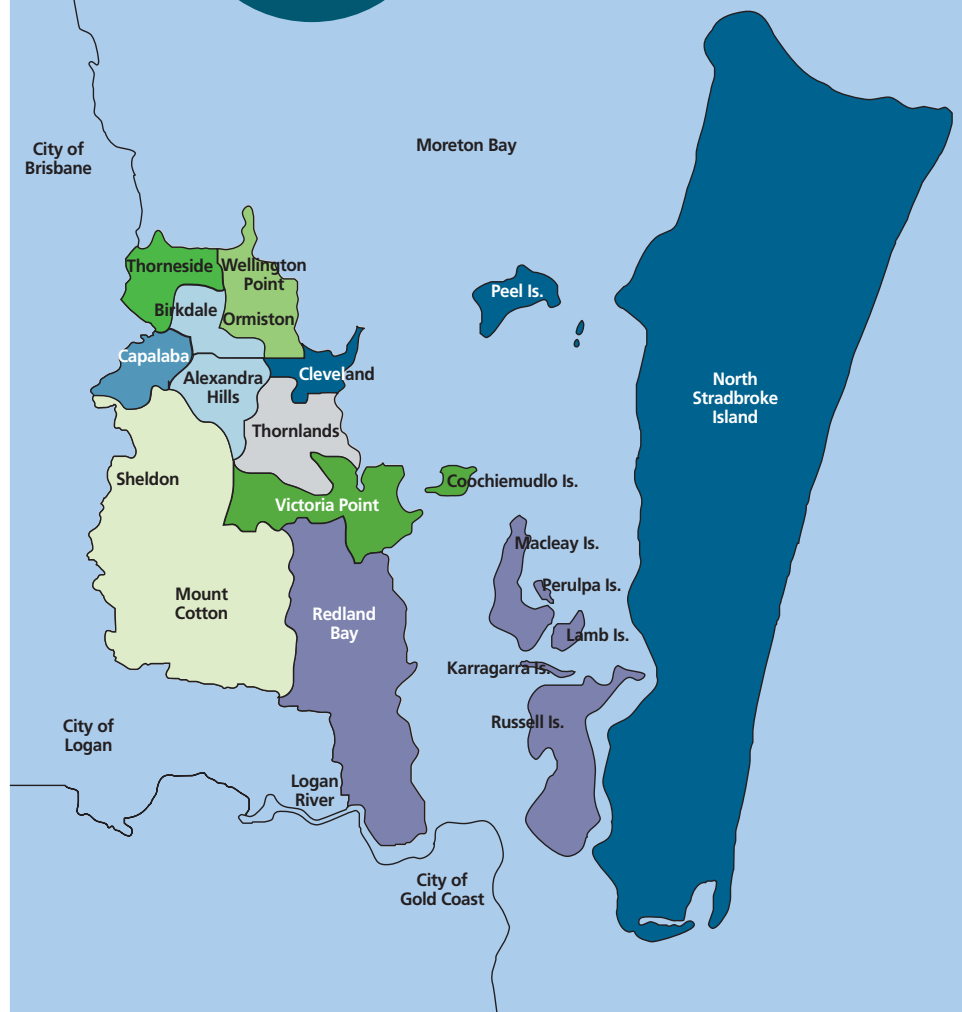


# ANNUAL REPORT 2006-2007



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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 is multi-faceted, due largely to its unusual combination of small Moreton Bay islands, the larger iconic North Stradbroke Island and mainland coastal foreshore and rural hinterland areas.

Just south-east of Brisbane, Queensland, it covers 537 square kilometres. There are large government, financial, commercial and retail centres at Cleveland and Capalaba, as well as extensive retail and services facilities at Victoria Point, Alexandra Hills, Birkdale and Redland Bay.

The Redlands combines quality living and working environments reinforced by a relaxed coastal lifestyle, strong community values, excellent transport links and outstanding cultural and natural attractions.

It has a well established economic base, the largest employment sectors being retail trade, health and community services, education and manufacturing, with tourism also a growing industry.

The quality business/living combination is a hallmark. Council is committed to attracting and supporting businesses that provide sustainable jobs and

complement the Redlands lifestyle and environmental values.

These values include a coastal climate, strong community focus, water-based recreational and other active sporting opportunities, extensive education offerings and excellent healthcare facilities.

The Redlands will manage its limited growth in a sustainable way to ensure the challenges of population growth are balanced while protecting the environmental values and economic and social strengths.

As part of south-east Queensland, one of the fastest growing regions in Australia, Redlands will not experience the higher levels of growth predicted for some of our neighbouring local government authorities, with our population projected to increase from 132,000 in 2006 to nearly 188,000 in 2026.

Council is focused on providing quality planning outcomes, infrastructure provision and urban management while ensuring housing diversity and choice in relation to population growth for the Shire.



## Our Mission

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

- Leadership, planning and representation
- Protection and maintenance of lifestyle and natural environment
- Community and regulatory services
- Infrastructure and facilities.

## Population Projections

	2006	2016	2021	2026
Alexandra Hills	17,661	18,658	18,765	18,910
Birkdale	14,661	16,827	17,061	17,676
Capalaba	17,905	19,661	20,937	21,496
Cleveland	14,164	15,552	16,609	17,724
Mount Cotton/Sheldon	5,168	8,316	8,963	8,987
Ormiston	5,793	6,808	7,203	7,390
Redland Bay	11,042	18,060	20,306	23,197
Thorneside	3,514	3,639	3,680	3,991
Thornlands	11,073	20,855	20,999	21,146
Victoria Point	14,566	17,426	18,935	20,467
Wellington Point	10,499	12,181	12,465	12,704
Bay Islands *	6,925	9,506	10,855	14,260
<b>Totals</b>	<b>132,971</b>	<b>167,489</b>	<b>176,778</b>	<b>187,949</b>

Source - Redland Shire Council Priority Infrastructure Plan and Local Growth Management Strategy documents. 2006 population is the Australian Bureau of Statistics estimated resident population.

\* 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)	2002–03	2003–04	2004–05	2005–06	2006–07
Total Revenue	158,464,600	171,006,982	174,195,117	164,366,559	175,629,638
Operating Revenue	135,406,585	136,063,582	144,012,129	137,371,883	145,568,139
Operating Expenses	133,908,246	132,563,242	150,359,471	150,946,195	172,938,727
Rates Revenue (after discount)	100,320,755	100,079,870	106,006,163	105,547,231	112,983,963
Rates Revenue as % of Total Revenue	63%	58%	61%	64%	64%
Total Assets	1,133,972,594	1,412,675,328	1,598,848,797	1,675,696,381	2,121,832,633
Debt/Assets Ratio	9.88%	8.18%	7.52%	7.51%	6.25%
Outstanding Loans Borrowings	111,981,725	115,592,724	120,244,841	125,916,379	132,705,031
Debt Servicing Ratio	15.57%	13.56%	14.11%	15.55%	15.65%
<b>Environment</b>					
Hectares of bushland under conservation	3,155.0	3,165.6	3,165.6	3,196	3,196
Approximate number of trees planted	24,300	40,961	21,196	58,772	67,522
Area treated for mosquitoes (in hectares)	6,347	6,307	6,033	7,266	4,254
<b>Economic</b>					
Total building applications received (domestic and commercial)	5,074	5,053	3,669	3,975	3,923
\$ Redland Shire Council spends in the local postcode area for purchases	21,064,307	17,857,691	21,533,286	22,038,265	28,286,966
<b>Staff</b>					
Number of staff (inc. casual and part-time)	898	921	1,106*	1,080	1,027
			*Reporting changed this year from full-time equivalent to total number of staff	at 30 June 2005: • 772 full-time permanent • 95 part-time permanent • 20 permanent job share • 67 contract of service • 126 casual	at 30 June 2006: • 791 full-time permanent • 71 part time permanent • 9 permanent job share • 30 contract of service • 126 casual



Community	2002–03	2003–04	2004–05	2005–06	2006–07
Library membership	56,493	55,551	56,744	61,339	72,432
Number of children in outside school hours care	860	920	800	820	830
Number of hours of respite care delivered	30,093	29,717	37,307	40,298	38,890
Dog registrations	18,208	18,902	20,193	20,004	20,317
\$ value of grants to community from Council	1,265,055	1,550,903	1,375,416	1,289,111	913,414.62
Infrastructure					
Land under roads	939 km	954 km	979.5 km	990.6 km	1,000.8 km
Length of roads owned by Council	860 km	875 km	900.5 km	911.6 km	921.8 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)	17,562	18,120	19,022	15,107	13,782
Water consumption (ML)					
Residential	14,007	13,773	15,149	11,363	10,424
Commercial	1,463	1,426	1,650	1,562	1,454
Council	361	302	376	220	230
Other	210	187	214	159	56
Total consumption (ML)	16,040	15,688	17,389	13,304	12,164
Number of meters	43,327	44,760	46,050	46,657	47,639
Wastewater					
Wastewater treated (ML)	9,595	9,480	9,319	10,588	9,160
Waste					
Number of kerbside waste (weekly) and recycling (fortnightly) collections	46,102	47,381	48,404 (refuse) 48,383 (recycling)	50,131 (refuse) 50,110 (recycling)	50,356 (refuse) 50,335 (recycling)
Total recyclables (tonnes)	7,494	7,939	8,930	10,946	11,627



# Mayor's Message



With its continued emphasis on strong corporate governance and sound financial management, Redland Shire Council has produced an outstanding closing financial position for the year. Our net worth increased from \$1.46 billion to \$1.93 billion and all key financial indicators were better than targets.

This strong financial position is underpinned by a sound operating performance, with earnings before interest, tax and depreciation of \$22.7 million even though this is \$9.6 million down on the previous year. Council incurred several once-off large expenses including a \$7.6 million increase in the provision for the future rehabilitation of both closed and currently operating landfill sites across the shire.

The total operating and capital revenue for the year of \$175.6 million was offset by total operating expenses of \$172.9 million.

## Major changes

The 2006–07 year will be remembered as one in which two major announcements impacted on our forward planning.

The first concerned the establishment of the Local Government Reform Commission to investigate and make recommendations for the amalgamation of a number of Queensland councils.

Subsequent to the end of the financial year, Redland Shire Council was advised that its boundaries would remain unaltered, but its name would be changed to Redland City Council in March 2008.

The second announcement involved urban bulk water supply arrangements for south-east Queensland, with Redland Shire's bulk water assets to be taken over by the state government within one to two years.

## Water and sewerage assets

The loss of Council's bulk water and sewerage assets will have broader implications that may impact revenue and capital and operational expenditure, depending on the level of compensation from the state government.

Council is working assiduously to ensure the community receives adequate compensation for these assets.

## Regional cooperation

Major issues facing this Council will impact on relationships beyond Shire boundaries and therefore we continue to strengthen our focus on regional planning and cooperation, coordination and integration.

This is being done through the Council of Mayors (SEQ) and SouthROC, in partnership with the state government and through such organisations as the Moreton Bay Taskforce, which works to maximise social, economic and environmental outcomes for our beautiful bay.

## Renewable energy

We are mindful of our obligations to reduce corporate and whole-of-community greenhouse gas emissions in order to minimise risks arising from global warming and resultant climate change.

Council will be focusing on this as we move forward, providing incentives for large-scale renewable energy alternatives within the Shire and demonstrating our leadership in this field.

## Water restrictions

The Redlands has managed to remain on level 2 water restrictions, thanks to its independent water supply – and the planning foresight of former councils.

In addition to domestic consumers, special attention has been paid to businesses, encouraging efficiencies in the use of water and power and in reducing waste.

## Economic prosperity

Growth of the Shire is assisted through a range of programs designed to support business development and tourism-related initiatives that produce local jobs.

Our Business Grow program continues to provide transitional guidance to many small business enterprises.

Economic prosperity has been fostered through innovation and entrepreneurship, covering key initiatives such as ecoBiz, Women2Work and YouthBiz.

We have also had considerable success with our import and export initiatives, notably through our Trade and Investment office in China, and interstate marketing, media and trade promotions in conjunction with Brisbane Marketing and the Moreton Bay Taskforce.

## New facilities

Council has achieved outstanding success in providing modern, well-equipped social, arts and cultural facilities. For example, it has supported the ongoing development of such features as the award-winning Redland Museum, the newly expanded Dunwich Museum and the Redland Art Gallery.

The development of a \$10 million Redland Performing Arts Centre, which is due to be opened early in 2008, will be a major showpiece for the Shire.

In conclusion I want to thank councillors and staff for their diligence and dedication in ensuring the Redlands is an outstanding place to live and work.

A handwritten signature in black ink, appearing to read 'Don Secombe'.

Mayor Don Secombe

# CEO's Message



It is pleasing that the rationale for leaving Redlands as it is in terms of external boundaries recognises our all-round performance, including strong financial performance, and also the differences and challenges we face in delivering services to both island and mainland communities.

This will be the last annual report of Redland Shire Council, bringing to an end a chapter in local government in the Redlands.

The change of name to 'City' recognises our size, diversity and coming of age as a Council.

## Major achievements

Business has been maintained as usual despite the unforeseen additional state government requirements.

It's particularly worth mentioning such achievements as:

- Submission for State Review of draft Local Growth Management Strategy that addresses where and in what urban form population growth to 2026 will be accommodated
- New Planning Scheme Policies – Safer by Design; Infrastructure Charges Policies, Transport, Cycleway
- Redland Bay Centre and Foreshore Masterplan: (GM27/06/07): Adopt for community consultation and planning purposes

- Southern Moreton Bay Islands Open Space Plan
- Redland Shire Libraries 10 Year Plan
- Approval of Wellington Point Masterplan and new Land Management Plans for sport and recreation reserves at Dunwich and Amity Point
- Launch of Redland Communities Online to link community members and organisations providing services, information, support and friendship
- Planning and Development Online introduced to streamline lodgement of development applications (part of the federal government's AusIndustry-funded Regulation Reduction Incentive Fund)
- Progressive changeover of Council's 147 operational vehicles to four-cylinder diesel models, saving 26% in fuel consumption, \$70,000 in fuel costs per annum and 126 tonnes of CO<sub>2</sub>
- Launch of Southern Moreton Bay Islands heritage trail, the third one in a Council series

## Financial highlights

Our responsible financial management is demonstrated in the following key financial indicators:

- Cash balance at year end of \$77.1 million
- New loans of \$27 million kept total debt to \$132.7 million
- Council's financial statements signed off by the Queensland Audit office without qualification (8th successive year)
- Loan repayments as a percentage of revenue at 30 June 2007 was 15.65%

## Operational performance

A monthly report of overall perform-

ance, comprising a set of high-level key performance indicators, provides Council with a snapshot of how the organisation is performing in key areas of our business.

Council rated "outstanding" for the year overall. A more detailed Operational Plan is measured quarterly and, as a whole, rated as "above standard" for the year.

## Moving forward

Our focus will continue to be on providing best value services that are responsive to community needs, meet set performance standards and provide value for money.

They must also balance affordability and accessibility and support opportunities for local employment growth or retention.

Through community engagement, Council will ensure that our residents and business operators are well informed about matters that impact on their lives and that they have an opportunity to contribute to decision-making.

In the coming year, we will have many changes in Council, especially concerning our water business, but there will be no diminution of our values, principles and standards.

I want to thank staff for their professionalism in all aspects of our business and I am confident that this will continue to be a hallmark of our endeavours as we move to the next stage at Redland City Council.

Susan Rankin  
Chief Executive Officer

# Mayor *and* Councillors

Serving the diverse interests of the Redlands community.

## Division 10 Birkdale Nth./Thorneside



**Cr Helen Murray**  
Ph: 3829 8605 (W)  
0413 533 186 (M)  
helenm@redland.qld.gov.au

## Mayor Redland Shire

### Mayor Cr Don Seccombe

Ph: 3829 8623 (W) 0417 761 277 (M)  
dons@redland.qld.gov.au



## Division 1 Wellington Pt./Ormiston



**Cr Alan Barker**  
Ph: 3829 8619 (W)  
0418 793 483 (M)  
alanba@redland.qld.gov.au

## Division 9 Capalaba



**Cr Karen Williams**  
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0416 123 588 (M)  
karenw@redland.qld.gov.au

Mayor Office/Deputy Mayor 3829 8623 or 3829 8235  
Fax 3829 8781  
Councillors' Office 3829 8629 or 3829 8758

[www.redland.qld.gov.au](http://www.redland.qld.gov.au)

## Division 2 Cleveland/ North Stradbroke Is.

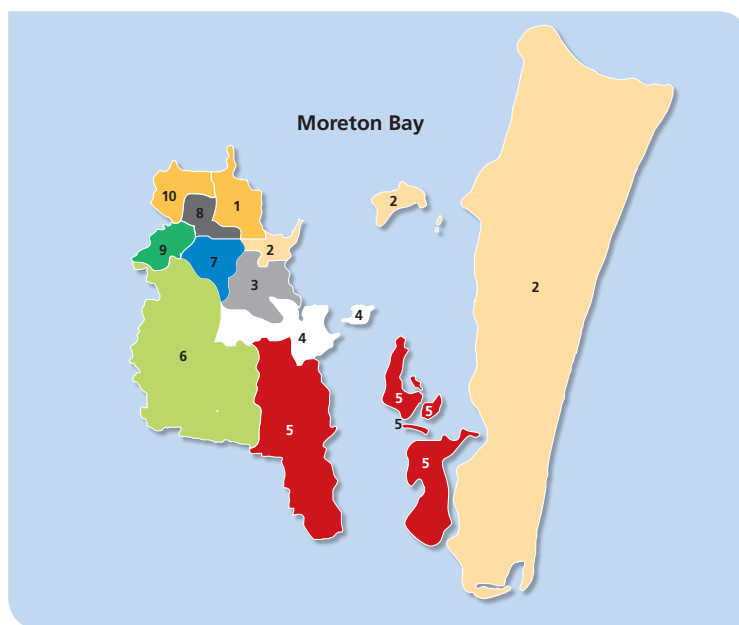


**Cr Craig Ogilvie**  
Ph: 3829 8607 (W)  
0409 645 672 (M)  
craigo@redland.qld.gov.au

## Division 8 Alexandra Hills Nth./ Birkdale Sth.



**Cr Alan Beard**  
Ph: 3829 8600 (W)  
0408 750 963 (M)  
alanb@redland.qld.gov.au



## Division 3 Cleveland Sth./Thornlands



**Cr Debra Henry**  
Ph: 3829 8618 (W)  
0439 914 631 (M)  
debrah@redland.qld.gov.au

## Division 7 Alexandra Hills Sth.



**Cr Murray Elliott**  
Ph: 3829 8732 (W)  
0418 780 824 (M)  
murraye@redland.qld.gov.au

## Division 6 Capalaba/Mt. Cotton/ Sheldon



**Cr Toni Bowler**  
Ph: 3829 8606 (W)  
0402 323 704 (M)  
tonib@redland.qld.gov.au

## Division 5 Redland Bay/Bay Islands



**Cr John Burns**  
Ph: 3829 8604 (W)  
0417 866 044 (M)  
johnb@redland.qld.gov.au

## Division 4 Victoria Pt./Coochiemudlo Is.



**Deputy Mayor  
Cr Peter Dowling**  
Ph: 3829 8603 (W)  
0413 210 772 (M)  
peterd@redland.qld.gov.au



## Councillors' Remuneration Table as at June 2007

Name	Gross Salary	Electorate Allow	Telephone Allow	Home Internet & Allowance	Super-annuation Contributions & Allowance	Mobile Telephone	Transport	Conference	Total
Mayor Seccombe	118,450.03	12,000.04	1,649.94	0.00	14,214.12	674.52	11,149.48*	1,066.52	159,204.65
Div. 1: Cr Barker	71,069.96	1,649.96	1,649.94	300.06	8,528.52	0.00	8,652.65	0.00	91,851.09
Div. 2: Cr Ogilvie	71,069.96	1,649.96	1,649.94	300.06	8,528.52	0.00	12,362.19*	1,161.57	96,722.20
Div. 3: Cr Henry	71,069.96	1,649.96	1,649.94	300.06	8,528.52	0.00	10,923.39	7,116.13	101,237.96
Div. 4: Cr Dowling	82,983.66	2,750.03	1,649.94	0.00	9,956.81	2,926.95	12,311.16*	7,461.09	120,039.64
Div. 5: Cr Burns	71,069.96	1,649.96	1,649.94	300.06	8,528.52	0.00	13,838.22*	9,824.22	106,860.88
Div. 6: Cr Bowler	71,069.96	1,649.96	1,649.94	305.81	8,528.52	0.00	12,065.52@	5,217.55	100,487.26
Div. 7: Cr Elliott	71,069.96	1,649.96	1,649.94	300.06	8,528.52	0.00	12,070.69@	2,230.78	97,499.91
Div. 8: Cr Beard	71,079.31	1,649.96	1,649.94	300.06	8,528.52	0.00	11,781.12	4,206.16	99,195.07
Div. 9: Cr Williams	71,069.96	1,649.96	1,649.94	300.06	8,528.52	0.00	10,320.85	4,971.85	98,491.14
Div. 10: Cr Murray	71,069.96	1,649.96	1,649.94	300.06	8,528.52	0.00	12,000.06@	0.00	95,198.50
	841,072.68	29,599.71	18,149.34	2,706.29	100,927.61	3,601.47	127,475.33	43,255.87	1,166,788.30

