

# 2010-2011

## Operational Plan & Budget



HEALTHY NATURAL ENVIRONMENT

GREEN LIVING

QUANDAMOOKA COUNTRY

WISE PLANNING AND DESIGN

SUPPORTIVE VIBRANT ECONOMY

**AN EFFICIENT AND EFFECTIVE ORGANISATION** ■

STRONG AND CONNECTED COMMUNITIES

INCLUSIVE AND ETHICAL GOVERNANCE

EMBRACING THE BAY



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# COUNCILLORS AND EXECUTIVE MANAGEMENT

## REDLAND CITY COUNCILLORS

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

## EXECUTIVE LEADERSHIP GROUP

<b>Mr Gary Stevenson</b>	<b>CHIEF EXECUTIVE OFFICER</b>
<b>Mr Nick Clarke</b>	<b>GENERAL MANAGER GOVERNANCE DEPARTMENT</b>
<b>Mr Mike Hyde</b>	<b>GENERAL MANAGER CUSTOMER SERVICES DEPARTMENT</b>
<b>Mr Greg Underwood</b>	<b>GENERAL MANAGER PLANNING &amp; POLICY DEPARTMENT</b>
<b>Mr Martin Drydale</b>	<b>GENERAL MANAGER CORPORATE SERVICES DEPARTMENT</b>
<b>Mrs Toni Averay</b>	<b>GENERAL MANAGER DEVELOPMENT &amp; COMMUNITY STANDARDS DEPARTMENT</b>

Allconnex Water will commence from 1 July 2010 and previous employees of Redland City Council (namely the staff from Redland Water), will transition across to Allconnex Water from 1 July 2010. From this date, Redland Water will no longer be a department within Redland City Council. Additionally, during the past twelve months the Regulatory Services Department has been renamed the Development and Community Standards Department.

# **COUNCIL'S CORPORATE PLAN OUTCOMES**

The 2010-2011 budget is driven by the objectives set out by our Corporate Plan which contains the 'Vision Outcomes' or themes for the Redlands community. Council adopted the revised Corporate Plan 2010-2015 on 26th May 2010. It is our "road map" for the five years, and gives definition and direction to our vision, mission, values and principles. Council's current Corporate Plan identifies the following nine Vision Outcomes.

## **HEALTHY NATURAL ENVIRONMENT**

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

## **GREEN LIVING**

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

## **EMBRACING THE BAY**

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

## **QUANDAMOOKA COUNTRY**

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

## **WISE PLANNING AND DESIGN**

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

## **SUPPORTIVE AND VIBRANT ECONOMY**

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

## **STRONG AND CONNECTED COMMUNITIES**

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

## **INCLUSIVE AND ETHICAL GOVERNANCE**

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

## **AN EFFICIENT AND EFFECTIVE ORGANISATION**

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

The 2010-2011 budget will enable Council to deliver on the vision, priorities and goals of Redlands 2030 as addressed in the Corporate Plan 2010 – 2015. The outcomes of the community engagement and resulting Community Plan have been picked up in Council's Corporate Plan as outlined above.

The 2010-2011 budget will be adopted by organisation and department.

## BUDGET COMMENTARY

The 2010-2011 budget has been prepared taking into consideration the full objectives of the 2010-2011 Operational Plan, which is contained at the beginning of this booklet. The 2010-2011 budget has also been prepared to balance the community needs over the next 12 months as well as ensuring that Council is financially sustainable to deliver the necessary infrastructure and services into the future. The 2010-2011 budget plans to provide the community with a wide range of services and facilities and 35.2% of the budget has been set aside for delivering essential services such as waste collection and road and drainage maintenance and upgrades.

From 1 July 2010, Redland City Council is one of three shareholder councils of Allconnex Water, a new business created under the State Government's water reform legislation to manage water distribution (pipes) and retailing (billing) in Redlands, Logan and Gold Coast. The creation of Allconnex Water means Redland Water, previously a department within Redland City Council, will cease to exist as of 1 July 2010 and become part of Allconnex Water. The water and wastewater infrastructure assets that belong to Council will transfer to Allconnex Water on 1 July 2010. In exchange for these assets Council will hold equity in Allconnex Water which has been valued \$306 million lower than the recorded value of these assets on Council's books as at 30 June 2010. The result of this reduction in the value of assets when they move to Allconnex Water will result in a decrease in community equity in 2010-2011 from an anticipated position of \$2.048 billion for 2009-2010 (an increase on the previous year) to \$1.736 billion for year ending 2010-2011.

Council was presented with a number of challenges to ensure that the budget for 2010-2011 and the forward year estimates allow for a sustainable and financially viable position for the community. Council has taken considerable care to prepare a budget for 2010-2011 that will preserve Council's financial sustainability, but also provide for community growth and prosperity into the future.

At the time of this publication, Council prepared its forward estimates within the 10 Year Financial Plan including indicative budgets for expected returns in Allconnex Water in 2010-2011. These returns have been based on an investment value of \$420.945 million and it has been forecast that Council will be entitled to receive a loan interest, tax equivalent returns and dividends from these investments starting from the 2010-2011 financial year. As these matters are still subject to finalisation the above estimates may vary based on the actual returns and final equity holdings in Allconnex Water.

### Budget Highlights:

Council's capital works programme for 2010-2011 has been planned in order to deliver key community infrastructure whilst also enabling Council to deliver services to the community through the most efficient and effective means. A total expenditure of \$62.659 million has been set aside for capital works for 2010-2011 and the following highlights provide further detail on projects included in this programme:

❖ Open Space Infrastructure	\$10.3m
❖ Replacement of Council Fleet (including vehicles)	\$5.3m
❖ Paths and Trails	\$4.6m
❖ Road reseals and resurfacing programme	\$4.3m
❖ Waste Management Facilities	\$3.7m
❖ Conservation land acquisition expenditure	\$3.5m
❖ Transport Trunk Infrastructure	\$3.4m
❖ Mainland and NSI Marine expenditure	\$3.3m
❖ Canal and foreshore protection	\$2.6m
❖ Southern Moreton Bay Island Capital Expenditure	\$2.1m
❖ Seal gravel road expenditure programme	\$1.8m
❖ Key Council information management and system upgrades	\$1.5m
❖ Cycleway Trunk Infrastructure	\$1.4m
❖ Road construction programme expenditure	\$1.2m
❖ Transport facilities	\$1.0m
❖ Library Books purchase (\$602k funding from State Government)	\$952k
❖ Community Halls	\$951k

## 2010-2011 BUDGET DOCUMENT OVERVIEW

Redland City Council's 2010-2011 Budget is presented in accordance with the requirements of the Queensland *Local Government Act 1993*, the Queensland *Local Government Finance Standard 2005*, and the Australian equivalents to International Financial Reporting Standards. The *Local Government Act 2009 (Qld)* is expected to commence 1 July 2010 with three accompanying regulations. At the time of compiling the 2010-2011 Budget, the supporting regulations were still in draft form so any references in Council's policies refer to the current legislation.

An overview of the major statements and policies contained in the Budget 2010-2011 Publication is provided below:

### Budgeted Financial Statements

The **Financial Budget Summary** shows key revenue, expense and balance sheet items. This statement is presented on page 18.

The budgeted **Operating Statement** displays the revenue and operating expenses by line item and by category. The statement is presented on page 19.

The budgeted **Capital Funding Statement** shows the source and application of capital funds. This statement also shows **Other Budgeted Items** and is presented on page 20.

The budgeted **Statement of Cash Flows** shows budgeted cash transactions and opening and closing cash balances and is presented on page 21.

The budgeted **Statement of Financial Position** discloses the assets, liabilities and equity of the Council. The statement is presented on page 22.

The budgeted **Statement of Changes in Equity** discloses the movements in reserves. The statement is presented on page 23.

The budgeted **Financial Stability Ratios** are presented on page 24 and new measures of sustainability are on page 25. These new measures have been reported against since September 2009 in regular monthly reports to Council. These new ratios ensure Council is reporting against State guidelines with respect to financial and asset sustainability.

### Departmental Operating Statements

The budgeted **Operating Statements for each Department** are shown at group level. The net operating result before capital revenues, for each Department, is disclosed as an operating surplus/ (deficit). These statements are presented on pages 26 to 32.

### Commercialised Business Unit Statement

The **Waste business unit** is responsible for all activities surrounding the "Waste Management" in accordance with National Competition Policy and related legislation. The waste business unit operating statement, capital funding statement, other budget items, balance sheet and community service obligations are presented on pages 33 to 35.



## Other Business Activities

For other Type 3 business activities, Council has adopted the Code of Competitive Conduct. Separate operating statements are provided for these activities on pages 36 to 45. For the 2010-2011 financial year, Council has included six new type 3 business activities to those already classified as such:

### Existing Type 3 Business Activities

- ❖ Caravan Parks
- ❖ School Aged Care
- ❖ Redland Performing Arts Centre (RPAC)
- ❖ Building Certification Services

### New Type 3 Business Activities

- ❖ Quarry Operations
- ❖ Wharves and Jetties
- ❖ Fleet and Plant
- ❖ Tourism
- ❖ Cemeteries
- ❖ Redland Art Gallery

## Capital Expenditure and Funding Sources

Capital Expenditure and Funding is presented on pages 46 and 47 respectively.

## Schedule of Capital Expenditure

The schedule of capital expenditure is presented by Group within Department on pages 48 to 53.

## Borrowing Policy

The *Local Government Finance Standard 2005* requires Council to develop a policy about borrowing. The policy is presented on pages 54 to 55.

## Debt Schedule

A schedule of Council's debt position has been provided. This schedule identifies the opening book value of debt, new borrowings, redemption, and an estimated closing book value balance and is presented on page 56.

## Revenue Policy

The **Revenue Policy** sets out the principles Council uses to set its budget and identifies in broad terms the general strategy used for raising revenue. The Revenue Policy is presented on pages 57-59.

## Revenue Statement

The **Revenue Statement** is an explanatory statement that accompanies the budget, outlining and explaining the revenue measures adopted in the budget. The statement shows the various rates and charges and criteria for the 2010-2011 year. This is presented on pages 60-71.



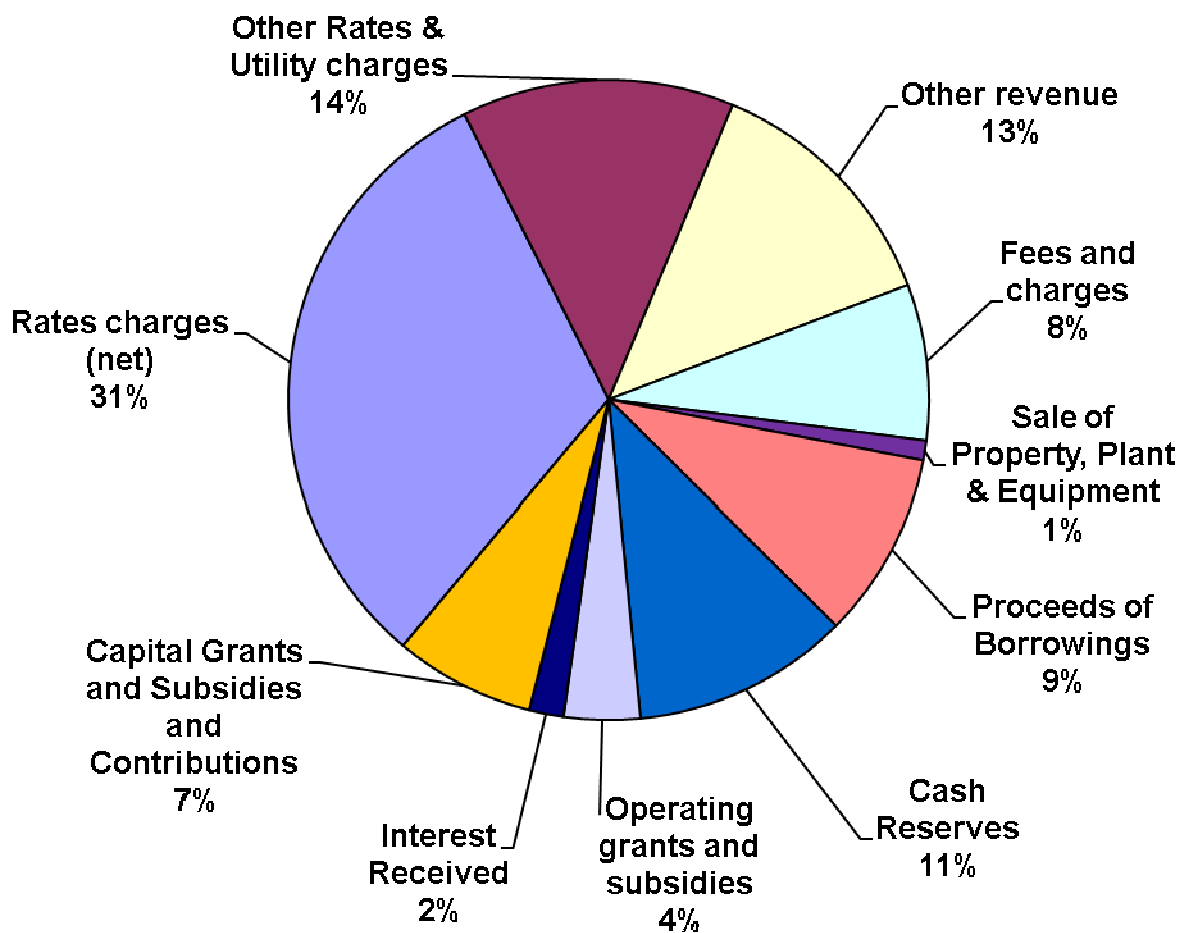
# FINANCIAL BUDGET OVERVIEW

## Where does the money come from?

To provide services to the community, Councils cash funding comes from a variety of sources including 31% from general rates charges. With the establishment of Allconnex Water, Redland City Council will no longer be receiving water and sewerage revenue, therefore other rates and utility charges in 2010-2011 make up only 14% of cash funding. To offset some of this reduction, Redland City Council as a shareholder in Allconnex Water will receive monies in the form of dividends, interest payments and tax equivalents and these are represented below in the 'other revenue' category of 13% of total cash funds.

Council is forecast to receive 11% of its revenue in the form of grants, subsidies and contributions and this revenue assists Council in delivering a variety of capital programmes and various operational maintenance activities. Additionally, fees and charges from the issue of permits and consideration of applications, caravan parks and community related services contribute approximately 8%.

**Cash Funding 2010-2011  
(\$211.5m)**



Total budgeted cash funding has decreased from \$232.7m in 2009-2010 to \$211.5m in 2010-2011 due in the main to the impacts of the establishment of Allconnex Water. As a result of this reduced cash inflow, Council has budgeted to withdraw monies from unconstrained cash reserves in 2010-2011 in order to maintain its level of service to the community.

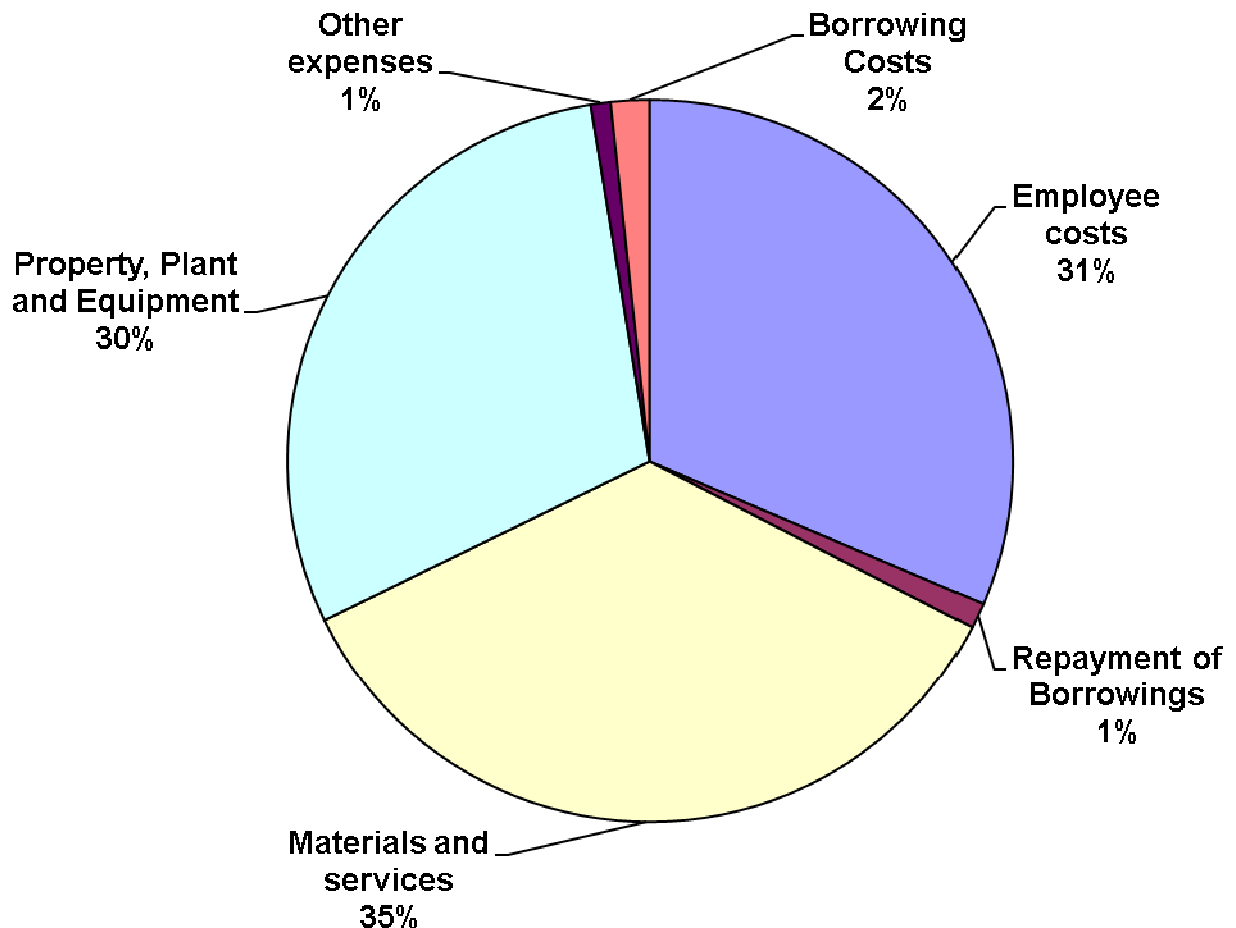
Other Revenue as a percentage of cash funding has increased significantly from 2009-2010 due to the anticipated receipts from Allconnex Water. This increase in other revenue does not offset the decrease in rates and utility charges which in 2009-2010 constituted 66% of total cash funding against 45%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

Proceeds of borrowings have increased significantly from 2009-2010 due to Councils' commitment to sound asset custodianship of its community infrastructure. Borrowing (as opposed to using the general revenue) allows repayments to be made over several generations.

