

Budget 2017-2018



MAKE A
DIFFERENCE
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COUNT

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Mayor's Message

It gives me great pleasure to present the 2017-18 Redland City Council Budget.

This is the first Budget based on the six strategic priorities unanimously adopted by Councillors in December last year.

These six priorities form the foundations to deliver what you our community said is important to you.

The six priorities are:

1. transport and connectivity; getting our residents where they need to go faster and safer;
2. sport, education and the arts; giving our residents the foundations for a strong future, be it in the classroom, on the stage or on the sporting field;
3. economic development; giving businesses a reason to invest in our city and the confidence to employ locals;
4. planning; adopting a clearer city plan that gives both our community and the industry confidence;
5. branding identity; setting our city apart from the rest, creating civic pride and putting us on the national and international tourism map; and
6. smart cities and digital connectivity; investing in digital pathways, recognising that today's businesses can be home and cloud based that we can no longer rely on the NBN being the only solution to our digital connectivity.

These key strategic priorities are the backbone around which this Budget is built and in adopting this Budget councillors have balanced these six strategic priorities with the need to keep costs down for our community.

The result is a responsible plan that invests heavily in our City and builds on our strong foundations while minimising the cost impact on our residents.

Under this \$300 million Budget, a typical Redland household – that's a category 1a owner occupied property with a property value of about \$305,257 - will see a modest increase of just 2.73 per cent, or about \$1.43 a week including all Council controlled water consumption, rates and utility charges.

While yet again Council has been hit with cost increases from other levels of government, we continue to work hard to absorb these increases and keep costs down for our residents.

This year we will see a significant price hike in State Government controlled bulk water costs, with a 8.47 per cent jump, adding 77 cents per week to the average Redlands household based on average 200kl consumption. This year's 8.47 per cent bulk water price increase follows an increase of 9.2 per cent rise last year and more than 10 per cent the year before.

Despite these continued State Government imposed bulk water increases Council has again kept the Council-controlled water retail costs steady – helping to offset the state increases for the second consecutive year.

While Council has again tried hard to absorb these external cost increases, we cannot absorb them all. This year's Budget allows for an operating deficit of about \$11 million to ensure the rates impact on residents can be contained while still providing the services needed to keep the city moving. Our final budgeted position when you account for capital revenue and expenses is a positive net result in the order of \$25 million. Increasingly we are finding better and smarter ways of doing business that reduce our operating costs during the year and again this year we will look for efficiencies with the aim of reducing costs for our residents.

This year's Budget will also strengthen the Redlands environmental character through the launch of our One Million Native Plants initiative. Partly funded through a flat \$20 increase in the environmental levy, the planting of one million native plants across the city will provide a greener city for future generations and continue to build on Council's commitment to the local environment.

This year's Budget will see Council invest in the future of the city with a healthy \$82 million capital expenditure program focusing on improving the transport network including roads, car parks, marine transport and footpaths.

I am pleased to say this year's Budget continues to support our city's ageing population by maintaining pensioner rebates at \$335 per year for a full pensioner or \$167.50 for a part-pensioner. These are some of the most generous pensioner rebates in South East Queensland.


A feature of the 2017-18 Budget is investment in our local economy. We will invest heavily in building the capabilities of our local business community through our Economic Development Advisory Board, continuing the journey we have taken with local businesses for many years now.

The Budget at a glance:

- A typical Redland household (category 1a with a property value of about \$305,257) will see a modest increase of just 2.73 per cent, excluding the State Government's bulk water charge and Emergency Management Levy.
- The increased State bulk water charge equates to about 77 cents a week, taking the total average bill increase to about \$2.20 a week. The increase in the State's Emergency Management levy will add a further 14 cents per week.
- A capital plan of \$82 million.
- New borrowings less than 1 per cent of cash funding.
- No increase in Council's retail water costs to help offset the State Government bulk water cost increase of 8.47 per cent.
- A predicted operating deficit of \$11.1 million in 2017-18.
- Pensioner rebate maintained at \$335 per year for a full pensioner or \$167.50 for a part-pensioner.
- Environment levy increases by \$20 to help fund Council's "One Million Native Plants" project.

We continue to manage ratepayers' money responsibly and this year's Budget allows Redland City Council to maintain among the lowest local government debt levels in South East Queensland as well as providing the reassurance that comes with having cash reserves to respond to unforeseen emergencies.

Respecting the city's money is engrained in how Council delivers for the community. We will continue to look for efficiencies and ways to be smarter with how we serve the city. These efficiencies and the investment in the city outlined in this year's Budget will provide the foundations for a prosperous and vibrant city, now and in the future.



Councillor Karen Williams
Mayor of Redland City

Elected Members



Mayor

Cr Karen Williams

Deputy Mayor

Div 1

Cr Wendy Boglary



Div 2

Cr Peter Mitchell



Div 3

Cr Paul Gollè



Div 10

Cr Paul Bishop



Div 9

Cr Paul Gleeson



Div 8

Cr Tracey Huges



Div 7

Cr Murray Elliott



Div 6

Cr Julie Talty



Div 4

Cr Lance Hewlett



Div 5

Cr Mark Edwards

Executive Leadership Team

Chief Executive Officer

Andrew Chesterman



Head of Human Resources

Amanda Daly



General Manager Infrastructure & Operations

Peter Best



Acting General Counsel

Claire Lovejoy



General Manager Community & Customer Services

Louise Rusan



Transport & Connectivity Program Manager

Andrew Ross



Chief Financial Officer

Deborah Corbett-Hall



General Manager Organisational Services

John Oberhardt

Council's Corporate Plan Outcomes

On 20 May 2015, Redland City Council ('Council') adopted its revised Corporate Plan for the five year period 2015-2020. The Corporate Plan contains the themes or 'Vision Outcomes' as communicated by the Redlands community, in the 2010-30 Community Plan. Council's current Corporate Plan identifies the following eight Vision Outcomes:

1. Healthy Natural Environment

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

2. Green Living

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

3. Embracing the Bay

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

4. Quandamooka Country

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

5. Wise Planning and Design

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

6. Supportive and Vibrant Economy

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

7. Strong and Connected Communities

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

8. Inclusive and Ethical Governance

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

Council's 2017-2018 budget supports the 2015-2020 Corporate Plan and identified strategic priorities in delivering services, programs and facilities to its community.



2017-2018 Annual Budget at a Glance

Capital Expenditure

\$82.05 million



Roads

\$23.64 million

- Resurfacing Program
- Green Seal Program
- Regional Road Alliance Program
- Road Upgrade Program



Infrastructure

\$10.77 million

- Indigiscapes Visitor Centre Expansion
- Aquatic Precinct Redevelopment
- Bayview Conservation Area, Redland Bay
- Bus Shelter and Seat Renewals



Open Space

\$14.39 million

- South East Thornlands Park
- Public Amenities Expansion Program
- William Ross Park
- Henry Ziegenfusz Sportsfield Improvements



Marine & Foreshore

\$14.47 million

- Macleay Island Ramp Carpark
- Russell Tce, Macleay Island Seawall & Asbestos Capping
- Revetment Wall Upgrade
- Canoe Launching Pontoon - Raby Bay Esplanade



Community and Cultural \$1.88 million

- Community Infrastructure Funds
- Libraries
- Redlands Performing Arts Centre
- Redland Art Gallery – Public art and acquisitions



Water \$1.04 million

- Meter Replacement Program
- AC Main Replacement Program
- Kinross Road Master Planned Area Network expansion
- New Water Services Mainland and SMBI



Wastewater \$7.15 million

- Point Lookout backlog sewer
- Sewerage Pump Station 35 – Birkdale Rd, Birkdale
- Pump Station Infiltration reduction
- Capalaba Wastewater Treatment Plant Bypass



Waste \$240,375

- Minor Capital Improvements
- Mobile garbage bins



Other \$8.47 million

- Fleet Replacement Program
- Asset management advancement project
- IT Asset Replacement Program
- Land actions and acquisitions

Annual Budget at a Glance

Rates and Charges

Total Council (RCC) Rates and Charges

- Average Residential owner occupied including RCC utilities and separate charges, an increase of 2.73% (excluding State Government controlled charges, i.e. bulk water and the emergency management levy)

Environment Separate Charge

- Increased by \$20.00 from \$89.08 per annum to \$109.08 per annum, this increase will primarily contribute towards Council's 'One Million Native Plants' project

Landfill Remediation Separate Charge

- Increased by \$1.10 per annum from \$40.86 to \$41.96

Waste Pricing

- Increased by \$7.00 per annum from \$349.50 to \$356.50 for standard 240L waste/240L recycling mainland bins, an increase of 2.00%
- Bay Islands standard 240L waste/240L recycling bins have increased by \$7.50 per annum from \$371.00 to \$378.50, an increase of 2.02%

Water Pricing – RCC controlled

- Water fixed access (domestic) charge remains unchanged again at \$263.60 per annum for 2017-18
- Water consumption - Variable Water Residential charge also remains unchanged for 2017-18 at \$0.59 per kilolitre

Water Pricing – State controlled

- Water consumption - State Controlled Bulk Water increased from \$2.361 per kilolitre to \$2.561 per kilolitre for 2017-18, an increase of 8.47%

Wastewater Pricing

- Average domestic wastewater charge remains unchanged at \$675.75 per annum for 2017-18

Comparative Utilities Bill for Pricing 2017-18				
Domestic Average User				
	2016-17 \$	2017-18 \$	Variance 2016-17 to 2017-18 \$	Variance 2016-17 to 2017-18 %
Water:				
Access	263.60	263.60	0.00	0.00%
Consumption (200kl):				
Bulk (State Controlled)	472.20	512.20	40.00	8.47%
Retail (RCC Controlled)	118.00	118.00	0.00	0.00%
Total Water excluding Wastewater	853.80	893.80	40.00	4.68%
Wastewater	675.75	675.75	0.00	0.00%
Refuse mainland (240L Waste/240L Recycle)	349.50	356.50	7.00	2.00%
TOTAL UTILITY CHARGES	1,879.05	1,926.05	47.00	2.50%

Annual Budget at a Glance

Key Budget Points

Economic Development

General rate increases for commercial properties support economic development and business growth through:

- master planning of key precincts;
- incentives/stimulus packages;
- trade and investment attraction; and
- development and implementation of action plans for key industry sectors identified in the Redland City Economic Development Framework 2014-2041.

Debt

- Whilst cash balances remain above the target range (greater than 3 months), Council will use existing surplus funds and only borrow when necessary for intergenerational capital projects
- Council's long-term financial forecast is estimating limited new loans over the next ten financial years
- Council continues to repay the principal portion of its debt annually in advance, which will result in the loans being repaid approximately one year earlier
- From the end of 2017-18 Council's debt is projected to be \$41.2 million with a weighted repayment term of just 5.88 years (as outlined in the [ten year loan schedule](#) as part of the debt policy) based on current book values, interest rates and new loan assumptions

Investments

- Council is looking to get higher returns on its investments whilst still ensuring the capital is guaranteed
- Council follows an active investments management strategy and continues to monitor the community's cash on a daily basis to realise the highest possible rate of return

Constrained Cash Reserves

- Council has collected rates, utilities and other revenue streams each financial year and has ring-fenced these monies for particular purposes
- Council plans to utilise the reserves before increasing debt on the community's balance sheet and has also committed to conducting an annual review of the constrained reserves to ensure the purpose of each reserve is still current and in the interest and requirements of the community

Asset Management

- Capital expenditure will be prioritised towards asset renewals before asset upgrades or the creation of new assets
- The asset sustainability ratio indicates that Council is clearly able to fund identified asset renewal requirements through depreciation charges. Council remains committed to funding all asset renewal requirements and moving this long-term measure upwards towards the target zone
- Council is moving towards including additional indicators to provide a more balanced view of the asset management financial position

Redlands Rates Comparison from 2016-2017 to 2017-2018

Section 169(6) of the *Local Government Regulation 2012* requires the disclosure of the following information in Council's annual budget: *The budget must include the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year, compared with the rates and utility charges levied in the previous budget.*

The total increase in the rates and charges levied for the 2017-18 budget compared with the rates and utility charges levied in the 2016-17 budget is 5.68%. This includes increases in growth (1.72%) and prices (3.96%). Of note, the State Government Bulk Water Charge is set to increase by 8.47% in 2017-18, and this accounts for 1.1% of the increase in budgeted rates and utility charges.

