



Redland
CITY COUNCIL

Annual Report

2015-16



Glossary of common terms used in this annual report

Annual Report – Council's report on its annual performance, including statements about annual performance, financial statements and disclosures required under legislation.

Capital works program – Program of scheduled infrastructure works generally encompassing capital works for road, drainage and building assets.

Corporate Plan – A strategic document that sets out Council's plans over five years. It outlines the strategies to be undertaken to achieve the vision and outcomes in the Redlands 2030 Community Plan. It is a legal requirement under the *Local Government Act 2009* for Council to adopt a Corporate Plan.

Councillors – Elected members of Council.

Diversity – Understanding that each individual is unique, and recognising our individual differences.

External audit – An official inspection of an organisation's accounts, processes and procedures, typically by an independent body.

Financial year – The 12 months between 1 July of one year and 30 June of the next year. This Annual Report is for the 2015-16 financial year, which spans 1 July 2015 to 30 June 2016.

Full-time equivalent (FTE) – The hours worked by one or more staff members that are the equivalent of a full-time employee. For example, this may involve a full-time employee working 36.25 hours per week or two part-time employees each working 18.13 hours per week.

Governance – How decisions are made and implemented and how organisations are managed and controlled to achieve objectives. Governance also describes the ways an organisation can be held accountable.

Key performance indicator – Evidence of the degree to which Council's actions are achieving intended objectives, for the purposes of monitoring progress.

Local laws – The laws adopted by Council that prohibit, regulate and control activities, events, practices and behaviours within Redland City.

Operational Plan – A one-year plan that sets out activities to be undertaken in that particular year to achieve the Corporate Plan. An Operational Plan is a legal requirement for Queensland councils under the *Local Government Act 2009*.

Statutory – Required under a law or legislation.

External audit – An official inspection of an organisation's accounts, processes and procedures, typically by an independent body.

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Introduction

Each year, Redland City Council publishes an Annual Report. This is a requirement of the *Local Government Act 2009*. The report provides an update to our community about Council's finances, performance and how we have delivered against our plans.

Some information included in this report is required under legislation. An index of this statutory information can be found on pages 70-75.

This Annual Report is the first report against our new Corporate Plan 2015-2020, which reflects the Redlands 2030 Community Plan. It also includes a summary of performance against Council's Operational Plan 2015-16.

About Redland City

Traditional (Aboriginal) Owners: Council acknowledges the Quandamooka People as the Traditional Owners of the lands, winds and waters of the Redlands. The clans of the Quandamooka People include the Nunukul, Ngughi and Goenpul.

Our city

Location: South-east of Brisbane, Queensland

Area: 537 square kilometres

Geography: Mainland, coast, hinterland and islands (North Stradbroke Island, Coochiemudlo and Peel Islands and the Southern Moreton Bay Islands of Karragarra, Lamb, Macleay and Russell)

Economy: Retail trade, health care and social assistance, construction, education and training

Population: 149,989¹



¹ Source – Australian Bureau of Statistics (June 2015 estimated residential population)

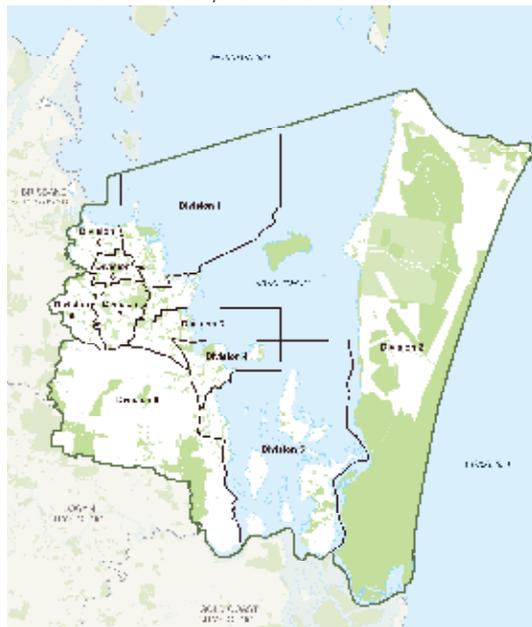
Divisional boundary changes

On 16 October 2015, following a review of local government divisional boundaries, the Electoral Commission Queensland (ECQ) made changes to various local government divisional boundaries. The ECQ determined that our city be re-divided into 10 divisions, with some changes to existing boundaries to ensure voter numbers were evenly distributed across these divisions. The changes for our city came into effect on 19 March 2016.

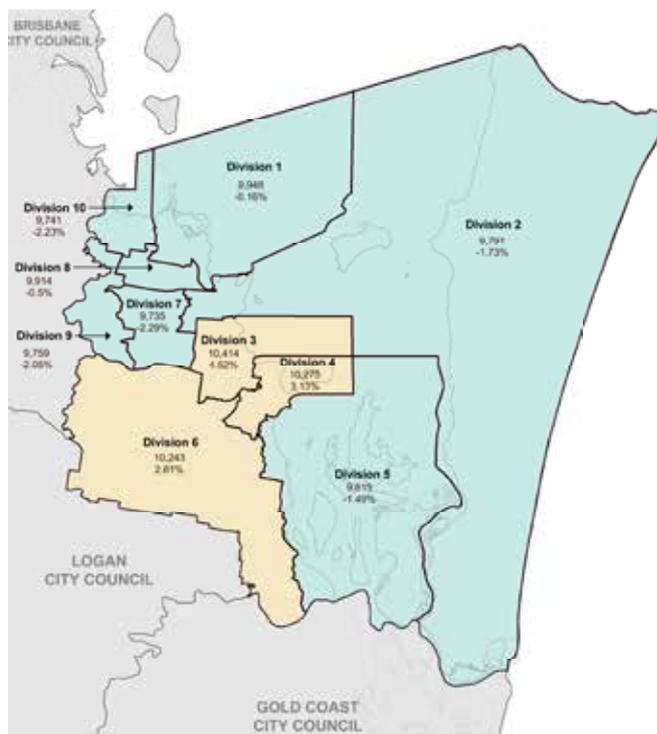
To review the full report for Redlands, visit the [ECQ website](#).

Redland City Council Electoral Division Boundaries

Division boundaries prior to review



New division boundaries following boundary review



maps © The State of Queensland 2015

Vision, mission and values

Our vision

Forward thinking, engaged and focused on enriching community lifestyles.

Our mission

Make a difference, make it count.

Our values

Customer service

- We deliver on our commitments and provide excellent customer service.

One team

- We co-operate and collaborate within and across teams.
- We support our people to perform at their best.

Accountability

- We take ownership of our responsibilities.
- We are professional and ethical in all we do.

Growth

- We challenge ourselves to deliver better value for money.
- We will be better tomorrow than we are today.

Communication

- We are open, honest and constructive in all communications.



A message from our Mayor and CEO

From our Mayor

The economic uncertainty that clouded much of 2015-16 saw Council continuing its focus on seeking savings and minimising cost-of-living pressures for our residents.

To ensure future rate rises could continue to be kept at a minimum, Council maintained a business-as-usual and 'no frills' course, which has allowed us to enter the new financial year in good shape, after consecutive operating surpluses.

I made the point in last year's Annual Report that Redland City's strong financial position – underpinned by growing community equity, substantial cash reserves and the lowest local government debt per household in South East Queensland – provided our city with security for the future. I am proud to report that this was further consolidated in 2015-16.

Successive responsible budgets have provided the Redlands with a substantial financial buffer and we navigated 2015-16 with the reassurance that we could not only continue to meet the demands of a growing city but also insulate residents against the full impact of rising costs that are outside of our control.

Among the heftiest of these imposts continued to be the State Government's bulk water charges, with the 2015-16 increase being offset by Council.

Our sound position is very much the product of a whole-of-council effort. Our Chief Executive Officer Bill Lyon and all employees, from our Executive Leadership Team to our crews on the front line, are to be congratulated for the position Council is in.

As Mayor, I am continually heartened by the positive approach we are adopting as an organisation – whether that's through simple pride in the job, innovative thinking or self-improvement – and we can all be very proud of what we achieved through the year.

Our commitment to finding the cost savings and efficiencies that allowed us to produce another enviable result will not diminish, however, this has not meant less attention has been afforded our long-term strategic goals. Quite the contrary.

Council established its new Economic Development Advisory Board under the leadership of communications industry executive Samantha Kennedy and I am excited by its potential. Other members of the board are Jordan Duffy, Jerry Harris, Terry Morris, Catherine O'Donnell and Dr John O'Donnell. This board is of the highest calibre and it has the undeniable experience and expertise to ensure quality strategic advice is presented to Councillors so we can play our part in supporting the local economy and creating local jobs.

The board's first steps have been to prioritise development of action plans for the following sectors, which have the potential to be substantial employment generators:

- health care and social assistance
- education, innovation and training

We have also taken significant strides along the road to showcasing the Redlands as a tourism hotspot and ensuring tourism operators have the support they need. Since we adopted the **Redland City Tourism Strategy and Action Plan 2015–2020** in June 2015, the need to develop our tourism industry became more urgent with the State Government confirming that sand mining will end on North Stradbroke Island by 2019.

In 2015-16, our reputation as an events destination was further enhanced and, as our renown continues to grow, so too will our community pride and wellbeing.

During this time the city and North Stradbroke Island's most significant development – the \$1.39 billion Priority Development Area project for Cleveland's Toondah Harbour – was referred by developer Walker Group to the Commonwealth Environment Minister to consider the project's potential environmental impacts and benefits, with a decision expected in 2016-17.

The foundation was also laid this year to ensure Council's wholly-owned subsidiary company, Redland Investment Corporation, is successful in supporting our economy and providing new revenue sources to Council. The company's board was finalised and three external finance, property and construction professionals – Philip Hennessy, Greg Kempton and Mitch Nielsen – were appointed to lead the business. It performed its role well in progressing Toondah Harbour and our other Priority Development Area project at Redland Bay's Weinam Creek, with important foundational documents, the Development Management Agreement and Infrastructure Agreement, being signed by project partners.

This has been a year of consolidation for a city of which we can all be proud. That, however, does not mean it cannot be better – and guaranteeing that we are in a position to meet that challenge has been at the heart of our efforts.

Council's new four-year term was heralded in on 19 March 2016 with three new Councillors elected. I would like to thank the previous Council for its collective guidance and congratulate members of the new Council for their preparedness to work together in the interests of the whole city. Through collaboration and unity of purpose, much more can be achieved in this current Council term.

I would also like to thank Council staff and our many dedicated volunteers for their much-appreciated efforts and especially our residents, whose spirit of community make the Redlands truly the best place to live, work, relax and do business.



Councillor Karen Williams
Mayor of Redland City



From our CEO

Redland City continued to build on its strong financial and operational performances through 2015-16, working towards Council's vision, mission and values, and meeting the needs of residents while continuing to invest in the future.

Our business-as-usual approach produced a third successive operating surplus.

We have achieved this while modestly increasing capital expenditure, reducing debt and supporting a high level of service to the community.

That this has been achieved against the backdrop of economic unpredictability and the cumulative effects of hefty cost increases – in particular the State Government's bulk water charge – speaks volumes of the efforts of Council staff.

I have been encouraged by the genuine and, at times, inspired efforts to work smarter to minimise cost-of-living pressures on our communities while still delivering a substantial city-wide capital works program.

Development and implementation of a range of cost-saving measures continued through the year and, while many of them may seem small, they will have a substantial cumulative effect. This has been very much a year which has positioned Council to achieve future savings.

Our pursuit of innovative ways to deliver major projects more efficiently in the future continued during 2015-16. The review of our Portfolio Management Office is well advanced, with a new framework ready for testing in 2016-17.

The rewards and operating improvements that will come from this and our Business Transformation program will take hold in the new financial year.

We also introduced a new specialist after-hours service provider to ensure smooth handling of residents' needs outside of normal hours. That provider, Well Done International, specialises in local government and understands the impact of weather-related events and other service issues on organisations such as ours.

Council's new Economic Development Advisory Board was established, with the sixth member appointed in May 2016. Redland City is fortunate to have attracted such a highly credentialled and respected team of business and industry identities under the leadership of communications industry executive Samantha Kennedy.

Having people of this calibre, experience and expertise on board will be of immense value to Council as it plans for this city's economic and employment future. It has already begun to forge the strong partnerships needed to create the climate for local business and jobs creation.

Meanwhile, the board of the Redland Investment Corporation – a wholly-owned Council subsidiary company – was finalised, with the foundations laid for it to provide new revenue sources to Council and further support development of our economy.

It will continue to play a lead role on Council's behalf in progressing our Priority Development Area projects at Cleveland's Toondah Harbour and Redland Bay's Weinam Creek.

In April 2016, the \$1.39 billion Toondah Harbour redevelopment – this city's most significant project – was referred by the developer, The Walker Group, to the Commonwealth Environment Minister to consider the potential environmental impacts and benefits. Council is awaiting that decision.

The corporation – which is tasked with getting best value and improved use from surplus land and assets that are not integral to the Redlands Open Space Strategy or the Redlands 2030 Community Plan - is focused on advancing Council's interests during the State Government's Priority Development Area process.

Just as this organisation has 'future-proofed' its operational capabilities, it has been intent on identifying and developing its leaders of the future.

A number of initiatives in the area of leadership development were progressed, with the Integrated Leadership Development Strategy 2016-2020 endorsed by Council, as well as our Leadership Capability Framework, which will help us build strong, visible and capable leaders.

All of our leadership development programs are now aligned to the new strategy and framework, to ensure our leaders are receiving the right skills, knowledge and experience to better deliver on our business goals and, ultimately, provide a better service and quality of product to our community and customers.

From day one as CEO, worker safety has been a core value for me and I am particularly pleased to report that our safety record continued to improve in 2015-16, with 19 lost-time injuries – down from 21 and 31 the previous two years. I believe one injury is still too high but I am encouraged that our safety consciousness and essential safety training is paying real dividends, both to the organisation and, more importantly, to the individuals who avoid injury.

I would like to thank Mayor Karen Williams and Councillors for their direction and my fellow members of the Executive Leadership Team for their valued guidance and leadership. I would especially like to put on record my appreciation for the efforts of our team and their dedication to our community.

The bottom line is that through our collective efforts – from those of our front-line crews to our executive leaders – we are, and will continue to be, well placed to meet our challenges head on and surpass expectations.



Bill Lyon
CEO of Redland City Council



Review of 2015-16 highlights

Forward thinking

Council moved to take local businesses to the world in July 2015 by adopting a revised International Relations Policy aimed at increasing trade and employment opportunities. The International Relations Policy and Guidelines cements the city's growing reputation as a target for international investment by fortifying the Redland's existing international ties and forging new ones. The Redlands already has strong ties with Qinhuangdao in China and Kani City in Japan.

Trade college opens

The Australian Industry Trade College announced in July 2015 that it would open a new campus at Cleveland's Toondah Harbour. The Council-owned land was selected after comprehensive consultations with developer Walker Group Holdings and the wider community, based on its potential to provide skilled young workers for the Redlands' Priority Development Area project nearby. The college opened in March 2016.

Park blooms

Community groups presented fashion parades, exercise classes and rock 'n' roll performances in Bloomfield Street Park to celebrate the August 2015 opening of the reinvigorated community space. Upgrading the park in the heart of Cleveland delivered on Council's ongoing commitment to activate the CBD through a vibrant event and activities space. Redlands residents helped to shape the park's facelift by responding to a Council 'call for ideas' campaign and attending Buzz in the Park days.

Investing in the future

The final two external board directors were appointed to the Redland Investment Corporation (RIC) in August 2015. Council's investment arm was established to generate new revenue streams and help minimise rate increases by identifying alternative revenue sources for Council. The corporation is also managing the development of Cleveland's Toondah Harbour and Redland Bay's Weinam Creek Priority Development Areas on behalf of Council.

Resilience hub for Bay Islands

The new \$1 million Bay Islands Sport and Resilience Hub was officially opened in October 2015 on Russell Island, complementing the \$2 million Bay Islands Sports Field that opened in October 2013. The hub is a multi-purpose facility that can be used for community activities as well as a centre for the Southern Moreton Bay Islands' disaster training and response.

Master-planned community

Council conditionally approved the application made to Council for the Shoreline master-planned urban community in November 2015. The \$2.3 billion project in the southern Redlands proposes a mix of lot sizes, a new town centre, employment, recreational and sporting facilities, cycle ways and footpaths network, bus-accessible internal road structure and a network of open space corridors, conservation land and parks. Shoreline, which had been planned over more than a decade, is expected to deliver thousands of jobs and substantial economic boost for the city.

Centre of excellence

A plan was unveiled in November 2015 for a potential \$50-\$60 million surf life-saving centre of excellence to be set up in Cleveland. Council voted to explore options to accommodate the relocation of Surf Life Saving Queensland (SLSQ) state headquarters to the Redlands, with the potential for the facility to also include a new community pool and emergency services precinct. SLSQ estimated that 200 ongoing full-time local jobs could be created by the move, with hundreds of extra jobs during construction.

Driving our transport future

Preserving areas for future transport corridors for walking, cycling, cars, buses and light rail was a well-supported idea at November's Redland City transport forums, organised by Council to establish community priorities and possible solutions for transport issues. The series of three forums was the first in Queensland, with residents having an opportunity to talk with expert transport planners, futurists and economists.

Landmark project unveiled

The Toondah Harbour Priority Development Area project proposed for Cleveland reached a significant milestone in November 2015 when Walker Group Holdings released its proposed master plan. The \$1.3 billion project was also referred to the Commonwealth Government, triggering the environmental impact assessment and approval process that will ensure the long-awaited project maintains the Redlands' environmental character and meets the expectations of the wider community.

Koala vaccine trials begin

Council provided \$30,000 to the joint University of the Sunshine Coast and Australia Zoo Wildlife Hospital chlamydia vaccine trial for koalas, which began in January 2016.

Willards farm saved

The 153-year-old Willard's Farm homestead on Old Cleveland Road East was preserved for future generations after Council bought the property in February 2016. Willard's Farm was established in 1863 and has also been known as The Pines and the Cottons' Farm. The Heritage Council refused an application to historically list the property in September 2015.

Sod turned

The first sod was turned on the \$3.27 million Horizon Foundation Community and Education Centre in March 2016, a facility that will transform under-utilised Council-owned land at Capalaba. The four-hectare site on the corner of Runnymede and Redland Bay Roads, adjacent to Redland IndigiScapes Centre, had been unoccupied for around 10 years. It is proposed to be transformed into a vibrant community and disability services hub expected to inject an estimated \$8 million into the local economy through construction investment and new jobs. Council gave the Horizon Foundation a 50-year lease of the footprint for its new centre.



Draft City Plan

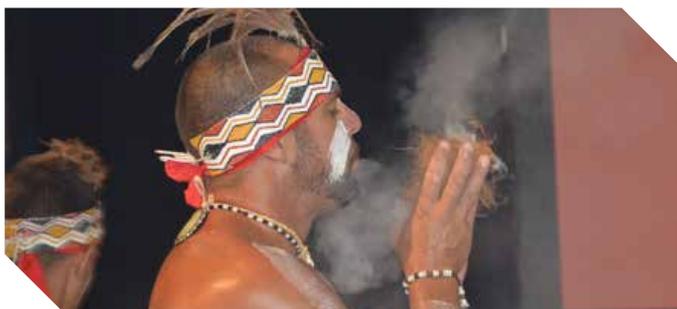
Following an extended 11-week consultation period, submissions on the draft Redland City Plan closed on 27 November 2015. As part of the public consultation, Council hosted 52 community activities, attended by thousands of residents. Councillors are now considering issues captured in more than 6,000 public submissions. A report on issues raised and proposed amendments will then be provided to the State Government and made available to submitters and the public. Once the Minister approves the amended City Plan, it will be presented to Council for adoption and commencement. Until then, Council will continue to operate under the current Redlands Planning Scheme.

Quandamooka Country

Council continued to work with Quandamooka People to progress Indigenous Land Use Agreement commitments and strengthen community understanding of Quandamooka culture and history. In August 2015, Quandamooka Yoolooburabee Aboriginal Corporation (QYAC) finalised a declaration creating the largest Land for Wildlife area in the city (almost 1,400 hectares). This partnership agreement sees Council and SEQ Catchments support Traditional Owners and their leadership in works to conserve Quandamooka Country.

There were many cultural highlights for the year. Council was a proud sponsor of the inaugural Quandamooka Festival, providing support for the three-month festival of events and offering Let's Listen, Let's Yarn speakers forums as part of the official program. These forums saw more than 30 speakers come together over six free discussion panels that ranged from politics and arts to recollections of Quandamooka Aunties and their early days on Minjerribah/North Stradbroke Island.

June 2016 also saw Gathering Strands open at Redland Art Gallery. Gathering Strands showcased the work of more than 18 Aboriginal and Torres Strait Islander women and was the culmination of a two-year journey for curator and Quandamooka artist Freja Carmichael, who in 2014 received an emerging curatorial fellowship from the Australia Council for the Arts.



Taking the lead

Council further strengthened its support for those affected by domestic and family violence by introducing paid domestic violence leave for employees. It became one of the first councils in Queensland to provide an extra 10 days paid leave a year to employees suffering domestic and family violence, helping them to maintain financial independence. Council was a strong supporter of campaigns against domestic and family violence throughout the year.

Down to business

Council's Economic Development Advisory Board's first full board meeting was held in June 2016, where it took the first steps to formulate action plans to grow the city's key industry sectors. The board is responsible for leading the implementation of the Redland City Economic Development Framework 2014-2041. The group is tasked with delivering tangible economic action plans for the Redlands' key industries, and achieve the framework's ultimate objectives of 30,000 new jobs and increasing the city's gross regional product to \$6.8 billion by 2041.

Tourism development

Work commenced on action items from the Redland City Tourism Strategy and Action Plan 2015-2020, unanimously adopted by Council on 17 June 2015. Highlights include establishing two dump points for disposal of grey and black water, for self-contained motorised vehicles at John Fredericks Park, Capalaba, and William Street, Cleveland. Under the Enhancing the Visitor Experience Program, the Redlands Track Park trail head was built and opened. It features shelter, bike racks, bike repair stations, maps and water.



Work also started on a five-year Events Strategy and Action Plan, while the city continued to attract films including the national biopic, *Hoges*, with scenes filmed at Mount Cotton.

The Redlands continued to make its mark on the world map with Council showcasing local tourism products at significant industry functions, including the Australian Tourism Exchange. Council further stimulated the local investment and jobs economy with an injection of \$400,000 in January 2016 for the Cleveland CBD and Tourism Accommodation and Incentives Package.

Milestones and awards

Mayor's Awards:

This award is the highest recognition of an employee's outstanding contribution to the city through service delivery.

It honours an employee's outstanding personal characteristics that help to make Redlands the best place to live, play, work and do business.

The recipient will represent the best of what Council aims to deliver to the community. The award winners will meet the highest standards of service delivery in their role, in a way that makes them an example to which others can aspire.

Mayor's Award Winners: Denis Burke and Luke Kinman

Denis is a quiet achiever, demonstrating Council's values every day, and is a credit to the organisation. He always conducts himself in a professional positive light, ensuring excellent workmanship and sets a good example to others. Denis demonstrates Council's values by providing consistent and excellent service.

Luke Kinman's operations management work has been a major factor in driving the transformation of the Redlands Performing Arts Centre from a sleepy regional venue into a busy multi-art-form creative hub for the city. He has reset business goals and outcomes, and delivered a complete shift in how all operations staff work. Luke generates enthusiastic commitment and buy-in from all operations staff.

CEO's Awards:

Healthy Natural Environment

Candy Daunt

Candy delivered a successful solution to the displacement of a culturally iconic osprey nesting site at Wellington Point. In addition to protecting the iconic species, she also managed the most recent round of whale observations at Point Lookout, Stradbroke Island. Both tasks required coordination of a diverse range of stakeholders to achieve important environmental outcomes.

Green Living

Members of the Facilities Services Team

Energy efficiency initiatives introduced at the Cleveland Administration and Library buildings reduced electricity consumption in 2015-16 by 14%. Around 550 fluorescent T8 tubes containing environmentally harmful chemicals such as mercury were also eliminated from landfill during the year.

Embracing the Bay

Project Delivery Group – Design and Construction Projects Team - Callam Craig, Nicole Bahr, Nigel Carroll, Robyn Hookway, Tammy Hyde, Tony Sloman, Wes Davis

The Design and Construction Projects Team excelled in designing and installing a new rock-armoured seawall, beside a closed landfill at Tina Avenue on Lamb Island. This has a design life of 50 years to prevent erosion at the landfill, cater for increased sea levels and protect the marine park. The park on the former landfill site is now safer for the community to use and enjoy the views.

Quandamooka Country

Di Andrews

Di Andrew's dedication and tireless efforts went far beyond the requirements and expectations of her Council role. Di is an inspirational leader and her contribution and support of the wider Aboriginal and Torres Strait Islander community was again outstanding in 2015-16.

Wise Planning and Design

City Plan Team - Bernard Houston, Callan Langlands, Dean Butcher, Gerard Noon, Jodi Poulsen, John Dujmovic, Kerry Warrilow, Kim Kerwin, Larissa Godfrey, Nastassja Lazarus, Scott Pearson, Stephen Elliott, Sven Ljungberg

The Redlands community had the opportunity to provide feedback on the Draft City Plan through an 11-week public consultation period, delivered by the City Plan Team. This project is one of Council's shining examples of a whole-of-organisation collaboration. It demonstrates what we as a Council can achieve by working together towards a common goal.



Supportive and Vibrant Economy

Kristen Banks

Kristen Banks excelled in her tourism work in 2015-16, particularly her lead role in developing the Redland City Tourism Strategy and Action Plan 2015-2020, which was adopted by Council on 17 June 2015.

Strong and Connected Communities

Animal Shelter Adoption Team - Ashleigh Knight, Claire Ransley, Michelle Burrridge, Susan Boxall

The Animal Shelter Adoption Team made a difference in the lives of unwanted and abandoned animals in 2015-16, helping them find 'forever' homes in our community. The team demonstrated its compassion and smart business approach in delivering this valuable community service.

Inclusive and Ethical Governance

Lorraine Lee

Lorraine's determination, collaborative approach, attention to detail and effective coordination resulted in an excellent new Corporate Plan, which sets Council on a clear path for the next five years. The plan unites the organisation in a clear vision for our community, as well as providing a mission and a set of values that apply to everyone in Council.

Other awards

2015 Resilient Australia Awards

We won a 2015 Resilient Australia Award for our online interactive Redland City Disaster Management Plan, an Australian-first suburb-by-suburb disaster plan.

Redland SES regional unit of the year... again

Redland City's SES crew was again named best in the Brisbane region at the October 2015 SES awards. It was the seventh year in a row the Redland City SES Unit had been awarded the honour, a remarkable effort that highlighted its commitment to protecting the city.

Mayor and Councillors' information

Council elections 2016

Queensland's local government elections were held on 19 March 2016 and resulted in three new Councillors being elected to represent our city for next four years: Peter Mitchell, Paul Gollé and Tracey Huges. Karen Williams was returned for her second term as Mayor.

Councillors Julie Talty, Lance Hewlett, Mark Edwards, Paul Gleeson and Paul Bishop were returned for a second term while Cr Wendy Boglary was returned for a third term and appointed as Deputy Mayor. The longest serving Councillor, Murray Elliott, was also returned and will continue to represent the division he has served since 1997.

Div 1 - Councillor Wendy Boglary (Deputy Mayor)
Wellington Point/Ormiston

Div 2 - Councillor Peter Mitchell
Cleveland/North Stradbroke Island

Div 3 - Councillor Paul Gollé
Cleveland/Thornlands

Div 4 - Councillor Lance Hewlett
Victoria Point/Coochiemudlo Island/Redland Bay

Div 5 - Councillor Mark Edwards
Redland Bay/Southern Moreton Bay Islands

Div 6 - Councillor Julie Talty
Mount Cotton/Sheldon/Thornlands/
Victoria Point/ Redland Bay

Div 7 - Councillor Murray Elliott
Alexandra Hills/Capalaba/Thornlands

Div 8 - Councillor Tracey Huges
Birkdale/Alexandra Hills/Ormiston/
Wellington Point/Cleveland

Div 9 - Councillor Paul Gleeson
Capalaba/Birkdale

Div 10 - Councillor Paul Bishop
Birkdale North/Thornside

Former Councillors

On behalf of the Redlands community, Council would like to thank former Deputy Mayor Alan Beard and former Councillors Craig Ogilvie and Kim-Maree Hardman for their service to the city.



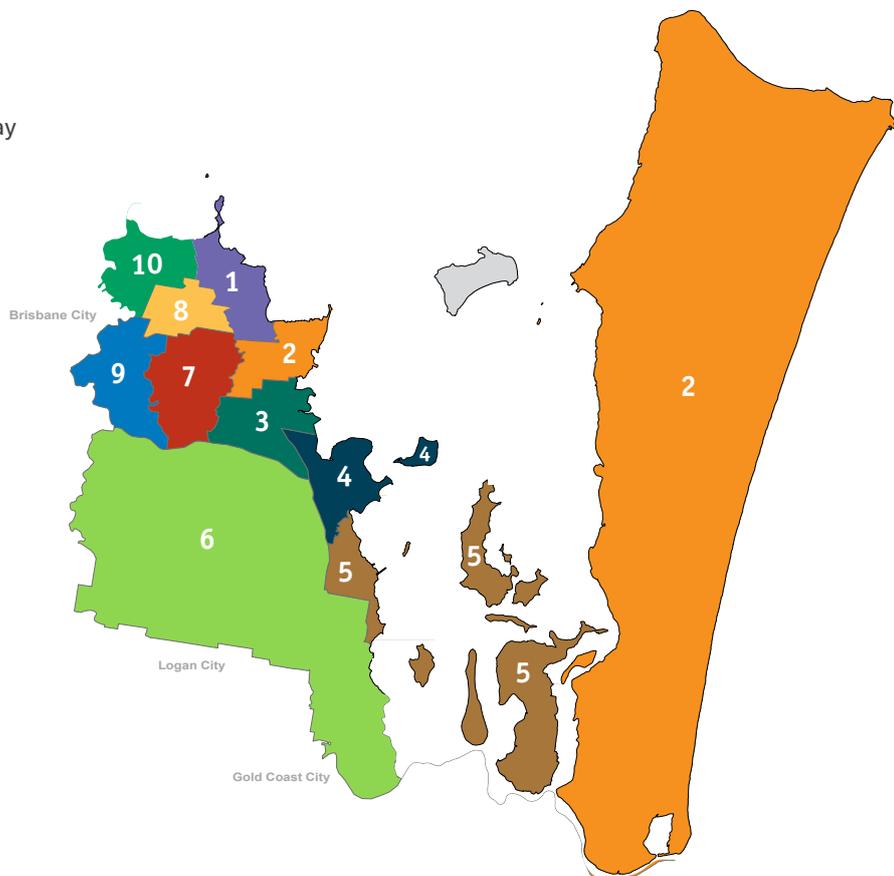
Cr Craig Ogilvie
Represented Division 2
from 2004 to 2016



Cr Kim-Maree Hardman
Represented Division 3
from 2012 to 2016



Cr Alan Beard
Represented Division 8
from 2012 to 2016





The elected Council's responsibilities

Redland City Council, comprising the Mayor and 10 Councillors, is the elected body responsible for the good governance of Redland City. The elected body has legal obligations requiring members to represent the current and future interests of Redlands residents.

They are democratically elected and accountable to their communities for the decisions they make and the services they provide. Their role also includes other responsibilities such as providing high quality leadership to the community, participating in Council meetings, developing policy and making decisions that are in the interests of the whole community.

The Mayor and Councillors are bound by a Code of Conduct, which is their public commitment to open, accountable and ethical standards of behaviour. The community also plays an important role in contributing to good democratic governance by participating in Council elections, being actively involved in community engagement programs and providing feedback on current issues and the services provided.



Mayor

Councillor Karen Williams

**Graduate of Australian Institute of Company Directors
Elected: 2004, Mayor since 2012**

Karen was born in the Redlands, raised her family here and has lived in the city for most of her life. She was elected Mayor in April 2012 after serving as the Divisional Councillor for Division 9 (Capalaba) from 2004. Before joining Council, Karen worked for 10 years in the domestic money market both in Sydney and Brisbane and also owned and operated two successful retail floral studios in Brisbane.

