



Redland
CITY COUNCIL

AGENDA

SPECIAL MEETING

**Thursday 25 June 2015
commencing at 9.30am**

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

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The Mayor is the Chair of the General Meeting. The following Portfolios are included in the General Meeting and Council's nominated spokesperson for that portfolio as follows:

PORTFOLIO	SPOKESPERSON
1. Office of the CEO (including Internal Audit)	Cr Mark Edwards
2. Organisational Services (excluding Internal Audit and Emergency Management)	Mayor Karen Williams
3. City Planning and Assessment	Cr Julie Talty
4. Community & Cultural Services, Environment & Regulation	Cr Lance Hewlett
5. Infrastructure & Operations	Cr Paul Gleeson
6. Emergency Management	Cr Alan Beard

1 DECLARATION OF OPENING

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

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE

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

3 DECLARATION OF MATERIAL PERSONAL INTEREST OR CONFLICT OF INTEREST ON ANY ITEMS OF BUSINESS

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

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

The Councillor must—

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

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

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

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

- the Councillor;
- a spouse of the Councillor;
- a parent, child or sibling of the Councillor;
- a partner of the Councillor;

- (e) an employer (other than a government entity) of the Councillor;
- (f) an entity (other than a government entity) of which the Councillor is a member;
- (g) another person prescribed under a regulation.

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

The Councillor must—

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

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

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

A *conflict of interest* is a conflict between—

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

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

4 BUDGET ADDRESS BY THE MAYOR

5 BUSINESS**5.1 ADOPTION OF 2015-2016 RATE NOTICE DUE DATES**

Objective Reference: **A166817**
Reports and Attachments (Archives)

Authorising Officer:



Linnet Batz
Chief Financial Officer

Responsible Officer/Report Author: **Noela Barton**
Service Manager Revenue & Collections
Management

PURPOSE

The purpose of this report is for Council to adopt the dates by which the rates or charges must be paid in the 2015-2016 financial year.

BACKGROUND

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

ISSUES

The following dates are applicable for rates or charges levied in the 2015-2016 financial year:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Charge Date for Levy	1 Jul 2015	1 Oct 2015	1 Jan 2016	1 Apr 2016
Rate Notice Issue Date	10 Jul 2015	9 Oct 2015	11 Jan 2016	8 Apr 2016
Due Date for Payment	11 Aug 2015	9 Nov 2015	12 Feb 2016	9 May 2016

STRATEGIC IMPLICATIONS**Legislative Requirements**

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

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

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

Risk Management

The Due Dates for 2015-2016 have been prepared in consultation with key staff in the Rating Services team and with consideration to approved public holidays.

Financial

There is no anticipated financial impact on the organisation with respect to the dates that have been determined.

People

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

Environmental

Nil impact expected as the purpose of the report is to adopt the due date for payment of rate notices issued in the 2015-2016 financial year.

Social

Nil impact expected as the purpose of the report is to adopt the due date for payment of rate notices issued in the 2015-2016 financial year.

Alignment with Council's Policy and Plans

This report aligns with Council's Corporate Plan 2015-2020 key outcome:

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

CONSULTATION

The due dates for the 2015-2016 rate notices have been prepared in consultation with key staff in the Rating Services team and with consideration to approved public holidays.

OPTIONS

1. That Council resolves to adopt the due dates for payment of rates or charges levied in the 2015-2016 financial year as given in the following table:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Charge Date for Levy	1 Jul 2015	1 Oct 2015	1 Jan 2016	1 Apr 2016
Rate Notice Issue Date	10 Jul 2015	9 Oct 2015	11 Jan 2016	8 Apr 2016
Due Date for Payment	11 Aug 2015	9 Nov 2015	12 Feb 2016	9 May 2016

2. That Council resolves to seek further information.

OFFICER'S RECOMMENDATION

That Council resolves to adopt the due dates for payment of rates or charges levied in the 2015-2016 financial year as given in the following table:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Charge Date for Levy	1 Jul 2015	1 Oct 2015	1 Jan 2016	1 Apr 2016
Rate Notice Issue Date	10 Jul 2015	9 Oct 2015	11 Jan 2016	8 Apr 2016
Due Date for Payment	11 Aug 2015	9 Nov 2015	12 Feb 2016	9 May 2016

5.2 DEBT POLICY 2015-2016

Objective Reference: A189901
Reports and Attachments (Archives)

Attachment: [Debt Policy 2015-2016](#)

Authorising/Responsible Officer:



Linnet Batz
Chief Financial Officer

Report Author: Deborah Corbett-Hall
Service Manager Corporate Finance

PURPOSE

The purpose of this report is to adopt a debt policy for the 2015-2016 financial year in accordance with section 192 of the *Local Government Regulation 2012*. The attached policy outlines the strategic intent of Council with respect to borrowings for the 2015-2016 financial year and an indication of new borrowings.

BACKGROUND

Council reviews its long-term financial strategy annually between October and December and then finalises the annual financial management policies as part of the budget development process. On 17 December 2014, Council adopted the long-term financial strategy which outlined that borrowings were not required for the ten year forecast. Council will utilise constrained cash reserves and surplus cash holdings before increasing community debt.

ISSUES

The attached policy is as a result of a 2015-2016 budget development workshop. Council reviews its long-term borrowings with respect to new loans at least twice a year, during the development of the annual financial strategy and also during the annual budget development process. The long-term debt schedule is subject to change as per previous years.

STRATEGIC IMPLICATIONS

Legislative Requirements

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

Risk Management

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

Debt is reviewed on a monthly basis and Council officers work closely with Queensland Treasury Corporation to manage the debt and only propose to borrow monies when the funds are required in addition to surplus cash holdings and the interest and repayment amounts are affordable over the life of the loan, based on the forecasts contained in Council's Long-Term Financial Strategy.

Financial

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

People

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

Environmental

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

Social

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

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the 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

The annual review of Council's long term financial strategy was held between October and December 2014 when the policy intent was reviewed and confirmed. Councillors, the Executive Leadership Team and finance officers considered the 2015-2016 Debt Policy as part of Council's annual budget development process.

OPTIONS

1. Council resolves to adopt the attached Debt Policy for 2015-2016.
2. Council resolves to amend the attached Debt Policy prior to its adoption.

OFFICER'S RECOMMENDATION

Council resolves to adopt the attached Debt Policy for 2015-2016.

Debt Policy

[Version Information](#)

Head of Power

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

Policy Objective

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

Policy Statement

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;

CMR Team use only

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

Effective date:
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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 twenty 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.

Version Information (bookmark)

Version number	Date	Key Changes
14	June 2014	<ul style="list-style-type: none">• Updated loan schedule following completion of 2014/2015 Budget Workshops and adoption of ten year capital program 2014/2024• Inserted schedule of weighted average remaining loan terms for new and existing loans
15	January 2015 May 2015	<ul style="list-style-type: none">• Updated for Budget 2015/2016 process• Included management fee for loans taken out on behalf of Council owned commercial business activities, commercial opportunities or subordinates• Added in final debt schedules following completion of ten year financial modeling for budget publication

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Corporate POL-1838

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

	Budget Year 1 2015/16 \$'000	Forecast Year 2 2016/17 \$'000	Forecast Year 3 2017/18 \$'000	Forecast Year 4 2018/19 \$'000	Forecast Year 5 2019/20 \$'000	Forecast Year 6 2020/21 \$'000	Forecast Year 7 2021/22 \$'000	Forecast Year 8 2022/23 \$'000	Forecast Year 9 2023/24 \$'000	Forecast Year 10 2024/25 \$'000
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 30/06/2016	Forecast Year 2 30/06/2017	Forecast Year 3 30/06/2018	Forecast Year 4 30/06/2019	Forecast Year 5 30/06/2020	Forecast Year 6 30/06/2021	Forecast Year 7 30/06/2022	Forecast Year 8 30/06/2023	Forecast Year 9 30/06/2024	Forecast Year 10 30/06/2025
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

CMR Team use only

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

Effective date:
Version: 15
Review date:
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5.3 CATEGORISATION OF LAND FOR DIFFERENTIAL RATING 2015-2016

Objective Reference: A190829
Reports and Attachments (Archives)

Authorising/Responsible Officer:



Linnet Batz
Chief Financial Officer

Report Author: Noela Barton
Service Manager Revenue & Collections Management

PURPOSE

The purpose of this report is to submit to Council for adoption the differential rating categories for 2015-2016.

BACKGROUND

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

ISSUES

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

The differential rating categories for the 2015-2016 financial year have been determined in the course of budget deliberations with Council in consideration of Council objectives, the Revenue Policy and 10 Year Financial Strategy.

STRATEGIC IMPLICATIONS**Legislative Requirements**

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

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

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

Risk Management

The recommendations contained in this report have been reviewed, for compliance with the applicable legislation, by external legal advisors.

Financial

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

People

Nil impact expected.

Environmental

Nil impact expected.

Social

Nil impact expected.

Alignment with Council's Policy and Plans**8. Inclusive and ethical governance**

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

The Differential General Rating Categories for 2015-2016 are put forward for adoption after consultation with the Councillors, the Executive Leadership Group, and officers from Financial Services.

OPTIONS

1. That Council resolves to adopt the rating categories as given in the Officer's recommendation.
2. That Council requests further information through a workshop on the Differential General rating categories, noting that this would delay adoption of the 2015-2016 annual budget.

OFFICER'S RECOMMENDATION

That Council resolves to adopt the following rating categories for the 2015-2016 financial year as given in the table below:

Category	Description
1a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value equal to or less than \$305,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, and is the registered owner's principal place of residence.
1b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value greater than or equal to \$305,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, and is the registered owner's principal place of residence.

Category	Description
2a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value equal to or less than \$305,000 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.
2b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value greater than or equal to \$305,001 used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence.
2av	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10, with a value equal to or less than \$305,000, where it is considered likely to be granted a development permit, or permits, for the erection of a building for residential, commercial or industrial purposes should application be made.
2bv	Includes all vacant rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands, other than that categorised in rating category 10, with a value greater than or equal to \$305,001, where it is considered likely to be granted a development permit, or permits, for the erection of a building for residential, commercial or industrial purposes should application be made.
3a	Includes all rateable land on the Southern Moreton Bay Islands with a value equal to or less than \$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.
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.
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.
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.
5	<p>Includes all rateable land that is used, or is intended for residential use or any other purpose other than Commercial or Industrial that has been identified in the <i>Southern Moreton Bay Islands Development Entitlements Protection Regulation 2006</i> that has recognised development potential and where the current owner was in possession of the land immediately before 13 April 2005.</p> <p>The development entitlements, which existed under the 'superseded' Transitional Planning Scheme, have been protected on these lots for a period of ten years from the commencement of the Redlands Planning Scheme or until a change in ownership occurs as the protection of development entitlements does not extend to future owners of land included in this</p>


Category	Description
	<p>category.</p> <p>Land in this category is included in the Conservation Sub-Area CN1 zone of the Redlands Planning Scheme.</p>
6	<p>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.</p>
7	<p>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.</p>
8	<p>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.</p>
10	<p>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.</p> <p>This category also includes all rateable land on the Southern Moreton Bay Islands that is vacant and has been included within the Open Space zone of the Redlands Planning Scheme.</p>
11	<p>Includes subdivided land that is not yet developed in accordance with Section 50 of the <i>Land Valuation Act 2010</i> (Part 2 Subdivision 3 Discounting for subdivided land not yet developed). For the purpose of levying the General Rate the value of land subject to this Section will be discounted by 40%. A discount is not applicable for land valued as a community management scheme. Furthermore, a minimum general rate will not apply to this land in accordance with Section 77(3) of the <i>Local Government Regulation 2012</i>.</p>
12a	<p>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.</p>
12b	<p>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.</p>
14	<p>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</p>

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

5.4 REDLAND WATER ANNUAL PERFORMANCE PLAN 2015-2016

Objective Reference: A170266
Reports and Attachments (Archives)

Attachment: [Redland Water Annual Performance Plan 2015-2016](#)

Authorising/Responsible Officer: 
Gary Soutar
General Manager Infrastructure &
Operations

Report Author: Shelley Thompson
PA to General Manager Infrastructure &
Operations

PURPOSE

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

BACKGROUND

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

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

1. be consistent with its annual budget, and
2. state how the local government will:
 - a) progress the implementation of the 5-year corporate plan during the period of the annual operational plan; and
 - b) manage operational risks; and
3. include an annual performance plan for each commercial business unit of the local government.

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

RW 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;
- Group Manager Water & Waste Infrastructure; and
- Business & Infrastructure Finance team.

OPTIONS

1. To adopt the Redland Water Annual Performance Plan for 2015-2016 as attached.
2. To adopt the Redland Water Annual Performance Plan for 2015-2016 with amendments.

OFFICER'S RECOMMENDATION

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

REDLAND WATER

A commercial business unit of Redland City Council

Water & wastewater services

Annual Performance Plan 2015-16

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1 Introduction

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

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

In deciding whether an activity should be a significant business activity for the 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 *Local Government Regulation 2012* 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 *Local Government Regulation 2012* states:

- 1) The annual operational plan for a local government must:
 - (a) be consistent with its annual budget; and
 - (b) state how the local government will:
 - (i) progress the implementation of the 5-year corporate plan during the period of the annual operational plan; and
 - (ii) manage operational risks; and
 - (c) include an annual performance plan for each commercial business unit of the local government.
- 2) An annual performance plan for a commercial business unit is a document stating the following for the financial year, 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 Redland Water vision, objectives and functions

4.1 **Business focus**

4.1.1 **Vision**

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

4.1.2 **Mission**

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

4.1.3 **Key drivers**

The key business drivers are:

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

5 Roles of each party

5.1 **Redland City Council’s role**

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

5.2 **Redland Water’s role**

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

6 Undertakings by the parties

6.1 **Redland City Council**

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

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

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

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

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

6.2 **Redland Water**

Redland Water will:

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

7 Redland City corporate plan objectives

To address key strategies within the RCC Corporate Plan 2010-2020, Redland Water will:

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

8 Redland Water's strategies for achieving objectives

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

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

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

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

9 Redland Water services

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

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

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

9.1 **Water supply service**

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

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

9.2 **Wastewater service**

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

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

10 Reporting

10.1 **Reporting structure**

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

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

10.2 **Reporting**

Redland Water will provide the following reports:

Monthly:

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

Yearly:

- yearly KPIs as shown in the attached Redland Water 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**

Water and wastewater

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

The CSS also contains any other matters as mentioned in guidelines issued by the Department of Environment & Water Supply (DEWS). It is reviewed annually and customers are advised of significant changes.

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

For 2015-16 CSS, Redland Water will make every effort to:

Water

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

Wastewater

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

11.2 Customer advice

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

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

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

11.3 Seeking feedback from our customers and community

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

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

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

12 Planning for the future

12.1 *Financial planning*

- Redland Water will review its financial model on a yearly basis. The financial model will be for a period of no less than 10 years.
- The CBU's budget will be formulated on an annual basis and reviewed 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*

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

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

12.3 *Employment and training plan*

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

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

12.4 *Financial risk*

Redland Water will adopt strategies to minimise financial risk by:

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

13 Revenue

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

13.1 *Collection of rates*

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

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

13.2 *Collection of fees, charges and miscellaneous incomes*

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

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

13.3 *Community service obligations (CSOs)*

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

CSOs may include:

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

Current CSOs for Council 15/16 are:

Job Number	Annual Budget
52019 Water concession not for profit	\$ 110,000
53019 Wastewater concession not for profit	\$ 450,000
	<u>\$ 560,000</u>

13.4 *Measurement of water consumptions*

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

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

14 Financial Structure

Redland Water show as separate units within RCC's financial ledgers.

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

14.1 Capital structure

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

The 10-year Debt to Debt + Equity level shall be in the range of 35-55%, currently the planned level for 2015/16 shall be 36% (this is the ratio of our internal debt \$247m).

14.2 Physical assets

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

14.3 Monetary assets

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

14.4 Investment

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

14.5 Cash balances

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

Refer to attachment 3 – Cash Flows

14.6 Loans

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

14.7 Subsidy

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

14.8 Recognition of assets

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

14.9 Depreciation

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

14.10 Pricing policies

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

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

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

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

14.11 Net return to Council

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

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

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

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

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

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

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

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

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

- + Tax
- + Dividend
- + Internal expenses
- + Competitive neutrality expenses
- + Internal interest
- Internal revenues
- CSO recovery

14.12 Reserves

Constrained cash reserves (Redland Water 543 & Wastewater 544)

In late 2013/14 Redland Water established 2 constrained cash reserves on their balance sheet - one each for water and waste water. The purpose of these reserves is to capture any over and under recovery of maximum allowable revenue due to the price smoothing associated with the large increase in purchase price of bulk water, expected in 2017/18. This bulk water price was referred by the Queensland State Government for investigation by the QCA and a response is now pending from the State Government.

Constrained capital works reserves (Redland Water 5134 & Wastewater 5135)

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

14.13 Developer contributions

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

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

ATTACHMENTS

ATTACHMENT 1 – OPERATIONAL BUDGET 2015/16 – 3 YEARS

	Budget Year 1 2015/16 \$'000s	Estimate Year 2 2016/17 \$'000s	Estimate Year 3 2017/18 \$'000s
Operating Revenue			
Rates and Utility Charges	95,689	99,668	103,343
Less: Discounts & Pensioner Remissions	(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 Operating Revenue	98,219	102,644	106,314
Operating Expenditure			
Employee Costs	7,972	8,172	8,376
Goods 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 Operating Expenditure	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)

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
<i>Proposed Sources of Capital Funding</i>			
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
<i>Total Sources of Capital Funding</i>	21,466	12,075	19,790
<i>Proposed Application of Capital Funds</i>			
Contributed Assets	3,000	3,071	3,143
Capitalised Goods & Services	18,217	8,749	16,388
Capitalised Employee Costs	249	255	260
Loan Redemption	0	0	0
<i>Total Application of Capital Funds</i>	21,466	12,075	19,790
<i>Other Budgeted Items</i>			
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	(21,215)	(17,483)	(17,483)

ATTACHMENT 3 – CASH FLOW PROJECTIONS 2015/16 – 3 YEARS

	Budget 2015/16 \$'000	Year 1 2016/17 \$'000	Year 2 2017/18 \$'000
<i>Receipts</i>			
Rates & utilities	95,019	99,444	103,114
Fees & charges	325	325	325
Interest	953	953	953
Grants and subsidies	0	0	0
Contributions	0	0	0
Other revenue	1,359	1,359	1,359
Total Receipts	97,657	102,081	105,752
<i>Payments</i>			
Employee costs	(6,285)	(6,442)	(6,603)
Materials & services	(42,773)	(50,618)	(54,029)
Total Payments	(49,058)	(57,061)	(60,633)
NET CASH FLOW - OPERATIONS	48,599	45,020	45,119
<i>Investing Activities</i>			
Proceeds - disposal on-current assets	0	0	0
Proceeds - Capital subsidies and grants	3,500	3,582	3,666
Payments - Property, Plant & Equipment	(18,465)	(9,004)	(16,648)
Finance costs	0	0	0
NET CASH FLOW - INVESTING ACTIVITIES	(14,965)	(5,422)	(12,981)
Proceeds from borrowing - QTC	0	0	0
Repayment of borrowing - QTC	0	0	0
NET CASH FLOW - FINANCING ACTIVITIES	0	0	0
<i>Return to Council</i>			
Dividend	(1,908)	(506)	(260)
Tax	(3,564)	(3,140)	(3,002)
Special Dividend - internal debt RSC	(21,215)	(17,483)	(17,483)
Transfers to/from reserves	(2,714)	(2,107)	4,499
Net Internals Other	(4,922)	(5,131)	(5,346)
NET INCREASE (DECREASE) IN CASH HELD	(689)	11,232	10,546
Cash at the start of the financial year.	22,164	21,474	32,706
CASH AT END OF FINANCIAL YEAR	21,474	32,706	43,252