\* Costs include travel to islands

@ Includes \$12,000 motor vehicle allowance

Support costs 422,946.45

Total cost 1,589,734.75

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

## Appointments to committees and other bodies 2006–07

Audit Committee (Redland Shire Council)	Mayor Don Seccombe Cr Peter Dowling Cr Karen Williams	Redland's Bicycle Advisory Committee (REDBAC)	Cr Toni Bowler
Contiguous Local Authority Group (CLAG) Management Committee	Cr John Burns Cr Peter Dowling	Redlands Advisory Group on the Ageing (RAGOSI)	Mayor Don Seccombe (Chair) Cr Alan Beard Cr Karen Williams
Council of Mayors (SEQ)	Mayor Don Seccombe	Redlands Community Safety Committee	Cr Debra Henry Cr Peter Dowling
Council of Mayors (SEQ) Environment Working Group	Cr Alan Beard	Redlands Transport Implementation Group	Mayor Don Seccombe (Chair) Cr Murray Elliott Cr Helen Murray
Council of Mayors (SEQ) Regional Plan Committee	Mayor Don Seccombe (Chair) Cr Alan Beard	Regional Arts Development Fund Committee (RADF)	Cr Karen Williams Cr Alan Beard
Counter Disaster Coordination Committee	Cr Karen Williams Cr Craig Ogilvie (alternate)	Regional Coordination Committee	Mayor Don Seccombe
Donald Simpson Over 50's Leisure Centre Board of Management	Mayor Don Seccombe Cr Craig Ogilvie	South East Thornlands Community Reference Group Meeting	Mayor Don Seccombe (Chair) Cr John Burns Cr Debra Henry
Greenspace Enhancement Advisory Group	Cr Alan Beard (Chair) Cr Peter Dowling Cr Craig Ogilvie Cr Debra Henry	Southern Regional Organisation of Councils (SOUTHROC)	Mayor Don Seccombe (Chair) Cr Alan Beard as Proxy
Mayor's Moreton Bay Taskforce	Mayor Don Seccombe	SouthROC Regional Road Group	Mayor Don Seccombe (Chair)
Moreton Bay Implementation Group	Mayor Don Seccombe (Chair)	SouthROC Regional Plan Working Group	Mayor Don Seccombe (Chair)
Moreton Bay Waterways Catchments Partnership Policy Council	Mayor Don Seccombe	SouthROC Economic Development Forum	Cr Karen Williams (Proxy)
Moreton South Institute TAFE M.S.I.T. Institute Advisory Council	Mayor Don Seccombe	SouthROC Regional Landscape Open Space Advisory Committee	Cr Alan Beard
Museum Advisory Committee	Mayor Don Seccombe Cr Alan Barker		
Police Citizens' Youth Club Management Committee	Mayor Don Seccombe (Patron) Cr Karen Williams		

## Totals of Meetings Attended July 2006 – June 2007

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	*12	13	13	12	12	12	13	13	13	13	12	13
Development Assessment Committee	20	22	22	23	21	19	20	22	*23	23	21	23
Planning and Policy Committee	11	12	11	11	12	*9	9	9	11	11	11	12
Finance and Corporate Management	11	12	12	11	12	8	10	11	12	*12	9	12
Redland Water & Waste Committee	9	*12	12	12	12	6	10	11	12	12	10	12
<b>Totals</b>	<b>63</b>	<b>71</b>	<b>70</b>	<b>69</b>	<b>69</b>	<b>54</b>	<b>62</b>	<b>66</b>	<b>71</b>	<b>71</b>	<b>63</b>	<b>72</b>

\*Denotes Committee Chair July 2006 – June 2007

# 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 Council, 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 Redland 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

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

Before joining Redland Shire Council, Ray was 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**



**Greg Underwood**

## Greg Underwood

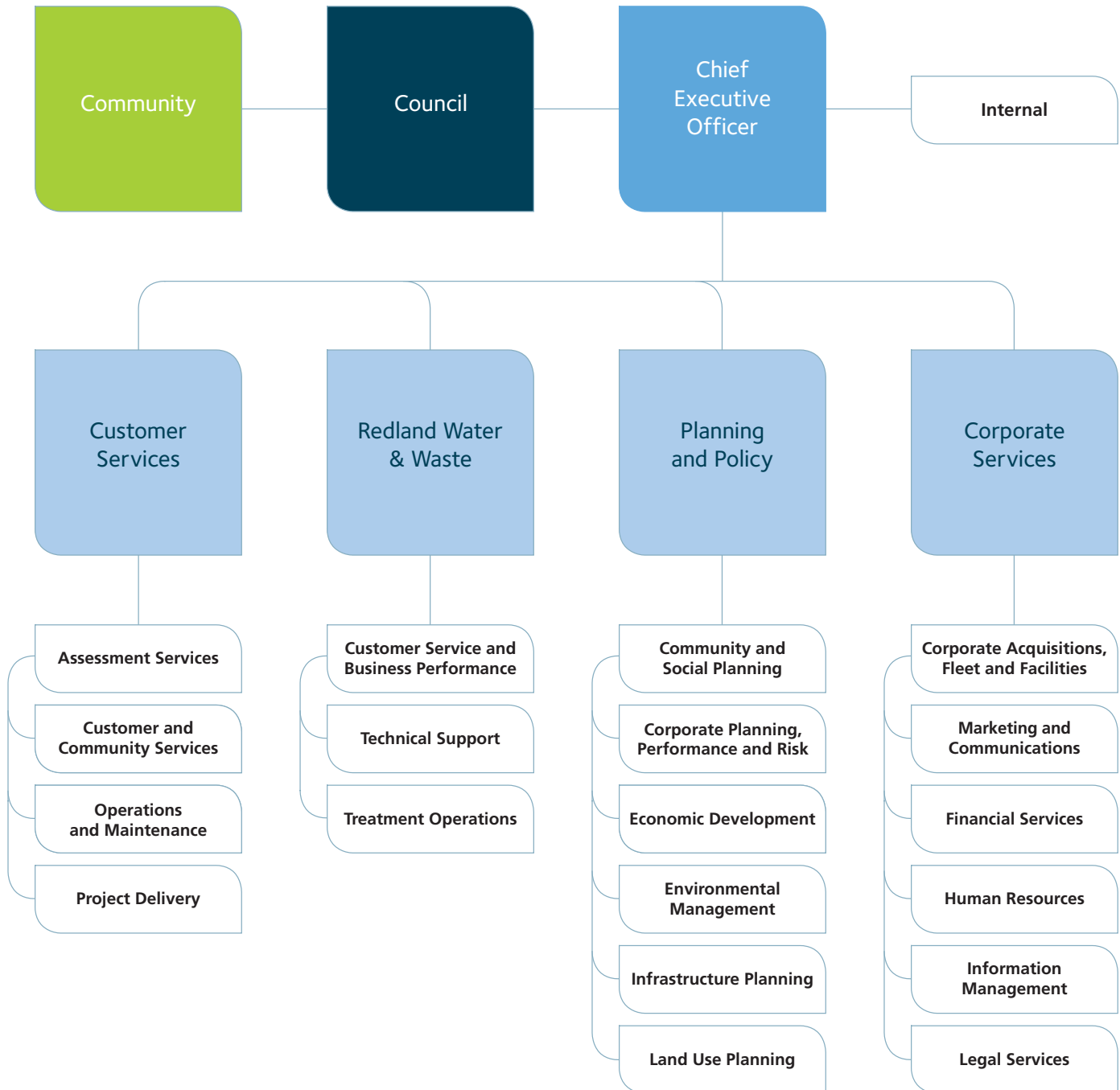
B.E. (Hons); F.I.E. Aust; RPEQ

**General Manager, Planning and Policy, appointed September 2006.**

Greg Underwood has been a senior Council manager in Queensland for over 15 years, involved in major civil project planning and implementation in far North Queensland prior to commencing with Redland Shire Council.

Greg is committed to improving planning frameworks 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

Committed and progressive professionals – 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". Our employees are progressive professionals committed to delivering on our vision of "Enhancing community spirit, lifestyle and the natural environment". Our aims are to provide a safe, healthy and rewarding environment where our employees can reach their personal career goals, and an environment that attracts 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 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 55 employees currently being assisted with tertiary studies and 56 employees are undertaking Certificate IV and V courses. A total of 157 employees attended Hooked on Service training, 69 undertook a leadership program and 95 completed workforce development modules.

We have selected 10 trainees and eight 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.

On average, each employee attended over three training events during the year.

## Leadership and workforce development

Leadership development continues to be a major focus and Council has expanded the training available to all levels to include interpersonal skills development and team effectiveness. In total, 164 employees have completed the Leadership and Workforce Development modules this year.

## Planning for performance

Council exceeded the benchmark for performance appraisals completed on time. These appraisals 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 to minimise or remove the risk of injury.

All areas of Council have safety representatives. They are supported by the Workplace Health and Safety Management Committee and the Work Health & Safety Unit, and drive Council's Workplace Health & Safety Plan.

Council conducts annual workplace health and safety audits for re-accreditation of our self-insurance licence. In our 2006 external audit, the organisation was scored as 71.9% compliant, which was a vast improvement.

The next external accreditation audit is in 2008.

### Council staff at a glance

Full-time equivalent (FTE) employees (excluding casual)	900.62
New FTE positions in 2006–07	27
Employees recruited:	
• Internal	196 (83.40%)
• External	39 (16.60%)
• Total appointments	235
Employee turnover rate	16.80%
Employee-initiated separation	73%
Employees redeployed and/or retrained due to redundancy	0.49%
Employees covered by Enterprise Bargaining Agreement 6 (until 30 June 2008)	97.86%

### Gender balance

	Female	Male
Gender Executive Leadership Group/Senior Management Group	7 (25%)	21 (75%)
Gender balance elected representatives	4 (36%)	7 (64%)
Gender balance employees	53%	47%

### Corporate staff profile

Permanent	790.59
Permanent/part-time	70.98
Permanent job share	9.05
Contract of service	30
Casual	126.45

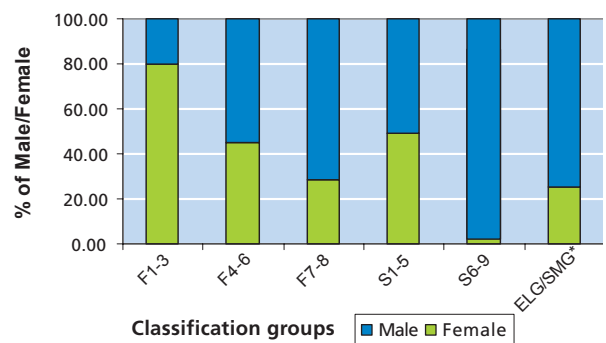
### Workers' compensation hours lost

	2005–06	2006–07
Total claims	59	63
Lost time claims	35	33
Total hours lost	2,717	3,057

### Staff injuries resulting in claims

	2005–06	2006–07
<b>Injury Location (Top 7) (Number of claims)</b>		
1. Lower back	5	16
2. Shoulder	5	5
3. Ankle	4	5
4. Abdomen	0	4
5. Nervous system	2	4
6. Upper back	3	4
7. Wrist	2	4
<b>Most Common Injuries (and number of claims)</b>		
1. Sprains and strains	29	36
3. Wounds, lacerations & bruising	8	9
3. Musculoskeletal disease/injuries	10	8

### Staffing rate by classification and gender (2006–07)



\*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. They provide independent advice to elected members to assist them in decision-making.

Committee recommendations form the basis of reports to the monthly General Meeting of Council, where Council collectively makes final decisions. The exception is 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

*The Local Government Act 1993* (the Act) provides a regulatory framework for the adoption and enforcement of councillor codes of conduct in Queensland.

Redland Shire Council has a Councillor Code of Conduct that is in accordance with the procedures set down in the Act. It provides councillors with a frame of reference about their roles, obligations and acceptable behavioural standards.

Council also has a general complaints process in accordance with Section 501D and requirements set out in Section 501E of the Act. It 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.

During 2006–07 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.

- i) There were two breaches of the code of conduct.
- ii) On 26 July 2006, Council resolved that Cr Toni Bowler breached section 6.1.1 and 6.3.1 of the Councillors' Code of Conduct and a written reprimand was imposed. On 20 December 2006, Council resolved that Cr Craig Ogilvie breached section 7.4.1 of the Councillors' Code of Conduct and a written reprimand was imposed.
- iii) There were three complaints about alleged code of conduct breaches by councillors referred to the conduct review panel during the year.
- iv) Two recommendations made by the conduct review panel were adopted.
- v) 24 complaints were made under the general complaints process; 21 complaints were resolved under the general complaints process; three

complaints have been carried forward to the next financial year; and 6 of the resolved complaints related to an alleged breach by a councillor of the local government’s code of conduct

vi) One complaint was made to the ombudsman during the year about decisions made by the Council about enforcement of its code of conduct.

### Employee Code of Conduct

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

Employees must display 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 developing and preparing Council’s policies and guidelines. All



new employees are trained as to 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 is 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:

- conducts investigations as requested by the CEO
- provides advice about business improvement processes and systems of internal controls.

In 2006–07, Internal Audit findings confirmed that a satisfactory internal control environment appears to exist within Council.

#### Major Achievements:

- completed all major tasks included in the 2006–07 Annual Audit Plan
- 22 audit reports were released
- strengthened relationships by providing advisory services to committees and user groups within Council
- continued to improve professionalism by reviewing and 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, a 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 2006–07 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 2006–07 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 eighth 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 has 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 and diverse fixed asset portfolio with a high financial replacement value. To manage these assets, a Total Asset Management Plan framework has been adopted to facilitate improvements through the acquisition, maintenance, operational and disposal phases of an asset's lifecycle.

Driving the implementation of this overarching framework is the preparation of Individual Asset Management Plans. As at 30 June 2007, 26 plans had been developed for the assets within these groups. Each plan is specific to a group and is structured to cover six major deliverables. These are: financial issues, such as budgeting, grants and depreciation; asset management including maintenance and capital renewals; service level capabilities; performance monitoring; environmental management and risk management.



An improvement program featuring action items and timelines for completion is a key feature in each plan. Completion of this program assists in incorporating continuous improvement principles to manage the asset portfolio. Every month completed action items are reviewed against the numbers due and this percentage is reported through Council's balanced scorecard program.

### Compliance

Council is committed to complying with legislation, standards and policies. A questionnaire was developed some years ago to provide assurance that compliance requirements are being met. Distributed quarterly, it identifies non-compliances that are provided to the Audit Committee for consideration. This year the questionnaire was reviewed and amended to improve clarity and understanding.

### 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, it identifies and addresses priority exposures and incorporates risk management strategies, risk improve-

ments 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.

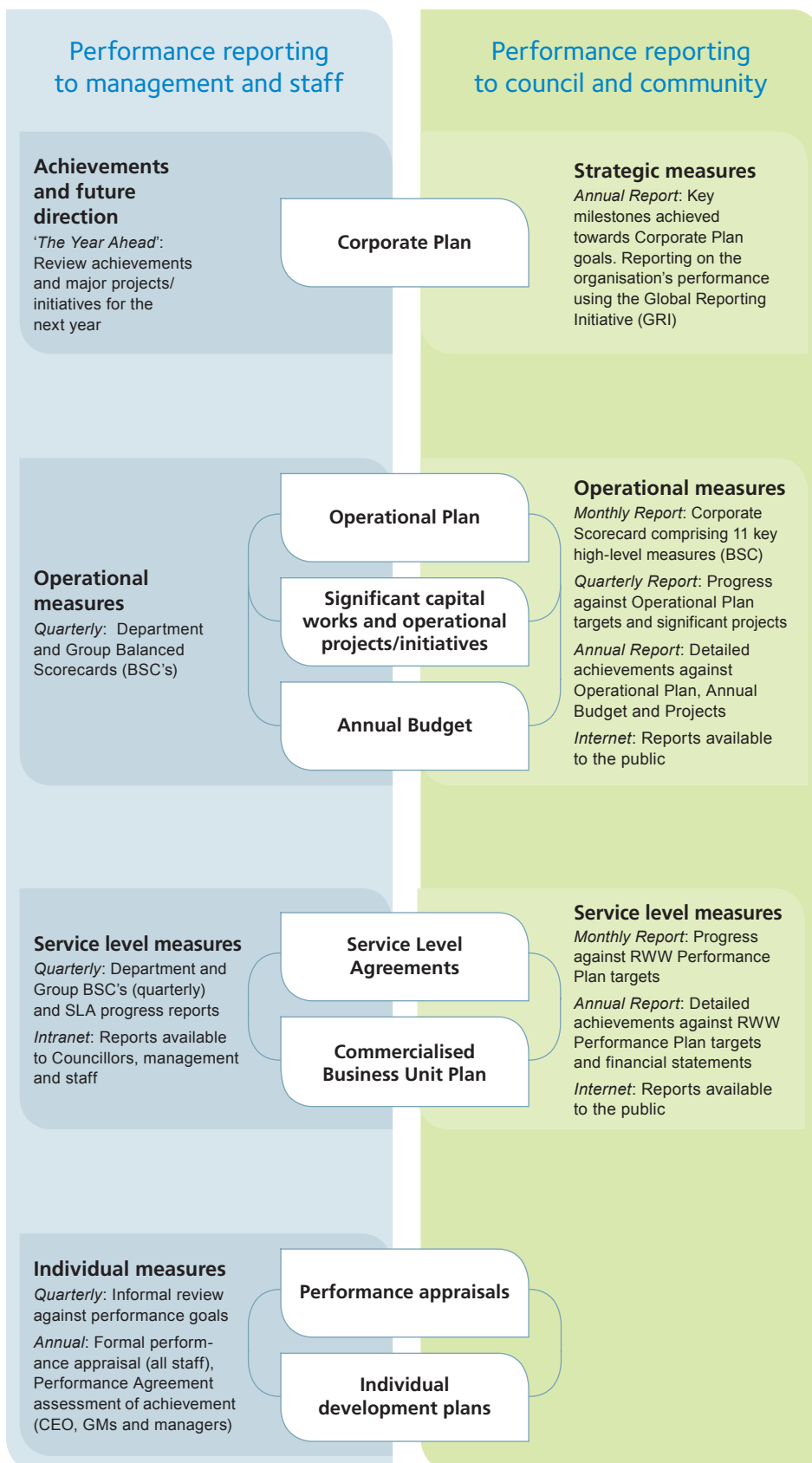
Council's strategic, operational and activity risks have been identified and assessed as to likelihood and consequence. Current and future treatments and control measures have also been established.

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.

During the year Council was presented with the Local Government Mutual Excellence Award, which recognises innovation and initiatives in risk management.



### Performance management

Council has implemented a Corporate Performance Management Framework that helps ensure the organisation is managed and governed according to our stated values and principles, achieves our stated strategic goals and objectives, and meets legislative requirements. The framework details:

- The role of Council's Corporate and Operational Plans in setting our strategic direction and enabling assessment of our progress in achieving set outcomes through clear measures of performance
- Systems and processes by which Council ensures its jurisdiction is exercised consistently with legislation and its Corporate and Operational Plans
- How we ensure accountability to the community and other stakeholders through open and transparent reporting
- How we are striving to achieve 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 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 page 17 illustrates Council's Performance Management Framework, viewed through four performance levels, namely corporate, operational, service level and individual.

## Freedom of Information

During 2006–07 there were 49 applications received under the *Freedom of Information Act 1992*, although 15 of these applications were either withdrawn by the applicant or lapsed due to the applicant's inaction.

For the 34 applications that proceeded to a decision, 14 related to the applicant's personal affairs and 20 were for non-personal affairs. A total of 1,539 documents were considered and 1,379 documents (almost 90%) were either fully or partially released.

If a person disagrees with a decision to release or exempt a document, the Act provides an avenue of appeal through reviews of those decisions. The first review is conducted by a senior Council officer, and if the person still disagrees, the Act allows a second, external review conducted by the State Government's Information Commissioner. This year there were two internal reviews and no external reviews of Council decisions.

## Key corporate governance legislation in Local Government

Council must comply with a great deal of legislation 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*
- *Workplace Relations 1996*.

## 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 2006–07 document.

## Borrowing Policy

### Head of Power

Section 4(d) of the *Local Government Finance Standard 2005* states 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 2006–07 document.