Karen is involved with a large number of community organisations and local government bodies. She is Director-Treasurer of the South East Queensland Council of Mayors, Director of South East Queensland Council of Mayors Resilient Rivers Taskforce, a Director of Healthy Waterways and Catchments, a member of the Local Government Association of Queensland Policy Executive Committee, a member of Australian Local Government Association (ALGA), a member of SEQ Regional Plan Committee, a Trustee of the Committee for Economic Development for Australia (CEDA), Chair of the Local Disaster Management Group and Chair of Age-Friendly Redlands Committee (ARC). Karen is a graduate of and holds a Diploma with the Australian Institute of Company Directors.



Division 1

Wendy Boglary (Deputy Mayor)

Wellington Point/Ormiston
Elected: 2008

Wendy's initial career path in banking was followed by two decades of small business success in the Redlands where she ran, with her family, two successful businesses including the Ormiston Foodstore. First elected in 2008, Wendy has held a variety of committee positions and is currently Deputy Mayor, Deputy Chair of the Local Disaster Management Group, Alternate Director of South East Queensland Council of Mayors, Council's representative on the South East Queensland Council of Mayors Environment and Waterways Committee and a Trustee of the Committee for Economic Development for Australia (CEDA).

Wendy has raised her family in the division she now represents, and continues to be involved in a large number of school, sporting and community organisations. She is a graduate of and holds a Diploma with the Australian Institute of Company Directors, a Certificate IV in Workplace Health and Safety, a Diploma of Project Management and is currently completing a Diploma in Local Government.



Division 2

Councillor Peter Mitchell

Cleveland/North Stradbroke Island
Elected: 2016

Peter is a married father of four who has called Redlands home since 1990. He obtained a Bachelor of Physiotherapy at the University of Queensland in 1985 and a Master in Sports Physiotherapy at Griffith University in 1999. He was the owner of a physiotherapy practice in Cleveland for 25 years. He proudly employed local staff, sponsored events, and treated more than 15,000 residents. This experience has shaped a strong work ethic and great appreciation for teamwork. Peter is a keen local sportsman, volunteer and outdoor enthusiast.

Peter is currently Council's representative on the Donald Simpson Community Centre Board of Management, the North Stradbroke Island Historical Museum Inc. and the Redlands Bicycle Advisory Committee.



Division 3

Councillor Paul Gollé

Cleveland South/Thornlands
Elected: 2016

Paul has served in the Australian Defence Force. He has also worked in the corporate sector – both in Australia and internationally – as a specialist consultant for the United States Government, having been involved with projects in the Middle East.

Paul has combined his practical management experience with education, attaining various qualifications from government-accredited organisations, including a diploma in Security Risk Management, Certificate III in Government, Certificate in Human and Physical Resource Supervision, and Certificate III in Resource Operations. He is currently enrolled in a Bachelor of Law.

Paul is currently Council's representative for Regional Mosquito Management and the Redland Museum Advisory Committee.



Division 4

Councillor Lance Hewlett

Victoria Point/Coochiemudlo Island/
Redland Bay
Elected: 2012

Lance has experience across a range of sectors including the State Government, where he was the Procurement Officer/Manager of the then State Stores Board. He then moved into sales and marketing in the private sector, with positions including National Sales Manager of one of Australia's leading paper merchants/ importers, and Queensland State Manager of a major distributor in the graphic and signage industry. Lance is actively involved with many of Redlands' community organisations.

Lance is a former Chair of Council's Community and Cultural Service Portfolio and is currently appointed to Council's Regional Arts Development Fund Committee (RADF).



Division 5

Councillor Mark Edwards

Redland Bay/Southern Moreton Bay Islands
Elected: 2012

Mark has an association with the Redlands spanning nearly 40 years. He started his working life at a bank in Cleveland, a career which spanned 20 years and saw him climb the ranks through various accountancy and manager positions, culminating in a regional management position in Brisbane. He also engaged in a number of business activities outside banking, primarily in tourism and small-scale residential property development. Mark was previously the Chair of the Council's Audit Committee and Spokesperson for the Office of the CEO (including Internal Audit).



Division 6

Councillor Julie Talty

**Mount Cotton/Sheldon/Thornlands/
Victoria Point/Redland Bay
Elected: 2012**

Julie holds academic qualifications including a Bachelor of Communication, a Bachelor of Arts with Honours in Media Studies, and a Graduate Diploma in Teaching (Secondary and Middle Years). She has taught at local schools, owned and operated small businesses, and worked for large corporate entities in publishing and the beauty industry. Julie lives in Division 6 in Mount Cotton with her family and is involved in many local community organisations. She has been Chair of Council's City Planning and Assessment Portfolio.



Division 7

Councillor Murray Elliott

**Alexandra Hills/Capalaba/Thornlands
Elected: 1997**

Murray worked in the electricity industry at a senior level before running his own successful retail businesses. He was elected to Council in 1997 and has held many chair positions as well as the role of Deputy Mayor. He has lived in Alexandra Hills for 28 years. Murray is currently Council's representative on the South East Queensland Council of Mayors Infrastructure and Planning Committee.



Division 8

Councillor Tracey Huges

**Birkdale/Alexandra Hills/Ormiston/
Wellington Point/Cleveland
Elected: 2016**

Tracey is a long-term resident of the Redlands, having lived in Victoria Point for nine years before moving to Wellington Point in 1999, and has raised her family here. Tracey has always been a committed volunteer within the Redlands community, being involved in many church, school, sporting, community groups and events, and thrives on helping others and supporting and promoting our city. She believes her managerial and organisational skills and empathy for others will serve her well in her role as Councillor.

Since being elected as Councillor for Division 8, Tracey has dedicated herself to helping strengthen community values and supporting the many well established volunteer groups that are our city's heart and soul.

Tracey is currently appointed to Council's Age-Friendly Redlands Committee.



Division 9

Councillor Paul Gleeson

**Capalaba/Birkdale
Elected: 2012**

A Redlands resident for 20 years, Paul's work history varies from senior retail management roles to successfully running his own company in the city for 13 years. He is an active member of his local community and has been a staunch advocate for his division since his election. Paul served as Council's Infrastructure, Transport and Traffic Planning and Sport and Recreation portfolio spokesperson and is currently Chair of Council's Audit Committee.



Division 10

Councillor Paul Bishop

**Birkdale North/Thornside
Elected: 2012**

Raised in Wynnum, Paul graduated from QUT (Drama) in 1986. He has worked in film, television, radio and has performed with every major theatre company in Australia. He has served on Actors Equity's National Performers Committee and as an associate artist with the Queensland Theatre Company. Paul spent seven years acting in the police drama Blue Heelers and moved to Birkdale with his four children in 2004. An entrepreneur, presenter, MC, teacher and media maker, Paul founded Arts Evolution in 2005. He is a trained cluster facilitator, attended the United Kingdom's Skoll World Forum on Social Entrepreneurship in 2008 and opened The Red Place, a co-working hub and innovative space, in 2013.

He is currently Chair of Council's Regional Arts Development Fund (RADF), appointed to Council's Age-Friendly Redlands Committee and Council's representative on the South East Queensland Council of Mayors Economic Development Committee.



Attendance at council meetings

As required under section 186(d) of the *Local Government Regulation 2012*, the table below details the number of local government meetings each Councillor attended during the financial year ending 30 June 2016.

July 2015-March 2016

Statutory meetings attended	Mayor Cr Williams	Division 1 Cr Boglary	Division 2 Cr Ogilvie	Division 3 Cr Hardman	Division 4 Cr Hewlett	Division 5 Cr Edwards	Division 6 Cr Talty	Division 7 Cr Elliott	Division 8 Cr Beard	Division 9 Cr Gleeson	Division 10 Cr Bishop
General Meetings (14 held)	13	13	14	14	14	13	14	14	13	14	14
Special Meetings (4 held)	4	4	4	4	4	4	4	2	3	4	4
TOTALS	17	17	18	18	18	17	18	16	16	18	18

April 2016-June 2016

Statutory meetings attended	Mayor Cr Williams	Division 1 Cr Boglary	Division 2 Cr Mitchell	Division 3 Cr Gollé	Division 4 Cr Hewlett	Division 5 Cr Edwards	Division 6 Cr Talty	Division 7 Cr Elliott	Division 8 Cr Huges	Division 9 Cr Gleeson	Division 10 Cr Bishop
General Meetings (5 held)	5	5	5	5	5	5	5	5	5	5	5
Special Meeting (post-election)	1	1	1	1	1	1	1	1	1	1	1
TOTALS	6	6	6	6	6	6	6	6	6	6	6

Councillor remuneration

Increases in remuneration for Councillors are automatically linked to respective increases to the remuneration levels of Queensland Members of the Legislative Assembly.

Mayor: \$166,582 Deputy Mayor: \$85,401 / \$27,658 (Total \$113,059) Councillor: \$98,435

July 2015 to March 2016 (pre-election)

Division	Name	Gross salary	Superannuation contributions	*Transport	**Discretionary training and discretionary conference registration	^^Delegations and conference related expenses	Mandatory training	Telephone, Blackberry and remote access	##Expenses Council/ community events	Total
	Mayor Williams	125,254.18	15,030.51	9,529.91	530.00	1,734.11	-	2,164.29	515.21	154,758.21
1	Cr Boglary	74,013.88	8,881.74	-	2,181.82	400.55	-	1,311.12	435.00	87,224.11
2	Cr Ogilvie	74,013.88	8,881.74	6,934.72	-	-	-	2,641.91	215.46	92,687.71
3	Cr Hardman	74,013.88	8,881.74	6,412.35	-	-	-	1,003.62	96.82	90,408.41
4	Cr Hewlett	74,013.88	8,881.74	9,879.14	-	54.55	-	1,732.31	454.98	95,016.60
5	Cr Edwards	74,013.88	8,881.74	8,044.92	750.00	1,294.37	-	2,160.80	195.45	95,341.16
6	Cr Talty	74,013.88	8,881.74	8,105.92	-	-	-	1,439.78	324.55	92,765.87
7	Cr Elliott	74,013.88	8,881.74	-	-	-	-	2,634.29	-	85,529.91
8	Cr Beard (Deputy Mayor)	85,400.68	10,248.14	5,932.25	-	-	-	866.16	335.46	102,782.69
9	Cr Gleeson	74,013.88	8,881.74	5,379.28	-	-	-	1,270.92	270.91	89,816.73
10	Cr Bishop	74,013.88	8,881.74	425.60	850.00	1,006.94	-	882.62	209.55	86,270.33
TOTALS		876,779.78	105,214.31	60,644.09	4,311.82	4,490.52	0.00	18,107.82	3,053.39	1,072,601.73

Support costs 622,369.50

Total costs 1,694,971.23

April 2016 to June 2016 (post-election)

Division	Name	Gross salary	Superannuation contributions	*Transport	**Discretionary training and discretionary conference registration	^^Delegations and conference related expenses	Mandatory training	Telephone, Blackberry and remote access	##Expenses Council/ community events (inc Mayoral Prayer Breakfast)	Total
	Mayor Williams	41,327.53	4,959.32	3,164.38	-	522.45	922.73	986.84	126.82	52,010.07
1	Cr Boglary (Deputy Mayor)	27,657.70	3,083.14	27.27	615.00	280.00	922.73	446.25	138.50	33,170.59
2	Cr Ogilvie	1,127.12	135.26	400.22	-	190.00	-	761.90	128.18	2,742.68
2	Cr Mitchell	24,045.14	2,885.46	-	-	1,438.93	1,767.28	391.57	-	30,528.38
3	Cr Hardman	1,127.12	135.26	957.65	-	200.00	-	178.98	225.15	2,824.16
3	Cr Gollé	24,045.14	2,885.46	-	-	1,503.90	1,767.28	375.85	-	30,577.63
4	Cr Hewlett	24,420.85	2,930.55	3,080.36	120.00	280.00	922.73	639.84	38.50	32,432.83
5	Cr Edwards	24,420.85	2,930.55	2,525.36	-	320.00	922.73	1,181.27	-	32,300.76
6	Cr Talty	24,420.85	2,930.55	2,494.47	527.27	320.00	922.73	565.19	102.14	32,283.20
7	Cr Elliott	24,420.85	2,930.55	-	-	190.00	922.73	1,130.75	-	29,594.88
8	Cr Beard	1,300.52	156.06	89.55	-	1,746.16	-	385.42	110.32	3,788.03
8	Cr Huges	24,045.14	3,121.25	-	-	-	1,767.28	-	-	28,933.67
9	Cr Gleeson	24,420.85	2,930.55	1,700.94	-	320.00	922.73	481.39	-	30,776.46
10	Cr Bishop	24,420.85	2,930.55	-	-	320.00	922.70	277.03	133.50	29,004.63
TOTALS		291,200.51	34,944.51	14,440.20	1,262.27	7,631.44	12,683.65	7,802.28	1,003.11	370,967.97

* Business-related transport costs include travel to islands and motor vehicle business use reimbursement

** \$5,000 allowance per term (provides for registration and training fees)

^^Includes travel costs associated with events whether attended in a discretionary capacity or as a delegate (on behalf of Council)

\$6,000 per annum Mayor or delegate, \$500 per annum per Councillor

Support costs 218,750.36

Total costs 589,718.33

Councillors' small grants

These grants are available to individuals, and organisations that are a not-for-profit incorporated association (or sponsored by one). Funding provides financial assistance to organisations with items such as equipment or incidental costs. Individuals are supported in their pursuit of excellence at a high-level.

Over a 12-month period, a total of \$250,000 is available to organisations and individuals as Councillors' Small Grants.

- Up to \$3,000 will be available for organisations. A grant may be increased where an initiative provides a community benefit across more than one Council division.
- Up to \$500 will be available for individuals selected to represent Australia in an international competition.
- Up to \$250 will be available for individuals selected to represent Queensland in a national competition, or who have won at state level and are competing in a national competition.

During 2015-16 financial year, a total \$247,790.32 was distributed to various organisations and individuals.

Division	Councillor	Amount
Mayor	Mayor Karen Williams	\$51,051.69
Div 1	Cr Wendy Boglary	\$19,999.23
Div 2	Cr Craig Ogilvie/Cr Peter Mitchell	\$19,953.05
Div 3	Cr Kim-Maree Hardman/Cr Paul Gollé	\$19,999.91
Div 4	Cr Lance Hewlett	\$21,495.31
Div 5	Cr Mark Edwards	\$19,937.00
Div 6	Cr July Talty	\$20,000.00
Div 7	Cr Murray Elliott	\$16,500.00
Div 8	Cr Alan Beard/Cr Tracey Hugues	\$20,326.82
Div 9	Cr Paul Gleeson	\$19,999.98
Div 10	Cr Paul Bishop	\$18,527.33
Total		\$247,790.32

Expenses reimbursement and provision of facilities for Councillors

In accordance with section 250 of the *Local Government Regulation 2012*, Council must have an Expenses Reimbursement Policy for Councillors. This policy was reviewed and amended in May 2016.

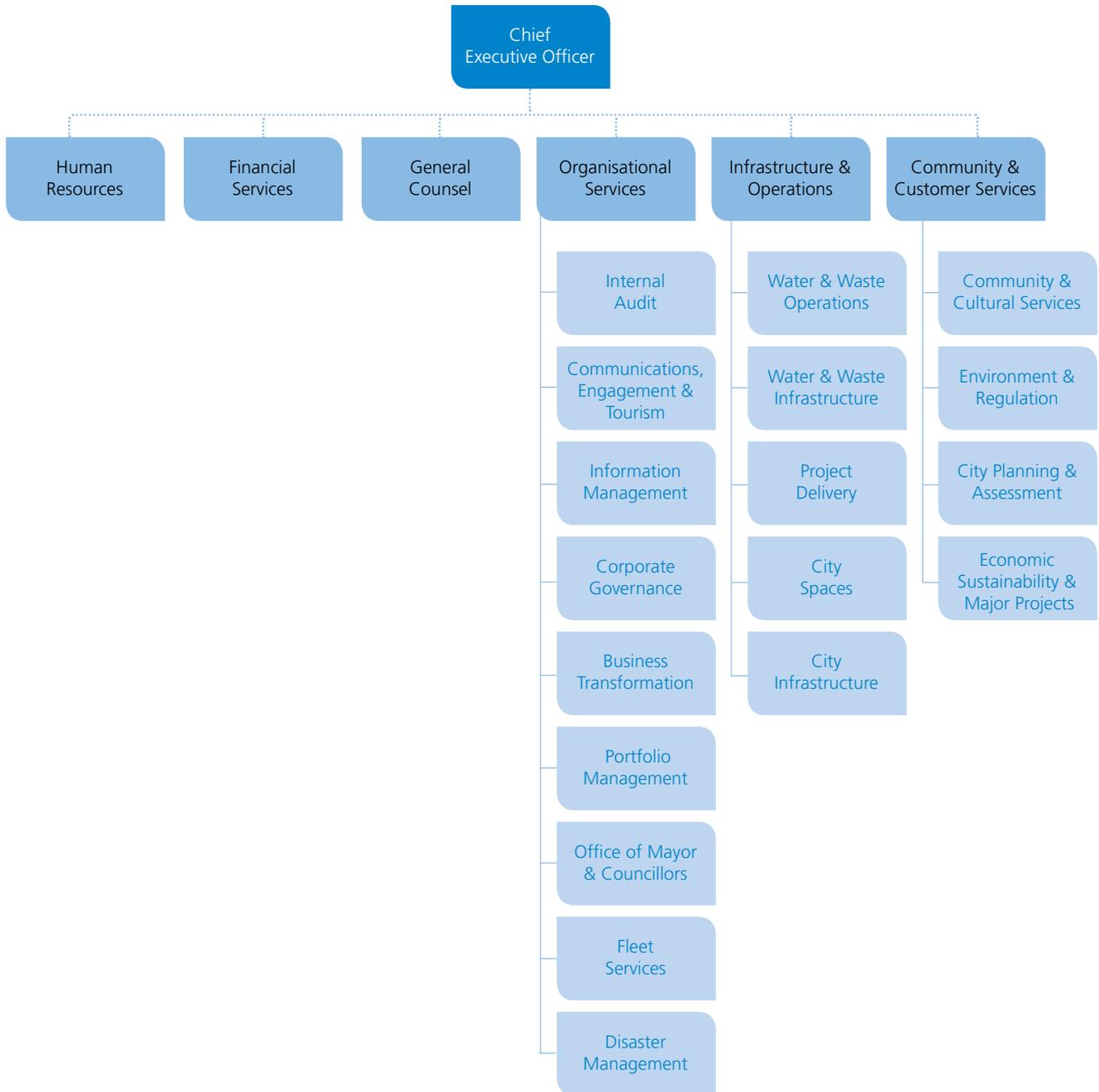
The amendments included the amalgamation of the policy and associated guideline into a single document, redefinition of training categories, simplification of facilities and reimbursement types, and broader options relating to vehicle expenses.

The objective of this policy is to ensure the payment of legitimate and reasonable expenses incurred by Councillors for discharging their duties and responsibilities as Councillors; and to provide facilities to Councillors for those purposes. This is to ensure that Councillors are not financially disadvantaged as a result of carrying out their official duties.

The policy is also aimed at reflecting the community's expectations about the extent of a Councillor's duties and responsibilities and its expectations about the resources and reimbursement provided to Councillors from public funds. This policy does not deal with the provision of remuneration, nor does it cover non-business-related expenses or facilities incurred by other people, including a Councillor's partner.

The full policy is available on our [website](#).

Our organisation



Executive Leadership Team



Chief Executive Officer

Bill Lyon

Bachelor of Business; Graduate Certificate in General Management; Associate Diploma Electrical Engineering



General Manager Organisational Services and Redlands Local Disaster Coordinator

Nick Clarke

Master of Science; Fellow of Local Government Managers Australia; Member International City/County Management Association



General Manager Infrastructure & Operations

Gary Soutar

Bachelor of Engineering (Civil); Registered Professional Engineer Queensland



General Manager Community & Customer Services

Louise Rusan

Bachelor of Business; Graduate Australian Institute of Company Directors; Member of Local Government Managers Australia



Head of Human Resources

Amanda Daly

Bachelor of Commerce; Certified Member of Australian Human Resources Institute (CAHRI); Life Styles Inventory™ (LSI) Accredited Practitioner; Myers-Briggs Type Indicator (MBTI) Certified Practitioner; DISC Accredited Practitioner



Chief Financial Officer

Deborah Corbett-Hall

Master of Mathematics (Honours); Master of Business (Professional Accounting); Fellow of Certified Practising Accountants (FCPA) Australia



General Counsel

Andrew Ross

Bachelor of Law; Bachelor of Theology; Masters in Health Science

Changes to the Executive Leadership Team during 2015-16

The position of Chief Financial Officer, previously held by Linnet Batz from 16 June 2014 until 25 December 2015, was temporarily filled by Deborah Corbett-Hall from 7 December 2015. Deborah was the successful candidate following an external recruitment process and has held the position since 30 May 2016.

Redland Investment Corporation

Redland Investment Corporation (RIC) was established by Redland City Council to deliver new development opportunities and an alternative revenue source for the Redland community. It will also respond effectively to broader community needs, including social and environmental aspects. In 2015-16, the two main commercial activities for RIC were professional services and property development projects.

Vision

Redland Investment Corporation will be an innovative, responsible and sustainable company that achieves its business objectives and creates value to Council and the Redlands community.

Mission

Grow the economy through facilitating development and business opportunities and supporting local jobs.

Lead the Redlands development industry by delivering high quality, exemplary projects that take into account the environment, community and best practice industry principles.

Balance the long-term impacts of investment decisions with financial returns and consideration of the community's broader needs including social and environmental aspects.

Negotiate nominated commercial negotiations on behalf of Council and provide a better financial return for the Redlands community.

Focus on creating intergenerational equity for Council and the Redlands community and establish a future fund, at an appropriate time, to ensure economic gains are used for the long-term benefit of the community.

Build profitable, successful projects and respected relationships with business groups and the community.

Property development projects 2015-2016

Land transactions, which include obtaining development approvals to up-lift land, selling under-utilised land, leasing land and making opportunistic land purchases.

An aerial photograph of the Redland community, showing a mix of residential houses, green spaces, and a large body of water with many boats. The image is framed by a red border at the top and bottom.

Statement of Corporate Intent 2015-16

Version 2

A formal objective and performance agreement between Redland Investment Corporation's Board of Directors and its shareholder Redland City Council

External version

Our people

People Strategy 2012-2015

The People Strategy sets out how Council will attract and keep the best people, cultivate the best leaders and create the right conditions for our employees to thrive.

In 2015-16, Council implemented the remaining priorities defined in our People Strategy 2012-15. In 2015-16, Council also developed a new People Strategy 2020 that supports Council's Corporate Plan 2015-2020. The new strategy will be released in 2016-17.

A key priority was introducing strategic organisation-wide workforce planning following the successful pilot in 2014-15. The objective is delivering a plan for each group that considers its current and future businesses, and the workforce skills, knowledge and behaviours required to meet that future state. The outcome is an action plan for each group that addresses those transitional requirements. The project rollout will continue through 2016-17.

Another critical priority was expanding the Leadership Development Program at all leader levels. The previous year focused on establishing a Leadership Capability Framework and benchmarking capability against this framework through the use of leadership assessments, consultations and 360 degree feedback. This year the development programs focused on addressing some of those areas for growth, particularly our leaders' contribution to building a high performance culture.

Other specific priorities included introducing a model for building internal change management capability, identifying leadership talent and moving this talent across the organisation, increasing accountability for performance and behaviour through our investigation review process, reviewing our HR Information System processes to meet increasing requirements of our system, and addressing Safety Audit items, particularly hazards of work, group-level safety documentation and reviewing how we measure safety performance.

Recruitment and selection

Council implemented a dedicated HR Business Partner structure to further develop positive working relationships between Human Resources and internal managers and stakeholders, with a strong focus on information sharing and developing practical business solutions and strategies.

In alignment with Council's Lean Program, a review was conducted of the onboarding process for new employees to achieve a more streamlined, automated approach. Efficiencies were gained by implementing electronic communication and by providing some essential information via email to new starters. This work will continue in 2016-17, with all onboarding documentation now able to be completed electronically by new employees.

The Casual Resource Pool, established in 2014, continued to be a success with two recruitment processes taking place throughout 2015-16. There are currently more than 30 staff members in the pool, who are in high demand. They provide assistance across all of Council's departments during periods of high workload and/or relieving employees on leave. Many staff in the casual pool succeeded in gaining permanent or long-term employment with Council as a result of gaining diverse experience with their casual placements.

During 2015-16, Council participated in three exhibition programs at Redlands College, Alexandra Hills TAFE and the Cleveland Showgrounds (sponsored by Cleveland District State High School). Staff showcased the benefits of working for Council, the diverse range of career opportunities available and discussed Council's successful annual Traineeship Program with students.

Our employees' work benefits include a local government superannuation scheme, education assistance, employee development and training, an employee wellness program and flexible working arrangements.

Leadership and corporate employee development

Leadership development

During 2015-16, a number leadership development initiatives were progressed. The Integrated Leadership Development Strategy 2016-2020 was endorsed, and we embedded our Leadership Capability Framework, which will help us build strong, visible and capable leaders. The Leadership Capability Framework comprises six core capabilities, which all leadership programs are aligned to:

- strategic focus
- adaptability
- building capability
- results-focused
- collaborative and respectful relationships
- personal effectiveness.

Four leadership development programs have been designed:

- Inspired Leaders (Team Leaders and Supervisors)
- Connected Leaders (Service Managers)
- Enabling Leaders (Group Managers)
- Executive Leaders (Executive Leadership Team).

These programs are aligned to the strategy and the framework, which ensures our leaders are working at the right level in the strategic, tactical or operational requirements of our organisation and are receiving the right skills, knowledge and experience to better deliver on our business goals and outcomes. This ultimately provides a better service and quality of product to our community and customers.

Council continues to recognise the priority development of building leadership capability and has invested time into developing a Talent Management Plan to help plan for our future. The plan helps ensure we have the right people in the right jobs at the right time and helps manage our workforce planning requirements well into the future. It will ensure Council can meet the challenges of the next few years, which include:

- major changes to Council's workforce demographic (33% over 55 years)
- an increasing focus on efficiency and delivering performance outcomes
- an increasing focus to meet customer expectations
- a demand to keep up to date and invest in technology such as e-services/social media
- a growing city and greater infrastructure.

Corporate development

In 2015-16, we continued to enhance the capacity of employees across the organisation through our Corporate Development Program, with an increased focus on developing skills and behaviours to support our organisation's values of customer service, one team, accountability, growth and communication.

To support the Corporate Development Program, a number of new eLearning modules were delivered across Council for both mandatory and developmental training. This enables Council to provide relevant and cost effective training that is flexible and adaptable to the organisation's changing business needs. eLearning modules minimise class-based training and improve cost effectiveness, with employees able to undertake more training at their workstations within shorter periods of time. Council is

continuing to develop more eLearning modules where it is identified that training can be more effectively delivered in this format.

Employees continue to have access to Council's educational assistance allowance scheme, receiving support for tertiary studies that allow staff members to graduate with an accredited qualification (Diploma/Degree or Certificate IV) in business-related areas. These accredited qualifications are supported through various local government programs. Council also coordinated two Diploma of Local Government qualifications internally and these included the Diploma of Local Government Administration and Diploma of Local Government Administration (Asset Management).

As in previous years, we participated in the Local Government Managers Association (LGMA) Challenge. The LGMA Challenge offers experiential learning at a high level for the selected professionals and is a valuable component of leadership development, especially for emerging leaders.

Trainee and apprenticeship program

Council currently maintains a relationship with Maxima as the Group Training Organisation (GTO) for its trainees and apprentices to ensure we are able to offer a sustainable, improved experience for trainees, apprentices, supervisors and Councillors. In 2015, we hosted 12 full-time trainees and apprentices. In 2016, this was expanded to bring the total apprentices and trainees hosted within the organisation to 17. The trainee and apprenticeship program continues to provide opportunities to 'earn and learn' across a variety of departments in a local government setting. Positions are offered to school leavers, mature-aged people looking at re-entering the workforce, and other applicants who face barriers to employment. The number of trainees and apprentices will grow over the next few years, positioning them to assist in our succession planning for an ageing workforce.

Areas of study include qualifications in Business Administration, Automotive Apprenticeship, Horticulture, Parks and Gardens Apprenticeship, Live Production, Library Services, Companion Animal Services, Arts Administration and Marketing. Council receives funding from the State Government to subsidise employment costs for our trainees and apprentices. A graduation ceremony was held in March 2016 to congratulate and farewell our participants in the 2015 traineeship program.

Employee satisfaction

In the 2015 'MySay' staff survey, with over 700 views collected across the organisation, 66% of respondents felt that business performance had improved, an increase of 16% since 2014. There was significant improvement across all drivers measured in the survey – these included resourcing, vision, leadership, discipline and energy. One of the greatest strengths identified by our people in 2015-16 was the increased flow of clear communication. There were also improvements in teamwork, development of staff and people embracing the bigger picture, leading to increased passion and drive for the work that we do.

The results also identified the need to continue to focus on building the organisation's culture. As a result, our priority focus on vision and direction, continuous improvement and change management, implemented the previous year, was reviewed and renewed.

In 2015, consultation was undertaken with employees to review and develop a new vision, mission and values for the organisation. The focus in 2015-16 was to bring the vision, mission and values to life by placing a focus on getting the 'leadership fundamentals' right through initiatives such as the Leadership Development Program.

The second initiative, to 'improve the way we work' through the Lean methodology, continues to progress within the organisation with monetary and time savings being achieved.

The third initiative, 'building organisational change capability', is progressing and currently building change capability through developing and embedding a Council change management framework and toolkit. It also involves developing change management training programs to be rolled out through the Leadership Development Program and Corporate Training Program in 2016-17.

Human Resources continues to support business leaders in implementing action plans to improve employee satisfaction and align efforts with business objectives.

Diversity and inclusion

Council is committed to preventing discrimination within our organisation. In 2015-16, we:

- reviewed all Human Resources guidelines and procedures for equity and diversity, including but not limited to creating a new guideline for providing financial and non-financial assistance to Council employees who are the victims of family and domestic violence
- promoted programs to support the personal, professional and career development of diverse groups including women, emerging leaders, Aboriginal and Torres Strait Islander people and people from culturally and linguistically diverse backgrounds
- provided coaching, training, mentoring, advice and support
- supported and promoted the Employee Assistance Program.

In 2015-16, Council continued to develop an Aboriginal and Torres Strait Islander Training and Employment Strategy in consultation with the Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC).

Certified agreement

The relevant Council industrial instruments expired on 30 June 2016 and did not provide for any future wage increases beyond that date. Both before and after the expiration of those instruments, Council has been prevented by legislation from undertaking formal enterprise bargaining to replace the existing industrial arrangements, or having any newly bargained agreement certified by the Queensland Industrial Relations Commission (QIRC).

The newly modernised Local Government Award has not been made operational because various decisions of, and appeals to, the QIRC and the Queensland Industrial Court about the re-determination of the new Local Government Modern Award are yet to be finalised. The legislative ban will remain in place until such time as the newly modernised Local Government Award has been finalised and made operational.

In the absence of a new operational modernised Local Government Award and the nominal expiration date of the current industrial instruments, Council provided an administrative increase to all relevant employees' and officers' gross base wages by 1.7% from 1 July 2016. The terms and conditions contained in the industrial instruments have also been rolled over and preserved.

Safety and wellbeing

Council's Safety First-Redland agenda continued to grow and develop in 2015-16 as we continue to embed health and safety as a priority in all that we do.

The Safety Management Plan continues to guide our development as we strive for zero injuries in the workplace.

Council conducts an externally audited safety system annually with positive results reflected in the audit.

Council continues to use internal audits to monitor safety performance and, in the last year, has benchmarked Council's groups against the Australian Standard 4801. All groups were compliant overall with the Australian Standard for Occupational Health and Safety Systems.

Our workers continue to be committed to health and safety at work, with Council continuing to record low injury rates.

Our frontline leaders are continuing to work on embedding safety culture, refining safety systems and demonstrating safety leadership.

A significant amount of the operational work we do is on or near roadways. In 2015-16, our focus has been on ensuring this work is undertaken safely, with the revision of Traffic Management Plans and the further development of Council-specific Traffic Guidance Schemes.