ATTACHMENT 4 – PROJECTED BALANCE SHEET 2015/16 – 3 YEARS

	Budget 2015/16 \$'000	Year 1 2016/17 \$'000	Year 2 2017/18 \$'000
<i>CURRENT ASSETS</i>			
Cash	0	0	0
Receivables – rates	23,072	23,072	23,072
Prepayments	29	29	29
Investments	21,474	32,706	43,252
Total Current Assets	44,575	55,807	66,353
<i>NON-CURRENT ASSETS</i>			
Property, plant, and equipment	643,104	636,586	637,284
Total Non-Current Assets	643,104	636,586	637,284
TOTAL ASSETS	687,679	692,394	703,637
<i>CURRENT LIABILITIES</i>			
Creditors and Accruals	2,496	2,496	2,496
Debt RCC	247,000	247,000	247,000
Employee Provisions	646	646	646
Total Current Liabilities	250,142	250,142	250,142
<i>NON-CURRENT LIABILITIES</i>			
Creditors and Accrual	9,322	9,322	9,322
Employee Provisions	1,148	1,148	1,148
Total Non-Current Liabilities	10,470	10,470	10,470
TOTAL LIABILITIES	260,612	260,612	260,612
NET BUSINESS UNIT ASSETS	427,067	431,781	443,025
TOTAL COMMUNITY EQUITY	427,067	431,781	443,025

ATTACHMENT 5 – KEY PERFORMANCE INDICATORS 2015-16

Water:
 = 1266km mains
 No. active meters (incl multiple meters/prop) = 54,265
 No connected props (incl CTS – no children) = 53,092
 Total no connected props (include child props and not including MPPM) = 58,945
 MPPM = 621
 Child properties = 6,474

Wastewater:
 = 1150km mains
 No. of active wastewater services = 48,756 (non vacant)
 Total no. wastewater services = 49,929 (vacant & non vacant)

KRA and Goals	REDLAND WATER SCORECARD		Monthly Target	Unit	Reporting Frequency	Annual Target
	WATER & WASTEWATER INDICATORS – 2015-16					
Financial management Ensure the long term financial viability of the city and provide public accountability in financial management.	Operating revenue (actual to budget)		+/- 5%	%	Monthly	=/-5%
	Operating goods and services expenditure (actual to budget)		+/- 5%	%	Monthly	=/-5%
	Capital expenditure (actual to budget)		+/- 5%	%	Monthly	=/-5%
	Treatment costs per property serviced (wastewater)		\$12.73	\$	Monthly	\$152.71
	Maintenance costs per property serviced (water)		\$4.23	\$	Monthly	\$50.80
	Maintenance costs per property serviced (wastewater)		\$8.22	\$	Monthly	\$98.61
Deliver essential services Provide and maintain water, waste services, roads, drainage and support the provision of transport and waterways infrastructure to sustain our community.	Number WWTP non conformances with EPA licence over compliance year		max 0.5	#	Monthly	max 6
	% compliance with Australian Drinking Water Guidelines (ADWG) within distribution system. Does not include non-compliant water received at the point of transfer to the distribution system, i.e. from the bulk water authority or the bulk transport authority.		min 98	%	Monthly	min 98
People management Development of organisational cultural values and people behaviours in order to meet agreed community expectations.	LTIFR		NA	Lost time injury frequency rate	Annually	max 20

5.5 REDWASTE ANNUAL PERFORMANCE PLAN 2015-2016

Objective Reference: A170398
Reports and Attachments (Archives)

Attachment: [RedWaste Annual Performance Plan 2015-2016](#)

Authorising/Responsible Officer: 
Gary Soutar
General Manager Infrastructure &
Operations

Report Author: Shelley Thompson
PA to General Manager Infrastructure &
Operations

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

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
	<u>1,564,532</u>

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 (Finance, Plans and Reporting) Regulation 2010*, and the *Australian Accounting Standards*

14.9 **Depreciation**

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

14.10 **Pricing policies**

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

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

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

14.11 Net return to Council

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

Tax on operating capability @ 30%.

Dividend: 50% on after tax operating surplus.

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

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

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

Retained earnings: All surplus profit after tax and dividend will be transferred to 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
<i>Operating Revenue</i>			
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
<i>Total Operating Revenue</i>	23,374	24,346	25,171
<i>Operating Expenditure</i>			
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
<i>Total Operating Expenditure</i>	17,243	17,791	18,357
<i>Earnings before Interest, tax and depreciation (EBITD)</i>	6,131	6,555	6,814
Interest expense	42	33	27
Internal Interest	495	531	584
Depreciation	553	646	664
<i>Operating Surplus/(Deficit)</i>	5,041	5,345	5,539
Income Tax	1,514	1,604	1,662
Dividend	1,767	1,871	1,939
<i>Net Increase in Operating Capacity</i>	1,761	1,870	1,938

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
<i>Proposed Sources of Capital Funding</i>			
Capital Contributions and Donations	0	0	0
Capital Grants and Subsidies	0	0	0
Proceeds on Disposal of Non Current Assets	0	0	0
Net Transfer (to)/from Constrained Capital Reserves	0	0	0
Non Cash Contributions	0	0	0
New Loans	0	0	0
Funding from Utility Revenue	1,639	310	623
<i>Total Sources of Capital Funding</i>	1,639	310	623
<i>Proposed Application of Capital Funds</i>			
Contributed Assets	0	0	0
Capitalised Goods & Services	1,541	233	540
Capitalised Employee Costs	29	0	0
Loan Redemption	69	77	83
<i>Total Application of Capital Funds</i>	1,639	310	623
<i>Other Budgeted Items</i>			
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	Estimate	Estimate
	Year 1	Year 2	Year 3
	2015/2016	2016/2017	2017/2018
	\$'000s	\$'000s	\$'000s
Receipts			
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
Total Receipts	23,664	24,390	25,139
Payments			
Employee costs	1,432	1,468	1,504
Materials & services	16,246	16,770	17,311
Other expenses	0	0	0
Total Payments	-17,678	-18,238	-18,815
Interest revenue	150	408	497
Interest expense (external only)	42	33	27
Finance costs	0	0	0
NET CASH FLOW - OPERATIONS	6,095	6,528	6,793
INVESTING ACTIVITIES			
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
NET CASH FLOW - INVESTING ACTIVITIES	-1,570	-233	-540
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing Internal	0	0	0
Proceeds from borrowing QTC	0	0	0
Repayment of borrowing Internal	0	0	0
Repayment of borrowing QTC	69	77	83
NET CASH FLOW - FINANCING ACTIVITIES	-69	-77	-83
Return to Council (includes internal interest)	-3,772	-4,005	-4,185
NET INCREASE (DECREASE) IN CASH HELD	684	2,213	1,985
Cash at the start of the financial year	9,526	10,210	12,423
CASH AT END OF FINANCIAL YEAR	10,210	12,423	14,408

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

	Budget	Estimate	Estimate
	Year 1	Year 2	Year 3
	2015/2016	2016/2017	2017/2018
	\$'000s	\$'000s	\$'000s
CURRENT ASSETS			
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
Total Current Assets	10,751	12,967	14,955
NON CURRENT ASSETS			
Property, Plant and Equipment	13,650	13,237	13,113
Total Non-Current Assets	13,650	13,237	13,113
TOTAL ASSETS	24,401	26,203	28,068
CURRENT LIABILITIES			
Accounts Payable	1,305	1,311	1,318
Current Employee Provisions	38	39	40
Current Loans	77	83	89
Other Liabilities	0	0	0
Total Current Liabilities	1,420	1,433	1,446
NON CURRENT LIABILITIES			
Non Current Loans	491	408	319
Non Current Internal loan	7,000	7,500	8,250
Non Current Employee Provisions	55	56	58
Total Non-Current Liabilities	7,546	7,964	8,627
debt to debt+equity 30% 50%	31%	30%	31%
TOTAL LIABILITIES	8,966	9,397	10,073
NET ASSETS	15,435	16,806	17,995
COMMUNITY EQUITY			
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
TOTAL COMMUNITY EQUITY	15,435	16,806	17,995

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>
		Operations Waste Total	<u><u>1,570,000</u></u>

ATTACHMENT 6 KEY PERFORMANCE INDICATORS 2015-16

Vision outcome	RedWaste indicators – 2015-16	Monthly target	Unit	Reporting frequency	Annual target
Green living Our green living choices will improve our quality of life and our children's lives, through our sustainable and energy efficient use of resources, transport and infrastructure, and our well informed responses to risks such as climate change.	Total kilos of domestic waste land filled per capita per year	max 31	kg/ cap/ year	Monthly	max 372
	Municipal solid waste resource recovery rate	min 49.5%	%	Monthly	49.5%
Healthy & natural environment A diverse and healthy natural environment, with an abundance of native flora and fauna and rich ecosystems will thrive through our awareness, commitment and action in caring for the environment	% compliance with EHP licence requirements for waste management facilities	min 98	%	Quarterly	min 98
An efficient and effective organisation 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

5.6 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](#)

Authorising/Responsible Officer:



Linnet Batz
Chief Financial Officer

Report Authors: **Noela Barton**
Service Manager Revenue and Collections
Management

Deborah Corbett-Hall
Service Manager Corporate Finance

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 5.6.3 Establishment of Reserve Balances and Transfers for 2015-2016;
6. Adopt the 2015-2016 Annual Budget as attached, 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, as attached 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 5.6.4 to 5.6.12.



Redland
CITY COUNCIL



Budget

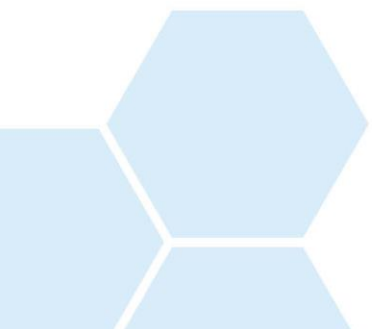
2015–2016

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Mayor's Message



Elected Members



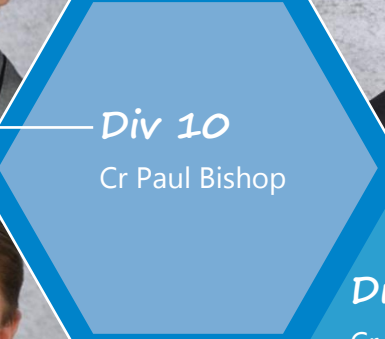
Mayor

Cr Karen Williams



Div 1

Cr Wendy Boglary



Div 10

Cr Paul Bishop



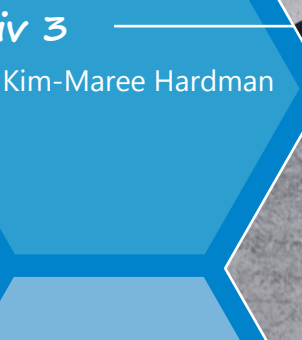
Div 2

Cr Craig Ogilvie



Div 9

Cr Paul Gleeson



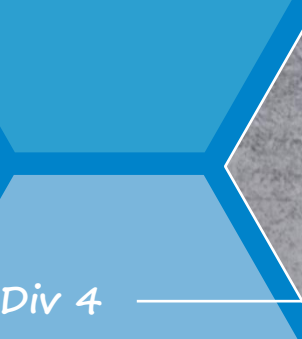
Div 3

Cr Kim-Maree Hardman



Div 8

Cr Alan Beard



Div 4

Cr Lance Hewlett



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:

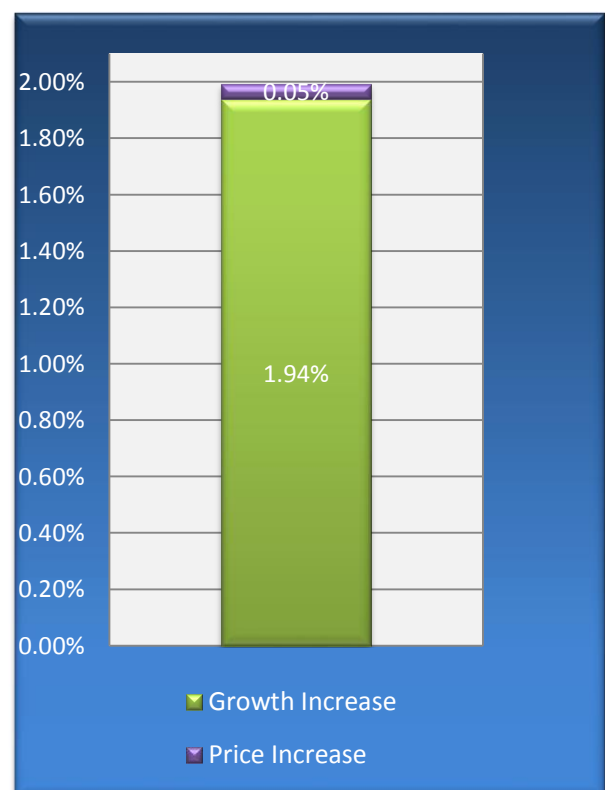
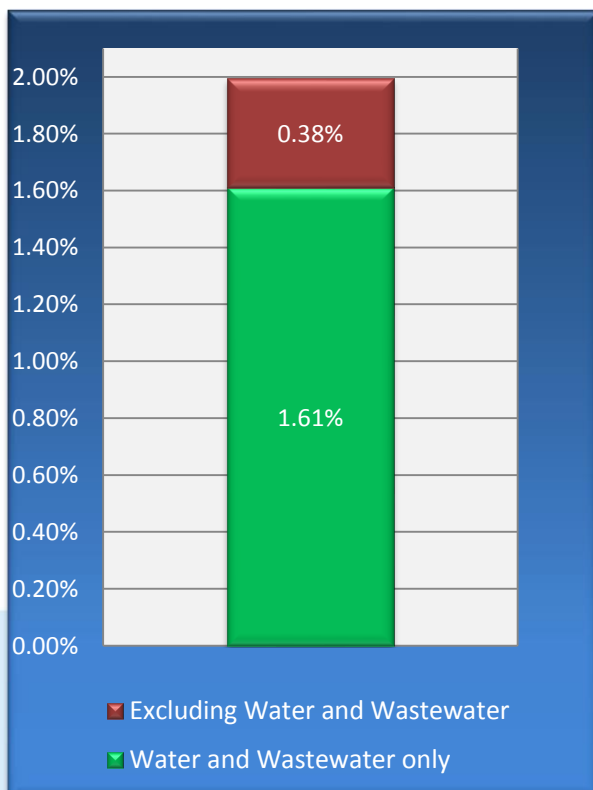
The budget must include the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year, compared with the rates and utility charges levied in the previous budget.

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



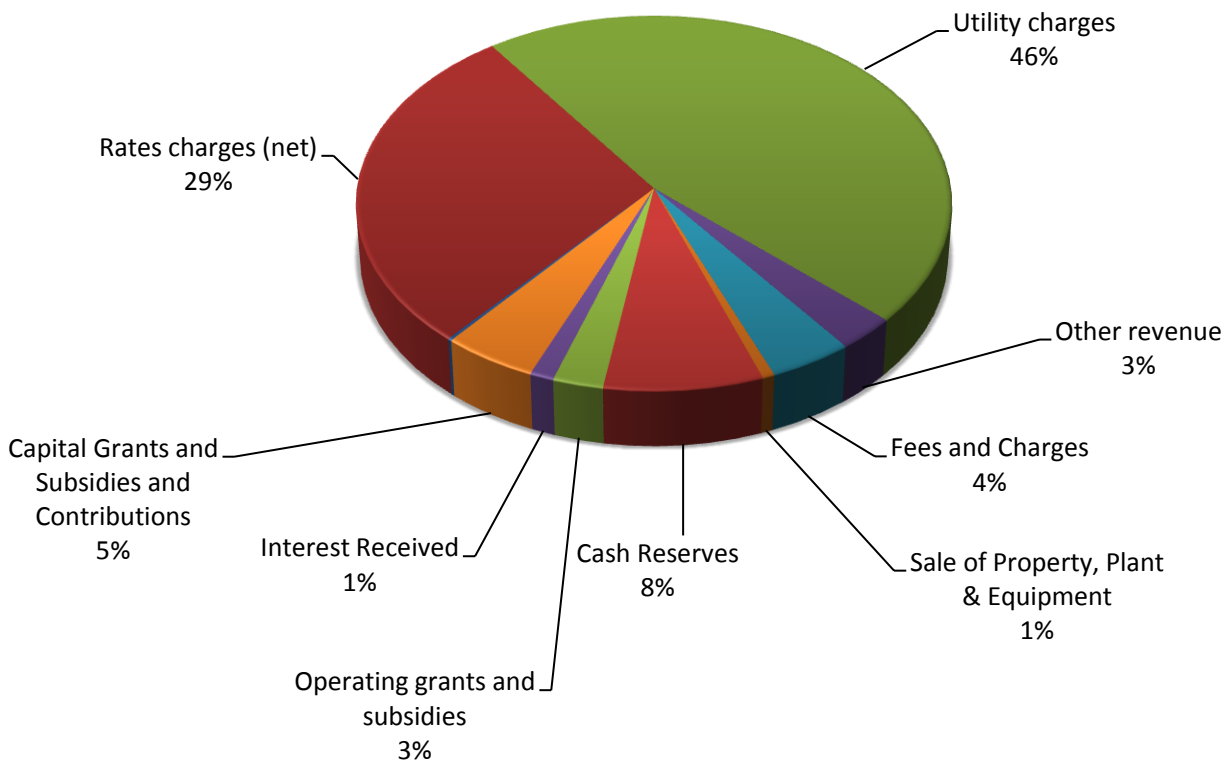
2015-2016 Financial Budget Overview

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.

