



Redland
CITY COUNCIL

MINUTES

SPECIAL MEETING

Friday, 25 June 2010

**Council Chambers
1st floor Administration Building
Bloomfield Street Cleveland. Qld 4163**

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1 DECLARATION OF OPENING

The Mayor declared the meeting open at 2.01pm.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE

PRESENT:

Members:

Cr M Hobson PSM	Mayor
Cr M Elliott	Deputy Mayor and Councillor Division 7
Cr W Boglary	Councillor Division 1
Cr C Ogilvie	Councillor Division 2
Cr D Henry	Councillor Division 3
Cr J Burns	Councillor Division 4
Cr B Townsend	Councillor Division 5
Cr T Bowler	Councillor Division 6
Cr K Reimers	Councillor Division 8
Cr K Williams	Councillor Division 9
Cr H Murray	Councillor Division 10

Executive Leadership Group:

Mr G Stevenson PSM	Chief Executive Officer
Mr G Underwood	General Manager Planning & Policy
Mr N Clarke	General Manager Governance
Mr G Soutar	General Manager Redland Water
Mr M Drydale	General Manager Corporate Services
Mr M Hyde	General Manager Customer Services
Mrs T Averay	General Manager Development & Community Standards

Minutes:

Mrs J Parfitt	Corporate Meetings & Registers Team Leader
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3 MOTION TO ALTER THE ORDER OF BUSINESS

Moved by: Cr Elliott
Seconded by: Cr Boglary

That the order of business be altered to discuss Item 5.3 as item 6.1, Item 5.6 as Item 6.2 and the balance of items as Item 6.3 (as listed on the agenda) and to allow the Mayor to present the Budget Address as Item 5.

CARRIED

A division was called for.

Crs Burns, Reimers, Murray, Elliott, Bowler, Townsend, Henry, Ogilvie, Boglary and Hobson voted in the affirmative.

Cr Williams voted in the negative.

The motion was declared by the Mayor as **CARRIED**.

4 DECLARATION OF INTEREST

The Mayor reminded Councillors of their obligations under sections 244 and 246A of the *Local Government Act 1993*.

5 BUDGET ADDRESS BY THE MAYOR

The Mayor presented Redland City Council's Annual Budget.

Cr Burns advised that he had received a complaint from a person that the meeting had not been advertised on Council's internet website. Cr Burns questioned whether this would in any way invalidate the meeting's decisions. The Chief Executive Officer advised that he did not believe this to be the case as the meeting had been advertised in the local press as required by legislation.

Cr Ogilvie left the meeting at 2.08pm and returned at 2.09pm and again left the meeting at 2.40pm and returned at 2.42pm during the Mayor's address.

6 BUSINESS

6.1 OPERATIONAL PLAN 2010/11

Dataworks Filename: GOV Operational Plan 2010/2011
Attachment: [Operational Plan](#)
Responsible Officer Name: Luke Wallace
Manager Corporate Planning, Performance & Risk
Author Name: Jo Jones
Service Manager, Corporate Planning & Performance

EXECUTIVE SUMMARY

Council is required to adopt an Operational Plan each year which sets out the outputs, activities and performance measures for the organisation. The Operational Plan must set out how Council will contribute to the Corporate Plan and the Community Plan. Council is being asked to consider the attached draft Operational Plan and subject to amendments agreed at the meeting, adopt the plan for 2010/11.

PURPOSE

The purpose of this report is to recommend adoption of the Operational Plan for 2010/11

BACKGROUND

The *Local Government Act 1993* and associated *Local Government Finance Standard 2005* require local authorities to develop and adopt an annual Operational Plan. The *Local Government Act 2009* and associated draft Regulations will continue to place this requirement on councils. At its meeting on 26 May, Council adopted a new Corporate Plan for 2010-2015 and the Operational Plan for 2010/11 sets out specific actions for the first year of this new plan.

ISSUES

Officers have developed a draft Operational Plan, based on significant projects which are planned for 2010/11. These are included in the latest draft budget. Council must adopt the Operational Plan in advance of the budget and before the start of the financial year. A copy of the draft Operational Plan is attached to this report.

RELATIONSHIP TO CORPORATE PLAN

The Operational Plan directly contributes to the achievement of the Corporate Plan. The draft Operational Plan mirrors the outcomes identified in both the Community Plan and the Corporate Plan.

FINANCIAL IMPLICATIONS

The Operational Plan includes a number of projects which will require additional resources as part of the budget process.

PLANNING SCHEME IMPLICATIONS

The Operational Plan includes several projects which will contribute to the review of the Planning Scheme, but does not directly impact on the existing scheme.

CONSULTATION

The Operational Plan has been developed in consultation with officers and Councillors.

OPTIONS**PREFERRED**

That Council adopts the attached plan as Council's Operational Plan for 2010/11.

ALTERNATIVE

Council recommends adoption of the attached Operational Plan for 2010/11, subject to changes agreed at this meeting.

OFFICER'S RECOMMENDATION

That Council resolve to adopt the Operational Plan 2010/11 as attached.

COUNCIL RESOLUTION

Moved by: Cr Elliott
Seconded by: Cr Bowler

That, pursuant to section 508 of the *Local Government Act 1993*, Council adopt the 2010-2011 Operational Plan.

CARRIED

A division was called for.

Crs Reimers, Murray, Elliott, Bowler, Townsend, Henry, Ogilvie, Boglary and Hobson voted in the affirmative.

Crs Burns and Williams voted in the negative.

The motion was declared by the Mayor as **CARRIED**.

6.2 REVENUE POLICY

Dataworks Filename: FM Corporate Budget
Attachment: [Revenue Policy](#)
Responsible Officer Name: Martin Drydale
General Manager Corporate Services
Author Name: Deborah Corbett-Hall
Acting Service Manager Budget and Management Accounting

EXECUTIVE SUMMARY

Section 513A(1) of the *Local Government Act 1993* requires that local governments prepare and adopt a revenue policy prior to the preparation and adoption of the budget for the financial year which is consistent with the policy.

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010.

However, as Council is proposing to adopt its 2010-2011 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010-2011 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

The Revenue Policy is a strategic document that contains the statement of principles that will be used as the basis for developing the budget, in conjunction with the policy decisions outlined in the Financial Management Strategy that has been developed as part of the budget discussions.

In adopting the Revenue Policy for 2010-2011, Council will provide the community with a clear statement of intention in relation to revenue-raising for the new financial year.

The Revenue Policy (POL-1837) for 2010-2011 is presented to Council for adoption.

PURPOSE

Section 513A(1) of the *Local Government Act 1993* requires that local governments prepare and adopt a revenue policy prior to the preparation and adoption of the budget for the financial year which is consistent with the policy.

BACKGROUND

The *Local Government Act 1993* requires that local governments prepare and adopt a revenue policy prior to the preparation and adoption of the budget for the next financial year.

The budget 2010-2011 preparation afforded council the opportunity to consider alternative revenue sources and the principles determining these decisions are outlined on the attached revenue policy. The review and update of council's Financial Management Strategy also facilitated the creation of the revenue policy, in conjunction with the outcomes from the community consultation.

ISSUES

The Revenue Policy is a strategic document that contains the statement of principles that will be used as the basis for developing the budget.

Section 12 of the *Local Government Finance Standard 2005* requires that the Revenue Policy must include details of the principles applied by Council for the financial year for:

- The making and levying rates and charges;
- Exercising its powers to grant rebates and concessions; and
- Recovery of unpaid amounts of rates and charges.

In adopting the Revenue Policy for 2010-2011, Council will provide the community with a clear statement of intention in relation to revenue raising for the new financial year.

RELATIONSHIP TO CORPORATE PLAN

The recommendation supports the vision outcome in Council's Corporate Plan for 2010-2015 to ensure robust long term financial planning is in place to protect the financial sustainability of Council.

FINANCIAL IMPLICATIONS

The Revenue Policy for 2010-2011 provides the strategic framework for revenue raising in the new financial year.

PLANNING SCHEME IMPLICATIONS

It is considered that the outcome of recommendations in this report will not require any amendments to the Redlands Planning Scheme.

CONSULTATION

The Executive Leadership Group and Councillors were consulted in developing this policy at several budget workshops held in May and June 2010. In addition, advice

was provided by the Service Manager Revenue and Recovery, General Manager Corporate Services and the Chief Executive Officer.

OFFICER'S RECOMMENDATION

That Council resolve to adopt the attached Revenue Policy (POL-1837) for the 2010-2011 financial year, as attached.

COUNCIL RESOLUTION

Moved by: Cr Elliott
Seconded by: Cr Townsend

That, pursuant to section 513A of the *Local Government Act 1993*, Council adopt the 2010-2011 Revenue Policy (POL-1837).

CARRIED

A division was called for.

Crs Reimers, Murray, Elliott, Bowler, Townsend, Henry, Ogilvie, Boglary and Hobson voted in the affirmative.

Crs Burns and Williams voted in the negative.

The motion was declared by the Mayor as **CARRIED**.

6.3 BUDGET 2010-2011 – DEVELOPMENT

Dataworks Filename: FM COrporate Budget
Responsible Officer Name: Martin Drydale
General Manager, Corporate Services
Author Name: Kerry Phillips
Group Manager, Financial Services

EXECUTIVE SUMMARY

Councillors have been involved in a number of workshops related to setting the 2010/11 Budget and development of the long term Financial Strategy 2010-2020.

At these workshops, Councillors have agreed to a range of key policy decisions that support the proposed 2010/11 Budget. This report seeks to clarify the Budget development process and provides background into the principles and reasons behind the policy decisions.

The report is for information purposes only.

PURPOSE

The purpose of this report is to clarify the Budget development process and provide background into the policy decisions underpinning the outcomes on rating, other revenue, and expenditure for the 2010/11 Budget.

BACKGROUND

Councillors have been involved in a number of workshops related to setting the 2010/11 budget. These included:

- Initial financial budget parameters for budget and financial strategy development set by Council in November 2009;
- Preliminary capital expenditure requirements were identified in December 2009 and developed with Councillors in February/March 2010 over the course of 3 dedicated workshops and were subsequently revisited during the course of the process as required;
- Financial Strategy – model review workshop – March 2010 – provided long term context to potential decision making for budget 2010/2011 and modelling was subsequently reviewed in April 2010;
- 15 Rate Modelling and revenue workshops were held over the course of March 2010 – June 2010- all aspects of revenue generation were considered;
- Two dedicated workshops were held with respect to Fees and Charges during April 2010 and subsequent reviews were undertaken to further refine these in May and June;

- Three additional waste pricing workshops were held from March 2010 to May 2010;
- Two dedicated operational expenditure workshops were conducted in April and May 2010;
- A 2010/11 Operational Plan workshop May 2010.

Additionally the development and formal adoption of Redlands 2030 (Councils Community Plan) and a new Corporate Plan 2010-2015 was prepared consecutively in response to the outcomes of the Community Plan.

ISSUES

At the aforementioned workshops, Councillors agreed to a range of key policy decisions that supported the final 2010/11 budget. This report identifies the process and provides background into the principles supporting these policy decisions

2010/11 Operational Plan

A review was undertaken by Councillors to identify the broad programmes and sub-programmes to apply in 2010/11 that align with Council's new Corporate Plan 2010-2015 and enabling Council to deliver on the vision, priorities and goals of Redlands 2030 (Council's recently adopted Community Plan) . Specific performance standards and measures have been established against these programmes and sub-programmes. At workshops, Councillors considered the service levels and standards delivered to the community. These service levels and standards were set to achieve the objectives of the operational plan.

The 2010/11 Operational Plan underpinned the development of the 2010/11 Budget although this has not been formally adopted in advance.

Price and Cost Indices

The Local Government Association of Queensland (LGAQ) provided data on price increases for local government goods and services. They recommended that councils consider a variety of price indexes to determine a reasonable escalation for costs. In providing this information, the LGAQ used the, ABS Catalogues 6401.0, 6345.0 and 6427.0.

The following table from LGAQ's February 2009 advice, provided guidance to relevant Local Government cost increases.

Index	Increase Dec-07 to Dec-08
CPI (Australia)	3.7%
CPI (Brisbane)	4.3%
Freight	9.8%
Wages	4.2%
General construction industry (Australia)	5.1%

Index	Increase Dec-07 to Dec-08
General construction industry (Queensland)	6.2%
Road and Bridge Construction (Australia)	8.2%
Road and Bridge Construction (Queensland)	12.9%
Non Residential Building Construction (Australia)	5.1%
Non Residential Building Construction (Queensland)	5.2%
Housing construction (Australia)	4.6%
Housing construction (Queensland)	6.9%
Local Government Cost Index	5.3%

In considering the above reported price increases, the LGAQ suggested that the assumption be made that engineering work (representing 50% of outlays) is influenced by the general construction index while the balance of activities are driven by CPI.

Using the Queensland specific general construction cost increase of 6.2% and Brisbane CPI increase of 4.3% as shown above, results in a cost increase for local government as a whole in Queensland for the 12 months prior of around 5.3%.

In September 2009, Access Economics produced a forward estimate of the general CPI for 2010/2011 of 3.3%. In order to provide accurate financial forecast, all indexes and assumptions were monitored during the 2010/2011 budget development process.

Additionally, a Redland City Council blended cost index has been calculated based on Council's estimate and mix of expenditure for 2009/10. This calculation takes into consideration the following expenditure areas, general construction, road and bridge construction and employee expenses. This calculation has been put together based on a variety of assumptions, including; an estimate for general CPI for 2010/11 of 3.3% (as above); - the new RCC Enterprise Bargaining Agreement 1 (2009) and the LGAQ historical indexes.

The following table provides an overview of the expenditure mix, which results in a Redland City Council blended cost increase of 4.6%.