*'Our principles include social justice, best value, sustainability and community engagement'*

## Standing Committees 1 July 2006–30 June 2007

Planning and Policy Standing Committee	
Charter	Some of the recommendations put forward to Council
To provide Council with advice and recommendations where it has considered reports on:	<ul style="list-style-type: none"> <li>• Corporate Plan 2006-2010 (Reviewed 2007)</li> <li>• Strategic Risk Register</li> <li>• Redlands Planning Scheme Amendment 1(A) and 1(B)</li> <li>• Local Growth Management Strategy</li> <li>• Waterfront Structures Policy</li> <li>• Transport – Infrastructure Charges Planning Scheme Policy</li> <li>• Amendments to the Building Act and Regulations and the Queensland Development Codes and the Implications to Redland Shire Council</li> <li>• Water harvesting (incorporating Rainwater Tanks Policy)</li> <li>• New Planning Scheme Policies – Safer by Design; Infrastructure Charges, Transport, Policies, Transport, Cycleway</li> <li>• Redland Bay Centre and Foreshore Masterplan: (GM27/06/07): Adopt for community consultation and planning purposes</li> <li>• Southern Moreton Bay Islands Open Space Plan</li> <li>• Russell Island Swim Centre grant</li> <li>• Capalaba Activity Centre</li> <li>• Cleveland Aquatic Masterplan Implementation</li> <li>• Weinam Creek Ferry Terminal proposed toilet and ticketing facility</li> <li>• Review of Environmental Acquisition Policy – POL0281</li> <li>• Underground powerlines</li> <li>• Acquisition Strategy SMBI Open Space Plan</li> <li>• Sharps Strategy and Policy</li> <li>• Animal Management Local Law No.2 – public consultation</li> <li>• Sportsfield Lighting Audit</li> <li>• Redlands PCYC</li> <li>• Redland Shire Libraries 10 Year Plan</li> <li>• Land Management Plans, Dunwich and Amity</li> <li>• Launch of Redland Communities Online (Redlands Young Adult Project)</li> <li>• Research project into Biodiversity Friendly Urban Design</li> <li>• Koala Habitat Mapping – Expression of Interest</li> <li>• Research on introduction of carbon markets</li> <li>• Facilitating the Greenspace Enhancement Advisory Group meetings</li> <li>• Invitation for submissions on Review of Neighbourly Relations – Dividing Fences</li> <li>• Draft New Local Law 30 (<i>Parking of Heavy Vehicles in Residential Streets</i>)</li> <li>• Draft New Local Law 11 (<i>Exhibition of Advertisements</i>)</li> <li>• Effectiveness of Graffiti Management Strategy</li> <li>• Community Lands and Open Space Infrastructure Charges Schedules</li> <li>• Environmental land acquisitions</li> <li>• Review of the Landfill Remediation Levy</li> <li>• Draft State of Environment Report</li> <li>• Memorandum of Understanding between Logan, Brisbane and Redland Shire Council for the Management of the Koala Coast Conservation Area</li> <li>• Point Lookout Cultural Heritage Study</li> <li>• Grant Applications to the State Government</li> <li>• Redlands Youth Plaza</li> <li>• Unlawful Damage to Trees in Public Place Policy</li> <li>• Domestic duck removal from Hilliards Creek</li> <li>• Shade in Parks Project Stage 2</li> <li>• Land purchases for park purposes, Macleay Island</li> <li>• Continuation of Greenspace Enhancement Advisory Group</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
To provide Council with advice and recommendations where it has considered reports on:	<ul style="list-style-type: none"> <li>• Entered into an MOU with LGIS and State Government to implement SEQ water demand projects for Home Waterwise Service, rebates and BWEP</li> <li>• Submitted drought management plan</li> <li>• Constructed new reservoirs at Heinemann Road</li> <li>• Awarded tender for new odour control treatment at Capalaba WWTP</li> <li>• Submitted pressure and leakage management report</li> <li>• Awarded contract for gas to energy plant at Birkdale landfill</li> <li>• Made recycled water available at wastewater treatment plans for commercial operators.</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: 989 Development Applications comprising:</p> <ul style="list-style-type: none"> <li>• 846 Material Change in Use</li> <li>• 143 Reconfigurations.</li> <li>• These included: <ul style="list-style-type: none"> <li>– German Church Road Redland Bay IEC – Integrated Employment Centre.</li> <li>– Mt Cotton Road, Mount Cotton, chicken boning plant.</li> <li>– Weippin Street, Cleveland, hospital precinct industry/commercial development.</li> <li>– Hillview Road, Mt Cotton, chicken litter biomass cogeneration plant.</li> </ul> </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>• Monthly Corporate Financial Reports</li> <li>• Monthly Corporate Scorecard</li> <li>• Quarterly Revised Budget 2006–07</li> <li>• 2006 Lease/s:               <ul style="list-style-type: none"> <li>– Dept of Emergency Services – Karragarra Island</li> <li>– Capalaba Greyhound Racing Club</li> <li>– Redlands Employment Placement Agency</li> </ul> </li> <li>• Corporate Policy/s:               <ul style="list-style-type: none"> <li>– Adopt POL – 3041 “Non-Current Asset Retirements”</li> <li>– Adopt POL – 3052 “Non-Current Asset Revaluation”</li> <li>– Adopt POL – 3053 “Community Engagement Policy &amp; Strategy”</li> </ul> </li> <li>• Adopt General Rate Exemption on all land for residential purposes NSI Housing Cooperative Society</li> <li>• Adoption of Annual Report 2005–06</li> <li>• 2007 Lease/s:               <ul style="list-style-type: none"> <li>– Capalaba District Meals on Wheels</li> <li>– Telstra mobile phone facility – Amity Point</li> </ul> </li> <li>• Corporate Policies:               <ul style="list-style-type: none"> <li>• Adopt POL – 3060 “Fraud &amp; Corruption Prevention”</li> </ul> </li> <li>• Adoption of Schedule of Fees &amp; Charges 2007–08</li> <li>• Adoption of Operational Plan 2007–08</li> </ul>
Adoption of the Corporate and Operational Plans	
Major tenders and contracts that 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 2006–30 June 2007

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.	All matters brought forward from Standing Committees were considered at General Meetings of Council.
<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 2006–30 June 2007

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>• Adoption of South East Thornlands Draft Structure Plan</li> <li>• Water restrictions</li> <li>• Adoption of Local Growth Management Strategy</li> <li>• Adoption of 2007–08 Budget</li> </ul>

## Additional reporting

For the first time, Section 24 of the Local Government Finance Standards now requires the following disclosures in the annual report.

### Services rendered by a consultant\*

Business Grow	\$76,666
Investment Attraction	\$28,323
Local Growth Management Strategies	\$131,160
Cleveland Major Centre Redevelopment	\$165,131
<b>Total expenditure on Services rendered by a consultant*</b>	<b>\$401,280</b>

\*24(2) consultant, for a local government, means an entity, other than an employee of the local government, that is engaged by the local government a) to give advice and make recommendations to the local government about a new concept, process or other matter the local government intends to implement; and b) for a fixed period and at an agreed rate of payment.

### Entertainment and hospitality services

Special events	\$198,039
Catering	\$156,660
Meetings and seminars	\$25,626
Awards	\$24,135
Training courses	\$18,460
Other	\$28,898
<b>Total expenditure on Entertainment and hospitality services</b>	<b>\$451,818</b>

\* Catering includes corporate events such as citizenship ceremonies, business forums, Australia Day celebrations and official openings

### Advertising

Advertising	\$413,785
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### Grants to Community Organisations

<b>Total Grants to Community Organisations</b>	<b>\$913,414.62</b>
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### Details of overseas travel

Employee	Position	Destination	Date	Purpose	Cost
John Burns	Councillor	United Kingdom	10-18 June 2007	LGAQ Study Tour	\$7,182
Peter Dowling	Councillor	New Zealand	26-29 June 2007	ICTC Society Conference	\$2,180
Daniel Carter	Senior Advisor Natural Environment	Spain	5-18 October 2006	Sandy Beach Symposium - Environmental conference	\$2,858
Andrew Harvey	Manager - Economic Development	China	15-24 November 2006	Trade visitation	\$6,551
Wayne Dawson	Manager - Economic Development	New Zealand	26-29 June 2007	ICTC Society Conference	\$2,041
Nalaka Vitharana	Manager - Technical Support Redland Water	New Zealand	18-20 April 2007	Water Sector Workshop	\$1,178

# Corporate Plan 2006–2010

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

Redland Shire Council’s Corporate Plan provides a clear focus for Council and the organisation. At the highest level, our vision and mission clearly state our overall direction and provide a common sense of purpose. The values and principles are the common themes that underpin all aspects of our business, and are a vital guide to all decision-making.

The Corporate Plan reflects the more integrated role that Redland Shire Council now plays in building the capacity of our community to achieve a sustainable future. It ensures that we respond proactively to local issues that are increasingly being influenced by regional, state and federal initiatives and strategies.

The Corporate Plan’s strategic priorities and the outcomes, objectives, programs and strategies provide us with a clear focus for our operations. It is therefore our most important plan, from which all other plans, strategies, policies and processes take their lead. It drives our annual operational plan and, in turn, our yearly budget.

This is the first year in the implementation of the new Corporate Plan 2006–2010, which was adopted in December 2005. This report continues our practice of reporting against the nine strategic priorities in the Corporate Plan. 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.

As with any living document, this Corporate Plan has been further refined to eliminate overlaps, simplify terminology and consolidate strategic priorities and programs. These changes were approved by Council in June 2007.

Each year Council develops and adopts an annual Operational Plan that sets out the key outputs and activities

for the year for each program in the Corporate Plan. This includes a range of significant initiatives, 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 \$28 million locally in the financial year 2006–07.

Purchases by location	
Redland Shire	\$28,247,807
Rest of south-east Queensland	\$72,497,361
Rest of Queensland	\$2,444,251
Rest of Australia	\$14,937,941
Other	\$125,943

% of Suppliers by location	
Redland Shire	23.9%
Rest of south-east Queensland	61.3%
Rest of Queensland	2.1%
Rest of Australia	12.6%
Other	0.1%

## 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 of over \$150,000 Council must invite tenders. For purchases less than \$15,000 Council can provide its own policy.

This policy governs all Council purchases, 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*
- 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 Electoral Gifts, S.433 of the *Local Government Act 1993*
- Register of Roads in its Area, s.921 of the *Local Government Act 1993*.

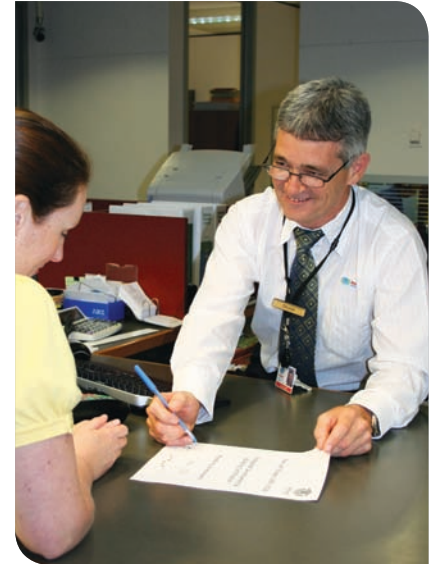
## Change to tenders

There were no changes to tenders.

## Expressions of Interest

The following Expressions of Interest were called under S.489 (1) of the *Local Government Act 1993*:

- Operation of Degan Road Child Care
- Operation of a construction and demolition waste recovery facility



## 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 2007–08 period. At the Finance and Corporate Management meeting of 23 May 2007, Council resolved to continue to apply the code of competitive conduct to the following business activities:

- School age care
- Caravan parks

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

Positive outcomes through partnerships.



The consolidation of our strategic partnerships has boosted potential for attracting business, supported existing businesses and raised the profile of the Redlands as a tourism destination and a desirable place to live and work.

This was reflected in Council's membership of such organisations as Invest Brisbane, the city's official inward investment agency, and the Southside Export Network, which provides regional support and assistance for local businesses to trade in national and international markets.

Redland business was also fostered through an agreement with AusTrade for running the TradeStart program and support for a series of events that encouraged and rewarded achievement and innovation. These included the Logan and Redlands Export Awards, Redlands Retail Awards and Redlands Business Achievement Awards.

The Council-sponsored Business Grow program helped over 450 businesses to access services, agencies and information and dealt with more than 1000 business inquiries. During the 2006–07 financial year it also gained 100 new clients. Since it was established in 2005, Business Grow has worked one-on-one with more than 1,350 businesses to identify problems and capitalise on opportunities.

During the past year it ran 10 workshops, with topics covering such matters as business start-up, marketing, and export, and a business funding session involving AusIndustry, Austrade and departments involved in state development

Linked with Business Grow, the appointment of a Small Business Field Officer

opened up additional opportunities to target home-based businesses, women in business and creative businesses, as well as assisting in applying for AusIndustry grants.

Creation of this position resulted from strategic partnerships – in this instance with the Greater Brisbane Area Consultative Committee through AusIndustry's Small Business Entrepreneurship Program.

## China trade office

Farther afield, the Redlands Trade and Investment Office, which opened in Guangzhou, China, in October 2006, has already played a significant role in facilitating export into China by providing information and support to almost 90 clients, and generally promoting investment in the Redlands.

A number of Council publications, including its *Top Ten* brochure, which details key investment projects now at various stages of investigation, and a

business opportunities guide have been produced in Mandarin.

## Heightened tourism profile

The consolidation of strategic alliances and relationships was crucial to leveraging flow-on benefits for tourism in the Redlands area especially in the interstate and international markets.

The Olivado Moreton Bay Seafood Festival, a signature event for the Redlands, attracted in excess of 9,000 people over the June long weekend. New and repeat visitors were targeted through a national media campaign and increased awareness of the destination was achieved internationally through the Chef Quest Competition.

Widespread exposure was achieved from a \$80,000 TV and print media campaign, maximising cooperative marketing opportunities with Tourism Queensland, Brisbane Marketing, Brisbane Moreton Bay & Islands, Greater



Brisbane Regional Tourism Organisation and local operators.

Increased awareness by the Brisbane market of the Redlands area as a destination was confirmed in the Omnibus Survey conducted by Colmar Brunton in May 2007. This along with research data on the Brisbane region, has helped identify new target markets, especially high value segments and niche markets.

### Working with tourism operators

The establishment of a Redlands Bed & Breakfast cluster (B&B), engaging 14 B&B operators from the Southern Moreton Bay Islands, North Stradbroke Island and mainland, has demonstrated the effectiveness of targeted promotional activities, networking and cooperation.

The 2007 Redlands on Moreton Bay Tourism Awards, coordinated by Council's Visit Redlands tourism unit, achieved a 68% increase in award submissions through the initiation of

a mentoring program for operators, with a higher number of submissions moving through to the Queensland State Tourism Awards.

Industry support for the Redlands on Moreton Bay Visitor Guide achieved comprehensive product directory for the area and the suite of heritage trails was completed with the publication of the Southern Moreton Heritage Trail. Launched in May 2007, it complements the existing Cleveland & Ormiston Heritage Trail and North Stradbroke Island Heritage Trail.

Industry workshops for business development and growth were offered in association with Brisbane Marketing including: Are You Internationally Ready? and Media Relations. Ecotourism Australia conducted a workshop on Ecotourism Accreditation, which was jointly coordinated by Council's Visit Redlands tourism unit and Redlands Tourism.

Visit Redlands initiative in joining the Australian Tourism Export Council

(ATEC) offered "international ready" operators entrée to the ITO Workshop in September on the Sunshine Coast. This resulted in confirmed inbound tourists from Taiwan and Korea on package tours to the area.

Membership to Meetings & Events Australia and subscription local and regional organisations have provided valuable networking opportunities.

*'The Redlands Trade and Investment office in China has played a significant role in facilitating exports'*



# Environment

With our growing population, the way we live has great impact on our surroundings. It is now more important than ever that we look after our environment, our waterways and bushlands.



Over the past year, our staff have completed several key projects that improved our Shire, reduced the impacts of increasing populations and enhanced our ability to monitor our environmental status.

## State of the Environment report

Redland Shire's first State of the Environment report has been drafted by Council officers. This report, undertaken on a voluntary basis, provides a summary of the environmental attributes and condition of the Redlands area and human impacts on the environment.

Although interested community groups have been approached to contribute data, research and information already collected on the Redlands' environment, much of the data in the

draft State of the Environment report has been recorded for the first time. It covers the key environmental themes of atmosphere, biodiversity, land, waterways, human settlement and cultural heritage. Data was collected across 59 environmental indicators and will be used as a benchmark for future reports.

Subsequent State of the Environment reports will be produced every four to five years and will gauge the success of our collective efforts to protect, enhance and manage our precious natural assets and the fundamental indicators of an ecologically sustainable lifestyle.

## Koala signage project

Large green and yellow signs depicting koalas crossing the road have been located at high wildlife casualty areas across the Shire.

The purpose of the signs is to raise motorist awareness and slow people down so they see wildlife approaching the road.

The koala signage project is just one recommendation of the Action Plan to Reduce Koala Hits from Vehicles in Redland Shire.

## Environmental Charge acquisitions

Council acquired two parcels of environmentally significant land, totalling 129.5 hectares, with funds from its Environment Charge in 2006–07. The resulting conservation area in Redland Bay is part of an ongoing project to create an extensive wildlife corridor linking to a Carbrook wetlands conservation park.

Council's Environmental Charge, a levy that is used to protect places of environmental significance that are not protected through Council's land use planning powers or local laws, makes such acquisitions possible. Since 1993, the Environmental Charge has funded the purchase of 341 properties totalling 380 hectares, at a cost of almost \$16 million. Full details of properties purchased using this charge levy can be viewed at [www.redland.qld.gov.au](http://www.redland.qld.gov.au)

## Shade in Parks project

Council has completed Stage 2 of a Shade in the Parks project. Several parks and playgrounds across the Redlands have received new shade ports over play equipment. Extra trees have been planted and water and seating provided in parks identified in the Redland Shire



Council Open Space Strategy. It's all part of providing a safe play environment for children and more pleasant open spaces for all residents to enjoy. The final stage of the Shade in Parks project will be installed by December 2007.

### Your Backyard Garden program

The Your Backyard Garden program is an extension program that provides advice to help urban householders improve the habitat values of their gardens.

It emphasises the role of private gardens in the Redlands as habitats and way stations for native wildlife, and potential sources of weed infestations. Program staff give practical advice and printed information for participants to follow, as well as vouchers for free and half-price plants.

A review of the program, undertaken in 2007 after three years of operation, demonstrates how low budget, low profile initiatives can deliver results and often out-perform traditional high cost community education programs.

With a total budget of \$85,000, 346 properties were visited in the past three years, achieving habitat enhancement and management to 80 hectares of land at just \$1,081 per hectare.

Survey results showed that unlike the traditional methods of disseminating information such as newsletters or flyers, this program instils positive behavioural change in the community.

### Environmental education

Water and waste education in our community has been further enhanced by the appointment of an officer based at IndigiScapes. The position is funded by Redland Water & Waste, with programs developed to inform both adults and children about ways in which they can conserve water, reduce waste and generally improve our environment.

### Landfill remediation charge

Judy Holt Sportfields in Birkdale are being resurfaced through funding from the Landfill Remediation Charge. This ratepayer levy is used to remediate former solid landfill sites to prevent environmental harm. Generally, funds are used to treat recently closed landfill, so application to this older landfill site, closed many years ago and subsequently redeveloped as playing fields, is significant.

The multi-purpose sportsfields are receiving a clay cap layer, some 300 millimetres of top soil with a subsoil drainage system, new turf and irrigation. As a result, the fields will be better drained and more level, and safe from any gas build-up and ground movement that can affect landfill sites. The clay cap and drainage should assist in reducing water infiltration to the landfill and hence reduce leachate problems.

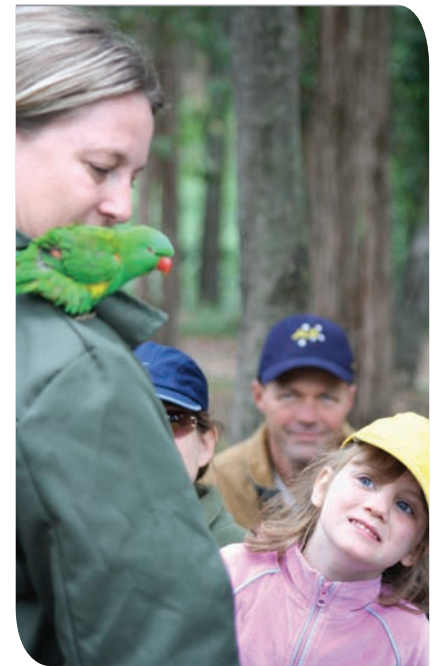
### Aquatic habitat assessment

Each year Healthy Waterways gives a report on waterways throughout south-east Queensland (SEQ). To gain a more detailed picture on the state of waterways in the Redlands, Council commissioned the Aquatic Ecosystems Unit of the Department of Natural Resources and Water (NR&W) to sample fifteen mainland sites and eight North Stradbroke Island sites. Fish, aquatic bugs and water quality were sampled in Autumn 2007, with a follow up in Spring 2007 to capture seasonal changes.

Interesting preliminary results from the Autumn sampling include:

- location of the Ornate Sunfish, which is rare in SEQ and the Redlands, at previously unknown sites in Coolnwynpin Creek and an unnamed North Stradbroke Island freshwater creek
- possible discovery of a new species of Catfish at the Keyholes Lake on NSI.

Council's suite of environmental programs balances the practical, immediate needs of our growing community with the forward planning and monitoring necessary to retain our native habitats.



*'...low budget, low profile initiatives can deliver results and often out-perform traditional high cost community education programs.'*

# Social

One of our strategic priorities is to 'provide a range of community services to support basic qualities of community life and maximise opportunities for community participation and development'. This is reflected in many of our recent activities.

## Children's services

Council exited the Family Day Care and the Degen Road Child Care Centre to an external organisation in January 2007. This transition was successful due to the communication strategies that involved a wide range of stakeholders, including families, staff, state and federal government agencies.

In quality assurance ratings across 19 services, School Age Care received 'good' to 'high quality' assessments. These results were above the indicator of "satisfactory" required for the first round of assessments. Licensing by the Department of Communities and the National Child Care Accreditation Council continue to involve unannounced spot checks to ensure the standards are meeting legislative requirements.

## Young people

The Youth Development program continued to support a range of recurrent and new projects including the coordination and support of the Redlands Youth Network and YTalk – Redlands Youth Forum. A highlight was the Redlands Youth Day Out – an annual National Youth Week event, held at Raby Bay Harbour Park in April, which attracted more than 600 participants who celebrated the contributions of young people. Other projects included an HIPP (Help Increase the Peace Program) – a conflict resolution program for teenagers on North Stradbroke Island, and arts workshops in Cleveland.