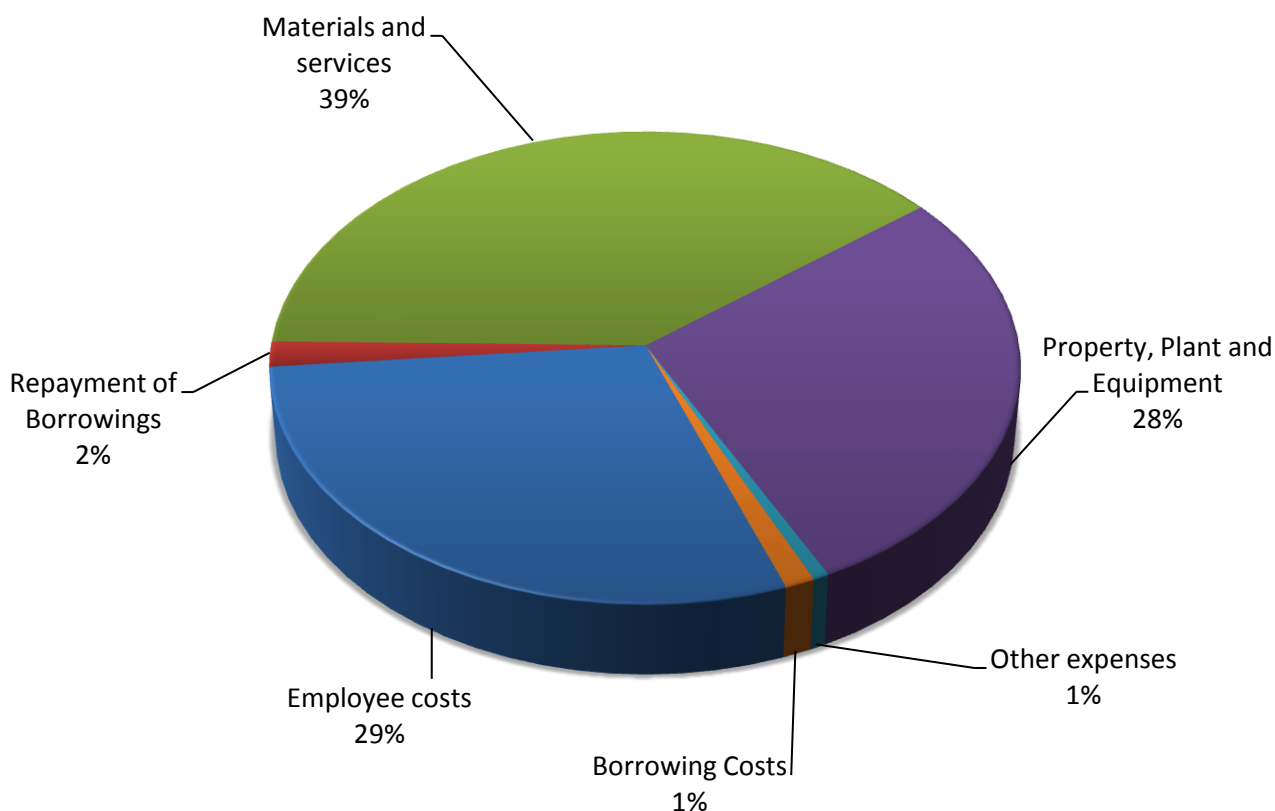
Budget 2015-16 Cash Funding (\$275M)



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

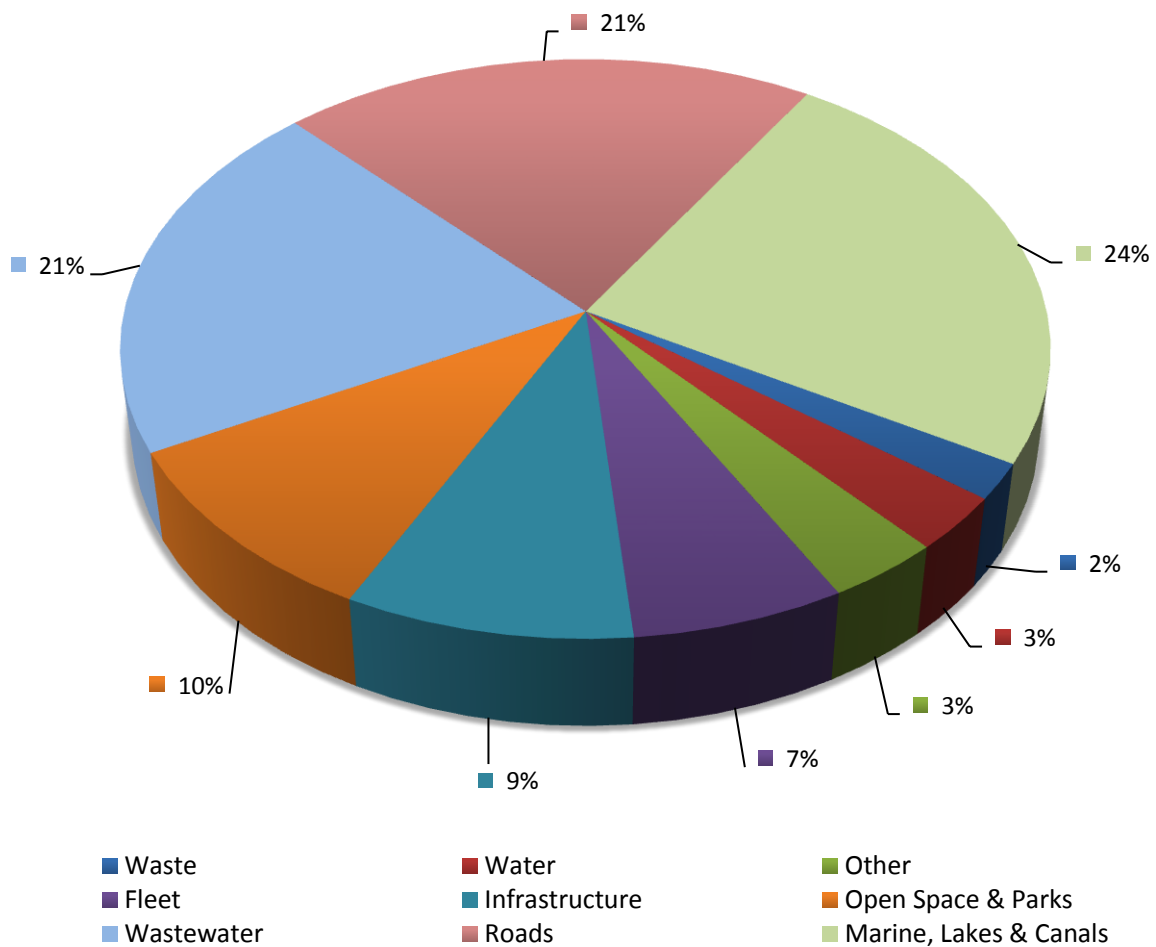
	Budget 2015-16 Year 1 \$	Estimate 2016-17 Year 2 \$	Estimate 2017-18 Year 3 \$
Revenue			
Operating revenue	235,263	242,321	249,591
Internal revenue	0	0	0
Interest received	0	0	0
Community service obligation	18,000	18,540	19,096
Contribution from general fund	120,700	123,425	128,131
Total revenue	373,963	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

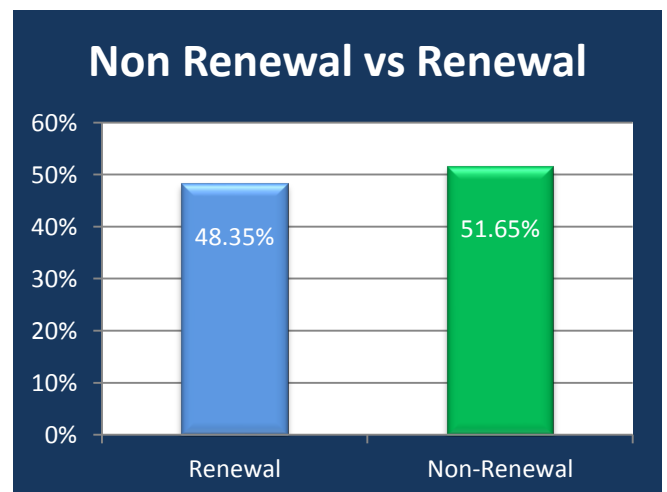
Total \$78.1M (excluding contributed assets)

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



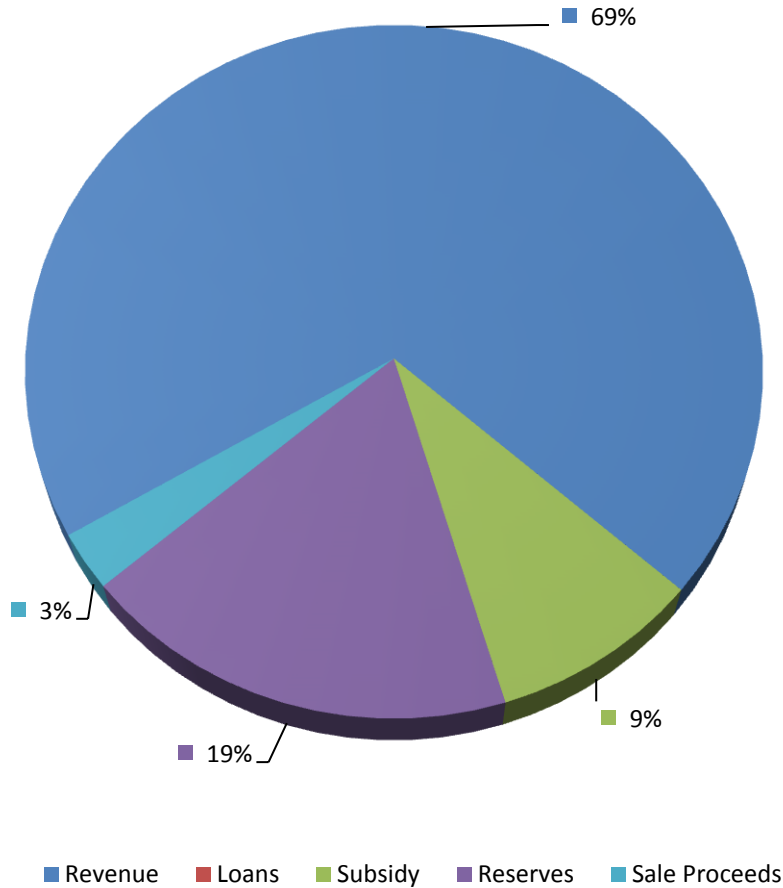
Category	\$ Amount \$000s	% 2015-16
Waste	1,570	2.01%
Water	2,381	3.05%
Other	2,772	3.55%
Fleet	5,162	6.61%
Infrastructure	6,963	8.92%
Open Space & Parks	7,661	9.81%
Wastewater	16,084	20.60%
Roads	16,454	21.07%
Marine, Lakes & Canals	19,051	24.39%
Total	78,098	100.00%



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	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. 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. Land in this category is included in the Conservation Sub-Area CN1 zone of the Redlands Planning Scheme.	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, Cochiemudlo 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)

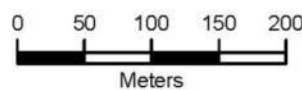


BENEFIT AREA MAP Map: APC-9 Version 5

Canal Charges
CA09 - Aquatic Paradise Marina Special Charge



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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)



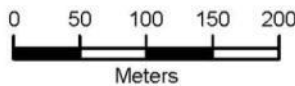
BENEFIT AREA MAP Map: APC-2 Version 5

Canal Charges

 CA02 - Aquatic Paradise Special Charge



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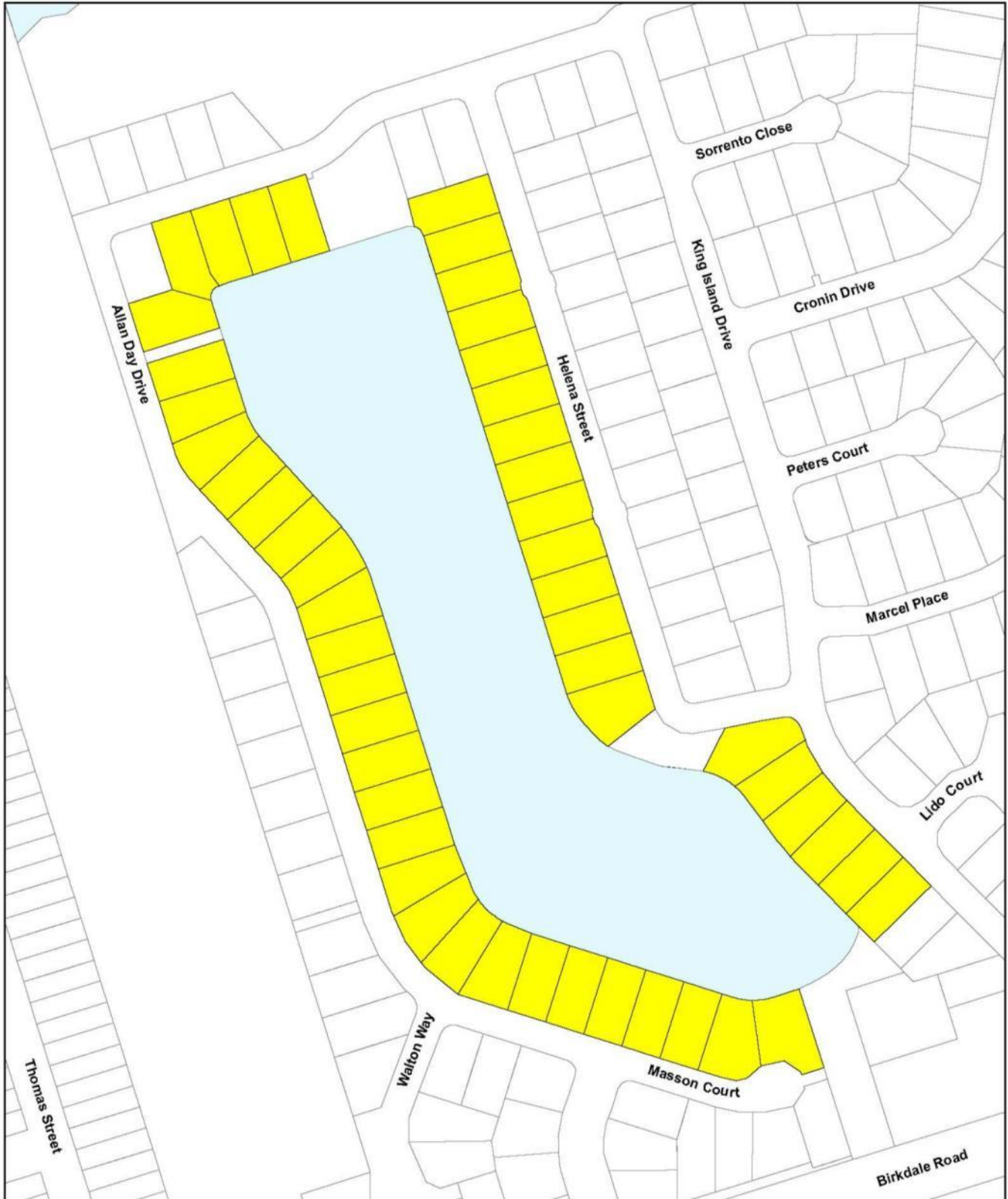


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Sovereign Waters Lake Special Charge Benefit Area Map

(SWL – version 5)



BENEFIT AREA MAP Map: SWL Version 5



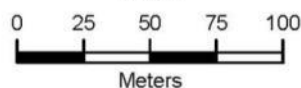
Produced by
Spatial Business Intelligence
30 June 2015

Lake Charges

 LA01 - Sovereign Lake Special Charge



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Data correct at time of production

Raby Bay Community Title Scheme Special Charge Benefit Area Map

(RBC-7 – version 5)



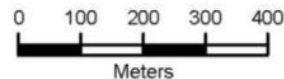
BENEFIT AREA MAP Map: RBC-7 Version 5



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Canal Charges

 CA07 - Raby Bay Tidal Works (CTS) Special Charge

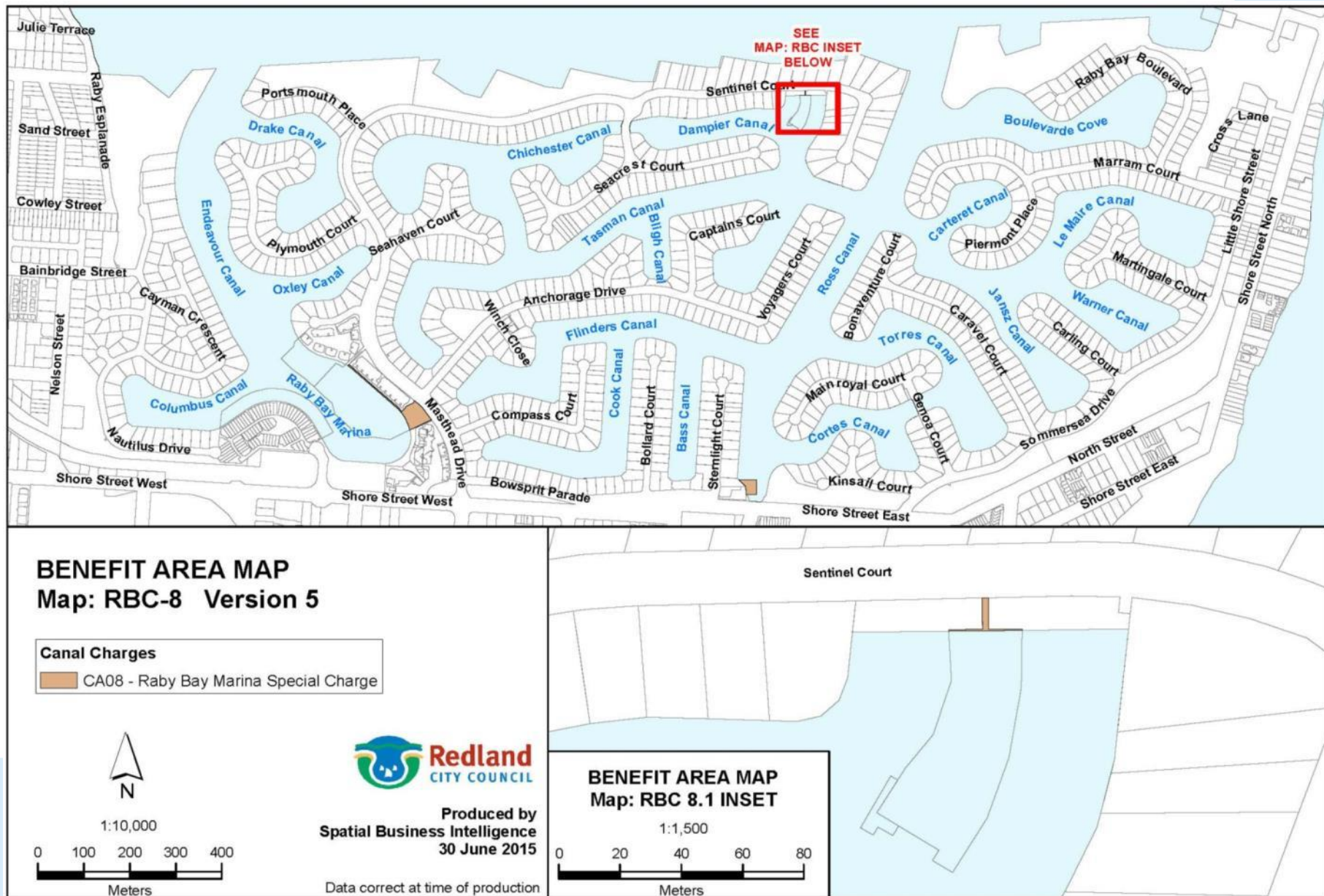


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30 June 2015

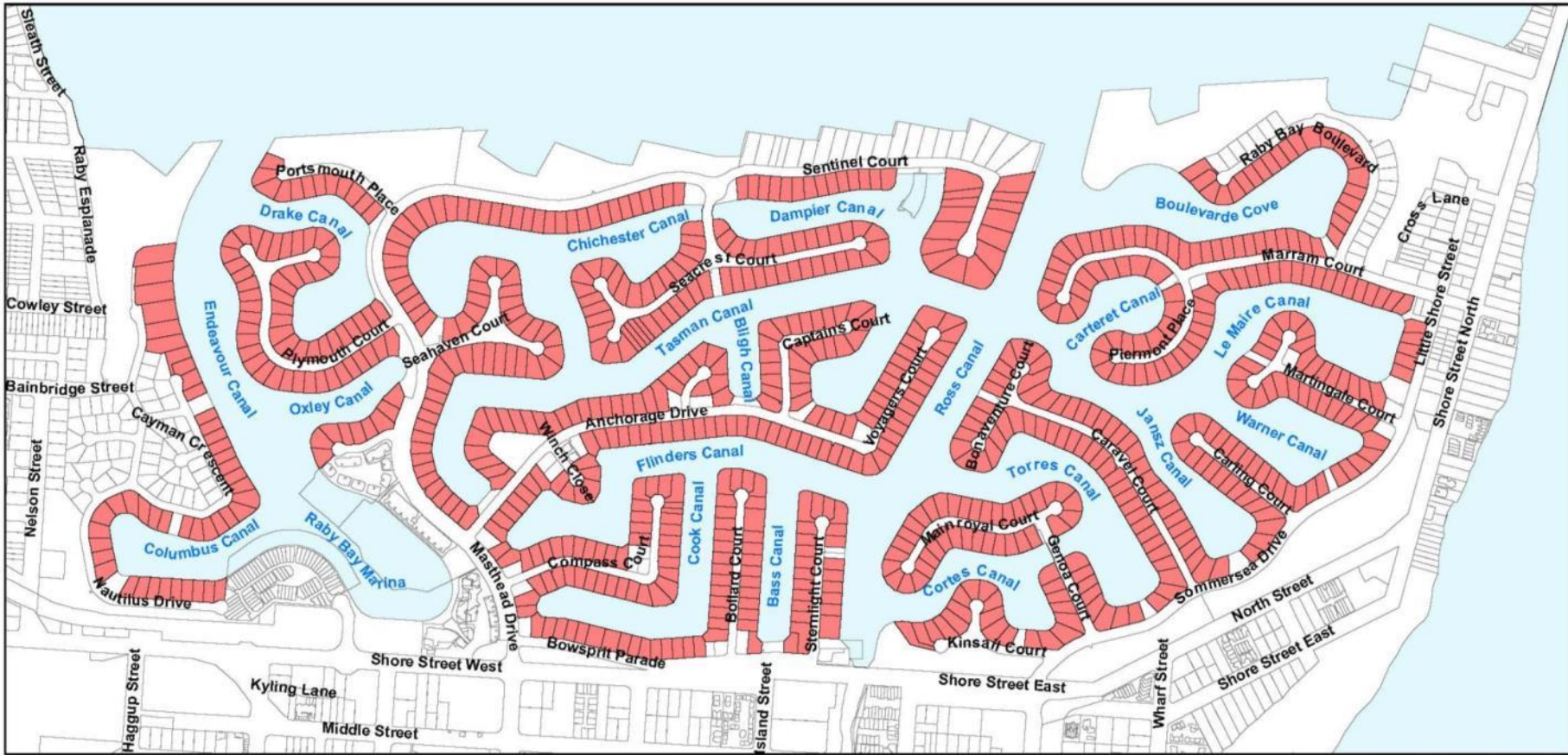
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Raby Bay Marina Special Charge Benefit Area Map

(RBS-8 and RBC8.1 inset – version 5)



Raby Bay Non Community Title Scheme Special Charge Benefit Area Map (RBC-6 – version 5)



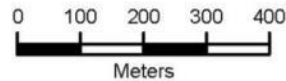
BENEFIT AREA MAP Map: RBC-6 Version 5



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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

5.6.1 STATEMENT OF ESTIMATED FINANCIAL POSITION 2015-2016

Objective Reference: A190279
Reports and Attachments (Archives)

Attachment: [Statement of Estimated Financial Position 2014-2015](#)

Authorising/ Responsible Officer:



Linnet Batz
Chief Financial Officer

Report Author: Deborah Corbett-Hall
Service Manager Corporate Finance

PURPOSE

The purpose of this report is to present Council's estimated financial position for the 2014-2015 financial year in accordance with section 205 of the *Local Government Regulation 2012*. The attachment outlines Council's forecasted financial operations and financial position for the 2014-2015 financial year.