RCC - BLENDED CPI CALCULATION			
Cost	Index %	Expense Proportion	Weighted CPI%
General	3.3%	43.2%	1.4%
General Construction	6.2%	11.8%	0.7%
Roads and Bridges	12.9%	8.0%	1.0%
Employee	4.0%	37.0%	1.5%
		100.0%	4.6%

Assumptions	
General	= Blended CPI rate for 2010/11 @ 3.3% (source - Access Economics - September 2009)
Construction	= Based on historical measure provided by LGAQ
Roads	= Based on historical measure provided by LGAQ
Employee	= As per current RCC EBA

Fees and Charges

Councillors have endorsed the principle of *Special needs and user pays* for fees and charges where appropriate. While the RCC Cost Index of 4.6% was used as the standard inflator for charges, the move to recover the full cost of providing some services has seen prices rise on average above 4.6%.

General Rates

The LGAQ Cost Index of 5.3% was used to determine the increase in the amount of revenue Council receives from general rates. An effective growth rate of 1.5% in rateable properties was also used initially sourced from the preliminary Draft Financial Strategy, this was later refined to 1% during the course of deliberations.

Rate reform is a key outcome of budget 2010/11 and has been identified as a requirement to respond to the significant impact following the revaluation of the City's land holdings for the first time in five years and, also addresses the rating community engagement outcomes produced through a more formal and active engagement process. This has resulted in a significant review of Council's Revenue Policy and particularly the underpinning principles and the categorisation of land for rating.

Waste/Recycling Charges

A revised waste pricing strategy was considered by Council with the following objectives:

- To encourage recycling
- To reduce waste to landfill
- To reduce traffic at transfer stations
- To move towards a system of full price costing
- To provide funding to support the construction of a proposed Sustainable Resource and Waste Facilities to be decided

To mitigate the financial impact of these objectives Council plans to set aside \$920K to establish a number of incentives to support the fast tracking of the attainment of appropriate waste practices and support improved sustainability strategies.

Adoption of this approach will result in an increase in basic domestic charges of around 25%

Charging options for waste disposal at landfills will also increase in general to support financial planning for this activity and encourage residents and non –residents to consider alternatives.

Water and Wastewater Charges

With the commencement of Allconnex Water, Council will no longer have a role to play in the establishment of these charges in the future.

Environment Separate Charge

Councillors agreed to increase the Environment Charge by \$11 to \$109.80 per annum. This will increase the capital component by \$5 per property and the operational component by \$6 per property. The additional revenue is required to provide funds for acquisition of koala habitat within the urban footprint and for implementation of the Koala Policy and Strategy 2008.

Landfill Remediation Charge

Council has determined that the levy will be increased for 2010/2011 to \$39.00 per annum. This has been based on advice from the Co- Administration Panel across Council after a full review of the 10 year expenditure model requirements. The increase is \$1.50 per property.

Canal and Lake Levies

Councillors were advised regarding the planned ten year works program for assets in specially benefited areas within Raby Bay, Aquatic Paradise and, Sovereign Waters. Consideration was taken of both the overall plan and the annual implementation plan for each of the charges. It was identified in workshops that if levies were not increased service standards of maintenance, dredging and cleaning would need to be reduced.

		Levy Increase (2010/11)		New Levy Amount (2010/11)
		Levy 2009/10	Percentage	
Raby Bay	Allotments	\$1,770.00	7.5%	\$1,903.00
	Units	\$902.70	7.5%	\$970.00
	Marina berths	\$796.50	7.5%	\$856.00
Aquatic Paradise	Allotments	\$2,000.00	6%	\$2,120.00
	Marina berths	\$2,000.00	6%	\$2,120.00
Sovereign Waters	Allotments	\$953.90	6%	\$1,011.13

Rural Fire Levies

The levies proposed are in response to consultation with the Rural Fire Service, the budgets submitted for 2010/2011 Rural Fire Brigades and specifically the Area Director Rural Operations Caboolture Area for Queensland Fire and Rescue Service. It is noted that no charge is required for Russell Island in 2010/2011.

Operating Expenditure

Councillors allocated sufficient operating expenditure across the programs and departments to ensure that the 2010/11 Operational Plan can be delivered.

Allocation of expenditure was in accordance with Council's Long Term Financial Model and Financial Strategy with plans to facilitate improved performance in the years beyond 2010/2011 through to 2020.

An efficiency target of 4.25% (cumulative) has been factored into the modelling in years 1- 5 of the Financial Strategy. The achievement of outcomes for the 10 year forecast is dependent on these reductions in expenditure being realised. For 2010/2011 the target has been established at 1%.

Capital Expenditure

Councillors endorsed a ten year capital programme based on whole of City needs and priorities. The specific projects within the capital program were driven by asset management plans and a range of other planning instruments adopted by Council. The new legislative framework, effective 1 July 2010, will impose on Council more rigorous asset management planning and financial forecasting requirements. A project has been established to support Council moving toward this new requirement. The outcome will provide a framework to ensure that strategic asset management underpins asset related and particularly capital expenditure activity and is clearly integrated with future financial forecasts.

In budget workshop deliberations for 2010/2011 Councillors considered the impact of intergenerational project requirements and debt funding decisions that would provide financial support.

Projects allocated in 2010/11 are in accordance with Council's ten year Capital Works Programme, Long Term Financial Model and Financial Strategy.

RELATIONSHIP TO CORPORATE PLAN

The recommendation primarily supports Council's strategic priority to ensure the long term financial viability of the City and provide public accountability in financial management.

FINANCIAL IMPLICATIONS

This report is for information purposes only and has no financial implications.

PLANNING SCHEME IMPLICATIONS

The Land Use Planning Group was consulted and it is considered that the outcome of recommendations in this report will not require any amendments to the Redlands Planning Scheme.

CONSULTATION

All Councillors and the Executive Leadership Group were involved in deliberations for the development of the 2010/2011 budget.

OPTIONS

That the report on the development of the 2010/11 budget decisions be noted.

OFFICER'S RECOMMENDATION

That Council resolve that the report on the development of the 2010/11 budget decisions be noted.

6.4 PRESENTATION OF FINANCIAL INFORMATION FOR THE 2009-2010 FINANCIAL YEAR

Datworks Filename: FM Financial Statements
Attachment: [Financial Information for 2009-2010](#)
Responsible Officer Name: Martin Drydale
General Manager Corporate Services
Author Name: Deborah Corbett-Hall
Acting Service Manager Budget and Management Accounting

EXECUTIVE SUMMARY

It is a requirement of Section 521 of the *Local Government Act 1993* and Section 57 of the *Local Government Finance Standard 2005* that financial information with respect to 2009-2010 be presented at Council's budget meeting.

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010.

However, as Council is proposing to adopt its 2010-2011 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010-2011 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

The purpose of this report is to present Council with the anticipated financial position for the financial year 2009-2010 for noting. Details are provided in the attachments.

The revised budget for 2009-2010 was adopted by Council at its General Meeting of 26 May 2010 and has been used as the foundation for the anticipated position for 2009-2010. Since the adoption of the revised budget, any variations to revenue and expenditure of significance have been amended where they can be quantified with certainty.

The 2009-2010 anticipated revenues and expenditures have been considered in formulating the 2010-2011 budget and forward year estimates.

PURPOSE

The purpose of this submission is to present Council's financial position for the 2009-2010 year in accordance with Section 521 of the *Local Government Act 1993* and Section 57 of the *Local Government Finance Standard 2005*.

BACKGROUND

It is a requirement of section 521 of the *Local Government Act 1993* and section 57 of the *Local Government Finance Standard 2005* that financial information with respect to 2009/2010 be presented at Council's budget meeting.

ISSUES

Under section 521 of the *Local Government Act 1993*, information presented must include:

1. the original budget estimates;
2. if an amended budget has been adopted - the amended budget estimates;
3. actual or estimated expenses and revenue;
4. explanations of significant differences from the original budget (whether an actual or anticipated difference); and
5. an explanation of the impact of the budget and actual performance on future budgets.

The document must be prepared on an accrual basis. Details are provided in the attachments to this report.

RELATIONSHIP TO CORPORATE PLAN

The recommendation supports the vision outcome in Council's Corporate Plan for 2010-2015 to ensure robust long term financial planning is in place to protect the financial sustainability of Council.

FINANCIAL IMPLICATIONS

The revised budget for 2009-2010 was adopted by Council at its General Meeting of 26 May 2010 and has been used as the foundation for the anticipated position for 2009-2010. Since the adoption of the revised budget, any variations to revenue and expenditure of significance have been amended where they can be quantified with certainty.

The 2009-2010 anticipated revenues and expenditures have been considered in formulating the 2010-2011 budget and forward year estimates.

CONSULTATION

The Service Manager Financial Reporting has ensured that this information is provided in accordance with legislative requirements.

OFFICER'S RECOMMENDATION

That Council resolve that the information with respect to Council's financial position for the 2009-2010 financial year, in accordance with Section 521 of the *Local Government Act 1993* and Section 57 of the *Local Government Finance Standard 2005*, as presented in the attachment, be noted.

6.5 WASTE MANAGEMENT SERVICES BUSINESS UNIT PRICING 2010-2011

Datworks Filename: Waste Pricing 2010-2011
Attachment: [Summary of Fees & Charges](#)
Responsible Officer Name: Mike Hyde
General Manager Customer Services
Author Name: Patrick Navin
Service Manager - Waste Operations

EXECUTIVE SUMMARY

The Waste Management Services Business Unit is a Type 2 Business Unit of Council. Over three Councillor Workshops, held 4 March 2010, 27 April 2010 and 17 May 2010, Councillors were presented with information relating to the Business Unit and proposed fees and charges and price paths for the 2010/2011 financial year and each year to 2014/2015.

Based upon the information presented, Councillors agreed fees and charges for the 2010/2011 financial year, while discussing price path options for the next five years and a trial for related incentives.

PURPOSE

To provide a summary of fees and charges, and related incentives, agreed by Council during the three Councillor Workshops held 4 March 2010, 27 April 2010 and 17 May 2010.

BACKGROUND

Fees and Charges

Each year fees and charges must be set for the Waste Management Services Business Unit taking into account the full cost of providing its services, associated infrastructure, competitive neutrality costs, Council policy and other legislative requirements. Based upon projected costs determined through budgeting processes, the fees and charges proposed to Councillors were aimed at meeting this requirement in an attempt to reach full cost pricing over a number of years, this includes the assumption that the construction and operation of the proposed Sustainable Resource and Waste Facility and an upgrade to the existing Birkdale Waste Transfer Station will be accepted by Council. A summary of agreed fees and charges for the Waste Management Services Business Unit is provided in the attachment.

Incentives

Councillors also considered a range of possible incentives during these workshops and agreed to implement two of them as assistance towards implementing the waste strategy, with costs capped at \$920,000. The revenue to fund these incentives would be recovered as a Community Service Obligation, as it is not in the Business Units

interest to provide these incentives and it was direct result of a request from Councillors.

These incentives will be promoted as a trial and Council is seeking to get feedback from residents on these incentives which will occur via a short questionnaire and be evaluated at the end of the trial with future recommendations. Only 1 incentive can be redeemed per property and an audit trail will be established in Councils property database system.

It is intended that an implementation period of 2 months be provided to allow systems to be modified, procedures to be set up and staff to be trained in the procedures to support the incentives trial.

One incentive was to offer a \$32 discount off the bin establishment fee to downsize from a 240 litre waste bin to a 140 litre waste bin. Based upon the 2010-2011 proposed refuse charges, as outlined in the attachment, the ratepayer will pay a \$28 contribution towards the bin establishment fee to swap the bins over but save \$52 in annual refuse charge costs. This is an important incentive as the future costs of waste will increase when Birkdale Landfill closes due to additional handling, transport and disposal costs of moving waste outside of the City area. Council is seeking to reward ratepayers who minimise their waste and they will pay less for a smaller bin. From 1 July 2010, residents will be able to register for the change which will be rolled out over period negotiated with the current contractor. The start date will be clearly communicated to residents.

The second incentive was to offer a \$16 refund off the gate fee for clean separated greenwaste only as recognition that residents and ratepayers need to maintain their gardens and this contributes to the wider amenity benefits of the City area. Based upon the 2010-2011 proposed gate fees, as outlined in the attachment, this equates to:

- 4 free tipping loads in a car or station wagon;
- 2 free tipping loads in a utility, van or car with trailer; or
- 1 free tipping load in a utility and trailer or van and trailer.

This trial would be widely advertised to the community via the budget report mail out, in the local media and via the transfer stations. Ratepayers would either phone, call into Council or request, via an online form, for the downsizing of their bin. The reduction of the bin establishment fee would be applied at the time the request was processed.

Ratepayers would need to retain their receipts issued from the gatehouse at Birkdale and Redland Bay transfer stations and either deliver these to the Customer Service counter or post them in with the questionnaire form, accessed from the Council site, attached to claim the refund. The final details on how the refund will be credited are subject to an internal review but to avoid the increase in handling of petty cash through customer service centres, which is not a preferred option by that section of Council, it is anticipated that the Waste Operations unit will need to process refunds

against the rates notice. There is a need to investigate refund options and it may be the way the program works or changes over time to become more efficient and less costly to Council.

Council requested that both residents and ratepayers have access to the refund for green waste gate fees, however if the credit against the rates notice occurs it will not be possible to refund tenants. It is recognised there could be some complaints about not having vouchers issued for use by the Community as it sees fit, similar to the Brisbane City Council model, however the system has been designed to minimise the risk of fraudulent reproduction of vouchers or trading on sites such as Ebay or used vouchers re-entering circulation. As a trial system it will give important feedback from ratepayers on their waste activities and the incentives offered.

The budget calculated to fund these incentives was based on an estimated take-up rate across the City area. There will be a financial risk to Council if the take-up rate is higher than that estimated as the budget is capped at approximately \$920,000 and will be funded as a CSO from Council to the Waste Management Services Business Unit.

It was also considered necessary to have some control measures in place to reduce risk and carefully track and manage the incentives budget which can be reviewed over the trial period. Options for this extra control include:

1. Modelling a 90% take-up of greenwaste refunds at half the value i.e. \$8; or
2. Limiting the timeframe for downsizing bins to 4 months to start with and then extending it if necessary; or
3. Increasing the fees and charges during the year to recover extra revenue to offset any increased refunds necessary.