The Young Citizens Program (YCP) is an educational program designed for local schools that began operating in 1998 after research showed a need to

increase Local Government awareness in students. The YCP provides 'real world' examples for the theory that students learn in classrooms, educating them on Council's role in the community.

YCP offered 32 different activities to local schools. These presentations were undertaken by many areas of Council including Animal Management, Cultural Services, Environmental Management, IndigiScapes, Redland Water & Waste and councillors.

In the future, the YCP will continue to expand the number of different core activities it offers as opportunities become available. This will include the introduction of presentations covering additional animal management, water and waste topics.

## Seniors

Home Assist Secure (HAS) is funded by the Queensland Government and is sponsored by Council. This invaluable service assists older people and people with a disability

who want to stay living in their own home by providing home maintenance, repairs and security services.

## Respite Services

Funded through the Home and Community Care program and sponsored by Council, Respite Services has been available in the Shire since 1987. It has grown rapidly over the years and a number of new programs have been developed due to successful funding submissions based on community needs.

The respite programs provided 38,888 hours of care and 8,230 client attendances during the 2006-07 financial year.

An additional program, specifically designed to enhance the social and recreational needs of eligible men, will be introduced in September 2007. This program will operate Monday to Friday from the Killara Place facility located in Cleveland. The men's program, known



locally as B.U.C.K – Boys Unique Club at Killara, will include both community access and in-house activities.

Respite Services provides four programs specifically targeted to frail aged clients and two programs for young adults with a disability. The disability programs provided 9,903 hours of care and had 1,788 attendances.

### Community development

Council is committed to assisting the community with capacity building initiatives that enhance the Shire's strong community framework. Some of these initiatives include Women's Expo and Harmony Day celebrations.

The North Stradbroke Island Shared Responsibility Agreement continues to bring government signatories together to deliver positive outcomes for indigenous communities.

### Redlands' culture

Once the walls of the new arts centre at Cleveland were erected and the building took shape, planning towards a dynamic annual program of live performance events for all ages began in earnest. A major addition to the Shire's cultural assets, the centre will open early in 2008.

Council adopted a 10 year library plan to ensure that Redlands' excellent service keeps pace with 21st century needs and opportunities in the knowledge sector. Creative application of digital technologies and a sharper focus on community partnerships in information and learning programs are key directions for the future.

To inform a 10 year cultural plan for the Shire, an audit of 70 festivals and events was conducted and a creative research project on youth cultures concluded with the production of Viewfinder, a DVD made by teenagers in the Redlands.

### Special events

Council conducts a range of community events throughout the year. Citizenship ceremonies regularly welcome new Australian citizens in the Redlands and the Mayor's Over 90s luncheons delight our most senior citizens. On an annual basis, the Australia Day Awards acknowledge outstanding residents and the Christmas by Starlight concert provides top-class entertainment whilst fostering a sense of community.

A special event this year launched the Redland Communities Online, which provides portal access to over 1,300 community organisations and a forum-

based meeting place for members of our human services organisations.

### Redland Shire Council Australia Day Awards 2007

- **Community Organisation Award** – Horizons Foundation
- **Community Service Award** – Susan Russell
- **Cultural Award** – Peter Crane
- **Environmental Achievement Award** – Bob Douglas
- **Sports Award** – Barbara Jones
- **Young Citizen of the Year Award** – Melissa Wu
- **Citizen of the Year Award** – Robert Quail

*'Council is committed to assisting the community with capacity building initiatives that enhance the Shire's strong community framework.'*



# Key Projects

Each year we report on our key projects as outlined in our 2006–2010 Corporate Plan strategic priorities, as a snapshot of our performance.

The following tables show how projects we identified in our 2005–06 Annual Report 'Looking Forward' section have progressed.

Council has also had a number of successes in awards. They included:

- SEQ Regional Collaboration Sustain-








ability Award – SouthROC ecoBiz Program (trialled in the Redlands in 2004–05)


- SEQ Regional Collaboration Best value for Money – for Council's leadership role in the development of a procurement guide
- The State Award and Highly Commended Award in the Australian Service Excellence Awards – to the Customer Service team
- Customer Service Professional of the

Year Award – to Customer Service Officer Jacqui Murphy


- Local Government Mutual Queensland overall Risk Management Excellence Award, as well as commendation and high commendation for two other award entries
- SES Unit of the Year – Redland SES
- PNEB Award for Newspaper and Magazine Recycler of the Year 2006 – Redland Water & Waste


## Essential Services

Project/Activity	Objective	Status	Expenditure
Reseals and resurfacing	The Reseals and Resurfacing Program involved the resealing of existing roads at numerous locations across the Shire.		\$2,838,889
Raby Bay Canal	Maintenance of the Raby Bay canal estate including repairs to various revetment walls, dredging, cleaning and other minor operating activities.		\$2,313,901
Residential streets	Provided regular improvements to the Shire's existing road network, including the provision of kerb and channel, bitumen widening and edge restraints.		\$2,080,939
Seal gravel roads	Projects involved the sealing of existing gravel roads across various locations within the Shire.		\$1,969,398
Heinemann Road Reservoir	This is an ongoing project that involving the construction of a 22.3 ML reservoir required to provide additional potable water storage for existing and future water supply demands.		\$1,500,791
Bitumen widening	Projects involved 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.		\$1,210,352
Footpaths	Projects included the construction of new paths and extension or widening of existing paths.		\$912,424
Bikeways	Provided new bikeways within the Shire. Projects included the construction of new paths and extension or widening of existing paths.		\$832,001
Drainage Program	Improved drainage at various locations.		\$404,282
Residential Water Incentive Program	Provided incentives for residents to install water-saving devices in their homes through retrofit/rebates to reduce overall residential water consumption.		\$217,469
Foreshore protection	Ongoing project involving the provision of sea-walls at various locations within the Shire.		\$211,588
Intersections	Improved existing intersections including signalisation, installation of splitter islands, service vehicle turnarounds. Major works included line marking improvements, additional turning lanes and signalisation at Mt Cotton/School Road, Capalaba.		\$197,278

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

(cont'd over page)

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

 **Complete:** project is finished.



## Essential Services (cont'd)

Project/Activity	Objective	Status	Expenditure
School Safe Program	The School Safe Program is aimed at delivering safety improvement projects to local schools. In 2006–07 it involved the provision of on-street parking at Gordon Road for the Redland Bay State School.	↻	\$105,660
Marine infrastructure – SMBI	Ongoing project involves provision of new marine infrastructure on the southern Moreton Bay islands including berthing pile upgrades at Lamb and Karragarra Islands and revetment wall works at Macleay and Karragarra Islands.	↻	\$83,129
Local area traffic management	Installed the Local Area Traffic Management (LATMs) devices at various locations within the Shire.	➔	\$64,481
Plumbing connections to sewer on Coochiemudlo Island	Ongoing project where approximately 548 existing dwellings need to be connected to the sewer.	↻	\$60,707
Car parking	The provision of public car parking. Works included the provision of car and trailer parking at Dalpura Street, Macleay Island.	↻	\$57,886
Toondah Harbour maintenance	Dredging of Toondah Harbour, Cleveland is an ongoing project and it includes regular maintenance and dredging work.	↻	\$53,085
Marine infrastructure – Mainland	Provided improvements to the marine infrastructure on the Shire's mainland, North Stradbroke and Coochiemudlo Islands. Projects include works on ferry pontoon landing at Yabby Street, a floating pontoon at William Street at Raby Bay, pre-design improvements to the Weinam Creek marine commuter facility and berthing pile replacements at the Victoria Point boat ramp. This project will continue in 2007–08.	↻	\$40,653
Aquatic Paradise canal maintenance	Maintenance on the Aquatic Paradise canal estate including repairs to various revetment walls, dredging, cleaning and other minor operating activities.	✓	\$31,687

## Community Health and Wellbeing

Project/Activity	Objective	Status	Expenditure
Redlands Performing Arts Complex	Construction of the Performing Arts Complex in Cleveland is ongoing. The total centre costs will be partly funded from a State Government grant.	→	\$3,652,331
Redlands Softball Complex upgrades	Completed the major upgrade to the Redlands Softball Centre at Hilliards Creek Park, Ormiston, including the centre and clubhouse upgrades. Redlands Softball Complex carpark and pedestrian bridge are still to be completed.	→	\$1,796,463
Upgrade of caravan parks	Continued the upgrade of caravan parks and camping grounds in the Shire. This included upgrades to power, water, sullage, recreation facilities and camp kitchens. Majority completed with minor works outstanding. This is a re-occurring project.	↻	\$1,064,076
Cleveland Aquatic Centre major improvements	Construction of the Cleveland Aquatic Centre is ongoing. It will include modernising the pool and providing 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.	→	\$860,020
Parks-Land acquisitions	Several small land parcels within the Shire were acquired for dedication as local parks. This project occurs annually.	↻	\$576,570
Improvements to Cleveland Showgrounds	Water boring is complete and the improvements are in the construction phase. Project will continue in 2007–08.	→	\$524,877
Donald Simpson Centre improvements	Improvements to the Donald Simpson Centre were completed including an electrical upgrade and the installation of an acoustic ceiling, acoustic treatment and air-conditioning in the large activity room.	✓	\$363,847
Flinders Beach toilets	Construction of the project is completed including installation of gates and the provision of signage for the closure of Flinders Beach to 4WDs during king tides and peak visitation times.	✓	\$242,747
Russell Island Swim Centre	Continuing the construction of a new swimming pool and amenity block on Russell Island.	→	\$202,053
Ross Creek bikeway safety lighting	Installed 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.	✓	\$163,424
District Parks – Les Moore Stage 2	Completed the stage 2 of the Les Moore Park upgrade as per Council's masterplan. The upgrade included a picnic pergola, BBQs, park furniture, play equipment and landscaping.	✓	\$145,284
PCYC extension	A capital grant was provided to the PCYC for the extension of the existing building, including a dedicated gymnastics facility and a multi-purpose room.	✓	\$144,000
Valentine Park safety lighting	Installed the solar overhead lighting along the pedestrian walkway/bikeway in Valentine Park. The new lighting will result in improved safety for commuters and recreational walkers.	✓	\$127,842
William Taylor Sportsfield	Replaced 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.	✓	\$84,073

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

(cont'd over page)

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

✓ **Complete:** project is finished.

## Community Health and Wellbeing (cont'd)

Project/Activity	Objective	Status	Expenditure
Sportsfield refurbishment – General	Upgraded and improved the playing surface at Keith Surridge Park and Sel Outridge Oval to meet requirements for safe playing conditions and to appropriate competition standards.	✓	\$62,898
Dehumidifier, Redland Art Gallery	Installed a dehumidifier at the Redland Art Gallery to attract touring exhibitions from major galleries such as the National Gallery and the Australian War Museum.	✓	\$54,494
Removal of asbestos from all Council facilities	The asbestos sheeting was removed in public facilities.	✓	\$54,467
Redlands Youth Plaza	The construction of Redland Shire's first regional ramp park in Capalaba continues. 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. Project will be completed by the end of 2007.	→	\$26,841
Cultural Festivals Strategy – Stage 1	An audit of festivals and events in the Shire was conducted as the first stage of a Festivals and Events Strategy for the Redlands. The needs and views of 70 event producers were analysed through a detailed survey and focus groups. Data revealed a need for a more streamlined and targeted approach to Council's support of local, regional and hallmark events.	→	\$8,138

## Physical Character

Project/Activity	Objective	Status	Expenditure
Local Area Plans	This project involved 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 Redland Bay South. Project will continue in 2007–08.	→	\$243,900
Local Growth Management Strategy	The Local Growth Management Strategy has been adopted by Council and forwarded to the State for first interest review. It will be released for public comment during 2007–08. The primary role of the strategy is to identify the location, extent and nature of urban growth.	→	\$131,161
Shire entry signs	Signage to improve the entry way to the Shire by the erection of lighting, signs and soft landscaping has been designed. Manufacture and installation are progressing in 2007–08.	→	\$40,124
Streetscapes	Provided new streetscapes within the Shire including the pre-design phase of Dunwich Town Centre.	✓	\$18,030

## Natural Environment

Project/Activity	Objective	Status	Expenditure
Bushland and vegetation maintenance	Activities involved the protection, maintenance and enhancement of the health of the Shire's bushland and vegetation. Activities included the Community Bushcare Program, fire management, grass cutting and general maintenance. This is largely funded from the Environment Charge Reserve.	🔄	\$2,532,442
Coastal and waterways management	Aquatic weed control, catchment management, foreshore and marine protection and beach erosion rectification.	🔄	\$1,258,691
Environment education and awareness	The activities of this area include the operation of IndigiScapes, school programs, habitat protection and 'Your Backyard Garden' program.	🔄	\$793,120
Coolnwynpin Creek energy dissipater	Constructed the natural channel directly adjacent to the Stage 1 stormwater flow dissipater.	✓	\$225,076
Fire management planning	Undertook a fire break report for North Stradbroke Island, which establishes the required fire break type for all Council owned or managed land on North Stradbroke	✓	\$60,000
Fellomonger Park track	Designed and constructed a 50 m long x 2.5 m wide concrete path from the bridge to existing track running parallel to Sturgeon Street, Ormiston.	✓	\$50,116

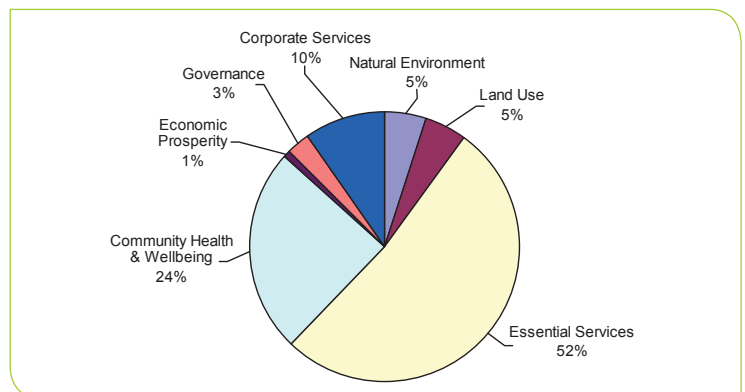
## Economic Prosperity

Project/Activity	Objective	Status	Expenditure
Tourism development and marketing	This is an ongoing program focusing on the development and marketing of the Shire as a quality visitor destination. The initiatives are based on the Redlands Marketing Plan recommendations.	🔄	\$143,334
Investment attraction	This is an ongoing program focusing 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.	🔄	\$100,974
Business Grow	Business Grow assisted businesses to access services, agencies and information available within the Redland Shire.	🔄	\$81,972
Redlands Trade and Investment Office	The project involved 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.	✓	\$25,475

# Looking Forward

The budgeted expenditure of \$254.2 million, including depreciation and contributed assets, is allocated to strategic priorities as identified in the Corporate Plan.

These include the following:



Essential Services	Budget
<b>Reseals and resurfacing</b> The reseals and resurfacing program involves the resealing of existing roads at numerous locations across the Shire.	\$3,300,000
<b>Raby Bay Canal</b> Maintenance of the Raby Bay canal estate including repairs to various revetment walls, dredging, cleaning and other minor operating activities.	\$2,438,300
<b>Intersections</b> Improvements to existing intersections including signalisation, installation of splitter islands, line marking improvements, additional turning lanes and service vehicle turnarounds. Major works for 2007–08 include Wellington Street, Cleveland, and signalisation at Mt Cotton Road, Capalaba.	\$2,231,768
<b>Residential streets</b> Improvements to the Shire's existing road network, including the provision of kerb and channel, bitumen widening and edge restraints.	\$2,137,981
<b>Aquatic Paradise canal maintenance</b> Maintenance of the Aquatic Paradise canal estate including repairs to various revetment walls, dredging, cleaning and other minor operating activities.	\$2,033,000
<b>Seal gravel roads</b> Projects involve the sealing of existing gravel roads across various locations.	\$1,776,873
<b>Footpaths, bikeways and trails</b> The construction and extension of footpaths, bikeways and trails within the Shire.	\$1,702,687
<b>Marine infrastructure – Mainland</b> The provision of new marine infrastructure on the Shire's mainland, including North Stradbroke and Coochiemudlo Islands.	\$1,533,826
<b>Toondah Harbour maintenance</b> Dredging of Toondah Harbour, Cleveland. Funding is expected to be obtained from Queensland Transport and from Toondah Harbour's commercial operations.	\$1,079,866
<b>Marine infrastructure – SMBI</b> The provision of new marine infrastructure on the Southern Moreton Bay Islands. 2007–08 projects include berthing pile upgrades at Lamb and Karragarra Islands and revetment wall works at Macleay and Karragarra Islands.	\$637,608

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Essential Services (cont'd)	Budget
<b>Car parking</b> The provision of public car parking. 2007–08 works include car and trailer parking at Dalpura Street, Macleay Island.	\$590,140
<b>Residential Water Incentive Program and Business Water Efficiency</b> Provide incentives for residents and business to install water saving devices through retrofit/rebates to reduce overall water consumption.	\$222,915
<b>School Safe Program</b> The School Safe Program is aimed at delivering safety improvement projects to local schools. The 2007–08 project involves the provision of on-street parking at Sanctuary Drive for the Mount Cotton State School.	\$196,000
<b>Foreshore protection</b> The provision of seawalls at various locations.	\$190,617
<b>Transport facilities</b> The provision of bus stops and lay byes at various locations.	\$155,000
<b>Drainage program</b> Drainage improvements at various locations.	\$133,381
<b>Local area traffic management</b> The installation of local area traffic management (LATMs) devices at various locations.	\$80,019

Community Health and Wellbeing	Budget
<b>Redlands Performing Arts Complex</b> Construction of the Performing Arts Complex in Cleveland. The centre will be partly funded from a State Government grant.	\$5,816,260
<b>Upgrade of caravan parks and camping grounds</b> Continuation of upgrade of caravan parks and camping grounds in the Shire. This includes upgrades to power, water, sullage, recreation facilities and camp kitchens.	\$1,056,974
<b>Cleveland Aquatic Centre major improvements</b> 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 toddlers pool, BBQ and eating area, new double storey building housing a gym, consultation and meeting rooms, shade structures and a terraced grandstand and new entry.	\$986,098
<b>Redlands Youth Plaza</b> 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.	\$976,600
<b>Southern Moreton Bay Islands (SMBI)</b> Acquisition of open space land on the Southern Moreton Bay Island. Totally funded from the SMBI Capital Reserve.	\$850,000
<b>Russell Island Swim Centre</b> 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.	\$805,512
<b>Capalaba Regional Park Playground Stage 3</b> Completion of the upgrade of the Capalaba Regional Park as per Council's masterplan. Works include new pedestrian paths, new play features, new furniture, landscaping, turf and trees.	\$783,100

(cont'd over page)

Community Health and Wellbeing (cont'd)	Budget
<p><b>Improvements to Cleveland Showgrounds</b></p> <p>Continuation of improvements to the Cleveland Showgrounds as identified in the Cleveland Showgrounds' Masterplan. 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>	\$600,566
<p><b>Wellington Point Reserve</b></p> <p>The project will upgrade the park in accordance with standards of the Redland Shire Open Space Plan 2004–2016. The project will be implemented over two financial years, commencing in 2007–08. Initial works include playground upgrade in the western area of the reserve and new park/picnic facilities. Planned works for 2008–09 include an upgrade to the trailer car park and new pathways.</p>	\$485,000
<p><b>Point Lookout Hall extension</b></p> <p>Extension of the Point Lookout Community Hall in accordance with the recommendations of the Point Lookout Community Hall consultation and design project.</p>	\$337,200
<p><b>Edgar Harley Pavilion relocation and refurbishment</b></p> <p>Relocation of the Edgar Harley pavilion from its existing location to a new location near the Redland Memorial Hall in the Cleveland showgrounds, including the disconnection of services and removal of surplus infrastructure. Services will be re-connected at the new location as well as minor works to make the building safe for use. Refurbishment of the building is planned to be undertaken in 2008–09 as part of Council's capital program.</p>	\$235,800
<p><b>Cylinder Beach Stage 1</b></p> <p>Implementation of Stage 1 of the Cylinder Beach Masterplan including improved car parking, increased recreational areas and improved stormwater management.</p>	\$218,800
<p><b>Donald Simpson Centre improvements</b></p> <p>2007-08 improvements include the installation of acoustic dividers in the large activity room and the reconfiguration of the awning space to create additional meeting rooms and storage space.</p>	\$216,114
<p><b>Valentine Park Stage 1 &amp; 2</b></p> <p>The construction of new and recreational infrastructure including picnic areas, shade, pathways, car parks seating and landscaping.</p>	\$212,000
<p><b>GJ Walter Park</b></p> <p>The installation of new and upgraded park infrastructure including picnic shelters, water fountains, litter bins, picnic tables, play areas and seating.</p>	\$200,000
<p><b>Parks-Land Acquisitions</b></p> <p>The acquisition of small land parcels for dedication as local parks.</p>	\$165,000
<p><b>Redlands Softball Complex carpark</b></p> <p>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>	\$111,718

Land Use	Budget
<p><b>Integrated Planning</b></p> <p>The activities under this program include delivery and review of the Redlands Planning Scheme outcomes to achieve ecological sustainability in the Shire and regional planning initiatives (Including Local Area Plans).</p>	\$593,149
<p><b>Swimming Pool Inspection Project</b></p> <p>Continuation of swimming and spa pool inspections of Council approved pools from 1991 to 1998 with no recorded final inspections.</p>	\$194,036

Natural Environment	Budget
<b>Conservation land acquisitions</b> The acquisition of environmentally significant land as a result of Council's commitment to protect significant land across the Shire. This project is funded from the Environmental Charge Reserve.	\$3,668,543
<b>Bushland and vegetation maintenance</b> 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.	\$3,037,242
<b>Coastal and waterways management</b> Aquatic Weed control, catchment management, foreshore and marine protection and beach erosion rectification.	\$1,131,006
<b>Environment education and awareness</b> The activities of this area include the operation of IndigiScapes, school programs, habitat protection and 'Your Backyard' program.	\$1,107,028
<b>Point Lookout Gorge boardwalk</b> The project involves the upgrade of ageing sections of the track with new composite fibre material.	\$197,000






Economic Prosperity	Budget
<b>Tourism development and marketing</b> This expenditure contributes towards the development and marketing of the Shire as a quality visitor destination. The initiatives are based on the Redlands Marketing Plan recommendations.	\$544,364
<b>Shire entry signs</b> Improve the entry way to the Shire by the erection of lighting, signs and soft landscaping.	\$151,752
<b>Business Grow</b> 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.	\$89,000
<b>Investment attraction</b> 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.	\$61,000



# 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.

**Legend**

-  Waste Transfer Station / Landfill
-  Wastewater Treatment Plant
-  Water Treatment Plant
-  Suburb Boundaries
-  Borefield



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 47,639 water connections, 45,041 wastewater connections, and 50,356 weekly refuse and 50,335 fortnightly recycling services.