BACKGROUND

Council adopts an annual budget at the beginning of each financial year and undertakes revisions of the budget throughout the year. The information contained in the attached financial report provides details of the original budget, revised budget and also a forecast position as at the end of June 2015.

ISSUES

Please refer to the attached Statement of Estimated Financial Position 2014-2015 and associated supporting high level narration.

The *final* financial position of Council will be determined following the end of the 2014-2015 year and in accordance with the requirements of Australian Accounting Standards and other appropriate accounting obligations.

STRATEGIC IMPLICATIONS**Legislative Requirements**

Section 205(1) of the *Local Government Regulation 2012* requires the Chief Executive Officer to present a statement of estimated financial position to the annual budget meeting.

Risk Management

Each formal budget review has been adopted following a rigorous development and consultation process. Finance Officers, the Chief Financial Officer and the Executive Leadership Team also review the monthly performance and position and discuss possible causes of action when appropriate. Additionally, Council's Audit Committee reviews the monthly financial statements and discusses variances when necessary.

Financial

This report does not include any financial implications. The attachment compares the adopted original budget and annual revised budget against year-end forecasts for the 2014-2015 financial year. As the figures are anticipated and unaudited, they are subject to change with the completion of the financial year-end accounting process and finalisation of the external audit by Queensland Audit Office later in the calendar year.

People

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon original budget versus forecasted financial performance and position for the 2014-2015 financial year.

Environmental

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon original budget versus forecasted financial performance and position for the 2014-2015 financial year.

Social

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon original budget versus forecasted financial performance and position for the 2014-2015 financial year.

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

Finance Officers and the Chief Financial Officer reviewed the attached information and confirm the information is provided in accordance with legislative requirements.

OPTIONS

1. Council resolves to note the Statement of Estimated Financial Position for 2014-2015 as presented in the attached report.
2. Council requests additional information.

OFFICER'S RECOMMENDATION

That Council resolves to note the Statement of Estimated Financial Position for 2014-2015 as presented in the attached report.



Statement of Estimated Financial Position

for the year ending 30 June 2015

CONTENTS

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2.	Statement of Estimated Financial Position	4
3.	Statement of Estimated Comprehensive Income	5

1. EXECUTIVE SUMMARY

Section 205(1) of the *Local Government Regulation 2012* requires the chief executive officer to present a statement of estimated financial position to the annual budget meeting.

The estimated financial position and operational results was determined with reference to the actual financial results for the year to date up to 30 April 2015, as well as the forecasted movements for the months of May and June 2015 as per the revised budget, including any other late adjustments to the forecasted budgeted movements during these two months. The variance included in this report represents the difference between the final revised annual budget adopted by Council on 6 May 2015 and the forecasted position and results for the end of the year.

The following are key items to note:

General

- * The 2014/15 original budget was developed and adopted prior to the finalisation of the 2013/14 financial statement results resulting in significant movements between the original and revised annual budgets for the 2014/15 financial year;
- * The estimated financial position and operational results do not include accruals or deferrals and other adjustments that would ordinarily be considered as part of the end of year processes; and
- * Results of the assets revaluations being undertaken are not yet reflected in these statements.

Forecast Financial Position

Line Item	Comment
Cash & investments	Increased development activity in the Redlands area resulted in higher than anticipated revenue received from developer cash contributions. Payments for property, plant and equipment were also significantly lower than what was originally anticipated.
Accounts receivable	In line with the rating cycle the current forecasted balance is expected to be reduced at the end of the financial year, with April rates notices due for payment in May 2015.
Property plant & equipment	Capital expenditure under the capital works programme has been lower than anticipated for the 2014/15 financial year.
Landfill Rehabilitation provision	The landfill rehabilitation provision has been reassessed during the final budget review for 2014/15 based on revised estimates and information available. The current portion reflects that portion expected to be utilised in the next financial year. The movement in the provision is reflected in the budget remediation expense in the operating statement.
Cash constrained reserves	The higher than expected developer cash contributions resulted in the actual transfers to reserves during the year being higher than anticipated. The transfers to reserves are not utilised within the same year.

Forecast Financial Results (Comprehensive Income)

Line Item	Comment
Operating Result	Council's estimated operating result for the year ended 30 June 2015 is \$11.556M (Forecast Recurrent Revenue minus Forecast Recurrent Expenses), with a \$2.885M favourable variance to the revised budget.
Capital Revenue	Due to increased development activity developers' cash contributions received were significantly higher than originally anticipated.

2. STATEMENT OF ESTIMATED FINANCIAL POSITION

For the year ending 30 June 2015

	Annual Original Budget \$000	Annual Revised Budget \$000	Estimated Forecasted Balance \$000	Estimated Variance to Revised Budget \$000	Estimated Variance to Revised Budget %
CURRENT ASSETS					
Cash & Investments	49,157	74,197	100,940	26,743	36.04%
Accounts Receivable	34,311	39,606	46,095	6,489	16.38%
Inventories	943	845	830	(15)	-1.78%
Prepaid Expenses	1,320	1,155	1,659	504	43.64%
Non-Current Assets - Held for Sale	467	9,257	9,257	-	0.00%
Total Current Assets	86,199	125,059	158,781	33,721	26.96%
NON-CURRENT ASSETS					
Property, Plant & Equipment	2,021,416	2,091,466	2,082,155	(9,311)	-0.45%
Financial Assets	-	1,233	1,233	-	0.00%
Total Non-Current Assets	2,021,416	2,092,699	2,083,388	(9,311)	-0.44%
TOTAL ASSETS	2,107,615	2,217,758	2,242,169	24,410	1.10%
CURRENT LIABILITIES					
Accounts Payable	17,301	19,033	12,276	(6,757)	-35.50%
Current Employee Provisions	2,468	9,493	12,727	3,234	34.07%
Current Loans	5,247	5,498	4,562	(936)	-17.02%
Current Landfill Rehabilitation Provisions	1,144	3,084	8,038	4,954	160.64%
Other Liabilities	3,201	1,283	14,450	13,167	1026.27%
Total Current Liabilities	29,361	38,390	52,053	13,662	35.59%
NON-CURRENT LIABILITIES					
Non-Current Loans	49,149	48,897	50,189	1,292	2.64%
Non-Current Employee Provisions	10,998	2,013	1,864	(149)	-7.40%
Non-Current Landfill Rehabilitation Provisions	28,189	8,130	8,130	-	0.00%
Non-Current Trade & Other Payables	693	478	478	-	0.00%
Total Non-Current Liabilities	89,029	59,517	60,661	1,143	1.92%
TOTAL LIABILITIES	118,390	97,908	112,714	14,805	15.12%
NET ASSETS	1,989,225	2,119,851	2,129,455	9,605	0.45%
COMMUNITY EQUITY					
Retained Earnings	1,943,302	2,054,103	2,045,556	(8,547)	-0.42%
Cash Constrained Reserves	45,923	65,747	83,899	18,152	27.61%
TOTAL COMMUNITY EQUITY	1,989,225	2,119,851	2,129,455	9,605	0.45%

3. STATEMENT OF ESTIMATED COMPREHENSIVE INCOME

For the year ending 30 June 2015

	Annual Original Budget \$000	Annual Revised Budget \$000	Estimated Forecasted Results \$000	Estimated Variance to Revised Budget \$000	Estimated Variance to Revised Budget %
Recurrent Revenue					
Rates Charges	81,366	81,366	80,048	(1,318)	-1.62%
Levies & Utility Charges	124,757	126,689	125,859	(830)	-0.66%
<i>Less: Pensioner Remissions & Rebates</i>	(2,743)	(5,842)	(6,376)	(534)	9.13%
Fees & Charges	10,629	11,108	12,271	1,163	10.47%
Operating Grants & Subsidies	3,983	12,248	12,999	752	6.14%
Operating Contributions & Donations	260	547	677	130	23.76%
Interest External	3,872	4,012	4,383	371	9.25%
Other Revenue	4,021	7,479	8,850	1,371	18.34%
Total Recurrent Revenue	226,144	237,607	238,713	1,106	0.47%
Capital revenue					
Grants, Subsidies & Contributions	15,050	18,586	27,039	8,453	45.48%
Non-Cash Contributions	3,146	3,226	4,749	1,524	47.24%
Total Capital Revenue	18,196	21,812	31,788	9,976	45.74%
TOTAL REVENUE	244,340	259,419	270,501	11,082	4.27%
Recurrent Expenses					
Employee Costs	76,094	76,925	74,938	(1,987)	-2.58%
Goods & Services	106,425	99,174	98,809	(365)	-0.37%
Finance Costs	3,643	4,003	4,017	14	0.35%
Depreciation & Amortisation	51,209	48,834	49,392	558	1.14%
Total Recurrent Expenses	237,370	228,936	227,156	(1,780)	-0.78%
Capital Expenses					
(Gain)/Loss on Disposal of Non-Current Assets	(3,192)	(842)	2,462	3,305	-392.28%
Total Capital Expenses	(3,192)	(842)	2,462	3,305	-392.28%
TOTAL EXPENSES	234,178	228,094	229,619	1,525	0.67%
NET RESULT	10,161	31,325	40,882	9,557	30.51%
Other Comprehensive Income					
Increase/(Decrease) in Asset Revaluation Surplus	-	-	107	107	100.00%
TOTAL COMPREHENSIVE INCOME	10,161	31,325	40,989	9,664	30.85%

5.6.2 NATIONAL COMPETITION POLICY REQUIREMENTS FOR SIGNIFICANT AND OTHER BUSINESS ACTIVITIES IN 2015-2016

Objective Reference: A193010
Reports and Attachments (Archives)

Attachment: [Register of Business Activities](#)

Authorising Officer:



Linnet Batz
Chief Financial Officer

Responsible Officer: Grant Tanham-Kelly
Service Manager Financial Management

Report Author: Helen Griffith
Management Accountant Commercial Business

PURPOSE

The purpose of this report is to identify activities that are business activities for 2015-2016 based on the current financial forecasts for 2014-2015 financial year and to review the application of the Code of Competitive Conduct (CoCC) to business activities across Redland City Council.

The financial statements containing the estimated costs of the significant business activity and other business activities will be included in the 2015-2016 Budget Publication for adoption at the Special Budget Meeting 25th June 2015.

BACKGROUND

Section 47(7) of the Local Government Act 2009 states a local government must decide each financial year, by resolution, whether or not to apply the code of competitive conduct to a business activity prescribed under a regulation.

Additionally, section 34(1) of the Local Government Regulation 2012 requires that a Local Government's budget must contain an estimated activity statement for each business activity.

As part of the annual budget deliberations, Council considered the change to the threshold for prescribed business activities and also the desired focus on commercial opportunities.

ISSUES

Redland City Council is required to consider the legislated financial thresholds to ascertain whether new business activities will be introduced for the 2015-2016 financial year in line with current legislative requirements.

The Department of Local Government, Community Recovery and Resilience (The Department) provides an annual bulletin to update the thresholds.

The latest Departmental thresholds published for the 2015-2016 financial year:

For Significant Business Activities:

- water and sewerage combined activities - \$13,600,000
- other activities - \$9,000,000

For Prescribed Business Activities \$318,000

Of note, these thresholds are outlined at section 19 of the *Local Government Regulation 2012* and are anticipated to be indexed early in the 2015-2016 financial year, no announcement to date.

In deciding whether an activity should be a new Significant or Prescribed Business Activity for the 2015-2016 financial year, local governments must consider the operating expenditure for the 2014-2015 financial year plus any depreciation included therein and any expenditure included therein to achieve competitive neutrality which is not actually incurred by the local government plus any loan redemption payments in that year.

The following table provides a review of the threshold implications and provides recommendation regarding the applicability of the framework:

Activity	Classification	Comments
Redland Water	Significant Business Activity that is commercialised	No change from 2014-2015
Waste Operations & Planning 'RedWaste'	Significant Business Activity	No change from 2014-2015
Redland Performing Arts Centre (RPAC)	Prescribed Business Activity subject to the code of competitive conduct	Reviewed in workshop 7 April 2015 and recommended to remove from CoCC
Building Certification	Prescribed Business Activity subject to the code of competitive conduct	No change from 2014-2015

During the budget deliberations for 2015-2016 financial year, Council determined to no longer classify Redland Performing Arts Centre (RPAC) as a prescribed business activity subject to the code of competitive conduct as RPAC typically operates at a loss which is contrary to standard Commercial principles.

STRATEGIC IMPLICATIONS

An annual review of the Long Term Financial Strategy with Councillors and the Executive Leadership was completed in December 2014 resulting in the 2015-2025 Financial Strategy which includes the consideration of long term planning to adequately invest in infrastructure sustainability.

Council also have in place a number of policies to provide a framework to ensure long term financial and infrastructure sustainability for the community. These policies include Application of Dividends and Tax Equivalent Payments, Constrained Cash Reserves, Capital Works Prioritisation, Revenue, Debt, Investment, Asset Management and Procurement Policies.

Legislative Requirements

Section 47(7) of the Local Government Act 2009 states a local government must decide each financial year, by resolution, whether or not to apply the code of competitive conduct to a business activity prescribed under a regulation. This report contains a proposal for the 2015-2016 financial year that will be reviewed on the completion of the 2014-2015 end of year financial statements.

Risk Management

Risks and opportunities for business activities are discussed as part of both the annual review of the Long Term Financial Strategy and also the annual budget workshops.

Financial

There are no financial implications impacting Council as a result of this report – all business activities are budgeted for and operating statements are provided in the budget publication.

People

Nil impact expected as the purpose of this document is to propose the business activities for the 2015-2016 financial year in accordance with the legislative requirements.

Environmental

Nil impact expected as the purpose of this document is to propose the business activities for the 2015-2016 financial year in accordance with the legislative requirements.

Social

Nil impact expected as the purpose of this document is to propose the business activities for the 2015-2016 financial year in accordance with the legislative requirements.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the 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

Finance Officers, the Chief Financial Officer and the Executive Leadership Group have reviewed the existing business activities during 2014 on a biannual basis. As part of the annual budget development Council discussed the business activities during a workshop held on 7th April 2015.

OPTIONS

1. That Council resolve as follows:
 1. That Redland Water continues to be classified as a significant business activity to be run as a commercial business unit and Waste Operations & Planning (RedWaste) continues to be classified as a significant business activity; and
 2. To apply the Code of Competitive Conduct to the Building Certification Business Unit
 3. To remove Redland Performing Arts Centre (RPAC) from the application of Code of Competitive Conduct for the reason that it typically operates at a loss.
2. That Council resolves to seek further information.

OFFICER'S RECOMMENDATION

That Council resolves as follows:

- 1. That Redland Water continues to be classified as a Significant Business Activity to be run as a Commercial Business Unit and Waste Operations & Planning (RedWaste) continues to be classified as a Significant Business Activity;**
- 2. To apply the Code of Competitive Conduct to the Building Certification Business Unit; and**
- 3. To remove Redland Performing Arts Centre (RPAC) from the application of Code of Competitive Conduct for the reason that it typically operates at a loss.**

REDLAND CITY COUNCIL - REGISTER OF BUSINESS ACTIVITIES TO WHICH THE COMPETITIVE NEUTRALITY PRINCIPLE APPLIES

Section 56 of the LG Regulation 2012, requires Council to hold a Register of Business Activities

“Section 56 Register

(1) A local government must establish a register of business activities to which the competitive neutrality principle applies.

(2) The register must state the following—

(a) Business activities to which the local government has applied the competitive neutrality principle, and the day from which the competitive neutrality principle applied to each business activity;

(b) Business activities to which the code of competitive conduct applies, and the date from which the code applied to each business activity;

(c) a list of-

(i) Current investigation notices for competitive neutrality complaints; and

(ii) The business activities to which the complaints relate; and

(iii) The local government’s responses to the QCA’s recommendations on the complaints.

Business Activity	Business Activity	Competitive Neutrality Commenced	Code of Competitive Conduct Commenced	QCA as a Referee	Investigation Notices for Complaints	Decision on Referees Recommendations
Water & Wastewater Services	Significant	1 July 1998	1 July 1998	Nil	Nil	
Waste Management Services	Significant	1 July 1998	1 July 1998	Nil	Nil	
Building Certification Services	Prescribed	1 July 2008	1 July 2008	Nil	Nil	

5.6.3 ESTABLISHMENT OF RESERVE BALANCES AND TRANSFERS 2015-2016

Objective Reference: A190108
Reports and Attachments (Archives)

Attachment: [Reserve Transfers and Anticipated Reserve Balances for 2015-2016](#)

Authorising/Responsible Officer:



Linnet Batz
Chief Financial Officer

Report Author: Deborah Corbett-Hall
Service Manager Corporate Finance

PURPOSE

The purpose of this report is to provide details of Redland City Council reserve balances and transfers for the 2015-2016 financial year. Whilst this is no longer a requirement under the *Local Government Act 2009* or *Local Government Regulation 2012*, constrained reserves demonstrate to the community that funds are held for particular purposes.

