

**20150625 Item 5.5 Report RedWaste Annual Performance Plan 2015 2016**

<b>Objective Reference:</b>	<b>A170398 Reports and Attachments (Archives)</b>
<b>Attachment:</b>	<b>RedWaste annual performance plan 2015-2016</b>
<b>Authorising Officer:</b>	<b>Gary Soutar General Manager Infrastructure &amp; Operations</b>
<b>Responsible Officer:</b>	<b>Gary Soutar General Manager Infrastructure &amp; Operations</b>
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**PURPOSE**

The purpose of this report is for council to adopt RedWaste's annual performance plan (APP) for 2015-2016 to meet the requirement of the *Local Government Regulation 2012*.

**BACKGROUND**

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

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

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

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

- a) Unit's objectives;
- b) Nature and extent of the significant business activity the unit is to conduct;
- c) Unit's financial and non-financial performance targets;
- d) Nature and extent of the community service obligations (CSOs) the unit must perform;
- e) Cost of, and funding for, the CSOs;
- f) Unit's notional capital structure, and treatment of surpluses;
- g) Unit's proposed major investments;
- h) Unit's outstanding and proposed borrowings;

- i) Unit's policy on the level and quality of services consumers can expect;
- j) Delegations necessary to allow the unit to exercise autonomy in its commercial activities;
- k) Type of information that the unit's reports to the local government must contain.

## **ISSUES**

RedWaste has conducted a review of its APP for the 2015-2016 financial year and this is now presented for adoption.

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

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

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

### **Risk Management**

Not applicable.

### **Financial**

Not applicable.

### **People**

Not applicable.

### **Environmental**

Not applicable.

### **Social**

Not applicable.

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

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

## **CONSULTATION**

Consultation has occurred between the:

- General Manager Infrastructure & Operations;
- Group Manager Water & Waste Operations;
- RedWaste Service Manager;
- Group Manager Water & Waste Infrastructure;
- Principal Waste Planner; and

- Business & Infrastructure Finance team.

### **OPTIONS**

1. That Council resolves to adopt the RedWaste Annual Performance Plan for 2015-2016 as attached.
2. That Council resolves to adopt the RedWaste Annual Performance Plan for 2015-2016 with amendments.

### **OFFICER'S RECOMMENDATION**

**That Council resolves to adopt the RedWaste Annual Performance Plan for 2015-2016 as attached.**

# REDWASTE

A commercial business unit of Redland City Council

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# Performance Plan 2015-16

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# 1 Introduction

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

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

In deciding whether an activity should be a significant business activity for the 2015-16 financial year, local governments must consider the operating expenditure for the 2014-15 financial year less any depreciation included therein and any expenditure included therein to achieve competitive neutrality which is not actually incurred by the local government plus any loan redemption payments in that year.

Section 19 of the *Regulation* was recently amended to increase the thresholds. The thresholds for the 2015-16 financial year are therefore as follows:

- for water and sewerage combined activities - \$13.6m; and
- for any other business activity - \$9m.

Section 175 of the *Regulation* states:

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

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

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

## 2 Key principles of a commercial business unit

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

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

## 3 Redland City Council vision

“Forward thinking, engaged and focused on enriching community lifestyles”.

## 4 RedWaste vision, objectives and functions

### 4.1 *Business’ focus*

#### 4.1.1 **Vision**

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

#### 4.1.2 **Mission**

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

#### 4.1.3 **Key drivers**

The key business drivers are:

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

## 5 Roles of each party

### 5.1 *Role of Redland City Council*

- Owner of business
- Specifies levels of service
- Customer of RedWaste

### 5.2 *Role of RedWaste*

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

## 6 Undertakings by the parties

### 6.1 *Redland City Council*

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

- entering into contracts in the name of the business unit as a commercial business of Council in line with Council delegations;
- completing approved programs in accordance with Council’s budget, operational and corporate plans as well as RedWaste’s performance plan;

- promoting and presenting RedWaste to the community as a professional commercial business by undertaking educational, promotional and customer activities;
- developing and implementing budgets and long-term pricing models and financial plans.

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

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

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

## 6.2 **RedWaste**

RedWaste will:

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

## 7 Redland City corporate plan objectives

To address key strategies within the RCC Corporate Plan for 2015-2020, RedWaste will:

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

## 8 RedWaste's strategies for achieving objectives

### 8.1 **Sustainable Resources and Waste Strategy**

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



At the time of writing this APP, the above strategy is under review and will be updated as a waste reduction and recycling plan following public consultation to align with the relevant state legislation i.e. *Waste Reduction and Recycling Act 2011*.