## Where does the money go?

In 2010-2011, 35% of the budget has been allocated towards the capital maintenance programmes needed to support the Redlands community, while 30% has been set aside for new infrastructure and other capital programmes. A further 31% is required for Council employees who contribute towards the delivery of services and maintenance programmes to the Redlands community.

### Cash Expenditure 2010-2011 (\$211.5m)

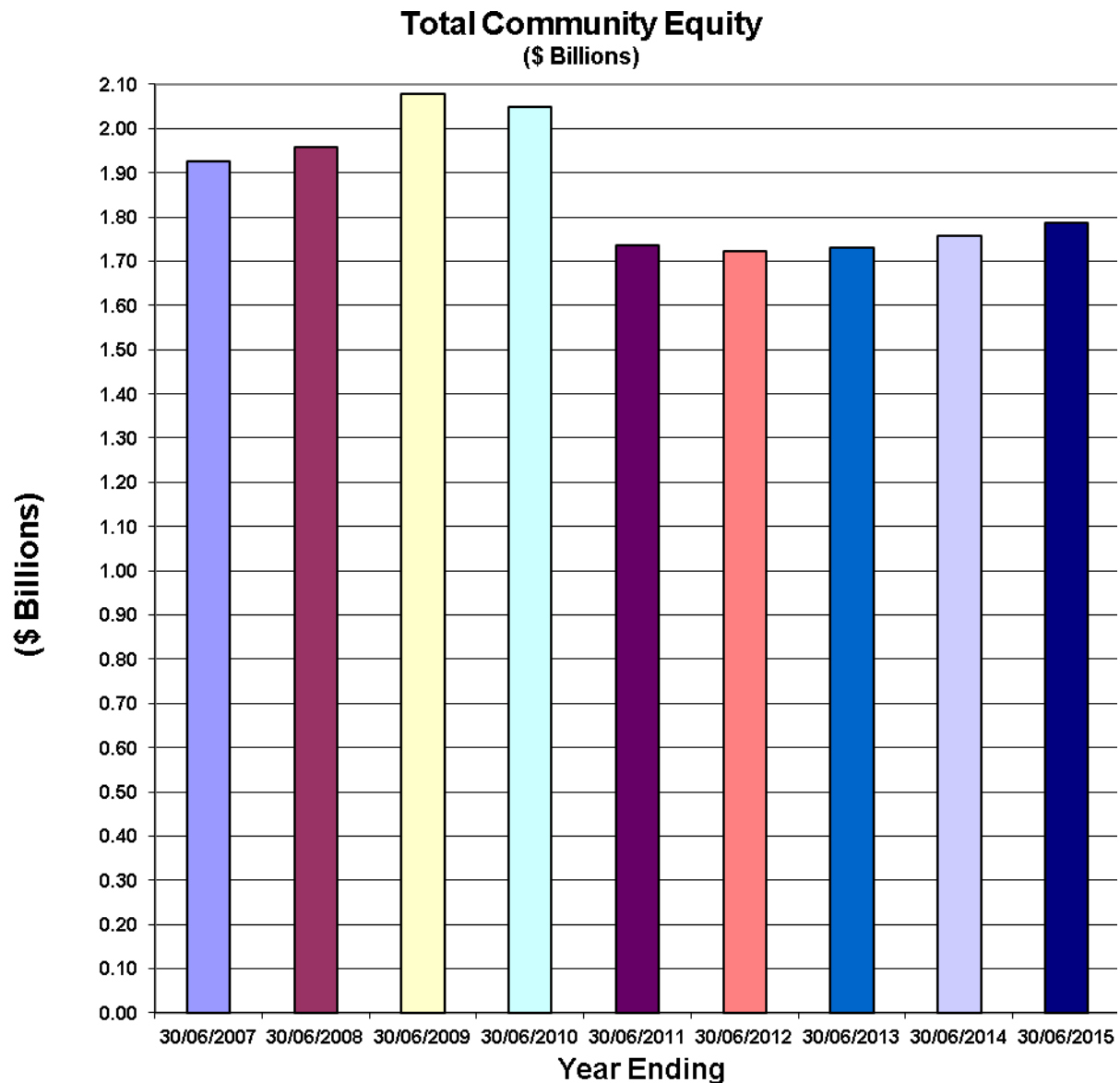


Borrowing costs form a larger percentage of expenditure in 2010-2011 compared to the previous year's budget due to the commitment of Council to invest in community infrastructure and to spread the costs of borrowing over the longer term in order to maintain financial sustainability.

As part of the budget preparations, Council reviewed and updated its ten-year Financial Strategy (the Strategy) that considers long term planning to adequately invest in infrastructure sustainability. One of the policy decisions in the Strategy is the agreement to a broader use of capital (including borrowings) to facilitate necessary investments into infrastructure to meet growing community needs.

## How much is Council worth?

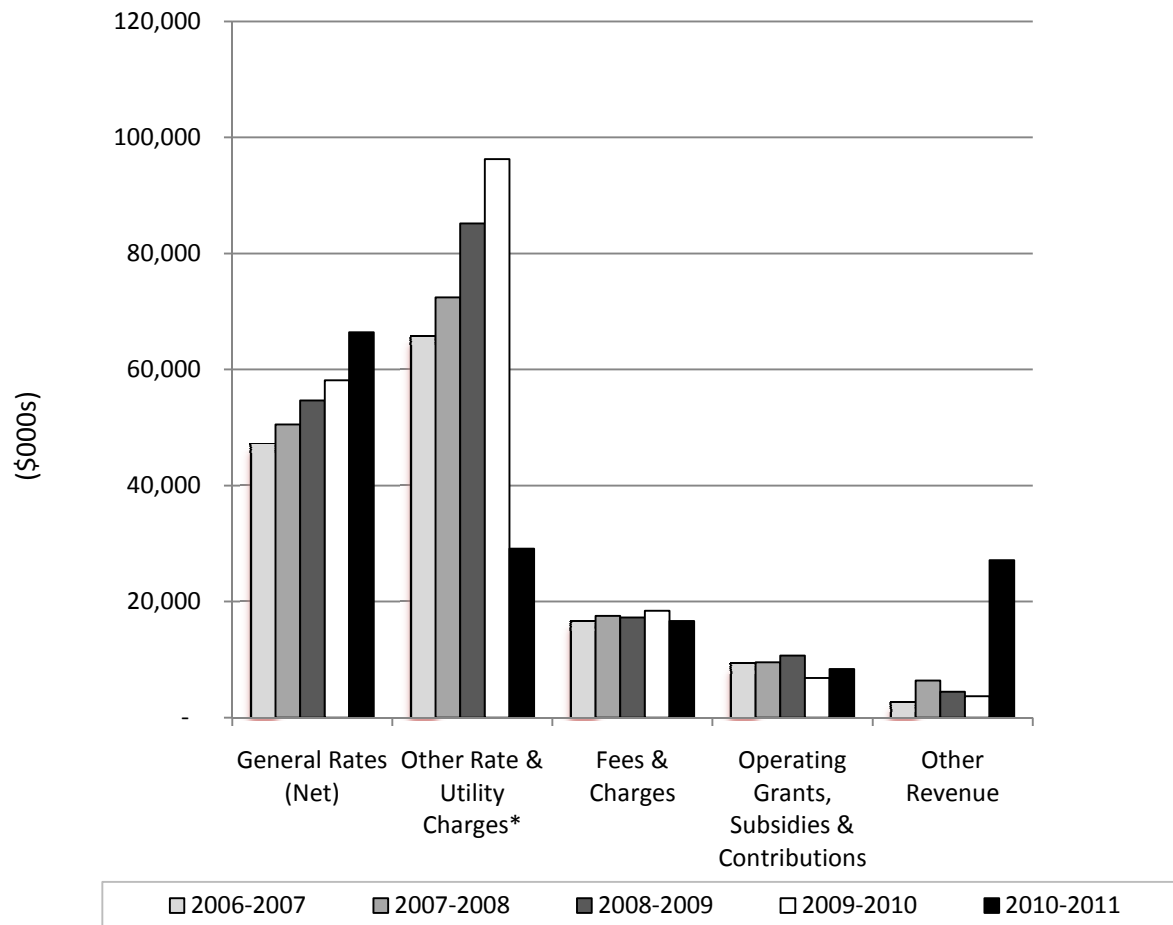
Council's Equity demonstrates that Council owns much more than it owes. The difference between liabilities and our assets is Community Equity, which is estimated to be \$1.735 billion at the end of the 2010-2011 financial year. The following graph shows the *actual* community equity for the years 2006-2007 to 2008-2009, it also outlines the *anticipated position* for 2009-2010, *budgeted position* for 2010-2011 and the *forecast position* for years 2011-2012 through to 2014-2015.



The decrease in community equity between 30/06/2010 and 30/06/2011 is due to the transition of Redland City Council water and wastewater assets to Allconnex Water on 1 July 2010. Redland City Council will transfer \$726.6m of non-current assets previously owned by Redland Water at this time. The investment in Allconnex Water of \$420.9m is the figure that has been decided by the State Government as the valuation of these assets and subsequently Redland City Council will have a reduction in its Asset Revaluation Reserve (part of the community equity) of \$305.7m.

## Operating Revenue by Year and Category

The following graph identifies the level of different operating revenue components. The graph depicts *actual* results achieved in the 2006-2007, 2007-2008 and 2008-2009 financial years, *anticipated* results for 2009-2010 and *budgeted position* for the 2010-2011 financial year.

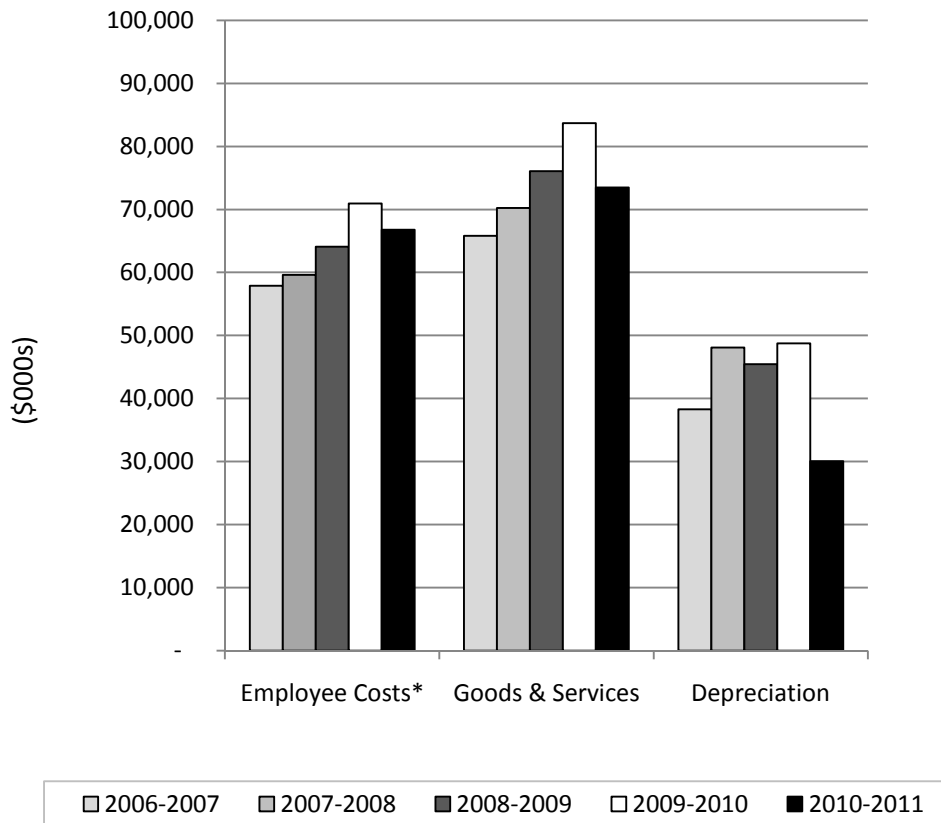


**Note:** \* Other Rate and Utility Charges included all forms of water charges up to 30 June 2010. From 1 July 2010, Allconnex Water will be setting water and wastewater charges and receiving the revenue from those charges and this explains the reduction in the Other Rate and Utility Charges category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

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

## Operating Expenditure by Year and Category

The following graph shows the level of different operating expenditure components and the graph illustrates *actual* results achieved in the 2006-2007, 2007-2008 and 2008-2009 financial years, *anticipated* results for 2009-2010 and *budgeted position* for the 2010-2011 financial year.



**Note:** \*Employee costs includes Councillors' remuneration from 2009-2010 onwards and for comparative purposes, the employee costs for previous years also include Councillors' remuneration.

The reduction in all three categories above from 2009-2010 to 2010-2011 is due in the main to the establishment of Allconnex Water. As previously mentioned, \$727m of Council's assets will transfer on 1 July 2010 and as Council will be holding fewer assets, the depreciation amount (cost allocation of these assets) has significantly reduced. As Redland Water will no longer be a department within Council from 1 July 2010, employee costs and purchases of materials and services for the delivery of water and wastewater services will be made by Allconnex Water.

## CORPORATE PLAN BUDGET EXPENDITURE

The budgeted expenditure (both operational and capital) of \$238.1M, including depreciation and contributed assets, will be allocated to the vision outcomes as identified in Council's Corporate Plan 2010-2015 following further work on identifying cost movements from the previous strategic priorities to the new vision outcomes of:

- ❖ Healthy Natural Environment
- ❖ Green Living
- ❖ Embracing the Bay
- ❖ Quandamooka Country
- ❖ Wise Planning and Design
- ❖ Supportive and Vibrant Communities
- ❖ Inclusive and Ethical Governance
- ❖ An Efficient and Effective Organisation

The expenditure below has been grouped into key categories whilst the mapping to the new vision outcomes is being completed.

Category	Intent of Council	\$ Million
<b>Roads and Drainage</b>	Design, construct, and maintain roads, bridges, culverts, drainage and associated infrastructure.	<b>50.0</b>
<b>Sport and Recreation</b>	Provide facilities and services which support sport and recreation activities.	<b>37.1</b>
<b>Waste Management</b>	The kerbside collection of domestic and commercial solid wastes and recyclable materials and transport to a licensed handling facility. The operation, management and maintenance of a network of assets for the segregation and disposal of solid waste and recyclable materials from domestic and commercial sources.	<b>20.6</b>
<b>Biodiversity</b>	Plan, design, deliver and regulate activities to protect and restore the quality and quantity of our biodiversity.	<b>16.2</b>
<b>Asset Management</b>	Through Council's long term asset management plan, ensure the sustainable management of Council's assets and infrastructure.	<b>14.2</b>
<b>Development Assessment</b>	Assessment and approval of applications in accordance with legislation and local laws.	<b>13.3</b>
<b>Arts and Culture</b>	Provide facilities, resources and opportunities that support access to information and participation in the arts, cultural life and heritage of the City.	<b>12.6</b>
<b>Marine Facilities</b>	Support, advocate, provide and maintain marine facilities that allow access to transportation, water, water activities and foreshores.	<b>12.5</b>
<b>Strong Communities</b>	Facilitate initiatives which strengthen the community and support access to services.	<b>8.9</b>
<b>Community Health and Safety</b>	To provide services and initiatives which promote community health and safety, and which manage health and safety risks.	<b>8.4</b>
<b>Environmental Performance</b>	Develop and implement strategies to improve environmental performance.	<b>3.0</b>

<b>Coastal and Waterways</b>	Plan, design, deliver and regulate activities to protect and restore the quality and quantity of water in our ecosystem.	<b>2.3</b>
<b>Integrated Planning</b>	Deliver balanced growth management that achieves ecological sustainability.	<b>1.9</b>
<b>Transport</b>	Support, advocate and provide a transportation network that complements land uses.	<b>1.9</b>
<b>Business Attraction</b>	Market the City as a competitive investment location.	<b>0.6</b>
<b>Disaster Management</b>	Develop and deliver initiatives to help the community mitigate, prevent, prepare for, respond and recover from disasters.	<b>0.3</b>
<b>Business Retention and Expansion</b>	Assist local businesses to expand their operation, create more jobs and diversify the local economic base.	<b>0.2</b>
<b>Tourism Development</b>	Market the City as a competitive visitor destination and promote the development of appropriate infrastructure and facilities.	<b>0.1</b>

Please note: the amounts shown above include capital expenditure, operational expenditure and depreciation but exclude contributed assets for the 2010-2011 financial year.