In 2015-16, we also focused on aging workforce issues, with field workers aged under 25 and over 45 being taken through role-relevant health monitoring and function capacity assessments.

Further continuous improvements were incorporated into Council's Safety Management System Software (Vault), enabling better reporting and application-based features being rolled out to improve the information flow from worksites.

Employees at a glance

Employees (total number of employees)²

Permanent	745
Permanent part-time	81
Temporary contract of service full-time	36
Temporary contract of service part-time	15
Contract of service (executive)	21
Casual (based on hours worked)	73
Total	971

² Based on employee's substantive position

³ Excludes staff from Redland Investment Corporation

Corporate profile

Full-time equivalent (FTE) employees (Includes contract of service and Councillors. FTE for full-time and part-time based on hours of work pattern and not actual hours worked)	870.94 ³
Casual full-time equivalent employees (based on hours worked)	10.90
Full-time permanent positions	906
Part-time permanent positions	59
Part-time temporary positions	128
Part-time temporary positions	20
New full-time permanent positions	25
New part-time permanent positions	1
New full-time temporary positions	38
New part-time temporary positions	8
New casual positions	67

Employees recruited

Internal (under Redland City Council Officers' Agreement)	44
External (under Redland City Council Employees' Agreement)	30
Total	74

Employee departures

Employee-initiated turnover rate	8.21%
Employer-initiated turnover rate	2.36%
Employees made redundant	4
Employees redeployed/retrained due to redundancy	10

Gender balance

	Female	Male
Executive/senior management group	32%	68%
Elected representatives	36%	64%
Total employees	51%	49%

Executive Leadership Team

The total remuneration packages below for senior executives include base salary, vehicle allowance and superannuation.

Remuneration range	Number of Executive Leadership Team paid
\$200,000 to \$300,000	5
\$300,000 to \$400,000	2

Business Transformation at Council

We started our Business Transformation journey in late 2014 with the objective of embedding a culture of improvement across all parts of Council. The Business Transformation Group was established to design a continual improvement framework based on the Lean methodology.

Business Transformation delivers sustainable business improvement with a focus on removing wasted activity and adding value to the services that we deliver to our community.

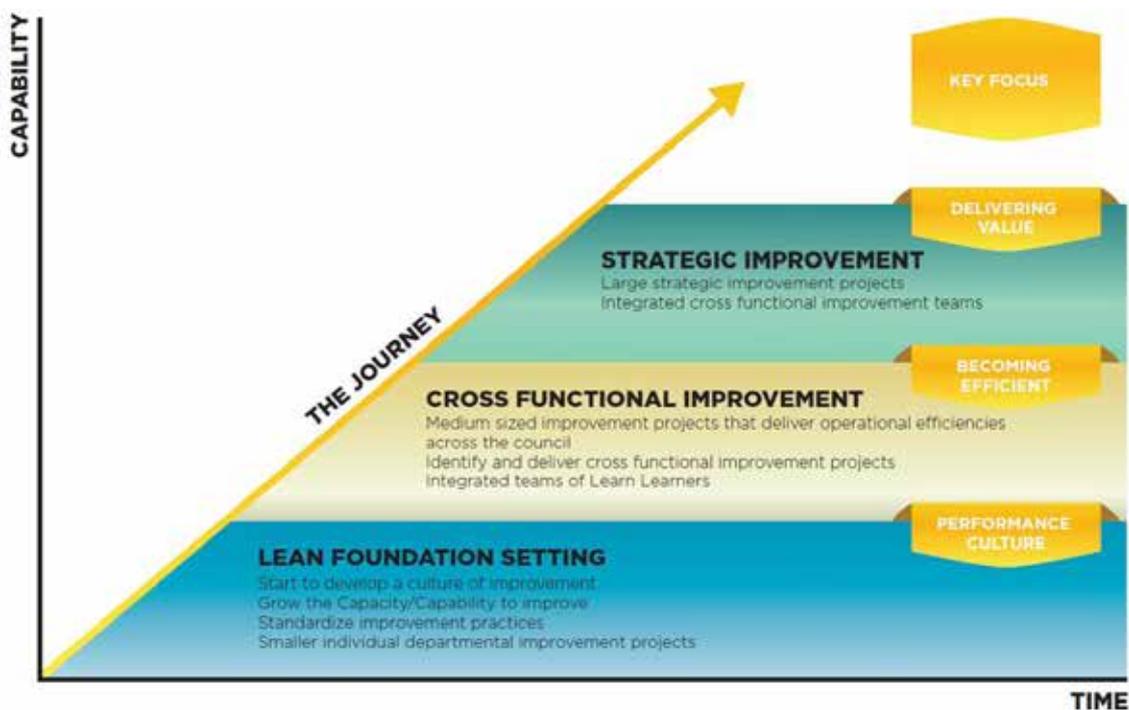
Business Transformation includes three key areas of focus:

‘Lean foundation setting’ is Council’s performance culture, which is being implemented through a comprehensive Lean training program undertaken by all employees.

‘Cross functional improvement’ is focused on significant efficiency gains as a result of group/unit process improvement delivered by cross-functional Lean teams.

‘Strategic improvement’ is focused across major strategic projects that are identified through strategic planning, prioritised by leadership and delivered by integrated project teams.

Building our capability



Governance at Redland City Council

Community Plan

The Redlands 2030 Community Plan, adopted by Council in 2010, was developed with extensive input from our community. This ambitious plan responds to local, national and global challenges. The Redlands 2030 Community Plan sets out a vision for 2030.

As articulated in the plan, in 2030, the Redlands will be a well-designed, vibrant city of mainland and island communities, each with distinctive character, heritage and lifestyles. Our shared values will shape the way we care for each other and how we protect the land, seas and waters where we choose to be.

The plan sets out eight outcomes:

- Healthy natural environment
- Green living
- Embracing the bay
- Quandamooka Country
- Wise planning and design
- Supportive and vibrant economy
- Strong and connected communities
- Inclusive and ethical governance.

Corporate Plan

The Corporate Plan 2015-2020 sets out how Council will deliver the Redlands 2030 Community Plan. The Corporate Plan outlines Council's objectives for the current five-year period and is structured around the eight outcomes in the Community Plan.

The Corporate Plan sets out Council's vision, mission and values as well as outlining what Council will do to progress the eight outcomes in the Community Plan.

Operational Plan

Each year, Council must develop and adopt an Operational Plan, which sets out what we plan to do during the financial year towards the delivery of the Corporate Plan 2015-2020. Operational planning is closely linked to budget development.

The projects in the Operational Plan 2015-16 were delivered by teams across Council and progress against the plan was reported every three months to Councillors. These reports are available on Council's website. A summary of Council's performance against this plan is outlined on pages 33-50.



Right to Information and Information Privacy

The *Right to Information Act 2009* and the *Information Privacy Act 2009* provide the community with access to information balanced by appropriate protection for individuals' privacy. The public can apply for access to documents held by a council, subject to statutory exemptions, unless it is contrary to the public interest to provide that information. The legislation also allows individuals to apply for amendments to be made to documents concerning their personal affairs, where it is believed the information is incomplete, out of date, inaccurate or misleading.

Applications received under the <i>Right to Information Act 2009</i> (RTI)	43
Applications received under the <i>Information Privacy Act 2009</i> (IP)	16
Total applications received	59
Total number of pages processed ⁴	6,961

These figures represent an increase of 18% on the number of applications for 2014-15.

⁴ Included 783 pages considered and processed by Council at the request of the Officer of the Information Commissioner Queensland

One application was withdrawn and 54 decisions were issued to applicants, all within legislative timeframes. Five applications remained on hand as at 30 June 2016.

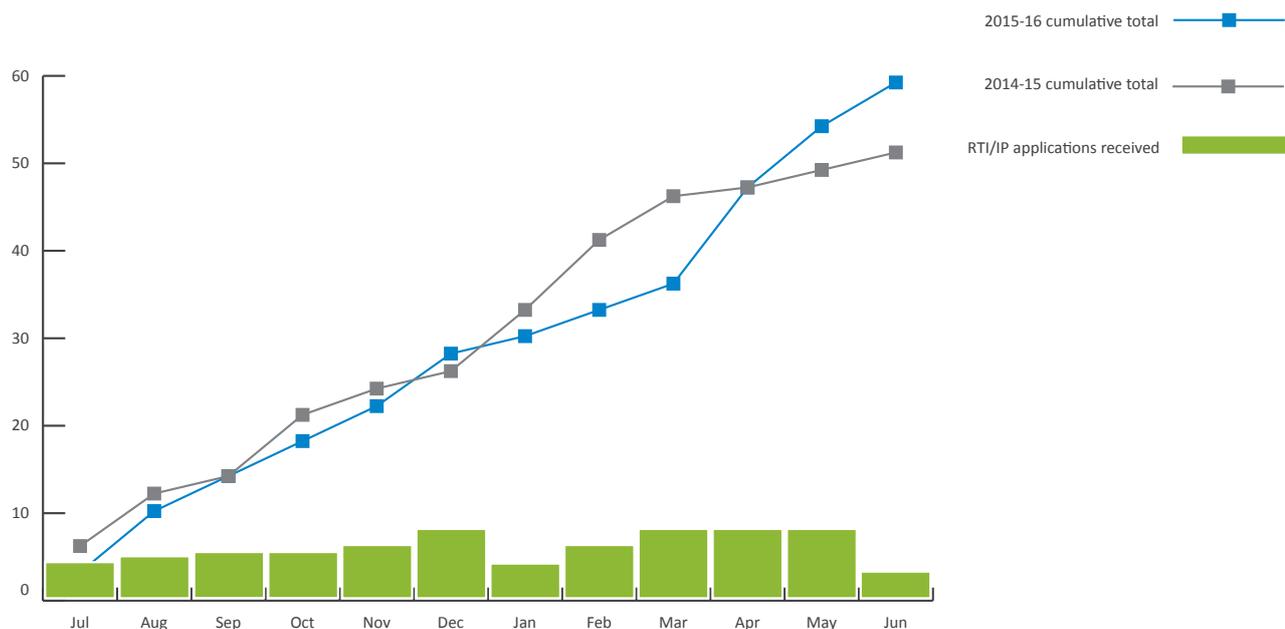
Two internal review applications were received, one made under the *Right to Information Act 2009* and the other under the *Information Privacy Act 2009*. The Right to Information internal review addressed sufficiency of search issues and after further searches were requested by the internal reviewer, an additional 84 pages were located and released in full and/or part to the applicant.

The Information Privacy internal review related to refusal of access to documents. The original decision was varied by the internal reviewer and the applicant was given access to a further 10 part-pages.

During 2015-16, Council received notice from the Office of the Information Commissioner Queensland (OIC) of four requests received by OIC for external review of original decisions. Council received advice from the OIC that two of the external reviews were withdrawn by the applicants. After providing detailed submissions to the OIC on the two other external reviews, both original decisions made by Council were affirmed by the OIC.

An external review matter from 2013-14 was settled in 2015-16 after the OIC requested Council identify the relevant pages to be released to the applicant and provide submissions to OIC on refusal of access to any remaining pages. Council made a decision on 783 pages, confirmed by the OIC.

RTI & IP applications received



Risk management

Council's commitment to an enterprise-wide risk management program remains steadfast. Significant risks are identified and managed as far as reasonably can be achieved in accordance with the principles of the Australia/New Zealand/ISO Standard 31000.

The primary documentation in place to achieve this purpose includes Council's Enterprise Risk Management Policy and Framework, and its accompanying Risk Assessment Handbook.

Formal Risk Registers cover strategic, operational and activity-based risks. Regular reviews of these registers take place to ensure the currency of the identified risks and the need to track additional risks.

Council's Operational Risk Management Committee (ORMC) continues to review and endorse the risk registers. Additionally, claims statistics are presented to the ORMC, keeping executive management informed about the nature and number of claims being received. Under the direction of the ORMC, risk areas of note are to receive closer scrutiny.

In 2015-16, Council's Business Continuity Plan was tested in a wide-scale test scenario with other agencies and found to be operationally sound.

Fraud and corruption prevention

Council's Fraud and Corruption Prevention Policy (POL-3060) forms part of Council's overall approach to transparent corporate governance. The policy informs all Council officers, Councillors, consultants and contractors of Council's position regarding fraud and corruption and the consequences of failing to comply with the provisions of the policy.

Council is committed to:

- a zero-tolerance approach to fraud and corruption
- corruption and fraud control and management as an integral component of effective corporate governance
- transparent and accountable processes consistent with sound business practices and organisational standards of compliance
- preventing fraud and corruption and investigating all suspected incidents and taking appropriate action
- maintaining an integrated Fraud and Corruption Prevention Framework to minimise the impact and reduce the risk of fraud and corruption within the work environment.

The Fraud and Corruption Prevention Framework is Council's strategic guideline that:

- defines management and staff responsibilities
- ensures the implementation of robust practices for the effective detection, investigation and prevention of fraud and corruption of any description within Council.

Administrative action complaints

Council is committed to fair and effective management of administrative complaints. This commitment is underpinned by our Complaints Management Process Policy (POL-3037), which supports Council's priority to deliver inclusive and ethical governance for the community. The policy includes clear accountabilities, ethical standards of behaviours and a commitment to act in accordance with the local government principles contained in the *Local Government Act 2009*. The policy provides a clear administrative method of handling and resolving complaints made about:

- a decision, or a failure to make a decision, including a failure to provide a written statement of reasons for a decision
- an act, or failure to do an act
- the formulation of a proposal or intention and/or
- the making of a recommendation.

During 2015-16, the following statistics were reported in accordance with the requirements of Section 187 (1)-(2) of the *Local Government Regulation 2012*.

Council received 122 new administrative action complaints that were dealt with under the complaints process. Of these, 114 were resolved as at 30 June 2016, leaving eight unresolved and carried over to 2016-17.

Mayor and Councillor conduct

The *Local Government Act 2009* provides a framework for assessing complaints about the conduct or performance of Councillors. Under the Act, each complaint is required to be assessed to determine whether it is about misconduct, inappropriate conduct, corrupt conduct or another matter. If the complaint is not frivolous, vexatious or lacking in substance, it is then referred to the appropriate individual, panel or tribunal for further action. It is a requirement under the *Local Government Regulation 2012* that the Annual Report contains details of complaints received about Councillors' conduct or performance. In 2015-16, 23 Councillor complaints were received.

The table shows the reporting requirements contained in the *Local Government Regulation 2012*. None or more than one section can apply to a complaint, therefore the figures in the table do not total 23.

Complaints reported in accordance with section 186(f) of the <i>Local Government Regulation 2012</i>		
(a)	Frivolous, vexatious or unsubstantiated	11
(b)	Complaints about the Mayor or Deputy Mayor referred to the department's chief executive	0
(c)	Councillors complaints referred to the Mayor	4
(d)	Complaints referred to the department's chief executive	0
(e)	Complaints assessed by the department's chief executive as being about corrupt conduct under the <i>Crime and Corruption Act 2001</i>	0
(f)	Complaints heard by a regional conduct review panel and/or tribunal	5
(g)	Complaint is about another matter	4
Complaints reported in accordance with section 186(d) of the <i>Local Government Regulation 2012</i>		
(h)	Regional Conduct Review Panel orders and recommendations	1
(i)	Tribunal orders and recommendations	0
(j)	Mayor or department's chief executive orders reprimanding a Councillor for inappropriate conduct	4

Complaint orders/recommendations summary detail reported in accordance with Section 186(e) of the <i>Local Government Regulation 2012</i>		
The name of each Councillor who was subject to an order under section 180 and 181	Description of misconduct or inappropriate conduct engaged in by each of the Councillors	Summary of order or recommendation
Councillor Murray Elliott Section 180(2)	Misconduct: Release of incomplete and misleading information to a journalist	Decision: 19/10/15 - Determined by the Tribunal (Department of Infrastructure Local Government and Planning) (a) Councillor Elliott ordered to make a public apology at the next general meeting of Council on 21/10/15
Councillor Paul Bishop Section 181(2) (a) & (b)	Inappropriate Conduct: Use of social media - comments were inappropriate, misleading and/or manipulative	Decision: 05/11/15 - Determined by the Mayor (a) An order reprimanding the Councillor for the inappropriate conduct (b) An order that any repeat of the inappropriate conduct be referred to the regional conduct review panel as misconduct
Councillor Craig Ogilvie Section 181(2) (a) & (b)	Inappropriate Conduct: Using offensive language to another person during a workshop	Decision: 15/12/15 - Determined by the Mayor (a) An order reprimanding the Councillor for the inappropriate conduct (b) An order that any repeat of the inappropriate conduct be referred to the regional conduct review panel as misconduct
Councillor Paul Gleeson Section 181(2) (a) & (b)	Inappropriate Conduct: Use of social media – language and tone did not demonstrate respect to those with whom the Councillor was engaging	Decision: 20/01/16 - Determined by the Mayor (a) An order reprimanding the Councillor for the inappropriate conduct
Councillor Paul Gleeson Section 181(2) (a) & (b)		

Internal Audit Report

Internal Audit provides Councillors and senior management with assurance that internal control systems are efficient, effective and economically viable, and that risk is appropriately addressed so objectives can be met.

Internal Audit operates as an independent function within Council, reporting directly to the CEO and the Audit Committee on audit and investigation findings. For administrative, financial and employee management, Internal Audit reports to the General Manager Organisational Services.

Internal Audit reviews and advises on:

- legislative and policy compliance
- 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 special assignments or investigations as requested by the CEO
- provides an advisory function concerning business improvement processes and systems of internal controls.

In 2015-16, its findings confirmed that a satisfactory internal control environment exists within Council.

Major achievements:

In 2015-16, Internal Audit:

- issued 14 audit reports with 175 recommendations and 30 business improvement opportunities
- strengthened relationships by providing advisory services to committees and user groups within Council
- continued to improve professionalism by reviewing and updating procedures and operating manuals for quality control.

Audit Committee

The Audit Committee complements the relationship between Internal Audit and the wider organisation, safeguarding Internal Audit's independence and further increasing the Internal Audit function's effectiveness and value to Council.

Prior to the local government elections in March 2016, the Audit Committee comprised the Mayor, Cr Mark Edwards as the Spokesperson of the Office of the CEO Portfolio, and two independent external members: Mr Virendra Dua and Mr Peter Dowling. The Audit Committee was chaired by Cr Edwards. Following the elections, the Audit Committee comprised the Mayor, Cr Paul Gleeson, Mr Virendra Dua and Mr Peter Dowling, with Cr Gleeson appointed by Council as the Chairperson of the Audit Committee. The portfolio committee system is no longer being used since the elections.

The primary objective of the Audit Committee is to help Council fulfil its corporate governance role and oversight of financial management and reporting responsibilities imposed under Sections 208–211 of the *Local Government Regulation 2012* and other relevant legislation.

Major achievements:

In 2015-16, the Audit Committee:

- monitored Internal Audit's performance against the approved 2015–16 Internal Audit Plan
- reviewed audit reports and actions taken to address recommendations
- checked the resolution of prior-period Queensland Audit Office audit issues
- reviewed monthly and end-of-year financial information, including financial status and performance
- reviewed changes in accounting practices and policies
- monitored the implementation of Council's fraud control policy and initiatives
- monitored risk management strategies, policies and procedures and advised on the management of Council's strategic risks.

Under its charter, the committee meets four times a year. The external and internal auditors, the CEO, General Managers and Chief Financial Officer attend each meeting.

External Audit

Council is audited annually by the Queensland Audit Office, which reports to Queensland Parliament as part of its role to enhance public sector accountability. It continuously reviews and assesses the internal control environment surrounding Council's financial and related systems and practices. This provides a statutory mechanism for external review of Council's financial operations and other corporate matters affecting the sound management of the organisation.



Council performance

Delivering the Operational Plan 2015-16



1. Healthy natural environment

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Annual waterways recovery report and rating.	2015-16 water quality rating results indicated an overall decline in freshwater creek water quality compared to last year, with 14 out of 15 creek catchments rating poor to fair condition (93.0%). Below-average rainfall, less water flow and flushing created stagnant pools where nutrients became concentrated. This resulted in high nutrient levels, and low flow conditions, as well as increased levels of weeds and algae that impacted on the ecosystem health and aesthetic value of our creeks.
2.	The number of volunteers and hours spent caring for natural assets.	More than 800 volunteers spent 8,345 hours caring for our natural assets. Key activities included three major community plantings, major events at IndigiScapes and more than 40 active Bushcare groups (for more information see 1.1.3).
3.	Participation in fauna monitoring, protection, rescue and recovery programs.	More than 130 volunteers spent more than 9,000 hours participating in rescue and recovery programs, including monitoring and surveying threatened species and delivering Redlands' after hours wildlife ambulance and Redlands' wildlife care network (for more information see 1.2.1).
4.	The number of enhancement projects completed each year to improve access, safety and comfort for visitors.	10 enhancement projects were completed in 2015-16, including mountain bike trails, revised horse stiles and entrances, website information on canoe launch sites, and new fire/recreational access trails (for more information see 1.4.1 and 1.4.2).

Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
12	10	2

Group partners: City Spaces, Environment and Regulation

2015-16 key achievements and challenges



1.1 Redlands' natural assets including flora, fauna, habitats, biodiversity, ecosystems and waterways, are managed, maintained and monitored.

1.1.1 Activities were delivered in partnership with internal and external stakeholders to monitor and improve water bodies, including research, evaluating options, developing water quality objectives for use in development assessment, and delivering improvement projects at Hilliard's Creek and Victoria Point wastewater treatment plants.

1.1.2 Works were undertaken to rehabilitate riparian corridors in priority areas including Birkdale (Sunnybay Drive, Creek Road, Shonagh St), Redland Bay - Gordon Road and Bream Place, Capalaba (Firtree and Swamp Box Conservation Area), Cleveland (Smith Street, Oyster Point), Ormiston (Empire Vista and Gloucester Street). Works involved weed control, revegetation and maintenance within these areas.

1.1.3 Council continued to support and grow volunteer Bushcare activities by advertising for new members, providing first aid training, guidance and advice, and coordinating working bees. Council supported several key events including the 20-year Bushcare anniversary celebrations, Bushcare Major Day Out, annual social and open days, community meetings and Trees for Weeds events.

1.1.4 Major community plantings were coordinated across the city in partnership with conservation groups including the Australian Koala Foundation, Clear Horizon, Capalaba College, Conservation Volunteers Australia, University of Queensland and Bay Island Conservation Inc.

1.2 Threatened species are maintained and protected, including the vulnerable koala species.

1.2.1 Community volunteers were supported to deliver projects that help protect threatened ecological communities at several sites, including Lamb Island and Coochiemudlo Island. Habitat plantings for koalas and glossy black cockatoos were completed.

1.2.2 Programs were delivered to further educate the community about wildlife protection and management, including providing information and training for volunteers. Interpretative signage and support was also provided to the Citizen Science Portal, which developed partnerships with community members, schools and businesses.

1.2.3 Surveys were conducted on several threatened species, including Phiasus Australus on Coochiemudlo Island, koalas on North Stradbroke Island, flying fox camp sites across the city, glossy black cockatoos on Russell Island and Macleay Island, and, in conjunction with The Atlas of Living Australia, raptor nests (including the osprey nest) at Wellington Point.

1.2.4 Koala area provisions and mapping within Local Law 2 were reviewed, community consultation completed and subsequent policy advice prepared.

1.3 Community and private landholder stewardship of natural assets increases.

1.3.1 A program of educational training events and workshops was delivered at IndigiScapes to raise awareness and increase knowledge of a wide range of environmental topics, including support to develop relevant skills.

1.3.2 Services, such as site visits and workshops, were provided to private landholders who are managing their land for improved environmental outcomes. More than 50 new landholders signed on to habitat protection programs.

1.4 Visitors experience our natural assets through high standard facilities, trails, interpretation and low impact commercial ventures.

1.4.1 Public access to conservation areas for recreational use was improved through the provision of new maps and online information about trails in the Bayview Conservation Area, Redland Track Park and other reserves across the city.

1.4.2 The Enhancing the Visitor Experience Program was adopted and Council started works to improve parking access, trailhead facilities, trails, new signage and interpretive information at conservation areas.

2. Green living

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Annual corporate greenhouse gas emissions.	Council reduced overall kilowatt hour consumption and greenhouse gas emissions by 12% in our main building facilities at Cleveland Administration Building, Cleveland Library, Capalaba Place and South Street Depot. 2015-16 greenhouse emissions totalled 1,794 tonnes Co2-e (carbon dioxide equivalent). Council reduced total fleet fuel litre usage by 5%. 2015-16 equivalent greenhouse gas emissions were 1,580 tonnes of Co2-e.
2.	Number of activities that educate, provide information and advocate sustainable building design for the community.	Performance outcomes promoting a sub-tropical and climate responsive design character were included in the draft Redland City Plan (for more information see 2.2.1).
3.	Council's resource recovery rate (percentage recycled).	47.3% (target 47.8%).
4.	Km of pedestrian pathways and cycleways.	5.5 km of footpaths were constructed in 2015-16 (total footpaths 400.5 km). No additional cycleways were delivered in 2015-16, however. Council started construction of the Moreton Bay Cycle Network in Thornlands (total cycleways 56.2 km).

Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
7	5	2

Group partners: City Infrastructure, Economic Sustainability and Major Projects, Environment and Regulation, Water and Waste Infrastructure





2015-16 Key achievements and challenges

2.1 Council's policies and plans support ecologically sustainable development and respond to climate change issues.

2.1.1 The Climate Change Action Plan has been reviewed internally in accordance with Council's new Green Living Policy Statement, and will be presented to Council for consideration during the 2016-17 financial year.

2.1.2 Horizon Foundation was consulted to identify opportunities for a new community garden space at the Runnymede site, and a community garden was incorporated into the site draft master plan.

2.1.3 Provisions for storm tide inundation have been included in the draft Redland City Plan as a result of changes associated with climate change. The draft plan is currently being reviewed by Council following a community consultation process.

2.2 Sustainable building design (for example, solar panels and water tanks) is supported through education and advocacy.

2.2.1 Performance outcomes promoting a sub-tropical and climate responsive design character were included in the draft Redland City Plan residential zone codes. The draft plan is currently under review following a community consultation process.

2.3 Council's waste management plans address current and future needs, and include plans for closed landfills and regional collaboration.

2.3.1 Construction works were undertaken to rehabilitate the Birkdale landfill remediation area.

2.4 Council and the community actively recycle and reduce waste.

2.4.1 The Waste Reduction and Recycling Plan (Waste Strategy) was adopted in December 2015 following community consultation on the draft strategy.

2.5 Transport planning reflects a desire to maximise economic, environmental and liveability outcomes through quality road design, public transport, pedestrian and cycling strategies.

2.5.1 A program of construction works was delivered to upgrade and maintain active and public transport infrastructure in accordance with asset and service management plans.

2.5.2 Council coordinated a joint advocacy and technical working group, with representatives from Brisbane City Council, Translink and Department of Transport and Main Roads, resulting in a report and proposal for cross-boundary transport and infrastructure priorities for road and public transport.

2.5.3 New 'in and out' trails were constructed to link the Bayview Staging Area to the existing trails in the Bayview Conservation Area, and funding applications were prepared for future trail works and upgrades.

3 - Embracing the bay

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Annual Healthy Waterways report card rating.	Redlands overall rating - C+ Waterway benefits rating - 3.5 In 2015 there were 285 landholders and 48 community groups involved in activities that protect and improve waterways.
2.	Quality of life data for island communities (Australian Bureau of Statistics Socio-Economic Index for Areas).	Census is undertaken every five years. Next census is due for completion in 2016-17.
3.	Implementation of the Redland City Disaster Management Plan.	The Redland Disaster Management Plan, Part Two (Islands of Moreton Bay) has been implemented.
4.	Number of new bay access points for low impact recreational activities.	Council upgraded some existing bay access points, however, no new bay access points for low impact recreational activities were constructed in 2015-16.
5.	Implementation of Priority Development Areas (PDA).	The Toondah Harbour PDA Scheme and Weinam Creek PDA Scheme were created.

Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
8	4	4
Group partners: City Infrastructure, City Spaces, Environment and Regulation, Redlands Investment Corporation		



2015-16 Key achievements and challenges

3.1 Council collaborates with partners to understand, nurture and protect Moreton Bay's marine health and values.

3.1.1 Asset and service management plans for stormwater infrastructure were adopted following a review of existing plans and the development of policies to support funding for best practice projects.

3.1.2 Council participated in a range of activities as part of the Healthy Waterways partnership, including involvement in working groups and management committees, promotional events for 'Connect to your Creek' week, and facilitating the erosion and sediment control demonstration project.

3.1.3 A Healthy Water Play program was implemented and levels of enterococci were monitored in selected coastal sites to ensure safe recreational use of the bay. Management actions will be taken if the water becomes unsuitable for recreation.

3.2 Communities on the islands and foreshores enjoy equitable access to development opportunities and community services.

3.2.1 Council worked with the Walker Corporation to finalise an agreement for the provision of transport and services infrastructure at Toondah Harbour PDA and conducted workshops to progress transport and services at Weinam Creek.

3.3 Our community is ready for and adapting to changing coastlines, storm tide and severe weather.

3.3.1 Work started on a Coastal Adaptation Strategy, based on outcomes of studies. Internal and external stakeholders were engaged to identify opportunities to progress relevant activities and develop funding options.

3.4 Redland City's residents and visitors can easily access the foreshore and use recreation infrastructure for boating and non-boating activities.

3.4.1 The number of visitors, rescues and first aid treatments at bathing reserves on North Stradbroke Island was monitored and Council developed public notification signage on all foreshore areas.

3.4.2 Asset and service management plans for marine and canal infrastructure assets were reviewed and revised. Council managed the delivery of the Raby Bay revetment wall construction, Aquatic Paradise Dredging project, and the transfer of the Coochiemudlo jetty from the Department of Transport and Main Roads to Council.

3.5 Priority Development Areas support equitable outcomes for island residents, such as access to transport and facilities.

3.5.1 The Toondah Harbour Development Management Agreement, developed by the Walker Corporation, was approved by Council following relevant assessments.

3.5.2 Council advised the Walker Corporation on preparations of an environmental impact assessment for Toondah Harbour.

3.5.3 Council reviewed development proposals from the Walker Corporation for Toondah Harbour PDA and Weinam Creek PDA, and negotiated outcomes.

4 - Quandamooka Country

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Attendance at Council's cultural awareness and heritage training.	Cultural awareness information was included in all staff inductions (134 attendees) and volunteer inductions at the Redland Art Gallery (40 attendees). More than 30 staff attended Quandamooka information sessions as part of NAIDOC week. Cultural heritage training delivery has been reviewed for future courses (for more information see 4.1.2).
2.	Community understanding of the Quandamooka People's relationship with their traditional land and waters.	Research indicates general awareness of local Aboriginal history and culture is improving. Of residents surveyed, 77% in 2014 had strong knowledge or awareness compared to 72% in 2012, and 60% in 2010 (Community Satisfaction Surveys).
3.	Council's progress with implementing the Indigenous Land Use Agreement (ILUA).	Progress on ILUA projects continued and was reviewed through the ILUA Consultative Committee.
4.	Visitation numbers and quality of experiences on North Stradbroke Island (Minjerribah).	Total visitation numbers to North Stradbroke Island are not available, however, the island has an estimated capacity to accommodate up to 10,000 people at any one time, based on the number of accommodation beds available, and capacity for day trippers and visitors staying in their own accommodation. Visitation numbers on North Stradbroke Island are at a capacity during peak holiday periods such as Christmas/New Year and Easter. Based on survey results, 80% of people see the island as a good value for money holiday destination and most people travel to the island to relax, swim, fish or go four-wheel driving. Events on the island are also attracting large number of visitors (Stradbroke Ferries Survey 2015).

Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
6	1	5

Group partners: Corporate Governance, Human Resources, Communication, Engagement and Tourism





2015-16 Key achievements and challenges

4.1 Council's organisational and staff capacity to deliver positive outcomes for Aboriginal communities, including the Quandamooka People, is improved through policy, cultural awareness training and cultural heritage training for elected members and Council staff.

4.1.1 Staff understanding and cultural awareness of Aboriginal (including the Quandamooka People) and Torres Strait Islander People has increased. This has been achieved through developing and publishing information, coordinating Council participation in key events such as National Reconciliation Week and National Aborigines and Islanders Day Observance Committee (NAIDOC) Week, distributing information from Aboriginal organisations, and incorporating information about the Quandamooka People in Council's staff induction program.