BACKGROUND

Each year Council develops and adopts a budget that includes forecasts for transfers to and from both operational and capital reserves. As part of the 2015-2016 budget development process, Council's Constrained Cash Reserves Policy was reviewed and updated, supporting Council's commitment to financial sustainability.

ISSUES

Redland City Council has established reserves in the operating fund by including each reserve in its annual budget or by a separate resolution. The attachment outlines the opening balance of reserves as at 1 July 2014, the anticipated closing balance of reserves as at 30 June 2015, and budgeted transfers and anticipated balances for 2015-2016.

An additional reserve has been included in 2015-2016 to reflect the anticipated in-year movement across reserves which occurs, but as yet cannot be attributed to a particular reserve. This line will be updated at each budget review to reflect actual utilisation.

STRATEGIC IMPLICATIONS**Legislative Requirements**

Section 104 of the *Local Government Act 2009* requires that a local government establishes a system of financial management to ensure financial sustainability. Additionally, in the interests of transparency and accountability, Council is keen to illustrate to the community its constrained cash balances as the funds are held for particular purposes.

Risk Management

Council reviews its budget on a monthly basis against actual performance and position and also formally revises its budget throughout the financial year. Additionally, each year Council reviews its long term Financial Strategy and considers the constrained cash held as a subset of community equity, ensuring the constrained cash in the reserves is fully funded from cash and cash balances.

Financial

There are no direct financial impacts to Council resulting from this report – transfers to and from reserves are a movement in community equity and increases in reserves hold community funds for *particular* purposes.

People

Nil impact expected as the purpose of the attached report is to provide an overview of the transfers to and from constrained reserves for the 2015-2016 financial year.

Environmental

Nil impact expected as the purpose of the attached report is to provide an overview of the transfers to and from constrained reserves for the 2015-2016 financial year.

Social

Nil impact expected as the purpose of the attached report is to provide an overview of the transfers to and from constrained reserves for the 2015-2016 financial year.

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

The Executive Leadership Team and Councillors have been consulted as part of the 2015-2016 budget workshops in relation use of reserves to fund operational and capital jobs in the 2015-2016 financial year. The reserve transfers are identified as line items on the face of Council's Operating and Capital Funding Statements.

OPTIONS

1. Council resolves to adopt the forecast reserve balances and transfers identified in the attachment as a result of the 2015-2016 budget development workshops.
2. Council amends some of the transfers to and from reserves – noting this will also result in a change to revenues or expenditures relating to particular jobs, projects or works programs.

OFFICER'S RECOMMENDATION

That Council resolves to adopt the forecast reserve balances and transfers identified in the attachment as a result of the 2015-2016 budget development workshops.

RESERVE TRANSFERS AND ANTICIPATED RESERVE BALANCES

Reserves by Category	Opening Balance 01/07/2014	Budgeted Closing Balance 30/06/2015 (revised budget)	2015/2016 Budgeted Movement		Anticipated Closing Balance 30/06/2016
			TO	FROM	
<u>Special Projects Reserve</u>					
Weinam Creek Reserve	\$2,781,925.52	\$1,690,141.92	\$545,174.00	-\$78,860.00	\$2,156,455.92
Redland WorkCover Reserve	\$4,965,071.03	\$0.00	\$0.00	\$0.00	\$0.00
Art Gallery Commissions & Donations Reserve	\$17,375.68	\$2,375.68	\$0.00	\$0.00	\$2,375.68
SMBI Capital Reserve	\$3,894,211.25	\$0.00	\$0.00	\$0.00	\$0.00
	\$11,658,583.48	\$1,692,517.60	\$545,174.00	-\$78,860.00	\$2,158,831.60
<u>Utilities Reserve</u>					
RedWaste Reserve	\$3,117,683.53	\$0.00	\$0.00	\$0.00	\$0.00
Redland Water Reserve	\$8,300,000.00	\$13,118,989.00	\$0.00	\$0.00	\$13,118,989.00
Redland Wastewater Reserve	\$1,600,000.00	\$1,600,000.00	\$0.00	\$0.00	\$1,600,000.00
	\$13,017,683.53	\$14,718,989.00	\$0.00	\$0.00	\$14,718,989.00
<u>Constrained Works Reserve</u>					
Street Tree Planting Reserve	\$70,215.28	\$0.00	\$10,000.00	\$0.00	\$10,000.00
Parks Reserve	\$2,407,814.69	\$4,066,064.69	\$977,081.00	-\$2,441,417.00	\$2,601,728.69
SP1 Wellington Pt Road Infrastructure Reserve	\$463,311.65	\$0.00	\$0.00	\$0.00	\$0.00
Redland Bay South Road Infrastructure Reserve	\$647,356.78	\$0.00	\$0.00	\$0.00	\$0.00
East Thornlands Road Infrastructure Reserve	\$674,351.38	\$674,351.38	\$0.00	\$0.00	\$674,351.38
Car Parking Reserve	\$339,993.21	\$0.00	\$0.00	\$0.00	\$0.00
Community Facility Infrastructure Reserve	\$440,684.22	\$726,559.22	\$200,000.00	\$0.00	\$926,559.22
Water Renewal & Purchase Reserve	\$5,505,269.55	\$7,426,329.06	\$1,500,000.00	-\$335,892.00	\$8,590,437.06
Sewerage Renewal & Purchase Reserve	\$7,383,925.92	\$7,582,724.93	\$2,000,000.00	-\$450,000.00	\$9,132,724.93
Constrained Cap Grants & Contributions Reserve	\$4,388,980.11	\$90,909.00	\$0.00	-\$90,909.00	\$0.00
Transport Trunk Infrastructure Reserve	\$5,845,744.95	\$8,345,744.95	\$1,400,000.00	\$0.00	\$9,745,744.95
Cycling Trunk Infrastructure Reserve	\$706,014.86	\$1,308,514.86	\$0.00	\$0.00	\$1,308,514.86
Stormwater Infrastructure Reserve	\$1,938,482.22	\$2,327,607.22	\$0.00	\$0.00	\$2,327,607.22
Constrained Opr Grants & Contributions Reserve	\$918,676.71	\$628,074.98	\$0.00	-\$147,838.00	\$480,236.98
	\$31,730,821.53	\$33,176,880.29	\$6,087,081.00	-\$3,466,056.00	\$35,797,905.29
<u>Reserve for in-year allocation</u>					
Reserve for in-year allocation following funding confirmation of projects	\$0.00	\$0.00	\$0.00	-\$11,000,000.00	-\$11,000,000.00
	\$0.00	\$0.00	\$0.00	-\$11,000,000.00	-\$11,000,000.00
<u>Separate Charge Reserve - Environment</u>					
Environment Charge Acquisition Reserve	\$6,935,850.23	\$6,878,166.23	\$0.00	\$0.00	\$6,878,166.23
Environment Charge Maintenance Reserve	\$1,504,852.07	\$1,411,718.52	\$5,829,843.20	-\$5,853,158.00	\$1,388,403.72
	\$8,440,702.30	\$8,289,884.75	\$5,829,843.20	-\$5,853,158.00	\$8,266,569.95
<u>Special Charge Reserve - Other</u>					
Bay Island Rural Fire Levy Reserve	\$0.00	\$0.00	\$179,100.00	-\$179,100.00	\$0.00
SMBI Translink Reserve	\$3,195.40	\$3,195.40	\$962,083.84	-\$962,083.84	\$3,195.40
	\$3,195.40	\$3,195.40	\$1,141,183.84	-\$1,141,183.84	\$3,195.40
<u>Special Charge Reserve - Canals</u>					
Raby Bay Canal Reserve	\$5,186,699.94	\$4,679,690.30	\$2,669,889.10	-\$7,262,359.03	\$87,220.37
Aquatic Paradise Canal Reserve	\$2,162,663.02	\$2,733,508.12	\$885,833.20	-\$2,088,727.00	\$1,530,614.32
Sovereign Waters Lake Reserve	\$480,150.12	\$452,382.12	\$58,748.57	-\$271,035.34	\$240,095.35
	\$7,829,513.08	\$7,865,580.54	\$3,614,470.87	-\$9,622,121.37	\$1,857,930.04
BALANCES	\$72,680,499.32	\$65,747,047.58	\$17,217,752.91	-\$31,161,379.21	\$51,803,421.28

**5.6.4 SOVEREIGN WATERS LAKE LEVY ANNUAL IMPLEMENTATION PLAN
2015-2016**

Objective Reference: A190394
Reports and Attachments (Archives)

Attachments: [Sovereign Waters Lake Annual Implementation Plan 2015-2016](#)
[Sovereign Waters Lake Benefited Area Map](#)

Authorising Officer:



Linnet Batz
Chief Financial Officer

Responsible Officer: Murray Erbs
Group Manager City Infrastructure

Report Author: Noela Barton
Service Manager Revenue & Collections
Management

PURPOSE

This report presents the Sovereign Waters Lake Special Charge Annual Implementation Plan for 2015-2016 for the benefited area referenced as Benefited Area Map SWL version 5 to Council for adoption.

BACKGROUND

12 July 2000 — The Overall Plan and an Annual Implementation Plan adopted for the Sovereign Waters Lake Special Charge at Council's Special Budget meeting. An Annual Implementation Plan was adopted each subsequent financial year since 2000.

In 2011-2012 a new methodology was introduced at the Sovereign Waters Lake Estate. This methodology suspended the special charge and at the same time introduced a new rating category that was applied to the properties in the benefited area.

27 June 2013 – Adopted an amended Overall Plan and 2013-2014 Annual Implementation Plan and adopted a Council contribution of 30 percent toward the cost of the 2013-2014 Annual Implementation Plan.

26 June 2014 – Adopted an amended Overall Plan and 2014-2015 Annual Implementation Plan and adopted a Council contribution of 30 percent toward the cost of the 2014-2015 Annual Implementation Plan.

ISSUESAnnual Implementation Plan

The Sovereign Waters Lake Special Charge Annual Implementation Plan for 2015-2016 is attached. Revenue raised under the Sovereign Waters Lake Special Charge for 2015-2016 will be reserved to fund the 10 year Sovereign Lakes canal special

charge works plan. In 2015-2016 the Reserve will fund activities associated with lake maintenance, cleaning, dredge and disposal planning.

Annual Implementation Plan	
Activity	Estimated Cost
Maintenance	\$31,270
Environmental Monitoring	\$35,500
Dredge Planning	\$34,432
Dredging and Sediment Disposal	\$169,833
Estimated Total Cost	\$271,035.00

It is proposed the 2015-2016 Sovereign Waters Lake Special Charge is set at \$689.48 for a standard lot. It is also proposed for the financial year 2015-2016 that the Council Contribution will be \$14,775, which is 30% of the total revenue raised.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires a local government's resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires the local government must adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(5) of the Regulation enables a local government to levy under an overall plan, special rates or charges for 1 or more years before any of the special rates or charges are spent in carrying out the overall plan.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

KBR consultants were engaged to prepare a long term Lake Management Plan. This report was completed in May 2013. This report has been used to develop the Annual Implementation Plan.

Financial

It is proposed that the 2015-2016 Sovereign Waters Lake Special Charge be \$689.48 for a standard lot.

The total expenditure under the Sovereign Waters Lake Special Charge Annual Implementation Plan for 2015-2016 is \$271,035.

People

Nil impact expected.

Environmental

Nil impact expected.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report aligns with Council's Corporate Plan 2015-2020 statement 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.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, Senior Management of City Infrastructure, Financial Services and General Counsel.

OPTIONS**Option 1**

1. Adopt the Sovereign Waters Lake Special Charge Annual Implementation Plan for the 2015-2016 financial year; and
2. Apply a Council Contribution of 30 percent towards the cost of the Sovereign Waters Lake Special Charge Annual Implementation Plan for the 2015-2016 financial year.

Option 2

That Council resolves to request further information.

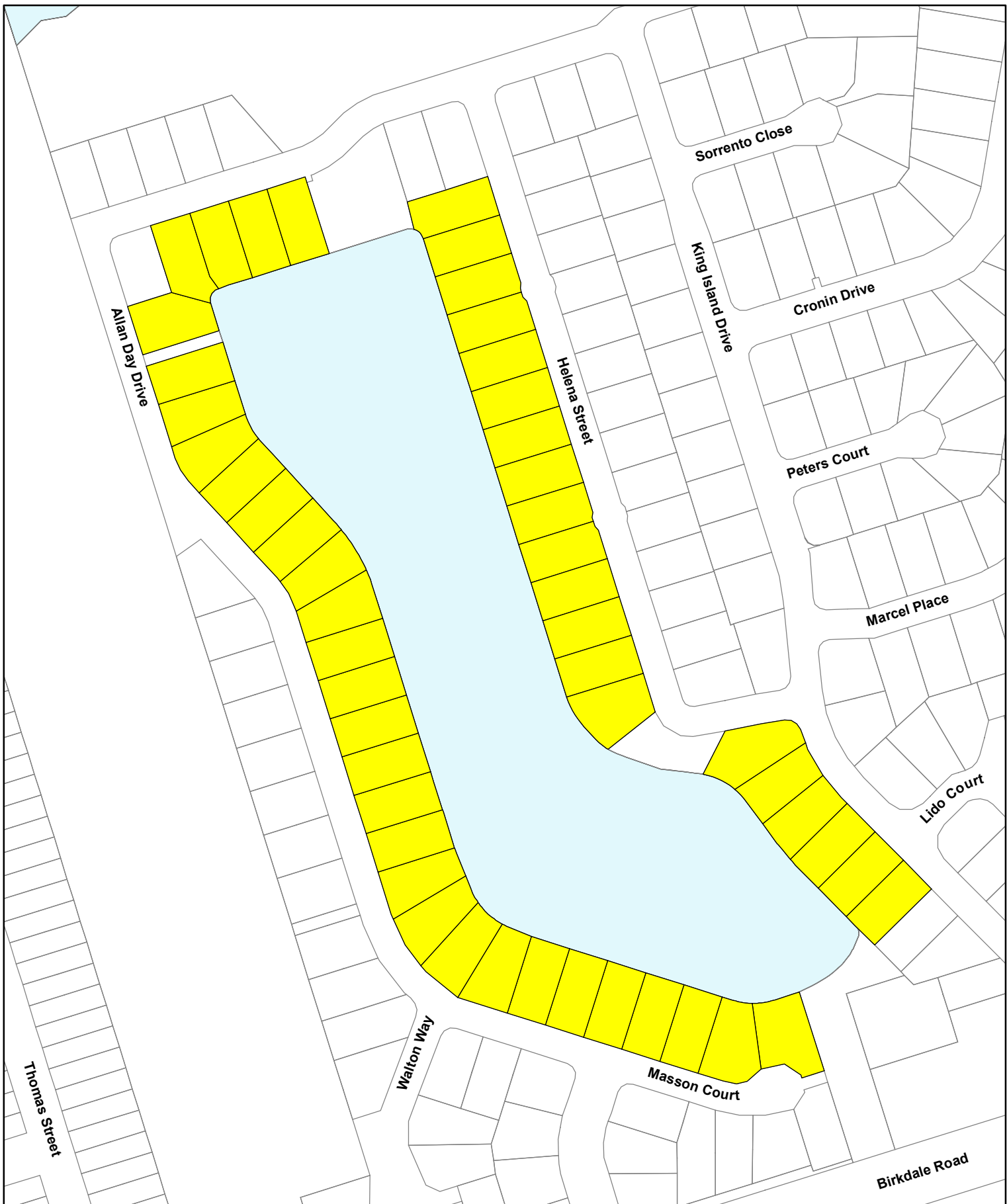
OFFICER'S RECOMMENDATION

That Council resolves to:

- 1. Adopt the Sovereign Waters Lake Special Charge Annual Implementation Plan for the 2015-2016 financial year; and**
- 2. Apply a Council Contribution of 30 percent towards the cost of the Sovereign Waters Lake Special Charge Annual Implementation Plan for the 2015-2016 financial year.**

SOVEREIGN WATERS LAKE SPECIAL CHARGE
Annual Implementation Plan for 2015-2016

Job Number	Activity	Estimated Cost
30134	Maintenance	\$31,270
71024 / 30185	Environmental Monitoring	\$35,500
70036	Dredge Planning	\$34,432
10317	Dredging and Sediment Disposal	\$169,833
Total Estimated Cost		\$271,035



BENEFIT AREA MAP
Map: SWL Version 5

Lake Charges

 LA01 - Sovereign Lake Special Charge



1:2,500

0 25 50 75 100



Meters



Produced by
Spatial Business Intelligence
 30 June 2015

Data correct at time of production

5.6.5 AQUATIC PARADISE MARINA SPECIAL CHARGE ANNUAL IMPLEMENTATION PLAN 2015-2016

Objective Reference: A190417
Reports and Attachments (Archives)

Attachments: [2015-2016 Aquatic Paradise Marina Annual Implementation Plan](#)
[Aquatic Paradise Special Charge Benefited Area Map](#)

Authorising Officer:



Linnet Batz
Chief Financial Officer

Responsible Officer: Murray Erbs
Group Manager City Infrastructure

Report Author: Noela Barton
Service Manager Revenue & Collections
Management

PURPOSE

This report presents the Annual Implementation Plan for 2015-2016 for the Aquatic Paradise Marina Special Charge for the benefited area referenced as Benefited Area Map APC-9 Version 5 to Council for adoption.

BACKGROUND

28 June 2011 – The Overall Plan was adopted for the Aquatic Paradise Marina

Special Charge at Council Special Budget meeting 28 June 2011.

28 June 2011 and 12 July 2012 - An Annual Implementation Plan for the Aquatic

Paradise Marina Special charge was adopted.

27 June 2013 – Adopted an amended Overall Plan and Annual Implementation Plan for the Aquatic Paradise Marina Special charge and a Council contribution of 30% toward the cost of the Annual Implementation Plan for 2013-2014.

26 June 2014 – Adopted an amended Overall Plan and Annual Implementation Plan for the Aquatic Paradise Marina Special charge and a Council contribution of 30% toward the cost of the Annual Implementation Plan for 2014-2015.

ISSUESAnnual Implementation Plan

It is proposed the Aquatic Paradise Marina Special Charge for 2015-2016 will be set at \$2,731.72 per marina berth.

The Council contribution will be \$18,732, which is 30% of the total revenue raised.

Revenue raised under the Aquatic Paradise Marina Special Charge in 2015-2016 will be quarantined in the Aquatic Paradise Canal Reserve. In 2015-2016 the Reserve will fund activities associated with dredge planning and dredging, as well as canal maintenance.

Job Number	Activity	Estimated Cost
30041	Dredge Planning	\$2,803
30367	Canal Maintenance	\$1,890
30448	Dredging	\$120,183
Total Estimated Cost		\$124,876.00

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires that a local government's resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires the local government to adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

KBR Consultants were engaged to prepare for the Aquatic Paradise estate a long term Canal Management Plan. This report was completed in December 2012. This report has been revised in 2014-2015 and has been used to develop the Annual Implementation Plan.

Financial

It is proposed that the Aquatic Paradise Marina Special Charge for 2015-2016 be set at \$2,731.72 per marina berth.

Estimated total expenditure under the Aquatic Paradise Marina Special Charge Annual Implementation Plan for 2015-2016 is \$124,876.

People

Nil impact expected.

Environmental

Nil impact expected.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report aligns with Council's Corporate Plan 2015-2020 statement 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.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS**Option 1**

1. Adopt the Aquatic Paradise Marina Special Charge Annual Implementation Plan for the 2015-2016 financial year; and
2. Apply a Council contribution of 30 percent toward the cost of the Aquatic Paradise Marina Special Charge Annual Implementation Plan for the 2015-2016 financial year.

Option 2

That Council resolves to request further information.