## BUDGET HIGHLIGHTS BY DEPARTMENT

A summary of the key projects include:

### Customer Services Department

	\$
<b>Libraries - Technical Services</b> This includes the acquisition of books, magazine subscriptions, on-line subscriptions, DVDs, CDs, audio books, language kits and newspapers.	2,535,836
<b>Waste Water Disposal - Amity Point Caravan park</b> Upgrading of the sewerage treatment and disposal system at the Amity Point Caravan Park.	511,926
<b>Footpath Replacement</b> This is to repair any trip hazards and return the footpaths to good working order.	320,778
<b>Disaster Management</b> Undertake activities concerning Council's emergency management capability along with the State Emergency Service including planning and event management.	164,151

### Planning & Policy Department – Trunk Infrastructure

	\$
<b>Purchase of Land for Parks</b> Provision for the purchase of district park land as indicated in the Infrastructure Plan.	5,200,000
<b>Queen Street &amp; Government Road</b> Intersection Improvement. Will be partially offset with State Government Funding.	1,124,094
<b>Victoria Point Reserve Upgrade - Stage 1</b> Gateways to Moreton Bay Project - construction of new playground and picnic areas.	1,060,395
<b>Giles/Gordon (Trunk Infrastructure)</b> Contribution to developer for trunk roadworks.	910,000
<b>Ziegenfusz/Cleveland Redland Bay Rd Intersection</b> Upgrade of intersection for the extension of Baythorn Road.	900,000
<b>New Sporting Facility Land - Southern Redlands</b> Purchase of land to develop a new sports facility in the southern part of the Redlands in accordance with the Sports Facilities Plan for the South Redlands.	897,500
<b>Intrepid Dr/Ondine Court Stage 1</b> Completion of shared use path link with 3 pedestrian bridge crossings. Jointly funded by Council and Federal Government.	754,000
<b>Cleveland Point Reserve Regional Park</b> Gateways to Moreton Bay Project - playground and picnic area development, road and car park realignment.	696,305
<b>Wellington Point Reserve Stage 2 - Park Upgrade</b> Gateways To Moreton Bay Project.	600,000
<b>Capalaba Regional Park Upgrade - Stage 3</b> Gateways To Moreton Bay Project - finalisation of the playground.	430,000
<b>Henry Ziegenfusz Reserve Car park</b> Construction of the car park for HZ Park in Fitzroy Street, Cleveland. The car park design was completed in 2008-2009 and the works are in accordance with the Council approved master plan & traffic management plan.	405,100
<b>Stormwater Trunk Infrastructure Programme</b> To upgrade and improve systems.	350,000

**Planning & Policy Department - Trunk Infrastructure (continued)**

<b>Raby Bay Foreshore - Park</b> To continue the pedestrian circulation pathway system as per the Raby Bay Foreshore Master Plan 2008.	<b>343,000</b>
<b>Queen's Esplanade Cycleway</b> Construction of 3M wide cycleway, part of strategic Moreton Bay Cycleway. Jointly funded by Council and State Government.	<b>327,680</b>
<b>Moreton Bay Cycleway Hilliards Ck Crossing</b> Planning/Design of 3M wide cycleway and pedestrian bridge crossing. Part of strategic Moreton Bay Cycleway, jointly funded by Council and State Government.	<b>250,000</b>

**Planning & Policy Department - Non Trunk Infrastructure**

	<b>\$</b>
<b>Asphalt Overlays</b> Rehabilitation of pavements.	<b>4,050,000</b>
<b>Conservation Land Acquisitions</b> The acquisition of environmentally significant land as a result of Councils commitment to protect significant land across the City. This is funded from the environmental charge reserves.	<b>3,500,000</b>
<b>Weinam Creek Car Park Upgrade</b> Upgrading existing car park, part of the Redland Bay Centre and Foreshore Master Plan.	<b>2,600,000</b>
<b>Sustainable Resource and Waste Facility</b> Preparation of development approval, preliminary design of Days Road and site establishment works including bulk earthworks for construction of sustainable resource and waste facility to replace Birkdale landfill.	<b>2,500,000</b>
<b>Raby Bay Revetment Walls</b> Repairs to revetment walls.	<b>2,112,860</b>
<b>Seal gravel Road Programme.</b> Programme for 2010-2011 includes: Judith Street Russell Island; Scarborough Terrace Macleay Island; Akira Street Macleay Island; Eastbourne Terrace Macleay Island; Orange Grove Street Coochiemudlo Island; Vista/Short Streets Russell Island & Tina Avenue Lamb Island.	<b>1,560,895</b>
<b>Macleay Island Waste Transfer Station</b> Site capping and stormwater management of the former landfill area and operational infrastructure improvements.	<b>1,190,000</b>
<b>Road Reconstruction Programme</b> On-going programme for the major rehabilitation of roads that are distressed and require re-construction.	<b>1,105,600</b>
<b>Bus Stops &amp; Lay Bys</b> Replacement programme of bus shelters.	<b>980,000</b>
<b>Point Lookout Hall Extension</b> Refurbishment of Pt Lookout Hall on NSI. Jointly funded by Council, State & Federal Governments. Tenders for design and construction are currently under evaluation.	<b>951,424</b>
<b>Heinemann Road Upgrade</b> Intersection Road Upgrade.	<b>640,000</b>
<b>Pat's Park Stage 1 Macleay Island</b> Redevelopment of Pat's Park on Macleay Island.	<b>425,000</b>
<b>Amity Point Landside Facility</b> Provide car/trailer parking for new QT boat ramp.	<b>320,000</b>
<b>Redland Bay Leachate to Sewer</b> Commencement of a leachate to sewer connection for the new Sustainable Resource and Waste Facility and former closed landfill.	<b>300,000</b>

**Planning & Policy Department - Non Trunk Infrastructure (continued)**

<b>Southern Moreton Bay Islands Open Space Land Acquisition</b> Implementation of the Southern Moreton Bay Island Open Space Plan, acquisition of land through exchange or purchase as per the plan.	<b>300,000</b>
<b>Wellington Street Kerb &amp; Channelling</b> Upgrade parking at Ormiston Station.	<b>265,000</b>
<b>Anson Road School Safe, Wellington Point</b> School Safe project for improvements pick-up and drop-off zones for Redland College. Partially off-set with State Government.	<b>262,000</b>
<b>Public Amenities Programme</b> Construction of new public toilets at Les Moore Park.	<b>261,000</b>
<b>Macleay Island Ramp Car park</b> Provide car/trailer parking for new QT boat ramp and increase commuter parking for ferry terminal.	<b>250,000</b>
<b>Cleveland Point Seawall Foreshore</b> Repairs to revetment walls and existing boat ramp.	<b>250,000</b>
<b>Paths &amp; Trails Southern Moreton Bay Island</b> Design and construction of stage 1 shared use path link on Canaipa Road, Russell Island.	<b>225,000</b>
<b>North Stradbroke Island Sport &amp; Recreation Facilities</b> Construction of stage 1 of the boardwalk which will commence in the vicinity of Pt Lookout Hall and continue through the reserve and on to a viewing platform at the beach. Partially offset with Commonwealth Jobs Fund.	<b>200,400</b>

**Corporate Services Department**

	<b>\$</b>
<b>Fleet Replacement Programme</b> The cyclic replacement and upgrade of the Redland City Council fleet including, light vehicles, heavy yellow vehicles and plant.	<b>5,348,607</b>
<b>Peripheral and Communications Replacement Programme</b> The cyclic replacement and upgrade of desktop and laptop infrastructure which includes scanners, plotters etc.	<b>610,000</b>
<b>Server Replacement Programme - IT</b> The cyclic replacement and upgrade of computer server hardware that supports corporate applications throughout Council and remote sites.	<b>555,740</b>
<b>CNG Alternative Fuel Project (Compressed Natural Gas)</b> The installation of compressed Natural Gas (CNG) as an alternative fuel dispensing at South Street depot, to fuel vehicles capable of running CNG.	<b>300,000</b>

# BUDGETED FINANCIAL STATEMENTS

## Financial Budget Summary

	Anticipated Position 2009-2010 \$000s	Budget Year 1 2010-2011 \$000s	Estimate Year 2 2011-2012 \$000s	Estimate Year 3 2012-2013 \$000s	Estimate Year 4 2013-2014 \$000s	Estimate Year 5 2014-2015 \$000s
Revenue from Ordinary Activities	187,608	<b>151,337</b>	163,225	181,056	201,227	214,224
Expenses from Ordinary Activities	(202,861)	<b>(171,766)</b>	(183,594)	(190,794)	(197,343)	(207,718)
Borrowing Costs	(2,756)	<b>(3,647)</b>	(3,343)	(5,438)	(6,146)	(6,614)
<b>Result from Ordinary Activities</b>	(18,010)	<b>(24,075)</b>	(23,712)	(15,176)	(2,262)	(108)
Capital Income	22,728	<b>17,104</b>	32,427	25,345	30,394	32,858
Increase/(Decrease) in Asset Revaluation Reserve	(3,953)	<b>(307,224)</b>	0	0	0	0
<b>Total Change in Community Equity</b>	765	<b>(314,195)</b>	8,715	10,169	28,132	32,750

## Key Balance Sheet Items

	Anticipated Position 2009-2010 \$000s	Budget Year 1 2010-2011 \$000s	Estimate Year 2 2011-2012 \$000s	Estimate Year 3 2012-2013 \$000s	Estimate Year 4 2013-2014 \$000s	Estimate Year 5 2014-2015 \$000s
Total Assets	2,153,594	<b>1,855,744</b>	1,906,629	1,939,196	1,986,876	2,023,787
Total Liabilities	104,828	<b>121,174</b>	164,912	188,881	209,999	215,729
<b>Net Community Assets</b>	<b>2,048,766</b>	<b>1,734,571</b>	<b>1,741,716</b>	<b>1,750,315</b>	<b>1,776,877</b>	<b>1,808,058</b>
Total Cash at Year End	68,212	<b>45,000</b>	39,025	46,841	69,759	69,779
Total Debt at Year End	43,168	<b>60,560</b>	103,089	125,960	146,105	150,743

## Redland City Council – Operating Statement

	Anticipated Position 2009-2010 \$000s	Budget Year 1 2010-2011 \$000s	Estimate Year 2 2011-2012 \$000s	Estimate Year 3 2012-2013 \$000s	Estimate Year 4 2013-2014 \$000s	Estimate Year 5 2014-2015 \$000s
<b>Operating Revenue</b>						
Rates Charges	60,558	<b>68,906</b>	75,828	81,158	86,863	92,970
Other Rates & Utility Charges	96,254	<b>29,121</b>	30,571	32,070	33,645	35,301
Less: Pensioner Remissions	(2,408)	<b>(2,492)</b>	(2,673)	(2,861)	(3,064)	(3,280)
Fees & Charges	18,419	<b>16,647</b>	17,863	19,071	20,441	22,117
Operating Grants & Subsidies	6,603	<b>8,140</b>	8,648	9,172	9,939	10,540
Operating Contributions & Donations	232	<b>215</b>	1,242	110	149	220
Interest External	4,269	<b>3,678</b>	2,578	2,743	2,919	3,688
Allconnex Water Investment Returns	0	<b>19,020</b>	24,479	32,883	42,949	45,283
Other Revenue	3,681	<b>8,103</b>	4,688	6,710	7,384	7,384
	<b>187,608</b>	<b>151,337</b>	<b>163,225</b>	<b>181,056</b>	<b>201,227</b>	<b>214,224</b>
<b>Operating Expenditure</b>						
Employee Costs	69,451	<b>66,641</b>	69,311	72,076	74,862	77,474
Goods & Services	83,677	<b>75,146</b>	76,635	77,124	79,596	85,480
Finance Costs Other	364	<b>340</b>	355	369	385	404
Other Expenditure	1,528	<b>332</b>	347	359	370	383
Net Internal Costs *	(897)	<b>(766)</b>	(798)	(826)	(852)	(882)
	<b>154,123</b>	<b>141,694</b>	<b>145,850</b>	<b>149,101</b>	<b>154,360</b>	<b>162,858</b>
<b>Earnings before Interest, Tax and Depreciation (EBITD)</b>	<b>33,485</b>	<b>9,644</b>	<b>17,376</b>	<b>31,954</b>	<b>46,867</b>	<b>51,366</b>
Interest Expense	2,756	<b>3,647</b>	3,343	5,438	6,146	6,614
Depreciation	48,738	<b>30,072</b>	37,744	41,693	42,982	44,860
<b>Operating Surplus/(Deficit)</b>	<b>(18,010)</b>	<b>(24,075)</b>	<b>(23,712)</b>	<b>(15,176)</b>	<b>(2,262)</b>	<b>(108)</b>
<i>Transfers from Unconstrained Reserves</i>	0	<b>4,000</b>	0	0	0	0
<b>Adjusted Operating Surplus/(Deficit)**</b>	<b>(18,010)</b>	<b>(20,075)</b>	<b>(23,712)</b>	<b>(15,176)</b>	<b>(2,262)</b>	<b>(108)</b>
Transfers to Constrained Operating Reserves	(15,936)	<b>(15,540)</b>	(19,363)	(20,160)	(20,470)	(21,113)
Transfers from Constrained Operating Reserves	9,720	<b>10,449</b>	14,803	10,024	10,152	12,390

\* Internal transactions consolidated as Net Internal Costs

**\*\*Adjusted Operating Surplus/Deficit represents the application of unconstrained reserves as part of Council's policy to manage the budgeted shortfall from Allconnex Water.**

**Redland City Council – Capital Funding Statement**

	<b>Anticipated Position 2009-2010 \$000s</b>	<b>Budget Year 1 2010-2011 \$000s</b>	<b>Estimate Year 2 2011-2012 \$000s</b>	<b>Estimate Year 3 2012-2013 \$000s</b>	<b>Estimate Year 4 2013-2014 \$000s</b>	<b>Estimate Year 5 2014-2015 \$000s</b>
<b>Proposed Sources of Capital Funding</b>						
Capital Contributions & Donations	7,613	<b>7,422</b>	9,247	9,628	9,776	10,083
Capital Grants & Subsidies	6,960	<b>7,585</b>	4,788	3,667	8,511	9,768
Proceeds on Disposal of Non Current Assets	2,333	<b>2,098</b>	11,182	4,336	3,853	4,175
Capital Transfers (To) From Reserves	13,470	<b>5,907</b>	11,122	10,481	9,627	9,677
Non Cash Contributions	5,822	<b>0</b>	7,209	7,714	8,254	8,832
New Loans	4,408	<b>19,799</b>	45,221	27,242	25,472	10,868
Funding from General Revenue	30,411	<b>22,257</b>	9,896	9,128	8,964	35,953
<b>Total Sources of Capital Funding</b>	<b>71,016</b>	<b>65,066</b>	<b>98,666</b>	<b>72,196</b>	<b>74,456</b>	<b>89,357</b>
<b>Proposed Application of Capital Funds</b>						
Contributed Assets	5,822	<b>0</b>	7,209	7,714	8,254	8,832
Capitalised Goods & Services	58,799	<b>57,915</b>	82,461	55,842	56,552	69,019
Capitalised Employee Costs	4,495	<b>4,744</b>	6,304	4,269	4,324	5,277
Loan Redemption	1,901	<b>2,407</b>	2,691	4,371	5,327	6,229
<b>Total Application of Capital Funds</b>	<b>71,016</b>	<b>65,066</b>	<b>98,666</b>	<b>72,196</b>	<b>74,456</b>	<b>89,357</b>

**Redland City Council – Other Budgeted Items**

	<b>Anticipated Position 2009-2010 \$000s</b>	<b>Budget Year 1 2010-2011 \$000s</b>	<b>Estimate Year 2 2011-2012 \$000s</b>	<b>Estimate Year 3 2012-2013 \$000s</b>	<b>Estimate Year 4 2013-2014 \$000s</b>	<b>Estimate Year 5 2014-2015 \$000s</b>
<b>Other Budgeted Items</b>						
WDV of Assets Disposed	(2,726)	<b>(1,570)</b>	(1,570)	(1,570)	(1,570)	(1,570)
Tax & Dividends	(151)	<b>0</b>	0	0	0	0
Internal Capital Structure Financing	0	<b>0</b>	0	0	0	0