A key future focal area for RedWaste in executing this strategy will be regional collaboration. Cost of living pressures in the community dictate that all levels of government, including local government, must work smarter and do more with less. The benefits of regional collaboration are well documented such as gaining better business efficiencies through economies of scale principles. Success has been achieved already by negotiating a 10-year waste disposal agreement with neighbouring Brisbane City Council to use their landfill and disposal infrastructure. The exploration of further service delivery and infrastructure sharing opportunities with available providers is critical for RedWaste to understand beyond 2020 when the existing disposal agreement ends. Planning for this must happen now ahead of investing in any new or upgraded transfer station and bulky haulage infrastructure worth in the order of multi million dollars.

## **8.2 Queensland Waste Strategy**

On 22 December 2014, the State Government released Queensland's Waste Avoidance and Resource Productivity Strategy (2014-2024).

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

- reducing waste generation by 5% per capita;
- increasing total recycling and resource recovery to 55% by 2024; and
- priority wastes and areas for action.

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

## **8.3 Other strategies**

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

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

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

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

## 9 RedWaste Services

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

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

## 10 Reporting

### 10.1 *Reporting structure*

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

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

### 10.2 *Reporting*

RedWaste will provide the following reports:

#### Monthly:

- monthly key performance indicators (KPIs) as shown in the attached scorecard indicators – 2015-16; and
- a standard set of financial reports.

#### Yearly:

- yearly KPIs as shown in the attached scorecard indicators – 2015/16;
- statement of financial performance;
- statement of financial position; and
- annual budget as part of corporate process.

## 11 Meeting our customers' needs

### 11.1 *Customer service standards (CSSs)*

For the 2015/16 CSS, RedWaste will make every effort to:

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

### 11.2 *Customer advice*

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

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

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

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

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

- recording unsolicited complaints and comments;

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

## 12 Planning for the future

### 12.1 *Financial planning*

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

### 12.2 *Assets*

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

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

### 12.3 *Employment and training plan*

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

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

### 12.4 *Financial risk*

RedWaste will adopt strategies to minimise financial risk by:

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

## 13 Revenue

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

### 13.1 Collection of rates

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

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

### 13.2 Collection of fees, charges and miscellaneous incomes

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

- revenue for other works including waste disposal fees will be by invoice with a 30-day payment period;
- direct gate fee payment at the time of transaction or monthly account invoice for commercial and non-resident customers; and
- sale of recoverable materials including scrap metal and cardboard.

### 13.3 Community service obligations (CSOs)

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

CSOs may include:

- concessions provided to home assist secure program;
- concessions, remissions or rebates for specific persons stated in a policy;
- any non-commercially driven concession or remission provided by resolution of Council;
- community services such as Clean Up Australia Day;
- special audits and assessments outside commercial requirements;
- waiver of disposal fees for charities, schools, clubs, and non-profit organisations that meet the conditions of Corporate Policy POL-0057;
- waiver of fees for disposal of asbestos, construction and demolition waste from the Bay Islands to Birkdale waste transfer station; and
- emergency disposal of debris from major catastrophes, e.g. storms/floods.

Current CSOs for Council 2015/16 are:

Job Number	Annual Budget \$
Clean Up Australia Day	1,050
Birkdale Sanitary Landfill	7,400
Redland Bay Transfer Station	3,500
Nth Stradbroke Island Transfer Station	341,467
Kerbside Recycling Collection	14,760
Kerbside Waste Collection	26,553
Kerbside Greenwaste Collection	2,040
Bulky Item Collection for HAS Clients	17,331
Russell Island Transfer Station	434,749
Macleay Island Transfer Station	368,105
Lamb Island Transfer Station	94,290
Karragarra Island Transfer Station	94,926
Coochiemudlo Island Transfer Station	158,362
	<b>1,564,532</b>

## 14 Financial structure

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

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

### 14.1 **Capital structure**

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

The 10-year average Debt to Debt + Equity level shall be in the range of 30-50%, currently the planned level for 2015-16 shall be approximately 31% (this is the ratio of our internal debt \$7m and external debt \$0.491m).

### 14.2 **Physical assets**

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

### 14.3 **Monetary assets**

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

### 14.4 **Investment**

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

### 14.5 **Cash balances**

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

### 14.6 **Loans**

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

### 14.7 **Subsidy**

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

### 14.8 **Recognition of assets**

Assets will be recognised using industry standards and the methodologies developed through Council's asset valuation policy, the *Local Government Regulation 2012*, and the *Australian Accounting Standards*

### 14.9 **Depreciation**

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

### 14.10 **Pricing policies**

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

The waste/recycling charge is determined by Council to ensure that it is able to cover costs associated with the provisions of the service. The costs include payment to contractors for both refuse collection and a kerbside recycling service. Disposal costs

are also factored into the charge to cover contractor costs for disposal, site development works, transfer station operations, management and administration costs.

**14.11 Net return to Council**

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

Tax on operating capability @ 30%.

Dividend: 50% on after tax operating surplus.