Either option 1 or 2 would be recommended to minimise the financial risk to Council. Council would receive regular reports, through the Business Unit Report, on the progress of these incentive take-ups and budget position.

ISSUES

The Waste Management Services Business Unit must receive enough revenue to cover the costs of undertaking its services (both operational and capital expenditure). Therefore fees and charges must be set to achieve this requirement.

As part of this process Councillors requested that Officers develop and propose a number of incentives to trial in the 2010-2011 financial year to provide residents with an incentive to reduce waste and lesson the impact of gate fees at Council's mainland waste handling facilities. A number of proposals were tabled in these Workshops and Councillors selected 2 for implementation.

RELATIONSHIP TO CORPORATE PLAN

The recommendation primarily supports Council's strategic priority to provide and maintain water, waste services, roads, drainage and support the provision of transport and waterways infrastructure.

FINANCIAL IMPLICATIONS

Through the setting of fees and charges, the Waste Management Services Business Unit will be able to determine its potential revenue. If fees and charges are altered, this will affect the Business' ability to achieve full cost pricing requirement and other legislative requirements.

CONSULTATION

Consultation has occurred with:

- Councillors
- Chief Executive Officer
- Members of the Executive Leadership Group
- Service Manager – Waste Operations
- Senior Advisor – Waste Planning

OPTIONS

PREFERRED

The report and attached summary of agreed fees and charges for the Waste Management Services Business Unit are noted and recorded for future reference as part of the 2010-2011 budget process.

Alternative

The report and attached summary of agreed fees and charges for the Waste Management Services Business Unit are NOT noted and provision be made for a further Councillor Workshop(s) to discuss further the fees and charges and the trial incentive program. If Council resolves in the alternative Council's 2010-2011 budget process will be delayed.

OFFICER'S RECOMMENDATION

That Council resolve that the report and attached summary of agreed fees and charges for the Waste Management Services Business Unit are noted and recorded for future reference as part of the 2010-2011 budget process.

6.6 BORROWING POLICY 2010-2011

Dataworks Filename: FM Corporate Budget
Attachment: [Borrowing Policy](#)
Responsible Officer Name: Martin Drydale
General Manager Corporate Services
Author Name: Deborah Corbett-Hall
Acting Service Manager Budget and Management Accounting

EXECUTIVE SUMMARY

Section 4(1)(c) of the *Local Government Finance Standard 2005* requires that a local government must develop a policy about borrowings. Furthermore, Council's borrowing activities are governed by the *Statutory Bodies Financial Arrangements Act 1982* and section 525 of the *Local Government Act 1993*. The budget for the financial year for which the borrowing policy is adopted must be consistent with the policy.

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

The policy objective is to ensure the sound management of Council's existing and future debt.

PURPOSE

The purpose of this report is for Council to adopt a borrowing policy for 2010-2011.

BACKGROUND

Section 4(1)(c) of the *Local Government Finance Standard 2005* requires that a local government must develop a policy about borrowings. Furthermore, Council's borrowing activities are governed by the *Statutory Bodies Financial Arrangements Act 1982* and section 525 of the *Local Government Act 1993*. The budget for the financial year for which the borrowing policy is adopted must be consistent with the policy.

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to

adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Council's ten-year Financial Management Strategy (the Strategy) has also recently been reviewed and the policy decisions in the Strategy must be reflected in the attached Borrowing Policy for 2010-2011.

ISSUES

The borrowing policy will specify:

1. new borrowings planned for 2010-2011 financial year and the anticipated amounts for the next four (4) financial years;
2. the borrowings are raised on an entity basis and a summary of the major projects these borrowings may be attributed to;
3. the time over which it is planned to repay existing and proposed borrowings.

The policy objective is to ensure the sound management of Council's existing and future debt. During the budget deliberations, Council has agreed that critical community infrastructure should be funded through borrowings which will then be repaid across several generations of ratepayers.

RELATIONSHIP TO CORPORATE PLAN

The recommendation supports the vision outcome in Council's Corporate Plan for 2010-2015 to ensure robust long term financial planning is in place to protect the financial sustainability of Council.

FINANCIAL IMPLICATIONS

The Borrowing Policy for 2010-2011 provides the policy framework for borrowing in the new financial year.

PLANNING SCHEME IMPLICATIONS

It is considered that the outcome of recommendations in this report will not require any amendments to the Redlands Planning Scheme.

CONSULTATION

The Executive Leadership Group and Councillors were consulted regarding the contents of this policy in a budget workshop conducted 7 June 2010. In addition, the Service Manager Accounts and Cash Management and Queensland Treasury Corporation have been consulted in the preparation of this policy.

OFFICER'S RECOMMENDATION

That Council resolve to adopt the Borrowing Policy (POL-1838), as attached, for the 2010-2011 financial year.

6.7 REVISED COMMUNITY SERVICE OBLIGATION POLICY

Dataworks Filename: FM Corporate Budget
Attachments: [POL-2658](#)
Responsible Officer Name: Martin Drydale
General Manager, Corporate Services
Author Name: Kerry Phillips
Group Manager, Financial Services

EXECUTIVE SUMMARY

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Local Government Finance Standard 2005 S76 provides the requirements with respect to budget requirements for business activities. Specifically S76(3)(c) outlines the Community Service Obligation (CSO) budget reporting requirements. Going forward these provisions are replicated in the *Draft Local Government (Beneficial Enterprises and Business Activities) Regulation 2009* in Part 7 S116 and specifically S116(d) with respect to the treatment of CSO.

As part of the annual review of the budget it has been identified that changes are required to the CSO policy in relation to the impact of water reform and minor procedural requirements.

It is recommended that Council adopt the revised Community Service Obligation Policy POL-2658 as attached.

PURPOSE

The purpose of this report is for Council to adopt the revised Community Service Obligation Policy POL-2658.

BACKGROUND

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting

resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Local Government Finance Standard 2005 S76 provides the requirements with respect to budget requirements for business activities. Specifically S76(3)(c) outlines the CSO budget reporting requirements. Going forward these provisions are replicated in the Draft Local Government (Beneficial Enterprises and Business Activities) Regulation 2009 in Part 7 S116 and specifically S116(d) with respect to the treatment of CSO.

As part of the annual review of the budget it has been identified that changes are required to the CSO policy in relation to the impact of water reform and minor procedural requirements.

ISSUES

The proposed revised Community Service Obligation Policy POL-2658 is attached for Council review and endorsement. Changes to the previous policy are recommended as follows;

1. Head of power has been amended to exclude references to Water and Wastewater activities- concessions are planned to continue to be supported by Council however under a separate policy
2. The first principle has been amended to align with the new terminology included in Council's latest Corporate Plan.
3. The last principle has been amended to change monthly to at least quarterly for transaction activity – this aligns with the current reporting regime

Budgets have been prepared based on latest data with respect to all business activities inclusive of detailed advice on Community Service Obligations.

RELATIONSHIP TO CORPORATE PLAN

The recommendation primarily supports Council's strategic priority to ensure the long term financial viability of the City and provide public accountability in financial management.

FINANCIAL IMPLICATIONS

The removal of the water and wastewater requirements will require addressing in a subsequent concessions policy. The remaining amendments are procedural.

CONSULTATION

Consultation has been undertaken with Service Manager Financial Reporting, Senior Financial Management Advisor Customer Services, Financial advisor - Waste management Operations, Acting Service Manager Human Services, General Manager Corporate Services, General Manager Customer Services and General Manager Development and Community Standards.

OPTIONS

It is recommended that the Council adopt the revised Community Service Obligation Policy POL-2658 as attached

OFFICER'S RECOMMENDATION

That council resolve to adopt the revised Community Service Obligation Policy POL-2658, as attached.

6.8 ALLCONNEX WATER AND WASTEWATER CONCESSIONS FUNDED BY REDLAND CITY - DRAFT POLICY

Dataworks Filename: FM Corporate Budget

Attachments: [Proposed policy - Allconnex Water and Wastewater charges - Council funded concessions](#)

Responsible Officer Name: Martin Drydale
General Manager, Corporate Services

Author Name: Kerry Phillips
Group Manager, Financial Services

EXECUTIVE SUMMARY

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Section 1035A (2) of the *Local Government Act 1993* that provides for local governments to grant concessions to eligible land owners.

The objective of this policy is to establish the framework for applying concessions to Allconnex water and wastewater charges consistent with the previous Community Service obligations under the regime when Redland City Council were levying the charges. The extent of the concessions is determined at the Annual Budget Meeting.

It is recommended that Council adopts the proposed Allconnex Water and Wastewater Charges – Council Funded Concessions Policy as attached.

PURPOSE

The purpose of this report is for Council to adopt the Alloconnex Water and Wastewater charges- Council funded concession Policy as attached.

BACKGROUND

The issue of CSO treatment has been raised with Council in relation to the future treatment.

Items listed in the table below- WILL NOT BE SUPPORTED BY ALLCONNEX - RCC COUNCIL RESOLUTION TO CONTINUE TO SUPPORT FOR BUDGET 2010/11 GENERAL MEETING 28 APRIL 2010 the anticipated figure will be \$385K.

Business Activity	Description /Assumptions	Budget 2009/10
Water	Concessions for not for profit SEE POL-3028 Water – Application of Charges charging non-profit clubs, organisations and associations water consumption as concessional, based on a per kilolitre usage. The average daily consumption based on the meter reading from the beginning and end of the consumption period will be used as the basis for charge calculations. No access charge will apply	256,250
Wastewater	Concessions for not for profit- See POL 3027 Wastewater – Application of Charges To qualify under this category, evidence must be provided to demonstrate that the organisation is a community organisation meeting the following definition: i) an entity that is a non-profit entity; ii) formed for a purpose which does not include the profit or gain of its individual members or owners; and iii) exists for any lawful purpose that provides a public benefit, at large or in a particular locality, which improves community welfare, education, or safety. i.e Trade Waster POL 3027- No volumetric trade waste charges apply.	153,459

ISSUES

The current register of concessions to be maintained by Allconnex in accordance with RCC's policy position will provide support to the Allconnex sundry debtor invoice raised after each rate run for reimbursement of concessions to be funded by RCC.

POL 3027 Water Charges – Application of Charges and POL 3028 Wastewater Services – Application of charges will cease to exist post 1 July 2010.

Corporate Services has developed a policy (see attachment) to support the concession arrangements beyond 30 June 2010 this policy will provide for a consistent assessment of concessional inclusions in the register.

A full review of Council's position, including community consultation and alternative arrangements for a future grant system will be reported to Council by December 2010 for implementation 1 July 2011.

RELATIONSHIP TO CORPORATE PLAN

The recommendation primarily supports Council's strategic priority to ensure the long term financial viability of the City and provide public accountability in financial management.

FINANCIAL IMPLICATIONS

RCC Council resolution to continue to support for budget 2010/2011 was provided at the General Meeting 28 April 2010 the anticipated figure will be \$385K.

CONSULTATION

Consultation has been undertaken with Senior Financial Management Advisor Redland Water, Supervisor Water billing Services, Service Manager Revenue and Recovery, General Manager Corporate Services and General Manager Redland Water.

OPTIONS

That Council resolve to adopt the proposed Allconnex Water and Wastewater charges – Council Funded Concessions policy, POL-3092, as attached.

OFFICER'S RECOMMENDATION

That Council resolve to adopt the proposed Allconnex Water and Wastewater charges – Council Funded Concessions Policy, POL-3092, as attached.

6.9 SCHEDULE OF FEES AND CHARGES

Datworks Filename: FM Corporate Budget
Attachment: [Fees & Charges 2010-2011](#)
Responsible Officer Name: Martin Drydale
General Manager Corporate Services
Author Name: Deborah Corbett-Hall
Acting Service Manager Budget and Management Accounting

EXECUTIVE SUMMARY

Under sections 36 and 1071A of the *Local Government Act 1993*, Council may adopt regulatory fees and non-regulatory fees, also known as commercial charges. Additionally, other Acts (e.g. *Sustainable Planning Act 2009* and *Right to Information Act 2009*) also provide Council with the power to adopt a variety of other fees. The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Regulatory fees are fees determined under Section 1071A(1) of the *Local Government Act 1993*. A regulatory fee must not be more than the cost to the local government of providing the service or taking the action for which the fee is charged. Under Section 36(2)(c) of the *Local Government Act 1993*, Council is able to charge for services and facilities it supplies which are not covered under Section 1071A(1).

Unlike regulatory fees, Council has the option to factor in a margin for providing a non-regulatory charge. In developing these charges, Council have benchmarked various charges against other local authorities and/or commercial operators in order to set a relative and competitive charge for a particular product or service. Other fees have been developed based on the head of power being provided to Council to set a fee or charge other than that provided for under section 36(2)(c) and section 1071A of the *Local Government Act 1993*.

The Schedule of Fees and Charges for the 2010-2011 financial year includes regulatory fees, commercial charges and other fees. The range of fees and charges covers services that are provided from areas within Council such as Development & Community Standards Department, Customer and Community Services, Operations and Maintenance, Corporate Services Department, Planning and Policy Department, Governance Department and Redland Waste Business Unit.

PURPOSE

Under sections 36 and 1071A of the *Local Government Act 1993* and various other sections of other Acts Council may adopt commercial charges, regulatory fees and other fees.

BACKGROUND

Section 36 of the *Local Government Act 1993* provides that a local government may rely on its power as a legal entity to charge for services and facilities it supplies other than a service or facility for which a regulatory or other fee may be fixed.

Section 1071A provides that a local government may, by local law or resolution, fix a regulatory fee for any of the following:

- a) an application for, an issue of an approval, consent, licence, permission, registration or other authority under a local government Act;
- b) recording a change of ownership of land;
- c) giving information kept under a local government Act;
- d) seizing property or animals under a local government Act;
- e) the performance of a function, other than a function mentioned in paragraphs (a) to (d) imposed on a local government under the *Building Act 1975*, or the *Plumbing and Drainage Act 2002*.