**Redland City Council – Statement of Cash Flows**

	<b>Anticipated Position 2009-2010 \$000s</b>	<b>Budget Year 1 2010-2011 \$000s</b>	<b>Estimate Year 2 2011-2012 \$000s</b>	<b>Estimate Year 3 2012-2013 \$000s</b>	<b>Estimate Year 4 2013-2014 \$000s</b>	<b>Estimate Year 5 2014-2015 \$000s</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Customers	183,339	<b>147,660</b>	160,509	178,174	198,167	210,394
Payments to Suppliers & Employees	(153,658)	<b>(142,739)</b>	(144,347)	(147,684)	(153,047)	(161,415)
	<b>29,680</b>	<b>4,921</b>	<b>16,162</b>	<b>30,489</b>	<b>45,121</b>	<b>48,979</b>
Interest Received	4,269	<b>3,678</b>	2,578	2,743	2,919	3,688
Borrowing Costs	(2,756)	<b>(3,647)</b>	(3,698)	(5,807)	(6,531)	(7,018)
<b>Net Cash Inflow from Operating Activities</b>	<b>31,193</b>	<b>4,952</b>	<b>15,042</b>	<b>27,425</b>	<b>41,510</b>	<b>45,649</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Payments - Property, Plant & Equipment	(63,294)	<b>(62,659)</b>	(88,765)	(60,111)	(60,876)	(74,295)
Proceeds - Capital Subsidies, Grants & Contributions	14,573	<b>15,007</b>	14,035	13,295	18,287	19,851
Proceeds - Sales of Property, Plant & Equipment	2,333	<b>2,098</b>	11,182	4,336	3,853	4,175
<b>Net Cash Inflow from Investing Activities</b>	<b>(46,388)</b>	<b>(45,555)</b>	<b>(63,547)</b>	<b>(42,480)</b>	<b>(38,736)</b>	<b>(50,269)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds of Borrowings	4,408	<b>19,799</b>	45,221	27,242	25,472	10,868
Repayment of Borrowings	(1,901)	<b>(2,407)</b>	(2,691)	(4,371)	(5,327)	(6,229)
<b>Net Cash Inflow from Financing Activities</b>	<b>2,507</b>	<b>17,391</b>	<b>42,529</b>	<b>22,871</b>	<b>20,145</b>	<b>4,639</b>
<b>Net Increase / (Decrease) in Cash Held</b>	<b>(12,688)</b>	<b>(23,212)</b>	<b>(5,976)</b>	<b>7,816</b>	<b>22,919</b>	<b>19</b>
Cash at Beginning of Year	80,900	<b>68,212</b>	45,000	39,025	46,841	69,759
<b>Cash at End of Financial Year</b>	<b>68,212</b>	<b>45,000</b>	<b>39,025</b>	<b>46,841</b>	<b>69,759</b>	<b>69,779</b>



**Redland City Council – Statement of Financial Position**

	<b>Anticipated Position 2009-2010 \$000s</b>	<b>Proposed Budget 2010-2011 \$000s</b>	<b>Estimate Year 2 2011-2012 \$000s</b>	<b>Estimate Year 3 2012-2013 \$000s</b>	<b>Estimate Year 4 2013-2014 \$000s</b>	<b>Estimate Year 5 2014-2015 \$000s</b>
<b>CURRENT ASSETS</b>						
Cash & Investments	68,212	<b>45,000</b>	39,025	46,841	69,759	69,779
Accounts Receivable	13,750	<b>13,750</b>	13,887	14,026	14,166	14,308
Inventories	540	<b>540</b>	540	540	540	540
Prepaid Expenses	1,947	<b>1,947</b>	2,009	2,059	2,102	2,155
Assets - Held for Sale	132	<b>132</b>	132	132	132	132
<b>Total Current Assets</b>	<b>84,580</b>	<b>61,369</b>	<b>55,593</b>	<b>63,598</b>	<b>86,700</b>	<b>86,913</b>
<b>NON CURRENT ASSETS</b>						
Property, Plant & Equipment	2,068,714	<b>1,373,131</b>	1,429,791	1,454,354	1,478,931	1,515,629
Investment in Allconnex Water	300	<b>421,245</b>	421,245	421,245	421,245	421,245
<b>Total Non Current Assets</b>	<b>2,069,014</b>	<b>1,794,376</b>	<b>1,851,036</b>	<b>1,875,599</b>	<b>1,900,176</b>	<b>1,936,874</b>
<b>TOTAL ASSETS</b>	<b>2,153,594</b>	<b>1,855,744</b>	<b>1,906,629</b>	<b>1,939,196</b>	<b>1,986,876</b>	<b>2,023,787</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	18,409	<b>18,409</b>	18,999	19,474	19,882	20,380
Current Employee Provisions	5,947	<b>5,344</b>	5,557	5,780	5,982	6,191
Current Loans	1,564	<b>1,564</b>	4,371	5,327	6,229	6,771
Current Landfill Rehabilitation Provisions	3,315	<b>3,315</b>	3,315	3,315	3,315	3,315
Other Liabilities	2,923	<b>2,923</b>	3,017	3,092	3,157	3,236
<b>Total Current Liabilities</b>	<b>32,159</b>	<b>31,556</b>	<b>35,258</b>	<b>36,987</b>	<b>38,566</b>	<b>39,892</b>
<b>NON CURRENT LIABILITIES</b>						
Non Current Loans	41,604	<b>58,995</b>	98,718	120,633	139,875	143,972
Non Current Employee Provisions	8,265	<b>7,823</b>	8,136	8,462	8,758	9,064
Non Current Landfill Rehabilitation Provisions	22,800	<b>22,800</b>	22,800	22,800	22,800	22,800
<b>Total Non Current Liabilities</b>	<b>72,669</b>	<b>89,618</b>	<b>129,654</b>	<b>151,895</b>	<b>171,433</b>	<b>175,837</b>
<b>TOTAL LIABILITIES</b>	<b>104,828</b>	<b>121,174</b>	<b>164,912</b>	<b>188,881</b>	<b>209,999</b>	<b>215,729</b>
<b>NET ASSETS</b>	<b>2,048,766</b>	<b>1,734,571</b>	<b>1,741,716</b>	<b>1,750,315</b>	<b>1,776,877</b>	<b>1,808,058</b>
<b>COMMUNITY EQUITY</b>						
Retained Earnings Account	2,018,011	<b>1,704,631</b>	1,707,217	1,705,679	1,721,924	1,744,381
Cash Reserves	30,755	<b>29,939</b>	34,499	44,635	54,954	63,678
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,048,766</b>	<b>1,734,571</b>	<b>1,741,716</b>	<b>1,750,315</b>	<b>1,776,877</b>	<b>1,808,058</b>

**Redland City Council – Statement of Changes in Equity**

<b>Proposed Budget 2010-2011</b>	<b>Retained Surplus (\$000s)</b>	<b>Asset Reval Reserve (\$000s)</b>	<b>Other Reserves (\$000s)</b>	<b>TOTAL (\$000s)</b>
<b>Balance at 1 July 2010</b>	<b>839,672</b>	<b>1,178,339</b>	<b>30,755</b>	<b>2,048,766</b>
Net results for Period	(6,971)	0	0	(6,971)
Transfers to Reserves	(15,540)	0	15,540	0
Transfers from Reserves	16,356	0	(16,356)	0
Asset Revaluation Adjustments	0	(307,224)	0	(307,224)
<b>Balance as at 30 June 2011</b>	<b>833,517</b>	<b>871,115</b>	<b>29,939</b>	<b>1,734,571</b>
<b>Anticipated 2009-2010</b>	<b>Retained Surplus (\$000s)</b>	<b>Asset Reval Reserve (\$000s)</b>	<b>Other Reserves (\$000s)</b>	<b>TOTAL (\$000s)</b>
<b>Balance at 1 July 2009</b>	<b>827,700</b>	<b>1,182,292</b>	<b>38,009</b>	<b>2,048,001</b>
Net results for Period	4,718	0	0	4,718
Transfers to Reserves	(15,936)	0	15,936	0
Transfers from Reserves	23,190	0	(23,190)	0
Asset Revaluation Adjustments	0	(3,953)	0	(3,953)
<b>Balance as at 30 June 2010</b>	<b>839,672</b>	<b>1,178,339</b>	<b>30,755</b>	<b>2,048,766</b>

## Redland City Council – Financial Stability Ratios

During the creation of the new Financial Strategy, Council has reviewed its Key Performance Indicators to ensure the ratios provide 'stretch' targets and that financial sustainability is achieved. Five out of the seven targets have been revised as follows:

- Level of Dependence on General Rate Revenue – decreased to 45% from 50% to reflect that Council needs to find other revenue sources;
- Current Ratio – increased to 1.25 from 1.1 to ensure Council can fully cover its short term liabilities with its short term assets and retain additional capacity;
- Debt Servicing Ratio – reduced from 17% to 10% as Council is borrowing more for critical community infrastructure and must maintain the ability to repay the debt;
- Debt to Asset Ratio – decreased from 15% to 10% to ensure as debt increases it remains a small percentage of Council's assets; and
- Operating Performance - increased from 15% to 20% to ensure Council has sufficient operating revenue to fund its net cash operating expenses.

Financial Stability Ratios (RCC)	Anticipated Position 2009-2010	Budget Year 1 2010-2011	Estimate Year 2 2011-2012	Estimate Year 3 2012-2013	Estimate Year 4 2013-2014	Estimate Year 5 2014-2015
<b>Level of dependence on General Rate Revenue</b> (Excludes Utility Revenues) - Threshold set @ 45%	31.0%	43.9%	44.8%	43.2%	41.6%	41.9%
<b>Ability to pay our bills - Current Ratio</b>						
Target greater than or equal to 1.25	2.63	1.94	1.58	1.72	2.25	2.18
<b>Ability to repay our debt - Debt Servicing Ratio (%)</b>						
Target less than or equal to 10%	2.48%	4.00%	3.92%	5.63%	5.90%	6.19%
<b>Cash Balance - \$ 000s</b>	68,212	45,000	39,025	46,841	69,759	69,779
<b>Cash Balances - cash capacity in months</b>						
Target 3 to 4 months	5.23	3.69	3.16	3.66	5.25	4.97
<b>Longer term financial stability - debt to asset ratio (%)</b>						
Target less than or equal to 10%	2.00%	3.26%	5.41%	6.50%	7.35%	7.45%
<b>Operating Performance</b>						
Target greater than or equal to 20%	16.6%	3.3%	9.2%	15.2%	20.6%	21.3%

Under the revised stretch target, Operating Performance is not achieved until year four as Council will take several years to regain its operating surplus position. Council will closely monitor its cash expenditure over the first three years and revise these estimates as required.

## Redland City Council – Measures of Sustainability

For the last few financial years, Redland City Council has adopted seven Financial Stability Ratios. For 2010-2011, Council has adopted six Measures of Sustainability in line with a guideline document from the Department of Infrastructure and Planning. These new ratios focus on ensuring Council can remain sustainable and provides transparency to the community over Council's financial decisions and the impact to its assets in particular.

Measures of Sustainability	Anticipated Position 2009-2010	Budget Year 1 2010-2011	Estimate Year 2 2011-2012	Estimate Year 3 2012-2013	Estimate Year 4 2013-2014	Estimate Year 5 2014-2015
<b>Operating Surplus Ratio</b>						
Target between 0% and 15%	-9.60%	-15.91%	-14.53%	-8.38%	-1.12%	-0.05%
<b>Net Financial Liabilities Ratio</b>						
Target less than or equal to 60%	10.79%	39.52%	66.97%	69.20%	61.27%	60.13%
<b>Interest Coverage Ratio</b>						
Target between 0% and 10%	1.47%	2.41%	2.05%	3.00%	3.05%	3.09%
<b>Asset Sustainability Ratio (Infrastructure Assets Only)</b>						
Target greater than 90%	42.70%	74.18%	87.89%	57.10%	58.65%	61.37%
<b>Asset Consumption Ratio (Infrastructure Assets Only)</b>						
Target between 40% and 80%	53.09%	41.78%	42.03%	42.34%	42.62%	42.69%

The priority for Council when setting the budget for 2010-2011 was to ensure the Measures of Sustainability are met where possible in year 1, then monitored closely as the impacts of Allconnex Water on Council's financial position and performance is observed. Operating Surplus ratio remains below 0% until approximately year 4 when the ratio is expected achieve target.

Asset sustainability, consumption and renewal are all closely linked and Council has committed to a long-term Financial Strategy that works towards balancing the increase in revenue from the community to fund the replacement and renewal of assets. The target of 90% for the Asset Sustainability Ratio will be a challenge for Council to address over the coming years.

# DEPARTMENTAL OPERATING STATEMENTS

## Operating Statement by Department - For year ending 30 June 2011

Allconnex Water is not a department within Redland City Council although transactions have been isolated in the statements below to afford transparency to the expected revenues and expenditures from Allconnex Water in 2010-2011.

	Governance (\$000s)	Planning & Policy (\$000s)	Development & Community Standards (\$000s)	Customer Services (\$000s)	Corporate Services (\$000s)	Transactions with Allconnex Water*** (\$000s)	RCC Total (\$000s)
<b>Operating Revenue</b>							
Rates Charges	0	0	0	0	68,906	0	68,906
Other Rates & Utility Charges	0	12,311	0	16,687	123	0	29,121
Less: Pensioner Remissions	0	0	0	0	(2,492)	0	(2,492)
Fees & Charges	2	0	8,567	7,369	709	0	16,647
Operating Grants & Subsidies	15	2,069	94	2,333	3,629	0	8,140
Operating Contributions & Donations	0	0	0	215	0	0	215
Interest External	0	51	0	108	3,519	0	3,678
Allconnex Investment Returns	0	0	0	0		19,020	19,020
Other Revenue	22	130	32	996	841	6,081	8,102
<b>Total Operating Revenue</b>	<b>38</b>	<b>14,561</b>	<b>8,693</b>	<b>27,708</b>	<b>75,236</b>	<b>25,101</b>	<b>151,337</b>
<b>Operating Expenditure</b>							
Employee Costs	5,908	6,313	13,119	26,941	14,360	0	66,641
Goods & Services	3,346	11,928	1,867	42,818	13,541	1,646	75,146
Finance Costs Other	5	0	0	8	327	0	340
Other Expenditure	84	0	0	140	108	0	332
Net Internal Costs *	(2,125)	1,581	4,435	3,452	(8,109)	0	(766)
<b>Total Operating Expenditure</b>	<b>7,219</b>	<b>19,822</b>	<b>19,420</b>	<b>73,360</b>	<b>20,227</b>	<b>1,646</b>	<b>141,694</b>
<b>Earnings before Interest, tax and depreciation (EBITD)</b>	<b>(7,181)</b>	<b>(5,260)</b>	<b>(10,727)</b>	<b>(45,652)</b>	<b>55,009</b>	<b>23,455</b>	<b>9,643</b>
Interest Expense	0	0	0	818	2,829	0	3,647
Depreciation	7	16,007	33	7,712	6,313	0	30,072
<b>Operating Surplus/(Deficit)</b>	<b>(7,187)</b>	<b>(21,267)</b>	<b>(10,760)</b>	<b>(54,182)</b>	<b>45,867</b>	<b>23,455</b>	<b>(24,075)</b>
<i>Transfers from Unconstrained Reserves</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,000</i>	<i>4,000</i>
<b>Adjusted Operating Surplus/(Deficit)**</b>	<b>(7,187)</b>	<b>(21,267)</b>	<b>(10,760)</b>	<b>(54,182)</b>	<b>45,867</b>	<b>27,455</b>	<b>(20,075)</b>
Transfers to Constrained Operating Reserves	0	(12,580)	(512)	0	(2,448)	0	(15,540)
Transfers from Constrained Operating Reserves	643	5,546	70	4,067	123	0	10,449

\* Internal transactions consolidated as Net Internal Costs

\*\*Adjusted Operating Surplus represents the application of unconstrained reserves as part of Council's policy to manage the expected shortfall from Allconnex Water

\*\*\* Allconnex Investment Returns \$19.020M is from Corporate Services. Allconnex Water Other Revenue comprises \$88K from Customer Services and \$5.993M from Corporate Services. The payments to Allconnex Water are budgeted to be \$1.646M: Customer Services \$1.1M, Corporate Services \$548K, Planning & Policy \$17K and Development & Community Standards \$5K.

## Capital Funding Statement by Department - For year ending 30 June 2011

Allconnex Water is not a department within Redland City Council although transactions have been isolated in the statements below to afford transparency to the expected revenues and expenditures from Allconnex Water in 2010-2011.

