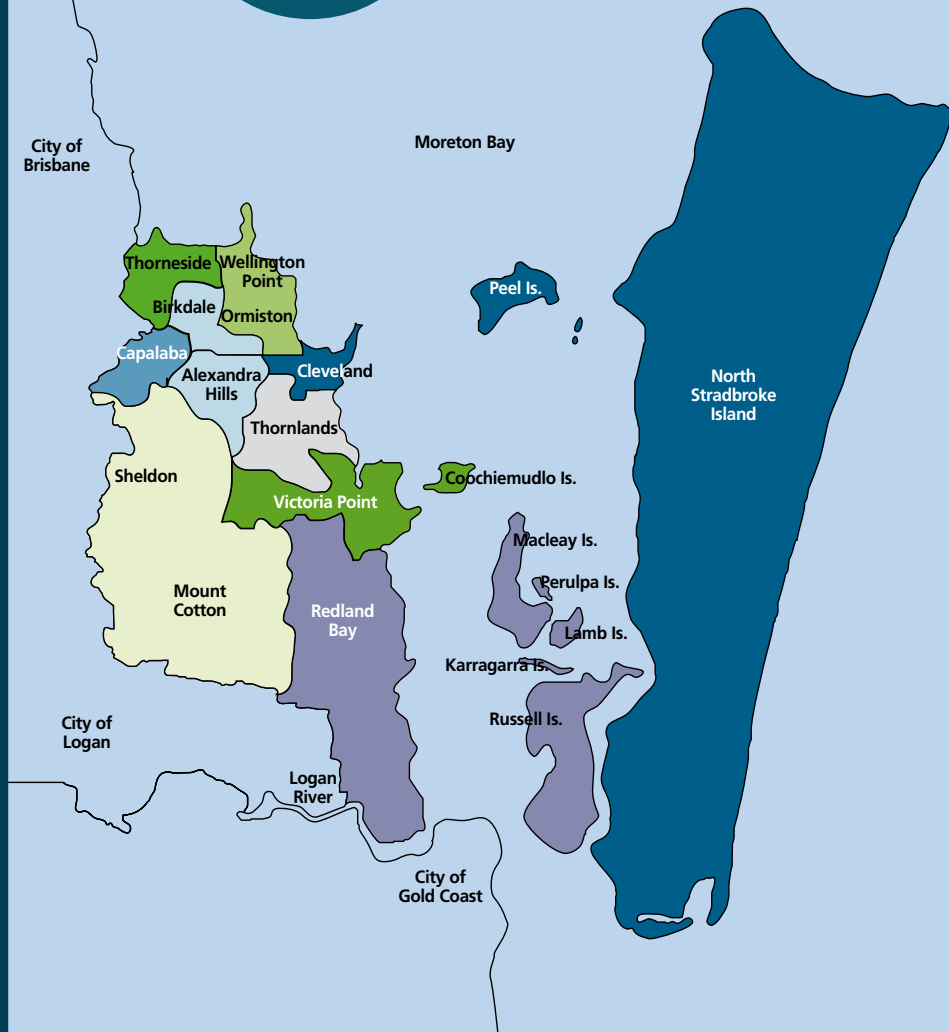
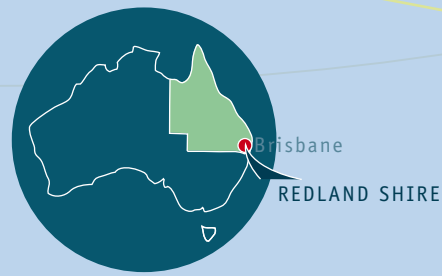




05 > 06 annual report

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*'Our vision is to enhance community spirit, lifestyle and the natural environment.'*



# About Redland Shire

More to life, More to explore, More for business.

The Redland Shire in south-east Queensland combines quality living and working environments reinforced by a relaxed coastal lifestyle, strong community values, excellent transport links and outstanding cultural and natural attractions in mainland and island locations.

Ongoing population and business growth since the Redland Shire Council was formed in 1949 have not detracted from the Shire's easygoing pace, ready availability of land and water-based recreational opportunities, extensive education offerings, excellent health-care facilities and a burgeoning tourism industry.

Just south-east of Brisbane, the Redland Shire covers 537 square kilometres. It includes Cleveland, the civic centre, Capalaba, the main business/transport hub, hinterland areas, such as Mount Cotton, the southern Moreton Bay islands — Lamb, Karragarra, Macleay, Coochiemudlo and Russell — and the prime visitor drawcard, North Stradbroke Island.

Council is committed to attracting and supporting businesses that provide

sustainable jobs and complement the Redlands lifestyle and environmental advantages.

In line with the Shire branding, Redlands on Moreton Bay continues to offer More to life, More to explore and More for business.

## Changing Face of Redland Shire

This is one of the fastest growing Shires in Queensland, with our population projected to increase from just on 130,000 in 2006 to 168,000 in 2021.

Between June 2000 and June 2005, the average growth rate in Redland Shire was 2.7% compared with 2.5% for south-east Queensland (SEQ) and 2.2% for Queensland as a whole.

The highest level of future population increase is expected in Thornlands, Redland Bay, Wellington Point and Victoria Point. The southern part of the Shire, in particular, is attracting new settlers, especially families.

Despite a large projected population growth in the 65 years and over age groups, people aged 35–39 and 40–44 are expected to represent the highest proportion of people in the Shire in 2026, with 7.1% and 7.2% respectively.



## Our Mission

Our mission, in partnership with our community, is to provide the best value in:

- protection and maintenance of lifestyle and natural environment
- leadership, planning and representation
- community and regulatory services
- infrastructure and facilities.

## 2006 Projections

|                   | 2001           | 2006           | 2011           | 2016           | 2021           |
|-------------------|----------------|----------------|----------------|----------------|----------------|
| Alexandra Hills   | 17,864         | 17,510         | 17,363         | 17,459         | 17,323         |
| Birkdale          | 13,734         | 14,524         | 15,386         | 15,976         | 16,052         |
| Capalaba          | 17,709         | 17,734         | 17,643         | 17,824         | 17,786         |
| Cleveland         | 13,203         | 14,121         | 14,810         | 15,681         | 16,374         |
| Ormiston          | 5,209          | 5,811          | 6,354          | 7,042          | 7,429          |
| Redland Bay       | 7,093          | 10,582         | 13,782         | 16,028         | 17,990         |
| Sheldon–Mt Cotton | 4,457          | 5,128          | 7,193          | 8,782          | 9,163          |
| Thorneside        | 3,488          | 3,514          | 3,650          | 3,871          | 4,078          |
| Thornlands        | 7,627          | 10,958         | 15,096         | 20,313         | 22,922         |
| Victoria Point    | 12,184         | 14,482         | 15,999         | 17,237         | 17,855         |
| Wellington Point  | 8,582          | 10,553         | 11,518         | 12,302         | 12,777         |
| The Islands*      | 6,102          | 6,911          | 7,467          | 8,068          | 8,686          |
| <b>Total</b>      | <b>117,252</b> | <b>132,098</b> | <b>146,261</b> | <b>160,583</b> | <b>168,435</b> |

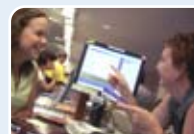
Source – Department of Local Government & Planning, Planning Information & Forecasting Unit (PIFU). Based on April 2006 revised projections and subject to review by PIFU's ongoing program of updating and refinement. \*Includes southern Moreton Bay islands, North Stradbroke Island and Coochiemudlo Island.

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

# Five Years *at Redlands*

Working for our community.

| Financial (CPI adjusted to current dollars)                              | 2001–02       | 2002–03       | 2003–04       | 2004–05   | 2005–06   |
|--|---------------|---------------|---------------|---|---|
| Total revenue  | 153,703,053   | 154,983,609   | 166,931,045   | 168,583,018   | 159,071,111   |
| Operating revenue  | 127,869,230   | 131,044,150   | 131,679,979   | 139,372,446   | 132,946,141   |
| Operating expenses   | 125,948,364   | 131,218,395   | 129,725,859   | 152,023,168   | 146,083,115   |
| Rates revenue (after discount)   | 94,711,634    | 97,088,690    | 96,855,565    | 102,590,930   | 102,146,783   |
| Rates revenue as % of total revenue                                      | 62%           | 63%           | 58%           | 61%   | 64%   |
| Total assets   | 1,107,069,141 | 1,097,439,048 | 1,367,162,730 | 1,547,338,191   | 1,621,709,953   |
| Debt/assets ratio  | 10.10%        | 9.88%         | 8.18%         | 7.52%   | 7.51%   |
| Outstanding loans  | 111,766,687   | 108,373,975   | 111,868,638   | 116,370,876   | 121,859,692   |
| Debt servicing ratio   | 15.13%        | 15.57%        | 13.56%        | 14.11%  | 15.55%  |
| <b>Environment</b>   |               |               |               |   |   |
| Hectares of bushland under conservation                                  | 1,724.0       | 3,155.0       | 3,165.6       | 3,165.6   | 3,196   |
| Approximate number of trees planted                                      | 22,830        | 24,300        | 40,961        | 21,196  | 58,772  |
| Area treated for mosquitoes (in hectares)                                | 5,620         | 6,347         | 6,307         | 6,033   | 7,266   |
| <b>Economic</b>  |               |               |               |   |   |
| Total building applications received (domestic and commercial)           | 4,743         | 5,074         | 5,053         | 3,669   | 3,975   |
| \$ Redland Shire Council spends in the local postcode area for purchases | 18,971,208    | 21,064,307    | 17,857,691    | 21,533,286  | 22,038,265  |
| <b>Staff</b>   |               |               |               |   |   |
| Number of staff (inc. casual and part-time)                              | 858           | 898           | 921           | 1,106*  | 1,080   |
|  |               |               |               | *Reporting changed this year from full-time equivalent to total number of staff | at 30 June 2005:<br><ul style="list-style-type: none"> <li>• 772 full-time permanent</li> <li>• 95 part-time permanent</li> <li>• 20 permanent job share</li> <li>• 67 contract of service</li> <li>• 126 casual</li> </ul> |





| Community   | 2001–02   | 2002–03   | 2003–04   | 2004–05                               | 2005–06                               |
|---|-----------|-----------|-----------|---------------------------------------|---------------------------------------|
| Library membership  | 60,202    | 56,493    | 55,551    | 56,744                                | 61,339                                |
| Number of children in outside school hours care                           | 800       | 860       | 920       | 800                                   | 820                                   |
| Number of hours of respite care delivered                                 | 24,750    | 30,093    | 29,717    | 37,307                                | 40,298                                |
| Dog registrations   | 17,866    | 18,208    | 18,902    | 20,193                                | 20,004                                |
| \$ value of grants to community from Council                              | 1,077,525 | 1,265,055 | 1,550,903 | 1,375,416                             | 1,289,111                             |
| Infrastructure  |           |           |           |                                       |                                       |
| Land under roads  | 929 km    | 939 km    | 954 km    | 979.5 km                              | 990.6 km                              |
| Length of roads owned by Council  | 850 km    | 860 km    | 875 km    | 900.5 km                              | 911.6 km                              |
| Length of roads owned by other entities                                   | 79 km     | 79 km     | 79 km     | 79 km                                 | 79 km                                 |
| Redland Water & Waste   |           |           |           |                                       |                                       |
| Water   |           |           |           |                                       |                                       |
| Water treated (ML)  | 18,575    | 17,562    | 18,120    | 19,022                                | 15,107                                |
| Water consumption (ML)  |           |           |           |                                       |                                       |
| Residential   | 14,566    | 14,007    | 13,773    | 15,149                                | 11,363                                |
| Commercial  | 1,392     | 1,463     | 1,426     | 1,650                                 | 1,562                                 |
| Council   | 405       | 361       | 302       | 376                                   | 220                                   |
| Other   | 214       | 210       | 187       | 214                                   | 159                                   |
| Total consumption (ML)  | 16,567    | 16,040    | 15,688    | 17,389                                | 13,304                                |
| Number of meters  | 41,833    | 43,327    | 44,760    | 46,050                                | 46,657                                |
| Wastewater  |           |           |           |                                       |                                       |
| Wastewater treated (ML)   | 9,661     | 9,595     | 9,480     | 9,319                                 | 10,588                                |
| Waste   |           |           |           |                                       |                                       |
| Number of kerbside waste (weekly) and recycling (fortnightly) collections | 44,681    | 46,102    | 47,381    | 48,404 (refuse)<br>48,383 (recycling) | 50,131 (refuse)<br>50,110 (recycling) |
| Total recyclables (tonnes)  | 7,428     | 7,494     | 7,939     | 8,930                                 | 10,946                                |

# Mayor's Message



I am pleased to introduce Redland Shire Council's 2005–06 Annual Report, which details our achievements and outlines further developments planned for the next financial year.

It has been a year of milestones with positive long-term impacts for the Shire, ranging from the adoption of the Redlands Planning Scheme (RPS) to the delivery of a new Corporate Plan for Council.

### Redlands Planning Scheme

The adoption of the RPS in March 2006 was a significant milestone for Council. It marked the culmination of five years of preparation and is the single most important document for ensuring balanced growth in the Shire.

The RPS provides a framework for managing development in an ecologically sustainable way, taking into account the natural environment, character and identity, community health and wellbeing, access and mobility, essential services and economic development.

### Financial Overview

Redland Shire Council has produced another strong financial performance in the 2005–06 year. Its year end accounts show that we have met or bettered all the financial performance indicators we set in our 10 Year Financial Strategy.

We applied the second year of our four year Rating Strategy for 2005–06, maintaining the commitments we made when we developed this strategy just after the last election.

Our net worth, or the difference between what we own and what we owe, increased by \$109.4 million to

\$1.455 billion during the year through a combination of astute management, solid operating performance and our ongoing asset revaluation process.

The cash generated from operations in a year is a key contributor to funding our capital program. Council achieved a very strong result this year of \$43.1 million, up some \$1.8 million from the previous year.

Our commitment to maintaining a solid long-term financial position was recognised in the Queensland Treasury Corporation's Long Term Financial Sustainability Review and Report conducted during the year. The rating Council received was the second highest possible and reflects a positive outlook for our financial future.

### Water Conservation

Water issues also continue to be high on our agenda — as they are for all Councils in SEQ and 2005–06 will be remembered as the year in which water restrictions became a way of life for people in our region.

Fortunately, in the Redlands we have been able to reap the benefits of excellent infrastructure planning and provision by our predecessors. Council managed to limit restrictions to level 2 and allowed residents to water from 4pm on their allotted days, instead of the 7pm start that applies in most other local government areas.

Our community has acted responsibly, allowing Council to reach its reduced water consumption targets.

### Council of Mayors

The Council of Mayors succeeded the South East Regional Organisation of Councils (SEQROC) and Redland Shire Council is among the 18 members that collectively represent one in seven Queenslanders.

As a group, the Mayors work in partnership with state and federal governments on such matters as regional planning, infrastructure, environment, transport, jobs and economic growth.

During the past 12 months their focus has included:

- water, notably long-term supplies for the region, finalisation of the SEQ Regional Supply Strategy, a review of institutional arrangements and establishment of the Queensland Water Commission
- roads and transport, such as the launch of The Drive for Better Roads in south-east Queensland
- infrastructure and involvement in the next generation broadband campaign.

### Economic Outlook

Council continues to enhance employment participation and the community's standard of living by encouraging economic development opportunities.

We have more than 32,000 people in the workforce in the Redlands and this is forecast to increase to 41,000 by 2021. Importantly, the Shire's unemployment rate of 3.5% at the end of the March quarter in 2006 was significantly lower than the Queensland average of 5%.

Our overall strategy is to assist local businesses to expand operations, create more jobs and diversify the local economy. At the same time, we are building further on our marketing of the Shire as a competitive investment location.

We should all be proud of the successes of 2005–06 and I encourage my fellow Councillors and staff to maintain their commitment to ensuring the Redlands remains a great place to live, work and visit. In closing, I would like to thank them on behalf of the Redlands community for their dedication.

Mayor Don Seccombe

# CEO's Message



This was a year of excellent performance for Council that stood us in good stead for working productively with the local community and contributing to regional, state and federal initiatives and strategies.

In doing so, we provided and enhanced important basic services to the community, such as water, wastewater, waste, transport, roads and drainage, while continuing to focus on our key priorities — natural environment, physical character, essential services, community health and wellbeing and economic prosperity.

The team effort by Council has been recognised by outside agencies and stakeholders on a number of fronts, including the presentation of a particularly impressive array of awards, and acknowledgment of our progressive approach as a local government.

Customer service underpins all our efforts and so it was particularly pleasing that this recognition included a state and national excellence award for our Customer Service team in the government category of the annual Customer Service Institute of Australia Awards.

## Major Achievements

In delivering on our financial and project commitments, a number of major achievements deserve special mention:

- finalisation of the Redlands Planning Scheme (RPS), the major document guiding development of the Shire

- implementation of water initiatives aimed at reducing consumption and increasing efficiency, such as a Home Retrofit program, which resulted in an overall 28% decrease in water usage
- reduction in Environmental Protection Agency compliance issues through a zero tolerance approach
- completion of 26 major asset management plans over two years, ensuring we continue to protect Shire assets
- excellent result from Queensland Treasury Corporation Long Term Financial Sustainability Review and Report, which commended our financial and resource management and gave a positive rating for Council's long-term future
- delivery of 92.5% of our largest capital program (143 projects).

## Financial Highlights

The following key financial indicators demonstrate our responsible financial management:

- net wealth increased by \$109.4 million
- the cash balance at year-end was \$68.8 million
- new loans of \$23.2 million kept total debt to \$121.9 million
- for the seventh year in a row, the Queensland Audit Office signed off Council's financial statements without qualification
- loan repayments as a percentage of revenue was 15.6% at 30 June 2006, which was well within our target of less than 17%.

## Governance

We enhanced our previous Triple Bottom Line approach to decision making to encompass the global trend of Quadruple Bottom Line reporting. This means our performance can be considered against a balanced set of indicators for environmental, social/community, economic and governance matters.

## Operational Performance

Overall performance against the Operational Plan was rated using a balanced scorecard approach identifying key performance indicators and, in general, was in the above standard range for the year.

Capital works projects were completed at a cost of \$46.6 million, with 3.25% savings achieved against budget. This was just below the target of 4% for an outstanding result.

## Meeting Challenges

We continued our focus on meeting community needs and expectations, providing value for money, delivering good customer service and focusing on continual improvement.

Importantly, we have to be flexible in the way we deliver services so we can adequately resource requirements for meeting the emerging needs that come with population growth and new industry.

Internally, our challenges include attracting specialist staff, especially in the fields of engineering, town planning and trades, growing our skills base and retaining staff.

I have no doubt that the teams within Redland Shire Council will once again demonstrate their professionalism in achieving these goals. I thank them for their efforts in the past year and share their enthusiasm as we move forward to deliver on our commitments for 2006–07.

Susan Rankin  
Chief Executive Officer

# Mayor *and* Councillors

Serving the diverse interests of the Redlands community.

## Division 10 Birkdale North/Thorneside



**Cr Helen Murray**  
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## Division 9 Capalaba



**Cr Karen Williams**  
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## Division 8 Alexandra Hills North/ Birkdale South



**Cr Alan Beard**  
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## Division 7 Alexandra Hills South



**Cr Murray Elliott**  
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## Division 6 Capalaba/Mount Cotton/ Sheldon



**Cr Toni Bowler**  
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## Division 5 Redland Bay/Bay Islands



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## Division 4 Victoria Point/Coochiemudlo Is.



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## Mayor Redland Shire

### Mayor Cr Don Seccombe

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Councillors' Office 3829 8629 or 3829 8758

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## Division 1 Wellington Point/Ormiston



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## Division 2 Cleveland/ North Stradbroke Island

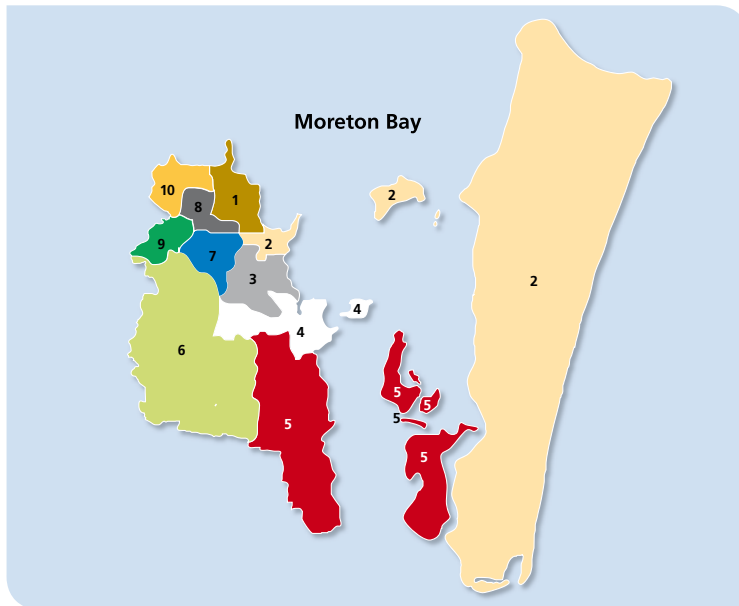


**Cr Craig Ogilvie**  
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## Division 3 Cleveland South/Thornlands



**Cr Debra Henry**  
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## Councillors' Remuneration Table as at June 2006

| Name                   | Gross Salary      | Electorate Allowance | Telephone Allowance | Home Internet & Allowance | Super-annuation Contributions & Allowance | Mobile Phone    | Transport         | Conferences          | Total               |
|------------------------|-------------------|----------------------|---------------------|---------------------------|---|-----------------|-------------------|----------------------|---------------------|
| Mayor Don Seccombe     | 111,075.56        | 12,046.21            | 1,656.31            | 0.00                      | 13,329.01                                 | 584.92          | 11,581.44*        | 8,041.73             | 158,315.18          |
| Div. 1:<br>Cr Barker   | 66,645.32         | 1,656.32             | 1,656.31            | 301.19                    | 7,997.54                                  | 0.00            | 8,551.12          | 1,182.47             | 87,990.27           |
| Div. 2:<br>Cr Ogilvie  | 66,645.32         | 1,656.32             | 1,656.31            | 301.19                    | 7,997.54                                  | 0.00            | 12,446.71*        | 450.00               | 91,153.39           |
| Div. 3:<br>Cr Henry    | 66,645.32         | 1,656.32             | 1,656.31            | 301.19                    | 7,997.54                                  | 0.00            | 7,687.86          | 3,841.25             | 89,785.79           |
| Div. 4:<br>Cr Dowling  | 69,481.61         | 1,943.88             | 1,656.31            | 0.00                      | 8,337.82                                  | 171.36          | 12,101.02*        | 3,816.35             | 97,508.35           |
| Div. 5:<br>Cr Burns    | 66,645.32         | 1,656.32             | 1,656.31            | 301.19                    | 7,997.54                                  | 0.00            | 14,258.64*        | 1,162.96             | 93,678.28           |
| Div. 6:<br>Cr Bowler   | 66,645.32         | 1,656.32             | 1,656.31            | 46.16                     | 7,997.54                                  | 0.00            | 12,070.74         | 7,751.08             | 97,823.47           |
| Div. 7:<br>Cr Elliott  | 66,645.32         | 1,656.32             | 1,656.31            | 301.19                    | 7,997.54                                  | 0.00            | 12,206.53*        | 213.55               | 90,676.76           |
| Div. 8:<br>Cr Beard    | 74,858.96         | 2,472.89             | 1,656.31            | 301.19                    | 8,983.03                                  | 298.44          | 12,536.75         | 1,137.41             | 102,244.98          |
| Div. 9:<br>Cr Williams | 66,645.32         | 1,656.32             | 1,656.31            | 301.19                    | 7,997.54                                  | 0.00            | 10,307.68         | 5,121.22             | 93,685.58           |
| Div. 10:<br>Cr Murray  | 66,645.32         | 1,656.32             | 1,656.31            | 301.19                    | 7,997.55                                  | 0.00            | 12,046.19         | 2,656.00             | 92,958.88           |
|                        | <b>788,578.69</b> | <b>29,713.54</b>     | <b>18,219.41</b>    | <b>2,455.68</b>           | <b>94,630.19</b>                          | <b>1,054.72</b> | <b>125,794.68</b> | <b>35,374.02</b>     | <b>1,095,820.93</b> |
|                        |                   |                      |                     |                           |   |                 |                   | <b>Support Costs</b> | <b>430,711.26</b>   |
|                        |                   |                      |                     |                           |   |                 |                   | <b>Total Cost</b>    | <b>1,526,532.19</b> |

\* Costs include travel to islands

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

## Appointments to External Organisations 2005–06

|  |  |   |  |
|--|--|---|--|
| Contiguous Local Authority Group (CLAG) Management Committee | Cr John Burns<br>Cr Peter Dowling                                | Redlands Community Safety Committee                       | Cr Debra Henry<br>Cr Peter Dowling                                 |
| Council of Mayors (SEQ)                                      | Mayor Don Seccombe   | Redland Transport Implementation Group                    | Mayor Don Seccombe (Chair)<br>Cr Murray Elliott<br>Cr Helen Murray |
| Council of Mayors (SEQ) Environment Working Group            | Cr Alan Beard  | Regional Arts Development Fund Committee (RADF)           | Cr Karen Williams<br>Cr Alan Beard                                 |
| Council of Mayors (SEQ) Regional Plan Working Group          | Mayor Don Seccombe (Chair)                                       | Regional Coordination Committee                           | Mayor Don Seccombe   |
| Counter Disaster Coordination Committee                      | Cr Karen Williams<br>Cr Craig Ogilvie (alternate)                | South East Thornlands Community Reference Group Meeting   | Mayor Don Seccombe (Chair)<br>Cr John Burns<br>Cr Debra Henry      |
| Donald Simpson Over 50's Leisure Centre Board of Management  | Mayor Don Seccombe<br>Cr Craig Ogilvie                           | Southern Regional Organisation of Councils (SouthROC)     | Mayor Don Seccombe (Chair)<br>Cr Alan Beard as Proxy               |
| Mayor's Moreton Bay Taskforce                                | Mayor Don Seccombe   | SouthROC Regional Road Group                              | Mayor Don Seccombe (Chair)   |
| Moreton IAC (Institute Advisory Committee)                   | Mayor Don Seccombe   | SouthROC Regional Plan Working Group                      | Mayor Don Seccombe (Chair)   |
| Moreton Bay Implementation Group                             | Mayor Don Seccombe (Chair)                                       | SouthROC Economic Development Forum                       | Cr Karen Williams (Proxy)  |
| Moreton Bay Waterways Catchments Partnership Policy Council  | Mayor Don Seccombe   | SouthROC Environment Working Group                        | Cr Alan Beard (Chair)  |
| Museum Advisory Committee                                    | Mayor Don Seccombe<br>Cr Alan Barker                             | SouthROC Infrastructure Working Group                     | Cr Peter Dowling (Proxy)   |
| Police Citizens' Youth Club Management Committee             | Mayor Don Seccombe (Patron)<br>Cr Karen Williams                 | SouthROC Water Working Group                              | Cr Helen Murray  |
| Redlands Bicycle Advisory Committee (REDBAC)                 | Cr Toni Bowler   | SouthROC Regional Landscape Open Space Advisory Committee | Cr Alan Beard  |
| Redlands Advisory Group on the Ageing (RAGOSI)               | Mayor Don Seccombe (Chair)<br>Cr Alan Beard<br>Cr Karen Williams |   |  |

## Totals of Meetings Attended July 2005 – June 2006

| Meeting Name                     | Mayor Cr Seccombe | Div. 1 Cr Barker | Div. 2 Cr Ogilvie | Div. 3 Cr Henry | Div. 4 Cr Dowling | Div. 5 Cr Burns | Div. 6 Cr Bowler | Div. 7 Cr Elliott | Div. 8 Cr Beard | Div. 9 Cr Williams | Div. 10 Cr Murray | Total Number of Meetings |
|----------------------------------|-------------------|------------------|-------------------|-----------------|-------------------|-----------------|------------------|-------------------|-----------------|--------------------|-------------------|--------------------------|
| General Meeting                  | 22                | 22               | 22                | 23              | 22                | 23              | 19               | 23                | 22              | 23                 | 22                | 23                       |
| Development Assessment Committee | 32                | 34               | 34                | 35              | *34               | 32              | 28               | 33                | +32             | 33                 | 34                | 36                       |
| Planning and Policy Committee    | 15                | 18               | 17                | 17              | 16                | **17            | 14               | 17                | 14              | 15                 | 15                | 18                       |
| Finance and Corporate Management | 12                | 12               | 12                | 10              | 11                | 11              | 9                | *11               | 11              | +12                | 12                | 12                       |
| Redland Water & Waste Committee  | 11                | +12              | 11                | 11              | 12                | 11              | 10               | 11                | 9               | 10                 | *12               | 12                       |
| <b>Totals</b>                    | <b>92</b>         | <b>98</b>        | <b>96</b>         | <b>96</b>       | <b>95</b>         | <b>94</b>       | <b>80</b>        | <b>95</b>         | <b>88</b>       | <b>93</b>          | <b>95</b>         | <b>101</b>               |

\*Denotes Committee Chair July 2005 – March 2006

+Denotes Committee Chair April 2006 – June 2006

# Executive Leadership Group

Demonstrating responsibility in leadership.



**Susan Rankin**

## Susan Rankin

B Comm; Dip Ed; CPA; MAICD

**Chief Executive Officer, appointed August 2002.**

Susan has qualifications in commerce and education from the University of Queensland and, prior to joining Redlands, over 13 years experience at senior level in State Government. This is complemented with extensive experience at a senior level in banking, mining and chartered accounting practices.

She provides enthusiastic and motivated leadership and direction to provide accountable, customer-focused, high-quality, value-for-money services to all Redlands residents.

## Michael Goode

**General Manager, Customer Services, appointed March 2003.**

Michael worked for Queensland Rail for 30 years and has extensive experience across a broad range of disciplines in senior positions.

Providing services to the community using sound, commercial principles and providing exceptional customer service is the focus of his portfolio.



**Michael Goode**



**Jim Pruss**

## Jim Pruss

B. Sc. M. Comm.

**General Manager, Redland Water & Waste, appointed June 2005.**

For 15 years Jim held a number of senior positions at the Sydney Water Corporation.

His major focus for Redland Water & Waste is to introduce and develop a contemporary asset management framework and combine this with excellent customer service and business performance.

## Ray Turner

B Bus (Acctcy); FCPA; MAICD  
Fellow of CPA Australia. Member of the Australian Institute of Company Directors.

**General Manager, Corporate Services, appointed April 2002.**

Before joining Redland Shire, Ray held the position of Chief Financial Officer at Maroochy Shire Council. He has held senior management positions in public and private sector organisations over many years as well as operating his own business for eight years.

Providing the best value-added internal services to create a strong, accountable and sustainable organisation is the centre of his plan for Corporate Services.



