



Redland
CITY COUNCIL

**June
2011**

Annual Budget 2011 - 2012

Adopted on 28 June 2011

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COUNCILLORS AND EXECUTIVE MANAGEMENT

REDLAND CITY COUNCILLORS

Cr Melva Hobson PSM	MAYOR OF REDLAND CITY
Cr Wendy Boglary	DIVISION 1 – Wellington Point / Ormiston
Cr Craig Ogilvie	DIVISION 2 – Cleveland / North Stradbroke Island
Cr Debra Henry	DIVISION 3 – Cleveland South / Thornlands
Cr John Burns	DIVISION 4 – Victoria Point / Coochiemudlo Island
Cr Barbara Townsend	DIVISION 5 – Redland Bay / Bay Islands
Cr Toni Bowler	DIVISION 6 – Mt Cotton / Sheldon / Capalaba / Thornlands / Victoria Point / Redland Bay
Cr Murray Elliott (Deputy Mayor)	DIVISION 7 – Alexandra Hills / Capalaba
Cr Kathy Reimers	DIVISION 8 – Birkdale South / Alexandra Hills
Cr Karen Williams	DIVISION 9 – Capalaba
Cr Helen Murray	DIVISION 10 – Birkdale / Thorneside

EXECUTIVE LEADERSHIP GROUP

Mr Gary Stevenson PSM	CHIEF EXECUTIVE OFFICER
Mr Nick Clarke	GENERAL MANAGER GOVERNANCE & PLANNING DEPARTMENT
Mrs Louise Rusan	GENERAL MANAGER CUSTOMER SERVICES DEPARTMENT
Mr Martin Drydale	GENERAL MANAGER CORPORATE SERVICES DEPARTMENT
Mrs Toni Averay	GENERAL MANAGER DEVELOPMENT & COMMUNITY STANDARDS DEPARTMENT

INTRODUCTION

The 2011-2012 Budget presents the detailed financial plan for Council which has been developed in accordance with the adopted Financial Strategy. A key objective of the Financial Strategy is to achieve operational surplus by 2013-2014 and this Budget is in alignment with the achievement of that objective within that timeframe.

The development of the 2011-2012 Budget has been particularly challenging following recent State Government decisions regarding retail water and wastewater pricing in addition to infrastructure charges capping. On top of the need for existing internal efficiency savings together with reductions in revenue streams resulting from lower development activity, these decisions have resulted in the need to significantly further reduce Council's cost base in order to continue to meet financial sustainability targets.

As a result, relative to previous years, the 2011-2012 Budget contains reduced operational and capital programmes. These cost savings have been primarily realised by a reduction in staff numbers through a voluntary redundancy scheme together with reductions of many goods and services costs by not undertaking a large number of planned discretionary operational projects. Significant efforts have been made however to ensure that all front line customer services have been maintained at existing levels.

Further uncertainties still remain in 2011-2012 with the outcome of the decision by Redland, Logan and Gold Coast City Councils to stay in or opt out of Allconnex Water which may result in further changes to revenue streams as owners of that business. Additionally, during 2011-2012, efforts will be needed to reduce Council's cost base further in order to meet the next stage of financial sustainability targets.

This Budget has been developed under Council's former corporate structure. Redistribution of revenue and expenditure to departments will occur following Council's decision about a new corporate structure.

Whilst more challenges exist ahead, Council continues to be well placed financially and organisationally to respond to these.

I would like to thank the Mayor, Councillors, senior officers and financial staff for their professionalism and support in compiling the 2011-2012 Budget.

Martin Drydale

**General Manager Corporate Services
and Chief Financial Officer**

COUNCIL'S CORPORATE PLAN OUTCOMES

On 26th May 2010, Redland City Council adopted its revised Corporate Plan for the five year period 2010-2015. The Corporate Plan contains the themes or 'Vision Outcomes' as communicated to us by the Redlands community in the 2010-2030 Community Plan.

Council's current Corporate Plan identifies the following nine Vision Outcomes.

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.

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.

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.

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.

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.

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.

STRONG AND CONNECTED COMMUNITIES

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

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.

AN EFFICIENT AND EFFECTIVE ORGANISATION

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

The 2011-2012 budget will enable Council to deliver on the vision, priorities and goals of Redlands 2030 as addressed in the Corporate Plan 2010 – 2015.

BUDGET COMMENTARY

This budget has been compiled in accordance with the requirements of the Local Government Act 2009 and supporting regulations. It includes key financial statements as well as additional highlights and summary information.

Redland City Council's Budget for 2011-2012 delivers an improved financial position compared to the previous forecast for this financial year. The major highlights of this Budget include:

- Reduction in operating deficit to \$20.2M (reduction of \$3.5m or 15%) compared to previously forecasted operating deficit \$23.7M;
- Decrease in forecast employees expenditure to \$67.2M (reduction of \$2.1M or 3.1%) compared to previous 2011-2012 forecast of \$69.3M;
- Decrease in forecast goods and services expenditure to \$69.1M (reduction of \$7.6M or 9.9%) compared to previous 2011-2012 forecast of \$76.6M;
- Decrease in capitalised goods and services of \$34.7M (42.1%) from a previous forecast of \$82.5M to \$47.7M;
- Reduction in capitalised employee costs to \$2.0M (reduction of \$4.3M or 68.7%) compared to previously forecasted expenditure of \$6.3M; and
- As a direct result of the decrease in capitalised goods, services and employee costs, a reduction in the loan borrowings to \$13.0M (reduction of \$32.2M or 71%).

Council's capital works programme for 2011-2012 has been planned in order to deliver key community infrastructure whilst also enabling services to the community to be delivered through the most efficient and effective means. A total expenditure of \$49.7 million has been forecast for capital works for 2011-2012 and the following highlights provide further detail on projects included in this programme:

Transport Trunk Infrastructure	\$8.6m
Road reseals and resurfacing programme	\$4.4m
Canal and foreshore protection	\$4.4m
Parks and Conservation Land Acquisition Expenditure	\$4.3m
Southern Moreton Bay Island Capital Expenditure (not including road upgrades)	\$4.0m
Cycleway Trunk Infrastructure	\$3.2m
Mainland and NSI Marine expenditure	\$3.0m
Open Space Infrastructure	\$2.5m
Waste Management Facilities	\$2.1m

Road construction programme expenditure	\$2.1m
Replacement of Council Fleet (including vehicles)	\$1.5m
Paths and Trails	\$1.5m
Seal gravel road expenditure programme (includes road upgrades on SMBI)	\$1.0m
Public Amenities	\$475k
Local Area Traffic Management	\$392k
Transport facilities	\$340k

OVERALL INCREASE FROM 2010-2011 TO 2011-2012

The Local Government (Finance, Plans and Reporting) Regulation 2010 was amended on 11 March 2011 to require the disclosure of the following information in Council's annual budget:

the percentage increase, based on a direct comparison between the budget and the previous adopted budget of the change in the total value of all general and differential rates, separate and special rates and utility (water, sewerage and waste) charges, net of discounts and remissions.

This information is expressed below as a single percentage (increase or decrease). The table below includes the necessary information.

Revenue	Budget for 2010-2011 as adopted on 25 June 2010	Budget for 2011-2012 as adopted on 28 June 2011	Dollar increase from 2010-2011 to 2011-2012	Percentage increase from 2010-2011 to 2011-2012
Net revenue	\$95,535,567	\$101,356,118	\$5,820,551	<u>6.09%</u>

The 6.09% increase in projected revenue includes growth which inflates the overall increase due to volume increases (number of properties and land blocks in the City) rather than price increases. The actual average increase to the community will be lower than the stated percentage.

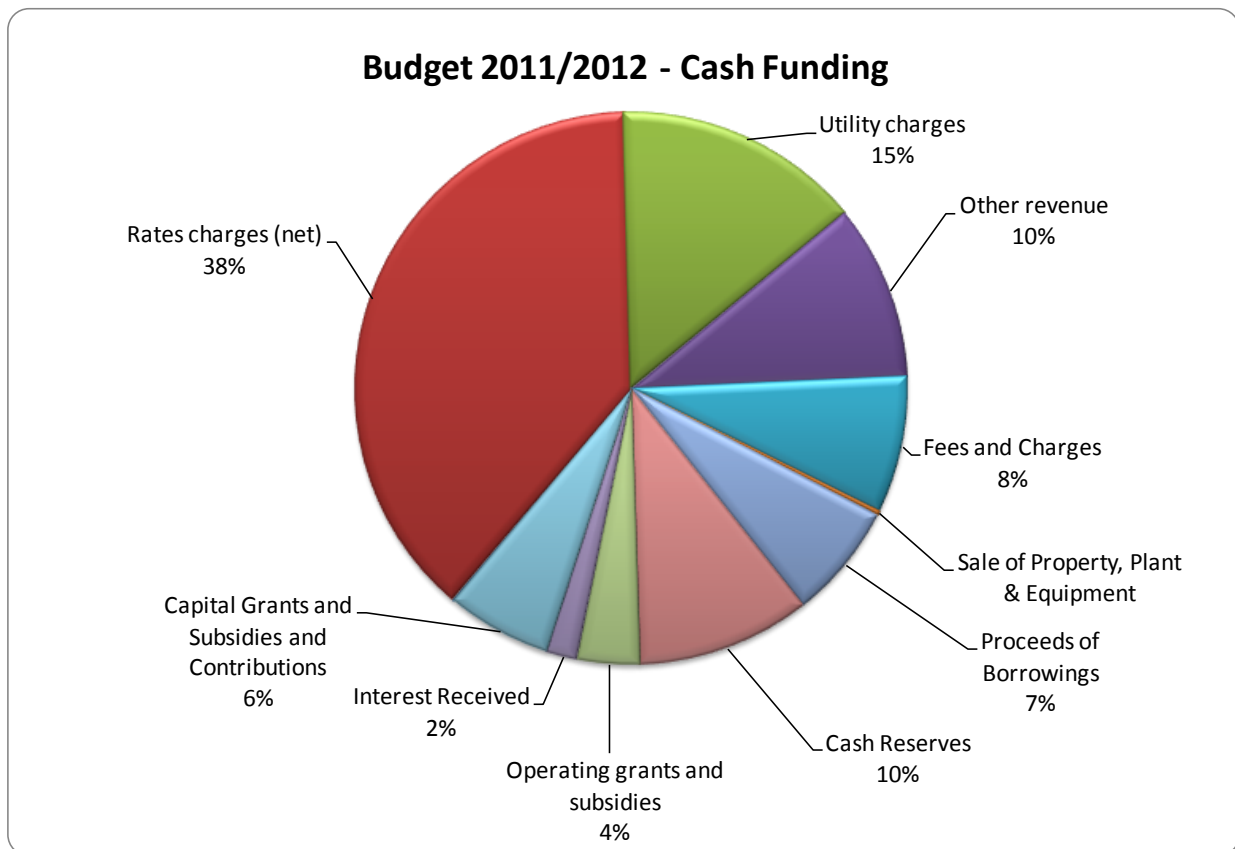
FINANCIAL BUDGET OVERVIEW

Where does the money come from?

Redland City Council's cash funding originates from a range of sources including 38% from general rate charges. Council monitors its key performance indicator 'level of dependence on general rate revenue' which demonstrates the reliance on general rates. Since the creation of Allconnex Water on 1 July 2010, Council no longer receives revenue from water and sewerage charges. Utility charges in 2011-2012 contribute only 15% of cash funding. As per page ten, Redland City Council as a shareholder in Allconnex Water will receive monies in the form of dividends, interest payments and tax equivalents and these are represented below in the 'other revenue' category of 10% of total cash funds.

Grants, subsidies and contributions are forecast to total 10% of cash funding and this revenue assists Council in delivering a variety of capital programmes and various operational maintenance activities. Additionally, fees and charges from the issue of permits and consideration of applications, caravan parks and community related services contribute approximately 8%.

Cash Funding 2011-2012 (\$192.1m)



Total budgeted cash funding has decreased from \$211.5m in 2010-2011 to \$192.1m in 2011-2012 due in the main to the impacts of the establishment of Allconnex Water. As a result of this reduced cash inflow, Council has again budgeted to utilise reserves to deliver its capital programme.

Other Revenue as a percentage of cash funding has increased significantly in the last two budget years due to the anticipated receipts from Allconnex Water. This increase in other revenue does not offset the decrease in rates and utility charges which in 2009-2010 constituted 66% of total cash funding against 45% in 2010-2011 and 53% in 2011-2012.

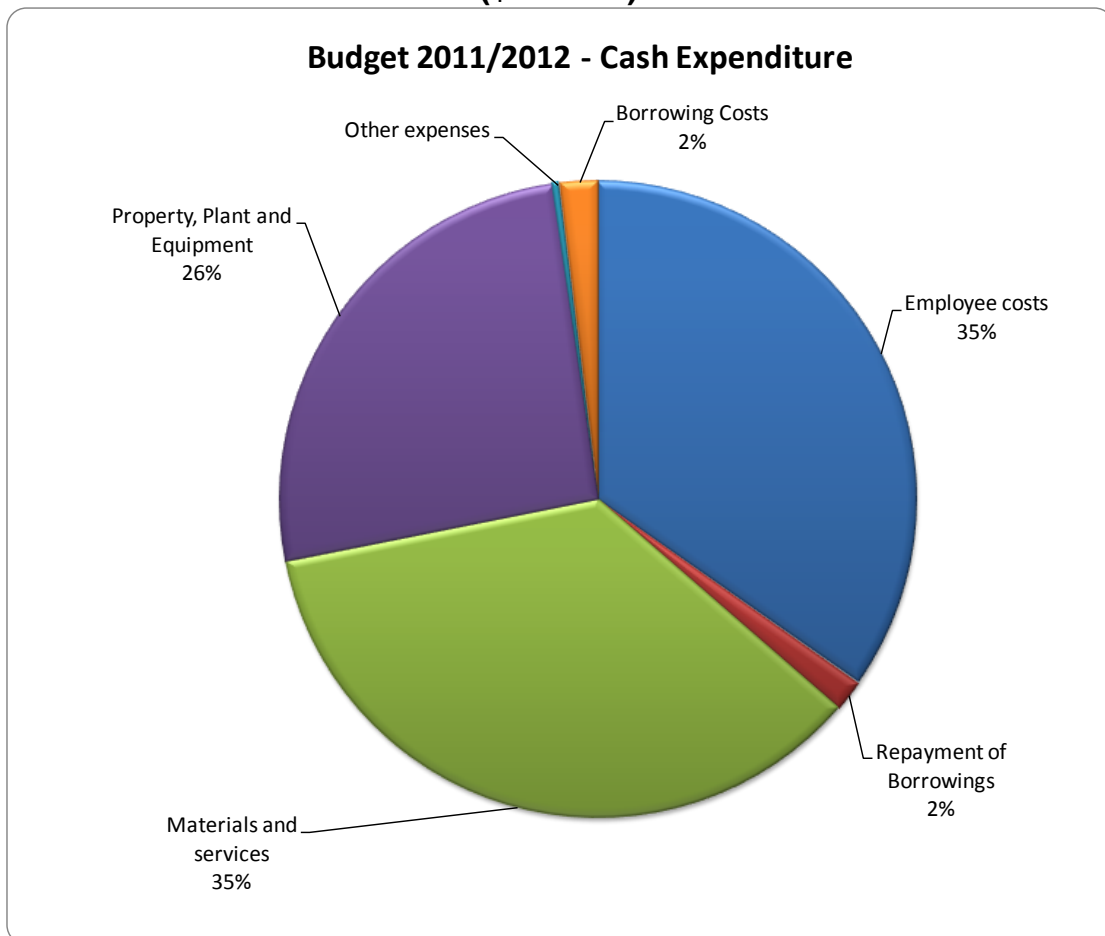
Council has reduced its borrowings from the budgeted \$17.3m in 2010-2011 year to \$13.0m in 2011-2012 in line with its Financial Strategy. Council will restrict borrowing to capital projects that are deemed 'Intergenerational Projects', 'Risk Mitigation Projects' or 'Accelerated Infrastructure Projects'. The definition of an intergenerational project is one that has an estimated useful life of 25 years or more

and council adopted a policy objective to spread the cost of these projects over several generations of rate payers.

Where does the money go?

In 2011-2012, 35% of the budget has been allocated towards the capital maintenance programmes needed to support the Redlands community, while 26% has been set aside for new infrastructure and other capital programmes. A further 35% is required for Council employees who contribute towards the delivery of services and maintenance programmes to the Redlands community.