In 2006-07, RWW supplied 13,782 megalitres of drinking water and treated 9,160 megalitres of wastewater. Recycling rates for kerbside collection were up from 23% in 2005-06 to 24% this year.



## A Message from our General Manager – Jim Pruss



The past year has seen the team at RWW continue to dedicate an enormous amount of time and effort to water and reform issues.

With the state government’s decision to restructure the water industry it is likely that Council’s role in delivering water and wastewater services to our residents will fundamentally change in the coming years. Regardless of these changes, and all the uncertainty they have caused, I am very proud to say we have continued to provide excellent service and top quality products to our customers.

In terms of some highlights for the year, the Treatment Operations team further reduced wastewater treatment plant non-compliances from last year’s record of 4 to only 3. The pump station teams also managed to achieve zero dry weather overflows. I believe this is a first in the history of the Shire. The combined waste team has been exceptionally

busy dealing with the landfill sites and planning for the new waste transfer station. The Technical Support team has continued to deliver high standard planning reports, managed the asset revaluation exercise, and taken on all the infrastructure work required of the government’s Water Emergency Regulation. The Customer Services and Business Performance team, in addition to their normal high standard of day-to-day customer service, continued the development of the Maximo system to better track and plan underground asset maintenance, implemented the Business Water Efficiency Program, reformed our water restrictions regime, and responded to multiple information requests from various State entities often with impossible timeframes.

One target we did not hit this year was our performance on safety. Although we did better than last year we still recorded five injuries causing people to have time off work. Although ‘Lost Time

Injuries’ is not a great indicator of safety performance it still shows we need to do some more work. All the injuries were related to manual handling or simple ‘accidents’ but I believe nearly all of these simple accidents can be prevented if people to stop and think about the risks and potential controls before they undertake an activity. Combine this with using and improving the safe systems of work and using the other support systems around us and we can achieve a zero injury target in the coming year.

I am very proud of our business performance over the past year and look forward to a similar standard this year. Our biggest challenge coming up will be the reform issues and the final shape of the water business and Council’s future role. However, regardless of the changes, the main objective of our business has not changed and that is to provide high quality services to the people of the Shire.

## Statutory obligations

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

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

- Results of reviews and audits of our SAMP
- Results of reviews of our CSS
- Actual performance against targets set in the SAMP and CSS (including deficiencies)

*Note: Key actions taken to implement the SAMP including funding are provided in a separate document.*

## Reviews

Strategic Asset Management Plan	RWW is required to regularly review its SAMP to make sure it remains relevant. Reviews must take place at time intervals stipulated by the regulator, usually two to five years. No reviews of the SAMP were undertaken this year. A review is scheduled in 2007–08 as part of the Total Management Plan review and update.
Customer Service Standards	Legislation requires RWW to review its CSS every year and to state the outcome of the review in the annual report. The CSS was reviewed as part of the production of RWW’s annual Performance Plan and no changes were made to the CSS. Another review is scheduled for early 2007–08.
Audits	Legislation requires that RWW undertake regular audits of its SAMP, usually two to five years, and set by DNRW. The findings and recommendations of any audit report must be summarised in the annual report. An audit was undertaken in 2005–06 and therefore no audits of the SAMP were undertaken in 2006–07.

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 the 2006-07 financial year and fulfils the business unit's obligations under the *Local Government Act 2003* and the *Water Act 2000*.

## Major activities and achievements

### Home Waterwise Service

Replacing RWW's Residential Retrofit Program is the state and local government's Home Waterwise Service. This is a \$22.5 million, three-year retrofit program for domestic residential properties across the SEQ region, which is partly funded through RWW. The program commenced on 1 July 2006 and provides up to \$150 worth of goods and services to homes for a fee of \$20. Over the three-year program it is expected that over 150,000 homes will

be retrofitted in the SEQ region, 7000 of these homes within the Redlands. In 2006-07 4432 homes in the Shire were retrofitted saving an estimated 254 kl of water per day.

### Council internal retrofits

Council internal retrofits were part of a series of water-saving projects implemented by RWW involving the installation of water-saving devices in Council's own premises. This project was partly funded by a Federal Government Community Water Grant. During 2006-07, over 500 water-efficient fittings were installed in 45 Council facilities. This project yielded average water savings of 47 kl per day.

### Green plumbing

RWW hosted two free Green Plumbers' training programs to assist professional plumbers in providing customers with up-to-date information and advice on the latest technology for water-saving appliances and fittings. The courses covered water efficient products, new technology, household and commercial water audits, reducing water consumption, stormwater and wastewater.

### Green smartBusiness Program

#### WEMPs and BWEP

RWW worked with businesses to develop Water Efficiency Management Plans (WEMPs) and facilitate the Business Water Efficiency Program (BWEP). WEMPs aim to assist business save on water costs, reduce water consumption and improve efficiency through better managing water use. Through both activities, targeted businesses achieved an average reduction in water consumption of 7.8% – producing average savings of 363 kl per day.

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	1,254.4 km
Water meters (including multiple properties per meter [MPPM])	47,639 (49,810)
Water treated	13,782 ML
Water billed	12,164 ML
Total assets	\$451 million

Wastewater	
Treatment plants	7
Pumping stations	128
Length of sewer main	1,046.2 km
Active services	45,041 (43,348)
Wastewater treated	9,160 ML
Sludge for re-use	100% (17,668wt)
Recycled effluent for re-use	581 ML
Trade waste generators	410
Trade waste discharged to sewer	367 ML
Total assets	\$440 million

Waste Management	
Households with a waste and recycling service	50,356 (waste) 50,335 (recycling)
Landfill sites	1
Hardfill (construction and demolition sites)	1
Transfer stations	8
Total kilos of domestic waste landfilled per capita	447.7 kg
Total assets	\$20 million

The BWEF program is a \$40 million, two-year program initiative of the state government and coordinated through SEQWater. It aims to deliver maximum reduction in potable water usage by businesses across the south-east Queensland region. The program offers rebates for specific water saving projects within high water use businesses. The program focuses on the top 1200 water users in the SEQ region. Of these, Redlands has 76 users.

#### **ecoBiz**

RWW committed to the EPA-initiated eco-efficiency resource management program aimed specifically at reducing water and energy consumption and waste stream production in business. In the Redlands 21 businesses now benefit from the program. In addition to direct financial, environmental and social benefits to business, the Shire also benefits indirectly through a reduction in demand on water and waste resources with associated greenhouse gases also reduced.

#### **Polystyrene recycling trial**

RWW undertook a 12-week trial to recycle polystyrene at Birkdale landfill and a small number of Redland Bay Road, Capalaba, retailers. In the recycling process polystyrene is broken down into granules and compressed into logs ready for the next phase of recycling. The collapsed material is then mixed with other materials and extruded into such products as picture and mirror frames and close cell foam. During the trial, 12 semi-trailer loads of polystyrene were collected – sparing 636 cubic metres of polystyrene from going to landfill.

#### **Water and Waste Education Program**

RWW collaborated with Council's Environmental Education Unit to develop and deliver RWW's Education Program, which aims to contribute to a whole-of-council approach towards education. As well as the development of school curriculum programs and producing an education DVD, the program also includes school visits, council facility sites visits by schools,



Herring Lagoon, North Stradbroke Island

community group presentations, events and activities, and competitions.

#### **Recycled water**

RWW expanded its recycled water filling service to commercial water carriers. Recycled water can now be accessed by licensed water carriers from Council's wastewater treatment plants at Victoria Point and Cleveland. Commercial businesses can purchase recycled water for such activities as dust suppression, earthworks, road and service construction, landscaping, slope stabilisation or erosion control.

#### **Meter Replacement Program**

RWW implemented a meter replacement program for ongoing replacement of water consumption meters for commercial and residential properties in the Shire. During the year 6,414 meters were replaced.

#### **Metered Hydrant Standpipes**

RWW implemented the use of metered hydrant standpipes by external parties within the Shire to ensure fairness and better control in the use of the Shire's water and recycled water systems. Metered hydrant standpipes are used across most Queensland local authorities to control access to the Council's water mains by external contractors and business operators.

#### **Household Hazardous Waste Days**

RWW provided three free disposal

days for Shire residents to safely surrender household hazardous waste products from domestic sources, which include herbicides, pesticides, paint, hydrocarbons, acids, pool chemicals and smoke alarms. Over 200 residents used this service in 2006-07.

#### **JJ Richards Waste Contract**

RWW's new waste and recycling collection contract with JJ Richards and Sons came into effect on 1 July 2006. JJ Richards and Sons provide waste management services including waste collection services, recyclable material collection services and recyclable material recovery services.

#### **Landfill to gas energy plant**

RWW awarded the tender for the construction and operation of a landfill gas (LFG) to energy plant. The Birkdale landfill produces LFG, the emission of which is to be managed to meet the EPA's environmental operations requirements. RWW undertook a review of LFG generation which identified the potential for generating electricity from the LFG produced at the landfill site.

#### **Birkdale safety rails**

In an effort to improve public safety at Council transfer stations a trial safety rail has been erected at Birkdale Landfill. The purpose of the rail is to prevent people from falling into the large bins when disposing of waste.

**Maximo Works Management System**

RWW committed to the continued development and utilisation of the Maximo Works Management System within the Customer Service and Business Performance (CSBP) Group. The ongoing development of Maximo will serve to improve overall management of reactive and preventative maintenance operations, data capture and reporting requirements, and planning and scheduling of work orders.

**Odour control project at Capalaba Wastewater Treatment Plant**

RWW undertook a systematic investigation of odours around Capalaba WWTP. The results showed a number of areas for attention. RWW constructed a temporary biofilter at Capalaba to capture and treat odour from the sludge handling plant while more permanent solutions were planned. RWW is now commissioning a permanent bio-trickling filter which will serve as an advanced odour removal system for the plant.

**Odour control at Thorneside Wastewater Treatment Plant**

RWW undertook a systematic investigation of odours at Thorneside WWTP and associated pumping stations. The investigation showed the odours were being transported to the plant and therefore solutions would have to be implemented in the network as well as improve scrubbers around the plant. These measures are now in place and have significantly reduced the potential for odour generation in the Birkdale and Thorneside network, and at the Thorneside WWTP.

**New switchboard at Capalaba Water Treatment Plant**

RWW replaced the low lift pump switchboard at Capalaba WTP which pumps water from Leslie Harrison Dam to the plant. The replaced pump was based on old technology and prone to overheating. The new pump will reduce ongoing maintenance costs.

**New Stanford baffles in clarifiers at Capalaba Wastewater Treatment Plant**

RWW placed new Stanford baffles in the Number 1 and 2 clarifiers at Capalaba WWTP to improve the settling and prevent the carryover of solids. The outcome is improved effluent quality and increased plant capacity.

**Odour assessment and remedial work at Thorneside Wastewater Treatment Plant**  
RWW commenced odour sampling work to determine causes and solutions of odour to assist in reducing the odour experienced at the train station. The primary tank odour control unit was refurbished and a number of improvements have now been made around the plant including chemical dosing at Pump Station 35.

**New inlet and process improvement works at Point Lookout Wastewater Treatment Plant**

RWW commissioned the design and installation of a new inlet, as well as undertook minor site works at the plant. The new automated inlet screen will prevent downstream blockages at the pumps in the plant and reduce the need for manual handling.

**New chlorine dosing facility at Mt Cotton Wastewater Treatment Plant**

RWW made enhancements to the plant's dosing system. The new system is more effective under all flow conditions and is cheaper to operate and maintain. The new system will improve pathogen removal and licence compliance.

**Alexandra Hills and Heinemann Road Reservoirs**

RWW commenced the construction of three new reservoirs to increase water storage capacity. The new reservoirs are one element of Council's long term plan to provide the infrastructure necessary to support the growing community of the Redlands.

**Pressure and leakage management**

RWW undertook pressure and leakage management planning, as part of

Water Act Regulation No. 6 and as a drought response measure for the Redlands. RWW plan to divide the network into sectors to measure flow and to better manage pressures in identified areas.

**Eastern Pipeline Interconnector (EPI)**

The EPI project is a requirement under Water Act Regulation No. 6. It is one project of several happening around the region to establish the SEQ Water Grid. RWW began planning for infrastructure to connect to the Logan system at Kimberly Park as well as for additional borefields on North Stradbroke Island (NSI) and a pipeline from these borefields to convey the water to the treatment plant on NSI. RWW officers working closely with the State and Federal governments have ensured that a full Environmental Impact Statement and Water Resources Plan is completed before any extra water is transported off the island.

**Reticulated recycled water opportunities investigation**

RWW undertook a broad scoping study of recycled water opportunities including existing industrial water users. The ideal recycled water schemes in the Redlands incorporate existing, new residential and commercial areas. The intention is to develop opportunities to diversify sources of water.

**Masterplanning reports for water supply and sewerage**

RWW participated in the development of Council's Priority Infrastructure Plan (PIP) and Infrastructure Charges Schedules (ICS). Under the Integrated Planning Act, Council is required to prepare a PIP and ICS as part of its Planning Scheme in order to levy charges for new trunk infrastructure. The new trunk infrastructure has been sized to cater for the development identified under the Redlands Planning Scheme and designed to meet the desired standards of service adopted by Council.

**Pump station reviews and upgrades**

RWW investigated opportunities to rationalise the number of sewage pumping stations in the system, completed a number of pump station upgrade planning reports and reviewed the current performance of sewage pumping stations. The review identified pump stations that require upgrades to cater for growth, those that need upgrading to meet current standards, and assisted in identifying areas where infiltration resulting from rainfall may be a problem.

**Asset management**

RWW undertook asset management planning at both a strategic and tactical level. Strategic planning included an assessment of critical infrastructure for water supply and sewerage to assist with maintenance and replacement strategies, as well as identifying augmentation requirements and contingency planning. An Asset Revaluation Manual was also completed to provide guidance through the revaluation process. At a tactical level, RWW developed a Fittings Replacement Strategy and Manhole Raising Strategy to focus these programs on the highest risk areas.

**South East Thornlands, Kinross Road and other developing areas**

RWW worked with Land Use Planning to investigate water efficiency measures to be considered in a number of investigation and structure plan areas. Different water sources and consumption scenarios were investigated to ensure enough water is available. The next step will be to determine the infrastructure requirements.

**Drought and restrictions****Effects of drought**

Drought has extended across many parts of the state and creates additional challenges in the south-east Queensland region given the high population growth and strong economic development. This challenge is being met with a significant regional commitment by state and

local governments to the development of new infrastructure and substantial initiatives for demand management and source substitution.

**Queensland Water Commission (QWC) Planning**

The QWC is an independent statutory authority responsible for achieving safe, secure and sustainable water supplies in south-east Queensland and other designated regions. They aim to do this by developing long term water supply strategies, establishing a regional water grid, implementing water restrictions, managing water demand, providing advice to government and reforming the water industry.

**Restrictions**

Restrictions are just one part of the QWC's water-efficiency measures for residents, business and government. Water restrictions apply to households as well as businesses, industries and government agencies. Level 5 restrictions in south-east Queensland came into effect on 10 April 2007. QWC is now developing Level 6 and 7 water restrictions in case the drought worsens.

Redland Shire remains on Level 2 restrictions. Amendments made to Level 2 restrictions came into effect on 1 August 2007. The main change under Level 2 restrictions is for residential car washing, which changed to within garden watering times on allocated days (currently allowed at any time) and for the introduction of water efficiency management plans for certain non residential uses. Level 3 water restrictions would only come into place if the LHD reaches 55% capacity.

**Community events**

RWW participated in:

- Redland Spring Festival
- National Water Week
- National Recycle Week

**Awards and recognition**

During the year RWW and RSC were awarded:

- The LGAQ Best Paper Recycler 2005-06

RWW was also an EPA Sustainability Award finalist in the Public Sector or Community Initiatives Award for its water and waste efficiency programs.

**Operational performance**

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
- Clean Up Australia Day
- current landfill site remediation
- water and wastewater concessions for not-for-profit organisations.

## Our Strategic Asset Management Plan performance

### Asset management

Strategic Asset Management Plans ensure continued supply of services for customers and helps 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.

### Confidence grading

The Department of Natural Resources 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%
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### 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>Wastewater</b>						
<b>Continuity in the long-term</b>						
Wastewater main breaks and chokes	No. per 100 km of main	Max 18	13.02	✓	A	1
Sewer inflow and infiltration (ADWF/PWWF)	Ratio	<1:6	1:6 (1)	✓	B	1
<b>Other</b>						
Overall percentage compliance with EPA licence	%	Min 97%	99.9%	✓	A	1
Number of WWTP non-conformances with EPA licence over compliance year	No.	Max 19	3	✓	A	1
Nitrogen load from effluent discharge	Average kg per day	Max 110	43	✓	A	1
Operating, maintenance and admin costs per property serviced	Dollars	≤ \$247	\$237	✓	A	1

(1) 1:6 is the mean average dry weather flow (ADWF) to peak wet weather flow (PWWF) ratio determined from the assessment (September 2006) of 60 pumping stations. There are pumping station catchments with higher ratios that will require further investigation and potential control works. The assessment was undertaken based on SCADA information.

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	1.72:1	✓	A	1
<b>Adequacy and quality of normal supply</b>						
Poor pressure complaints	No. per 1,000 connections	Max 1.52	0.43	✓	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	100	✓	A	2
	Aluminium	Min 95	100	✓	A	2
	Chlorine	Min 95	100	✓	A	2
	Trichloromethanes	Min 95	100	✓	A	2
<b>Continuity in the long-term</b>						
System water loss	Litres per connection per day	Max 150 L	92.3L (1)	✓	A	2
<b>Other</b>						
Operating, maintenance and admin costs per megalitre of water treated	Dollars	≤ \$933	\$837	✓	A	1

(1) 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.

### 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%	24%	✓	A	1
Number of missed wheelie bin services collected outside one working day	No. of services	Max 9	0	✓	A	1
Number of missed wheelie bin services each year	No. of services	Max 500	502 (1)	✗	A	1
% compliance with EPA requirements	%	Min 98%	99%	✓	A	1
Total kilos of domestic waste landfilled per capita	Kg per person per year	≤ 470	447.7	✓	A	1

(1) Due to the changeover in the new waste collection contract, an above average number of missed services in the first month of the contract (July 2006) occurred and the target for the year was not met.



## 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.

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	1.71 (1)	✓	A	1
Time for restoration of service (all events)	% restored within 5 hours	Min 97%	98%	✓	A	1
Average response time to urgent requests	Minutes	Max 60 minutes	29.8 minutes	✓	A	1
<b>Adequacy and quality of normal supply</b>						
Pressure and/or flow	% compliance	98%*	100%	✓	A	1
Drinking water quality complaints	No. per 1,000 connections	Max 4	3.24	✓	A	1
Drinking water quality incidents	No. per year	Max 144	117	✓	A	1
<b>Continuity in the long-term</b>						
Water main breaks and leaks	No. per 100 km of main	Max 4	6.65 (2)	✗	A	1
<b>Other</b>						
Water service connections	% response within 10 working days of the request	Satisfactory (80%–90%) Outstanding (90%–100%)	69.3% (3)	✗	B	2
Response to discoloured water	% response within 4 hours	Satisfactory (80%–90%) Outstanding (90%–100%)	93%	✓	B	2
Customers experiencing discontinuity of supply for more than a 5-hour period	% affected	Max 5%	0.31%	✓	A	1
Response to non-urgent requests	% response within 5 working days of the request	Min 90%	95%	✓	A	2
Meter tolerance range	6,691 meters were replaced during the year. 6,414 of these were part of a meter replacement program. 277 were found to be inaccurate and were replaced					

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

(1) Excludes water service in property connection (mains to meter).

(2) Increased water main breaks are a result of the ongoing drought and its effect on drying out the soil.