**Ray Turner**



**Phil Hennessey**

## Phil Hennessey

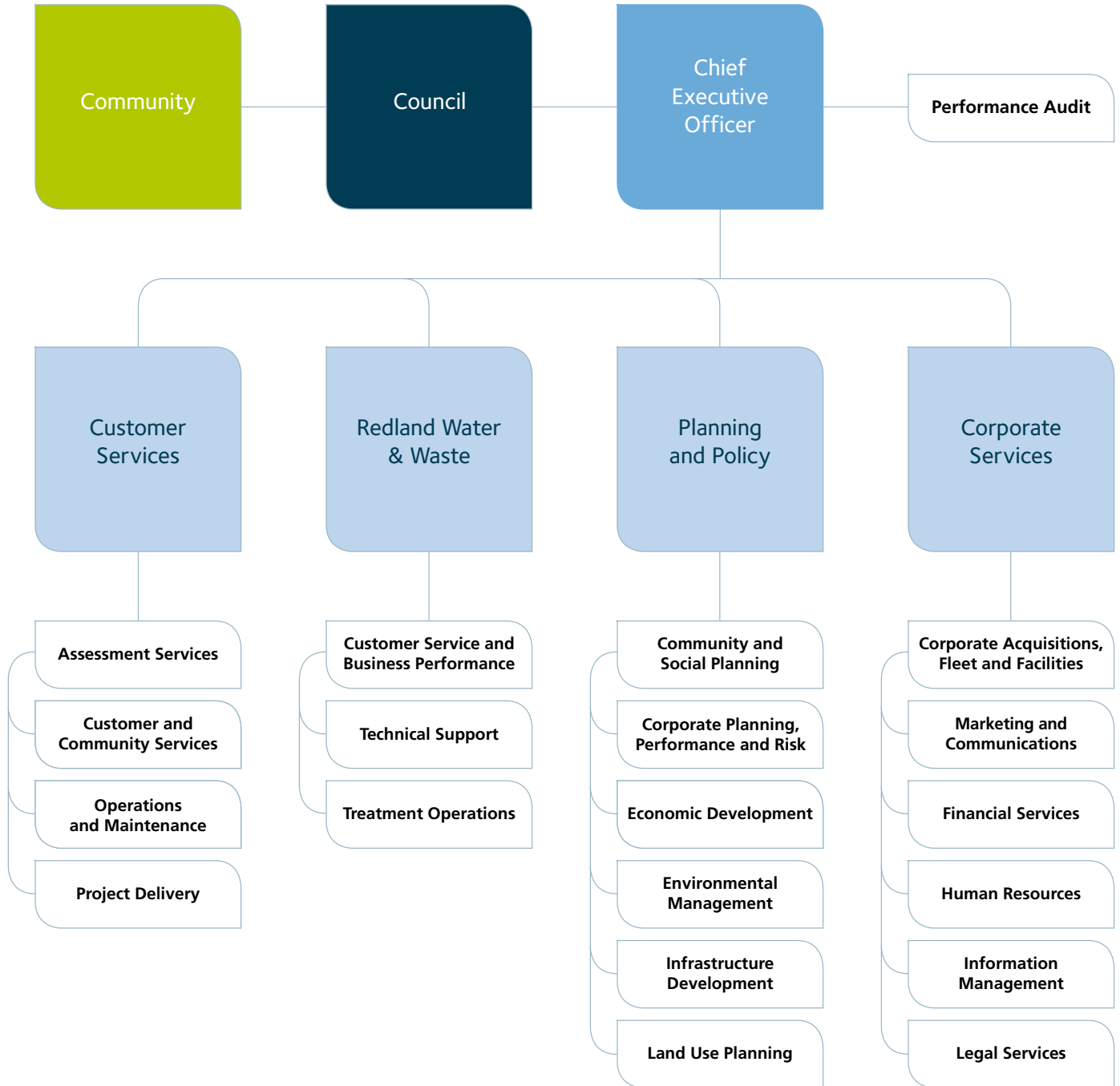
OAM; BE, DQIT (Env. Eng) Grad. Dip. Mgt, MIE

**General Manager, Planning and Policy, appointed 1976.**

Phil Hennessey is widely known in Queensland for his significant contribution to local government engineering, recognised when he was awarded a medal of the Order of Australia.

Under the leadership of Phil, the Planning and Policy teams are committed to developing a planning framework and policies to facilitate the services and infrastructure needed to support the Shire's sustainable growth and economic development.

## Organisational Structure



# Who We Are – Our People

Capable and effective employees – delivering on Council's commitments to the community.

## Human Resource Management Plan

Council's Human Resources Management Plan is aimed at attracting and retaining 'employees of choice'. Council has a dedicated group of professionals who are committed to delivering on our vision of 'Enhancing community spirit, lifestyle and the natural environment'. Our goal is to provide a safe, healthy and rewarding environment where our employees can reach their personal career goals and an environment that encourages prospective new employees, who share our passion for balancing community service and professional growth.

## Values

Our values and principles continue to provide the foundation that guides our decision making in a fast-changing world. Customer service, ethics, continuous improvement, social justice, value and sustainability are the basis of our policies, guidelines, employee induction and training programs. Our Equal Employment Opportunity (EEO) and Equity and Diversity strategies continue to enhance the value of diversity across all aspects of Council operations. Ongoing training and policy reviews continue to ensure that our workplace is free from any type of harassment or bullying and that disciplinary action is implemented quickly if a need arises.

## Opportunities

The beautiful geography of the Shire and our huge potential for growth create career opportunities in the widest variety of professional areas, from engineering, environmental planning and landscaping to audit, accounting, human resources and administration, as well as information technology, customer service and management. The benefits our employees enjoy

are among the best in the state and include additional employer payments to superannuation, further education assistance, innovative vehicle and personal computer leasing, a wellness program, employee assistance program and one of the highest pay rates of local authorities in Queensland.

## Employee Development

There are 29 employees currently being assisted with studies at university and 15 employees are undertaking Certificate IV and V courses. A total of 195 employees attended Hooked on Service training, 25 undertook a leadership program and 184 completed workforce development modules.

We have selected 14 trainees and seven school-based trainees from the Redlands. These people are gaining worthwhile work experience and skills that create employment opportunities at the end of their traineeships.

## Leadership and Workforce Development

Leadership development continues to be a major focus and the Council has expanded the training available to all levels to include interpersonal skills development and team effectiveness. In total, 184 employees have completed the leadership and workforce development modules.

Over 100 managers and supervisors at all levels have undertaken advanced training in recruitment and selection techniques to ensure the Council engages the best and most highly skilled new employees we can find.

## Planning for Performance

Performance appraisals are an important management tool and include an optional individual development plan that encourages employees to participate in their own learning and development.



## Equity Application

Our objective is to eliminate harassment and unfair discrimination in the workplace. An extensive program of training and reinforcing the Harassment Contact Officer Network is conducted with frontline Equity Contact Officers.

## Workplace Health and Safety

Council is committed to providing a safe and healthy workplace, with specialised training aiming to minimise or remove the risk of injury.

All areas of Council have safety representatives who are supported by the Workplace Health and Safety Unit, which continuously monitors the workplace for hazards and risks.

In March 2006 an extensive workplace health and safety audit was conducted, for re-accreditation of our self-insurance licence. Some practices were classed as 'best practice' and several recommendations were made on how to improve safety. Action plans have also been implemented to improve our safety requirements.

The next external accreditation audit is scheduled for 2008.

### Council Staff at a Glance

|   |             |
|---|-------------|
| Full-time equivalent (FTE) employees (excluding casual)                     | 951.57      |
| New FTE positions in 2005–06  | 25          |
| Employees recruited:  |             |
| • Internal  | 156 (63.9%) |
| • External  | 90 (36.1%)  |
| • Total appointments  | 246         |
| Employee turnover rate  | 10.86%      |
| Employee-initiated separation   | 88%         |
| Employees redeployed and/or retrained due to redundancy                     | 12%         |
| Employees covered by Enterprise Bargaining Agreement 6 (until 30 June 2008) | 98.1%       |

### Gender Balance

|   | Female  | Male     |
|---|---------|----------|
| Gender Executive Leadership Group/Senior Management Group | 8 (30%) | 19 (70%) |
| Gender balance elected representatives                    | 4 (36%) | 7 (64%)  |
| Gender balance employees                                  | 53%     | 47%      |

### Corporate Full-time Equivalent Staff

|                          |        |
|--------------------------|--------|
| Temp contract of service | 39.31  |
| Permanent                | 747.36 |
| Perm/part-time           | 80.31  |
| Perm job share           | 17.60  |
| Contract of service      | 67     |
| Casual                   | 59.19  |

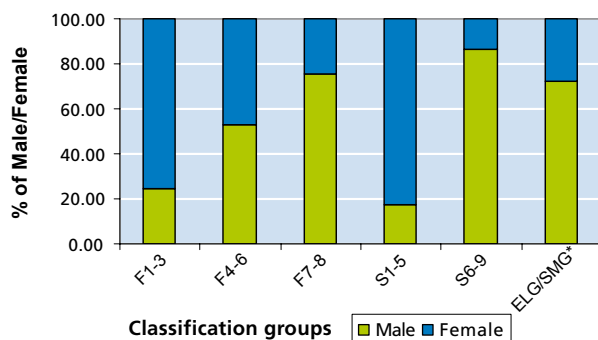
### Workers' Compensation Hours Lost

|                  | 2004–05 | 2005–06 |
|------------------|---------|---------|
| Total claims     | 66      | 59      |
| Lost time claims | 44      | 35      |
| Total hours lost | 4,481   | 2,717   |

### Staff Injuries Resulting in Claims

|  | 2004–05   | 2005–06   |
|--|-----------|-----------|
| <b>Injury Location (Top 6) (Number of claims)</b>  |           |           |
| 1. Neck  | 3         | 8         |
| 2. Lower back                                      | 12        | 5         |
| 3. Shoulder  | 9         | 5         |
| 4. Ankle   | 10        | 4         |
| 5. Arm   | 1         | 4         |
| 6. Face & upper back                               | 3 of each | 3 of each |
| <b>Most Common Injuries (and number of claims)</b> |           |           |
| 1. Sprains and strains                             | 47        | 29        |
| 2. Musculoskeletal disease/injuries                | 2         | 10        |
| 3. Wounds, lacerations & bruising                  | 10        | 8         |

### Staffing Rate by Classification and Gender (2005–06)



\*ELG – Executive Leadership Group SMG – Senior Management Group



# Corporate Governance

Planning, managing, maintaining and effectively operating assets.



## Executive Overview

Council undertakes executive overview through the use of standing committees. These committee meetings have defined roles and responsibilities with elected members and senior Council officers contributing to discussion. This enables full exploration of matters relevant to decisions.

The responsibility for making final decisions rests with elected members through an open vote. Officers do not vote on decisions. Their role is to provide independent advice to the elected members to assist them in decision making.

Committee recommendations form the basis of reports to the monthly General Meeting of Council, where collectively Council makes final decisions, except in the case of the Development Assessment Committee, which has delegated authority to make some decisions without going to the General Meeting.

## General Meeting of Council

The General Meeting of Council is responsible for managing the business of Council.

Council must ensure decision making that supports the achievement of the community vision and the Corporate Plan in accordance with the *Local Government Act 1993* and other legislation. The General Meeting:

- refers matters to relevant committees
- reviews recommendations made by committees
- accepts reports from committees and makes decisions on matters before the Council
- is a forum for members of the community to voice their issues, together with all other committees of Council.

The Local Government Act requires elected members to declare any material personal interest, in matters before Council and to remove themselves from any discussions or decision making on that matter. For a Councillor to have a material personal interest, there must be an expectation of personal benefit, gain or loss, for the Councillor or an associate. A register listing Councillors' material personal interests is maintained.

## Councillors' Code of Conduct and General Complaints Process

Amendments to the *Local Government Act 1993* (the Act) which became law on 31 May 2005 provided a regulatory framework for the adoption and enforcement of councillor codes of conduct in Queensland.

On 1 February 2006 Redland Shire Council adopted the Councillor Code of Conduct in accordance with the procedures set down in the Act. The code replaces the *Councillors' Charter* adopted by Council on 18 December 2002.

The code provides councillors with a frame of reference about their roles, obligations and acceptable behavioural standards.

On 1 February 2006 Council also adopted the general complaints process in accordance with Section 501D and requirements set out in Section 501E of the Act. The general complaints process provides the procedural framework for resolving complaints about administrative action, minor breaches of the code of conduct by a Councillor and complaints concerning officers of Council.

The following statistics are reported in accordance with the requirements of Section 534(1)(n) of the Act, for the Councillors' Code of Conduct, and Section 501E(1)(j) of the Act for general complaints process.

During 2005–06 the Council and/or the Chief Executive Officer resolved that:

- (i) there were no breaches of the local government's code of conduct committed by councillors
- (ii) no names need to be reported as none of the councillors breached the code
- (iii) there were no complaints about alleged code of conduct breaches by councillors that were referred to the conduct review panel during the year

- (iv) there were no recommendations made by the conduct review panel
- (v) there were 13 complaints made under the general complaints process; 11 complaints were resolved under the general complaints process; 2 complaints have been carried forward to the next financial year; and none of the resolved complaints related to an alleged breach by a councillor of the local government's code of conduct
- (vi) there were no complaints made to the ombudsman during the year about decisions made by the Council in relation to enforcement of its code of conduct.

### Employee Code of Conduct

The Employee Code of Conduct assists Council in maintaining public trust and confidence in the integrity and professionalism of its employees by ensuring all employees maintain and enhance Council's reputation.

Employees are required to display the personal and professional behaviours that could be reasonably expected from persons holding positions that serve the community.

More specifically, it requires employees to perform professional duties with



care, skill, fairness and diligence. Employees are required to engage in ethical conduct, treat all others with courtesy, respect and with due regard to the rights of others.

The code of conduct is taken into account in the development and preparation of Council's policies and guidelines. All new employees are provided with training regarding their obligations under the code of conduct. Any alleged breaches of the code are investigated in accordance with Council's guidelines.

### Internal Audit

Internal Audit provides the CEO and senior management with assurance that internal control systems are efficient, effective and economic, that risk is appropriately addressed and, consequently, that objectives can be met.

Internal Audit operates as an independent function within Council, reporting directly to the CEO.

Internal Audit checks and advises on:

- legislative and policy compliances
- operational cost-effectiveness and efficiency
- reliability of financial and related management information
- use of public funds and assets under Council's control
- adequacy and accuracy of accounting and computing systems.

Internal Audit also:

- conduct investigations as requested by the CEO
- provide an advisory function concerning business improvement processes and systems of internal controls.

In 2005–06, Internal Audit findings confirmed that a satisfactory internal control environment appears to exist within Council.

#### Major Achievements:

- completed all major tasks included in the 2005–06 Annual Audit Plan

- a total of 18 audit reports were released
- strengthened relationships by providing advisory services to committees and user groups within Council
- improved professionalism by developing a full suite of new procedures and operating manuals to ensure quality control.

### Audit Committee

The Audit Committee comprises the Mayor, the Deputy Mayor, Chair of the Finance and Corporate Management Committee and the Chief Executive Officer. It is chaired by an independent external appointee, Len Scanlan, who was the former Auditor-General of Queensland.

The primary objective of the Audit Committee is to assist Council in fulfilling its corporate governance role and oversight of financial management and reporting responsibilities imposed under the *Financial Administration and Audit Act 1997*, the *Queensland Local Government Act 1993* and other relevant legislation.

The Audit Committee performs an independent overview of the financial and management operations of Council, including the internal and external auditing role.

#### Major Achievements:

- endorsed the risk-based 2005–06 Internal Audit Plan
- reviewed quarterly end-of-year financial information
- reviewed audit reports and action taken to address recommendations
- monitored Internal Audit performance against the approved 2005–06 Audit Plan targets
- checked the resolution of prior-period Queensland Audit Office audit issues
- reviewed changes in accounting practices and policies.

Under its charter, the committee meets quarterly. The external and internal auditors and the four General Managers attend each meeting.



## External Audit

Council is audited annually by the State Government's Queensland Audit Office. This provides a statutory mechanism for external review of Council's financial operations and other corporate matters affecting the sound management of the organisation.

This is the seventh consecutive year that Council has received an unqualified audit report.

## The Role of Policy

Council is committed to being a policy-driven organisation. It has many practices and systems in place dealing with staff, community, suppliers and other stakeholders as part of its desire to be a good corporate citizen.

We pride ourselves on our robust policy development, management and review framework.

## Policies/Equal Employment Opportunity

Council's Equity and Diversity Strategy is put into action through policies on Anti-workplace Bullying, EEO and Preventing Sexual Harassment.

A team of workplace harassment officers act as a contact point for staff in all departments. For more information about this policy please check Who We Are section of this annual report.

## Asset Management

Council manages a large asset portfolio with a high financial value. It is critical that our assets are planned for, managed, maintained and operated effectively.

Council has formally adopted a Total Asset Management Plan, which provides an overarching framework to facilitate the lifecycle management of assets through the acquisition, maintenance, operations and disposal phases. Twenty-six distinct asset groups were identified within Council's asset portfolio.



We are proactive in developing and maintaining asset management plans for all asset groups. As at 30 June 2006, all 26 individual asset management plans have been completed.

Each plan details the methodologies for asset register recording; financial issues including budgeting, grants, and depreciation; service level capabilities; performance monitoring; environmental and risk management to effectively manage the asset group. An improvement program has been incorporated into individual plans through action items with clear deadlines.

Each month, the number of completed action items is reviewed against the number due and this percentage is reported through Council's balanced scorecard program.

A review program has commenced to update these plans and include new action items and timings which will assist in further implementing and achieving continuous improvement principles in the management of these asset groups.

## Risk Management

Risk management is a key aspect of governance. Council has endorsed and implemented a risk management framework and process based on

the Australian Standard for Risk Management, AS/NZS 4360:2004.

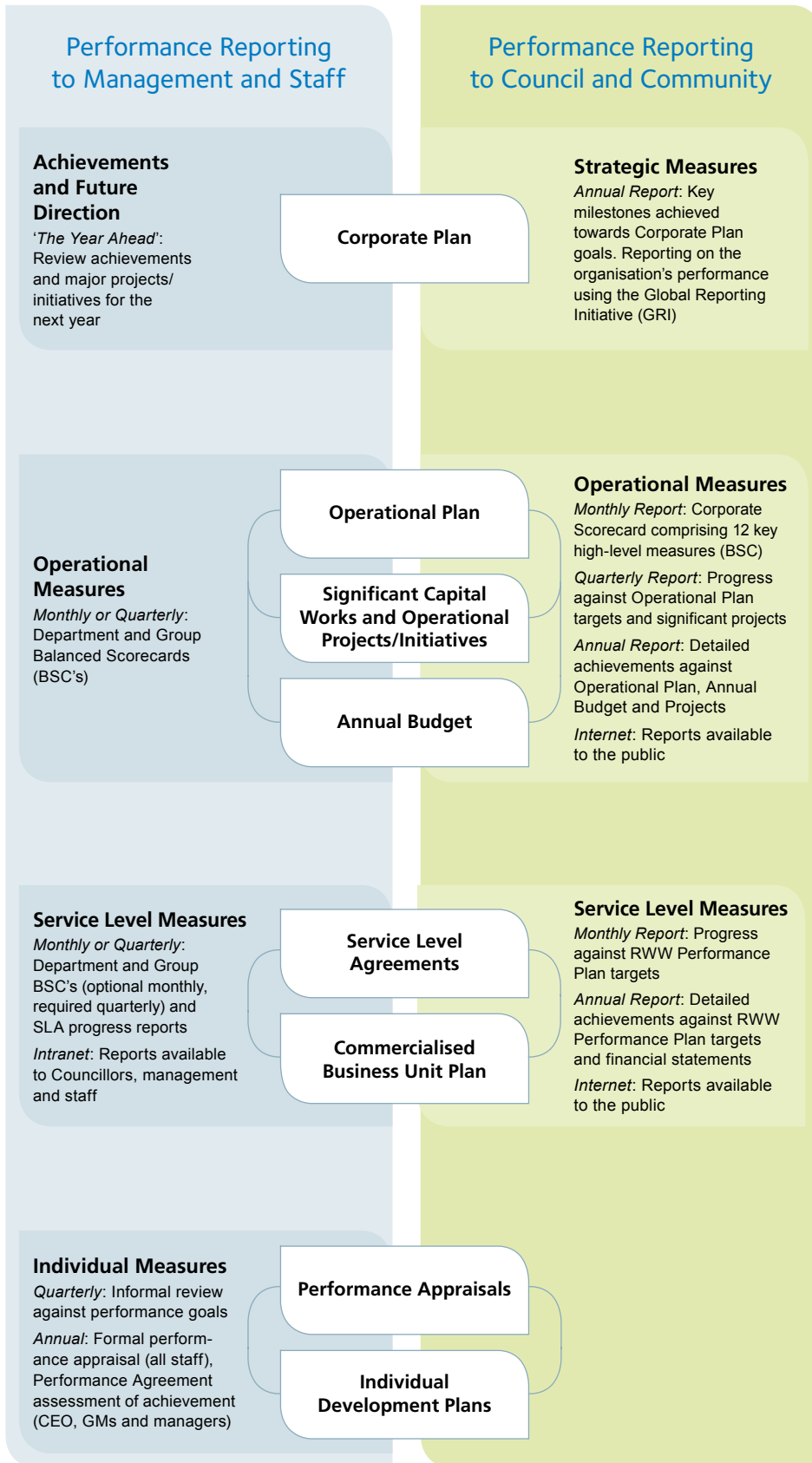
The Risk Management Policy and Strategy aims to achieve best practice in managing the risks to which Council is exposed by identifying and addressing priority exposures and incorporating risk management strategies, risk improvements and contingency planning into Council's business.

Ongoing risk is monitored and reviewed to account for changes in Council's operations and to enable well-informed decisions on risk controls.

Strategic, operational and activity risks across Council have been identified and assessed as to likelihood and consequence. Current and future treatments and control measures have also been established.

Risk registers for all activity-level risks across Council were reviewed and updated using AS/NZS 4360:2004. This ensures that risks to the delivery of projects, initiatives and activities are effectively managed.

Available risk management control measures include insurance. In accordance with the *Local Government Act 1993*, Council holds public liability, professional indemnity and fidelity guarantee insurances and also insures its property assets and other major risks such as personal accidents.



Council is a licensed Workers' Compensation self-insurer. Successive independent audits have highlighted Council's commitment to best practice, legislative compliance and continuous improvement.

### Performance Management

Council has in place a Corporate Performance Management Framework. This framework establishes a performance management system which:

- ensures Council's Corporate and Operational Plans set the strategic direction and contain clear measures of performance to enable an assessment to be made of its progress in achieving the planned outcomes
- ensures Council exercises its jurisdiction consistently with its Corporate and Operational Plans
- ensures accountability to the community and other stakeholders through open and transparent reporting
- creates an organisational environment which is performance-based and embraces continuous improvement at all levels.

This framework ensures that there is a clear link between community needs, corporate strategic direction and priorities, policy, projects and day-to-day activities.

It is designed to promote commitment to our vision by ensuring that all parts of the organisation are working towards clear, measurable targets aligned with the vision and that the roles and responsibilities of all staff, management and councillors in the process are clearly defined. Thus, it is strongly integrated with our Corporate Plan, Operational Plan and Annual Budget.

The diagram on the left illustrates Council's Performance Management Framework, viewed through four performance levels, namely corporate, operational, service level and individual.

## Freedom of Information

During 2005–06 there were 53 applications received under the *Freedom of Information Act 1992*. A total of 8,115 pages of information were considered and 6,753 pages of information were released.

Reviews are the appeal mechanism provided by the Act if a person disagrees with a decision to release/exempt a document.

The first review is carried out internally by a senior Council officer. If the person then disagrees with the internal review decision, the Act allows a second, external review. External reviews are conducted by the Information Commissioner (a State Government body). There were nine internal reviews and four external reviews of Council decisions, which upheld our decision.

## Key Corporate Governance Legislation in Local Government

Council must comply with a great deal of legislation all aimed at better corporate governance outcomes for the community. The most important, from a corporate governance perspective, are:

- *Local Government Act 1993*
- *Freedom of Information Act 1992*
- *Crime and Misconduct Act 2001*
- *Judicial Review Act 1991*
- *Public Sector Ethics Act 1994*
- *Trade Practices Act 1974*
- *Environmental Protection Act 1994*.

## Revenue Policy

### Head of Power

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

### Policy Objective

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

- the making of rates and charges
- the levying of rates



- the recovery of rates and charges
- the exercise of concession powers in relation to rates and charges.

Check [www.redland.qld.gov.au](http://www.redland.qld.gov.au) for the complete Revenue Policy in the Budget 2005–06 document.

## Borrowing Policy

### Head of Power

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

### Objectives

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

This policy is reviewed annually and amended as and when required to meet prevailing circumstances.

Check [www.redland.qld.gov.au](http://www.redland.qld.gov.au) for the complete Borrowing Policy in the Budget 2005–06 document.

'Our principles include equity of access, social justice, best value and sustainability.'

## Standing Committees 1 July 2005– 30 June 2006

| Planning and Policy Standing Committee   |  |
|--|--|
| Charter  | Some of the recommendations put forward to Council   |
| Its charter is to provide Council with advice and recommendations where it has considered reports on:  | <ul style="list-style-type: none"> <li>• Final adoption of Redlands Planning Scheme at special meeting of Council on 15 March 2006. Became effective from 30 March 2006</li> <li>• Adoption of formal submissions to State Government on draft plans and policies. For example:               <ul style="list-style-type: none"> <li>a. draft State planning policy on housing and residential development</li> <li>b. prescribed tidal works development code</li> <li>c. Koala Conservation Plan and Management Plan.</li> </ul> </li> <li>• Report on consistency between the Redlands Planning Scheme and SEQ Regional Plan 2005–2026</li> <li>• Redland Strategic Investment projects = endorsement of 10 key strategic investment projects</li> <li>• Victoria Point Library fit-out</li> <li>• Proposed amendment of Local Law No. 2 <i>Keeping and Control of Animals</i></li> <li>• Biting Midge Action Plan</li> <li>• Donald Simpson Over 50's Leisure Centre Facility Management Plan</li> <li>• Community Safety Policy – POL-3034</li> <li>• Seniors' Policy (POL-3035) and seniors' strategy</li> <li>• Addition of lifeguard patrol at Adder Rock Beach, North Stradbroke Island</li> <li>• Local Law Review – Proposed Local Law No.18 <i>Control of Residential Nuisances</i> and Local Law No.23 <i>Fire Management</i></li> <li>• Main Roads request for financial contribution to koala overpass</li> <li>• Shade in parks project – Councillors' Community Benefit Fund</li> <li>• Renewal of Memorandum of Understanding (MOU) – <i>Environmental Protection (Water) Policy 1997</i></li> <li>• Purchase of properties using environment charge funds</li> <li>• Koala Conservation and Management Policy</li> <li>• Redland Youth Plaza State Government subsidy</li> <li>• Final Hilliards Creek Waterway Management Plan</li> <li>• Redland Shire Pest Management Plan</li> <li>• Cleveland Point Reserve Master Plan and Wellington Point Reserve Master Plan</li> <li>• MOU to cooperatively manage Koala Coast habitat</li> <li>• Policy review – unlawful damage to trees in public places</li> <li>• Completion of Cleveland CBD Parking Strategy</li> <li>• Development of Capital Works Program for Roads, Drainage and Marine Infrastructure.</li> </ul> |
| Development and review of corporate policies, including local laws and subordinate local laws.   |  |
| Management plans and strategies prepared to ensure delivery of the Corporate Plan priorities of natural environment, community health and wellbeing and economic growth.                     |  |
| Establishment of strategic frameworks and statutory planning instruments to preserve a balance with rural, bushland, village and coastal character of the Redlands by managing urban growth. |  |
| Submissions prepared on behalf of Council to various bodies on the impact of policies and laws adopted by other governments and organisations on the shire and its community.                |  |
| The provision of roads and drainage systems that facilitate efficient movement and preserve the integrity of the local environment.  |  |
| Infrastructure programs to facilitate the provision of choice of accessible, safe and convenient transport modes and waterways infrastructure.   |  |
| All other matters that by law and policy, including tenders and contracts, relate exclusively to the Planning and Policy Group and require a decision of Council.                            |  |

### Redland Water & Waste Standing Committee

| Charter  | Some of the recommendations put forward to Council   |
|--|--|
| Its charter is to provide Council with advice and recommendations where it has considered reports on:  | <ul style="list-style-type: none"> <li>• New contract for the collection of domestic waste</li> <li>• Water meter replacement strategy</li> <li>• Water restrictions policy amendments, adoption of restrictions and coordination with SEQ Water</li> <li>• Domestic and Council water-saving initiatives</li> <li>• Restructured water pricing for commercial properties and nursing homes</li> <li>• Next phase of planning for new waste facility</li> <li>• Implementation of new Wasteman System at waste transfer stations</li> <li>• Implementation of Maxworks maintenance system for reticulated assets.</li> <li>• Design and construct two new water reservoirs – award contract</li> <li>• Implement Water Efficiency Management Plans</li> <li>• Stage 3 Telemetry and SCADA works – award contract.</li> </ul> |
| Construction and maintenance of a high-quality water collection, treatment and distribution system.  |  |
| The provision of waste management operations that are economically and environmentally sustainable in the long-term with a focus on customer service delivery, cost effectiveness and quality. |  |
| The business unit's performance, practices and processes to make sure they continually improve the way they operate.   |  |
| Financial planning to ensure the business unit has the financial capacity to deliver ongoing services with minimal risk exposure.  |  |
| Financially relevant, reliable and timely information on a monthly, quarterly and annual basis to enable the effective evaluation of the business unit's past performance.                     |  |
| All other matters that by law and policy, including tenders and contracts, relate exclusively to the Redland Water & Waste Business Unit and require a decision of Council.                    |  |

### Development Assessment Standing Committee

| Charter  | Some of the recommendations put forward to Council   |
|--|--|
| <p>Its charter is to determine, under delegated authority:</p> <ul style="list-style-type: none"> <li>• development applications under the <i>Integrated Planning Act 1997</i></li> <li>• applications under Redland Shire Transitional Planning Scheme</li> <li>• applications under Redlands Planning Scheme.</li> </ul> <p>This delegation is subject to the condition that where the committee chair is required to use his/her casting vote to determine a decision, this decision is to be deferred and referred to the full Council for decision.</p> | <p>Decided:</p> <ul style="list-style-type: none"> <li>• 290 Impact Development Assessments</li> <li>• 590 Code Assessments.</li> </ul> <p>These included:</p> <ul style="list-style-type: none"> <li>• Redland Bay Integrated Employment Centre site</li> <li>• RSL retirement village, King St Thornlands</li> <li>• 6 storey residential apartment Shore St East, Cleveland</li> <li>• Fernbourne Rd retirement village.</li> </ul> |

| Finance and Corporate Management Standing Committee   |  |
|---|--|
| Charter   | Some of the recommendations put forward to Council   |
| The charter of this committee is to provide Council with advice and recommendations where it has considered reports on: | <ul style="list-style-type: none"> <li>• Adoption of Annual Report 2004–05</li> <li>• Monthly Corporate Financial Reports</li> <li>• Adoption of Security Policy POL-3030</li> <li>• Quarterly revisions of 2005–06 budget</li> <li>• Adoption of Corporate Plan 2006–2010</li> <li>• Adoption of Councillor Code of Conduct</li> <li>• Adoption of Schedule of Fees and Charges 2006–07</li> <li>• Adoption of Corporate Purchasing Policy POL-3043</li> <li>• Adoption of Operation Plan 2006–07</li> <li>• Corporate Scorecard (monthly)</li> <li>• Operational Plan Performance Report (quarterly)</li> <li>• Adoption of 2006–2010 Corporate Plan.</li> </ul> |
| Adoption of the Corporate and Operational Plans.  |  |
| Major tenders and contracts which have organisation-wide implications.  |  |
| Land resumptions.   |  |
| Adoption of organisational leadership initiatives.  |  |
| The financial position of the organisation.   |  |
| Budget review.  |  |
| The organisation’s performance, practices and processes to ensure continued improvement.                                |  |

**General Meeting of Council** 1 July 2005–30 June 2006

| Charter  | Some decisions adopted by Council   |
|--|---|
| The General Meeting of Council is responsible for managing the business of Council. Council must ensure decision making that supports the achievement of the community vision and the Corporate Plan in accordance with the Local Government Act and other legislation.  | <ul style="list-style-type: none"> <li>• Adoption of Councillor Code of Conduct</li> <li>• SMBI Infrastructure Planning Concept Street Designs</li> <li>• Redlands Youth Plaza Project</li> <li>• Regional Waste Management Initiative</li> <li>• Corporate Plan 2006–2010 Public Consultation</li> <li>• Water Conservation and Re-use Projects</li> <li>• Use of metered hydrants standpipes</li> <li>• Redlands Strategic Investment Projects</li> <li>• Redland Shire Pest Management Plan 2006–2010</li> <li>• Cleveland Point Reserve Master Plan.</li> </ul> |
| <p>The General Meeting:</p> <ul style="list-style-type: none"> <li>• refers matters to relevant committees</li> <li>• reviews recommendations made by committees</li> <li>• makes decisions on matters before the Council</li> <li>• is a forum for members of the community to voice their issues.</li> </ul> |   |

**Special Council Meetings** 1 July 2005–30 June 2006

| Charter   | Some decisions adopted by Council   |
|---|---|
| Special Meetings of Council may be called from time to time in addition to the adopted scheduled meetings for specific business which requires a resolution of Council. | <ul style="list-style-type: none"> <li>• Water restrictions</li> <li>• Adoption of budget estimates and fixing of rates and charges for 2006–07</li> <li>• Adoption of the Redlands Planning Scheme.</li> </ul> |

# Corporate Plan 2002-06

Redland Shire Council’s Corporate Plan sets the strategic direction for the organisation.

Redland Shire Council’s Corporate Plan is a high level document that provides a clear focus for Council and the organisation and ensures that we respond proactively to the present and future needs of the community. The Corporate Plan also responds to regional challenges and opportunities and reflects the interrelationships between Council and other levels of Government.

All other plans, strategies, policies and processes take their lead from the Corporate Plan, as can be seen from the strategic planning framework diagram.

The Corporate Plan is the primary instrument for directing how resources will be used and sets out a clear vision for the delivery of all of our services and the values we hold dear.