4.1.2 Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC) was engaged to deliver future cultural heritage training and Council worked with QYAC to progress course delivery in 2016-17.

4.2 Council's and the community's respect and understanding of the Quandamooka Peoples' relationship with their traditional land and waters continue to improve.

4.2.1 Council staff members were supported to observe Acknowledgment and Welcome to Country protocols by developing resources, such as information cards and a list of local Elders. Staff provided advice and coordinated Elder participation at key Council events. A new 'Quandamooka Country' section has been developed for Council's new website, including an Acknowledgement of Country statement on every page.

4.2.2 The Pacific Tides Event on 8 August 2015 was delivered as part of the Quandamooka Festival. The festival involved Quandamooka and Pacific Island artists and community groups delivering events and workshops to more than 4,500 participants. 'Standing Together: the Art of Reconciliation' Community Art partnership and 'Let's Listen, Let's Yarn' speakers forums were also delivered. Council sponsored and supported significant community events such as Quandamooka Festival and Dunwich State School NAIDOC celebrations.

4.3 Council continues to support and resource the delivery of commitments under the Indigenous Land Use Agreement (ILUA) with the Quandamooka People.

4.3.1 QYAC and Council held a workshop in July 2015 with key internal stakeholders as a first step in developing an employment strategy.

4.4 Council works with the Quandamooka Traditional Owners to help them achieve their goal of establishing North Stradbroke Island (Minjerrabah) as a global eco-cultural tourism destination.

4.4.1 Tourism-related activities on North Stradbroke Island were delivered in collaboration with QYAC, including promotion of the Quandamooka Festival, inclusion of Jandai language in tourism maps, commissioning artwork, and funding Quandamooka dancers to perform at the Indigenous All Stars community event.



5 - Wise planning and design

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Implementation of the Redland City Plan and Local Government Infrastructure Plan (and subsequent twice-year reviews).	Public notification of the draft Redland City Plan was completed in 2015-16 (for more information see 5.1.2). Council is developing a draft Local Government Infrastructure Plan (for more information see 5.1.1).
2.	Development is consistent with legislation, best practice and community expectations, guided by relevant plans and strategies.	Development throughout the city was implemented in accordance with the <i>Sustainable Planning Act 2009</i> , the Redlands Planning Scheme and other relevant planning instruments. This will continue to be guided by the State Government's planning reform agenda and Council's introduction of the new Redland City Plan.
3.	Council meets or improves on Integrated Development Assessment System timeframes.	Council met its target of 90% compliance for determining development applications within Integrated Development Assessment (IDAS) timeframes.
4.	Levels of participation in regional collaboration and advisory groups.	Council was represented on the following groups: <ul style="list-style-type: none"> • SEQ Development Assessment Managers Group • SEQ Healthy Waterways water quality improvement devices guideline development group • LGAQ Infrastructure Charges Think Tank.

Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
9	3	6
Group partners: City Infrastructure, City Planning and Assessment, Economic Sustainability and Major Projects, Water and Waste Infrastructure		





2015-2016 Key achievements and challenges

5.1 Growth and development in the city is sustainably managed through the adoption and implementation of the Redland City Plan and Local Government Infrastructure Plan.

5.1.1 Council reviewed final demographics for the draft Local Infrastructure Plan and incorporated water supply and sewer infrastructure networks. An expert consultant was engaged to provide technical assistance, financial sufficiency analysis and statutory third party compliance reviews. An extension to the statutory timeframe was obtained from the Queensland Minister for Infrastructure, Local Government and Planning, to prepare the draft Local Government Infrastructure Plan.

5.1.2 Public notification of the draft Redland City Plan was completed. Council commenced a review of submissions and conducted workshops with Councillors to consider submissions.

5.2 Redland City's character and liveability are enhanced through a program of master planning, place-making and centre improvement strategies, including maximising opportunities through the catalyst Toondah Harbour Priority Development Area and Redlands Health and Wellbeing Precinct projects to build a strong and connected Cleveland.

5.2.1 Council collaborated with Metro South Health and Hospital Service to develop a master plan and project scope for the Redlands Health and Wellness Precinct. Expressions of interest are being sought by Metro South with plans to progress the project in 2016-17.

5.2.2 The phase one review of the Birkdale Commonwealth Land was completed, with a site report on key features and further investigations needed to inform future use options. Council engaged with internal and external stakeholders to identify potential land use limitations and options to progress land acquisition and development.

5.3 An effective and efficient development assessment process delivers quality development that is consistent with legislation, best practice and community expectations.

5.3.1 Road, traffic and stormwater drainage network connectivity were reviewed and Council delivered safety improvements as part of the Black Spot project at Wellington Street, Queen Street and Coburg Street in Cleveland.

5.3.2 Implementation of an e-planning tool progressed, by delivering the PlanningXchange BROWSE module. Council progressed testing of the TRACK module and started preliminary investigations of an e-lodgement solution.

5.4 Regional collaboration and targeted advocacy drives external funding for key infrastructure upgrades and enhanced community outcomes.

5.4.1 Actions within the Netserv Plan were delivered. Council reviewed the plan to identify future additional water and sewerage infrastructure, based on changes in population densities identified in the draft Redland City Plan.

5.4.2 Council submitted 39 grant applications (20 operating grant applications and 19 capital grant applications) to 21 funding programs. More than \$10m in operating grants were received to deliver a range of Council services, including road resurfacing and marine infrastructure operations. More than \$6.9m in capital grants were received, including \$3.85m to upgrade the Point Lookout Wastewater Treatment Plant, \$300,000 to upgrade lookout facilities at Point Lookout, and more than \$3.48m in transport infrastructure funding to support upgrades to public transport facilities and transport network improvements.

6 - Supportive and vibrant economy

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Employment growth and tourism numbers.	<p>There was a slight reduction in the unemployment rate for the Redlands from 5.3% (December 2015) to 5.1% (March 2016) (Department of Employment).</p> <p>2014-15 total visitor numbers to the Redlands:</p> <ul style="list-style-type: none"> • 368,041 international visitor nights • 1,560,174, domestic visitor nights • 733,457 domestic day trips (National Institute of Economic and Industry Research, 2016). <p>In 2014-15, tourism accounted for 2.4% of the Redlands' gross regional product, or \$90.8m (Tourism Research Australia, unpublished data from the National Visitor Survey and International Visitor Survey 2015).</p> <p>Total Redlands tourism employment was 1,345 (3.1% of total employment in the city) (2015 Tourism Satellite ABS).</p>
2.	Attendance numbers and economic return at events across the city.	More than 218,000 people attended 40 major city events, injecting more than \$22.8m into the local economy.
3.	Implementation of the early actions and future strategic directions from the North Stradbroke Island Economic Transition Strategy.	The North Stradbroke Island Economic Transition Strategy is being finalised by the State Government. Council will work with the State Government once the strategy is finalised.
4.	Number of sites developed by Redland Investment Corporation for commercial and community benefits.	Planning development approvals were lodged on three sites.
5.	Number of action plans developed by the Industry Economic Advisory Board.	The Redland Economic Development Advisory Board was established (for more information see 6.5.1). Two action plans will be prioritised by the Board for development in 2016-17.
6.	Finalise development management agreement for Toondah Harbour PDA.	The Development Management Agreement for Toondah Harbour PDA was completed.
7.	Support negotiations with stakeholders on environmental and development approvals Toondah Harbour PDA.	Council supported the Walker Corporation to lodge an application with the Coordinator General.
8.	Finalise report for proposals for Weinam Creek PDA.	Council assessed the proposal for Weinam Creek PDA and provided recommendations.
9.	Finalise development management agreement for Weinam Creek PDA.	Council reviewed the Development Management Agreement for Weinam Creek PDA and made recommendations.

Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
7	3	4

Group partners: Communication, Engagement and Tourism, Economic Sustainability and Major Projects, Redlands Investment Corporation



2015-2016 Key achievements

6.1 Council supports infrastructure that encourages business and tourism growth.

6.1.1 Council helped the State Government develop the North Stradbroke Island Transition Strategy.

6.1.2 Programs were delivered to revitalise the Cleveland CBD, including opening the upgraded Bloomfield Street Park, a lighting replacement study, aligning the Cleveland CBD Master Plan to outcomes in the draft Redland City Plan, and identifying vacant business district spaces for activation through the Cleveland Renew Program.

6.2 Redland City delivers events, activities and performances that bring economic and social benefits to the community.

6.2.1 Council supported a number of new events, including the Retro Eat Boutique Market, Caravan, Camping, Boating and 4x4 Expo, Relish Food Festival, 4WD Show & Shine, Redlands Rockabilly Revival, Redlands Cycling Criterium and the Bayview Blast National Series Mountain Bike Race.

6.2.2 Council engaged with event organisers and internal stakeholders to improve event permits and associated processes. Work began to develop a Five-Year Events Strategy and Action Plan.

6.3 Council's involvement in the State Government's North Stradbroke Island Economic Transition Committee supports and aligns with Council's strategic objectives, which help deliver long-term economic sustainability for North Stradbroke Island (Minjerribah).

6.3.1 Council advocated to the State Government for a definitive mine closure date for North Stradbroke Island. The State Government is ending sand mining on the island by 2019.

6.4 Council receives a return on the community's investment in land to enhance economic and community outcomes.

6.4.1 An operational structure for the Redlands Investment Corporation was developed.

6.5 Growth in key sectors identified in Council's Economic Development Framework is supported through the development and implementation of action plans by the Industry Economic Development Advisory Board.

6.5.1 The Redland Economic Development Advisory Board was established with appointment of six Board members including the Chair. Council is also represented on the Board.

6.6 Development will be facilitated specifically in the Toondah Harbour Priority Development Area (PDA) and Weinam Creek PDA with a focus on economic growth.

6.6.1 Council is waiting on finalisation of environmental impact assessments.

7 - Strong and connected communities

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Number of community activities delivered.	<p>Council delivered:</p> <ul style="list-style-type: none"> • 1,853 library programs and events to more than 18,400 people • 183 not-for-profit events (more than 28,800 attendees) and 20 free festival and events (more than 5,600 attendees) at the Redlands Performing Arts Centre • more than 25 community events (more than 140,000 attendees) and 26 corporate Council events (more than 14,000 attendees) • 51 community events through Redlands Art Galleries (more than 1,800 attendees).
2.	Number of community groups with leases/permits for Council facilities.	In 2015-16, there were 81 community groups with leases and 80 with lease to occupy (previously called permit to occupy).
3.	Number of strategic partnerships formed and number of successful grant applications.	<p>In 2015-16, Council partnered with the following organisations:</p> <ul style="list-style-type: none"> • Horizon Foundation, to deliver a multi-purpose disability centre on Council land • seven external organisations, as part of the planning process for the Cleveland community hub • Australian Industry Trade College, to establish a technical school in Cleveland • Autism Spectrum Disorder School, to establish a new school at the Alexandra Hills TAFE campus • Surf Life Saving Queensland, to establish an emergency and aquatic facility • Family Support Group Australia, on the Headspace consortium, which aims to better coordinate services and improve access for young people to mental health and related services • Donald Simpson Community Centre, to provide programs and services that align with Council's Seniors Policy • Redland Bay and Alexandra Hills Men's Sheds group, to improve access to Council land and facilities as well as access to funding from all levels of government. <p>Council's community grants program expenditure totalled \$486,283 including:</p> <ul style="list-style-type: none"> • organisational support grants – \$35,949 • project support grants – \$102,539 • conservation grants – \$74,435 • capital infrastructure – \$187,000 • Regional Arts Development Fund – \$86,360. <p>Council's sponsorship expenditure totalled \$163,877.</p> <p>Councillors' small grants program \$247,790.32 (see page 18 for breakdown by division).</p>
4.	Number of volunteers and hours donated towards Council projects.	More than 1,000 volunteers contributed more than 30,000 hours of service in 2015-16. Volunteers were involved in a wide range of Council programs and services, including Bushcare, wildlife care network and ambulance service, environment surveys, graffiti removal, disaster management, and volunteering at IndigiScapes, Redlands Art Gallery and Animal Shelter.
5.	Implementation of Redland City Disaster Management Plan.	The Redlands Disaster Management Plan Part Five (Disaster Recovery) was delivered.

Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan	Cancelled
11	7	3	1

Group partners: City Spaces, Community and Cultural Services, Disaster Planning and Operations, Economic Sustainability and Major Projects



2015-2016 Key achievements

7.1 Festivals, events and activities bring together and support greater connectivity between cross-sections of the community.

7.1.1 The draft Redlands Libraries Strategy was developed with key internal stakeholders. Consultation on the draft strategy will continue with Councillors and external stakeholders in 2016-17. The State Government First Five Forever Program was implemented, involving partnerships with speech pathologists, health care and early childhood centres to support language and literacy with children up to five years old.

7.1.2 Three programs were implemented in partnership with groups across the city: Libraries 2U; Redlands Libraries Connecting to You – Home Library Service; and Redlands Libraries Connecting to You – First Five Forever.

7.1.3 The Redlands Youth Strategy was developed and adopted. Council started implementing the strategy, and developing monitoring arrangements to track progress and internal networks to support the delivery of actions.

7.2 Council maximises community benefit from the use of its parklands and facilities by improving access to, and the quality and shared use of, public spaces and facilities by groups for sporting, recreational and community activities.

7.2.1. An online venue booking system was developed, for implementation in 2016-17, to enable a more streamlined and customer-centric booking portal where customers will be able to book, manage and pay for venue hire online.

7.3 Council's assessment of community issues and needs provides timely opportunities to pursue grants and partnerships that realise long-term benefits.

7.3.1 Council secured support for Pacific Tides Festival (total grants: \$65,000), Redland Art Gallery Exhibition (grant: \$18,000), Straddie Style Exhibition (in kind and sponsorship: \$4,000), Gathering Strands (grants and sponsorship: \$22,000), Redland Art Awards 2016 (in kind and sponsorship: \$500) and Regional Arts Development Fund (grant: \$63,000).

7.4 Council supports volunteerism and participation in civic projects through clear and supportive Council processes to reduce red-tape, and engage and recruit volunteers for Council projects.

7.4.1 Investigations were completed to confirm the need for a seniors' precinct and general community hub in Cleveland.

7.5 The community's preparedness for disasters is improved through community education, training and strong partnerships between Council and other agencies.

7.5.1 Additional training was provided to the Emergency Operations Team in preparation for the fire and storm season and to exercise parts of the Disaster Management Plan. Exercise 'Sodor Surprise' was conducted in June 2016, which involved multiple agencies to fully test Council's Disaster Management and Business Continuity Plans.

7.5.2 Information on disaster preparedness was provided to the community at regular events such as festivals and school fetes and library displays. Council also partnered with organisations to distribute brochures and promote awareness.

7.5.3 Council developed and delivered Part Five of the Redland Disaster Management Plan (Disaster Recovery), in both printed and online versions.

8 - Inclusive and ethical governance

Corporate Plan 2015-2020 performance indicators		2015-16 performance
1.	Customer satisfaction with Council's e-services/online services through our Community Satisfaction Survey.	Indicators were included in the 2016 Community Satisfaction Survey.
2.	Financial Strategy key performance indicators including measures of sustainability.	Key performance indicators available September/October 2016.
3.	Tracking the improvement of asset management maturity and capacity.	An asset management maturity assessment commenced and will be completed in 2016-17 (for more information see 8.2.1).
4.	Corporate Plan implementation is effectively tracked and performance reported.	Annual corporate planning reports were aligned to deliver the Corporate Plan and a review of performance reporting commenced.
5.	Individual performance is effectively managed through Council's MyGoals process.	92% of Council employees had clear and achievable performance objectives (MyGoals survey 2015-16).
6.	Community satisfaction with engagement activities.	56% of residents were satisfied that they had the opportunity to have their say in key decisions (2014 biennial Community Satisfaction Survey).
7.	Portfolio of projects is tracked and managed to align with Council's strategic objectives.	A core project management skills program was established. 115 staff trained in project management and project delivery planning. 120 staff were involved in change management activities.

Operational Plan 2015-16

Total projects and activities	Delivered in 2015-16	Continued in 2016-17 Operational Plan
15	3	12

Group partners: Information Management, Communication, Engagement and Tourism, City Planning and Assessment, Financial Services, City Infrastructure, Corporate Governance, Business Transformation, Human Resources



2015-16 Key achievements and challenges

8.1 Council's Information Management Strategy and technology systems are engineered to increase efficiency and provide excellent customer service outcomes.

8.1.1 Council delivered phase one of the initial install and configuration of Business Intelligence and commenced delivery of phase two, which involves transactional reporting from core systems, including developing financial and reporting functions.

8.1.2 Development of a new Council website began, including updating content in preparation for a planned website launch in August 2016.

8.1.3 Objective, a new electronic document records management system, was implemented. This involved migrating more than one million documents from Council's previous system and integration with the Property and Rating system.

8.1.4 Implementation of a planning and development portal was reviewed with key internal stakeholders. The project was amended to incorporate planning and development information as part of Council's new website.

8.2 Council produces and delivers against sustainable financial forecasts as a result of best practice Capital and Asset Management Plans that guide project planning and service delivery across the city.

8.2.1 Council commissioned experienced local government consultants to conduct an asset maturity assessment and established a working group to progress the Asset Management Advancement Project in 2016-17.

8.2.2 The 2016-17 Asset Management and Service Plan was approved for traffic facilities and street lighting.

8.3 Implementation of the Corporate Plan is well coordinated across Council and through a delivery mechanism that provides clear line of sight, accountability and performance measurement for all employees.

8.3.1 A review of Council's performance reporting policy and guideline commenced in 2015-16 and will continue in 2016-17.

8.3.2 The draft People Strategy was developed, based on analysis of information including Council's MySay survey and consultation with stakeholders.

8.3.3 Council's vision, mission and values were communicated through workshops to raise awareness throughout the organisation.

8.3.4 Relevant stakeholders were consulted to determine the scope for a review of Council's current plans and strategies, to be undertaken in 2016-17.

8.3.5 The Integrated Leadership Development Strategy 2016–2020 was adopted and the Leadership Development Program continued to be implemented. Council established an internal coaching bench (stage 1 – identification and training of internal coaches).

8.4 A continuous improvement focus underpins the organisation, creating a supportive environment for ideas and positive, well-managed change that enhances internal and external outcomes.

8.4.1 A change management maturity audit was undertaken with input from Group Managers and Service Managers to determine Council's maturity capability. Council applied Prosci change management methodology to selected projects.

8.4.2 A strategic workforce planning project was piloted with two Council groups to establish a methodology that will continue to be rolled out across Council in 2016-17.

8.4.3 Council's Business Transformation Program and Model were defined to support improvement projects that deliver value, efficiency and embed a culture of continual improvement. 471 staff across all levels completed Lean Basics (Introduction to Continual Improvement/Lean). 37 staff completed Lean Learners (Exploration of the use of Lean tools and techniques). 48 Lean Improvement projects were introduced in 2015-16, demonstrating the transition towards a performance culture.

8.4.4 Council started implementing a three-year improvement program for portfolio management by recruiting staff for a new Centre of Excellence and delivering staff training in core basic project management skills.

8.5 Council uses meaningful tools to engage with the community on diverse issues so that the community is well informed and can contribute to decision making.

8.5.1 Training was provided to officers to enable them to support and deliver community engagement activities as part of Council's draft Redland City Plan project.

Business Unit Statement of Operations and Annual Report

RedWaste, a commercial business unit of Redland City Council, is Council's waste management unit. It is responsible for the following activities:

- collecting kerbside waste, recycling and green waste
- operating two mainland and six island waste handling facilities including Council's tip shop, RecycleWorld
- collecting waste and recycling from park and street bins
- maintaining existing and planning for future waste and recycling infrastructure
- providing waste and recycling education and extension programs
- delivering programs and initiatives to meet Council's waste strategy targets for waste reduction and resource recovery.

RedWaste provided services to Council and the community in accordance with the RedWaste Annual Performance Plan (APP) 2015-16. In 2015-16, RedWaste provided essential waste and recycling collection services to 57,080 households.

Our statutory duties

This Annual Report has been provided to meet the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. This legislation requires RedWaste to report annually on its operations and performance and includes information on:

- changes made to the annual performance plan during the year
- impacts of the annual performance plan, including:
 - financial position
 - operating surplus or deficit
 - prospects
 - details of Council's direction to the unit.

Redland City Council's Waste Strategy

Following public consultation, Council's new waste management strategy, the Waste Reduction and Recycling Plan 2015-2020, was adopted in December 2015. The plan sets direction for increasing recycling and resource recovery and builds on the previous 10-year waste plan. It highlights achievements from the past five years and sets objectives and targets and an implementation plan for the next five years, from 2015 to 2020.

Highlights and achievements delivered under the previous Sustainable Resources from Waste Plan 2010-2020 include:

- increasing overall domestic recycling performance from 39% in 2010 to 47% in 2015
- providing a greater choice of wheelie bins, including a larger 340-litre recycling bin adopting the National Standard (AS4123.7-2006) for bin lid colours
- introducing the kerbside green organics wheelie bin collection service in 2011, which is now accessed by 9,361 households
- installing a permanent household hazardous waste disposal facility at the Redland Bay Waste Transfer Station, with over 79 tonnes of hazardous material received since December 2014
- providing electronic (e-waste) recycling services, capturing 964 tonnes since March 2013
- introducing bulk bin recycling services at waste transfer stations, residential and commercial properties, and on North Stradbroke Island
- introducing segregated cardboard collection services in 2014 at North Stradbroke, Russell, Macleay and Coochiemudlo Island waste transfer stations and recycling 249 tonnes of cardboard since that time
- expanding public place recycling infrastructure to promote 'away from home' recycling
- entering into an agreement with Bay Islands Community Service, where good quality items are segregated at Russell and Macleay Island waste transfer stations and collected for distribution to local communities
- implementing the 'Rethink your rubbish' campaign and RedSWAP (Redlands School Waste-Wise Action Program) for schools
- progressing regional collaboration actions and investigations with Brisbane and Logan City Councils.

Specific highlights for 2015-16

- A total of 4,321 tonnes of scrap metal was recovered at Council waste transfer stations, generating \$710,831 in revenue, offsetting cost of operations.
- Construction and demolition waste (bricks and concrete) for recycling increased by 13% from 2014-15, all of which is sent for reprocessing and beneficial reuse.
- The number of waste bins transported from waste transfer stations to landfill decreased by 93 (4.8%) due to improved compaction and efficiency.
- More than 600 residential customers accessed Council's free hazardous waste facility at Redland Bay Waste Transfer Station, responsibly disposing of 55.7 tonnes of hazardous materials.
- The Birkdale Waste Transfer Station green waste bypass lane was completed, reducing queuing times and improving safety for customers.
- The Birkdale Landfill remediation project commenced in March 2015, and was significantly progressed throughout the 2015-16 financial year.
- Council's environment and waste education officers delivered 45 school waste education visits and community events, as well as four professional development workshops relating to waste minimisation, recycling, composting and litter prevention.
- Four local primary schools graduated from RedSWAP. St Rita's Catholic Primary School, Vienna Woods State School, Ormiston State School and Capalaba College all successfully completed the two-year waste minimisation program.
- A revised schools' waste minimisation program was developed including a schools' grants program.
- Council's two water refill stations were used at 13 community events, promoting the use of reusable bottles rather than single-use water bottles.

Key performance indicators

Number of domestic waste collections				
	2012-13	2013-14	2014-15	2015-16
Waste and recycling	52,415	53,659	55,252	57,080
Green waste	6,673	7,419	8,331	9,361

Recyclable material diverted from kerbside waste stream				
	2012-13	2013-14*	2014-15*	2015-16
Total kerbside domestic waste (tonnes)	54,895	53,636	55,949	56,243
Total kerbside co-mingled recycling (tonnes)	11,742	11,619	12,413	11,814
Total kerbside green waste (tonnes)	2,008	2,087	2,451	2,677
Percentage of kerbside material diverted from landfill	25.1%	25.6%	26.6%	25.8%

* Previously published figures have been adjusted due to the receipt of all available waste and recycling data

Recoverable material diverted from landfill at waste transfer stations				
	2012-13	2013-14	2014-15	2015-16
Total waste received at transfer stations (tonnes)	55,719	65,494	57,701	47,650
Materials diverted for recycling/reuse at transfer stations (tonnes)	38,492	45,273	42,050	34,687
Recoverable material diverted from landfill at transfer stations	69%	69%	73%	73%

Kilograms per household per week				
	2012-13	2013-14	2014-15	2015-16
Kerbside domestic collection (waste, recycling and green waste)	20.1	19.6	19.6	18.9
Kerbside waste collection	15.1	14.6	14.3	13.8
Kerbside recycling collection (recycling and green waste)	5.0	5.0	5.3	4.9

Resource recovery rate – total waste material diverted for reuse and recycling

	2012-13*	2013-14*	2014-15*	2015-16
Total domestic waste handled (tonnes)	108,020	106,251	103,562	103,893
Total waste diverted from landfill (tonnes)	50,620	48,423	49,377	49,178
Waste recycled (% of total waste)	46.9%	45.6%	47.7%	47.3%

Complaints and compliments

	2012-13	2013-14	2014-15	2015-16
Percentage of missed service complaints	0.026%	0.026%	0.027%	0.028%
Percentage of other complaints	0.003%	0.0004%	0.0002%	0.003%
Number of compliments	31	17	23	24

*Previously published figures have been adjusted due to the receipt of all available waste and recycling data

Annual Performance Plan (APP) – Key performance indicators

Corporate Plan priority	KPI	Key performance indicator	Frequency	APP annual target	Yearly KPI achieved
Green living	1	Total kg of domestic waste landfilled per capita per year	Monthly	Max 372 kg	364 kg
	2	Municipal solid waste resource recovery rate	Monthly	Min 47.8%	47.3%
Healthy and natural environment processes	3	% compliance with Department of Environment and Heritage Protection waste licence requirements for waste management facilities	Quarterly	Min 98%	99.5%
An efficient and effective organisation	4	Waste operating revenue	Monthly	+/- 5%	0.93% KPI achieved
	5	Waste operating goods and services	Monthly	+/- 5%	-0.44% KPI achieved
	6	Waste capital expenditure	Monthly	+/- 5%	-62.59%, KPI not achieved*
	7	Operating cost per tonne of waste	Monthly	<\$153.06	\$148.51 KPI achieved
	8	Lost time injury frequency rate	Monthly	Max 20	0

* Variances exist in Birkdale Transfer Station haul road and hardstand \$1.1m, which were carried over into 2016-17, and Wasteman Upgrade, \$100,000, which was no longer required at that time.

RedWaste Business Unit Annual Performance Plan

Council adopted the RedWaste Annual Performance Plan (APP) at the Special Meeting held on 14 July 2016. The APP includes:

- objectives of the unit
- nature and extent of the significant business the unit conducts
- financial and non-financial performance targets
- nature, extent, cost of and funding for the community service obligations the unit must perform
- notional capital structure and treatment of surpluses
- proposed major investments
- outstanding and proposed borrowings
- the unit's policy on the level and quality of service consumers can expect
- delegations necessary to allow the unit to exercise autonomy in its commercial activities
- the type of information that the unit's report to the local government must contain.

Council decisions affecting the RedWaste business unit during 2015-16

- Council provided fee exemptions for waste disposed by registered not-for-profit organisations and community groups, under its community service obligations.
- Council resolved on 9 December 2015 to adopt the Waste Reduction and Recycling Plan 2015-2020.
- Council resolved on 11 May 2016 to call tenders for an on-demand bulky household item collection service and operation of RecycleWorld.
- Council resolved on 21 October 2015 to call expressions of interest for waste transfer station contracts.

Financial report and community service obligations

Details of RedWaste's consolidated financial statements for the year ended 30 June 2016 are contained in the Financial Statements on pages 70-104.

Redland Water

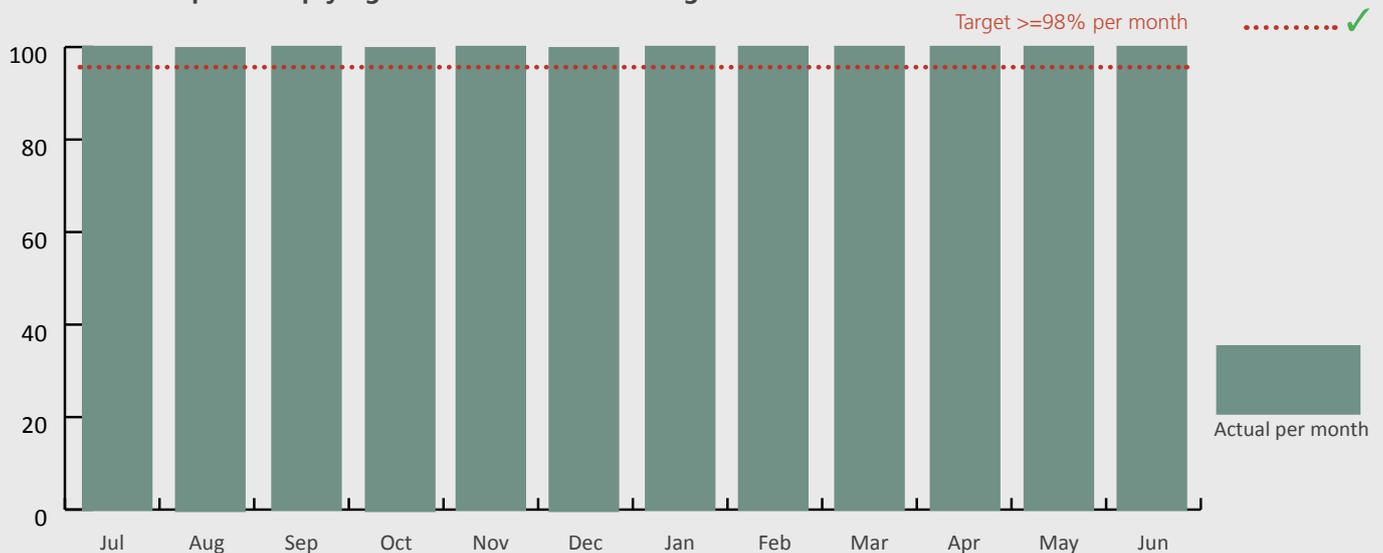
Redland Water highlights

Redland Water is a commercial business unit of Redland City Council, responsible for water supply and wastewater treatment. Redland Water's mission is to meet or exceed agreed standards of water and wastewater services while managing the business for long-term success.