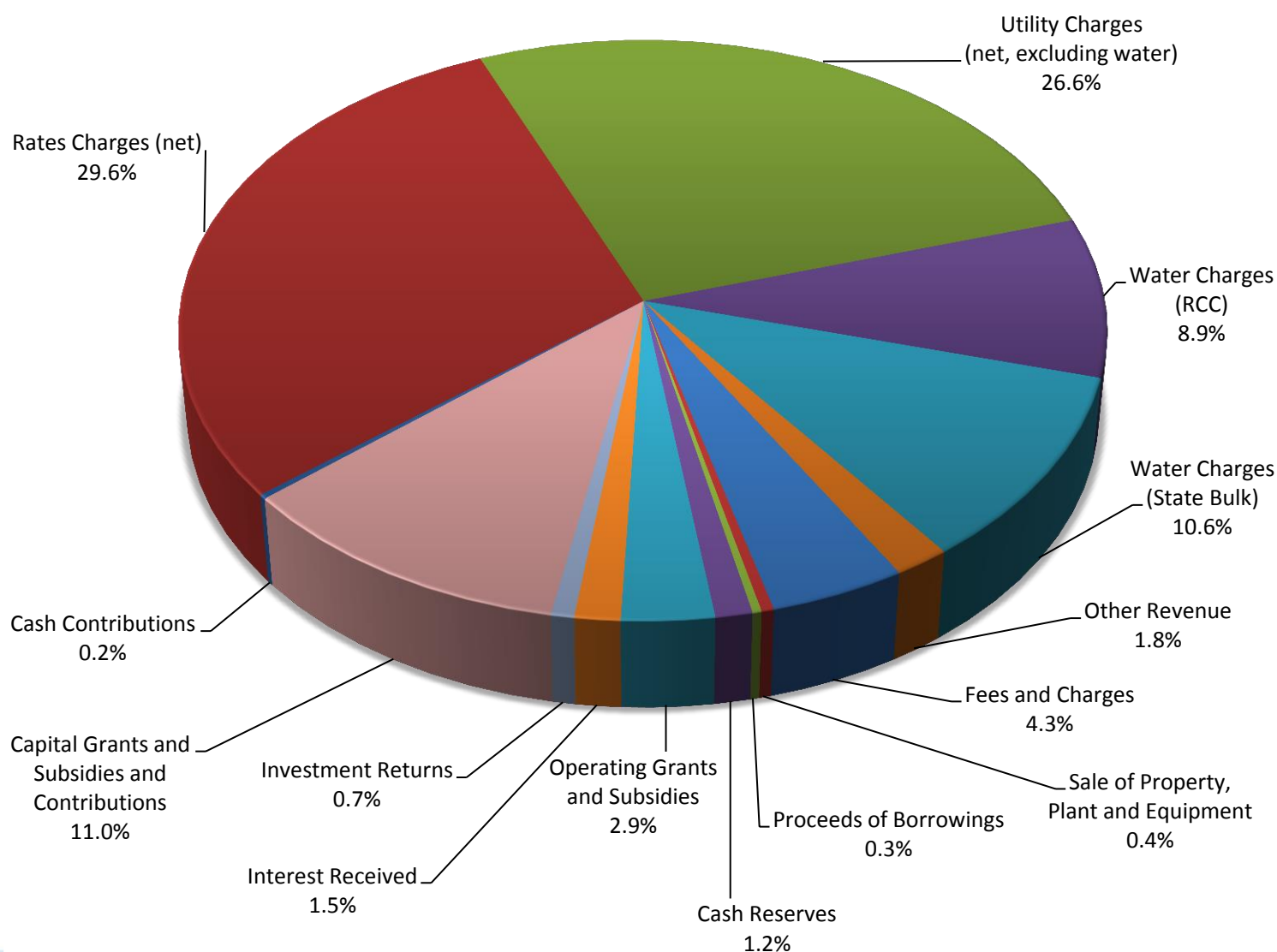
Financial Budget Overview 2017-2018

Where does the money come from?

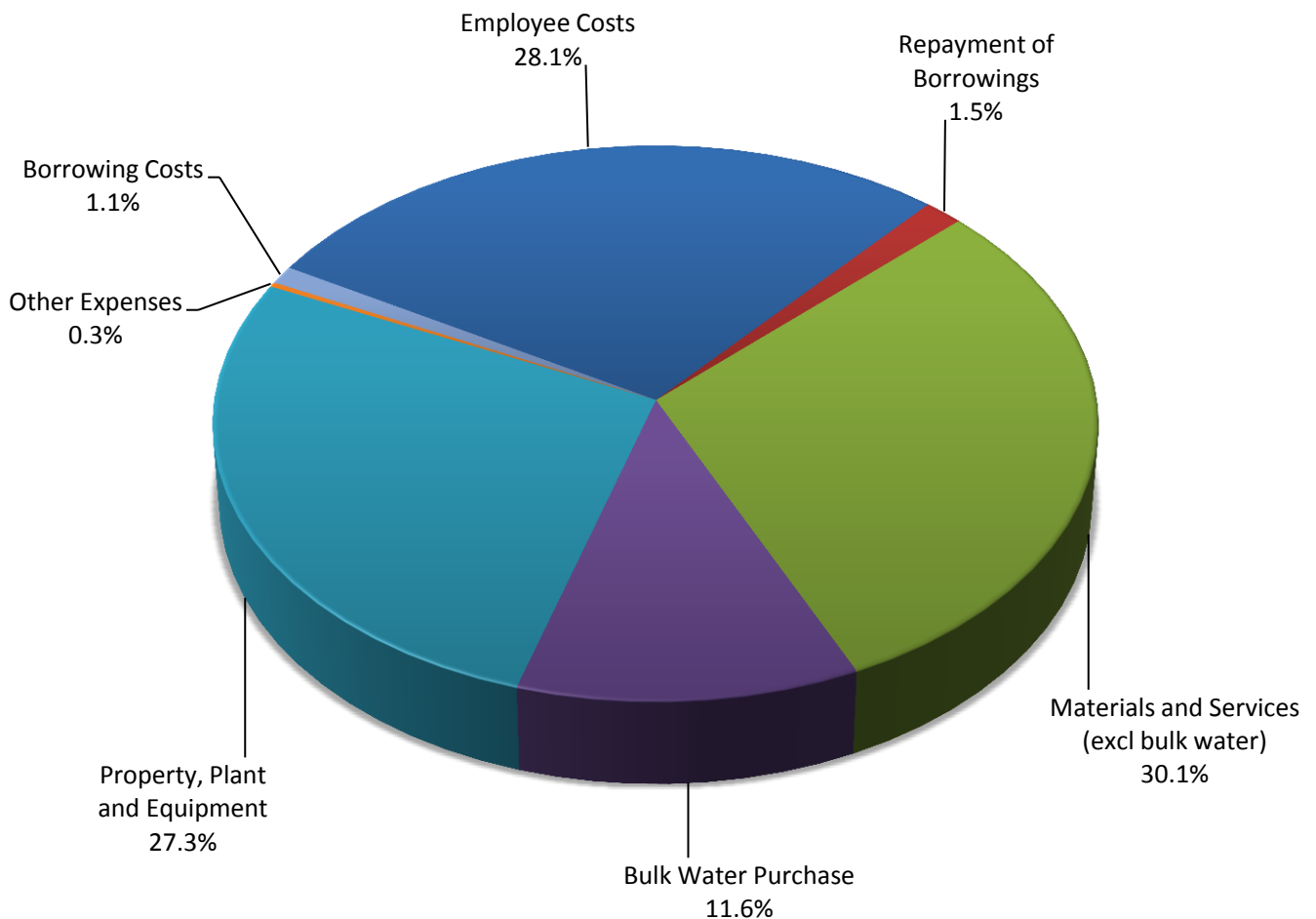
Redland City Council's cash funding originates from a range of sources, with general rate charges at 29.6%, and the majority generated from utility charges at a total of 46.1%; comprising of 10.6% State Bulk Water charges, 8.9% RCC water charges, and the remaining 26.6% is net utility charges excluding water. Council monitors its key performance indicator 'level of dependence on general rate revenue' which demonstrates the reliance on general rates.

Capital and operating grants, subsidies and contributions are forecast to provide 14% of cash funding and this revenue assists Council in delivering a variety of capital programs and various operational maintenance activities. Additionally, fees and charges from the issue of permits and consideration of applications and community related services contribute to approximately 4.3% of the funds.

Budget 2017-18 Cash Funding (\$300M)



Budget 2017-18 Cash Expenditure (\$300M)



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

Council's Financial Strategy includes the outcomes of a ten year financial model that has subsequently been updated to align to Budget 2017-18 and provide a more recent long-term financial forecast. The following policies have also been updated for the 2017-18 financial year: Debt, Investment, Revenue, Constrained Cash Reserves and Application of Dividends and Tax Equivalent Payments to provide Council with a framework to ensure long-term financial and infrastructure sustainability for the community.

Budgeted Financial Statements

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

Financial Budget Summary

	Budget 2017-18 Year 1 \$000s	Estimate 2018-19 Year 2 \$000s	Estimate 2019-20 Year 3 \$000s
Revenue from Operating Activities	261,639	274,066	285,838
Expenses from Operating Activities	269,663	269,354	281,414
Finance Costs	3,112	2,773	2,837
Result from Operating Activities	(11,136)	1,939	1,586
Capital Revenue	36,226	39,947	39,498
Capital Expenses	289	(108)	138
Total Change in Community Equity	24,801	41,994	40,946

Key Balance Sheet Items

The budgeted assets and liabilities are reflective of the actual opening balances as at 1 July 2016, except where items have been specifically budgeted to the balance sheet, such as cash and cash equivalents, borrowings and property, plant and equipment. Budgeted balances for all other line items do not necessarily reflect actual movements during 2016-17. Finalised and audited opening balances as at 1 July 2017 will be reflected in the first budget review for 2017-18.

	Budget 2017-18 Year 1 \$000s	Estimate 2018-19 Year 2 \$000s	Estimate 2019-20 Year 3 \$000s
Total Assets	2,658,064	2,695,523	2,738,443
Total Liabilities	89,811	85,275	87,249
Net Community Assets	2,568,254	2,610,248	2,651,194
Total Cash at Year End	133,650	123,736	123,919
Total Debt at Year End	41,162	44,478	45,340

Redland City Council – Statement of Comprehensive Income ¹

The statement below outlines the financial performance and results of operations.

	Budget Year 1 2017-18 \$000s	Estimate Year 2 2018-19 \$000s	Estimate Year 3 2019-20 \$000s
Recurrent revenue			
Rates, levies and charges	227,186	239,109	249,111
Fees and charges	13,048	13,882	14,770
Rental income	839	864	890
Interest received	4,361	4,062	4,346
Investment returns*	2,200	2,500	2,625
Sales revenue	3,823	3,938	4,056
Other income	684	705	726
Grants, subsidies and contributions ²	9,497	9,005	9,315
Total recurrent revenue	261,639	274,066	285,838
Capital revenue			
Grants, subsidies and contributions ³	33,013	36,738	36,219
Non-cash contributions ⁴	3,213	3,209	3,279
Total capital revenue	36,226	39,947	39,498
TOTAL INCOME	297,865	314,013	325,336
Recurrent expenses			
Employee benefits	85,677	86,035	88,153
Materials and services	125,787	122,642	129,656
Finance costs	3,112	2,773	2,837
Depreciation and amortisation	58,200	60,676	63,606
Total recurrent expenses	272,775	272,127	284,252
Capital expenses			
(Gain) / Loss on disposal of non-current assets	289	(108)	138
Total capital expenses	289	(108)	138
TOTAL EXPENSES	273,064	272,018	284,390
NET RESULT	24,801	41,994	40,946
Other comprehensive income / (loss)			
Items that will not be reclassified to a net result			
Revaluation of property, plant and equipment	-	-	-
TOTAL COMPREHENSIVE INCOME	24,801	41,994	40,946

Please refer to the Redland Water and RedWaste operating and capital funding statements on pages 23 to 27 for the estimated costs of Council's commercial business activities. The costs are included in the above RCC statements although are broken out for transparency as part of full operating and capital funding statements for these commercial businesses.

1. The Local Government Regulation 2012 requires a Statement of Income and Expenditure. Council has adopted the Statement of Comprehensive Income (SOCl) to ensure comparability with our Annual Report. The SOCl contains all appropriate revenues and expenditures, the naming convention has no material impact on the financial outputs and serves the intended purpose.
2. Recurrent grants, subsidies and contributions includes contributions from developers as outlined in the Operating Statement on page 20.
3. Capital grants, subsidies and contributions includes contributions from developers as outlined in the Capital Funding Statement on page 21.
4. Non-cash contributions are contributions from developers as outlined in the Capital Funding Statement on page 21.

* Investment returns are the planned dividends from Redland City Council's wholly owned subsidiary, Redland Investment Corporation.