This is the fourth and final year in the implementation of the Corporate Plan 2002–2006. The new Corporate Plan 2006–2010 was adopted in December 2005 and provides the direction for the next four years.

This report continues our practice of reporting against the nine strategic priorities in the Corporate Plan 2002–06. These are:

### External Priorities

- Natural Environment
- Physical Character
- Essential Services
- Community Health and Wellbeing
- Economic Growth.

### Internal Priorities

- Organisational Leadership
- Financial Management
- Knowledge Management
- People Management.

The Corporate Plan sets the outcomes, strategies and programs to deliver on the strategic direction. These are delivered through the Operational Plan’s outputs; a range of ongoing activities; and short,

medium and long-term projects. Our Budget directly aligns all projects and activities with the Corporate Plan’s programs. The following pages detail some of these.



# Doing Business With Council

Council is a major purchaser of goods and services, spending more than \$119 million in the financial year 2005–06.

| Purchases by Location         |              |
|-------------------------------|--------------|
| Redland Shire                 | \$22,303,764 |
| Rest of south-east Queensland | \$70,922,085 |
| Rest of Queensland            | \$1,083,773  |
| Rest of Australia             | \$23,881,673 |
| Other                         | \$1,475,976  |

| % of Suppliers by Location    |       |
|-------------------------------|-------|
| Redland Shire                 | 32.1% |
| Rest of south-east Queensland | 49.6% |
| Rest of Queensland            | 0.8%  |
| Rest of Australia             | 17%   |
| Other                         | 0.5%  |

## Corporate Purchasing Policy

All Council's purchasing activities, tenders and quotations are governed by Council's Purchasing Policy, the *Local Government Act 1993* and amendments 2005, Local Government Finance Standard 2005, the State Purchasing Policy (where appropriate) and the *Trade Practices Act 1974*.

Council must follow the Local Government Act for all purchases over \$15,000 and up to \$150,000 by way of selective quotation. For purchases greater than \$150,000 Council must invite tenders. For purchases less than \$15,000 Council can provide its own policy.

This policy governs all Council purchasing activities, including business units, irrespective of value.

The following principles must be considered in all purchases:

- open and effective competition
- value for money
- advancement of Government priorities

- enhancement of the capabilities of local business and industry
- environmental protection
- ethical behaviour and fair dealing.

## Registers kept by Council

The following registers are available for public inspection:

- Register of Councillors' Interests, S.247 of the *Local Government Act 1993*
- Register of Electoral Gifts, S.433 of the *Local Government Act 1993*
- Minutes of Local Government Meetings, S.448 of the *Local Government Act 1993*
- Register of Delegations under S.472 of the *Local Government Act 1993* to the Mayor, Chief Executive Officer, Standing Committee or Committee Chair
- Register of Local Laws and Subordinate Local Laws, S.894 and S.895 of the *Local Government Act 1993*
- Register of Authorised Persons, S.1084 of the *Local Government Act 1993*
- Register of Delegation by CEO to Employees of Council, S.1132 of the *Local Government Act 1993*
- Register of Council Policies
- Register of Adopted Committee and Council Meeting Dates
- Register of Regulatory Fees, S.1071A(1)
- Register of Roads in its Area, S.921 of the *Local Government Act 1993*.

## Change to Tenders

- Tender 40089 – Redlands Softball
- Tender RWW-0079 Collection of Grit and Screenings Waste
- Tender PDG-0131 Civil Designer and Drafting Services
- Tender PDG-0260 Pt Lookout Inlet Works Upgrade
- Tender 41631/2 Ferry and Finney Rd Pavement Rehabilitation



## Expressions of Interest

Under S.489 (1) of the *Local Government Act 1993*, there were no expressions of interest called during the 2005–06 financial year.

## National Competition Policy

Under section 846 of the *Local Government Act 1993*, Council must report on Local Government Business Entities where competitive neutrality principles apply.

Council has reviewed the application of the reforms and anticipated industry activity in each of the activities for the 2006–07 period. At the Finance and Corporate Management meeting of 24 May 2006, Council resolved to continue to apply the code of competitive conduct to the following business activities:

- School Age Care
- Child Care
- Caravan Parks and Camping.

These activities will apply the code as they are expected to meet revenue threshold requirements and operate within industries that remain openly competitive.



# Our Achievements – Economic

The main focuses of attention involved business retention and expansion, business attraction and tourism development.



The importance of trade development was reflected in a new partnership between Council and the Australian Trade Commission for the delivery of the commission's TradeStart program, which offers free services to help Australian businesses export, and the inaugural Logan–Redlands Export Awards.

Business Grow, which is managed on behalf of Council, continued to perform well as a key support and referral service for small to medium-size Redland businesses.

Employment was the main thrust of a range of business development services. A slight improvement in the unemployment ratio between Redlands and the state figures highlighted the ongoing competitiveness of the Shire.

Outstanding results were achieved in the business attraction program. New relationships and marketing initiatives were implemented in line with the Redlands Marketing Plan, which is raising the profile of the Shire as a competitive location for business investment.

These included a new partnership with Velocity Brisbane and promotional initiatives and familiarisation visits in China that have led to plans for the establishment of a Redlands Trade and Investment Office in that country.

Council continued to build on its positive results in the ecoBiz program, which encourages resource-efficient practices. An additional 13 local businesses are participating in the program, which has been extended to a regional level, with coordination from Council.

In tourism developments, Redlands became the first regional partner in Brisbane Marketing's interstate

campaign and also achieved success in working with Brisbane Marketing and the Australian Tourism Exchange Council in other national and international marketing.

Diverse marketing activities included securing ongoing regular visits by an international tour company from Taiwan, which is injecting more than \$1 million annually into the Redland economy, and a significant increase in media familiarisation visits that resulted in coverage in international travel features and industry publications.

A comprehensive new advertising campaign directed primarily at the Queensland and interstate markets resulted in an 8% increase in accommodation bookings through the Redland Shire Visitor Information Centre, which is run under contract for Council. Customer numbers to the centre were down, however, which reflects similar trends in other centres outside

Brisbane and in regional Queensland.

A recent milestone was the population of [www.more2redlands.com.au](http://www.more2redlands.com.au) with tourism operator content. Almost all local accommodation operators are now online, with dining, tours and attractions also to be incorporated.

This has enabled consumers to purchase accommodation direct and plan their trips to the region online.

New product development initiatives, which aim to increase visitation to the Shire, included a North Stradbroke Island Heritage Trail guide and the inaugural Moreton Bay Seafood Festival, which attracted more than 9,000 visitors over a two-day period in June. The heritage trail complements a Cleveland and Ormiston trail launched in 2005 and plans are in hand for a third in the series, which will feature the southern Moreton Bay islands.





# Environment

With our growing population it is now more important than ever that we look after our environment, our waterways and bushlands and the way we live every day as we have great impact on our surroundings.

Over the past year, our staff have completed several key projects that improved our Shire and reduced the impacts of increasing population.

### Landscape Master Planning

Landscape master plans were developed for two district parks and two regional parks.

#### Regional

- Cleveland Point Reserve, Cleveland
- Wellington Point Reserve, Wellington Point.

#### District

- Crystal Waters Park, Thornlands
- Valentine Road Park, Capalaba.

Developing these plans involved consultation with State Government agencies and service departments, internal Council stakeholders, divisional

Councillors, community groups, the public and representatives from local community groups. Proposed works range from general park upgrades to playgrounds, extensive pathways for walking and cycling and picnic areas. All of those parks will be developed according to the agreed plans in the next 5–10 years.

### Redland Shire Pest Management Plan 2006–09

The Pest Management Plan was produced in consultation with internal and external stakeholders and approved by State Government in 2005. The goal of this four-year plan is to work cooperatively to prevent and reduce the negative impacts of pest plants and animals. The plan identifies and prioritises all the pests of interest to the Shire. It also acts as

a catalyst to the proactive management of pest populations and recognising strategically valuable natural areas on both Council and private land. The strategies will be channelled through education, enforcement, control and surveillance programs.

### Environmental Charge Acquisition

An environmental levy is collected from ratepayers to buy privately owned land that has major environmental significance. This is a lengthy process of investigations, negotiations and assessments. Our staff researched 500 properties across the Shire that are under threat from development and are potential candidates for acquisition. However, the most significant was the purchase of two large lots on the foreshore at Fernbourne Road, Wellington Point. This land adjoins Geoff Skinner Reserve and is a wonderful base for visitor access. In years to come, this will become a much-loved conservation area for the local community and a home to our precious wildlife.

### Hilliards Creek Waterway Management Plan

The Hilliards Creek Waterway Management Plan produced by a small team increased the in-house knowledge and understanding of the waterway and its catchment. Extensive internal and external consultation determined the community's desired environmental values for the waterway. The completed plan contains various actions that can achieve the vision for the catchment through:



Redlands IndigiScapes Centre



- rehabilitation of aquatic features and riparian land
- protecting and managing biodiversity
- addressing human activity and cultural values
- applying legislation, planning and policy mechanisms
- addressing the impact of stormwater pollution from existing urban areas
- application of water-sensitive design and maximising the use of monitoring and decision support tools.

### Eddie Santagiuliana Way Master Plan and completion of Boystown Boardwalk, South Street, Cleveland

A master plan was developed for Eddie Santagiuliana Way from South Street to Victoria Point. This also included completion of Boystown Boardwalk, a walking and cycling track that will ultimately extend from Cleveland Railway Station to Victoria Point. The boardwalk navigates an embankment on the route to keep the track away from private property. King tides at the site made working conditions boggy at times, but 11 young people from Boystown who took part in the project negotiated the conditions superbly. This project is a great example of Council working in a partnership with the local community.

### 2005–06 Cities for Climate Protection – Point-of-Sale Extension (POSE) Program

Council is reducing greenhouse gas emissions through the Redland Shire Local Greenhouse Action Plan. The Plan commits Council to reducing Council's own greenhouse gas emissions by 25%, and the community's by 15%, by 2010. The POSE program was run in conjunction with a local whitegoods retail business to reduce greenhouse gas emissions. Whitegoods products are a potential source of significant water and energy savings and the POSE

program guides consumers to make environmentally smarter choices when buying these items.

This pilot program was an award-winning initiative by Council, with partnership funding from the Environmental Protection Agency (EPA). It has been expanded for extension by the EPA state-wide to other business and industry types.

The POSE pilot program included:

- an energy efficiency and costing calculation tool used by sales staff to increase customer knowledge on energy use of particular products
- sales staff training on energy efficiencies and customer service
- 20 fact sheets on simple energy-saving ideas in the home
- the 'OzWatt' character used to support the slogan 'Energy efficiency makes cents'
- other in-store marking posters and stickers.

### 2005–06 Cities for Climate Protection – Home Sustainability Audit Pilot Project

Another initiative of the Redland Shire Local Greenhouse Action Plan was the Home Sustainability Audit Pilot Project. The sustainability audit visited 46 households, who responded to an advertised offer, and provided consultation and calculation of energy consumption and potential savings.

Householders received a 'Home Sustainability Information Kit', which included water, waste and electricity fact sheets, tailored reports highlighting individual energy use and potential savings within the household and a bonus twin pack of energy-efficient light bulbs.

This approach of evaluation of energy consumption and savings in the home was quickly over-subscribed and enthusiastically received in the community.

### Litter Prevention Strategy Actions

Redland Shire Council co-established the Queensland Litter Prevention Alliance (QLPA) and acts as the secretary to the Alliance. This non-profit organisation was set up to support local governments, and other agencies, working to minimise waste released into the environment. It provides community education packages, training, waste auditing and waste assessment support throughout Queensland. Redland Shire Council collaborated with nine other local governments and Healthy Waterways to launch the 'Don't stick your butt out the window' campaign throughout south-east Queensland.



*'Over the past year, our staff have completed several key projects that improved our Shire and reduced the impacts of increasing population.'*



# Social

Council’s strategic priority for the Redlands community is to ‘provide a range of community services to support basic qualities of community life and maximise opportunities for community participation and development’

## Children’s Services

In the year that Family Day Care celebrated 25 years in the Redlands, Council completed a review of its delivery of child care services and decided that Family Day Care and the Degen Road Child Care Centre be transferred to an external organisation.

A wide range of stakeholders, including staff, representatives from schools using Council’s school age care services, other providers of child care services, state and federal government agencies, were consulted during the review.

The transfer is expected to be completed by early 2007.

School Age Care, incorporating Vacation Care, continues to be a valuable program for working parents. During the past year, the staff were involved in preparation for quality assurance accreditation. This is a legislative requirement ensuring all school age care services meet the same national standards.

## Young People

As part of a long-term strategy to engage young adults with Council, a comprehensive online survey of residents aged between 18 and 30 was conducted. The results yielded invaluable information about what young adults think about such issues as transport, child care, employment and education.

September on North Stradbroke Island (NSI) proved to be more manageable than previous years thanks to the ‘September on Stradbroke Task Force’. Redland Shire Council joined representatives from the Queensland

Department of Communities, Queensland Police, Queensland Health and schools to develop strategies to promote a safe environment for visitors and residents during the September school holidays following anti-social behaviour in previous years.

## Seniors

Home Assist Secure (HAS), funded by the Queensland Government and sponsored by Redland Shire Council, celebrated 10 years of service in the Redlands and signed up its 10,000th client.

This invaluable service assists older people and people with a disability who want to stay living in their own home, with home maintenance, repairs and security.

## Community Development

In a significant step forward towards positive community development on North Stradbroke Island, Council signed

a *Shared Responsibility Agreement*, committing the signatories to work together to deliver positive outcomes for indigenous communities.

The Council has made a substantial contribution to building the capacity of the Island community, with the Community Development Team undertaking a number of projects on NSI since 2000.

## Redlands Culture

A directory of the rich and vibrant cultural resources of the Redlands is now available online through the ‘Treasures of the Redlands’ internet portal.

Compiled from information gathered from a cultural mapping report of the Shire, the site features 180 groups and 30 cultural ‘hotspots’ including theatres, galleries, libraries and community facilities and an area for the community to advertise upcoming events.





Residents in the southern part of the Shire and the southern Moreton Bay island communities celebrated the long-awaited opening of the Victoria Point Library in June by the Mayor of Redland Shire and the State Librarian, Lea Giles-Peters.

A total of 48,000 items were unpacked into the modern, two-storey building in the heart of the Victoria Point shopping precinct.

On the first day, 2,337 items were borrowed and during the first week over 19,000 people visited the new library.

### Special Events

The Redlands community turned out in force very early in the morning on 1 February 2006 to welcome the Melbourne 2006 Commonwealth Games Queen's Baton to Cleveland.

Several local identities had a once-in-a-lifetime opportunity to be part of sporting and cultural history, as the world's longest, most inclusive relay made its way across Australia to the Melbourne 2006 Commonwealth Games.

### Redland Shire Council Australia Day Awards 2006

#### Community Organisation Award

– Redland Museum Inc.

#### Community Service Award – Dell Bonner

**Cultural Award** – Joann Bevan (posthumously)

#### Environmental Achievement Award

– Capalaba Rotary Club

#### Sports Award – Murray Taylor (surfing)

#### Young Citizen of the Year Award

– Sasha Garner

#### Citizen of the Year Award –

Rosemary Skelly

## Key Projects

Each year we report on our key projects, as outlined in our 2002–06 Corporate Plan Strategic Priorities, as a snapshot of our performance.

The following tables show how projects we identified in our 2004–05 Annual Report 'Looking Forward' section have progressed.

Council had its most successful year in terms of awards. They included:

- Award of Excellence – Institute of Internal Auditors' 2005 Queensland Public Sector Annual Report Awards
- Excellence in Performance Management – CPA Australia, in which Council was noted as a benchmark for other local government organisations
- Commendation in Risk Management Excellence Awards – Local Government Mutual Liability Pool
- National Excellence Award – Customer Service Institute of Australia
- 2006 National Trust of Queensland Heritage Award for heritage trails produced by Council for Cleveland, Ormiston and North Stradbroke Island
- Spatial Sciences Institute Award – group award for Redlands Planning Scheme mapping
- Greening the Boardroom Awards – Queensland Corporate Citizen.

### Natural Environment

| Project/Activity                    | Objective  | Status | Expenditure |
|-------------------------------------|--|--------|-------------|
| Bushland and vegetation maintenance | Protection, maintenance and enhancement of the health of bushland and vegetation through Community Bushcare Program, bushcare grants, fire management, grass cutting and general maintenance; largely funded from the environment charge reserve. Part of this project was also the revegetation of the riparian corridor for Coolnwynpin Creek. |        | \$2,331,871 |
| Conservation land acquisitions      | The most significant was the purchase of two large foreshore lots at Fernbourne Road, Wellington Point. This land adjoins Geoff Skinner Reserve and is a wonderful land base for visitor access.   |        | \$731,881   |
| Coolnwynpin Creek energy dissipater | Construction of an energy dissipater at Coolnwynpin Creek to reduce soil erosion. Stage 1 completed.   |        | \$174,128   |
| Macleay Island heritage trail       | Construction of a boardwalk along Charles Terrace through the Tim O'Shea Wetland. Project delayed due to rain.   |        | \$76,776    |
| Coochiemudlo Island trail           | Construction of a 300 m long, 2.54 m wide concrete path to link from Victoria Parade through the existing quarry, completing the final linkage around the island.  |        | \$44,642    |

**Ongoing budget item:** this is a yearly budget item, but has been successfully completed for the 2004–05 financial year

**In Progress:** project is still under way


**Complete:** project is finished.


## Natural Environment (cont'd)


|                                |  |   |          |
|--------------------------------|--|---|----------|
| Cities for Climate Protection  | This program aimed at educating sales staff of a local business and the community on sustainable consumer choices to save money and energy at the point of purchase. | ✓ | \$38,468 |
| Fellmonger Park trail          | Construction of a 219 m long, 2.5 m wide concrete path to improve the heavily used track running parallel to the creek is complete.                                  | ✓ | \$38,151 |
| Litter Strategy                | A marketing plan was developed including implementation of targeted anti-littering programs.   | ✓ | \$33,410 |
| Reduce koala traffic deaths    | Implemented the Koala Action Plan adopted by Council in 2004.  | ✓ | \$25,054 |
| State of Environment reporting | All stages of the State of Environment reporting are now complete. Stage 5 involved preparation of RSC's inaugural State of Environment Report.                      | ✓ | \$25,000 |

## Physical Character















| Project/Activity   | Objective  | Status | Expenditure |
|--|--|--------|-------------|
| Infrastructure Charges Schedules                             | The schedule is due to be put in place in first quarter of 2006–07. It is required to identify the development of infrastructure items to be funded and the estimated timing of provisions.  | →      | \$371,646   |
| Redlands Planning Scheme                                     | Planning Scheme adopted and came into effect on 30 March 2006.   | ✓      | \$189,615   |
| Local Area Plans   | Completion of structure planning and preparation of statutory land use control provisions for inclusion within the Redlands Planning Scheme.   | →      | \$107,775   |
| Swimming pool inspection project 1991–98                     | Undertake a systematic swimming and spa pool inspection program to target pools approved by Council between 1991 and 1998 that do not have final recorded reports. Approximately 3,000 to 4,000 pools need to be inspected over a 2-year period.   | →      | \$79,794    |
| Integrated Local Transport Plan implementation               | Includes administering costs of convening the Redlands Transport Implementation Group (RTIG) and the Redlands Transport Working Group (RTWG), plus administering and reviewing implementation of the Shire's Integrated Local Transport Plan, Transport 2016. Mid-term review of the plan continues until December 2006. | →      | \$69,019    |
| Certificate of Classification Audits on Commercial Buildings | Undertake a systematic commercial building inspection program to target commercial developments approved by Council from 1992 to present. An estimated 300 to 400 commercial developments are to be inspected in a 12–18 month period. Project has commenced and will continue in the next financial year.               | →      | \$14,603    |
| Plumbing connections to sewer on Coochiemudlo Island         | Approximately 548 existing dwellings need to be connected to the sewer as soon as the sewer installation is complete. Project has been delayed and is due to be completed in 2006–07.  | →      | \$11,534    |

 **Ongoing budget item:** this is a yearly budget item, but has been successfully completed for the 2004–05 financial year

 **In Progress:** project is still under way

 **Complete:** project is finished.

## Essential Services

| Project/Activity   | Objective   | Status  | Expenditure  |
|--|---|---|--------------|
| Roads and drainage infrastructure development                                  | Maintenance of roads, drainage infrastructure, including bikeways, footpaths, kerb and channelling, street lighting and maintenance of gravel roads.  |    | \$24,231,271 |
| Coochiemudlo Island sewerage   | Improve sewerage reticulation to Coochiemudlo Island. Over 70% of the project is complete with remainder due to be completed in the next financial year.  |    | \$4,864,808  |
| Southern Moreton Bay islands water reticulation                                | Extend water reticulation to the southern Moreton Bay islands to meet demand.   |    | \$3,318,950  |
| Road resurfacing and rehabilitation  | Pavement rehabilitation and resealing of existing roads within the Shire. Bulk of the planned works is complete with asphalt overlays to be carried out in the following financial year.  |    | \$2,548,020  |
| Seal gravel roads  | Sealing of existing gravel roads across various locations in the Shire.   |    | \$2,485,349  |
| Residential streets  | Improvements to the Shire's existing road network including kerb and channel, bitumen widening and edge restraints.   |   | \$1,920,599  |
| Fire detection and suppression upgrade – water and wastewater treatment plants | Installation of fire monitoring and suppression system for North Stradbroke Island Water Treatment Plant and Dunwich Wastewater Treatment Plants (WWTP). Installation of monitoring system for all other mainland WWTP.   |  | \$910,013    |
| Bikeways   | The most significant bikeway, amongst 15 others, is the extension of Moreton Bay cycleway towards Birkdale. Three other bikeways are due to be finalised next financial year. Works included construction of new paths, extension of existing paths or widening of existing paths.  |  | \$902,556    |
| Intersections  | Improvements to existing intersections including signals, installation of splitter islands, line marking, additional turning lanes and service vehicle turnarounds are now largely complete. Major projects include new traffic signals at the corner of Mt Cotton Road and Holland Crescent and at Riverton Drive and Old Cleveland Road East. All projects completed apart from Mt Cotton intersection. |  | \$630,854    |
| Wastewater SCADA system  | Continued connection of sewer pump stations to Redland Water & Waste's telemetry system, to improve fault finding and quick response to rectify problems in the system such as overflows. Contractor has commenced work on project. Major material items have been received.  |  | \$504,491    |
| Footpaths  | The provision of additional concrete footpaths.   |  | \$414,967    |
| Bitumen widening   | Widening of bitumen on existing roads and, in some instances, providing kerb and channel.   |  | \$411,823    |
| Water conservation and re-use  | Undertake initiatives to promote water conservation and re-use within the Shire. Final report has been received for recycled water project and project is now completed.  |  | \$363,806    |
| School Safe  | Planned safety improvements to local schools including car parking provisions at Cleveland State High School and relocation of traffic signals and parking improvements at Wellington Point State School are completed.   |  | \$377,171    |

## Essential Services (cont'd)

|  |  |   |           |
|--|--|---|-----------|
| Water supply reservoirs  | Construct new water supply reservoirs at Heinemann Road, Redland Bay, Alexandra Hills and Dunwich. Explore an option to refurbish Dunwich. The new reservoirs will provide additional bulk storage of potable water for existing and future Shire water demands.   | → | \$277,567 |
| Heinemann Rd Reservoir   | A new 22.3 ML reservoir will provide additional potable water storage for existing and future water supply demands.  | → | \$214,229 |
| Capalaba Water Treatment Plant – Powder Activated Carbon Plant | Investigate and install new Powder Activated Carbon Plant to ensure effective toxin removal from raw water taken from Leslie Harrison Dam. Construction continuing and scheduled for completion in 2006.   | → | \$205,096 |
| Water meter replacements                                       | Meter replacement strategy – undertake water meter checks and meter replacements across the Shire.   | ↻ | \$180,982 |
| Drainage   | Drainage improvements were done in Brewer St – Birkdale Road in Capalaba; Carinya House drainage and parking upgrade including completion of works at Valley Road, Wellington Point.   | ✓ | \$136,149 |
| Local area traffic management                                  | All planned installations of local area traffic management devices have been completed at various locations including entry statements in the Whepstead precinct, Wellington Point.  | ✓ | \$115,806 |
| Sewer infiltration and management                              | Scoping study for the project was delayed which, in turn, delayed sewer flow gauging. Optimal weather conditions for gauging to commence were missed because of this delay. Smoke testing and manhole inspections in catchment 41 and draft specification and draft tender documents for sewer flow gauging and modelling have been developed. | → | \$91,466  |
| Point Lookout sewerage   | Upgrade the WWTP to BNR standard to minimise the environmental impact. Construction works to be staged over five years. Planned scope of works for 2005–06 completed successfully.   | ↻ | \$86,769  |
| Point Lookout sewerage reticulation                            | Complete the reticulation of Point Lookout township. Reticulation design completed. Construction works will be staged over five years. Planned scope of works for 2005–06 completed successfully.  | → | \$60,107  |
| Foreshore protection   | Construction of rock revetment walls to control erosion at Commodore Drive Park and Sleath Street. Designs are complete, now waiting for permits. Delays in scope have influenced future permits and construction.   | → | \$20,912  |
| Planning and upgrading Toondah Harbour passenger terminal      | Planning and design work to continue.  | → | \$20,000  |

↻ **Ongoing budget item:** this is a yearly budget item, but has been successfully completed for the 2004–05 financial year  
 → **In Progress:** project is still under way      ✓ **Complete:** project is finished.



## Community Health and Wellbeing

| Project/Activity                                    | Objective   | Status | Expenditure |
|---|---|--------|-------------|
| Upgrade of caravan parks                            | Nearly 50% of planned developments in North Stradbroke Island caravan parks and camping grounds have been completed while others have designs completed and are due to be constructed in 2006–07 financial year.  | →      | \$1,527,624 |
| Victoria Point Library fit-out                      | New library fit-out, including IT infrastructure, was completed.  | ✓      | \$1,097,592 |
| Dunwich Museum extension                            | Because of the extension of the Dunwich Museum, there is now a larger display area, workshop area for research and collection management, a reading room and public access areas.   | ✓      | \$261,756   |
| District parks improvements                         | Improvements to Three Paddocks and Windemere Rd parks are completed. Les Moore and Lions Parks are due to be completed in 2006–07.  | →      | \$240,501   |
| Cleveland Aquatic Centre improvements               | Plans cover upgrade and modernisation of Cleveland Aquatic Centre to provide additional leisure opportunities. This includes refurbishment and remodelling of existing amenities, development of a new leisure and toddlers' pool, BBQ and eating area and a double-storey building housing a gym, consultation and meeting rooms, plus provision of shade structures, a terraced grandstand and a new entry. Designs are developed and the project is now at tender stage. Construction to be completed 2006–07. | →      | \$110,220   |
| Master Plans – regional sportsfields                | Draft plans have been developed for master plans for the John Fredericks and Pinklands sporting facilities to improve community use, safety and amenity. The project is proceeding to community consultation.   | →      | \$62,372    |
| BMX Track – Three Paddocks Park, Wellington Point   | Construction of new BMX tracks in Three Paddocks Park, Wellington Point and on Russell Island is complete.  | ✓      | \$54,471    |
| Dog off-leash area – Hanover Drive, Alexandra Hills | Trial and construction of a dog off-leash area at Hanover Drive, Alexandra Hills, is now complete.  | ✓      | \$47,536    |
| Donald Simpson Centre Improvements                  | Construction of urgent and planned refurbishment following the Facility and Asset Management Plan is completed. This included climate control, lighting improvements and noise reduction. Some electrical work still needs to be completed.   | →      | \$40,455    |
| Disaster Communications Strategy                    | Development of Council's Disaster Communications Strategy and Redland Shire Community Readiness Plan to support the Local Disaster Management Plan, development of which is required under the <i>Disaster Management Act 2003</i> . Project is due to be completed in 2006–07.   | →      | \$38,387    |
| Redlands Performing Arts Complex                    | Construction of the Performing Arts Complex in Cleveland.   | →      | \$31,487    |
| Point Lookout Hall consultation and design          | Undertake consultation to review current and potential uses of the hall to ensure maximum usage; includes detailed design of future hall extensions. Project is due to be completed in July 2006.   | →      | \$19,196    |

## Community Health and Wellbeing (cont'd)

|   |  |   |          |
|---|--|---|----------|
| Redlands softball complex car park          | Design for sealing of Redlands softball complex car park and access road complete. The construction is awaiting softball complex refurbishment. All works are due to be completed in 2006–07.  | → | \$15,252 |
| Lighting upgrade to Bloomfield Street area  | Some improvements to lighting levels in Cleveland CBD area as part of improved public security and safety have been completed. The remainder of the project is to be completed in 2006–07.   | → | \$15,104 |
| Animal Management community education       | A community education strategy to educate pet owners about responsible pet ownership and how they can reduce the adverse impacts of dogs on koalas and the environment. Project is well underway and will be completed in the next financial year.             | → | \$10,881 |
| Community Grants Writing Assistance Program | A 12-month trial of this program is complete and evaluation is due to take place in 2006–07. The program gives community groups access to professional grant writers to help build the community group's capacity to produce competitive funding applications. | → | \$10,879 |

## Economic Growth

| Project/Activity                    | Objective   | Status | Expenditure |
|-------------------------------------|---|--------|-------------|
| Tourism development and marketing   | Further development and marketing of the Shire were undertaken to present it as a quality visitor destination. Initiatives were based on the Economic and Tourism Development Marketing Plan 2004–07. | 🔄      | \$379,500   |
| Investment attraction               | This project focuses on marketing the Shire as a competitive and attractive location for business development. Initiatives are based on the Redlands Marketing Plan recommendations.                  | 🔄      | \$111,376   |
| Business Grow                       | This is a confidential business expansion and retention visitation service that aims to assist business to access services, agencies and information.   | 🔄      | \$78,235    |
| Business sustainability initiatives | Fostering ecoBiz, a program that encourages a range of sustainable business management practices is now complete.   | ✓      | \$59,750    |

🔄 **Ongoing budget item:** this is a yearly budget item, but has been successfully completed for the 2004–05 financial year

→ **In Progress:** project is still under way      ✓ **Complete:** project is finished.