OFFICER'S RECOMMENDATION

That Council resolves to:

1. **Adopt the Aquatic Paradise Marina Special Charge Annual Implementation Plan for the 2015-2016 financial year; and**
2. **Apply a Council contribution of 30 percent toward the cost of the Aquatic Paradise Marina Special Charge Annual Implementation Plan for the 2015-2016 financial year.**

**Aquatic Paradise Marina Special Charge
Annual Implementation Plan 2015-2016**

Job Number	Activity	Estimated Cost
30041	Dredge Planning	\$2,803
30367	Canal Maintenance	\$1,890
30448	Dredging	\$120,183
Total Estimated Cost		\$124,876



BENEFIT AREA MAP

Map: APC-9 Version 5



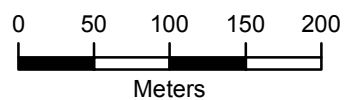
Produced by
Spatial Business Intelligence
30 June 2015

Canal Charges

 CA09 - Aquatic Paradise Marina Special Charge



1:5,000



Data correct at time of production

5.6.6 AQUATIC PARADISE SPECIAL CHARGE ANNUAL IMPLEMENTATION PLAN 2015-2016

Objective Reference: A190477
Reports and Attachments (Archives)

Attachments: [Aquatic Paradise 2015-2016 Annual Implementation Plan](#)
[Benefited Area Map Aquatic Paradise](#)

Authorising Officer:



Linnet Batz
Chief Financial Officer

Responsible Officer: Murray Erbs
Group Manager City Infrastructure

Report Author: Noela Barton
Service Manager Revenue & Collections
Management

PURPOSE

This report presents the Annual Implementation Plan for 2015-2016 for the Aquatic Paradise Special Charge for the benefited area referenced as Benefited Area Map APC-2 version 5 to Council for adoption.

BACKGROUND

Pre 1 July 2011 – a special charge, known as the City Canals Special charge, was levied on Aquatic Paradise standard allotments under an Overall Plan adopted 12 July 2000. The remaining funds held in reserve for the City Canals Special charge were fully expended in the 2014-2015 financial year.

2011-2012 – a new methodology introduced for raising revenue to cover expenditure of the canal maintenance at the Aquatic Paradise Estate. This methodology suspended the City Canals Special Charge and at the same time introduced a new rating category in the benefited area that included within the levied differential general rate a proportion of revenue that was transferred to the reserve account from the general fund for the funding of canal maintenance in the benefited area.

27 June 2013 – Adopted an Overall Plan and Annual Implementation Plan for the Aquatic Paradise Special Charge and adopted a council contribution of 30% toward the cost of the Annual Implementation Plan for 2013-2014.

26 June 2014 – Adopted an amended Overall Plan and Annual Implementation Plan for the Aquatic Paradise Special charge and a council contribution of 30% toward the cost of the Annual Implementation Plan for 2014-2015.

ISSUES

Annual Implementation Plan

The Annual Implementation Plan for 2015-2016 is attached.

In 2015-2016 revenue raised under the Aquatic Paradise Special Charge will be quarantined in the Aquatic Paradise Canal Reserve. The Reserve will fund activities associated with dredging in 2015-2016.

Job Number	Activity	Estimated Cost
30041	Dredge Planning	\$43,914
30367	Canal Maintenance	\$29,610
30448	Dredging	\$1,882,867
Estimated Total Cost		\$1,956,391.00

It is proposed the Aquatic Paradise Special Charge for 2015-2016 is set at \$2,731.72 for a standard lot. It is also proposed that the Council contribution will be \$235,318, which is 30% of the total revenue raised.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires a local government's resolution to levy special rates or charges must identify; the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires that the local government must adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(5) of the Regulation enables a local government to levy under an overall plan, special rates or charges for 1 or more years before any of the special rates or charges are spent in carrying out the overall plan. Revenue raised under the Aquatic Paradise Special Charge for 2015-2016 will be reserved to fund the 10 year Aquatic Paradise canal special charge works plan.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

KBR Consultants were engaged to prepare for the Aquatic Paradise estate a long term Canal Management Plan. This report was completed in December 2012.

This report has been revised in 2014-2015 and has been used to develop the Annual Implementation Plan.

Financial

It is proposed the Aquatic Paradise Special Charge for 2015-2016 be set at \$2,731.72 for a standard lot. Estimated total expenditure under the Aquatic Paradise Special Charge Annual Implementation Plan for 2015-2016 is \$1,956,391.

People

Nil impact expected.

Environmental

Nil impact expected.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report aligns with Council's Corporate Plan 2015-2020 statement 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.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS

Option 1

1. Adopt the Aquatic Paradise Special Charge Annual Implementation Plan for the 2015-2016 Financial Year; and
2. Apply a Council contribution of 30 percent toward the cost of the Aquatic Paradise Special Charge Annual Implementation Plan for the 2015-2016 financial year.

Option 2

That Council resolves to request further information.

OFFICER'S RECOMMENDATION

That Council resolves to:

1. **Adopt the Aquatic Paradise Special Charge Annual Implementation Plan for the 2015-2016 Financial Year; and**
2. **Apply a Council contribution of 30 percent toward the cost of the Aquatic Paradise Special Charge Annual Implementation Plan for the 2015-2016 financial year.**

Aquatic Paradise Special Charge
Annual Implementation Plan 2015-2016

Job Number	Activity	Estimated Cost
30041	Dredge Planning	\$43,914
30367	Canal Maintenance	\$29,610
30448	Dredging	\$1,882,867
Estimated Total Cost		\$1,956,391



BENEFIT AREA MAP

Map: APC-2 Version 5



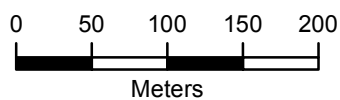
Produced by
Spatial Business Intelligence
30 June 2015

Canal Charges

CA02 - Aquatic Paradise Special Charge



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Data correct at time of production

5.6.7 RABY BAY MARINA SPECIAL CHARGE ANNUAL IMPLEMENTATION PLAN 2015-2016

Objective Reference: A190502
Reports and Attachments (Archives)

Attachments: [Raby Bay Marina Special Charge Annual Implementation Plan](#)
[Benefited Area Map Raby Bay Marina](#)

Authorising Officer:



Linnet Batz
Chief Financial Officer

Responsible Officer: Murray Erbs
Group Manager
City Infrastructure Group

Report Author: Noela Barton
Service Manager Revenue & Collections
Management

PURPOSE

This report presents the Raby Bay Marina Special Charge Annual Implementation Plan for 2015-2016 for the benefited area referenced as Benefited Area Map RBC-8 version 5 to Council for adoption.

BACKGROUND

28 June 2011 – The Overall Plan was adopted for the Raby Bay Marina Special Charge at Council Special Budget meeting.

28 June 2011 and 12 July 2012 – An Annual Implementation Plan for the Raby Bay Marina Special Charge was adopted.

27 June 2013 – An amended Overall Plan and Annual Implementation Plan was adopted for the Raby Bay Marina Special Charge, along with a Council contribution of 20 percent toward the cost of the Annual Implementation Plan.

26 June 2014 – An amended Overall Plan and Annual Implementation Plan was adopted for the Raby Bay Marina Special Charge, along with a Council contribution of 20 percent toward the cost of the Annual Implementation Plan.

ISSUES

Loans

On 30/6/2013 a loan for \$4.5m for a term of 12 years was drawn down for capital works undertaken in accordance with the overall plan.

The purpose of the loan was to fund revetment wall upgrades and repairs in the following locations:

- 12 Seahaven Court
- 25 & 26 Seacrest Court
- 47, 48, 49 Piermont Place
- 4 Mainroyal Court

An amount of \$28,969 of funds levied through the Raby Bay Marina Special Charge will contribute to service the loan repayment in 2015-2016.

Annual Implementation Plan

It is proposed the Raby Bay Marina Special Charge for 2015-2016 will be set at \$1,133.84 per marina berth.

The Council contribution will be \$28,629, which is 20% of the total revenue raised.

In 2015-2016 revenue raised under the Raby Bay Marina Special Charge will be quarantined in the Raby Bay Canal Reserve. The Reserve will fund the activities and services as detailed in the 2015-2016 Raby Bay Marina Special Charge Annual Implementation Plan.

Job Number	Activity	Estimated Cost
40577	Beaufort Crt (10-15) Revetment Wall Upgrade	\$189,781
40578	Masthead Drive (67, 75-85) Revetment Wall Upgrade	\$84,592
41087	Carling Court (11-14) Revetment Wall	\$180,000
41189	Raby Bay New Repair Trial	\$6,000
30394	Raby Bay Canal Maintenance	\$11,438
30399	Raby Bay Monitoring of Revetment Walls	\$8,932
70084	Raby Bay Rock Armour Replacement	\$7,394
70132	Raby Bay Canal Bed Levelling	\$6,883
70833	Raby Bay Canal Planning	\$21,467
	Service	
N/a	Loan repayment	\$28,969
	Estimated Total Cost	\$545,457

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires a local government's resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires the local government must adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

A Geotechnical Investigation Analysis Report was completed for the Raby Bay Canal estate by consultants KBR. This report was completed 24 June 2013. This report is the basis for a planned trial in Raby Bay of a new repair technique. The Raby Bay Ratepayers Association has been consulted.

Financial

It is proposed the 2015-2016 the Raby Bay Marina Special Charge is set at \$1,133.84 per marina berth. The total expenditure under the Raby Bay Marina Special Charge Annual Implementation Plan for 2015-2016 is \$545,457.

People

Nil impact expected.

Environmental

Nil impact expected.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report aligns with Council's Corporate Plan 2015-2020 statement 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.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS**Option 1**

1. Adopt the Raby Bay Marina Special Charge Annual Implementation Plan for the 2015-2016 financial year; and
2. Apply a Council contribution of 20 percent toward the cost of the Annual Implementation Plan for the 2015-2016 financial year.

Option 2

That Council resolve to request further information.

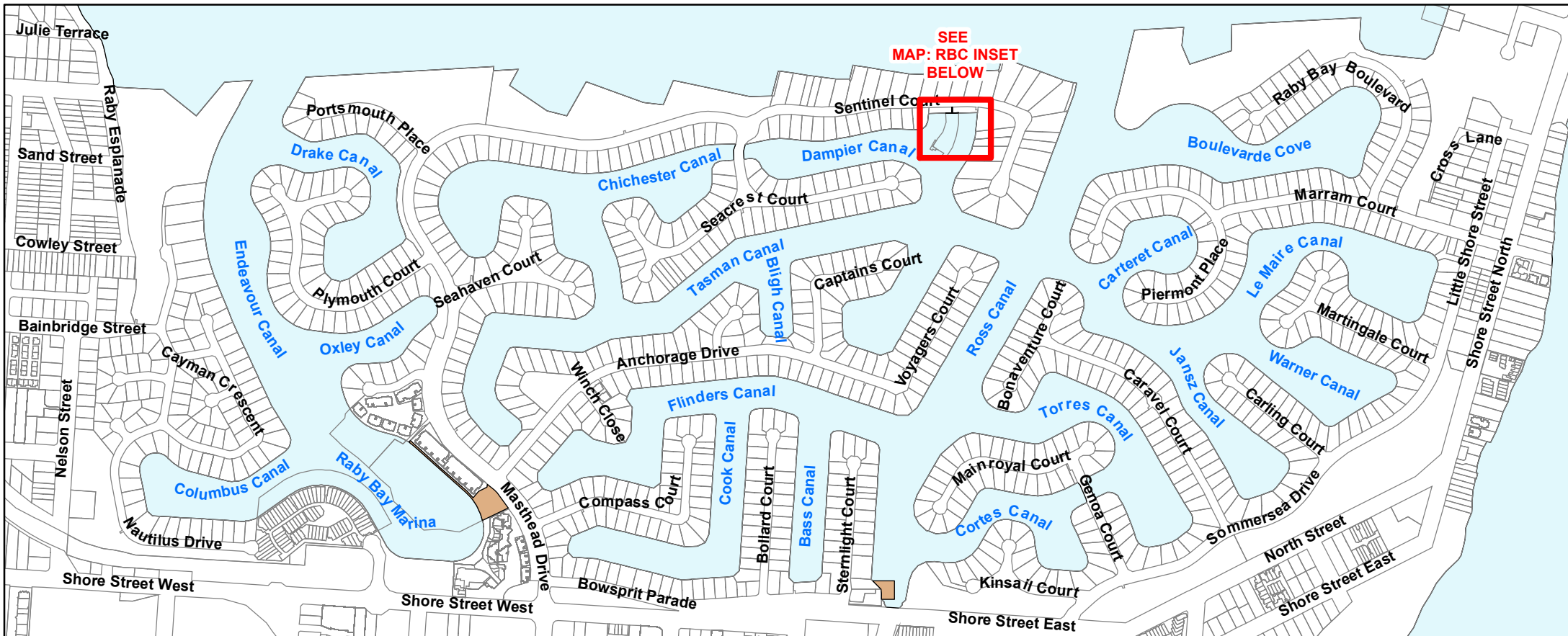
OFFICER'S RECOMMENDATION

That Council resolves to:

1. **Adopt the Raby Bay Marina Special Charge Annual Implementation Plan for the 2015-2016 financial year; and**
2. **Apply a Council contribution of 20 percent toward the cost of the Annual Implementation Plan for the 2015-2016 financial year.**

**Raby Bay Marina Special Charge
Annual Implementation Plan 2015-2016**

Job Number	Activity	Estimated Cost
40577	Beaufort Crt (10-15) Revetment Wall Upgrade	\$189,781
40578	Masthead Drive (67, 75-85) Revetment Wall Upgrade	\$84,592
41087	Carling Court (11-14) Revetment Wall	\$180,000
41189	Raby Bay New Repair Trial	\$6,000
30394	Raby Bay Canal Maintenance	\$11,438
30399	Raby Bay Monitoring of Revetment Walls	\$8,932
70084	Raby Bay Rock Armour Replacement	\$7,394
70132	Raby Bay Canal Bed Levelling	\$6,883
70833	Raby Bay Canal Planning	\$21,467
	Service	
N/a	Loan repayment	\$28,969
Estimated Total Cost		\$545,457



BENEFIT AREA MAP

Map: RBC-8 Version 5

Canal Charges

 CA08 - Raby Bay Marina Special Charge



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0 100 200 300 400



Meters



Produced by
Spatial Business Intelligence
30 June 2015

Data correct at time of production

BENEFIT AREA MAP

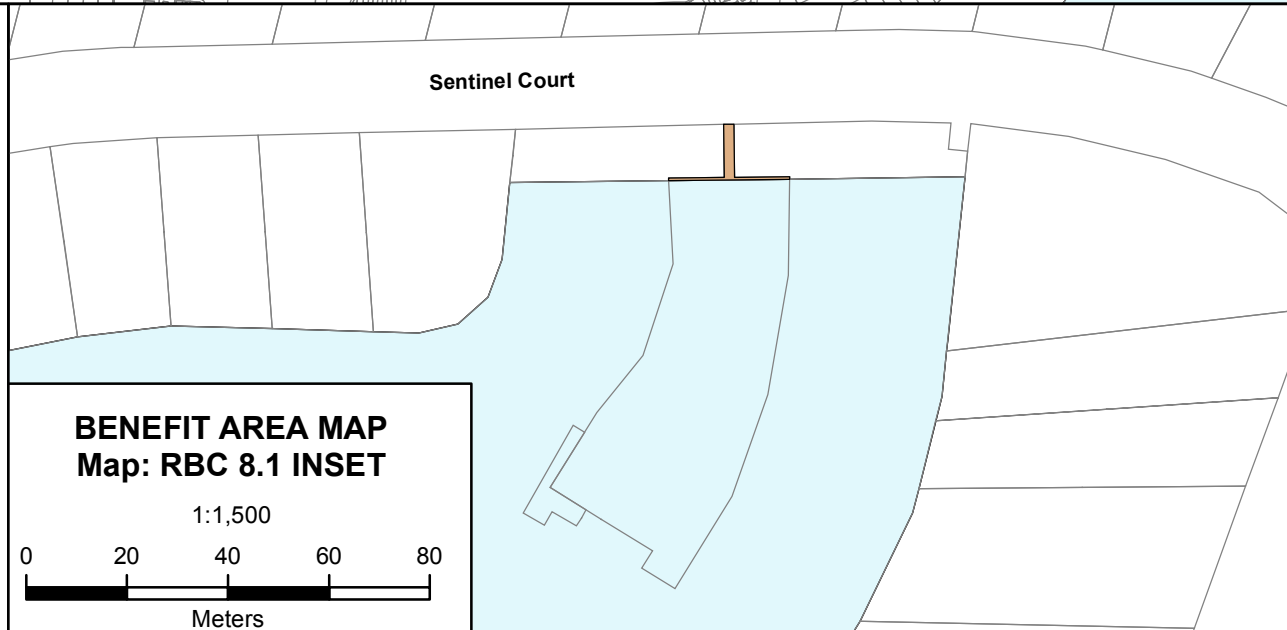
Map: RBC 8.1 INSET

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Meters



**5.6.8 RABY BAY TIDAL WORKS (COMMUNITY TITLE SCHEME)
SPECIAL CHARGE AND ANNUAL IMPLEMENTATION PLAN 2015-2016**

Objective Reference: A190611
Reports and Attachments (Archives)

Attachments: [Raby Bay Tidal Works CTS Annual Implementation Plan](#)
[Benefited Area Map Raby Bay CTS](#)

Authorising/ Responsible Officer:



Linnet Batz
Chief Financial Officer

Report Author: Noela Barton
Service Manager Revenue & Collections
Management

PURPOSE

This report presents the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for 2015-2016 for the benefited area referenced as Benefited Area Map RBC-7 version 5 to Council for adoption.

BACKGROUND

28 June 2011 – The Overall Plan was adopted for the Raby Bay (Community Title Scheme) Special Charge at Council Special Budget meeting.

28 June 2011 and 12 July 2012 – An Annual Implementation Plan for the Raby Bay (Community Title Scheme) Special Charge was adopted.

27 June 2013 – An amended Overall Plan and the Annual Implementation Plan was adopted for the Raby Bay Tidal Works (Community Title Scheme) Special Charge. Adopted a Council contribution of 20 percent toward the cost of the Annual Implementation Plan for 2013-2014.

26 June 2014 - An amended Overall Plan and the Annual Implementation Plan was adopted for the Raby Bay Tidal Works (Community Title Scheme) Special Charge along with a Council contribution of 20 percent toward the cost of the Annual Implementation Plan for 2014-2015.

ISSUES

Loans

On 30/6/2013 a loan for \$4.5m for a term of 12 years was drawn down for capital works undertaken in accordance with the overall plan.

The purpose of the loan was to fund revetment wall upgrades and repairs in the following locations:

- 12 Seahaven Court
 - 25 & 26 Seacrest Court
-

- 47, 48, 49 Piermont Place
- 4 Mainroyal Court

An amount of \$33,797 of funds levied through the Raby Bay Tidal Works (Community Title Scheme) Special Charge will contribute to service the loan repayment in 2015-2016.

Annual Implementation Plan

It is proposed the Raby Bay Tidal Works (Community Title Scheme) Special Charge for 2015-2016 will be set at \$1,299.92 per unit.

The Council contribution will be \$38,998, which is 20% of the total revenue raised.

In 2015-2016 revenue raised under the Raby Bay Tidal Works (Community Title Scheme) Special Charge will be quarantined in the Raby Bay Canal Reserve. The

Reserve will fund the activities and services as detailed in the 2015-2016 Raby Bay (Community Title Scheme) Special Charge Annual Implementation Plan.