(3) Additional delays were caused by time involved in waiting for 'dial before you dig' information, and increased service connections on Russell Island with difficulties in locating boundary pegs.

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	8.16 (1)	X	A	2
Sewage overflows to customer property	No. per 1,000 connections	Max 5	1.86	✓	A	1
Odour complaints	No. per 1,000 connections	Max 0.85	1.06 (2)	X	A	2
Average response time to urgent requests	Minutes	Max 60 minutes	44 minutes	✓	A	1
Percentage of wastewater service interruptions restored within 5 hours	%	Min 95%	99%	✓	A	1
Response to reports of odour	% response within 5 hours	Satisfactory (80%–90%) Outstanding (90%–100%)	Currently under investigation (3)	N/A	N/A	N/A
Response to non-urgent requests	% response within 5 working days of the request	Min 90%	97%	✓	A	2

(1) Increased sewage overflows are a result of the ongoing drought and its effect on drying out the soil.

(2) Chemical dosing has been introduced to reduce odours at pumping stations.

(3) Response times have now been implemented in the Works Data Management System for 2007–08.

### Financial Performance – Water and Wastewater Services

	2005–06 \$ Million	2006–07 \$ Million	
Revenue from ordinary activities	47	56	
Expenses from ordinary activities	37	46	
Borrowing costs	2	1	
Result from ordinary activities (before tax and dividend)	8	9	
Total assets	555	891	
Debt outstanding	143	128	
Dividend and tax to RSC	5	10	
	Actual 2005–06	Actual 2006–07	Variance
Operating revenue	\$47,016,000	\$56,424,000	\$9,408,000
Operating expenses	\$38,275,000	\$43,306,000	\$5,031,000
Operating surplus/(deficit)	\$8,741,000	\$13,118,000	\$4,377,000
Capital works program	\$17,799,000	\$13,182,000	-\$4,617,000
<b>Financial Ratios</b>			
Economic rate of return	10.04%	10.62%	0.58%
Rate of return on operating assets	1.54%	1.44%	-0.10%
Debt to total equity	35.22%	16.96%	-18.26%

## Financial Performance – Waste Management

	2005–06 \$million	2006–07 \$million
Revenue from ordinary activities	12	15
Expenses from ordinary activities	13	16
Borrowing costs	0	0
Result from ordinary activities (before tax and dividend)	-1	-1
Total assets	13	20
Debt outstanding	2	3
Dividend and tax to RSC	0	0

	Actual 2005–06		Variance
Operating revenue	\$12,201,000	\$15,200,000	\$2,999,000
Operating expenses	\$13,627,000	\$16,208,000	\$2,581,000
Operating surplus/(deficit)	\$-1,426,000	\$-1,008,000	\$418,000
Capital works program	\$300,000	\$701,000	\$401,000

Financial Ratios			
Economic rate of return	8.68%	10.10%	1.42%
Rate of return on operating assets	-11.17%	-5.1%	6.07%
Debt to total equity	61.36%	53.05%	-8.31%

## Changes to the Annual Performance Plan

During the year there were no major changes made to the Annual Performance Plan.

## Cross-subsidies

The 'Guidelines for Identification and Measurement of Cross-subsidies' issued by the Department of Natural Resources and Water were applied to determine any cross-subsidies for water and wastewater services for 2006–07.

Full Cost Pricing	Water	Wastewater
Admin/Ops/Overheads	\$14,361,124	\$15,165,873
Depreciation	\$5,722,833	\$7,487,302
Competitive neutrality	\$3,069,698	\$4,738,047
Return on assets (includes tax and dividend)	\$33,957,198	\$29,898,934
<b>Total FCP</b>	<b>\$57,110,853</b>	<b>\$57,290,156</b>
Water delivered to/wastewater received from customers KL	13,201,000	10,229,200
Average cost per KL (FCP)	\$4.33	\$5.60

Cross-subsidy reflecting revenue-cost divergence water supply 06/07				
Revenue Sources	Domestic	Commercial	Other Consumers	Total
Water charges	\$17,578,623	\$2,852,400	\$54,553	\$20,485,576
Other revenues	\$3,243,549	\$121,319	\$36,050	\$3,400,918
CSO	\$49,223	\$--	\$83,811	\$133,034
Headworks	\$3,787,302	\$271,971	\$--	\$4,059,273
<b>Total Revenue</b>	<b>\$24,658,697</b>	<b>\$3,245,690</b>	<b>\$174,414</b>	<b>\$28,078,801</b>
KL Used	11,511,272	1,623,723	66,005	13,201,000
\$/KL Contribution	\$2.142	\$1.999	\$2.642	\$2.127
Difference per KL from FCP	\$2.184	\$2.327	\$1.684	\$2.199
Cross-subsidy received	\$nil	\$nil	\$nil	\$nil

<b>Cross-subsidy reflecting revenue-cost divergence wastewater supply 06/07</b>				
<b>Revenue Sources</b>	<b>Domestic</b>	<b>Commercial</b>	<b>Other Consumers</b>	<b>Total</b>
Wastewater charges	\$25,174,319	\$2,499,159	\$438,548	\$28,112,026
Other revenues	\$3,033,594	\$125,744	\$29,658	\$3,188,996
CSO	\$--	\$--	\$123,558	\$123,558
Headworks	\$3,891,608	\$531,882	\$8,860	\$4,432,350
<b>Total Revenue</b>	<b>\$32,099,521</b>	<b>\$3,156,785</b>	<b>\$600,624</b>	<b>\$35,856,930</b>
KL Used	8,797,112	1,227,504	204,584	10,229,200
<b>\$/KL Contribution</b>	<b>\$3.649</b>	<b>\$2.572</b>	<b>\$2.936</b>	<b>\$3.505</b>
Difference per KL from FCP	\$1.952	\$3.029	\$2.665	\$2.095
Cross-subsidy received	\$nil	\$nil	\$nil	\$nil

# Community Financial Report

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

## Purpose

The Community Financial Report provides members of the community, customers, business partners and employees with a better understanding of Council's financial performance and position over the last financial year. The report is written in plain language and makes strong use of pictorial aids such as graphs and tables to give all interested readers and stakeholders an easy to follow walk through the financial statements for the past financial year.

The table below illustrates that during the 2006-07 financial year, Redland Shire Council met or bettered all financial targets established to maintain the financial health of the organisation. 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 to manageable levels. Council has maintained sufficient cash to pay bills as and when they fall due and kept loans to manageable levels.

This was achieved whilst maintaining the ongoing investment in community infrastructure and services.

Financial Health Indicator	Target	Actual Performance
Level of dependence on rate revenue	32.4%	32.4%
Ability to pay our bills – current ratio	> 1.1	1.62
Ability to repay our debt – debt servicing ratio	< 17%	15.6%
Cash balance	\$28 - \$37 million	\$77.1 million
Cash balances – cash capacity in months	3 to 4 months	8 months
Longer term debt management – debt to assets	< 15%	6.2%
Operating performance	> 15%	17.4%

Below is a series of tables and graphs that illustrate Council's major sources of revenue and expenses in addition to the value of Council's assets and liabilities. Comparisons are made between the 2006-07 and 2005-06 financial years. The actual 2005-06 figures have been adjusted up to take account of price changes (CPI - Consumer Price Index), to ensure comparisons are meaningful.

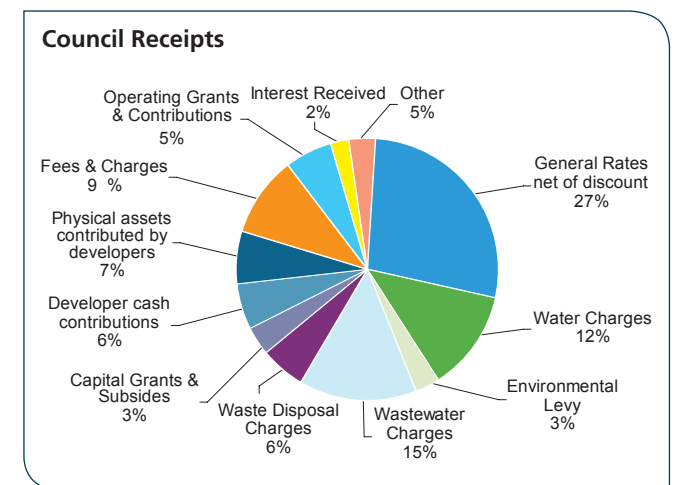
## Information at a glance

	2006-07 \$ Millions	2005-06 \$ Millions *
Total Revenue	175.63	164.37
Total Operating (Day to Day) Revenue	145.57	137.37
Total Expenses	172.94	150.95
Loan interest costs	6.63	6.69
Net Increase in Assets	469.51	112.91

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 throughout the year was \$175.6 million (M). In comparison to the 2005-06 financial year, revenue increased from \$164.4M (CPI adjusted), a 6.8% increase.

Rates income comprised \$113.0M, which equates to 64.5% of total revenue. The major sources of rate income include general rates and charges for wastewater, water access, water consumption and waste disposal. Total fees and charges increased from \$16.1M (9.8% of total revenue in 2005-06) to \$16.7M (9.5% of total revenue in 2006-07).

Council earned \$3.9M or 2.2% of total revenue from interest on investments and overdue rates

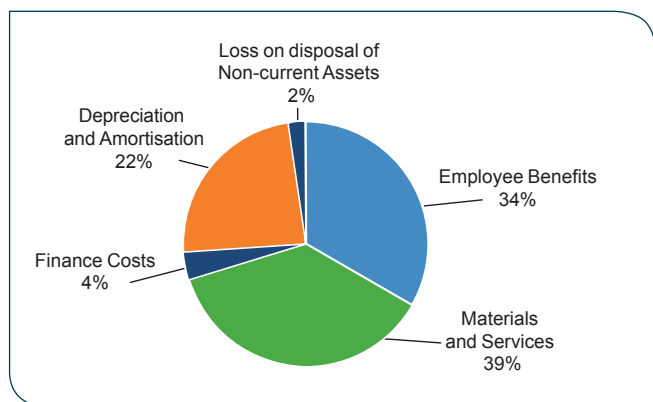
### What expenses did Council have to meet? (Income Statement)

Redland Shire Council's expenses for the 2006-07 financial year totalled \$172.9M, a 14.6% increase from the previous years' expense total of \$150.9M. The largest expenses Council had to meet were payment to suppliers for materials and services, (37.5% of total costs), employee costs (33.5% of total costs) and depreciation of its assets (22% of total assets).

Payments to suppliers for the provision of materials and services for 2006-07 was \$64.9M - a 34.7% increase from the \$48.2M spent in 2005-06. Material and services cost is a very large category of expenses and includes consultancy, contractor and materials used in meeting all activities in the operational plan for the community. A large one off increase of \$6.9M in provision for future remediation costs was made for closed and currently operating landfill sites across the shire.

Employee costs totalled \$57.9M, an increase of \$2.3M from 2005-06. This expenditure includes wages and salaries, annual leave, long service leave, superannuation and allowances. The increase on last year's employee costs is primarily due to the increase approved in the enterprise bargaining agreement.

Depreciation on all Council assets increased from \$36.2M in the previous year to \$38.3M in 2006-07. Depreciation is the estimated run down in the value of assets usually due to wear and tear or becoming out of date technically. The depreciation charge of \$38.3M represents only 1.8% of Council's total non current assets.



### What is the value of the community's assets in Council's care? How much does Council owe for loans? (Balance Sheet)

	2006-07 \$ Millions	2005-06 \$ Millions
Total assets	2121.83	1675.70
Total liabilities	196.55	171.45
Cash held	77.09	71.08
Loan borrowings	132.71	125.92

See Financial Statements 'Balance Sheet' page 58 for more information

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

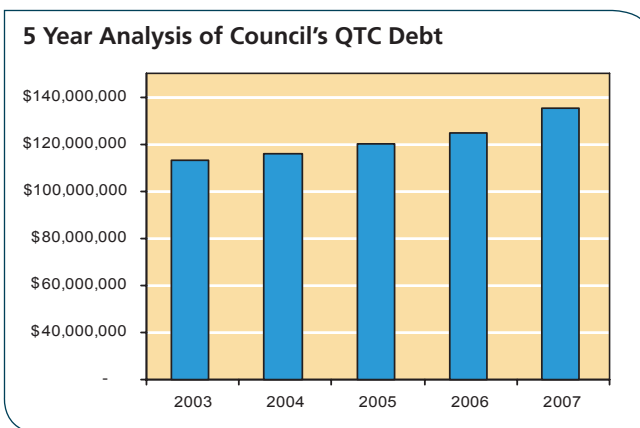
It might come as a surprise to many people in the community that the value of all assets controlled by their Council totalled \$2.1 billion at 30 June 2007. This figure is broken down between current assets of \$0.1 billion and non-current assets of \$2.0 billion.

Current assets are those that are readily available to meet expenses and include mainly cash and amounts owed from customers. Cash assets were \$77.1M and receivables \$11.1M at the end of the 2006-07 financial year.

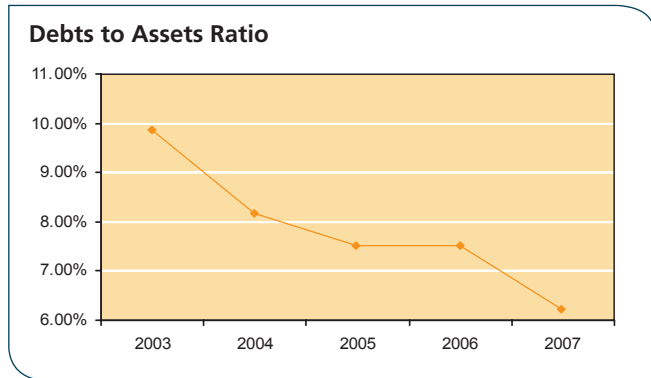
Council's property plant and equipment assets of \$2.0 billion include freehold land, roadworks, stormwater drainage, water, wastewater, park, plant, equipment and other infrastructure assets.

Liabilities or amounts owing at 30 June 2007 totalled \$196.5M, \$55.3M of which is due for payment during 2007-08, and \$141.2M payable after that. The largest single debt that Council owed at 30 June 2007 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 \$132.7M.

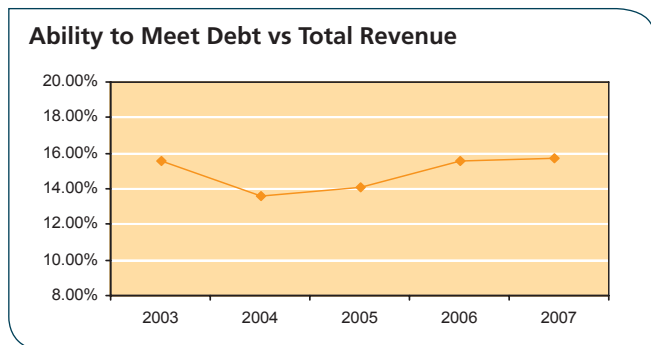
The graph below illustrates the level of Council debt to QTC over the past 5 years. All comparative year figures have been adjusted for CPI. In 2006-07 Council borrowed a further \$27.0M in new loans to fund major infrastructure projects. It also repaid \$16.2M in principal off the total loan balance in addition to \$6.6M in interest costs.



The graph below outlines Council's total loans compared to total assets over the past 5 years. At the end of the 2007 financial year total debt as a percentage of total assets was only 6.3%. This puts in perspective the relatively low level of borrowings compared with total assets.



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



In 2006-07, 15.7% of Council revenue is being spent repaying interest and principal on its borrowings. This percentage has remained fairly constant over the past 5 years and once again 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)

	2006-07 \$ Million	2005-06 \$ Million
Net cash received from operations (excluding interest revenue and borrowing costs)	50.02	47.63
Payments for construction of essential services including roadworks, water and wastewater infrastructure and other assets	51.99	48.09
New loans taken out	27.00	24.02
Repayment of debt	16.15	14.67

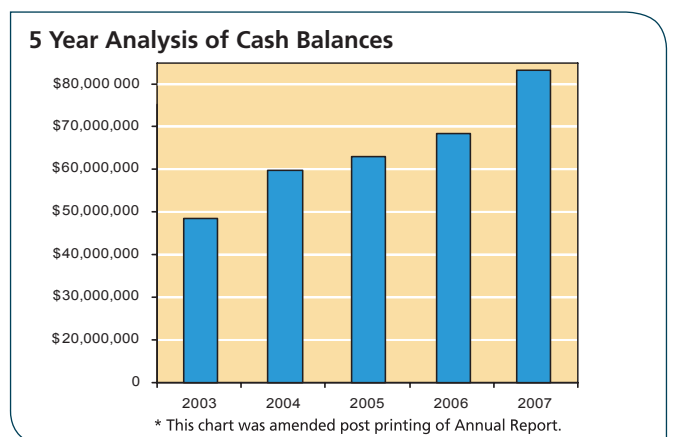
See Financial Statements 'Statement of Cash Flows' page 59 for more information

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

The cash flow statement is summarised into three activities:

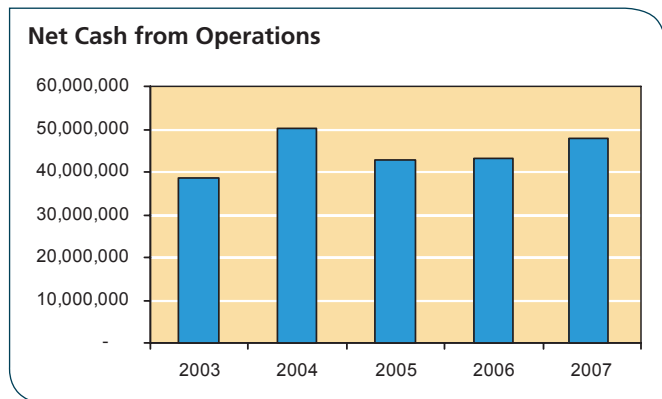
- **Operating activities** - are normal day to day functions of Council. These include receipts of rates, fees and charges and operating grants offset by payments for employees' costs, materials and services and interest costs.
- **Investing activities** - include payments for the purchase and construction 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.

The following graph shows Council's total cash holdings for the past five years



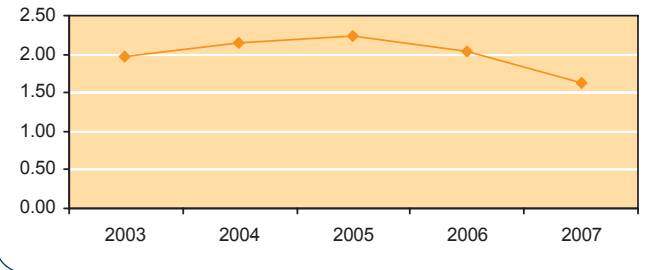
To maintain its strong financial position on behalf of the community, Council must make enough cash from its day to day operations to fund purchases of property, plant and equipment, repay interest and principal payments on loans, and leave enough in reserve for future requirements.

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



An essential requirement for any business including Council is its ability to pay its bills as and when they fall due. A good benchmark for measuring this capacity is called the current asset ratio which is the ratio of current assets to current liabilities. The following diagram illustrates Council has over one and a half times of current assets to its current liabilities

Ability to Pay Bills in 12 months



**Summary**

During the 2006-07 financial year Redland Shire Council delivered a large program of operational and capital works to the community. Council achieved this result whilst still outperforming all seven of the Key Financial Performance Indicators. Council continued to meet all financial commitments and keep debt at manageable levels. Your Council is in a strong financial position to deliver the planned program of projects and services throughout the 2007-08 financial year.



# Financial Statements

For the year ended 30 June 2007

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Statement of Cash Flows .....

Statement of Changes in Equity .....

## Notes to the financial statements for the year ended 30 June 2006

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	(a) Analysis of results by function .....
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4	Revenue analysis .....
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18(a) Property, plant and equipment .....

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20 Intangible assets .....

21 Trade and other payables .....

22 Interest bearing loans and borrowings .....

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24 Provisions .....

25 Other liabilities .....

26 Asset revaluation reserve .....

27 Retained surplus .....

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29 Commitments for expenditure .....

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32 Trust funds .....