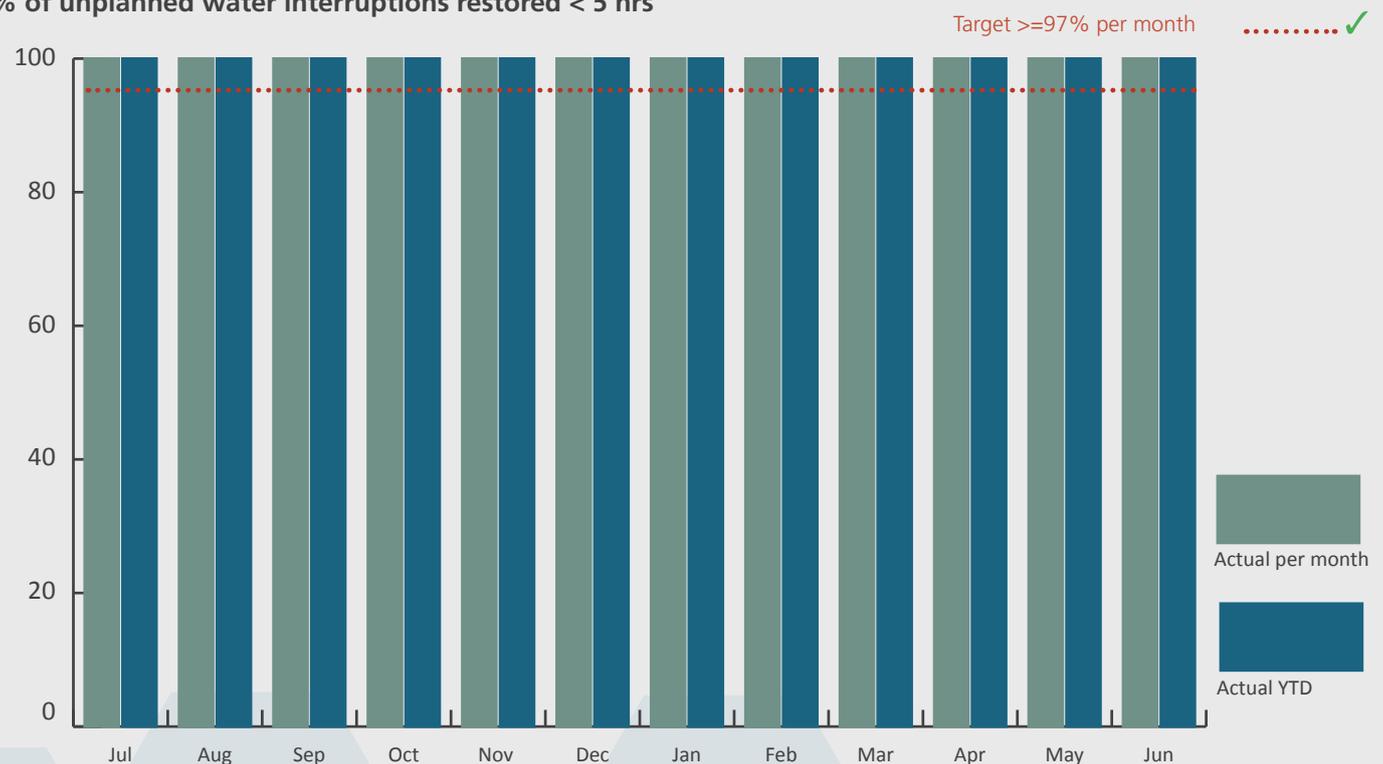
Redland Water contributes to preserving the city's quality of life by servicing the Redlands population through 56,425 water connections and 50,339 wastewater connections. In 2015-16, Redland Water supplied 12,276 megalitres of drinking water to customers and treated 9,834 megalitres of wastewater.

How did we do operationally?

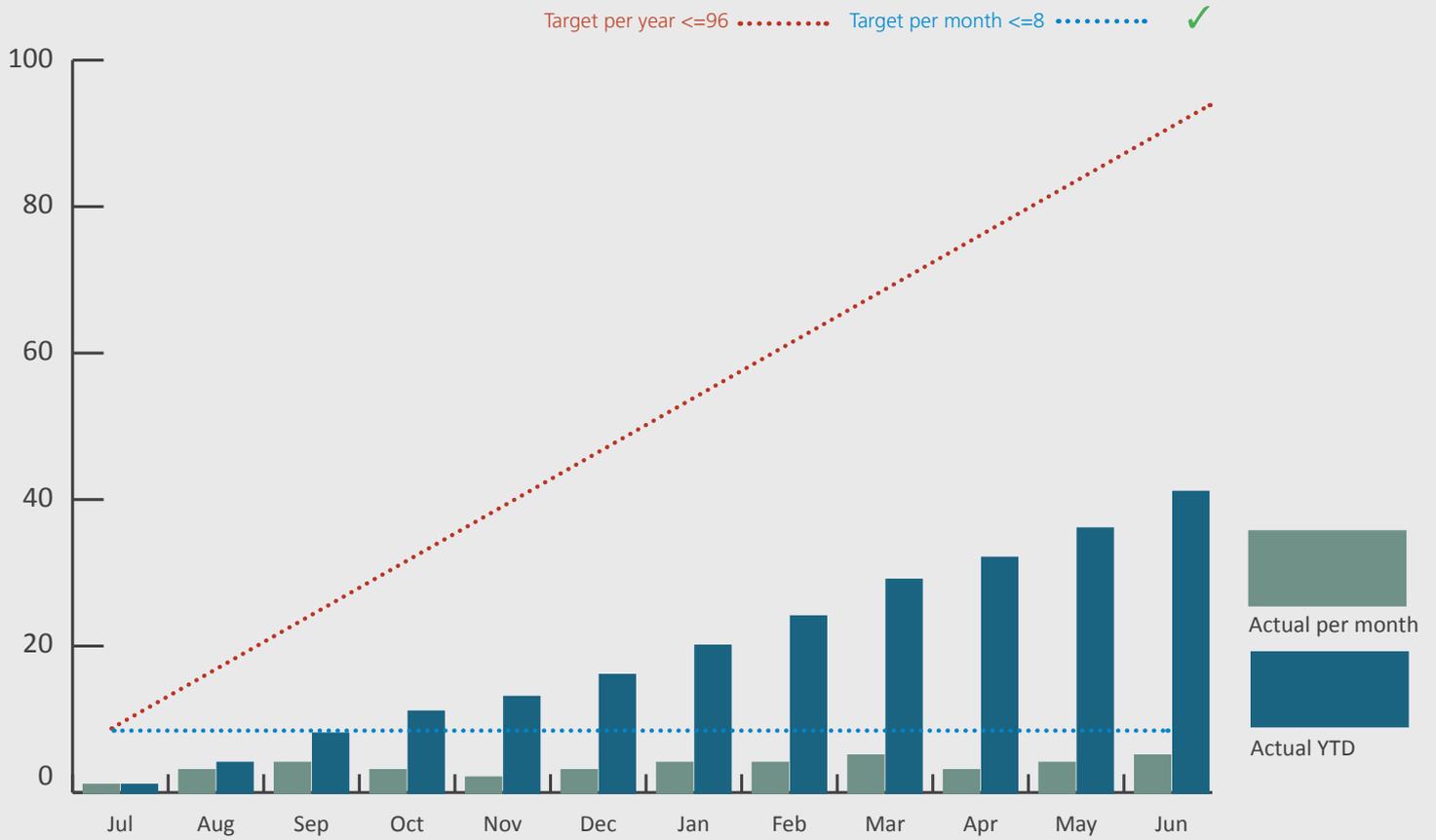
% of water samples complying with Australian Drinking Water Guidelines



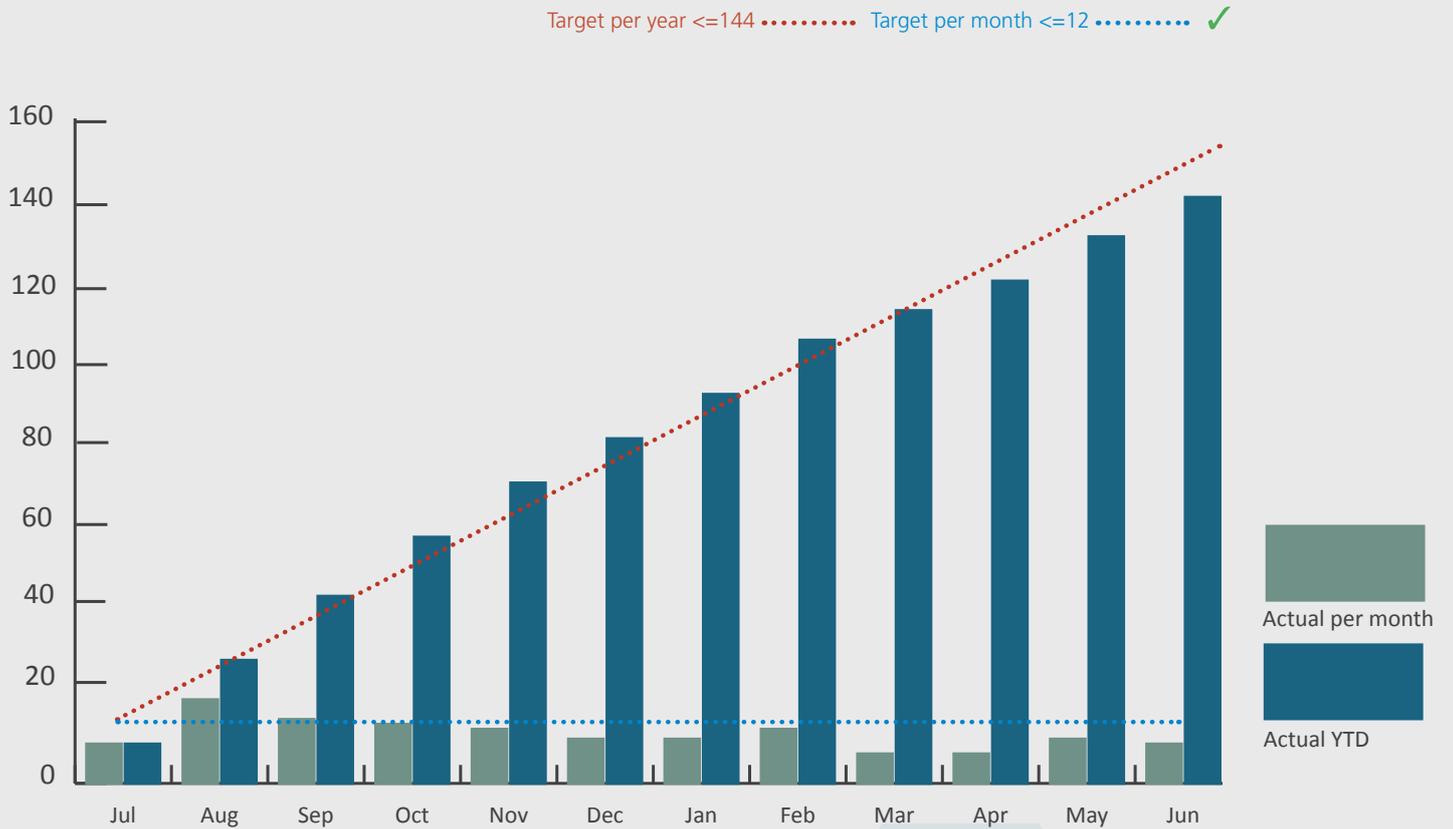
% of unplanned water interruptions restored < 5 hrs



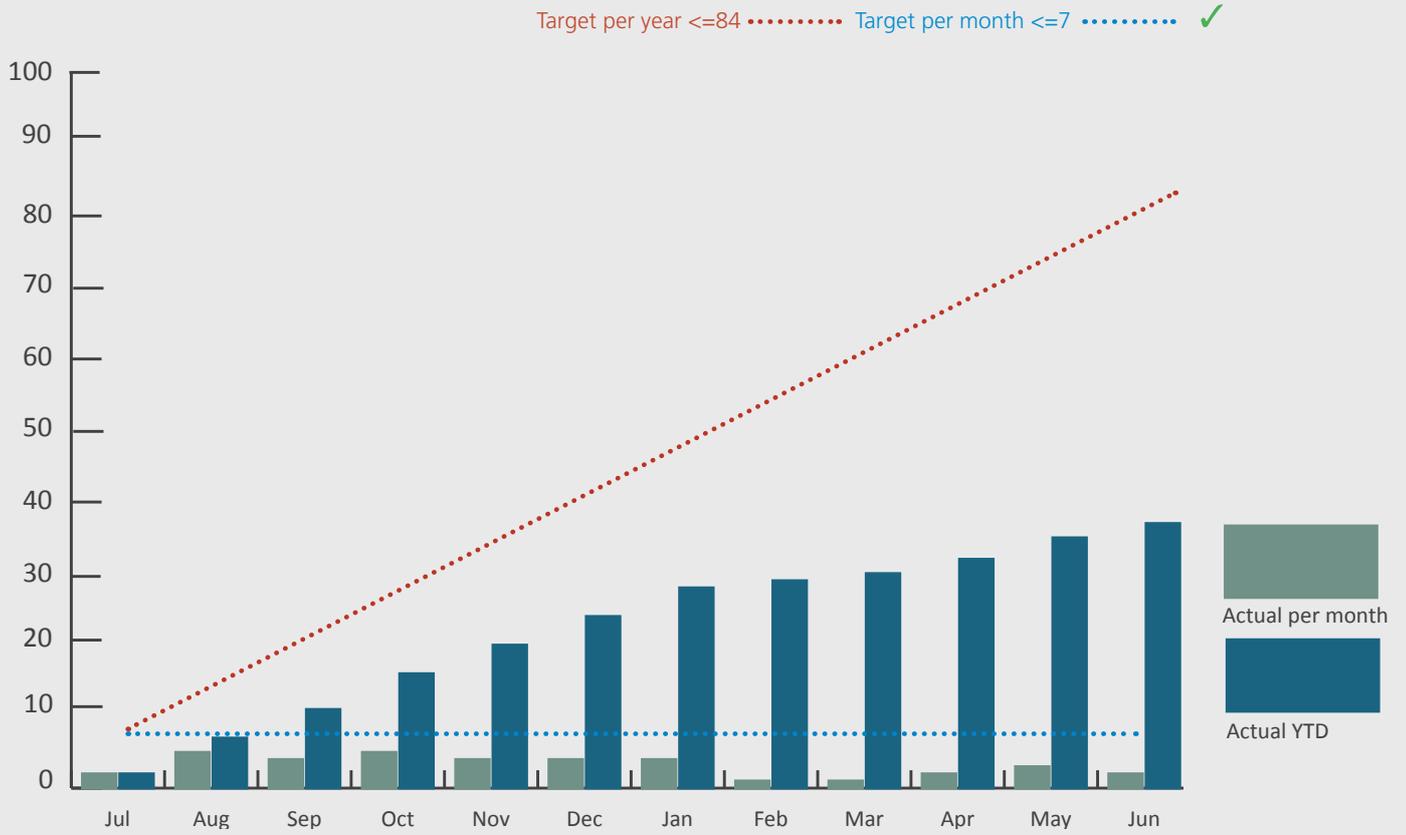
Number of water main breaks and leaks



Number of water quality incidents per month



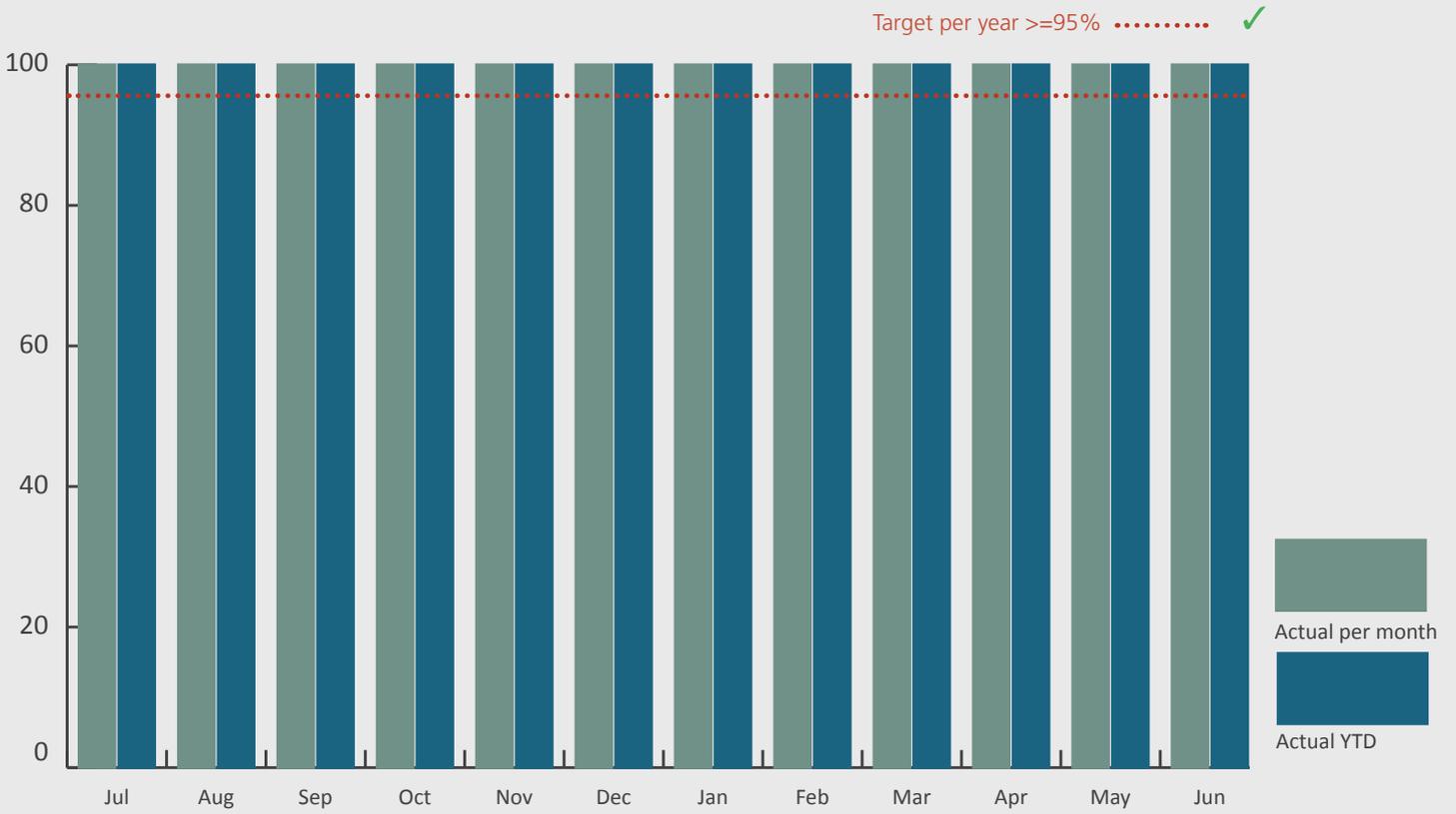
Overall number of dry weather overflows



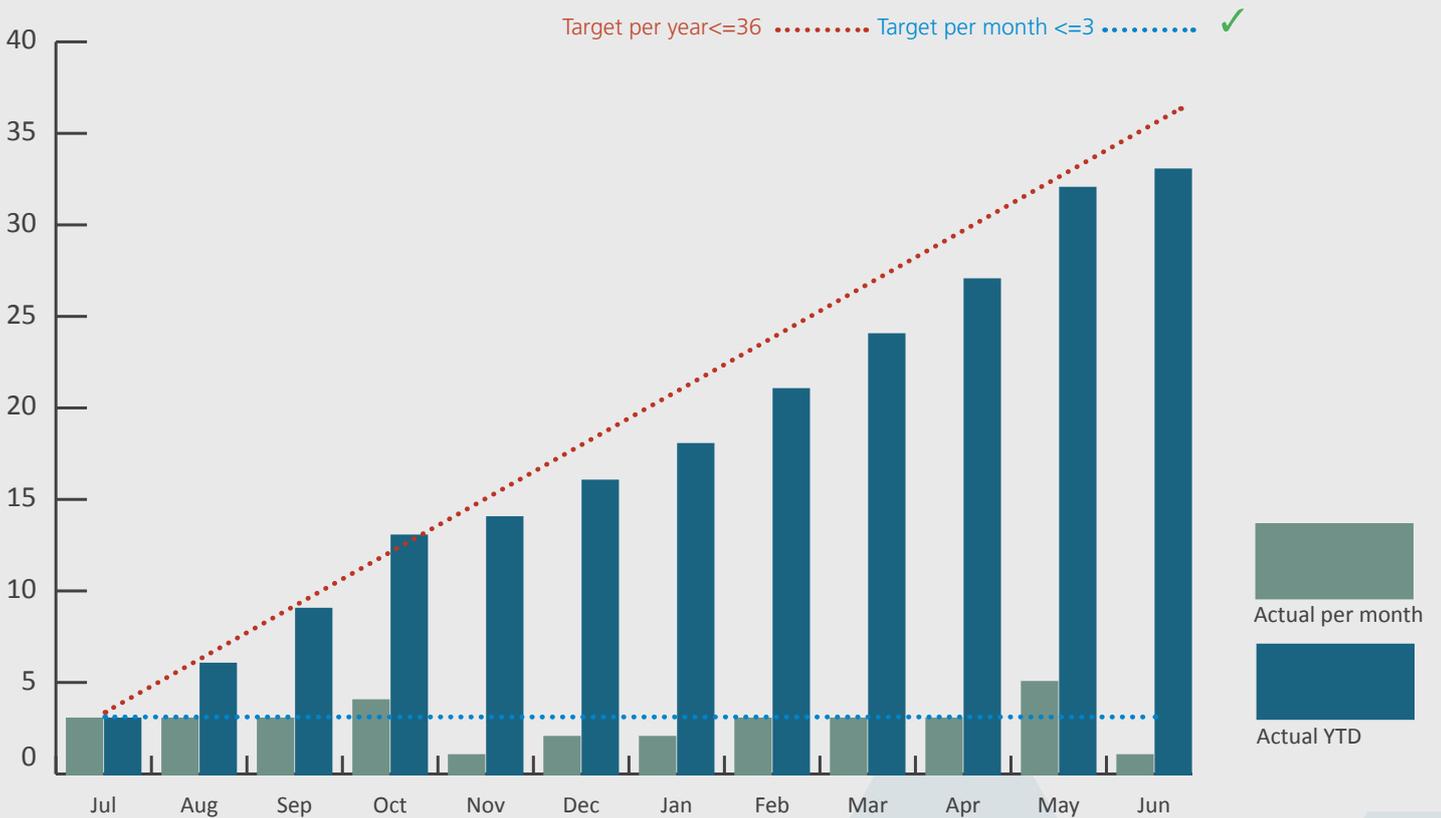
Average response or reaction time to wastewater incident



% service interruptions restored within 5 hrs (wastewater)



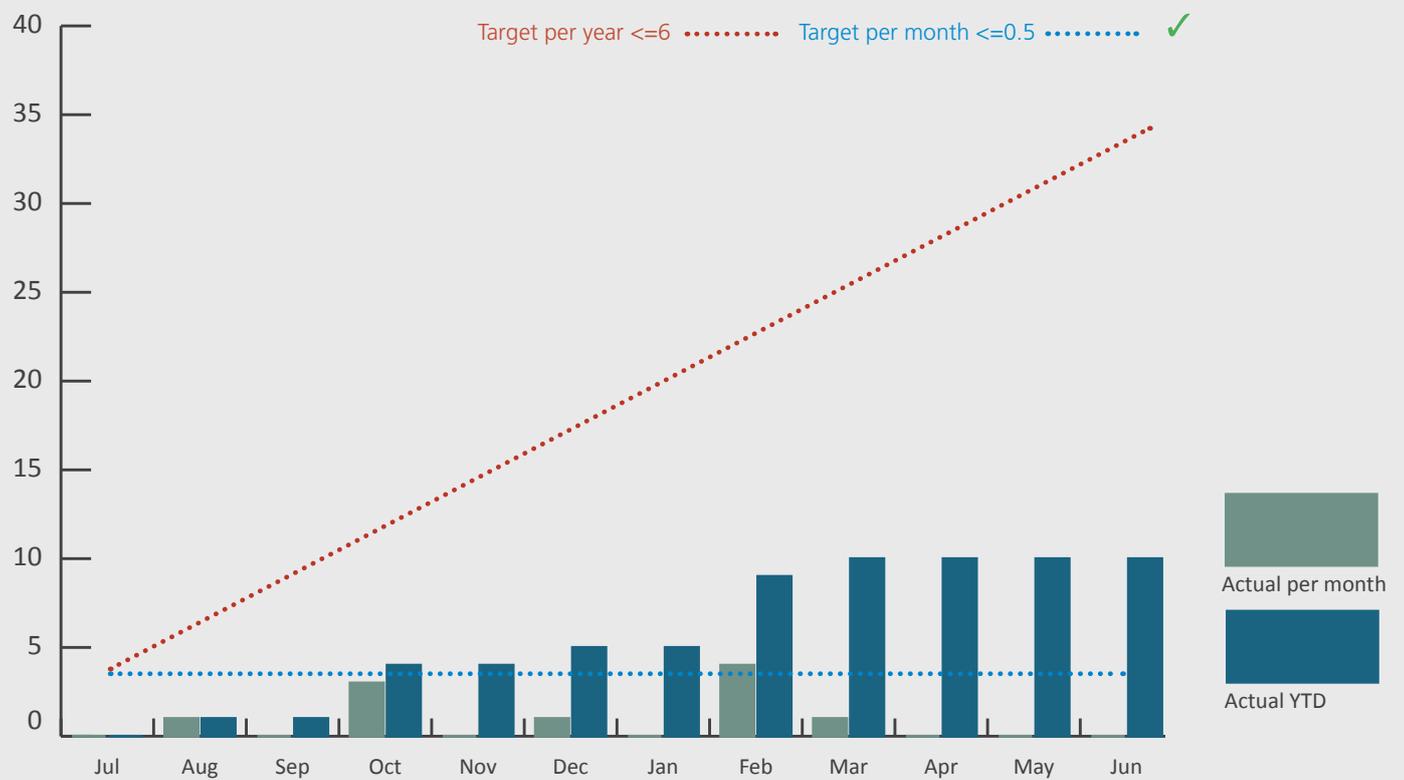
Number of wastewater odour complaints per month



Number of wastewater treatment plants non-conformances with EPA licence over compliance year



Number of poor pressure complains (deficient)



Average response time to water main breaks



Water supply

Project	Description	Budget	Expenditure to date	Comments
Complete annual water meter replacement program	A rolling program of replacing water meters occurs each year.	\$274,907	\$279,196	4,719 meters were replaced as at 30 June 2016.
Redland mainland water supply system network	Construction of new water mains in the Thornlands district meter area and the Alexandra Hills water supply zone.	\$195,691	\$166,002	Savings were realised on this project by undertaking construction of mains by internal crews.

Water	
Reservoirs	5
Length of water main	1,281 km
Water meters	56,425
Water connections including multiple properties per meter (MPPM)	66,599
Water purchased	13,334 ML
Water supplied	12,276 ML
Total assets	\$275m

Wastewater

Project	Description	Budget	Expenditure to date	Comments
Pump Station 6 upgrade – ensure adequate capacity exists for development	Upgrade capacity of existing pump station through constructing an additional 450 mm rising main and upgrading of pumps.	\$3,210,557	\$3,441,464	Rising main constructed. All pumps, generator, switchboard, variable frequency drive control systems and harmonics arrived. Detailed design completed. Tender documents issued to contractors. Construction started in October 2015 and was commissioned in May 2016.
Point Lookout Waste Water Treatment Plant	Tender issued and analysed.	\$10,560,000	\$9,827,137	Building commenced late 2015 and due for commissioning in October 2016.
Dunwich gravity sewer	Installation of gravity sewer connections to more than 200 homes, enabling properties to cease using septic systems.	\$697,700	\$688,805	Delays have been caused by rock and the need to repair leaks. Some additional scope also included to ensure all residences are connected to a sewer service.

Completed works at Pump Station 6, Cleveland Showgrounds



Point Lookout Wastewater Treatment Plant under construction

Wastewater

Treatment plants	7
Pumping stations	136
Length of sewer main	1,175 km
Active services (excluding vacant land)	50,339
Wastewater treated (effluent)	9,834 ML
Sludge for reuse	100% (19,201 tonnes)
Recycled effluent for reuse	353 ML
Trade waste generators	797
Trade waste discharged to sewer	382 ML
Total assets	\$429m

Our statutory duties

Under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*, Redland Water is required to prepare a Water Netserv Plan. This plan is now in place, with the required endorsement from the Deputy Premier that it is consistent with the South East Queensland Regional Plan.

Redland Water continues to maintain close liaison and regional collaboration with South East Queensland water service providers and Seqwater.

Currently, Redland Water is required to report against its Drinking Water Quality Management Plan, which was reviewed on 20 June 2016 and submitted to the Regulator for approval on 23 June 2016. Further reviews are required to be completed every two years. The first regular audit of the plan was conducted on 9 and 10 March 2016. Further audits are required to be completed every four years. Redland Water provided the Regulator with regular audit reports on 19 April 2016 in accordance with section 108 of the *Water Supply (Safety & Reliability) Act 2008*.

Redland Water is also required to provide the Regulator with an annual report, pursuant to sections 141 and 142 of the *Water Supply (Safety & Reliability) Act 2008* in each financial year and this report must be made available to the public.

This report details Redland Water's performance for the 2015-16 financial year and fulfils the business unit's duties under the *Local Government Act 2009*, the *Water Act 2000* and the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*.

Environmental initiatives

Redland Water continued its focus on improving environmental performance of its wastewater treatment plants, pump stations and water and wastewater reticulation mains. Activities for 2015-16 included:

Potable Water

- Network augmentations were constructed in Thornlands and Wellington Point to improve network performance at both peak demand and during fire flow events. These were completed late June 2016.
- The AC main in Queen Street, Cleveland, was replaced. The newly constructed main will provide a greater level of service for customers in the immediate vicinity and limit the potential for a broken main near the Black Swamp Wetlands.

Wastewater

- There was a continued focus on preventative maintenance at wastewater treatment plants, including preparing asset management plans for these facilities.
- New inlet screens were installed and grit was removed at Mount Cotton Waste Water Treatment Plant.
- Pump stations were upgraded at Point Lookout.
- The SCADA system was upgraded at Thorneside Waste Water Treatment Plant.
- 15 pump stations were renewed.
- 100% of all biosolids produced from the wastewater treatment plants were reused via land application.
- The Dunwich sewer project was completed.
- The effluent lagoon at Mount Cotton Waste Water Treatment Plant was restored.
- Construction progressed on the new Point Lookout Waste Water Treatment Plant.
- The Dunwich irrigation area was upgraded.

Delivering on customer service

Customer service standards

Customer service standards describe and define the levels of service Redland Water commits to provide its customers for water and wastewater services.

Below is a summary of Redland Water's water and wastewater service standard key performance indicators (KPIs), targets and performance for 2015-16, as adopted by Council in the Redland Water Annual Performance Plan for water and wastewater services.

KPI	Measure	Target	Actual	Comment
Maintenance costs per property serviced (water)	\$ per month	\$4.25 per month/ \$50.94 per year	\$46.54	KPI achieved
Maintenance costs per property serviced (wastewater)	\$ per month	\$8.53 per month/ \$102.31 per year	\$79.91 per year	KPI achieved
Treatment costs per property serviced (wastewater)	\$ per month	\$12.90 per month/ \$154.86 per year	\$145.53 per year	KPI achieved
Water and wastewater operating revenue (actual to budget)	%	+/-5%	0.76%	KPI achieved
Water and wastewater operating goods and services expenditure (actual to budget)	%	+/-5%	-4.23%	KPI achieved
Water and wastewater capital expenditure (actual to budget)	%	+/-5%	-9.82%	KPI not achieved
% of water samples complying with Australian Drinking Water Guidelines	%	Max 98%	100%	KPI achieved (100% result every month)
Number of wastewater treatment plant non-conformances with <i>Environmental Protection Act 1994</i> licence over compliance year	#	Max 6	0	KPI achieved
Lost time injury frequency rate	#	Max 20	25.44	KPI not achieved

Managing our assets

Operational performance 2015-16

In fulfilling the duties of its performance plan, Redland Water provided all stated services and roles for:

- water supply to customers
- wastewater collection and treatment
- trade waste.

Redland Water also:

- reported monthly on water and effluent quality, and financial and capital project status
- complied with Council's Corporate Plan, policies and procedures, and integrated environmental management system.

Drinking water quality monitoring

Drinking water quality monitoring is undertaken through a verification monitoring program approved by the Regulator. Under the *Water Supply (Safety and Reliability) Act 2008* Section 102, and under the *Public Health Act 2005*, Redland Water must report to the Regulator any non-compliance with health guidelines or report an event that may impact public health. 100% compliance with Australian Drinking Water Guidelines was achieved in 2015-16 and there was no incident reported to the Regulator.

Redland Water is required to provide the Department of Energy and Water Supply with annual reports within 120 business days of the end of the financial year.

Other statutory information

Business activities

Under the *Local Government Act 2009*, Council must provide specific information about its operations and key policies. This section includes a large portion of the information required under the Act, with the remaining information in other sections of this annual report.

A full list of annual reporting requirements for councils required under the Act is provided on pages 70-75, along with directions on where to find the relevant information in this report.

Business activities subject to the Code of Competitive Conduct

Significant business activities

Redland Water is a commercial business unit of Redland City Council, responsible for water supply and wastewater treatment. You can find more information on Redland Water's activities in 2015-16 on pages 54-63.

RedWaste, which looks after Council's waste management activities, is also a significant business activity. You can find more information on RedWaste's activities in 2015-16 on pages 50-53.

Prescribed business activities

Council also undertook the following business activity during the period:

- building certification
- on 25 June 2016, by Council resolution, the Redland Performing Arts Centre (RPAC) was removed from the application of Code of Competitive Conduct as it typically operated at a loss.

