

Annual Report

2016-17



Redland
CITY COUNCIL



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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 2016-17 financial year, which spans 1 July 2016 to 30 June 2017.

Full-time equivalent (FTE) – The hours worked by one or more employees 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.

Introduction

In accordance with the *Local Government Act 2009*, Council must publish an Annual Report, which provides an update to our community about Council’s finances, performance and how we have delivered against our plans.

Legislation requires particular information be included in a local government’s Annual Report. An index of this statutory information – and where to find it in this report – is on pages 82–87.

This Annual Report is the second report against our Corporate Plan 2015-2020, which reflects the Redlands 2030 Community Plan. It also includes a summary of our performance against Council’s Operational Plan 2016-17.



About Redland City

Traditional Owners

The Traditional Owners of much of Redland City, collectively known as the Quandamooka People, have lived on the lands and seas surrounding Minjerribah (North Stradbroke Island) for at least 21,000 years.

The Quandamooka People represent three distinct tribes: the Nughie of Moorgumpin (Moreton Island) and the Noonuccal and Gorenpul of Minjerribah.

On 4 July 2011, the Federal Court of Australia made two native title consent determinations recognising the Quandamooka People's native title rights and interests.

The Quandamooka People's native title consent determinations cover most of North Stradbroke Island, Peel Island, Goat Island, Bird Island, Stingaree Island, Crab Island and the surrounding waters of Moreton Bay.

On the same day, Redland City Council and the Quandamooka People also signed an historic Indigenous Land Use Agreement, setting out broad principles and mechanisms for how the parties will work together to benefit the community.

Council is committed to working in partnership with the Quandamooka People, supporting their role as custodians of their traditional lands, and helping ensure the future prosperity and cultural enrichment of the community.

Council has identified actions in its Redlands 2030 Community Plan under the following goal:

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

D CITY COUNCIL



Our profile

Location

South-east of Brisbane, Queensland

Local government area

537 square kilometres

Marine area

Adjacent to the local government area landmass, Redlands has within it 350 square kilometres of the waters of Moreton Bay including 220 km of coastline

Geography

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

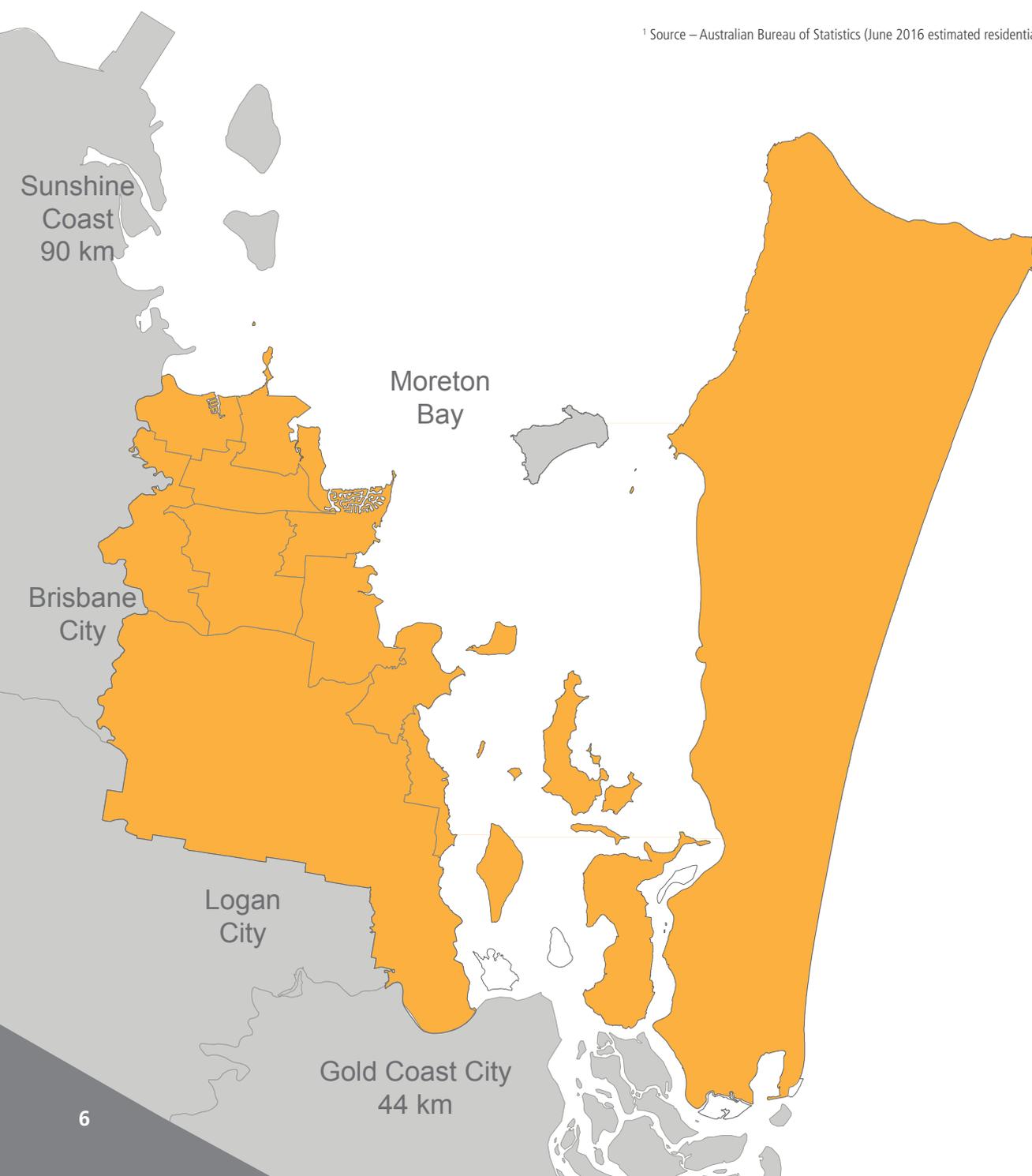
Economy

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

Population

151,987¹

¹ Source – Australian Bureau of Statistics (June 2016 estimated residential population)



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

Following the March 2016 elections, Redland City Councillors committed to governing our city with a unified approach, with the community as our guide. I am confident that we fulfilled that commitment this financial year and, for that, I thank Councillors.

During the year, we identified six strategic priorities to deliver on the community's wishes and, throughout the year, these priorities have been at the core of much of what has been achieved.

Key among them has been a commitment to addressing our transport and connectivity needs – essentially, ensuring that residents can get or connect to where they need to go, faster and safer.

This year, work commenced on a comprehensive strategy to address everything from public transport and the way we work, to reducing traffic congestion and parking. The results will inform our planning for the future of this city.

Closely aligned is our commitment to becoming a smart city that invests in digital connectivity. Council recognises that today's businesses can be home and cloud-based and that we can no longer rely on the NBN being the only solution. This year, we began work on our Smart Cities Strategy as part of the South East Queensland Council of Mayors, a piece of work I believe will deliver real benefits to the community.

Sport, education and the arts were also given priority as we moved to give residents the foundations for a strong future, be it in the classroom, on the stage or on the sporting field. This financial year, Council committed to the future of sport in our community by acquiring 159 hectares of land at Mount Cotton to be used as future sports fields.

Economic development, naturally, was on the priorities list as Council sought to create local jobs, especially for young Redlanders, by giving businesses a reason to invest in our city.

Our Economic Development Advisory Board has continued to provide direction, while Council has been keen to embrace innovative ideas – such as Cleveland's 7 Day Makeover – to activate areas such as the Cleveland CBD and stimulate both shopper and business interest in our city.

Planning is an ever-present priority, with Council adopting a new and clearer City Plan that gives both our community and the industry confidence. This plan will build the foundations for the future of our city.

We also commenced the development of a city brand as a key priority, as we believe it is vital that we set our city apart from the rest as we compete for resources and investment, while at the same time creating civic pride and putting us on the national and international tourism maps.

Despite significant cost increases from other levels of government, in particular hefty successive increases in the Queensland Government's bulk water costs, we held a steady course to finish the year with a small operating deficit and low debt while again minimising cost-of-living pressure on residents. This is largely due to the strong financial base that this Council has diligently maintained.

Councillors and I are again grateful for – and proud of – the efforts and dedication of all Council employees to provide such excellent service to our customers.

This financial year also saw progress on our key waterfront project at Cleveland's Toondah Harbour, with the green light from the Federal Environment Minister to move to the next stage. While there is still much to do before this \$1.39 billion project can deliver on its promised investment and jobs, it is important that all environmental concerns are addressed.

Early in the financial year, Redland City celebrated the fifth anniversary of the Indigenous Land use Agreement with the Traditional Owners of the area and Council reaffirmed its genuine commitment to the people of Quandamooka. The successes and spirit of cooperation that we have come to enjoy holds much promise for the future and will play an important role in North Stradbroke Island's future success.

In April 2017, Council welcomed our new CEO, Andrew Chesterman, after bidding farewell to our former CEO, Bill Lyon. Our Executive Leadership Team also welcomed John Oberhardt, General Manager Organisational Services and Peter Best, General Manager Infrastructure and Operations, and, along with the existing members of our leadership team, they have ensured Council's strategic priorities are embedded within our daily operations.

Council has made a concerted effort to secure greater support from the Queensland Government for Straddie's transition from sand mining to sustainable industries such as tourism, but has also recognised that we have to roll up our sleeves and make it happen. As of June 30 2017, we await commitment to workable projects.

It is a spirit of cooperation that I see daily in our city through the efforts of our many volunteer organisations, the business community, Council employees and residents who are proud to call our city the best place to live, work and do business. I thank all of you who have the interests of the Redlands at heart for your contributions.

A handwritten signature in blue ink that reads "K Williams".

Councillor Karen Williams
Mayor of Redland City



From our CEO

I am pleased to have joined Redland City Council in April this year alongside newly appointed General Manager Organisational Services John Oberhardt in the same month, and General Manager Infrastructure and Operations Peter Best in January 2017.

My transition into this role was seamless, and I thank former CEO Bill Lyon and General Managers Gary Soutar and Nick Clarke not only for their service to the Redlands but also for ensuring the business of running our city continued smoothly.

Since joining as CEO, I have seen first-hand the commitment of employees to improving the quality service we already provide in the most efficient way. The continued embracing of new practices in the interests of the city has been encouraging. It is vital that we continue to develop our reputation as a friendly and approachable team, working together with the community and our customers as our focus.

The measure of our service is evident in nearly 120,000 phone calls, 34,000 counter inquiries and almost 45,000 corporate mail and e-services handled by the Integrated Customer Contact Centre. This is in addition to 1,348 development, planning, building and other applications received and processed and the almost 60 km of roads resurfaced, rehabilitated or built.

Meanwhile, our RedWaste and Redland Water business units contributed considerably to the city's quality of life. RedWaste provided essential waste and recycling collection services to nearly 58,000 households, collecting and processing over 110,000 tonnes of solid waste alone, and Redland Water purchased and supplied over 13,000 megalitres of drinking water, as well as treating over 10,000 megalitres of wastewater.

It has been a particularly busy time on the planning front and, after a review of all submissions, the Redland City Plan was adopted by Council in February 2017 and sent to the Queensland Government for final endorsement. The first State review of the draft Local Government Infrastructure Plan was also completed and given approval to proceed to public consultation, with Council also participating in the review of ShapingSEQ, the South East Queensland Regional Plan. Through this process, Council has consistently advocated for key infrastructure improvements in the city.

Addressing transport and connectivity issues has been a priority, with the final review beginning on Council's transport infrastructure evaluation report, which will identify, assess and highlight road, intersection, public transport and active transport projects that provide a benefit to cross-boundary connectivity.

During the year, the Redlands Economic Development Advisory Board directed the development of two action plans in the industries of health care and social assistance, and education and training. A revised memorandum of understanding was also drafted between Council, Metro South Health and the Mater Private Hospital Redland to further planning investigations into the Redland Health and Wellbeing Precinct. Council continued to pursue the potential purchase of surplus Commonwealth land at Birkdale from the Australian Government, prior to undertaking planning investigations of the site.

In another coup for the Redlands, Surf Life Saving Queensland (SLSQ) has accepted Council's proposal and agreed to ratify a memorandum of understanding to jointly develop the Aquatic and Emergency precinct in Cleveland, which will become the new home for SLSQ headquarters and Centre of Excellence training college.

Our search for innovation led City Planning and Assessment, in conjunction with Information Management, to collaborate with 13 other Queensland councils to prepare our Technology One software for Planning Act implementation, with a new online lodgement system developed for launch in July 2017.

The organisation also began working to implement the 19 actions of the Redland City Events Strategy and Action Plan 2017-22, including establishing a 'red team' of representatives from across Council to support events and provide a forum for event organisers to 'pitch' their event.

Community resilience remained at the forefront, with a major exercise dubbed Exercise Exodus held in early June. The lessons learnt from that, as well as independent reviews following the Russell Island fires, will be assessed in the new financial year. Each fire or extreme weather event brings with it different challenges for a city as diverse as the Redlands and it is incumbent on us to continually improve our capacity to deal with them to ensure public safety. It is, however, also important that residents do their part in being prepared.

Internally, Council's Executive Leadership Team has been developing ways of working more effectively together so that we can support our employees in delivering great outcomes for the city through clear direction and consistency.

My conversations within the organisation have revealed a very strong understanding of purpose and I have been encouraged by what this means for our future and the community we serve. I intend building on this in the 2017-18 financial year by providing a very clear picture of what success for this organisation looks like. Raising the bar when it comes to customer service and value will be a prime focus.

Council's Safety First Redland agenda continued to grow and develop in 2016-17 and positive results were received in the annual external audit of our safety management systems. Our focus on the health and wellbeing of our people increased and we delivered improved services, including a mobile physiotherapy service to cater for our island and field-based employees and a dietician service. Our organisation is advancing its safety culture, refining safety systems and demonstrating safety leadership.

Thank you to the Mayor, Deputy Mayor and all Councillors, outdoor and indoor employees and my colleagues on the Executive Leadership Team for your contributions throughout the year. I look forward to working with you as we rise to the challenges in the years ahead.

Andrew Chesterman
CEO of Redland City

Review of 2016-17 highlights

New plain language mobile-friendly website

Going live in August 2016, the website redevelopment project delivered on our vision for a new plain language website that can be effectively accessed on any device including mobiles and iPads. Content was written in plain language with a customer focus, and pages were designed around 'top tasks'. The site features a prominent search bar and integrates with our social media and e-newsletters. Our new platform is also accelerating 'channel shift' – moving citizens from more costly transactions (phone, face-to-face, letters etc.) to less expensive, more convenient online services.

Koala strategy

In August 2016, Council declared five new Koala Management Areas in key locations across the city under an amendment to Local Law 2. The areas provide added protection for local koalas by requiring dog owners on properties larger than 2,000 square metres to den their dogs overnight to reduce attacks on koalas. The decision followed extensive community consultation. Council also committed to a behaviour change strategy for dog owners. It was followed in December 2016 by the renewal of Council's five-year koala action plan and a call for community and all levels of government support for koala conservation. Action plan priorities identified included koala movement monitoring and threat mapping, enhancement of nature corridors and expansion of koala areas.

Welcome the whales and cultural tourism

The Redlands' reputation as a whale watching and Indigenous cultural tourism hotspot was enhanced in July 2016 with *Yura Yalingbila (Welcome of the Whales)*, an annual tradition of the Quandamooka People and a highlight of the 2016 Quandamooka Festival. Council was again a committed supporter of the three-month festival as part of its events and tourism strategies. Cultural tourism has been identified as a key to North Stradbroke Island's economic future.



Southern Moreton Bay Islands (SMBI) support services

The SMBI Community and Wellbeing Hub was launched on Macleay Island in November 2016 to give SMBI residents access to a range of support services. A partnership project between Council and 10 community organisations, the hub offers services and activities, both during times of crisis and for everyday life, including counselling, mental health support, activities for seniors and emergency relief.

Investing in environmental education

In November 2016, it was announced that Redland City would become home to one of South East Queensland's leading environmental education centres, with Council approving a five-year master plan for its award-winning IndigiScapes Centre at Capalaba. Plans include an elevated skywalk through the trees, ending at the 400-year-old tallowood tree to celebrate its place in local history, along with a new sensory playground, expanded café and Welcome to Country picnic area. Council also began talks with the Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC) about authentic Indigenous cultural heritage experiences to be held at IndigiScapes as part of its tourism strategy.

Disaster preparedness

Council appointed the city's first full-time dedicated local State Emergency Services (SES) Controller in December in time for the storm and bushfire season. The role soon proved a critical one in ensuring the Redlands' disaster preparedness, with bushfires threatening the Southern Moreton Bay Islands. Council also engaged the Queensland Fire and Emergency Service to undertake an independent review of Council's fire maintenance and response following wildfires on Macleay Island and Russell Island in late 2016. In June 2017, Exercise Exodus descended on Russell Island as part of Council's regular commitment to in-the-field training of its disaster preparedness. The surrounding islands and mainland saw emergency services in action in a mock scenario focused on evacuation procedures. It provided the new island Community Champions an opportunity to test their skills following their training to become an essential part of our city's disaster management planning and response.

Events boost

A comprehensive events strategy and action plan was endorsed in December 2016 as part of a suite of Council moves to stimulate the local economy. The Redland City Events Strategy and Action Plan 2017-2022 will help define the Redlands as an events destination, boost jobs creation and support local businesses. It provides a collective vision for the Redlands to become known as one of Australia's most event-friendly destinations, with a balanced calendar of events across the city that attract visitors, boost the economy and enhance our community and cultural fabric.

The events strategy complements the Redland City Tourism Strategy and Action Plan 2015-2020 and Corporate Plan 2015-2020, as well as the work of the Redlands Economic Development Advisory Board.



Toondah Harbour

In June 2017, Commonwealth Minister for Environment and Energy Josh Frydenberg gave the green light to progress the environment referral application for the Toondah Harbour Priority Development Area project in Cleveland. It allowed the Walker Group to take the application to the next stage of the process. Earlier in the year, the project, which is critical to the future economic transition of North Stradbroke Island, was awarded Austrade Tourism Major Project Facilitation service status.

Queensland Audit Office (QAO) Performance Audit on Financial Sustainability

Council received positive feedback following a QAO Performance Audit in 2016-17. The subject of the audit was Forecasting Long-Term Sustainability of Local Government.

The audit noted that only 10 from 77 Queensland councils have a financial plan – Redland City Council is amongst the 10. Each year, Council reviews its Long Term Financial Strategy and updates to reflect changes to the organisation’s risks and opportunities. The Financial Strategy is supported by a robust Local Government Forecasting Model, which facilitates the analysis and use of key financial and non-financial metrics, scenario planning and sensitivity analysis. Council’s Financial Strategy establishes the foundation for development of our Annual Budget and drives the lean process initiatives across Council to deliver short-term and long-term financial sustainability.

The report also noted that Council is proactively responding to its challenges of asset management and works prioritisation. In 2015, Council established a Capital and Operating Advisory Panel of three external members and the Mayor to provide advice on the strategic, commercial and deliverability aspects of Council’s proposed projects.

Cleveland’s makeover

More than 60 volunteers channelled their inner artist, rolled up their sleeves and worked wonders during the Cleveland 7 Day Makeover in May 2017, transforming under-used areas of the CBD with colourful, creative, curious and quirky street furniture, sculpture and play spaces.

Internationally-renowned place maker David Engwicht, the creator of the 7 Day Makeover, led the volunteers in their quest to turn the CBD into a vibrant social epicentre through their can-do attitude and plenty of good old-fashioned hard work. The event kick-started Council’s Cleveland What’s Next program, designed to boost activity in the city’s heart.



Lighting of the City Christmas tree

2016 saw Redland City welcome a new large external Christmas tree to its annual Christmas festivities. It was the inaugural event of the Mayor’s official lighting of the Christmas tree.

Santa and his reindeers appeared at the event and attracted more than 200 residents to Cleveland Library Square. The success of the event has cemented it in Council’s annual event activity calendar.



Eyes on the Redlands

Council was delighted in March 2017 when the Redlands was announced as one of the destinations for the Queen’s Baton Relay as it makes its way to the Gold Coast 2018 Commonwealth Games opening ceremony on 4 April 2018. The eyes of the Commonwealth will be on Cleveland on 31 March 2018 as the baton journeys towards its final destination. It means the Redlands will play an important part in the largest multi-sport event to be staged in Australia in a decade.

Caring for our coast

In December 2016, Council also adopted a comprehensive Coastal Adaptation Strategy. Funding was then received in February 2017 from the Queensland Government’s QCoast2100 Program for phases 1-5 of the strategy, which will identify and develop management plans for coastal hazards. When finalised, the overall strategy will provide a consistent and transparent approach to managing existing and emerging coastal hazards, as well as informing future planning.

Generating fresh ideas

In April 2017, Council hosted the RedGen Under 30 Youth Innovation Forum at which some of the city’s best and brightest young people brought the concept of an innovation hub in the Redlands a step closer. The forum was organised to come up with ideas on how to keep young people in the city after finishing school. In addition to a possible innovation hub, suggestions from the participants included providing better work experience opportunities for senior students before they left school and giving young people a better idea of future career options.

Milestones and awards

Mayor Award

The Mayor Award is the highest formal recognition an employee at Redland City Council can receive. This momentous award recognises an individual employee's outstanding commitment to enriching the Redland community and also honours their characteristics that help make Redlands the best place to live, play, work and do business.

Aimee Michell

Aimee has shown a can-do attitude and, with support from others, created the internal 'Lean Operations' course to meet our business requirements. Through this course, Aimee was able to engage the outside workforce and develop its understanding of Lean Thinking, something that will help drive the organisation into the future and be of great value to our community.



CEO Awards

The CEO Awards are a way of formally recognising and rewarding individuals and teams who demonstrate an above and beyond a commitment to Council's five core organisational values: customer service, one team, accountability, growth and communication.

Accountability

Kim Peeti

Kim is a role model for driving efficiency, innovation and change culture, and delivering effective and expedient customer solutions. She is an absolute professional and, through her leadership, inspires others to achieve their best.

Communication

Emily Hippe

Emily communicates with great professionalism. Her active listening and constructive communication abilities are focused on building strong customer relationships and achieving positive outcomes.

Customer Service

Anne-Maree Sankey

Anne-Maree has demonstrated a truly impressive commitment to providing extraordinary levels of customer service. Dealing with high workloads, her work ethic, attitude, capacity and resilience are truly impressive.

Growth

Laurence Blacka

Laurence improved the quality and output of the internal mowing team and has set a new standard for mowing operations, implementing changes that have saved Council more than \$450,000 a year.

One Team

Graham Simpson and Tasmin Young

Graham makes his employees a top priority. He demonstrates a strong involvement in generating and improving cooperation and collaboration within and between teams.