33 Reconciliation of result from ordinary activities to net cash inflow (outflow) from operating activities .....

34 Financial instruments .....

35 National competition policy .....

36 Transition to International Financial Reporting Standards .....

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# Income Statement

For the year ended 30 June 2007

	Note	2007 \$	2006 \$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Net rates and utility charges	4(a)	112,983,963	102,146,783
Fees and charges	4(b)	16,681,868	15,545,426
Rental income	4(c)	373,980	360,807
Interest received	4(d)	3,901,851	3,539,425
Sales-contract and recoverable works		837,334	820,323
Grants, subsidies and contributions	5(a)	9,295,773	8,875,860
Insurance proceeds		-	366,791
Other recurrent income		1,493,369	1,290,716
<b>Total recurrent revenue</b>		<b>145,568,139</b>	<b>132,946,131</b>
<b>Capital revenue</b>			
Grants, subsidies and contributions	5(b)(i)	14,626,823	14,251,569
Non-cash developer contributions	5(b)(ii)	12,434,401	10,503,411
Net adjustment for prior years assets	6	3,000,276	-
Increase in fair value investment property		-	1,370,000
<b>Total capital revenue</b>		<b>30,061,500</b>	<b>26,124,980</b>
<b>TOTAL REVENUE</b>		<b>175,629,638</b>	<b>159,071,111</b>
<b>Expenses</b>			
Employee benefits	7	(57,911,203)	(53,787,587)
Materials and services	8	(64,887,116)	(46,626,918)
Finance costs	9	(7,754,605)	(7,750,075)
Depreciation and amortisation	10	(38,297,930)	(34,986,300)
Loss on disposal of non-current assets	11	(4,001,692)	(2,725,974)
Other expenditure	12	(86,182)	(206,261)
<b>Total recurrent expenses</b>		<b>(172,938,727)</b>	<b>(146,083,115)</b>
<b>TOTAL EXPENSES</b>		<b>(172,938,727)</b>	<b>(146,083,115)</b>
<b>NET RESULT ATTRIBUTABLE TO COUNCIL</b>		<b>2,690,911</b>	<b>12,987,996</b>

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

# Balance Sheet

As at year ended 30 June 2007

	Note	2007 \$	2006 \$
<b>Current Assets</b>			
Cash and cash equivalents	13	77,086,383	68,785,598
Trade and other receivables	14(a)	11,090,485	9,290,876
Inventories	15	501,858	599,732
Assets classified as held for sale	16	122,333	153,851
Other assets	17	686,369	1,097,487
<b>Total Current Assets</b>		<b>89,487,428</b>	<b>79,927,544</b>
<b>Non-Current Assets</b>			
Trade and other receivables	14(b)	179,660	243,923
Investment property	18	3,660,000	3,660,000
Property, plant and equipment	19	2,005,393,848	1,517,224,168
Capital work in progress	20	21,861,689	19,587,458
Intangible assets	21	1,250,008	1,066,860
<b>Total Non-Current Assets</b>		<b>2,032,345,205</b>	<b>1,541,782,409</b>
<b>Total Assets</b>		<b>2,121,832,633</b>	<b>1,621,709,953</b>
<b>Current Liabilities</b>			
Trade and other payables	22	22,911,787	15,860,722
Interest bearing loans and borrowings	23	18,022,093	15,830,720
Employee benefits	24(a)	5,525,823	5,705,594
Provisions	25(a)	1,385,348	1,157,151
Other liabilities	26	7,502,373	2,559,232
<b>Total Current Liabilities</b>		<b>55,347,423</b>	<b>41,113,419</b>
<b>Non-Current Liabilities</b>			
Interest bearing loans and borrowings	23	114,682,938	106,028,972
Employee benefits	24(b)	7,678,676	7,356,675
Provisions	25(b)	18,836,496	11,432,015
<b>Total Non-Current Liabilities</b>		<b>141,198,110</b>	<b>124,817,662</b>
<b>Total Liabilities</b>		<b>196,545,533</b>	<b>165,931,081</b>
<b>Net Community Assets</b>		<b>1,925,287,100</b>	<b>1,455,778,872</b>
<b>Community Equity</b>			
Asset revaluation reserve	27	1,087,271,876	620,454,559
Retained surplus		811,117,276	799,168,629
Other reserves	29	26,897,948	36,155,684
<b>Total Community Equity</b>		<b>1,925,287,100</b>	<b>1,455,778,872</b>

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

# Statement of Cash Flows

For the year ended 30 June 2007

	Note	2007 \$	2006 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		159,142,633	145,995,835
Payments to suppliers and employees		(109,124,058)	(99,898,185)
		<b>50,018,575</b>	<b>46,097,650</b>
Interest received		3,901,851	3,539,425
Borrowing costs		(6,632,371)	(6,472,936)
<b>Net cash inflow from operating activities</b>	34	<b>47,288,055</b>	<b>43,164,139</b>
<b>Cash Flows from Investing Activities</b>			
Payment for property, plant and equipment		(50,993,449)	(46,102,204)
Payments for intangible assets		(1,003,657)	(460,256)
Net repayment in loans to community groups		64,263	71,263
Proceeds from sale of property, plant & equipment		2,100,235	1,763,874
<b>Net cash outflow from investing activities</b>		<b>(49,832,608)</b>	<b>(44,727,323)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Borrowings	23	27,000,000	23,249,000
Repayment of Borrowings	23	(16,154,661)	(14,201,789)
<b>Net cash inflow from financing activities</b>		<b>10,845,339</b>	<b>9,047,211</b>
<b>Net increase in cash held</b>		<b>8,300,785</b>	<b>7,484,027</b>
Cash at beginning of financial year		68,785,598	61,301,571
<b>Cash at end of financial year</b>	13	<b>77,086,383</b>	<b>68,785,598</b>

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

# Statement of Changes in Equity

For the year ended 30 June 2007

	Total		Retained Surplus (note 27)		Asset Revaluation Reserve (note 29)		Other Reserves	
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
Balance at beginning of period	1,455,778,872	1,346,508,379	799,168,630	750,038,078	620,454,559	567,754,043	36,155,684	28,716,259
Net result for the period	2,690,911	12,987,996	2,690,911	12,987,996	-	-	-	-
Transfers to reserves	-	-	(20,778,798)	(20,755,664)	-	-	20,778,798	20,755,664
Transfers from reserves	-	-	30,036,535	13,316,239	-	-	(30,036,535)	(13,316,239)
Asset revaluation adjustments	466,817,318	52,700,516	-	-	466,817,318	52,700,516	-	-
Adjustment for prior year assets	-	43,581,981	-	43,581,981	-	-	-	-
<b>Balance at end of period</b>	<b>1,925,287,102</b>	<b>1,455,778,872</b>	<b>811,117,277</b>	<b>799,168,630</b>	<b>1,087,271,877</b>	<b>620,454,559</b>	<b>26,897,947</b>	<b>36,155,684</b>

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

# Notes to the Financial Statements

For the year ended 30 June 2007

## 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.

Except where otherwise stated the financial report has been prepared in accordance with the historical cost basis. Unless otherwise stated, accounting policies are the same as the previous year.

### 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 2007 and the results of all controlled entities for the year then ended.

At 30 June 2007 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 2007 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 a liability until such time Council has extinguished any obligations set by the grantor. When all obligations have been met the grant is recognised as revenue.

#### (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 is 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 property, which is property held for the primary purpose of earning rentals and/or capital appreciation. Property which is held for future development and sale, and property held by the Council without any specific purpose (such as land no longer required for its original purpose) is investment property.

Investment property is measured using the fair value model. This means it is initially recognised at cost including transaction costs. Where investment property is acquired at no or nominal cost it is recognised at fair value. Investment property is subsequently carried at fair value at the balance sheet date. 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. Investment property is not depreciated and is not tested for impairment.

Rental revenue from investment property is recognised as income on a periodic straight line basis over the lease term."

## 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 arms' 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 twelve 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 32.

**(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 reflects 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 includes all 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 revenue 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.
- 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 includes 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 33 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 Subsequent events

On 24 May 2007, the Queensland Water Commission released its final report to the Queensland Government on the Urban Water Supply Arrangement in South East Queensland. The report outlined a range of structural and regulatory reforms proposed for urban water supply in South East Queensland.

The State Government announced on 24 May 2007, that it would adopt the Queensland Water Commission's recommendations in principle, however, further consultation was required to ensure a smooth transition of ownership.

On 4 September 2007, the Deputy Premier, Treasurer and Minister for Infrastructure announced that the government had finalised the model for the institutional reform of water supply in South East Queensland after consultation with key stakeholders. Under the approved model bulk water supply, manufactured water and major water transportation infrastructure will be the responsibility of the State Government with the required asset transfers to commence in January 2008.

The model provides that by 2010 (or earlier by agreement) the retail activities of Local Government Councils will be separated from distribution with all water reticulation pipes and sewerage pipes to be moved into a single regional entity which will be wholly owned and operated by local government. Also, South East Queensland Local Governments are required to advise the State Government by 30 November 2007 of the number of retailers they will establish, with a maximum of ten to reflect the newly established Council boundaries.

As indicated there are a range of structural and regulatory reforms proposed for urban water supply arrangements in South East Queensland including enhanced economic regulation and pricing. Pending the finalisation of decisions by the State Government on the level of compensation to be made to Council, there is uncertainty in relation to the amount that the Council will receive from the Queensland Government for its assets that will be the subject of transfer.

As set out in Note 2.07 and Note 19(a), the Council's property, plant and equipment assets are valued at fair value.

As the method of arriving at the value of the assets to be transferred may differ from the Council's current valuation methodology there may be a difference between the amount to be received for these assets and the value at which they are disclosed in Note 19(a).

The state government is yet to decide the ultimate owner of wastewater treatment plants but they have decided that there are only 2 choices - as part of one of the state owned bulk entities or as part of the Local Government owned distribution business. In either case, individual councils lose control over these assets.

At 30 June 2007, the carrying value of the assets to be transferred was \$809,414,665 (refer note 19(a)).

### 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				
	2007 \$	2007 \$	2007 \$	2007 \$	2007 \$	2007 \$
Chief Executive Office Department	2,000	614	2,614	3,930,811	(3,928,197)	10,016
Customer Services Department	6,343,011	14,171,806	20,514,816	70,704,350	(50,189,533)	147,965,719
Redland Water & Waste Department	671,578	80,303,039	80,974,617	57,775,055	23,199,562	854,228,893
Planning and Policy Department	852,454	16,662,808	17,515,262	28,791,895	(11,276,634)	971,548,097
Corporate Services Department	4,165,187	52,457,142	56,622,329	11,736,616	44,885,713	148,079,907
<b>Total</b>	<b>12,034,230</b>	<b>163,595,408</b>	<b>175,629,638</b>	<b>172,938,727</b>	<b>2,690,911</b>	<b>2,121,832,633</b>

#### Prior Year

Functions	Revenue		Total Revenue	Total Expenses	Net Result	Assets
	Grants	Other				
	2006 \$	2006 \$	2006 \$	2006 \$	2006 \$	2006 \$
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	17,603,693	61,064,186	(43,460,493)	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	59,637,434	63,512,352	20,840,970	42,671,382	132,682,035
<b>Total</b>	<b>12,492,804</b>	<b>146,578,306</b>	<b>159,071,111</b>	<b>146,083,115</b>	<b>12,987,996</b>	<b>1,621,709,953</b>

### 3. Statement of Functions and Activities

#### 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 7 groups: Land Use, Environmental Management, Community and Social Planning, Economic Development, Infrastructure Development, Corporate Planning Performance and Risk 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, Legal Services and Corporate Acquisitions Fleet and Facilities.

##### **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	2007 \$	2006 \$
<b>4. Revenue analysis</b>			
<b>(a) Rates and charges</b>			
General Rates		48,942,464	46,108,026
Special Charges		1,281,184	996,963
Environment Levy		5,070,521	5,030,439
Water Access		10,616,871	9,771,887
Water Consumption		9,868,717	9,388,310
Waste Water		27,128,356	22,353,543
Trade Waste		983,700	949,888
Waste Disposal		10,840,252	8,949,107
<b>Total rates and utility charges</b>		<b>114,732,064</b>	<b>103,548,163</b>
Less Discounts given and Pensioner Remissions		(1,748,102)	(1,401,380)
<b>Net Rates and Utility Charges</b>		<b>112,983,963</b>	<b>102,146,783</b>
<b>(b) Fees and charges</b>			
Fines and penalties		501,038	562,331
Mooring and parking fees		476,764	272,118
Search fees		1,125,186	829,722
Building application fees		2,054,582	1,684,603
Development application fees		2,617,662	2,330,770
Water and sewerage application fees		392,157	458,075
Camping fees		1,445,014	1,260,812
License fees		1,370,473	1,331,283
Weighbridge collection fees		1,015,791	933,580
Child care fees		2,434,564	2,561,022
Other fees and charges		3,248,637	3,321,109
		<b>16,681,868</b>	<b>15,545,425</b>
<b>(c) Rental income</b>			
Investment property rentals		<b>373,980</b>	<b>360,807</b>
<b>(d) Interest received</b>			
Interest received from financial institutions		3,473,415	3,064,740
Interest from rates and utility charges		428,436	474,685
		<b>3,901,851</b>	<b>3,539,425</b>

	Note	2007 \$	2006 \$
<b>5. Grants, Subsidies and Contributions</b>			
<b>(a) Recurrent - Government Grants and subsidies, and other contributions are analysed as follows:</b>			
Contributions		2,114,459	1,985,282
Government Subsidies and Grants		3,209,212	3,155,660
General Purpose Government Grants		3,972,102	3,734,918
<b>Total Recurrent Revenue</b>		<b>9,295,773</b>	<b>8,875,860</b>
<b>(b) Capital - Government Grants and subsidies, other contributions and donations are analysed as follows:</b>			
<b>(i) Monetary Revenue Constrained for Capital Funding Purposes</b>			
Government Subsidies and Grants		4,852,916	5,602,226
Contributions		9,773,907	8,649,343
<b>Total Constrained Revenue</b>		<b>14,626,823</b>	<b>14,251,569</b>
<b>(ii) Non-Monetary Revenue Received is Analysed as follows:</b>			
Infrastructure from Developers at Fair Value		12,434,401	10,503,411
<b>Total Non-Monetary Revenue</b>		<b>12,434,401</b>	<b>10,503,411</b>
<b>Total Capital Revenue</b>		<b>27,061,224</b>	<b>24,754,980</b>
<b>Conditions Over Contributions and Grants</b>			
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		1,836,464	1,456,478
Parks Infrastructure		829,033	535,995
Water & Wastewater Infrastructure		6,985,609	5,735,911
Unexpended Operating Grants		3,100	275,598
Unexpended Capital Grants		-	2,339,748
		<b>9,654,207</b>	<b>10,343,730</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		895,594	822,939
Parks Infrastructure		818,131	798,768
Water & Wastewater Infrastructure		8,490,446	6,045,287
Operating grants		346,474	305,291
Capital grants		1,373,235	-
<b>Net increase (decrease) in restricted asset (cash) at period end.</b>		<b>11,923,879</b>	<b>7,972,285</b>

	Note	2007 \$	2006 \$
<b>6. Net adjustment for prior years assets</b>			
Buildings		712,701	-
Plant and Equipment		5,093	-
Road Infrastructure and stormwater assets		(240,105)	-
Water Infrastructure		786,594	-
Wastewater Infrastructure		2,242,356	-
Parks Infrastructure		(311,764)	-
Other Infrastructure		(194,599)	-
		<b>3,000,276</b>	<b>-</b>
During the 2006/07 financial year Council changed the accounting treatment for adjustments for prior years assets. These were previously made directly to equity, refer note 28.			
<b>7. Employee Expenses</b>			
Total staff wages and salaries		45,306,953	42,806,307
Annual leave and long service leave entitlements		5,787,319	5,480,870
Superannuation	32	5,422,490	5,107,393
		<b>56,516,762</b>	<b>53,394,570</b>
Other Employee related expenses		4,310,805	4,568,868
		<b>60,827,567</b>	<b>57,963,438</b>
Less: Capitalised employee costs		(3,944,820)	(5,145,587)
		<b>56,882,747</b>	<b>52,817,851</b>
Councillors' Remuneration		1,028,456	969,736
		<b>57,911,203</b>	<b>53,787,587</b>
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.			
<b>8. Materials and services</b>			
Redland Water & Waste - outsourcing costs		19,147,469	10,963,536
Other Council outsourcing costs		19,866,991	13,239,836
Purchase of materials		7,009,145	4,289,758
Office administration costs		4,933,805	5,495,134
Electricity charges		3,692,223	3,674,408
Plant operations		4,033,796	3,504,586
Information technology resources		2,048,677	1,579,054
Office equipment		751,436	1,053,969
General insurance		1,260,651	1,111,569
Community Grants		943,415	662,051
Other material & service expenses		1,199,509	1,053,017
		<b>64,887,116</b>	<b>46,626,918</b>

During the 2006/07 financial year Council accrued an additional \$6.9 million in outsourcing costs for the remediation of closed landfill sites and the currently operating Birkdale landfill.

	Note	2007 \$	2006 \$
<b>9. Finance Costs</b>			
Finance costs charged by the Queensland Treasury Corporation		6,632,371	6,472,936
Bank charges		374,449	512,995
Bad debts		18,518	9,490
Borrowing costs - landfill and quarry remediation		729,267	754,654
		<b>7,754,605</b>	<b>7,750,075</b>
<b>10. Depreciation and amortisation</b>			
<b>(a) Depreciation of non current assets</b>			
Buildings		2,626,833	2,280,755
Plant and equipment		3,659,500	3,309,395
Other assets		769,317	763,957
Road and stormwater drainage		11,886,883	10,807,217
Water		5,693,704	5,057,778
Wastewater		7,438,074	6,860,449
Parks		3,247,264	2,912,153
Other infrastructure assets		2,157,987	1,865,460
		<b>37,479,561</b>	<b>33,857,164</b>
<b>(b) Amortisation of intangible assets</b>			
Software		<b>818,369</b>	<b>1,129,136</b>
<b>Total depreciation and amortisation</b>		<b>38,297,930</b>	<b>34,986,300</b>
<b>11. Loss on disposal of non-current assets</b>			
Loss on disposal of capital assets			
(i) Proceeds from the sale of property, plant and equipment		(1,619,121)	1,605,178
Less: book value of property, plant and equipment disposed		5,884,254	(4,019,845)
		<b>4,265,133</b>	<b>(2,414,667)</b>
(ii) Proceeds from sale of land		(481,114)	158,696
Less: book value of land disposed		217,672	(470,003)
		<b>(263,441)</b>	<b>(311,307)</b>
		<b>4,001,692</b>	<b>(2,725,974)</b>
<b>12. Other Expenses</b>			
Audit Services		84,335	131,595
Loss on impairment of assets classified as held for sale		1,847	18,646
Loss on impairment of property, plant and equipment		-	56,020
		<b>86,182</b>	<b>206,261</b>

	Note	2007 \$	2006 \$
<b>13. Cash Assets</b>			
Cash at Bank		1,352,976	1,127,966
Cash On Hand		16,155	16,255
Deposits at Call		75,717,252	67,641,377
<b>Balance per cash flow statement</b>		<b>77,086,383</b>	<b>68,785,598</b>
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent operating grants		67,639	408,513
Unspent capital grants		966,513	2,339,748
Unspent developers contributions		5,383,375	12,922,048
<b>Total unspent restricted cash</b>		<b>6,417,527</b>	<b>15,670,309</b>
<b>14. Receivables</b>			
<b>(a) Current</b>			
Rates and utility charges		6,718,211	6,587,820
Other debtors		2,619,493	1,312,292
GST recoverable		1,750,475	1,498,521
Loans and advances to community organisations		64,263	64,264
Less: Allowance for impairment		(61,958)	(172,021)
		<b>11,090,485</b>	<b>9,290,876</b>
<b>(b) Non-current</b>			
Loans and advances to community organisations		<b>179,660</b>	<b>243,923</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.



	Note	2007 \$	2006 \$
<b>15. Inventories</b>			
Inventories held for distribution			
Gravel stockpiles		110,750	238,320
Plant and equipment stores		391,108	361,412
<b>Total inventories for distribution</b>		<b>501,858</b>	<b>599,732</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.

	Note	2007 \$	2006 \$
<b>16. Assets classified as held for sale</b>			
Freehold land		-	120,000
Plant and equipment		124,180	33,851
Impairment adjustment in period		(1,847)	-
		<b>122,333</b>	<b>153,851</b>

As at 30 June 2007 6 motor vehicles were held at auction awaiting sale. These assets are expected to be sold within 12 months and have been written down to the lower of carrying amount or fair value.

	Note	2007 \$	2006 \$
<b>17. Other Assets</b>			
<b>Prepayments</b>		<b>686,369</b>	<b>1,097,487</b>
<b>18. Investment Property</b>			
Opening Balance		3,660,000	2,290,000
Change in fair value of investment property		-	1,370,000
		<b>3,660,000</b>	<b>3,660,000</b>

Investment properties include a block of 4 shops situated at Dollery Road Capalaba.

