated Documents

- Financial Strategy
- Annual Budget
- Annual Report
- Dividend Policy - Business Activities (POL-0019)



Redland
CITY COUNCIL