	Governance (\$000s)	Planning & Policy (\$000s)	Development & Community Standards (\$000s)	Customer Services (\$000s)	Corporate Services (\$000s)	Transactions with Allconnex Water*** (\$000s)	RCC Total (\$000s)
<b>Proposed Sources of Capital Funding</b>							
Capital Contributions & Donations	0	7,156	0	265	0	0	7,422
Capital Grants & Subsidies	0	6,983	0	602	0	0	7,585
Proceeds on Disposal of Non Current Assets	0	0	0	0	2,098	0	2,098
Capital Transfers (to)from Reserves	0	5,907	0	0	0	0	5,907
Non Cash Contributions	0	0	0	0	0	0	0
New Loans	0	2,500	0	0	17,299	0	19,799
Funding from General Revenue	14	(782)	130	31,754	(8,859)	0	22,257
<b>Total Sources of Capital Funding</b>	<b>14</b>	<b>21,764</b>	<b>130</b>	<b>32,622</b>	<b>10,537</b>	<b>0</b>	<b>65,066</b>
<b>Proposed Application of Capital Funds</b>							
Contributed Assets	0	0	0	0	0	0	0
Capitalised Goods & Services	14	21,764	130	27,567	8,441	0	57,915
Capitalised Employee Costs	0	0	0	4,744	0	0	4,744
Loan Redemption	0	0	0	312	2,096	0	2,407
<b>Total Application of Capital Funds</b>	<b>14</b>	<b>21,764</b>	<b>130</b>	<b>32,622</b>	<b>10,537</b>	<b>0</b>	<b>65,066</b>

## Other Budgeted Items by Department- For year ending 30 June 2011

	Governance (\$000s)	Planning & Policy (\$000s)	Development & Community Standards (\$000s)	Customer Services (\$000s)	Corporate Services (\$000s)	Transactions with Allconnex Water*** (\$000s)	RCC Total (\$000s)
<b>Other Budgeted Items</b>							
WDV of Assets Disposed	(0)	0	0	(3)	(1,567)	0	(1,570)
Tax and Dividends	0	0	0	(2,724)	2,724	0	0
Internal Capital Structure Financing	0	0	0	(210)	210	0	0

**Governance Department by Group**

	<b>Anticipated Position 2009-2010 (\$000s)</b>	<b>Budget 2010-2011 (\$000s)</b>
<b>Revenue</b>		
Chief Executive Office Group	0	15
Mayor / Councillors' Office Group	0	0
Internal Audit Group	0	0
Legal Services Group	4	22
Corporate Performance & Risk Group	2	1
Marketing & Communications Group	7	0
	<b>13</b>	<b>38</b>
<b>Expenditure *</b>		
Chief Executive Office Group	2,750	2,143
Mayor / Councillors' Office Group	1,944	1,937
Internal Audit Group	538	549
Legal Services Group	(590)	(131)
Corporate Performance & Risk Group	1,170	794
Marketing & Communications Group	1,817	1,926
	<b>7,628</b>	<b>7,219</b>
<b>Earnings before Interest, tax and depreciation (EBITD)</b>	<b>(7,615)</b>	<b>(7,181)</b>
Interest expense	0	0
Depreciation	5	7
<b>Operating Surplus/(Deficit) *</b>	<b>(7,620)</b>	<b>(7,187)</b>
* Includes internal transactions		
<b>Total Sources of Capital Funding</b>	<b>29</b>	<b>14</b>
<b>Total Application of Capital Funds</b>	<b>29</b>	<b>14</b>

Note: The above expenditure figures include internal charges and recoveries associated with service level agreements within Redland City Council. The net of these internal transactions may result in recoveries greater than expenditure, as above. The variation above for the Legal Services Group is primarily attributable to significantly higher than usual workload and expenditure in the 2009-2010 financial year. The internal recoveries in 2010-2011 for Legal Services are expected to once again exceed internal expenditure, resulting in a negative expenditure in the statement above of \$131,000.



**Customer Services Department by Group**

	<b>Anticipated Position 2009-2010 (\$000s)</b>	<b>Budget 2010-2011 (\$000s)</b>
<b>Revenue</b>		
Customer Services General Management Group	0	5
Customer & Community Services Group	9,435	8,615
Operations & Maintenance Group	15,949	19,087
Project Delivery Group	11	1
	<b>25,395</b>	<b>27,708</b>
<b>Expenditure *</b>		
Customer Services General Management Group	470	(237)
Customer & Community Services Group	25,477	23,612
Operations & Maintenance Group	40,734	46,652
Project Delivery Group	4,626	3,332
	<b>71,307</b>	<b>73,360</b>
<b>Earnings before Interest, tax and depreciation (EBITD)</b>	<b>(45,911)</b>	<b>(45,652)</b>
Interest expense	54	818
Depreciation	8,592	7,712
<b>Operating Surplus/(Deficit) *</b>	<b>(54,558)</b>	<b>(54,182)</b>
* Includes internal transactions		
<b>Total Sources of Capital Funding</b>	<b>36,730</b>	<b>32,622</b>
<b>Total Application of Capital Funds</b>	<b>36,730</b>	<b>32,622</b>

Note: All departments within Council are asked to consider a reduction in their employee budget due to vacancies. The reduction in employee expenditure due to vacancies in Customer Services has been placed into one group, namely Customer Services General Management Group. This explains the apparent negative expenditure although this is in practice spread across vacancies for the whole department.

## Planning and Policy Department by Group

	Anticipated Position 2009-2010 (\$000s)	Budget 2010-2011 (\$000s)
<b>Revenue</b>		
Planning & Policy General Management Group	0	0
Land Use Planning Group	0	0
Environmental Management Group	8,985	9,966
Community & Social Planning Group	630	43
Economic Development Group	18	18
Infrastructure Planning Group	2,278	4,535
	<b>11,911</b>	<b>14,561</b>
<b>Expenditure *</b>		
Planning & Policy General Management Group	428	316
Land Use Planning Group	2,444	2,657
Environmental Management Group	4,161	4,725
Community & Social Planning Group	2,364	2,026
Economic Development Group	1,487	820
Infrastructure Planning Group	4,990	9,277
	<b>15,874</b>	<b>19,822</b>
<b>Earnings before Interest, tax and depreciation (EBITD)</b>	<b>(3,963)</b>	<b>(5,260)</b>
Interest expense	0	0
Depreciation	15,987	16,007
<b>Operating Surplus/(Deficit) *</b>	<b>(19,950)</b>	<b>(21,267)</b>
* Includes internal transactions		
<b>Total Sources of Capital Funding</b>	<b>10,451</b>	<b>21,764</b>
<b>Total Application of Capital Funds</b>	<b>10,451</b>	<b>21,764</b>

**Corporate Services Department by Group**

	<b>Anticipated Position 2009-2010 (\$000s)</b>	<b>Budget 2010-2011 (\$000s)</b>
<b>Revenue</b>		
Corporate Services General Management Group	70	0
People & Change Group	70	70
Financial Services Group	66,612	74,600
Water Reform Group	440	0
Information Management Group	84	4
Corporate Acquisitions, Fleet & Facilities Group	531	562
	<b>67,807</b>	<b>75,236</b>
<b>Expenditure *</b>		
Corporate Services General Management Group	646	610
People & Change Group	2,381	3,061
Financial Services Group	5,487	9,898
Water Reform Group	1,277	250
Information Management Group	3,101	3,846
Corporate Acquisitions, Fleet & Facilities Group	1,236	2,562
	<b>14,128</b>	<b>20,227</b>
<b>Earnings before Interest, tax and depreciation (EBITD)</b>	<b>53,678</b>	<b>55,009</b>
Interest expense	2,702	2,829
Depreciation	6,582	6,313
<b>Operating Surplus/(Deficit) *</b>	<b>44,394</b>	<b>45,867</b>
* Includes internal transactions		
<b>Total Sources of Capital Funding</b>	<b>9,182</b>	<b>10,537</b>
<b>Total Application of Capital Funds</b>	<b>9,182</b>	<b>10,537</b>

Note: The increase to Financial Services' expenditure is mainly due to Community Service Obligations that are included in the Corporate Services Department.

**Development and Community Standards Department by Group**

	<b>Anticipated Position 2009-2010 (\$000s)</b>	<b>Budget 2010-2011 (\$000s)</b>
<b>Revenue</b>		
Development & Community Standards Management Group	0	0
Community Standards Group	3,083	3,502
Sustainable Assessment Group	2,185	2,233
Building & Plumbing Services Group	2,499	2,958
Business & Performance Group	0	0
	<b>7,767</b>	<b>8,693</b>
<b>Expenditure *</b>		
Development & Community Standards Management Group	(318)	(241)
Community Standards Group	7,261	7,808
Sustainable Assessment Group	7,116	7,335
Building & Plumbing Services Group	3,859	3,833
Business & Performance Group	0	685
	<b>17,917</b>	<b>19,420</b>
<b>Earnings before Interest, tax and depreciation (EBITD)</b>	<b>(10,150)</b>	<b>(10,727)</b>
Interest expense	0	0
Depreciation	33	33
<b>Operating Surplus/(Deficit) *</b>	<b>(10,183)</b>	<b>(10,760)</b>
* Includes internal transactions		
<b>Total Sources of Capital Funding</b>	<b>65</b>	<b>130</b>
<b>Total Application of Capital Funds</b>	<b>65</b>	<b>130</b>

Note: All departments within Council are asked to consider a reduction in their employee budget due to vacancies. The reduction in employee expenditure due to vacancies in Development and Community Standards has been placed into one group, namely Development and Community Standards Management Group. This explains the apparent negative expenditure although in practice it is spread across vacancies for the whole department.

# COMMERCIALISED BUSINESS UNIT FINANCIAL STATEMENTS

## Waste Operating Statement

	Anticipated Budget 2009-2010 (\$000s)	Budget 2010-2011 (\$000s)
<b>Operating Revenue</b>		
Utility Charges	12,716	16,687
Fees & Charges	2,039	947
Interest External	19	19
Community Service Obligations	1,204	2,101
Internal Revenue	1,342	1,248
Other Revenue	276	306
<b>Total Operating Revenue</b>	<b>17,597</b>	<b>21,308</b>
<b>Operating Expenditure</b>		
Employee Costs	846	1,203
Goods & Services	10,992	15,768
Finance Costs - Other	747	818
Competitive Neutrality Costs	87	99
Internal Expenditure	801	426
<b>Total Operating Expenditure</b>	<b>13,474</b>	<b>18,314</b>
<b>Earnings before Interest, Tax and Depreciation (EBITD)</b>	<b>4,123</b>	<b>2,994</b>
Interest expense	54	198
Depreciation	1,116	1,244
<b>Operating Surplus/(Deficit)</b>	<b>2,952</b>	<b>1,552</b>

## Waste Capital Funding Statement

	Anticipated Budget 2009-2010 (\$000s)	Budget 2010-2011 (\$000s)
<b>Proposed Sources of Capital Funding</b>		
Capital Grants & Subsidies	30	270
New Loans	0	2,500
Funding from General Revenue	368	1,139
<b>Total Sources of Capital Funding</b>	<b>398</b>	<b>3,909</b>
<b>Proposed Application of Capital Funds</b>		
Capitalised Goods & Services	333	3,779
Loan Redemption	65	130
<b>Total Application of Capital Funds</b>	<b>398</b>	<b>3,909</b>

**Waste – Other Budgeted Items**

	<b>Anticipated Budget 2009-2010 (\$000s)</b>	<b>Budget 2010-2011 (\$000s)</b>
<b>Other Budgeted Items</b>		
Transfers to Reserve	(4,200)	(2,793)
Transfer from Operating Reserves	240	1,219
Tax & Dividend	(1,247)	(1,241)
Internal Capital Structure Financing	(96)	(198)

**Waste – Statement of Financial Position**

	<b>Anticipated Budget 2009-2010 (\$000s)</b>	<b>Budget 2010-2011 (\$000s)</b>
<b>Current Assets</b>		
Cash & Investments	11,655	<b>15,051</b>
Accounts Receivable	274	<b>276</b>
Prepaid Expenses	3	<b>3</b>
<b>Total Current Assets</b>	<b>11,932</b>	<b>15,330</b>
<b>Non Current Assets</b>		
Property, Plant and Equipment	18,715	<b>14,913</b>
<b>Total Non Current Assets</b>	<b>18,715</b>	<b>14,913</b>
<b>Total Assets</b>	<b>30,647</b>	<b>30,243</b>
<b>Current Liabilities</b>		
Other Current Liabilities	2,718	<b>2,802</b>
Current Provisions	45	<b>56</b>
<b>Total Current Liabilities</b>	<b>2,763</b>	<b>2,858</b>
<b>Non Current Liabilities</b>		
Non Current Loans	743	<b>3,113</b>
Non Current Provisions	9,218	<b>9,403</b>
<b>Total Non Current Liabilities</b>	<b>9,961</b>	<b>12,516</b>
<b>Total Liabilities</b>	<b>12,724</b>	<b>15,374</b>
<b>Net Business Unit Assets</b>	<b>17,923</b>	<b>14,870</b>
<b>Business Unit Equity</b>		
Retained Earnings	17,220	<b>12,527</b>
Reserves	703	<b>2,343</b>
<b>Total Business Unit Equity</b>	<b>17,923</b>	<b>14,870</b>

**Waste - Community Service Obligations**

	<b>Anticipated Budget 2009-2010 (\$000s)</b>	<b>Budget 2010-2011 (\$000s)</b>
Clean Up Australia Day	3,000	3,277
Birkdale Sanitary Landfill	10,016	10,347
Redland Bay Transfer Station	485	501
Nth Stradbroke Island Transfer Station	314,824	296,545
Bay Islands Transfer Station	810,108	0
Russell Island Transfer Station	0	266,254
Macleay Island Transfer Station	0	247,989
Lamb Island Transfer Station	0	70,821
Karragarra Island Transfer Station	0	68,720
Coochiemudlo Island Transfer Station	0	149,856
Giles Road Hardfill Site	33,389	34,491
Manual Service - Waste	32,209	33,272
WMSBU Incentives	0	918,940
<b>TOTAL</b>	<b>1,204,031</b>	<b>2,101,013</b>



## BUSINESS UNITS SUBJECT TO THE CODE OF COMPETITIVE CONDUCT

In accordance with Section 76 of the *Local Government Finance Standard 2005*, Council's budget must show the following statements where the code of competitive conduct applies.

Council has continuing Type 3 business units in 2010-2011: Caravan Parks; School Aged Care; Redland Performing Arts Centre and Building Certification Services.

In addition to the existing Type 3 business units, from 1st July 2010 Council has identified new Type 3 Business Units commencing in the 2010-2011 financial year: Quarry Operations; Wharves and Jetties; Fleet & Plant Operations; Tourism; Cemeteries and Redland Art Gallery. For these new Type 3 Business units, the anticipated position for 2009-2010 is only indicative for comparison purposes to 2010-2011.

### Caravan Parks Operating Statement

	Anticipated Position 2009-2010 (\$)	Budget 2010-2011 (\$)
<b>Revenue</b>		
Operating revenue	2,522,325	1,625,538
Internal revenue	0	0
Community Service Obligations	115,576	65,515
<b>Total Revenue</b>	<b>2,637,901</b>	<b>1,691,053</b>
<b>Expenditure</b>		
Operating expenses		
Employee Costs	687,422	599,844
Materials & Services	755,268	561,788
Depreciation	437,038	215,400
Internal Expenditure	752,614	308,281
Other Full Cost Attribution	32,662	33,740
Competitive Neutrality Adjustments	(27,103)	(28,000)
<b>Total Operating Expenses</b>	<b>2,637,901</b>	<b>1,691,053</b>
<b>Operating Surplus/(Deficit)</b>	<b>0</b>	<b>(0)</b>
Income Tax	0	0
Dividend	0	0
<b>Net Increase in Operating Capacity</b>	<b>0</b>	<b>(0)</b>
<b>Community Service Obligations:</b>		
Net subsidy to the business activity	115,576	65,515
<b>Total Community Service Obligations</b>	<b>115,576</b>	<b>65,515</b>
<b>Non Current Assets:</b>		
Replacement Cost		12,203,446
Written Down Value		6,440,839

Council is in the process of finalising the future operation of its caravan and camping grounds. This business unit has been provided with six months operating budget to reflect the likely timeframe for transition from Council operations to another provider.