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

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

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

Retained earnings: All surplus profit after tax and dividend will be transferred to retained earnings for use by the entity for capital or operational projects as required.

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

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

## ATTACHMENTS

### ATTACHMENT 1 – OPERATIONAL BUDGET 2015-2016 – 3 YEARS

	Budget Year 1 2015/16 \$'000s	Estimate Year 2 2016/17 \$'000s	Estimate Year 3 2017/18 \$'000s
<b><i>Operating Revenue</i></b>			
Rates and Utility Charges	20,051	20,703	21,377
Less: Discounts & Pensioner Remissions	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
<b><i>Total Operating Revenue</i></b>	<b>23,374</b>	<b>24,346</b>	<b>25,171</b>
<b><i>Operating Expenditure</i></b>			
Employee Costs	1,434	1,470	1,507
Goods 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
<b><i>Total Operating Expenditure</i></b>	<b>17,243</b>	<b>17,791</b>	<b>18,357</b>
<b><i>Earnings before Interest, tax and depreciation (EBITD)</i></b>	<b>6,131</b>	<b>6,555</b>	<b>6,814</b>
Interest expense	42	33	27
Internal Interest	495	531	584
Depreciation	553	646	664
<b><i>Operating Surplus/(Deficit)</i></b>	<b>5,041</b>	<b>5,345</b>	<b>5,539</b>
Income Tax	1,514	1,604	1,662
Dividend	1,767	1,871	1,939
<b><i>Net Increase in Operating Capacity</i></b>	<b>1,761</b>	<b>1,870</b>	<b>1,938</b>

## ATTACHMENT 2 – CAPITAL FUNDING 2015-2016 – 3 YEARS

	Budget Year 1 2015/16 \$'000s	Estimate Year 2 2016/17 \$'000s	Estimate Year 3 2017/18 \$'000s
<b><i>Proposed Sources of Capital Funding</i></b>			
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
<b><i>Total Sources of Capital Funding</i></b>	<b>1,639</b>	<b>310</b>	<b>623</b>
<b><i>Proposed Application of Capital Funds</i></b>			
Contributed Assets	0	0	0
Capitalised Goods & Services	1,541	233	540
Capitalised Employee Costs	29	0	0
Loan Redemption	69	77	83
<b><i>Total Application of Capital Funds</i></b>	<b>1,639</b>	<b>310</b>	<b>623</b>
<b><i>Other Budgeted Items</i></b>			
Transfer to Operating Reserve	0	0	0
Transfer from Operating Reserve	0	0	0
WDV of Assets Disposed	0	0	0
Internal Capital Structure Financing	(495)	(531)	(584)



## ATTACHMENT 3 – CASH FLOW PROJECTIONS 2015-16 – 3 YEARS

	Budget Year 1 2015/2016 \$'000s	Estimate Year 2 2016/2017 \$'000s	Estimate Year 3 2017/2018 \$'000s
<b>Receipts</b>			
Waste Utility Charges	20,049	20,700	21,374
Fees & charges	312	322	333
Grants and subsidies	0	0	0
Contributions	0	0	0
Proceeds on sale of developed land	0	0	0
Other revenue	3,304	3,367	3,432
<b>Total Receipts</b>	<b>23,664</b>	<b>24,390</b>	<b>25,139</b>
<b>Payments</b>			
Employee costs	-1,432	-1,468	-1,504
Materials & services	-16,246	-16,770	-17,311
Other expenses	0	0	0
<b>Total Payments</b>	<b>-17,678</b>	<b>-18,238</b>	<b>-18,815</b>
Interest revenue	150	408	497
Interest expense (external only)	-42	-33	-27
Finance costs	0	0	0
<b>NET CASH FLOW - OPERATIONS</b>	<b>6,095</b>	<b>6,528</b>	<b>6,793</b>
<b>INVESTING ACTIVITIES</b>			
Payments - Property, Plant & Equipment	-1,570	-233	-540
Proceeds - Capital subsidies & grants and Contributions	0	0	0
Proceeds - disposal non-current assets	0	0	0
<b>NET CASH FLOW - INVESTING ACTIVITIES</b>	<b>-1,570</b>	<b>-233</b>	<b>-540</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowing - Internal	0	0	0
Proceeds from borrowing - QTC	0	0	0
Repayment of borrowing - Internal	0	0	0
Repayment of borrowing - QTC	-69	-77	-83
<b>NET CASH FLOW - FINANCING ACTIVITIES</b>	<b>-69</b>	<b>-77</b>	<b>-83</b>
<b>Return to Council (includes internal interest)</b>	<b>-3,772</b>	<b>-4,005</b>	<b>-4,185</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>684</b>	<b>2,213</b>	<b>1,985</b>
Cash at the start of the financial year	9,526	10,210	12,423
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>10,210</b>	<b>12,423</b>	<b>14,408</b>