Tasmin is self-motivated and continuously seeks improvements to ensure the Human Resource team is running smoothly. Tasmin is constantly helping others in solving issues.



Team Awards

Amanda Taylor and Liz Russell

Amanda and Liz have contributed significantly to improving the level of support provided to our outdoor employees. They went above and beyond in demonstrating the One Team value.

Mechanical and Electrical Maintenance Team

The Mechanical and Electrical Maintenance Team continuously provided an exceptional level of service to the community and exceeded expectations in their daily routine, after hours and emergency response work.

Workplace Relations Advisors and Team Leaders

This team is recognised for the innovative development of Council's Domestic and Family Violence Support Guideline and framework. This framework was the first of its kind in Queensland and the team demonstrated Council's values through the process.

Other awards

In October 2016, Council was awarded Queensland Outdoor Recreation Federation Awards (QORF) for our Enhancing the Visitor Experience Program and the popular Redlands Track Park. The QORF awards celebrate excellence in outdoor recreation and the win shone the spotlight on the work Council and the community do to promote and enhance our outdoor recreation areas.

Our Enhancing the Visitor Experience program continues to build momentum and this award not only recognises its success, but the success of a project directly linked to it – our Redlands Track Park.

Not only were we a shared winner of the QORF award, our award-winning environmental centre, Redland IndigiScapes, was also a finalist.



Mayor and Councillors' information

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

Div 2 – Councillor Peter Mitchell
Cleveland/North Stradbroke Island

Div 3 – Councillor Paul Gollè
Cleveland/Thornlands

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

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

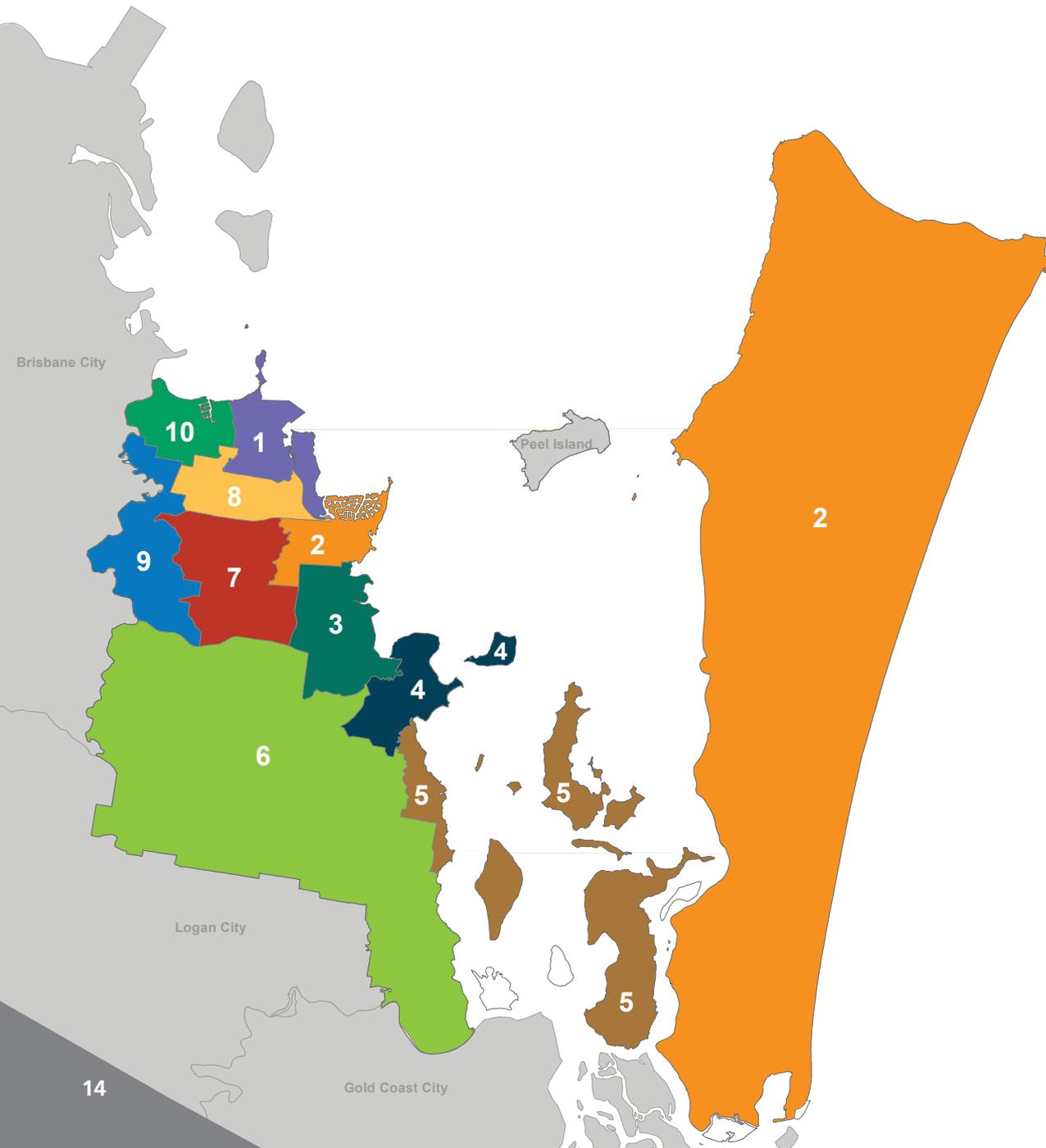
Div 6 – Councillor Julie Talty
Mount Cotton/Sheldon/Thornlands/Victoria Point/Redland Bay

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





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 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, board member of the Australian Local Government Association (ALGA), Local Government Association of Queensland Policy Executive Committee, Healthy Land and Water, Local Government Mutual Services and the Economic Development Advisory Board. Karen is also a member of South East Queensland Regional Plan Committee and South East Queensland Council of Mayors Resilient Rivers Taskforce, a Trustee of the Committee for Economic Development for Australia (CEDA), and Chair of the Local Disaster Management Group.

Karen is a graduate of and holds a Diploma with the Australian Institute of Company Directors.

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.

The Mayor and Councillors 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.



Division 1

Wendy Boglary (Deputy Mayor)

Wellington Point/Ormiston

Elected: 2008

At the Post-Election Meeting on 14 April 2016, Wendy was unanimously appointed as Deputy Mayor for a period of one year. In May, 2017 she was reappointed for a further 12 months.

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 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 Certificate IV Train the Trainer, and 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 and the North Stradbroke Island Historical Museum Inc.



Division 3

Councillor Paul Gollè

Cleveland South/Thornlands

Elected: 2016

Paul has served in the Australian Defence Force. He has also worked in the corporate sector – 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, Diploma of Legal Services, 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 Queensland 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 Patron of Meals On Wheels Victoria Point, Coochiemudlo Surf Life Saving Club and Redlands Netball Association. He is also a member of Redland Bay and Victoria Point Lions Club and honorary member of Rotary Club of Redland Sunrise, Thornlands. Lance 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.



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.



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 29 years.



Division 8

Councillor Tracey Huges

**Birkdale/Alexandra Hills/Ormiston/Wellington Point/
Cleveland**

Elected: 2016

Tracey is a long-term resident of the Redlands and lived in Victoria Point for nine years before moving to Wellington Point in 1999. Tracey has always been a committed volunteer within the Redlands community, being involved in many church, school, sporting, community groups and events. She thrives on helping others and supporting and promoting our city. This dedication, combined with her strong organisational skills and empathy, drives her ongoing passion as Councillor. Recognising the most vulnerable in the community are aged residents, Tracey's interest and additional focus on engaging with the support networks for our frail and aged, and supporting these organisations, has continued to be high on her agenda.

Since being elected as Councillor for Division 8, Tracey has also dedicated herself to helping strengthen and protect community values.



Division 9

Councillor Paul Gleeson

Capalaba/Birkdale

Elected: 2012

A Redlands resident for 25 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 is currently Chair of Council's Internal 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 and 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), a member of 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 2017.

Statutory meetings attended	Mayor Cr Williams	Division 1 Cr Boglary	Division 2 Cr Mitchell	Division 3 Cr Gollè	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 (20 held)	14	20	19	20	20	20	20	20	20	19	20
Special Meetings (3 held)	3	3	3	3	3	3	3	3	3	3	3
TOTAL	17	23	22	23	23	23	23	23	23	22	23

Councillor remuneration

In accordance with the *Local Government Regulation 2012*, the Local Government Remuneration and Discipline Tribunal is responsible for determining the maximum remuneration payment to the Mayor, Deputy Mayor and Councillors. The 2015 Local Government Remuneration and Discipline Tribunal Report determined that remuneration to be paid for 2016-17, as follows:

Mayor: \$168,617

Deputy Mayor: \$114,966

Councillor: \$ 99,638

Division	Name	Gross salary*	Superannuation contributions	Transport**
	Mayor Williams	\$168,565.37	\$20,227.88	\$18,778.72
1	Cr Boglary (Deputy Mayor)	\$114,930.82	\$13,791.70	\$182.79
2	Cr Mitchell	\$99,607.40	\$11,953.00	\$8,997.71
3	Cr Gollè	\$99,607.40	\$11,953.00	\$10,290.29
4	Cr Hewlett	\$99,607.40	\$11,953.00	\$10,881.38
5	Cr Edwards	\$99,607.40	\$11,953.00	\$23,733.79
6	Cr Talty	\$99,607.40	\$11,953.00	\$8,764.08
7	Cr Elliott	\$99,607.40	\$11,953.00	-
8	Cr Huges	\$99,607.40	\$11,953.00	\$18,926.46
9	Cr Gleeson	\$99,607.40	\$11,953.00	\$14,858.46
10	Cr Bishop	\$99,607.40	\$11,953.00	\$17,272.49
	Total	\$1,179,962.79	\$141,596.58	\$132,686.17

* Gross salaries paid to Councillors during 2016-17 are slightly lower than the remuneration figures determined by the Local Government Remuneration and Discipline Tribunal. This has occurred due to the pay periods not aligning with the beginning and end of the 2016-17 financial year. Councillors were paid for four days worked at the end of 2015-16 at that year's rate.

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

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 2016-17 financial year, \$246,393.81 was distributed to various organisations and individuals. Funds unspent or returned to Council were \$11,668.68. (Therefore we have provided funds of \$234,725.13 to community and individuals.)

Division	Councillor	Amount
Mayor	Mayor Karen Williams	\$49,503.39
1	Cr Wendy Boglary	\$19,376.53
2	Cr Peter Mitchell	\$19,572.29
3	Cr Paul Gollè	\$15,316.18
4	Cr Lance Hewlett	\$19,999.98
5	Cr Mark Edwards	\$19,999.91
6	Cr Julie Talty	\$20,000.00
7	Cr Murray Elliott	\$12,175.54
8	Cr Tracey Huges	\$20,000.00
9	Cr Paul Gleeson	\$20,000.00
10	Cr Paul Bishop	\$18,781.31
Total		\$234,725.13

Sponsorship

In addition to the Councillors' Small Grants, Council provided in-kind sponsorship to more than 20 events and activities in 2016-17. This included assistance with marketing, traffic management, signage, waste management and equipment.

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. In May 2017, this policy was reviewed and amended to include the requirement for international travel by Councillors to have the prior approval of Council.

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.

Mayor and Councillor expenses and facilities

Division	Name	*Discretionary training and discretionary conference registration	^^Delegations and conference related expenses	Mandatory training	Telephone and remote access	##Expenses Council/ community events	Total
	Mayor Williams	\$272.73	-	\$10,693.27	\$4,247.64	\$558.64	\$15,772.28
1	Cr Boglary (Deputy Mayor)	\$272.73	-	\$3,996.66	\$475.55	\$355.34	\$5,100.28
2	Cr Mitchell	-	-	\$3,560.42	\$1,115.91	\$382.16	\$5,058.49
3	Cr Gollè	\$1,234.56	-	\$5,034.48	\$525.12	\$418.52	\$7,212.68
4	Cr Hewlett	-\$30.00**	-	\$3,592.60	\$566.27	\$630.80	\$4,759.67
5	Cr Edwards	\$688.13	-	\$2,243.75	\$3,610.18	-	\$6,542.06
6	Cr Talty	-	-	\$4,862.48	\$2,177.06	\$635.79	\$7,675.33
7	Cr Elliott	-	-	\$1,548.29	\$773.89	-	\$2,322.18
8	Cr Huges	-	\$1,100.00	\$10,498.76	\$567.51	\$261.82	\$12,428.09
9	Cr Gleeson	-	-	\$2,243.75	\$476.96	\$35.00	\$2,755.71
10	Cr Bishop	\$1,788.73	\$750.00	\$6,483.62	\$555.94	\$188.05	\$9,766.34
Totals		\$4,226.88	\$1,850.00	\$54,758.08	\$15,092.03	\$3,466.12	\$79,393.11
						Support costs	\$999,395.66
						Total costs	\$1,078,788.77

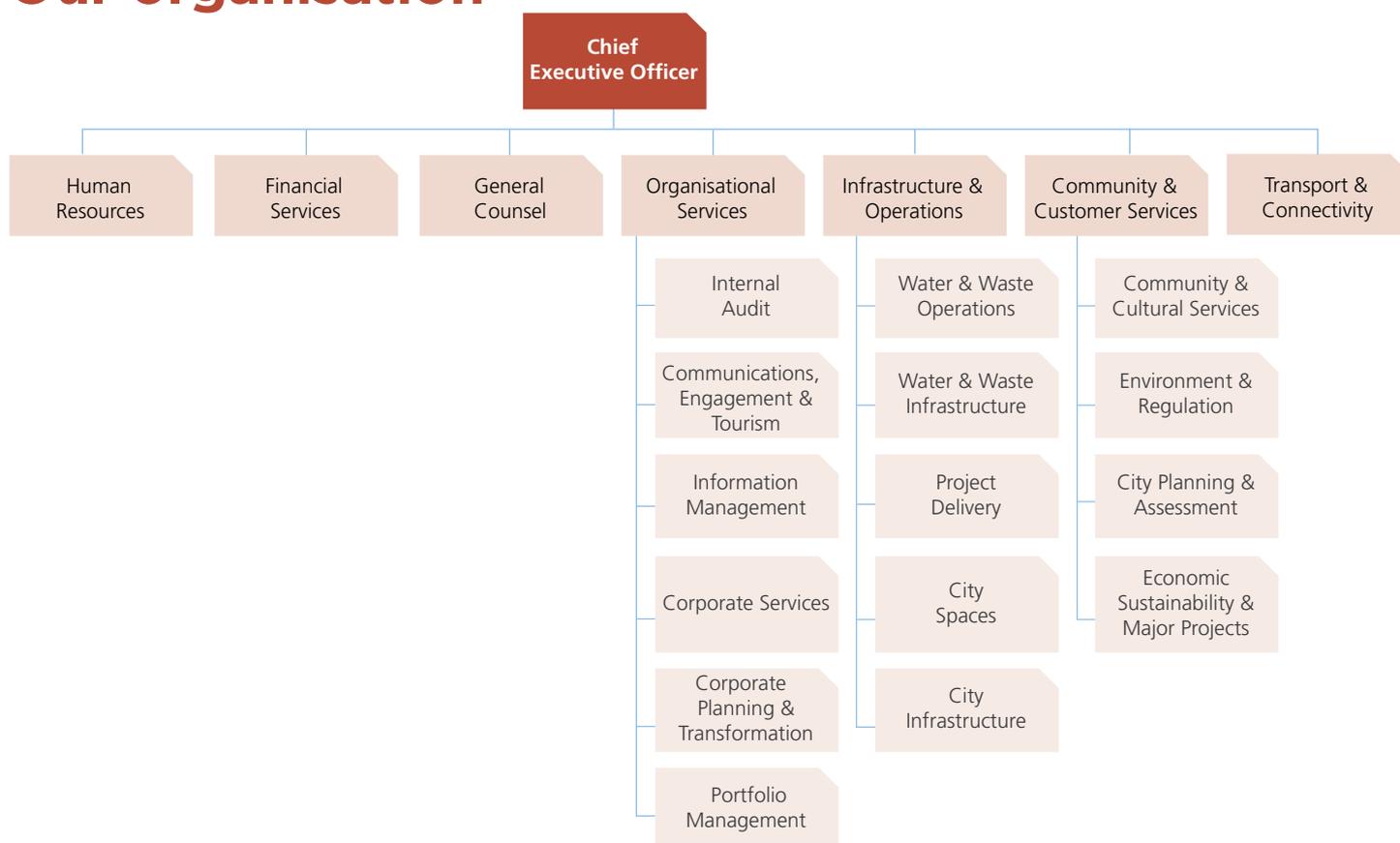
* \$5,000 allowance per term (provides for registration and training fees)

**Reimbursement of overpayment in 2015-16

^^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

Our organisation



Executive Leadership Team



Chief Executive Officer

Andrew Chesterman

Bachelor of Applied Science (Environmental Assessment & Land Use Policy); Graduate Diploma of Education; Graduate Australian Institute of Company Directors.

Andrew brings a wealth of management experience in state and local government to his role as Chief Executive Officer and head of Council's Executive Leadership Team. He has held various senior executive and CEO positions within the public sector, including Chief Executive of the Queensland Public Service Commission, Director-General of the Department of Environment and Heritage Protection, and Divisional Manager, City Planning and Sustainability with Brisbane City Council.

Andrew's familiarity with local government dates back over 20 years and includes significant experience in Victoria and the United Kingdom.

Andrew joined Redland City Council in April 2017.



General Manager Organisational Services

John Oberhardt

Bachelor of Commerce; Master of Public Administration; Certified Practising Accountant (CPA); Queensland Local Government Clerk's Certificate; Fellow of Local Government Managers Australia (LGMA); LGMA Queensland past president and Local Government Professionals Australia National Audit Committee; Fellow and Graduate Member of the Australian Institute of Company Directors; Justice of the Peace (Qualified); Member International City/County Management Association.

John joined Redland City Council in April 2017 after working as a senior executive in local government for more than 30 years. During that time, he has worked in all areas of local government, particularly specialising in finance, governance, strategic planning, human resource management, and administration, as well as with many industry and community groups, and inter-governmental working parties and local communities. He has held various public and private Board and Director positions. Prior to commencing his local government career he worked in the Commonwealth Bank. He is committed to the outstanding performance and reputation of Council, its employees, the local government industry and our communities.



General Manager Infrastructure & Operations

Peter Best

Bachelor of Mechanical Engineering; Graduate Australian Institute of Company Directors; Member Australian Institute of Project Management; Member Institution of Engineers Australia.

Peter is an experienced executive who, during his career, has managed large multidisciplinary operations, maintenance, engineering and service delivery teams across a range of industry sectors. He is a former General Manager Infrastructure Maintenance at Queensland Urban Utilities (QUU), which delivers water and sewerage services to 1.4 million people in South East Queensland. While at QUU, Peter successfully led the largest and most complex business transformation program undertaken by QUU. A Redlander, Peter has broad experience in operations, asset maintenance, engineering and service delivery in both the private and public sectors, in Australia and overseas.



General Manager Community & Customer Services

Louise Rusan

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

Louise joined Redland City Council in January 2011. She brings to Council more than 20 years' experience in a diverse range of private and public sector industries, working in partnership with stakeholders to deliver quality outcomes. Prior to joining Council, Louise was the Chief Operating Officer for Queensland Motorways, responsible for customer services, engineering services and tolling operations for the Gateway and Logan Motorways and the Sir Leo Hielscher Bridges. Louise has previously worked in executive level roles at WorkCover Queensland, has been an Associate Director for a leading Queensland engineering consultancy and has worked in a not-for-profit organisation and in corporate consultancy.



Head of Human Resources

Amanda Daly

Bachelor of Commerce; Graduate Australian Institute of Company Directors; Certified Member of Australian Human Resources Institute (CAHRI); Life Styles Inventory™ (LSI) Accredited Practitioner; Myers-Briggs Type Indicator (MBTI) Certified Practitioner; DISC Accredited Practitioner; Change Style Inventory (CSI) Certified Practitioner.

Amanda manages Workplace Health and Safety, Workplace Development, which includes Learning and Development and Organisational Development, and Workplace Relations, which includes payroll, recruitment and selection and industrial relations. Amanda has operational management experience, previously managing the national award winning Contact Centre at Redland City Council.



Chief Financial Officer

Deborah Corbett-Hall

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

Deborah joined Redland City Council in 2006. As Chief Financial Officer, she is responsible for providing strategic leadership and influence across internal and external customer-facing finance functions. Deborah manages 65 employees and provides Council with support to manage in excess of \$2 billion of community assets within an annual budget of \$300 million.

Deborah has held leadership positions at Council since 2009, including overseeing the Corporate Finance portfolio and leading Council through the annual budget, long-term forecasting, and strategy development in financial planning. Deborah has also led the Commercial Business portfolio and Business Partnering service delivery within the Financial Services Group. Prior to joining Redland City Council, Deborah held several leadership positions in the United Kingdom within Jobcentre Plus, after serving in the Armed Forces.



General Counsel

Andrew Ross

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

Andrew has been with Redland City Council for almost 15 years as city solicitor, Chairperson of the Operational Risk Management Committee, liaison to the Crime and Corruption Commission and member of the Queensland Environmental Law Association.

Andrew has an extensive background in social services and public health and worked in private legal practices in Brisbane, Byron Bay and the Commonwealth Law Reform Commission. Andrew resides locally in the Redlands.

Andrew was appointed to the role of Manager Transport and Connectivity Program from 21 November 2016 until 30 June 2017. During that time Claire Lovejoy, Senior Solicitor was appointed to the General Counsel role.

Changes to the Executive Leadership Team during 2016-17

During 2016-17, our Chief Executive Officer and two General Managers left our organisation.

Gary Soutar, General Manager Infrastructure and Operations, left us on 9 March 2017 after almost 32 years of service. Gary was replaced by Peter Best who commenced on 17 January 2017.

Bill Lyon, CEO, left on 20 April 2017. Bill was replaced by Andrew Chesterman, who commenced on 18 April 2017.

Nick Clarke, General Manager Organisational Services, left on 18 April 2017. Nick was replaced by John Oberhardt, who commenced on 10 April 2017.



Our people

People Strategy 2017-2020

Redland City Council is people focused, as we understand that it is through our people that we produce great results and achieve what our Corporate Plan 2015-2020 sets out to do. The purpose of the People Strategy is to drive this outcome for our community through our ability to attract, keep and develop the best people.

A new People Strategy 2017-2020 was developed through employee consultation in 2016 and released in 2017, replacing the People Strategy 2012-2015. This new strategy will help Council address current and future workforce challenges such as:

- an ageing workforce
- increasing the workforce's agility
- building resilience
- identifying productivity improvements to deliver more with our resources
- improving personal effectiveness, and health and wellbeing.