Other Acts also make provision for a local authority to raise charges in association with activities undertaken under their jurisdiction: for example, *Sustainable Planning Act 2009* and *Right to Information Act 2009*. These charges are identified by type in the attached Fees and Charges schedule.

ISSUES

The Schedule of Fees and Charges for 2010-2011 has been developed as part of the 2010-2011 budgeting process and is now presented to Council for consideration and adoption. As attached, the Schedule of Fees & Charges for 2010-2011 includes commercial charges, regulatory fees and other fees covering the following areas:

Development and Community Standards

Including: Development Compliance, Animal Management, Health and Environment, Local Laws, Engineering Assessment, Environmental Assessment, Planning Assessment, Building Certification and Building and Plumbing Services.

Customer and Community Services Group

Including: Caravan Parks and Camping, Redlands Performing Arts Centre, Interment and Community Services, Club Leasing, Community Halls, Major Venues, Library Fees, Children Services, Respite Care Service, Advertising on Bus Shelters and Event Bookings – Parks and Reserves.

Operations and Maintenance Group

Including: Roads, Drainage and Quarries and Redlands IndigiScapes Centre.

Planning and Policy Department

Including: Infrastructure Road Construction and Infrastructure Planning.

Corporate Services Department

Including: Financial Management, Corporate Asset Information and Systems Engineering.

Governance Department

Right to Information applications and Legal Services.

Redland Waste Business Unit

Waste Services.

Several workshops were conducted with Councillors as part of the budget development (including 22 April 2010 and 11 May 2010) to review the Schedule of Fees and Charges.

In adopting the Schedule of Fees and Charges for 2010-2011, Council will provide the community with a clear statement of intention in relation to Fees and Charges for products and services of Council for the new financial year.

RELATIONSHIP TO CORPORATE PLAN

The recommendation supports the vision outcome in Council's Corporate Plan for 2010-2015 to ensure robust long term financial planning is in place to protect the financial sustainability of Council.

FINANCIAL IMPLICATIONS

The Schedule of Fees and Charges for 2010-2011 provides the basis for the development of revenue estimates for products and services charged under the Schedule for the coming financial year.

The Fees and Charges have been developed using a number of methodologies; however mainly, factoring in an increase of 4.6% on the 2009-2010 Fees and Charges where applicable. This increase percentage has been calculated by Financial Services as part of the overall parameters recommended and adopted by Council in November 2009 (General Meeting Item 13.4.1 – 25th November 2009) for the development of the 2010/2011 budget. Another methodology commonly used to develop a fee or charge by Council officers is that of the activity-based costing approach. Although not conducted annually, this process is used periodically to capture and cost the direct and indirect related expenditure components that are consumed in the delivery of a particular Council service or facility.

The calculation for developing the 4.6% was based on the expected weighted expenditure profile for Council over four main categories of expenditure, these being;

general expenditure, general construction costs, road & bridge expenditure and employee related costs such as salary and wages etc.

Below is an extract of the calculation supporting the 4.6% (known as the RCC Blended CPI):

RCC - Blended CPI Calculation - 2010/11			
Cost	Index %	Expense Proportion	Weighted CPI %
General	3.3%	43.2%	1.4%
General Construction	6.2%	11.8%	0.7%
Roads & Bridges	12.9%	8.0%	1.0%
Employee	4.0%	37.0%	1.5%
		100.0%	4.6%

Assumptions	
General	= Underlying CPI forecast for 2010/11 @ 3.3%. (Source - Access Economics - September 2009)
Construction	= Based on historical measure provided by LGAQ.
Roads & Bridges	= Based on historical measure provided by LGAQ.
Employee	= As per current RCC EBA (2009), 4% each year 2009, 2010 & 2011.

At the time of developing the 2010-2011 budget parameters, Financial Services utilised statistical information both from Access Economics (September 2009 forecast), and the historical index analysis as provided by the Local Government Association of Queensland Inc. (LGAQ) Circular # 2009-049.

As noted in the above assumptions, both the construction index and roads and bridges index used have been sourced from LGAQ Queensland specific indexes. An extract of the LGAQ Circular # 2009-049 publication is below for information and reference.

Indexes of potential relevance include:-

Index	Increase Dec. 04 to Dec. 05	Increase Dec. 05 to Dec. 06	Increase Dec. 06 to Dec. 07	Increase Dec. 07 to Dec. 08	Increase Dec. 08 to Dec. 09
CPI – Australia	2.8%	3.3%	3.0%	3.7%	2.1%
CPI – Brisbane	2.8%	3.4%	3.9%	4.3%	2.5%
Road Freight – Australia	5.4%	3.4%	3.1%	10.9%	-2.8%
Wage Price – Queensland	4.2%	4.4%	4.3%	4.1%	3.5%
General construction industry – Queensland	8.6%	5.6%	6.5%	6.2%	-5.0%
Road and Bridge	7.1%	7.1%	6.3%	12.9%	-2.9%

Index	Increase Dec. 04 to Dec. 05	Increase Dec. 05 to Dec. 06	Increase Dec. 06 to Dec. 07	Increase Dec. 07 to Dec. 08	Increase Dec. 08 to Dec. 09
Construction – Queensland					
Non Residential Building Construction – Queensland	13.3%	7.0%	4.3%	5.2%	-9.7%
Housing construction – Queensland	1.5%	2.2%	10.1%	6.9%	0.2%
Council Cost Index	5.7%	4.5%	5.2%	5.3%	-1.3%

Source: ABS Catalogues 6401.0, 6345.0 and 6427.0. Wages figure for 08/09 is Sept. 08 to Sept. 09
CCI components have been rounded to one decimal place.

CONSULTATION

General Managers and Group Managers have developed the fees and charges for their respective areas. Workshops were conducted with the Executive Leadership Group on 13th April 2010 and with Councillors on 22nd April and 11 May 2010.

OFFICER'S RECOMMENDATION

That Council resolve to adopt the Schedule of Fees and Charges for the 2010-2011 financial year, as per the attached documentation.

6.10 ESTABLISHMENT OF RESERVES TRANSFERS

Dataworks Filename: FM-Corporate Budget

Attachments: [Reserve Transfers and Anticipated Reserve Balances](#)

Responsible Officer Name: Martin Drydale
General Manager, Corporate Services

Author Name: Deborah Corbett - Hall
Acting Service Manager Budget and Management Accounting

EXECUTIVE SUMMARY

Section 515 of the *Local Government Act 1993* and sections 33 and 34 of the *Local Government Finance Standard 2005* provide the framework for and transfers to and from reserves. The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

The purpose of this report is to provide the anticipated information in relation to reserve balances for the 2009/2010 and 2010/2011 year, including the impact of anticipated and budgeted transfers to and from reserves for 2010/2011.

It is anticipated that reserves will decrease by \$6.465 million for 2009/10 and decrease by \$0.816 million for 2010/2011. Final figures for 2009/2010 will be established as part of the end of year finalisation of accounts. Council is expecting a shortfall in revenue from Allconnex Water in 2010/2011 compared to Redland Water in 2009/2010 and unconstrained reserves may be utilised during 2010/2011 if required. Amounts and timings of accessing the reserves are unknown until all Allconnex transactions are realised.

In line with a resolution from a General Meeting on 29 March 2006, Council will close the Halls Reserve now the funds have been depleted in 2009-2010. With respect to the Cemetery Reserve, future capital and operating expenditure will be funded through Council's normal capital and operating budget once the Cemetery Reserve funds are depleted as per the resolution.

This report recommends that Council resolve to adopt the budgeted reserve balances and transfers, as attached.

PURPOSE

The purpose of this report is to provide the anticipated information in relation to reserve balances for the 2009/2010 and 2010/2011 year, including the impact of anticipated and budgeted transfers to and from reserves for 2010/2011.

BACKGROUND

Section 515 of the *Local Government Act 1993* and sections 33 and 34 of the *Local Government Finance Standard 2005* provide the framework for the establishment of reserves and transfers to and from reserves.

ISSUES

Section 33 of the *Local Government Finance Standard 2005* stipulates in the following sub-sections:

4. A reserve within a local government's operating fund may be established only by including the reserve in the local government's adopted budget;
5. The resolution adopting a budget or amendment of the budget, that includes the reserve must state the purpose of the reserve. Section 34 of the *Local Government Finance Standard 2005* stipulates in the following sub-sections:
 - 2) A relevant instrument for the reserve must state the way, subject to sub section (3), the assets of the local government representing the reserve are to be kept;
 - 3) For subsection (2), the assets of the local government representing the reserve must be kept for the reserve either -
 - (a) as cash in a bank account that is used only for reserve; or
 - (b) the assets kept within the local government's pool of assets.
6. A transfer from the reserve may only be made by -
 - (a) a resolution of the local government; or
 - (b) including the transfer in the local government's adopted budget.
7. If the transfer is made for a purpose other than the purpose of the reserve, the resolution making the transfer, or adopting the budget including the transfer, must state the purpose of the transfer.
8. In this section:
relevant instrument, for a reserve of a local government means either of the following-
 - (a) the resolution of the local government adopting the budget in which the reserve was included;
 - (b) a policy of the local government.

Detail pertaining to the opening balance of reserves as at 1 July 2009, the anticipated closing balance of reserves as at 30 June 2010, along with budgeted transfers and anticipated balances for 2010/2011 are provided in the attachment. The anticipated

balances for 2009/2010 reflect the revised budget adopted by Council on 26 May 2010.

RELATIONSHIP TO CORPORATE PLAN

The recommendation supports the vision outcome in Council's Corporate Plan for 2010-2015 to ensure robust long term financial planning is in place to protect the financial sustainability of Council.

FINANCIAL IMPLICATIONS

It is anticipated that reserves will decrease \$6.465 million for 2009/10 and decrease by \$0.816 million for 2010/2011. Final figures for 2009/2010 will be established as part of the end of year finalisation of accounts. Council is expecting a shortfall in revenue from Allconnex Water in 2010/2011 compared to Redland Water in 2009/2010 and unconstrained reserves may be utilised during 2010/2011 if required. Amounts and timings of accessing the reserves are unknown until all Allconnex transactions are realised.

In line with a resolution from a General Meeting on 29 March 2006, Council will close the Halls Reserve now the funds have been depleted in 2009-2010. With respect to the Cemetery Reserve, future capital and operating expenditure will be funded through Council's normal capital and operating budget once the Cemetery Reserve funds are depleted as per the resolution.

CONSULTATION

Financial Services has consulted with group managers to establish the anticipated and budgeted transfers. The Executive Leadership Group and Councillors have been consulted as part of recent budget workshops in relation to budget transfers.

OPTIONS

That Council resolve to adopt, in accordance with section 515 of the *Local Government Act 1993* and sections 33 and 34 of the *Local Government Finance Standard 2005*, the budgeted reserve balances and transfers, as attached.

OFFICER'S RECOMMENDATION

That Council resolve to adopt, in accordance with section 515 of the *Local Government Act 1993* and sections 33 and 34 of the *Local Government Finance Standard 2005*, the budgeted reserve balances and transfers, as attached.

6.11 AMENDED AQUATIC PARADISE SPECIAL CHARGE - ANNUAL IMPLEMENTATION PLAN 2010/2011

Datworks Filename: FM Corporate Budget
Attachment: [APC-3 Map](#)
Responsible Officer Name: Martin Drydale
General Manager, Corporate Services
Author Name: Kerry Phillips
Group Manager, Financial Services

EXECUTIVE SUMMARY

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Council is required to adopt, by resolution, an annual implementation plan each year before it can levy the Amended Aquatic Paradise Canal Special Charge.

Section 971 of the *Local Government Act 1993* requires a local government to adopt, by resolution, an overall plan in relation to special rates and charges for the supply of the service, facility or activity. The overall plan must be adopted either before, or at the same time as the local government first makes the special rate or charge.

If the overall plan adopted will not be implemented within one year, the local government must, at or before the budget meeting for each year of the period for implementing the overall plan, adopt by resolution an annual implementation plan for the year.

The annual implementation plan for the 2010/2011 financial year for the Amended Aquatic Paradise Canal Special Charge (reference: Benefited Area Map APC-3 - per attachment) is submitted to Council for adoption.

PURPOSE

The annual implementation plan for the 2010/2011 financial year for the Amended Aquatic Paradise Canal Special Charge is submitted to Council for adoption.

BAKGROUND

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities)*

Regulation 2010, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the Local Government Act 1993 and the Local Government Finance Standard 2005).

Section 971 of the *Local Government Act 1993* requires a local government to adopt, by resolution, an overall plan in relation to special rates and charges for the supply of the service, facility or activity. The overall plan must be adopted either before, or at the same time as the local government first makes the special rate or charge.

If the overall plan adopted will not be implemented within one year, the local government must, at or before the budget meeting for each year of the period for implementing the overall plan, adopt by resolution an annual implementation plan for the year.

Council adopted the overall plan for the Shire Canals – Special Charge on 12 July 2000, Inclusive of works for Raby Bay and Aquatic Paradise.

An annual implementation plan for the Shire Canals – Special Charge has been adopted every year since the overall plan was adopted inclusive of works for Raby Bay and Aquatic Paradise.

ISSUES

Previously Council has administered the Shire Canal special charges inclusive of both Raby Bay and Aquatic Paradise locations. In 2007/2008, it was determined that it would be more appropriate to report separately to Council.

For the 2010/2011 financial year, revenue collected through the Amended Aquatic Paradise Canal Special Charge will be held in a reserve to finance ongoing works. The details of the works programmed for the 2010/2011 financial year are:

Bed-levelling	\$ 40,000
Canal cleaning and minor maintenance	\$ 47,105
Investigations, monitoring, navigation beacons, etc	<u>\$ 175,053</u>
Total	\$ 262,158

RELATIONSHIP TO CORPORATE PLAN

The recommendation primarily supports Council's strategic priority to ensure the long term financial viability of the City and provide public accountability in financial management.