Job Number	Activity	Estimated Cost
40577	Beaufort Crt (10-15) Revetment Wall Upgrade	\$221,411
40578	Masthead Drive (67, 75-85) Revetment Wall Upgrade	\$98,691
41087	Carling Court (11-14) Revetment Wall	\$210,000
41189	Raby Bay New Repair Trial	\$7,000
30394	Raby Bay Canal Maintenance	\$13,345
30399	Raby Bay Monitoring of Revetment Walls	\$10,421
70084	Raby Bay Rock Armour Replacement	\$8,626
70132	Raby Bay Canal Bed Levelling	\$8,030
70833	Raby Bay Canal Planning	\$25,045
	Service	
N/a	Loan repayment	\$33,797
	Estimated Total Cost	\$636,366

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires a local government's resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires the local government must adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

A Geotechnical Investigation Analysis Report was completed for the Raby Bay Canal estate by consultants KBR. This report was completed 24 June 2013. This report is the basis for a planned trial in Raby Bay of a new repair technique. The Raby Bay Ratepayers Association has been consulted.

Financial

It is proposed the Raby Bay Tidal Works (Community Title Scheme) Special charge is set at \$1,299.92 per unit. The estimated total expenditure under the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for 2015-2016 is \$636,366.

People

Nil impact expected.

Environmental

Nil impact expected.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report aligns with Council's Corporate Plan 2015-2020 statement 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.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS**Option 1**

Council resolves to;

1. Adopt the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for the 2015-2016 financial year; and
2. Apply a Council contribution of 20 percent toward the cost of the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for the 2015-2016 financial year.

Option 2

Council resolves to request further information.

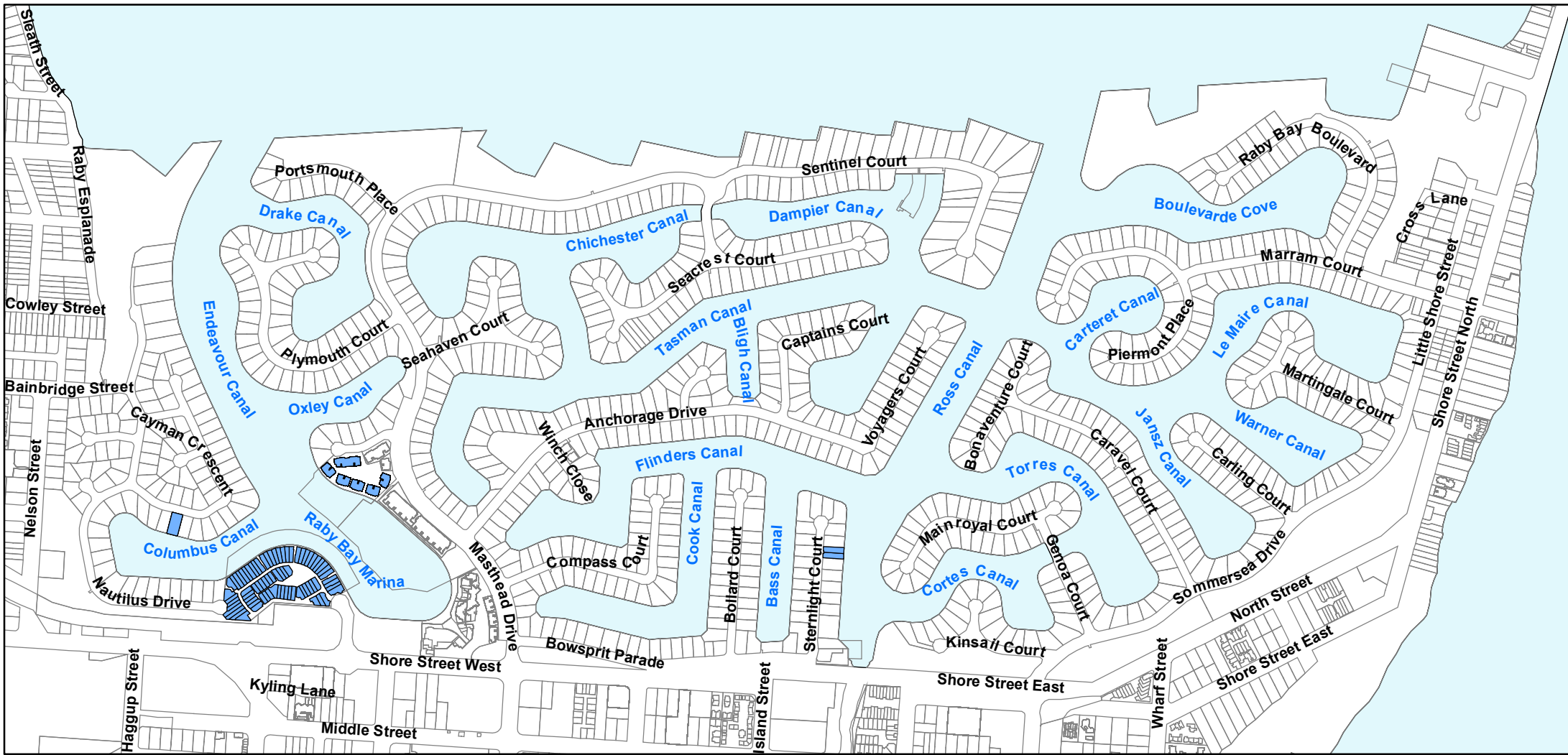
OFFICER'S RECOMMENDATION

Council resolves to:

1. **Adopt the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for the 2015-2016 financial year; and**
2. **Apply a Council contribution of 20 percent toward the cost of the Raby Bay Tidal Works (Community Title Scheme) Special Charge Annual Implementation Plan for the 2015-2016 financial year.**

**Raby Bay Tidal Works (CTS) Special Charge
Annual Implementation Plan 2015-2016**

Job Number	Activity	Estimated Cost
40577	Beaufort Crt (10-15) Revetment Wall Upgrade	\$221,411
40578	Masthead Drive (67, 75-85) Revetment Wall Upgrade	\$98,691
41087	Carling Court (11-14) Revetment Wall	\$210,000
41189	Raby Bay New Repair Trial	\$7,000
30394	Raby Bay Canal Maintenance	\$13,345
30399	Raby Bay Monitoring of Revetment Walls	\$10,421
70084	Raby Bay Rock Armour Replacement	\$8,626
70132	Raby Bay Canal Bed Levelling	\$8,030
70833	Raby Bay Canal Planning	\$25,045
	Service	
N/a	Loan repayment	\$33,797
	Estimated Total Cost	\$636,366



BENEFIT AREA MAP

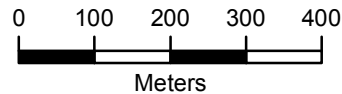
Map: RBC-7 Version 5



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Canal Charges

CA07 - Raby Bay Tidal Works (CTS) Special Charge



Produced by
Spatial Business Intelligence
30 June 2015

Data correct at time of production

5.6.9 RABY BAY TIDAL WORKS (NON COMMUNITY TITLE SCHEME) SPECIAL CHARGE ANNUAL IMPLEMENTATION PLAN 2015-2016

Objective Reference: **A190672**
Reports and Attachments (Archives)

Attachments: [Raby Bay Tidal Works Non CTS Annual Implementation Plan](#)
[Benefited Area Map Raby Bay Non CTS](#)

Authorising/ Responsible Officer:



Linnet Batz
Chief Financial Officer

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

PURPOSE

This report presents the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for 2015- 2016 for the benefited area reference as Benefited Area Map RBC-6 version 5 to Council for adoption.

BACKGROUND

28 June 2011 – The Overall Plan was adopted for the Raby Bay (Non Community Title Scheme) Special Charge at Council Special Budget meeting.

28 June 2011 and 12 July 2012 – An Annual Implementation Plan for the Raby Bay (Non Community Title Scheme) Special Charge was adopted.

27 June 2013 – An amended Overall Plan and the Annual Implementation Plan was adopted for the Raby Bay (Non Community Title Scheme) Special Charge. Adopted a Council contribution of 20 percent toward the cost of the Annual Implementation Plan for 2013-2014.

26 June 2014 – An amended Overall Plan and the Annual Implementation Plan was adopted for the Raby Bay (Non Community Title Scheme) Special Charge along with a Council contribution of 20 percent toward the cost of the Annual Implementation Plan for 2014-2015.

ISSUESLoans

On 30/6/2013 a loan for \$4.5m for a term of 12 years was drawn down for capital works undertaken in accordance with the overall plan. The purpose of the loan was to fund revetment wall upgrades and repairs in the following locations:

- 12 Seahaven Court
 - 25 & 26 Seacrest Court
 - 47, 48, 49 Piermont Place
-

- 4 Mainroyal Court

An amount of \$420,050 of funds levied through the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge will contribute to service the loan repayment in 2015-2016.

Annual Implementation Plan

It is proposed the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge for 2015-2016 will be set at \$2,243.28 per unit.

The Council contribution will be \$458,751, which is 20% of the total revenue raised.

In 2015-2016 revenue raised under the Raby Bay (Non Community Title Scheme) Special Charge will be quarantined in the Raby Bay Canal Reserve. The Reserve will fund the activities and services as detailed in the 2015-2016 Raby Bay (Non Community Title Scheme) Special Charge Annual Implementation Plan.

Job Number	Activity	Estimated Cost
40577	Beaufort Crt (10-15) Revetment Wall Upgrade	\$2,751,823
40578	Masthead Drive (67, 75-85) Revetment Wall Upgrade	\$1,226,590
41087	Carling Court (11-14) Revetment Wall	\$2,610,000
41189	Raby Bay New Repair Trial	\$87,000
30394	Raby Bay Canal Maintenance	\$165,853
30399	Raby Bay Monitoring of Revetment Walls	\$129,519
70084	Raby Bay Rock Armour Replacement	\$107,208
70132	Raby Bay Canal Bed Levelling	\$99,806
70833	Raby Bay Canal Planning	\$311,273
	Service	
N/a	Loan repayment	\$420,050
	Estimated Total Cost	\$7,909,122

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires a local government's resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(3) of the Regulation lists the information that must be included in an overall plan.

Section 94(4) of the Regulation requires the local government must adopt the overall plan before, or at the same time as, the local government first resolves to levy the special rates or charges.

Section 94(6) of the Regulation requires that if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year.

Section 94(7) of the Regulation sets out the information that must be included in an annual implementation plan adopted each financial year.

Section 94(9) of the Regulation enables that a local government may at any time, by resolution, amend an overall plan or annual implementation plan.

Risk Management

A Geotechnical Investigation Analysis Report was completed for the Raby Bay Canal estate by consultants KBR. This report was completed 24 June 2013. This report is the basis for a planned trial in Raby Bay of a new repair technique. The Raby Bay Ratepayers Association has been consulted.

Financial

It is proposed the Raby Bay Tidal Works (Non Community Title Scheme) Special

charge is set at \$2,243.28 per unit. The estimated total expenditure under the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for 2015-16 is \$7,909,122.

People

Nil impact expected.

Environmental

Nil impact expected.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report aligns with Council's Corporate Plan 2015-2020 statement 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.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS**Option 1**

1. Adopt the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for the 2015-2016 financial year; and
2. Apply a Council contribution of 20 percent toward the cost of the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for the 2015-2016 financial year.

Option 2

Council resolves to request further information.

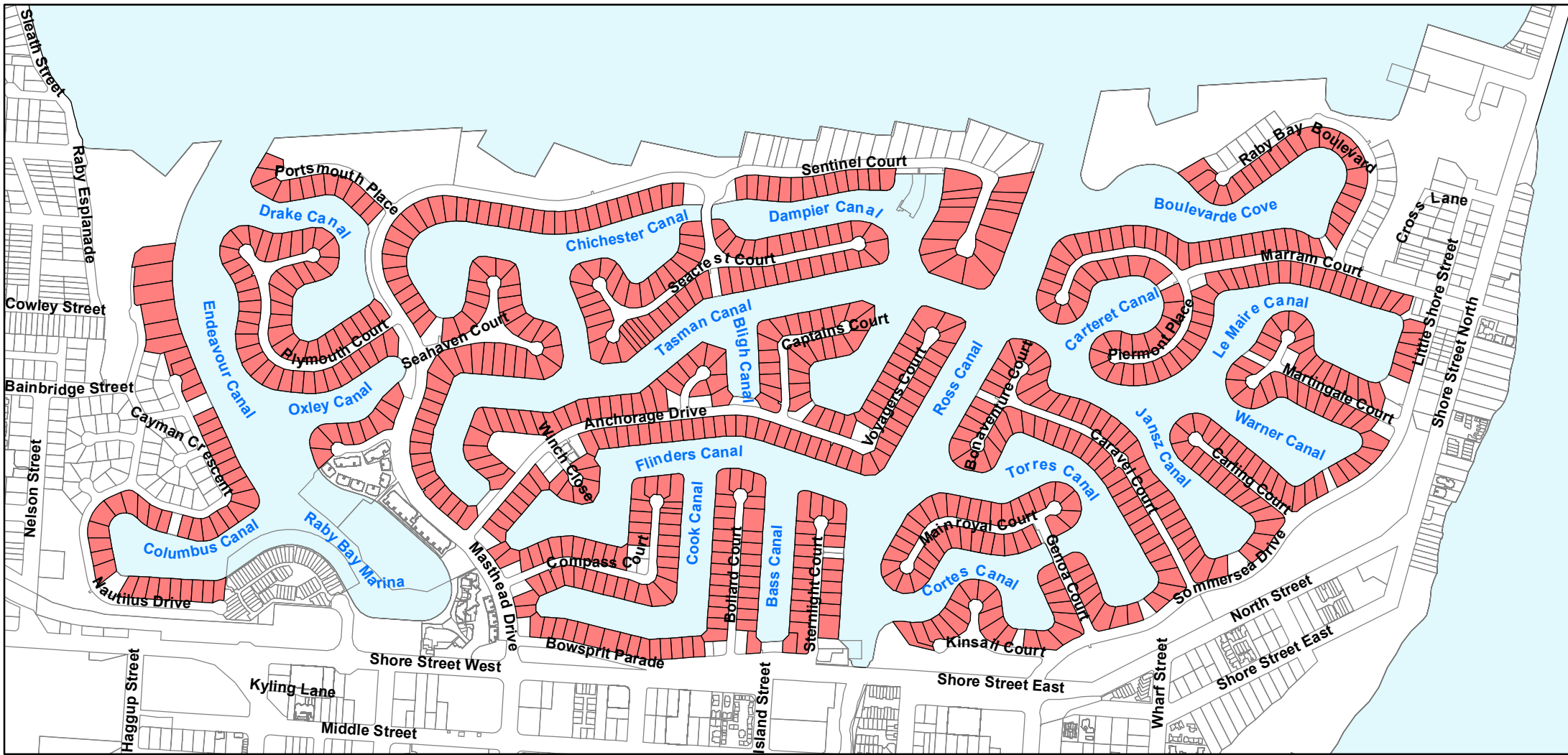
OFFICER'S RECOMMENDATION

That Council resolves to:

1. **Adopt the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for the 2015-2016 financial year; and**
2. **Apply a Council contribution of 20 percent toward the cost of the Raby Bay Tidal Works (Non Community Title Scheme) Special Charge Annual Implementation Plan for the 2015-2016 financial year.**

**Raby Bay Tidal Works (Non Community Title Scheme) Special Charge
Annual Implementation Plan 2015-2016**

Job Number	Activity	Estimated Cost
40577	Beaufort Crt (10-15) Revetment Wall Upgrade	\$2,751,823
40578	Masthead Drive (67, 75-85) Revetment Wall Upgrade	\$1,226,590
41087	Carling Court (11-14) Revetment Wall	\$2,610,000
41189	Raby Bay New Repair Trial	\$87,000
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30399	Raby Bay Monitoring of Revetment Walls	\$129,519
70084	Raby Bay Rock Armour Replacement	\$107,208
70132	Raby Bay Canal Bed Levelling	\$99,806
70833	Raby Bay Canal Planning	\$311,273
	Service	
N/a	Loan repayment	\$420,050
	Estimated Total Cost	\$7,909,122



BENEFIT AREA MAP

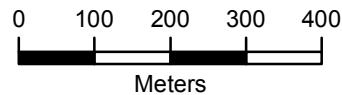
Map: RBC-6 Version 5



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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

**5.6.10 SOUTHERN MORETON BAY ISLANDS TRANSLINK OPERATIONS
SPECIAL CHARGE ANNUAL IMPLEMENTATION PLAN 2015-2016**

Objective Reference: **A190737**
 Reports and Attachments (Archives)

Attachment: **[SMBI Translink Operations Annual
Implementation Plan](#)**

Authorising Officer:



Linnet Batz
Chief Financial Officer

Responsible Officer: **Murray Erbs**
 Group Manager City Infrastructure

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

PURPOSE

This report presents the Southern Moreton Bay Islands TransLink Operations Special Charge Annual Implementation Plan for 2015-2016 to Council for adoption.

BACKGROUND

19 June 2013 – Council resolved to raise a special charge in the annual budget for 2013-2014 to fund the contribution agreed to under the Funding Agreement executed 18 December 2012 for ferry operations to the Southern Moreton Bay Islands between Redland City Council and the State of Queensland (acting through the Department of Transport and Main Roads).

27 June 2013 – Council adopted the Southern Moreton Bay Islands TransLink Operations Special Charge Overall Plan and the 2013-2014 Annual Implementation Plan.

26 June 2014 – Council adopted the 2014-2015 Southern Moreton Bay Islands TransLink Operations Special charge Annual Implementation Plan.

ISSUES

The State of Queensland (the State) and Redland City Council (RCC) agree they wish to promote and improve public transport to all communities in Redland City. Both are committed to the staged extension of public transport services between Weinam Creek and the Southern Moreton Bay Islands to reduce the costs of living and broaden the economic benefits to these Islands.

On 18 December 2012, RCC entered into a funding agreement with the State for TransLink to provide ferry operations between Weinam Creek, Karragarra, Lamb, Macleay, Perulpa and Russell Islands for a trial period of 2½ years, which will be

referred to as the Southern Moreton Bay Islands Transport Operations trial which provides public transport services to the Benefited Land.

Special rates and charges are for services, facilities and activities that have a special association with particular land. Council has established the SMBI TransLink Operations Special Charge (SMBI TransLink Operations Special Charge) has a special association to the land identified because the land or its occupier will specially benefit from the service, facility or activity provided by the Southern Moreton Bay Islands Transport Operations trial through the extension of public transport services and the broadening of economic benefits this trial may bring to the Islands.

The land that would obtain a particular benefit from the service (Benefited Land) identified in the Overall Plan adopted 27 June 2013 is all rateable properties on the Southern Moreton Bay Islands of Karragarra, Lamb, Macleay, Perulpa and Russell Islands, excluding land categorised for differential general rate purposes as rating category 10.

The State agrees that funds raised under the SMBI TransLink Operations Special Charge will be used only for the purpose of providing the State Services and the Ticketing Services identified in the Overall Plan.

The time period for the Southern Moreton Bay Islands Transport Operations trial is 1 July 2013 to 1 January 2016. Council has determined that it is in the interests of the community for the trial to be extended and negotiations with the State are ongoing. The Southern Moreton Bay Islands Translink Operations Special charge is adopted for the full financial year 2015-2016 subject to the continuation of the trial.

The Annual Implementation Plan for 2015-2016 is attached, and comprises the payment for \$962,084 (which excludes GST) of the special charges collected to the State of Queensland (acting through the Department of Transport and Main Roads) for the provision of the service, which is subject to a continuation of the trial.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 92(3) of the *Local Government Act 2009* (LGA) requires that for a special rate or charge to be levied the service, facility or activity has to have a special association with particular land.

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires the resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(4) of the Regulation requires the overall plan must be adopted before, or at the same time as the local government first resolves to levy the special rates or charges.

Section 94(6) of the Regulation requires an annual implementation plan to be adopted if the overall plan for the special charge is for more than 1 year.

Section 94(7) of the Regulation requires an annual implementation plan for a financial year to be a document that sets out the actions or processes that are to be carried out in the financial year for the service, facility or activity for which the special rates or charges apply.