## Internal Priorities

### Organisational Leadership

| Project/Activity                        | Objective   | Status | Expenditure |
|---|---|--------|-------------|
| Community engagement standards          | Review delivery of policies, processes and training to ensure implementation of corporate standards for community engagement. The project is due to be completed in 2006–07.    | →      | \$19,817    |
| Development of Corporate Plan 2006–2010 | A new Corporate Plan has been developed to replace the current plan that expired in June 2006, providing a clear strategic direction for the organisation for the next 4 years. | ✓      | \$10,865    |

### Financial Management

| Project/Activity               | Objective  | Status | Expenditure |
|--------------------------------|--|--------|-------------|
| Purchase of South Street depot | Purchase of the depot site from the State Government to optimise future space utilisation for improved operations. | ✓      | \$3,433,396 |

### Knowledge Management

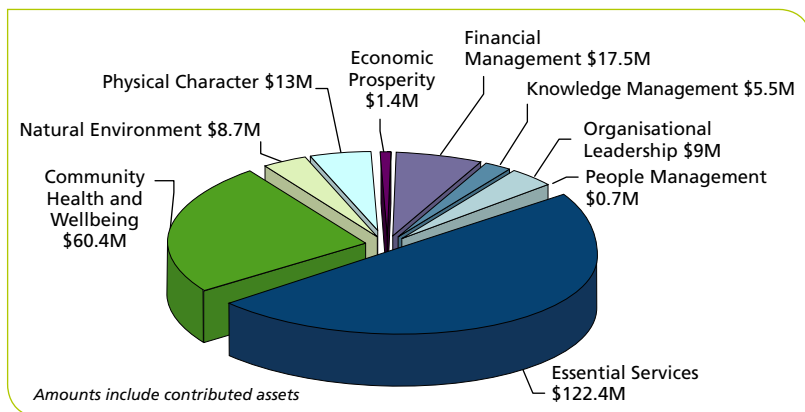
| Project/Activity                               | Objective  | Status | Expenditure |
|--|--|--------|-------------|
| Server replacement program                     | Cyclic replacement and upgrade of computer server hardware that supports corporate applications throughout Council and remote sites.   | ✓      | \$664,490   |
| E-learning and information technology training | This project involves commissioning online training modules and is due to be completed in 2006–07.   | →      | \$63,402    |
| Application workflow software                  | Software template has been purchased and installed. The product enables non-Information Management staff to visually define workgroup – corporate tasks that interact with existing systems. | ✓      | \$47,200    |
| Operational Record Keeping Plan                | Audit approximately 9,000 archive boxes and back scan hard copy plans into DataWorks for electronic storage. Project is in progress and is due to be completed in 2006–07.                   | →      | \$36,274    |

### People Management

| Project/Activity   | Objective  | Status | Expenditure |
|--|--|--------|-------------|
| Staff accommodation at Animal Pound                        | Refurbishment of a house located on the pound site to accommodate staff, providing improved staff amenity and enhancing operations.  | ✓      | \$259,349   |
| Auto timesheets  | Implement an automatic timekeeping system. The project is underway and is due to be completed in 2006–07.  | →      | \$98,133    |
| Workplace health and safety statutory requirement training | Statutory training of staff involved in areas such as 'confined space entry'.  |        | \$43,989    |
| Training facility – South Street depot                     | Erection of a demountable building to cater for training and staff relocation and to improve the work environment. Designs have been completed with construction due to be completed in 2006–07. | →      | \$1,960     |

# Looking Forward

The budgeted expenditure of \$238.6 million, including depreciation and contributed assets, is allocated to strategic community priorities as identified in the Corporate Plan. These include the following:



| Essential Services  | Budget      |
|---|-------------|
| <p><b>Reseals and Resurfacing</b><br/>The Reseals and Resurfacing Program involves the resealing of existing roads at numerous locations across the Shire.</p>  | \$3,000,308 |
| <p><b>Heinemann Road Reservoir</b><br/>The construction of a 22.3 ML reservoir required to provide additional potable water storage for existing and future water supply demands.</p>   | \$2,427,922 |
| <p><b>Residential Streets</b><br/>Improvements to the Shire’s existing road network, including the provision of kerb and channel, bitumen widening and edge restraints.</p>   | \$2,173,000 |
| <p><b>Seal Gravel Roads</b><br/>Projects involve the sealing of existing gravel roads across various locations within the Shire.</p>  | \$1,711,000 |
| <p><b>Marine Infrastructure Mainland</b><br/>The provision of new marine infrastructure on the Shire’s mainland, including North Stradbroke and Coochiemudlo Islands. 2006–07 projects include a ferry pontoon landing at Yabby Street, a floating pontoon at William Street at Raby Bay, improvements to the Weinam Creek Marine Commuter Facility and berthing pile replacements at the Victoria Point boat ramp.</p> | \$1,506,650 |
| <p><b>Toondah Harbour Maintenance</b><br/>Dredging of Toondah Harbour, Cleveland. Funding is expected to be obtained from Queensland Transport and from Toondah Harbour’s commercial operations.</p>  | \$1,140,002 |
| <p><b>Bitumen Widening</b><br/>Projects involve the widening of existing Shire roads and in some instances the provision of kerb and channel, including major works at Double Jump Road, Mt Cotton.</p>   | \$1,017,000 |
| <p><b>Footpaths</b><br/>The provision of new footpaths within the Shire. Projects include the construction of new paths, and extension or widening of existing paths. Paths may be located inside or outside road reserves.</p>   | \$849,000   |
| <p><b>Bikeways</b><br/>The provision of new bikeways within the Shire. Projects include the construction of new paths, and extension or widening of existing paths.</p>   | \$705,315   |

| Essential Services (cont'd)   | Budget    |
|---|-----------|
| <b>Intersections</b><br>Improvements to existing intersections within the Shire including signalisation, installation of splitter islands, line marking improvements, additional turning lanes and service vehicle turnarounds. Major works for 2006-07 include signalisation at Mt Cotton/School Road, Capalaba. | \$314,000 |
| <b>Drainage Program</b><br>Drainage improvements at various locations within the Shire.   | \$295,000 |
| <b>Transport Facilities</b><br>The provision of bus stops and lay bys at various locations with the Shire.  | \$270,712 |
| <b>Marine Infrastructure SMBI</b><br>The provision of new marine infrastructure on the southern Moreton Bay islands. 2006–07 projects include berthing pile upgrades at Lamb and Karragarra Islands and revetment wall works at Macleay and Karragarra Islands.   | \$261,886 |
| <b>Foreshore Protection</b><br>The provision of sea-walls at various locations within the Shire.  | \$216,064 |
| <b>Car Parking</b><br>The provision of public car parking within the Shire. 2006–07 works includes the provision of car and trailer parking at Dalpura Street, Macleay Island.  | \$213,218 |
| <b>Residential Water Incentive Program</b><br>Provide incentives for residents to install water-saving devices in their homes through retrofit/rebates to reduce overall residential water consumption.   | \$118,000 |
| <b>Plumbing Connections to Sewer on Coochiemudlo Island</b><br>Approximately 548 existing dwellings need to be connected to the sewer as soon as the sewer installation is complete. A plumbing inspector is required to undertake 3 inspections per property and prepare drainage plans.                         | \$117,458 |
| <b>Raby Bay Canal</b><br>Maintenance of the Raby Bay canal estate including repairs to various revetment walls, dredging, cleaning and other minor operating activities.  | \$115,000 |
| <b>School Safe Program</b><br>The School Safe Program is aimed at delivering safety improvement projects to local schools. The 2006–07 project involves the provision of on-street parking at Gordon Road for the Redland Bay State School.   | \$103,000 |
| <b>Aquatic Paradise Canal Maintenance</b><br>Maintenance of the Aquatic Paradise canal estate including repairs to various revetment walls, dredging, cleaning and other minor operating activities.  | \$76,000  |
| <b>Local Area Traffic Management</b><br>The installation of Local Area Traffic Management (LATMs) devices at various locations within the Shire.  | \$70,000  |

| Community Health and Wellbeing   | Budget      |
|--|-------------|
| <p><b>Redlands Performing Arts Complex</b><br/>Construction of the Performing Arts Complex in Cleveland. The total centre costs will be partly funded from a \$2.285 million State Government grant.</p>   | \$6,321,980 |
| <p><b>Cleveland Aquatic Centre Major Improvements</b><br/>Upgrade the Cleveland Aquatic Centre to a modern standard and provide additional leisure opportunities, including refurbishment and remodelling of the existing amenities; new leisure and toddler pool; BBQ and eating area; new double-storey building housing a gym, consultation and meeting rooms; shade structures; a terraced grandstand and a new entry.</p>   | \$1,914,120 |
| <p><b>Redlands Softball Complex Upgrades</b><br/>Redlands Softball Diamond Improvements (\$1,164,779) – Completion of the major upgrade to the Redlands Softball Centre at Hilliards Creek Park, Ormiston. Works include an international softball diamond incorporating lighting, grandstand seating and dugouts. The improvements will result in the facility becoming the State Softball Centre. The project is 100% funded from the Queensland Government.<br/>Redlands Softball Clubhouse Upgrade (\$555,866) – Extension of the existing Redlands Softball Clubhouse to house additional activities including boxing, a gymnasium and batting cages. The project is partly funded by the Queensland Government.<br/>Redlands Softball Complex Carpark and Pedestrian Bridge (\$141,748) – The construction of a new pedestrian bridge to provide safe access to the playing fields from the newly constructed car park on the eastern side of the creek.</p> | \$1,862,393 |
| <p><b>Upgrade of Caravan Parks</b><br/>Continuation of upgrade of caravan parks and camping grounds in the Shire. This includes upgrades to power, water, sullage, recreation facilities and camp kitchens.</p>  | \$1,137,382 |
| <p><b>Redlands Youth Plaza</b><br/>The construction of Redland Shire's first regional ramp park in Capalaba. The facility will be a multi-use facility, catering for a wide range of sporting, recreational and cultural activities. The main focus of the plaza will be for skate boards, bicycles and music/youth events.</p>  | \$800,000   |
| <p><b>Russell Island Swim Centre</b><br/>Council's contribution (including a 2004–05 special levy fund held in reserve) towards the construction of a new swimming pool and amenity block on Russell Island.</p>   | \$780,812   |
| <p><b>Capalaba Regional Park Playground Stage 3</b><br/>Completion of the upgrade of the Capalaba Regional Park as per Council's Master Plan. Works include new pedestrian paths, new play features, new furniture, landscaping, turf and trees.</p>   | \$750,000   |
| <p><b>Improvements to Cleveland Showgrounds</b><br/>Continuation of improvements to the Cleveland Showgrounds as identified in the Cleveland Showgrounds Master Plan. Projects may include the removal of the Expo toilets and cricket pitches and a new paved plaza and the grassing of a community common area.</p>  | \$315,000   |
| <p><b>Parks-Land Acquisitions</b><br/>The acquisition of small land parcels within the Shire for dedication as local parks.</p>  | \$300,000   |
| <p><b>Point Lookout Hall Extension</b><br/>Extension of the Point Lookout Community Hall in accordance with the recommendations of the Point Lookout Community Hall consultation and design project.</p>   | \$290,000   |

| Community Health and Wellbeing (cont'd)  | Budget    |
|--|-----------|
| <p><b>Donald Simpson Centre Improvements</b><br/>Improvements to the Donald Simpson Centre including an electrical upgrade and the installation of an acoustic ceiling, acoustic treatment and air-conditioning in the large activity room.</p>  | \$240,000 |
| <p><b>Flinders Beach Toilets</b><br/>Installation of gates and the provision of signage for the closure of Flinders Beach to 4WDs during king tides and peak visitation times.</p>   | \$183,149 |
| <p><b>Ross Creek Bikeway Safety Lighting</b><br/>Installation of solar overhead lighting along the pedestrian walkway/bikeway adjacent to Waterloo Street at the Cleveland Showgrounds, from Ross Court to Beach Street. The lighting will provide consistent levels of lighting, which will result in improved safety.</p>                          | \$149,000 |
| <p><b>District Parks – Les Moore Stage 2</b><br/>Stage 2 of the Les Moore Park upgrade as per Council's Master Plan. The upgrade includes a picnic pergola, BBQ's, park furniture, play equipment and landscaping.</p>   | \$141,400 |
| <p><b>Sportsfield Refurbishment General</b><br/>Upgrade and improve the playing surface at Keith Surridge Park and Sel Outridge Oval to meet requirements for safe playing conditions and to appropriate competition standards.</p>  | \$120,000 |
| <p><b>Swimming Pool Inspection Project 1991–98</b><br/>Continuation of the systematic swimming and spa pool inspection program targeting Council approved pools, from 1991–98, with no recorded finals. An estimated 3,000 to 4,000 pools are to be inspected over the duration of the project.</p>  | \$104,100 |
| <p><b>PCYC Extension</b><br/>The provision of a capital grant to the PCYC for the extension of the existing building, including a dedicated gymnastics facility and a multi-purpose room.</p>  | \$100,000 |
| <p><b>William Taylor Sportsfield</b><br/>Replacement of the existing facilities with a new disability facility, which will be available for use by the public and tennis participants at the William Taylor Sportsfield.</p>   | \$95,150  |
| <p><b>Valentine Park Safety Lighting</b><br/>Installation of solar overhead lighting along the pedestrian walkway/bikeway in Valentine Park. The new lighting will result in improved safety for commuters and recreational walkers.</p>   | \$86,000  |
| <p><b>Removal of Asbestos from All Council Facilities</b><br/>This project will enable the removal of asbestos sheeting in public facilities.</p>  | \$76,000  |
| <p><b>Dehumidifier Redland Art Gallery</b><br/>To install a dehumidifier at the Redland Art Gallery to attract touring exhibitions from major galleries such as the National Gallery and the Australian War Museum.</p>  | \$73,458  |
| <p><b>Cultural Festivals Strategy – Stage 1</b><br/>Stage 1 of a 5-year project to achieve local, national and international appeal and will be undertaken in partnership with the Creative Industries Department of the Queensland University of Technology. Stage 1 will develop a strategy that will seed imaginative iconic cultural events.</p> | \$24,200  |

| Physical Character   | Budget      |
|--|-------------|
| <p><b>Streetscapes</b></p> <p>The provision of new streetscapes within the Shire. 2006–07 projects include the Cleveland Town Centre on Middle Street West and the Dunwich Town Centre on North Stradbroke Island.</p>   | \$627,625   |
| <p><b>Local Area Plans</b></p> <p>This project involves the completion of structural planning and the preparation of statutory land use control provisions included within the Redlands Planning Scheme (RPS) for the areas of south-east Thornlands and Kinross Road, Capalaba and Cleveland Town centres.</p>  | \$290,000   |
| <p><b>Shire Entry Signs</b></p> <p>Improve the entry way to the Shire by the erection of lighting, signs and soft landscaping.</p>   | \$105,500   |
| <p><b>Local Growth Management Strategy</b></p> <p>The Local Growth Management Strategy will be Council's plan outlining how policies embodied in the SEQ Regional Plan will be implemented at the local level. The primary role of the strategy is to identify the location, extent and nature of urban growth.</p>  | \$75,000    |
| <p><b>New Redlands Planning Scheme Affecting Building Works</b></p> <p>The new planning scheme introduces a full Integrated Development Assessment Systems (IDAS) process for all siting variations. This will add approximately 450 applications through either Material Change of Use (MCU) or Preliminary Building Applications (BA) for siting variations. This will require an additional development assessment officer.</p> | \$65,013    |
| <p><b>Certificate of Classification Audits on Commercial Buildings</b></p> <p>The completion of a systematic commercial building inspection program targeting Council approved commercial developments from 1992 to present. An estimated 300 to 400 commercial developments are to be inspected.</p>  | \$55,000    |
| Natural Environment  | Budget      |
| <p><b>Bushland and Vegetation Maintenance</b></p> <p>Activities involve the protection, maintenance and enhancement of the health of the Shire's bushland and vegetation. Activities include the Community Bushcare Program, fire management, grass cutting and general maintenance. This is largely funded from the Environment Charge Reserve.</p>   | \$2,429,353 |
| <p><b>Coastal and Waterways Management</b></p> <p>Aquatic weed control, catchment management, foreshore and marine protection and beach erosion rectification.</p>   | \$1,038,625 |
| <p><b>Environment Education and Awareness</b></p> <p>The activities of this area include the operation of IndigiScapes, school programs, habitat protection and 'Your Backyard' program.</p>   | \$830,799   |
| <p><b>Coolnwynpin Creek Energy Dissipater</b></p> <p>Stage 2 of the construction of a natural channel directly adjacent to the Stage 1 stormwater flow dissipater.</p>   | \$160,000   |
| <p><b>Fire Management Planning</b></p> <p>Undertake a fire break report for North Stradbroke Island, which will establish the required fire break type for all Council owned or managed land on North Stradbroke Island.</p>   | \$60,000    |
| <p><b>John Fredericks Park Track</b></p> <p>The construction of a 3 m wide concrete track from Old Cleveland Rd to the Koala trail through John Fredericks Park.</p>   | \$53,000    |
| <p><b>Fellomonger Park Track</b></p> <p>Design and construction of a 50 m long x 2.5 m wide concrete path from the bridge to existing track running parallel to Sturgeon Street, Ormiston.</p>   | \$41,000    |



| Economic Prosperity   | Budget    |
|---|-----------|
| <p><b>Tourism Development and Marketing</b></p> <p>This project focuses on the development and marketing of the Shire as a quality visitor destination. The initiatives are based on the Redlands Marketing Plan recommendations.</p>   | \$421,500 |
| <p><b>Investment Attraction</b></p> <p>This project focuses on the marketing of the Shire as a competitive and attractive location for business development. The initiatives are based on the Redlands Marketing Plan recommendations.</p>  | \$132,500 |
| <p><b>Business Grow</b></p> <p>Business Grow is a confidential business expansion and retention visitation service that aims to assist businesses to access services, agencies and information available within the Redland Shire.</p>  | \$81,000  |
| <p><b>Redlands Trade and Investment Office</b></p> <p>The project involves the establishment of the Redlands Trade Office and investment showcase in Guangdong Province, China. The office will provide assistance to Redland business on the Chinese market, export assistance, inward foreign investment and foster education partnerships.</p> | \$30,000  |

# Redland Water & Waste Highlights

Redland Water & Waste is a commercial business unit of Redland Shire Council responsible for water supply, wastewater treatment and solid waste management services.



## A Message from our General Manager – Jim Pruss



The past year has seen the team at Redland Water & Waste (RWW) dedicate an enormous amount of time to nearly every facet of water. Staff from RWW have been at the forefront of water-saving initiatives in the Shire. In addition to our commitment and contribution to the restrictions regime currently in place in south-east Queensland we have also implemented a successful home retrofit service, Council retrofit scheme and discount voucher program. RWW have also restructured water pricing, introduced metered standpipes and commenced a

meter replacement program. The focus and effort around water is not likely to end in the foreseeable future as the drought continues and the population continues to grow.

Amongst all this activity on water it would be easy to miss all the other significant achievements through the year. The Treatment Operations team reduced wastewater treatment plant noncompliances from 19 to 4. The combined Waste team developed and awarded the new waste collection contract that will serve the Shire for the next 10 years. The Technical Support team has continued to deliver high-standard water analysis work under

tight and demanding deadlines. The Customer Service and Reticulation teams, in addition to their continued high standard of customer service, introduced the Maxworks system to better track and plan underground asset maintenance.

In addition to RWW's ongoing focus on customer service and activities designed to modernise the way we think about and manage water and waste, safety will also be a priority in the new financial year to remove and control injuries and hazards in the workplace. With these goals and other challenges in mind I look forward to many more successes in the 2006–07 financial year.

RWW's mission is to meet or exceed agreed standards of water, wastewater and waste management services while managing the business for long-term success.

RWW contributes to preserving the Shire's quality of life by servicing the population through 46,657 water connections, 43,537 wastewater connections, 50,131 weekly refuse and 50,110 fortnightly recycling services.

In 2005–06, RWW supplied 15,107 megalitres of drinking water and treated 10,588 megalitres of wastewater. Recycling rates for kerbside collection were up from 19% in 2004–05 to 23% this year.

## Statutory Obligations

*The Water Act 2000* requires water and wastewater service providers to prepare an annual report on their approved Strategic Asset Management Plan and their submitted Customer Service Standards each financial year.

This annual report provides customers and the regulator, The Department of Natural Resources, Mines and Water, with information on:

- results of reviews and audits of our Strategic Asset Management Plan
- results of reviews of our Customer Service Standards
- actual performance against targets set in the Strategic Asset Management

Plan and Customer Service Standards (including deficiencies)

- key actions taken to implement the Strategic Asset Management Plan including funding.

Apart from water and wastewater RWW also undertakes a third important activity for the Shire, waste management services. Whilst waste has no reporting obligations under the *Water Act 2000*, RWW has a requirement to publicly report on its performance. This meets the requirements of the *Local Government Act 1993*.

This report details RWW's performance for 2005–06 financial year and fulfils the business unit's obligations under the *Local Government Act 2003* and the *Water Act 2000*.

## Major Activities and Achievements

### Social Sustainability

- Completed residential water retrofit program. Water-saving devices were retrofitted to approximately 480 homes in the Shire
- Completed Council internal water efficiency retrofit
- Coordinated business water efficiency plans for approximately 60 businesses in the Shire
- Undertook various water education and promotion initiatives
- Completed smart meter trials and development of meter replacement strategy for the ongoing replacement of water consumption meters for commercial and residential properties in the Shire. This is part of RWW's 10-year capital works program
- Completed work order and asset management system 'Maximo' implementation
- Reduced water use across the Shire by 23.5% in 2005–06
- Winner of Regional Collaboration award for ecoBiz
- Winner of LGAQ Best Paper Recycler 2004–05

### Water

Water sources: Leslie Harrison Dam, Herring Lagoon, borefield and township bores on North Stradbroke Island

|                      |           |
|----------------------|-----------|
| Treatment plants     | 5         |
| Reservoirs           | 20        |
| Length of water main | 1202.2 km |
| Water meters         | 46,657    |
| Water treated        | 15,107 ML |
| Water billed         | 13,304 ML |
| Total assets         | \$225M    |

### Wastewater

|                                 |                  |
|---------------------------------|------------------|
| Treatment plants                | 7                |
| Pumping stations                | 125              |
| Length of sewer main            | 1029.1 km        |
| Active services                 | 43,537           |
| Wastewater treated              | 10,588 ML        |
| Sludge for re-use               | 100% (17,052 wt) |
| Recycled effluent for re-use    | 685 ML           |
| Trade waste generators          | 409              |
| Trade waste discharged to sewer | 746 ML           |
| Total assets                    | \$301M           |

### Waste Management

|   |                                      |
|---|--------------------------------------|
| Households with a waste and recycling service       | 50,131 (waste)<br>50,110 (recycling) |
| Landfill sites                                      | 1                                    |
| Hardfill (construction and demolition sites)        | 2                                    |
| Transfer stations                                   | 8                                    |
| Total kilos of domestic waste landfilled per capita | 446.6 kg                             |
| Total assets  | \$16M                                |

**Financial Sustainability**

- Completed ‘Wasteman’ software upgrade and installation, including training. Wasteman is the system by which incoming waste to waste transfer stations is recorded and receipted
- Constructed ‘Gypsumator’ to clean ponds at waste transfer stations. Gypsum is mixed with water to spray on ponds, which sink suspended solids so they can be pumped out of the water
- Implemented use of metered hydrant standpipes by external parties within the Shire to ensure fairness in the water retailing system
- Completed the design and continued with installation of the wastewater pump stations’ ‘SCADA’ system upgrade
- Completed the design and construction of the fire detection and suppression system for North Stradbroke Island water treatment plant
- Completed design of Coochiemudlo Island wastewater scheme. The scheme provides for sewerage of Coochiemudlo Island properties. Wastewater will be pumped from the island to the mainland for treatment and to Victoria Point wastewater treatment plant
- Completed preliminary design, and provided technical services, in construction of two new reservoirs and refurbishment of one reservoir to increase water storage capacity
- Completed design and construction of Leslie Harrison Dam de-stratification works. The works provide for a better de-stratification process to minimise manganese and dam turnover
- Commenced contingency planning for water treatment
- Completed Capalaba wastewater treatment plant digester clean out to enable more effective breakdown of sludge and bacteria to form biosolids
- Completed Victoria Point wastewater treatment plant upgrade reducing



- effluent nitrogen and phosphorus entering Moreton Bay by up to 75% and 45% respectively
- Completed replacement of high lift pump and switchboards at Capalaba water treatment plant to reduce ongoing maintenance costs
- Completed two pump station upgrade projects

**Environmental Sustainability**

- Obtained approval for Point Lookout Native Title and Land Lease
- Undertook investigation of local recycled water opportunities
- Completed North Stradbroke Island landfill remediation. This involved the placement of an impermeable liner to stop water from infiltrating waste, which reduces environmental impacts
- Commenced planning for new waste facility to replace Birkdale landfill. Five Council sites are currently being assessed
- Completed design of Point Lookout sewer reticulation upgrade
- Completed public place recycling project, which involved the establishment of designated recycling areas
- Completed concrete recycling trial. Concrete at the Giles Road waste transfer station was crushed to

produce aggregate for road and drainage construction

- Completed design and construction of the Leslie Harrison Dam flood warning system. This system will become part of the Bureau of Meteorology ALERT network
- Completed construction of an odour biofilter at Capalaba wastewater treatment plant to capture and treat odour from the sludge concentrator process unit. The biofilter has significantly reduced the odour impact
- Commenced weevil production at Capalaba water treatment plant. This is a biological control for weeds. Weevils are bred in specially contained ponds and are then transferred to weed-concentrated areas where they feed
- Carried out environmental audits of water treatment plants as required by licence. Where possible immediate rectifications were carried out with the others placed in a capabilities program

**Organisational Sustainability**

- Established mobile map information ‘Red-E-Map’ access for field crews
- Completed ‘Customer Request Management’ upgrade for water, wastewater and waste requests
- Established Water Compliance Officer and Water Patrol Vehicle

## Operational Performance 2005–06

In fulfilling the obligations of its performance plan, RWW provided all stated services and functions for:

- Water harvesting, treatment and supply
- Wastewater collection and treatment
- Kerbside waste and recycling collection and disposal and waste management

RWW also:

- Reported monthly to Council on water and effluent quality, solid waste activities, customer service statistics, financial and capital project status
- Complied with Council's Corporate Plan, policies and procedures, and Integrated Environmental Management System

## Community Service Obligations

As required by Council, RWW provided a number of services to the community. Council reimbursed RWW the cost of providing these services known as Community Service Obligations.

For water and wastewater, this includes reduced water and pedestal charges for 'not-for-profit' sporting and community organisations.

For waste, this includes:

- Waste disposal concessions to schools and not-for-profit organisations
- Conduct of Clean Up Australia Day
- Birkdale sanitary landfill site remediation
- Waiver of disposal fees for sharps bins

## Our Strategic Asset Management Plan Performance

### Asset Management

Strategic Asset Management Plans (SAMP) ensure continued supply of services for customers and help RWW maintain their assets and plan for future needs to meet customer demand. These plans also provide performance

indicators and targets for service standards. This annual report compares those targets with actual performance.

### Audits

Legislation requires that RWW undertake regular audits of its Strategic Asset Management Plan. Generally audits are required at intervals ranging from two to five years. The Department of Natural Resources, Mines and Water sets the time intervals for audits. Additionally the Department can arrange for spot audits in certain circumstances. This year an audit of our 2005–06 Plan was undertaken in May 2006 by auditor Craig Teske (RPEQ No. 4157) from GHD Pty Ltd and completed in June 2006. No amendments were made to the Plan as a result of the audit. The audit report was submitted to the Department 23 June 2006.

Key findings include:

- The RWW Strategic Asset Management Plan was found to be comprehensive, sound and compliant in its content and direction
- RWW was found to demonstrate commitment in meeting its service standard targets through appropriate and funded strategies
- Performance data was found to be generally managed accurately and reliably, with some minor exceptions. Exceptions relate to minor discrepancies between the number of events recorded in the original data and the total figures reported in the 2004–05 Annual Report for:
  - The number of unplanned water interruption events – varied by one event
  - The number of water main breaks and leaks per 100 km of main – varied by 0.73 events per 100 km of main
  - The number of sewage overflows per 100 km of main – varied by 1.37 events per 100 km of main

- RWW was found to demonstrate competency in its capability to meet the nominated service standards over the next 5–10 years at current service growth rates.

Key recommendations include:

- Review key performance indicators (KPIs) and targets, definitions and measures and reporting of Annual Report performance data
- Review performance monitoring, procedures, and general staffing issues (ie. risk management and retention) to develop strategies for improvement of technical capability

Actions, planned and undertaken, to implement changes regarding KPIs and targets include:

- Ensure uniformity in performance monitoring/recording procedures and reporting of KPIs across all business units and reporting areas through the use of standardised job forms and data entry
- Reassess KPIs for water main breaks and leaks (to include hydrant repairs) and sewer overflows (to account for variable rainfall conditions)
- Reassess recording procedures for flow test results and sewer overflows due to infrastructure faults to simplify internal performance reviews.

Actions, planned and undertaken, to implement changes regarding performance monitoring include:

- Business performance awareness to be expanded to all contributing staff and contractors
- Undertake an internal review/audit after the implementation of new procedures
- Assess resources to fully implement a suitable risk management system
- Address issues with retention and access to corporate experience and knowledge.

### Confidence Grading

The Department of Natural Resources, Mines and Water guidelines for preparing Strategic Asset Management Plans require service providers to indicate confidence grading for the data in the annual report (including an explanation of low confidence levels). The confidence levels (reliability and accuracy bands) used are consistent with Department guidelines. The following key explains the reliability and accuracy bands.

### Reliability Bands

| A – Highly reliable  | B – Reliable   | C – Unreliable  | D – Highly unreliable  |
|--|--|---|--|
| Data is based on sound records, procedures, investigations, or analyses that are properly documented and recognised as the best available assessment methods | Generally as in 'A', but with minor shortcomings, for example, some documentation is missing, or assessment is old, or some reliance on unconfirmed reports, or some extrapolations made from records of more than 50% | Generally as in 'A' or 'B' but data is based on extrapolations from records covering more than 30% but less than 50%. | Data is based on unconfirmed verbal reports or cursory inspections or analysis, including extrapolations from such reports/inspections/analysis. |

### Accuracy Bands

|   |        |   |        |   |         |   |         |   |         |   |          |
|---|--------|---|--------|---|---------|---|---------|---|---------|---|----------|
| 1 | +/- 1% | 2 | +/- 5% | 3 | +/- 10% | 4 | +/- 25% | 5 | +/- 50% | 6 | +/- 100% |
|---|--------|---|--------|---|---------|---|---------|---|---------|---|----------|

### Key Performance Indicators

A summary of our KPIs, targets, actual performance and confidence gradings is outlined below. Where performance has not met the minimum targets set, comments qualifying the data are provided, including actions to be taken.

| Key Performance Indicator   | Measure                       | Target    | Actual   | Satisfactory | Reliability | Accuracy |
|---|-------------------------------|-----------|----------|--------------|-------------|----------|
| <b>Water</b>  |                               |           |          |              |             |          |
| <b>Day-to-day continuity</b>  |                               |           |          |              |             |          |
| Relative incidence of planned and unplanned interruptions                   | Ratio (not greater than)      | 4:1       | 1.1:1    | ✓            | A           | 1        |
| <b>Adequacy and quality of normal supply</b>                                |                               |           |          |              |             |          |
| Poor pressure complaints  | No. per 1,000 connections     | Max 1.52  | 0.08     | ✓            | A           | 1        |
| Drinking water quality and specific standards for physical/chemical quality | % compliance ADWG             | %         | %        | ✓            | A           | 1        |
|   | E Coli                        | Min 99.9  | 100      | ✓            | A           | 1        |
|   | Manganese                     | Min 98    | 100      | ✓            | A           | 2        |
|   | pH                            | Min 98    | 95.3 (1) | ✗            | A           | 2        |
|   | Aluminium                     | Min 95    | 100      | ✓            | B           | 2        |
|   | Chlorine                      | Min 95    | 100      | ✓            | B           | 2        |
|   | Trichloromethanes             | Min 95    | 100      | ✓            | B           | 2        |
| <b>Continuity in the long-term</b>  |                               |           |          |              |             |          |
| System water loss   | Litres per connection per day | Max 150 L | 105.8 L  | ✓            | A           | 2        |
| <b>Other</b>  |                               |           |          |              |             |          |
| Operating, maintenance and admin costs per property serviced                | Dollars                       | ≤\$180.00 | \$169.25 | ✓            | A           | 1        |

(1) pH variations occurred on a number of occasions due to lime dosing problems on North Stradbroke Island. The lime dosing silo is being modified to ensure reliable performance.

(2) System water loss is calculated based on unmetered/unaccountable water, which also includes water used for fire fighting purposes and water loss due to theft.

| Key Performance Indicator   | Measure                | Target     | Actual                            | Satisfactory | Reliability | Accuracy |
|---|------------------------|------------|-----------------------------------|--------------|-------------|----------|
| <b>Wastewater</b>   |                        |            |                                   |              |             |          |
| <b>Continuity in the long-term</b>                                    |                        |            |                                   |              |             |          |
| Wastewater main breaks and chokes                                     | No. per 100 km of main | Max 18     | 12.8                              | ✓            | A           | 1        |
| Sewer inflow and infiltration (ADWF/PWWF)                             | Ratio                  | <1:6       | Currently under investigation (1) | N/A          | N/A         | N/A      |
| <b>Other</b>  |                        |            |                                   |              |             |          |
| Overall percentage compliance with EPA licence                        | %                      | Min 97%    | 99.4%                             | ✓            | A           | 1        |
| Number of WWTP non-conformances with EPA licence over compliance year | No.                    | Max 19     | 4                                 | ✓            | A           | 1        |
| Nitrogen load from effluent discharge                                 | Average kg per day     | Max 110    | 52                                | ✓            | A           | 1        |
| Operating, maintenance and admin costs per property serviced          | Dollars                | ≤ \$210.00 | \$211.19                          | ✓            | A           | 1        |

(1) Sewer inflow and infiltration is currently being studied by GHD Pty Ltd to develop a comprehensive inflow and infiltration management and abatement program in accordance with RWW's Total Management Plan (TMP).

### Other Key Performance Indicators

| Key Performance Indicator   | Measure                | Target  | Actual | Satisfactory | Reliability | Accuracy |
|---|------------------------|---------|--------|--------------|-------------|----------|
| <b>Waste</b>  |                        |         |        |              |             |          |
| % recyclable material from garbage bins diverted from waste stream      | %                      | Min 20% | 23%    | ✓            | A           | 1        |
| Number of missed wheelie bin services collected outside one working day | No. of services        | Max 9   | 12 (1) | ✗            | A           | 1        |
| Number of missed wheelie bin services each year                         | No. of services        | Max 500 | 359    | ✓            | A           | 1        |
| % compliance with EPA requirements                                      | %                      | Min 98% | 98%    | ✓            | A           | 1        |
| Total kilos of domestic waste landfilled per capita                     | Kg per person per year | 470     | 446.6  | ✓            | A           | 1        |

(1) Due to an above-average number of missed services in the month of June 2006 (three missed services), the target for the year was not met. This coincided with the change-over in the new waste collection contract.