Redland City Council – Statement of Financial Position

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

	Budget Year 1 2017-18 \$000s	Estimate Year 2 2018-19 \$000s	Estimate Year 3 2019-20 \$000s
CURRENT ASSETS			
Cash and cash equivalents	133,650	123,736	123,919
Trade and other receivables	25,805	21,987	22,858
Inventories	678	678	678
Non-current assets held for sale	4,278	4,278	4,278
Other current assets	2,122	2,122	2,122
Total current assets	166,533	152,802	153,856
NON-CURRENT ASSETS			
Investment property	1,054	1,054	1,054
Property, plant and equipment	2,483,228	2,535,071	2,576,424
Intangible assets	1,215	563	1,075
Other financial assets	73	73	73
Investment in other entities	5,961	5,961	5,961
Total non-current assets	2,491,531	2,542,721	2,584,587
TOTAL ASSETS	2,658,064	2,695,523	2,738,443
CURRENT LIABILITIES			
Trade and other payables	21,411	13,059	13,672
Borrowings	7,701	5,675	6,441
Provisions	13,126	10,540	10,795
Other current liabilities	1,755	1,807	1,861
Total current liabilities	43,993	31,081	32,768
NON-CURRENT LIABILITIES			
Borrowings	33,461	38,803	38,899
Provisions	12,356	15,390	15,581
Total non-current liabilities	45,817	54,193	54,481
TOTAL LIABILITIES	89,811	85,275	87,249
NET COMMUNITY ASSETS	2,568,254	2,610,248	2,651,194
COMMUNITY EQUITY			
Asset revaluation surplus	963,349	963,349	963,349
Retained surplus	1,498,727	1,545,158	1,577,003
Constrained cash reserves	106,178	101,741	110,843
TOTAL COMMUNITY EQUITY	2,568,254	2,610,248	2,651,194

Redland City Council – Statement of Cash Flows

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

	Budget Year 1 2017-18 \$000s	Estimate Year 2 2018-19 \$000s	Estimate Year 3 2019-20 \$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	244,741	261,201	267,704
Payments to suppliers and employees	(210,402)	(216,785)	(216,959)
	34,340	44,416	50,745
Interest received	4,361	4,062	4,346
Rental income	839	877	888
Non-capital grants and contributions	9,547	9,134	9,291
Borrowing costs	(3,175)	(2,461)	(2,516)
Other cash flows from operating activities	-	-	-
Net cash inflow from operating activities	45,912	56,028	62,754
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	(82,005)	(109,825)	(103,282)
Payments for intangible assets	(45)	(300)	(380)
Proceeds from sale of property, plant and equipment	1,180	1,577	1,330
Capital grants, subsidies and contributions	33,013	36,738	36,219
Other cash flows from investing activities*	2,200	2,553	2,679
Net cash outflow from investing activities	(45,656)	(69,258)	(63,433)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings	867	8,726	6,532
Repayment of borrowings	(4,644)	(5,410)	(5,670)
Net cash inflow / (outflow) from financing activities	(3,777)	3,316	862
Net increase / (decrease) in cash held and cash equivalents	(3,521)	(9,914)	183
Cash and cash equivalents at the beginning of year	137,171	133,650	123,736
Cash and cash equivalents at the end of the financial year	133,650	123,736	123,919

*Other cashflows from investing activities are the planned dividends from Redland City Council's wholly owned subsidiary, Redland Investment Corporation.

Redland City Council – Statement of Changes in Equity

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

	Asset Revaluation Surplus \$000s	Retained Surplus \$000s	Constrained Cash Reserves \$000s	Total Community Equity \$000s
Balance as at 1 July 2017	963,349	1,479,834	100,269	2,543,452
Net result	-	24,801	-	24,801
Total comprehensive income for the year	-	24,801	-	24,801
Transfers to and from reserves:				
Transfers to Reserves	-	(42,961)	42,961	-
Transfers from Reserves	-	37,053	(37,053)	-
Total transfers to and from reserves	-	(5,908)	5,908	-
Balance as at 30 June 2018	963,349	1,498,727	106,178	2,568,254

	Asset Revaluation Surplus \$000s	Retained Surplus \$000s	Constrained Cash Reserves \$000s	Total Community Equity \$000s
Balance as at 1 July 2018	963,349	1,498,727	106,178	2,568,254
Net result	-	41,994	-	41,994
Total comprehensive income for the year	-	41,994	-	41,994
Transfers to and from reserves:				
Transfers to Reserves	-	(43,495)	43,495	-
Transfers from Reserves	-	47,932	(47,932)	-
Total transfers to and from reserves	-	4,437	(4,437)	-
Balance as at 30 June 2019	963,349	1,545,158	101,741	2,610,248

	Asset Revaluation Surplus \$000s	Retained Surplus \$000s	Constrained Cash Reserves \$000s	Total Community Equity \$000s
Balance as at 1 July 2019	963,349	1,545,158	101,741	2,610,248
Net result	-	40,946	-	40,946
Total comprehensive income for the year	-	40,946	-	40,946
Transfers to and from reserves:				
Transfers to Reserves	-	(44,700)	44,700	-
Transfers from Reserves	-	35,598	(35,598)	-
Total transfers to and from reserves	-	(9,102)	9,102	-
Balance as at 30 June 2020	963,349	1,577,003	110,843	2,651,194

Redland City Council – Operating Statement

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

	Budget Year 1 2017-18 \$000s	Estimate Year 2 2018-19 \$000s	Estimate Year 3 2019-20 \$000s
Revenue			
Rates charges	91,688	98,631	103,471
Levies and utility charges	138,824	143,999	149,306
<i>Less: Pensioner remissions and rebates</i>	(3,325)	(3,521)	(3,666)
Fees and charges	13,048	13,882	14,770
Operating grants and subsidies	8,795	8,278	8,561
Operating contributions and donations ¹	702	727	753
Interest external	4,361	4,062	4,346
Investment returns*	2,200	2,500	2,625
Other revenue	5,347	5,507	5,672
Total revenue	261,639	274,066	285,838
Expenses			
Employee benefits	85,677	86,035	88,153
Materials and services	126,040	122,934	129,988
Finance costs other	303	312	321
Other expenditure	489	482	475
Net internal costs	(741)	(774)	(807)
Total expenses	211,767	208,990	218,130
Earnings before interest, tax and depreciation (EBITD)	49,872	65,076	67,708
Interest expense	2,809	2,461	2,516
Depreciation and amortisation	58,200	60,676	63,606
OPERATING SURPLUS / (DEFICIT)	(11,136)	1,939	1,586

Please refer to the Redland Water and RedWaste operating and capital funding statements on pages 23 to 27 for the estimated costs of Council's commercial business activities. The costs are included in the above RCC statements although are broken out for transparency as part of full operating and capital funding statements for these commercial businesses.

1. Operating contributions and donations includes contributions from developers: \$121K in 2017-18, \$126K in 2018-19 and \$130K in 2019-20.

*Investment returns are the planned dividends from Redland City Council's wholly owned subsidiary, Redland Investment Corporation.

Redland City Council – Capital Funding Statement

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

	Budget Year 1 2017-18 \$000s	Estimate Year 2 2018-19 \$000s	Estimate Year 3 2019-20 \$000s
Proposed sources of capital funding			
Capital contributions and donations ¹	29,250	31,090	32,611
Capital grants and subsidies	3,763	5,648	3,608
Proceeds on disposal of non-current assets	1,180	1,577	1,330
Capital transfers (to) / from reserves	(14,106)	12,265	(1,323)
Non-cash contributions ²	3,213	3,209	3,279
New loans	867	8,726	6,532
Funding from general revenue	66,106	56,230	66,573
Total sources of capital funding	90,272	118,745	112,610
Proposed application of capital funds			
Contributed assets	3,213	3,209	3,279
Capitalised goods and services	74,965	100,137	94,260
Capitalised employee costs	7,085	9,988	9,402
Loan redemption	5,010	5,410	5,670
Total application of capital funds	90,272	118,745	112,610

Redland City Council – Other Budgeted Items

	Budget 2017-18 Year 1 \$000s	Estimate 2018-19 Year 2 \$000s	Estimate 2019-20 Year 3 \$000s
Other budgeted items			
Transfers to constrained operating reserves	(13,268)	(12,581)	(13,013)
Transfers from constrained operating reserves	11,565	11,266	11,911
Written down value (WDV) of assets disposed	1,468	1,468	1,468

Please refer to the Redland Water and Redwaste operating and capital funding statements on pages 23 to 27 for the estimated costs of Council's commercial business activities. The costs are included in the above RCC statements although are broken out for transparency as part of full operating and capital funding statements for these commercial businesses.

1. Capital contributions and donations are cash contributions from developers
2. Non-cash contributions are developer contributed assets

Financial Stability Ratios and Measures of Sustainability Overview

Council's ten year financial forecast is frequently updated to reflect changes to policy direction, budget review movements and market influences. The figures below are reflecting assumptions, parameters and indices as agreed for 2017-18 budget development and as in previous years are subject to change following budget adoption.

A definition of each of the ratios is given in the [Glossary - Key Performance Indicators](#) on page 66.

Redland City Council	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Operating Surplus Ratio Target between 0% and 10% (on average over the long-term)	-4.26%	0.71%	0.56%	0.55%	1.41%	2.32%	2.84%	3.93%	4.26%	6.85%
Asset Sustainability Ratio (Infrastructure Assets Only) Greater than 90% (on average over the long-term)	59.25%	80.19%	71.10%	49.63%	52.80%	52.69%	53.68%	43.20%	40.40%	39.77%
Net Financial Liabilities Ratio Less than 60% (on average over the long-term)*	-29.32%	-24.64%	-23.30%	-30.40%	-37.79%	-46.79%	-61.57%	-79.16%	-98.50%	-118.27%

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

Redland City Council	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Level of dependence on General Rate Revenue (Excludes utility revenues and discounts) - Threshold set < 37.5%	33.93%	34.86%	35.07%	35.36%	35.87%	36.22%	36.55%	36.76%	37.03%	37.12%
Ability to pay our bills - Current Ratio Target between 1.1 and 4.1**	3.79	4.92	4.70	5.00	5.39	6.83	8.30	10.01	12.51	15.26
Ability to repay our debt - Debt Servicing Ratio (%) Target less than or equal to 10%	2.99%	2.87%	2.86%	2.97%	2.99%	2.84%	1.25%	1.20%	1.15%	0.57%
Cash Balances - \$ 000s Target greater than or equal to \$50M	133,650	123,736	123,919	141,390	160,029	185,683	237,907	304,657	381,702	467,491
Cash Balances - cash capacity in months Target greater than 3 months	7.51	6.77	6.78	7.49	8.27	9.33	11.57	14.32	17.11	20.53
Longer term financial stability - debt to asset ratio (%) Target less than or equal to 10%	1.55%	1.65%	1.66%	1.40%	1.12%	0.83%	0.71%	0.59%	0.47%	0.41%
Operating Performance Target greater than or equal to 15%	17.69%	20.35%	22.24%	22.87%	23.69%	24.46%	24.90%	25.51%	25.02%	26.49%
Interest Coverage Ratio Target less than 5%***	-0.59%	-0.58%	-0.64%	-1.06%	-1.42%	-1.81%	-2.06%	-2.61%	-2.95%	-3.53%

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

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

Cash balances remain high and significant revenue streams are budgeted in the investing space where previously this would have been classified as operating cash flows.

Business Units Subject to the Code of Competitive Conduct

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

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

Redland Water Operating Statement

	Budget Year 1 2017-18 \$000s	Estimate Year 2 2018-19 \$000s	Estimate Year 3 2019-20 \$000s
Revenue			
Levies and utility charges	102,260	105,840	109,483
<i>Less: Pensioner remissions and rebates</i>	(407)	(419)	(432)
Fees and charges	350	359	368
Operating grants and subsidies	-	-	-
Operating contributions and donations	-	-	-
Interest external	471	471	471
Community service obligation	407	419	432
Other revenue	2,066	2,118	2,173
Total revenue	105,147	108,787	112,495
Expenses			
Employee benefits	8,200	8,499	8,809
Materials and services	48,056	51,640	55,302
Finance costs other	-	-	-
Other expenditure	-	-	-
Net internal costs	3,432	3,559	3,692
Total expenses	59,688	63,698	67,803
Earnings before interest, tax and depreciation (EBITD)	45,459	45,089	44,691
Interest expense	-	-	-
Internal interest	18,265	18,265	18,265
Depreciation and amortisation	18,457	19,040	19,734
OPERATING SURPLUS / (DEFICIT)	8,737	7,784	6,693

Redland Water Capital Funding Statement

	Budget Year 1 2017-18 \$000s	Estimate Year 2 2018-19 \$000s	Estimate Year 3 2019-20 \$000s
Proposed sources of capital funding			
Capital contributions and donations	6,355	6,514	6,677
Capital grants and subsidies	276	-	-
Proceeds on disposal of non-current assets	-	-	-
Capital transfers (to) / from reserves	(3,120)	(2,608)	(750)
Non-cash contributions	3,131	3,209	3,279
New loans	-	-	-
Funding from general revenue	4,675	7,639	5,313
Total sources of capital funding	11,316	14,754	14,519
Proposed application of capital funds			
Contributed assets	3,131	3,209	3,279
Capitalised goods & services	7,891	11,249	10,945
Capitalised employee costs	295	295	295
Loan redemption	-	-	-
Total application of capital funds	11,316	14,754	14,519
Other budgeted items			
Transfers to constrained operating reserves	-	-	-
Transfers from constrained operating reserves	-	-	-
Written down value (WDV) of assets disposed	-	-	-
Income tax	3,542	3,354	3,192
Dividend	11,395	10,789	10,270

Redland Water Community Service Obligations (CSOs)