## School Aged Care Operating Statement

	Anticipated Position 2009-2010 (\$)	Budget 2010-2011 (\$)
<b>Revenue</b>		
Operating revenue	2,975,500	3,229,270
Internal revenue	0	0
Community Service Obligations	105,971	0
<b>Total Revenue</b>	<b>3,081,471</b>	<b>3,229,270</b>
<b>Expenditure</b>		
Operating Expenses		
Employee Costs	2,576,751	2,686,685
Materials & Services	314,572	348,077
Depreciation	2,708	2,550
Internal Expenditure	231,440	224,461
Other Full Cost Attribution	186,000	190,713
Competitive Neutrality Adjustments	(230,000)	(237,590)
<b>Total Operating Expenses</b>	<b>3,081,471</b>	<b>3,214,896</b>
<b>Operating Surplus/(Deficit)</b>	<b>0</b>	<b>14,373</b>
Income Tax	0	(4,312)
Dividend	0	(10,061)
<b>Net Increase in Operating Capacity</b>	<b>0</b>	<b>0</b>
<b>Community Service Obligations:</b>		
Net subsidy to the business activity	105,971	0
<b>Total Community Service Obligations</b>	<b>105,971</b>	<b>0</b>
<b>Non Current Assets:</b>		
Replacement Cost		362,865
Written Down Value		324,940

**Redland Performing Arts Centre Operating Statement**

	<b>Anticipated Position 2009-2010 (\$)</b>	<b>Budget 2010-2011 (\$)</b>
<b>Revenue</b>		
Operating revenue	337,250	364,500
Internal revenue	13,370	20,440
Community Service Obligations	1,630,398	1,684,819
<b>Total Revenue</b>	<b>1,981,018</b>	<b>2,069,759</b>
<b>Expenditure</b>		
Operating Expenses		
Employee Costs	676,362	701,235
Materials & Services	693,104	770,288
Depreciation	375,785	387,653
Internal Expenditure	183,132	156,203
Other Full Cost Attribution	61,849	63,900
Competitive Neutrality Adjustments	(9,214)	(9,520)
<b>Total Operating Expenses</b>	<b>1,981,018</b>	<b>2,069,759</b>
<b>Operating Surplus/(Deficit)</b>	<b>(0)</b>	<b>0</b>
Income Tax	0	0
Dividend	0	0
<b>Net Increase in Operating Capacity</b>	<b>(0)</b>	<b>0</b>
<b>Community Service Obligations:</b>		
Rental Subsidy	55,048	38,326
Ticket Subsidy	16,325	16,719
Net subsidy to the business activity	1,559,025	1,629,774
<b>Total Community Service Obligations</b>	<b>1,630,398</b>	<b>1,684,819</b>
<b>Non Current Assets:</b>		
Replacement Cost		15,378,410
Written Down Value		11,778,605

**Building Certification Services Operating Statement**

	<b>Anticipated Position 2009-2010 (\$)</b>	<b>Budget 2010-2011 (\$)</b>
<b>Revenue</b>		
Operating revenue	589,874	711,480
Internal revenue	368,329	391,847
Community Service Obligations	370,721	320,969
<b>Total Revenue</b>	<b>1,328,924</b>	<b>1,424,295</b>
<b>Expenditure</b>		
Operating Expenses		
Employee Costs	1,105,622	1,141,017
Materials & Services	77,430	51,663
Depreciation	222	0
Internal Expenditure	119,240	204,336
Other Full Cost Attribution	53,513	55,280
Competitive Neutrality Adjustments	(27,103)	(28,000)
<b>Total Operating Expenses</b>	<b>1,328,924</b>	<b>1,424,295</b>
<b>Operating Surplus/(Deficit)</b>	<b>0</b>	<b>(0)</b>
Income Tax	0	0
Dividend	0	0
<b>Net Increase in Operating Capacity</b>	<b>0</b>	<b>(0)</b>
<b>Community Service Obligations:</b>		
Professional Advice to Customer Service desk	141,808	249,123
Building Certification for RCC assets	51,950	51,318
Building Certification on Rainwater Tanks	20,780	20,527
Internal Professional Advice on Compliance	156,183	0
<b>Total Community Service Obligations</b>	<b>370,721</b>	<b>320,969</b>
Non Current Assets:		
Replacement Cost		2,220
Written Down Value		637

**Quarry Operations Operating Statement**

	<b>Anticipated Position 2009-2010 (\$)</b>	<b>Budget 2010-2011 (\$)</b>
<b>Revenue</b>		
Operating revenue	0	15,800
Interest received	0	17,892
Internal revenue	488,606	582,802
Community Service Obligations	6,118	0
<b>Total Revenue</b>	<b>494,724</b>	<b>616,494</b>
<b>Expenditure</b>		
Operating Expenses		
Employee Costs	106,631	130,094
Materials & Services	275,669	236,186
Depreciation	5,726	5,725
Internal Expenditure	106,698	135,356
Other Full Cost Attribution	0	0
Competitive Neutrality Adjustments	0	0
<b>Total Operating Expenses</b>	<b>494,724</b>	<b>507,361</b>
<b>Operating Surplus/(Deficit)</b>	<b>(0)</b>	<b>109,133</b>
Income Tax	0	(32,740)
Dividend	0	(76,393)
<b>Net Increase in Operating Capacity</b>	<b>(0)</b>	<b>0</b>
<b>Community Service Obligations:</b>		
Net subsidy to the business activity	6,118	0
<b>Total Community Service Obligations</b>	<b>6,118</b>	<b>0</b>
<b>Non Current Assets:</b>		
Replacement Cost		684,105
Written Down Value		127,365

Note: - deficiency in pricing (no remediation costs provided). A review will be undertaken during 2010-2011.

## Wharves and Jetties Operating Statement

	Budget 2010-2011 (\$)
<b>Revenue</b>	
Operating revenue	764,545
Interest received	41,158
Internal revenue	
Community Service Obligations	0
<b>Total Revenue</b>	<b>805,703</b>
<b>Expenditure</b>	
Operating Expenses	
Employee Costs	
Materials & Services	233,394
Depreciation	379,566
Internal Expenditure	
Other Full Cost Attribution	
Competitive Neutrality Adjustments	
<b>Total Operating Expenses</b>	<b>612,960</b>
<b>Operating Surplus/(Deficit)</b>	<b>192,743</b>
Income Tax	(57,823)
Dividend	(134,920)
<b>Net Increase in Operating Capacity</b>	<b>0</b>
Non Current Assets:	
Replacement Cost	11,046,486
Written Down Value	6,281,348

Note: This report includes Weinam Creek infrastructure & operations and Southern Moreton Bay Islands jetties. Revenues and expenditures relating to Wharves and Jetties are spread over several departments. To publish an operating statement for this Type 3 business activity, consultation across Council has been carried out to ensure the figures are reliable as a budget to commence with. It was not deemed necessary to provide the same information for 2009-2010 as it is not available from the Finance system. A suitable structure for this Type 3 business activity will be finalised prior to the end of the first quarter in 2009-2010 when the statements will be produced for all Type 3 business activities.

## Fleet and Plant Operating Statement

	Anticipated Position 2009-2010 (\$)	Budget 2010-2011 (\$)
<b>Revenue</b>		
Operating revenue	28,500	652,464
Interest received	0	0
Internal revenue	4,830,012	4,515,965
Community Service Obligations	0	56,728
<b>Total Revenue</b>	<b>4,858,512</b>	<b>5,225,157</b>
<b>Expenditure</b>		
Operating Expenses		
Employee Costs	747,248	808,260
Materials & Services	1,263,847	1,315,397
Depreciation	2,288,363	2,288,363
Internal Expenditure	118,370	200,760
Other Full Cost Attribution	0	0
Competitive Neutrality Adjustments	0	0
<b>Total Operating Expenses</b>	<b>4,417,828</b>	<b>4,612,780</b>
<b>Operating Surplus/(Deficit)</b>	<b>440,684</b>	<b>612,377</b>
Income Tax	(132,205)	(183,713)
Dividend	(308,479)	(428,664)
<b>Net Increase in Operating Capacity</b>	<b>(0)</b>	<b>0</b>
<b>Community Service Obligations:</b>		
SES Assets		50,628
SES Annual Small Plant Maintenance		2,500
Life Education Van Annual Maintenance		3,600
<b>Total Community Service Obligations</b>		<b>56,728</b>
<b>Non Current Assets:</b>		
Replacement Cost		19,008,508
Written Down Value		7,344,057

## Tourism Operating Statement

	Anticipated Position 2009-2010 (\$)	Budget 2010-2011 (\$)
<b>Revenue</b>		
Operating revenue	17,500	17,500
Interest received	0	0
Internal revenue	0	0
Community Service Obligations	659,470	620,980
<b>Total Revenue</b>	<b>676,970</b>	<b>638,480</b>
<b>Expenditure</b>		
Operating Expenses		
Employee Costs	174,483	157,062
Materials & Services	500,620	479,505
Depreciation	0	0
Internal Expenditure	1,867	1,912
Other Full Cost Attribution	0	0
Competitive Neutrality Adjustments	0	0
<b>Total Operating Expenses</b>	<b>676,970</b>	<b>638,480</b>
<b>Operating Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>
Income Tax	0	0
Dividend	0	0
<b>Net Increase in Operating Capacity</b>	<b>0</b>	<b>0</b>
<b>Community Service Obligations:</b>		
Net subsidy to the business activity	659,470	620,980
<b>Total Community Service Obligations</b>	<b>659,470</b>	<b>620,980</b>
<b>Non Current Assets:</b>		
Replacement Cost		0
Written Down Value		0



## Cemeteries Operating Statement

	Anticipated Position 2009-2010 (\$)	Budget 2010-2011 (\$)
<b>Revenue</b>		
Operating revenue	272,900	291,900
Interest received	0	30,003
Internal revenue	0	0
Community Service Obligations	0	57,787
<b>Total Revenue</b>	<b>272,900</b>	<b>379,690</b>
<b>Expenditure</b>		
Operating Expenses		
Employee Costs	63,190	65,385
Materials & Services	178,576	280,495
Depreciation	5,244	1,450
Internal Expenditure	21,570	32,361
Other Full Cost Attribution	0	0
Competitive Neutrality Adjustments	0	0
<b>Total Operating Expenses</b>	<b>268,579</b>	<b>379,690</b>
<b>Operating Surplus/(Deficit)</b>	<b>4,321</b>	<b>(0)</b>
Income Tax	(1,296)	0
Dividend	(3,025)	0
<b>Net Increase in Operating Capacity</b>	<b>(0)</b>	<b>(0)</b>
<b>Community Service Obligations:</b>		
Net subsidy to the business activity	0	57,787
<b>Total Community Service Obligations</b>	<b>0</b>	<b>57,787</b>
<b>Non Current Assets:</b>		
Replacement Cost		1,261,830
Written Down Value		1,093,208

Note: - requirement for future post burials activities will need to be funded going forward.

**Redland Art Gallery Operating Statement**

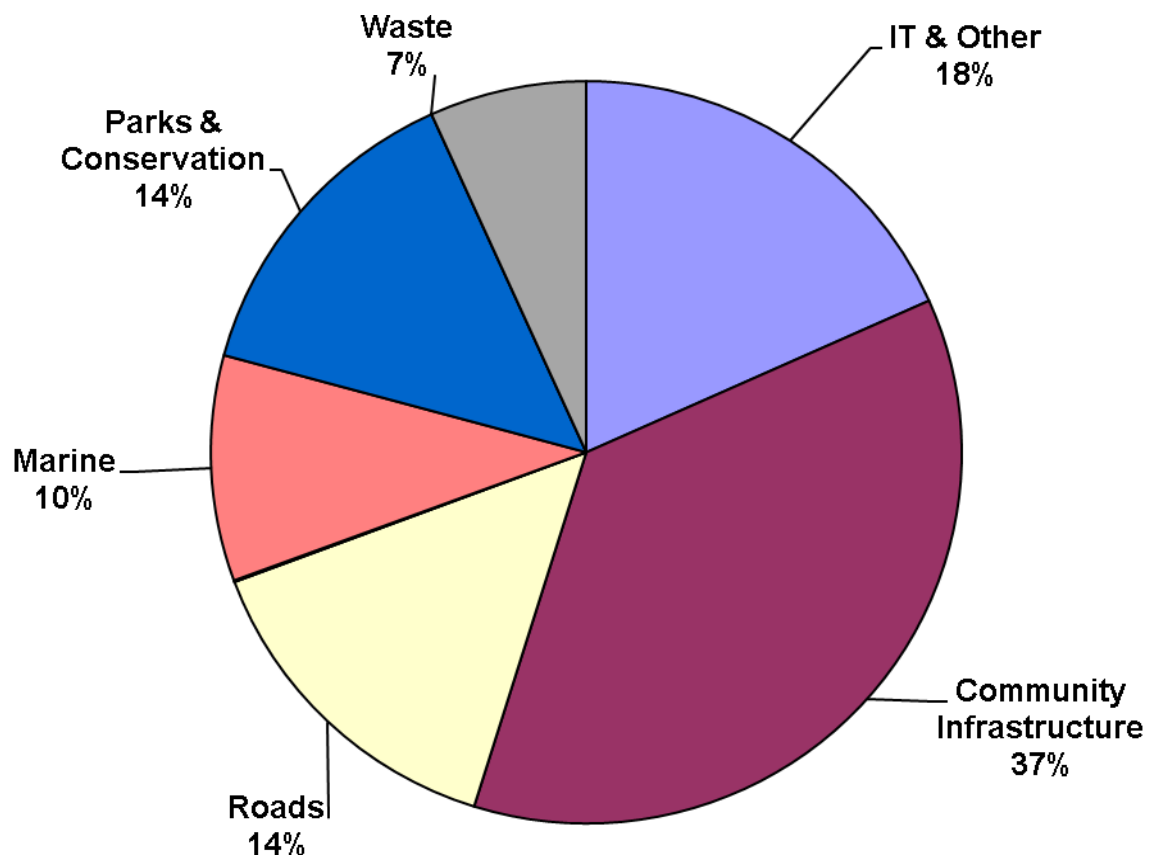
	<b>Anticipated Position 2009-2010 (\$)</b>	<b>Budget 2010-2011 (\$)</b>
<b>Revenue</b>		
Operating revenue	1,800	19,000
Interest received	0	0
Internal revenue	0	0
Community Service Obligations	624,135	677,969
<b>Total Revenue</b>	<b>625,935</b>	<b>696,969</b>
<b>Expenditure</b>		
Operating Expenses		
Employee Costs	281,190	329,607
Materials & Services	240,918	270,585
Depreciation	4,035	2,760
Internal Expenditure	99,792	94,017
Other Full Cost Attribution	0	0
Competitive Neutrality Adjustments	0	0
<b>Total Operating Expenses</b>	<b>625,935</b>	<b>696,969</b>
<b>Operating Surplus/(Deficit)</b>	<b>0</b>	<b>(0)</b>
Income Tax	0	0
Dividend	0	0
<b>Net Increase in Operating Capacity</b>	<b>0</b>	<b>(0)</b>
<b>Community Service Obligations:</b>		
Net subsidy to the business activity	624,135	677,969
<b>Total Community Service Obligations</b>	<b>624,135</b>	<b>677,969</b>
<b>Non Current Assets:</b>		
Replacement Cost		212,063
Written Down Value		163,244

## CAPITAL EXPENDITURE 2010-2011

**Total \$62.7m (excluding contributed assets)**

Redland City Council has identified a twelve month capital expenditure programme which aims to provide for upgrades to existing infrastructure to ensure long term sustainability and to make provision for new asset acquisitions, taking advantage of latest advances in technical research. Financial and asset sustainability were the focus of the capital programme, with Council considering renewal of existing assets more favourably than the purchase of new assets which can result in increased maintenance expenditure in future years.

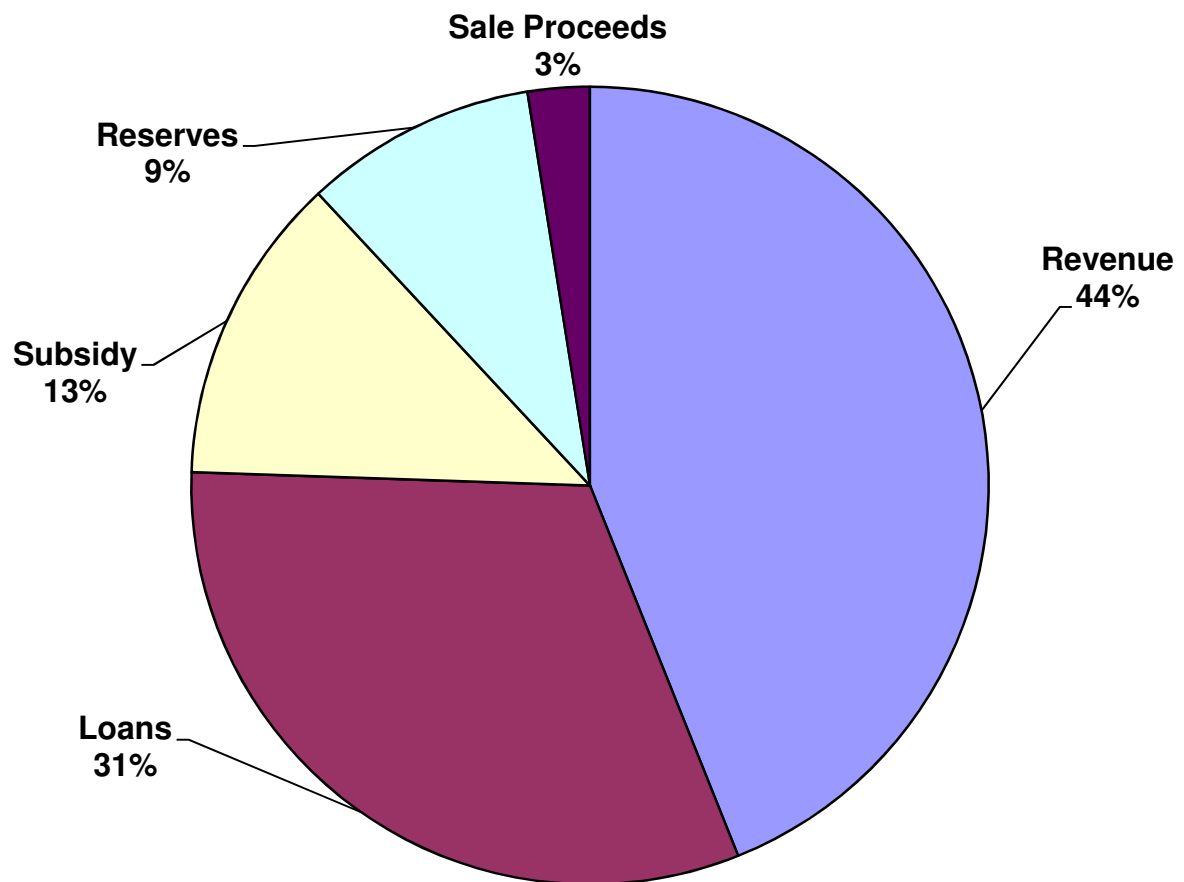
A total of \$62.7 million has been planned for capital works in 2010-2011. There are significant provisions across all Council departments, the details of which are provided in the Schedule of Capital Works pages 48 to 53.