FINANCIAL IMPLICATIONS

The levies are proposed to be increased to accommodate specific requirements identified in the annual implementation plan and to facilitate longer term planning for the estate.

At this rate there will be a deficit in the reserve by the end of year 5, which will be paid back midway through year 8.

CONSULTATION

During the budget 2010/2011 workshops, the Executive Leadership Group and Councillors have been presented with details pertaining to the planning for this Special Charge and on the future planning for the estate.

OPTIONS

That Council resolve to adopt the Annual Implementation Plan for the 2010/2011 financial year for the Amended Aquatic Paradise Canal Special Charge (reference: Benefited Area Map APC-3).

OFFICER'S RECOMMENDATION

That Council resolve to adopt the Annual Implementation Plan for the 2010/2011 financial year for the Amended Aquatic Paradise Canal Special Charge (reference: Benefited Area Map APC-3).

6.12 AMENDED RABY BAY CANAL- SPECIAL CHARGE - ANNUAL IMPLEMENTATION PLAN 2010-2011

Datworks Filename: FM Corporate Budget
Attachments: [RBC-3 and RBC 3-1](#)
Responsible Officer Name: Martin Drydale
General Manager, Corporate Services
Author Name: Kerry Phillips
Group Manager, Financial Services

EXECUTIVE SUMMARY

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Council is required to adopt, by resolution, an annual implementation plan each year before it can levy the Amended Raby Bay Canal Special Charge.

Section 971 of the *Local Government Act 1993* requires a local government to adopt, by resolution, an overall plan in relation to special rates and charges for the supply of the service, facility or activity. The overall plan must be adopted either before, or at the same time as the local government first makes the special rate or charge.

If the overall plan adopted will not be implemented within one year, the local government must, at or before the budget meeting for each year of the period for implementing the overall plan, adopt by resolution an annual implementation plan for the year.

The annual implementation plan for the 2010/2011 financial year for the Amended Raby Bay Canal Special Charge (reference: Benefited Area Maps RBC-3, RBC-3-1- per attachment) is submitted to Council for adoption.

PURPOSE

The annual implementation plan for the 2010/2011 financial year for the Amended Raby Bay Canal Special Charge is submitted to Council for adoption.

BACKGROUND

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities)*

Regulation 2010, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Section 971 of the Local Government Act 1993 requires a local government to adopt, by resolution, an overall plan in relation to special rates and charges for the supply of the service, facility or activity. The overall plan must be adopted either before, or at the same time as the local government first makes the special rate or charge.

If the overall plan adopted will not be implemented within one year, the local government must, at or before the budget meeting for each year of the period for implementing the overall plan, adopt by resolution an annual implementation plan for the year.

Council adopted the overall plan for the Shire Canals – Special Charge on 12 July 2000, inclusive of works for Raby Bay and Aquatic Paradise.

An annual implementation plan for the Shire Canals – Special Charge has been adopted every year since the overall plan was adopted inclusive of works for Raby Bay and Aquatic Paradise.

ISSUES

Previously Council has administered the Shire Canal special charges inclusive of both Raby Bay and Aquatic Paradise locations. In 2007/2008, it was determined that it would be more appropriate to report separately to Council.

For the 2010/2011 financial year, revenue collected through the Amended Raby Bay Canal Special Charge will be held in a reserve to finance ongoing works. The details of the works programmed for the 2010/2011 financial year are:

Geotechnical Testing	\$ 1,000,000
Repair revetment walls - Masthead Drive (95-105)	<u>\$ 1,885,680</u>
Total	\$ 2,885,860

RELATIONSHIP TO CORPORATE PLAN

The recommendation primarily supports Council's strategic priority to ensure the long term financial viability of the City and provide public accountability in financial management.

FINANCIAL IMPLICATIONS

The levies are proposed to be increased to accommodate specific requirements identified in the annual implementation plan and to facilitate longer term planning for the estate.

CONSULTATION

During the budget 2010/2011 workshops, the Executive Leadership Group and Councillors have been presented with details pertaining to the planning for this Special Charge and on the future planning for the estate.

OPTIONS

That Council resolve to adopt the Annual Implementation Plan for the 2010/2011 financial year for the Amended Raby Bay Canal Special Charge (reference: Benefited Area Maps RBC-3, RBC-3-1).

OFFICER'S RECOMMENDATION

That Council resolve to adopt the Annual Implementation Plan for the 2010/2011 financial year for the Amended Raby Bay Canal Special Charge (reference: Benefited Area Maps RBC-3, RBC-3-1).

6.13 LAKE LEVY SPECIAL CHARGE - ANNUAL IMPLEMENTATION PLAN - 2010/2011

Dataworks Filename: FM Corporate Budget
Attachments: [Benefited area map SWL-1](#)
Responsible Officer Name: Martin Drydale
General Manager, Corporate Services
Author Name: Kerry Phillips
Group Manager, Financial Services

EXECUTIVE SUMMARY

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Council is required to adopt an annual implementation plan each year before it can levy the Lake Levy–Special Charge.

Section 971 of the **Local Government Act 1993** requires a local government to adopt, by resolution, an overall plan in relation to special rates and charges for the supply of the service, facility or activity. The overall plan must be adopted either before, or at the same time, as the local government first makes the special rate or charge. If the overall plan adopted will not be implemented within one year, the local government must, at or before the budget meeting for each year of the period for implementing the overall plan, adopt by resolution an annual implementation plan for the year.

The works programmed for this upcoming year are only minor maintenance and cleaning works. Most of the accumulated levy funds are being set aside for maintenance dredging in future years.

The increase in the Lake Levy-Special Charge is necessary to accommodate present cost estimates of the future dredging requirements of the Sovereign Waters Lake Estate.

The annual implementation plan for 2010/2011 financial year for the Lake Levy – Special Charge (reference: Benefited Area Map SWL-1 - as attached) is submitted for Council adoption.

PURPOSE

The annual implementation plan for 2010/2011 financial year for the Lake Levy – Special Charge (reference: Benefited Area Map SWL-1 - as attached) is submitted for Council adoption.

BACKGROUND

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Section 971 of the *Local Government Act 1993* requires a local government to adopt, by resolution, an overall plan in relation to special rates and charges for the supply of the service, facility or activity. The overall plan must be adopted either before, or at the same time, as the local government first makes the special rate or charge. If the overall plan adopted will not be implemented within one year, the local government must, at or before the budget meeting for each year of the period for implementing the overall plan, adopt by resolution an annual implementation plan for the year.

Council adopted the overall plan for the Lake Levy – Special Charge on 12 July 2000. An annual implementation plan for the Lake Levy – Special Charge has been adopted every year since the overall plan was adopted.

ISSUES

For the 2010/2011 financial year, revenue collected through the Lake Levy – Special Charge will be held in a reserve to finance ongoing works as required in future years. Increased construction costs in recent years have resulted in an increase in cost estimates for future dredging and disposal of dredged material. The works programmed for the 2010/2011 financial year include Sovereign Waters Lake Estate - Cleaning and minor maintenance \$11,924.

Most of the accumulated levy funds are being set aside for maintenance dredging in future years.

RELATIONSHIP TO CORPORATE PLAN

The recommendation primarily supports Council's strategic priority to ensure the long term financial viability of the City and provide public accountability in financial management.

FINANCIAL IMPLICATIONS

At this rate there will be a deficit in the reserve by year 8 to be paid back in full in subsequent years. Although the reserve's balance is expected to show an accumulation of funds over the forthcoming years, dredging of the lake in 20 year cycles will require a greater level of funding. This will be monitored and plans reviewed annually.

CONSULTATION

During the budget 2010/2011 workshops, the Executive Leadership Group and Councillors have been presented with details pertaining to the planning for this Special Charge and on the future planning for the estate.

OPTIONS

That Council resolve to adopt the annual implementation plan for the 2010/2011 financial year for the Lake Levy – Special Charge (reference: Benefited Area Map SWL-1 - as attached).

OFFICER'S RECOMMENDATION

That Council resolve to adopt the annual implementation plan for the 2010/2011 financial year for the Lake Levy – Special Charge (reference: Benefited Area Map SWL-1 - as attached).

6.14 ANNUAL IMPLEMENTATION PLAN - RURAL FIRE LEVY - SPECIAL CHARGE - 2010-2011

Datworks Filename: FM Corporate Budget
Responsible Officer Name: Martin Drydale
General Manager, Corporate Services
Author Name: Kerry Phillips
Group Manager, Financial Services

EXECUTIVE SUMMARY

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Under section 971 of the *Local Government Act 1993*, if an overall plan for a Special Charge will not be implemented within a financial year, the local government must, at or before the budget meeting for each year of the overall plan, adopt an annual implementation plan for the year.

The overall plan for the Rural Fire Levy Special charge was adopted 12 July 2000.

Details of specific works for 2010/2011 are provided in the proposed budgets for each of the rural fire brigades operating in the benefited area. These works constitute the Annual Implementation Plan for 2010/2011.

This Rural Fire Levy Special Charge Annual Implementation Plan for the 2010/2011 financial year is submitted to Council for adoption.

PURPOSE

To submit to Council for adoption the Rural Fire Levy Special Charge Annual Implementation Plan for the 2010/2011 financial year.

BACKGROUND

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting

resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Under section 971 of the *Local Government Act 1993*, if an overall plan for a Special Charge will not be implemented within a financial year, the local government must, at or before the budget meeting for each year of the overall plan, adopt an annual implementation plan for the year.

Council adopted the overall plan for the Rural Fire Levy Special Charge on 12 July 2000.

An Annual Implementation Plan for the Rural Fire Levy Special charge has been adopted every year since the overall plan was adopted on 12 July 2000.

ISSUES

Under section 971 of the *Local Government Act 1993*, if an overall plan for a Special Charge will not be implemented within a financial year, the local government must, at or before the budget meeting for each year of the overall plan, adopt an annual implementation plan for the year. The overall plan for the Rural Fire Levy Special Charge was adopted 12 July 2000.

The time limit for implementing the overall plan will be based on external factors such as a decision by urban fire brigades to assume responsibility for fire response in the benefited areas and possibly future policy decisions by Council about continued funding. Services funded by the levy include construction and maintenance of fire brigade depots, purchase and maintenance of plant and equipment, operational response to incidents and training.

Details of specific works for 2010/2011 are provided in the proposed budgets for each of the rural fire brigades operating in the benefited area. These works constitute the Annual Implementation Plan for 2010/2011.

For the 2010/2011 financial year, Rural Fire Levy payments received from each Island will be distributed to the Island's Rural Fire Brigade.

Council was consulted directly by Peter Varley Area Director, Rural Operations, Caboolture Area for Queensland Fire and Rescue Service who is responsible for the management of the Rural Fire Brigades and advises Council on the requirements of the annual implementation plans. In his brief to Council, attention was drawn to the fact that the fund for Russell Island exceeds level of funds required for a number of upcoming years and that after another year of levies the same will apply to Macleay Island funds, however there remained a requirement to levy other islands to continue to support on-going services.

He also advised, that there may be some merit in winding down the existing special charge regime and moving to a committee based model. Council officers will work with Mr Varley, Councillor Townsend and the Rural Fire brigade representatives to explore the potential for a shift to a new model.

It is however, recommended to extend the response to the overall plan by a further year and to continue to collect levies per the requirement of the budget proposals

The estimated amount to be raised by the levy for 2010/2011 is:

Karragarra, Macleay and Perulpa Islands	\$121,320
Lamb Island	\$7,630
Russell Island	zero (due to the level of the levy pool being sufficient to meet requirements for 2010/2011)
Total estimated amount	\$128,950

RELATIONSHIP TO CORPORATE PLAN

The recommendation primarily supports Council's strategic priority to ensure the long term financial viability of the City and provide public accountability in financial management.

FINANCIAL IMPLICATIONS

The levies proposed are in response to consultation with the Rural Fire Service and the budgets submitted for 2010/2011.

CONSULTATION

The levies proposed are in response to consultation with the Rural Fire Service, the budgets submitted for 2010/2011 Rural Fire Brigades, Area Director Rural Operations Caboolture Area for Queensland Fire and Rescue Service, Executive Leadership Group and Councillors.

OPTIONS

That Council resolve to adopt the Annual Implementation Plan for the 2010/2011 financial year for the Rural Fire Levy Special Charge.

OFFICER'S RECOMMENDATION

That Council resolve to adopt the Annual Implementation Plan for the 2010/2011 financial year for the Rural Fire Levy Special Charge.

6.15 CATEGORISATION OF LAND FOR DIFFERENTIAL RATING 2010/2011

Dataworks Filename: FM Corporate Budget
Attachments: [Differential General Rates 2010/2011](#)
Responsible Officer Name: Martin Drydale
General Manager, Corporate Services
Author Name: Kerry Phillips
Group Manager, Financial Services

EXECUTIVE SUMMARY

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Under the *Local Government Act 1993* S976 Council must ascertain how rateable land is to be categorised. Under the *Local Government Act 1993* S966(1) Council must ascertain how rateable land is to be categorised before the making and levying of differential general rates.

The attachment to the report recommends the category and criteria definitions to apply for 2010/2011.

It is recommended that Council adopts;

- Under the *Local Government Act 1993*, section 977, the 17 categories into which rateable land is the categorised, and the criteria by which that land is to be categorised, as per the attachment; and"
- Differential Rates for 2010/2011 that reflects Revenue Policy POL-1837 principles of - ***Fairness*** and ***Differentiation of categories***.

PURPOSE

The purpose of this report is to comply with S977 of the *Local Government Act 1993* to ensure that Council resolves the categories and criteria prior to the making and levying of differential general.

BACKGROUND

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities)*

Regulation 2010, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

Under the *Local Government Act 1993* S976 Council must ascertain how rateable land is to be categorised. Under the *Local Government Act 1993* S966(1) Council must ascertain how rateable land is to be categorised before the making and levying of general or differential rates.