Job Name	Description of the nature of the CSO	Budget Year 1 2017-18 \$000s	Estimate Year 2 2018-19 \$000s	Estimate Year 3 2019-20 \$000s
Water concession not for profit	Reduced charges for water for charities and not for profit organisations	176	181	187
Wastewater concession not for profit	Reduced charges for wastewater for charities and not for profit organisations	231	238	245
		407	419	432

RedWaste Operating Statement

	Budget Year 1 2017-18 \$000s	Estimate Year 2 2018-19 \$000s	Estimate Year 3 2019-20 \$000s
Revenue			
Levies and utility charges	21,663	22,610	23,598
<i>Less: Pensioner remissions and rebates</i>	-	-	-
Fees and charges	440	468	498
Operating grants and subsidies	-	-	-
Operating contributions and donations	-	-	-
Interest external	61	63	65
Community service obligation	1,399	1,441	1,484
Other revenue	969	998	1,028
Total revenue	24,532	25,579	26,672
Expenses			
Employee benefits	1,588	1,628	1,669
Materials and services	15,485	15,949	16,428
Finance costs other	1	1	1
Other expenditure	-	-	-
Net internal costs	406	418	431
Total expenses	17,480	17,996	18,528
Earnings before interest, tax and depreciation (EBITD)	7,052	7,583	8,145
Interest expense	33	34	35
Internal interest	-	-	-
Depreciation and amortisation	307	316	326
OPERATING SURPLUS / (DEFICIT)	6,712	7,233	7,784

RedWaste Capital Funding Statement

	Budget Year 1 2017-18 \$000s	Estimate Year 2 2018-19 \$000s	Estimate Year 3 2019-20 \$000s
Proposed sources of capital funding			
Capital contributions and donations	-	-	-
Capital grants and subsidies	-	-	-
Proceeds on disposal of non-current assets	-	-	-
Capital Transfer (to) / from Reserves	-	-	-
Non-cash contributions	-	-	-
New loans	-	-	-
Funding from general revenue	317	327	337
Total sources of capital funding	317	327	337
Proposed application of capital funds			
Contributed assets	-	-	-
Capitalised goods & services	240	248	255
Capitalised employee costs	-	-	-
Loan redemption	77	79	81
Total application of capital funds	317	327	337
Other budgeted items			
Transfers to constrained operating reserves	-	-	-
Transfers from constrained operating reserves	-	-	-
Written down value (WDV) of assets disposed	-	-	-
Income tax	2,050	2,112	2,175
Dividend	2,328	2,398	2,470

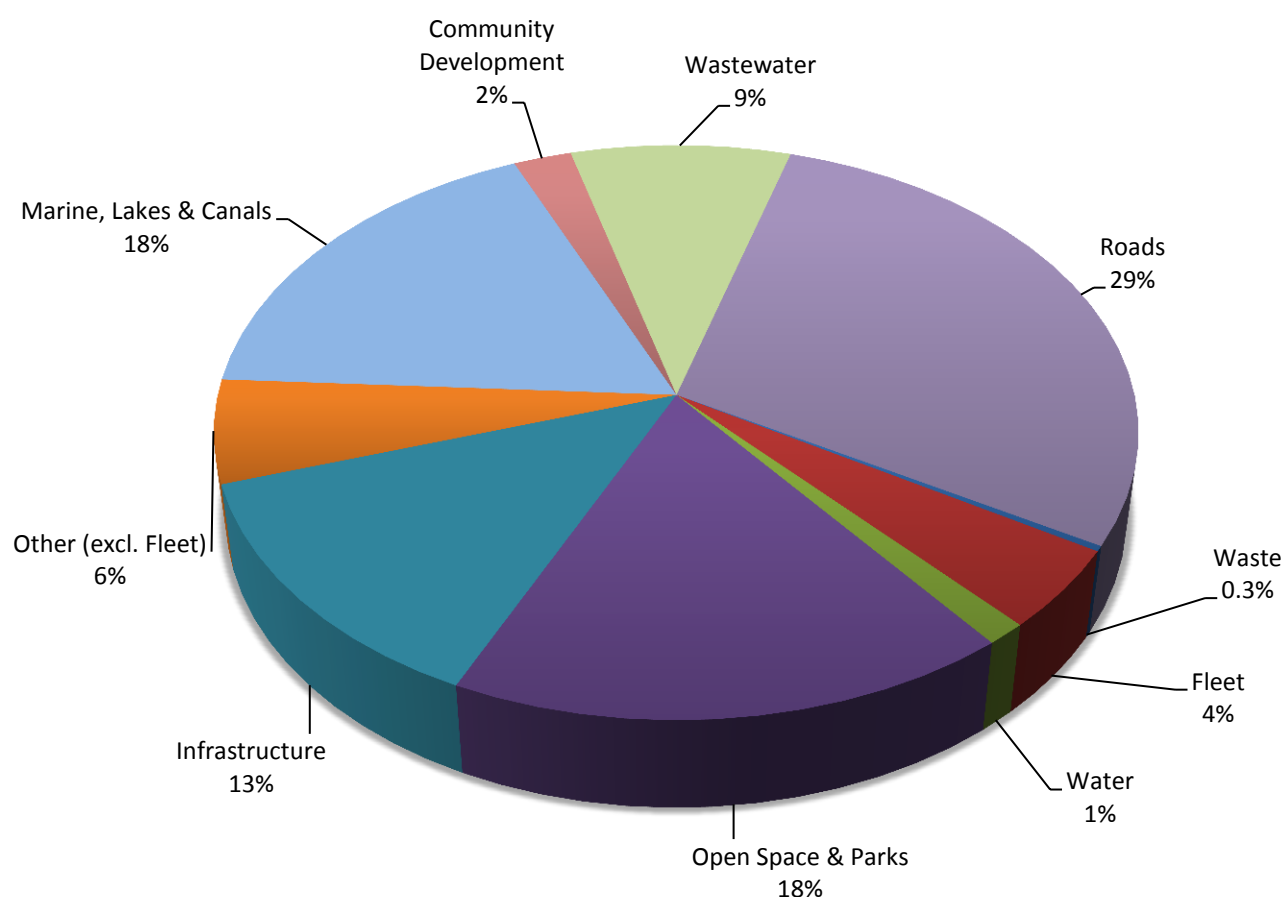
RedWaste Community Service Obligations (CSOs)

Job Name	Description of the nature of the CSO	Budget Year 1 2017-18 \$000s	Estimate Year 2 2018-19 \$000s	Estimate Year 3 2019-20 \$000s
Clean Up Australia Day	Acceptance of Clean Up Australia Day waste at transfer stations, provision of bulk waste bins and waste disposal for clean-up sites.	1	1	1
Mainland transfer stations	Acceptance of residential waste and commercial greenwaste originating from island transfer stations (not accepted on island), including waste disposal and management costs.	35	36	37
Island transfer stations	Acceptance of residential waste and commercial greenwaste at island transfer stations, including waste disposal and management costs.	1,294	1,333	1,373
Kerbside Recycling/Waste Collection	Subsidisation of collection costs for properties requiring manual collection to support the elderly or people with disabilities.	68	70	72
		1,399	1,441	1,484

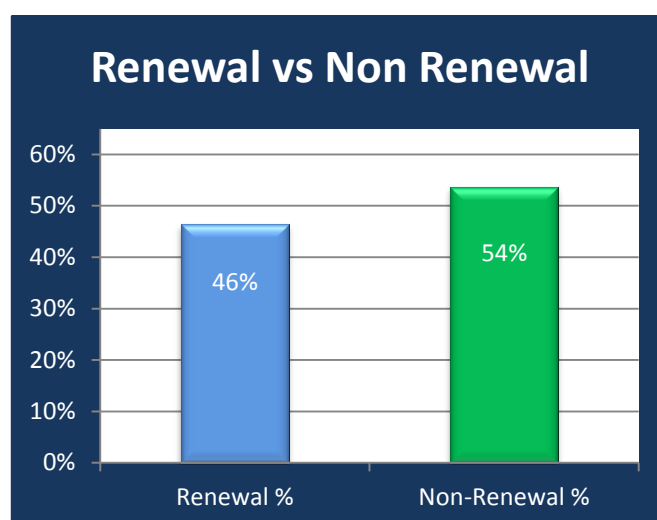
Capital Expenditure 2017-2018

Total \$82.05M (excluding contributed assets)

Council reviewed its latest 10 year capital program throughout the 2017-18 budget development process, ensuring its sustainability and deliverability. As per previous years, financial and asset sustainability were the focus of the capital program, with Council considering renewal of existing assets more favourably than the purchase of new assets. New assets not only impact on capital expenditure but also bring associated whole of life operating and maintenance costs with them. Key factors in the construction of the capital expenditure program are deliverability and community desire. A total of \$82.05M has been planned for capital works in 2017-18.



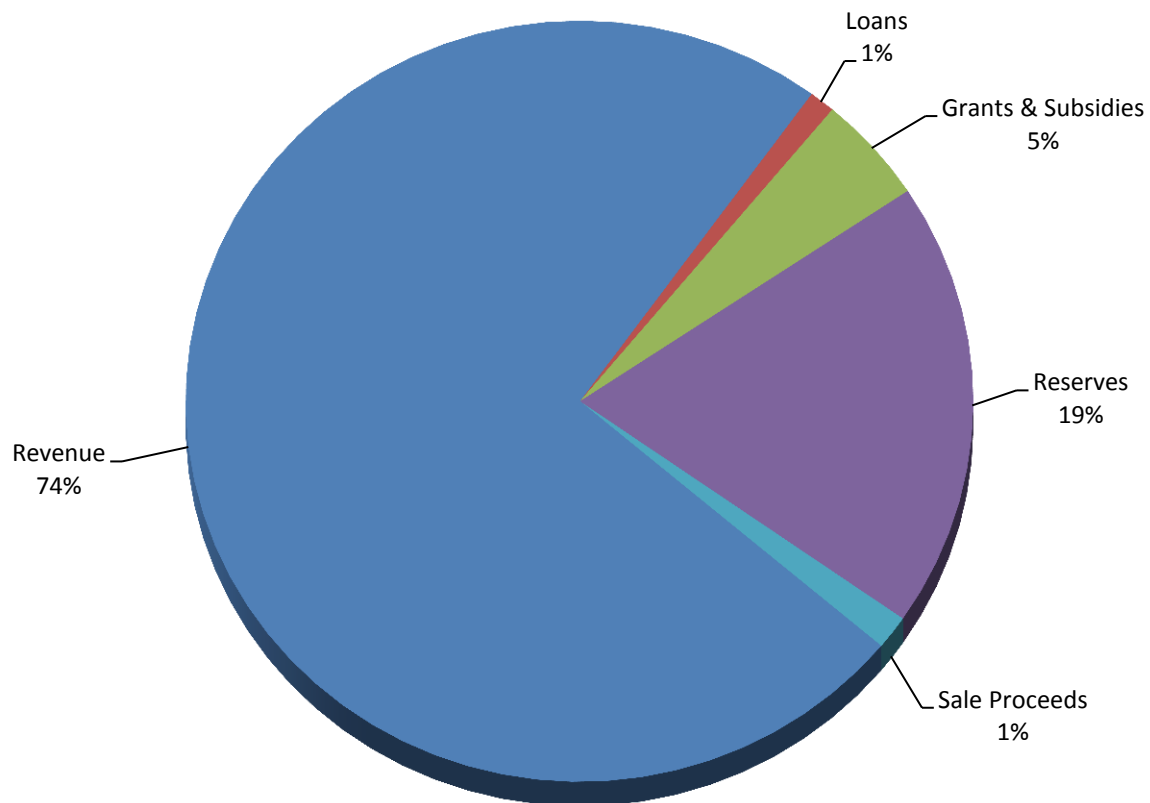
Category	Amount \$000s	2017-18 %
Roads	23,638	28.81%
Marine, Lakes & Canals	14,467	17.63%
Open Space & Parks	14,394	17.54%
Infrastructure	10,771	13.13%
Wastewater	7,151	8.72%
Other (excl. Fleet)	4,757	5.80%
Fleet	3,714	4.53%
Community Development	1,882	2.29%
Water	1,035	1.26%
Waste	240	0.29%
Total	82,050	100.00%



Capital Expenditure Funding Sources 2017-2018

Total \$82.05M (excluding contributed assets)

The sources of Capital Expenditure funding are shown below:



Source of Funding	Amount \$000s	2017-18 %
Other Revenue	60,653	73.92%
Reserves	15,587	19.00%
Grants & Subsidies	3,763	4.59%
Sale Proceeds	1,180	1.44%
Loans	867	1.05%
Total	82,050	100.00%

Capital Works 2017-2018

The capital works program for 2017-18 has been constructed to address the priorities of the 2015-2020 Corporate Plan, as well as the outputs from the Asset and Service Management Plans. These plans have ensured Council focuses on renewing and maintaining assets to provide financial and asset sustainability to the community.

Additionally, the program also includes capital investment into Council's technology and capability that will assist in the delivery and maintenance of the infrastructure throughout the City. The overall expenditure on capital works is budgeted to be \$82.05M for 2017-18 and is listed below by category of expenditure.