## ATTACHMENT 4 – PROJECTED BALANCE SHEET 2015-16 – 3 YEARS

	Budget Year 1 2015/2016 \$'000s	Estimate Year 2 2016/2017 \$'000s	Estimate Year 3 2017/2018 \$'000s
<b><i>CURRENT ASSETS</i></b>			
Cash & Investments	10,210	12,423	14,408
Accounts Receivable	541	544	546
Inventories	0	0	0
Land Held for Resale	0	0	0
Prepaid Expenses	0	0	0
Assets - Held for Sale	0	0	0
<b>Total Current Assets</b>	<b>10,751</b>	<b>12,967</b>	<b>14,955</b>
<b><i>NON CURRENT ASSETS</i></b>			
Property, Plant and Equipment	13,650	13,237	13,113
<b>Total Non-Current Assets</b>	<b>13,650</b>	<b>13,237</b>	<b>13,113</b>
<b>TOTAL ASSETS</b>	<b>24,401</b>	<b>26,203</b>	<b>28,068</b>
<b><i>CURRENT LIABILITIES</i></b>			
Accounts Payable	1,305	1,311	1,318
Current Employee Provisions	38	39	40
Current Loans	77	83	89
Other Liabilities	0	0	0
<b>Total Current Liabilities</b>	<b>1,420</b>	<b>1,433</b>	<b>1,446</b>
<b><i>NON CURRENT LIABILITIES</i></b>			
Non-Current Loans	491	408	319
Non-Current Internal loan	7,000	7,500	8,250
Non-Current Employee Provisions	55	56	58
<b>Total Non-Current Liabilities</b>	<b>7,546</b>	<b>7,964</b>	<b>8,627</b>
debt to debt+equity 30%-50%	31%	30%	31%
<b>TOTAL LIABILITIES</b>	<b>8,966</b>	<b>9,397</b>	<b>10,073</b>
<b>NET ASSETS</b>	<b>15,435</b>	<b>16,806</b>	<b>17,995</b>
<b><i>COMMUNITY EQUITY</i></b>			
Retained Earnings Account	7,871	9,242	10,431
Issued Share Capital	0	0	0
Asset Revaluation Reserve	7,564	7,564	7,564
Cash Reserves	0	0	0
<b>TOTAL COMMUNITY EQUITY</b>	<b>15,435</b>	<b>16,806</b>	<b>17,995</b>

**ATTACHMENT 5 – CAPITAL PROJECTS BUDGET 2015/16**

<i>Unit/Team: 3403 - Operations Waste</i>			<i>Expenses</i>
<i>Job Identity</i>	<i>Job No</i>	<i>Description</i>	<i>\$</i>
A	65000	Mobile Garbage Bins	150,000
P	65025	Wasteman Upgrade	100,000
A	65031	Minor Capital Improvements	75,000
		RedWaste Infrastructure Sub Total	<u>325,000</u>
P	65046	Birkdale TS Haul Road and Hardstand	1,245,000
		Waste Planning Sub Total	<u>1,245,000</u>
		<b>Operations Waste Total</b>	<b><u><u>1,570,000</u></u></b>

## ATTACHMENT 6 KEY PERFORMANCE INDICATORS 2015-16

Vision outcome	RedWaste indicators – 2015-16	Monthly target	Unit	Reporting frequency	Annual target
<b>Green living</b> Our green living choices will improve our quality of life and our children's lives, through our sustainable and energy efficient use of resources, transport and infrastructure, and our well informed responses to risks such as climate change.	Total kilos of domestic waste land filled per capita per year	max 31	kg/ cap/ year	Monthly	max 372
	Municipal solid waste resource recovery rate	min 49.5%	%	Monthly	49.5%
<b>Healthy &amp; natural environment</b> A diverse and healthy natural environment, with an abundance of native flora and fauna and rich ecosystems will thrive through our awareness, commitment and action in caring for the environment	% compliance with EHP licence requirements for waste management facilities	min 98	%	Quarterly	min 98
<b>An efficient and effective organisation</b> Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.	Waste operating revenue	+/- 5	%	Monthly	+/- 5
	Waste operating goods & services	+/- 5	%	Monthly	+/- 5
	Waste capital expenditure	+/- 5	%	Monthly	+/- 5
	Operating cost per tonne of waste	\$137.79	\$	Monthly	\$137.79
	Lost time injury frequency rate (LTIFR)	max 20	LTIFR	Monthly	max 20

Number of kerbside residential refuse bins at 1 July 2014 = 56,454  
 Number of kerbside residential recycling bins at 1 July 2014 = 56,255  
 Number of kerbside residential greenwaste bin at 1 July 2014 = 7,390  
 Estimated tonnage of waste handled (2015/16) = 113,781