## 19 (a) Property, Plant and Equipment

	Land	Buildings	Plant and Equipment	Road and Stormwater Drainage	Water	Wastewater	Parks	Waste and Other Infrastructure	Other Assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Values</b>										
Opening gross value at Cost	5,285,874	2,688,774	26,592,167	-	10,582,654	18,604,953	1,923,279	977,613	8,197,668	74,852,982
Opening gross value at Valuation	270,159,684	95,855,104	-	781,273,737	392,628,254	438,132,896	65,580,725	104,729,416	-	2,148,359,816
Additions at Cost	7,943,569	2,499,371	6,042,520	12,248,242	1,595,071	10,631,156	4,111,418	2,864,729	777,623	48,713,699
Contributed Assets at Valuation	-	-	-	7,471,866	1,571,033	3,118,680	272,821	-	-	12,434,401
Land Acquired in Lieu of Rates	748,144	-	-	-	-	-	-	-	-	748,144
Disposals	(92,154)	(157,470)	(4,895,429)	(1,008,746)	(651,325)	(2,086,116)	(3,734,609)	(651,519)	(599,166)	(13,876,533)
Revaluation adjustment to the ARR	6,625,118	7,421,768	-	129,793,897	222,126,119	49,378,698	(1,587,116)	48,595,158	-	462,353,642
Revaluation adjustment to ARR for Disposals	(32,802)	-	-	(131,011)	(33,845)	(24,376)	(205,144)	(64,305)	-	(491,483)
Assets classified as held for sale	-	-	(196,720)	-	-	-	-	-	-	(196,720)
Assets transferred to Investment Property	-	-	-	-	-	-	-	-	-	-
Assets transferred to Intangible assets	-	-	-	-	-	-	-	-	-	-
Adjustment for prior years assets	-	943,500	5,093	(623,347)	(5,494,757)	2,574,028	(275,165)	(218,489)	-	(3,089,138)
Transfers between non current asset classes	-	75,834	-	934,281	-	-	-	(1,010,115)	-	-
<b>Closing Gross Value</b>	<b>290,637,433</b>	<b>109,326,881</b>	<b>27,547,631</b>	<b>929,958,919</b>	<b>622,323,204</b>	<b>520,329,919</b>	<b>66,086,209</b>	<b>155,222,487</b>	<b>8,376,125</b>	<b>2,729,808,809</b>
<b>Accumulated Depreciation</b>										
Opening Balance	-	36,428,228	12,062,204	248,973,445	180,657,598	160,937,138	36,969,076	26,167,832	3,793,108	705,988,629
Depreciation provided in period	-	2,626,833	3,659,500	11,886,883	5,693,704	7,438,074	3,247,264	2,157,987	769,317	37,479,561
Depreciation on disposals	-	(131,432)	(3,452,886)	(294,991)	(468,295)	(1,051,298)	(1,858,608)	(79,441)	(599,166)	(7,936,116)
Revaluation adjustment to the ARR	-	2,674,960	-	(11,703)	41,400,204	(54,685,597)	(9,578,341)	17,133,344	-	(3,067,133)
Revaluation adjustment to ARR for Disposals	-	-	-	(62,037)	(182,059)	(551,330)	(1,042,639)	(49,962)	-	(1,888,027)
Total Impairment adjustment	-	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	(72,540)	-	-	-	-	-	-	(72,540)
Assets transferred to Investment Property	-	-	-	-	-	-	-	-	-	-
Assets transferred to intangible assets	-	230,799	-	(383,242)	(6,281,351)	331,672	36,599	(23,890)	-	(6,089,414)
Adjustment for prior years assets	-	3,823	-	426,406	-	-	-	(430,229)	-	(0)
Transfers between non current asset classes	-	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation at period end</b>	<b>-</b>	<b>41,833,210</b>	<b>12,196,278</b>	<b>260,534,762</b>	<b>220,819,800</b>	<b>112,418,658</b>	<b>27,773,350</b>	<b>44,875,642</b>	<b>3,963,259</b>	<b>724,414,960</b>
<b>Written Down Value at Cost</b>	<b>-</b>	<b>-</b>	<b>15,351,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,412,866</b>	<b>19,764,218</b>
<b>Written Down Value at fair value at period end</b>	<b>290,637,433</b>	<b>67,493,671</b>	<b>-</b>	<b>669,424,158</b>	<b>401,503,404</b>	<b>407,911,261</b>	<b>38,312,859</b>	<b>110,346,845</b>	<b>-</b>	<b>1,985,629,630</b>
<b>Total Written Down Value at 30 June 2007</b>	<b>290,637,433</b>	<b>67,493,671</b>	<b>15,351,353</b>	<b>669,424,158</b>	<b>401,503,404</b>	<b>407,911,261</b>	<b>38,312,859</b>	<b>110,346,845</b>	<b>4,412,866</b>	<b>2,005,393,849</b>

## 19 (b) Property, Plant and Equipment – prior year comparatives

	Land	Buildings	Plant and Equipment	Road and Stormwater Drainage	Water	Wastewater	Parks	Waste and Other Infrastructure	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	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				-
Accumulated Depreciation at period end	-	36,371,467	12,118,965	248,973,445	180,657,598	160,937,138	36,969,076	26,167,852	3,793,108	705,988,629
Written Down Value at Cost	-	-	15,141,391	-	-	-	-	-	4,404,559	19,545,950
<b>Written Down Value at fair value at period end</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>-</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>4,404,559</b>	<b>1,517,224,168</b>

## 19(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 2007 by applying indexes to 30 June 2006 valuations. Indexes were supplied by the Real Estate Institute of Queensland for each suburb in the shire. The 30 June 2006 valuations were carried out by qualified external valuers, Rushton Assetval (registered valuers - since 1835).

### (ii) Buildings

All buildings were valued at fair value as at 30 June 2007. Suitable construction indices have been applied to 30 June 2005 fair values supplied by external valuers Rushton Assetval (registered valuers - since 1835).

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

Stormwater drainage assets were valued at fair value as at 30 June 2007 by qualified engineering consultants Connell Wagner PPI. Roadworks infrastructure assets were valued at fair value as at 30 June 2007 by qualified engineers of Redland Shire Council.

### (iv) Water and wastewater infrastructure assets

Water and wastewater infrastructure assets were valued at fair value as at 30 June 2007 by qualified valuers Opus International Consultants Limited.

### (v) Parks infrastructure assets

Park infrastructure assets were valued at fair value as at 30 June 2007 by qualified technical staff of Redland Shire Council.

### (vi) Waste and Other infrastructure assets

These assets include bus sheds, car parks, 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 2007 by qualified engineers of Redland Shire Council.

	Note	2007 \$	2006 \$
<b>20. Capital Work in Progress</b>			
Water		6,829,860	1,016,578
Wastewater		2,827,865	9,534,845
Roads		2,945,614	4,026,316
Parks		623,025	1,647,124
Other Infrastructure		8,635,325	3,362,595
		<b>21,861,689</b>	<b>19,587,458</b>
<b>21. Intangible Assets</b>			
Software			
Opening gross carrying value		6,513,924	6,061,604
Closing gross carrying value		<b>7,329,802</b>	<b>6,513,924</b>
Accumulated Amortisation			
Opening Balance		(5,447,064)	(4,324,461)
Amortisation in the period		(818,369)	(1,129,136)
Written off amounts		185,639	6,533
<b>Closing Balance</b>		<b>(6,079,793)</b>	<b>(5,447,064)</b>
<b>Net carrying value at the period end</b>		<b>1,250,008</b>	<b>1,066,860</b>

The software has a finite life estimated at 10 years. Straight line amortisation has been used with no residual value.

	Note	2007 \$	2006 \$
<b>22. Trade and Other Payables</b>			
<b>Current</b>			
Creditors and Accruals		22,911,787	15,860,722
<b>23. Interest Bearing Loans and Borrowings</b>			
<b>Queensland Treasury Corporation</b>			
Opening Balance		121,859,692	112,800,750
Proceeds from Borrowings		27,000,000	23,249,000
Principal Repayments		(16,154,661)	(14,201,789)
Interest Accrued		-	11,731
<b>Book Value at period end</b>		<b>132,705,031</b>	<b>121,859,692</b>
Classified as:			
Current		18,022,093	15,830,720
Non-Current		114,682,938	106,028,972
		<b>132,705,031</b>	<b>121,859,692</b>

The loan market value at the reporting date was \$129,368,857. 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	2007 \$	2006 \$
<b>24. Employee Benefits</b>			
<b>(a) Current</b>			
Annual Leave		4,856,800	5,141,955
Long Service Leave		669,023	563,639
		<b>5,525,823</b>	<b>5,705,594</b>
<b>(b) Non-current</b>			
Long Service Leave		7,678,676	7,356,675
		<b>7,678,676</b>	<b>7,356,675</b>

Employee benefit entitlements are calculated at current pay levels as adjusted for inflation and likely future changes in salary level. These estimates are then adjusted for the probability of the employee remaining in the council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value.

	Note	2007 \$	2006 \$
<b>25. Provisions</b>			
<b>(a) Current</b>			
Quarry Rehabilitation		-	-
Landfill Rehabilitation		1,385,348	1,157,151
		<b>1,385,348</b>	<b>1,157,151</b>
<b>(b) Non-Current</b>			
Quarry Rehabilitation		144,336	144,336
Landfill Rehabilitation		18,692,160	11,287,679
		<b>18,836,496</b>	<b>11,432,015</b>
Details of Movements in Provisions:			
<b>(a) Quarry Rehabilitation</b>			
Opening Balance		144,336	156,327
Increase in Provision - borrowing cost		-	8,387
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>144,336</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.			
<b>(b) Landfill Rehabilitation</b>			
Opening Balance		12,444,830	13,909,909
Increase in Provision - borrowing cost		729,267	746,267
Increase (decrease) in provision due to change in discount rate		6,903,411	(2,211,346)
<b>Balance at the end of period</b>		<b>20,077,508</b>	<b>12,444,830</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 \$19.76 million and this cost is expected to be incurred over the period 2007-2020.

	Note	2007 \$	2006 \$
<b>26. Other Liabilities</b>			
<b>Unearned Revenue</b>		<b>7,502,373</b>	<b>2,559,232</b>

Unearned revenue includes

- building and development application money received for which council has not processed or finalised at 30 June 2007
- grants received in advance of Council extinguishing its obligations imposed under the grant.  
At 30 June 2007 Council had received a large grant for \$4.3 million to widen Rickert and Quarry roads.

	Note	2007 \$	2006 \$
<b>27. Asset Revaluation Reserve</b>			
Movements in Asset Revaluation Reserve were as follows:			
Balance at Beginning of Year		620,454,559	567,754,043
Net adjustment to capital non-current assets at end of period to reflect a change in current fair value:			
Land		6,592,316	(46,599,256)
Buildings		4,746,808	4,653,415
Parks		8,828,720	2,473,962
Roadworks		40,025,136	24,989,082
Wastewater		104,591,249	24,240,995
Water		180,874,129	18,738,980
Other Infrastructure Assets		29,349,800	6,741,111
Stormwater drainage		89,711,490	17,609,557
Waste		2,097,670	245,658
<b>Impairment Provision</b>			
Buildings		-	(11,240)
Wastewater		-	(381,748)
		<b>466,817,317</b>	<b>52,700,516</b>
<b>Balance at End of Year</b>		<b>1,087,271,876</b>	<b>620,454,559</b>
Asset Revaluation Reserve analysis:			
The closing balance of the asset revaluation reserve is comprised of the following asset categories			
Land		147,222,433	140,630,117
Buildings		28,903,688	24,156,880
Parks		28,456,278	19,627,558
Roadworks		194,038,518	154,013,382
Wastewater		256,680,127	152,088,878
Water		263,468,493	82,594,364
Other Infrastructure Assets		58,837,965	29,488,165
Stormwater drainage		107,321,047	17,609,557
Waste		2,343,328	245,658
<b>Balance at End of Year</b>		<b>1,087,271,876</b>	<b>620,454,559</b>

	Note	2007 \$	2006 \$
<b>28. Retained surplus</b>			
During the 2006/07 financial year Council changed the accounting treatment for capital adjustments recognised during the period. These adjustments are now made directly to the P&L, refer note 6.			
<b>Net adjustments for prior years assets:</b>			
Buildings		-	672,446
Plant and Equipment		-	(870)
Road Infrastructure and stormwater assets		-	21,558,162
Water Infrastructure		-	7,085,059
Wastewater Infrastructure		-	14,125,692
Parks Infrastructure		-	99,920
Other Infrastructure		-	38,581
Land		-	2,993
		-	<b>43,581,983</b>
<b>29. Other Reserves</b>			
<b>(a) Reserves Held for Future Expenditure:</b>			
(i) Constrained Works Reserve		6,349,888	15,261,796
(ii) Special Projects Reserve		10,437,331	8,471,734
(iii) Cleansing Reserve		-	3,062,690
(iv) Environment Reserve		7,444,412	6,255,262
(v) Special Separate Charges Reserve		364,964	484,938
(vi) Canal Maintenance Reserve		2,255,898	2,227,335
(vii) Constrained Recurrent Reserve		45,455	391,929
		<b>26,897,947</b>	<b>36,155,684</b>
<b>(b) Movements in reserves are analysed as follows:</b>			
<b>(i) Constrained Works Reserve</b>			
Balance at beginning of year		15,261,797	12,860,658
Transfers from the retained earnings for future expenditure		9,651,107	10,252,992
Transfers to retained surplus, funds expended in the year		(18,563,016)	(7,851,853)
<b>Balance at end of year</b>		<b>6,349,888</b>	<b>15,261,797</b>
<b>(ii) Special Projects Reserve</b>			
Balance at beginning of year		8,471,734	6,289,956
Transfers from the retained earnings for future expenditure		2,606,846	3,331,852
Transfers to retained surplus, funds expended in the year		(641,249)	(1,150,074)
<b>Balance at end of year</b>		<b>10,437,331</b>	<b>8,471,734</b>



	Note	2007 \$	2006 \$
<b>29. Other Reserves (cont'd)</b>			
<b>(iii) Cleansing Reserve</b>			
Balance at beginning of year		3,062,690	2,395,690
Transfers from the retained earnings for future expenditure		1,903,000	667,000
Transfers to retained surplus, funds expended in the year		(4,965,690)	-
<b>Balance at end of year</b>		<b>-</b>	<b>3,062,690</b>
<b>(iv) Environment Reserve</b>			
Balance at beginning of year		6,255,262	4,710,571
Transfers from the retained earnings for future expenditure		5,070,516	5,030,176
Transfers to retained surplus, funds expended in the year		(3,881,366)	(3,485,485)
<b>Balance at end of year</b>		<b>7,444,412</b>	<b>6,255,262</b>
<b>(v) Special Separate Charge Reserve</b>			
Balance at beginning of year		484,938	483,574
Transfers from the retained earnings for future expenditure		198,634	207,300
Transfers to retained surplus, funds expended in the year		(318,608)	(205,936)
<b>Balance at end of year</b>		<b>364,964</b>	<b>484,938</b>
<b>(vi) Canal Maintenance Reserve</b>			
Balance at beginning of year		2,227,336	1,551,089
Transfers from the retained earnings for future expenditure		1,348,696	993,847
Transfers to retained surplus, funds expended in the year		(1,320,134)	(317,600)
<b>Balance at end of year</b>		<b>2,255,898</b>	<b>2,227,336</b>
<b>(vii) Constrained Recurrent Reserve</b>			
Balance at beginning of year		391,928	424,721
Transfers from the retained earnings for future expenditure		-	272,498
Transfers to retained surplus, funds expended in the year		(346,474)	(305,291)
<b>Balance at end of year</b>		<b>45,455</b>	<b>391,928</b>

	Note	2007 \$	2006 \$
<b>30. Commitments</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		366,817	539,828
One to Five years		74,794	366,888
Later than 5 years		-	-
		<b>441,611</b>	<b>906,716</b>
<b>(b) Contractual Commitments</b>			
Contractual commitments at reporting date but not recognised in the Financial Statements are as follows:			
Roadworks		129,595	755,785
Waste		1,262,814	991,636
Water and wastewater		867,827	841,254
Other		6,837,481	7,553,874
		<b>9,097,717</b>	<b>10,142,549</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		3,117,145	2,148,025
Waste		440,981	52,908
Water and wastewater		5,037,199	2,525,974
Other		11,334,973	8,156,866
		<b>19,930,298</b>	<b>12,883,773</b>
These Expenditures are Payable:			
Within one year		19,930,298	12,883,774
One to five years		-	-
Later than five years		-	-
		<b>19,930,298</b>	<b>12,883,774</b>

### 31. 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 2007 is \$677,000, 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.

### 32. 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 2006 (the most recent available) which were 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 2006. 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	2007 \$	2006 \$
The amount of superannuation contributions paid by Redland Shire Council to the superannuation scheme during the reporting period for the benefit of employees was:		5,422,490	5,107,394
The amount of superannuation contributions paid by Redland Shire Council to the superannuation scheme during the reporting period for the benefit of councillors was:		98,987	94,630
		5,244,734	4,231,698

### 33. Trust Funds

Monies collected or held on behalf of another entity, yet to be paid out to or on behalf of that entity.

The Redland Shire Council performs only a custodial role in respect of these monies and because the monies cannot be used by the Council, they are not brought to account in these Financial Statements.

	Note	2007 \$	2006 \$
<b>34. Reconciliation of result from ordinary activities to net cash inflow (outflow) from operating activities</b>			
<b>Result from Ordinary activities</b>		<b>2,690,911</b>	<b>12,987,996</b>
<b>Non-cash operating items:</b>			
Depreciation and amortisation	10	38,297,930	34,986,300
Non-cash contributions	5	(12,434,401)	(10,503,411)
Provision for doubtful debts		(110,064)	(139,306)
Land acquired in lieu of rates		(748,144)	(612,248)
Loss on impairment of property, plant and equipment		-	56,020
Loss on impairment of assets classified as held for sale		1,847	18,646
Net adjustment for prior years assets		(3,000,276)	-
Fair value adjustment - investment property		-	(1,370,003)
		<b>22,006,892</b>	<b>22,435,998</b>
<b>Investing and development activities:</b>			
Net (profit) loss on disposal of non-current assets	11	4,001,692	2,725,974
		<b>4,001,692</b>	<b>2,725,974</b>
<b>Changes in operating assets and liabilities:</b>			
(Increase) decrease in rates and utility charges receivable		(130,390)	671,003
(Increase) decrease in other receivables		(1,559,155)	1,023,599
Increase (decrease) in other current assets		508,992	(205,050)
Increase (decrease) in creditors		7,051,064	4,111,854
Increase (decrease) in provisions		7,774,908	889,835
Increase (decrease) in other liabilities		4,943,140	(1,477,070)
		<b>18,588,560</b>	<b>5,014,171</b>
<b>Net cash inflow from operating activities</b>		<b>47,288,055</b>	<b>43,164,139</b>

## 35. 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	
		2007 \$000	2006 \$000	2007 \$000	2006 \$000	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Financial Instruments									
<b>Financial assets</b>									
Cash assets	13	77,070	68,770	-	-	-	-	77,070	68,770
Receivables	14	-	-	6,718	6,588	4,433	2,874	11,151	9,462
Prepayments	17	-	-	-	-	686	1,097	686	1,097
		<b>77,070</b>	<b>68,770</b>	<b>6,718</b>	<b>6,588</b>	<b>5,119</b>	<b>3,971</b>	<b>88,907</b>	<b>79,329</b>
Effective interest rate		6.64%	6.15%	11.00%	11.00%	-	-	-	-
<b>Financial liabilities</b>									
Payables	22	-	-	-	-	22,911	15,860	22,911	15,860
Loans - QTC *	23	-	-	132,705	121,860	-	-	132,705	121,860
		-	-	<b>132,705</b>	<b>121,860</b>	<b>22,911</b>	<b>15,860</b>	<b>155,616</b>	<b>137,720</b>
Weighted average interest rate		-	-	6.19%	6.20%	-	-	-	-
<b>Net financial assets</b>		<b>77,070</b>	<b>68,770</b>	<b>(125,987)</b>	<b>(115,272)</b>	<b>(17,792)</b>	<b>(11,889)</b>	<b>(66,709)</b>	<b>(58,391)</b>

\* QTC - denotes Queensland Treasury Corporation

## 36. 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 its self. 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

School Aged Care

Child care

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

	Water & wastewater 2007 \$	Waste management 2007 \$	Caravan parks 2007 \$	School Aged Care 2007 \$	Child care 2007 \$
Revenue for services provided to the Council	960,802	792,935	-	-	-
Revenue for services provided to external clients	67,413,251	13,561,366	1,866,306	2,530,172	232,374
Community service obligations	256,592	846,116	-	-	-
	<b>68,630,645</b>	<b>15,200,417</b>	<b>1,866,306</b>	<b>2,530,172</b>	<b>232,374</b>
Less : Expenditure	44,449,987	16,181,514	2,234,225	2,431,244	292,551
<b>Surplus (deficiency)</b>	<b>24,180,658</b>	<b>(981,097)</b>	<b>(367,919)</b>	<b>98,928</b>	<b>(60,177)</b>

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

Activities	CSO description	Actual \$
Water and wastewater	Water not for profit	95,713
Water and wastewater	Wastewater not for profit	120,008
Water and wastewater	RPAC connections	40,871
Waste Management	Clean up Australia day	3,132
Waste Management	Sanitary landfill	842,984

# Management Certificate

For the year ended 30 June 2007

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 2007 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

05/11/2007



Chief Executive Officer

05/11/2007

# Independent Audit Report

To the Mayor of Redland Shire Council

## *Matters Relating to the Electronic Presentation of the Audited Financial Report*

The audit report relates to the financial report of Redland Shire Council for the financial year ended 30 June 2007 included on Redland Shire Council's web site. The Council is responsible for the integrity of the Redland Shire Council's web site. We have not been engaged to report on the integrity of the Redland Shire Council's web site. The audit report refers only to the statements named below. It does not provide an opinion of any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from Redland Shire Council, to confirm the information included in the audited financial report presented on this web site.

## *Report on the Financial Report*

I have audited the accompanying financial report of Redland Shire Council, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies other explanatory notes and certificates given by the *Mayor and Chief Executive Officer*.

## *The Council's Responsibility for the Financial Report*

The Council is responsible for the preparation and fair presentation of the financial report in accordance with the *Local Government Act 1993* and *Local Government Finance Standard 2005* including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These Auditing Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **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 Queensland 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.

## **Auditor's Opinion**

In accordance with 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 recording and reporting procedures required for the preparation of this financial report 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 financial performance and cash flows of the Redland Shire Council for the financial year 1 July 2006 to 30 June 2007 and of the financial position as at the end of that year.

Jillian Richards  
Delegate of the Auditor-General of Queensland

5 November 2007

Queensland Audit Office,  
Brisbane



# 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
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1.1	Organisation's vision relating to sustainability.	1
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<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.	2
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2.11	Reporting period.	Front cover
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or [www.more2redlands.com.au](http://www.more2redlands.com.au)