A first year (2017) action plan to support the strategy's implementation was developed and focused on:

- improving organisational agility, including embedding change management capability
- driving innovation and improvement through leadership development
- continuing the rollout of talent management and workforce planning across Council
- driving a safety and wellbeing culture
- reviewing and improving our Human Resource Information System
- reviewing Council's remuneration framework, including negotiating a new Certified Agreement.

A key priority was developing knowledge and ability around internal change management and creating strong support for using change management. It involved developing change management tools, training for senior managers and assisting areas with the 'people side of change' to improve adoption and usage of new ways of working. For example, change management actively applied in the Animal Management accommodation relocation resulted in a smooth transition for employees.

Another critical priority was reviewing and preparing for an upgrade of our Human Resources Information System processes to meet increasing system requirements. Mapping of services and processes and identifying improvements across human resources services was undertaken in readiness for assessing the system's fit for purpose in 2017-18.

Other specific priorities included reviewing our employee performance framework, introducing 'action learning' to our leaders to solve critical organisational issues, building an internal coaching bench, delivering a mentoring program to assist employees in professional goal setting, addressing Safety Audit items and transitioning the complaints management process from Legal Services to Human Resources.

Recruitment and selection

As a result of the Human Resource Information System review and upgrade, efficiencies have been gained in Council's on-boarding process and management of existing employee contracts. The journey in this space will continue into 2017-18, with all on-boarding 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 2016-17. There are more than 30 employees currently in the pool, who are in high demand. They provide assistance across all Council departments during periods of high workload and/or relieving employees on leave. Many employees in the casual pool succeeded in gaining permanent or long-term employment with Council as a result of gaining diverse experience through their casual placements.

During 2016-17, Council participated in a Careers Exhibition hosted by QUT University. Employees showcased the benefits of working for Council, the diverse range of career opportunities available and discussed our successful annual Traineeship Program with students. Council is scheduled to attend the Reinvent Your Career Expo in 2017-18.

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

In 2016-17, there was a continued focus on leadership development at all levels of the organisation. A strong emphasis was on continuing to build leader capability and to further embed leadership initiatives developed in the previous year, such as the Leadership Capability Framework. The framework comprises six core capabilities to help us build strong, visible and capable leaders into the future.

We progressed into our second year of the Integrated Leadership Development Strategy 2016-2020, which saw the first organisational wide Internal Coaching Bench being formed. Eight employees were certified as Organisational Coaches and 12 employees became the first mentees to secure a place in our new Mentoring Program.

During the year, we also established our first pilot of the new Mate to Manager program, specifically designed for our outdoor workforce. Our leadership development program now comprises five different programs that are continually reviewed and enhanced:

- Mate to Manager (Emerging Team Leaders and Team Leaders – Outdoor Workforce)
- 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, and ultimately provide a better service and quality of product to our community and customers.

In addition to the leadership programs, we completed our re-test of the Human Synergetics – Life Style Inventory, a 360 degree feedback survey that enables leaders to understand and modify their behaviours to a more constructive style.

Talent management also continued to be a priority in the development of our people leaders. We further invested time into developing our Talent Management Plan to assist in planning our future with the right people in the right jobs at the right time and to help manage our workforce planning requirements well into the future to meet the challenges of the next few years. Key focus areas include:

- major changes to Council's workforce demographic (average age is 50 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.

This year, Redland City Council became the first council in Australia to work with the Mercer Talent Management Board Game, which saw our leaders making strategic talent management decisions using this unique initiative.

Corporate development

In 2016-17, the corporate training calendar continued to offer a variety of training courses aimed at enhancing the capacity of Council employees across all areas of the organisation. The Corporate Development Program had an increased focus on developing skills and behaviours to support the organisation's values of customer service, one team, accountability, growth and communication.

Also in the Corporate Development Program, a number of new eLearning modules were delivered across Council for both mandatory and developmental training, giving all employees the ability to access learning opportunities.

The new eLearning modules provide relevant and cost effective training that is flexible and adaptable to the organisation's changing business needs, with employees able to undertake more training at their workstations within shorter periods of time.

Employees continue to have access to Council's educational assistance allowance scheme, receiving support for tertiary studies that allow employees to graduate with an accredited qualification (Degree, Diploma or Certificate IV) in functional-related areas. These accredited qualifications are supported through various local government programs.

As in previous years, Council participated in the Local Government Managers Association (LGMA) Challenge, and the Red-e-mon Go team for Redlands did an outstanding job and placed second in Queensland. 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.



Employee satisfaction

In 2016-17, Council continued to implement meaningful initiatives developed from the feedback provided in the 2015 MySay employee survey. The three key areas being addressed from the survey were leadership, the way we work, and change management.

The approach in 2016-17 was to embed the new vision, mission and values into the Leadership and Corporate Development programs and return to management basics through delivering leadership fundamentals such as how to set and manage expectations and drive accountability.

Improving the way we work through the Lean methodology continued to progress within the organisation, with monetary and time savings being achieved. This past year, an added focus on the outdoor workforce through the Lean Operations program gave employees the opportunity to identify and work through some daily tasks where efficiencies were created.

An additional MySay program of work in 2016 focused on better understanding issues raised by the outdoor workforce within the Infrastructure and Operations Department. Council sought clarity of the results through focus groups with these employees. This helped the department's management team develop targeted strategies, such as the Mate to Manager program, to address specific issues.

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

Trainee and apprenticeship program

During March 2017, Council hosted a graduation ceremony and celebration for the 13 trainees who completed their qualification during 2016-17.

After a successful year, Council advertised and recruited three more trainees to join the existing two apprentices in our program. The new trainees are studying Business Administration and Animal Management.

Council has retained Maxima as the Group Training Organisation for its trainees and apprentices to ensure we can offer a sustainable and improved experience for trainees, apprentices, supervisors and Council.

Council's program aims to support school leavers, youth at risk, Indigenous and mature-aged people looking at re-entering the workforce and other applicants who face barriers to employment. The placement of trainees and apprentices within Council is instrumental in our succession planning for a changing and ageing workforce.

Diversity and inclusion

We are committed to improving our diversity and inclusion and preventing discrimination within our organisation. A number of strategies and initiatives continued to be delivered in 2016-17. As an organisation, we:

- continued to review all Human Resources guidelines and procedures for equity and diversity, including commencing transgender transitioning procedures in the LGBTIQ space
- continued to improve the family and domestic violence support framework by meeting with and committing the organisation to the CEO Challenge – Zero Tolerance and undertaking initial meetings with the White Ribbon Australia representatives for future accreditation
- through the operational leadership group forum, led and delivered Council's first reconciliation themed meeting during National Reconciliation Week and introduced the concept of Council developing a Reconciliation Action Plan through Reconciliation Australia
- ensured coaching, training, mentoring, advice and support was available from Human Resources Advisers
- supported and promoted the Employee Assistance Program.

In 2016-17, 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.

Before and after the expiration of those industrial instruments, Council had been legislatively prevented from undertaking formal enterprise bargaining to replace the existing industrial arrangements or have any newly bargained agreement certified by the Queensland Industrial Relations Commission (QIRC).

In the absence of a new operational modernised Local Government Award and the nominal expiration date of the current industrial instruments, Council decided to provide 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. This decision was made to ensure that employees would not be disadvantaged until the newly modernised Local Government Award is made and operational.

On 1 March 2017, the new industry-based Modern Award became operative. The newly modernised Local Government Award was further amended and became a number of separate modern awards based on occupation, within the industry, on and from 1 July 2017.

As at 30 June 2017, with the finalisation of the legislative framework and the introduction of a new Executive Leadership Team (ELT), all options in relation to future wage increases for Council employees were being worked through.





Safety and wellbeing

Council's Safety First Redland agenda continued to grow and develop in 2016-17.

Our Safety Management Plan continued to provide direction for Council to work towards our vision of preventing all work-related injuries and illnesses.

Positive results were received in the annual external audit of our safety management system.

We completed a Hazards of Work project, which involved hazard identification and risk control development for workers across all of Council.

Our focus on the health and wellbeing of our people increased and we delivered improved services offering, including:

- a 360 degree Wellbeing Survey to benchmark the wellbeing of our employees
- a mobile physiotherapy service to cater for our island and field-based employees
- a dietician service, offering diet and nutrition advice for employees.

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

In 2016-17, we also continued to focus on ageing workforce issues, with our field workers under 25 and over 45 years completing health monitoring assessment and function capacity assessments.

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

Employees at a glance

Employees (total number of employees)¹

Permanent	736
Permanent part-time	87
Temporary contract of service full-time	66
Temporary contract of service part-time	18
Contract of service (executive)	20
Casual	71
Total	998

Corporate profile

Full-time equivalent (FTE) employees (includes contract of service and elected members. FTE for full-time and part-time based on hours of work pattern and not actual hours worked)	884.82 ²
Casual full-time equivalent employees (based on hours worked)	26.02

Full-time permanent positions	902
Part-time permanent positions	52
Full-time temporary positions	169
Part-time temporary positions	20
New full-time permanent positions	25
New part-time permanent positions	0
New full-time temporary positions	61
New part-time temporary positions	4
New casual positions	13
Absenteeism	3.76%

¹ Based on employee's substantive position

² Excludes employees from Redland Investment Corporation

Employees recruited

Internal (under Redland City Council Officers' Agreement)	107
External (under Redland City Council Employees' Agreement)	15
Total	124

Employee departures

Employee-initiated turnover rate	9.6%
Employer-initiated turnover rate	1.84%
Employees made redundant	0
Employees redeployed/retrained due to redundancy	0

Gender balance

	Female	Male
Executive/senior management group	35%	65%
Elected representatives	36.36%	63.64%
Total employees	51.86%	48.14%

Executive Leadership Team and senior executives³

Remuneration range (total package)	Number paid
\$400,000 to \$500,000	1
\$300,000 to \$400,000	3
\$200,000 to \$300,000	4

³ Between 21 November 2016 and 30 June 2017, one senior executive was appointed to act in a temporary position, requiring another officer to be appointed into the substantive position (see page 23)

Business Transformation at Redland City Council

As our Business Transformation journey continues, we have seen our objective of moving toward a culture of improvement across all parts of Council come to fruition. Built on a continual improvement framework, the Business Transformation initiative has evolved and embedded the Lean methodology to deliver sustainable business improvements with a focus on removing wasted activity, while adding value to the services 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.

Since it started in 2014, Council's Lean training and coaching program has seen 788 employees trained in Lean principles, which focus on delivering the **best quality**, in the **shortest time**, at the **lowest cost**, while adding **value to the customer**. Some of the improvement projects undertaken have so far resulted in:

- reduced processing time for internal corporate reporting
- decreased processing time for parks maintenance requests
- reduced paper usage and printing costs for development applications.

That's not Lean and the identification of waste in processes has now become normal across the organisation as has **That's not Lean, and I know how to improve it**. This has built an excellent foundation for improvement as we move to the next phases of our journey: cross-functional and strategic improvement.

Council's Lean Thinking initiative was recently recognised at the LGMA Queensland Awards for Excellence for demonstrating effective use of resources, strong collaboration, effective communication and providing positive outcomes for the community both in the short and long term.



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

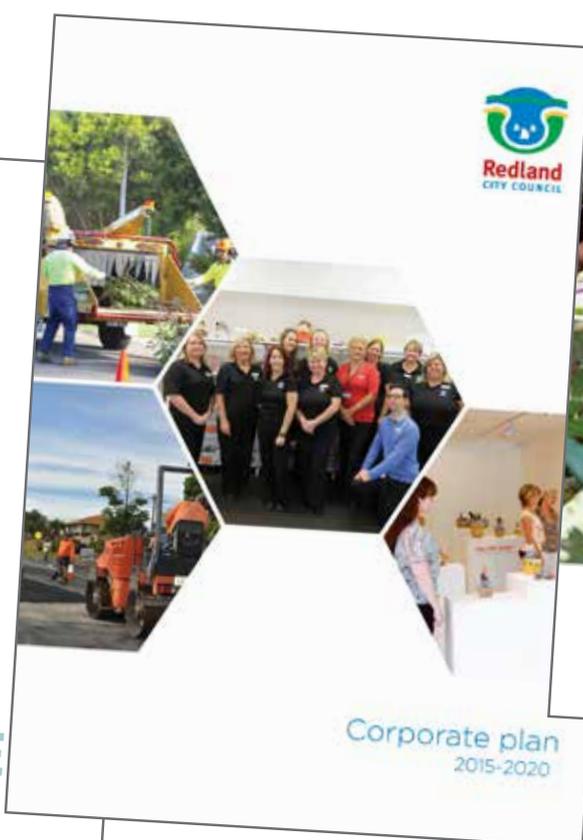
The Corporate Plan sets out Council's vision, mission and values as well as outlining what Council will do to progress the eight outcomes in the Community Plan.

The Corporate Plan 2015-2020 sets out how Council will deliver the Redlands 2030 Community Plan. The Corporate Plan outlines Council's 2020 outcomes for the 2015-20 period and is structured around the eight outcomes in the Community Plan.

Operational Plan

Each year, Council develops and adopts 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 significant activities in the Operational Plan 2016-17 were delivered by teams across Council and progress against the plan was reported every three months to the Mayor and Councillors. These reports are available on Council's website. A summary of Council's performance against this plan is outlined on pages 38-57.



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>	41
Applications received under the <i>Information Privacy Act 2009</i>	5
Total Right to Information and Information Privacy applications received	46
Total Right to Information and Information Privacy pages processed	3,974
Applications received for internal review	3
Applications for external review with the Office of the Information Commissioner	6

Council received a total of 46 Right to Information and Information Privacy applications during 2016-17, and there were five Right to Information applications on hand at 1 July 2016. A total of 48 decisions were issued to applicants within legislative timeframes. One Right to Information application was taken to be a deemed refusal of access, as the decision was not provided within legislative timeframes.

Three internal review applications were received and finalised under the *Right to Information Act 2009*. One internal review decision was upheld upon review and two decisions were varied.

Council received notice from the Office of the Information Commissioner Queensland (OIC) of six requests received by the OIC for external review of decisions by Council. Two external reviews were finalised. The OIC determined that one review should not be accepted as it was lodged outside of statutory timeframes and the second external review was settled through informal resolution.

There were two Right to Information applications and four external review applications on hand at 30 June 2017.

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 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 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 of the nature and number of claims being received. Under the direction of the ORMC, risk areas of note are to receive closer scrutiny.

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.

Administrative action complaints

Council is committed to fair 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 behaviour and a commitment to act in accordance with the principles contained in the *Local Government Act 2009*. The policy outlines a clear administrative method of handling and resolving complaints made by community members about varying issues, including:

- 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, or
- the alleged conduct of an officer or officers.

During 2016-17, the following statistics were reported in accordance with the requirements of section 187(2) of the *Local Government Regulation 2012*. During this reporting period, Council received 113 new administrative action complaints that were dealt with under the complaints process. The number of resolved administrative action complaints within the 2016-17 financial year was 114, leaving five to reach a final resolution.

Mayor and Councillor conduct

The *Local Government Act 2009* (the Act) 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 under the *Crime and Corruption Act 2001* 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 sections 186(d) and (f) the *Local Government Regulation 2012* that the Annual Report contains details of complaints received about Councillors' conduct or performance. In 2016-17, eight Councillor complaints were received. The table shows the reporting requirements contained in the *Local Government Regulation 2012* for the financial year. None or more than one section can apply to a complaint; therefore the figures in the table do not total eight.

Section of Local Government Act	Type of complaint/orders made	Number
176C(2)	Complaints about conduct or performance for which no action was taken	5
176C(3)(a)(i)	Complaints referred to the department's Chief Executive about inappropriate conduct	3
176C(3)(a)(ii)	Complaints referred to the Mayor about inappropriate conduct by a Councillor	5
176C(4)(a)	Complaints about misconduct referred to the department's Chief Executive	0
176C(4)(b)	Complaints about misconduct referred to the regional conduct review panel or the tribunal	2
176C(5)	Complaints assessed by the Chief Executive Officer as being about corrupt conduct	3
176C(6)	Complaints about another matter	3
180(2) and (4)	Orders and recommendations made about misconduct	1
181	Orders made for inappropriate conduct	2

Complaint orders/recommendations summary detail reported in accordance with section 186(e) of the *Local Government Regulation 2012*

186(e)(i) the name of each councillor for whom an order or recommendation was made under section 180 of the Act or an order was made under section 181 of the Act	186(e)(ii) a description of the misconduct or inappropriate conduct engaged in by each of the Councillors	186(e)(iii) a summary of the order or recommendation made for each Councillor
Former Councillor Craig Ogilvie section 180(2)(g) of the Act	Misconduct: Repeat of inappropriate conduct, misuse of Council equipment and storage of inappropriate files	Decision: 11.8.16 - Determined by the Panel (a) An order that the former Councillor pay Council an amount of \$4,500, not more than 50 penalty units
Councillor Gleeson section 181(2)(a) of the Act	Inappropriate Conduct on social media	Decision 28.6.17 – Determined by the Mayor - (a) An order reprimanding the Councillor for the inappropriate conduct

The full register of Councillor conduct complaint outcomes can be viewed on our website.

Internal Audit Report

Internal Audit provides the 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 to the CEO and the Audit Committee about audit/investigation findings. For administrative/financial/employee management, Internal Audit reports to the General Manager Organisational Services.

Internal Audit reviews and provides advice 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 2016-17, Internal Audit's findings confirmed that a satisfactory internal control environment exists within Council.

Major achievements:

In 2016-17, Internal Audit:

- issued 13 audit reports with 227 recommendations and 13 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.

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 Committee.

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 2016-17, the Audit Committee:

- monitored Internal Audit's performance against the approved 2016–17 Internal Audit Plan
- reviewed audit reports and actions taken to address recommendations
- 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 the risk management strategies, policies and guidelines 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
2016-17



Vision Outcome 1: Healthy natural environment



Corporate Plan 2015–2020 performance indicators

<p>1. Annual waterways recovery report and rating.</p>	<p>Creeks in the Redlands showed typical characteristics of below average rainfall during 2016-17, resulting in less water flow and flushing. This created stagnant pools where nutrients become concentrated. Water bug communities remained in good-to-very good condition in most of the creeks. The fish survey counted a total of 907 fish from 15 species. All fish caught appeared in a healthy condition. During 2016-17, actions were undertaken to:</p> <ul style="list-style-type: none"> • implement and improve erosion and sediment control at construction sites • retro-fit stormwater management infrastructure to improve water quality • construct floating wetlands with local landholders to improve water body condition • improve the condition of native vegetation along urban and rural waterways through Council land management and landholder extension programs.
<p>2. The number of volunteers and hours spent caring for natural assets.</p>	<p>More than 815 volunteers spent 7,283 hours caring for our natural assets. Key activities included three major community plantings, events at IndigiScapes, and the work of 42 Bushcare groups.</p>
<p>3. Participation in fauna monitoring, protection, rescue and recovery programs.</p>	<p>135 volunteers spent more than 9,200 hours participating in rescue and recovery programs, including monitoring and surveying threatened species and delivering Redlands' wildlife care network.</p>
<p>4. The number of enhancement projects completed each year to improve access, safety and comfort for visitors.</p>	<p>10 enhancement projects were completed in 2016–17:</p> <ul style="list-style-type: none"> • construction of shared-use trails • construction and upgrades of multi-use trails • installation of new horse stiles and entrances • delivery of 10 trail care days • installation of canoe launch points • development and installation of new signage and trail markers, and new trailhead shelters • installation of pedestrian cycling bridge • installation of trail use counters • finalisation of design for Bayview Conservation Area • modification of entrances to reduce unlawful use of reserves to protect the safety of visitors and environment.

Operational Plan 2016-17

Total projects and activities	Delivered in 2016-17	Continued in 2017-18 Operational Plan
13	13	0
Group partners: City Infrastructure, City Planning and Assessment, Communication, Engagement and Tourism, Water and Waste Infrastructure		

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

1.1.1 Water quality monitoring (ambient, rainfall event and fish) for the Annual Waterway Recovery Report was completed and work commenced to develop a draft Pest Fish Management Plan. A review of Council's Total Water Cycle Management Plan began, and the Redlands Catchment Description and Issues Technical Report was delivered to inform the Redland Catchment Action Plan. Development of the draft Artificial Water Bodies Water Quality Guidelines Report was completed and artificial water body condition assessment reports were delivered.

1.1.2 Riparian plantings were undertaken in priority catchments across the city, including Coolwynpin, Hilliards, Erapah, Tarradarrapin and Moogurrapum Creek. Other work included weed control, and habitat and riparian plantings.

1.1.3 The Bushcare community planted 11,196 plants, including 646 koala trees. As part of Council's extension program, 13,007 plants were provided to private landowners. Council improved local environmental education and awareness through events such as Indigi Day Out, Good Gardening Expo, and school visits.

1.1.4 Council and the community planted 80,263 plants as part of the One Million Native Plants program. The program was delivered in partnership with Bushcare and through environmental education programs.

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

1.2.1 The Koala Conservation Strategy and Action Plan was approved. Work continued on the Coochiemudlo Island Integrated Weed Management Plan, with a successful community open day and weed management workshop held in June 2017. Preliminary work on a Wildlife Habitat, Networks and Corridor Plan began.

1.2.2 Entrances were modified and fencing installed to reduce unlawful use of reserves to protect the safety of visitors and the environment. Over 20 km of shared multi-use trails (fire management/horse/mountain bike and walking) throughout the city were constructed, maintained or upgraded. Trail care days were held in the Redland Track Park and Bayview Conservation Area. New trailhead facilities, mapping and trail signage were constructed. Volunteers contributed to the construction and maintenance work on shared use (walking and mountain biking) trails including Blow, Calendar Boys, Sock Puppet West, Maze, Centipede, Candlestick, Grass Trees, Vegemite, You're Kidding, Luge, Magic, Downpipe, and Candy Trails.

1.2.3 Dog Fest, as part of the Behavioural Change Program for dog and wildlife interaction, was held in June 2017. The event was a success, with over 1,500 attendees. Various wildlife education programs, workshops and surveys were successfully facilitated during 2016-17, including Indigi Day Out and Glossy Black Cockatoo workshop.

1.2.4 Monitoring of threatened species continued, including behaviour monitoring of 10 raptor nests by 15 volunteers through Council's citizen science program. Endangered vegetation communities and habitat mapping commenced. Pest Management Plan activities continued to support maintaining threatened species protection. The Koala Conservation Strategy and Action Plan was finalised.

1.2.5 Activities completed including subsequent commencement of the Dog owner Behaviour Change Program. The Dog Fest was attended by 1,500 participants as part of the Behaviour Change Program.