'RWW completed temporary works at Capalaba Wastewater Treatment Plant, including an odour biofilter, which helps reduce the impacts of odour.'

## Customer Service Standards

Customer Service Standards describe and define the levels of service that RWW has committed to provide its customers for water and wastewater services.

Legislation requires RWW to review its service standards every year and to state the outcome of the review in the annual report. During 2005–06 an internal review was undertaken by the Manager Customer Service and Business Performance and the Water and Wastewater Service Managers. The outcome of this review was an amendment to the Strategic Asset Management Plan in relation to the following KPIs and targets:

| Indicator  | Comment  |
|--|--|
| Metering <ul style="list-style-type: none"> <li>• Previous target: -5% and +2%</li> <li>• Revised target: -5% and +5%</li> </ul>   | '-5% and +2%' rule was adopted based on the characteristics of 20 mm meters. The Customer Service Standards for meter accuracy should apply to all meter sizes and the general rule in use by other water authorities is +5% and -5%.  |
| Total number of overflows/<br>100 km sewer and rising main <ul style="list-style-type: none"> <li>• Previous target: Max 2.5</li> <li>• Revised target: Max 8</li> </ul>   | The target was incorrectly set in the revised Strategic Asset Management Plan due to confusion on the dry weather overflow KPI. Based on actual results in 2004–05 of 77 overflows and length of main of 975 km the target should be 8.  |
| Wastewater odour complaints<br>per 1,000 properties <ul style="list-style-type: none"> <li>• Previous target: Max 0.7</li> <li>• Revised target: Max 0.85</li> </ul>   | The target was incorrectly set in the revised Strategic Asset Management Plan. Based on an RSC internal performance indicator in 2005–06 of 36 odour complaints per year and 43,477 properties, this equates to 0.83 (revised up to 0.85) odour complaints per 1,000 properties. |
| Incidents causing unplanned<br>water interruptions to customers <ul style="list-style-type: none"> <li>• Previous target:<br/>≤ 32 incidents/100 km of main</li> <li>• Revised target:<br/>≤ 32 incidents/1,000<br/>connections</li> </ul>   | Target was revised upon reviewing the definition outlined in WSAA to focus on <i>total number of water properties experiencing unplanned interruptions</i> where calculations are for average number of unplanned water supply interruptions per 1,000 properties.               |
| Sewer inflow and infiltration<br>(Ratio) <ul style="list-style-type: none"> <li>• Previous target: &lt;2.5</li> <li>• Revised target: &lt;6</li> </ul>   | The average dry weather flow (ADWF) to Peak Wet Weather Flow (PWWF) ratio for Redland Shire has been reviewed and is estimated to be 1:6. This is based on a desktop study of 61 pump stations analysed within Redland Shire, of the 127 which are currently operational.        |
| Pressure and flow <ul style="list-style-type: none"> <li>• Previous target:<br/>Pressure: To be 22–80 metres<br/>head at the meters, except<br/>in those areas designated as<br/>low or high-pressure areas.<br/>Flow: 30 litres per minute at<br/>the outlet of the meter.</li> <li>• Revised target:<br/>98% of properties, when<br/>tested, to have a minimum 22<br/>metres static head and a flow<br/>rate of 30 litres per minute.</li> </ul> | The indicator has been modified to incorporate a target of at least 98% of properties.   |

A Strategic Asset Management Plan addendum was submitted to The Department of Natural Resources, Mines and Water outlining these amendments and providing comments explaining the changes. The addendum was acknowledged by the Department 18 July 2006. A new Customer Service Standards brochure was published in June 2006 and provided to customers in the Shire's July 2006 rates notice mail-out. Copies of the brochure were also provided to the Department.



A summary of RWW's service standard KPIs, targets, actual performance and confidence gradings is outlined below.

| Key Performance Indicator  | Measure  | Target   | Actual       | Satisfactory | Reliability | Accuracy |
|--|--|--|--------------|--------------|-------------|----------|
| <b>Water</b>   |  |  |              |              |             |          |
| <b>Day-to-day continuity</b>   |  |  |              |              |             |          |
| Extent of unplanned interruptions – Connections (all events)                 | No. of unplanned interruptions per 1,000 connections   | Max 32   | 30.9 (1)     | ✓            | B           | 2        |
| Time for restoration of service (all events)                                 | % restored within 5 hours  | Min 97%  | 98.5%        | ✓            | A           | 1        |
| Average response time to urgent requests                                     | Minutes  | Max 60 minutes                                   | 27.6 minutes | ✓            | A           | 1        |
| <b>Adequacy and quality of normal supply</b>                                 |  |  |              |              |             |          |
| Pressure and/or flow   | % compliance   | 98%*   | 100% (2)     | ✓            | A           | 1        |
| Drinking water quality complaints  | No. per 1,000 connections  | Max 4  | 3.21         | ✓            | A           | 2        |
| Drinking water quality incidents   | No. per year   | Max 144  | 133          | ✓            | A           | 2        |
| <b>Continuity in the long-term</b>   |  |  |              |              |             |          |
| Water main breaks and leaks  | No. per 100 km of main   | Max 4  | 0.46         | ✓            | A           | 1        |
| <b>Other</b>   |  |  |              |              |             |          |
| Water service connections  | % response within 10 working days of the request   | Satisfactory (80%–90%)<br>Outstanding (90%–100%) | 88.5%        | ✓            | B           | 2        |
| Response to discoloured water  | % response within 4 hours  | Satisfactory (80%–90%)<br>Outstanding (90%–100%) | 84.6%        | ✓            | C           | 4        |
| Customers experiencing discontinuity of supply for more than a 5-hour period | % affected   | Max 5%   | 1.87%        | ✓            | A           | 1        |
| Response to non-urgent requests  | % response within 5 working days of the request  | 100%   | 100% (2)     | ✓            | C           | 4        |
| Meter tolerance range  | 1932 meters were replaced during the year. 850 of these were part of a meter replacement program. 1082 were found to be inaccurate and were replaced |  |              |              |             |          |

\* 98% of properties to have a min 22 metres static head and a flow rate of 30 litres per minute

(1) Figures are based on the interpretation of Customer Request Management (CRM) system codes and operational experience.

(2) All poor pressure complaints were investigated and pressure was restored to standards where required.

(3) Data not currently being recorded. RWW is exploring the most efficient way to capture the data. Figures are based on comments in CRM system indicating response date (not request close date) complies with target.

| Key Performance Indicator  | Measure   | Target   | Actual                            | Satisfactory | Reliability | Accuracy |
|--|---|--|-----------------------------------|--------------|-------------|----------|
| <b>Wastewater</b>  |   |  |                                   |              |             |          |
| <b>Effective transport of waste effluent</b>                           |   |  |                                   |              |             |          |
| Sewage overflows   | No. per 100 km of main                          | Max 8  | 7.92                              | ✓            | A           | 2        |
| Sewage overflows to customer property                                  | No. per 1,000 connections                       | Max 5  | 0.12                              | ✓            | A           | 2        |
| Odour complaints   | No. per 1,000 connections                       | Max 0.85   | 0.56                              | ✓            | A           | 2        |
| Average response time to urgent requests                               | Minutes   | Max 60 minutes                                   | 46.8 minutes                      | ✓            | A           | 1        |
| Percentage of wastewater service interruptions restored within 5 hours | %   | Min 95%  | 96%                               | ✓            | A           | 1        |
| Response to reports of odour   | % response within 5 hours                       | Satisfactory (80%–90%)<br>Outstanding (90%–100%) | Currently under investigation (1) | N/A          | N/A         | N/A      |
| Response to non-urgent requests  | % response within 5 working days of the request | 100%   | 90.4% (2)                         | ✗            | B           | 2        |

(1) Response times are not currently being recorded consistently. RWW is exploring the most efficient way to capture this data.

(2) Records assigned within 5 days of being logged are taken as complied with target. RWW is exploring the most efficient way to capture this data.

### Financial Performance – Water and Wastewater Services

|   | 2004–05 \$million | 2005–06 \$million |              |
|---|-------------------|-------------------|--------------|
| Revenue from ordinary activities                          | 47                | 47                |              |
| Expenses from ordinary activities                         | 38                | 37                |              |
| Borrowing costs   | 2                 | 2                 |              |
| Result from ordinary activities (before tax and dividend) | 7                 | 9                 |              |
| Total assets  | 469               | 526               |              |
| Debt outstanding  | 141               | 139               |              |
| Dividend and tax to RSC                                   | 7                 | 7                 |              |
|   | Actual 2004–05    | Actual 2005–06    | Variance     |
| Operating revenue   | \$46,531,000      | \$47,016,000      | \$485,000    |
| Operating expenses  | \$39,622,000      | \$38,275,000      | \$-1,347,000 |
| Operating surplus/(deficit)                               | \$6,909,000       | \$8,741,000       | \$1,832,000  |
| Capital works program                                     | \$20,465,000      | \$17,808,000      | \$-2,657,000 |
| <b>Financial Ratios</b>                                   |                   |                   |              |
| Economic rate of return                                   | 9.39%             | 10.04%            | 0.65%        |
| Rate of return on operating assets                        | 1.47%             | 1.65%             | 0.18%        |
| Debt to total equity                                      | 44.09%            | 36.31%            | -8.12%       |

## Financial Performance – Waste Management

|   | 2004–05 \$million | 2005–06 \$million |
|---|-------------------|-------------------|
| Revenue from ordinary activities                          | 11                | 12                |
| Expenses from ordinary activities                         | 9                 | 8                 |
| Borrowing costs   | 0                 | 0                 |
| Result from ordinary activities (before tax and dividend) | 2                 | 4                 |
| Total assets  | 13                | 16                |
| Debt outstanding  | 1                 | 2                 |
| Dividend and tax to RSC                                   | 1                 | 2                 |

|                             | Actual 2004–05 | Actual 2005–06 | Variance    |
|-----------------------------|----------------|----------------|-------------|
| Operating revenue           | \$11,012,000   | \$12,201,000   | \$1,189,000 |
| Operating expenses          | \$9,024,000    | \$8,527,000    | \$-497,000  |
| Operating surplus/(deficit) | \$1,988,000    | \$3,674,000    | \$1,686,000 |
| Capital works program       | \$176,000      | \$291,000      | \$115,000   |

| Financial Ratios                   |        |        |        |
|------------------------------------|--------|--------|--------|
| Economic rate of return            | 11.38% | 9.59%  | -1.31% |
| Rate of return on operating assets | 17.27% | 28.44% | 10.67% |
| Debt to total equity               | 7.35%  | 17.06% | 9.50%  |

## Changes to the Annual Performance Plan

For 2005–06 a change has been made to the 10-year average Debt-to-Debt and Equity level, which was in the range of 25–50%, with a planned level of approximately 30%. This is due to the revaluation of assets in June 2004, which resulted in an increase in depreciation. The internal debt has remained constant at \$113 million from 2004–05 to 2005–06.

## Cross-subsidies

The 'Guidelines for Identification and Measurement of Cross-subsidies' issued by the Department of Natural Resources, Mines and Water were applied to determine any cross-subsidies for water and wastewater services for 2005–06.

| Full Cost Pricing  | Water               | Wastewater          |
|--|---------------------|---------------------|
| Admin/Ops/Overheads                                      | \$11,328,675        | \$16,188,565        |
| Depreciation   | \$5,085,464         | \$6,911,680         |
| Competitive Neutrality                                   | \$344,304           | \$205,222           |
| Return on Assets (includes tax and dividend)             | \$16,541,621        | \$18,994,061        |
| <b>Total FCP</b>   | <b>\$33,300,064</b> | <b>\$42,299,527</b> |
| Water Delivered to/Wastewater Received from Customers KL | 13,099,193          | 10,387,582          |
| Average cost per KL (FCP)                                | \$2.542             | \$4.072             |

## Cross-subsidy Reflecting Revenue-cost Divergence Water Supply 2005–06

| Revenue Sources                   | Domestic            | Commercial         | Other Consumers  | Total               |
|-----------------------------------|---------------------|--------------------|------------------|---------------------|
| Water charges                     | \$16,756,555        | \$1,961,606        | \$441,553        | \$19,159,714        |
| Other revenues                    | \$1,729,718         | \$194,482          | \$20,615         | \$1,944,815         |
| CSO                               | \$41,384            | –                  | \$70,464         | \$111,848           |
| Headworks                         | \$2,021,050         | \$145,431          | \$4,124          | \$2,170,605         |
| <b>Total Revenue</b>              | <b>\$20,548,708</b> | <b>\$2,301,518</b> | <b>\$536,756</b> | <b>\$23,386,982</b> |
| <b>KL Used</b>                    | <b>11,426,191</b>   | <b>1,341,119</b>   | <b>331,883</b>   | <b>13,099,193</b>   |
| <b>\$/KL Contribution</b>         | <b>\$1.798</b>      | <b>\$1.716</b>     | <b>\$1.617</b>   | <b>\$1.785</b>      |
| <b>Difference per KL from FCP</b> | <b>\$-0.744</b>     | <b>\$-0.826</b>    | <b>\$-0.925</b>  | <b>\$-0.757</b>     |
| <b>Cross-subsidy Received</b>     | <b>nil</b>          | <b>nil</b>         | <b>nil</b>       | <b>nil</b>          |

| <b>Cross-subsidy Reflecting Revenue-cost Divergence Wastewater Supply 2005–06</b> |                     |                    |                        |                     |
|---|---------------------|--------------------|------------------------|---------------------|
| <b>Revenue Sources</b>  | <b>Domestic</b>     | <b>Commercial</b>  | <b>Other Consumers</b> | <b>Total</b>        |
| Wastewater charges  | \$20,866,505        | \$2,071,505        | \$363,504              | \$23,301,573        |
| Other revenues  | \$286,733           | \$422,192          | \$6,655                | \$715,579           |
| CSO   | –                   | –                  | \$102,698              | \$102,698           |
| Headworks   | \$5,107,210         | \$698,023          | \$11,628               | \$5,816,861         |
| <b>Total Revenue</b>  | <b>\$26,260,447</b> | <b>\$3,191,719</b> | <b>\$484,484</b>       | <b>\$29,936,651</b> |
| <b>KL Used</b>  | <b>8,031,540</b>    | <b>1,120,680</b>   | <b>186,780</b>         | <b>9,339,000</b>    |
| <b>\$/KL Contribution</b>   | <b>\$3.270</b>      | <b>\$2.848</b>     | <b>\$2.594</b>         | <b>\$3.206</b>      |
| <b>Difference per KL from FCP</b>   | <b>\$-0.802</b>     | <b>\$-1.224</b>    | <b>\$-1.478</b>        | <b>\$-0.867</b>     |
| <b>Cross-subsidy Received</b>   | <b>nil</b>          | <b>nil</b>         | <b>nil</b>             | <b>nil</b>          |

# Community Financial Report

The Community Financial Report aims to give the community a better understanding of the financial performance and position of their Council.

The Community Financial Report is a report for the whole community, customers, business partners, employees and other stakeholders, which gives a simple overview of Council's financial performance and position for the 2005–06 financial year. It aims to 'keep it simple' and speak in financial language everyone can understand.

During the 2005–06 financial year, your Council exceeded all financial targets established in order to maintain the financial health of the organisation. The financial health indicators set out in the table below show Council maintains sufficient cash to pay bills and keep loans to manageable levels. In summary, Council performed strongly in its ability to generate cash from day-to-day operations, meeting all financial commitments in the financial year and keeping debt at manageable levels. This was achieved whilst maintaining the investment in community infrastructure.

| Financial Health Indicator                       | Target            | Actual Performance |
|--|-------------------|--------------------|
| Level of dependence on rate revenue              | < 80 %            | 74.9%              |
| Ability to pay our bills – current ratio         | >= 1.1            | 2.03               |
| Ability to repay our debt – debt servicing ratio | <= 17%            | 15.6%              |
| Cash balance                                     | \$25–\$37 million | \$68.8 million     |
| Cash balances – cash capacity in months          | 3–4 months        | 7.4 months         |
| Longer-term debt management – debt to assets     | <= 15%            | 7.5%               |
| Operating performance                            | >= 15%            | 30.8%              |

The following series of tables and graphs show Council's major sources of revenue and expenses in addition to the value of Council's assets and liabilities. Comparisons are made between the 2005–06 and 2004–05 financial years. The actual 2004–05 figures have been adjusted up to take account of price changes (CPI – Consumer Price Index).

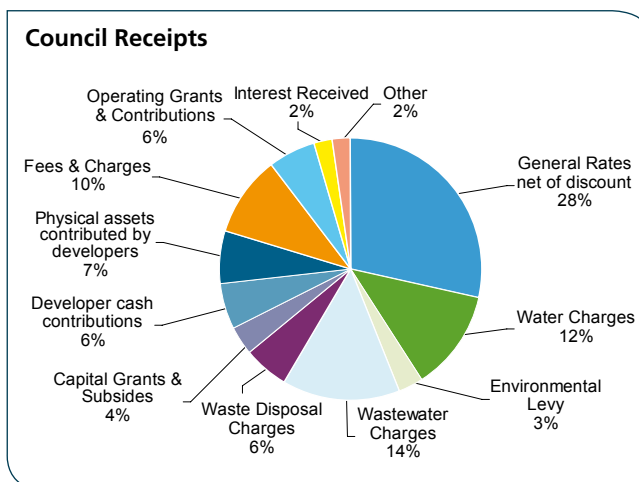
## Information at a glance

|                                      | 2005-06<br>\$ Million | 2004-05<br>\$ Million |
|--------------------------------------|-----------------------|-----------------------|
| Total revenue                        | 159.07                | 168.58*               |
| Total operating (day-to-day) revenue | 132.95                | 139.37*               |
| Total expenses                       | 146.08                | 152.02*               |
| Loan interest costs                  | 6.47                  | 6.51*                 |
| Net increase in assets               | 109.45                | 194.51*               |

See Financial Statements 'Income Statement' page 57 for more information

\* CPI adjustment included to ensure comparison of like with like

## What were the major sources of income to Council? (Income Statement)



Total income received from rates was \$102.1 million (M), or 63% of total revenue. The major sources of rate income include general rates and charges for wastewater, water access, water consumption and waste disposal. This compares to total rate income of \$102.6M or 59% of total revenue for the 2004–05 financial year.

Total fees and charges increased from \$15.1M or 10% of total revenue in 2004–05 to \$15.5M or 10% of total revenue in 2005–06.

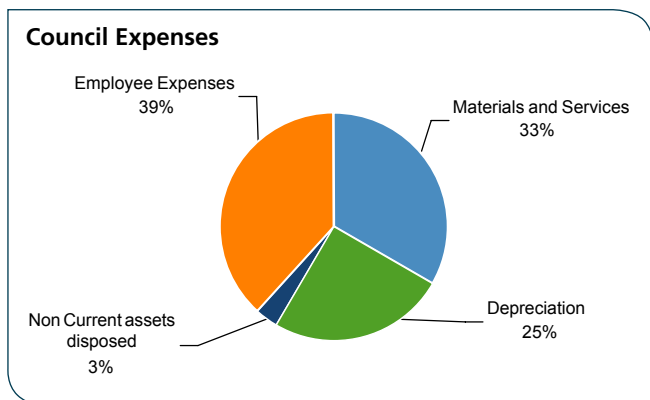
Council earned \$3.5M or 2% of total revenue from interest on investments and overdue rates. This compares to \$3.5M earned in 2004–05 which was also 2% of total revenue.

### What expenses did Council have to meet? (Income Statement)

Operational employee costs were \$53.8M, an increase of \$1.6M or 3% from 2004–05. This item includes wages and salaries, annual leave, long service leave, superannuation and allowances. The increase on last year’s employee costs is mainly due to the increase approved in the enterprise bargaining agreement.

Expenditure on materials and services for 2005–06 was \$46.6M — a 10% decrease from the \$52.2M spent in 2004–05. Material and service costs is a very large category of expenses including consultancy, contractor and materials used in meeting all activities in the operational plan for the community.

Depreciation on all Council assets decreased marginally to \$35M for 2005–06. Depreciation is the estimated run down in the value of assets usually due to wear and tear or becoming out of date technically.



### What is the value of the community’s assets in Council’s care? How much does Council owe in loan borrowings for purchases of assets? (Balance Sheet)

|                   | 2005–06<br>\$ Million | 2004–05<br>\$ Million |
|-------------------|-----------------------|-----------------------|
| Total assets      | 1,621.89              | 1,547.34*             |
| Total liabilities | 165.93                | 158.21*               |
| Cash held         | 68.79                 | 63.24*                |
| Loan borrowings   | 121.86                | 116.37*               |

See Financial Statements ‘Balance Sheet’ page 58 for more information  
 \* CPI adjustment included to ensure comparison of like with like

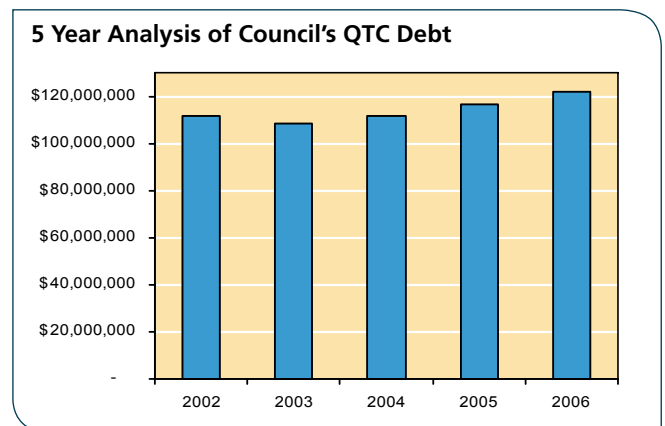
At the end of the financial year Council had total assets of \$1.6 billion, made up of current assets of \$80M and non-current assets of \$1.5 billion.

Current assets are those that are readily available to meet expenses and include mainly cash and amounts owed from customers. Cash assets were \$68.8M and receivables \$9.3M at the end of the 2005–06 financial year.

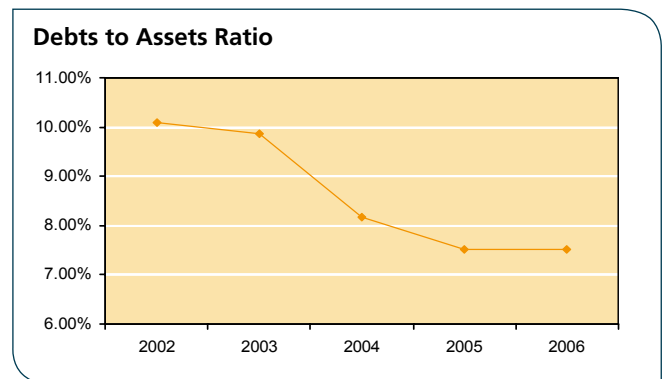
Council’s property, plant and equipment assets of \$1.5 billion include freehold land, roadworks, stormwater drainage, water, wastewater, park, plant, equipment and other infrastructure assets.

Liabilities or amounts owing at 30 June 2006 totalled \$165.9M, \$39.5M of which is due for payment during 2006-07, and \$126.5M payable after that. The largest single debt that Council owed at 30 June 2006 was to Queensland Treasury Corporation (QTC), the State Government-owned lending agency from which most local governments and state authorities source funding to finance their large-scale infrastructure projects. At the end of the financial year Council owed QTC a total of \$121.9M.

The graph below shows total Council debt to QTC over the past 5 years. All comparative year figures have been adjusted for CPI. In 2005–06 Council borrowed a further \$23.2M in new loans to fund major infrastructure projects. It also repaid \$14.2M in principal off the total loan balance in addition to \$6.5M in interest costs.

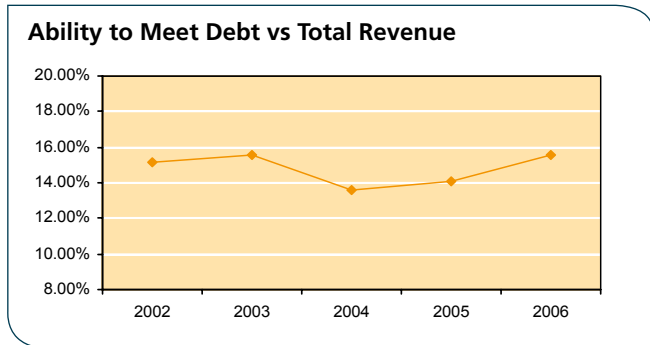


The following two graphs show how Council has managed to keep its borrowings to a very manageable level. The first graph illustrates total loans compared to total assets over the past 5 years.



Debt as a percentage of total assets has dropped from a steady 10% to just over 7.5% this year. The reason for this drop is the substantial increase in the value of Council’s assets due to asset revaluations that took place in the 2003–04 and 2004–05 years.

The next graph shows Council's ability to meet repayments of interest and principal from revenues raised.



Approximately 15.6% of Council revenue is being spent each year repaying interest and principal on its borrowings. This is a very acceptable and manageable level considering the size of Council's asset base.

### What were the major sources of cash in and cash out? (Statement of Cash Flows)

|   | 2005–06<br>\$ Million | 2004–05<br>\$ Million |
|---|-----------------------|-----------------------|
| Net cash received from operations (excl. interest)  | 46.10                 | 45.72*                |
| Payments for construction of essential services including roadworks, water and wastewater infrastructure and other assets | 46.56                 | 50.19*                |
| New loans taken out   | 23.25                 | 19.99*                |
| Repayment of debt   | 14.20                 | 12.82*                |

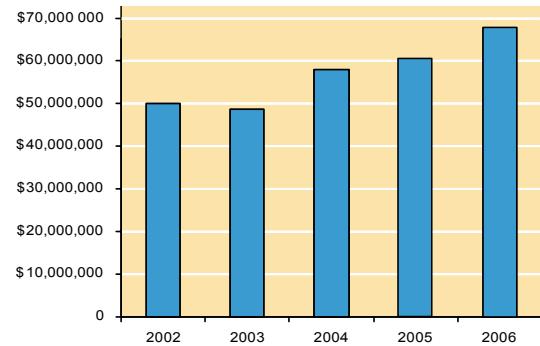
See Financial Statements 'Statement of Cash Flows' page 59 for more information  
\* CPI adjustment included to ensure comparison of like with like

The Statement of Cash Flows measures the inflows and outflows of cash to and from Council in the financial year. It also summarises this information for three types of activities:

- **Operating activities** – are normal day-to-day functions of Council. These include receipts of rates, fees and charges and interest received on investments and payments of employees' wages, materials and services and interest costs.
- **Investing activities** – include payments for the purchase and construction of property, plant and equipment and proceeds for the sale of surplus assets.
- **Financing activities** – are repayments of principal on Council's loans, as well as the inflows from new loans drawn down in the year.

Council started the financial year with total cash at bank of \$61.3M and ended the year with \$68.9M. The graph below shows Council's total cash holdings for the past five years.

### 5 Year Analysis of Cash Balances

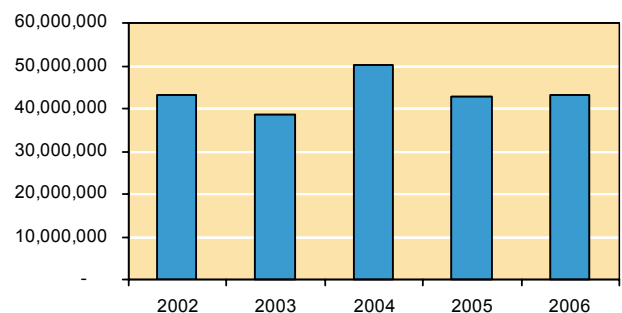


\* This chart was amended post printing of Annual Report.

To maintain its strong financial position on the Shire's behalf, Council must make enough cash from its day-to-day operations to fund purchases of property, plant and equipment; repay interest and principal payments on loans; and leave enough in reserve for future requirements.

The graph below shows the level of net cash Council has been making from normal operations over the past five years.

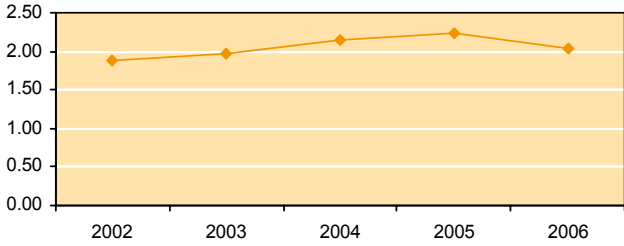
### Net Cash from Operations



Looking forward, Council's short and medium-term cash flow estimates also show Council will be able to make enough cash from its ordinary activities to fund anticipated expenditure.

An important yardstick in measuring the financial health of any organisation is its ability to meet its commitments as and when they are due for payment. The graph below shows that Council has approximately twice the amount of current assets to its current liabilities and has maintained this ratio over the past five years.

### Ability to Pay Bills in 12 months



### Summary

During the 2005–06 financial year, Council delivered to the Redland community a large program of operational and capital works. In achieving this result for the community Council still managed to better all financial targets established in order to maintain the financial health of the organisation. Council continued to generate sufficient cash from day-to-day operations in order to meet financial commitments in the financial year whilst still keeping debt at manageable levels. Council is in a strong financial position to deliver the planned program of works throughout the 2006–07 financial year.



# Financial Statements

For the year ended 30 June 2006

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# Income Statement

For the year ended 30 June 2006

|  | Note     | 2006<br>\$           | 2005<br>\$           |
|--|----------|----------------------|----------------------|
| <b>Income</b>                              |          |                      |                      |
| <b>Revenue</b>                             |          |                      |                      |
| <b>Recurrent revenue</b>                   |          |                      |                      |
| Net rates and utility charges              | 4(a)     | 102,146,783          | 99,443,558           |
| Fees and charges                           | 4(b)     | 15,545,426           | 14,601,795           |
| Rental income                              | 4(c)     | 360,807              | 332,567              |
| Interest received                          | 4(d)     | 3,539,425            | 3,413,383            |
| Proceeds on sale developed land            |          | -                    | 2,289,237            |
| Sales contract and recoverable works       |          | 820,323              | 825,183              |
| Grants, subsidies and contributions        | 5(a)     | 8,875,860            | 10,313,883           |
| Insurance proceeds                         |          | 366,791              | 2,679,479            |
| Other recurrent income                     |          | 1,290,716            | 1,197,574            |
| <b>Total recurrent revenue</b>             |          | <b>132,946,131</b>   | <b>135,096,659</b>   |
| <b>Capital revenue</b>                     |          |                      |                      |
| Grants, subsidies and contributions        | 5(b)(i)  | 14,251,569           | 12,859,393           |
| Non-cash developer contributions           | 5(b)(ii) | 10,503,411           | 15,455,033           |
| Increase in fair value investment property |          | 1,370,000            | -                    |
| <b>Total capital revenue</b>               |          | <b>26,124,980</b>    | <b>28,314,426</b>    |
| <b>Total Income</b>                        |          | <b>159,071,111</b>   | <b>163,411,085</b>   |
| <b>Expenses</b>                            |          |                      |                      |
| Employee benefits                          | 6        | (53,787,587)         | (50,569,202)         |
| Materials and services                     | 7        | (46,626,918)         | (50,620,426)         |
| Cost of sales – developed land             |          | -                    | (1,181,607)          |
| Finance costs                              | 8        | (7,750,075)          | (6,889,835)          |
| Depreciation and amortisation              | 9        | (34,986,300)         | (35,417,707)         |
| Loss on disposal of non-current assets     | 10       | (2,725,974)          | (2,574,495)          |
| Other expenditure                          | 11       | (206,261)            | (106,000)            |
| <b>Total Expenses</b>                      |          | <b>(146,083,115)</b> | <b>(147,359,272)</b> |
| <b>Net Result Attributable To Council</b>  |          | <b>12,987,996</b>    | <b>16,051,813</b>    |

The above statement should be read in conjunction with the accompanying notes.