## CAPITAL EXPENDITURE FUNDING SOURCES 2010-2011

**Total \$62.7m (excluding contributed assets)**

The sources of Capital Expenditure funding are shown below:



## SCHEDULE OF CAPITAL WORKS 2010-2011

The Schedule of Capital Works for the 2010-2011 financial year has been planned based upon the priorities of the 2010-2015 Corporate Plan and necessary additional infrastructure required throughout the City. Additionally, the programme also includes capital investment into Council's technology and capability that will assist in the delivery and maintenance of the infrastructure throughout the City.

The focus for Council has been to ensure long-term financial sustainability through renewing and maintaining its assets. Proposals for purchasing new assets have been scrutinised to ensure Council can sustain the ongoing maintenance that accompanies every new acquisition. The overall expenditure on capital works is budgeted to be \$62.7 million for 2010-2011 and is listed below by Group within each Department.

### **Governance Department**

#### **Marketing & Communications**

Communications Consulting	7,000
Web Services	5,500
<b>Total Marketing &amp; Communications</b>	<b>12,500</b>

Miscellaneous Minor Capital Expenditure for Governance	1,000
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#### **Total Expenditure Governance Department**

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**13,500**


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### **Customer Services Department**

#### **Customer Services General Management Group**

Customer Services Capital Plant Purchases	136,000
Customer Services Capital Furniture Purchases	26,550
Commercialised Services Staff	25,000
Customer Services Minor Capital Equipment	22,500
State Emergency Services (SES)	7,700
<b>Total Customer Services General Management Group</b>	<b>217,750</b>

#### **Project Delivery Group**

Paths & Trails	4,280,500
Reseals & Resurfacing	4,050,000
Open Space Trunk Infrastructure	3,403,800
Waste Management Facilities	2,500,000
Accelerated Programme Raby Bay Revetment Wall	2,112,860
Administrative	1,963,907
Seal Gravel Road	1,763,395
Southern Moreton Bay Island Reserve	1,542,000
Transport Trunk Infrastructure	1,461,094
Road Reconstruction Programme	1,205,600
Community Halls	951,424
Residential Street Upgrade Programme	580,000
Foreshore Protection	521,000
Upgrade of Caravan Parks	511,926
Marine Mainland and NSI	406,186
Cycleway Trunk Infrastructure	300,000
Marine Southern Moreton Bay Island	273,925
School Safe	262,000

Public Amenities	261,000
Local Area Traffic Management	245,500
Cultural	165,102
Stormwater Trunk Infrastructure	125,000
Drainage Programme	54,637
Special Maintenance	50,000
Land Actions	40,000
Computer Software/Hardware Projects	9,000
<b>Total Project Delivery Group</b>	<b>29,039,856</b>

### Customer & Community Services Group

Technical Services	988,900
Cleveland Aquatic Centre Filter 50m Pool	175,000
Redlands Community Cultural Centre - Fire Detection & Emergency Lightings Systems	99,370
Library Self Check in/Checkout System	52,300
Gallery Track Lighting Replacement	40,000
Redlands Performing Arts Centre Operations	36,610
Corporate Library	33,200
Veranda Cover Redland Bay Hall	30,000
Cleveland Library Renovations	30,000
Cleveland Showgrounds	28,400
Cleveland Aquatic Centre	26,125
Cemetery Booking System	25,000
Administration - Community Halls	24,000
Virtual Gallery Software	24,000
Public Art & Acquisitions	17,000
Outreach Services	10,700
Redland Art Gallery	9,900
Capalaba Library	7,850
Cleveland Library	7,800
Administration - Libraries	7,500
Victoria Point Library	6,900
Minor Capital Equipment	2,000
Island Libraries	2,000
Administration - Customer Services Operations	1,750
Capital Furniture Purchases	1,200
Adams Beach Caravan Park	1,090
Administration - Respite Services	908
Library Support Services Administration	900
Killara Place Programme	500
<b>Total Customer &amp; Community Services Group</b>	<b>1,690,903</b>

### Operations & Maintenance

Footpaths	320,778
Parks Maintenance	220,270
Reseals & Resurfacing	220,000
Kerb and Channel	173,275
Landfill Sites Maintenance	140,891
Waste Management Facilities	83,047
Playgrounds Upgrade	80,000

Parks & Conservation Programme	47,000
Conservation Areas	33,000
Lighting Paths/Streets/Walkways	27,563
Computer Software/Hardware Projects	16,000
<b>Total Operations &amp; Maintenance</b>	<b>1,361,824</b>

**Total Expenditure Customer Services Department****32,310,333****Planning & Policy Department****Land Use Management Group**

Land Use Administration Miscellaneous Capital Expenses	1,700
<b>Total Land Use Management Group</b>	<b>1,700</b>

**Environmental Management Group**

Conservation Land Acquisitions	3,500,000
Southern Moreton Bay Islands Open Space Land Acquisition	300,000
Raby Bay Foreshore Park	263,000
Waterways - EG Wood Pond	95,109
Regional Trail Bike Park	70,000
Bay Islands Capital Infrastructure Fund	54,080
IndigiScapes Investigation Area - Planning	50,000
Conservation Parks Interpretation	40,000
Raby Bay District Park	24,000
Environmental Protection Administration	3,255
<b>Total Environmental Management Group</b>	<b>4,399,444</b>

**Community & Social Planning Group**

Purchase of land for Parks	5,200,000
New Sporting Facility Land - Southern Redlands	897,500
North Stradbroke Island Sport & Recreation Facilities	200,400
Pinklands Sports field Improvements	168,782
Parks Upgrade Operation - Standards	114,490
Kennedy Farm Site Remediation – Russell Island	71,896
Pinklands Sporting Complex Car park	60,000
Sports field Upgrade - General	53,700
Yeo Park, Victoria Point - Fit for Life	50,000
Sel Outridge Park, Redland Bay - Fit for Life	50,000
Sport & Recreation Projects	50,000
Sports field Lighting - General	40,400
Henry Ziegenfusz Sports field Improvements	40,000
Sports Park Development	30,000
Community Safety Projects	29,300
Showground - Watercourse	25,220
Sports field Irrigation	27,000
Community Facilities – Southern Moreton Bay Island	10,000
Community & Social Planning Administration	7,922
<b>Total Community &amp; Social Planning Group</b>	<b>7,126,610</b>

**Infrastructure Planning Group**

Weinam Creek Car Park Upgrade	2,600,000
Macleay Island Waste Transfer Station	1,090,000
Bus Stops & Lay Bys	980,000
Ziegenfusz Road / Cleveland Redland Bay Rd Intersection	900,000
Giles Road / Gordon Road	910,000
Intrepid Drive / Ondine Court Stage 1	754,000
Heinemann Road Upgrade	640,000
Stormwater Trunk Infrastructure Programme	350,000
Queens Esplanade Cycleway	327,680
Redland Bay Leachate to Sewer	300,000
Macleay Island Ramp Car park	250,000
Russell Island Waste Transfer Station	130,000
Path & Trail Rehabilitation	104,490
Local Area Traffic Management Programme	100,000
Collins Street Upgrade	80,000
Traffic Signs Rehabilitation Programme	80,000
Pathway - Mt Cotton Village to State School	75,000
Wellington Point Queuing Beach	71,000
Redland Bay Foreshore Master Planning	50,000
South Street, Thornlands - South Path Link	50,000
Ziegenfusz Road, Thornlands - Footpath	50,000
Beveridge Road to Rachow Street Pathway, Victoria Point	50,000
William Street, Southern Ramp	50,000
DDA Improvements - Bus Stops	50,000
Victoria Point (Masters Avenue) Toe Planks	44,000
Coochiemudlo Golf Club Trail	35,000
Valley Road Footpath Lighting	25,000
Pathway Lighting	23,500
Curlew Street Kerb & Channel, Macleay Island	21,804
Gravel Access, Crescent Drive Russell Island	20,000
Navigational Beacon Pile NB9 Birkdale 264389	10,000
Navigational Beacon Pile NB1 Ross Canal Cleveland 264404	10,000
Traffic Signals Monitoring and Upgrade	5,000
<b>Total Infrastructure Planning Group</b>	<b>10,236,474</b>

**Total Expenditure Planning & Policy Department****21,764,228****Corporate Services Department****Corporate Services GM Group**

Administration - Minor Capital Expenses	1,000
<b>Total Corporate Services GM Group</b>	<b>1,000</b>

**People and Change Group**

Timekeeping Software	141,150
E-learning Solutions	35,000
Aurion Software Upgrades	30,000
Workplace Health & Safety Administration	15,000
Miscellaneous Minor Capital Expenditure for People and Change Group	1,200
<b>Total People and Change Group</b>	<b>222,350</b>



**Financial Services Group**

Collection Software Application	60,000
Budget Modelling & Forecasting Software	35,000
Rate Notice Viewing Software	30,000
Rate Modelling Software	23,000
<b>Total Financial Services Group</b>	<b>148,000</b>

**Information Management Group**

Peripheral & Communications Replacement Programme	610,000
Server Replacement Programme - IT	555,740
Telecommunications Upgrade	180,000
Computer Rooms Environment	40,000
Internet & Intranet Software	25,000
Development Environment Upgrade	20,000
Cabling Replacement Programme - IT	10,000
Network & Voice Services/Support	10,000
Remote Access Replacement Programme - IT	15,000
Corporate Systems/Support	15,000
IM Research & Development	15,000
Security & Content Filtering Upgrades	10,000
Replacement Programme for Low End	5,000
IM Group - Miscellaneous Capital Expenses	3,500
<b>Total Information Management Group</b>	<b>1,514,240</b>

**Corporate Acquisitions, Fleet & Facilities Group**

Fleet Replacement Programme (comprises 180 large and small plant items and 75 vehicles)	5,348,607
Compressed Natural Gas Alternative Fuel Project	300,000
Capital Efficiencies Plant & Equipment	215,000
Replacement of Fan Coil Units in Various Locations	150,000
Staff Relocations	87,500
Vehicle Brake Testing	85,000
Office Equipment & Furniture	74,750
Replacement of Air Conditioning Units in Various Locations	65,000
Atrium Roof Replacement	50,000
Replacement of various Air Handling Units	50,000
Fixtures & Fittings - Building Management	37,250
Fleet Administration - Miscellaneous Capital Expenses	27,000
Plant & Equipment - Building Management	20,250
Ethanol Infrastructure	20,000
Security Systems	19,000
Purchasing Operations	4,000
Managing Supply Services	1,400
Contract Management Services Unit	900
<b>Total Corporate Acquisitions, Fleet &amp; Facilities Group</b>	<b>6,555,657</b>

**Total Expenditure Corporate Services Department****8,441,247**

## **Development and Community Standards Department**

### **Community Standards**

Pest Management Software	30,000
Exercise Yard Extension	30,000
Pest Management Property, Plant & Equipment	29,862
Mosquito Management - Wind Vanes, Lights, Security Gates & Fencing	20,000
Convert Kennel into Dangerous Dog Pen	10,000
Minor Capital Equipment	2,000
<b>Total Community Standards</b>	<b>121,862</b>

### **Building and Plumbing Services**

Capital Furniture Purchases for the Department	7,840
<b>Total Building and Plumbing Services</b>	<b>7,840</b>

### **Total Expenditure Development & Community Standards**

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**129,702**


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### **TOTAL RCC CAPITAL WORKS 2010-11**

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**62,659,011**


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# BORROWING POLICY

## Head of Power

The *Local Government Act 2009 (Qld)* is expected to commence 1 July 2010 with three accompanying regulations. At the time of compiling the 2010-2011 Budget the supporting regulations were still in draft form so the references in Council's policies refer to the current legislation.

Section 4(1) (c) of the *Local Government Finance Standard 2005* states that a Local Government must develop a policy about borrowings. Council's borrowing activities are governed by the *Statutory Financial Arrangements Act 1982* and *section 525 of the Local Government Act 1993*.

## Objectives

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

This borrowing policy links to the Debt Strategy as part of the structured planning process forming the Financial Strategy (the Strategy) that is used by Redland City Council to draw together all of its plans, strategies and policies. The Strategy responds to the Community and Corporate Plans by setting out Council's strategic approach to the management of its finances, and provides options and guidance on how the future sustainability of council can be achieved in the medium to long term covering a 10-year period.

The following are detailed more in the Financial Strategy and may impact on the Borrowing Policy:

- **Risk Management** - Council is committed to the management of risk so it is important that management policies, procedures and practices are in place to minimize Council's exposure to risk. Potential risk can be identified, and/or opportunities associated with Council's long-term financial planning, by using risk assessment methodology, to quantify the level of risk, before deciding which option to adopt to begin to implement appropriate mitigation, and/or funding options, to manage the risk.
- **Asset Management** – The Draft Local Government (Finance, Plans and Reporting) Regulation 2009 requires Councils to effectively plan and manage their infrastructure assets, focusing particularly on ensuring that a full renewals programme is in place over the long-term planning cycle. This will require Redland City Council to support a realignment of capital spending prioritization towards renewal activities, rather than expansion of capital infrastructure, which may require Council to seek additional borrowings in order to boost planned renewal spending.
- **Inter-Generational Projects** – spreading the cost of these projects over a long term will minimize the revenue impact on the community, as well as addressing the need of providing for infrastructure development immediately to meet expected future demographic needs. Council will need to increase existing debt levels through additional borrowings to fund these projects.

## Scope

This borrowing policy applies for the 2010-2011 financial year and will be reviewed annually and amended as, and when required, to meet the prevailing circumstances of Council.

## Policy Statement

### Borrowing Purposes

- Borrowings will only be used to finance capital works that will provide services now, and into the future. No borrowings will be used to finance recurrent expenditure and the operational activities of the Council; and

- When seeking funding for capital works, Council will, whenever possible, use its existing cash reserves. The use of any existing cash reserves will be subject to maintaining all relevant financial ratios and measures within adopted targets.

## Repayments and Repayment Ability

- Borrowings will be undertaken for capital works only where the interest and debt principal repayments can be serviced and relevant financial ratios and measures are maintained within approved targets;
- The existing debt will be repaid to the Queensland Treasury Corporation (QTC) Debt Pool on a quarterly basis in accordance with the weighted term of the loan;
- The debt service payments will be made during the first month of the quarter, instead of the last month, in order to minimize the interest expense, providing sufficient cash resources are available to Council;
- If sufficient cash resources are available then Council may further consider repaying quarterly installment(s) in advance;
- Council will continue to discharge this debt in the shortest possible time subject to overall budgetary constraints; and
- New loans will be taken up only if the subsequent increase in debt servicing payments allows the total debt servicing ratio to remain with corporate targets.

## Debt Term

The term of new loans will be a maximum of fifteen years for both Waste and General requirements. The debt term shall not exceed the finite life of the related asset.

The expected terms of Council's loans calculated on the estimated market values as at the 1 July 2010 are as follows:

Waste	11.86 years
Other Council loans	14.4 years

## Borrowing Sources

Council shall raise all external borrowing at the most competitive rates available and from sources as defined by legislation.

## Proposed Borrowings

For the 2010-2011 financial year, in accordance with *February 2003 Local Government Act amendments*, Council has budgeted to raise the borrowings on an entity basis.

This provides Council with improved flexibility in relation to the attribution of loans to projects. Current planning by Council is to attribute significant borrowings for the period 2010-11 to 2014-15 to the following major items:

- Road works and drainage works and upgrades
- Stormwater trunk infrastructure
- Public car parking
- Paths & trails, cycle ways, open park facilities and park upgrades
- Foreshore protection and marine infrastructure
- Public amenities
- Community hall upgrades

Total borrowing requirements over the next five years are expected to be in the order of: \$19.799 million for 2010-2011, \$45.221 million for 2011-2012, \$27.242 million for 2012-2013, \$25.472 million for 2013-2014 and \$10.868 million for 2014-2015.

Council will review the requirement for borrowings throughout the 2010-2011 year and may adjust repayment scheduling should funds not be required to this level.