1.3 Community and private landholder stewardship of natural assets increases.

1.3.1 Through the Bushcare and Environmental Partnership programs, 13,007 plants were distributed to property owners, and around 11,000 plants were planted by Bushcare volunteers. More than 50 school visits were conducted, with various environmental elements targeted.

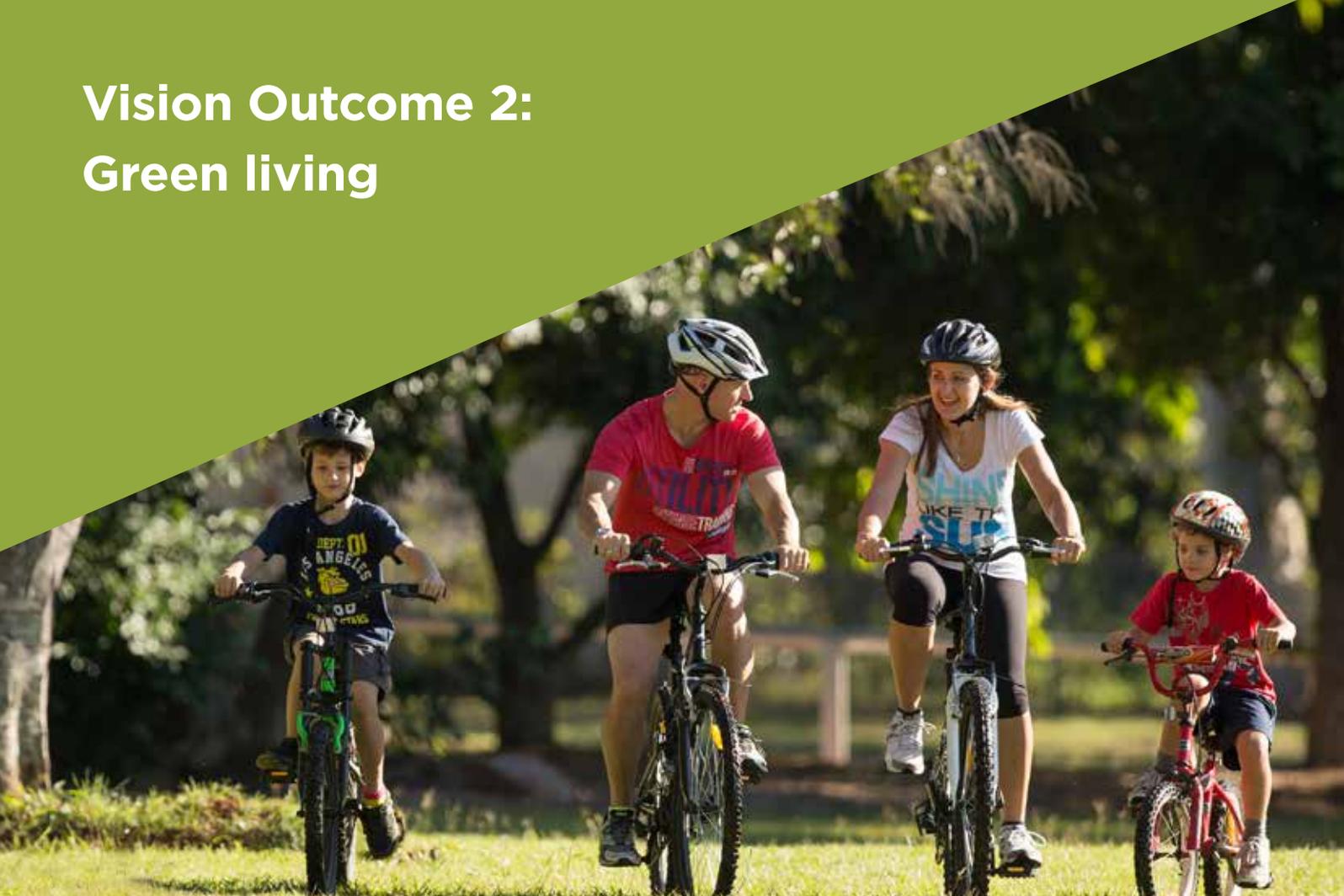
1.3.2 311 property visits were undertaken, with 29 new properties registering for an environmental program. A floating wetland workshop was held to help landowners better understand how to support rehabilitation of wetlands on their properties.

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

1.4.1 Enhancement projects were completed as part of the Enhancing the Visitor Experience (EVE) program, which included developing and installing new map signage and trail markers throughout the Don and Christine Burnett Conservation Area, which forms part of the Koala Bushland Coordinated Conservation Area. This work was undertaken in partnership with Department of National Parks, Sport and Racing, Queensland Parks and Wildlife Service and Logan City Council. New trailhead shelters were installed at Don and Christine Burnett Reserve and Ford Road Reserve. Trail counters were installed in the Redland Track Park and Bayview Conservation Area. The initial readings for the Redlands Track Park showed 4,059 users through one entrance trail. The design for Bayview Conservation Area was completed. Installation of a pedestrian cycling bridge in Redland Track Park was completed, along with new horse stiles and entrance modifications. Fire trails in large reserves were reconstructed and resurfaced to improve visitor experience and meet reserve management requirements.

1.4.2 Major events were held, including Good Gardening Expo, Indigi Day Out, Seek, Unearth, and Explore (Quandamooka Country). A total of 46,659 people visited the IndigiScapes Centre. Indigenous cultural heritage inclusion opportunities were investigated for IndigiScapes and developed in consultation with the Quandamooka People.

Vision Outcome 2: Green living



Corporate Plan 2015–2020 performance indicators

1.	Annual greenhouse emissions.	Council reduced overall kilowatt hour consumption and greenhouse gas emissions by 8.2% in the Cleveland Administration Building, Cleveland Library, Capalaba Place and South Street Depot. 2016-17 greenhouse emissions totalled 1,646 tonnes Co2-e (carbon dioxide equivalent) at these main building facilities. Council reduced fleet fuel litre usage by 5.8%.
2.	Number of activities that educate, provide information and advocate sustainable building design for the community.	In 2016-17, Council upgraded its website through the Living Smart partnership to enhance the community's access to information about energy efficiency and building design. Council displayed leadership by adopting sustainable building and renewable energy practices in its operations, through the Energy and Solar Program. The program focused on centralised energy monitoring, management and reporting, establishing a solar farm, and solar installation on a Council facility.
3.	Council's resource recovery rate (percentage recycled).	46.1% (target 48.6%)
4.	Kilometres of pedestrian pathways and cycleways.	7.2 km of footpaths were constructed in 2016-17 (total footpaths 407.7 km); 90 m of cycleways were delivered to complete a missing link in the Moreton Bay Cycleway Pinklands Thornlands link (total cycleways 57.1 km).

Operational Plan 2016-17

Total projects and activities	Delivered in 2016-17	Continued in 2017-18 Operational Plan
6	4	2
Group partners: City Spaces, Financial Services, Water and Waste Infrastructure, Communication, Engagement and Tourism, City Planning and Assessment		

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

2.1.1 A revised Climate and Energy Action Plan was developed for consideration.

A Renewable Energy Feasibility report was received by Council and subsequently endorsed an Energy Generation, Management and Reporting Program. Subject to further business case development, the program seeks to develop, over a number of years, centralised energy monitoring, energy management and reporting, proof of concept small scale solar and a potential solar farm project.

Smart metering was installed at selected Council buildings to better monitor peak loads and proof of concept solar panelling. Meters were purchased and, by 30 June 2017, were scheduled for installation at the Council Depot.

All works were completed in accordance with projected deliverables, including water quality monitoring activities.

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

2.2.1 The Living Smart partnership and Council's website upgrade has enhanced the community's ability to access important information on key sustainability actions and outcomes, such as minimising food waste, as well as energy efficiency, building design, gardening and composting.

The Energy and Solar Program commenced, with key projects focused on centralised energy monitoring, management and reporting, the establishment of a solar farm, and solar installation on a Council facility. Council is displaying leadership in this field through adopting sustainable building practices in its operations.

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

2.3.1 Regional collaboration continued with Brisbane City Council to identify future options for waste disposal beyond 2020, when the existing waste disposal agreement expires. The closed landfill program continued to identify and manage environmental risks.

2.4 Council and the community actively recycle and reduce waste.

2.4.1 The key performance indicator for kilograms of domestic waste sent to landfill per capita per year was met at 367 kg, against a maximum target of 372 kg.

Overall resource recovery of municipal solid waste was not met at 46.1%, against a target of 48.6%. This was attributed to a 1.5% increase in waste to landfill, coupled with a 3.5% reduction in total green waste and recyclable materials managed from the kerbside and at waste transfer stations.

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

2.5.1 The Minimum Boarding Point Program for 2016-17 was completed. Construction activities included 27 boarding points, 11 boarding points with seats, 11 bus shelter renewals and two bus shelter upgrades.

2.5.2 Council advocated for transport and infrastructure projects through a multi-agency working group, comprising representatives from Brisbane City Council and Department of Transport and Main Roads.

Council also helped deliver the Economic Transition Strategy for North Stradbroke Island, which is a fundamental element of improving connectivity and accessibility between the island and mainland.

Vision Outcome 3: Embracing the bay



Corporate Plan 2015–2020 performance indicators

1.	Annual Healthy Waterways report card rating.	Redlands overall rating: C+ Waterway benefits rating: ★★★★★☆ In 2016-17, there were 267 landholders and 42 community groups involved in activities to protect and improve waterways.
2.	Quality of life data for island communities (Australian Bureau of Statistics Socio-Economic Index for Areas).	Information is sourced from the Census. 2016 Census data will not be released until 2018.
3.	Implementation of the Redland City Disaster Management Plan.	The Redland City Disaster Management Plan for 2016-17 was delivered, and Part 3 (Redland City Mainland), Part 4 (Redland City Hinterland) and Part 5 (Redland City Recovery Plan) were released.
4.	Number of new bay access points for low impact recreation activities.	Bay Street, Redland Bay, and Kalara Street, Macleay Island each had one set of stairs and one access ramp installed.
5.	Implementation of Priority Development Areas.	Toondah Harbour and Weinam Creek Priority Development Area projects continued to progress.

Operational Plan 2016-17

Total projects and activities	Delivered in 2016-17	Continued in 2017-18 Operational Plan
8	7	1
Group partners: Community and Cultural Services, City Planning and Assessment, Water and Waste Infrastructure		

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

3.1.1 Water quality monitoring (ambient, rainfall event, and fish) for the Annual Waterway Recovery Report was completed. Council employees attended Healthy Land and Water – Monitoring and Evaluation Steering Committee. An innovatively designed fishway was constructed at Hilliards Creek through a partnership project with Catchment Solutions. It was the first project of its kind in the Redlands and early monitoring showed improved fish passage. The Connect to Your Creek Week Event was held at Raby Bay.

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

3.2.1 Southern Moreton Bay Island Community Services Hub was launched in October 2016, coordinated by Bay Islands Community Services in partnership with Working Against Violence Support Services.

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

3.3.1 Coastal Adaptation Strategy Phase 1 Current Hazards was completed and endorsed by Council, allowing the document to be publicly released for community engagement. Council's project team completed a comprehensive engagement program, including events across the city's mainland and islands, and activating Council's digital presence. The consultation program initiated discussions with the community about coastal hazards and also included specific briefings with key stakeholders. The purpose of engaging the community was to create awareness of the coastal adaptation strategy project. Council's project team secured funding under the QCoast 2100 funding program to deliver Phase 2 (Emerging Risks) of the Coastal Adaptation Strategy.

3.3.2 2016-17 was a successful year of community engagement and consultation, particularly in the wake of the 2016 Russell Island Fires. From January to July 2017, more than 200 hours of community engagement were undertaken across Redland City, with a focus on building the preparedness and resilience of island communities. In addition, the Community Champions program was born out of the engagement process, where 25 champions, chosen by the community, were trained in evacuation centre management, psychological first aid and volunteer management to provide support to the Southern Moreton Bay Islands communities.

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 Aquatic Paradise project was an excellent example of a cooperative project, with community representatives included in the tender process from start to finish. The Raby Bay Revetment Wall Repair trial similarly included strong engagement, with the community involved in the tender process.

3.4.2 New national standard aquatic signage was installed at Raby Bay Harbour Park in line with recommendations from Coastal Risk Management Plan, delivered in partnership with Surf Life Saving Queensland.

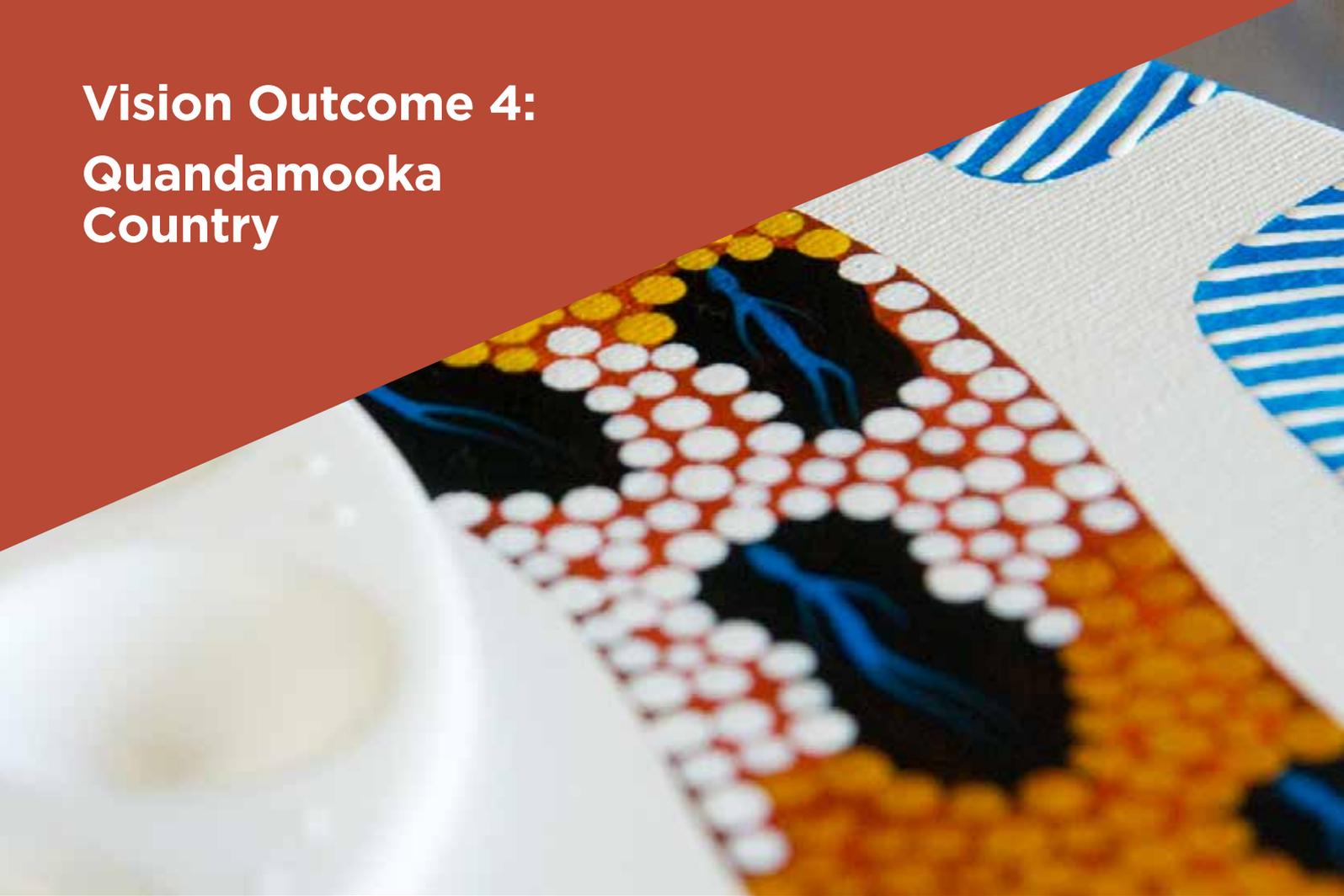
3.4.3 As part of a three-year program to improve visibility and accessibility of canoe launch points in the city, infrastructure including bollards and seats were installed at:

- John Fredericks Park, Capalaba
- Beth Boyd Park, Thornlands
- Wellington Point Recreation Reserve
- Cleveland Point Recreation Reserve
- Oyster Point Park, Cleveland
- Orana Esplanade Foreshore Park, Victoria Point
- Point Talburpin Tucker Reserve, Redland Bay.

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

3.5.1 The Commonwealth Minister for Environment and Energy gave the green light to progress the environment referral application for the Toondah Harbour project on 8 June 2017. A revised master plan has been prepared and Walker Group will take the application to the next stage of the process, which is to have the science tested through an environmental impact assessment. The project will now be assessed under the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999* for a decision.

Vision Outcome 4: Quandamooka Country



Corporate Plan 2015–2020 performance indicators

<p>1. Attendance at Council's cultural awareness and heritage training.</p>	<p>Cultural awareness information was included in all employee inductions (115 attendees in 2016-17), and 530 Council employees attended cultural awareness sessions at the Redland Performing Arts Centre during National Reconciliation Week. All employees were also able to attend an overview session on the <i>Aboriginal Cultural Heritage Act 2003</i>, delivered by the Department of Aboriginal and Torres Strait Islander Partnerships.</p> <p>A Councillor workshop considered the review of the Aboriginal and Torres Strait Island Community Policy, new guideline and supporting action plan.</p>
<p>2. Community understanding of the Quandamooka People's relationship with their traditional land and waters.</p>	<p>Cultural heritage awareness training was provided to IndigiScapes Council Habitat protection and Bushcare participants. General awareness of local Aboriginal history and culture in the Redlands remained steady. In 2016-17, 76% of residents surveyed reported having strong knowledge or awareness of local Aboriginal history and culture in the Redlands.</p>
<p>3. Council's progress with implementing the Indigenous Land Use Agreement.</p>	<p>The Indigenous Land Use Agreement Consultative Committee, Capital Works Forum and Protecting Sea, Land and Environment Committee convened in September 2016.</p> <p>The Capital Works Forum and Protecting Sea, Land and Environment Committee convened again in October 2016, and the Capital Works Forum reconvened in February 2017.</p> <p>Three business day meetings were held with Quandamooka Yoolooburrabee Aboriginal Corporation to progress Indigenous Land Use Agreement-related business.</p>
<p>4. Visitation numbers and quality of experiences on North Stradbroke Island (Minjerrabah).</p>	<p>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 were at 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 continue to attract large numbers of visitors. (Stradbroke Ferries Survey 2015).</p>

Operational Plan 2016-17

Total projects and activities	Delivered in 2016-17	Continued in 2017-18 Operational Plan
8	7	1
Group partners: City Infrastructure, City Planning and Assessment, General Counsel, Office of Mayor and Councillors, Project Delivery Group		

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 Cultural knowledge and competence among employees was enhanced through extensive ongoing cultural advice and sustained support, delivered to a number of teams. Active participation in the National Reconciliation Week/NAIDOC committee ensured Council continued to deliver tangible and positive outcomes for Aboriginal and Torres Strait Islander communities.

4.1.2 During National Reconciliation Week, 530 officers attended four cultural awareness sessions at Redland Performing Arts Centre.

The Department of Aboriginal and Torres Strait Islander Partnerships presented an overview of the *Aboriginal Cultural Heritage Act 2003* to Council officers. Planning and development of cultural awareness sessions through the organisation's Corporate Development Program commenced. Aboriginal Cultural Heritage training was discussed with Quandamooka Yoolooburrabee Aboriginal Corporation, particularly to meet the needs of employees whose roles have Aboriginal cultural heritage requirements.

4.1.3 A review of the Aboriginal and Torres Strait Islander Community Policy was presented to Council, and work continued to adopt the policy, associated guideline and action plan. Quandamooka Yoolooburrabee Aboriginal Corporation continued to submit completed Aboriginal Cultural Heritage Management Plans to Council.

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 Ongoing cultural advice and support was provided to Council employees and Councillors, expanding internal cultural knowledge and competency. Council continued to deliver tangible and collaborative outcomes for Aboriginal communities and to expand the level of understanding and engagement.

4.2.2 Activities in 2016-17 were delivered through a strong collaborative approach with Aboriginal and Torres Strait Islander communities. Numerous events were held throughout the year by IndigiScapes, Redland Libraries, Redland Art Gallery and Redland Performing Arts Centre to showcase Aboriginal art and culture.

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

4.3.1 Council maintained regular communication with the Quandamooka Yoolooburrabee Aboriginal Corporation. The progress of the commitments is captured and reported on a quarterly basis.

4.3.2 Council and the Quandamooka Yoolooburrabee Aboriginal Corporation agreed to also meet outside of the Indigenous Land Use Agreement committee format and introduced business day meetings. These meeting days provide a structure to progress a variety of projects and the Indigenous Land Use Agreement commitments at the same time.

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

4.4.1 A broad range of promotions for Quandamooka Festival were delivered, including three video documentaries of festival highlights, a festival program, posters, social media and Council attendance at events. Council also provided sponsorship for the festival and advocated to other levels of government for increased funding for global eco-tourism opportunities on North Stradbroke Island.

Vision Outcome 5: Wise planning and design



Corporate Plan 2015–2020 performance indicators

1.	Implementation of the Redland City Plan and Local Government Infrastructure Plan (and subsequent twice-yearly reviews).	<p>The Redland City Plan was adopted by Council in February 2017. The plan is with the Queensland Government for final endorsement.</p> <p>The first State review of the draft Local Government Infrastructure Plan was completed and the Minister for Transport and Minister for Infrastructure and Planning gave approval for the draft to proceed to public consultation.</p>
2.	Development is consistent with legislation, best practice and community expectations, guided by relevant plans and strategies.	Development planning throughout the city was undertaken in accordance with the <i>Sustainable Planning Act 2009</i> , Redlands Planning Scheme and other relevant planning instruments. This will continue under the new Queensland Government planning framework, and on commencement of the Redland City Plan.
3.	Council meets or improves on Integrated Development Assessment System timeframes.	Council met its target of 90% compliance for determining applications within Integrated Development Assessment timeframes.
4.	Levels of participation in regional collaboration and advisory groups.	<p>Council was represented on the following groups:</p> <ul style="list-style-type: none"> • South East Queensland Development Assessment Managers Group • South East Queensland Healthy Waterways water quality improvement devices guideline development group • Urban Development Institute of Australia Redlands Advisory Panel • Local Government Association of Queensland working groups (various) • Queensland Government working groups (various).