Works Program	\$
Libraries	1,160,107
Public Art and Redlands Performing Arts Centre (RPAC)	721,753
Community and Cultural Development	1,881,860
Transport (footpaths, bikeways, carparks, bus stops/shelters)	6,539,887
Buildings	3,691,158
Stormwater	540,300
Infrastructure	10,771,345
Marine SMBI, NSI and Mainland and Foreshore Protection	10,303,175
Lake and Canal Estates	4,164,101
Marine and Foreshore	14,467,276
Infrastructure - Open Space	7,251,380
Parks and Conservation	7,142,797
Open Space Infrastructure, Parks and Conservation	14,394,177
Fleet Replacement	3,714,452
Information Management Replacements, Upgrades and Projects	2,818,710
Land Actions and Acquisitions, Project Delivery and Administrative	1,937,881
Other	8,471,043
Reseals and Resurfacing	13,580,976
Road Upgrade Programs and Intersection Safety Improvements	5,978,139
Road Reconstruction, Maintenance and Other	4,078,907
Roads	23,638,022
Wastewater Pump Stations	5,042,109
Wastewater Treatment Plants, Mains and Maintenance	2,108,638
Wastewater	7,150,747
Waste	240,375
Water	1,034,660
Grand Total	82,049,506

Long-Term Financial Forecast

As per section 169(2)(a) of the *Local Government Regulation 2012*, Council is required to display a long-term financial forecast that covers a period of at least ten years. The forecast includes Council's Income, Expenditure and the value of Council's Assets, Liabilities and Community Equity.

Year one of the forecast depicts the adopted budget for financial year 2017-18. From year two to year ten of the forecast, values have been derived from Council's Financial Strategy that works towards balancing the increase in revenue from the community to fund the replacement and renewal of assets.

	Year 1 Budget 2017-18 \$000s	Year 2 Forecast 2018-19 \$000s	Year 3 Forecast 2019-20 \$000s	Year 4 Forecast 2020-21 \$000s	Year 5 Forecast 2021-22 \$000s
Total Income	297,865	314,013	325,336	334,432	346,464
Total Expenses	273,064	272,018	284,390	296,063	303,924
Total Assets	2,658,064	2,695,523	2,738,443	2,771,364	2,807,399
Total Liabilities	89,811	85,275	87,249	81,801	75,295
Community Equity	2,568,254	2,610,248	2,651,194	2,689,563	2,732,104

	Year 6 Forecast 2022-23 \$000s	Year 7 Forecast 2023-24 \$000s	Year 8 Forecast 2024-25 \$000s	Year 9 Forecast 2025-26 \$000s	Year 10 Forecast 2026-27 \$000s
Total Income	360,067	374,400	391,990	408,524	419,721
Total Expenses	312,546	323,713	334,050	346,283	351,349
Total Assets	2,848,079	2,896,697	2,952,498	3,012,698	3,080,264
Total Liabilities	68,454	66,384	64,245	62,204	61,399
Community Equity	2,779,625	2,830,312	2,888,253	2,950,494	3,018,865

Please note that Redland City Council's ten year financial forecast is updated during the formal budget review processes and also as part of the annual budget development. The figures above are reflecting assumptions, parameters and indices as part of the 2017-18 budget development and as in previous years are subject to change following budget adoption due to the fact that Council's ten year financial forecast is a living document.

The difference between the city's assets and liabilities is Community Equity, which is estimated to be \$2.57 billion at the end of the 2017-18 financial year. Community equity continues to grow each year as the city grows and develops. The increase in community equity is largely driven by capital revenues from infrastructure charges, grants and subsidies and contributed assets.

Community equity continues to demonstrate that Council owns more than it owes. Key financial indicators including debt to asset ratio and net financial liabilities, [\(refer to page 22\)](#), also illustrate the current financial position is within the target range.

Investment Policy

POL-3013

Head of Power

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

This policy applies to Council's investment in wholly owned subsidiaries.

Policy Objective

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

Policy Statement

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

Debt Policy

POL-1838

Head of Power

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

Policy Objective

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

Policy Statement

Council is committed to:

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

Proposed Borrowings

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

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

Schedule of forecasted debt 2017-2027: Local Government Regulation 2012 section 192(2)(a)

	Budget Year 1 2017-18 \$'000	Forecast Year 2 2018-19 \$'000	Forecast Year 3 2019-20 \$'000	Forecast Year 4 2020-21 \$'000	Forecast Year 5 2021-22 \$'000	Forecast Year 6 2022-23 \$'000	Forecast Year 7 2023-24 \$'000	Forecast Year 8 2024-25 \$'000	Forecast Year 9 2025-26 \$'000	Forecast Year 10 2026-27 \$'000
Opening Balance	45,305	41,162	44,478	45,340	38,872	31,518	23,719	20,673	17,444	14,023
New Loans	867	8,726	6,532	-	-	-	-	-	-	-
Interest	2,809	2,461	2,516	2,381	1,838	1,278	1,107	925	732	652
Redemption	5,010	5,410	5,670	6,468	7,354	7,799	3,046	3,229	3,421	1,507
Closing Balance	41,162	44,478	45,340	38,872	31,518	23,719	20,673	17,444	14,023	12,516

Schedule of forecasted remaining repayment terms in years 2017-2027: Local Government Regulation 2012 section 192(2)(b)

	Budget Year 1 2017-18	Forecast Year 2 2018-19	Forecast Year 3 2019-20	Forecast Year 4 2020-21	Forecast Year 5 2021-22	Forecast Year 6 2022-23	Forecast Year 7 2023-24	Forecast Year 8 2024-25	Forecast Year 9 2025-26	Forecast Year 10 2026-27
Weighted Average (existing loans)	5.59	4.66	3.81	3.00	2.38	2.43	1.46	0.52	0.08	-
Weighted Average (incl. new loans)	5.88	7.75	9.07	9.00	9.37	10.71	10.57	10.80	11.74	11.45

Constrained Cash Reserves Policy

POL-3010

Head of Power

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

Policy Objective

To ensure Council's constrained cash reserves:

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

Policy Statement

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

Application of Dividends and Tax Equivalent Payments

POL-3117

Head of Power

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

Policy Objective

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

Policy Statement

Council:

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

Council is committed to:

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

Associated Documents

- Financial Strategy
- Annual Budget
- Annual Report
- Dividend Policy – Significant and Prescribed Business Activities (POL-0019)

Revenue Policy

POL-1837

Head of Power

According to section 104(5)(c)(iii) of the *Local Government Act 2009* (Act), the system of financial management established by Council must include a revenue policy.

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

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

Policy Objective

In accordance with section 193 of the Regulation, this Revenue Policy states:

- (1) The principles that Council intends to apply in a financial year for:
 - a) levying of rates and charges
 - b) granting concessions for rates and charges
 - c) recovering overdue rates and charges
 - d) cost-recovery methods.
- (2) The purpose for concessions that Council intends to grant for rates and charges.
- (3) The extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

This Revenue Policy also states principles that Council intends to apply in a financial year for:

- community service obligations
- applying user pays models
- raising revenue from commercial activities
- raising revenue from other external sources.

Policy Statement

(1) Principles that Council intends to apply in a financial year

General principles

Council will be guided by the following general principles in relation to matters under this Part 1.

- **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 that result in timely and optimal investment in identified priorities.

- **Fairness** — While the rating legislation requires Council to use property valuations as the basis for raising rate revenue, Council will monitor the impact of valuation changes and moderate increases where possible.
- **Differentiation of categories** — Council will apply different rates to various categories of property that will reflect the particular circumstances of the categories and Council's policy objectives related to those categories.
- **Special needs and user pays** — Council will draw from various revenue sources to fund special needs including (but not necessarily limited to):
 - separate rates or charges for whole of community programs
 - special rates or charges for recovery of costs from beneficiaries
 - utility charges for specific services based generally on usage
 - statutory fees and charges in accordance with legislation, regulation or local laws
 - commercial fees and charges where users can clearly be identified
 - where practicable recovering credit card fees through a surcharge on credit card transactions.
- **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.

(a) Principles for levying of rates and charges

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

Differential General Rates

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

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

Rating legislation requires the general rate to be calculated on the value of the land. However, Council recognises that various sections of the community impact on the delivery of, and use services, activities, and facilities differently.

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

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

Separate and Special Charges

Where it is appropriate, Council will use separate and special charges to recover the cost of the delivery of services, activities, and facilities that benefit the whole community generally, or which benefits specific rateable land or owners of such land within the community, respectively.

Utility Charges

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

- legislative requirements, including National Competition policy
- Council policy objectives
- recovery of sufficient revenue to cover costs and a return on assets
- other sources of revenue where appropriate.

(b) Granting concessions for rates and charges

Chapter 4, Part 10 of the Regulation provides Council with the powers to grant concessions to individuals and classes of land owners.

Council will be guided by its general principles for granting concessions for rates and charges.

(c) Recovering overdue rates and charges

In accordance with section 120(1)(c), 121(b) and 122(1)(b) of the Regulation, Council will continue to provide flexibility to rate payers and sundry debtors experiencing demonstrated financial hardship by entering into short to long-term concessional arrangements.

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

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

(d) Cost-recovery methods

Section 97 of the Act allows Council to set cost-recovery fees.

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 below). This is considered to be the most equitable and effective revenue approach, and is founded on the basis that the City's revenue base cannot subsidise the specific users or clients of Council's regulatory products and services.

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

Other Matters

(e) Community service obligations

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

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

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

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

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

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

- Corporate Policy POL-2592 Concealed Leaks Policy
- Corporate Policy POL-0027 Water Charge Remissions for Home Dialysis Machine Users.

(f) Applying 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, including where practicable, Council will recover credit card fees through a surcharge on credit card transactions.

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 a need to consider Community Service Obligations (CSOs) when considering this principle.

(g) Raising 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 is 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.

(h) Raising 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.

(2) Purpose of concessions for rates and charges

Council has a commitment to actively promote and apply a rebate on the General rate to all eligible pensioner owner occupiers, as defined by the Regulation, which aligns with their general principle of social conscience.

Along with this Council supports providing financial assistance through concessions on rates and charges to various charity, community and sporting organisations and independent schools where they qualify for assistance.

Pursuant to section 120 of the Regulation Council will provide a concession to ratepayers whose land is being exclusively used for the purpose of farming (primary production) to assist and encourage endurance in that particular industry. The purpose of this concession is to acknowledge the economic benefit that such an industry provides for the City as a whole.

(3) Infrastructure cost recovery

Council will levy adopted infrastructure charges for trunk infrastructure with approvals for new development. The amounts of those adopted infrastructure charges are determined by Council resolution made under the *Sustainable Planning Act 2009* or the *Planning Act 2016*.

Revenue Statement 2017-2018

Outline and Explanation of Measures Adopted for Revenue Raising

Council has developed its revenue raising for the 2017-18 budget, which includes the making of rates and charges, in accordance with its Revenue Policy.

In revenue matters Council is guided by eight general 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 that result in timely and optimal investment in identified priorities.
- **Fairness** — While the rating legislation requires Council to use property valuations as the basis for raising rate revenue, Council will monitor the impact of valuation changes and moderate increases where possible.
- **Differentiation of categories** — Council will apply different rates to various categories of property that will reflect the particular circumstances of the categories and Council's policy objectives related to those categories.
- **Special needs and user pays** — Council will draw from various revenue sources to fund special needs including (but not necessarily limited to):
 - separate rates or charges for whole of community programs
 - special rates or charges for recovery of costs from beneficiaries
 - utility charges for specific services based generally on usage
 - statutory fees and charges in accordance with legislation, regulation or local laws
 - commercial fees and charges where users can clearly be identified
 - where practicable recovering credit card fees through a surcharge on credit card transactions
- **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.

Council seeks to establish sound and sustainable financial decisions, which are under-pinned by a rigorous financial framework supported by financial modelling. Objectives specific to revenue raising considerations are:

- Recurrent (operating) revenue is sufficient to cover an efficient operating expense base including depreciation, that is, positive operational ratios.
- Adequate funding is available to provide efficient and effective core services to the community.
- Key intergenerational infrastructure and service issues are addressed, which allows any significant financial burden to be spread over a number of years and not impact adversely on current or future ratepayers.
- Continuation of good asset management to ensure that all community assets are well maintained and are fit for purpose.

For 2017-18 Council will not be making a resolution limiting the increase of any rates or charges.

Rates and Charges

Differential General Rates

Redland City Council has adopted a differential rating scheme for the 2017-18 financial year that has 14 rating categories.

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.