### Schedule of total Redland City Council debt 2010-2011

Debt Schedule	Estimated Opening Balance 01/07/2010 \$000	Budgeted New Loans 2010-2011 \$000	Budgeted Interest 2010-2011 \$000	Budgeted Redemption 2010-2011 \$000	Estimated Closing Balance 30/06/2011 \$000
<b>General</b>	<b>42,425</b>	<b>17,299</b>	<b>3,449</b>	<b>2,277</b>	<b>57,447</b>
<b>Waste</b>	<b>743</b>	<b>2,500</b>	<b>198</b>	<b>130</b>	<b>3113</b>
<b>TOTAL</b>	<b>43,168</b>	<b>19,799</b>	<b>3,647</b>	<b>2,407</b>	<b>60,560</b>

# REVENUE POLICY 2010-2011

## Head of Power

The *Local Government Act 2009 (Qld)* is expected to commence 1 July 2010 with three accompanying regulations. At the time of compiling the 2010/11 Budget the supporting regulations were still in draft form so the references in Council's policies refer to the current legislation.

Section 513A of the *Local Government Act 1993* requires that a local government must prepare and adopt a revenue policy.

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

## Policy Objective

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

The purpose of this Revenue Policy is to set out the principles used by Council for:

- The making of rates and charges;
- Levying of rates;
- Recovery of rates and charges;
- Exercise of concession powers in relation to rates and charges;
- Community service obligations;
- Application of user pays models;
- Revenue from commercial activities; and
- Revenue from other external sources.

## Policy Statement

Council will be guided by the following principles:

**Accountability** — Council will be accountable to the providers of funds to ensure those funds are applied efficiently and effectively to satisfy the objective for which the funds were raised.

**Transparency** — Council will be transparent in its revenue raising activities and will endeavour to use systems and practices able to be understood by the community.

**Representation** — Council will act in the interests of the whole community in making decisions about rates and charges.

**Sustainable financial management** — Council will ensure it manages revenue diligently and that the application of funds is founded on sustainable strategic objectives which result in timely and optimal investment in identified priorities.

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

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

Special needs and user pays — Council will draw from various revenue sources to fund special needs including (but not necessarily limited to):

- separate rates or charges for special community programmes;
- special rates or charges for recovery of costs from beneficiaries;
- utility charges for specific services based generally on usage;
- statutory fees and charges in accordance with legislation, regulation or local laws;
- commercial fees and charges where users can clearly be identified.

Capacity to pay — Council will apply a range of concessions (e.g. for pensioners and institutions) and will accommodate special circumstances where hardship can be demonstrated.

## **Making of General Rates and Charges**

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

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

Rating legislation requires the general rate to be calculated on the Unimproved Value of the land, however Council recognises that various segments of the community impact on and use services, activities, and facilities differently. Where it is appropriate, Council will utilise separate and special charges to programmes that benefit the whole community equally or benefit specific groups within the community respectively.

## **Levying of Rates**

In levying rates, Council will schedule the issue of rate notices quarterly. For 2010/2011 the rate notice schedule is:

<b>Quarter</b>	<b>Issue Date</b>	<b>Due Date</b>
1	16 July 2010	16 August 2010
2	8 October 2010	8 November 2010
3	11 January 2011	10 February 2011
4	8 April 2011	9 May 2011

## **Recovery of Rates and Charges**

Council will continue to provide flexibility to rate payers and debtors suffering financial difficulty in 2010/11 by entering into short to long term arrangements.

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

Cost effective processes will be applied in the recovery of outstanding debt.

## **Exercise of Concession Powers in Relation to Rates and Charges**

Chapter 14, part 6 of the *Local Government Act 1993* provides Council with the powers to grant concessions to individuals and classes of land owners. Council has determined that pensioners as defined by the *Local Government Act 1993* are entitled to receive concessions on rates and various other services that Council provides to the community. Other charitable organisations, community groups, sporting associations and independent schools may also be entitled to concessions.

Pursuant to Section 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.

## Community Service Obligations

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

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

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

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

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

## Application of User Pays Models

Council supports the principle that there is an increased focus on user pays models and that these will be developed where they are considered appropriate and in accordance with policy.

Council has adopted the policy of a conservative approach to increases in fees and charges with a view to minimising excessive impacts on user pays groups. There is also need to consider Community Service Obligations (CSO's) when considering this principle.

## Revenue from Commercial Activities

In order to minimise price increases on residents through the General Rate, Council is committed to exploring additional or alternative revenue streams through the establishment of business activities under the National Competition Policy framework where this is appropriate and in accordance with policy.

In doing this the following principles will be considered:

- The adoption of a business activity is to ensure that the creation of a competitive environment will encourage Council to better identify and specify what it actually does and why.
- The determination of the standard and quality of each business activity required based upon community/customer expectations and achieving best value for money irrespective of whether the service is delivered by an internal or external provider.
- By concentrating upon outcomes rather than processes, service specification is likely to encourage innovation and new solutions to meeting the needs and expectations of the community and customers.

## Revenue from Other External Sources

Where possible, Council will seek to supplement revenue through application for external grants and subsidies. Every opportunity will be taken to maximise revenue in support of capital and operational spending. External funding, however, must be strategically targeted and in alignment with community and corporate objectives.



# REVENUE STATEMENT 2010-2011

## Differential General Rates

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.

Council has determined that this convergence ratio will move to a target of 3 times the minimum general rate over a period of four years for mainland residential properties. It is anticipated that this target will be achieved by 2013-2014. Other rate categories will have similar convergence ratio targets established along similar principles and these will be articulated in future revenue statements.

The differential rating scheme for 2010-2011 has 17 categories of land:

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"> <li>a) Residential purposes and is the registered owner's principal place of residence.</li> <li>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.</li> </ul>
1b	Includes all rateable land on the Mainland, Coochiemudlo, Garden and North Stradbroke Islands with an unimproved valuation greater than \$300,000 used for: <ul style="list-style-type: none"> <li>a) Residential purposes and is the registered owner's principal place of residence.</li> <li>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.</li> </ul>
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	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.  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.

Category	Criteria
	Land in this category is included in the Conservation Sub-Area CN1 zone of the Redlands Planning Scheme.
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.
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 <sup>2</sup> .
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.

Rating Category	Band		Minimum General Rate [MGR] \$	Rate In the Dollar	MGR Threshold \$	Step Down	Charge Code RCC Use Only
	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

Rating Category	Band		Minimum General Rate [MGR] \$	Rate In the Dollar	MGR Threshold \$	Step Down	Charge Code <small>RCC Use Only</small>
	From \$	To \$					
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

## Limitation on Increase of General Rates

Section 1036 of the *Local Government Act 1993* allows for the limitation of increase in a rate levied. 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.

## Separate Charges

### Environment Separate Charge

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

### Landfill Remediation Separate Charge

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

## Special Charges

### City Canals Special Charge

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

### Lake Levy

In accordance with section 971 of the *Local Government Act 1993*, to make and 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 to 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

### Rural Fire Levy

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

### Utility Charges

#### 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 Charge

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 RCC Use Only	Annual Amount \$	Charge Code RCC Use Only	Annual Amount \$
240L Waste / 240L Recycling	RF01	299.00	RF201	334.00
140L Waste / 240L Recycling	RF15	247.00	RF215	279.00
<b>Additional Bin and Service – Scheduled Days</b>				
240L Additional Waste bin	RF09	188.00	RF209	209.00
140L Additional Waste bin	RF17	105.00	RF217	160.00
240L Additional Recycling bin	RF16	112.00	RF216	125.00
<b>Additional Service Existing Bin – Scheduled Days</b>				
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	
<b>Additional Service Existing Bin — Outside Scheduled days</b>				
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 <sup>3</sup> )	Mainland		Bay Islands	
	Charge Code RCC Use Only	Annual Amount \$	Charge Code RCC Use Only	Annual Amount \$
<b>Waste Bulk Bin size (m<sup>3</sup>). Annual charge – 1 service per week</b>				
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
<b>Additional Waste Service Bulk Bin Size (m<sup>3</sup>). Lift only – 1 service per week</b>				
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
<b>Temporary Waste (≤3 months) Bulk Bin Size (m<sup>3</sup>). Bin and lift – 1 service</b>				
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
<b>Recycle Bulk Bin size (m<sup>3</sup>). Annual charge – 1 service per fortnight</b>				
1.10	RF63	5,271.00	N/A	

Waste Bulk Bin	Mainland		Bay Islands	
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
<b>Additional Recycling Service Bulk Bin Size (m<sup>3</sup>). Lift only – 1 service</b>				
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
<b>Temporary Recycling (= &lt; 3 months) Bulk Bin Size (m<sup>3</sup>). Bin and lift – 1 service</b>				
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

## Interest on Overdue Rates

Under 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.

## Rates Concessions

Chapter 14, part 6 of the *Local Government Act 1993* provides Council with the powers to grant concessions for individuals and classes of land owners. Council has determined that pensioners as defined by the *Local Government Act 1993* are entitled to receive a concession on rates. Other charitable organisations, community groups, sporting associations, independent schools, and property owners whose land is being used for the business of farming may also be entitled to concessions or reduced charges under a Community Service Obligation.

### Pensioner Concessions

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

The concessions available to eligible pensioners on the General Rate for 2010-2011 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

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.

### **Farming Concessions**

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.

### **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.

### **Other Matters**

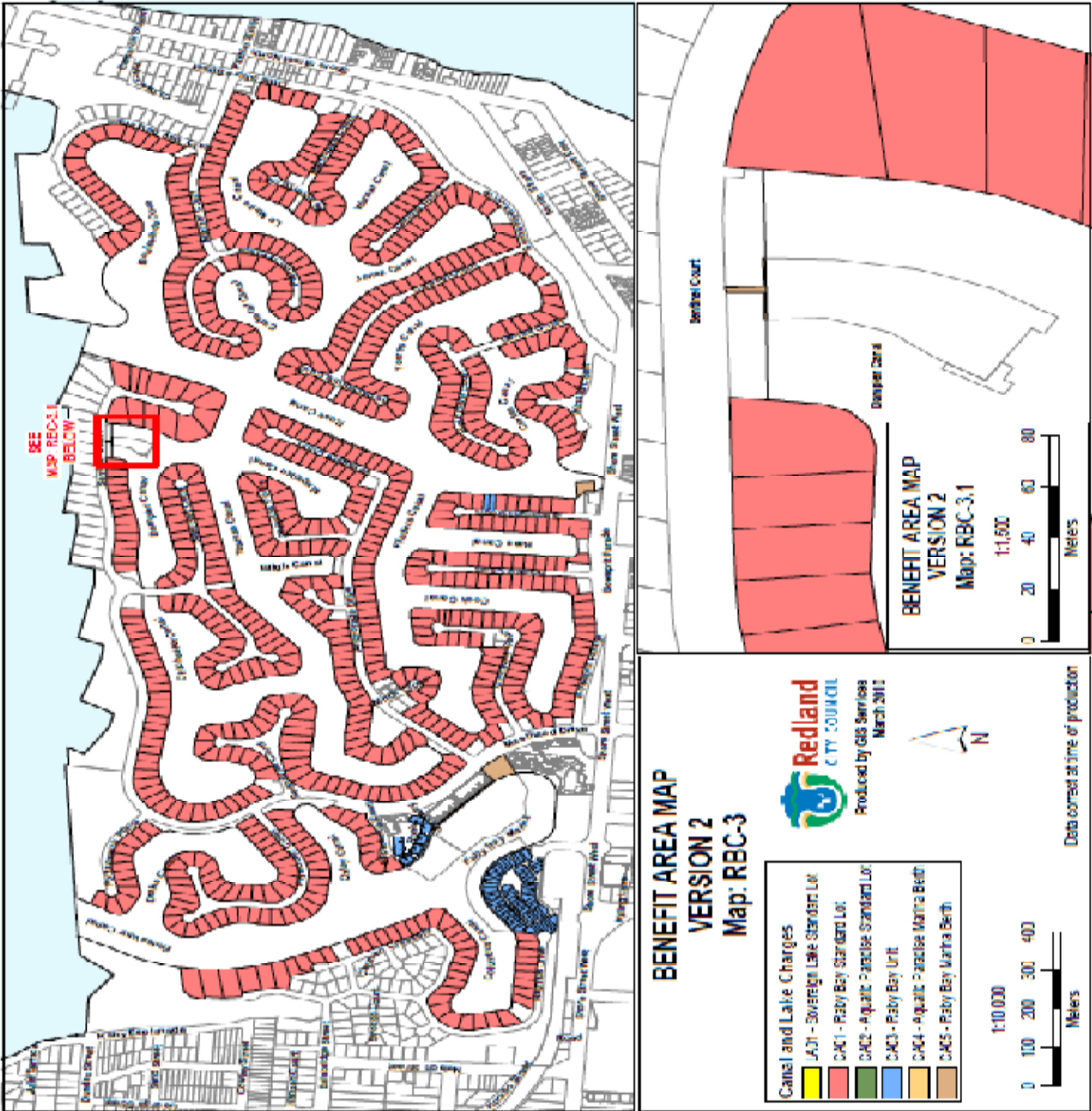
- All non-cash expenses, with the exception of depreciation, are fully funded by revenue to maintain the operating capability of Council. The total level of unfunded depreciation will be assessed in conjunction with the funding requirements of future capital works. Council has developed and



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.

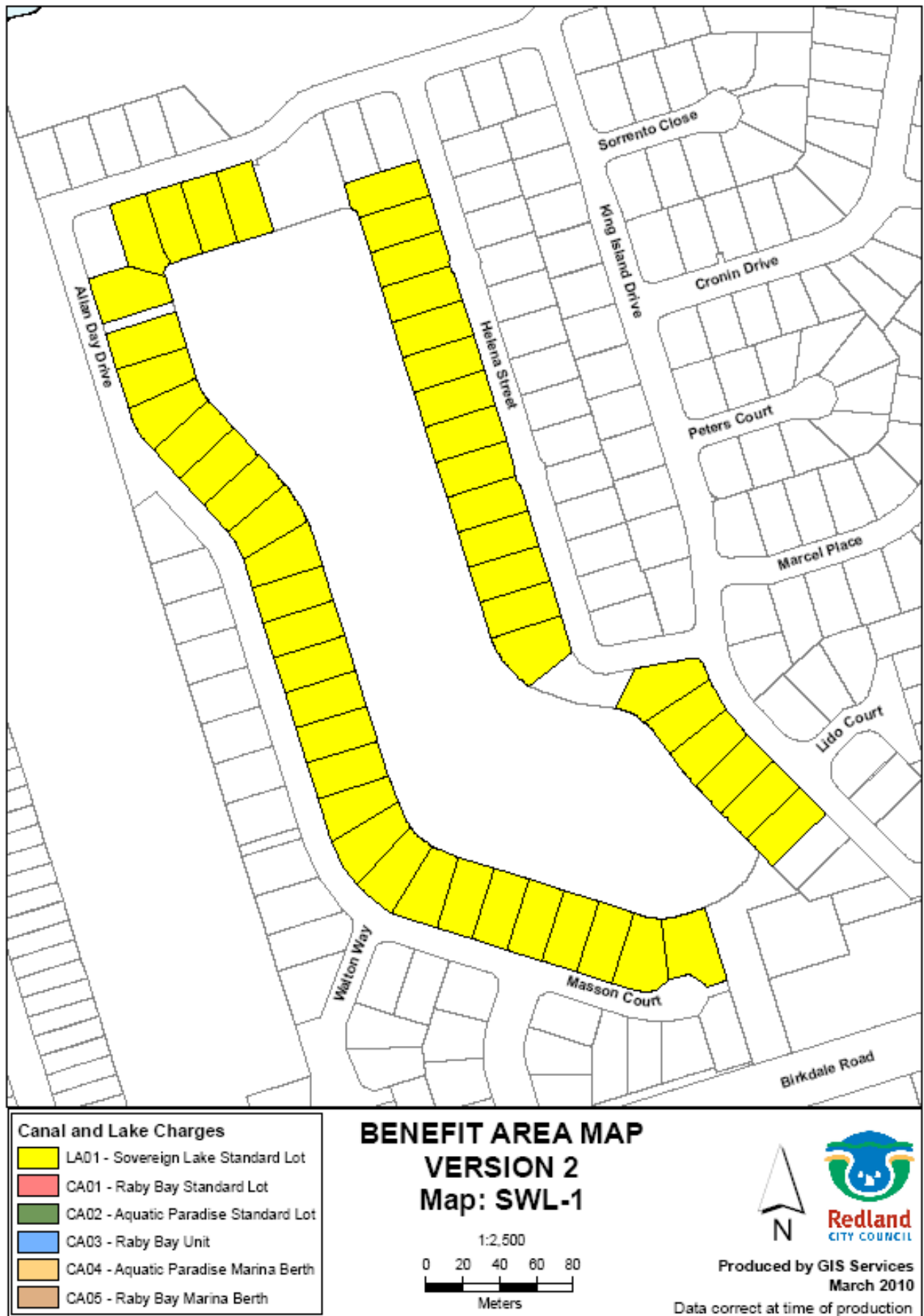
Appendix A – RBC-3 / RBC-3-1(Raby Bay)



## Appendix B – APC-3 (Aquatic Paradise)



## Appendix C – SWL-1 (Sovereign Waters)







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For more information visit our website [www.redland.qld.gov.au](http://www.redland.qld.gov.au)  
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