Operational Plan 2016-17

Total projects and activities	Delivered in 2016-17	Continued in 2017-18 Operational Plan
8	4	4
Group partners: Community and Cultural Services, Information Management, Redlands Investment Corporation, Water and Waste Operations		

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 resolved in March 2017 to forward the draft Local Government Infrastructure Plan for the first State review and seek the Planning Minister's approval to proceed to public notification. The Planning Minister gave approval for Council to proceed with the public consultation phase.

5.1.2 The Netserv Plan progressed in parallel with Local Government Infrastructure Plan through the first round of Council and State Government reviews.

5.1.3 All submissions to the Redland City Plan have been reviewed. The plan was adopted by Council in February 2017 and sent to the State Government in March for review and endorsement.

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 started the conversation, 'Cleveland What's Next', with major stakeholders in the Cleveland CBD. Two forums were held in partnership with traders to determine the direction of activation. Three themes emerged across stakeholder groups: more events, better tourism information, and improved place-making. The Cleveland 7 Day Makeover was also held, through a model for centres activation that could be extended to other centres and neighbourhoods.

A revised memorandum of understanding was drafted between Council, Metro South Health and the Mater Private Hospital Redland to progress planning investigations into the Redland Health and Wellbeing Precinct. Council continued to pursue the potential purchase of surplus Commonwealth land at Birkdale from the Australian Government, prior to undertaking planning investigations of the site.

A draft review of privately owned properties with local European heritage values was finalised as part of Council's Heritage Management Framework development. A draft Residential Design Guide was also completed. It will help improve the design of medium density developments in the city.

5.2.2 Surf Life Saving Queensland (SLSQ) has accepted Council's proposal and agreed to ratify a memorandum of understanding to jointly develop the Aquatic and Emergency Precinct, in Cleveland, which will become the new home for SLSQ Headquarters and Centre of Excellence Training College. Round one of community consultation was conducted through a community survey and, by 30 June 2017, the project was ready to proceed to the next stage.

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 City Planning and Assessment, in conjunction with Information Management, collaborated with 13 other Queensland councils to prepare Council's Technology One software for Planning Act implementation. Other preparation tasks completed included revising fees and charges for current and proposed planning schemes, website and procedural updates, and applications were submitted for innovation and improvement funding from the Department of Infrastructure Local Government and Planning. A new online lodgement system was developed for launch in July 2017.

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

5.4.1 Council, in collaboration with Griffith University, Logan City Council, Redland Chamber of Commerce and a range of not-for-profit partners developed a funding proposal for the Advancing Regional Innovation Program, which was submitted to the Department of Science, Information Technology and Innovation. Council also actively participated in the review of ShapingSEQ, the South East Queensland Regional Plan. Through this process, Council has consistently advocated for key infrastructure improvements in the city, including the Cleveland rail duplication, the Eastern Busway, improved bus services and upgrades to State-controlled roads.

5.4.2 Council consolidated the direction of the cross-boundary connectivity project, culminating in the defining of a 'streams' approach to deliver a short term review of infrastructure projects and development of a strategic initiative. The short term review was drafted and final review began on the transport infrastructure evaluation report. The report will identify, assess and highlight road, intersection, public transport and active transport projects that provide a benefit to cross-boundary connectivity. The development of a strategic initiative also started. The technical working group (membership from Department of Transport and Main Roads, Brisbane City Council and Redland City Council) seeks to create a partnership with a leading research entity. Preliminary discussions took place with Griffith University, Queensland University of Technology and University of Queensland, who have all expressed an interest in being involved in the project.

Vision Outcome 6: Supportive and vibrant economy



Corporate Plan 2015–2020 performance indicators

<p>1. Employment growth and tourism numbers.</p>	<p>Redlands unemployment rate increased from 5.1% (March quarter 2016) to 6.9% (March quarter 2017). Several local government areas including Brisbane have mirrored a similar trend (Department of Employment and Training).</p> <p>Total number of visitor numbers in the Redlands in 2015-16:</p> <ul style="list-style-type: none"> • 260,392 international visitor nights (down from 368,041 in 2014-15) • 1,441,723 domestic visitor nights (down from 1,560,174 in 2014-2015) • 833,054 domestic daytrips (up from 733,457 in 2014-15). <p>(Data sourced from Tourism Research Australia 2016 via economy id)</p> <ul style="list-style-type: none"> • Total tourism employment in 2015-16 was 1,806 or 5.1% of the city's total employment. • In 2015–16, tourism accounted for 3.4% of the city's total output or \$330 million. (REMPLAN Economy generated data sourced from ABS June 2016 GSP and ABS 2013/2014 National Input Output Tables).
<p>2. Attendance numbers and economic return at events across the city.</p>	<p>More than 230,000 people attended 45 major events, injecting more than \$24.1m into the local economy.</p>
<p>3. Implementation of the early actions and future strategic directions from the North Stradbroke Island Economic Transition Strategy.</p>	<p>An internal working group was established to coordinate Council communications and participation in projects funded under the Economic Transition Strategy. Council is lead on two projects, is finalising funding agreement for a signage project, and is a stakeholder on a further 16 projects.</p>
<p>4. Number of sites developed by Redland Investment Corporation (RIC) for commercial and community benefits.</p>	<p>In 2016-17, construction commenced on a 13-townhouse project in Alexandra Hills. A portion of land on Wynyard Street, Cleveland, was sold to a local business, providing Council with a financial return and supporting future economic development in the Cleveland CBD. RIC also acted on behalf of Council for the purchase of land at Heinemann Road, Redland Bay, for future sporting facilities. RIC now manages and maintains a car park at Colburn Avenue, Victoria Point, purchased on behalf of Council.</p>
<p>5. Number of action plans developed by the Industry Economic Advisory Board.</p>	<p>In 2016-17, the Redlands Economic Development Advisory Board directed the development of two action plans in the industries of health care and social assistance, and education and training.</p>
<p>6. Finalise development management agreement for Toondah Harbour Priority Development Area.</p>	<p>The Development Management agreement for Toondah Harbour was finalised in 2015-16. No further action required on this indicator.</p>
<p>7. Support negotiations with stakeholders on environmental and development approvals for the Toondah Harbour Priority Development Area.</p>	<p>Council supported the application by Walker Group Holdings to the Commonwealth Department of Environment for the project to be assessed under the Commonwealth <i>Environment Protection and Biodiversity Conservation Act 1999</i>.</p>

Corporate Plan 2015–2020 performance indicators

8.	Finalise report for proposals for Weinam Creek Priority Development Area.	Council assessed the report and made further recommendations for the Weinam Creek proposal.
9.	Finalise development management agreement for Weinam Creek Priority Development Area.	Council provided further feedback on the development management agreement for the Weinam Creek Priority Development Area.

Operational Plan 2016-17

Total projects and activities	Delivered in 2016-17	Continued in 2017-18 Operational Plan
8	6	2
Group partners: City Planning and Assessment, City Spaces, Community and Cultural Services, Corporate Planning and Transformation		

6.1 Council supports infrastructure that encourages business and tourism growth.

6.1.1 Council endorsed a six month extension of the Cleveland CBD Development Incentives Package and Tourism Accommodation Incentives Package until expended, or the expiry of the program on 15 December 2017 (whichever occurs first).

6.1.2 Council undertook comprehensive community engagement on designs for upgraded jetties on the Southern Moreton Bay Islands and advocated to other levels of government for improved tourism-related infrastructure, particularly on North Stradbroke Island.

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

6.2.1 Council adopted the Redland City Events Strategy and Action Plan 2017-22, and then began working to implement its 19 actions. These included establishing a 'red team' of representatives from across Council who work together to support events and provide a forum for event organisers to 'pitch' their event; a new and improved process for recording in-kind sponsorship provided by Council for events; an events newsletter listing upcoming events; and an Aboriginal and Torres Strait Islander events calendar on Council's website.

6.2.2 The Internal Games legacy coordination working group met monthly, and the Queens Baton Relay Working Group coordinated relay route planning. Employees attended the Commonwealth Games Trade 2018 – Trade and Investment Forum with the Honourable Kate Jones MP, Minister for Education and Minister for Tourism, Major Events and the Commonwealth Games.

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 An internal working group was established to coordinate Council communications and participation in projects funded under the North Stradbroke Island Economic Transition Strategy.

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

6.4.1 In 2016-17, construction started on a 13-townhouse project in Alexandra Hills. A portion of land on Wynyard Street, Cleveland, was sold to a local business, providing Council with a financial return and supporting future economic development in the Cleveland CBD. RIC also acted on behalf of Council to purchase of land at Heinemann Road, Redland Bay, for future sporting facilities. RIC now manages and maintains a car park at Colburn Avenue, Victoria Point purchased on behalf of Council.

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 Council engaged consultants to develop two industry sector action plans. As a result, trends and opportunities were analysed, and consultation was undertaken with industry leaders, community service organisations, stakeholders, Economic Development Advisory Board and Councillors. The Education and Training Strategy and Action Plan were completed.

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

6.6.1 Council continued to facilitate the Priority Development Area (PDA) process with Economic Development Queensland, and officially provided support for the external joint venture.

The Toondah Harbour PDA was awarded Austrade Tourism Major Project Facilitation service status.

The Commonwealth Government announced the Toondah Harbour PDA project would be a controlled action under the *Environment Protection and Biodiversity Act 1999* in June 2017. Council assessed the Request for Proposal by Walker Group and made further recommendations for the Weinam Creek PDA proposal.

Vision Outcome 7: Strong and connected communities



Corporate Plan 2015–2020 performance indicators

<p>1. Number of community activities delivered.</p>	<p>Council delivered:</p> <ul style="list-style-type: none"> • 687 library activities and events • 177 events at Redland Performing Arts Centre • 20 community events attracting a total of 13,020 attendees, including the annual Christmas By Starlight concert • 30 community engagement events attracting more than 2,500 participants.
<p>2. Number of community groups with leases/permits for Council facilities.</p>	<p>In 2016-17, there were 82 community groups with leases and 80 licences to occupy.</p>
<p>3. Number of strategic partnerships formed and number of successful grant applications.</p>	<p>In 2016-17, 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 with 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 • Micah Projects Inc., to investigate homelessness across the city and engage local providers to develop an integrated referral pathway • Star Community Services, to provide the information and awareness to the community sector in preparation for the rollout of National Disability Insurance Scheme in the Redlands in July 2018. <p>Council's Community Grants program supported 43 applications totalling \$284,853.62. The Community Grants program consists of four categories:</p> <ul style="list-style-type: none"> • Organisational Support Grant – 16 applications supported totalling \$44,128.00, • Project Support Grant – 12 applications supported totalling \$103,648.00, • Conservation Grant – eight applications supported totalling \$44,738.42, • Capital Infrastructure Grant – six applications supported totalling \$92,339.20. <p>Council's Sponsorship program supported 28 applications totalling \$233,750.00.</p> <p>Regional Arts Development Fund (RADF) is a partnership between Queensland Government (through Arts Queensland) and Redland City Council to support local arts and culture. In 2016-17, 16 applications were supported totalling \$92,339.20.</p> <p>Councillors' Small Grants Program delivered \$234,725.13 in 2016-17 (see page 19 for breakdown by division).</p>

Corporate Plan 2015–2020 performance indicators

4.	Number of volunteers and hours donated towards Council projects.	More than 720 volunteers contributed more than 14,282 hours of service in 2016-17. Volunteers were involved in a wide range of Council programs and services, including Bushcare, wildlife ambulance and care, environmental planning research, graffiti removal, information management, general counsel, events, Cleveland CBD makeover projects, and volunteering at Redlands Art Gallery, IndigiScapes Centre and Council's Animal Shelter.
5.	Implementation of Redland City Disaster Management Plan.	The Redland City Disaster Management Plan for 2016-17 was delivered, and Part 3 (Redland City Mainland), Part 4 (Redland City Hinterland) and Part 5 (Redland City Recovery Plan) were released.

Operational Plan 2016-17

Total projects and activities	Delivered in 2016-17	Cancelled in 2016-17	Continued in 2017-18 Operational Plan
9	5	1	3
Group partners: Corporate Planning and Transformation, Corporate Services, Human Resources			

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

7.1.1 Council's annual calendar of events and activities was successfully delivered. More than 400 events and projects were delivered at Redland Performing Arts Centre and Redland Art Gallery. Significant activities across the city were supported through the Regional Arts Development Fund and in significant partnerships with key festivals, events and community art groups.

7.1.2 Public art projects were delivered in the Cleveland CBD, at Wellington Point, and on Russell Island and North Stradbroke Island.

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 Council settled purchase of a 137 hectare parcel of land at Heinemann Road, Redland Bay. Approximately one third of the site is suitable for sport and recreation purposes.

7.2.2 Council delivered a comprehensive engagement program at three local schools and a community open day in William Ross Park, Cleveland. Preliminary concept designs were completed based on community feedback.

7.2.3 Library Services developed a draft Library Strategy for consideration by the Executive Leadership Team and Councillors.

7.2.4 A proposed project to provide State Emergency Services and Surf Life Saving Queensland with storage facilities did not progress, based on consultation with stakeholders around the feasibility of the proposal.

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 Significant work was undertaken in developing a list of requirements for the stakeholders involved in the Cleveland Community Hub. Options for delivery of locations were canvassed.

A new Myhorizon Community Centre was developed in partnership with Council on Council land opened to the community.

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 Volunteers continued to participate in various Council projects in 2016-17. As part of the Human Resource Information System review, it was identified that the entire volunteer framework required review to enhance the process of engaging, on-boarding and managing Council's volunteers.

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 Council undertook a number of landmark initiatives in 2016-17 in collaboration with Local Disaster Management partners.

These initiatives included:

- training of religious leaders to be a part of the first Disaster Chaplaincy program in Queensland
- training of Community Champions in establishing and operating evacuation centres and providing psychological first aid and volunteer management
- conducting Exercise Exodus, a multi-agency field exercise in the safe movement and sheltering of evacuees, including establishing and operating evacuation centres on the Southern Moreton Bay Islands
- conducting a comprehensive review by Queensland Fire and Emergency Services, Training and Emergency Management Unit of Council's bushfire mitigation processes to improve community safety
- conducting an extensive review of the Local Disaster Management Plan, as well as delivering around 200 hours of community engagement activities across the city to build community awareness and resilience.

Vision Outcome 8: Inclusive and ethical government



Corporate Plan 2015–2020 performance indicators

1.	Customer satisfaction with Council's e-services/online services through Council's Community Satisfaction Survey.	90% of residents surveyed who used Council's online payment service were satisfied or very satisfied. 71% of surveyed residents were satisfied with the quality of information on Council's website and 78% of surveyed residents found the information they were looking for on Council's website every time or most of the time. (2016-17 Community Satisfaction Survey)
2.	Financial Strategy key performance indicators including measures of sustainability.	Performance on these indicators can be found in the Community Financial Report on pages 75-79.
3.	Tracking the improvement of asset management maturity and capacity.	In 2016-17 Council: <ul style="list-style-type: none"> agreed to conduct asset management maturity assessments annually to demonstrate the effectiveness of improvements initiatives conducted an initial asset management maturity assessment to provide a basis to track improvements applied an international standard as the basis of measurement to allow benchmarking to be undertaken established a project to deliver incremental improvements towards agreed targets and formally adopted the project plan in March 2017 mandated the project to deliver an appropriate governance model and framework to strengthen the ability and capability of Council officers to manage assets sustainably while delivering to the level of service the community requires.
4.	Corporate Plan implementation is effectively tracked and performance reported.	The annual operational plan defines what and how Council will achieve its objectives detailed the 2015-2020 Corporate Plan. On a quarterly basis, performance is tracked and reported across the eight outcomes and 73 significant activities. The quarterly reports are rolled up into the Annual Report which details performance. This was again delivered in 2016-17.
5.	All Council employees have clear, achievable goals aligned to corporate objectives and managed via the MyGoals Performance Framework.	The MyGoals Performance Framework is under review. The revised framework aims to provide an enhanced system to manage performance objectives and to create an opportunity for employees to benefit from a quality conversation focused on achievements and their future development and career paths with 'anywhere, anytime' conversations encouraged.
6.	Community satisfaction with engagement activities.	49% of residents surveyed were very satisfied or satisfied that they had an opportunity to have their say on key decisions affecting the Redlands. The data showed a steady improvement from 2010 (41%), and 2012 (47%), however, there was a large increase in satisfaction in 2014 (56%). This may be attributed to large-scale community engagement on the draft City Plan in 2014. (2016-17 Community Satisfaction Survey)

Corporate Plan 2015–2020 performance indicators

<p>7. Portfolio of projects is tracked and managed to align with Council's strategic objectives.</p>	<p>The Portfolio Management Office Implementation delivered the following project/program system improvements to enable tracking and monitoring of projects:</p> <ul style="list-style-type: none"> • deployed a project/program management information portal to project/program management areas in November 2016 • implemented automated project highlight reporting for project managers and sponsors in December 2016 • deployed the project/program management information portal and reporting capability to delivery teams in February 2017 • commenced testing of business intelligence reports that will enable enterprise wide reporting of projects/programs.
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Operational Plan 2016-17

Total projects and activities	Delivered in 2016-17	Continued in 2017-18 Operational Plan
13	9	4
Group partners: City Infrastructure, City Spaces, Disaster Planning and Operations, Fleet Services, Internal Audit, Office of Mayor and Councillors, Portfolio Management Office, Water and Waste Infrastructure, Water and Waste Operations		

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 completed the initial analysis of its core systems to target an efficiency road map. This will assist with the next steps to simplify process and procedures to allow more effective use of the technology. Council delivered:

- improved workflow to reduce manual process, double handling and paper
- an online development application portal
- unified communications across the organisation
- an upgrade to the Geospatial Information System
- a new library public computer system
- a remote access desktop system.

8.1.2 Council finished developing an online bin day tool that allows residents to click on their street name and find out when their bins will be collected.

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 In 2016-17, Council:

- agreed to conduct asset management maturity assessments annually to demonstrate the effectiveness of improvements initiatives
- conducted an initial asset management maturity assessment to provide a basis to track improvements
- applied an international standard as the basis of measurement to allow benchmarking to be undertaken
- established a project to deliver incremental improvements towards agreed targets and formally adopted the project plan in March 2017
- mandated the project to deliver an appropriate governance model and framework to strengthen the ability and capability of Council officers to manage assets sustainably while delivering to the level of service the community requires.

8.2.2 Project Delivery Group implemented new delivery, design and procurement strategies to better facilitate current and future capital and operational programs.

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 Council reviewed and improved planning and reporting outcomes to ensure alignment with the Corporate Plan 2015-2020, and support delivery of strategic outcomes. Planning improvements included changes to the annual Operational Plan and annual Department and Group Plans. Reporting outcomes were improved through the development of a new system, which enhanced data management, streamlined processes, and improved visibility to enable better data analysis. Further changes were identified and prioritised through the Corporate Planning and Transformation improvement program, which aims to improve strategic planning, performance reporting and processes for business improvement at Council.

8.3.2 The MyGoals Working Group contributed to an improved MyGoals form that focuses the manager/employee performance conversation on line-of-sight, accountability and measurement of contribution. Additionally, the MyGoals Review emphasised the need for better coaching conversations with employees to draw out personal strengths and career development plans.

The People Strategy 2017-2020 (delivering Outcome 8 of the Corporate Plan) was developed through employee consultation and launched in April 2017. The first year action plan focused on building organisational capability around change management, talent management, workforce planning, health and wellbeing and innovation.



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

8.4.1 The continual improvement focus continued in 2016-17, with an emphasis on continuing to build a performance culture through Lean. Training across Lean Basics, Lean Learners and the new Lean Operations for the outside workforce were rolled out across the organisation.

Promapp was introduced as a process modelling tool to support process improvement.

Project/program information improvements

- The P3 Portal was deployed and project managers validated project data.
- The business intelligence (BI) report was developed to enable project managers to start monthly project highlight reports for project sponsors and Executive Leadership Team status updates.
- The P3 Portal was deployed to delivery teams, who progressively updated data to provide work package/job updates to project managers.
- The BI report was developed for delivery teams so they could provide regular checkpoint reports to project managers.
- A geospatial map prototype was developed to represent projects in a mapping view.

Portfolio management processes

The following work packages were completed in 2016-17:

- identification of Enterprise CAPEX portfolio improvement business process improvements (including documentation of current state process and a draft future state process)
- scoping for an Enterprise Portfolio Management Framework.

8.4.2 A strategic change management and sponsorship workshop was held as part of the Enabling Leaders Program, to build change capability and provide a consistent approach to change leadership. The development of a change management framework commenced in line with change management standards to ensure a consistent methodology for transformational change projects, portfolio management office aligned projects and smaller incremental change initiatives. Change management competencies were developed to guide ongoing training needs to build change management capability for the Executive Leadership Team, managers and employees. Initial work commenced to develop the P3 Portal, which will identify the change profile for projects and facilitate reporting and analysis of a transformation change portfolio for Council.

8.4.3 Strategic workforce planning project progressed, with the creation of workforce plans for six groups and plans for a further four groups under way. The project has been subject to continuous improvement, with ongoing feedback sought from Group and Service Managers about the process, what has worked well, what can be improved and continual revision of the process and tools.

8.4.4 The Leadership Development Program is in its second year as informed by the Integrated Leadership Development Strategy. Programs are designed and developed in alignment with business requirements and capacity building for organisational leadership levels, as highlighted on the Council Leadership Pipeline.



8.4.5 Focus was directed to addressing Infrastructure and Operations Department employee feedback gathered through focus groups. Themes tapped into team leadership, reward and recognition, learning and development, communication and corporate uniforms. The action taken in 2016-17 to improve the workplace culture and organisational performance was driven by the Department's leadership team and supported by Human Resources and an external coach.

A new employee survey methodology was trialed in City Planning and Assessment Group that specifically measured organisational culture. Employee feedback themes focused on role clarity, accountability and communication. The resultant action plans were driven by the group's leadership team and supported by Human Resources.

8.4.6 Council saw a continued downward trend with lost time injury rate relating to direct work actions in 2016-17. The Safety Management Plan continued to develop and improve the safety management systems. In 2016-17, Council's Safety Management Plan developed safety leadership competencies for managers and supervisors, focusing on the pre-start meeting tool for field crews, which continues to prevent musculoskeletal injuries.

Compliance with the Safety Management Plan continues to strengthen, with Council's external audit resulting in a score of 71%. This audit was conducted against the self-insurance audit tool. In support of its valued workforce, Council continued its emphasis on the physical and mental wellbeing of its employees. A new mobile physio service was introduced at Council's construction site and island depots. Additionally, a dietician and nutrition advice service was introduced for employees, with emphasis on supporting Council's ageing and sedentary workforce.