Cash Expenditure 2011-2012 (\$192.1m)



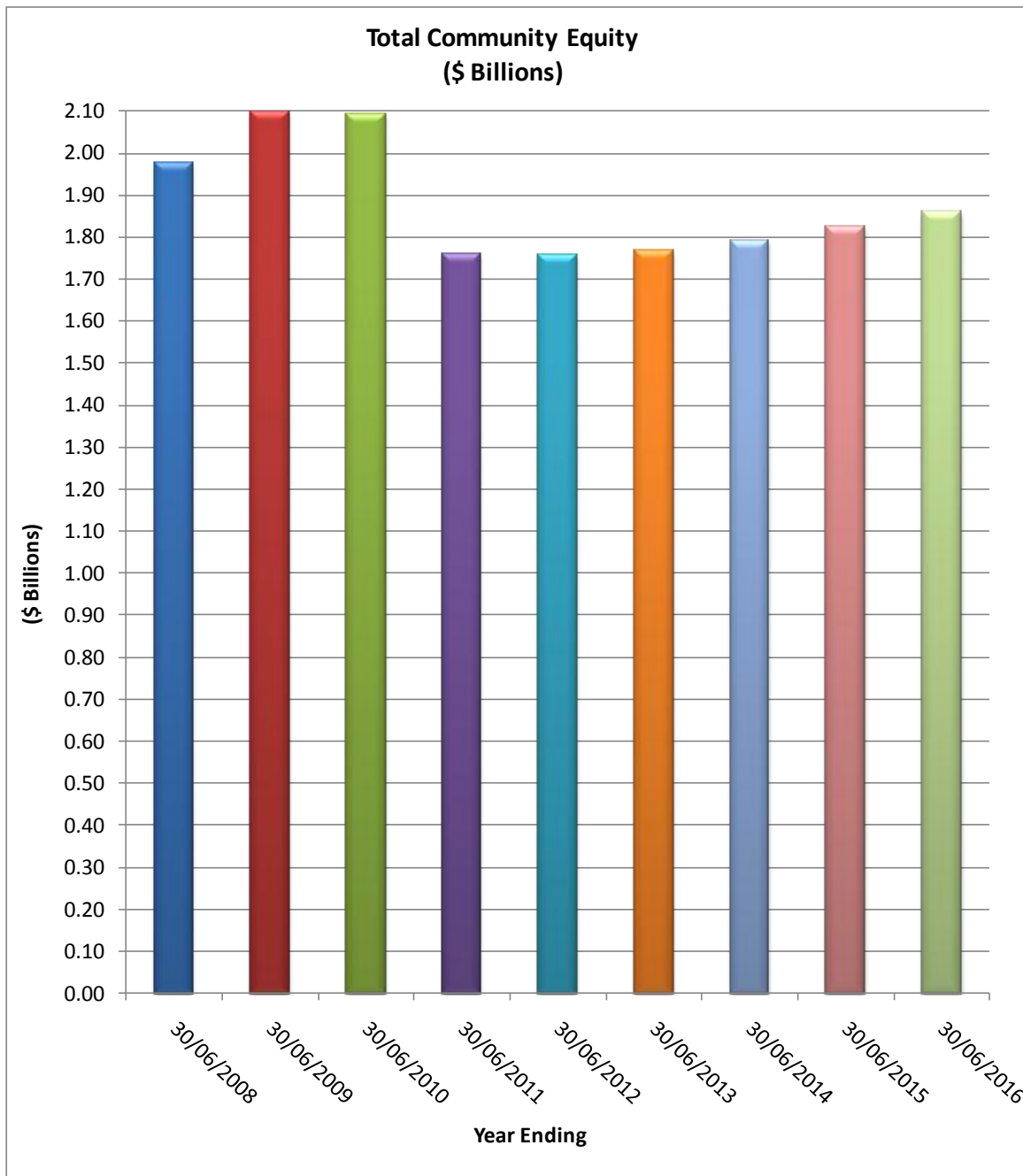
Borrowing costs are the expenses relating to the interest that has accrued on the loan. The repayment of borrowings is the expenditure associated with the principal amount borrowed.

Prior to the annual budget development process, Council reviewed and updated its ten-year Financial Strategy (the Strategy), which includes the consideration of long term planning to adequately invest in infrastructure sustainability. One of the policy decisions in the Strategy is the agreement to a broader use of capital (including borrowings) to facilitate necessary investments into infrastructure to meet growing community needs.

How much is Council worth?

The community equity continues to demonstrate Council owns more than it owes. Key financial indicators including debt to asset ratio and net financial liabilities (refer pages 27-28) also illustrate the current financial position is within target range.

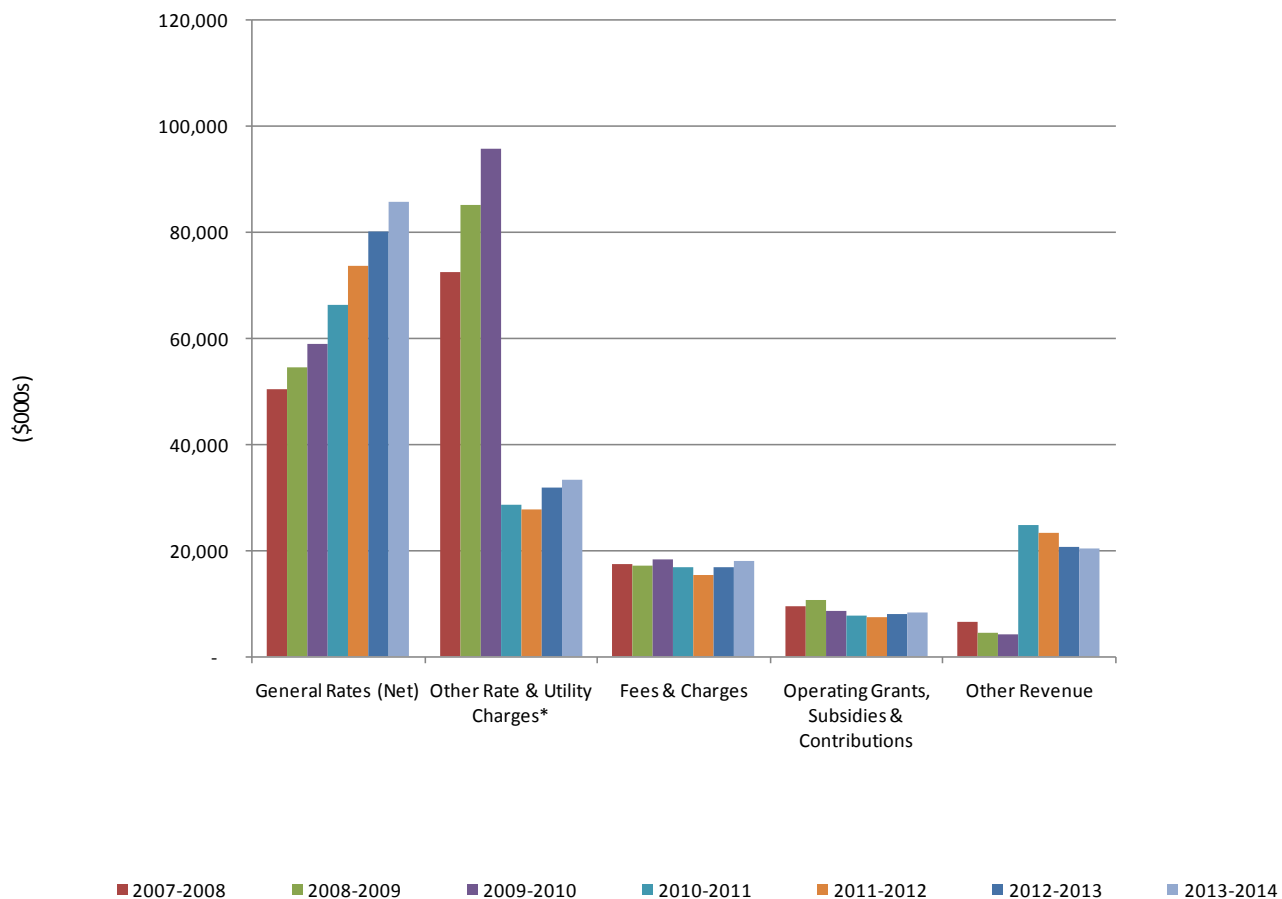
The difference between liabilities and the city's assets is Community Equity, which is estimated to be \$1.756 billion at the end of the 2011-2012 financial year. The following graph shows the *actual* community equity for the years 2007-2008 to 2009-2010, it also outlines the *forecasted position* for 2010-2011, *budgeted position* for 2011-2012 and the *estimated position* for years 2011-2012 through to 2015-2016. The estimated position for future years are outputs of Council's strategic financial modelling.



Allconnex Water commenced on 1 July 2010 and Council has accounted for the transfer of water and wastewater assets with book value \$726.6m. These assets were previously owned by Redland Water and the investment in Allconnex Water of \$420.9m is the interim figure that has been decided by the State Government as the valuation of these assets. Subsequently, Redland City Council will have a reduction in its Asset Revaluation Reserve (part of the community equity) of \$305.7m. The final figure for the investment in Allconnex Water is still to be determined.

Operating Revenue by Year and Category

Council's operating revenue funds its daily business and can be divided into five main categories. The graph depicts *actual* results achieved in 2007-2008, 2008-2009 and 2009-2010 financial years, *anticipated* results for 2010-2011 and *budgeted position* for the 2011-2012 financial year. The chart also includes the estimates for the two years following 2011-2012. Council monitors its reliance on general rates revenue through a key performance indicator to gauge the need to generate revenue from other sources.

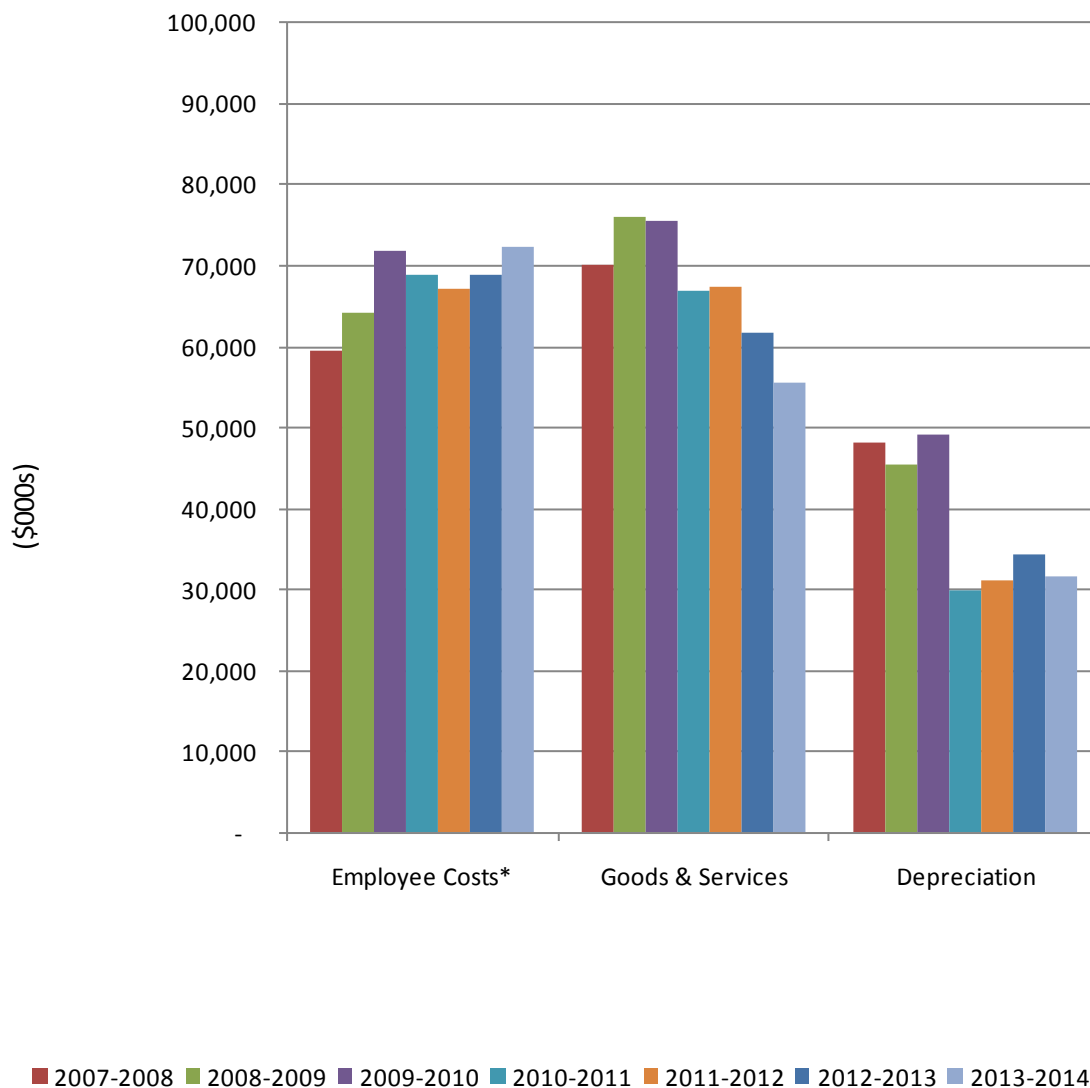


*Other Rate and Utility Charges category included all forms of water charges up to 30 June 2010. From 1 July 2010, Allconnex Water has determined water and wastewater charges and received the revenue from those charges - this explains the reduction in the Other Rate and Utility Charges category from 2009-2010 to 2010-2011 and 2011-2012. The large anticipated increase in Other Revenue category is the expected revenues from Allconnex Water, as Redland City Council is one of three local government shareholders. The increase in Other Revenue does not fully offset the decrease in Other Rate and Utility Charges as can be seen from the graph above.

General Rates (Net) above equals General Rate Revenue less Pensioner Remissions.

Operating Expenditure by Year and Category

The following graph shows the level of different operating expenditure components and the graph illustrates *actual* results achieved in the 2007-2008, 2008-2009 and 2009-2010 financial years, *anticipated* results for 2010-2011 and *budgeted position* for the 2011-2012 financial year. The chart also includes the estimates for the two years following 2011-2012.



*Employee costs includes Councillors’ remuneration from 2009-2010 onwards and for comparative purposes, the employee costs for previous years also include Councillors’ remuneration. The reduction in employee costs from 2010-2011 to 2011-2012 is due to the efficiencies required of Council to maintain financial sustainability in the long term. In May 2011, Council reluctantly conducted a voluntary redundancy scheme for its leadership group. This scheme resulted in eighteen managers voluntarily leaving the organisation; the savings can clearly be seen in the 2011-2012 budget for employee costs.

The reduction in all three categories above from 2009-2010 to 2011-2012 is due in the main to the establishment of Allconnex Water. As previously mentioned, \$726.6m of Council’s assets transferred on 1 July 2010 and as Council has held fewer assets, the depreciation amount (cost allocation of these assets) has significantly reduced. From 1 July 2010, employee costs and purchases of materials and services for the delivery of water and wastewater services will be made by Allconnex Water.

REVENUES AND EXPENDITURE COMPARISON

Redland City Council consists of both mainland and island communities. With respect to council services, Southern Moreton Bay Islands (SMBI) includes Karragarra Island, Lamb Island, Macleay Island, Perulpa Island and Russell Island. Southern Moreton Bay Islands excludes North Stradbroke Island, Coochiemudlo Island and Peel Island.

A reporting methodology was adopted which took a three step approach to producing the report as follows:

1. Any direct service revenue and expenditure that could be directly allocated to SMBI was identified and flagged within Council's corporate financial system as a 100% allocation.
2. Any direct service revenue and expenditure that was shared between SMBI and the rest of the City was identified and a percentage allocation attached to the SMBI elements based on appropriate usage factor. For example, using postcodes, share of opening hours, number of community halls etc.
3. Any indirect service revenue and expenditure was identified and a percentage allocation attached to the SMBI elements based on either total population or total properties as appropriate.

2011-2012 Budgeted Operating Statement by SMBI/Non-SMBI Allocation

	SMBI Allocation	Non-SMBI Allocation	RCC Total
	Budget 2011-2012 (\$000s)	Budget 2011-2012 (\$000s)	Budget 2011-2012 (\$000s)
Operating Revenue			
Rates Charges	9,433	66,945	76,378
Other Rates & Utility Charges	3,604	24,125	27,729
<i>Less: Pensioner Remissions</i>	(340)	(2,411)	(2,751)
Fees & Charges	811	14,496	15,307
Operating Grants & Subsidies	702	6,299	7,001
Operating Contributions & Donations	31	222	252
Interest External	428	3,039	3,467
Allconnex Water Investment Returns	2,093	14,852	16,945
Other Revenue	454	5,833	6,287
Total Operating Revenue	17,216	133,400	150,616
Operating Expenditure			
Employee Costs	6,100	61,073	67,173
Goods & Services	7,603	61,448	69,051
Finance Costs Other	44	322	366
Other Expenditure	30	296	327
Net Internal Costs	(406)	(425)	(831)
Total Operating Expenditure	13,371	122,714	136,085
Earnings Before Interest, Tax and Depreciation (EBITD)	3,845	10,686	14,531
Interest expense	447	3,179	3,626
Depreciation	5,994	25,146	31,140
Operating Surplus/(Deficit)	(2,596)	(17,639)	(20,235)

2011-2012 Budgeted Capital Funding Statement by SMBI/Non-SMBI Allocation

	SMBI Allocation	Non-SMBI Allocation	RCC Total
	Budget 2011-2012 (\$000s)	Budget 2011-2012 (\$000s)	Budget 2011-2012 (\$000s)
<i>Proposed Sources of Capital Funding</i>			
Capital Contributions & Donations	4	7,594	7,598
Capital Grants & Subsidies	226	3,975	4,201
Proceeds on Disposal of Non Current Assets	5	562	567
Capital Transfers (to) From Reserves	553	3,441	3,994
Non Cash Contributions	0	4,000	4,000
New Loans	0	13,000	13,000
Funding from City General Revenue	7,192	16,228	23,420
<i>Total Sources of Capital Funding</i>	7,980	48,799	56,780
<i>Proposed Application of Capital Funds</i>			
Contributed Assets	0	4,000	4,000
Capitalised Goods & Services	7,601	40,129	47,730
Capitalised Employee Costs	0	1,972	1,972
Loan Redemption	379	2,699	3,078
<i>Total Application of Capital Funds</i>	7,980	48,799	56,780

In summary, the additional revenue used to support the capital and operating costs for services and infrastructure provided to the SMBI community over the revenue which is collected directly from that community equates to:

Operational	\$2.596M
Capital	\$7.192M
Total	\$9.788M

2011-2012 BUDGET HIGHLIGHTS BY DEPARTMENT

The tables below capture the both operational and capital key projects from the \$220.6M programme.