For the purposes of categorisation the following definitions apply:

Categorisation of Land: Following the adoption of the rating categories, Council will identify the rating category to which each parcel of rateable land belongs in accordance with section 81 of the *Local Government Regulation 2012*. Later categorisation of land for the following reasons will be determined under section 82 of the *Local Government Regulation 2012*:

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

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

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

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

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

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

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

Rating Category	Rating Category Description	Charge Code (RCC Use)	Rate in the Dollar (RID)	Multiplier	Minimum General Rate	Minimum General Rate Value Threshold
1a	Includes all rateable land: 1) used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, and is the registered owner's principal place of residence; and 2) has a value less than or equal to \$350,000.	GR20	0.00405848	1.000	\$926	\$228,164
1b	Includes all rateable land: 1) used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, and is the registered owner's principal place of residence; and 2) has a value greater than \$350,000.	GR20	0.00324681	0.800	\$1,405	\$432,732
2a	Includes all rateable land: 1) used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence; and 2) has a value less than or equal to \$350,000.	GR25	0.00490828	1.209	\$1,019	\$207,608
2b	Includes all rateable land: 1) used in whole or in part for residential purposes, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for residential purposes, that is NOT the registered owner's principal place of residence; and 2) has a value greater than \$350,000.	GR25	0.00417209	1.028	\$1,699	\$407,230
2c	Includes all vacant rateable land, other than that categorised in rating category 10.	GR12	0.00544049	1.341	\$1,048	\$192,630
6	Includes all rateable land that is used in whole or in part for a commercial or industrial purpose, or intended for use in whole or in part by virtue of its improvements or activities conducted upon the land for commercial or industrial purposes, other than that categorised in rating category 19.	GR21	0.00689942	1.700	\$1,208	\$175,087

Rating Category	Rating Category Description	Charge Code (RCC Use)	Rate in the Dollar (RID)	Multiplier	Minimum General Rate	Minimum General Rate Value Threshold
8	Includes all rateable land that is used in whole or in part for quarry or extractive industry purposes, or intended for use in whole or in part by virtue of its improvements, or activities conducted upon the land of quarry or extractive industry purposes.	GR22	0.01665879	4.105	\$2,129	\$127,800
10	Includes all rateable land that has been identified as having an insurmountable drainage constraint or a constraint of such nature that it is unlikely a development permit, or permits, for the erection of a dwelling house on the land would be granted. Includes some rateable land that has been identified as having significant conservation values. All rateable land included in this category identified with insurmountable drainage problems or conservation values is zoned Conservation Sub-Area CN1 in the Redlands Planning Scheme. This category also includes all rateable land on the Southern Moreton Bay Islands that is vacant and has been included within the Open Space zone of the Redlands Planning Scheme.	GR06	0.00892804	2.200	\$296	\$33,154
11	Includes subdivided land that is not yet developed in accordance with section 50 of the <i>Land Valuation Act 2010</i> .	GR05	0.01170202	2.883	N/a	N/a
16	One or more land parcels where self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for carrying on retail business having 20 or more self-contained places of business, one of which is a supermarket, where the cluster of businesses are promoted, or generally regarded, as a shopping centre or shopping village.	GR14	0.00892866	2.200	\$33,374	\$3,737,851
16a	Where one or more parcels of land: 1) is or are used in whole or in part for the purpose of a retail shopping centre that is located in one or more buildings – the buildings may be separated by common areas or other areas owned by the owner or a road – with a total gross lettable floor area greater than 10,000 square metres whose tenants include one or more major supermarkets, and 5 or more national retail chain stores or food outlets; and 2) has or have a value less than \$20,000,000.	GR37	0.00933451	2.300	\$76,311	\$8,175,148

Rating Category	Rating Category Description	Charge Code (RCC Use)	Rate in the Dollar (RID)	Multiplier	Minimum General Rate	Minimum General Rate Value Threshold
16b	Where one or more parcels of land: 1) is or are used in whole or in part for the purpose of a retail shopping centre that is located in one or more buildings – the buildings may be separated by common areas or other areas owned by the owner or a road – with a total gross lettable floor area greater than 10,000 square metres whose tenants include one or more major supermarkets, and 5 or more national retail chain stores or food outlets; and 2) has or have a value equal to or greater than \$20,000,000.	GR38	0.00974036	2.400	\$158,285	\$16,250,426
17	One or more land parcels where self-contained places of business are located in one or more buildings—the buildings may be separated by common areas or other areas owned by the owner or a road—and the land is used in whole or in part for carrying on retail business having 5 or more self-contained places of business, one of which is a supermarket or grocery outlet, where the cluster of businesses are promoted, or generally regarded, as constituting a shopping court or shopping centre.	GR13	0.00689942	1.700	\$2,444	\$354,233
19	One or more land parcels where two or more self-contained places of business are located in one or more buildings—the buildings are separated by common areas or other areas owned by the owner or a road—and the total land area is greater than or equal to 4,000 square metres.	GR17	0.00771112	1.900	\$4,305	\$558,285

Separate Charges

Environment Separate Charge

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

In prior years the revenue raised through the Environment Separate Charge funded both capital and operational components. Past revenues collected are currently quarantined in reserve for capital components, predominantly for land purchase, acquisition of the conservation interests in land, and the funding of ancillary facilities that support or enhance environmental outcomes. Council has determined that in 2017-18 the revenue raised through this charge will fund operational projects and activities, predominantly directed towards waterway, pest and land management, foreshore and catchment rehabilitation and maintenance, track and trail maintenance and repairs, koala habitat restoration, environmental education, strengthening stewardship of the natural environment and implementation of environment strategies and policies:

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

In the financial year 2017-18 the Environment Separate Charge will be levied in accordance with section 103 of the *Local Government Regulation 2012* and will be applied on a per lot basis and is subject to Council's Farming Concession.

Charge Code (RCC Use)	Charge	Charge Amount \$	Charge Basis
EN01	Environment Charge	109.08 per annum	Charge per lot

Landfill Remediation Separate Charge

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

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

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

Charge Code (RCC Use)	Charge	Charge Amount \$	Charge Basis
EN03	Landfill Remediation Charge	41.96 per annum	Charge per lot

Redland City SES Administration Separate Charge

Under section 4A(c) of the *Disaster Management Act 2003*, a local government is primarily responsible for managing (disaster) events in their local government area.

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

Council has determined the community in general will benefit from improved governance and proactive management of SES resources through the engagement of a full-time Senior Project Officer to undertake the function of an SES Local Controller and Community Resilience Officer. Revenue raised through this charge will fund the on-going costs of maintaining the Redland SES to an appropriate level of operational readiness, salary and administration costs and the purchase and maintenance of critical equipment.

In the financial year 2017-18 the Redland City SES Administration charge will be levied in accordance with section 103 of the *Local Government Regulation 2012* and will be applied on a per rateable property basis.

Charge Code (RCC Use)	Charge	Charge Amount \$	Charge Basis
SES01	Redland City SES Administration Charge	5.00 per annum	Charge per rateable property

Special Charges

Aquatic Paradise Canal Estate Special Charge

In accordance with section 94 of the *Local Government Regulation 2012*, Council will make and levy a Special Charge, to be known as the Aquatic Paradise Canal Estate Special Charge (the 'Special Charge') on all rateable land as identified on the benefited area map [APC Version 1](#) as follows—

1. Council will levy on a per lot basis an amount of \$2,806.28 on the rateable land identified on the benefited area map [APC Version 1a](#).
2. Council will levy on a per berth basis an amount of \$2,806.28 on the rateable land identified on the benefited area map [APC Version 1b](#).
3. The overall plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 26 June 2017.
4. The Special Charge will fund the service, facility or activity of maintenance and construction (renewal) of the waterways of the Aquatic Paradise canal estate, namely:
 - monitoring state of, and (where identified as required) carrying out maintenance works, including cleaning, for navigational aids
 - removing stormwater silt
 - planning of canal dredging
 - dredging of canals in accordance with canal dredging planning
 - monitoring state of, and (where identified as required) carrying out maintenance works for, revetment walls
 - otherwise, maintaining (including monitoring of state of canals) and keeping clean the canals in accordance with section 121 of the *Coastal Protection and Management Act 1995*
5. The service, facility or activity that is detailed in the overall plan specially benefits the land or its occupier because:
 - the planning for dredging, and the dredging, of the canals keeps the canals of the estate navigable
 - maintaining the revetment walls assists in retaining land to which the special charge applies
 - monitoring the canals and revetment walls assists in planning maintenance and dredging activities to keep the canals navigable and assists in retaining land to which the special charge applies
 - keeping the canals and navigational aids clean maintains the overall amenity of the land to which the special charge applies

- the land to which the special charge applies and the owners and occupiers of that land are directly proximate to the canals and the associated special amenity of the canals' structure, recreational, social, health and visual elements
6. The estimated timeframe for implementing the overall plan is 1 year commencing 1 July 2017 and ending 30 June 2018.

Sovereign Waters Lake Estate Special Charge

In accordance with section 94 of the *Local Government Regulation 2012*, Council will make and levy a Special Charge, to be known as the Sovereign Waters Lake Estate Special Charge (the 'Special Charge') on all rateable land as identified on the benefited area map [SWL Version 1](#) as follows—

1. Council will levy on a per lot basis an amount of \$723.60 on the rateable land identified on the benefited area map [SWL Version 1](#).
2. The Special Charge will fund the service, facility or activity of maintaining the lake, namely:
 - monitoring state of, and (where identified as required) carrying out maintenance works, in respect of the lake
 - environmental monitoring, namely, monitoring of lake water level, and water quality
 - cleaning of the lake
 - dredging of lake and disposal of sediment
3. The overall plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 26 June 2017.
4. This service, facility or activity specially benefits the land or its occupier because:
 - the dredging of the lake and wetland zones maintains the lake amenity and water quality of the lake
 - maintaining the perimeter wall assists in retaining land to which the special charge applies
 - monitoring the lake water level, water quality and perimeter walls assists in planning maintenance for the lake
 - cleaning the lake safeguards the overall amenity of the land to which the special charge applies and the functionality of the water treatment systems
 - the land to which the special charge applies and the owners and occupiers of that land are directly proximate to the lake and the associated special amenity of the lake's structural, recreational, social, health and visual elements
5. The estimated timeframe for implementing the overall plan is 1 year commencing 1 July 2017 and ending 30 June 2018.

Raby Bay Canal Estate Special Charge

In accordance with section 94 of the *Local Government Regulation 2012*, Council will make and levy a Special Charge, to be known as the Raby Bay Canal Estate Special Charge (the 'Special Charge') on all rateable land as identified on the benefited area map [RBC Version 1](#) as follows—

1. Council will levy on a per lot basis an amount of \$2,354.28 on the rateable land identified on the benefited area map [RBC Version 1a](#).
2. Council will levy on a per unit basis an amount of \$1,364.24 on the rateable land identified on the benefited area map [RBC Version 1b](#).
3. Council will levy on a per marina berth basis an amount of \$1,189.96 on the rateable land identified on the benefited area map [RBC Version 1c](#).
4. The Overall Plan for the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting of 26 June 2017.

5. The Special Charge will fund the service, facility or activity of maintenance and construction (renewal) of the waterways of the Raby Bay canal estate, namely:
- monitoring state of, and (where renewal is identified as required) renewing, beacon piles
 - monitoring state of, and (where identified as required) carrying out maintenance works for, revetment walls
 - without limiting the foregoing:
 - a. stabilising revetment wall(s) at 5 Binnacle Close to 24 Anchorage Drive, Raby Bay
 - b. upgrading revetments wall at 19 Seacrest Court, Raby Bay
 - c. upgrading revetment wall at 37 Piermont Place, Raby Bay
 - monitoring of, and (where replacement is identified as required) replacing, rock armouring
 - engaging consultants for Raby Bay canal planning
 - otherwise, maintaining (including monitoring of state of canals) and keeping clean the canals in accordance with section 121 of the *Coastal Protection and Management Act 1995*
6. This service, facility or activity specially benefits the land or its occupier because:
- the planning for dredging, and the dredging, of the canals keeps the canals of the estate navigable
 - maintaining the revetment walls assists in retaining land to which the special charge applies
 - monitoring the canals, beacon piles, rock armouring, and revetment walls assists in planning maintenance and dredging activities to keep the canals navigable and assists in retaining land to which the special charge applies
 - keeping the canals and navigational aids clean maintains the overall amenity of the land to which the special charge applies and the functionality of the canals
 - the land to which the special charge applies and the owners and occupiers of that land are directly proximate to the canals and the associated special amenity of the canals' structure, recreational, social, health and visual elements
7. The estimated timeframe for implementing the overall plan is 1 year commencing 1 July 2017 and ending 30 June 2018.

Charge Code (RCC Use)	Charge	Charge Amount \$	Charge Basis
CA10	Aquatic Paradise Canal Estate Special Charge	2,806.28	Per standard lot
CA11		2,806.28	Per marina berth
CA12	Raby Bay Canal Estate Special Charge	2,354.28	Per standard lot, including lots 1 to 12 on GTP 2073
CA13		1,364.24	Per unit in a Community Title Scheme, excluding lots 1 to 12 on GTP 2073
CA14		1,189.96	Per marina berth
LA02	Sovereign Waters Lake Estate Special Charge	723.60	Per standard lot

Rural Fire Brigade Special Charge

In accordance with section 94 of the *Local Government Regulation 2012* and section 128A of the *Fire and Emergency Services Act 1990* Council has determined that each parcel of rateable land identified as the whole of Karragarra, Lamb, Russell, Macleay and Perulpa Islands will specially benefit from Council's contributing funds to the Rural Fire Brigades. Funds raised through the Rural Fire Brigade Special Charge will be contributed to the Rural Fire Service Southern Moreton Bay Islands Local Area Finance Committee which will distribute the funds to the Rural Fire Brigades established within the benefited area to purchase and maintain equipment and provide a fire service to properties within the benefited area. Council adopted the Overall Plan for the Rural Fire Brigade Special Charge on 26 June 2017.