The competitive neutrality principle has been applied to all business activities above. There were no investigation notices given in 2015-16 under section 48 of the *Local Government Regulation 2012* for competitive neutrality complaints.

Under section 190(c) of the *Local Government Regulation 2012*:

- a local government's Annual Report for a financial year must include an annual operations report for each commercial business unit
- an annual operations report for a commercial business unit means a document that contains the following information for the previous financial year:
 - information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan
 - particulars of any changes made to the unit's annual performance plan
 - particulars of the impact the changes had on the unit's:
 - financial position
 - operating surplus or deficit
 - prospects
 - particulars of any directions the local government gave the unit.

Beneficial enterprise

Under section 41 of the *Local Government Act 2009* a local government's annual report for each financial year must contain a list of all the beneficial enterprises that were conducted during the financial year. Council has one beneficial enterprise, **Redland Investment Corporation**.

Overseas travel

Name	Destination	Purpose	Cost (excl GST)
Councillor Mark Edwards	Norfolk Island	Australia's Small Island Forum	\$1,945
Kim Kerwin (Group Manager, Economic Sustainability and Major Projects)			\$1,945

Services supplied by another government

Under section 190(d) of the *Local Government Regulation 2012*, we must include details of any service, facility or activity supplied by another local government (under an agreement for conducting a joint government activity), where special rates or charges were levied. There were no services supplied by another government in 2015-16.

Registers

Council maintains a number of registers that are available to the public:

- Adopted Committee and Council meeting dates
- Assets
- Authorised Persons
- Beneficial Enterprise
- Business Activities
- Cat and Dog
- Complaints
- Corporate Gift
- Cost Recovery Fees
- Council Policies
- Delegations
- Contact with Lobbyists
- Local Laws and Subordinate Local Laws
- Mayor to CEO Directions
- Minutes of Local Government Meetings
- Personal Identification (in relation to animals)
- Regulated Dogs
- Regulatory Fees
- Roads.

- Statement of Interests for
 - Councillors
 - Chief Executive Officer
 - senior contract employees
 - a person who is related to a Councillor, Chief Executive Officer, officer or senior contract employee.

Tenders

During 2015-16 there were no changes to tenders.

Shareholder delegates

There were no shareholder delegates for corporate entities in 2015-16.

Rates and concessions

The *Local Government Regulation 2012* provides Council with the powers to grant concessions to individuals and classes of landowners. Council provides concessions to pensioners on rates and various other services Council provides to the community.

Pensioner concessions

Pensioner concessions on general rates are provided to eligible pensioner ratepayers on the basis of Council's Policy POL-2557. The concessions available to eligible pensioners on the general rate for the 2015-16 financial year were:

- ratepayers in receipt of a maximum pension \$330
- ratepayers not in receipt of maximum pension \$165

Community Financial Report

This report summarises Council's financial position and results as at 30 June 2016, based on the consolidated audited financial statements. These financial statements set out the financial performance, financial position, cash flows and changes in community equity for Council and its subsidiary Redland Investment Corporation (RIC) Pty Ltd for 2015-16.

During the financial year, Council continued to deliver a large program of operational and capital works, achieving or exceeding 10 out of 11 performance indicators. We continued to meet all financial commitments and keep debt at low and very manageable levels. This financial year was also the third consecutive year Council has achieved a

consolidated operating surplus. In addition to the business-as-usual functions and activities that underpin service delivery to the Redlands community, we continued to focus on economic development, business transformation, portfolio management and disaster management.

The financial year 2015-16 was also the second operating year for RIC, which identifies and evaluates new business opportunities to boost commercial activity in the Redlands. RIC Toondah Pty Ltd was established as a wholly-owned subsidiary of RIC and was formed to oversee the day-to-day management of the Toondah Harbour Priority Development Area.

Summary of key financial stability and sustainability indicators

Financial stability indicators	Target	Actual performance	
Level of dependence on general rate revenue	< 37.5%	33.59%	✓
Ability to pay our bills – current ratio	1.1 to 4.1	3.86	✓
Ability to repay our debt – debt servicing ratio	≤ 10%	3.24%	✓
Cash balance	≥ \$40m	\$142.93m	✓
Cash balances – cash capacity in months	3 to 4 months	8.69	✓
Longer term financial stability – debt to assets ratio	≤ 10%	1.91%	✓
Operating performance	≥ 20%	20.25%	✓
Interest coverage ratio*	0% to 5%	-0.52%	✓
Measures of sustainability	Target	Actual performance	
Operating surplus ratio	0% to 10%	0.01%	✓
Net financial liabilities ratio**	< 60%	-32.30%	✓
Asset sustainability ratio	> 90%	35.87%	✗

* This is calculated using net interest expense, i.e. interest expense minus interest revenue. The negative number indicates that Council has earned more interest than it has spent on borrowings. Therefore, Council has exceeded this target.

** This is calculated using net financial liabilities, i.e. total liabilities minus current assets. The negative number indicates that Council's current assets exceed the total liabilities. Therefore, Council has exceeded this target.

The operating surplus ratio, the net financial liabilities ratio and the asset sustainability ratios have targets to be achieved on average over the long term (a period of at least 10 years) and are not necessarily expected to be met on a monthly or annual basis. Achieving the target for the asset sustainability ratio continues to be a focus area and Council has committed to a long-term financial strategy that works towards meeting this goal. Council also approved a comprehensive asset management project, which will consider the broader principles of asset management and the renewal program over the next financial year and support the capital works prioritisation policy.

Overview of Council's consolidated financial results

Below are Council's key financial performance highlights (inclusive of RIC):

Information at a glance	2015-16 Actual \$millions	2014-15 Actual \$millions*
Operating income	\$245.35m	\$243.59m
Operating expenditure	\$(245.33)m	\$(237.24)m
Net operating surplus/(deficit)	\$0.02m	\$6.35m
Capital grants, subsidies and contribution	\$68.21m	\$51.23m
Other capital income/(expenditure)	\$(3.05)m	\$(2.98)m
Net result	\$65.18m	\$54.60m

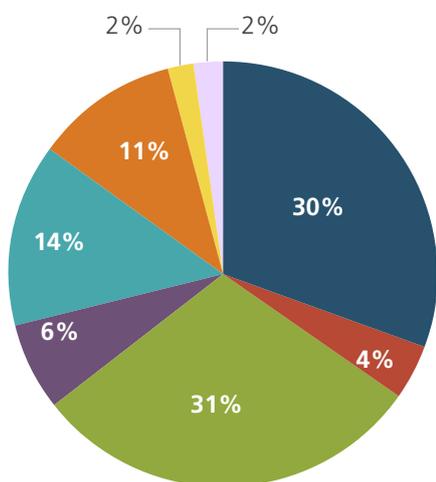
* CPI adjustment for comparability purposes.

What were our major sources of income?

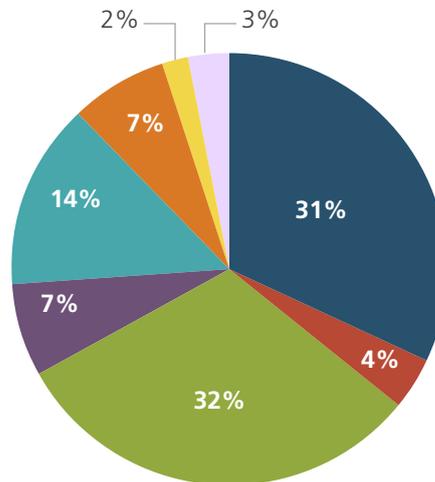
(Consolidated Statement of Comprehensive Income)

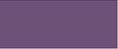
Year-on-year sources of income

2015-16 in millions



2014-15 in millions*



	General rates and Levies \$94.58m
	Fees and charges \$13.74m
	Water and Wastewater charges \$95.46m
	Waste Disposal charges \$19.90m
	Grants, subsidies and contributions \$44.61m
	Developer non-cash contributions \$34.77m
	Interest received \$4.62m
	Other income \$6.03m

	General rates and Levies \$90.79m
	Fees and charges \$12.95m
	Water and Wastewater charges \$93.30m
	Waste Disposal charges \$19.32m
	Grants, subsidies and contributions \$42.51m
	Developer non-cash contributions \$21.54m
	Interest received \$4.46m
	Other income \$10.02m

* CPI adjustment for comparability purposes.

Total income received this year (operating income plus capital grants, subsidies and contributions) was \$313.66m, which was \$18.80m (CPI adjusted), or 6.38% greater than the 2014-15 financial year due to general rate increase in line with budget. Other movements included:

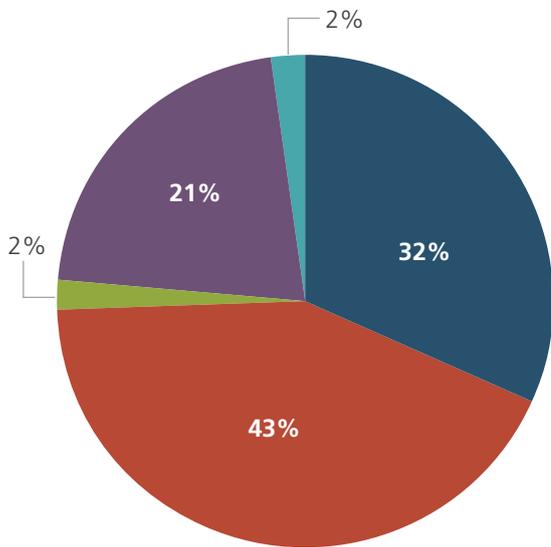
- significant cash and non-cash contributions received from developers during the year due to increased development activity in the city; and
- a one-off carbon tax refund in financial year 2014-15 (the refund received by Council was included in 'other income' and passed on to residents through rates notices, resulting in higher 'other income' and lower 'general rates and levies' income respectively in 2014-15).

Where was the money spent?

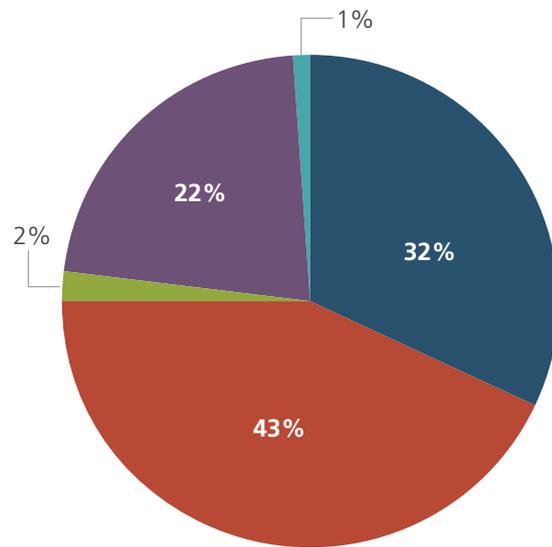
(Consolidated Statement of Comprehensive Income)

Year-on-year expenses

2015-16 in millions



2014-15 in millions*



- Employee benefits \$80.17m
- Materials and services \$108.17m
- Finance costs \$3.98m
- Depreciation and amortisation \$51.72m
- Loss on non-current assets \$4.44m

- Employee benefits \$78.11m
- Materials and services \$102.16m
- Finance costs \$4.82m
- Depreciation and amortisation \$52.16m
- Loss on non-current assets \$3.04m

* CPI adjustment for comparability purposes.

Council's expenses for the 2015-16 financial year were \$248.48m, which is an increase of 3.41% compared to the previous year's expenses of \$240.29m (CPI adjusted).

Materials and services costs include Council's estimated cost of restoring landfill sites across the city. When the estimates change, it impacts the expense reported in this category. The estimates change in 2015-16 resulted in a \$5.94m movement in materials and services costs. In addition, a 10.19% price increase in bulk water rates this financial year contributed to the higher expenses for 2015-16.

What is the value of the net community assets in our care?

(Consolidated Statement of Financial Position)

Value of community assets	2015-16 Actual \$millions	2014-15 Actual \$millions*	Change %
Total assets	\$2,609.92m	\$2,444.92m	7%
Total liabilities	\$(101.36)m	\$(107.34)m	-6%
Net community assets (community equity)	\$2,508.56m	\$2,337.58m	7%

See Financial Statements (Consolidated Statement of Financial Position) for more information.

* CPI adjustment for comparability purposes

The total value of all assets controlled by Council was \$2.61b at 30 June 2016, of which \$2.42b (92.7%) relates to property, plant and equipment and includes freehold land, buildings, roads, stormwater drainage, water, wastewater, waste, parks infrastructure and plant and equipment.

During 2015-16, land, buildings and waste infrastructure assets were independently valued. Independent desktop valuations were performed and indices applied to: road, stormwater drainage, water and wastewater and other

infrastructure assets. The overall impact of the revaluations was an increase of \$135.94m in assets value.

Council borrows only from the Queensland Treasury Corporation (QTC), which is the State Government-owned lending agency from which most local government and state authorities borrow to finance large-scale infrastructure projects. At the end of the 2015-16 financial year, Council owed QTC a total of \$49.86m, with \$7.70m payable in the next 12 months and \$42.16m due in subsequent years.

What were the major sources of cash in and cash out?

(Consolidated Statement of Cash Flows)

The table below compares the main sources of cash receipts and cash paid during the financial years ended 30 June 2015 and 30 June 2016.

Main sources of cash in and out	2015-16 Actual \$millions	2014-15 Actual \$millions*	Change %
Net cash received from operations (excluding interest and borrowing costs)	\$48.82m	\$49.49m	-1%
Purchases and construction of assets	\$(61.32)m	\$(49.33)m	24%
Capital grants, subsidies and contributions	\$33.44m	\$29.70m	13%
Repayment of debt	\$(4.60)m	\$(4.60)m	0%

See Financial Statements (Consolidated Statement of Cash Flows) for more information.

* CPI adjustment for comparability purposes

The cash flow statement is summarised into three activities:

- **Operating activities** – Council's normal day-to-day functions. These include receipts of rates, fees and charges and operating grants offset by payments for employee costs, materials and services and interest costs.
- **Investing activities** – include payments for the purchase and construction of property, plant and equipment and proceeds from the sale of assets.
- **Financing activities** – are repayments of principal on Council's loans. No new loans were drawn down in the year.

Council started the 2015-16 financial year with \$123.96m cash in the bank and ended the year with \$142.93m, exceeding the target for cash capacity in months.

Summary

Council continues to report a strong financial position, improving processes and challenging our officers to be better tomorrow than we are today. Council is embracing innovation and collaboration to continue to deliver projects and provide services while maintaining the community assets and financial capital.

Index of statutory information

State Government legislation requires councils to include specific information in an annual report each year. The table below provides an index of where you can find that information throughout this report. In some instances, the 'provision' column summarises the relevant act requirements for the sake of space. For the full wording for each provision, please refer to the source legislation.

Local Government Act 2009			
Requirement	Chapter	Section	Page
<p>Identifying beneficial enterprises</p> <p>A local government report for each financial year must contain a list of all the beneficial enterprises that the local government conducted during the financial year.</p>	3	41	64
<p>Identifying significant business activities</p> <p>A local government report for each financial year must:</p> <p>(a) contain a list of all the business activities that the local government conducted during the financial year</p> <p>(b) identify the business activities that are significant business activities</p> <p>(c) state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied</p> <p>(d) state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.</p>	3	45	64
<p>Annual report must detail remuneration</p> <p>(1) The annual report of a local government must state:</p> <p>(a) the total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government</p> <p>(b) the number of employees in senior management who are being paid each band of remuneration.</p> <p>(2) The senior management of a local government consists of the chief executive officer and all senior executive employees of the local government.</p> <p>(3) Each band of remuneration is an increment of \$100,000.</p>		201	25
<p>Financial sustainability statements</p> <p>(1) A local government's current-year financial sustainability statement must state the relevant measures of financial sustainability for the financial year to which the statement relates.</p> <p>(2) A local government's long-term financial sustainability statement must state:</p> <p>(a) the relevant measures of financial sustainability for the nine financial years following the year to which the statement relates</p> <p>(b) an explanation of the local government's financial management strategy that is consistent with the long-term financial forecast.</p>	5	178	103-104 107

Local Government Act 2009

Requirement	Chapter	Section	Page
<p>Community financial report</p> <p>(1) A local government must prepare a community financial report for each financial year.</p> <p>(2) The community financial report for a financial year must:</p> <p>(a) contain a summary and an analysis of the local government's financial performance and position for the financial year</p> <p>(b) be consistent with the general purpose financial statement for the financial year</p> <p>(c) include the relevant measures of financial sustainability for the financial year</p> <p>(d) be written in a way that can be easily understood by the community.</p>	5	179	66
<p>Preparation of annual report</p> <p>(1) A local government must prepare an annual report for each financial year.</p> <p>(2) The local government must adopt its annual report within one month after the day the Auditor-General gives the Auditor-General's audit report about the local governments' financial statements for the financial year to the local government.</p> <p>(3) However, the Minister for Local Government may, by notice to the local government, extend the time by which the annual report must be adopted.</p> <p>(4) The local government must publish its annual report on its website within two weeks of adopting the annual report.</p>	5	182	N/A
<p>Financial statements</p> <p>The annual report for a financial year must contain:</p> <p>(a) the general purpose financial statement for the financial year, audited by the auditor-general</p> <p>(b) the current-year financial sustainability statement for the financial year, audited by the auditor-general</p> <p>(c) the long-term financial sustainability statement for the financial year</p> <p>(d) the auditor-general's audit reports about the general purpose financial statement and the current-year financial sustainability statement.</p>	5	183	76
<p>Community financial report</p> <p>The annual report for a financial year must contain the community financial report for the financial year.</p>	5	184	66

Local Government Act 2009			
Requirement	Chapter	Section	Page
<p>Administrative action complaints</p> <p>(1) The annual report for a financial year must contain:</p> <p>(a) a statement about the local government's commitment to dealing fairly with administrative action complaints</p> <p>(b) a statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process.</p> <p>(2) The annual report must also contain particulars of:</p> <p>(a) the number of the following during the financial year:</p> <p>(i) administrative action complaints made to the local government</p> <p>(ii) administrative action complaints resolved by the local government under the complaints management process</p> <p>(iii) administrative action complaints not resolved by the local government under the complaints management process</p> <p>(b) the number of administrative action complaints under paragraph (a)(iii) that were made in a previous financial year.</p>	5	187	29
<p>Overseas travel</p> <p>(1) The annual report for a financial year must contain the following information about any overseas travel made by a Councillor or local government employee in an official capacity during the financial year:</p> <p>(a) for a Councillor - the name of the Councillor</p> <p>(b) for a local government employee - the name of, and position held by, the local government employee</p> <p>(c) the destination of the overseas travel</p> <p>(d) the purpose of the overseas travel</p> <p>(e) the cost of the overseas travel.</p> <p>(2) The annual report may also contain any other information about the overseas travel the local government considers relevant.</p>	5	188	64
<p>Expenditure on grants to community organisations</p> <p>The annual report for a financial year must contain a summary of:</p> <p>(a) the local government's expenditure for the financial year on grants to community organisations</p> <p>(b) expenditure from each councillor's discretionary fund, including:</p> <p>(i) the name of each community organisation to which an amount was allocated from the fund</p> <p>(ii) the amount and purpose of the allocation.</p>	5	189	18, 46

Local Government Act 2009

Requirement	Chapter	Section	Page
Other contents	5	190	
(a) The annual report for a financial year must contain the following information:			33-49
(a) the chief executive officer's assessment of the local government's progress towards implementing its five-year corporate plan and annual operational plan			
(b) particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year			
(c) an annual operations report for each commercial business unit			50-63
(d) details of any action taken for, and expenditure on, a service, facility or activity:			65
(i) supplied by another local government under an agreement for conducting a joint government activity			
(ii) for which the local government levied special rates or charges for the financial year			65
(e) the number of invitations to change tenders under section 228(7) during the financial year			65
(f) a list of the registers kept by the local government			65
(g) a summary of all concessions for rates and charges granted by the local government			65
(h) the report on the internal audit for the financial year			31
(i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints			64
(j) the local government's responses in the financial year on the Queensland Competition Authority's recommendations on any competitive neutrality complaints under section 52(3).			
(b) In this section, an 'annual operations report for a commercial business unit' means a document that contains the following information for the previous financial year:			50-63
(a) information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan			
(b) particulars of any changes made to the unit's annual performance plan for the previous financial year			
(c) particulars of the impact the changes had on the unit's:			
(i) financial position			
(ii) operating surplus or deficit			
(iii) prospects			
(d) particulars of any directions the local government gave the unit.			

Public Sector Ethics Act 1994

Requirement	Chapter	Section	Page
Reporting The chief executive officer of a public sector entity must ensure that each annual report of the entity includes an implementation statement giving details of the action taken during the reporting period to comply with the following sections: <ul style="list-style-type: none">• section 15 (Preparation of codes of conduct)• section 21 (Education and training)• section 22 (Procedures and practices of public sector entities).	5	23	22-25



Consolidated Financial Statements
for the year ended 30 June 2016



REDLAND CITY COUNCIL
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2016

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REDLAND CITY COUNCIL
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
Income					
Recurrent revenue					
Rates, levies and charges	4(a)	209,926	200,226	209,926	200,226
Fees and charges	4(b)	13,744	12,751	13,675	12,751
Interest received		4,623	4,387	4,584	4,385
Sales revenue		4,154	4,103	4,154	4,103
Other income		1,733	5,697	2,008	4,534
Grants, subsidies and contributions	5(a)	11,170	12,610	11,170	12,610
Total recurrent revenue		245,350	239,774	245,517	238,609
Capital revenue					
Grants, subsidies and contributions	5(b)	33,438	29,232	33,438	29,232
Non-cash contributions	5(b)	34,769	21,200	34,769	21,200
Increase in investment property		98	63	98	63
Total capital revenue		68,305	50,495	68,305	50,495
Total income		313,655	290,269	313,822	289,104
Expenses					
Recurrent expenses					
Employee benefits	6	(80,173)	(76,888)	(79,712)	(76,888)
Materials and services	7	(108,166)	(100,555)	(108,215)	(100,489)
Finance costs		(3,980)	(4,740)	(3,979)	(4,740)
Depreciation and amortisation	8	(51,717)	(51,342)	(51,717)	(51,342)
Impairment loss on non-current assets held-for-sale		(1,289)	-	-	-
Total recurrent expenses		(245,325)	(233,525)	(243,623)	(233,459)
Capital expenses					
Loss on disposal of non-current assets		(3,152)	(2,993)	(3,152)	(2,993)
Impairment loss on non-current assets held-for-sale		-	-	(1,289)	-
Total capital expenses		(3,152)	(2,993)	(4,441)	(2,993)
Total expenses		(248,477)	(236,518)	(248,064)	(236,452)
Net result		65,178	53,751	65,758	52,652
Other comprehensive income/(loss)					
Items that will not be reclassified to net result					
Revaluation of property, plant and equipment	12	135,939	158,726	135,939	158,726
Total comprehensive income/(loss) for the year		201,117	212,477	201,697	211,378

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
Current assets					
Cash and cash equivalents	9	142,929	123,956	141,212	121,327
Trade and other receivables	10	25,795	24,674	25,805	25,017
Inventories	11	9,295	10,929	676	774
Non-Current assets held-for-sale		462	57	4,278	10,212
Other current assets		2,122	1,104	2,122	1,104
Total current assets		180,603	160,720	174,093	158,434
Non-Current assets					
Investment property		1,054	956	1,054	956
Property, plant and equipment	12	2,424,908	2,241,265	2,424,916	2,241,265
Intangible assets		3,277	3,606	3,277	3,606
Other financial assets		73	73	6,034	1,233
Total non-current assets		2,429,312	2,245,900	2,435,281	2,247,060
Total assets		2,609,915	2,406,620	2,609,374	2,405,494
Current liabilities					
Trade and other payables	13	22,355	21,615	22,359	21,603
Borrowings	14(a)	7,702	4,482	7,702	4,482
Provisions	15(a)	13,324	14,592	13,316	14,592
Other current liabilities		3,390	2,694	3,390	2,694
Total current liabilities		46,771	43,383	46,767	43,371
Non-current liabilities					
Borrowings	14(b)	42,155	49,973	42,155	49,973
Provisions	15(b)	12,434	12,300	12,416	12,285
Total non-current liabilities		54,589	62,273	54,571	62,258
Total liabilities		101,360	105,656	101,338	105,629
Net community assets		2,508,555	2,300,964	2,508,036	2,299,865
Community equity					
Asset revaluation surplus	16	963,350	827,411	963,350	827,411
Retained surplus		1,545,205	1,473,553	1,544,686	1,472,454
Total community equity		2,508,555	2,300,964	2,508,036	2,299,865

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

REDLAND CITY COUNCIL
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2016

	Asset Revaluation Surplus \$000	Retained Surplus \$000	Total Community Equity \$000
Note	12		
Consolidated			
Balance as at 1 July 2015	827,411	1,473,553	2,300,964
Assets not previously recognised	-	6,474	6,474
Net result	-	65,178	65,178
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	135,939	-	135,939
Total comprehensive income for the year	135,939	71,652	207,591
Balance as at 30 June 2016	963,350	1,545,205	2,508,555
Balance as at 1 July 2014			
Balance as at 1 July 2014	668,685	1,419,802	2,088,487
Net result	-	53,751	53,751
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	158,726	-	158,726
Total comprehensive income for the year	158,726	53,751	212,477
Balance as at 30 June 2015	827,411	1,473,553	2,300,964
Council			
Balance as at 1 July 2015	827,411	1,472,454	2,299,865
Assets not previously recognised	-	6,474	6,474
Net result	-	65,758	65,758
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	135,939	-	135,939
Total comprehensive income for the year	135,939	72,232	208,171
Balance as at 30 June 2016	963,350	1,544,686	2,508,036
Balance as at 1 July 2014			
Balance as at 1 July 2014	668,685	1,419,802	2,088,487
Net result	-	52,652	52,652
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	158,726	-	158,726
Total comprehensive income for the year	158,726	52,652	211,378
Balance as at 30 June 2015	827,411	1,472,454	2,299,865

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

REDLAND CITY COUNCIL
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
Cash flows from operating activities					
Receipts from customers		230,728	227,738	230,272	225,406
Payments to suppliers and employees		(193,941)	(187,733)	(192,533)	(187,688)
		<u>36,787</u>	<u>40,005</u>	<u>37,739</u>	<u>37,718</u>
Interest received		4,624	4,387	4,584	4,385
Non-capital grants and contributions		12,035	8,705	12,035	8,705
Borrowing costs		(3,354)	(3,424)	(3,354)	(3,424)
Net cash inflow/(outflow) from operating activities	21	<u>50,092</u>	<u>49,673</u>	<u>51,004</u>	<u>47,384</u>
Cash flows from investing activities					
Payments for property, plant and equipment		(60,678)	(46,630)	(60,678)	(46,630)
Cash investment in Redland Investment Corporation		-	-	-	(340)
Payments for intangible assets		(646)	(1,930)	(646)	(1,930)
Proceeds from sale of property, plant and equipment		1,365	1,904	1,365	1,904
Capital grants, subsidies and contributions		33,438	29,232	33,438	29,232
Net cash inflow/(outflow) from investing activities		<u>(26,521)</u>	<u>(17,424)</u>	<u>(26,521)</u>	<u>(17,764)</u>
Cash flows from financing activities					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings	14	(4,598)	(4,528)	(4,598)	(4,528)
Net cash inflow/(outflow) from financing activities		<u>(4,598)</u>	<u>(4,528)</u>	<u>(4,598)</u>	<u>(4,528)</u>
Net increase/(decrease) in cash and cash equivalents held		18,973	27,721	19,885	25,092
Cash and cash equivalents at beginning of the financial year		123,956	96,235	121,327	96,235
Cash and cash equivalents at end of the financial year	9	<u>142,929</u>	<u>123,956</u>	<u>141,212</u>	<u>121,327</u>

The above statement should be read in conjunction with the accompanying notes and significant accounting policies.

1 Basis of preparation and compliance**1(a) Basis of preparation**

These general purpose financial statements have been prepared for the period 1 July 2015 to 30 June 2016 in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB).

These financial statements are for the group consisting of Redland City Council (RCC) and its subsidiaries (refer to Note 1(b)) and have been prepared under the historical cost convention except for the revaluation of certain non-current assets, financial assets and financial liabilities. The consolidated entity is a public sector not-for-profit entity for the purpose of preparing the financial statements.

1(b) Principles of consolidation

The financial statements incorporate the assets and liabilities of all subsidiaries of the Redland City Council (parent entity) as at 30 June 2016, excluding Redheart Pty Ltd and RIC Toondah Pty Ltd. RCC and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is obtained and deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Redland Investment Corporation Pty Ltd (Consolidated)

Redland Investment Corporation Pty Ltd (RIC) was incorporated on 2 December 2014 and is limited by shares. Council has 100% ownership of RIC. This company was formed to enhance the commercial activities of Redland City Council to generate revenue in addition to the traditional fees, charges and rates revenue. This company will oversee a diverse range of projects across the city.

RIC Toondah Pty Ltd (Not Consolidated)

RIC Toondah Pty Ltd (RICT) was incorporated on 26 November 2015 and is limited by shares. Redland Investment Corporation Pty Ltd has 100% ownership of RICT. This company was formed to provide the administration services for the day-to-day management of the relationship between venturers (Minister of Economic Development Queensland (MEDQ), RCC/RICT) and the developer for the project in the Toondah Harbour Priority Development Area (PDA). At 30 June 2016, the company had nil net assets and had no transactions throughout the year.

As the transactions in this entity are not material, it has not been consolidated with Council's financial results.

Redheart Pty Ltd (Not Consolidated)

As at 30 June 2016, Council had control over Redheart Pty Ltd, a company whose principle activity was to act as the holder of the mining lease pursuant to the *Mineral Resources Act 1989* in respect of Council's German Church Road quarry operations. As at 30 June 2016, the company had net assets of \$2 and remained dormant throughout the financial year.

As the transactions in this entity are not material, it has not been consolidated with Council's financial results.

1(c) Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board that are relevant to Council's operations and effective for the current reporting period. The consolidated entity 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, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

1(d) Constitution

Redland City Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia. Council's subsidiaries are constituted under the *Corporations Act 2001* and are domiciled in Australia.

1(e) Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate was signed.

1(f) Currency

Council uses the Australian dollar as its functional currency and its presentation currency.

1(g) Rounding and comparatives

Amounts included in the consolidated financial statements have been rounded to the nearest \$1,000. Rounding adjustments are included in Inventories in the Consolidated Statement of Financial Position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

1 Basis of preparation and compliance - continued

1(h) New and amended standards adopted by Council

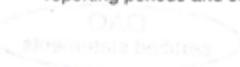
In the current year, the consolidated entity adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

Council has not adopted new or revised Standards and Interpretations issued by the AASB that are not yet effective, except for AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures for Not-For-Profit Public Sector Entities* and AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101*. AASB 2015-7 was early adopted during the previous financial year and provides relief from disclosures of quantitative information about significant unobservable inputs used in fair value measurements and of the sensitivity of certain fair value measurements to changes in unobservable inputs. Based on AASB 2015-2, Council reviewed the presentation and disclosure of information and immaterial disclosures or disclosures that do not add value to the users of the financial statements have been removed.