ISSUES

The attachment to the report recommends the category and criteria definitions to apply for 2010/2011.

Rating has been discussed at several budget workshops with Council. It has been determined that Council supports a differential rating scheme for 2010/2011. The principles that underpin the Revenue Policy POL- 1837 include consideration of **Fairness** and **Differentiation of categories** as outlined below:

Fairness — *While the rating legislation requires Council to use property valuations as the basis for raising rate revenue, Council will try to limit extreme implications for upper and lower valued properties by applying a minimum general rate and by applying a rate convergence model (banding) where applicable. For those properties that can never be developed, Council will also attempt to limit the rates obligation.*

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

RELATIONSHIP TO CORPORATE PLAN

The recommendation primarily supports Council's strategic priority to ensure the long term financial viability of the City and provide public accountability in financial management.

FINANCIAL IMPLICATIONS

This framework provides the platform for the making and levying of rates which will be determined in the Special Budget Meeting.

CONSULTATION

The Executive Leadership Group and Councillors have been consulted regarding the implications of this report in the numerous budget workshops held to support the development of the budget for 2010/2011.

OPTIONS

It is recommended that Council resolve to adopt;

- Under the Local Government Act 1993, section 977, the 17 categories into which rateable land is the categorised, and the criteria by which that land is to be categorised, as per the attachment; and”
- Differential Rates for 2010/2011 that reflects Revenue Policy POL-1837 principles of - **Fairness** and **Differentiation of categories**.

OFFICER'S RECOMMENDATION

It is recommended that Council resolve to adopt;

- Under the *Local Government Act 1993*, section 977, the 17 categories into which rateable land is the categorised, and the criteria by which that land is to be categorised, as per the attachment; and”
- Differential Rates for 2010/2011 that reflects Revenue Policy POL-1837 principles of - **Fairness** and **Differentiation of categories**.

6.16 ADOPTION OF BUDGET ESTIMATES AND FIXING OF RATES AND CHARGES FOR 2010-2011

Datworks Filename: FM Corporate Budget
Attachment: [Budget Book 2010-2011](#)
Responsible Officer Name: Martin Drydale
General Manager Corporate Services
Author Name: Deborah Corbett-Hall
Acting Service Manager Budget and Management Accounting

EXECUTIVE SUMMARY

In accordance with section 518 and 519 of the *Local Government Act 1993* (the Act), Council is required to adopt, by resolution, a budget and revenue statement for each financial year for its operating fund. Each budget of local government must be developed consistently with its Corporate Plan and Operational Plan. The 2010-2011 budget presented to Council meets all the requirements of section 519 of the Act.

The *Local Government Act 2009*, together with the *Local Government (Operations) Regulation 2010*, the *Local Government (Finance, Plans and Reporting) Regulation 2010* and the *Local Government (Business Enterprises and Business Activities) Regulation 2010*, will commence on 1 July 2010.

However, as Council is proposing to adopt its 2010-2011 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010-2011 Budget and supporting resolutions need only refer to the current legislation (predominantly the *Local Government Act 1993* and the *Local Government Finance Standard 2005*).

PURPOSE

The purpose of the report is to formally adopt, in accordance with sections 518 and 519 of the *Local Government Act 1993* (the Act), the 2010-2011 budget and revenue statement.

BACKGROUND

Council has the power to make and levy rates and charges under section 963 of the Act, which is done so in accordance with Part 2 and 3 of Chapter 14 of the Act. Council can also place limitations on increases of general rates under section 1036 of the Act.

Rate concessions are set by Council under Part 6 of Chapter 14 of the Act, together with the ability to charge interest on overdue rates under section 1018 of the Act.

Each budget of a local government must be developed consistently with its Corporate Plan and Operational Plan. Following a series of workshops and public consultation,

Council adopted a revised Corporate Plan 2010–2015 on 26 May 2010 to take effect from 1 July 2010. Council will adopt its Operational Plan 2010-2011 prior to the special budget meeting on the 25 June 2010.

ISSUES

REQUIREMENTS OF BUDGETS

The 2010-2011 budget meets all the requirements of section 519 of the Act in that it:

- has been developed consistently with the corporate and operational plans; and
- revenue policy; and
- is clearly linked with matters specified in the plans; and
- complies with the *Local Government Finance Standard 2005*; and
- is accompanied by Council's revenue statement.

CONTENTS OF OPERATING FUND BUDGETS

The budget as shown in the attachment and developed for the 2010-2011 operating fund contains:

- the estimated costs in total, and for each of its significant activities; and
- the source of funds necessary for spending provided for in the budget; and
- the estimated costs and source of funds for the next five (5) financial years; and
- the estimated costs of Council's significant business activities carried on, under Chapter 8, Part 5 of the Act, on a full cost pricing basis and the activities of Council's commercial business units under Chapter 8, Part 6 of the Act. The 2010-2011 budget includes six new Type 3 Business Activities in addition to the existing four.

The budget set has been used as the basis on which rates are to be made and levied by the Council for the next financial year.

CATEGORISATION OF LAND FOR DIFFERENTIAL RATING

If Council moves to levy a differential general rate it is required to make a resolution under section 977 of the Act to determine the categories and the criteria by which the land will be rated. Council will adopt the differential rate categories and criteria to apply for 2010-2011 during the Special Budget Meeting on 25 June 2010.

FIXING OF RATES AND CHARGES FOR THE 2010-2011 FINANCIAL YEAR

Council will fulfil its budget commitments by using its power under section 963 to make and levy rates and charges under the Act. The Act allows Council to make and levy:

- a general rate or differential general rates; and
- minimum general rates levies; and

- separate rates and charges; and special rates and charges; and
- utility charges.

LIMITATION ON INCREASE OF GENERAL RATES

Council recognises that valuation increases can have an adverse effect on ratepayers and has discussed ways to limit the impact of valuation increases. The 2010-2011 database of properties will reflect valuations conducted in 2009-2010.

Where Council has levied a rate it also has the ability under section 1036 of the Act, to resolve that the rate increase is not more than the amount levied for the previous financial year or is the amount levied for the previous financial year increased by a specified percentage.

TIME WITHIN WHICH RATES MUST BE PAID AND INTEREST FOR OVERDUE PAYMENTS

Under section 1014 of the Act Council, at its budget meeting, must decide the date by which, or the time within which, each rate must be paid. Council will nominate that interest must be paid on any overdue rates.

PENSIONER CONCESSIONS ON GENERAL RATES

Pensioners, who qualify in accordance with Council Policy, POL-2557 Council Pensioner Rebate Policy, will be allowed a rebate on general rates.

RELATIONSHIP TO CORPORATE PLAN

The recommendation supports the vision outcome in Council's Corporate Plan for 2010-2015 to ensure robust long term financial planning is in place to protect the financial sustainability of Council.

FINANCIAL IMPLICATIONS

The financial implications have been assessed in accordance with section 519 of the Act and detailed in the attached budget 2010-2011.

CONSULTATION

The Executive Leadership Group (ELG) and Councillors have conducted the following workshops to assist in the preparation of the budget for 2010-2011;

- 3 Councillor / ELG workshops to review the 10 year capital works projects;
- 10 Councillor / ELG rating and revenue workshops;
- 4 Executive Leadership Group budget workshops;
- 4 Councillor / ELG budget workshops; and a
- Councillor / ELG financial modelling workshop for the 10-year financial model.

PROPOSED MOTION**ADOPTION OF BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2010-2011**

That Council resolves, in accordance with section 518 of the *Local Government Act 1993*, to adopt the budget estimates for 2010-2011 shown in the Budget attached on pages 18 to 25 and 33 to 35.

PROPOSED MOTION**RATES AND CHARGES FOR THE FINANCAL YEAR 2010-2011****1. Differential General Rates and Minimum General Rates**

That Council resolves –

In accordance with Part 2 and 3 of Chapter 14 of the *Local Government Act 1993*, Council will make and levy differential general rates and a minimum general rate for each rating category for the 2010-2011 financial year that balances distribution, limits the impact of changes in Unimproved Capital Value and takes into consideration the impact and usage patterns of Council services, activities and facilities by various segments of our community; and progresses Council's viewpoint that, legislation permitting, the cost and level of services provided to like households should be distributed evenly.

Redland City Council has adopted a differential rating scheme for the 2010-2011 financial year that recognises various segments of the community impact on, and use services, activities, and facilities differently. The 2010-2011 rate model for valuation banded categories manages the relativity between higher valued properties and the minimum general rate to limit the burden on higher valued properties. A convergence ratio of a maximum of 4.2 times the minimum general rate has been set at the 99th percentile for 2010-2011 in the combined category of 1a and 1b, which hosts 58.8% of all rateable land.

The scheme has 17 categories of land:– Pursuant to section 977 of the *Local Government Act 1993*, the categories in to which rateable land is categorised and the criteria by which land is categorised is as follows:

Category	Criteria
1a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with an unimproved valuation equal to or less than \$300,000 used for: <ul style="list-style-type: none"> a) Residential purposes and is the registered owner's principal place of residence. b) Vacant land where it is considered likely a development permit, or permits, for the erection of a building would be approved should application be made.
1b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and

Category	Criteria
	<p>North Stradbroke Islands with an unimproved valuation greater than \$300,000 used for:</p> <ul style="list-style-type: none"> a) Residential purposes and is the registered owner's principal place of residence. b) Vacant land where it is considered likely a development permit, or permits, for the erection of a building would be approved should application be made.
2a	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with an unimproved valuation equal to or less than \$275,000 used for residential purposes that is NOT the registered owner's principal place of residence.
2b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with an unimproved valuation greater than \$275,000 used for residential purposes that is NOT the registered owner's principal place of residence.
3a	Includes all rateable land on Karragarra, Lamb, Perulpa, Macleay and Russell Islands with an unimproved valuation equal to or less than \$93,000 that is the registered owner's principal place of residence.
3b	Includes all rateable land on Karragarra, Lamb, Perulpa, Macleay and Russell Islands with an unimproved valuation greater than \$93,000 that is the registered owner's principal place of residence.
4a	Includes all rateable land on Karragarra, Lamb, Perulpa, Macleay and Russell Islands with an unimproved valuation equal to or less than \$97,000 that is NOT the registered owner's principal place of residence.
4b	Includes all rateable land on Karragarra, Lamb, Perulpa, Macleay and Russell Islands with an unimproved valuation greater than \$97,000 that is NOT the registered owner's principal place of residence.
5	<p>Includes all rateable land that is used, or is intended for residential use or any other purpose other than Commercial or Industrial that has been identified in the <i>Southern Moreton Bay Islands Development Entitlements Protection Regulation 2006</i> that has recognised development potential and where the current owner was in possession of the land immediately before 13 April 2005.</p> <p>The development entitlements, which existed under the 'superseded' Transitional Planning Scheme, have been protected on these lots for a period of ten years from the commencement of the Redlands Planning Scheme or until a change in ownership occurs as the protection of development entitlements does not extend to future owners of land included in this category.</p> <p>Land in this category is included in the Conservation Sub-Area CN1 zone of the Redlands Planning Scheme.</p>
6	Includes all rateable land on the Mainland, Coochiemudlo Island and North Stradbroke Island where the predominant use of the land is commercial or industrial. This category includes not-for-profit organisations and clubs.

Category	Criteria
7	Includes all rateable land on Karragarra, Lamb, Perulpa, Macleay and Russell Islands where the predominant use of the land is commercial or industrial. This category includes not-for-profit organisations and clubs.
8	Includes all rateable land that is used for quarry or extractive industry purposes. An extractive industry is any activity that removes material substance from the ground.
9	Includes all rateable land that is used for the purpose of a major shopping centre that has a leasable area of not less than 5,000m ² .
10	Includes all rateable land that has been identified as having an insurmountable drainage constraint such that it is unlikely a development permit, or permits, for the erection of a dwelling house on the land would be granted. Includes some rateable land that has been identified as having significant conservation values. All rateable land included in this category identified with insurmountable drainage problems or conservation values is zoned Conservation Sub-Area CN1 in the Redlands Planning Scheme. 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.
11	In accordance with Section 25 of the <i>Valuation of Land Act 1944</i> (Valuation-discounting for subdivided land), for the purpose of levying the General Rate the Unimproved valuation (UCV) of land subject to this Section will be discounted by 40%. Furthermore, a minimum general rate will not apply to this land in accordance with Section 967 (4) of the <i>Local Government Act 1993</i> .
12a	Includes all rateable vacant land on Karragarra, Lamb, Perulpa, Macleay and Russell Islands with an unimproved valuation equal to or less than \$59,000 where the land is considered likely to be granted a development permit, or permits, for the erection of a building should application be made.
12b	Includes all rateable vacant land on Karragarra, Lamb, Perulpa, Macleay and Russell Islands with an unimproved valuation greater than \$59,000 where the land is considered likely to be granted a development permit, or permits, for the erection of a building should application be made.

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

The following table shows the rate in the dollar, minimum general rate, threshold valuation, for each rating category. Pursuant to sections 965 and 966 of the Local Government Act 1993, the differential general rate to be made and levied for each differential general rate category and, pursuant to section 967 of the Local

Government Act 1993, the minimum general rate to be made and levied for each differential category is as follows:

Rating Category	Band		Minimum General Rate [MGR] \$	Rate In the Dollar	MGR Threshold \$	Step Down	Charge Code <small>RCC Use Only</small>
	From \$	To \$					
1a	0	300,000	749.40	0.00378906	197,779.92		GR20
1b	300,001	999,999,999	1,136.72	0.00318281	357,143.53	-16%	GR20
2a	0	275,000	782.08	0.00459385	170,245.00		GR25
2b	275,001	999,999,999	1,263.31	0.00330757	381,945.05	-28%	GR25
3a	0	93,000	584.36	0.01256213	46,517.59		GR30
3b	93,001	999,999,999	1,168.28	0.00879349	132,857.38	-30%	GR30
4a	0	97,000	782.08	0.01355479	57,697.68		GR35
4b	97,001	999,999,999	1,314.82	0.01030164	127,632.11	-24%	GR35
5	0	999,999,999	687.48	0.01630131	42,173.30		GR24
6	0	999,999,999	880.54	0.00358138	245,866.12		GR21
7	0	999,999,999	978.59	0.00646775	151,303.00		GR31
8	0	999,999,999	1,347.78	0.01126536	119,639.32		GR22
9	0	999,999,999	24,459.32	0.00514526	4,753,757.83		GR23
10	0	999,999,999	115.88	0.00378906	30,582.78		GR06
11	0	999,999,999	n/a	0.00616249	0.00		GR05
12a	0	59,000	750.00	0.02131648	35,184.05		GR32
12b	59,001	999,999,999	1,257.67	0.01449521	86,764.52	-32%	GR32

2. Limitation on Increase of General Rates

That Council resolves in accordance with section 1036 of the *Local Government Act 1993*, that the limitation of increase in a rate levied is applied. For 2010-2011 Council will limit the impact of valuation increases by applying a 50 percent cap to the rating categories of

- 3a,
- 3b,
- 4a,
- 4b,
- 12a and
- 12b.