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

Charge Code (RCC Use)	Charge	Charge Amount \$	Charge Basis
FL06	Rural Fire Brigade Special Charge	20.00	Charge per lot

Southern Moreton Bay Islands (SMBI) Translink Operations Special Charge

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

1. The service, facility or activity funded by the Special Charge is Council's contribution of funding for ferry operations to the Southern Moreton Bay Islands agreed to under the Funding Agreement executed 18 December 2012, as renewed on 10 December 2015, between Redland City Council and the State of Queensland (represented by the Department of Transport and Main Roads). The contract with Translink is set to expire on 31 December 2018.
2. This service, facility or activity specially benefits the land or its occupier for the reasons stated in the said SMBI Translink Operations Special Charge Overall Plan adopted 27 June 2013, amended 25 June 2015, 14 July 2016 and 26 June 2017.
3. The rateable land to which the Special Charge applies is all rateable land on the Southern Moreton Bay Islands of Karragarra, Lamb, Macleay, Perulpa and Russell Islands, excluding land categorised for the purposes of the differential general rate as Rating Category 10.
4. The Overall Plan for the supply of the service, facility or activity funded by the Special Charge was adopted by Council resolution at the Special Meeting 27 June 2013, amended 25 June 2015, 14 July 2016 and 26 June 2017.
5. The Annual Implementation Plan for 2017-18 was adopted by Council 26 June 2017 and is set out in the report 'Southern Moreton Bay Island Translink Operations Special Charge 2017-2018 Amended Overall Plan and Annual Implementation Plan' tabled at the Special Meeting 26 June 2017.
6. The Special Charge for the year 2017-18 is \$89.00.

Charge Code (RCC Use)	Charge	Charge Amount \$	Charge Basis
TL01	SMBI Translink Operations Special Charge	89.00 per annum	Per rateable property, excluding Constrained land

Utility Charges

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

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

Waste/Recycling Charge

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

The waste/recycling charge is determined by Council, together with other revenue sources, to ensure that it is able to cover the costs associated with the provision of the waste management service. The costs include payment to contractors for waste collection, a kerbside recycling service and a voluntary green waste service. Disposal costs are also factored into the charge to cover contractor costs for disposal, site development works, environmental monitoring, management, statutory charges and administration costs, as well as other costs associated with the use of Council's transfer stations by residents and other users. For 2017-18 Council has moved to a full cost pricing model.

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

Residential Kerbside Waste Services				
RedWaste Utility Charges	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
240L Waste / 240L Recycling	RF01	356.50	RF201	378.50
140L Waste / 240L Recycling (existing only)	RF15	294.00	RF215	352.50
240L Waste / 340L Recycling	RF301	370.50	RF218	404.00
140L Waste / 340L Recycling	RF302	294.00	RF219	382.50
140L Waste / 140L Recycling	RF303	273.00	RF220	341.50
240L Green Waste	RFG01	57.50	N/a	N/a
Additional Bin and Service - Scheduled Days				
240L Additional Waste Bin	RF09	172.50	RF209	231.50
240L Additional Recycling Bin	RF16	88.00	RF216	113.00
140L Additional Waste Bin	RF17	142.00	RF217	232.00
340L Additional Recycling Bin	RF53	115.00	RF253	129.50
240L Additional Green Waste Bin	RFG02	76.50	N/a	N/a
Additional Service Existing Bin (Temporary Lift) - Scheduled Days		Amount Per Lift \$		
140L Waste Bin per lift	RF12	12.00	N/a	N/a
240L Waste Bin per lift	RF13	11.00	N/a	N/a
240L Recycling Bin per lift	RF14	13.00	N/a	N/a
340L Recycling Bin per lift	RF54	9.00	N/a	N/a
240L Green Waste Bin per lift	RFG03	6.00	N/a	N/a
Additional Service Existing Bin (Temporary Lift) – Outside Scheduled Days		Amount Per Lift \$		
240L Additional Waste Service per lift	RF40	46.00	N/a	N/a
140L Additional Waste Service per lift	RF41	31.00	N/a	N/a
240L Additional Recycling Service per lift	RF42	25.00	N/a	N/a
340L Additional Recycling Service per lift	RF55	26.00	N/a	N/a
Commercial Kerbside Collection Services				
RedWaste Utility Charges	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
240L Waste / 240L Recycling	RFC01	309.00	RFC201	351.00
140L Waste / 240L Recycling (existing only)	RFC15	241.00	RFC215	332.00
240L Waste / 340L Recycling	RFC301	309.00	RFC218	371.00
140L Waste / 340L Recycling	RFC302	261.00	RFC219	352.00
140L Waste / 140L Recycling	RFC303	223.50	RFC220	311.00
240L Recycling (Stand Alone) Bin	RFC16	79.50	RFC216	107.00
340L Recycling (Stand Alone) Bin	RFC53	115.50	RFC253	135.00
240L Green Waste	RFG01	57.50	N/a	N/a
240L Additional Waste Bin	RFC09	199.00	RFC209	242.00

Residential Bulk Waste Bin Collection Service				
RedWaste Utility Charges - Size (m ³)	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
Waste Service Bulk Bin size (m ³) - 1 service per week				
0.66 m ³	RF20	1,619.00	N/a	N/a
1.10 m ³ (Rear lift)	RF23	1,931.00	N/a	N/a
1.10 m ³ (Front lift)	RF19	1,668.00	N/a	N/a
1.50 m ³	RF26	1,272.00	RF106	2,625.00
2.25 m ³	RF29	1,848.00	RF109	3,718.00
3.00 m ³	RF32	2,387.00	RF112	4,827.00
4.00 m ³	RF35	3,046.00	RF115	6,061.00
Additional Waste Service Bulk Bin size (m ³) - Lift only; 1 service per week		Amount Per Lift \$		Amount Per Lift \$
0.66 m ³	RF21	36.00	N/a	N/a
1.10 m ³	RF24	44.00	N/a	N/a
1.50 m ³	RF27	36.00	RF107	70.50
2.25 m ³	RF30	53.50	RF110	97.50
3.00 m ³	RF33	65.00	RF113	123.00
4.00 m ³	RF36	83.00	RF116	154.00
Temporary Waste Service (≤3 months) Bulk Bin size (m ³) – Bin and Lift; 1 service		Amount Per Bin & Lift \$		Amount Per Bin & Lift \$
0.66 m ³	RF22	85.50	N/a	N/a
1.10 m ³	RF25	93.00	N/a	N/a
1.50 m ³	RF28	84.00	RF108	115.50
2.25 m ³	RF31	99.50	RF111	142.00
3.00 m ³	RF34	115.00	RF114	166.50
4.00 m ³	RF37	134.00	RF117	196.50
Residential and Commercial Bulk Recycling Bin Service				
RedWaste Utility Charges – Size (m ³)	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
Recycle Service Bulk Bin size (m ³) - 1 service per fortnight				
1.10 m ³	RF63	5,631.00	N/a	N/a
1.50 m ³	RF66	771.00	RF136	1,676.00
2.25 m ³	RF69	1,120.00	RF139	2,436.00
3.00 m ³	RF72	1,425.00	RF142	3,069.00
4.00 m ³	RF75	1,770.00	RF145	3,747.00
Additional Recycling Service Bulk Bin size (m ³) Lift only; 1 service		Amount Per Lift \$		Amount Per Lift \$
1.10 m ³	RF65	132.00	N/a	N/a
1.50 m ³	RF68	135.00	RF138	217.00
2.25 m ³	RF71	139.00	RF141	217.00
3.00 m ³	RF74	142.00	RF144	217.00
4.00 m ³	RF77	147.00	RF147	217.00
Temporary Recycling Service (≤3 months) Bulk Bin Size (m ³) - Bin and Lift; 1 service		Amount Per Bin & Lift \$		Amount Per Bin & Lift \$
1.10 m ³	RF64	235.00	N/a	N/a
1.50 m ³	RF67	170.00	RF137	400.00
2.25 m ³	RF70	175.00	RF140	400.00
3.00 m ³	RF73	187.00	RF143	400.00
4.00 m ³	RF76	201.00	RF146	400.00

Commercial Bulk Waste Bin Collection Service				
RedWaste Utility Charges - Size (m ³)	Mainland		Bay Islands	
	Charge Code (RCC Use)	Annual Amount \$	Charge Code (RCC Use)	Annual Amount \$
Waste Service Bulk Bin size (m³) - 1 service per week				
0.66 m ³	RFC20	2,046.00	N/a	N/a
1.10 m ³ (Rear lift)	RFC23	2,144.00	N/a	N/a
1.10 m ³ (Front lift)	RFC19	1,881.00	N/a	N/a
1.50 m ³	RFC26	1,585.00	RFC106	2,496.00
2.25 m ³	RFC29	2,328.00	RFC109	3,525.00
3.00 m ³	RFC32	3,033.00	RFC112	4,614.00
4.00 m ³	RFC35	3,916.00	RFC115	5,776.00
Additional Waste Service Bulk Bin size (m³) - Lift only; 1 service per week		Amount Per Lift \$		Amount Per Lift \$
0.66 m ³	RFC21	38.00	N/a	N/a
1.10 m ³	RFC24	44.00	N/a	N/a
1.50 m ³	RFC27	36.00	RFC107	73.00
2.25 m ³	RFC30	53.50	RFC110	99.00
3.00 m ³	RFC33	70.50	RFC113	123.00
4.00 m ³	RFC36	90.00	RFC116	154.00
Temporary Waste Service (≤3 months) Bulk Bin size (m³) – Bin and Lift; 1 service		Amount Per Bin & Lift \$		Amount Per Bin & Lift \$
0.66 m ³	RFC22	85.50	N/a	N/a
1.10 m ³	RFC25	93.00	N/a	N/a
1.50 m ³	RFC28	84.00	RFC108	115.50
2.25 m ³	RFC31	99.50	RFC111	142.00
3.00 m ³	RFC34	115.00	RFC114	166.50
4.00 m ³	RFC37	134.00	RFC117	196.50

Water Charges

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

Fixed Access Water Charge

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

- Adjoining residential lots in the same ownership name are amalgamated for rating purposes and either:
 - the main roof structure of an occupied dwelling is constructed over the adjoining boundary line of those lots; or
 - one of the adjoining lots would, if sold separately, be unable to lawfully accommodate a dwelling; or
 - one of the adjoining lots would not be issued a building permit unless an existing approved structure was removed;
then the Fixed Water Access charge will be applied against such adjoining lots as if they are one lot. All other adjoining lots will be charged the Fixed Water Access charge on a per lot basis.
- The land associated to the property is undeveloped and landlocked, i.e. there is no private or public access or egress to the property.
- The property is categorised for the purpose of the Differential General Rate as Rating Category 10 (Constrained Land).

4. The property:

- a) Cannot be serviced by the reticulated water system because of physical constraints; or
- b) Can be serviced by the reticulated water system but is not currently connected because the property owner has not requested connection; and
 - i) the property boundary is greater than 25 metres from the nearest water main; and
 - ii) it is not planned for an extension of the reticulation network in the current or next financial year which will bring the network within 25 metres of the property boundary line.

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

Attribute Type (RCC Use)	Type of Charge	Charge Amount \$	Charge Basis
VBW01, VBW03, VBW04 VCW01, VCW03, VCW04	Fixed Water Access (domestic)	263.60	per meter/lot
VBW02, VCW02	Fixed Water Access (caravan parks)	65.90	per unit

Units, Flats, Guest Houses, Multiple Dwellings 20mm to 150mm and Residential 25mm to 150mm			
Attribute Type (RCC Use)		Meter Size	Charge Amount \$
VBW20 VCBM20		20mm	263.60
VBW25 VCBM25		25mm	411.88
VBW32 VCBM32		32mm	674.82
VBW40 VCBM40		40mm	1,054.41
VBW50 VCBM50		50mm	1,647.52
VBW80 VCBM80		80mm	4,217.64
VBW100 VCBM100		100mm	6,590.06
VBW150 VCBM150		150mm	14,827.64

Commercial and Industrial				
Attribute Type (RCC Use)			Meter Size	Charge Amount \$
VBW20 VCBW20 VCW20			20mm	342.68
VBW25 VCBW25 VCW25			25mm	535.44
VBW32 VCBW32 VCW32			32mm	877.27
VBW40 VCBW40 VCW40			40mm	1,370.73
VBW50 VCBW50 VCW50			50mm	2,141.77
VBW80 VCBW80 VCW80			80mm	5,482.93
VBW100 VCBW100 VCW100			100mm	8,567.08
VBW150 VCBW150 VCW150			150mm	19,275.93

Consumption Charge

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

Attribute Type (RCC Use)	Charge Description	Retail Water Price (RCC) \$ Per Kilolitre	State Bulk Water Price \$ Per Kilolitre	Total Price \$ Per Kilolitre
VWCRES	Residential*	0.59	2.561	3.151
VWCCNC	Concessional	0.59	2.561	3.151
VWCCOM	Non – residential**	1.35	2.561	3.911
VWCRCC	Council	1.35	2.561	3.911

*Residential means where premises are used ordinarily for a residential purpose. Residential may include a house, unit, flat, guest house and multiple dwellings.