Section 94(15) of the Regulation declares that a local government may make and levy a special rate or charge for a service, facility or activity whether or not the services is supplied or undertaken by the local government.

Risk Management

The adoption of a special charge for the payment of the financial obligations under the funding agreement will provide transparency for the SMBI residents and ratepayers in the benefited area regarding the purpose of the funds collected.

Financial

It is proposed the SMBI TransLink Operations Special Charge will be set at \$89.31 for 2015-2016.

The amount of the SMBI TransLink Operations Special Charge has been determined by the SMBI Translink Special Charge modelling implementation by apportioning an equal share of the payment across the Southern Moreton Bay Island rateable properties excluding properties categorised for the purposes of the differential general rate as rating category 10.

The Annual Implementation Plan is the payment of the annual funding amount of the service pursuant to the agreement between the Council and the State of Queensland (acting through the Department of Transport and Main Roads) for the provision of the service. That amount for the 2015-2016 financial year is \$962,084 subject to continuation of the trial.

People

Nil impact expected.

Environmental

Nil impact expected.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report aligns with Council's Corporate Plan 2015-2020:

2. Green Living

2.5 Transport planning reflects a desire to maximise economic, environmental and liveability outcomes through quality road design, public transport, pedestrian and cycling strategies.

3. Supportive and vibrant economy

6.1 Council supports infrastructure that encourages business and tourism growth.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS

1. Adopt the attached Southern Moreton Bay Islands Translink Operations Special Charge Annual Implementation Plan for the 2015-2016 financial year.
2. That Council resolves to request further information.

OFFICER'S RECOMMENDATION

That Council resolves to adopt the attached Southern Moreton Bay Islands Translink Operations Special Charge Annual Implementation Plan for the 2015-2016 financial year.

Annual Implementation Plan 2015-2016
Southern Moreton Bay Islands TransLink Operations Special Charge

This Annual Implementation Plan is made in accordance with section 94(7) of the Local Government Regulation 2012.

Actions to be carried out

The Southern Moreton Bay Islands TransLink Operations Special Charge (the 'special charge') for 2015-2016 will be \$89.31, which will be levied on a quarterly basis in the months of July, October, January and April. It will be identified on the rate notice as the 'SMBI TransLink Operations Special Charge'.

The total revenue raised by the special charge in 2015-2016 will be \$962,084.

The Deed of Agreement for the Southern Moreton Bay Islands Transport Operations trial, executed 18 December 2012, with the State of Queensland, acting through the Department of Transport and Main Roads, expires on 1 January 2016. Council has determined that it is in the interests of the community for the trial to be extended and negotiations with the State are ongoing.

The Southern Moreton Bay Islands Translink Operations Special Charge is adopted for the full financial year 2015-2016 subject to a continuation of the trial.

All revenue raised will be paid by the Council to the State to meet the ongoing cost of funding the Southern Moreton Bay Islands Transport Operations trial.

Expenditure for 2015-2016 will be \$962,084 pro-rata quarterly in arrears within 28 days of the due date for the payment of Redland City Council rates for the Southern Moreton Bay Island areas of Karragarra, Lamb, Macleay, Perulpa and Russell Islands.

**5.6.11 SOUTHERN MORETON BAY ISLANDS TRANSLINK OPERATIONS
SPECIAL CHARGE - AMENDMENT TO OVERALL PLAN**

Objective Reference: **A198125**
 Reports and Attachments (Archives)

Attachment: **[Amended Overall Plan SMBI TransLink
Operations Special Charge 2015-2016](#)**

Authorising Officer:



Linnet Batz
Chief Financial Officer

Responsible Officer: **Murray Erbs**
 Group Manager City Infrastructure

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

PURPOSE

This report presents an amendment to the Southern Moreton Bay Islands Translink Operations Special charge Overall Plan for the benefited land identified as all rateable properties on the Southern Moreton Bay Islands of Karragarra, Lamb, Macleay, Perulpa and Russell Islands, excluding land categorised for differential general rate purposes as rating category 10.

BACKGROUND

19 June 2013 – Council resolved to raise a special charge in the annual budget for 2013-2014 to fund the contribution agreed to under the Funding Agreement executed 18 December 2012 for ferry operations to the Southern Moreton Bay Islands between Redland City Council and the State of Queensland (acting through the Department of Transport and Main Roads).

27 June 2013 – Council adopted the Southern Moreton Bay Islands TransLink Operations Special Charge Overall Plan and the 2013-2014 Annual Implementation Plan.

26 June 2014 – Council adopted the Southern Moreton Bay Islands TransLink Operations 2014-2015 Annual Implementation Plan.

ISSUES

The State of Queensland (the State) and Redland City Council (RCC) agree they wish to promote and improve public transport to all communities in Redland City. Both are committed to the staged extension of public transport services between Weinam Creek and the Southern Moreton Bay Islands to reduce the costs of living and broaden the economic benefits to these Islands.

On 18 December 2012, RCC entered into a funding agreement with the State for TransLink to provide ferry operations between Weinam Creek, Karragarra, Lamb, Macleay, Perulpa and Russell Islands for a trial period of 2½ years, referred to as the Southern Moreton Bay Islands Transport Operations trial, which provides public transport services to the Benefited Land.

The time period for the Southern Moreton Bay Islands Transport Operations trial was 1 July 2013 to 1 January 2016 and extension beyond that would be subject to further negotiation between the parties.

Council has determined that it is in the interests of the community for the trial to be extended and negotiations with the State are ongoing. The Southern Moreton Bay Islands Translink Operations Special charge will be adopted for the full financial year 2015-2016 subject to the continuation of the trial.

The amendments put forward to the Overall Plan for adoption are:

- a) Increase the estimate cost for carrying out the Overall Plan in year 3 to \$962,084; and
- b) Extend the time for carrying out the Overall Plan to 30 June 2016.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 92(3) of the *Local Government Act 2009* (LGA) requires that for a special rate or charge to be levied the service, facility or activity has to have a special association with particular land.

Section 94(2) of the *Local Government Regulation 2012* (Regulation) requires the resolution to levy special rates or charges must identify the rateable land to which the special rates or charges apply and the overall plan for the service, facility or activity to which the special rates or charges apply.

Section 94(4) of the Regulation requires the overall plan must be adopted before, or at the same time as the local government first resolves to levy the special rates or charges.

Section 94(9) of the Regulation permits the Council, at any time, to amend an overall plan by resolution.

Section 94(15) of the Regulation enables that a local government may make and levy a special rate or charge for a service, facility or activity whether or not the services is supplied or undertaken by the local government.

Risk Management

The adoption of a special charge for the payment of the financial obligations under the funding agreement will provide transparency for the SMBI residents and ratepayers in the benefited area regarding the purpose of the funds collected.

Financial

It is proposed the SMBI TransLink Operations Special Charge will be set at \$89.31 for 2015-2016.

The amount for the 2015-2016 financial year for the Annual Implementation Plan is \$962,084 subject to continuation of the trial.

People

Nil impact expected.

Environmental

Nil impact expected.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

This report aligns with Council's Corporate Plan 2015-2020:

2. Green Living

2.5 Transport planning reflects a desire to maximise economic, environmental and liveability outcomes through quality road design, public transport, pedestrian and cycling strategies.

3. Supportive and vibrant economy

6.1 Council supports infrastructure that encourages business and tourism growth.

CONSULTATION

Consultation has been held with Councillors, the Executive Leadership Group, senior management of City Infrastructure, Financial Services and General Counsel.

OPTIONS**Option 1**

That Council resolve to amend the Southern Moreton Bay Islands TransLink Operations Special charge Overall Plan by:

- a) Increasing the estimated cost for carrying out the Overall Plan in year 3 to \$962,084; and
- b) Extending the time for carrying out the Overall Plan to 30 June 2016.

Option 2

That Council resolve to request further information.

OFFICER'S RECOMMENDATION

That Council resolves to amend the Southern Moreton Bay Islands TransLink Operations Special charge Overall Plan by:

- a) Increasing the estimated cost for carrying out the Overall Plan in year 3 to \$962,084; and**
- b) Extending the time for carrying the Overall Plan to 30 June 2016.**

Overall Plan

Southern Moreton Bay Islands TransLink Operations Special Charge

Council makes this Overall Plan for the Southern Moreton Bay Islands Translink Operations Special Charge in accordance with section 94 of the Local Government Regulation 2012.

Description of Service, Facility or Activity

In accordance with clause 4 of the Funding Agreement for Ferry Operations to the Southern Moreton Bay Islands executed 18 December 2012 Council has agreed to pay the annual funding amount to the State of Queensland through the Department of Transport and Main Roads (the State).

For its part the State has agreed to use the annual funding amount for the purpose of providing ticketing and state services.

Ticketing services includes all services necessary to provide Go Card including, but not limited to the provision and maintenance of the ticketing hardware system and includes the trial of ticketing integration of the Southern Moreton Bay Island Service into the TransLink mass transit area.

State services include:

- Southern Moreton Bay Island ferry routes between Weinam Creek Karragarra, Lamb, Macleay, Perulpa and Russell Islands to be known as a Translink route
- A trial integration of the SMBI route into the TransLink mass transit network. This includes the utilisation of a single integrated ticket for travel across the Translink network in South East Queensland and access to related products and benefits from 1 July 2013.
- Inter-Island travel between SMBI islands free of charge for Island Resident passengers utilising a paper ticket.
- All ancillary and incidental activities to procure, provide, manage and promote the service, including representation at the steering committee.

Land to which the Special Charge will be Applied

All rateable properties on the Southern Moreton Bay Islands of Karragarra, Lamb, Macleay, Perulpa and Russell Islands, excluding land categorised for differential general rate purposes as rating category 10.

Estimated Cost for Carrying out the Overall Plan

Expenditure	Year 1 2013/2014	Year 2 2014/2015	Year 3 2015/2016
Deed of Agreement Payment to Translink	\$920,000	\$940,240	\$962,084

Estimated Time for Carrying out the Overall Plan

1 July 2013 to 30 June 2016

5.6.12 OVERALL PLAN RURAL FIRE LEVY SPECIAL CHARGE

Objective Reference: A190470
Reports and Attachments (Archives)

Attachment: [Rural Fire Brigade Budgets 2015-2016](#)

Authorising/Responsible Officer:



Linnet Batz
Chief Executive Officer

Report Author: Noela Barton
Service Manager Revenue & Collections
Management

PURPOSE

To submit to Council for adoption the new Rural Fire Brigade Special Charge overall plan for the 2015-2016 financial year.

BACKGROUND

Council has in previous financial years contributed to each of the Southern Moreton Bay Island (SMBI) rural fire brigades by raising revenue through various Rural Fire Levy Special Charges.

This year the Rural Fire Service, a department of the Queensland Fire and Emergency Services (QFES), has been instrumental in forming a Local Area Finance Committee (LAFC) for the SMBI rural fire brigades. The LAFC comprises a representative from QFES, a nominee from each Island brigade and a representative from Redland City Council. The SMBI brigades will continue to operate individually but all revenue raised through a Special charge will be pooled in a central fund managed by the LAFC. The LAFC will be responsible for disbursement of funds to the Island brigades based on each Island brigade's budget and on a needs basis.

OVERALL PLAN

A rural fire service is provided in areas where there is no urban fire service and it is fully staffed by volunteers from the community.

In 2015-2016, the Rural Fire Brigade Special Charge will be levied on Karragarra, Lamb, Macleay, Perulpa and Russell Islands to contribute funding to the service, facilities and activities provided by SMBI Fire Brigades including:

- Responding to the outbreak of fires;
- Working in conjunction with Rural Operations staff from the QFES undertaking a range of planning and preparation activities throughout the year to ensure communities are prepared for the fire season, which includes hazard reduction burns;

- Controlling the use of fire by providing authorised Fire Wardens to manage permits to light fires;
- Allowing brigade members to engage in delivering community education and awareness on fire behaviour and prevention.

The Rural Fire Brigade Special Charge is set in consideration of the annual budget 2015-2016 for each SMBI rural fire brigade (attached) and in consultation with the Southern Moreton Bay Islands Local Area Finance Committee.

The rateable land over which the Rural Fire Brigade Special Charge is levied is described as all rateable land on Karragarra, Lamb, Macleay, Perulpa and Russell Islands (Benefited Land) excluding land that is rated as rating category 10 for the purposes of levying the differential general rate. Land that is levied a Rural Fire Brigade Special Charge obtains a special benefit from the provision of the service, facilities and activities funded by the special charge because it funds the provision of a rural fire service to that Land, which a rural fire service would not otherwise be available.

For 2015-2016 the Southern Moreton Bay Islands Local Area Finance Committee requests a levy of \$20.00 per annum.

The charge of \$20.00 will be levied on a quarterly basis in the months of July, October, January and April and charged on a per lot basis on all rateable Benefited land.

The estimated cost of the overall plan is \$242,120.

The estimated time for implementing the overall plan is 1 year, ending on 30 June 2016.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 128A of the Fire and Emergency Services Act 1990 declares that a local government may make and levy special rates and charges and contribute the amounts raised to the rural fire brigades.

Section 91 of the Local Government Act 2009 (LGA) enables a local government to levy rates and charges on land and for a service, facility or activity that is supplied or undertaken by the local government or by someone on behalf of the local government.

Section 94(1) of the LGA, states that a local government may decide to levy a special rate or charge.

Section 94(2) of the Local Government Regulation 2012 (Regulation) requires that where a local government decides to levy special rates or charges the resolution must identify the land to which the special rates or charges apply and the overall plan for the service, facility or activity.

Section 94(6) of the Regulation requires if an overall plan is for no more than 1 year it negates the need to also adopt an Annual Implementation Plan.

Section 96 of the Regulation requires if an overall plan is implemented and not all the funds levied are spent by the end of the overall plan the funds must be paid back to the current owners of the land on which the special rates or charges were levied as soon as practicable. There is no requirement to return any unspent charges from the previous Rural Fire Levy Special Charge, provided Council has discharged its duty

by providing the revenue raised to each fire brigade in each financial year they were imposed. Council discharges its duty for the time limit for carrying out the overall plan by monthly payment of all revenue received from the special charge to each of the SMBI Rural Fire Brigade.

Risk Management

Council annually reviews special charges during the budget process. For 2015-2016 Council has established a position that it will support the Southern Moreton Bay Islands Local Area Finance Committee by raising revenue through a special charge in order for the SMBI Rural Fire Brigades to continue to provide an essential service to the local community.

Financial

The levy proposed for 2015-2016 is in response to the budgets prepared by the SMBI Rural Fire Brigades which are completed in consultation with the Area Director Rural Operations QFRS.

Based on the number of current rateable lots (12,106) it is forecast that \$242,120 will be raised in the 2015-2016 financial year.

People

Nil impact expected.

Environmental

The levy supports the SMBI Rural Fire Brigades to provide an essential service to their local communities. The activities undertaken by Brigades members include responding to the outbreak of fires within their local area and in surrounding areas in support of other rural fire brigades and emergency service workers.

The brigades work in conjunction with Rural Operations staff from the QFES undertaking a range of planning and preparation activities throughout the year to ensure communities are prepared for the fire season, which includes hazard reduction burns. They control the use of fire by providing authorised Fire Wardens to manage permits to light fires. Brigade members also engage in delivering community education and awareness on fire behaviour and prevention.

Social

Nil impact expected.

Alignment with Council's Policy and Plans

Alignment to Council's Corporate Plan 2015-2020

7. Strong and connected communities

- 7.5 The community's preparedness for disasters is improved through community education, training and strong partnerships between Council and other agencies.

CONSULTATION

The Overall Plan for the Rural Fire Brigade Special Charge for 2015-2016 is put forward for adoption after consultation with the Area Director Rural Operations QFES, the Southern Moreton Bay Islands Local Area Finance Committee, Councillors, Chief Executive Officer and the Chief Financial Officer.

OPTIONS

1. That Council resolves to:
 1. Adopt the overall plan described in this report for the Rural Fire Brigade Special charge for 2015-2016; and
 2. Fix the Rural Fire Brigade Special charge for 2015-2016 at \$20.00 per annum to be charged on a per lot basis on all rateable land on Karragarra, Lamb, Macleay, Perulpa and Russell Islands excluding land that is rated as rating category 10 for the purposes of levying the differential general rate.
2. That Council resolves to not raise a Rural Fire Brigade Special charge for the 2015-2016 financial year, noting that without these funds the Rural Fire Brigades will be unable to provide a rural fire service for the Islands.

OFFICER'S RECOMMENDATION

That Council resolves to:

- 1. Adopt the overall plan described in this report for the Rural Fire Brigade Special charge for 2015-2016; and**
- 2. Fix the Rural Fire Brigade Special charge for 2015-2016 at \$20.00 per annum to be charged on a per lot basis on all rateable land on Karragarra, Lamb, Macleay, Perulpa and Russell Islands excluding land that is rated as rating category 10 for the purposes of levying the differential general rate.**

6 MEETING CLOSURE

SOUTHERN MORETON ISLAND L AFC 2015 - 2016	Ratable Properties	Brigade Classification	Number of Appliances	Number of Slip-on units or Trailers	Number of Stations	Number of Incidents last year (Jan - Dec)	Area serviced by the Brigade (Sq Km)		Total Station Operation Costs	Total Vehicle Operating Costs	Total Equipment Operating Costs	Total Personal Protective Equipment Costs	Total Public Relations Costs	Total Training Costs	Total Minor Equipment Costs	Total Administration Costs	Total Operating Costs	Bank Balance Operations AC	Total funds required for Operations	Total Vehicle Acquisition	Total Station Construction	Total Station Furniture and Storage	Total Capital Expenditure 2015-2016	Total funds required for Annually for capital works.	Total Funds Required 2015-2016 FY	Rates per property	TOTAL Collected for L AFC
Karragarra Island	272	Village	1	1	1	1		\$4,900.00	\$3,300.00	\$1,700.00	\$1,100.00	\$460.00	\$1,960.00	\$363.00	\$2,015.00	\$15,798.00	\$5,000.00	\$10,798.00		\$3,500.00		\$3,500.00	\$0.00	\$14,298.00	\$20.00	\$5,440.00	
Macleay Island	3772	iZone	4	0	1	6		\$23,000.00	\$3,164.00	\$3,600.00	\$700.00	\$1,200.00	\$7,600.00	\$657.00	\$4,580.00	\$44,501.00	\$10,000.00	\$34,501.00	\$30,000.00		\$10,000.00	\$40,000.00	\$28,600.00	\$74,501.00	\$20.00	\$75,440.00	
Lamb Island	763	Village	1	0	1	1		\$5,630.00	\$255.00			\$275.00	\$6,650.00	\$1,000.00	\$770.00	\$14,580.00	\$5,000.00	\$9,580.00		\$100,000.00		\$100,000.00	\$100,000.00	\$109,580.00	\$20.00	\$15,260.00	
Russell Island	7475	iZone	3	0	1	15		\$10,704.00	\$11,000.00	\$1,500.00	\$2,590.00	\$2,000.00	\$4,250.00	\$2,171.00	\$4,515.00	\$38,730.00	\$25,000.00	\$13,730.00	\$30,000.00			\$30,000.00	\$24,000.00	\$43,730.00	\$20.00	\$149,500.00	
																\$113,609.00		\$68,609.00				\$173,500.00	\$152,600.00	\$242,109.00		\$245,640.00	
Average								\$11,058.50	\$4,429.75	\$2,266.67	\$1,463.33	\$983.75	\$5,115.00	\$1,047.75	\$2,970.00	\$45,443.60											
Total	12282							\$44,234.00	\$17,719.00	\$6,800.00	\$4,390.00	\$3,935.00	\$20,460.00	\$4,191.00	\$11,880.00	\$113,609.00	\$45,000.00	\$68,609.00				\$173,500.00	\$242,109.00				