# Balance Sheet

As at year ended 30 June 2006

|                                       | Note  | 2006<br>\$           | 2005<br>\$           |
|---------------------------------------|-------|----------------------|----------------------|
| <b>Current Assets</b>                 |       |                      |                      |
| Cash and cash equivalents             | 12    | 68,785,598           | 61,301,572           |
| Trade and other receivables           | 13(a) | 9,290,876            | 10,846,171           |
| Inventories                           | 14    | 599,732              | 658,159              |
| Assets classified as held for sale    | 15    | 153,851              | -                    |
| Other assets                          | 16    | 1,097,487            | 834,010              |
| <b>Total Current Assets</b>           |       | <b>79,927,544</b>    | <b>73,639,912</b>    |
| <b>Non-Current Assets</b>             |       |                      |                      |
| Trade and other receivables           | 13(b) | 243,923              | 315,187              |
| Investment property                   | 17    | 3,660,000            | 2,290,000            |
| Property, plant and equipment         | 18    | 1,517,224,168        | 1,390,700,746        |
| Capital work in progress              | 19    | 19,587,458           | 31,184,645           |
| Intangible assets                     | 20    | 1,066,860            | 1,737,144            |
| <b>Total Non-Current Assets</b>       |       | <b>1,541,782,409</b> | <b>1,426,227,722</b> |
| <b>Total Assets</b>                   |       | <b>1,621,709,953</b> | <b>1,499,867,634</b> |
| <b>Current Liabilities</b>            |       |                      |                      |
| Trade and other payables              | 21    | 15,860,722           | 12,941,491           |
| Interest bearing loans and borrowings | 22    | 15,830,720           | 14,162,545           |
| Employee benefits                     | 23(a) | 5,705,594            | 5,638,270            |
| Provisions                            | 24(a) | 1,157,151            | 509,784              |
| Other liabilities                     | 25    | 2,559,232            | 1,378,342            |
| <b>Total Current Liabilities</b>      |       | <b>41,113,419</b>    | <b>34,630,432</b>    |
| <b>Non-Current Liabilities</b>        |       |                      |                      |
| Interest bearing loans and borrowings | 22    | 106,028,972          | 98,638,206           |
| Employee benefits                     | 23(b) | 7,356,675            | 6,534,165            |
| Provisions                            | 24(b) | 11,432,015           | 13,556,452           |
| <b>Total Non-Current Liabilities</b>  |       | <b>124,817,662</b>   | <b>118,728,823</b>   |
| <b>Total Liabilities</b>              |       | <b>165,931,081</b>   | <b>153,359,255</b>   |
| <b>Net Community Assets</b>           |       | <b>1,455,778,872</b> | <b>1,346,508,380</b> |
| <b>Community Equity</b>               |       |                      |                      |
| Asset revaluation reserve             | 26    | 620,454,559          | 567,754,043          |
| Retained surplus                      | 27    | 799,168,629          | 750,038,078          |
| Other reserves                        | 28    | 36,155,684           | 28,716,259           |
| <b>Total Community Equity</b>         |       | <b>1,455,778,872</b> | <b>1,346,508,380</b> |

The above statement should be read in conjunction with the accompanying notes.

# Statement of Cash Flows

For the year ended 30 June 2006

|   | Note | 2006<br>\$          | 2005<br>\$          |
|---|------|---------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>         |      |                     |                     |
| Receipts from customers                             |      | 145,995,835         | 144,861,567         |
| Payments to suppliers and employees                 |      | (99,898,185)        | (100,544,967)       |
|   |      | <b>46,097,650</b>   | <b>44,316,600</b>   |
| Interest Received                                   |      | 3,539,425           | 3,413,383           |
| Borrowing Costs                                     |      | (6,472,936)         | (6,308,221)         |
| <b>Net cash inflow from operating activities</b>    |      | <b>43,164,139</b>   | <b>41,421,762</b>   |
| <b>Cash Flows from Investing Activities</b>         |      |                     |                     |
| Payment for property, plant and equipment           |      | (46,102,204)        | (48,182,641)        |
| Payments for intangible assets                      |      | (460,256)           | (468,309)           |
| Net movement in loans to community groups           |      | 71,263              | -                   |
| Proceeds from sale of property, plant and equipment |      | 1,763,874           | 5,126,318           |
| <b>Net cash outflow from investing activities</b>   |      | <b>(44,727,323)</b> | <b>(43,524,632)</b> |
| <b>Cash Flows from Financing Activities</b>         |      |                     |                     |
| Proceeds of Borrowings                              |      | 23,249,000          | 19,374,000          |
| Repayment of Borrowings                             |      | (14,201,789)        | (12,424,452)        |
| <b>Net cash inflow from financing activities</b>    |      | <b>9,047,211</b>    | <b>6,949,548</b>    |
| <b>Net increase in cash held</b>                    |      | <b>7,484,027</b>    | <b>4,846,678</b>    |
| Cash at beginning of financial year                 |      | 61,301,571          | 56,454,893          |
| <b>Cash at end of financial year</b>                | 12   | <b>68,785,598</b>   | <b>61,301,571</b>   |

The above statement should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

For the year ended 30 June 2006

|                                  | Total                |                      | Retained Surplus<br>(note 27) |                    | Asset Revaluation<br>Reserve (note 26) |                    | Other Reserves<br>(note 28) |                   |
|----------------------------------|----------------------|----------------------|-------------------------------|--------------------|--|--------------------|-----------------------------|-------------------|
|                                  | 2006<br>\$           | 2005<br>\$           | 2006<br>\$                    | 2005<br>\$         | 2006<br>\$                             | 2005<br>\$         | 2006<br>\$                  | 2005<br>\$        |
| Balance at beginning of period   | 1,346,508,379        | 1,143,902,420        | 750,038,078                   | 694,101,788        | 567,754,043                            | 418,008,410        | 28,716,259                  | 31,792,223        |
| Net result for the period        | 12,987,996           | 16,051,813           | 12,987,996                    | 16,051,813         | -                                      | -                  | -                           | -                 |
| Transfers (to)/from reserves     | -                    | -                    | (20,755,664)                  | (14,851,776)       | -                                      | -                  | 20,755,664                  | 14,851,776        |
| Transfers (to)/from reserves     | -                    | -                    | 13,316,239                    | 17,927,739         | -                                      | -                  | (13,316,239)                | (17,927,739)      |
| Asset revaluation adjustments    | 52,700,516           | 149,745,633          | -                             | -                  | 52,700,516                             | 149,745,633        | -                           | -                 |
| Assets not previously recognised | 43,581,981           | 36,808,513           | 43,581,981                    | 36,808,513         | -                                      | -                  | -                           | -                 |
| <b>Balance at end of period</b>  | <b>1,455,778,872</b> | <b>1,346,508,379</b> | <b>799,168,630</b>            | <b>750,038,078</b> | <b>620,454,559</b>                     | <b>567,754,043</b> | <b>36,155,684</b>           | <b>28,716,259</b> |

The above statement should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

For the year ended 30 June 2006

## 1. Basis of preparation

### 1.01 Constitution

The Redland Shire Council is constituted under the Queensland *Local Government Act 1993* and is domiciled in Australia.

### 1.02 Date of authorisation

The financial report was authorised for issue on the date it was submitted to the Auditors for final signature. This is the date the management certificate is signed.

The Local Government has the power to amend the Financial Report after it is authorised for issue until the adoption of the report by the Local Government as part of the Annual Report.

### 1.03 General

This financial report has been prepared as a general purpose financial report and complies with the requirements of the *Local Government Act 1993*, the *Local Government Finance Standard 2005* and the Australian Accounting Standards including AAS27.

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AEIFRS). Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied this report does not comply with IFRS. The main impact is in the offsetting of revaluation and impairment gains and losses within a class of assets.

The financial statements have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS) for the first time. The disclosures required by AASB1 First time Adoption of Australian Equivalents to International Financial Reporting Standards concerning the transition from previous Generally Accepted Accounting Principles (GAAP) to AEIFRS and other policy changes are provided in Note 36.

Except where otherwise stated the financial report has been prepared in accordance with the historical cost basis.

### 1.04 Currency

The Council uses the Australian Dollar as its functional currency and its presentation currency.

### 1.05 Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Redland Shire Council as at 30 June 2006 and the results of all controlled entities for the year then ended.

At 30 June 2006 the Council had control over Redheart Pty Ltd a company whose principal activity was to act as the holder of the mining lease pursuant to the *Mineral Resources Act* in respect of the Council's German Church Road quarry operations. As at 30 June 2006 the company had net assets of \$2 and remained dormant throughout the financial year.

## 2. Summary of significant accounting policies

### 2.01 Rates, grants and other revenue

Rates, grants and other revenue are recognised as revenue on receipt of funds or earlier unconditional entitlement to the funds.

#### (i) Rates

Rate revenue is recognised at the time the rates are levied or rate monies are received whichever is the earlier.

#### (ii) Grants and subsidies

Where the Council has an obligation to use a grant or subsidy in a particular manner the amount is recognised as revenue on receipt. An equivalent amount is placed in the constrained works reserve until the obligation is satisfied.

#### (iii) Non-cash contributions

Physical assets contributed to Council by developers in the form of roadworks, water and sewerage infrastructure and park equipment are recognised as revenue when the development goes 'off maintenance' and there is sufficient data in the form of drawings and plans to determine the specifications and values of such assets.

#### (iv) Interest

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset.

### 2.02 Cash and cash equivalents

For the purposes of the Balance Sheet and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked as well as deposits at call with financial institutions. It also includes liquid investments with short periods to maturity that are readily convertible to cash at the Council's option without penalty and that are subject to a low risk of changes in value. The Council considers all its term deposits, being for periods of less than three months to be cash equivalents.

### 2.03 Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, settlement on trade debtors generally within 30 days from the invoice date.

The collectability of receivables is assessed periodically with allowance being made for impairment. All known bad debts were written-off at 30 June.

Loans and advances to community groups are recognised at amortised cost. Outstanding terms range from 2 to 7 years with all loans being interest free. Security is not normally obtained.

#### 2.04 Other assets

Prepaid expenses for vehicle registration, insurances and other expenditure are recognised initially as a current asset. Once the benefits are received in the future the amount is expensed.

#### 2.05 Inventories

All Council inventories are held for distribution. Inventories held for distribution are:

- goods to be supplied at no, or nominal, charge, and
- goods to be used for the provision of services at no, or nominal, charge.

These goods are valued at the lower of cost and replacement cost.

#### 2.06 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are initially recorded at cost and subsequently at fair value. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. Gains or losses arising from changes in the fair value of investment property are included in the income statement for the period in which they arise.

#### 2.07 Property, plant and equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, accumulated depreciation and impairment loss.

##### (i) Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration such as cost of materials, direct labour and where relevant, the initial estimate of restoring the site on which the assets are located, plus costs incidental to the acquisition, including all costs incurred in preparing the assets for use. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Non-monetary assets received in the form of roadworks, water and sewerage infrastructure and park equipment are recognised as assets and revenues at fair value by Council valuation.

The cost of non-current assets constructed by the Local Government includes the cost of materials, direct labour and

an appropriate proportion of fixed and variable overheads. Maintenance and repair costs are expensed as incurred.

Non-current asset thresholds for recognition purposes are as follows:

|                                      |       |
|--------------------------------------|-------|
| Office equipment and furniture ..... | \$200 |
| Plant and equipment .....            | \$500 |

##### (ii) Capital and operating expenditure

Wages and material costs incurred in the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of non-current assets are expensed as incurred. Expenditure that relates to the replacement of a major component of an asset to maintain its service potential is capitalised.

##### (iii) Depreciation

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives on a straight line basis. The estimated remaining useful life of each depreciable asset is reviewed annually. Land is not depreciated.

Assets are depreciated from the date of acquisition, or in respect of internally constructed assets, from the time an asset is commissioned and ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Depreciation has been calculated on all assets using the straight line method. Major depreciation periods are:

|   |             |
|---|-------------|
| Road Seal .....                         | 10–20 years |
| Road Pavement .....                     | 80 years    |
| Buildings .....                         | 50 years    |
| Water and sewerage infrastructure ..... | 20–70 years |
| Plant and equipment .....               | 3–15 years  |
| Other non-current assets .....          | 5–20 years  |

#### 2.08 Capital works in progress

The cost of property, plant and equipment being constructed by Council includes the cost of materials and direct labour and an appropriate proportion of fixed and variable overheads.

#### 2.09 Leases

All leases are operating leases. Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

## 2.10 Impairment

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Income Statement, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. The increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## 2.11 Trade and other payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price. Amounts owing are unsecured and are generally settled 30 days from the end of the month of the date of invoice.

## 2.12 Liabilities – employee benefits

Employee benefits are accrued for such items as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the balance date. Liabilities for employee entitlements are assessed at each balance date. Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements. Annual leave is treated as a current liability. Long service leave that is expected to be taken in the next 12 months is treated as a current liability, otherwise it is treated as non-current.

### (i) Salaries and Wages

A liability for salaries and wages is recognised and measured as the amount unpaid at balance date based on current pay rates in respect of employees' services to that date.

### (ii) Annual Leave

A liability for annual leave is recognised based on current wage and salary levels indexed by certified enterprise bargaining agreement increases and related employee on-costs such as superannuation contributions.

### (iii) Superannuation

The superannuation expense for the reporting period is the amount of the contribution the local government makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 31.

### (iv) Long Service Leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the balance date. The value of the liability is calculated using current pay rates indexed by certified enterprise bargaining agreement increases and related employee on-costs such as superannuation contributions and discounted using rates attached to Commonwealth Government bonds at balance date which had maturity dates approximating the terms of the Council's liabilities.

## 2.13 Provisions for remediation of landfill sites and quarry

A provision is recognised in the balance sheet when Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and where appropriate the risks specific to the liability.

## 2.14 Components of equity

### (i) Asset revaluation reserve

This reserve is comprised of adjustments relating to changes in the fair value of non-current assets which arise primarily from changes in the purchasing power of money, including restatements of non-monetary assets. Net incremental changes in the carrying value of classes of non-current assets, since their initial recognition, are accumulated in this reserve.

Increases and decreases on revaluation are offset within a class of assets. Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation reserve in respect of that class. Any excess is treated as an expense.

When an asset is disposed of the amount in the reserve in respect of that asset is retained in the reserve.



**(ii) Retained surplus**

This represents the amount of Council's net worth not set aside in reserves to meet specific future needs. The main part of this amount is not available for Council to spend as it has already been invested in assets used to provide services.

**(iii) Other reserves**

The following reserves are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

***Constrained works reserves***

This reserve has all grants, subsidies and contributions of monetary revenue received during the reported and previous periods which are constrained for the purpose of funding specific capital expenditure.

As the expenditure is incurred on specified capital assets, the equivalent amounts are transferred to retained surplus. The closing balance reported at the period end represents amounts not yet expended and must be retained until expended in the manner specified by the contributor or relevant legislation.

***Special projects reserve***

Amounts are set aside in this reserve to meet specific projects.

***Cleansing reserve***

This reserve was created to provide funding for the remediation of the current Birkdale landfill site and the Giles Road landfill site.

***Environment reserve***

This reserve was created to hold funds collected from the Environment Levies for environmental land acquisition, conservation maintenance, and landfill remediation.

***Special separate charges reserve***

This reserve hold funds collected from the Rural Fire Levy Special Charge and the Russell Island Swimming Pool Levy. The funds collected from the Rural Fire Levy Special Charge are distributed to the respective Southern Moreton Bay Island Rural Fire Brigades. The funds collected from the Russell Island Swimming Pool Levy will be allocated to the set-up and construction of the Russell Island Community/School Pool.

***Canal maintenance reserve***

This reserve was created to hold funds collected from the Shire Canal Special Charge and the Sovereign Waters Lake Special Charge for ongoing and future maintenance.

***Constrained recurrent reserve***

This reserve holds any unexpended constrained operating grants remaining at the end of the financial year.

**2.15 National Competition Policy**

Council has reviewed its activities and has identified activities that are business activities. Details of these activities can be found in the Statement of Activities to which the Code of Competitive Conduct Applies.

**2.16 Financial risk management**

Under the *Statutory Bodies Financial Arrangements Act 1982* and *Statutory Bodies Financial Arrangements Regulations 1997* Council has been assigned category 1 investment powers which relates to investment terms of not more than one (1) year.

Authorised investments comprise:

- Deposits with a financial institution;
- Investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
- Other investment arrangements secured by investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
- Investment with Queensland Treasury Corporation (QTC) Cash fund, QTC 11am fund or QTC Debt Offset Facility; QIC Cash trust, QIC Pooled Cash Fund. An investment arrangement with a rating prescribed under a regulation for this paragraph;
- Other investment arrangements prescribing under a regulation for this paragraph; and
- Investments in Bond Mutual Funds/Managed Funds. The Department of Local Government, Sport and Recreation has delegated authority under part 7A of the *Statutory Bodies Financial Arrangements Act 1982*, to grant approval for a local authority to invest in bond mutual funds (cash plus type funds), subject to certain conditions.

The Council must first provide a written proposal to the Department of Local Government, Planning, Sport and Recreation with complete details and seek the Director General's approval to the request.

**2.17 Trust funds held for outside parties**

Funds held in the separate Trust Account on behalf of outside parties include proceeds in excess of rates and charges recovered through sale of land for overdue rates and various security deposits lodged to guarantee performance. The Council performs a custodial role in respect of these monies and because they cannot be used for Council purposes, they are not considered to be revenue nor brought to account in the Financial Statements. They are disclosed in Note 32 to the financial statements for information purposes only.

## 2.18 Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO is shown as an asset.

## 2.19 Interest bearing liabilities

Loans payable are measured at amortised cost. Interest is recognised as it accrues.

Borrowing costs are treated as an expense and not capitalised.

## 2.20 Land acquired in lieu of rates

During the 2005–06 financial year, Council acquired freehold properties in lieu of outstanding rates.

These properties were transferred to Council under Section 1053 of the Local Government Act, 'Intention to Acquire Valueless Land'.

The acquisition of these properties was accounted for as follows:

(i) Properties classified as 'insurmountable drainage' were recognised on Council's fixed asset register during the year

at no value and were then independently valued at 30 June 2006. The outstanding rates had previously been written off during the financial year.

(ii) Other properties not classified as 'insurmountable drainage' and therefore no provision made for doubtful debt, were recognised on Council's fixed asset register during the year at the value of outstanding rates. These properties were also independently valued at 30 June 2006.

## 2.21 Change in accounting estimates for water and wastewater useful lives

During the 2005–06 financial year, the estimated useful lives for water and wastewater underground mains were extended for the material types UPVC and AC. The estimated useful lives have been adjusted as follows: Water UPVC adjusted from 50 years to 70 years; Water AC adjusted from 40 years to 60 years; Wastewater UPVC adjusted from 50 years to 70 years; and Wastewater AC adjusted from 40 years to 50 years.

This change resulted in a reduction in depreciation expense of approximately \$4,800,000.

### 3. Statement of Functions and Activities

#### 3(a). Analysis of Results by Function

Revenue, expenses and assets have been attributed to the following functions:

| Functions                         | Revenue           |                    | Total Revenue      | Total Expenses     | Net Result        | Assets               |
|-----------------------------------|-------------------|--------------------|--------------------|--------------------|-------------------|----------------------|
|                                   | Grants            | Other              |                    |                    |                   |                      |
|                                   | 2006<br>\$        | 2006<br>\$         | 2006<br>\$         | 2006<br>\$         | 2006<br>\$        | 2006<br>\$           |
| Chief Executive Office Department | -                 | 3,393              | 3,393              | 3,831,718          | (3,828,325)       | 5,354                |
| Customer Services Department      | 3,469,236         | 14,134,457         | 17,603,694         | 61,064,186         | (43,460,492)      | 107,761,032          |
| Redland Water & Waste Department  | 152,723           | 64,093,553         | 64,246,276         | 37,433,484         | 26,812,792        | 549,441,234          |
| Planning and Policy Department    | 4,995,927         | 8,709,469          | 13,705,396         | 22,912,757         | (9,207,361)       | 831,820,298          |
| Corporate Services Department     | 3,874,918         | 57,115,983         | 63,512,352         | 20,840,970         | 42,671,382        | 132,682,035          |
| <b>Total</b>                      | <b>12,492,804</b> | <b>144,056,855</b> | <b>159,071,111</b> | <b>146,083,115</b> | <b>12,987,996</b> | <b>1,621,709,953</b> |

#### Prior Year

| Functions                         | Revenue           |                    | Total Revenue      | Total Expenses     | Net Result        | Assets               |
|-----------------------------------|-------------------|--------------------|--------------------|--------------------|-------------------|----------------------|
|                                   | Grants            | Other              |                    |                    |                   |                      |
|                                   | 2005<br>\$        | 2005<br>\$         | 2005<br>\$         | 2005<br>\$         | 2005<br>\$        | 2005<br>\$           |
| Chief Executive Office Department | -                 | 6,827              | 6,827              | 3,607,555          | (3,600,728)       | 9,865                |
| Customer Services Department      | 4,636,242         | 12,435,796         | 17,072,037         | 59,682,482         | (42,610,445)      | 72,943,880           |
| Redland Water & Waste Department  | 3,870,615         | 62,612,385         | 66,483,000         | 47,981,490         | 18,501,510        | 490,317,506          |
| Planning and Policy Department    | 2,909,632         | 14,418,913         | 17,328,544         | 22,830,133         | (5,501,589)       | 854,469,903          |
| Corporate Services Department     | 3,633,588         | 58,887,088         | 62,520,676         | 13,257,612         | 49,263,064        | 82,126,481           |
| <b>Total</b>                      | <b>15,050,077</b> | <b>148,361,009</b> | <b>163,411,085</b> | <b>147,359,272</b> | <b>16,051,812</b> | <b>1,499,867,634</b> |

#### 3(b). Component Programs/Functions

The activities relating to Council's components reported on in Note 3(a) are as follows:

##### **Chief Executive Office**

The Chief Executive Officer (CEO) is responsible for the overall management of the organisation. The CEO is the link between the elected Council and the organisation and is responsible for ensuring that Council decisions are implemented.

##### **Customer Services**

Customer Services is responsible for responding to areas of Council in relation to operational support. It comprises five Groups: Assessment Services, Customer & Community Services, Operations and Maintenance, Project Delivery Group, and the Office of the General Manager.

##### **Planning and Policy**

Planning and Policy is responsible for developing medium and long-term tactical plans of 5–10 years to address Council's corporate outcomes through capital works programs and financial projections. The Planning and Policy Groups also develop more specific capital works and services programs to

achieve outcomes identified in the Corporate Plan through three-year operational plans and budget projections and a comprehensive annual program of capital works. Planning and Policy consists of 6 groups: Land Use, Environmental Management, Community and Social Planning, Economic Development, Infrastructure Development and the Office of the General Manager.

##### **Corporate Services**

Corporate Services is responsible for delivery of the following internal services: Marketing and Communications, Financial Services, Human Resources, Information Management, Corporate Acquisitions Fleet and Facilities, Corporate Planning and Performance and Legal Services.

##### **Redland Water**

This is a Type II business unit responsible for the provision of quality and environmentally sensitive water and waste water infrastructure and services. It also incorporates all waste management functions including quality and environmentally sensitive waste collection, recycling and disposal infrastructure and services.

|  | Note | 2006<br>\$         | 2005<br>\$         |
|--|------|--------------------|--------------------|
| <i>Notes on the income statement</i>           |      |                    |                    |
| <b>4. Revenue analysis</b>                     |      |                    |                    |
| <b>(a) Rates and charges</b>                   |      |                    |                    |
| General rates                                  |      | 46,108,026         | 51,220,608         |
| Special charges                                |      | 996,963            | 1,541,986          |
| Environment levy                               |      | 5,030,439          | 4,289,622          |
| Water access                                   |      | 9,771,887          | 10,440,603         |
| Water consumption                              |      | 9,388,310          | 9,065,536          |
| Waste water                                    |      | 22,353,543         | 20,964,670         |
| Trade waste                                    |      | 949,888            | 724,414            |
| Waste disposal                                 |      | 8,949,107          | 8,434,180          |
| <b>Total rates and utility charges</b>         |      | <b>103,548,163</b> | <b>106,681,619</b> |
| Less: Discounts given and pensioner remissions |      | (1,401,380)        | (7,238,061)        |
| <b>Net Rates and Utility Charges</b>           |      | <b>102,146,783</b> | <b>99,443,558</b>  |
| <b>(b) Fees and charges</b>                    |      |                    |                    |
| Fines and penalties                            |      | 562,331            | 462,886            |
| Mooring and parking fees                       |      | 272,118            | 244,607            |
| Search fees                                    |      | 829,722            | 770,892            |
| Building application fees                      |      | 1,684,603          | 1,537,831          |
| Development application fees                   |      | 2,330,770          | 1,999,400          |
| Water and sewerage application fees            |      | 458,075            | 570,903            |
| Camping fees                                   |      | 1,260,812          | 1,033,084          |
| Licence fees                                   |      | 1,331,283          | 1,249,993          |
| Weighbridge collection fees                    |      | 933,580            | 1,014,954          |
| Child care fees                                |      | 2,561,022          | 2,469,342          |
| Other fees and charges                         |      | 3,321,109          | 3,247,903          |
|  |      | <b>15,545,425</b>  | <b>14,601,795</b>  |
| <b>(c) Rental income</b>                       |      |                    |                    |
| Investment property rentals                    |      | <b>360,807</b>     | <b>332,567</b>     |
| <b>(d) Interest received</b>                   |      |                    |                    |
| Interest received from financial institutions  |      | 3,064,740          | 2,768,656          |
| Interest from rates and utility charges        |      | 474,685            | 644,727            |
|  |      | <b>3,539,425</b>   | <b>3,413,383</b>   |

## 5. Grants, Subsidies and Contributions

### (a) Recurrent – Government Grants and subsidies, and other contributions are analysed as follows:

|                                       | Note | 2006<br>\$       | 2005<br>\$        |
|---------------------------------------|------|------------------|-------------------|
| Contributions                         |      | 1,985,282        | 2,186,392         |
| State Government Subsidies and Grants |      | 3,155,660        | 4,672,931         |
| General Purpose Government Grants     |      | 3,734,918        | 3,454,560         |
| <b>Total Recurrent Revenue</b>        |      | <b>8,875,860</b> | <b>10,313,883</b> |

### (b) Capital – Government Grants and subsidies, other contributions and donations are analysed as follows:

#### (i) Monetary Revenue Constrained for Capital Funding Purposes

|                                       |  |                   |                   |
|---------------------------------------|--|-------------------|-------------------|
| State Government Subsidies and Grants |  | 5,602,226         | 6,922,585         |
| Contributions                         |  | 8,649,343         | 5,936,808         |
| <b>Total Constrained Revenue</b>      |  | <b>14,251,569</b> | <b>12,859,393</b> |

#### (ii) Non-Monetary Revenue Received is Analysed as follows:

|  |  |                   |                   |
|--|--|-------------------|-------------------|
| Infrastructure from Developers at Fair Value |  | 10,503,411        | 15,455,033        |
| <b>Total Non-Monetary Assets</b>             |  | <b>10,503,411</b> | <b>15,455,033</b> |
| <b>Total Capital Revenue</b>                 |  | <b>24,754,980</b> | <b>28,314,426</b> |

### Conditions Over Contributions and Grants

Contributions and grants which were recognised as revenues during the current reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:

|                             |  |                   |                  |
|-----------------------------|--|-------------------|------------------|
| Road Infrastructure         |  | 1,456,478         | 534,033          |
| Parks                       |  | 535,995           | 1,029,441        |
| Road Maintenance            |  | -                 | -                |
| Water and wastewater        |  | 5,735,911         | 4,191,518        |
| Unexpended Operating Grants |  | 275,598           | 315,005          |
| Unexpended Capital Grants   |  | 2,339,748         | -                |
|                             |  | <b>10,343,730</b> | <b>6,069,997</b> |

Contributions and grants which have been recognised as revenue in a previous reporting period and were expended during the current reporting period in accordance with Council's obligations.

|   |  |                  |                   |
|---|--|------------------|-------------------|
| Road infrastructure   |  | 822,939          | 3,719,227         |
| Parks   |  | 798,768          | 146,028           |
| Road Maintenance  |  | -                | -                 |
| Water and wastewater  |  | 6,045,287        | 7,758,530         |
| Unexpended operating grants   |  | 305,291          | 244,823           |
| Unexpended capital grants   |  | -                | -                 |
| <b>Net increase (decrease) in restricted asset (cash) at period end</b> |  | <b>7,972,285</b> | <b>11,868,608</b> |

|   | Note | 2006<br>\$        | 2005<br>\$        |
|---|------|-------------------|-------------------|
| <b>6. Employee Expenses</b>   |      |                   |                   |
| Total staff wages and salaries  |      | 42,806,307        | 39,756,675        |
| Annual leave and long service leave entitlements  |      | 5,480,870         | 4,996,474         |
| Superannuation  | 31   | 5,107,393         | 4,766,681         |
|   |      | <b>53,394,570</b> | <b>49,519,830</b> |
| Other Employee-related expenses   |      | 4,568,868         | 4,397,053         |
|   |      | <b>57,963,438</b> | <b>53,916,883</b> |
| Less: Capitalised employee costs  |      | (5,145,587)       | (4,276,781)       |
|   |      | <b>52,817,851</b> | <b>49,640,102</b> |
| Councillors' Remuneration   |      | 969,736           | 929,100           |
|   |      | <b>53,787,587</b> | <b>50,569,202</b> |
| Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties. |      |                   |                   |
| <b>7. Materials and services</b>  |      |                   |                   |
| Redland Water & Waste – outsourcing costs   |      | 10,963,536        | 11,854,885        |
| Other Council outsourcing costs   |      | 13,239,836        | 11,637,147        |
| Purchase of materials   |      | 4,289,758         | 8,252,273         |
| Office administration costs   |      | 5,495,134         | 5,193,907         |
| Electricity charges   |      | 3,674,408         | 3,648,533         |
| Plant operations  |      | 3,504,586         | 2,684,962         |
| Information technology resources  |      | 1,579,054         | 1,501,140         |
| Office equipment  |      | 1,053,969         | 1,236,148         |
| General insurance   |      | 1,111,569         | 996,032           |
| Community grants  |      | 662,051           | 971,223           |
| Other material and service expenses   |      | 1,053,017         | 2,644,176         |
|   |      | <b>46,626,918</b> | <b>50,620,426</b> |
| <b>8. Finance Costs</b>   |      |                   |                   |
| Finance costs charged by the Queensland Treasury Corporation  |      | 6,472,936         | 6,308,221         |
| Bank charges  |      | 512,995           | 485,143           |
| Bad debts   |      | 9,490             | 96,471            |
| Borrowing costs – landfill and quarry remediation   |      | 754,654           | -                 |
|   |      | <b>7,750,075</b>  | <b>6,889,835</b>  |

|   | Note | 2006<br>\$         | 2005<br>\$         |
|---|------|--------------------|--------------------|
| <b>9. Depreciation and amortisation</b>                     |      |                    |                    |
| <b>(a) Depreciation of non-current assets</b>               |      |                    |                    |
| Buildings   |      | 2,280,755          | 1,908,903          |
| Plant and equipment   |      | 3,309,395          | 2,966,259          |
| Other assets  |      | 763,957            | 722,226            |
| Road and stormwater drainage                                |      | 10,807,217         | 9,857,013          |
| Water   |      | 5,057,778          | 6,079,303          |
| Waste water   |      | 6,860,449          | 7,471,647          |
| Parks   |      | 2,912,153          | 3,380,260          |
| Other infrastructure assets                                 |      | 1,865,460          | 1,839,002          |
|   |      | <b>33,857,164</b>  | <b>34,224,613</b>  |
| <b>(b) Amortisation of intangible assets</b>                |      |                    |                    |
| Software  |      | 1,129,136          | 1,193,094          |
| <b>Total depreciation and amortisation</b>                  |      | <b>34,986,300</b>  | <b>35,417,707</b>  |
| <b>10. Loss of disposal of non-current assets</b>           |      |                    |                    |
| <b>Loss on disposal of capital assets</b>                   |      |                    |                    |
| (i) Proceeds from the sale of property, plant and equipment |      | 1,605,178          | 1,720,640          |
| Less: book value of property, plant and equipment disposed  |      | (4,019,845)        | (5,964,928)        |
|   |      | <b>(2,414,667)</b> | <b>(4,244,288)</b> |
| (ii) Proceeds from sale of land                             |      | 158,696            | 3,405,679          |
| Less: book value of land disposed                           |      | (470,003)          | (1,735,886)        |
|   |      | <b>(311,307)</b>   | <b>1,669,793</b>   |
|   |      | <b>(2,725,974)</b> | <b>(2,574,495)</b> |
| <b>11. Other Expenses</b>                                   |      |                    |                    |
| Audit Services  |      | 131,595            | 106,000            |
| Loss on impairment of assets classified as held for sale    |      | 18,646             | -                  |
| Loss on impairment of property, plant and equipment         |      | 56,020             | -                  |
|   |      | <b>206,261</b>     | <b>106,000</b>     |

*Notes on the balance sheet*

|  | Note | 2006<br>\$        | 2005<br>\$        |
|--|------|-------------------|-------------------|
| <b>12. Cash Assets</b>   |      |                   |                   |
| Cash at Bank   |      | 1,127,966         | 2,257,019         |
| Cash On Hand   |      | 16,255            | 15,855            |
| Deposits at Call   |      | 67,641,377        | 59,028,698        |
| <b>Balance per cash flow statement</b>   |      | <b>68,785,598</b> | <b>61,301,572</b> |
| Externally imposed expenditure restrictions at the reporting date relate to the following cash assets: |      |                   |                   |
| Unspent operating grants   |      | 408,513           | 436,897           |
| Unspent capital grants   |      | 2,339,748         | -                 |
| Unspent developers' contributions  |      | 12,922,048        | 12,860,658        |
| <b>Total unspent restricted cash</b>   |      | <b>15,670,309</b> | <b>13,297,555</b> |

Investment of surplus funds can only be made with Treasury approved financial institutions or cash funds in accordance with the Statutory Bodies Financial Arrangements Act. Cash at bank is held in account with the ANZ banking group in a normal cheque account. Deposits at call are held with Queensland Treasury Corporation, ANZ cash plus fund, BT enhanced cash fund and QIC cash enhanced fund.

|   | Note | 2006<br>\$       | 2005<br>\$        |
|---|------|------------------|-------------------|
| <b>13. Receivables</b>                        |      |                  |                   |
| <b>(a) Current</b>                            |      |                  |                   |
| Rates and Utility Charges                     |      | 6,587,820        | 7,258,823         |
| Other Debtors                                 |      | 1,312,292        | 2,318,054         |
| GST recoverable                               |      | 1,498,521        | 1,516,357         |
| Loans and advances to community organisations |      | 64,264           | 64,264            |
| Less: Allowance for impairment                |      | (172,021)        | (311,327)         |
|   |      | <b>9,290,876</b> | <b>10,846,171</b> |
| <b>(b) Non-current</b>                        |      |                  |                   |
| Loans and advances to community organisations |      | <b>243,923</b>   | <b>315,187</b>    |

Interest is charged on outstanding rates at 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk interest for rates and utility charges, fees and other receivable.