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 Council ran community engagement activities for more than 50 projects, holding more than 100 separate engagement events. More than 5,000 residents and stakeholders met with Council officers face-to-face to provide their feedback, while more than 32,000 people visited our online engagement site, YourSay Redlands, to find out more or have their say on Council issues and projects. Residents also provided their feedback via Councillors, reply paid mail, email, telephone, and customer service counters. Engagement occurred on projects including the Shoreline Erosion Management Plan at Amity Point, coastal adaptation, recreation planning in parks, the Local Government Infrastructure Plan, and the upgrade of jetties on the Southern Moreton Bay Islands.



Artist's impression of Toondah Harbour Priority Development Area. Application subject to further approval. Image courtesy of Walker Group.

Redland Investment Corporation

Business unit statement of operations

Redland Investment Corporation (RIC) was established by Council to identify and deliver alternative revenue sources while realising opportunities for the Redlands community.

A key objective for RIC is to unlock value from Council assets while generating value and benefit to the Redlands community.

In 2016-17, the two main commercial activities for RIC were professional services, property projects and administration of the Toondah Harbour and Weinam Creek Priority Development Areas.

Vision

RIC is an innovative, responsible and sustainable company that strives to achieve its business objectives to deliver successful economic and social outcomes for Council and the 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 opportunities 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.

Projects 2016-17

Projects in 2016-17 were primarily land transactions, which included obtaining approvals to up-lift land, carrying-out land purchases on behalf of Council, and realising value for under-utilised assets.

RedWaste

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:

- collecting kerbside waste, recycling and green waste
- collecting waste and recycling from park and street bins
- reducing waste to landfill through recycling and resource recovery activities
- operating two mainland and six island waste handling facilities including Council's tip shop RecycleWorld
- 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) 2016-17. In 2016-17, RedWaste provided essential waste and recycling collection services to 57,669 households, and collected and processed 112,765 tonnes of solid waste. Of this amount, 46.1% was recycled or recovered, which was a decrease of 1.2% from the previous financial year.

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 the 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 2015 to 2020.



Highlights and achievements delivered under the Waste Reduction and Recycling Plan 2015-2020

- The Redland Bay waste transfer station became a 'Paintback' collection site for household and trade paint and packaging, receiving an average of five tonnes per month.
- Council progressed regional collaboration actions with Brisbane City Council, including developing the tender for waste, recyclables and green waste collection services.
- The Birkdale landfill rehabilitation was completed, along with construction of a new one-way road system to improve waste transfer station operations and customer safety.
- Council implemented a community food waste behaviour change pilot program, in partnership with Griffith University and Stockland Cleveland. The program consisted of a series of cooking demonstrations over a two week period, showing ways householders can better use their leftover food.
- A new Waste Asset Management Plan was finalised.
- 4,382 tonnes of scrap metal were recovered at Council waste transfer stations.
- Recycled construction and demolition waste (bricks and concrete) increased by 6% from 2015-16 to 5,578 tonnes, all of which was sent for reprocessing and beneficial reuse.
- More than 36,000 tonnes of carbon emissions were reduced through Council's landfill gas renewable energy facility at Birkdale closed landfill.
- Request for tenders were released for the following activities:
 - scrap metal collection, transport and recycling
 - household hazardous waste collection, transport and disposal
 - waste transfer station operations
 - scrap tyre collection, transport and recycling.
- Council's environment and waste education officers delivered 50 school waste education visits and seven community workshops and events on topics including waste minimisation, recycling, composting and litter prevention.

Specific highlights for 2016-17

- Domestic kerbside recycling performance remained stable at 25.9%, with an increase of 1.6 kilograms per capita from kerbside recycling streams.
- The average domestic resource recovery at Council's eight waste transfer stations remained strong at 71.4%.
- Total waste diverted from landfill (resource recovery) reduced to 46.1% in 2016-17 from 47.3% in 2015-16.
- The kerbside green organics wheelie bin collection service continued to grow and, in 2016-17, was accessed by 10,348 households, or 21% of eligible properties.
- Green waste from kerbside wheelie bin collection and self-hauled to transfer stations reduced from 25% to 23% of total waste handled.
- Total waste to landfill decreased by 0.8% from the previous financial year.
- 32 tonnes of household hazardous waste was diverted from the permanent disposal facility at the Redland Bay waste transfer station.
- A schools' grants program was released in conjunction with Council's schools' waste minimisation program, RedSWAP. Alexandra Hills State School was accepted into the program for the first round of grants.
- Council's two water refill stations were used at 12 community events, promoting the use of reusable bottles, rather than single-use plastic water bottles.
- Compliance audits were undertaken by the Department of Environment and Heritage Protection of Council waste facilities at North Stradbroke Island, Redland Bay and Birkdale. No issues of concern were raised that were not satisfied by follow up correspondence.

Key performance indicators

Number of domestic waste collections				
	2013-14	2014-15	2015-16	2016-17
Waste and recycling	53,659	55,252	57,080	57,669
Green waste	7,419	8,331	9,361	10,348
Recyclable material diverted from kerbside waste stream				
	2013-14	2014-15	2015-16	2016-17
Total kerbside domestic waste (tonnes)	53,636	55,949	56,243	59,098
Total kerbside co-mingled recycling (tonnes)	11,619	12,413	11,814	12,176
Total kerbside green waste (tonnes)	2,087	2,451	2,677	3,072
Percentage of kerbside material diverted from landfill (%)	25.6%	26.6%	25.8%	25.9%
Recoverable material diverted from landfill at waste transfer stations				
	2013-14	2014-15	2015-16	2016-17
Total waste received at transfer stations (tonnes)	65,494	57,701	47,650	46,395
Materials diverted for recycling/reuse at transfer stations (tonnes)	45,273	42,050	34,687	33,140
Material diverted from landfill at transfer stations (%)	69%	73%	73%	71%
Kilograms per household per week				
	2013-14	2014-15	2015-16	2016-17
Kerbside domestic collection (waste, recycling and green waste)	19.6	19.6	18.9	19.7
Kerbside waste collection	14.6	14.3	13.8	14.6
Kerbside recycling collection (recycling and green waste)	5.0	5.3	4.9	5.1
Resource recovery rate – total domestic waste material diverted for reuse and recycling				
	2013-14	2014-15	2015-16	2016-17
Total domestic waste handled (tonnes)	106,251	103,562	103,893	104,363
Total waste diverted from landfill (tonnes)	48,423	49,377	49,178	48,135
Waste recycled (% of total waste)	45.6%	47.7%	47.3%	46.1%
Complaints and compliments				
	2013-14	2014-15	2015-16	2016-17
Percentage of missed service complaints (%)	0.026%	0.027%	0.028%	0.024%
Percentage of other complaints (%)	0.0004%	0.0002%	0.003%	0.002%
Number of compliments	17	23	24	24

Annual Performance Plan (APP) – Key performance indicators

	Key performance indicator	Frequency	APP yearly target	Yearly KPI achieved
Green living	Total kg of domestic waste landfilled per capita per year	Monthly	Max 372 kg	367 kg
	Municipal solid waste resource recovery rate	Monthly	Min 48.6%	46.1%
Healthy and natural environment	% compliance with Department of Environment and Heritage Protection waste licence requirements for waste management facilities	Quarterly	Min 98%	99.7%
An efficient and effective organisation	Waste operating revenue	Monthly	+/- 5%	-1.57%
	Waste operating goods and services	Monthly	+/- 5%	+1.03%
	Waste capital expenditure	Monthly	+/- 5%	-5.58%
	Operating cost per tonne of waste	Monthly	< \$153.06	\$160.57
	Lost time injury	Monthly	Max 20	0

RedWaste Business Unit Annual Performance Plan

Council adopted the 2016-17 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 RedWaste is to conduct
- 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
- policy on the level and quality of service consumers can expect
- delegations necessary to allow the unit to exercise autonomy in its commercial activities
- type of information the unit's report to the local government must contain.

Council decisions affecting the RedWaste business unit during 2016-17

- Council provided fee exemptions for waste disposed by registered not-for-profit organisations and community groups under its community service obligations.
- Council decided not to award a contract for an on-demand bulky household item collection service and the operation of RecycleWorld following completion and evaluation of the formal tender process.
- Council delegated authority to the Chief Executive Officer to make, vary and discharge contracts for:
 - collection, transport and processing of green waste and timber from waste transfer stations
 - purchase and removal of scrap metal from waste transfer stations
 - waste transfer station operations.

Financial report and community service obligations

Details of RedWaste's financial statements for the year ended 30 June 2017 are contained in the Financial Statements on pages 88-127.

Redland Water

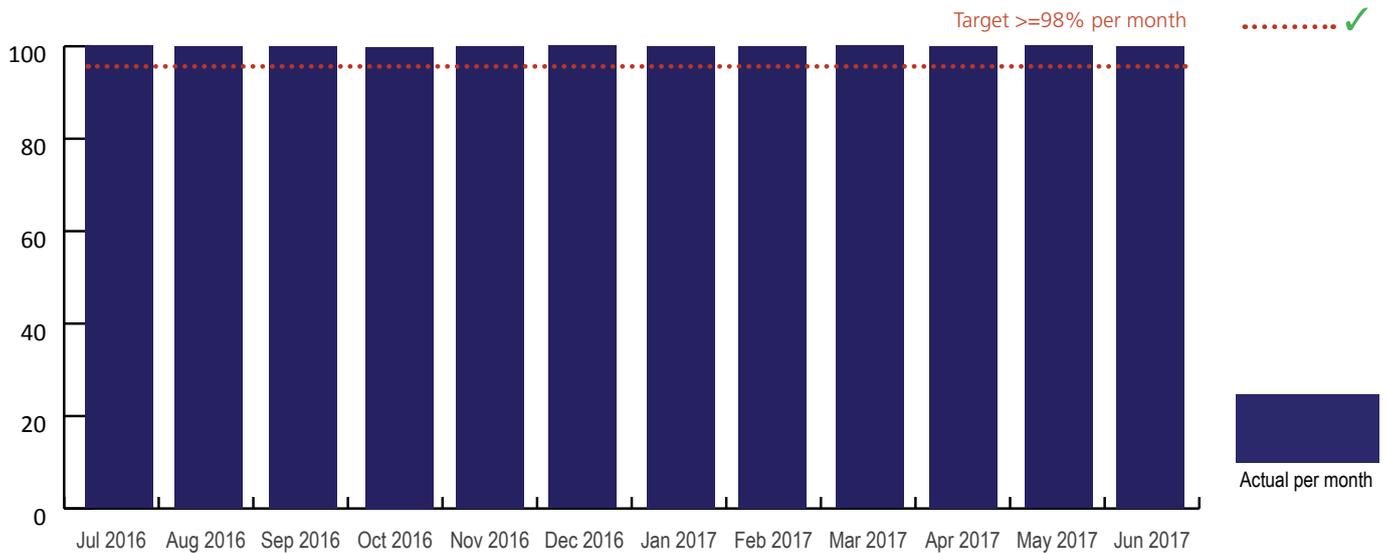
Redland Water highlights

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.

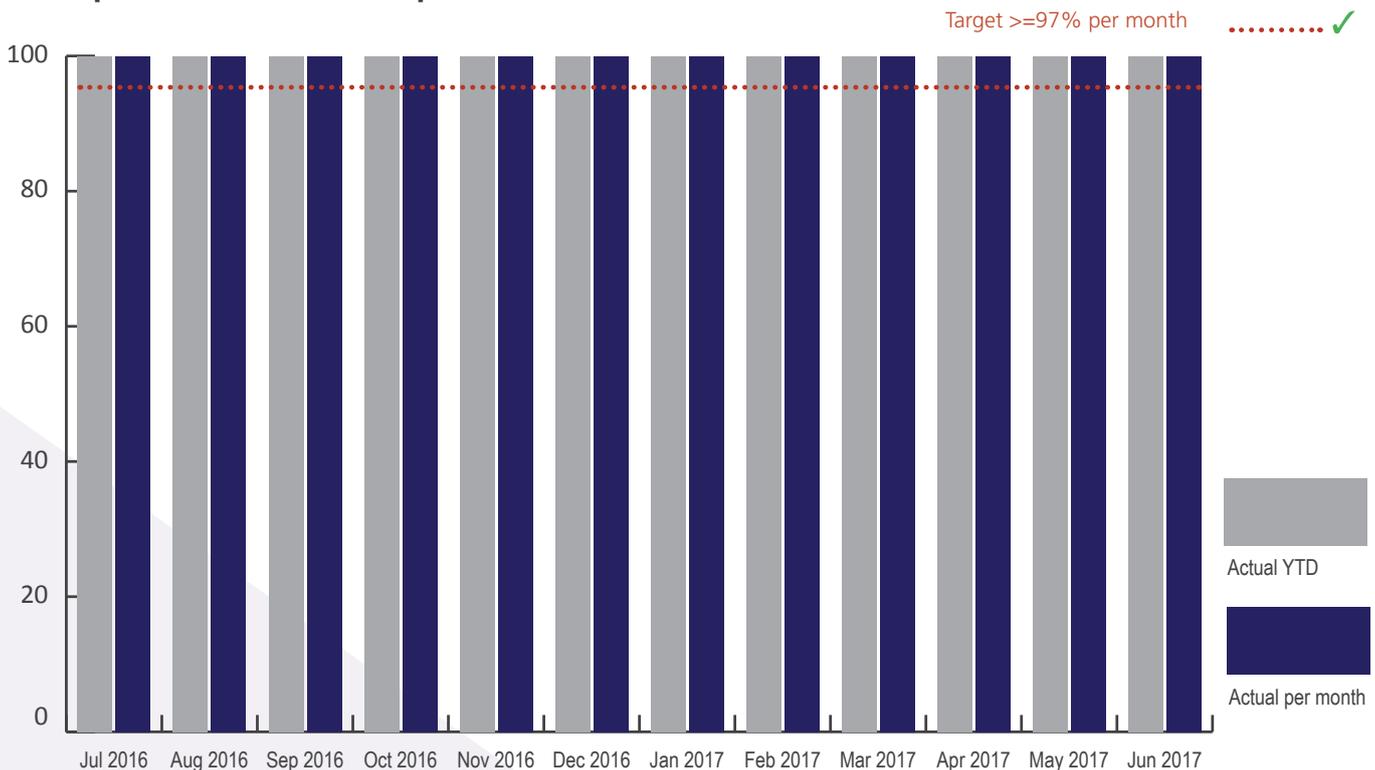
Redland Water contributes to preserving the city's quality of life by servicing the Redlands population through 67,535 water connections and 52,675 wastewater connections. In 2016-17, Redland Water purchased 13,616 megalitres of drinking water to supply to its customers and treated 10,056 megalitres of wastewater.

How did we do operationally?

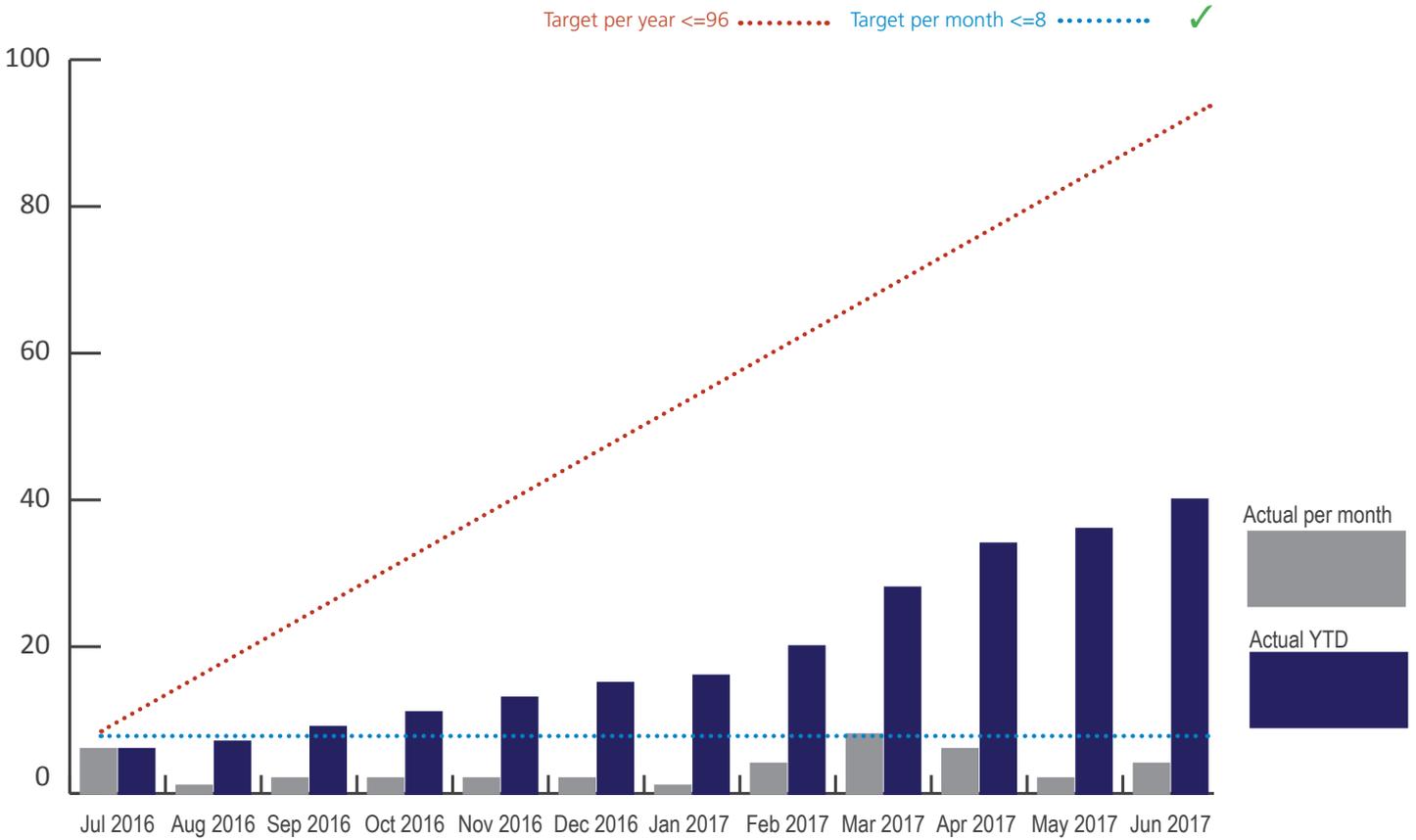
% of water samples complying with Australian Drinking Water Guidelines



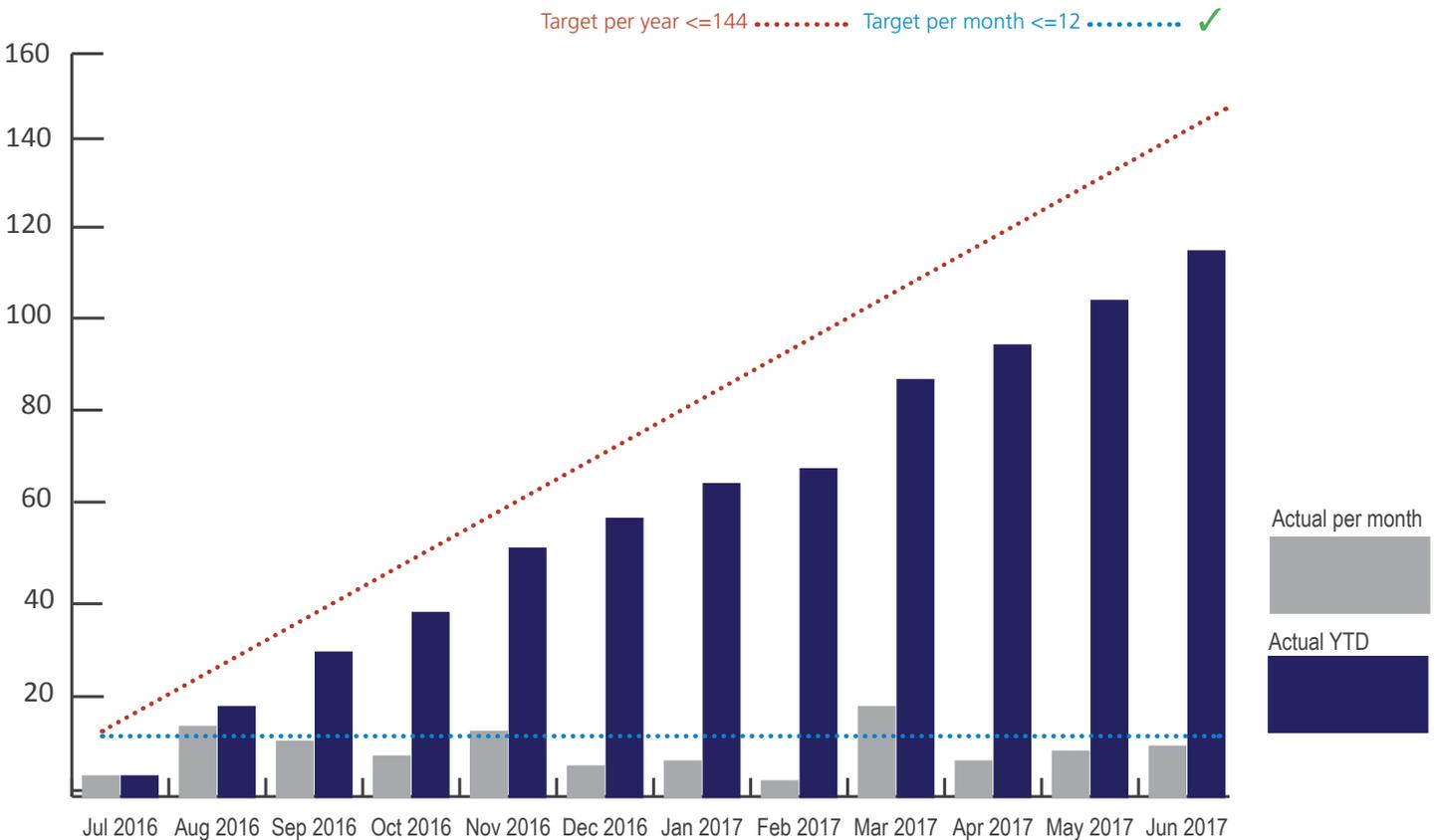
% of unplanned water interruptions restored < 5 hrs