Other new Standards and Interpretations that have been issued but are not mandatory for 30 June 2016 reporting periods, as well as the assessment of the impact of these new Standards and Interpretations are set out below:

Standard	Nature of change	Impact	Effective dates
AASB 9 <i>Financial Instruments</i> and related amendments to AAS arising from AASB 9	AASB 9 addresses the classification, measurement and de-recognition of financial assets and liabilities. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost. Measurement at amortised cost will be allowed where very specific conditions are met.	Council does not expect the new standard to have a significant impact on the classification and measurement of its financial assets. Council's only "available-for-sale" finance assets are its investments in other entities. However, as these are in the form of unlisted securities these investments are carried at cost.	1 January 2018
AASB 15 <i>Revenue from contracts with customers</i> and related amendments to AAS arising from AASB 15	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services. The new standard is based on the principle that revenue is recognised when control of a good or service is transferred to a customer.	AASB 15 will apply to Council's contracts with customers that do not fall into the scope of the replacement for AASB 1004 <i>Contributions</i> . The AASB issued exposure draft ED260 <i>Income for Not-For-Profit Entities</i> to replace AASB 1004. The most significant change for Council will be to defer income from grants and donations where the delivery of goods and services are enforceable and sufficiently specific, regardless of whether the ultimate beneficiary is the grantor or a third party. The majority of grants and donations received by Council under AASB 1004 is currently recognised on receipt. AASB 15 will be applicable to all the transactions entered into by the Redland Investment Corporation. Revenue from arrangements which create enforceable rights and obligations would need to be deferred until the performance obligations are satisfied. The proposed amendments to other accounting standards as a result of AASB 15 and other amendments will be considered once it has been	1 January 2018
AASB 2015-6 <i>Amendment to Australian Accounting Standards - Extending Related Party Disclosures to Not-For-Profit Public Sector Entities</i>	AASB issued an amendment to AASB 124 <i>Related Party Disclosures</i> in March 2015 to extend these disclosures to not-for-profit public sector entities.	Council is currently considering the required processes for implementation to ensure complete and accurate information can be gathered for compliance with this amendment from 1 July 2016 onwards.	1 July 2016
AASB 16 <i>Leases</i>	The new standard clarifies the distinction between a lease and a service arrangement and is based on the right to control the use of an identified asset during the lease term. The new standard no longer distinguishes between an operating and a finance lease, therefore the main impact on lessees is that almost all leases go on balance sheet. Exemptions are available for short-term and low-value leases.	Council is investigating its current classification of arrangements as either a lease or service arrangement and the applicability of exemptions per this new standard.	1 January 2019

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



1 Basis of preparation and compliance - continued

1(i) Critical accounting judgements and key sources of estimation

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statements notes:

Valuation and depreciation of property, plant and equipment (Note 2(e) and Note 22)

Long-term employee benefit obligations (Note 2(h), Note 13 and Note 15)

Landfill rehabilitation provision (Note 2(i) and Note 15)

Contingent liabilities and contingent assets (Note 18)

Events after the reporting period (Note 24)

2 Significant accounting policies

2(a) Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier unconditional entitlement to the funds. Revenue is recognised for the major business activities as follows:

Rates and levies

Where rate monies are received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the commencement of the rating period.

Fees and charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue upon receipt. Unspent, non-reciprocal grants are held in reserves (restricted funds).

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled.

Non-cash contributions

Physical assets contributed to Council by developers in the form of water, wastewater, road works, stormwater and park equipment are recognised as revenue when it is probable that the assets will be received by Council. Generally this is when the development becomes 'on-maintenance', i.e. Council becomes responsible for the maintenance of the asset. The revenue is recognised when there is sufficient data in the form of drawings and plans to determine the specifications and value of such assets. At year end, where plans are not yet available, an accrual is recognised based on an average rate per lot. All non-cash contributions are recognised at the fair value of the assets received on the date of acquisition.

Cash contributions

Council receives cash contributions from property developers to construct assets such as roads and footpaths for new property developments in accordance with Council's planning scheme policies. These cash contributions are recognised as income when received.

Recurrent/capital classification

Grants and contributions are to be classified as operating or capital depending on the purpose for which they were received. Capital revenue includes grants and contributions received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers as well as gains associated with fixed assets. All other revenue is classified as recurrent.

2(b) Financial assets and financial liabilities

Council recognises a financial asset or financial liability in its Consolidated Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument, i.e. the trade date.

Council's financial assets and financial liabilities are limited to:

Financial assets

Cash and cash equivalents (Note 2(c) and Note 9)
Trade and other receivables - measured at amortised cost (Note 2(d) and Note 10)
Other financial assets such as prepayments and investments in other companies

Financial liabilities

Trade and other payables - measured at amortised cost (Note 2(g) and Note 13)
Borrowings - measured at amortised cost (Note 14)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied, except for Goods and Services Tax (GST), refer to Note 2(j). Refer to Note 22 for fair value measurement considerations in relation to financial assets and financial liabilities.

Redland City Council is exposed to various financial risks including credit risk, interest rate risk and liquidity risk. Exposure to financial risks is managed in accordance with Council's approved Long Term Financial Strategy and Strategic Risk Register.

2 Significant accounting policies - continued

2(c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques received but not banked at the year end, deposits held at call with financial institutions.

Council's cash and cash equivalents are subject to a number of internal restrictions that limit the amount that is available for discretionary future uses. Council accounts for these restrictions internally using a system of reserves as follows:

Constrained works reserve

This reserve includes all contributions of monetary revenue received during the reported and previous periods which are constrained for the purpose of funding specific expenditure. The closing balance reported at the year 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

This reserve holds funds identified for various projects and for funding specific expenditure.

Utilities reserve

This reserve holds funds set aside to meet future specific expenditure for the Redland Water commercial business unit.

Separate charge reserve - Environment

This reserve was established to hold funds collected from the Environment Separate Charge for ongoing maintenance and future capital expenditure for conservation maintenance and environmental land acquisitions.

Special charge reserve - Other

This reserve was established to hold funds collected from the Rural Fire Levy Special Charge and these funds are distributed to the respective Southern Moreton Bay Islands Rural Fire Brigades. This reserve also holds funds collected for Southern Moreton Bay Islands Translink Special Charge and these funds are distributed to the State Government to assist with transport service on the Bay Islands.

Special charge reserve - Canals

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

2(d) Trade and other receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase price/contract price, at trade date. Settlement of these amounts is generally within 30 days from the invoice date.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs.

All known bad debts were written-off or provided for at 30 June 2016.

Council is empowered under the provisions of the *Local Government Regulation 2012* to sell an owner's property to recover outstanding rate debts, therefore Council generally does not impair rate receivables.

2(e) Fixed and intangible assets

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, accumulated depreciation and accumulated impairment losses. Non-current asset thresholds for recognition purposes are as follows:

Land	\$1	Water & wastewater	\$5,000
Buildings	\$1	Parks	\$500
Plant & equipment (vehicles; plant)	\$500	Other infrastructure	\$5,000
Plant & equipment (office equipment; furniture)	\$200	Waste	\$1,000
Plant & equipment (computer hardware)	\$1,000	Work in progress	\$1
Plant & equipment (heritage & arts; library books)	\$1	Intangibles	\$1,000
Roads	\$5,000	Investment property	\$1
Stormwater drainage	\$5,000		

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.

Property, plant and equipment received in the form of contributions are recognised as assets and revenue at fair value (by Council valuation) where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

2 Significant accounting policies - continued

2(e) Fixed and intangible assets - continued

Valuation

All asset categories are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*, except for plant and equipment and work in progress which are measured at cost. The valuation methodology maximises observable inputs where available.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years by engaging either independent external valuers or suitably qualified internal staff. In interim years, valuations are performed using a suitable index where there has been a material variation in the index.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Details of valuers and methods of valuations are disclosed in Note 22.

Investment property

Investment property is property held for the primary purpose of earning rental income and/or capital appreciation. Investment property is initially recognised at cost (including transaction costs) and subsequently revalued under the fair value model. Gains or losses arising from changes in fair value are recognised in the Consolidated Statement of Comprehensive Income for the period in which they arise.

Capital work in progress

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

Depreciation and amortisation

Land, artwork and heritage assets are not depreciated as they have an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to Council. Management believes that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

Depreciation methods and estimated useful lives of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted, where necessary, to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. Assessments performed as part of the annual process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 12.

Software has a finite life between 3 and 10 years. Straight line amortisation is used with no residual value.

All physical and intangible assets are assessed for indicators of impairment annually.

Land under roads

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

2 Significant accounting policies - continued

2(f) Leases

All Council leases are of an operating nature where substantially all the risks and benefits remain with the lessor.

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(g) 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 on 30 day terms.

2(h) Liabilities - employee benefits

Salaries and Wages

A liability for salaries and wages is recognised and measured as the amount unpaid at reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 13 as a payable.

Long-term employee benefit obligations

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service and is therefore measured as a long-term benefit. The liabilities represent the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to projected future increases in the current pay rates including oncosts, the probability of the employee remaining in Council's employment or other associated employment as well as the timing of leave payouts. The payments are discounted using market yields of government bonds at the end of the reporting period with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Where council does not have an unconditional right to defer this liability beyond 12 months, i.e. the employee has become entitled to annual leave or long service leave, the liability is presented as a current liability.

The liability for long service leave is reported in Note 15 as a provision and re-measurements as a result of changes in assumptions are recognised in profit or loss.

A liability for annual leave is reported in Note 13 as a payable. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values if material.

2(i) Landfill rehabilitation provision

A provision is made for the cost of restoration in respect of landfills.

The provision represents the present value of the anticipated future costs associated with the closure of the landfill, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Due to the long-term nature of the liability, the most significant uncertainty in estimating the provision is the cost that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

2(j) Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and GST. The net amount of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively. Council pays Payroll Tax to the Queensland Government on certain activities.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO, are classified as operating cash flows.

3 Statement of functions and activities**(a) Functions of the consolidated entity**

Council's functions and activities have been determined based on service delivery. The activities of Council are categorised into the following broad functions:

Corporate Governance

The corporate governance function supports Council's vision of inclusive and ethical governance through ensuring open, accountable and transparent community outcomes. This function also provides quality leadership at all levels and includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in this function.

Water and Wastewater Services

Council's water and wastewater services business unit is a commercially focussed business unit with the principal goals of providing safe drinking water and the collection of wastewater, including the treatment thereof and refuse disposal. It delivers these services through customer and water product quality management, maintenance of the water and wastewater network, asset management, as well as water infrastructure planning, delivery and development services. Additionally, its business goal is to maximise financial returns and cash flows to support Council's other operations.

Waste Services

The waste function is responsible for the collection and disposal of waste within the city through its kerbside collection service, household hazardous waste services, disposals at landfills and the operation and maintenance of its transfer stations. It also includes maintenance of closed landfill and environmental monitoring of current and former waste disposal facilities.

Community Support, Recreation and Facilities

This function supports the health and wellbeing of our community, promotes strong community spirit and extends to people of all ages, cultures, abilities and needs. The function is supported by a full range of services, programs, organisations and facilities, such as:

- library services;
- youth and aged care services;
- event management;
- community grant funding and sponsorships;
- disaster management and community safety;
- the animal shelter;
- parks, community halls and swimming pools; and
- the Redland Art Gallery and Redland Performing Arts Centre.

Planning and Development

This function delivers the careful management of population pressures and supports the sustainable use of land. It includes the recognition of environmental sensitivities and the distinctive character, heritage and atmosphere of our local communities. This function ensures the delivery of a well-planned network of urban, rural and bushland areas and responsive infrastructure and transport systems to support strong, healthy communities.

Infrastructure Services

This function is responsible for the sustainable management and maintenance of Council's infrastructure assets, as well as identifying, planning and delivering infrastructure to support the community and ensure a high standard of infrastructure in the Redlands. This function includes the delivery of a high quality and effective road network to facilitate pedestrian, cycle and vehicle transport as well as road and drainage infrastructure construction and rehabilitation.

Corporate Services

This function provides support to all of Council and includes administrative, internal audit, budget support, financial accounting, taxation and treasury, human resources, marketing and communication and information technology services. The goal of this function is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

Economic Development

This function supports Council's commitment to increasing the city's economic capacity through business growth, and retention, employment generation and sustained economic growth as articulated in the Economic Development Framework 2014-2041. The development of eight industry sector strategy and action plans will be the critical catalyst in attracting investment and achieving key economic objectives. The strategy and action plan will detail prioritised initiatives and activities and resource allocation in future industry growth sectors of Tourism, Health Care and Social Assistance, Education and Training, Manufacturing, High Value-Add Services, Construction, Retail Trade, and Rural Enterprises.

Business Transformation

The objective of this function is to make council an increasingly more efficient operation that puts the needs of our community first. The team supports staff to deliver what our customers need faster, better and, where possible, cheaper.

Portfolio Management

This function has two responsibilities, one is to create the centre of excellence and a single source of truth to provide methodology, governance, training, advice and support to assist project management teams to plan and deliver successful initiatives; and two be responsible for providing organisational oversight, analysis, and reporting to assist the Executive Leadership Team and elected members to make informed decisions about projects and programs.

Disaster Management

This function (also referred to as the Disaster Planning and Operations Unit) provides the community with practical information to help prepare for, respond to and recover from a disaster. The goal of this function is to organise effective response and recovery in the Redland City Council area, minimising and mitigating where possible the impact of a disaster of major emergency.

Redland Investment Corporation

Redland Investment Corporation Pty Ltd's business objective is to investigate alternative revenue streams and investment opportunities for the Redlands Community. The Corporation also manages some of Council's underutilised assets with an objective to improve their use or value. Redland Investment Corporation also has in place a Service Level Agreement with Council to act as the preferred commercial consultants for the Priority Development Areas. During the financial year ended 30 June 2016, RIC established a proprietary company, RIC Toondah Pty Ltd, which is wholly owned by RIC and operated under the *Corporation Act 2001*. Refer Note 1(b).

REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2016

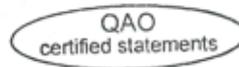
3 Statement of functions and activities - continued

(b) Analysis of results by function
Income, expenses and assets defined between recurring and capital are attributed to the following functions:

Functions	Year ended 30 June 2016						Total Income	Gross income		Total Income		Gross expenses		Total Expenses	Net result from recurrent operations	Net Result	Total Assets
	Recurrent		Capital		Other	Grants		Other	Recurrent	Capital	Recurrent	Capital					
	Grants	Other	Grants	Other									Grants				
Corporate Governance	203	420	-	-	-	623	(16,968)	(1)	(16,969)	(16,345)	(1)	(16,346)	1,836			1,836	
Water and Wastewater Services	3	98,265	2,446	17,788	-	118,502	(68,024)	(331)	(68,355)	30,244	(331)	50,147	745,014			745,014	
Waste Services	-	21,661	-	-	-	21,661	(16,118)	(204)	(16,322)	5,543	(145)	5,399	14,946			14,946	
Community Support, Recreation and Facilities	1,800	7,922	1,372	4,903	-	15,997	(59,359)	(145)	(59,504)	(49,637)	(145)	(49,782)	150,634			150,634	
Planning and Development	5	10,828	-	814	-	11,647	(24,126)	322	(23,804)	(13,293)	322	(12,157)	5,473			5,473	
Infrastructure Services	3,448	8,208	3,143	37,791	-	52,590	(47,353)	(1,990)	(49,343)	(35,687)	(1,990)	(37,677)	1,288,208			1,288,208	
Corporate Services	5,179	87,575	-	48	-	92,802	(11,675)	(2,092)	(13,767)	81,079	(2,092)	79,035	403,263			403,263	
Total Council	10,638	234,879	6,961	61,344	-	313,822	(243,623)	(4,441)	(248,064)	1,894	(4,441)	65,758	2,609,374			2,609,374	
Redland Investment Corporation Pty Ltd (net of eliminations)	-	(167)	-	-	-	(167)	(1,702)	1,289	(413)	(1,869)	-	(580)	541			541	
Total Consolidated	10,638	234,712	6,961	61,344	-	313,655	(245,325)	(3,152)	(248,477)	25	(3,152)	65,178	2,609,915			2,609,915	

Year ended 30 June 2015

Functions	Year ended 30 June 2015						Total Income	Gross income		Total Income		Gross expenses		Total Expenses	Net result from recurrent operations	Net Result	Total Assets
	Recurrent		Capital		Other	Grants		Other	Recurrent	Capital	Recurrent	Capital					
	Grants	Other	Grants	Other									Grants				
Corporate Governance	411	368	14	-	-	813	(15,302)	(1)	(15,303)	(14,503)	(1)	(14,490)	1,424			1,424	
Water and Wastewater Services	30	94,660	-	14,690	-	109,380	(66,836)	(411)	(67,247)	27,854	(411)	42,133	658,605			658,605	
Waste Services	-	20,650	-	-	-	20,650	(16,971)	(5)	(16,976)	3,679	(5)	3,674	12,280			12,280	
Community Support, Recreation and Facilities	1,813	7,591	773	4,650	-	14,827	(60,126)	(445)	(60,571)	(50,722)	(445)	(51,167)	120,163			120,163	
Planning and Development	12	9,924	-	-	-	9,936	(21,454)	792	(20,662)	(11,518)	792	(10,726)	5,020			5,020	
Infrastructure Services	4,673	9,743	3,492	26,813	-	44,721	(43,188)	(2,312)	(45,500)	(28,772)	(2,312)	(27,460)	1,223,357			1,223,357	
Corporate Services	5,183	83,531	-	63	-	88,777	(9,582)	(611)	(10,193)	79,132	(611)	78,521	384,645			384,645	
Total Council	12,122	226,487	4,279	46,216	-	299,104	(233,459)	(2,993)	(236,452)	5,150	(2,993)	52,652	2,405,494			2,405,494	
Redland Investment Corporation Pty Ltd (net of eliminations)	-	1,165	-	-	-	1,165	(66)	-	(66)	1,099	-	1,099	1,126			1,126	
Total Consolidated	12,122	227,652	4,279	46,216	-	290,269	(233,525)	(2,993)	(236,518)	6,249	(2,993)	53,751	2,406,620			2,406,620	



Note	Consolidated		Council	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
4 Revenue analysis				
(a) Rates, levies and charges				
General rates	85,151	81,521	85,151	81,521
Special charges	3,945	3,800	3,945	3,800
Environment levy	8,675	9,848	8,675	9,848
Water access	17,990	17,289	17,990	17,289
Water consumption	35,435	34,163	35,435	34,163
Wastewater	40,406	38,360	40,406	38,360
Trade waste	1,625	2,027	1,625	2,027
Waste disposal	19,896	19,022	19,896	19,022
Total rates and utility charges	213,123	206,030	213,123	206,030
Less: Pensioner remissions and rebates	(3,197)	(5,804)	(3,197)	(5,804)
	209,926	200,226	209,926	200,226

(b) Fees and charges				
Fines and penalties	851	574	851	574
Mooring and parking fees	877	968	877	968
Search fees	912	907	912	907
Development and related application fees	5,932	5,365	5,932	5,365
License fees	1,563	1,517	1,563	1,517
Commercial collection fees	212	195	212	195
Operational works application fees	960	943	960	943
Other fees and charges	2,437	2,282	2,368	2,282
	13,744	12,751	13,675	12,751

5 Grants, subsidies and contributions

(a) Recurrent				
General purpose government grants	5,143	5,181	5,143	5,181
Government subsidies and grants	5,495	6,941	5,495	6,941
Contributions	532	488	532	488
	11,170	12,610	11,170	12,610

(b) Capital				
Government subsidies and grants	6,961	4,278	6,961	4,278
Contributions	26,477	24,954	26,477	24,954
	33,438	29,232	33,438	29,232

Non-cash contributions	12	34,769	21,200	34,769	21,200
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Conditions over contributions

Contributions and non-reciprocal grants which were recognised as income 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:

Transport infrastructure	11,947	10,112	11,947	10,112
Other infrastructure	7,068	5,984	7,068	5,984
Water and wastewater infrastructure	7,326	8,460	7,326	8,460
Grants and contributions	1,873	1,237	1,873	1,237
	28,214	25,793	28,214	25,793

Contributions and non-reciprocal grants which were recognised as income during a previous reporting period and were expended during the current reporting period in accordance with Council's obligations:

Transport infrastructure	871	1,451	871	1,451
Other infrastructure	1,274	112	1,274	112
Water and wastewater infrastructure	8,877	4,371	8,877	4,371
Grants and contributions	1,314	3,888	1,314	3,888
	12,336	9,822	12,336	9,822

REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2016

	Note	Consolidated		Council	
		2016 \$000	2015 \$000	2016 \$000	2015 \$000
6 Employee benefits					
Total staff wages and salaries		63,337	60,846	62,876	60,846
Councillors' remuneration		1,378	1,272	1,378	1,272
Annual leave and long service leave entitlements		7,674	7,992	7,674	7,992
Superannuation		7,735	7,425	7,735	7,425
		<u>80,124</u>	<u>77,535</u>	<u>79,663</u>	<u>77,535</u>
Other employee related expenses		5,322	4,240	5,322	4,240
		<u>85,446</u>	<u>81,775</u>	<u>84,985</u>	<u>81,775</u>
Less: Capitalised employee expenses		(5,273)	(4,887)	(5,273)	(4,887)
		<u>80,173</u>	<u>76,888</u>	<u>79,712</u>	<u>76,888</u>

Councillor remuneration represents salary and superannuation paid in respect of carrying out their duties.

7 Materials and services

Contractors		30,672	31,752	31,297	31,752
Consultants		2,908	2,751	2,725	2,751
Other Council outsourcing costs		16,090	14,951	15,888	14,951
Purchase of materials		37,620	35,392	37,620	35,392
Office administration costs		7,309	6,870	7,135	6,870
Electricity charges		5,368	5,929	5,368	5,929
Plant operations		4,480	4,541	4,476	4,541
Information technology resources		2,024	1,848	2,019	1,848
General insurance		1,216	1,506	1,216	1,506
Community assistance		1,670	1,667	1,670	1,667
Audit of annual financial statements by Queensland Audit Office		139	125	133	125
Other material and service expenses		718	1,206	716	1,140
Remediation costs for landfill		(2,048)	(7,983)	(2,048)	(7,983)
		<u>108,166</u>	<u>100,555</u>	<u>108,215</u>	<u>100,489</u>

8 Depreciation and amortisation

Depreciation of non-current assets	12	50,786	50,659	50,786	50,659
Amortisation of intangible assets		931	683	931	683
		<u>51,717</u>	<u>51,342</u>	<u>51,717</u>	<u>51,342</u>

9 Cash and cash equivalents

Cash at bank and on hand		2,853	5,045	2,336	2,416
Deposits at call		140,076	118,911	138,876	118,911
Balance as per Consolidated Statement of Cash Flows		<u>142,929</u>	<u>123,956</u>	<u>141,212</u>	<u>121,327</u>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

Restricted funds:

Special projects reserve		2,408	2,495	2,408	2,495
Utilities reserve		9,900	9,900	9,900	9,900
Constrained works reserve		63,580	47,702	63,580	47,702
Separate charge reserve - environment		8,036	8,608	8,036	8,608
Special charge reserve - other		13	2	13	2
Special charge reserve - canals		8,237	9,127	8,237	9,127
		<u>92,174</u>	<u>77,834</u>	<u>92,174</u>	<u>77,834</u>
Unrestricted funds		50,755	46,122	49,038	43,493
Total cash and cash equivalents		<u>142,929</u>	<u>123,956</u>	<u>141,212</u>	<u>121,327</u>

REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended 30 June 2016

Note	Consolidated		Council	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000

9 Cash and cash equivalents - continued

Cash is held with the Australia and New Zealand Banking Group in a normal business cheque account. The bank currently has a short-term credit rating of A-1+ and a long-term credit rating of AA-. Deposits at call are held with Queensland Treasury Corporation which has a short-term credit rating of A-1+ and a long-term credit rating of AA+.

Cash is held at a floating interest rate. The weighted average interest rate is 2.96% (2015: 3.40%).

Council holds three facilities with the Australia and New Zealand Banking Group to facilitate its operational monetary requirements. Unrestricted access was available at balance date to these facilities and their associated values are:

Commercial Card	\$325,000
Electronic Payway	\$5,000,000
Varied Facility	\$5,050,000

10 Trade and other receivables

Rates and utility charges	21,048	20,258	21,048	20,258
Trade and other debtors	3,306	3,398	3,316	3,533
GST recoverable	1,995	1,597	1,995	1,805
Less: Allowance for impairment	(554)	(579)	(554)	(579)
	<u>25,795</u>	<u>24,674</u>	<u>25,805</u>	<u>25,017</u>

Interest is charged on outstanding rates at a fixed rate of 11% (2015: 11%) per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other receivables. Credit risk is measured and managed using an ageing analysis.

Trade and other receivables ageing analysis:

Fully performing	18,012	17,456	18,022	17,799
Past due but not impaired:				
31 - 60 days	3,392	2,831	3,392	2,831
61 - 90 days	81	35	81	35
> 90 days	4,864	4,931	4,864	4,931
Impaired	(554)	(579)	(554)	(579)
	<u>25,795</u>	<u>24,674</u>	<u>25,805</u>	<u>25,017</u>

11 Inventories

Inventories held for distribution - measured at cost	676	774	676	774
Land held for development and resale:				
Opening balance	10,155	-	-	-
Transfer (to)/from other non-current asset class	(1,536)	10,155	-	-
Disposals	-	-	-	-
	<u>8,619</u>	<u>10,155</u>	<u>-</u>	<u>-</u>
	<u>9,295</u>	<u>10,929</u>	<u>676</u>	<u>774</u>

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average cost.

Net realisable value is determined on the basis of the market value or list price of similar assets available for sale, less the estimated selling expenses.

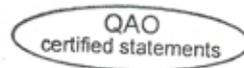
REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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12 (a) Property, plant and equipment

Asset class	Note	Land Fair value	Buildings Fair value	Plant and equipment Cost	Roads Fair value	Stormwater drainage Fair value	Water and wastewater Fair value	Parks Fair value	Other infrastructure Fair value	Waste Fair value	Work in progress Cost	Total
Basis of measurement		n/a	10-75	3-10	10-100	20-150	10-134	16-60	15-100	5-70	n/a	
Range of estimated useful life in years												
Council - 30 June 2016												
Opening gross value as at 1 July 2015		228,227	123,283	46,016	790,544	529,254	1,014,791	80,015	275,854	14,333	31,113	3,133,430
Assets not previously recognised		-	-	-	-	-	-	-	-	6,474	-	6,474
Replacement cost adjustments		-	-	41	(50)	(9)	(8)	146	-	(1,043)	-	(923)
Work in progress expenditure		-	-	-	-	-	-	-	-	-	60,913	60,913
Transfers from work in progress		-	-	-	-	-	-	-	-	-	(59,624)	(59,624)
Additions		1,076	2,923	6,202	22,501	742	9,836	5,093	10,788	231	-	59,392
Contributed assets at valuation	5(b)	80	-	12	6,925	16,998	10,462	292	-	-	-	34,769
Disposals		(754)	(57)	(5,286)	(4,774)	(123)	(771)	(968)	(600)	(359)	-	(13,692)
Revaluation adjustments		(429)	10,991	-	15,428	38,395	122,274	-	5,451	(6,170)	-	185,940
Transfers between asset classes		344	(7)	(1,268)	145	(189)	-	-	-	(1)	-	(976)
Closing gross value at 30 June 2016		228,544	137,133	45,717	830,719	585,068	1,156,584	84,578	291,493	13,465	32,402	3,405,703
Accumulated depreciation												
Opening balance as at 1 July 2015		-	58,762	24,139	210,526	127,878	387,461	37,507	40,708	5,184	-	892,165
Depreciation adjustments		-	-	3	-	(6)	-	111	-	(2,280)	-	(2,172)
Depreciation for the year	8	-	3,114	4,469	14,178	5,714	16,956	3,516	2,352	487	-	50,786
Depreciation on disposals		-	(53)	(4,200)	(3,008)	(24)	(439)	(835)	(517)	(154)	-	(9,230)
Depreciation on revaluation adjustments		-	(15,851)	-	7,224	9,965	48,452	-	835	(624)	-	50,001
Depreciation on transfers between asset classes		-	16	(812)	36	-	-	-	-	(3)	-	(763)
Accumulated depreciation at 30 June 2016		-	45,988	23,598	228,956	143,527	452,430	40,299	43,378	2,610	-	980,787
Council book value as at 30 June 2016		228,544	91,145	22,118	601,763	441,541	704,154	44,279	248,115	10,855	32,402	2,424,916

Redland Investment Corporation Pty Ltd held no material Property, plant and equipment as at 30 June 2016. As such, the results above are for Council only.

Land with a carrying value of \$12,558,900 has restricted use as a result of a development management agreement entered into with the Walker Group for development of the Toondah Harbour Priority Development Area (refer Note 17).



REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2016

12 (b) Property, plant and equipment - prior year comparative

Asset class	Note	Land		Buildings		Plant and equipment		Roads		Stormwater drainage		Water and wastewater		Parks infrastructure		Waste		Work in progress		Total		
		Fair value	n/a	Fair value	10-75	Cost	3-10	Fair value	10-100	Fair value	20-150	Fair value	10-134	Fair value	15-100	Fair value	5-70	Cost	n/a			
Asset values		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		
Opening gross value at 1 July 2014		257,538		116,330		45,146		765,996		520,638		1,006,363		67,517		101,699		14,258		25,921	2,921,408	
Replacement cost adjustments		-		-		-	(41)	-		(476)		31		(229)		290		67		-	(358)	
Work in progress expenditure		-		-		-	-	-		-		-		-		-		-		47,885	47,885	
Transfer from WIP to non-current assets		-		-		-	-	-		-		-		-		-		-		(42,693)	(42,693)	
Additions		267		657		5,872		23,972		537		3,179		2,741		4,042		168		-	41,435	
Contributed assets at valuation	5(b)	-		19		-		6,101		8,635		6,230		215		-		-		-	-	21,200
Disposals		(691)		(181)		(4,835)		(5,078)		(80)		(1,012)		(1,367)		(123)		-		-	(13,367)	
Revaluation adjustments		(18,631)		8,246		-		-		-		-		11,179		169,961		-		-	170,755	
Transfers between asset classes		(10,256)		(1,788)		(167)		(408)		-		-		(41)		(15)		(160)		-	(12,835)	
Closing gross value at 30 June 2015		228,227		123,283		46,016		790,544		529,254		1,014,791		80,015		275,854		14,333		31,113	3,133,430	
Accumulated depreciation																						
Opening balance at 1 July 2014		-		53,384		23,440		196,865		123,302		371,367		31,663		34,406		4,777		-	841,224	
Depreciation adjustments		-		-		-	(17)	(17)		(883)		14		(443)		215		-		-	(1,114)	
Depreciation for the year	8	-		3,003		4,962		14,667		5,471		16,692		3,386		2,012		476		-	50,659	
Depreciation on disposals		-		(152)		(4,134)		(2,868)		(12)		(602)		(1,014)		(28)		-		-	(8,810)	
Depreciation on revaluation adjustments		-		3,979		-		-		-		-		3,934		4,116		-		-	12,029	
Transfers between asset classes		-		(1,452)		(129)		(141)		-		-		(19)		(13)		(59)		-	(1,823)	
Accumulated depreciation at 30 June 2015		-		56,762		24,139		210,526		127,878		387,461		37,507		40,708		5,184		-	892,165	
Council book value as at 30 June 2015		228,227		64,521		21,877		580,018		401,376		627,330		42,508		235,146		9,149		31,113	2,241,265	

Redland Investment Corporation Pty Ltd held no Property, plant and equipment as at 30 June 2015 and had no movements during the year. As such, the results above were for both Council and the group.



REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2016

Note	Consolidated		Council	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
13 Trade and other payables				
Creditors and accruals	16,013	15,534	16,052	15,546
Annual leave	6,342	6,081	6,307	6,057
	<u>22,355</u>	<u>21,615</u>	<u>22,359</u>	<u>21,603</u>

Creditors and accruals are expected to be settled within 12 months. Of the consolidated annual leave balance, \$4,927,840 (2015: \$4,929,338) is expected to be settled within 12 months from balance date and \$1,414,885 (2015: \$1,151,974) is expected to be settled after more than 12 months.

14 Borrowings

(a) Current

Loans - Queensland Treasury Corporation (QTC)	7,702	4,482	7,702	4,482
	<u>7,702</u>	<u>4,482</u>	<u>7,702</u>	<u>4,482</u>

(b) Non-Current

Loans - Queensland Treasury Corporation (QTC)	42,155	49,973	42,155	49,973
	<u>42,155</u>	<u>49,973</u>	<u>42,155</u>	<u>49,973</u>

Movement in loans:

Opening balance at 1 July	54,455	58,983	54,455	58,983
Principal repayments	(4,598)	(4,528)	(4,598)	(4,528)
Closing balance at 30 June	<u>49,857</u>	<u>54,455</u>	<u>49,857</u>	<u>54,455</u>

When Council borrows, it borrows from the Queensland Treasury Corporation. Council's borrowing capacity is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

The market value of QTC loans at the reporting date was \$58,751,489 (2015: \$62,728,471). This represents the value of debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by the Council for any liabilities, however all loans are ultimately guaranteed by the Queensland Government.