Customer Services Department

	\$
SMBI, Stradbroke Island and Mainland Road Maintenance General maintenance operations to sealed and unsealed road infrastructure comprising of stormwater drainage, removal of debris / litter build up from roads such as street sweeping. Continue to improve stormwater drainage systems to improve water quality.	5,822,537
Landfill Capping Capping works at Birkdale and Giles Road Landfill sites will commence 2011-2012. Capping is the first step in the rejuvenation process once landfilling is ceased.	955,000
SMBI, Stradbroke Island and Mainland Fire Management Services The management of firebreaks, walking trails, fire trails and illegal access, as well as the implementation of planned burning and wildfire response to protect the community, wildlife and significant vegetation in more than 9000ha of conservation area.	531,261
Additional Kerbside Collection Options RedWaste will be providing various new kerbside collection options for both mainland and island residents with the intention of promoting recycling across the region. In addition to this, a new kerbside green bin service will be available to interested mainland residents.	524,000
Cleveland Aquatic Centre This includes the management fee to the pool lessee, maintenance and utility charges.	508,106
Cemeteries Maintenance costs associated with Cemeteries located at Cleveland, Redland Bay and Dunwich as well as the Cleveland Cemetery Heritage Master Plan.	480,304
Paths and Trails A pathway at Beveridge Road to Rachow Street Victoria Point to be completed in 2011-2012. There will also be regular works to repair any trip hazards and return the footpaths to good working order throughout the City.	455,077
Beach Rescue Services Provision of lifeguard services for the surf beaches on North Stradbroke Island.	414,789
Waterways Extension Programme The Waterways Extension Program is an action-based partnership between landholders and Council to undertake waterways rehabilitation and catchment management projects on private property in Erapah Creek and Hilliard's Creek Catchments. In 2011 the Waterways Extension Program won the Local Government category for the Healthy Waterways award for the work it has undertaken with local landholders and the community more broadly.	160,257
RADF Grants A Partnership between Arts Queensland and RCC has provided \$100,000 worth of grants to enable cultural and professional development for 17 regional artists.	107,420
Parks Weed Management Programme This programme was rolled out over 26 medium profile (18 cuts/ year) parks across the city in 2010-2011. This is a 2 year programme it is intended that these 26 will be now on a maintenance weed treatment and a further 20 parks will commence the treatment cycle.	103,500
Redland Art Gallery Maintenance of the Art Gallery and the running of an exhibition programme.	68,156
Oodgeroo Collection Project The North Stradbroke Island Historical Museum is conducting important work on the collection of materials belonging to the famous poet, activist and artist, Oodgeroo Noonuccal. RCC has supported the Museum with this project for the last two years and 2011-2012 is the final year of funding for this project. This work will need to continue until the collection is sorted, conserved, catalogued and assessed for significance.	53,960

Planning and Policy Department

Non Trunk

	\$
Raby Bay Revetment Walls The ongoing monitoring of the Raby Bay Revetment Walls and shoreline and seawall erosion hazards. Works are also set to occur in 2011-2012 for the repairs of Revetment Walls at Seahaven, Seacrest and Raby Bay Blvd.	4,277,250
Road Reconstruction Program Ongoing programme for the major rehabilitation of roads that are distressed and require reconstruction, including contribution to Heinemann Road Upgrade.	2,126,251
Marine Mainland and North Stradbroke Island Marine project works conducted through 2011-2012 include the Amity Point Landslide Facility, Moores Road boat ramp resurface, the Raby Bay canal planning, the Navigational Beacon Pile NB3 Ross Canal Cleveland and the Junner Street barge ramp pile replacement.	1,932,000
Conservation Land Acquisitions Planned acquisitions of conservation interest in land.	1,600,000
Weinam Creek Carpark Upgrade Redevelop the Weinam Creek Carpark as an interim measure.	1,200,000
Landfill Capital Works Judy Holt Park Birkdale Eastern Landfill Batter Remediation and associated works.	1,048,200
Marine SMBI The upgrade of trailer parking at Russell Island and the reconstruction of Precast Toe Planks for the Barge/Boat ramp at Lamb Island. Works at Coochiemudlo Island jetty for DDA Compliance.	836,000
Public Amenities - Program As part of the Public Amenities programme, works will be completed at Point Lookout Headland Stradbroke Island.	375,000
Foreshore Protection Foreshore protection project including the seawall at Pelican Street Victoria Point and the design of sand replenishment program at Thompson Beach.	322,500

Trunk

	\$
Moreton Bay Cycleway Expansion of the Moreton Bay Cycleway network including Hilliards Ck Crossing, Raby Bay Esplanade (Masthead Drive to Wharf Street) and Point Halloran Road Pathway, Victoria Point.	3,209,500
Road Upgrade and Maintenance SMBI Upgrade and maintenance of the SMBI road network including the upgrade of Koro Road Russell Island and future designs.	2,212,441
New Sporting Facility Southern Redlands Purchase of land to develop a new sports facility in the southern part of the Redlands in accordance with the sports facilities plan for Southern Redlands.	724,000
School Safe Programme School Safe projects to be completed in 2011-2012 are at Mary Street Carpark at Birkdale Primary School and Redland Bay Primary School.	442,000
Traffic Management Local Area Traffic Management projects at North Stradbroke Island, Clifford Perske Drive Thornlands & Traffic Signal Lamp Upgrades to be completed in 2011-2012.	392,300

Corporate Services Department

	\$
Fleet Replacement Programme The cyclic replacement and upgrade of the Redland City Council fleet including, light vehicles, heavy yellow vehicles and plant.	1,514,776
Peripheral and Communications Replacement Programme The cyclic replacement and upgrade of desktop and laptop infrastructure which includes scanners, plotters, etc.	570,000
Server Replacement Programme - IT The cyclic replacement and upgrade of computer server hardware that supports corporate applications throughout Council and remote sites.	494,743

BUDGETED FINANCIAL STATEMENTS

These statement evidences 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 on a quarterly basis.

Financial Budget Summary

	Budget 2011-2012 \$000s	Estimate Year 2 2012-2013 \$000s	Estimate Year 3 2013-2014 \$000s
Revenue from Ordinary Activities	150,616	159,798	168,443
Expenses from Ordinary Activities	167,225	164,796	159,268
Borrowing Costs	3,626	5,297	6,136
Result from Ordinary Activities	(20,235)	(10,295)	3,039
Capital Income	16,366	22,056	24,205
Written Down Value of Assets Disposed	(1,658)	(1,658)	(1,658)
Total Change in Community Equity	(5,527)	10,103	25,586

* Estimates for Written Down Value of Assets Disposed will be revised as required in future years.

Key Balance Sheet Items

	Budget 2011-2012 \$000s	Estimate Year 2 2012-2013 \$000s	Estimate Year 3 2013-2014 \$000s
Total Assets	1,887,671	1,908,978	1,951,111
Total Liabilities	131,646	142,850	159,397
Net Community Assets	1,756,025	1,766,129	1,791,715
Total Cash at Year End	46,881	45,737	47,475
Total Debt at Year End	68,232	78,106	93,276

Redland City Council – Operating Statement

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

	Budget 2011-2012 \$000s	Estimate Year 2 2012-2013 \$000s	Estimate Year 3 2013-2014 \$000s
Operating Revenue			
Rates Charges	76,378	83,260	89,113
Utility charges	27,729	31,792	33,365
<i>Less: Pensioner Remissions</i>	(2,751)	(2,965)	(3,174)
Fees & Charges	15,307	16,766	18,042
Operating Grants & Subsidies	7,001	7,601	8,061
Operating Contributions & Donations	252	274	290
Interest External	3,467	2,344	2,287
Allconnex Water Investment Returns	16,945	15,450	15,825
Other Revenue	6,287	5,276	4,634
Total Operating Revenue	150,616	159,798	168,443
Operating Expenditure			
Employee Costs	67,173	68,794	72,261
Goods & Services	69,051	61,840	55,515
Finance Costs Other	366	381	399
Other Expenditure	327	340	354
Net Internal Costs	(831)	(864)	(899)
Total Operating Expenditure	136,085	130,490	127,629
Earnings Before Interest, tax and depreciation (EBITD)	14,531	29,308	40,814
Interest Expense	3,626	5,297	6,136
Depreciation	31,140	34,306	31,639
Operating Surplus/(Deficit)	(20,235)	(10,295)	3,039
Transfers to Constrained Operating Reserves	(15,274)	(11,613)	(11,792)
Transfers from Constrained Operating Reserves	8,556	8,694	11,231

Redland City Council – Capital Funding Statement

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

	Budget 2011-2012 \$000s	Estimate Year 2 2012-2013 \$000s	Estimate Year 3 2013-2014 \$000s
Proposed Sources of Capital Funding			
Capital Contributions & Donations	7,598	5,777	5,866
Capital Grants & Subsidies	4,201	4,172	6,106
Proceeds on Disposal of Non Current Assets	567	4,393	3,979
Capital Transfers (To) From Reserves	3,994	11,714	8,566
Non Cash Contributions	4,000	7,714	8,254
New Loans	13,000	14,141	20,471
Funding from General Revenue	23,420	14,576	25,552
Total Sources of Capital Funding	56,780	62,487	78,794
Proposed Application of Capital Funds			
Contributed Assets	4,000	7,714	8,254
Capitalised Goods & Services	47,730	46,234	59,806
Capitalised Employee Costs	1,972	4,271	5,433
Current Loan Redemption	0	0	0
Loan Redemption	3,078	4,268	5,301
Total Application of Capital Funds	56,780	62,487	78,794

Redland City Council – Other Budgeted Items

At entity level this statement outlines the written down value of disposed assets. Detail regarding tax, dividends and internal financing of capital structure can be found in the department financial statement on page 30.

	Budget 2011-2012 \$000s	Estimate Year 2 2012-2013 \$000s	Estimate Year 3 2013-2014 \$000s
Other Budgeted Items			
WDV of Assets Disposed	(1,658)	(1,658)	(1,658)
Tax and Dividends	0	0	0
Internal Capital Structure Financing	0	0	0

Redland City Council – Statement of Cash Flows

Cash movement is illustrated for the three areas: operating, investing and financing. Anticipated opening and closing cash balances on 1 July 2011 and 30 June 2012 respectively are also included.

	Budget 2011-2012 \$000s	Estimate Year 2 2012-2013 \$000s	Estimate Year 3 2013-2014 \$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	143,693	157,303	166,003
Payments to Suppliers and Employees	(135,653)	(128,823)	(125,900)
	8,040	28,480	40,104
Interest Received	3,467	2,344	2,287
Borrowing Costs	(3,626)	(5,678)	(6,535)
Net Cash Inflow from Operating Activities	7,881	25,146	35,856
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments - Property, Plant & Equipment	(49,702)	(50,505)	(65,239)
Proceeds - Capital Subsidies, Grants & Contributions	11,799	9,949	11,972
Proceeds - Sale of Property, Plant & Equipment	567	4,393	3,979
Net Cash Inflow from Investing Activities	(37,336)	(36,163)	(49,288)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of Borrowings	13,000	14,141	20,471
Repayment of Borrowings	(3,078)	(4,268)	(5,301)
Net Cash Inflow from Financing Activities	9,922	9,873	15,170
Net Increase (Decrease) in Cash Held	(19,533)	(1,144)	1,738
Cash at Beginning of Year	66,414	46,881	45,737
Cash at End of Financial Year	46,881	45,737	47,475

Redland City Council – Statement of Financial Position

The disclosures below include the community's assets, council's liabilities and equity.

	Budget 2011-2012 \$000s	Estimate Year 2 2012-2013 \$000s	Estimate Year 3 2013-2014 \$000s
CURRENT ASSETS			
Cash & Investments	46,881	45,737	47,475
Accounts Receivable	15,144	15,295	15,448
Inventories	707	707	707
Prepaid Expenses	1,476	1,520	1,566
Assets - Held for Sale	95	95	95
Total Current Assets	64,303	63,355	65,291
NON CURRENT ASSETS			
Accounts Receivable	43	43	43
Property, Plant and Equipment	1,402,080	1,424,336	1,464,532
Investment in Allconnex Water	421,245	421,245	421,245
Total Non Current Assets	1,823,368	1,845,624	1,885,820
TOTAL ASSETS	1,887,671	1,908,978	1,951,111
CURRENT LIABILITIES			
Accounts Payable	20,919	21,546	22,193
Current Employee Provisions	6,791	7,062	7,345
Current Loans	2,206	5,301	6,215
Current Landfill Rehabilitation Provisions	3,500	3,500	3,500
Other Liabilities	4,702	4,843	4,988
Total Current Liabilities	38,117	42,252	44,240
NON CURRENT LIABILITIES			
Non Current Loans	66,026	72,805	87,061
Non Current Employee Provisions	7,262	7,552	7,855
Non Current Landfill Rehabilitation Provisions	19,896	19,896	19,896
Other Liabilities	345	345	345
Total Non Current Liabilities	93,529	100,598	115,157
TOTAL LIABILITIES	131,646	142,850	159,397
NET ASSETS	1,756,026	1,766,129	1,791,715
COMMUNITY EQUITY			
Retained Earnings Account	1,716,476	1,735,375	1,768,966
Cash Reserves	39,549	30,754	22,749
TOTAL COMMUNITY EQUITY	1,756,026	1,766,129	1,791,715

Redland City Council – Statement of Changes in Equity

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

Budget 2011-2012	Retained	Asset	Other	TOTAL
	Surplus	Reval	Reserves	
	(\$000s)	Reserve	(\$000s)	(\$000s)
		(\$000s)		
Balance at 1 July 2011	895,652	829,076	36,824	1,761,552
Net results for Period	(5,527)	0	0	(5,527)
Transfers to Reserves	(22,872)	0	22,872	0
Transfers from Reserves	20,147	0	(20,147)	0
Asset Revaluation Adjustments				0
Balance as at 30 June 2012	887,401	829,076	39,549	1,756,026

Budget 2012-2013	Retained	Asset	Other	TOTAL
	Surplus	Reval	Reserves	
	(\$000s)	Reserve	(\$000s)	(\$000s)
		(\$000s)		
Balance at 1 July 2012	887,401	829,076	39,549	1,756,026
Net results for Period	10,103	0	0	10,103
Transfers to Reserves	(11,613)	0	11,613	0
Transfers from Reserves	20,408	0	(20,408)	0
Asset Revaluation Adjustments				0
Balance as at 30 June 2013	906,299	829,076	30,754	1,766,129

Budget 2013-2014	Retained	Asset	Other	TOTAL
	Surplus	Reval	Reserves	
	(\$000s)	Reserve	(\$000s)	(\$000s)
		(\$000s)		
Balance at 1 July 2013	906,299	829,076	30,754	1,766,129
Net results for Period	25,586	0	0	25,586
Transfers to Reserves	(11,792)	0	11,792	0
Transfers from Reserves	19,797	0	(19,797)	0
Asset Revaluation Adjustments				0
Balance as at 30 June 2014	939,890	829,076	22,749	1,791,715

Redland City Council – Financial Stability Ratios

During the annual review of Council's Financial Strategy, Council has reviewed its Key Performance Indicators to ensure the ratios provide 'stretch' targets and that financial sustainability is maintained. Five out of seven targets were amended for the 2010-2011 budget and due to the challenges faced this year; Council has decided to retain the current targets for the financial year 2011-2012.

Financial Stability Ratios (RCC)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Level of dependence on General Rate Revenue (Excludes Utility Revenues) - Threshold set @ 45%	48.9%	50.2%	51.0%	52.1%	52.4%	53.0%	53.7%	53.9%	54.2%	55.2%
Ability to pay our bills - Current Ratio Target greater than or equal to 1.25	1.69	1.50	1.48	1.56	1.61	1.65	1.72	1.89	2.14	2.42
Ability to repay our debt - Debt Servicing Ratio (%) Target less than or equal to 10%	4.45%	5.99%	6.79%	7.27%	8.03%	8.29%	7.92%	7.67%	7.31%	6.99%
Cash Balance - \$ 000s	46,881	45,737	47,475	54,840	60,455	64,858	71,621	84,527	96,617	114,276
Cash Balances - cash capacity in months Target 3 to 4 months	4.04	4.08	4.30	4.82	5.06	5.20	5.52	6.25	6.86	7.89
Longer term financial stability - debt to asset ratio (%) Target less than or equal to 10%	3.61%	4.09%	4.78%	5.04%	5.08%	5.23%	5.07%	4.55%	4.00%	3.46%
Operating Performance Target greater than or equal to 20%	5.4%	15.8%	21.3%	22.7%	23.3%	24.0%	24.9%	26.2%	27.6%	28.8%

Under the stretch target, Operating Performance is not achieved until year three as Council will take two years to regain its operating surplus position. Performance against these ratios is analysed in detail each quarter and Council will closely monitor its cash expenditure over the next year and revise these estimates as required.

The dependence on general rate revenue is breaching its stretch target for all ten forecasted years. This is due to the reduction in forecasted returns from the investment in Allconnex Water. The target was previously 50% and performance against it will be closely observed in the 2011-2012 annual review of Council's Financial Strategy. During this annual review, all the ratios will be considered alongside the key financial policies; for example the Investment and Revenue Policies.

Redland City Council – Measures of Sustainability

From 1 July 2010, Council has adopted the following measures of sustainability and the Department of Local Government and Planning targets.

Measures of Sustainability	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Operating Surplus Ratio Target between 0% and 15%	-13.44%	-6.44%	1.80%	4.70%	5.99%	7.31%	9.15%	12.19%	13.79%	15.83%
Net Financial Liabilities Ratio Less than or equal to 60%	44.71%	49.75%	55.87%	53.87%	50.03%	48.60%	42.80%	30.69%	19.95%	8.27%
Interest Coverage Ratio Between 0% and 10%	2.41%	3.31%	3.64%	3.75%	4.02%	3.97%	3.52%	3.16%	2.74%	2.62%
Asset Sustainability Ratio (Infrastructure Assets Only) *Greater than 90%	58.88%	37.51%	41.06%	57.86%	43.47%	58.74%	70.83%	75.94%	66.03%	76.47%
Asset Consumption Ratio (Infrastructure Assets Only) *Between 40% and 80%	67.56%	66.70%	65.62%	64.60%	63.55%	62.34%	60.91%	59.42%	58.06%	57.06%
Asset Renewal Funding Ratio *Greater than 90%										
	Measure to follow									

*These three asset ratios are accompanied by targets established by the Department of Local Government and Planning (DLGP). Council consulted with DLGP in April 2011 to discuss the intent of the targets, the definitions of the asset expenditure categories (new, renewal, upgrade and expansion) and the fact that most local governments will be unable to reliably measure and forecast the Asset Renewal Funding Ratio. DLGP do not presently require reporting on the Asset Renewal Funding Ratio and it is not currently a requirement of the *Local Government (Finance, Plans and Reporting) Regulation 2010*. Asset sustainability, consumption and renewal are all closely linked and Council has committed to a long-term Financial Strategy that works towards balancing the increase in revenue from the community to fund the replacement and renewal of assets. The target of 90% for the Asset Sustainability Ratio will be a challenge for Council to address over the coming years.