Loans relate to advances made to various sporting and community organisations in the Redland Shire. All loans are made on an interest-free basis.



|   | <i>Note</i> | 2006<br>\$     | 2005<br>\$     |
|---|-------------|----------------|----------------|
| <b>14. Inventories</b>                    |             |                |                |
| Inventories held for distribution         |             |                |                |
| Gravel stockpiles                         |             | 238,320        | 190,919        |
| Plant and equipment stores                |             | 361,412        | 467,240        |
| <b>Total inventories for distribution</b> |             | <b>599,732</b> | <b>658,159</b> |

All inventories held by Council throughout the financial year were held for distribution. All inventories are valued at the lower of cost and replacement value.

|   | <i>Note</i> | 2006<br>\$     | 2005<br>\$ |
|---|-------------|----------------|------------|
| <b>15. Assets classified as held for sale</b> |             |                |            |
| Freehold land                                 |             | 120,000        | -          |
| Plant and equipment                           |             | 33,851         | -          |
|   |             | <b>153,851</b> | <b>-</b>   |

As at 30 June 2006 4 motor vehicles were held at auction awaiting sale. A block of land situated in Thornlands was also being marketed by local real estate agents. These assets are expected to be sold within 12 months and have been written down to the lower of carrying amount or fair value. Plant and equipment is disclosed net of impairment losses.

|   | <i>Note</i> | 2006<br>\$       | 2005<br>\$       |
|---|-------------|------------------|------------------|
| <b>16. Other Assets</b>                     |             |                  |                  |
| Prepayments                                 |             | <b>1,097,487</b> | <b>834,010</b>   |
| <b>17. Investment Property</b>              |             |                  |                  |
| Carrying Value                              |             |                  |                  |
| Opening Balance                             |             | 2,290,000        | 2,290,000        |
| Change in fair value of investment property |             | 1,370,000        | -                |
|   |             | <b>3,660,000</b> | <b>2,290,000</b> |

Investment properties include a block of 4 shops situated at Dollery Road Capalaba. The carrying amount of investment property is the fair value of the property as determined by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. Fair values were determined having regard to recent market transactions for similar properties in the same location as the investment properties. The terms of the leases on the 4 shops vary between 2.5–5 years. Income from the investment property is shown in note 4(c).

## 18 (a). Property, Plant and Equipment

|   | Land               | Buildings         | Plant and Equipment | Road and Stormwater Drainage | Water              | Wastewater         | Parks             | Other Infrastructure Assets | Other Assets     | Total                |
|---|--------------------|-------------------|---------------------|------------------------------|--------------------|--------------------|-------------------|-----------------------------|------------------|----------------------|
|   | \$                 | \$                | \$                  | \$                           | \$                 | \$                 | \$                | \$                          | \$               | \$                   |
| <b>Asset Values</b>                                   |                    |                   |                     |                              |                    |                    |                   |                             |                  |                      |
| Opening gross value at Cost                           | -                  | -                 | 24,776,293          | -                            | 4,400,074          | 4,549,322          | 1,268,065         | 973,648                     | 8,596,366        | 44,563,768           |
| Opening gross value at Valuation                      | 316,733,602        | 88,208,085        | -                   | 667,184,978                  | 345,893,995        | 381,744,888        | 58,958,370        | 94,539,308                  | -                | 1,953,263,225        |
| Additions at Cost                                     | 5,285,874          | 2,020,585         | 6,505,930           | 11,100,485                   | 10,582,654         | 18,604,953         | 1,923,279         | 977,613                     | 698,018          | 57,699,391           |
| Contributed Assets at Valuation                       | 100                | -                 | -                   | 6,966,185                    | 1,172,315          | 2,144,678          | 220,132           | -                           | -                | 10,503,411           |
| Land Acquired in Lieu of Rates                        | 612,248            | -                 | -                   | -                            | -                  | -                  | -                 | -                           | -                | 612,248              |
| Disposals   | (470,003)          | (249,500)         | (3,908,322)         | (704,988)                    | (1,121,128)        | (2,618,838)        | (660,452)         | (159,485)                   | (1,096,717)      | (10,989,432)         |
| Revaluation adjustment to the ARR                     | (46,599,256)       | 7,311,110         | -                   | 71,275,210                   | 34,714,560         | 38,140,442         | 5,779,928         | 9,329,193                   | -                | 119,951,187          |
| Assets classified as held for sale                    | (120,000)          | -                 | (112,313)           | -                            | -                  | -                  | -                 | -                           | -                | (232,313)            |
| Not Previously Recognised Assets *                    | 2,993              | 585,409           | (1,232)             | 25,451,867                   | 7,573,388          | 14,167,456         | 14,681            | 46,752                      | -                | 47,841,313           |
| Transfers between non-current asset classes           | -                  | -                 | -                   | -                            | (4,949)            | 4,949              | -                 | -                           | -                | -                    |
| <b>Closing Gross Value</b>                            | <b>275,445,558</b> | <b>97,875,689</b> | <b>27,260,356</b>   | <b>781,273,737</b>           | <b>403,210,908</b> | <b>456,737,849</b> | <b>67,504,004</b> | <b>105,707,029</b>          | <b>8,197,668</b> | <b>2,223,212,797</b> |
| <b>Accumulated Depreciation</b>                       |                    |                   |                     |                              |                    |                    |                   |                             |                  |                      |
| Opening Balance                                       | -                  | 31,692,201        | 11,443,916          | 205,768,349                  | 159,884,343        | 140,972,896        | 31,189,423        | 22,049,255                  | 4,125,868        | 607,126,251          |
| Depreciation provided in period                       | -                  | 2,229,391         | 3,360,759           | 10,807,217                   | 5,057,778          | 6,860,450          | 2,912,153         | 1,865,460                   | 763,957          | 33,857,164           |
| Depreciation on disposals                             | -                  | (232,678)         | (2,580,899)         | (172,391)                    | (746,849)          | (1,220,750)        | (353,227)         | (97,477)                    | (1,096,717)      | (6,500,988)          |
| Revaluation adjustment to the ARR                     | -                  | 2,657,695         | -                   | 28,676,570                   | 15,975,581         | 13,899,447         | 3,305,966         | 2,342,424                   | -                | 66,857,683           |
| Impairment adjustment to ARR                          | -                  | 11,240            | -                   | -                            | -                  | 381,748            | -                 | -                           | -                | 392,988              |
| Impairment adjustment to Income                       | -                  | 56,020            | -                   | -                            | -                  | -                  | -                 | -                           | -                | 56,020               |
| Assets classified as held for sale                    | -                  | -                 | (59,815)            | -                            | -                  | -                  | -                 | -                           | -                | (59,815)             |
| Not Previously Recognised Assets *                    | -                  | (42,403)          | (44,995)            | 3,893,700                    | 488,329            | 41,764             | (85,239)          | 8,170                       | -                | 4,259,325            |
| Transfers between non-current asset classes           | -                  | -                 | -                   | -                            | (1,584)            | 1,584              | -                 | -                           | -                | -                    |
| <b>Accumulated Depreciation at period end</b>         | <b>-</b>           | <b>36,371,467</b> | <b>12,118,965</b>   | <b>248,973,445</b>           | <b>180,657,598</b> | <b>160,937,138</b> | <b>36,969,076</b> | <b>26,167,832</b>           | <b>3,793,108</b> | <b>705,988,629</b>   |
| <b>Written Down Value at Cost</b>                     | <b>-</b>           | <b>-</b>          | <b>15,141,391</b>   | <b>-</b>                     | <b>-</b>           | <b>-</b>           | <b>-</b>          | <b>-</b>                    | <b>4,404,560</b> | <b>19,545,950</b>    |
| <b>Written Down Value at fair value at period end</b> | <b>275,445,558</b> | <b>61,504,222</b> | <b>-</b>            | <b>532,300,292</b>           | <b>222,553,310</b> | <b>295,800,711</b> | <b>30,534,928</b> | <b>79,539,197</b>           | <b>-</b>         | <b>1,497,678,217</b> |
| <b>Total Written Down Value</b>                       | <b>275,445,558</b> | <b>61,504,222</b> | <b>15,141,391</b>   | <b>532,300,292</b>           | <b>222,553,310</b> | <b>295,800,711</b> | <b>30,534,928</b> | <b>79,539,197</b>           | <b>4,404,560</b> | <b>1,517,224,168</b> |

## 18(b). Property, Plant and Equipment – 30 June 2005 comparatives

|  | Land               | Buildings         | Plant and Equipment | Road and Stormwater Drainage | Water              | Wastewater         | Parks             | Other Infrastructure Assets | Other Assets     | Total                |
|--|--------------------|-------------------|---------------------|------------------------------|--------------------|--------------------|-------------------|-----------------------------|------------------|----------------------|
|  | \$                 | \$                | \$                  | \$                           | \$                 | \$                 | \$                | \$                          | \$               | \$                   |
| <b>Asset Values</b>                                |                    |                   |                     |                              |                    |                    |                   |                             |                  |                      |
| Opening Balance at Cost (1 July 2004)              | 20,095,130         | 4,539,570         | 29,563,252          | -                            | -                  | -                  | -                 | -                           | 8,265,866        | 62,463,818           |
| Opening Balance at Valuation (1 July 2004)         | 153,158,617        | 69,218,316        | 30,010              | 633,932,085                  | 335,126,233        | 375,463,143        | 60,918,063        | 86,025,441                  | -                | 1,713,871,908        |
| Additions at Cost                                  | 2,038,684          | 1,439,183         | 6,458,101           | 13,208,813                   | 4,400,074          | 4,549,322          | 1,268,065         | 973,648                     | 1,233,030        | 35,568,920           |
| Contributed Assets at Valuation                    | 347,202            | -                 | -                   | 10,733,782                   | 1,475,664          | 1,514,697          | 1,383,687         | -                           | -                | 15,455,033           |
| Assets transferred to investment property          | (1,700,000)        | (1,547,519)       | -                   | -                            | -                  | -                  | -                 | -                           | -                | (3,247,519)          |
| Assets transferred to intangible property          | -                  | -                 | (6,061,604)         | -                            | -                  | -                  | -                 | -                           | -                | (6,061,604)          |
| Disposals  | (4,991,676)        | (5,775,208)       | (4,255,207)         | (464,464)                    | (1,300,339)        | (1,001,363)        | (161,393)         | (24,629)                    | (249,177)        | (18,223,456)         |
| Revaluations in Period                             | 151,251,976        | 17,148,356        | -                   | (12,239,758)                 | -                  | -                  | (3,181,988)       | -                           | -                | 152,978,586          |
| Internal Transfers                                 | (3,466,331)        | 425,889           | (1,030,298)         | 3,466,331                    | 42,110             | 49,546             | -                 | 1,166,105                   | (653,352)        | -                    |
| Not Previously Recognised Assets *                 | -                  | 2,759,500         | 72,038              | 18,548,189                   | 10,550,327         | 5,718,865          | -                 | 7,372,391                   | -                | 45,021,309           |
| <b>Closing Balance at Cost</b>                     | -                  | -                 | <b>24,746,283</b>   | -                            | <b>4,400,074</b>   | <b>4,549,322</b>   | <b>1,268,065</b>  | <b>973,648</b>              | <b>8,596,366</b> | <b>44,533,758</b>    |
| <b>Closing balance at Valuation</b>                | <b>316,733,603</b> | <b>88,208,087</b> | <b>30,010</b>       | <b>667,184,978</b>           | <b>345,893,995</b> | <b>381,744,888</b> | <b>58,958,370</b> | <b>94,539,308</b>           | -                | <b>1,953,293,237</b> |
| <b>Total Asset Value</b>                           | <b>316,733,602</b> | <b>88,208,087</b> | <b>24,776,293</b>   | <b>667,184,978</b>           | <b>350,294,069</b> | <b>386,294,211</b> | <b>60,226,434</b> | <b>95,512,955</b>           | <b>8,596,366</b> | <b>1,997,826,995</b> |
| <b>Accumulated Depreciation</b>                    |                    |                   |                     |                              |                    |                    |                   |                             |                  |                      |
| Opening Balance (1 July 2004)                      | -                  | 26,457,925        | 15,096,665          | 194,403,635                  | 153,309,677        | 133,570,247        | 29,409,380        | 16,559,000                  | 4,005,096        | 572,811,626          |
| Depreciation provided in period                    | -                  | 1,908,902         | 4,159,352           | 9,857,013                    | 6,079,303          | 7,471,647          | 3,380,260         | 1,839,002                   | 722,226          | 35,417,707           |
| Assets transferred to investment property          | -                  | (957,519)         | -                   | -                            | -                  | -                  | -                 | -                           | -                | (957,519)            |
| Assets transferred to intangible property          | -                  | -                 | (4,324,461)         | -                            | -                  | -                  | -                 | -                           | -                | (4,324,461)          |
| Written off on Disposal                            | -                  | (2,771,014)       | (2,795,269)         | (95,500)                     | (684,266)          | (554,545)          | (100,169)         | (16,913)                    | (249,177)        | (7,266,853)          |
| Adjustment on Asset revaluation                    | -                  | 5,135,621         | -                   | (402,619)                    | -                  | -                  | (1,500,049)       | -                           | -                | 3,232,953            |
| Internal Transfers                                 | -                  | 421,386           | (692,371)           | -                            | 41,758             | 48,500             | -                 | 533,006                     | (352,278)        | -                    |
| Not Previously Recognised Assets *                 | -                  | 1,496,900         | -                   | 2,005,819                    | 1,137,872          | 437,047            | -                 | 3,135,159                   | -                | 8,212,797            |
| <b>Closing Balance of Accumulated Depreciation</b> | -                  | <b>31,692,201</b> | <b>11,443,916</b>   | <b>205,768,349</b>           | <b>159,884,343</b> | <b>140,972,896</b> | <b>31,189,423</b> | <b>22,049,255</b>           | <b>4,125,867</b> | <b>607,126,250</b>   |
| <b>Written Down Value at 30 June 2005</b>          | <b>316,733,602</b> | <b>56,515,885</b> | <b>13,332,377</b>   | <b>461,416,629</b>           | <b>190,409,726</b> | <b>245,321,315</b> | <b>29,037,011</b> | <b>73,463,701</b>           | <b>4,470,499</b> | <b>1,390,700,746</b> |

### 18(c). Property, Plant and Equipment Valuations

Property, Plant and Equipment valuations were determined by reference to the following:

#### (i) Land

All Council freehold land was valued at fair value as at 30 June 2006 by external valuers, Rushton Assetval (registered valuers – since 1835).

#### (ii) Buildings

All buildings were valued at fair value as at 30 June 2006. Suitable construction indexes were applied to 30 June 2005 fair values supplied by external valuers, Rushton Assetval (registered valuers – since 1835).

#### (iii) Plant and equipment

Plant and equipment acquisitions are measured at cost.

#### (iv) Road and stormwater drainage infrastructure assets

Roadwork and stormwater drainage infrastructure assets were valued at fair value as at 30 June 2006. Suitable construction indexes were applied to 30 June 2004 fair values supplied by qualified engineers of Redland Shire Council.

#### (v) Water and wastewater infrastructure assets

Water and wastewater infrastructure assets were valued at fair value as at 30 June 2006. Suitable construction indexes were applied to 30 June 2004 fair values supplied by external valuers Cardno MBK.

#### (vi) Park infrastructure assets

Park infrastructure assets were valued at fair value as at 30 June 2006. Suitable construction indexes were applied to 30 June 2004 fair values supplied by external valuers, Rushton Assetval (registered valuers – since 1835).

#### (vii) Other infrastructure assets

These assets include bussheds, carparks, bikeways, streetscapes, bridges, pedestrian underpasses, swimming pools, marine and jetty facilities, and seawalls. Other infrastructure assets were valued at fair value as at 30 June 2006. Suitable construction indexes were applied to 30 June 2004 fair values supplied by qualified engineers of Redland Shire Council.

#### (viii) Other assets

These assets, which include library books, heritage and art assets, are valued at cost.

## 19. Capital Works in Progress

|                      | 2006<br>\$        | 2005<br>\$        |
|----------------------|-------------------|-------------------|
| Water                | 1,016,578         | 2,581,785         |
| Wastewater           | 9,534,845         | 19,604,418        |
| Roads                | 4,026,316         | 5,993,185         |
| Parks                | 1,647,124         | 825,920           |
| Other Infrastructure | 3,362,595         | 2,179,337         |
|                      | <b>19,587,458</b> | <b>31,184,645</b> |

## 20. Intangible Assets

### Software

|   | 2006<br>\$         | 2005<br>\$         |
|---|--------------------|--------------------|
| Opening gross carrying value                | 6,061,604          | 5,538,295          |
| Closing gross carrying value                | <b>6,513,924</b>   | <b>6,061,604</b>   |
| Accumulated Amortisation                    |                    |                    |
| Opening Balance                             | (4,324,461)        | (3,131,360)        |
| Amortisation in the period                  | (1,129,136)        | (1,193,100)        |
| Written off amounts                         | 6,533              | -                  |
| Closing Balance                             | <b>(5,447,064)</b> | <b>(4,324,460)</b> |
| <b>Net carrying value at the period end</b> | <b>1,066,860</b>   | <b>1,737,144</b>   |

Straight line amortisation has been used with no residual value.

|  | Note | 2006<br>\$   | 2005<br>\$   |
|--|------|--------------|--------------|
| <b>21. Trade and Other Payables</b>              |      |              |              |
| <b>Current</b>                                   |      |              |              |
| Creditors and Accruals                           |      | 15,860,722   | 12,941,491   |
| <b>22. Interest Bearing Loans and Borrowings</b> |      |              |              |
| <b>Queensland Treasury Corporation</b>           |      |              |              |
| Opening Balance                                  |      | 112,800,750  | 105,734,848  |
| Loans Raised                                     |      | 23,249,000   | 19,374,000   |
| Principal Repayments                             |      | (14,201,789) | (12,308,097) |
| Interest Accrued                                 |      | 11,731       | -            |
| Book Value at period end                         |      | 121,859,692  | 112,800,751  |
| Classified as:                                   |      |              |              |
| Current  |      | 15,830,720   | 14,162,545   |
| Non-Current                                      |      | 106,028,972  | 98,638,206   |
|  |      | 121,859,692  | 112,800,751  |

The loan market value at the reporting date was \$121,320,408. This represents the value of the debt if the Council repaid it at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts.

|                              | Note | 2006<br>\$ | 2005<br>\$ |
|------------------------------|------|------------|------------|
| <b>23. Employee benefits</b> |      |            |            |
| <b>(a) Current</b>           |      |            |            |
| Annual Leave                 |      | 5,141,955  | 5,085,923  |
| Long Service Leave           |      | 563,639    | 552,346    |
|                              |      | 5,705,594  | 5,638,269  |
| <b>(b) Non-current</b>       |      |            |            |
| Long Service Leave           |      | 7,356,675  | 6,534,165  |
| <b>24. Provisions</b>        |      |            |            |
| <b>(a) Current</b>           |      |            |            |
| Landfill Rehabilitation      |      | 1,157,151  | 509,784    |
|                              |      | 1,157,151  | 509,784    |
| <b>(b) Non-Current</b>       |      |            |            |
| Quarry Rehabilitation        |      | 144,336    | 156,327    |
| Landfill Rehabilitation      |      | 11,287,679 | 13,400,125 |
|                              |      | 11,432,015 | 13,556,452 |

(cont'd over page)

|   | Note | 2006<br>\$     | 2005<br>\$     |
|---|------|----------------|----------------|
| <b>24. Provisions (cont'd)</b>                                  |      |                |                |
| Details of Movements in Provisions:                             |      |                |                |
| <b>(a) Quarry Rehabilitation</b>                                |      |                |                |
| Opening Balance   |      | 156,327        | -              |
| Increase in Provision – borrowing cost                          |      | 8,387          | -              |
| IFRS adjustment   |      | -              | 156,327        |
| Increase (decrease) in provision due to change in discount rate |      | (20,378)       | -              |
| <b>Balance at the end of period</b>                             |      | <b>144,336</b> | <b>156,327</b> |

This is the present value of the estimated cost of restoring the Quarry site to a usable state at the end of its useful life. The projected cost is \$164,240 and this cost is expected to be incurred between 2010 and 2014.

|   | Note | 2006<br>\$        | 2005<br>\$        |
|---|------|-------------------|-------------------|
| <b>(b) Landfill Rehabilitation</b>                              |      |                   |                   |
| Opening Balance   |      | 13,909,909        | -                 |
| Increase in Provision – borrowing cost                          |      | 746,267           | -                 |
| IFRS adjustment   |      | -                 | 13,909,909        |
| Increase (decrease) in provision due to change in discount rate |      | (2,211,346)       | -                 |
| <b>Balance at the end of period</b>                             |      | <b>12,444,830</b> | <b>13,909,909</b> |

This is the present value of the estimated cost of restoring approximately 25 closed landfill sites and currently operating Birkdale landfill to a usable state at the end of its useful life. The projected cost is \$13.54 million and this cost is expected to be incurred over the period 2006–2016. The provision has been calculated using a discount rate of 5.86%.

(i) Closed landfill rehabilitation

Provision has been made for the estimated cost of rehabilitation relating to approximately 25 closed and one currently operating landfill sites throughout the Shire. The provision has been made at the balance date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flow. The estimated cost of rehabilitation includes the cost of ongoing gas, groundwater and leachate monitoring, capping of landfill batters, filling of ground depressions and further erosion protection.

(ii) Quarry rehabilitation

The German Church Road Quarry is the main source of road gravel for Council's activities.

Discussions have taken place with technical officers from the engineering and environmental departments of Council to determine the remediation program for the quarry.

Using the proposed future site operational plan the future rock reserve has been estimated to be 1.87 million cubic metres in 1998 giving the quarry a life expectancy of 23 years. A detailed costing of remediation works prepared as part of the operational plan of the quarry reveals that remediation costs will approximate to \$16,424 per hectare. At 30 June 2006 approximately 10 hectares of land in the quarry had been disturbed by operations.

|  | Note | 2006<br>\$         | 2005<br>\$         |
|--|------|--------------------|--------------------|
| <b>25. Other liabilities</b>   |      |                    |                    |
| Unearned Revenue   |      | 2,559,232          | 1,378,342          |
| <b>26. Asset Revaluation Reserve</b>   |      |                    |                    |
| Movements in Asset Revaluation Reserve were as follows:  |      |                    |                    |
| Balance at Beginning of Year   |      | 567,754,043        | 418,008,410        |
| Net adjustment to capital non-current assets at end of period to reflect a change in current fair value: |      |                    |                    |
| Land   |      | (46,599,256)       | 151,251,976        |
| Buildings  |      | 4,653,415          | 12,012,735         |
| Parks  |      | 2,473,962          | (1,681,939)        |
| Roadworks  |      | 24,989,082         | (11,837,139)       |
| Wastewater   |      | 24,240,995         | -                  |
| Water  |      | 18,738,980         | -                  |
| Other Infrastructure Assets  |      | 6,741,111          | -                  |
| Stormwater drainage  |      | 17,609,557         | -                  |
| Waste  |      | 245,658            | -                  |
| <b>Impairment Provision</b>  |      | -                  | -                  |
| Buildings  |      | (11,240)           | -                  |
| Wastewater   |      | (381,748)          | -                  |
|  |      | <b>52,700,516</b>  | <b>149,745,633</b> |
| <b>Balance at End of Year</b>  |      | <b>620,454,559</b> | <b>567,754,043</b> |
| Asset Revaluation Reserve analysis:  |      |                    |                    |
| The closing balance of the asset revaluation reserve comprises the following asset categories            |      |                    |                    |
| Land   |      | 140,630,117        | 187,229,373        |
| Buildings  |      | 24,156,880         | 19,514,705         |
| Parks  |      | 19,627,558         | 17,153,596         |
| Roadworks  |      | 154,013,382        | 129,024,300        |
| Wastewater   |      | 152,088,878        | 128,229,631        |
| Water  |      | 82,594,364         | 63,855,384         |
| Other Infrastructure Assets  |      | 29,488,165         | 22,747,054         |
| Stormwater drainage  |      | 17,609,557         | -                  |
| Waste  |      | 245,657            | -                  |
| <b>Balance at End of Year</b>  |      | <b>620,454,559</b> | <b>567,754,043</b> |

|   | Note | 2006<br>\$        | 2005<br>\$        |
|---|------|-------------------|-------------------|
| <b>27. Retained surplus</b>   |      |                   |                   |
| Capital adjustments recognised during the period arose from the following areas. These adjustments do not give rise to a material misstatement of the prior financial statements. Adjustments were made directly to equity. |      |                   |                   |
| <b>Net adjustments for assets not recognised in previous years:</b>   |      |                   |                   |
| Buildings   |      | 672,446           | 1,262,600         |
| Plant and Equipment   |      | (870)             | 72,038            |
| Road Infrastructure and stormwater assets   |      | 21,558,162        | 16,542,369        |
| Water Infrastructure  |      | 7,085,059         | 9,412,455         |
| Wastewater Infrastructure   |      | 14,125,692        | 5,281,818         |
| Parks Infrastructure  |      | 99,920            | -                 |
| Other Infrastructure  |      | 38,581            | 4,237,232         |
| Other Assets  |      | -                 | -                 |
| Land  |      | 2,993             | -                 |
|   |      | <b>43,581,983</b> | <b>36,808,512</b> |
| <b>28. Other Reserves</b>   |      |                   |                   |
| <b>(a) Reserves Held for Future Capital Expenditure:</b>  |      |                   |                   |
| (i) Constrained Works Reserve   |      | 15,261,796        | 12,860,658        |
| (ii) Special Projects Reserve   |      | 8,471,734         | 6,289,956         |
| (iii) Cleansing Reserve   |      | 3,062,690         | 2,395,690         |
| (iv) Environment Reserve  |      | 6,255,262         | 4,710,571         |
| <b>(b) Reserves Held for Future Recurrent Expenditure</b>   |      |                   |                   |
| (v) Special Separate Charges Reserve  |      | 484,938           | 483,574           |
| (vi) Canal Maintenance Reserve  |      | 2,227,335         | 1,551,089         |
| (vii) Constrained Recurrent Reserve   |      | 391,929           | 424,721           |
|   |      | <b>36,155,684</b> | <b>28,716,259</b> |
| <b>(c) Movements in capital reserves are analysed as follows:</b>   |      |                   |                   |
| <b>(i) Constrained Works Reserve</b>  |      |                   |                   |
| Balance at beginning of year  |      | 12,860,658        | 18,730,399        |
| Transfers from the retained earnings for future expenditure   |      | 10,252,992        | 5,974,369         |
| Transfers to retained surplus, funds expended in the year   |      | (7,851,853)       | (11,844,110)      |
| <b>Balance at end of year</b>   |      | <b>15,261,797</b> | <b>12,860,658</b> |
| <b>(ii) Special Projects Reserve</b>  |      |                   |                   |
| Balance at beginning of year  |      | 6,289,956         | 5,479,536         |
| Transfers from the retained earnings for future expenditure   |      | 3,331,852         | 2,059,106         |
| Transfers to retained surplus, funds expended in the year   |      | (1,150,074)       | (1,248,686)       |
| <b>Balance at end of year</b>   |      | <b>8,471,734</b>  | <b>6,289,956</b>  |



|  | Note | 2006<br>\$       | 2005<br>\$       |
|--|------|------------------|------------------|
| <b>28. Other Reserves (cont'd)</b>   |      |                  |                  |
| <b>(iii) Cleansing Reserve</b>   |      |                  |                  |
| Balance at beginning of year   |      | 2,395,690        | 2,747,790        |
| Transfers from the retained earnings for future expenditure  |      | 667,000          | 860,000          |
| Transfers to retained surplus, funds expended in the year  |      | -                | (1,212,100)      |
| <b>Balance at end of year</b>  |      | <b>3,062,690</b> | <b>2,395,690</b> |
| <b>(iv) Environment Reserve</b>  |      |                  |                  |
| Balance at beginning of year   |      | 4,710,571        | 3,035,423        |
| Transfers from the retained earnings for future expenditure  |      | 5,030,176        | 4,032,828        |
| Transfers to retained surplus, funds expended in the year  |      | (3,485,485)      | (2,357,680)      |
| <b>Balance at end of year</b>  |      | <b>6,255,262</b> | <b>4,710,571</b> |
| <b>(d) Movements in recurrent reserves are analysed as follows:</b>  |      |                  |                  |
| <b>(v) Special Separate Charge Reserve</b>   |      |                  |                  |
| Balance at beginning of year   |      | 483,574          | -                |
| Transfers from the retained earnings for future expenditure  |      | 207,300          | 792,557          |
| Transfers to retained surplus, funds expended in the year  |      | (205,936)        | (308,984)        |
| <b>Balance at end of year</b>  |      | <b>484,938</b>   | <b>483,574</b>   |
| <b>(vi) Canal Maintenance Reserve</b>  |      |                  |                  |
| Balance at beginning of year   |      | 1,551,089        | 1,440,168        |
| Transfers from the retained earnings for future expenditure  |      | 993,847          | 822,278          |
| Transfers to retained surplus, funds expended in the year  |      | (317,600)        | (711,357)        |
| <b>Balance at end of year</b>  |      | <b>2,227,336</b> | <b>1,551,089</b> |
| <b>(vii) Constrained Recurrent Reserve</b>   |      |                  |                  |
| Balance at beginning of year   |      | 424,721          | 358,907          |
| Transfers from the retained earnings for future expenditure  |      | 272,498          | 310,637          |
| Transfers to retained surplus, funds expended in the year  |      | (305,291)        | (244,823)        |
| <b>Balance at end of year</b>  |      | <b>391,928</b>   | <b>424,721</b>   |
| <b>29. Commitments for expenditure</b>   |      |                  |                  |
| <b>(a) Operating Leases</b>  |      |                  |                  |
| Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: |      |                  |                  |
| Within one year  |      | 539,828          | 844,194          |
| One to five years  |      | 366,888          | 247,606          |
| Later than five years  |      | -                | -                |
|  |      | <b>906,716</b>   | <b>1,091,800</b> |

(cont'd over page)

|  | Note | 2006<br>\$        | 2005<br>\$        |
|--|------|-------------------|-------------------|
| <b>29. Commitments for expenditure (cont'd)</b>  |      |                   |                   |
| <b>(b) Contractual Commitments</b>   |      |                   |                   |
| Contractual commitments at reporting date but not recognised in the Financial Statements are as follows:               |      |                   |                   |
| Roadworks  |      | 755,785           | -                 |
| Waste  |      | 991,636           | -                 |
| Water and wastewater   |      | 841,254           | -                 |
| Other  |      | 7,553,874         | 9,715,005         |
|  |      | <b>10,142,549</b> | <b>9,715,005</b>  |
| <b>(c) Capital Commitments</b>   |      |                   |                   |
| Commitments for the construction of the following assets contracted for at year end but not recognised as liabilities: |      |                   |                   |
| Roadworks  |      | 2,148,025         | 8,597,926         |
| Waste  |      | 52,908            | 1,372,998         |
| Water and wastewater   |      | 2,525,974         | 3,078,215         |
| Other  |      | 8,156,866         | -                 |
|  |      | <b>12,883,774</b> | <b>13,049,139</b> |
| These Expenditures are Payable:  |      |                   |                   |
| Within one year  |      | 12,883,774        | 13,049,139        |
| One to five years  |      | -                 | -                 |
| Later than five Years  |      | -                 | -                 |
|  |      | <b>12,883,774</b> | <b>13,049,139</b> |

### 30. Contingent Liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

#### (a) WorkCover Self-Insurer Liability

The estimated claims liability for the Council as a self-insurer under the *Workers Compensation and Rehabilitation Act 2003* ('the Act') as at 30 June 2006 is \$732,000, where estimated claims liability as defined in Section 84 of the Act is \$5,000,000. This has been guaranteed by the ANZ Banking Group Ltd.