3. Utility Charges

That Council resolves to make utility charges for 2010-2011 financial year in accordance with sections 963, 973, 973A and 973AA of the *Local Government Act 1993*.

Water Consumption Charges to 30 June 2010

All water consumption up to and including the 30 June 2010 is Council revenue. The following procedure will apply to apportioning the charge for water consumption between Redland City Council and the new water entity - Allconnex Water, in regards to the reading cycle spanning the 2009-2010 and 2010-2011 financial years.

Where a reading cycle spans two (2) financial years (for example from 30 April to 31 July), the consumption of water for that reading cycle will be apportioned to each financial year according to the average daily consumption during the reading cycle. The total average daily consumption apportioned to each financial year will ordinarily be rated according to the metered water supply rate (water consumption charge) for each corresponding financial year.

Waste/Recycling Charges

Utility charges are made and levied in accordance with Sections 963 and 973 of the *Local Government Act 1993* and Council's Corporate Policy POL-2836 — Waste and Recycling Collection Services.

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

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

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

Waste Management Service	Mainland		Bay Islands	
	Charge Code <small>RCC Use Only</small>	Annual Amount \$	Charge Code <small>RCC Use Only</small>	Annual Amount \$
240L Waste / 240L Recycling	RF01	299.00	RF201	334.00
140L Waste / 240L Recycling	RF15	247.00	RF215	279.00
Additional Bin and Service – Scheduled Days				
240L Additional Waste bin	RF09	188.00	RF209	209.00

Waste Management Service	Mainland		Bay Islands	
	Charge Code RCC Use Only	Annual Amount \$	Charge Code RCC Use Only	Annual Amount \$
140L Additional Waste bin	RF17	105.00	RF217	160.00
240L Additional Recycling bin	RF16	112.00	RF216	125.00
Additional Service Existing Bin – Scheduled Days				
240L Waste bin	RF13	9.00 per lift	N/A	
140L Waste bin	RF12	9.00 per lift	N/A	
240L Recycling bin	RF14	10.00 per lift	N/A	
Additional Service Existing Bin – Outside Scheduled days				
240L Additional temporary Waste service	RF40	39.00 per lift	N/A	
140L Additional temporary Waste service	RF41	25.00 per lift	N/A	
240L Additional temporary recycling service	RF42	22.00 per lift	N/A	

Waste Bulk Bin Size (m ³)	Mainland		Bay Islands	
	Charge Code RCC Use Only	Annual Amount \$	Charge Code RCC Use Only	Annual Amount \$
Waste Bulk Bin size (m³). Annual charge – 1 service per week				
1.10	RF23	2,268.00	N/A	
1.50	RF26	1,944.00	RF106	2,972.00
2.25	RF29	2,860.00	RF109	4,350.00
3.00	RF32	3,804.00	RF112	5,705.00
4.00	RF35	4,971.00	RF115	7,341.00
Additional Waste Service Bulk Bin Size (m³). Lift only – 1 service per week				
1.10	RF24	44.00	N/A	
1.50	RF27	38.00	RF107	70.00
2.25	RF30	55.00	RF110	96.00
3.00	RF33	74.00	RF113	123.00
4.00	RF36	96.00	RF116	154.00
Temporary Waste (= < 3 months) Bulk Bin Size (m³). Bin and lift – 1 service				
1.10	RF25	72.00	N/A	
1.50	RF28	80.00	RF108	82.00
2.25	RF31	92.00	RF111	109.00
3.00	RF34	117.00	RF114	135.00
4.00	RF37	148.00	RF117	166.00
Recycle Bulk Bin size (m³). Annual charge – 1 service per fortnight				
1.10	RF63	5,271.00	N/A	
1.50	RF66	1,146.00	RF136	2,004.00
2.25	RF69	1,663.00	RF139	2,890.00
3.00	RF72	2,183.00	RF142	3,718.00
4.00	RF75	2,789.00	RF145	4,635.00
Additional Recycling Service Bulk Bin Size (m³). Lift only – 1 service				

	Mainland		Bay Islands	
1.10	RF65	80.00	N/A	
1.50	RF68	86.00	RF138	147.00
2.25	RF71	96.00	RF141	158.00
3.00	RF74	110.00	RF144	170.00
4.00	RF77	125.00	RF147	186.00
Temporary Recycling (= < 3 months) Bulk Bin Size (m³). Bin and lift – 1 service				
1.10	RF64	203.00	N/A	
1.50	RF67	168.00	RF137	308.00
2.25	RF70	188.00	RF140	319.00
3.00	RF73	208.00	RF143	332.00
4.00	RF76	231.00	RF146	348.00

4. Environment Separate Charge

That Council resolves, in accordance with Section 972 of the *Local Government Act 1993* Council has determined that the community in general will benefit from the protection, management, promotion and enhancement of biodiversity – including koala habitat, bushland, greenspace, waterways, catchments, air and coastal ecosystems in the City – that cannot be effectively protected through Council’s regulatory powers, or management programmes.

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

The charge is applied on a per lot basis.

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

5. Landfill Remediation Separate Charge

That Council resolves, in accordance with Section 972 of the *Local Government Act 1993* Council has determined that the community in general will benefit from the monitoring and remediation of all landfills closed prior to July 1998 and the landfill at Myora North Stradbroke Island, excluding all other operational landfills such as Birkdale and Giles Road, to prevent environmental harm. The charge is applied on a per lot basis and will be subject to Council’s Farming Concession.

Separate Charge	Charge Amount \$	Charge Basis
Landfill Remediation Charge (EN03)	39.00	Charge per lot

6. City Canals Special Charge

A. Amendment of Overall Plan adopted 12 July 2000, as amended on 26 June 2009

That Council resolves, pursuant to section 971(4D) of the *Local Government Act 1993*, to amend the overall plan of the “Shire Canals – Special Charge” (adopted by Council on 12 July 2000 and amended by Council on 26 June 2009) by deleting the sentence: -

“The estimated cost of implementing the overall plan is reviewed on an annual basis having regard to the Marine Construction Index and the results of annual surveys and inspections (in relation to the financial requirements for the canal estates). For 2009/2010, the estimated annual cost of implementing the overall plan is \$1,969,521.”

and replacing it with the following sentence: -

“The estimated cost of implementing the overall plan is reviewed on an annual basis having regard to the Marine Construction Index and the results of annual surveys and inspections (in relation to the financial requirements for the canal estates). For 2010/2011, the estimated annual cost of implementing the overall plan is \$2,885,860.”

That Council resolves, in accordance with section 971 of the *Local Government Act 1993*, Council will make and a levy a special charge, to be known as the City Canals Special Charge (the "special charge") as follows:-

1. The service, facility or activity funded by the special charge is the cleaning, dredging, maintenance to navigational aids and wall repairs to canals (and outlet channels) adjacent to the rateable land the subject of the special charge. It is Council’s opinion that this service, facility or activity provides a special benefit to that land by ensuring access to the canals and by ensuring the maintenance and integrity of the canal walls retaining the properties fronting the canals.
2. The rateable land to which the special charge applies is as identified in the benefited areas maps RBC-3 (Raby Bay – appendix A), RBC-3-1 (Raby Bay – appendix A) and APC-3 (Aquatic Paradise – appendix B), excluding land that does not have access to a canal.
3. The overall plan for the supply of the service, facility or activity funded by the special charge is as set out in Council’s resolution of 12 July 2000 (entitled “Shire Canals – Special Charge”), as amended at the Special Budget Meeting 25 June 2010.

4. The annual implementation plan for 2010-2011 comprises:-

- For the land identified in the benefited areas maps RBC-3 (Raby Bay) and RBC-3-1 (Raby Bay), the Amended Raby Bay Canal – Special Charge – Annual Implementation Plan 2010-2011 adopted by Council on 25 June 2010; and
- For the land identified in the benefited areas map APC-3 (Aquatic Paradise), the Amended Aquatic Paradise Canal – Special Charge – Annual Implementation Plan 2010-2011 adopted by Council on 25 June 2010.

5. In accordance with section 971(3) of the *Local Government Act 1993*, it is Council's opinion that units in home unit developments and marina berths in the Raby Bay Canal Estate do not receive the same amount of benefit as standard lots and the special charge for these types of land has been reduced, accordingly.

6. The special charge for the year 2010-2011 is: -

Special Charge	Charge Amount \$	Charge Basis
City Canals Special Charge (CA01)	1,903.00	Raby Bay - per standard lot
City Canals Special Charge (CA03)	970.00	Raby Bay - per unit in a home unit development
City Canals Special Charge (CA05)	856.00	Raby Bay - per marina berth
City Canals Special Charge (CA02)	2,120.00	Aquatic Paradise - per standard lot
City Canals Special Charge (CA04)	2,120.00	Aquatic Paradise - per marina berth

7. Lake Levy Special Charge

That Council resolves, in accordance with section 971 of the *Local Government Act 1993*, to make and a levy a special charge, to be known as the Lake Levy Special Charge (the "special charge") as follows:-

1. The service, facility or activity funded by the special charge is the maintenance work on the lake including repairs to revetment walls, dredging, lake edge and fringe treatments including scheduled vegetation and debris removal as required. It is Council's opinion that this service, facility or activity provides a special benefit the rateable land to be levied with the special charge by

ensuring access to the lake and by ensuring the maintenance and integrity of the lake walls retaining the properties fronting the lake.

2. The rateable land to which the special charge applies is the waterfront land identified in the Benefited Area Map SWL-1 (appendix C).
3. The overall plan for the supply of the service, facility or activity funded by the special charge is as set out in Council's resolution of 12 July 2000 (entitled "Lake Levy – Special Charge").
4. The annual implementation plan for 2010-2011 comprises the Lake Levy Annual Implementation Plan adopted by Council on 25 June 2010; and
5. The special charge for the year 2010-2011 is: -

Special Charge	Charge Amount \$	Charge Basis
Lake Levy (LA01)	1,011.13	Charge per lot

8. Rural Fire Levy Special Charge

That Council resolves, in accordance with Section 971 of the *Local Government Act 1993* and Section 128A of the *Fire and Rescue Service Act 1990* Council has determined that each parcel of rateable land identified as the whole of Karragarra, Lamb, Macleay, Perulpa and Russell Islands will specially benefit from the service, facility or activity provided through the Rural Fire Levy Special Charge. Funds raised will be contributed to the rural fire brigades within the benefited area to purchase and maintain equipment and provide a fire service to properties in the benefited area. Council adopted the Overall Plan for this charge on 12 July 2000 and the Annual Implementation Plan for 2010-2011 on 25 June 2010. The charge will be subject to Council's Farming Concession.

Special Charge	Charge Amount \$	Charge Basis
Karragarra, Macleay, and Perulpa Islands Rural Fire Levy (FL02)	30.00	Charge per lot
Lamb Island Rural Fire Levy (FL03)	10.00	Charge per lot
Russell Island Rural Fire Levy (FL04)	0.00	Charge per lot

9. Interest on Overdue Rates

That Council resolves, in accordance with section 1018 of the *Local Government Act 1993* interest, calculated on daily rests and applied as compound interest, may be charged on overdue rates from as soon as a rate becomes overdue. For 2010-2011 interest will be applied at the rate of 11% per annum as provided by section 43 of the *Local Government Regulation 2005*.

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.

10. Pensioner Concessions

a) General Rates

That Council resolves, in accordance with section 1035A of the *Local Government Act 1993* and Council's policy POL-2557 Council Pensioner Rebate Policy, for the 2010-2011 year to provide a rebate on General Rates to eligible pensioner ratepayers as follows:

The concessions are:

For ratepayers in receipt of a maximum pension	\$324.00 per financial year
For ratepayers NOT in receipt of maximum pension	\$162.00 per financial year

b) Separate and Special Charges

That Council resolves, in accordance with section 1035A of the *Local Government Act 1993* that a pensioner concession on Separate and Special charges (Canal, Lake, 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.

11. Farming Concessions

That Council resolves, in accordance with Section 1035A of the *Local Government Act 1993* Council will provide a concession to property owners whose land is being used for the business of farming (primary production) to assist and encourage endurance in their particular industry, which will benefit the economic development of the City as a whole.

1. The Concession is available to land owners that carry on a business of primary production on contiguous parcels of land in the same ownership name. Land will be considered contiguous when separated by a road. Land will not be considered contiguous where water connections are made to separate parcels of land.
2. For the purposes of administration the definition of 'primary production' will be taken from Subsection 6(1) *Income Tax Assessment Act 1936*:
 - (a) The cultivation of land;
 - (b) The maintenance of animals or poultry for the purpose of selling them or their bodily produce, including natural increase;
 - (c) Fishing operations which means:
 - i. operations relating directly to the taking or catching of fish, turtles, dugong, crustacean or oysters or other shellfish;
 - ii. pearling operations; and includes
 - iii. oyster farming; but does not include whaling.
 - (d) Forest operations, which include:
 - i. the planting or tending in a plantation or forest of trees intended for felling;
 - ii. the felling of trees in a plantation or forest;
 - (e) horticulture, and includes the manufacture of dairy produce by the person who produced the raw material used in that manufacture.
3. In accordance with Section 1035A of the *Local Government Act 1993*, for all such land parcels defined in point 1 above, Council will remit all but one of each Separate and Special charge that may be properly made and levied on the subject land parcels.