The priority for Council when setting the budget for 2011-2012 was to ensure the Measures of Sustainability are met where possible in year 1, then monitored closely as the impacts of Allconnex Water on Council's financial position and performance is observed. Operating Surplus ratio remains below 0% until year 3 when the ratio is expected achieve target.

DEPARTMENTAL OPERATING STATEMENTS

Operating Statement by Department - For year ending 30 June 2012

	Governance (\$000s)	Customer Services (\$000s)	Planning & Policy (\$000s)	Corporate Services (\$000s)	Development & Community Standards (\$000s)	RCC Total (\$000s)
Operating Revenue						
Rates Charges	0	0	0	76,378	0	76,378
Other Rates & Utility Charges	0	15,879	11,690	160	0	27,729
<i>Less: Pensioner Remissions</i>	0	0	0	(2,751)	0	(2,751)
Fees & Charges	(2)	7,061	0	611	7,636	15,307
Operating Grants & Subsidies	0	2,625	190	4,062	126	7,001
Operating Contributions & Donations	0	217	5	0	30	252
Interest External	0	95	46	3,327	0	3,467
Allconnex Investment Returns	0	0	0	16,945	0	16,945
Other Revenue	5	1,343	114	4,798	26	6,287
Total Operating Revenue	3	27,220	12,045	103,529	7,818	150,616
Operating Expenditure						
Employee Costs	5,811	27,545	5,662	16,135	12,020	67,173
Goods & Services	3,900	44,403	6,228	12,531	1,989	69,051
Finance Costs Other	5	13	0	346	2	366
Other Expenditure	74	140	0	113	0	327
Net Internal Costs	(1,655)	4,417	2,537	(10,808)	4,677	(831)
Total Operating Expenditure	8,135	76,519	14,427	18,316	18,688	136,085
Earnings Before Interest, tax and depreciation (EBITD)	(8,131)	(49,299)	(2,382)	85,213	(10,870)	14,531
Interest expense	0	63	0	3,563	0	3,626
Depreciation	17	7,712	16,096	7,275	40	31,140
Operating Surplus/(Deficit)	(8,148)	(57,074)	(18,479)	74,375	(10,910)	(20,235)
Transfers to Constrained Operating Reserves	0	(1,690)	(12,600)	(500)	(484)	(15,274)
Transfer from Constrained Operating Reserves	130	5,798	2,425	130	73	8,556

Capital Funding Statement by Department - For year ending 30 June 2012

	Governance (\$000s)	Customer Services (\$000s)	Planning & Policy (\$000s)	Corporate Services (\$000s)	Development & Community Standards (\$000s)	RCC Total (\$000s)
Proposed Sources of Capital Funding						
Capital Contributions & Donations	0	30	7,568	0	0	7,598
Capital Grants & Subsidies	0	602	3,599	0	0	4,201
Proceeds on Disposal of Non Current Assets	0	0	0	567	0	567
Capital Transfers (to) from Reserves	0	320	3,674	0	0	3,994
Non Cash Contributions	0	0	4,000	0	0	4,000
New Loans	0	0	0	13,000	0	13,000
Funding from General Revenue	11	34,484	(4,318)	(6,786)	29	23,420
Total Sources of Capital Funding	11	35,436	14,523	6,781	29	56,780
Proposed Application of Capital Funds						
Contributed Assets	0	0	4,000	0	0	4,000
Capitalised Goods & Services	11	33,401	10,523	3,766	29	47,730
Capitalised Employee Costs	0	1,972	0	0	0	1,972
Loan Redemption	0	63	0	3,015	0	3,078
Total Application of Capital Funds	11	35,436	14,523	6,781	29	56,780

Other Budgeted Items by Department- For year ending 30 June 2012

	Governance (\$000s)	Customer Services (\$000s)	Planning & Policy (\$000s)	Corporate Services (\$000s)	Development & Community Standards (\$000s)	RCC Total (\$000s)
Other Budgeted Items						
WDV of Assets Disposed	0	0	0	(1,658)	0	(1,658)
Tax and Dividends	0	(2,138)	0	2,138	0	0
Internal Capital Structure Financing	0	(63)	0	63	0	0

SIGNIFICANT BUSINESS ACTIVITY FINANCIAL STATEMENTS

In accordance with Section 99 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, Council's budget must include the estimated costs for the local government's significant business activities carried on using a full cost pricing basis.

RedWaste Operating Statement

	Budget 2011-2012 (\$000s)	Estimate Year 2 2012-2013 (\$000s)	Estimate Year 3 2013-2014 (\$000s)
Operating Revenue			
Utility charges	15,879	13,112	14,506
Fees & Charges	780	3,882	4,001
Interest External	205	163	131
Other Revenue	366	381	396
Community Service Obligations	1,393	1,467	1,526
Internal Revenue	1,298	1,351	1,405
Total Operating Revenue	19,921	20,356	21,965
Operating Expenditure			
Employee Costs	1,199	1,247	1,297
Goods & Services	15,245	15,168	15,809
Finance Costs - Other	0	0	0
Competitive Neutrality	97	101	105
Internal Expenditure	524	545	567
Total Operating Expenditure	17,066	17,061	17,778
Earnings before Interest, Tax and Depreciation (EBITD)	2,856	3,295	4,187
Interest Expense	63	60	58
Depreciation	507	747	1,069
Operating Surplus/(Deficit)	2,286	2,488	3,060
Tax Equivalent	686	746	918
Dividend	1,280	1,393	1,714
Transfer to RedWaste Reserve after Tax & Dividend	320	348	428

Note the estimated budget figures shown for year 2 and year 3 may differ slightly when detailed budgets are prepared for each subsequent year. (E.g. contract rates may change as contracts change or shifts in recyclables revenue).

RedWaste Capital Funding Statement

	Budget 2011-2012 (\$000s)	Estimate Year 2 2012-2013 (\$000s)	Estimate Year 3 2013-2014 (\$000s)
Proposed Sources of Capital Funding			
Capital Grants & Subsidies	-	-	-
New Loans	-	-	8,700
Funding from RedWaste Revenue & Reserve	839	793	632
Funding from Capping Provision	955	150	1,500
Total Sources of Capital Funding	1,794	943	10,832
Proposed Application of Capital Funds			
Capitalised Goods & Services	1,732	899	10,598
Loan Redemption	63	44	235
Total Application of Capital Funds	1,794	943	10,832

Note the estimated budget figures shown for year 2 and year 3 may differ slightly when detailed budgets are prepared for each subsequent year. (E.g. contract rates may change as contracts change or shifts in recyclables revenue).

RedWaste – Other Budgeted Items

	Budget 2011-2012 (\$000s)
Other Budgeted Items	
Transfer to Reserve	1,674
Transfer from Operating Reserve	(760)
Internal Capital Structure Financing	(63)

RedWaste Statement of Financial Position

	Budget 2011-2012 (\$000s)	Estimate Year 2 2012-2013 (\$000s)	Estimate Year 3 2013-2014 (\$000s)
Current Assets			
Cash & Investments	2,540	2,097	1,893
Accounts Receivable	279	282	285
Prepaid Expenses	3	3	3
Total Current Assets	2,822	2,382	2,181
Non Current Assets			
Property, plant, and equipment	15,462	21,121	31,119
Total Non Current Assets	15,462	21,121	31,119
Total Assets	18,284	23,503	33,300
Current Liabilities			
Other Current Liabilities	2,829	2,858	2,886
Current Provisions	56	57	57
Total Current Liabilities	2,885	2,914	2,943
Non Current Liabilities			
Non Current Loans	663	620	9,085
Non Current Provisions	1,711	1,561	62
Total Non Current Liabilities	2,374	2,181	9,147
Total Liabilities	5,260	5,095	12,091
Net Business Unit Assets	13,025	18,407	21,209
Business Unit Equity			
Retained Earnings	10,682	16,064	18,866
Reserves	2,343	2,343	2,343
Total Business Unit Equity	13,025	18,407	21,209

Note the estimated budget figures shown for year 2 and year 3 may differ slightly when detailed budgets are prepared for each subsequent year. (E.g. contract rates may change as contracts change or shifts in recyclables revenue).

RedWaste Statement of Cash Flows

	Budget 2011-2012 (\$000s)	Estimate Year 2 2012-2013 (\$000s)	Estimate Year 3 2013-2014 (\$000s)
OPERATIONS			
Receipts			
Rates & utilities	15,879	13,112	14,506
Fees & charges	780	3,882	4,001
Interest	205	163	131
Grants and subsidies	0	0	0
Contributions	0	0	0
Other revenue	366	381	396
Total Receipts	17,230	17,538	19,034
Payments			
Employee costs	(1,199)	(1,247)	(1,297)
Goods & Services	(15,245)	(15,168)	(15,809)
Interest	(63)	(60)	(58)
Total Payments	(16,507)	(16,474)	(17,164)
NET CASH FLOW - OPERATIONS	722	1,064	1,870
INVESTING ACTIVITIES			
Proceeds - disposal non current assets	0	0	0
Proceeds - Capital subsidies and grants	0	0	0
Payments - Property, Plant & Equipment	(1,732)	(899)	(10,598)
Total Finance costs Inc QTC	(63)	(44)	(235)
NET CASH FLOW - INVESTING ACTIVITIES	(1,794)	(943)	(10,832)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing - QTC	0	0	8,700
NET CASH FLOW - FINANCING ACTIVITIES	0	0	8,700
TRANSFERS TO RCC			
Dividend - Other	(1,280)	(1,393)	(1,714)
Tax	(686)	(746)	(918)
Transfers from birkdale & Giles Rd capping reserve	955	150	1,500
Transfers from ENVIRONMENTAL reserve	0	0	0
Net Internals (Revenue less Expenditure)	1,564	1,425	1,190
NET INCREASE (DECREASE) IN CASH HELD	(519)	(443)	(203)
Cash at the start of the financial year RedWaste Reserve.	3,059	2,540	2,097
CASH AT END OF FINANCIAL YEAR	2,540	2,097	1,893

Note the estimated budget figures shown for year 2 and year 3 may differ slightly when detailed budgets are prepared for each subsequent year. (E.g. contract rates may change as contracts change or shifts in recyclables revenue).

RedWaste Community Service Obligations

Job #	Job Name	Budget	Estimate	Estimate
		2011-2012	Year 2	Year 3
		(\$s)	(\$s)	(\$s)
55004	Clean Up Australia Day	3,207	3,319	3,435
55005	Birkdale Sanitary Landfill	10,709	11,084	11,472
55006	Redland Bay Transfer Station	519	536	555
55007	NSI Transfer Station	317,950	336,077	349,621
55009	Giles Rd Hardfill Site	35,698	-	-
55021	Waste manual service	34,437	35,642	36,889
55065	Trial Waste Incentive Program 2010-2011	-	-	-
55081	Russell Island Transfer Station	314,913	330,996	344,335
55082	Macleay Island Transfer Station	314,761	331,402	344,758
55083	Lamb Island Transfer Station	101,695	107,206	111,527
55084	Karragarra Island Transfer Station	88,461	92,591	96,323
55085	Coochiemudlo Island Transfer Station	170,704	180,975	188,268
TOTAL		1,393,053	1,429,829	1,487,183

Note the estimated budget figures shown for year 2 and year 3 may differ slightly when detailed budgets are prepared for each subsequent year. (E.g. contract rates may change as contracts change or shifts in recyclables revenue).

BUSINESS UNITS SUBJECT TO THE CODE OF COMPETITIVE CONDUCT

In accordance with Section 99 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, Council's budget must include the estimated costs for the local government's significant business activities carried on using a full cost pricing basis. Additionally, the estimated costs of activities of commercial business units and significant business activities should also be included.

Council has continuing business units subject to the code of competitive conduct in 2011-2012: Caravan Parks; School Aged Care; Redland Performing Arts Centre, Building Certification Services, Quarry Operations; Marine Transport (previously known as Wharves and Jetties); Fleet & Plant Operations; Cemeteries and Redland Art Gallery.

Caravan Parks Operating Statement

	Budget 2011-2012 (\$)
Revenue	
Operating Revenue	1,488,816
Internal Revenue	0
Interest Received	0
Community Service Obligation (CSO)	0
CSO - Full Cost Pricing Subsidy	774,554
Total Revenue	2,263,370
Expenditure	
Employee Costs	766,200
Materials & Services	634,035
Depreciation	429,332
Internal Expenditure	428,883
Other Full Cost Attribution	34,920
Competitive Neutrality Adjustments	(30,000)
Total Operating Expenditure	2,263,370
Operating Surplus/(Deficit)	0
Income Tax	0
Dividend	0
Net Increase in Operating Capacity	0
<u>Community Service Obligations:</u>	
Total Community Service Obligations	0
<u>Non Current Assets:</u>	
Replacement Cost	12,740,749
Written Down Value	6,796,657

Council is in the process of finalising the future operation of its caravan and camping grounds. This business unit has been provided with six months operating budget to reflect the likely timeframe for transition from Council operations to another provider. There are no forecasted figures for the following two years as Council is expecting the transition to have occurred.

School Aged Care Operating Statement

	Budget 2011-2012 (\$)	Estimate Year 2 2012-2013 (\$)	Estimate Year 3 2013-2014 (\$)
Revenue			
Operating Revenue	3,375,433	3,527,327	3,686,057
Internal Revenue	0	0	0
Interest Received	0	0	0
Community Service Obligation (CSO)	0	0	0
CSO - Full Cost Pricing Subsidy	0	0	0
Total Revenue	3,375,433	3,527,327	3,686,057
Expenditure			
Employee Costs	2,776,106	2,887,151	3,002,637
Materials & Services	324,999	336,374	348,147
Depreciation	1,991	2,060	2,132
Internal Expenditure	223,052	230,858	238,939
Other Full Cost Attribution	198,342	205,284	212,469
Competitive Neutrality Adjustments	(247,093)	(255,741)	(264,692)
Total Operating Expenditure	3,277,396	3,405,986	3,539,631
Operating Surplus/(Deficit)	98,037	121,342	146,426
Income Tax	29,411	36,402	43,928
Dividend	68,626	84,939	102,498
Net Increase in Operating Capacity	(0)	0	0
Community Service Obligations:			
Total Community Service Obligations	0	0	0
Non Current Assets:			
Replacement Cost	63,774		
Written Down Value	27,308		

Note: The forecasted years above may differ when detailed budgets are prepared for each subsequent year.

Redland Performing Arts Centre Operating Statement

	Budget 2011-2012 (\$)	Estimate Year 2 2012-2013 (\$)	Estimate Year 3 2013-2014 (\$)
Revenue			
Operating Revenue	368,000	384,560	401,865
Internal Revenue	20,026	20,927	21,869
Interest Received	0	0	0
Community Service Obligation (CSO)	46,374	47,997	49,677
CSO - Full Cost Pricing Subsidy	1,651,008	1,708,544	1,768,066
Total Revenue	2,085,408	2,162,029	2,241,477
Expenditure			
Employee Costs	726,340	755,393	785,609
Materials & Services	775,020	802,146	830,221
Depreciation	352,920	365,272	378,057
Internal Expenditure	174,992	181,116	187,455
Other Full Cost Attribution	66,137	68,451	70,847
Competitive Neutrality Adjustments	(10,000)	(10,350)	(10,712)
Total Operating Expenditure	2,085,408	2,162,029	2,241,477
Operating Surplus/(Deficit)	0	(0)	0
Income Tax	0	0	0
Dividend	0	0	0
Net Increase in Operating Capacity	0	(0)	0
<u>Community Service Obligations:</u>			
Rental Subsidy	34,936	36,159	37,424
Ticket Subsidy	11,438	11,838	12,253
Total Community Service Obligations	46,374	47,997	49,677
<u>Non Current Assets:</u>			
Replacement Cost	14,619,683		
Written Down Value	11,322,869		

Note: The forecasted years above may differ when detailed budgets are prepared for each subsequent year.

Building Certification Services Operating Statement

	Budget 2011-2012 (\$)	Estimate Year 2 2012-2013 (\$)	Estimate Year 3 2013-2014 (\$)
Revenue			
Operating Revenue	357,000	373,065	389,853
Internal Revenue	33,500	35,008	36,583
Interest Received	0	0	0
Community Service Obligation (CSO)	217,414	225,023	232,899
CSO - Full Cost Pricing Subsidy	306,223	316,626	327,359
Total Revenue	914,137	949,722	986,694
Expenditure			
Employee Costs	717,790	746,502	776,362
Materials & Services	54,598	56,509	58,487
Depreciation	184	191	198
Internal Expenditure	114,350	118,352	122,495
Other Full Cost Attribution	57,215	59,217	61,290
Competitive Neutrality Adjustments	(30,000)	(31,050)	(32,137)
Total Operating Expenditure	914,137	949,721	986,694
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 Customer Service	112,742	116,688	120,772
Building Certification to RCC assets	23,224	24,037	24,878
Building Certification on Rainwater Tanks	9,290	9,615	9,952
Internal Professional Advice on Compliance	72,158	74,684	77,297
Total Community Service Obligations	217,414	225,023	232,899
Non Current Assets:			
Replacement Cost	2,220		
Written Down Value	674		

Note: The forecasted years above may differ when detailed budgets are prepared for each subsequent year.