**Non-residential means where premises are not used for ordinary residential purposes.

Non-residential include premises used for a commercial, business or industrial purpose. Non-residential includes premises used as a caravan park.

Wastewater Charges

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

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

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

1. Adjoining residential lots in the same ownership name are amalgamated for rating purposes and either:

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

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

2. The land associated to the property is undeveloped and landlocked, i.e. there is no private or public access or egress to the property.

3. The property is categorised for the purpose of the Differential General Rate as Rating Category 10 (Constrained Land).

4. The property:

- a) Cannot be serviced by the reticulated water system because of physical constraints; or
- b) Can be serviced by the reticulated water system but is not currently connected because the property owner has not requested connection; and
 - i) the property boundary is greater than 25 metres from the nearest water main; and
 - ii) it is not planned for an extension of the reticulation network in the current or next financial year which will bring the network within 25 metres of the property boundary line.

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

Attribute Type (RCC Use)	Charge Description	Charge \$	Charge Basis
VSW01 VSW02 VSW03 VCSW01	Wastewater Fixed Access Charge	27.03	per unit

Trade Waste Charges

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

Attribute Type (RCC Use)	Charge Description		Charge \$	Charge Basis
VTP01 VTP02	Trade Waste Generator Charge		403.92	per annum
VTW01	Trade Waste Discharge – Volume:		2.24	per KI
VTW01	Trade Waste Discharge - Quantity:	B.O.D (Biochemical Oxygen Demand)	1.64	per kg
		C.O.D (Chemical Oxygen Demand)	1.64	per kg
		N.F.R (Non Filterable Residue)	0.74	per kg
		T.O.G (Total Oil and Grease)	0.74	per kg
		Phosphorus	6.79	per kg
		Nitrogen	2.03	per kg
		Food waste disposal units based on power of motor	34.96	as charge 'C' (see policy)
		Constant 'd' for use when determining 'additional Charge' for excess strength waste	1.0	

Interest on Overdue Rates

Under section 133 of the *Local Government Regulation 2012*, interest, calculated on daily rates and applied as compound interest, may be charged on overdue rates from as soon as a rate becomes overdue. For 2017-18 interest will be applied at the rate of 11% per annum as provided by the above section.

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

Rates Concessions

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

Pensioner Concessions

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

The concessions available to eligible pensioners on the Differential General Rate for 2017-18 are:

- For ratepayers in receipt of a maximum pension \$335.00 per financial year
- For ratepayers NOT in receipt of maximum pension \$167.50 per financial year

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

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

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

Farming Concessions

In accordance with Chapter 4 Part 10 of the *Local Government Regulation 2012*, Council will provide a concession under section 120(1)(f) in respect of land the Council is satisfied is being used exclusively for the purpose of farming by an owner who is carrying on a business of primary production on the land.

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

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

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

Other Matters

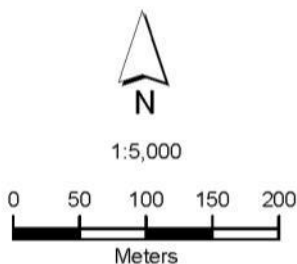
- The Council will continue to collect adopted infrastructure charges in accordance with the State Planning Regulatory Policy, *Sustainable Planning Act 2009* and *Planning Act 2016* which provides for the Council to recover through developer contributions a proportion of the cost of infrastructure needed to meet growth in the City.
- Cost-Recovery fees are established under section 97 of the *Local Government Act 2009*. Council has set cost-recovery fees at a level to recover up to the full cost price of administering the fee, but no more. This includes direct and indirect costs, operating and maintenance overheads, and use of capital. Some cost-recovery fees may be subsidised by revenue representing community service obligations to achieve policy objectives and desired community outcomes.
- Pursuant to section 262 of the *Local Government Act 2009*, Council has, in the support of its responsibilities, the power to charge for a service or facility, other than a service or facility for which a cost-recovery fee may be fixed. These business activity charges are subject to the goods and services tax and may be reviewed by Council at any time. The nature, level and standard of the service or facility is considered by Council in the setting of charges for business activities. Charges for business activities include (but are not limited to) rents, plant hire, private works and hire of facilities.

Aquatic Paradise Canal Special Charge Benefit Area Map 1

(APC – Version 1)



BENEFIT AREA MAP
Map: APC Version 1



Produced by
Spatial Business Intelligence
30 June 2017

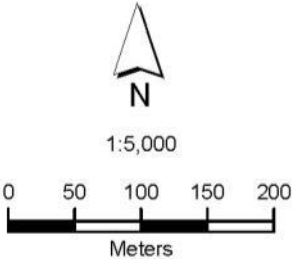
Data correct at time of production 26 May 2017

Aquatic Paradise Canal Special Charge Benefit Area Map 1a

(APC – Version 1a)



BENEFIT AREA MAP
Map: APC Version 1A



Produced by
Spatial Business Intelligence
30 June 2017

Data correct at time of production 26 May 2017

Aquatic Paradise Canal Special Charge Benefit Area Map 1b

(APC – Version 1b)



Sovereign Waters Lake Special Charge Benefit Area Map 1

(SWL – Version 1)

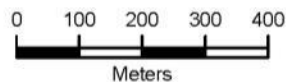


Raby Bay Canal Special Charge Benefit Area Map 1

(RBC – Version 1)



BENEFIT AREA MAP Map: RBC Version 1



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Produced by
Spatial Business Intelligence
30 June 2017

Data correct at time of production 26 May 2017

Raby Bay Canal Special Charge Benefit Area Map 1a

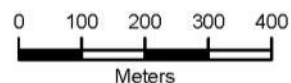
(RBC – version 1a)



BENEFIT AREA MAP Map: RBC Version 1A



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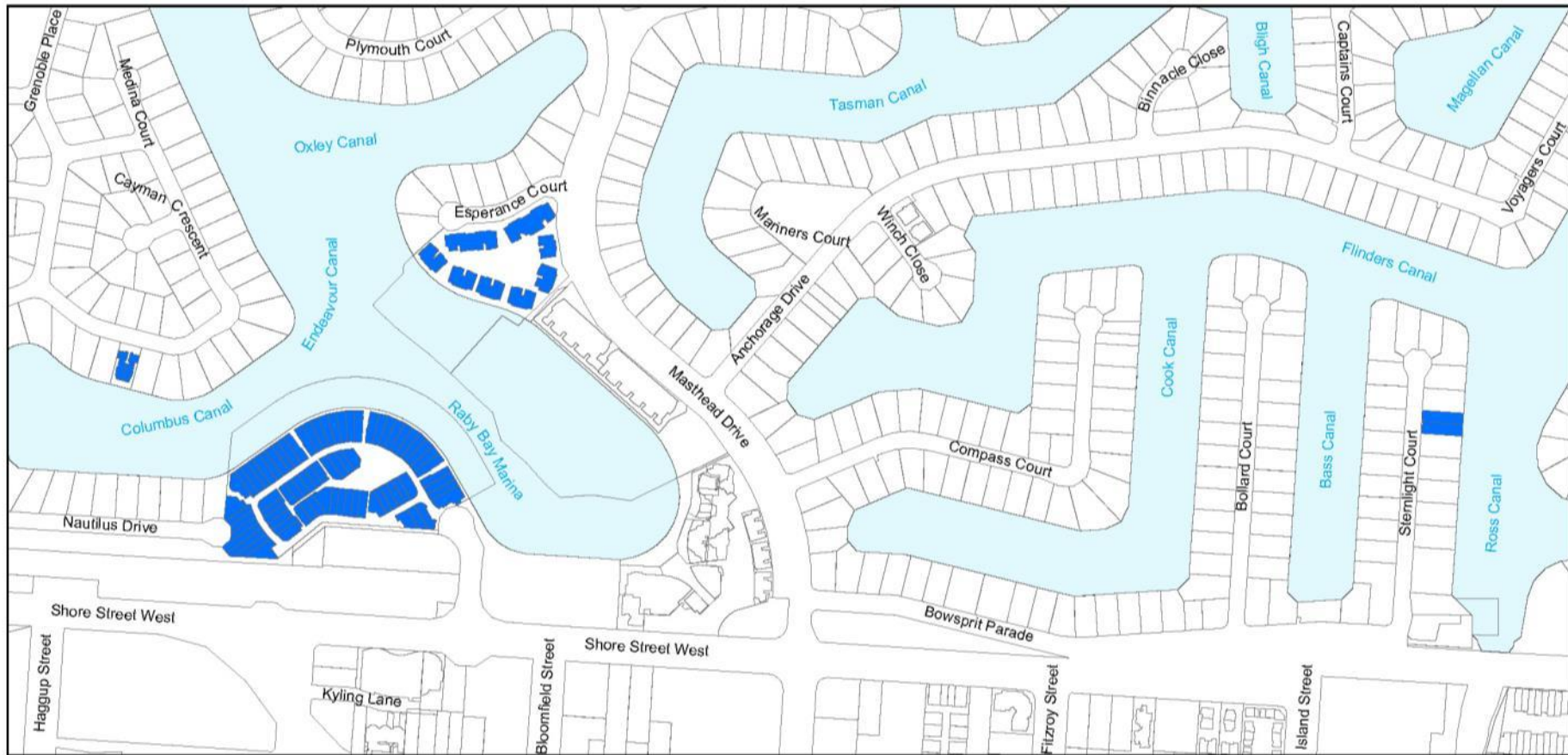


Produced by
Spatial Business Intelligence
30 June 2017

Data correct at time of production 26 May 2017

Raby Bay Canal Special Charge Benefit Area Map 1b

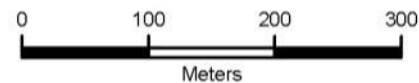
(RBC – Version 1b)



BENEFIT AREA MAP Map: RBC Version 1B



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Produced by
Spatial Business Intelligence
30 June 2017

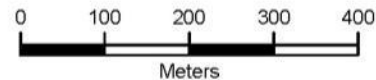
Data correct at time of production 26 May 2017

Raby Bay Canal Special Charge Benefit Area Map 1c

(RBC – Version 1c)



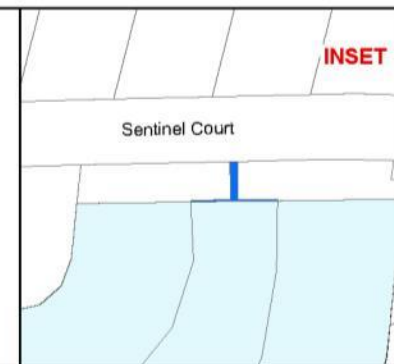
BENEFIT AREA MAP Map: RBC Version 1C



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Produced by
Spatial Business Intelligence
30 June 2017

Data correct at time of production 26 May 2017



Glossary – Key Performance Indicators

Definition of Ratios

Level of Dependence on General Rate Revenue:

This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)

General Rates - Pensioner Remissions

Total Operating Revenue - Gain on Sale of Developed Land

Current Ratio:

This measures the extent to which Council has liquid assets available to meet short term financial obligations

Current Assets

Current Liabilities

Debt Servicing Ratio:

This indicates Council's ability to meet current debt instalments with recurrent revenue

Interest Expense + Loan Redemption

Total Operating Revenue - Gain on Sale of Developed Land

Cash Balance - \$M:

Cash Held at Period End

Cash Capacity in Months:

This provides an indication as to the number of months cash held at period end would cover operating cash outflows

Cash Held at Period End

$[[\text{Cash Operating Costs} + \text{Interest Expense}] / \text{Period in Year}]$

Debt to Asset Ratio:

This is total debt as a percentage of total assets, i.e. to what extent will our long-term debt be covered by total assets

Current and Non-current loans

Total Assets

Operating Performance:

This ratio provides an indication of Redland City Council's cash flow capabilities

Net Cash from Operations + Interest Revenue and Expense

Cash Operating Revenue + Interest Revenue

Operating Surplus Ratio*:

This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes

Net Operating Surplus

Total Operating Revenue

Net Financial Liabilities*:

This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues

Total Liabilities - Current Assets

Total Operating Revenue

Interest Coverage Ratio:

This ratio demonstrates the extent which operating revenues are being used to meet the financing charges

Net Interest Expense on Debt Service

Total Operating Revenue

Asset Sustainability Ratio*:

This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out

Capital Expenditure on Replacement of Assets (Renewals)

Depreciation Expenditure

* These targets are set to be achieved on average over the long-term



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