12. Allconnex Water and Wastewater Charges – Council Funded concessions

With the introduction of Allconnex Water from 1 July 2010, Council will continue to support for 2010-2011 community service obligations for Water and Wastewater charges previously provided for under:

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

Corporate Policy POL-3092 Allconnex Water and Wastewater Charges – Council Funded concessions, establishes an interim framework for applying concessions to Allconnex Water water and wastewater charges consistent with the previous community service obligations under the regime when Redland City Council were levying charges. The extent of the concessions is determined at the Annual budget meeting.

13. Other Matters

- All non-cash expenses, with the exception of depreciation, are fully funded by revenue to maintain the operating capability of Council. The total level of unfunded depreciation will be assessed in conjunction with the funding requirements of future capital works. Council has developed and implemented 26 Individual Asset Management Plans. Their purpose is to provide a holistic approach to physical asset management and to assist in identifying asset maintenance, operational and capital renewal and upgrade costs for Council to provide appropriate services and service levels to the community.
- Charges for new development are set at a level to meet the proportional demand in use of and/or augmentation of infrastructure provision to service the new development. Specifically, Council's ICP Policy requires 100% of the development's demand for that infrastructure to be funded by the developer.
- Council intends to increase its operating capability to provide a high level of services to an expanding population.
- Regulatory fees are established under section 1071A of the *Local Government Act 1993*. Council has set regulatory fees at a level to recover up to the full cost price of administering the fee. This includes direct and indirect costs, operating and maintenance overheads, and use of capital. Some regulatory fees may be subsidised by revenue representing community service obligations to achieve policy objectives and desired community outcomes.

14. Adoption of the Revenue Statement

That Council resolve, in accordance with section 518 of the *Local Government Act 1993*, to adopt the Revenue Statement shown in the 2010-2011 Budget document as attached on pages 60 to 71.

6.17 ADOPTION OF FINANCIAL STRATEGY FOR 2010-2020

Datworks Filename: FM Financial Reporting
Attachment: [Financial Strategy 2010-2020](#)
Responsible Officer Name: Martin Drydale
General Manager Corporate Services
Author Name: Martin Drydale
General Manager Corporate Services

EXECUTIVE SUMMARY

The preparation and adoption of a long-term financial strategy is a key step in setting clear financial objectives and targets in order to demonstrate long term financial sustainability and stewardship. Council's 10 year Financial Strategy provides this policy framework to guide all future decision making on financial resource allocation.

The Local Government Act 2009, together with the Local Government (Operations) Regulation 2010, the Local Government (Finance, Plans and Reporting) Regulation 2010 and the Local Government (Business Enterprises and Business Activities) Regulation 2010, will commence on 1 July 2010. However, as Council is proposing to adopt its 2010/11 Budget and supporting resolutions on 25 June 2010 (i.e. before the commencement of this new legislation), Council's 2010/11 Budget and supporting resolutions need only refer to the current legislation (predominantly the Local Government Act 1993 and the Local Government Finance Standard 2005).

However, Section 104 of the Local Government (Finance, Plans and Reporting) Regulation 2010 provides a clear intention for the requirement to prepare long term financial forecasts.

The detailed strategies and financial performance targets in the Financial Strategy set out financial priorities and boundaries that encourage efficient management of resources, equitable pricing models and measurable milestones.

PURPOSE

To seek adoption of Council's 2010 to 2020 Financial Strategy.

BACKGROUND

Council has been considering its longer term strategic financial management policies, alongside its deliberations for setting the 2010/11 Budget, with a view to establishing a 10 year policy framework in order to guide the achievement of its objective of financial sustainability for the City.

The Financial Strategy represents a key step in setting clear financial objectives and targets in order to demonstrate long term financial sustainability and stewardship. These are expressed in the Financial Strategy by the inclusion of forecasts for

operating statements, balance sheets, cash flows and KPI's for each of the 10 years covered by the Strategy.

The Financial Strategy will be reviewed annually by Council in order to ensure alignment with community and corporate objectives and also to provide assurance that the achievement of financial objectives and targets is being met. Over the next two years the Financial Strategy will be refined and developed to ensure better integration with the developing strategic asset management planning, workforce planning and capital planning processes. This will then ensure that whole-of-life cost implications of major projects and workforce design are captured and can be reviewed prior to decision making in order to ensure strategic and financial fit for the organisation.

ISSUES

The 10 year operating results emerging from the Strategy (see Appendix 1) provide a number of key issues that can be identified from the modelling.

1. Utility charges revenue reduces in 2010/2011 as a result of the water reform program and the removal of the distribution and retail water business from Council.
2. There is a reduction in both employee costs and goods and services in 2010/2011 relating to the removal of the distribution and retail water business from Council.
3. The forecast shareholder dividend and interest payments from the new water business are factored in from 2010/2011 but are not expected to achieve the returns currently received from Redland Water until Year 3 of the Strategy.
4. Earnings before interest, tax and depreciation (EBITD) commence from a reduced position compared to 2009/2010 but increase over the life of the Strategy.
5. There continues to be an operating deficit until 2014/15 before moving into surplus.

The 10 year Balance Sheet results of the Strategy provide a number of key issues that can be identified from the modelling.

1. The cash position is within acceptable tolerances throughout the life of the financial strategy.
2. The value of property, plant and equipment reduces significantly in 2010/2011 due to the transfer of water business assets to Allconnex Water.
3. This is offset by increased investments representing the shareholding and shareholder loans in the new water business.
4. Borrowings increase for the first five years in line with supporting the strategic direction of capital expenditure for asset management and intergenerational projects

The financial stability ratios associated with the Strategy provide a number of key issues that can be identified from the modelling.

1. Operating Performance falls below target in Years 1 to 3
2. Operating Surplus falls below target in Years 1 to 5

3. Asset sustainability ratios are still under development and will benefit from the work being undertaken in respect of Asset management plans in response to the requirements of the Local Government Act 2009.

The Financial Strategy does provide a clear indication of an improving financial position for Council over the life of Strategy and ensures that plans are in place for the achievement of financial sustainability targets, with more work required to ensure that asset sustainability targets are achieved.

I would like to acknowledge the support, input and feedback from all Councillors and staff in the development of the Financial Strategy.

RELATIONSHIP TO CORPORATE PLAN

The recommendation primarily supports Council's strategic priority to support the organisation's capacity to deliver services to the community by building a skilled, motivated and continually learning workforce, ensuring assets and finances are well managed, corporate knowledge is captured and used to best advantage, and that services are marketed and communicated effectively.

FINANCIAL IMPLICATIONS

The Financial Strategy provides a financial policy framework to guide decision making on financial resource allocation over the longer term in order to demonstrate and achieve financial sustainability.

As such, the Strategy is the first reference point for such decisions and will be reviewed annually to ensure that alignment with community and corporate objectives is maintained.

PLANNING SCHEME IMPLICATIONS

The Land Use Planning Group was consulted and it is considered that the outcome of recommendations in this report will not require any amendments to the Redlands Planning Scheme.

CONSULTATION

Consultation has been carried out with all Councillors, Executive Leadership Group, senior financial advisors and Financial Services Team in the development of the Strategy.

OPTIONS

That Council resolve to adopt the Redland City Council Financial Strategy 2010-2020(as attached).

OFFICER'S RECOMMENDATION

That Council resolve to adopt the Redland City Council Financial Strategy 2010-2020 (as attached).

COUNCIL RESOLUTION

Moved by: Cr Elliott
Seconded by: Cr Boglary

That:

1. Council receive and note the contents of the 2010-2011 Budget – Development Report.
2. Pursuant to section 521 of the *Local Government Act 1993*, Council receive and note the Redland City Council Financial Report for the 2009-2010 financial year.
3. Council receive and note the contents of the 2010-2011 Waste Management Business Unit Pricing Report.
4. Pursuant to section 8 of the *Local Government Finance Standard 2005*, Council adopt the 2010-2011 Borrowing Policy (POL-1838).
5. Council adopt the Community Service Obligation Policy (POL-2658).
6. Council adopt the Allconnex Water and Wastewater Concessions Policy (POL-3092).
7. Pursuant to sections 36(2)(c) and 1071A of the *Local Government Act 1993*, Council adopt the 2010-2011 Schedule of Fees and Charges.
8. Pursuant to section 34 of the *Local Government Finance Standard 2005* Council authorise the transfers to and from reserves detailed in the 2010-2011 Budget Book.
9. Pursuant to section 971(4D) of the *Local Government Act 1993*, Council amend the overall plan of the “Shire Canals – Special Charge” (adopted by Council on 12 July 2000 and amended by Council on 26 June 2009) by deleting the sentence: -

“The estimated cost of implementing the overall plan is reviewed on an annual basis having regard to the Maritime Construction Index and the results of annual surveys and inspections (in relation to the financial requirements for the canal estates). For 2009-2010, the estimated annual cost of implementing the overall plan is \$1,969,521.”

and replacing it with the following sentence: -

“The estimated cost of implementing the overall plan is reviewed on an annual basis having regard to the Maritime Construction Index and the results of annual surveys and inspections (in relation to the financial requirements for the canal estates). For 2010-2011, the estimated annual cost of implementing the overall plan is \$2,885,860.”

10. Pursuant to section 971(4C) of the *Local Government Act 1993*, Council adopt the Raby Bay Canal Annual Implementation Plan 2010-2011.
11. Pursuant to section 971(4C) of the *Local Government Act 1993*, Council adopt the Aquatic Paradise Canal Annual Implementation Plan 2010-2011.
12. Pursuant to section 971(4C) of the *Local Government Act 1993*, Council adopt the Lake Levy Annual Implementation Plan 2010-2011.
13. Pursuant to section 971(4C) of the *Local Government Act 1993*, Council adopt the Rural Fire Levy Annual Implementation Plan 2010-2011.
14. Pursuant to section 518 of the *Local Government Act 1993*, Council adopt the 2010-2011 Budget, as detailed in the 2010-2011 Budget Book.
15. Pursuant to section 518 of the *Local Government Act 1993*, Council adopt the 2010-2011 Revenue Statement and more specifically:-
 - a) Pursuant to Sections 966 and 977 of the *Local Government Act 1993* the categories into which rateable land is categorised and the criteria by which the land is categorised for the financial year beginning 1st July, 2010 is as detailed in the Revenue Statement.
 - b) Pursuant to section 965 of the *Local Government Act 1993*, Council will make and levy a differential general rate on all parcels of rateable land included in each category for the financial year beginning 1st July, 2010, as detailed in the Revenue Statement.
 - c) Pursuant to Section 967 of the *Local Government Act 1993* Council make and levy a minimum differential general rate on all parcels of rateable land for the financial year beginning 1st July, 2010, as detailed in the Revenue Statement.
 - d) Pursuant to Section 1036 of the *Local Government Act 1993* Council limit the percentage increase of some of the differential general rates for the financial year beginning 1st July, 2010 as detailed in the Revenue Statement.
 - e) Pursuant to Section 971 of the *Local Government Act 1993* Council make and levy the Rural Fire Levy Special Charge as detailed in the Revenue Statement.

- f) Pursuant to Section 971 of the *Local Government Act 1993* Council make and levy the City Canals Special Charge as detailed in the Revenue Statement.
- g) Pursuant to Section 971 of the *Local Government Act 1993* Council make and levy the Lake Levy Special Charge as detailed in the Revenue Statement.
- h) Pursuant to Section 972 of the *Local Government Act 1993* Council make and levy the Environment Separate Charge as detailed in the Revenue Statement.
- i) Pursuant to section 972 of the *Local Government Act 1993*, Council make and levy the Land Remediation Separate Charge, as detailed in the Revenue Statement.
- j) Pursuant to Section 973 of the *Local Government Act 1993* Council make and levy the Utility Charges as detailed in the Revenue Statement.
- k) Pursuant to Section 1014 of the *Local Government Act 1993* all rates and charges shall be due and payable 30 days after the date of issue of a rates notice.
- l) Pursuant to Section 1018 of the *Local Government Act 1993* Council will charge interest on overdue rates and charges at an interest rate of 11% per annum, compounded on daily rests, as detailed in the Revenue Statement.
- m) Pursuant to Section 1031 and 1035A of the *Local Government Act 1993* Council allow rating concessions as detailed in the Revenue Statement.

16. Council receive and note the contents of the 2010-2020 Financial Strategy Report.

Cr Elliott moved that the motion be put.

The motion to put the motion was put to the vote and LOST.

The Mayor put Cr Elliott's motion. On being put to the vote the motion was **CARRIED**.

A division was called for.

Crs Burns, Reimers, Murray, Elliott, Bowler, Townsend, Henry, Ogilvie, Boglary and Hobson voted in the affirmative.

Cr Williams voted in the negative.

The motion was declared by the Mayor as **CARRIED**.

Cr Burns requested that his comments be recorded for item 6.16 – Adoption of Budget Estimates and Fixing of Rates and Charges for 2010-2011 specifically in relation to the Weinam Creek Car Park Upgrade and his view that the project should not proceed until the ILTP and social/economic studies have been completed.

7 IN APPRECIATION

The Chief Executive Officer acknowledged the extraordinary contribution of officers concerned with the development and production of the budget as this is the most comprehensive budget development process that he has been involved in, particularly in relation to rating reform and the various elements of the financial strategy.

The CEO, on behalf of officers, also thanked Councillor’s for the incredible amount of time and effort they invested in developing the budget and associated documents.

8 MEETING CLOSURE

There being no further business, the Mayor declared the meeting closed at 3.09pm.

Signature of Chairperson: _____

Confirmation date: _____