Quarry Operations Operating Statement

	Budget 2011-2012 (\$)	Estimate Year 2 2012-2013 (\$)	Estimate Year 3 2013-2014 (\$)
Revenue			
Operating Revenue	39,360	41,131	42,982
Internal Revenue	561,334	586,594	612,991
Interest Received	18,000	18,810	19,656
Community Service Obligation (CSO)	0	0	0
CSO - Full Cost Pricing Subsidy	0	0	0
Total Revenue	618,694	646,535	675,629
Expenditure			
Employee Costs	120,453	125,271	130,282
Materials & Services	280,385	290,199	300,356
Depreciation	24,271	25,120	25,999
Internal Expenditure	141,803	146,767	151,903
Other Full Cost Attribution	0	0	0
Competitive Neutrality Adjustments	0	0	0
Total Operating Expenditure	566,912	587,357	608,540
Operating Surplus/(Deficit)	51,782	59,179	67,089
Income Tax	15,534	17,754	20,127
Dividend	36,247	41,425	46,962
Net Increase in Operating Capacity	0	(0)	(0)
<u>Community Service Obligations:</u>			
Total Community Service Obligations	0	0	0
<u>Non Current Assets:</u>			
Replacement Cost	732,311		
Written Down Value	152,895		

Note: The forecasted years above may differ when detailed budgets are prepared for each subsequent year.

Marine Transport Operating Statement

	Budget 2011-2012 (\$)	Estimate Year 2 2012-2013 (\$)	Estimate Year 3 2013-2014 (\$)
Revenue			
Operating Revenue	884,275	924,067	965,650
Internal Revenue	0	0	0
Interest Received	41,000	42,845	44,773
Community Service Obligation (CSO)	0	0	0
CSO - Full Cost Pricing Subsidy	0	0	0
Total Revenue	925,275	966,912	1,010,423
Expenditure			
Employee Costs	0	0	0
Materials & Services	306,739	306,739	306,739
Depreciation	401,281	401,281	401,281
Internal Expenditure	0	0	0
Interest Expense	0	0	0
Other Full Cost Attribution	0	0	0
Competitive Neutrality Adjustments	0	0	0
Total Operating Expenditure	708,020	708,020	708,020
Operating Surplus/(Deficit)	217,255	258,892	302,403
Income Tax	65,176	77,668	90,721
Dividend	152,078	181,225	211,682
Net Increase in Operating Capacity	0	0	0
Community Service Obligations:			
	0	0	0
Total Community Service Obligations	0	0	0
Non Current Assets:			
Replacement Cost	11,386,912		
Written Down Value	5,545,190		

Marine Transport was formerly known as Wharves and Jetties

Note: The forecasted years above may differ when detailed budgets are prepared for each subsequent year.

Fleet and Plant Operating Statement

	Budget 2011-2012 (\$)	Estimate Year 2 2012-2013 (\$)	Estimate Year 3 2013-2014 (\$)
Revenue			
Operating Revenue	818,892	855,742	894,251
Internal Revenue	6,045,316	6,317,355	6,601,636
Interest Received	0	0	0
Community Service Obligation (CSO)	7,250	7,504	7,766
CSO - Full Cost Pricing Subsidy	16,252	0	0
Total Revenue	6,887,710	7,180,601	7,503,653
Expenditure			
Employee Costs	781,232	812,481	844,980
Materials & Services	1,452,134	1,502,959	1,555,563
Depreciation	3,732,454	3,863,090	3,998,298
Internal Expenditure	921,890	954,156	987,551
Other Full Cost Attribution	0	0	0
Competitive Neutrality Adjustments	0	0	0
Total Operating Expenditure	6,887,710	7,132,686	7,386,392
Operating Surplus/(Deficit)	0	47,915	117,260
Income Tax	0	14,375	35,178
Dividend	0	33,541	82,082
Net Increase in Operating Capacity	0	0	0
Community Service Obligations:			
SES Assets	0	0	0
SES Annual Small Plant Maintenance	2,900	3,002	3,107
Life Education Van Annual Maintenance	4,350	4,502	4,660
Total Community Service Obligations	7,250	7,504	7,766
Non Current Assets:			
Replacement Cost	21,770,003		
Written Down Value	13,637,747		

Note: The forecasted years above may differ when detailed budgets are prepared for each subsequent year.

Cemeteries Operating Statement

	Budget 2011-2012 (\$)	Estimate Year 2 2012-2013 (\$)	Estimate Year 3 2013-2014 (\$)
Revenue			
Operating Revenue	295,000	308,275	322,147
Internal Revenue	0	0	0
Interest Received	0	0	0
Community Service Obligation (CSO)	0	0	0
CSO - Full Cost Pricing Subsidy	0	0	0
Total Revenue	295,000	308,275	322,147
Expenditure			
Employee Costs	67,878	70,593	73,417
Materials & Services	171,405	177,404	183,613
Depreciation	7,041	7,288	7,543
Internal Expenditure	26,892	27,834	28,808
Other Full Cost Attribution	0	0	0
Competitive Neutrality Adjustments	0	0	0
Total Operating Expenditure	273,217	283,119	293,381
Operating Surplus/(Deficit)	21,783	25,156	28,767
Income Tax	6,535	7,547	8,630
Dividend	15,248	17,609	20,137
Net Increase in Operating Capacity	0	0	(0)
<u>Community Service Obligations:</u>			
Total Community Service Obligations	0	0	0
<u>Non Current Assets:</u>			
Replacement Cost	262,680		
Written Down Value	144,614		

Note: The forecasted years above may differ when detailed budgets are prepared for each subsequent year.

Redland Art Gallery Operating Statement

	Budget 2011-2012 (\$)	Estimate Year 2 2012-2013 (\$)	Estimate Year 3 2013-2014 (\$)
Revenue			
Operating Revenue	23,800	24,871	25,990
Internal Revenue	0	0	0
Interest Received	0	0	0
Community Service Obligation (CSO)	0	0	0
CSO - Full Cost Pricing Subsidy	620,073	643,019	666,818
Total Revenue	643,873	667,890	692,808
Expenditure			
Employee Costs	296,395	308,251	320,581
Materials & Services	282,460	292,346	302,578
Depreciation	5,154	5,334	5,521
Internal Expenditure	59,864	61,959	64,128
Other Full Cost Attribution	0	0	0
Competitive Neutrality Adjustments	0	0	0
Total Operating Expenditure	643,873	667,891	692,808
Operating Surplus/(Deficit)	0	(0)	0
Income Tax	0	0	0
Dividend	0	0	0
Net Increase in Operating Capacity	0	(0)	0
<u>Community Service Obligations:</u>			
Total Community Service Obligations	0	0	0
<u>Non Current Assets:</u>			
Replacement Cost	340,860		
Written Down Value	307,072		

Note: The forecasted years above may differ when detailed budgets are prepared for each subsequent year.

PAYMENTS FROM AND TO ALLCONNEX WATER

Under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* Allconnex Water was established on 1 July 2010 to operate the water distribution and retail businesses previously conducted by Redland, Gold Coast and Logan Councils.

In accordance with section 99(4) of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, Council must disclose the following information for 2011-2012 and the following two financial years:

- the estimated profits of Allconnex Water to be distributed to Council;
- the estimated tax equivalents to be paid by Allconnex Water to Council under the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009, section 100,
- the estimated costs of all other payments to be made by Allconnex Water to Council, or obligations or liabilities that will be owed by Allconnex Water to Council, under a financial arrangement entered into between Allconnex Water and Council;
- the estimated costs, and the purposes, of all payments to be made by the Council to Allconnex Water; and
- the estimated costs of, and the reasons for, all obligations or liabilities that will be owed by Council to Allconnex Water.

Payments and obligations from Allconnex Water to Redland City Council

	Proposed Budget 2011-2012	Estimated 2012-2013	Estimated 2013-2014
Tax Equivalents	\$715,983	\$795,537	\$954,644
Dividends	\$1,988,842	\$1,352,413	\$1,591,074
Interest	\$14,240,112	\$14,240,112	\$14,240,112
Service Level Agreement Returns*	\$3,483,645	\$1,970,475	\$0
Totals	\$20,428,582	\$18,358,537	\$16,785,830

Payments and obligations from Redland City Council to Allconnex Water

	Budget 2011-2012	Estimated 2012-2013	Estimated 2013-2014
Utility Charges	\$1,326,104	\$1,365,887	\$1,406,864
Community Service Obligations	\$285,000	\$299,250	\$314,213
Dividends payable**	\$3,510,000	\$0	\$0
Obligations on Redland City Council to deliver the Service Level Agreements to Allconnex Water***	\$3,483,645	\$1,970,475	\$0
Totals	\$8,604,749	\$3,635,612	\$1,721,077

*Service Level Agreements with Allconnex Water are reviewed annually.

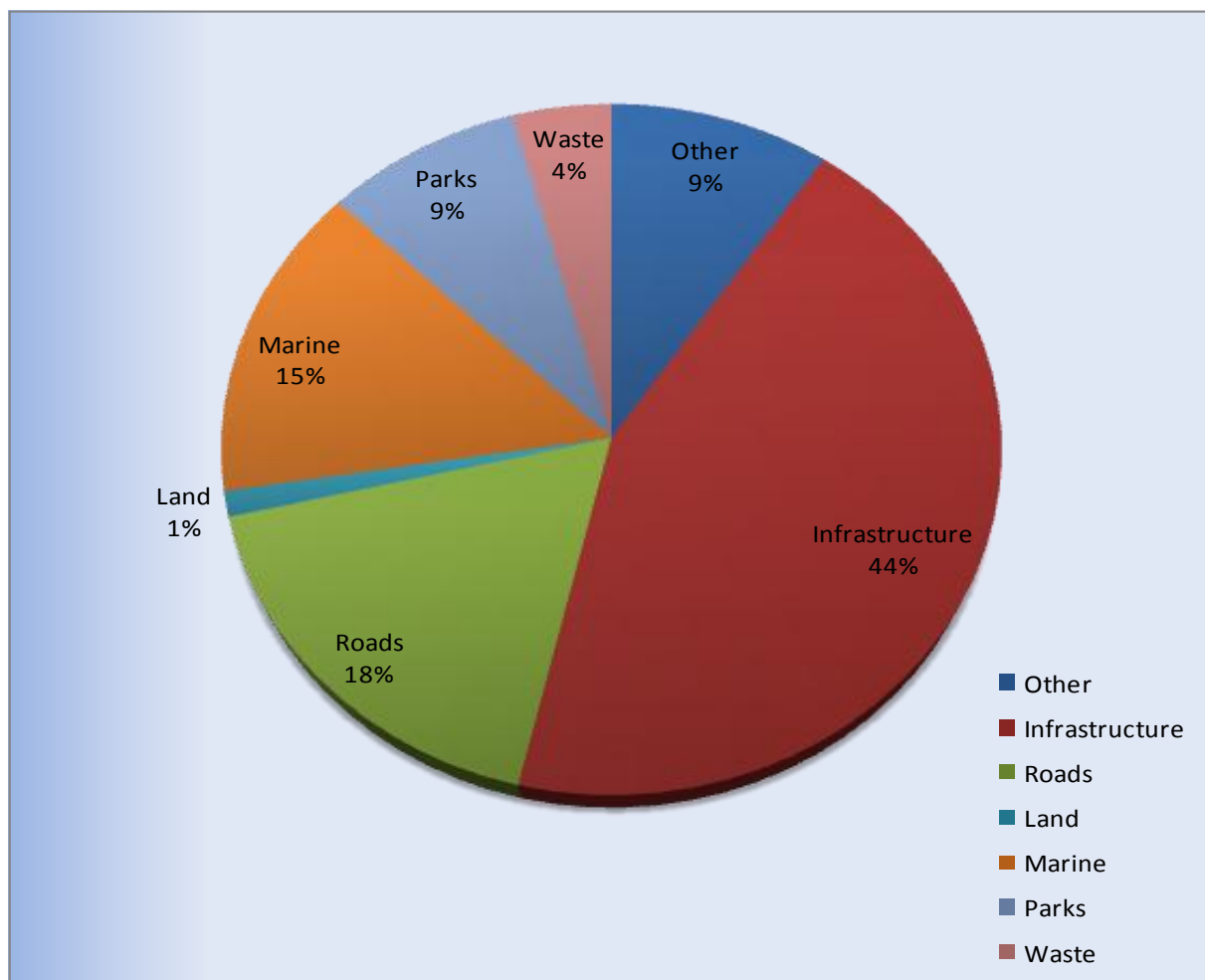
**Interim returns from Allconnex Water have been based on estimates of participation rights. The final figure for Council's investment in Allconnex Water is still to be determined and this is an estimate of what may be returned to Allconnex Water once the participation rights are finalised. Council has accounted for this liability based on current available information.

***This obligation denotes the cost of providing agreed services to Allconnex Water. Service Level Agreements with Allconnex Water are reviewed annually.

CAPITAL EXPENDITURE 2011-2012

Total \$49.7m (excluding contributed assets)

Council adopted its latest ten year capital programme on 25 May 2011. Slight amendments to the 2011-2012 year have been made during the final stages of budget development to ensure sustainability and deliverability. As per previous years, financial and asset sustainability were the focus of the capital programme, 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 programme are deliverability and community desire. A total of \$49.7 million has been planned for capital works in 2011-2012. There are significant provisions across all Council departments, the details of which are provided in the Schedule of Capital Works on pages 49 to 54.



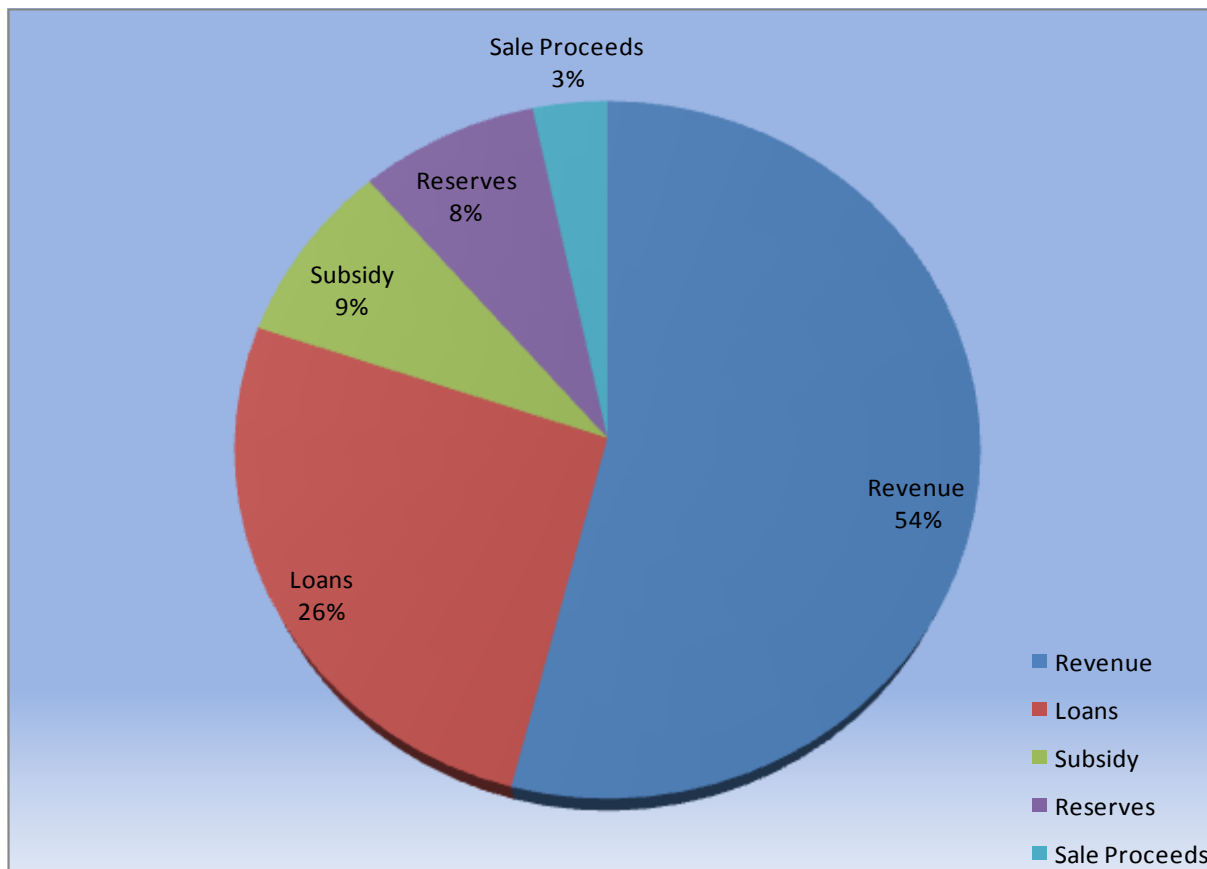
A comparison between 2010-2011 and 2011-2012 adopted budget evidences Council's commitment to investing in community and marine infrastructure and all road related activity.

Category of Expenditure	2010-2011 %	2011- 2012 %
Community Infrastructure	37%	44%
Roads	14%	18%
Marine	10%	15%
Parks and Conservation(includes land acquisitions)	14%	9%
IT and Other	18%	9%
Waste	7%	4%
Land	0%	1%

CAPITAL EXPENDITURE FUNDING SOURCES 2011-2012

Total \$49.7m (excluding contributed assets)

The sources of Capital Expenditure funding are shown below:



Comparison between 2010-2011 and 2011-2012 adopted budgets

Source of Funding	2010-2011 %	2011-2012 %
Revenue	44%	54%
Loans	31%	26%
Subsidy	13%	9%
Reserves	9%	8%
Sale Proceeds	3%	3%

The above movement evidences Council's Debt Policy where funding from reserves will be used prior to new borrowings (loans). Council is borrowing for intergenerational projects and ensures its ability to repay both principle and interest through Key Performance Indicators:

- Debt Servicing Ratio;
- Debt to Assets ratio; and
- Interest Coverage Ratio

SCHEDULE OF CAPITAL WORKS 2011-2012

The capital works programme for 2011-2012 has been constructed to address the priorities of the 2010-2015 Corporate Plan in addition to the outputs from the Asset and Service Management Plans. These plans have ensured Council focuses on renewing and maintaining the assets to evidence financial and asset sustainability to the community. The measures of sustainability earlier in this publication demonstrate the movement over the next ten financial years with respect to asset consumption, asset sustainability and financial sustainability.

Additionally, the programme 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 \$49.7 million for 2011-2012 and is listed below by Group within each Department.