Borrowings are in \$AUD denominated amounts and carried at amortised cost, interest is expensed as it is incurred. This is at a weighted average borrowing rate of 7.36%. No borrowing costs were capitalised on qualifying assets.

Expected final repayment dates vary from 15 July 2021 to 15 July 2026. There have been no defaults or breaches of the loan agreement during the year. Following QTC's restructure of debt, Council's annual payment in July 2016 settled a substantial portion of the principal debt which will reduce the interest charges going forward. As such, the current portion as at 30 June 2016 is higher compared to the prior year.

Council measures and manages its exposure to liquidity risk through a maturity analysis. The remaining contractual cash flows of financial liabilities at the end of the reporting period were:

Less than 1 year	7,844	7,953	7,844	7,953
1 to 5 years	31,374	31,810	31,374	31,810
Over 5 years	24,793	32,341	24,793	32,341
Total contractual cash flows	<u>64,011</u>	<u>72,104</u>	<u>64,011</u>	<u>72,104</u>
Carrying amount	49,857	54,455	49,857	54,455

15 Provisions

(a) Current

Landfill rehabilitation	3,554	6,092	3,554	6,092
Workers compensation	444	362	444	362
Long service leave	9,326	8,138	9,318	8,138
	<u>13,324</u>	<u>14,592</u>	<u>13,316</u>	<u>14,592</u>

(b) Non-Current

Landfill rehabilitation	10,177	9,848	10,177	9,848
Workers compensation	462	433	462	433
Long service leave	1,795	2,019	1,777	2,004
	<u>12,434</u>	<u>12,300</u>	<u>12,416</u>	<u>12,285</u>

Movements in provisions:

Landfill rehabilitation

Opening balance at 1 July	15,940	24,069	15,940	24,069
Increase/(decrease) in provision due to change in discount rate and costs	1,669	(6,300)	1,669	(6,300)
Provision utilised during the period	(4,081)	(2,388)	(4,081)	(2,388)
Unused amounts reversed during the period	-	150	-	150
Increase in provision due to passage of time - borrowing costs	203	409	203	409
Closing balance at 30 June	<u>13,731</u>	<u>15,940</u>	<u>13,731</u>	<u>15,940</u>

This is the present value of the estimated cost of restoring closed landfill sites across the city and is based on Council's 10 year program. The decrease in the closing balance is due to the revision of the program costs offset by a decrease in discount rates. The program is funded by a separate charge.

REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended 30 June 2016

Note	Consolidated		Council	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
15 Provisions - continued				
<u>Workers compensation</u>				
Opening balance at 1 July	795	756	795	756
Adjustment for period	111	39	111	39
Closing balance at 30 June	<u>906</u>	<u>795</u>	<u>906</u>	<u>795</u>
<u>Long service leave</u>				
Opening balance at 1 July	10,157	8,918	10,142	8,918
Long service leave entitlement raised	2,070	2,435	2,059	2,420
Long service entitlement used/extinguished	(703)	(773)	(703)	(773)
Long service entitlement paid	(403)	(423)	(403)	(423)
Closing balance at 30 June	<u>11,121</u>	<u>10,157</u>	<u>11,095</u>	<u>10,142</u>

Of the consolidated current long service leave balance, \$934,000 (2015: \$825,000) is expected to be settled within 12 months from balance date and \$8,391,807 (2015: \$7,313,000) is expected to be settled after more than 12 months. The non-current portion relates to employees who have not yet reached the required years of service to be entitled to take long service leave.

16 Asset revaluation surplus

The closing balance of the asset revaluation surplus comprises the following asset categories:

Land	63,625	64,054	63,625	64,054
Buildings	58,251	31,409	58,251	31,409
Plant and equipment	105	105	105	105
Roads	285,403	277,199	285,403	277,199
Stormwater drainage	231,443	203,013	231,443	203,013
Water and wastewater	73,822	-	73,822	-
Parks	43,190	43,190	43,190	43,190
Other infrastructure	206,360	201,744	206,360	201,744
Waste	1,151	6,697	1,151	6,697
	<u>963,350</u>	<u>827,411</u>	<u>963,350</u>	<u>827,411</u>

Increases and decreases on revaluation are offset within a class of assets.

17 Commitments

Operating leases

Future minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	1,150	982	1,150	982
1 to 5 years	4,788	2,513	4,788	2,513
Greater than 5 years	7,362	4,752	7,362	4,752
	<u>13,300</u>	<u>8,247</u>	<u>13,300</u>	<u>8,247</u>

Operating contractual commitments

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

Roadworks	728	1,223	728	1,223
Water and wastewater	2,461	1,158	2,461	1,158
Waste	32,880	46,940	32,880	46,940
Other	25,327	17,326	25,327	17,326
	<u>61,396</u>	<u>66,647</u>	<u>61,396</u>	<u>66,647</u>

These expenditures are payable:

Within 1 year	40,881	32,850	40,881	32,850
1 to 5 years	20,515	33,797	20,515	33,797
Greater than 5 years	-	-	-	-
	<u>61,396</u>	<u>66,647</u>	<u>61,396</u>	<u>66,647</u>

Capital contractual commitments

Commitments for the construction of the following assets contracted for at year end but not recognised as liabilities are as follows and are payable within 1 year:

Roadworks	16	21	16	21
Water and wastewater	8,869	1,773	8,869	1,773
Waste	1,117	251	1,117	251
Other	10,603	11,643	10,603	11,643
	<u>20,605</u>	<u>13,688</u>	<u>20,605</u>	<u>13,688</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

17 Commitments - continued

Redland City Council has conditionally entered into a Development Management Agreement (DMA) with the Minister of Economic Development Queensland (MEDQ) and Walker Group (Walker) to develop certain land owned by Council and the State as part of the Toondah Harbour project. The DMA was executed in February 2016 and is currently conditional on meeting of a number of requirements such as Native Title, Land Tenure, and an Environmental Impact Statement. In accordance with the DMA, Council land to be developed by Walker as part of this project, which is included in property, plant and equipment and has a carrying value of \$12,558,900, will be leased/licenced to Walker during the development period and is restricted in its use to this purpose only. A portion of the land will be developed and sold to third parties (through Walker). The remaining land, together with community infrastructure assets, will be transferred (where not already owned) to Council.

18 Contingent liabilities and contingent assets

Contingent liabilities:

Details and estimates of contingent liabilities as at 30 June 2016 are as follows:

WorkCover self-insurer liability

The estimated claims liability for Council as a self-insurer under the *Workers Compensation and Rehabilitation Act 2003* ('the Act') as at 30 June 2016 is \$944,000 (2015: \$838,000) where estimated claims liability is defined in Section 84 of the Act. The Actuary has recommended that a provision be recognised for \$906,000 (2015: \$795,000) for the total estimated claims liability. Council has in place a bank guarantee with the ANZ Banking Group Ltd for \$5,000,000 (2015: \$5,000,000).

Other claims

The Quandamooka-Redland City Council Indigenous Land Use Agreement (ILUA) sets out broad principles and mechanisms for how parties will work together and meet their respective responsibilities for mutual benefits in accordance with the *Native Title Act 1994*. The ILUA establishes native title validation and consultation for Council's projects and a framework for other policies, programmes and initiatives for the mutual benefit of parties and local community.

Landfill remediation

Council has historically recognised, and continues to recognise, a provision for the remediation of former landfill sites throughout the city to ensure compliance with legal obligations. The legal obligation is broad and covered in a range of legislation such as the *Environmental Protection Act 1994*, *Petroleum and Gas (Production and Safety) Act 2004*, *Sustainable Planning Act 2009* and *Work Health and Safety Act 2011*, plus subordinate legislation (such as various regulations and codes of practice) and other industry guidelines.

Council is taking a risk-based approach to justify and prioritise expenditure for managing these landfills with aftercare management plans under development for each site. Risks will continue to be reviewed and updated in line with relevant information from site inspections, detailed investigations, environmental monitoring results, asset owner feedback, site master plans and other service standards. Costs may change over time and at least annually, this program will be reviewed to reflect the dynamic circumstances against Council prudence and efficiency measures.

Contingent assets:

Council has no contingent assets at the date of this report.

19 Superannuation

Redland City Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB 119 *Employee Benefits*.

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

The scheme has three elements, referred to as:

- City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund;
- Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments (closed to new entrants from 1 July 1998); and
- Accumulation Benefits Fund (ABF).

The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in, the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

Council does not have any employees who are members of the CDBF and, therefore is not exposed to the obligations, assets or costs associated with this fund.

The Regional DBF is a defined benefit plan as defined in AASB 119. Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB 119 because the scheme is unable to account to Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

Any amount by which the fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.

REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2016

Note	Consolidated		Council	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
19 Superannuation - continued				
The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date".				
In the 2015 actuarial report the actuary has recommended no change to the employer contribution levels at this time.				
Under the Local Government Act 2009 the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.				
There are currently 69 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 69 entities. Redland City Council made less than 4% of the total contributions to the plan in the financial year ended 30 June 2016.				
The next actuarial valuation will be conducted as at 1 July 2018.				
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	7,634	7,396	7,634	7,396
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of councillors was:	139	136	139	136

20 Trust funds

Monies collected or held on behalf of other entities	7,343	8,026	7,343	8,026
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These funds relate to monies yet to be paid out to or on behalf of those entities and Council performs only a custodial role in respect of these monies. Council separately accounts for all trust funds through a dedicated trust ledger and within a separate account whereby balances are excluded from the Consolidated Statement of Financial Position.

21 Reconciliation of net result for the year to net cash flows from operating activities

Net result	65,178	53,751	65,758	52,652
Non-cash items				
Depreciation and amortisation	8	51,717	51,342	51,717
Prior years errors corrected in-year		(1,363)	(755)	(1,363)
Non-cash contributions	5(b)	(34,769)	(21,200)	(34,769)
Bad and doubtful debts		(25)	506	(25)
Cost of land sold - acquired as contributed equity		-	820	-
Land acquired in lieu of rates		(2)	(2)	(2)
Impairment of assets classified as held-for-sale		1,289	-	1,289
Fair value adjustment - investment property		(98)	(63)	(98)
		<u>16,749</u>	<u>30,648</u>	<u>16,749</u>
Investing and development activities				
Net loss on disposal of non-current assets		3,152	2,993	3,152
Capital grants and contributions	5(b)	(33,438)	(29,232)	(33,438)
		<u>(30,286)</u>	<u>(26,239)</u>	<u>(30,286)</u>
Changes in operating assets and liabilities				
(Increase)/decrease in trade and other receivables		(830)	575	(762)
(Increase)/decrease in other current assets and inventories		(918)	78	(918)
Increase/(decrease) in trade and other payables		661	751	912
Increase/(decrease) in provisions		(1,158)	(6,826)	(1,145)
Increase/(decrease) in other current liabilities		696	(3,065)	696
		<u>(1,549)</u>	<u>(8,487)</u>	<u>(1,217)</u>
Net cash inflow/(outflow) from operating activities		<u>50,092</u>	<u>49,673</u>	<u>51,004</u>
			<u>47,384</u>	

22 Fair value measurements

The carrying amount of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment where relevant. The carrying value of cash and cash equivalents is a reasonable approximation of fair value and therefore separate disclosures of the fair values are not required.

Investments in 100% controlled entities and investments in other entities do not have a quoted market price in an active market and are valued at cost less any impairment. Shares in controlled entities have been eliminated on consolidation.

Redland City Council measures land, buildings, infrastructure assets and investment property at fair value on a recurring basis.

In accordance with AASB 13, fair value measurements are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset or liability (Level 2)
- Fair value based on unobservable inputs for the asset and liability (Level 3)

All fair value measurements are recurrent and categorised as either Level 2 or Level 3. Council does not hold any assets valued using Level 1 inputs. Where all significant inputs used to value the asset are observable, the asset is valued at Level 2. However, if one or more of the significant inputs are unobservable, the asset is valued as Level 3.

The following table represents the material asset classes measured and recognised at fair value at 30 June 2016.

2016	Gross value	Written down value	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Land	228,544	228,544	11,948	216,596
Buildings	137,133	91,145	-	91,145
Roads	830,719	601,763	-	601,763
Stormwater drainage	585,068	441,541	-	441,541
Water and wastewater	1,156,584	704,154	-	704,154
Parks	84,578	44,279	-	44,279
Other infrastructure	291,493	248,115	-	248,115
Waste	13,465	10,855	-	10,855
	3,327,584	2,370,396	11,948	2,358,448

2015	Gross value	Written down value	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Land	228,227	228,227	12,506	215,721
Buildings	123,283	64,521	-	64,521
Roads	790,544	580,018	-	580,018
Stormwater drainage	529,254	401,376	-	401,376
Water and wastewater	1,014,791	627,330	-	627,330
Parks	80,016	42,509	-	42,509
Other infrastructure	275,854	235,146	-	235,146
Waste	14,333	9,149	-	9,149
	3,056,302	2,188,276	12,506	2,175,770

Council's policy is to recognise transfers in and out of the fair value hierarchy levels (if any) at the end of the reporting period and is consistent with the previous year. Details of valuation movements are shown in Note 12. The additional in year movements for land assets held at level 2 and level 3 are reflected in the table below.

2016 Land	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Opening balance 1 July 2015	12,506	215,721	228,227
Additions	19	1,137	1,156
Disposals	(21)	(733)	(754)
Transfer level 3 to level 2	12,014	(12,014)	-
Transfer level 2 to level 3	(11,829)	11,829	-
Internal transfer	-	344	344
Revaluation	(741)	312	(429)
Closing balance 30 June 2016	11,948	216,596	228,544

2015 Land	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Opening balance 1 July 2014	12,729	244,809	257,538
Additions	-	267	267
Disposals	-	(691)	(691)
Transfer level 3 to level 2	-	-	-
Transfer level 2 to level 3	-	-	-
Internal transfer	-	(10,256)	(10,256)
Revaluation	(223)	(18,408)	(18,631)
Closing balance 30 June 2015	12,506	215,721	228,227

22 Fair value measurements - continued

Valuation techniques used to derive fair values

The specific valuation techniques used to value Council's assets are documented below. Fair value represents the highest and best use of the assets having regard to the optimal financial, physical and legal use of the asset. Residual values have not been applied to any asset category.

Land

All council freehold land was comprehensively valued as at 30 June 2016 by qualified independent external valuers, AssetVal Pty Ltd.

The valuations were based on publicly available data on sales of similar land in nearby localities applying a direct comparison method. Where an active market exists and there are no unreasonable restrictions as to use and/or sale, the land was deemed to be valued as Level 2.

Where no active market existed, or there were restrictions on the use and/or sale, the land was assessed as Level 3. Land carrying a parkland zone, or land utilised for footpath or access restriction purposes, or due to its general characteristics, land that has no observable active market, has been assessed as Level 3. The most significant input to the determination of fair value is the value per square metre.

Buildings

All buildings were comprehensively valued as at 30 April 2016 by independently qualified external valuers Cardno (Qld) Pty Ltd. The valuation was applied to the accounts as at 30 June 2016 as no material movement since valuation was identified. Due to the specialist nature of these assets and the absence of an active market, fair value was assessed by using the depreciated replacement cost methodology, however has been informed by property sales data where relevant and available.

Replacement cost was determined with reference to construction costing data contained in Rawlinson's Australia Construction Handbook and databases built from research by external valuers Cardno (Qld) Pty Ltd. Major buildings have been split into components, and these components were valued separately to reflect differing expectations of condition and useful life. Assessment of economic and remaining life was based on historical assessment of similar assets and drawing on experience of the valuer, and this was the basis for determining the depreciated value. Residual values have not been applied to the building assets.

Physical site inspections were carried out by Cardno on a sample of buildings. The purpose was to confirm the existence and assess the condition of the buildings. The condition assessment was used as an indication of how the assets are contributing to the current performance and to determine fair value accordingly. For buildings not assessed as part of the revaluation exercise, Cardno utilised the recent condition assessment data prepared by the FCT Management Group as a basis to derive fair values.

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition, expected useful life and remaining life and therefore these assets are considered to be valued as Level 3.

Road infrastructure assets

Road assets were comprehensively valued as at 1 July 2013 by Cardno (QLD) Pty Ltd. As these are specialist public service assets that are rarely independently sold, depreciated replacement cost was determined as the most appropriate valuation method. These assets were considered to have been valued using Level 3 inputs.

Unit rates were determined with reference to recent Council construction data, Cardno developed databases and cost curves, Rawlinsons Australia Construction Handbook, and other published building indexes. These rates were applied to the asset specifications including depth, length and width. Unit rates take into consideration material, labour, service and overhead costs (Survey 6%, Design 5%, Engineering supervision 3%, Project Management 6%). All roads are divided into segments and componentised into earthworks, base, sub-base and surface to reflect different lives to each component.

Useful lives were developed by Cardno with reference to common engineering and industry practice standards and Council's historical evidence. The expected lives of major culvert assets were reduced by 20% if located within 50m of the coast and 40% if located in poor soils. A review of the pavement rehabilitation history suggested longer base course useful lives for low traffic roads less than 20 years old and as a result longer lives were adopted for these assets.

Pavement condition was determined by Council officers assessing the following criteria: cracks, ravelling, potholes, roughness, rutting and SMEC Pavement Condition Index. Correlation between condition data and age could not be determined and therefore an age based model was adopted to determine remaining useful life and accumulated depreciation. Remaining life and therefore accumulated depreciation was determined on an age basis for all other roads assets.

The significant unobservable inputs used in the valuation of road infrastructure assets were: expected useful life, remaining life and condition.

Qualified external valuers Cardno (Qld) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

22 Fair value measurements - continued

Stormwater drainage infrastructure assets

Stormwater drainage assets were independently valued as at 1 July 2013 by qualified external valuers Cardno (QLD) Pty Ltd. As these are specialist public service assets that are rarely independently sold, depreciated replacement cost was determined as the most appropriate valuation method. These assets were considered to have been valued using Level 3 inputs. Unit rates and replacement costs were determined with reference to recent Council construction data, Cardno developed databases and cost curves, Rawlinsons Australia Construction Handbook, and other building indexes. These rates were applied to the asset specifications including depth, length and width. Unit rates take into consideration material, labour, service and overhead costs (Survey 6%, Design 5%, Engineering Supervision 3%, Project Management 6%).

Other cost factors considered when developing replacement costs for passive assets were soil and development type, economies of scale and asset depth. These factors together with the asset condition, expected useful life and remaining life are considered the significant unobservable inputs used in the valuation.

Useful lives were developed by Cardno with reference to common engineering and industry practice standards and Council's historical evidence. The lives of assets located within 50m of the coast or in poor soils were adjusted to reflect a varied life expectancy.

Condition assessments of Gross Pollutant Traps - Simple and Complex were conducted by Council officers with reference to predetermined condition criteria and remaining life was derived by application of a predetermined scale.

The remaining useful life of all other Stormwater assets was determined on an aged basis with reference to the total expected life of the asset and as a result the accumulated depreciation was calculated on a straight line basis. Assets are componentised to reflect varying expected lives and consumption patterns.

Qualified external valuers Cardno (Qld) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

Water and wastewater infrastructure assets

Infrastructure assets re-transferred from Allconnex Water were comprehensively valued as at 1 July 2012 by registered valuers GHD to determine their fair value for initial recognition. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold and as such were classified as being valued using Level 3 inputs. Significant components with differing expected useful lives and replacement costs were valued separately.

Replacement costs were based on the replacement of the assets with a modern, engineering equivalent with cost factor adjustments applied to reflect the location and site conditions likely on replacement. Costs of supply and install were derived from GHD's record of past construction projects, the Rawlinsons Australia Construction Handbook and GHD's infrastructure cost estimating database. These costs were verified against Redland City Council information where available and include 15% oncosts (Survey 3%, Design 5%, Construction Supervision 4%, Project Management 3%).

Cost factors taken into consideration when determining replacement cost of underground assets were soil and development type. An additional cost factor was applied to all assets located in island locations.

Remaining life of the assets was determined with consideration to the age and performance of the component assets with reference to design lives developed by GHD using common engineering and industry practice standards. Asset condition and performance were assessed by GHD and used to derive a Condition and Performance Factor.

The condition of underground assets was determined with reference to the age of the assets, while the condition of above ground assets was determined from visual inspection against predetermined condition criteria. Performance scores for above ground assets were based on data provided by RCC operator staff on current reliability and current loadings against design capability. Performance scores for passive assets was deemed to be 1.

Condition and performance scores were assessed against remaining economic life to calculate indicative remaining useful lives that were used to determine accumulated depreciation and fair value.

The significant unobservable inputs used in the valuation were soil, development and island factors; asset performance scores (active assets) and condition; and total expected life and remaining life.

Qualified external valuers Cardno (Qld) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

22 Fair value measurements - continued

Parks infrastructure assets

Parks infrastructure assets were independently valued as at 30 April 2015 by qualified external valuers Cardno (QLD) Pty Ltd. The valuation was applied to the accounts as at 30 June 2015 as no material movement since valuation was identified. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold and as a result were considered to have been valued using Level 3 valuation inputs.

Replacement cost was determined with reference to Council's historical construction records, Cardno's own database of construction costs and other published cost guides. Transportation and other costs unique to work completed on the Islands has been taken into consideration through the application of an island factor to these assets.

Asset condition was assessed by RCC internal experts and a sample confirmed as part of the valuation process by the valuer. Condition ratings were assigned based on the International Management Manual Condition Ratings (1 as new to 5 poor). Remaining lives were derived based on the condition of the assets including factors such as the age of the asset, overall condition as noted during inspection, economic and/or functional obsolescence.

The assets were depreciated with reference to expected useful lives determined through application of industry standard ranges (including Institute of Public Works Engineering Australia (IPWEA)), historic assessment of similar assets, and experience gained from similar valuations by Cardno (QLD) Pty Ltd. The condition assessment directly translates to the level of the depreciation applied.

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition and remaining life and therefore these assets are considered to be valued as Level 3. The significant unobservable inputs used in the valuation were asset condition, total expected life and remaining life.

Other infrastructure assets

These assets include marine, jetty facilities and seawalls and were comprehensively valued as at 30 April 2015 by independent qualified external valuers Cardno (QLD) Pty Ltd. The valuation was applied to the accounts as at 30 June 2015 as no material movement since valuation was identified. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold.

Replacement cost was determined with reference to Council's historical construction records, Cardno's own database of construction costs and other published cost guides. Transportation and other costs unique to work completed on the islands has been taken into consideration by applying an island factor to these assets.

Remaining lives were assigned based on physical assessment of the condition of the assets as noted by the Valuer during inspection including factors such as the age of the asset, overall condition, economic and/or functional obsolescence. The assets were depreciated with reference to expected useful lives determined through application of industry standards (including IPWEA), historic assessment of similar assets, and experience gained from similar valuations by Cardno (QLD) Pty Ltd.

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition and remaining life and therefore these assets are considered to be valued as Level 3.

The significant unobservable inputs used in the valuation were asset condition, total expected life and remaining life.

Qualified external valuers Cardno (Qld) Pty Ltd were commissioned to undertake an independent indexation analysis at 30 June 2016. Various published indices were used to identify cost trends and the valuation took into consideration the effects of price, technological change, asset types and asset location to derive a suitable indexation rate.

Waste infrastructure assets

All waste assets were independently valued as at 30 April 2016 by qualified external valuers AssetVal Pty Ltd. The valuation was applied to the accounts as at 30 June 2016 as no material movement since valuation was identified. Depreciated replacement cost was determined as the most appropriate valuation method as these are specialist public service assets that are rarely independently sold.

Replacement cost was derived through the application of unit rates through summation of the cost components of the assets. Costs components were determined with reference to direct price quotes obtained from suppliers, reference to costs guides including Rawlinson's Australia Construction Handbook and review of Council's historic costs. A mobilisation factor was also applied for assets located in island locations.

Remaining lives were assigned based on physical assessment of the condition and age of the assets by the valuer. The assets were depreciated on a straight line basis with reference to expected useful lives determined through application of industry standard ranges (including IPWEA), historic assessment of similar assets, and experience gained from similar valuations by AssetVal Pty Ltd.

Although some inputs would be considered as Level 2 (replacement cost valuation), significant assumptions were applied in the assessment of condition and remaining life and therefore these assets are considered to be valued as Level 3. The significant unobservable inputs used in the valuation were asset condition, total expected life and remaining life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

23 National Competition Policy

Code of Competitive Conduct

Business activities to which the code of competitive conduct is applied

A government business activity is one which competes with private businesses and exceeds thresholds set by the Department of Infrastructure, Local Government and Planning. In order to remove any advantages or disadvantages, the competitive neutrality principle

The Code of Competitive Conduct seeks to ensure government businesses compete on the same basis as its competitors by:

- (a) the application of the competitive neutrality principle, by removing or taking into account any competitive advantage or disadvantage when deciding charges for goods or services;
- (b) applying full cost pricing when deciding charges for goods or services, or charging for commercial reasons;
- (c) treating the net cost of performing community service obligations as revenue, except for particular roads activities;
- (d) as part of a local government's financial reporting:
 - (i) that the local government's budget contains an estimated activity statement for each business activity; and
 - (ii) that the local government's annual financial statement contains an activity statement for each business activity.

The activity statement for each business activity must state:

- (a) the revenue and expenses from the business activity; and
- (b) the surplus or deficit for the financial year; and
- (c) if community service obligations were carried on:
 - (i) a description of the community service obligations; and
 - (ii) the cost of carrying out the community service obligations, minus the revenue from the community service obligations.

Council resolved to apply the Code of Competitive Conduct to the following business activities during the financial year ended 30 June 2016: Water and Wastewater, Waste Management and Building Certification.

Financial performance of activities subject to code of competitive conduct:

Significant Business Activities - 2016	Water and Wastewater	Waste Management	Building Certification
	\$000	\$000	\$000
Revenue for services provided to Council	2,516	667	29
Revenue for services provided to external clients	98,268	21,661	515
Community service obligations	363	1,609	6
	101,147	23,937	550
Less: Expenditure	82,017	17,264	550
Operating surplus/(deficit)	19,130	6,673	-

Description of Community Service Obligations (CSOs):

Activities	CSO Description	Actual
		\$000
Water and Wastewater	CSOs	
	Water not-for-profit	(86)
	Wastewater not-for-profit	(277)
		(363)
Waste Management	CSOs	
	Birkdale Sanitary Landfill - Gate Waiver Fees	(8)
	North Stradbroke Island Transfer Station	(378)
	Kerbside Recycling	(16)
	Kerbside Waste Collection	(28)
	Kerbside Greenwaste Collection	(1)
	Bulky Item Collection for HAS clients	(20)
	Russell Island Transfer Station	(378)
	Macleay Island Transfer Station	(417)
	Lamb Island Transfer Station	(108)
	Karragarra Island Transfer Station	(89)
Coochiemudlo Island Transfer Station	(164)	
	(2)	
	(1,609)	
Building Certification Services	CSOs	
	Delivery of professional advice at customer service points	(6)
		(6)

Anticipated changes to business activities

It is expected that there will be no new business activities to which the Code of Competitive Conduct (CCC) will be applied for the financial year ending 30 June 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

24 Events after the reporting period

Council resolved to transfer properties to Redland Investment Corporation Pty Ltd at book value \$3,817,561 (2015: \$10,155,000). These properties are reflected in Council's consolidated financial statements as non-current assets held-for-sale. For the purposes of the consolidated financial statements, these properties are disclosed as part of Inventories (Note 11) to reflect the change in intention to the group.

Council has entered into a joint arrangement with the Minister of Economic Development Queensland (MEDQ) to form a joint operation. The purpose of the joint operation is to oversee the development of the Toondah Harbour PDA and Council's interest in the joint operation is 50% with both parties acting jointly and will make all necessary resources available to ensure maximum benefit for both parties and the community (refer Note 12(a)). RIC Toondah Pty Ltd (refer Note 1(b)) will be the manager of this project.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected the consolidated entity's operations.

REDLAND CITY COUNCIL
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2016

MANAGEMENT CERTIFICATE
For the year ended 30 June 2016

These general purpose financial statements have been prepared pursuant to Sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements present a true and fair view, in accordance with Australian Accounting Standards, of Council and consolidated entity transactions for the financial year and financial position at the end of the year.



Mayor
Karen Williams

Date: 20/10/2016



Chief Executive Officer
William Harold Lyon

Date: 20/10/2016

QAO
certified statements

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Redland City Council

Report on the Financial Report

I have audited the accompanying financial report of the Redland City Council, which comprises the statements of financial position as at 30 June 2016, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer of the Council and the consolidated entity comprising the Council and the entities it controlled at the year's end and from time to time during the financial year.

The Council's Responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from 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 the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 used 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 *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only 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.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the Redland City Council and the consolidated entity for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

C. G. Strickland



QUEENSLAND
24 OCT 2016
AUDIT OFFICE

C G STRICKLAND CA
(as delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

REDLAND CITY COUNCIL
MEASURES OF FINANCIAL SUSTAINABILITY
For the year ended 30 June 2016

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Long-term financial sustainability statement

REDLAND CITY COUNCIL
CURRENT-YEAR FINANCIAL SUSTAINABILITY STATEMENT
 For the year ended 30 June 2016

Measures of Financial Sustainability

	How the measure is calculated	Actual	Target
Council's consolidated performance at 30 June 2016 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0.01%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	35.87%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-32.30%	Below 60%
Council's performance at 30 June 2016 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0.77%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	35.87%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-29.63%	Below 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited consolidated general purpose financial statements for the year ended 30 June 2016. The asset sustainability ratio is calculated based on capital expenditure on replacement/renewal of infrastructure assets.

Certificate of Accuracy
 For the year ended 30 June 2016

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.



Mayor
 Karen Williams

Date: 20/10/2016



Chief Executive Officer
 William Harold Lyon

Date: 20/10/2016

QAO
 certified statements

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Redland City Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Redland City Council for the year ended 30 June 2016, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer of the Council and the consolidated entity comprising the Council and the entities it controlled at the year's end and from time to time during the financial year.

The Council's Responsibility for the Current-Year Financial Sustainability Statement

The Council is responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the *Local Government Regulation 2012*. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement 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 Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's and consolidated entity's future sustainability.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only 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.

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Redland City Council and the consolidated entity, for the year ended 30 June 2016, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

Other Matters - Electronic Presentation of the Audited Statement

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

C.G. Strickland



C G STRICKLAND CA
(as delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

**REDLAND CITY COUNCIL
LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT**
Prepared as at 30 June 2016

Measures of Financial Sustainability

Measure	Target	Projected for the years ended									
		30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025

Council

The long-term measures of financial sustainability are presented for Council only. The latest Financial Strategy was adopted exclusive of Redland Investment Corporation Pty Ltd and therefore consolidated measures are not available.

Measure	Target	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025
Operating surplus ratio	Between 0% and 10%	0.77%	0.19%	0.01%	0.63%	0.88%	1.17%	1.70%	2.41%	3.03%	4.24%
Asset sustainability ratio	Greater than 90%	35.87%	77.83%	118.49%	90.16%	94.63%	86.39%	76.09%	77.81%	76.20%	69.82%
Net financial liabilities ratio	Below 60%	-29.63%	-23.82%	-17.84%	-15.84%	-15.79%	-22.87%	-29.25%	-35.90%	-50.62%	-67.04%

Council's Financial Management Strategy

Council's Financial Strategy is underpinned by the Long-term Financial Forecast which is a ten year financial model. The model is reviewed following revised budget forecasts and is used to support resource allocation decision making. The financial forecast contains details of the assumptions used to estimate growth rates, price increases, general rates and charges increases, and also provides the financial outputs and financial sustainability measures for each of the ten years.

The ten year focus allows us to assess our financial sustainability over the period and to guide corporate decision-making. It is a living and breathing document, guiding our financial planning, revenue-raising and spending activities, while adapting to changing needs and requirements.

The Long-term Financial Forecast provides transparency into our financial performance and planning, giving the Community a view of how its services are being funded and where the money goes. It is a tool for validating and maintaining alignment with Corporate Plans and with legislative requirements. It reflects the efforts we are making to meet current and future community expectations and serves to signal the decisions and actions needed to ensure our future financial sustainability.

The projected results are per the adopted 2016-17 budget which is underpinned by the Financial Strategy. It does not include any revisions based on actual results as at 30 June 2016.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2016

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).
In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



Mayor
Karen Williams

Date: 20/10/2016



Chief Executive Officer
William Harold Lyon

Date: 20/10/2016