Number of water main breaks and leaks



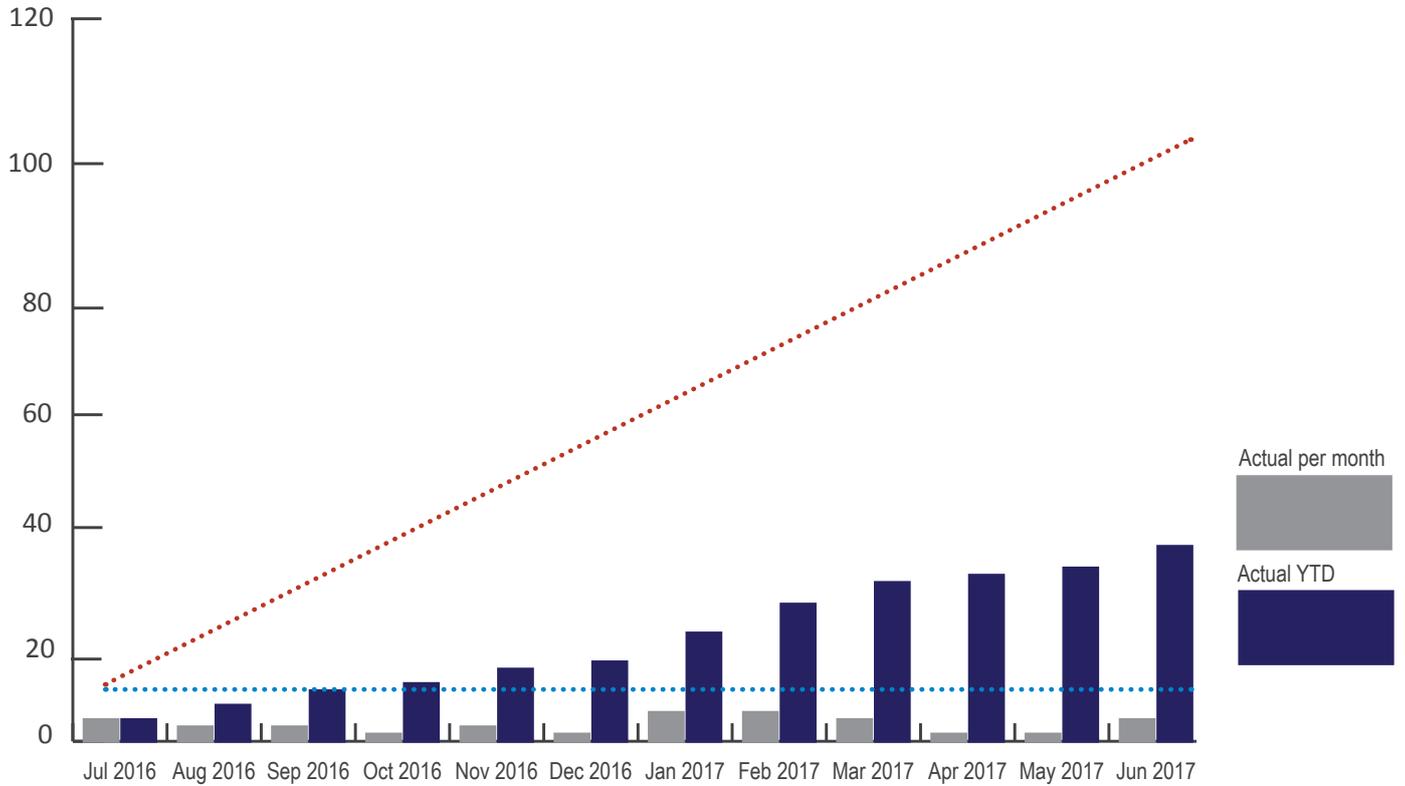
Number of water quality incidents per month



Overall number of dry weather overflows

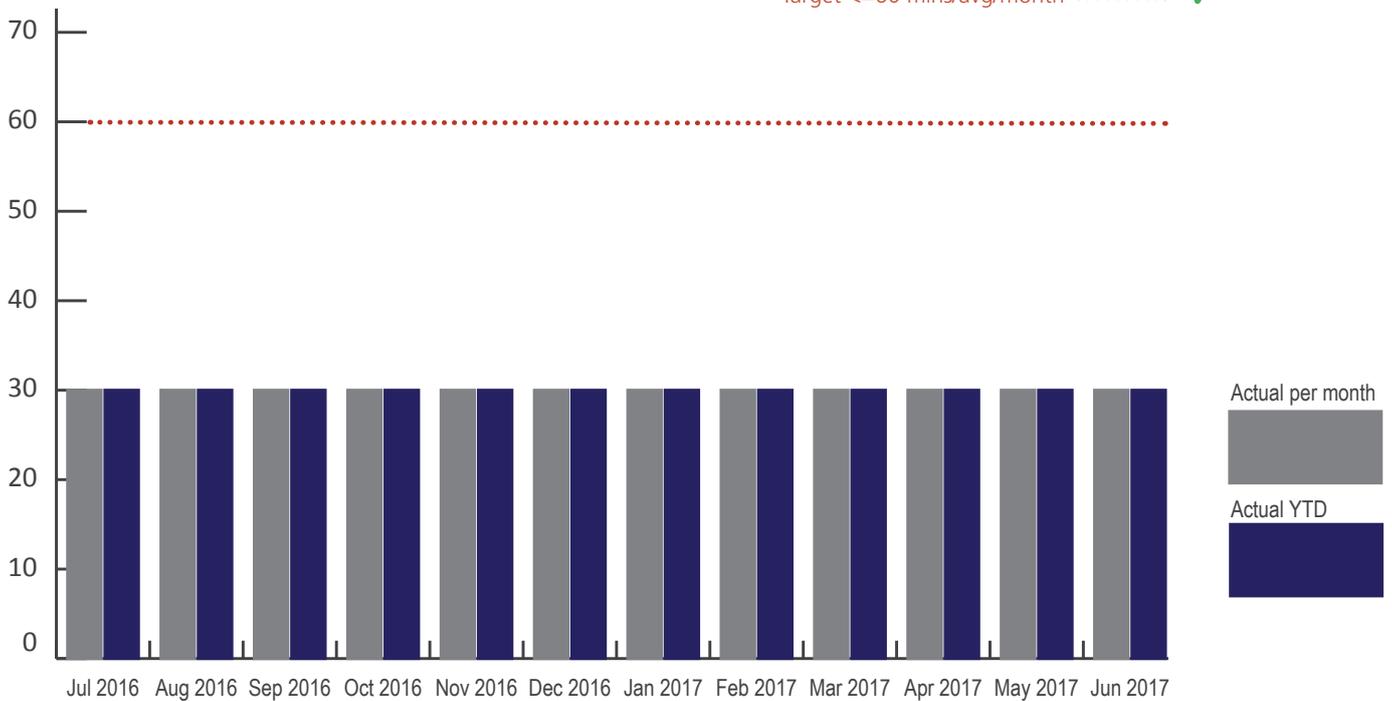
Target per year ≤ 84

Target per month ≤ 7

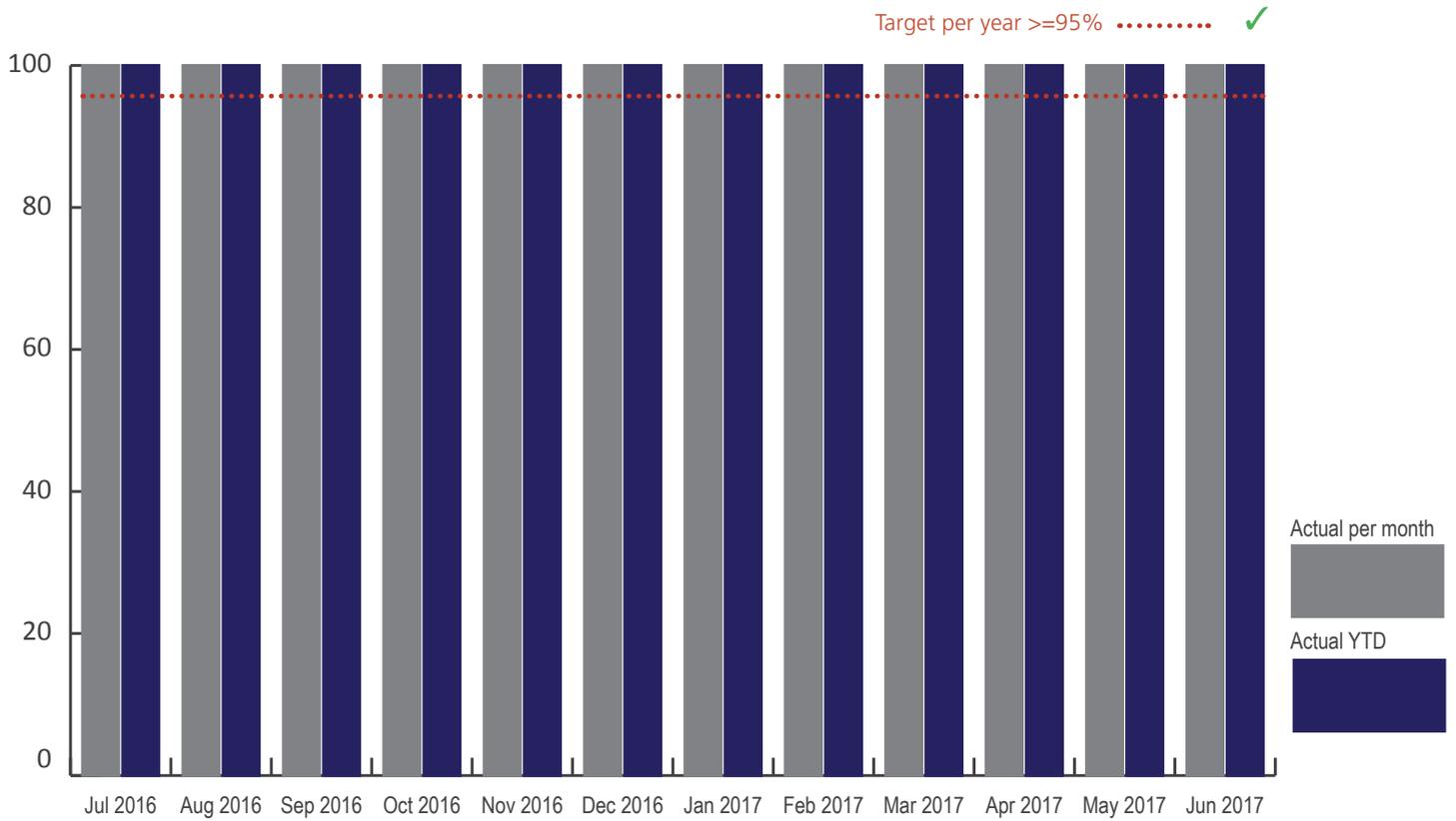


Average response or reaction time to wastewater incident

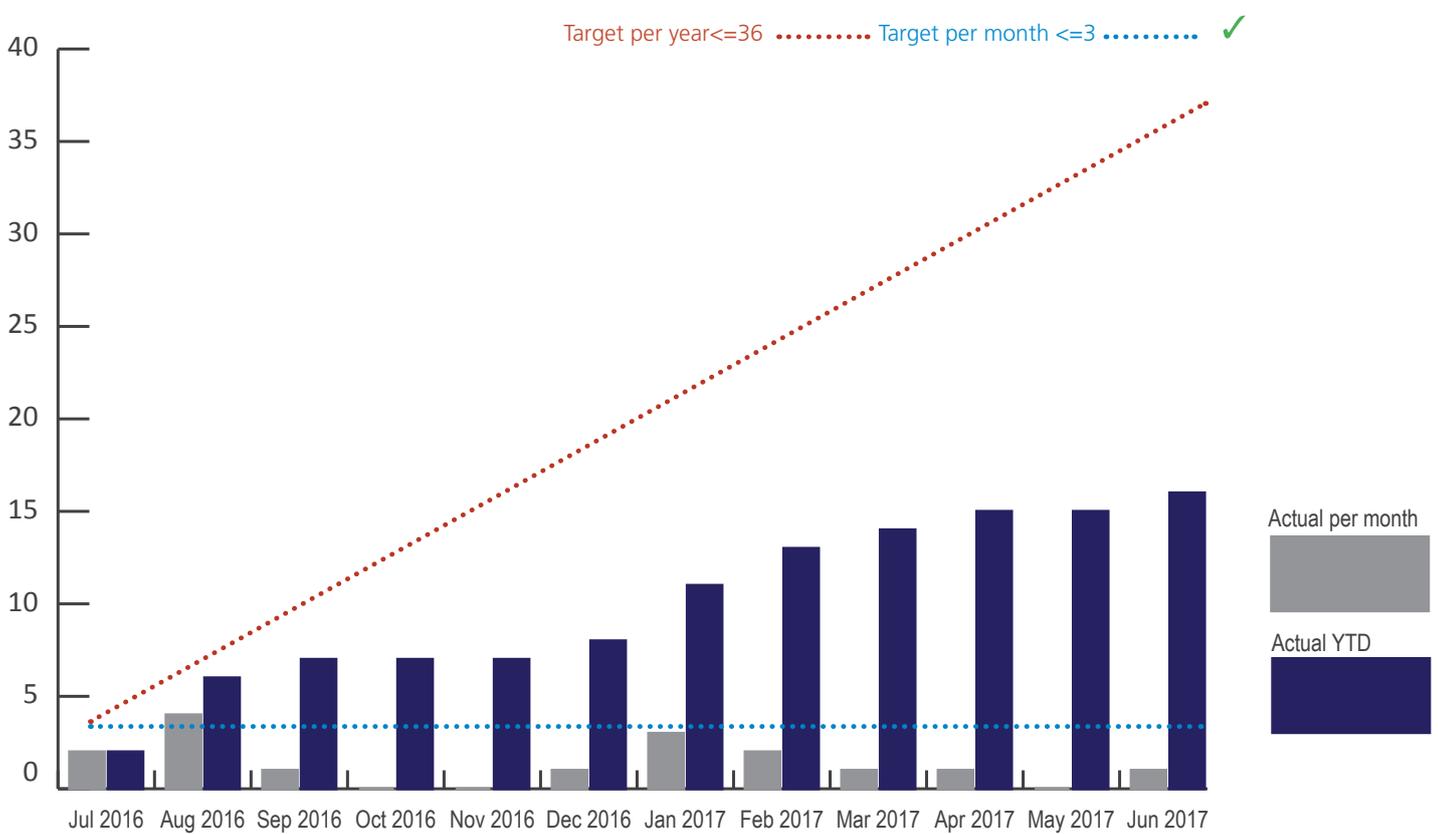
Target ≤ 60 mins/avg/month



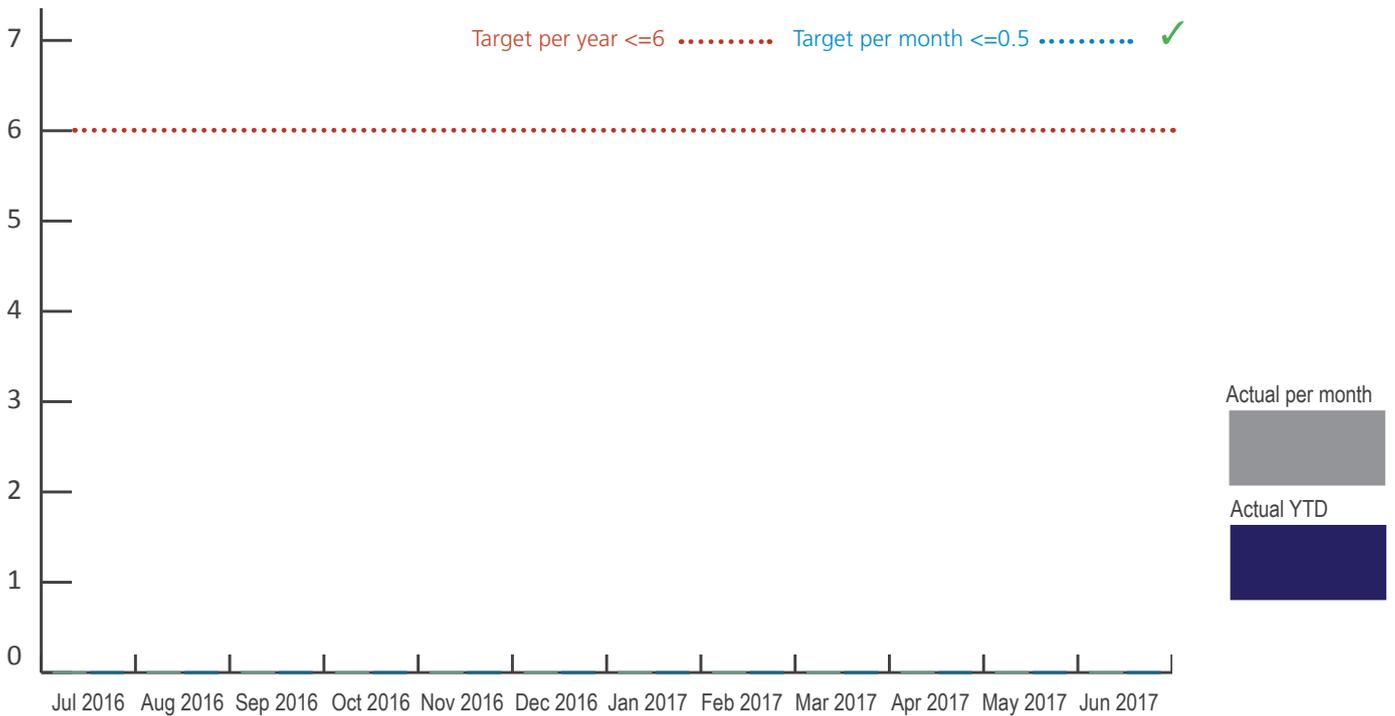
% service interruptions restored within 5 hrs (wastewater)



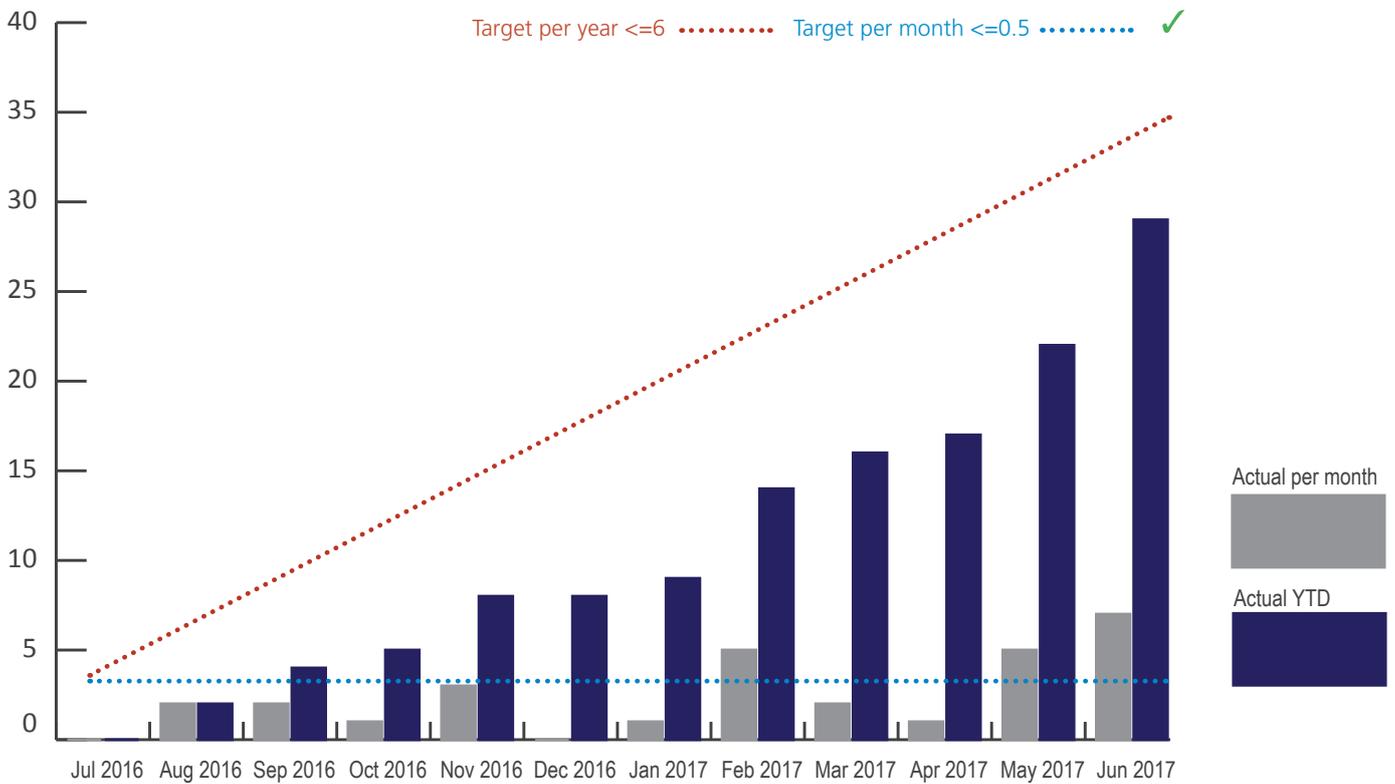
Number of wastewater odour complaints per month



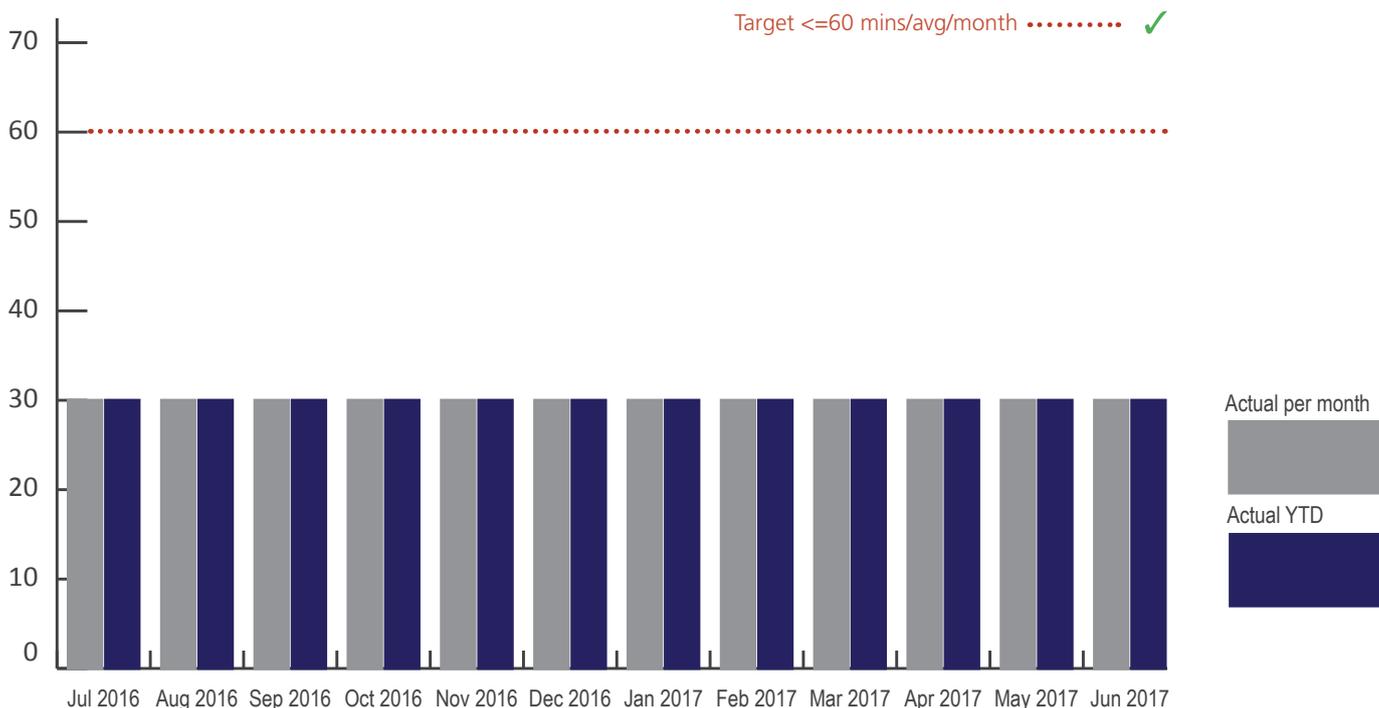
Number of WWTP non-conformances with EHP licence



Number of poor pressure complaints (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	5,180 meters were replaced as at 30 June 2017. The meter management program is being carried out in accordance with AS 3565.4.
Myora water main replacement	A new water main was constructed from Yerrol Creek to Myora Caravan Park.	\$530,150	\$487,938	Construction was completed in June 2017, with commissioning scheduled for July 2017.