#### (b) Other claims

Council has reviewed outstanding insurance claims and has identified no material exposures. Negotiations are currently underway regarding a land resumption. Values to be brought to account for the asset and liability cannot be ascertained at this time.

### 31. Superannuation

The Redland Shire Council contributes to the Local Government Superannuation Scheme (the scheme). The scheme has both defined benefits and accumulation arrangements, provided for in accordance with statutory requirements.

Both of these schemes are defined contribution schemes as defined in the Australian Accounting Standard AASB119 Employee Benefits. Council has no liability to or interest in the scheme other than the payment of the statutory contributions. Any amount by which either scheme is over or under funded would only affect future benefits and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2005 (the most recent available) which was not

subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the accrued benefits.

The general purpose financial statements disclose that the most recent actuarial assessment of the scheme was undertaken as at 30 June 2005.

The actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates would be sufficient to meet members' benefits as they accrue.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

|   | Note | 2006<br>\$        | 2005<br>\$        |
|---|------|-------------------|-------------------|
| The amount of superannuation contributions paid by Redland Shire Council to the superannuation scheme during the reporting period for the benefit of employees was:   |      | 5,107,394         | 4,766,681         |
| The amount of superannuation contributions paid by Redland Shire Council to the superannuation scheme during the reporting period for the benefit of councillors was: |      | 94,630            | 90,529            |
|   |      | 4,231,698         | 4,194,946         |
| <b>Result from Ordinary activities</b>  |      | <b>12,987,996</b> | <b>16,051,813</b> |
| <b>Non-cash operating items:</b>  |      |                   |                   |
| Depreciation and amortisation   | 9    | 34,986,300        | 35,417,707        |
| Non-cash contributions  | 5    | (10,503,411)      | (15,455,033)      |
| Provision for doubtful debts  |      | (139,306)         | 75,233            |
| Write off non-current asset – land improvement  |      | -                 | 3,255,789         |
| Land acquired in lieu of rates  |      | (612,248)         | -                 |
| Loss on impairment of property, plant and equipment   |      | 56,020            | -                 |
| Loss on impairment of assets classified as held for sale  |      | 18,646            | -                 |
| Fair value adjustment – investment property   |      | (1,370,003)       | -                 |
|   |      | <b>22,435,998</b> | <b>23,293,696</b> |

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|  | Note | 2006<br>\$        | 2005<br>\$        |
|--|------|-------------------|-------------------|
| <b>33. Reconciliation of result from ordinary activities to net cash inflow (outflow) from operating activities (cont'd)</b> |      |                   |                   |
| <b>Investing and development activities:</b>   |      |                   |                   |
| Net (profit) loss on disposal of non-current assets  | 10   | 2,725,974         | 2,574,495         |
|  |      | <b>2,725,974</b>  | <b>2,574,495</b>  |
| <b>Changes in operating assets and liabilities:</b>  |      |                   |                   |
| (Increase) decrease in rates and utility charges receivable  |      | 671,003           | (390,258)         |
| (Increase) decrease in other receivables   |      | 1,023,599         | 681,005           |
| (Increase) decrease in land held for resale  |      | –                 | 1,181,607         |
| Increase (decrease) in other current assets  |      | (205,050)         | (81,917)          |
| Increase (decrease) in creditors   |      | 4,111,854         | (2,755,938)       |
| Increase (decrease) in provisions  |      | 889,835           | 867,260           |
| Increase (decrease) in other liabilities   |      | (1,477,070)       | –                 |
|  |      | <b>5,014,171</b>  | <b>(498,242)</b>  |
| <b>Net cash inflow from operating activities</b>   |      | <b>43,164,139</b> | <b>41,421,762</b> |

### 34. Financial Instruments

#### (a) Credit Risk Exposure

The credit risk on financial assets of the Council which have been recognised on the balance sheet is generally the carrying amount, net of provision for doubtful debts. The Council has no major concentration of credit risk to any single debtor or group of debtors.

#### (b) Interest Rate Risk

The Council's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market rates and the effective interest rate by

maturity periods is set out in the table below. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposure arises predominantly from assets and liabilities bearing variable interest rates as the Council intends to hold fixed assets and liabilities to maturity.

#### (c) Net fair value of financial assets and liabilities

The net fair value of cash, cash equivalents and non-interest bearing monetary financial assets and liabilities of the Council approximates their carrying amounts.

|                                | Note | Floating interest rate |               | Fixed interest rate |                  | Non-interest bearing |                | Total           |                 |
|--------------------------------|------|------------------------|---------------|---------------------|------------------|----------------------|----------------|-----------------|-----------------|
|                                |      | 2006<br>\$000          | 2005<br>\$000 | 2006<br>\$000       | 2005<br>\$000    | 2006<br>\$000        | 2005<br>\$000  | 2006<br>\$000   | 2005<br>\$000   |
| <b>Financial Instruments</b>   |      |                        |               |                     |                  |                      |                |                 |                 |
| <b>Financial assets</b>        |      |                        |               |                     |                  |                      |                |                 |                 |
| Petty cash                     |      | -                      | -             | -                   | -                | 15                   | 16             | 15              | 16              |
| Cash assets                    | 12   | 68,770                 | 61,285        | -                   | -                | -                    | -              | 68,770          | 61,285          |
| Receivables                    | 13   | -                      | -             | 6,588               | 7,259            | 2,874                | 4,214          | 9,462           | 11,473          |
| Prepayments                    | 15   | -                      | -             | -                   | -                | 1,097                | 834            | 1,097           | 834             |
|                                |      | <b>68,770</b>          | <b>61,285</b> | <b>6,588</b>        | <b>7,259</b>     | <b>3,986</b>         | <b>5,064</b>   | <b>79,344</b>   | <b>73,608</b>   |
| Effective interest rate        |      | 6.15%                  | 5.76%         | 11.00%              | 11.00%           | -                    | -              | -               | -               |
| <b>Financial liabilities</b>   |      |                        |               |                     |                  |                      |                |                 |                 |
| Payables                       | 21   | -                      | -             | -                   | -                | 15,906               | 12,941         | 15,906          | 12,941          |
| Loans — QTC *                  | 22   | -                      | -             | 121,860             | 112,800          | -                    | -              | 121,860         | 112,800         |
|                                |      | -                      | -             | <b>121,860</b>      | <b>112,800</b>   | <b>15,906</b>        | <b>12,941</b>  | <b>137,766</b>  | <b>125,741</b>  |
| Weighted average interest rate |      | -                      | -             | 6.20%               | 6.23%            | -                    | -              | -               | -               |
| <b>Net financial assets</b>    |      | <b>68,770</b>          | <b>61,285</b> | <b>(115,272)</b>    | <b>(105,541)</b> | <b>(11,920)</b>      | <b>(7,877)</b> | <b>(58,422)</b> | <b>(52,133)</b> |

\* QTC – denotes Queensland Treasury Corporation

### 35. National Competition Policy

#### (a) Activities to which the code of competitive is applied

A 'business activity' of a local government is divided into two categories:

##### (a) Roads business activity:

(i) the construction or maintenance of State-controlled roads for which the local government submits an offer to carry out work in response to a tender invitation, other than through a sole supplier arrangement.

(ii) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

##### (b) Other business activity, referred to as type three activities, means the following:

(i) trading in goods and services to clients in competition with the private sector, or

(ii) the submission of a competitive tender in the local

government's own tendering process in competition with others for the provision of goods and services to itself. Excluded activities are (a) library services, and (b) an activity or part thereof prescribed by legislation.

Local government may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is compulsory.

The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the activities primary objective was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council: Water and wastewater, Waste management, Caravan parks, Cemeteries and Child care.

#### (b) Financial performance of activities subject to competition reforms:

|   | Water and wastewater<br>2006<br>\$ | Waste management<br>2006<br>\$ | Caravan parks<br>2006<br>\$ | Cemeteries<br>2006<br>\$ | Child care<br>2006<br>\$ |
|---|------------------------------------|--------------------------------|-----------------------------|--------------------------|--------------------------|
| Revenue for services provided to the Council      | 675,970                            | 679,394                        | -                           | -                        | -                        |
| Revenue for services provided to external clients | 51,463,109                         | 10,778,555                     | 1,673,676                   | 229,579                  | 512,477                  |
| Community service obligations                     | 214,546                            | 665,313                        | -                           | -                        | -                        |
|   | <b>52,353,625</b>                  | <b>12,123,262</b>              | <b>1,673,676</b>            | <b>229,579</b>           | <b>512,477</b>           |
| Less: Expenditure                                 | 37,755,702                         | 8,454,355                      | 1,728,583                   | 244,441                  | 524,050                  |
| <b>Surplus (deficiency)</b>                       | <b>14,597,923</b>                  | <b>3,668,907</b>               | <b>(54,907)</b>             | <b>(14,862)</b>          | <b>(11,573)</b>          |

#### (c) Description of CSO's provided to business activities:

| Activities           | CSO description           | Actual \$ |
|----------------------|---------------------------|-----------|
| Water and wastewater | Water not for profit      | 111,848   |
| Water and wastewater | Wastewater not for profit | 102,698   |
| Waste Management     | Clean-up Australia Day    | 13,390    |
| Waste Management     | Sanitary landfill         | 647,710   |
| Waste Management     | Sharps                    | 4,213     |
| Caravan parks        |                           | -         |
| Cemeteries           |                           | -         |
| Child care           |                           | -         |

### 36. Transition to International Financial Reporting Standards

As stated in note 1.03 these are the Council's first financial statements prepared in accordance with AEIFRSs.

The policies set out in the the significant accounting policies section of this report have been applied in preparing the financial statements for the year ended 30 June 2006, the comparative information presented in these financial statements for the financial year ended 30 June 2005 and in the preparation of an opening AEIFRS balance sheet at 1 July 2004 (the date of transition to AEIFRS).

In preparing its opening AEIFRS balance sheet, Council has adjusted amounts reported previously in financial statements prepared in accordance with the GAAP method of reporting. An explanation of how the transition from GAAP to AEIFRS has affected the financial statements is set out in the following tables and notes that accompany the tables.

#### (a) Gains and losses on sale of non-current assets

Previously under GAAP the proceeds from sale of non-current assets were disclosed as revenue and the book value as an expense. Under AEIFRS the gain or loss on sale of non-current assets is not disclosed as revenue and is reported on a net value unless material.

#### (b) Investment Properties

Under the previous GAAP method of reporting all fixed assets including land, buildings, infrastructure and plant were reported as property, plant and equipment. The transition to AEIFRS requires those assets that are held solely for the purpose of earning rental income or for capital appreciation to be disclosed as investment property. Whilst Council earns rental income from various holdings of land and houses, only

one property being a block of 4 shops situated at Dollery Road in Capalaba is considered to be an investment property under the AEIFRS definition. The values of the land and buildings of these shops have been transferred from property, plant and equipment to investment property.

#### (c) Intangible assets

Under GAAP computer software was reported as part of property, plant and equipment. Under AEIFRS computer software is disclosed separately as an intangible asset. An intangible asset is defined as an identifiable non-monetary asset without physical substance. The 2005 and 2004 IFRS comparatives disclose the value of Council's software assets under the classification of intangible assets.

#### (d) Provisions for remediation of landfill sites and quarry

Under previous GAAP restoration costs were recognised as an expense when incurred – no provision was made for future remediation costs resulting from past transactions. Under AEIFRS remediation costs are provided for at the time of the obligating event. In the statement of accounts prepared under AEIFRS provision has been made for the estimated cost of rehabilitation relating to approximately 25 closed and one currently operating landfill sites and 1 quarry throughout the Shire. The provision has been made at the balance date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flow. The estimated cost of rehabilitation includes the cost of ongoing gas, groundwater and leachate monitoring, capping of landfill batters, filling of ground depressions and further erosion protection.

### 36. Transition to International Financial Reporting Standards (cont'd)

The following reconciliations show how the results and financial position as stated on the new basis differ from the amounts on the old basis.

|  | Note | IFRS<br>Presentation<br>2005<br>\$ | IFRS<br>Adjustment<br>\$ | GAAP<br>Presentation<br>2005<br>\$ | IFRS<br>Presentation<br>2004<br>\$ | IFRS<br>Adjustment<br>\$ | GAAP<br>Presentation<br>2004<br>\$ |
|--|------|------------------------------------|--------------------------|------------------------------------|------------------------------------|--------------------------|------------------------------------|
| <b>Income Statement Comparisons</b>        |      |                                    |                          |                                    |                                    |                          |                                    |
| <b>Income</b>                              |      |                                    |                          |                                    |                                    |                          |                                    |
| <b>Recurrent Revenue</b>                   |      |                                    |                          |                                    |                                    |                          |                                    |
| Net rates and utility charges              |      | 99,443,558                         | -                        | 99,443,558                         | 91,544,947                         | -                        | 91,544,947                         |
| Fees and charges                           |      | 14,601,795                         | -                        | 14,601,795                         | 15,680,913                         | -                        | 15,680,913                         |
| Rental income                              |      | -                                  | -                        | -                                  | -                                  | -                        | -                                  |
| Interest received                          |      | 3,413,383                          | -                        | 3,413,383                          | 2,757,423                          | -                        | 2,757,423                          |
| Proceeds on sale – developed land          |      | 2,289,237                          | -                        | 2,289,237                          | -                                  | -                        | -                                  |
| Sales-contract and recoverable works       |      | -                                  | -                        | -                                  | 1,534,084                          | -                        | 1,534,084                          |
| Grants, subsidies and contributions        |      | 10,313,883                         | -                        | 10,313,883                         | 11,644,311                         | -                        | 11,644,311                         |
| Insurance proceeds                         |      | 2,679,479                          | -                        | 2,679,479                          | -                                  | -                        | -                                  |
| Other recurrent income                     |      | 2,355,324                          | -                        | 2,355,324                          | 1,298,250                          | -                        | 1,298,250                          |
| <b>Total recurrent revenue</b>             |      | <b>135,096,659</b>                 | <b>-</b>                 | <b>135,096,659</b>                 | <b>124,459,928</b>                 | <b>-</b>                 | <b>124,459,928</b>                 |
| <b>Capital revenue</b>                     |      |                                    |                          |                                    |                                    |                          |                                    |
| Grants, subsidies and contributions        |      | 12,859,393                         | -                        | 12,859,393                         | 19,449,575                         | -                        | 19,449,575                         |
| Non-cash developer contributions           |      | 15,455,033                         | -                        | 15,455,033                         | 12,513,813                         | -                        | 12,513,813                         |
| Proceeds on sale of capital assets         | (a)  | -                                  | (5,126,318)              | 5,126,318                          | -                                  | (1,354,852)              | 1,354,852                          |
| Increase in fair value investment property |      | -                                  | -                        | -                                  | -                                  | -                        | -                                  |
| <b>Total capital revenue</b>               |      | <b>28,314,426</b>                  | <b>(5,126,318)</b>       | <b>33,440,745</b>                  | <b>31,963,388</b>                  | <b>(1,354,852)</b>       | <b>33,318,240</b>                  |
| <b>Total Income</b>                        |      | <b>163,411,085</b>                 | <b>(5,126,318)</b>       | <b>168,537,404</b>                 | <b>156,423,316</b>                 | <b>(1,354,852)</b>       | <b>157,778,168</b>                 |
| <b>Expenses</b>                            |      |                                    |                          |                                    |                                    |                          |                                    |
| Employee benefits                          |      | (50,569,202)                       | -                        | (50,569,202)                       | (48,120,989)                       | -                        | (48,120,989)                       |
| Materials and services                     |      | (50,620,426)                       | -                        | (50,620,426)                       | (48,038,924)                       | -                        | (48,038,924)                       |
| Cost of sales – developed land             |      | (1,181,607)                        | -                        | (1,181,607)                        | -                                  | -                        | -                                  |
| Finance costs                              |      | (6,793,364)                        | -                        | (6,793,364)                        | (6,773,446)                        | -                        | (6,773,446)                        |
| Depreciation and amortisation              |      | (35,417,708)                       | -                        | (35,417,707)                       | (28,573,538)                       | -                        | (28,573,538)                       |
| Loss on disposal of non-current assets     | (a)  | (2,574,495)                        | (2,574,495)              | -                                  | (1,112,986)                        | (1,112,986)              | -                                  |
| Other expenditure                          |      | (202,471)                          | -                        | (202,471)                          | 5,112,504                          | -                        | 5,112,504                          |
| Non-current assets disposed – book value   | (a)  | -                                  | 7,700,814                | (7,700,814)                        | -                                  | 2,467,837                | (2,467,837)                        |
| <b>Total Expenses</b>                      |      | <b>(147,359,273)</b>               | <b>5,126,319</b>         | <b>(152,485,591)</b>               | <b>(127,507,379)</b>               | <b>1,354,851</b>         | <b>(128,862,230)</b>               |
| <b>Net Result Attributable to Council</b>  |      | <b>16,051,813</b>                  | <b>-</b>                 | <b>16,051,813</b>                  | <b>28,915,937</b>                  | <b>-</b>                 | <b>28,915,939</b>                  |

## 36. Transition to International Financial Reporting Standards (cont'd)

|                                       | Note | IFRS<br>Presentation<br>2005<br>\$ | IFRS<br>Adjustment<br>\$ | GAAP<br>Presentation<br>2005<br>\$ | IFRS<br>Presentation<br>2004<br>\$ | IFRS<br>Adjustment<br>\$ | GAAP<br>Presentation<br>2004<br>\$ |
|---------------------------------------|------|------------------------------------|--------------------------|------------------------------------|------------------------------------|--------------------------|------------------------------------|
| <b>Balance Sheet Comparisons</b>      |      |                                    |                          |                                    |                                    |                          |                                    |
| <b>Current Assets</b>                 |      |                                    |                          |                                    |                                    |                          |                                    |
| Cash and cash equivalents             |      | 61,301,572                         | -                        | 61,301,572                         | 56,454,893                         | -                        | 56,454,893                         |
| Trade and other receivables           |      | 10,846,171                         | -                        | 10,846,171                         | 11,527,337                         | -                        | 11,527,337                         |
| Inventories                           |      | 658,159                            | -                        | 658,159                            | 1,825,150                          | -                        | 1,825,150                          |
| Other assets                          |      | 834,010                            | -                        | 834,010                            | 687,166                            | -                        | 687,166                            |
| <b>Total Current Assets</b>           |      | <b>73,639,912</b>                  | <b>-</b>                 | <b>73,639,912</b>                  | <b>70,494,546</b>                  | <b>-</b>                 | <b>70,494,546</b>                  |
| <b>Non-Current Assets</b>             |      |                                    |                          |                                    |                                    |                          |                                    |
| Trade and other receivables           |      | 315,187                            | -                        | 315,187                            | -                                  | -                        | -                                  |
| Investment property                   | (b)  | 2,290,000                          | 2,290,000                | -                                  | -                                  | -                        | -                                  |
| Property, plant and equipment         | (b)  | 1,390,700,746                      | (4,027,144)              | 1,394,727,890                      | 1,201,117,168                      | (2,406,934)              | 1,203,524,102                      |
| Capital work in progress              |      | 31,184,645                         | -                        | 31,184,645                         | 18,182,157                         | -                        | 18,182,157                         |
| Intangible assets                     | (c)  | 1,737,144                          | 1,737,144                | -                                  | 2,406,934                          | 2,406,934                | -                                  |
| <b>Total Non-Current Assets</b>       |      | <b>1,426,227,722</b>               | <b>-</b>                 | <b>1,426,227,722</b>               | <b>1,221,706,259</b>               | <b>-</b>                 | <b>1,221,706,259</b>               |
| <b>Total Assets</b>                   |      | <b>1,499,867,634</b>               | <b>-</b>                 | <b>1,499,867,634</b>               | <b>1,292,200,805</b>               | <b>-</b>                 | <b>1,292,200,805</b>               |
| <b>Current Liabilities</b>            |      |                                    |                          |                                    |                                    |                          |                                    |
| Trade and other payables              |      | 12,941,491                         | -                        | 12,941,491                         | 15,952,706                         | -                        | 15,952,706                         |
| Interest bearing loans and borrowings |      | 14,162,545                         | -                        | 14,162,545                         | 12,217,854                         | -                        | 12,217,854                         |
| Employee benefits                     |      | 5,638,270                          | -                        | 5,638,270                          | 5,272,253                          | -                        | 5,272,253                          |
| Provisions                            | (d)  | 509,784                            | 509,784                  | -                                  | -                                  | -                        | -                                  |
| Other liabilities                     |      | 1,378,342                          | -                        | 1,378,342                          | 1,239,420                          | -                        | 1,239,420                          |
| <b>Total Current Liabilities</b>      |      | <b>34,630,432</b>                  | <b>509,784</b>           | <b>34,120,648</b>                  | <b>34,682,233</b>                  | <b>-</b>                 | <b>34,682,233</b>                  |
| <b>Non-Current Liabilities</b>        |      |                                    |                          |                                    |                                    |                          |                                    |
| Interest bearing loans and borrowings |      | 98,638,206                         | -                        | 98,638,206                         | 93,516,994                         | -                        | 93,516,994                         |
| Employee benefits                     |      | 6,534,164                          | -                        | 6,534,164                          | 6,032,921                          | -                        | 6,032,921                          |
| Provisions                            | (d)  | 13,556,452                         | 13,556,452               | -                                  | -                                  | -                        | -                                  |
| <b>Total Non-Current Liabilities</b>  |      | <b>118,728,822</b>                 | <b>13,556,452</b>        | <b>105,172,370</b>                 | <b>99,549,915</b>                  | <b>-</b>                 | <b>99,549,915</b>                  |
| <b>Total Liabilities</b>              |      | <b>153,359,254</b>                 | <b>14,066,236</b>        | <b>139,293,018</b>                 | <b>134,232,148</b>                 | <b>-</b>                 | <b>134,232,148</b>                 |
| <b>Net Community Assets</b>           |      | <b>1,346,508,380</b>               | <b>(14,066,235)</b>      | <b>1,360,574,615</b>               | <b>1,157,968,657</b>               | <b>-</b>                 | <b>1,157,968,657</b>               |
| <b>Community Equity</b>               |      |                                    |                          |                                    |                                    |                          |                                    |
| Asset revaluation reserve             |      | 567,754,043                        | -                        | 567,754,043                        | 418,008,410                        | -                        | 418,008,410                        |
| Retained surplus                      |      | 750,038,078                        | (14,066,236)             | 764,104,313                        | 708,168,024                        | -                        | 708,168,024                        |
| Other reserves                        |      | 28,716,259                         | -                        | 28,716,259                         | 31,792,223                         | -                        | 31,792,223                         |
| <b>Total Community Equity</b>         |      | <b>1,346,508,380</b>               | <b>(14,066,236)</b>      | <b>1,360,574,615</b>               | <b>1,157,968,657</b>               | <b>-</b>                 | <b>1,157,968,657</b>               |



# Management Certificate

For the year ended 30 June 2006

This general purpose financial report has been prepared pursuant to Section 532 of the *Local Government Act 1993*, the Local Government Finance Standard 2005 (the Standard) and other prescribed requirements.

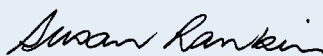
In accordance with Section 48 of the Standard we certify that:-

- (i) the local government considers the relevant recording and reporting procedures have been complied with in the preparation of the financial statements; and
- (ii) the financial statements for the year ended 30 June 2006 and supporting notes present the Council's income, equity, balance sheet and cash flows as required by the *Local Government Act 1993*.



Mayor, Redland Shire Council

17/10/2006



Chief Executive Officer

17/10/2006

# Independent *Audit Report*

To the Mayor of Redland Shire Council

## Scope

### *The Financial Report*

The financial report of Redland Shire Council consists of the income statement, balance sheet, statement of cash flows, statement of changes in equity, notes to and forming part of the financial report and certificates given by the Mayor and the Chief Executive Officer for the year ended 30 June 2006.

### *Council's Responsibility*

The Council is responsible for the preparation and true and fair presentation of the financial report, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

### *Audit Approach*

As required by law, an independent audit was conducted in accordance with QAO Auditing Standards, which incorporate the Australian Auditing Standards, to enable me to provide an independent opinion whether in all material respects the financial report is presented fairly, in accordance with the prescribed requirements.

Audit procedures included –

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial report;
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council;
- obtaining written confirmation regarding the material representations made in conjunction with the audit; and
- reviewing the overall presentation of information in the financial report.

## Independence

The Financial Administration and Audit Act 1977 promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

## Audit Opinion

In accordance with s.532 of the Local Government Act 1993 I have audited the Council's financial report, and –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
- (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report has been drawn up so as to present a true and fair view in accordance with the prescribed accounting standards of the transactions of the Redland Shire Council for the financial year 1 July 2005 to 30 June 2006 and of the financial position as at the end of that year.

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**J B Richards**  
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office,  
Brisbane

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17 October 2006

# GRI Content Index

In line with our commitment to sustainability, Council continues to apply as many indicators as practicable from the Global Reporting Index (GRI) framework, as detailed in the table below.

## GRI Report Content

| GRI Reference Number                               |  | Page in Annual Report |
|--|--|-----------------------|
| <b>Vision and Strategy</b>                         |  |                       |
| 1.1  | Organisation's vision relating to sustainability.  | 1                     |
| 1.2  | Statement from the CEO describing key elements of the report.  | 6                     |
| <b>Profile</b>                                     |  |                       |
| 2.1  | Organisation's name.   | Front cover           |
| 2.3  | Operational structure of the organisation.   | 11                    |
| 2.4  | Major divisions, operating companies, subsidiaries and joint ventures.   | 11                    |
| 2.5  | Countries of operation.  | 1                     |
| 2.7  | Nature of markets served.  | 1                     |
| 2.8  | Scale of the reporting organisation.   | 3                     |
| 2.11   | Reporting period.  | 5                     |
| 2.12   | Date of most recent previous report.   | 28                    |
| 2.17   | Decisions why not to apply all GRI principles.   | 6                     |
| 2.18   | Criteria used for reporting social, environmental and economic results.  | 6                     |
| 2.19   | Significant changes to reporting mechanisms from last year's report.   | 6                     |
| 2.20   | Policies and internal practices Council relies on.   | 12–18                 |
| <b>Governance Structure and Management Systems</b> |  |                       |
| 3.1  | Governance structure of Council.   | 7–11                  |
| 3.4  | Board-level process for overseeing organisation's identification and management of economic, environmental and social risks and opportunities.                             | 12–16                 |
| 3.6  | Organisational structure and key staff.  | 10–11                 |
| 3.7  | Mission, vision, values.   | 1–2, 12               |
| <b>Stakeholder Engagement</b>                      |  |                       |
| 3.10   | Approaches to stakeholder consultation.  | 25                    |
| 3.11   | Type of information generated by stakeholder consultations and indicators developed as a result of stakeholder communication.  | 25                    |
| 3.12   | Use of information resulting from stakeholder engagements.   | 25                    |
| <b>Overarching Policies and Management Systems</b> |  |                       |
| 3.14   | Externally developed, voluntary set of principles that organisation endorses.  | 18                    |
| 3.17   | Approach to reporting social, economic and environmental performance.  | 24–28                 |
| 3.18   | Major decisions during the reporting period regarding the location of, or changes in operations, such as facility openings, expansions and contractions.                   | 28–34                 |
| 3.19   | Programs and procedures pertaining to economic, environmental and social performance, such as target setting, internal communication and training, performance monitoring. | 24–28                 |

## GRI Measures Table

| Core Indicator   | Add'l Indicator |  | Page in Annual Report |
|--|-----------------|--|-----------------------|
| <b>Environmental Indicators EN: Environmental Performance Indicators</b> |                 |  |                       |
| <b>Energy Use</b>  |                 |  |                       |
|  | EN17            | Initiatives to use renewable energy sources and to increase energy efficiency.   | 26                    |
| <b>Water</b>   |                 |  |                       |
| EN5  |                 | Total water use.   | 4                     |
| <b>Biodiversity</b>  |                 |  |                       |
|  | EN7<br>EN27     | Objectives, programs and targets for protecting and restoring native ecosystems and species in degraded areas.         | 25–26                 |
| <b>Emissions, Effluent and Waste</b>                                     |                 |  |                       |
| EN8  |                 | Greenhouse gas emissions.  | 26                    |
| EN11   |                 | Total amount of waste by type and destination.   | 4, 42                 |
| EN12   |                 | Significant discharges to water by type.   | 42                    |
| <b>Overall</b>   |                 |  |                       |
|  | EN35            | Total environmental expenditures.  | 28–29                 |
| <b>Economic Indicators EC: Economic Performance Indicators</b>           |                 |  |                       |
| <b>Customers</b>   |                 |  |                       |
| EC1  |                 | Net sales.   | 52                    |
| <b>Suppliers</b>   |                 |  |                       |
| EC3  |                 | Cost of all goods, materials and services purchased (by region).   | 23                    |
|  | EC11            | Supplier breakdown by organisation and country.  | 23                    |
| <b>Employees</b>   |                 |  |                       |
| EC5  |                 | Total payroll and benefits (including wages, pension, other benefits and redundancy payments).                         | 69                    |
| <b>Providers of Capital</b>  |                 |  |                       |
| EC7  |                 | Increase/decrease in retained earnings at end of period  | 52                    |
| <b>Social Indicators LA: Labour Practices Indicators</b>                 |                 |  |                       |
| <b>Employment</b>  |                 |  |                       |
| LA1  |                 | Breakdown of workforce.  | 3                     |
|  | LA12            | Employee benefits beyond those legally mandated.   | 69                    |
| LA2  |                 | Net employment increase/decrease and average turnover.   | 13                    |
| <b>Labour/Management Relations</b>                                       |                 |  |                       |
| LA3  |                 | Percentage of employees represented by trade union organisations or collective bargaining agreements.                  | 13                    |
| LA4  | –               | Employee consultation.   | 12                    |
| <b>Workplace Health and Safety</b>                                       |                 |  |                       |
| LA5  | –               | Practices on recording and notification of occupational accidents and diseases.  | 12                    |
| LA6  | –               | Description of health and safety committees.   | 12                    |
| LA7  | –               | Standard injury, lost day, and absentee rates and number of work-related fatalities (including subcontracted workers). | 13                    |
| <b>Training and Education</b>  |                 |  |                       |
|  | LA16            | Programs to support the continued employability of employees and to manage career endings.                             | 12                    |
|  | LA17            | Specific policies for skills management or for lifelong learning.  | 12                    |
| <b>Diversity and Opportunity</b>   |                 |  |                       |
| LA10   | –               | Description of EEO policies.   | 16                    |
| LA11   | –               | Composition of senior management corporate governance bodies (including Council).                                      | 7–10                  |

## GRI Measures Table (cont'd)

| Core Indicator                               | Add'l Indicator |  | Page in Annual Report |
|--|-----------------|--|-----------------------|
| <b>HR: Human Rights</b>                      |                 |  |                       |
| <b>Non-discrimination</b>                    |                 |  |                       |
| HR4  |                 | Description of policies and preventing discrimination.   | 12–13                 |
| HR10   |                 | Description of non-retaliation policy and effective, confidential employee grievance system.         | 12                    |
| <b>SO: Social Performance Indicators</b>     |                 |  |                       |
| <b>Bribery and Corruption</b>                |                 |  |                       |
| SO2  | –               | Policies addressing bribery and corruption.  | 14–15                 |
| <b>PR: Product Responsibility Indicators</b> |                 |  |                       |
| <b>Community Health and Safety</b>           |                 |  |                       |
| PR1  |                 | Description of policy for preserving customer health and safety during use of products and services. | 44                    |

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