Governance Department

Marketing & Communications Group

Web Services	5,500
Mac PCs and Photographic Equipment	5,000
Total Marketing & Communications Group	10,500

Total Governance Department	10,500
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Customer Services Department

Customer Services General Management Group

Minor Capital and Furniture Purchases for the Department	101,550
Total Customer Services General Management Group	101,550

Customer & Community Services Group

Library Technical Services	1,032,541
Cleveland Cemetery Heritage Master plan	300,000
Cleveland Aquatic Centre	52,300
Redlands Performing Arts Centre Operations	43,723
Corporate Library	34,694
Cleveland Showgrounds	31,200
New Library Management System	27,000
Community Halls	25,500
Dunwich Cemetery Boundary Fencing	25,000
Redland Bay Cemetery Heritage Master Plan	25,000
Libraries - General	19,515
Capalaba Library	18,400
Public Art & Acquisitions	17,765
Customer and Community Capital IT Purchases	12,800
Adams Beach Caravan Park	6,832
Island Libraries	5,400
Redland Art Gallery	5,300
OutReach Services	5,000
Victoria Point Library	2,500
School Aged Services	2,000
Respite Services	2,000
Home and Community Care Programme	2,000
Customer Services Operations	1,750
Local History	200
Total Customer & Community Services Group	1,698,420

Operations & Maintenance Group

Birkdale Landfill Remediation - Capping	920,000
Divisional Park Infrastructure Development	550,000
Asphalt Overlays	254,815
Kerb & Channel Replacement	168,526
Parks Asset Upgrade	159,675
Mobile Garbage Bins	91,250
RedWaste Capital Purchases	85,538
Asset Replacement > 20 Years	82,800
Culvert Safety Fences	75,000
Green Organics Bins	50,000
Giles Road Remediation - Capping	35,000
Mainland Asset Construction	31,050
Signage Parks & Conservation	30,000
Footpath Replacement	23,610
Bay Island Asset Construction	20,000
Operations and Maintenance Capital IT Purchases	16,000
Point Lookout Nursery Infrastructure	15,000
Pathway Lighting	15,000
Community Education Minor Capital Purchases	6,000
Total Operations & Maintenance Group	2,629,264

Project Delivery Group

Reseals and Resurfacing	4,160,266
Accelerated Programme Raby Bay Revetment Wall	4,031,400
Moreton Bay Cycleway Hilliards Ck Cross	2,247,500
Collins Street Upgrade	2,100,000
Queen St & Government Rd	1,450,000
Weinam Creek Carpark Upgrade	1,200,000
Road Reconstruction Programme	1,186,501
Serpentine Ck Rd/Donald Rd - Intersection Upgrade	863,886
Cleveland Point Reserve Regional Park	652,456
Attunga Street Macleay Island Stage 1	612,000
Koro St, Russell Island	594,000
Moreton Bay Cycleway Raby Bay Espl (Masthead to Wharf)	520,000
Alkira Street, Macleay Island	472,000
Michael Avenue, Lamb Island	450,000
Jock Kennedy Park RI	450,000
Timothy St, Macleay Island - Stage 1	423,000
Amity Point Landside Facility	400,000
Eastern Landfill Batter Remediation Capital Component	400,000
Judy Holt Upgrades	380,000
Coochiemudle Island Jetty (DDA Compliance)	370,000
Lamb Island - Boat Ramp Toe Planks	365,000
Beveridge Rd to Rachow St Pathway, Victoria Point	362,591
Point Lookout Gorge Boardwalk Stage 2	352,000
Public Amenities - Pt Lookout Headland	350,000
Mary Street Carpark Schoolsafe, Birkdale	300,000
Canaipa Road Path - Russell Island	300,000
Russell Is - Upgrade Trailer Parking	261,000
Transport Trunk Infrastructure Future Design	257,200
Macleay Island Waste Transfer Station	250,000
Future Residential Streets Program	240,000
Seal Gravel Design	224,419

Road Upgrade Program Mainland & North Stradbroke Island	222,522
EG Wood Carpark, Wellington Pt	220,000
Future SMBI Road Projects	220,000
Showgrounds - Electrical Upgrade	200,000
Seawall - Pelican Street Victoria Point	200,000
Frederick Street, Wellington Point	200,000
Point Lookout Traffic Management	200,000
Moores Rd Boat Ramp Resurface	185,000
Pathway - Mt Cotton Village to State School	180,000
Tina Avenue Seawall	150,000
Judith St Russell Island Stage 2	150,000
Russell Island Sport & Recreation Precinct	150,000
School of Arts Pedestrian Bridge	145,000
Redland Bay Primary Schoolsafe	142,000
Russell Island Hall Refurbishment	108,000
Clifford Perske Drive Thornlands Local Area Traffic Management	104,000
Pathway- Wellington Point School	102,000
Kefford Street, Wellington Point Stage 2	100,000
Crystal Waters Wetlands Thornlands	100,000
Main Street Drainage Redland Bay	100,000
Thompson Beach Sand Replenishment Programme	100,000
Pat's Park Playground Upgrade MI	100,000
Public Amenities – Les Moore Pk, Victoria Point	100,000
Point Halloran Rd Path, Victoria Point	96,000
Cleveland Pool Carpark Reseal	91,713
Survey Capital Purchases	89,000
Dog Off Leash Areas	80,000
Cavell Street, Birkdale - Pathway	57,500
Raby Bay Foreshore Park Playground	56,440
Bay Islands Capital Infrastructure Fund	56,243
Wellington St Cleveland - Path	55,000
Intersection Improvements	50,000
Edith & Burnett St, Intersection Upgrade	50,000
Illidge Road, Victoria Point - Pathway	46,000
South St (Clifford Perske to East), Thornlands	45,000
Brosnan Drive Stg3 - Park to Callaghan	42,500
Crossley Drive Park Wellington Point	40,000
Paths & Trails Future Design	39,000
Burnett Street Wellington Point Pedestrian Path	38,000
Headland Park North Stradbroke Island	30,000
Stormwater Trunk Infrastructure Design	29,080
Dunwich St Pk Pathway (Dunwich to Trinity)	29,000
Cleveland Showground Vehicle/Pedestrian Access	27,000
Moreton Bay Cycleway Eddie Santagiuliana Way Signage Project	25,000
Cycleway Trunk Infrastructure Design	25,000
Beach Access Ramp Specification	22,500
Orana Esplanade South Foreshore Access Stairs	21,589
King St, Thornlands - Footpath	20,000
Bicycle End of Trip Facilities	20,000
Wilson Esplanade Crn Wilson St	17,984
Curlew Street Kerb & Chanelling, Macleay Island	15,000
John Fredericks Park Shade	11,600
Local Area Traffic Management Future Designs	8,300
Dunwich Barge Traffic Management - Junner St	5,650
Total Project Delivery Group	30,943,840

Total Customer Services Department**35,373,073**

Planning and Policy Department

Land Use Management Group

SMBI Land Exchange Programme	600,000
Total Land Use Management Group	600,000

Environmental Management Group

Conservation Land Acquisitions	1,600,000
New Sporting Facility Land - Southern Redlands	724,000
Southern Moreton Bay Islands Open Space Land Acquisition	300,000
Parks Upgrade	122,504
Runnymede Investigation Area	100,000
Conservation Parks Interpretation	40,000
Public Amenities Programme	25,000
Total Environmental Management Group	2,911,504

Community & Social Planning Group

Pt Lookout Hall Embellishments	165,750
Southern Moreton Bay Islands Information Signage	162,000
Sportsfield Upgrade	55,900
Community Safety Projects	30,500
Events Infrastructure Various	30,000
Sports field Irrigation	28,000
Sport & Recreation Projects	25,000
Total Community & Social Planning Group	497,150

Infrastructure Planning Group

Main Road Wellington Point - Road Works	1,600,000
Baythorne/King Collector	1,240,800
Land Purchase - Above Q100 South of King	1,000,000
Heinemann Road Upgrade	889,750
Upgrade Birkdale Transfer Station	300,000
Moreton Bay Cycleway Thornlands (George to Tindappah)	250,000
Bus Stops & Lay Bys	240,000
Macleay Island Ramp Carpark	200,000
Waterways Infrastructure	127,600
DDA Improvements - Bus Stops	100,000
Streetscaping Programme	100,000
Drainage Renewal	98,963
Land Purchase - Below Q100 South of King	85,000
Traffic Signal Lamp Upgrade	80,000
Macleay Island Boat Ramp	60,000
Pathway Lighting	54,000
Rehabilitation of Pavers Aquatic Paradise	50,000
Junner St Barge Ramp Pile Replacement	28,000
Navigational Beacon Pile NB3 Ross Canal Cleveland 264406	10,000
Total Infrastructure Planning Group	6,514,113

Total Planning & Policy Department

10,522,767

Corporate Services Department

People and Change Group

Additional cost to upgrade Vehicle	5,000
Total People and Change Group	5,000

Financial Control Group

Rate Notice Viewing Software	87,500
Finance One 11.08 Upgrade	13,300
Financial System Support	2,000
Total Financial Control Group	102,800

Decision Support Group

Purchase of Activity Based Costing Software	15,000
Total Decision Support Group	15,000

Information Management Group

Peripheral and Comms Replace Programme	570,000
Server Replacement Programme - IT	494,743
Patch Mgt & Deployment Upgrades	100,000
Proclaim CI Upgrade Implementation	75,000
Telecommunications Upgrade	45,000
Management System for Digital Data	30,000
Cabling Replacement Programme - IT	20,000
Corporate Systems/Support	15,000
Network & Voice Services/Support	10,000
Replacement Programme for Low End	10,000
Minor Capital Purchases	1,500
Total Information Management Group	1,371,243

Corporate Acquisitions, Fleet & Facilities Group

Fleet Replacement Programme	1,514,776
McMillan Rd Land Sale Site Preparation	130,000
Fan Coil Unit 6 Capalaba Place - Air Conditioner	105,000
Replacement of various air conditioning	80,000
Office Equipment and Furniture	58,750
Fan Coil Unit 3 Capalaba Place - Air Conditioner	55,000
Fan Coil Unit 4 Capalaba Place - Air Conditioner	55,000
Fan Coil Unit 5 Capalaba Place - Air Conditioner	55,000
Replacement of various Air Handler Units	55,000
Replacement of various (fan coil units) - Air Conditioners	55,000
Staff Relocations and Refurbishments	37,500
Minor Capital Purchases	27,000
Internal Plant Hire Tracking Facility	18,000
Fixtures and Fittings - Building Management	12,000
Ethanol Infrastructure - Fleet	10,000
Vehicle/Small Plant Identification Label Printer	4,000
Total Corporate Acquisitions, Fleet & Facilities Group	2,272,026

Total Corporate Services Department	3,766,069
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Development and Community Standards Department

Community Standards Group

Shade sail for vehicle parking	15,000
Minor Capital and Furniture Purchases for the Department	14,300
Total Community Standards Group	29,300

Total Expenditure Development and Community Standards Department

29,300

TOTAL RCC CAPITAL WORKS 2011-2012

49,701,709

INVESTMENT POLICY

Head of Power

Section 132 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* states a Local Government must prepare an investment policy each financial year. Council must also consider the *Statutory Bodies Financial Arrangements (SBFA) Act 1982 (Qld)*.

Policy Objective

To maximise earnings from authorised investments of surplus funds after assessing counter party, market and minimising risks in accordance with the adopted Financial Strategy.

Policy Statement

1. Council's philosophy for investments is to protect the capital value of investments with the objective of maximising returns through an active investment strategy within this overall risk philosophy.
2. Council is committed to:
 - 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 capital value of investments;
 - Investing to facilitate working capital requirements;
 - Maintaining documentary evidence of investments; and
 - No more than 30% of Council's investments will be 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 has determined that a more active investments management strategy is to be adopted over the next ten financial years in order to maximise the interest revenue 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.

DEBT POLICY

Head of Power

Section 133 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* requires a Local Government to annually prepare a Debt Policy. Council's borrowing activities continue to be governed by the *Statutory Bodies Financial Arrangements Act 1982 (Qld)*.

Policy Objective

The objective of this policy is to ensure the sound management of Council's existing and future debt in accordance with the adopted Financial Strategy.

Policy Statement

- Borrowings will only be used to finance capital works that will provide services now, and into the future. No borrowings will be used to finance recurrent expenditure and the operational activities of the Council;
- When seeking funding for capital works, Council will, whenever possible, use its existing cash reserves. The use of any existing cash reserves will be subject to maintaining all relevant financial ratios and measures of sustainability within adopted Financial Strategy targets.
- Borrowings will be undertaken for capital works only where the interest and debt principal repayments can be serviced and relevant financial ratios and measures are maintained within approved Financial Strategy targets;
- The existing debt will be repaid to the Queensland Treasury Corporation (QTC) Debt Pool on a quarterly basis in accordance with the weighted term of the loans;
- The debt service payments will be made during the first month of the quarter, instead of the last month, in order to minimise the interest expense, providing sufficient cash resources are available to Council;
- If sufficient cash resources are available then Council may further consider repaying quarterly installment(s) in advance;
- Council will continue to discharge debt in the shortest possible time subject to overall budgetary constraints; and
- New loans will be taken up only if the subsequent increase in debt servicing payments allows the total debt servicing ratio to remain with Financial Strategy targets.
- The term of new loans will be a maximum of fifteen years for both Waste and General requirements. The debt term shall not exceed the finite life of the related asset.

Proposed Borrowings

Current planning by Council is to attribute significant borrowings for the period of the Financial Strategy to the following major items:

- Storm-water trunk infrastructure
- Foreshore protection and marine infrastructure
- Sporting Facilities
- Intergenerational cycleway projects
- Road works and associated upgrades
- Strategic Land Purchases

The following areas of consideration are included in the Financial Strategy:

- **Risk Management** - Council is committed to the management of risk so it is important that management policies, procedures and practices are in place to minimise Council's exposure to risk. Potential risk can be identified, and/or opportunities associated with Council's long-term financial planning, by using risk assessment methodology, to quantify the level of risk, before deciding which option to adopt to begin to implement appropriate mitigation, and/or funding options, to manage the risk.
- **Asset Management** – The *Local Government (Finance, Plans and Reporting) Regulation 2010* requires Councils to effectively plan and manage their infrastructure assets, focusing particularly on ensuring that a full renewals programme is in place over the long-term planning cycle. This will require Redland City Council to support a realignment of capital spending prioritization towards renewal activities, rather than expansion of capital infrastructure, which may require Council to seek additional borrowings in order to boost planned renewal spending.
- **Inter-Generational Projects** – spreading the cost of these projects over a long term will minimise the revenue impact on the community, as well as addressing the need of providing for infrastructure development immediately to meet expected future demographic needs. Council will need to increase existing debt levels through additional borrowings to fund these projects.

CORPORATE PROCUREMENT POLICY

Head of Power

Section 143 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* requires a Local Government to adopt a procurement policy.

This policy also supports compliance with the *Trade Practices Act 1974 and Council's Code of Conduct (POL-716)* together with Council's Corporate Plan strategic priority, to develop its' procurement practices to increase value for money within an effective governance framework.

Policy Objective

To assist Council to meet or exceed local and State Government legislative requirement for the sustainable supply of goods and services; or the carrying out of work; or the disposal of assets in consideration of whole-of-life cost.

Policy Statement

1. When Council enters into a contract it must have regard to the **Sound Contracting Principles** which are contained in s106 of the *Local Government Act 2009* as:
 - Value for money; and
 - Open and effective competition; and
 - The development of competitive local business and industry; and
 - Environmental protection; and
 - Ethical behavior and fair dealing.
2. For all Council's corporate procurement activities, Council shall follow the Default Contracting Procedures in accordance with the *Local Government (Finance, Plans and Reporting) Regulation 2010*, Part 3, Division 1, s172 to s184 unless Council resolves to adopt a **strategic approach as per Division 3, Part 2 s166**, except where the contract is for the disposal of land.
3. Council, its business units and its employee's are committed to:
 - Publishing the details of all contracts of \$100,000 or more on its website and relevant details of the contract in a conspicuous place in the local government's public office in accordance with the *Local Government (Finance, Plans & Reporting) Regulation s186*;
 - Facilitating the ethical procurement of goods and services for Council in the most efficient and cost effective manner;
 - Ensuring that all procurement activities are undertaken in accordance with and within all legal, statutory and internal budgetary obligations;
 - Ensuring that all areas of Council provide details of all significant procurement and disposal activities via the annual and quarterly budget processes to better inform organisational procurement and contracting decision-making;
 - Conducting all authorised and delegated procurement activities (including negotiation) in a professional manner and ensures all Council officers have a clear understanding of their responsibilities and authority levels.
 - Providing ongoing procurement and contract training for all relevant staff prior to them exercising either a procurement and/or financial delegation that commits Council to a contract for the provision of goods and services.
 - Ensuring the enhancement of local business by inviting local businesses to supply quotations and bid for tenders.
 - Supporting environmental purchasing guidelines to ensure that environmentally friendly products are purchased wherever practicable.

- Consideration and support of **Corporate Social Responsibility (CSR)** opportunities that enhance Councils ongoing sustainability. This may include but not necessarily limited to:
 - Identification of opportunities to undertake **“Social Procurement”** with Council resolved and approved providers for particular commodities or services;
 - Engagement of a **Social Enterprise** to deliver goods and/or services on behalf of Council under a formal contract arrangement as resolved by Council directly or by delegation;
 - Consideration of the use of “fair trade” or equivalent commodities in the place of non-fair trade or equivalent commodities;
 - Consideration of applying (where applicable and practicable) a “local preference” policy in accordance with the “Sound Contracting Principles detailed under s106 (3) (c) of the Local Government Act 2009, expressly *“the development of competitive local business and industry”*.

ENTERPRISE ASSET AND SERVICES MANAGEMENT POLICY

Head of Power

Section 104 of the Local Government Act, 2009 and Section 136 of the Local Government (Finance, Plans and Reporting) Regulation 2009 requires the production of a long-term asset management plan.

This policy also supports Council's Corporate Plan 2010-2015, Objective 9.6 "*Implement long term asset management planning that supports innovation and sustainability of service delivery, taking into account the community's aspirations and capacity to pay for desired service levels*".

Policy Objective

To manage the assets of the Redland City Council on behalf of the community to deliver services in the most effective and sustainable way.

Policy Statement

1. Council recognises that the use of sound asset and services management practices will significantly assist in achieving its corporate vision of "*Enhancing community spirit, lifestyle and the natural environment*" and its mission "*To be a sustainable and effective organisation with clever and caring people*".
2. Redland City Council is therefore committed to implementing and advancing all aspects of Enterprise Asset and Services Management to the overall advantage of the organisation, the community and other relevant stakeholders. Council is committed to putting in place mechanisms that support:
 - Providing relevant information on all assets, to support and enhance planning and decision-making;
 - Improved management of high-risk assets such as playgrounds and footpaths with a corresponding reduction in liability-related incidents;
 - Effective coordination of Council's planning, long-term budgeting and general operations and activities;
 - Enhanced delivery of services directed towards greater community benefit and utilisation of Council's limited resources;
 - Better understanding of Council's financial and legal statutory obligations and liabilities;
3. Enterprise Asset and Services Management will assist in planning for reduced or delayed demand for new assets through better understanding of asset performance and the practical application of service planning and demand management techniques.
4. Council is committed to:
 - Effectively developing sound Enterprise Asset and Services Management practices, and in so doing Council acknowledges that the process is a corporate and not a technical responsibility. As such, Council has adopted the following framework for successful policy implementation:
 - Sufficient resources will be made available to allow efficient, safe and secure management of all assets under Council's control within approved Financial Strategy parameters,;
 - Council's Executive Leadership Group has the overall responsibility for developing and implementing effective asset management systems, plans, processes and procedures;
 - Council officers with management or supervisory responsibilities will be considered accountable for the effective management and performance of assets and services within their respective areas of responsibility;

- Council is committed to educating all staff on the relevance and application of sound asset and services management practices and actively encourages the integration of these practices into all day-to-day operations;
 - Appropriate asset information systems will be developed and maintained for the purposes of monitoring overall asset performance, risk related incidents, relevant costs and regulatory reporting requirements. Systems will be periodically reviewed with consideration to any functional limitations, the application of improved technologies and any potential strategic or operational risks;
 - Levels of Service will be developed and set in consultation with the community while clearly considering the ongoing cost of service provision and using the community planning process and other suitable consultation mechanisms;
 - Asset and Service Management Plans are to be developed for all major asset groups. Plans are to be linked to, and support, other corporate planning and reporting processes. The following details will be included in each plan :
 - Details of the specific asset group (e.g. roads, water, buildings);
 - Linkages to other corporate plans and strategies;
 - Broad asset lifecycle management strategies;
 - Current and desired “levels of service”;
 - Risk management and mitigation;
 - Consideration of “non-asset” service solutions;
 - Financial summary including maintenance and operational costs and capital expenditures relating to potential renewal, upgrade or new works ;
 - Relevant performance indicators;
 - Improvement strategies.
5. It is understood that the consistent application of the above responsibilities, principles and practices will support Council in the delivery of appropriate and cost effective services and the practical achievement of our corporate plan objectives.

REVENUE POLICY

Head of Power

Section 134 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* requires a local government to prepare and adopt a revenue policy each financial year.

The council may, by resolution, amend its revenue policy for a financial year at any time before the year ends.

Policy Objective

The generation of an appropriate level of revenue to support the delivery of Community Plan goals is an essential element of Council's 10 Year Financial Strategy. By articulating its aspirations, the community has stated what it wants to see in terms of the future development of the City. The Revenue Policy articulates how these aspirations will be funded.

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 try to limit extreme implications for upper and lower valued properties by applying a minimum general rate and by applying a rate convergence model (banding) where applicable. For those properties that can never be developed, Council will also attempt to limit the rates obligation.

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 relating 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 special community programmes;
- 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 General Rates and Charges

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 all full cost recovery options before calculating the 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.

Council has a commitment to limiting the rates burden on higher valued properties by applying a convergence model in differential rating categories banded by valuation. Over time this will reduce the ratio between the minimum general rate and the 99th percentile to no more than a 1:3 ratio:

Where it is appropriate, Council will utilise separate and special charges to programmes that benefit the whole community equally or benefit specific groups within the community respectively.

In levying rates, Council will schedule the issue of rate notices quarterly.

Recovery of Overdue Rates and Charges

Council will continue to provide flexibility to rate payers and debtors suffering demonstrated financial difficulty in 2011-2012 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 honored. 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.

Exercise of Concession Powers in Relation to Rates and Charges

Chapter 2, Part 10 of the *Local Government (Finance, Plans & Reporting) Regulation 2010* provides Council with the powers to grant concessions to individuals and classes of land owners. Council has determined that pensioners as defined by the *Local Government (Finance, Plans & Reporting) Regulation 2010* 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 54 of the *Local Government (Finance, Plans & Reporting) Regulation 2010* Council will provide a concession to property owners whose land is being 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.

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.

With the introduction of Allconnex Water from 1 July 2010, Council will continue to support existing community service obligations for Water and Wastewater charges previously provided for under:

- Corporate Policy POL-3028 — Application of Water Charges;
- Corporate Policy POL-3045 – Application of Water Charges for Nursing Homes and Retirement Villages;
- Corporate Policy POL-3027 — Wastewater Services – Application of Charges
- Statutory Policy POL-1234 — Trade Waste Policy

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

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 cognizant 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.

Reserves

Reserves are funded as follows:

- Special Projects Reserve – funded through a combination of general revenue & specific income, i.e.
 - Income from Weinam Creek car parking & mooring fees
 - General revenue put aside for various projects, i.e. Workcover
- Special Capital Projects Reserve – funded through the general revenue
- Cleansing Reserve – funded through general revenue received from operating the Waste Business Unit
- Constrained Works Capital Reserve – funded by a combination of developers cash contributions and unexpended capital grants & contributions.
- Constrained Works Recurrent Reserve – funded through unexpended operating grants & contributions
- Separate Charge Reserve – funded by the Environment levies
- Special Charge Reserve – Other – funded by the Rural Fire levy
- Special Charge Reserve – Canals – funded by the Canals & Lake levies

The amount of each reserve will be kept at a level necessary to accommodate the activities funded by each reserve.

Infrastructure Charges

Specific charges for new developments are set on an annual basis as part of the budget process. Based on the proposed capping of infrastructure charging by the State Government, infrastructure charges for a new development will fund approximately 70% of the cost of trunk infrastructure and 100% of non-trunk infrastructure (i.e. residential streets, drainage, etc).

REVENUE STATEMENT 2011/2012

Differential General Rates

Redland City Council has adopted a differential rating scheme for the 2011/2012 financial year that recognises how various segments of the community impact on, and use services, activities, and facilities differently.

The differential rating scheme for 2011/2012 has 45 categories of land.

For the purposes of categorisation the following definitions apply to the rating descriptions:

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.

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 or garage.

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.

Category	Description
1a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value less than \$315,000 used for: <ul style="list-style-type: none"> a) Residential purposes and is the registered owner's principal place of residence; or b) Vacant land, other than that categorised in rating category 10, where it is not considered likely a development permit, or permits, for the erection of a building would be approved should application be made.
1b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value greater than or equal to \$315,000 used for: <ul style="list-style-type: none"> a) Residential purposes and is the registered owner's principal place of residence; or b) Vacant land, other than that categorised in rating category 10, where it is not considered likely a development permit, or permits, for the erection of a building would be approved should application be made.
2a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with a value less than \$290,000 used 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 \$290,000 used for residential purposes that is NOT the registered owner's principal place of residence.
3a	Includes all rateable land on the Southern Moreton Bay Islands with a value less than \$87,000 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 \$87,000 that is the registered owner's principal place of residence.
4a	Includes all rateable land on the Southern Moreton Bay Islands with a value less than \$80,000 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 \$80,000 that is NOT the registered owner's principal place of residence.
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 <i>Southern Moreton Bay Islands Development Entitlements Protection Regulation 2006</i> that has

Category	Description
	<p>recognised development potential and where the current owner was in possession of the land immediately before 13 April 2005.</p> <p>The development entitlements, which existed under the 'superseded' Transitional Planning Scheme, have been protected on these lots for a period of ten years from the commencement of the Redlands Planning Scheme or until a change in ownership occurs as the protection of development entitlements does not extend to future owners of land included in this category.</p> <p>Land in this category is included in the Conservation Sub-Area CN1 zone of the Redlands Planning Scheme.</p>
6	Includes all rateable land on the Mainland, Coochiemudlo Island and North Stradbroke Island that is wholly or predominantly used for a commercial or industrial purpose other than that categorised in rating category 19. This category includes not-for-profit organisations and clubs.
7	Includes all rateable land on the Southern Moreton Bay Islands that is wholly or predominantly used for a commercial or industrial purpose. This category includes not-for-profit organisations and clubs.
8	Includes all rateable land that is wholly or predominantly used for quarry or extractive industry purposes. An extractive industry is any activity that removes material substance from the ground.
10	<p>Includes all rateable land that has been identified as having an insurmountable drainage constraint such 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	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%. Furthermore, a minimum general rate will not apply to this land in accordance with Section 11(3) of the <i>Local Government (Finance, Plans and Reporting) Regulation 2010</i> .
12a	Includes all rateable vacant land on the Southern Moreton Bay Islands with a value less than \$44,000 where the land 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.
12b	Includes all rateable vacant land on the Southern Moreton Bay Islands with a value greater than or equal to \$44,000 where the land 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.
13a	Includes all rateable vacant land on the mainland, Coochiemudlo Island and North Stradbroke Island with a value less than \$500,000 where the land 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.
13b	Includes all rateable vacant land on the mainland, Coochiemudlo Island and North Stradbroke Island with a value greater than or equal to \$500,000 where the land is considered likely to be granted a development permit, for permits, or the erection of a building for residential, commercial or industrial purposes should application be made.
14	One or more land parcels in the same registered name where the land is used for the purpose of a retail shopping centre with a total gross lettable floor area greater than or equal to 30,000 square meters 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.
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 for the purpose of a shopping centre with a total gross lettable floor area between 10,000 and 30,000 square meters. Tenants include one or more major supermarkets and 5 or more

Category	Description
	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 wholly or predominantly 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 wholly or predominantly 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 wholly or predominantly 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 meters.
20a	Includes all rateable land where the land or the common property within a Community Title Scheme or Building Unit Plan or Group Title Plan abuts a canal revetment wall in the residential area commonly referred to as Raby Bay with a valuation greater than or equal to \$540,000 and less than \$1,000,000 that is used for residential purposes and is the registered owner's principal place of residence.
20b	Includes all rateable land where the land or the common property within a Community Title Scheme or Building Unit Plan or Group Title Plan abuts a canal revetment wall in the residential area commonly referred to as Raby Bay with a valuation greater than or equal to \$1,000,000 that is used for residential purposes and is the registered owner's principal place of residence.
21a	Includes all rateable land where the land or the common property within a Community Title Scheme or Building Unit Plan or Group Title Plan abuts a canal revetment wall in the residential area commonly referred to as Raby Bay with a valuation less than \$308,032 that is used for residential purposes and is the registered owner's principal place of residence.
21b	Includes all rateable land where the land or the common property within a Community Title Scheme or Building Unit Plan or Group Title Plan abuts a canal revetment wall in the residential area commonly referred to as Raby Bay with a valuation greater than or equal to \$308,032 and less than \$540,000 that is used for residential purposes and is the registered owner's principal place of residence.
22a	Includes all rateable land where the land or the common property within a Community Title Scheme or Building Unit Plan or Group Title Plan abuts a canal revetment wall in the residential area commonly referred to as Raby Bay with a valuation greater than or equal to \$540,000 and less than \$1,050,000 that is used for residential purposes and is NOT the registered owner's principal place of residence.
22b	Includes all rateable land where the land or the common property within a Community Title Scheme or Building Unit Plan or Group Title Plan abuts a canal revetment wall in the residential area commonly referred to as Raby Bay with a valuation greater than or equal to \$1,050,000 that is used for residential purposes and is NOT the registered owner's principal place of residence.
23a	Includes all rateable land where the land or the common property within a Community Title Scheme or Building Unit Plan or Group Title Plan abuts a canal revetment wall in the residential area commonly referred to as Raby Bay with a valuation less than \$308,032 that is used for residential purposes and is NOT the registered owner's principal place of residence.
23b	Includes all rateable land where the land or the common property within a Community

Category	Description
	Title Scheme or Building Unit Plan or Group Title Plan abuts a canal revetment wall in the residential area commonly referred to as Raby Bay with a valuation greater than or equal to \$308,032 and less than \$540,000 that is used for residential purposes and is NOT the registered owner's principal place of residence.
24a	Includes all rateable vacant land recorded in the land record as a standard lot that abuts a canal revetment wall in the residential area commonly referred to as Raby Bay with a value less than \$1,550,000 where the land is considered likely to be granted a development permit, or permits, for the erection of a building should application be made.
24b	Includes all rateable vacant land recorded in the land record as a standard lot that abuts a canal revetment wall in the residential area commonly referred to as Raby Bay with a value greater than or equal to \$1,550,000 where the land is considered likely to be granted a development permit, for permits, or the erection of a building should application be made.
25	Includes parcels of rateable land in the area commonly referred to as Raby Bay used to access marine berths and/or for the purpose of carrying on a boat mooring business and by definition of description do not fit into another rating category.
26a	Includes all rateable land recorded in the land record as a standard lot that abuts a canal revetment wall in the residential area commonly referred to as Aquatic Paradise with a value less than \$860,000 used for residential purposes and is the registered owner's principal place of residence.
26b	Includes all rateable land recorded in the land record as a standard lot that abuts a canal revetment wall in the residential area commonly referred to as Aquatic Paradise with a value greater than or equal to \$860,000 used for residential purposes and is the registered owner's principal place of residence.
27a	Includes all rateable land recorded in the land record as a standard lot that abuts a canal revetment wall in the residential area commonly referred to as Aquatic Paradise with a value less than \$920,000 used for residential purposes that is NOT the registered owner's principal place of residence.
27b	Includes all rateable land recorded in the land record as a standard lot that abuts a canal revetment wall in the residential area commonly referred to as Aquatic Paradise with a value greater than or equal to \$920,000 used for residential purposes that is NOT the registered owner's principal place of residence.
28a	Includes all rateable vacant land recorded in the land record as a standard lot that abuts a canal revetment wall in the residential area commonly referred to as Aquatic Paradise with a value less than \$870,000 where the land is considered likely to be granted a development permit, or permits, or the erection of a building should application be made.
28b	Includes all rateable vacant land recorded in the land record as a standard lot that abuts a canal revetment wall in the residential area commonly referred to as Aquatic Paradise with a value greater than or equal to \$870,000 where the land is considered likely to be granted a development permit, or permits, or the erection of a building should application be made.
29	Includes parcels of rateable land in the area commonly referred to as Aquatic Paradise used to access marine berths and by definition of description do not fit into another rating category.
30	Includes all rateable land recorded in the land record as a standard lot that abuts a Lake revetment wall in the residential area commonly referred to as Sovereign Waters used for residential purposes that is the registered owner's principal place of residence.
31	Includes all rateable land recorded in the land record as a standard lot that abuts a Lake revetment wall in the residential area commonly referred to as Sovereign Waters used for residential purposes that is NOT the registered owner's principal place of residence.
32	Includes all rateable vacant land recorded in the land record as a standard lot that abuts a Lake revetment wall in the residential area commonly referred to as Sovereign Waters where the land is considered likely to be granted a development permit, or permits, or the erection of a building should application be made.

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.

The following table shows the rate in the dollar, minimum general rate, threshold valuation, for each rating category.

Rating Category	Band		Minimum General Rate [MGR]	Rate In the Dollar	MGR Threshold	Step Down	Charge Code RCC Use Only
	From	To					
	\$	\$	\$	\$	\$		
1a	0	314,999	798.12	0.00378480	210,875		GR20
1b	315,000	99,999,999	1,192.21	0.00317923	375,000	-16%	GR20
2a	0	289,999	872.00	0.00481134	181,238		GR25
2b	290,000	99,999,999	1,395.29	0.00346417	402,777	-28%	GR25
3a	0	86,999	622.36	0.01398195	44,512		GR30
3b	87,000	99,999,999	1,216.43	0.00978737	124,286	-30%	GR30
4a	0	79,999	872.00	0.01673379	52,110		GR35
4b	80,000	99,999,999	1,338.70	0.01171365	114,285	-30%	GR35
5	0	99,999,999	733.00	0.01606734	45,620		GR24
6	0	99,999,999	981.80	0.00379325	258,828		GR21
7	0	99,999,999	1,078.00	0.00696585	154,755		GR31
8	0	99,999,999	1,503.00	0.01179103	127,470		GR22
10	0	99,999,999	125.00	0.00394369	31,696		GR06
11	0	99,999,999	N/a	0.00638009	N/a		GR05
12a	0	43,999	836.24	0.03146321	26,578		GR32
12b	44,000	99,999,999	1,384.38	0.02202425	62,857	-30%	GR32
13a	0	499,999	835.58	0.00394422	211,849		GR18
13b	500,000	99,999,999	1,972.11	0.00315537	625,001	-20%	GR18
14	0	99,999,999	102,172.00	0.00622546	16,411,960		GR16
15	0	99,999,999	60,714.12	0.00576070	10,539,365		GR15
16	0	99,999,999	26,293.76	0.00535109	4,913,720		GR14
17	0	99,999,999	1,925.00	0.00382070	503,834		GR13
18	0	99,999,999	1,488.16	0.00728838	204,183		GR33
19	0	99,999,999	3,392.00	0.00382905	885,859		GR17
20a	540,000	999,999	3,006.80	0.00368910	\$815,050		GR56
20b	1,000,000	99,999,999	3,689.10	0.00332019	\$1,111,111	-10%	GR56
21a	0	308,031	826.44	0.00458952	\$180,071		GR60
21b	308,032	539,999	1,413.72	0.00413057	\$342,258	-10%	GR60
22a	540,000	1,049,999	3,172.24	0.00409788	\$774,117		GR57
22b	1,050,000	99,999,999	4,302.78	0.00327831	\$1,312,499	-20%	GR57
23a	0	308,031	897.40	0.00542042	\$165,559		GR61
23b	308,032	539,999	1,669.66	0.00487838	\$342,257	-10%	GR61
24a	0	1,549,999	3,304.48	0.00389305	\$848,815		GR58
24b	1,550,000	99,999,999	6,034.23	0.00311444	\$1,937,501	-20%	GR58
25	0	99,999,999	1,167.96	0.00383090	\$304,879		GR59
26a	0	859,999	4,230.68	0.00552625	\$765,561		GR26
26b	860,000	99,999,999	4,752.58	0.00497363	\$955,556	-10%	GR26
27a	0	919,999	4,471.40	0.00575161	\$777,417		GR27
27b	920,000	99,999,999	5,291.48	0.00517645	\$1,022,222	-10%	GR27

Rating Category	Band		Minimum General Rate [MGR]	Rate In the Dollar	MGR Threshold	Step Down	Charge Code RCC Use Only
	From	To					
	\$	\$	\$	\$			
28a	0	869,999	4,287.16	0.00585898	\$731,725		GR28
28b	870,000	99,999,999	5,097.32	0.00468719	\$1,087,500	-20%	GR28
29	0	99,999,999	1,600.00	0.00399215	\$400,787		GR29
30	0	99,999,999	2,572.64	0.00453997	\$566,665		GR46
31	0	99,999,999	2,714.84	0.00499293	\$543,737		GR47
32	0	99,999,999	2,643.64	0.00466064	\$567,227		GR48

Limitation on Increase of General Rates

Section 50 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* allows for the limitation of increase in a rate levied. For 2011-2012 Council will limit the impact of valuation increases by applying a 30 percent cap to the rating categories of 3a, 3b, 4a, 4b, 12a and 12b.

Separate Charges

Environment Separate Charge

In accordance with section 37 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* Council has determined that the community in general will benefit from the protection, management, promotion and enhancement of biodiversity – including koala habitat, bushland, green space, waterways, catchments, air and coastal ecosystems in the City – that cannot be effectively protected through Council's regulatory powers, or management programmes.

The charge has a capital and an operational component. The capital component is predominantly directed towards land purchase, acquisition of the conservation interests in land, and the funding of ancillary facilities that support or enhance environmental outcomes. The operational component is predominantly directed towards waterway and land management, rehabilitation, implementation of environment policies and strategies — including the Koala Policy and Strategy — and strengthening stewardship of the natural environment.

The charge is applied on a per lot basis and there is no increase from the 2010-2011 charge:

Separate Charge	Charge Amount \$	Charge Basis
Environment Charge (EN01)	109.80	Charge per lot

Landfill Remediation Separate Charge

In accordance with section 37 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* Council has determined that the community in general will benefit from the monitoring and remediation of all landfills closed prior to July 1998 and the landfill at Myora North Stradbroke Island, excluding all other operational landfills such as Birkdale and Giles Road, to prevent environmental harm. The charge is applied on a per lot basis and will be subject to Council's Farming Concession.

Separate Charge	Charge Amount \$	Charge Basis
Landfill Remediation Charge (EN03)	42.40	Charge per lot

Special Charges

Aquatic Paradise Marina Special Charge

In accordance with Section 28 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, Council will make and a levy a special charge, to be known as the Aquatic Paradise Marina Special Charge (the "special charge") as follows:-

1. The service, facility or activity funded by the special charge is described in the Aquatic Paradise Marina Special Charge Overall Plan as set out in Council's resolution at the Special Meeting of 28 June 2011. 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.
2. The rateable land to which the special charge applies is as identified in the benefited area map APC-4.
3. The overall plan for the service, facility or activity funded by the special charge is as set out in Council's resolution at the Special Meeting of 28 June 2011 (entitled "Aquatic Paradise Marina Special Charge").
4. The annual implementation plan for 2011/2012 comprises the Aquatic Paradise Marina Annual Implementation Plan 2011/2012 adopted by Council on 28 June 2011.
5. The Aquatic Paradise Marina Special Charge for the year 2011/2012 is \$1,306.59.

Raby Bay Marina Special Charge

In accordance with Section 28 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, Council will make and a levy a special charge, to be known as the Raby Bay Marina Special Charge (the "special charge") as follows:-

1. The service, facility or activity funded by the special charge is described in the Raby Bay Marina Special Charge Overall Plan as set out in Council's resolution at the Special Meeting of 28 June 2011. 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.
2. The rateable land to which the special charge applies is as identified in the benefited area map RBC-5.
3. The overall plan for the service, facility or activity funded by the special charge is as set out in Council's resolution at the Special Meeting of 28 June 2011 (entitled "Raby Bay Marina Special Charge").
4. The annual implementation plan for 2011/2012 comprises the Raby Bay Marina Annual Implementation Plan 2011/2012 adopted by Council on 28 June 2011.
5. The Raby Bay Marina Special Charge for the year 2011/2012 is \$815.66.

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

In accordance with Section 28 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, Council will make and a 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 service, facility or activity funded by the special charge is described in the Raby Bay Tidal Works (non Community Title Scheme) Special Charge Overall Plan as set out in Council's resolution at the Special Meeting of 28 June 2011. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Raby Bay Tidal Works (non Community Title Scheme) Special Charge Overall Plan.
2. The rateable land to which the special charge applies is as identified in the benefited area map RBC-6.
3. The overall plan for the service, facility or activity funded by the special charge is as set out in Council's resolution at the Special Meeting of 28 June 2011 (entitled "Raby Bay Tidal Works (non Community Title Scheme) Special Charge").

4. The annual implementation plan for 2011/2012 comprises the Raby Bay Tidal Works (non Community Title Scheme) Annual Implementation Plan 2011/2012 adopted by Council on 28 June 2011.
5. The Raby Bay Tidal Works (non Community Title Scheme) Special Charge for the year 2011/2012 is \$1,378.33.

Raby Bay Tidal Works (Community Title Scheme) Special Charge

In accordance with Section 28 and 29 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, Council will make and a 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 service, facility or activity funded by the special charge is described in the Raby Bay Tidal Works (Community Title Scheme) Special Charge Overall Plan as set out in Council's resolution at the Special Meeting of 28 June 2011. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said Raby Bay Tidal Works (Community Title Scheme) Special Charge Overall Plan.
2. The rateable land to which the special charge applies is as identified in the benefited area map RBC-4.
3. The overall plan for the service, facility or activity funded by the special charge is as set out in Council's resolution at the Special Meeting of 28 June 2011 (entitled "Raby Bay Tidal Works (Community Title Scheme) Special Charge").
4. The annual implementation plan for 2011/2012 comprises the Raby Bay Tidal Works (Community Title Scheme) Annual Implementation Plan 2011/2012 adopted by Council on 28 June 2011.
5. The Raby Bay Tidal Works (Community Title Scheme) Special Charge for the year 2011/2012 is \$798.70.

Special Charge	Charge Amount \$	Charge Basis
Raby Bay Tidal Works (non CTS) Special Charge (CA06)	1,378.33	Raby Bay - per standard lot
Raby Bay Tidal Works (CTS) Special Charge (CA07)	798.70	Raby Bay - per unit in a Community Title Scheme
Raby Bay Marina Special Charge (CA08)	815.66	Raby Bay - per marina berth
Aquatic Paradise Marina Special Charge (CA09)	1,306.59	Aquatic Paradise - per marina berth

Rural Fire Levy

In accordance with Section 28 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* and Section 128A of the *Fire and Rescue Service Act 1990* Council has determined that each parcel of rateable land identified as the whole of Karragarra, Lamb, Macleay, Perulpa and Russell Islands will specially benefit from the service provided by the Rural Fire Brigades. Funds raised through the Rural Fire Levy Special Charge will be contributed to the rural fire brigades established within the benefited area to purchase and maintain equipment and provide a fire service to properties in the benefited area. Council adopted the Overall Plan for each Rural Fire Levy Charge on 28 June 2011. The charge will be subject to Council's Farming Concession.

Special Charge	Charge Amount \$	Charge Basis
Macleay and Perulpa Islands Rural Fire Levy (FL02)	30.00	Charge per lot
Karragarra Rural Fire Levy (FL05)	30.00	Charge per lot
Lamb Island Rural Fire Levy (FL03)	10.00	Charge per lot
Russell Island Rural Fire Levy (FL04)	10.00	Charge per lot

Waste/Recycling Charge

Utility charges are made and levied in accordance with Section 33 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* and Council's Corporate Policy POL-2836 — Waste and Recycling Collection Services.

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*.

The waste/recycling charge is determined by Council 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 both waste collection and a kerbside recycling service (for waste/recycling charges the Bay Islands is deemed to be the Southern Moreton Bay Islands, North Stradbroke Island and Coochiemudlo Island). Disposal costs are also factored into the charge to cover contractor costs for disposal, site development works, environmental monitoring, management and administration costs as well as other costs associated with the consumption of the current landfill by residents and other users.

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

RedWaste Utility Charges - Kerbside Service	Mainland		Bay Islands	
	Charge Code RCC Use Only	Annual Amount \$	Charge Code RCC Use Only	Annual Amount \$
Kerbside Waste Services				
140L Refuse / 140L Recycling	RF303	183.00	RF220	282.00
140L Refuse / 140L Recycling / 240L Green Waste	RF308	233.00	N/A	
140L Refuse / 240L Recycling	RF15	212.00	RF215	287.00
140L Refuse / 240L Recycling / 240L Green Waste	RF305	262.00	N/A	
140L Refuse / 340L Recycling	RF302	230.00	RF219	324.00
140L Refuse / 340L Recycling / 240L Green Waste	RF307	280.00	N/A	
240L Refuse / 240L Recycling	RF01	288.00	RF201	309.00
240L Refuse / 240L Recycling / 240L Green Waste	RF304	338.00	N/A	
240L Refuse / 340L Recycling	RF301	288.00	RF218	346.00
240L Refuse / 340L Recycling / 240L Green Waste	RF306	338.00	N/A	
Additional Bin and Service - Scheduled Days				
140L Additional Refuse Bin	RF17	105.00	RF217	187.00
240L Additional Refuse Bin	RF09	151.00	RF209	209.00
240L Additional Recycling Bin	RF16	64.00	RF216	125.00
Additional Service Existing Bin (Temporary Lift) - Scheduled Days				
140L Refuse Bin per lift	RF12	9.00	N/A	
240L Refuse Bin per lift	RF13	9.00	N/A	
240L Recycling Bin per lift	RF14	10.00	N/A	

RedWaste Utility Charges - Kerbside Service	Mainland		Bay Islands	
	Charge Code RCC Use Only	Annual Amount \$	Charge Code RCC Use Only	Annual Amount \$
Additional Service Existing Bin - Outside Scheduled Days				
140L Additional Refuse Service per lift	RF41	25.00	N/A	
240L Additional Refuse Service per lift	RF40	39.00	N/A	
240L Additional Recycling Service per lift	RF42	22.00	N/A	
Commercial Kerbside Collection Services				
140L Refuse / 140L Recycling	RFC303	214.95	RFC220	313.95
140L Refuse / 240L Recycling	RFC15	243.95	RFC215	318.95
140L Refuse / 340L Recycling	RFC302	261.95	RFC219	355.95
240L Refuse / 240L Recycling	RFC01	319.95	RFC201	340.95
240L Refuse / 340L Recycling	RFC301	319.95	RFC218	377.95
Additional 240L Waste	RFC09	182.95	RFC209	240.95

RedWaste Utility Charges - Bulk Bin Service - Size (m ³)	Mainland		Bay Islands	
	Charge Code RCC Use Only	Annual Amount \$	Charge Code RCC Use Only	Annual Amount \$
Waste Service Bulk Bin size (m³) - 1 service per week				
1.10 m ³	RF23	1,704.00	N/A	
1.50 m ³	RF26	1,104.00	RF106	2,194.00
2.25 m ³	RF29	1,629.00	RF109	3,209.00
3.00 m ³	RF32	2,119.00	RF112	4,136.00
4.00 m ³	RF35	2,719.00	RF115	5,233.00
Additional Waste Service Bulk Bin size (m³) - Lift only; 1 service per week				
1.10 m ³	RF24	33.00	N/A	
1.50 m ³	RF27	22.00	RF107	56.00
2.25 m ³	RF30	32.00	RF110	75.00
3.00 m ³	RF33	41.00	RF113	93.00
4.00 m ³	RF36	53.00	RF116	114.00
Temporary Waste Service (= < 3 months) Bulk Bin size (m³) - Bin and Lift; 1 service				
1.10 m ³	RF25	53.00	N/A	
1.50 m ³	RF28	53.00	RF108	69.00
2.25 m ³	RF31	51.00	RF111	88.00
3.00 m ³	RF34	61.00	RF114	106.00
4.00 m ³	RF37	72.00	RF117	127.00
Recycle Service Bulk Bin size (m³) - 1 service per fortnight				
1.10 m ³	RF63	5,110.00	N/A	
1.50 m ³	RF66	559.00	RF136	1,469.00
2.25 m ³	RF69	801.00	RF139	2,102.00
3.00 m ³	RF72	1,002.00	RF142	2,630.00
4.00 m ³	RF75	1,206.00	RF145	3,165.00
Additional Recycling Service Bulk Bin size (m³) - Lift only; 1 service				
1.10 m ³	RF65	66.00		
1.50 m ³	RF68	66.00	RF138	132.00
2.25 m ³	RF71	66.00	RF141	132.00
3.00 m ³	RF74	66.00	RF144	132.00
4.00 m ³	RF77	66.00	RF147	132.00
Temporary Recycling Service (= < 3 months) Bulk Bin Size (m³) - Bin and Lift; 1 service				
1.10 m ³	RF64	197.00	N/A	
1.50 m ³	RF67	153.00	RF137	302.00
2.25 m ³	RF70	162.00	RF140	302.00
3.00 m ³	RF73	170.00	RF143	302.00
4.00 m ³	RF76	178.00	RF146	302.00
Commercial Bulk Bin Collection Service				
Waste Service Bulk Bin size (m³) - 1 service per week				
1.10 m ³	RFC23	1,938.33	N/A	-
1.50 m ³	RFC26	1,423.54	RFC106	2,428.33
2.25 m ³	RFC29	2,108.31	RFC109	3,528.54
3.00 m ³	RFC32	2,758.08	RFC112	4,615.31
4.00 m ³	RFC35	3,571.11	RFC115	5,872.08
Additional Waste Service Bulk Bin size (m³) - Lift only; 1 service per week				
1.10 m ³	RFC24	36.85	N/A	-
1.50 m ³	RFC27	27.25	RFC107	61.25
2.25 m ³	RFC30	39.88	RFC110	82.88
3.00 m ³	RFC33	51.50	RFC113	103.50
4.00 m ³	RFC36	67.00	RFC116	128.00
Temporary Waste Service (= < 3 months) Bulk Bin size (m³) - Bin and Lift; 1 service				
1.10 m ³	RFC25	56.85	N/A	-
1.50 m ³	RFC28	58.25	RFC108	74.25
2.25 m ³	RFC31	58.88	RFC111	95.88
3.00 m ³	RFC34	71.50	RFC114	116.50
4.00 m ³	RFC37	86.00	RFC117	141.00

Interest on Overdue Rates

Under section 67 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, interest, calculated on daily rests and applied as compound interest, may be charged on overdue rates from as

soon as a rate becomes overdue. For 2011-2012 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 2, part 10 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* provides Council with the powers to grant concessions for individuals and classes of land owners. Council has determined that pensioners as defined by the *mentioned regulation* are entitled to receive a concession on rates. Other charitable organisations, community groups, sporting associations, independent schools, and property owners whose land is being used for the business of farming may also be entitled to concessions or reduced charges under a Community Service Obligation.

Pensioner Concessions

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

The concessions available to eligible pensioners on the General Rate for 2011-2012 have been increased from 2010-2011 and are as follows:

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 fulfill 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 section 54(f) of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, Council will provide a concession under section 55(a) of the *Local Government (Finance, Plans and Reporting) Regulation 2010* to property owners' whose land is used exclusively for the purpose of farming.

Council will remit all but one of each 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.

Allconnex Water and Wastewater Charges – Council Funded Community Service Obligations (CSOs)

With the introduction of Allconnex Water from 1 July 2010, Council will again continue to support for 2011-2012 community service obligations for Water and Wastewater charges.

Corporate Policy POL-3092 Allconnex Water and Wastewater Charges – Council Funded Community Service Obligations, establishes an interim framework for applying CSOs to Allconnex Water water and wastewater charges consistent with the previous community service obligations under the regime when Redland City Council were levying charges.

Other Matters

- All non-cash expenses, with the exception of depreciation, are fully funded by revenue to maintain the operating capability of Council. The total level of unfunded depreciation will be assessed in conjunction with the funding requirements of future capital works. During the last financial year, Council has developed and implemented eight Individual Asset and Service Management Plans. The number of plans has reduced from 26 to eight to group like minded asset classes together. Their purpose of these new plans is to provide a holistic approach to physical asset management and to assist in identifying asset maintenance, operational and capital renewal and upgrade costs for Council to provide appropriate services and service levels to the community.
- For a period of 3 years under the 'maximum standard infrastructure charges' imposed by the State Government, Council will recover through developer contributions a fixed proportion of the cost of infrastructure needed to meet growth in the City.
- Council intends to increase its operating capability to provide a high level of services to an expanding population.
- 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. 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.
- Business activity fees - Council has the power to conduct business activities and make business activity fees for services and facilities it provides on this basis. Business activity fees are made where Council provides a service and the other party to the transaction can choose whether or not to avail itself of the service. Business activity fees are a class of charge, which are purely commercial in application and are subject to the Commonwealth's Goods and Services Tax.

Business activity fees include but are not confined to the following: rents, plant hire, private works and hire of facilities.