Water	
Reservoirs	5
Length of water main	1,293 km
Water meters	57,943
Water connections including multiple properties per meter (MPPM) and excluding vacant land	59,815
Water purchased	13,616 ML
Water supplied	13,444 ML
Total assets	\$296m

Wastewater

Project	Description	Budget	Expenditure to date	Comments
Pump Station 6 upgrade – ensure adequate capacity exists for development	The capacity of the existing pump was upgraded by constructing an additional 450 mm rising main and upgrading pumps.	\$3,210,557	\$3,441,464	Work was completed and the station commissioned in August 2016. Overspend was caused by replacement of 250 m of a failed high pressure section of pipe and minor variations such as turving to suit sports field use, entry road improvements, and the addition of odour control.
Point Lookout Waste Water Treatment Plant	Construction was completed and the plant commissioned in November 2016.	\$10,560,000	\$9,827,137	A performance trial was successfully undertaken following commissioning.
Pump Station 35 upgrade	The tender for this project was issued in January 2017. It involves a new pumping station and associated rising main.	\$1,925,884	\$1,253,621	This project is due to be completed by October 2017.

Wastewater

Treatment plants	7
Pumping stations	138
Length of sewer main	1,189 km
Active services (excluding vacant land)	51,579
Wastewater treated (effluent)	10,056 ML
Sludge for re-use	100% (19,201 tonnes)
Recycled effluent for reuse	105 ML
Trade waste generators	797
Trade waste discharged to sewer	380 ML
Total assets	\$511 m



Our statutory duties

Under the *SEQ Water (Distribution and Retail Restructuring) Act 2009*, Redland Water is required to prepare a Water Netserv Plan. This plan is now in place, including the required endorsement from the Deputy Premier, 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 required to provide the Regulator with an annual report, in accordance with 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 2016-17 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*.

Financial report and community service obligations

Details of Redland Water's financial statements for the year ended 30 June 2017 are contained in the Financial Statements on pages 88-127.

Environmental initiatives

Redland Water continued its focus on improving the environmental performance of its wastewater treatment plants, pump stations and water and wastewater reticulation mains. Activities for 2016-17 included:

Potable water

- A new water main was constructed from Yerrol Creek to Myora Caravan Park on North Stradbroke Island to replace an existing main that had burst repeatedly in recent years.
- An AC main was replaced in Redland Bay Road, Capalaba. The newly constructed main will provide a greater level of service to the Horizon Foundation complex and IndigiScapes.

Wastewater

- There was a continued focus on preventative maintenance of wastewater treatment plant assets, including preparation of asset management plans for these facilities.
- New biosolid dewatering equipment was installed at Mount Cotton wastewater treatment plant to greatly reduce the moisture content of the material. This delivered a saving in transport costs.
- Pump stations were upgraded at Point Lookout.
- The SCADA system was upgraded at Thorneside wastewater treatment plant.
- 100% of all biosolids produced from the wastewater treatment plants were reused via land application.
- Construction on the new Point Lookout Wastewater Treatment Plant was completed and the plant commissioned. The plant is undergoing continued assessment against the performance criteria.
- Three kilometres of gravity sewer in Victoria Point and Thornlands was relined to reduce infiltration.

Delivering on customer service

Customer service standards

Customer service standards describe and define the levels of service Redland Water commits to provide to 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 2016-17, as adopted by Council in the Redland Water Annual Performance Plan for water and wastewater services.

KPI	Measure	Annual target	Actual	Comment
Maintenance costs per property serviced (water)	\$ per month	\$44.45 pa	\$51.59 pa	KPI not achieved
Maintenance costs per property serviced (wastewater)	\$ per month	\$82.41 pa	\$78.03 pa	KPI achieved
Treatment costs per property serviced (wastewater)	\$ per month	\$120.89 pa	\$132.93 pa	KPI not achieved
Water and wastewater operating revenue (actual to budget)	%	+/-5%	0.79%	KPI achieved
Water and wastewater operating goods and services expenditure (actual to budget)	%	+/-5%	-3.38%	KPI achieved
Water and wastewater capital expenditure (actual to budget)	%	+/-5%	-10.09%	KPI not achieved
% of water samples complying with Australian Drinking Water Guidelines	%	Max 98%	100%	KPI achieved every month with 100% result
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	25.4	KPI not achieved

Managing our assets

Operational performance 2016-17

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 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 2016-17, with no incident reported to the Regulator.

Redland Water is required to provide the Queensland 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 82-87, 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 Council, responsible for water supply and wastewater treatment. You can find more information on Redland Water's activities in 2016-17 on pages 63-71.

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 2016-17 on pages 59-62.

Prescribed business activities

Council also undertook building certification during the period. On 26 June 2017, Council resolved to no longer offer certification services except for regulatory functions required by legislation and removed certification from the requirements of the code of competitive conduct going forward.

The competitive neutrality principle has been applied to all business activities above. There were no investigation notices given in 2016-17 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 enterprises

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 conducted during the financial year.

Council's beneficial enterprises include the Redland Investment Corporation (RIC) as well as its subsidiary companies that are local government controlled entities: Toondah Pty Ltd, and Ava Terraces Pty Ltd.

Overseas travel

Name	Destination	Purpose	Cost (excluding GST)
Glynn Henderson, Chief Information Officer (CIO)	Austin, Texas	Invited by Dell Australia to speak at the Dell World Conference, from 18-20 October 2016	Accommodation and meals \$1,426

Redland City Council is one of the first Australian governments to implement a cloud solution, as a pilot project with Dell Australia. Council's CIO was asked by Dell to speak about Council's experience with its Microsoft Hybrid Cloud solution at the Dell World Conference, held from 18-20 October, 2016. All travel expenses associated with this trip were arranged and paid for by Dell Australia.

Services provided 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 2016-17.

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 Gifts

- 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 are held 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 2016-17, there were no changes to tenders.

Shareholder delegates

There were no shareholder delegates for corporate entities in 2016-17.

Concessions for rates and charges

In 2016-17, Council provided general rate concessions to support cultural and economic development, not-for-profit organisations, and pensioners on Centrelink or DVA Gold Card benefits. Pensioners who lived in homes where the roofline extended over an adjoining boundary in the same ownership name also received concessions on separate and special charges. A concession on separate and special charges was also provided for parcels of contiguous land in the same ownership name, for farmers carrying on a business of primary production.

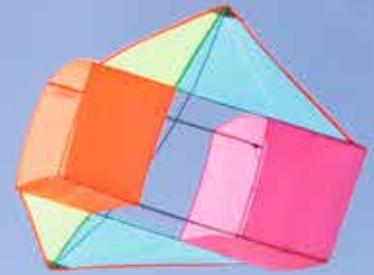
Concessions in the form of payment arrangement agreements were provided to ratepayers suffering hardship, to enable rates and charges to be recovered over a longer period.

Council also accepted concessional agreements for the voluntary transfer of unencumbered land in full or part payment of rates or charges, where that land was of nominal value and identified as having insurmountable drainage constraints or significant conservation value.

Further details are available in the 2016-17 Budget document.



Community Financial Report



This report aims to simplify the consolidated financial statements of Redland City Council (Council) and its subsidiary, Redland Investment Corporation (RIC). Council and RIC form the economic entity referred to in this report as the Group.

The report provides graphical representations of the financial position, financial performance and cash flows, as well as changes in community equity, to provide a simple, comprehensive view of the Group's financial results for the period 1 July 2016 to 30 June 2017.

Report outline:



Summary of key financial stability (Council)

Ratio	Description	Formula	Target	2016-17 Actual	
Level of dependence on general rate revenue	This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)	General rates revenue less pensioner remissions, divided by total operating revenue less gain on sale of developed land	Less than 37.5%	32.59%	✓
Ability to pay our bills – current ratio	This measures the extent to which Council has liquid assets available to meet short term financial obligations	Current assets divided by current liabilities	Between 1.1 and 4.1	3.06	✓
Ability to repay our debt – debt servicing ratio	This indicates Council's ability to meet current debt instalments with recurrent revenue	Interest expense plus loan redemption, divided by total operating revenue less gain on sale of developed land	Less than or equal to 10%	3.05%	✓
Cash balances	Cash balance includes cash on hand, cash at bank and other short term investments	Cash held at period end	Greater than or equal to \$40m	\$156.42m	✓
Cash balances – cash capacity in months	This provides an indication as to the number of months cash held at period end would cover operating cash outflows	Cash held at period end, divided by cash operating costs plus interest expense per month	3-4 months	9.49	✓
Longer term financial stability – debt to asset ratio	This is total debt as a percentage of total assets, i.e. to what extent will our long term debt be covered by total assets	Current and non-current loans divided by total assets	Less than or equal to 10%	1.63%	✓
Operating performance	This ratio provides an indication of Council's cash flow capabilities	Net cash from operations plus interest revenue and expense, divided by cash operating revenue, plus interest revenue	Greater than or equal to 20%	22.81%	✓
Interest coverage ratio*	This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges	Net interest expense on debt service divided by total operating revenue	Between 0% and 5%	-0.50%	✓

* 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.

Council includes the above elective key performance indicators in the budget and reports on these on a monthly basis, as they do not feature in the annual report.

Measures of sustainability (Group)

Ratio	Description	Formula	Target	2016-17 Actual	
Operating surplus ratio	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.	Net operating surplus divided by total operating revenue	Between 0% and 10%	-4.25%	✗
Net financial liabilities ratio*	This is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.	Total liabilities less current assets, divided by total operating revenue	Below 60%	-33.12%	✓
Asset sustainability ratio	This is an approximation of the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.	The capital expenditure on the replacement of infrastructure assets, divided by depreciation on infrastructure assets	Greater than 90%	53.22%	✗

* 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, net financial liabilities ratio and 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.

The operating surplus ratio is below the target range, mainly due to the provision for the refund of unspent money quarantined for canal maintenance and repairs related to the financial years 2011-12 through to 2016-17.

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, and support the capital works prioritisation policy.

Overview of consolidated financial results

Below are the Group's key financial performance highlights:

Information at a glance	2016-17 Actual \$millions	2015-16 Actual (CPI adjusted) \$millions*	Change %**	2015-16 Actual (audited) \$millions
Operating income	\$259.87m	\$249.48m	4%	\$245.35m
Operating expenditure	\$(270.91)m	\$(249.45)m	9%	\$(245.32)m
Net operating surplus/(deficit)	\$(11.04)m	\$0.03m	(36,900%)	\$0.03m
Capital grants, subsidies and contributions	\$58.51m	\$69.45m	(16%)	\$68.30m
Other capital income/(expenditure)	\$(7.94)m	\$(3.21)m	148%	\$(3.15)m
Net result	\$39.53m	\$66.27m	(40%)	\$65.18m

* CPI adjustment for comparability purposes

** Change between 2016-17 actual and 2015-16 actual (CPI adjusted)

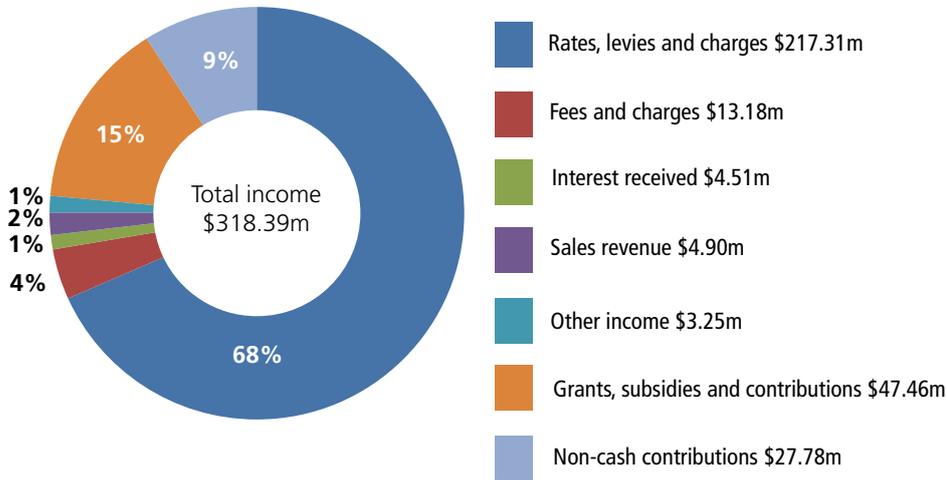
See Consolidated Statement of Comprehensive Income for more information

Financial performance summary

Revenue - What were our major sources of income?

(Consolidated Statement of Comprehensive Income)

Sources of income 2016-17



This year, the Group received \$318.39m in income, which was a \$0.54m decrease (CPI adjusted), or 0.2% lower compared to the previous financial year.

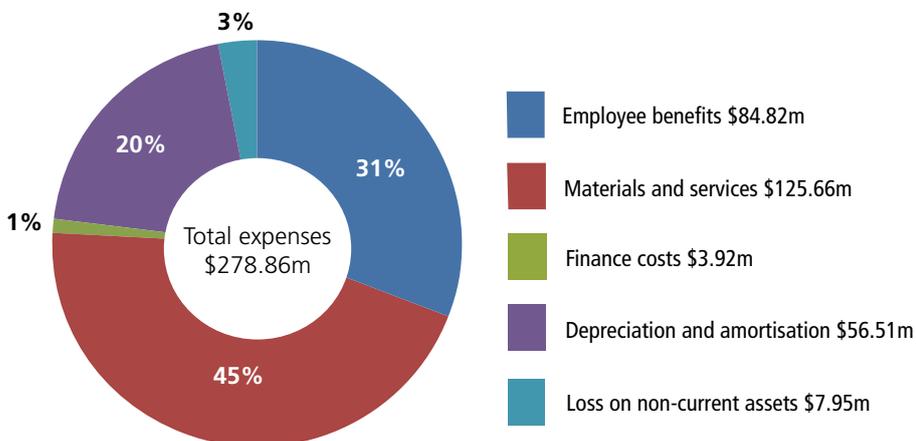
Movements in income was driven by:

- growth in rates, levies and charges due to property numbers growth and bulk water charges increase
- building activity moderating leading to a reduction in developer's non-cash contributions.

Expenditure - Where was the money spent?

(Consolidated Statement of Comprehensive Income)

Total expenditure 2016-17



The Group spent \$278.86m during the financial year, which is an increase of \$26.20m (CPI adjusted) or 10.4% higher than last year.

This increase was driven by:

- materials and services, canal and lake charges refund and increase in bulk water charges
- depreciation, increase of \$4.79m, mainly due to revaluation of assets in 2015-16
- loss on disposal of water and wastewater and road assets.

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

(Consolidated Statement of Financial Position)

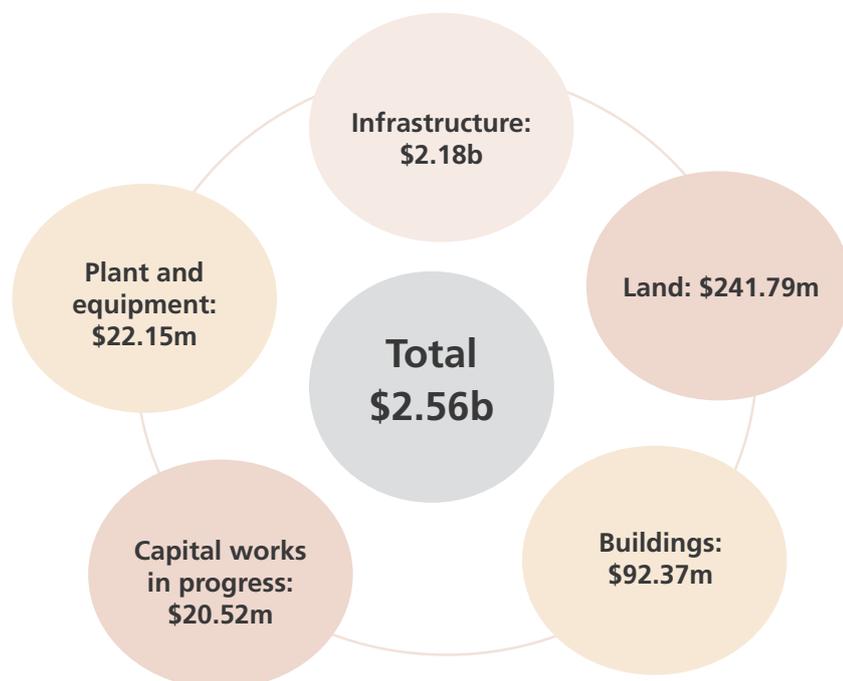
Information at a glance	2016-17 Actual \$millions	2015-16 Actual (CPI adjusted) \$millions*	Change %**	2015-16 Actual (audited) \$millions
Total assets	\$2,766.04m	\$2,653.80m	4%	\$2,609.91m
Total liability	\$(110.47)m	\$(103.06)m	7%	\$(101.36)m
Total community equity	\$2,655.57m	\$2,550.74m	4%	\$2,508.55m

*CPI adjustment for comparability purposes

** Change between 2016-17 actual and 2015-16 actual (CPI adjusted)

See Consolidated Statement of Financial Position for more information

Property, plant and equipment 2016-17



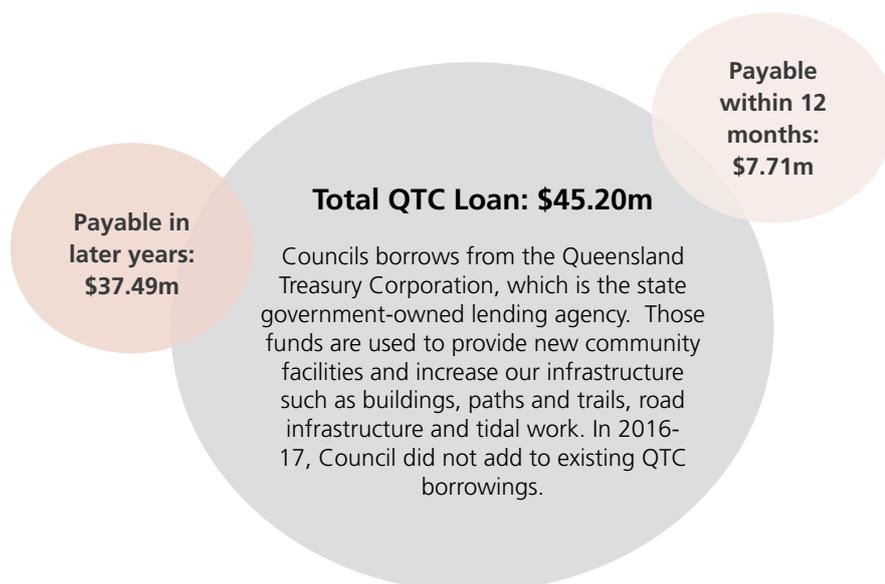
The total value of all assets at 30 June 2017 was \$2.77b, of which \$2.56b (92.4%) relates to property, plant and equipment.

During 2016-17, water and wastewater asset classes had a comprehensive independent valuation.

Indexations were applied to: buildings, plant and equipment, roads, stormwater drains and other infrastructure assets.

The overall impact of the revaluation was an increase of \$107.49m in net asset value.

Liabilities - Why did we borrow when we have cash in the bank?



The annual investment of Council in infrastructure is substantial and is a major component of capital expenditure.

The concept of intergenerational equity guides Council in infrastructure planning for sustainable development. This concept flows through to Council's long-term financing strategy, where borrowed funds are used to partially finance infrastructure renewals that will benefit present and future communities.

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 2016 and 30 June 2017.

Main sources of cash in and out	2016-17 \$ millions	2015-16 (CPI adjusted) \$ millions*	Change %**	2015-16 (Audited) \$ millions
Net cash received from operations (excluding interest and borrowing costs)	\$54.32m	\$49.64m	9%	\$48.82m
Purchases and construction of assets	\$(68.13)m	\$(62.36)m	9%	\$(61.32)m
Capital grants, subsidies and contributions	\$30.70m	\$34.00m	(10%)	\$33.44m
Repayment of debt	\$(6.78)m	\$(4.68)m	45%	\$(4.60)m

* CPI adjustment for comparability purposes

** Change between 2016-17 actual and 2015-16 actual (CPI adjusted)

See Consolidated Statement of Cash Flows for more information

Major cash flow sources are explained below:

- Net cash received from operations: Council's normal day-to-day functions. Includes receipts of rates, fees and charges and operating grants, offset by payments for employee costs and materials and services.
- Purchases and construction of assets: Includes payments for the purchase and construction of property, plant and equipment. The major purchases are for land, sewerage, roads and park assets.
- Capital grants, subsidies and contributions: Includes cash contributions from developers to pay for infrastructure Council needs to build to provide services to new developments.
- Repayment of debt: Repayments of principal on Council's loans with Queensland Treasury Corporation.

The Group started the 2016-17 financial year with \$142.93m cash in the bank and ended the year with \$157.40m.

Community future vision

1: Healthy natural environment

2: Green living

3: Embracing the bay

4: Quandamooka Country

5: Wise planning and design

6: Supportive and vibrant economy

7: Strong and connected communities

8: Inclusive and ethical government

In May 2015, Council adopted its revised Corporate Plan for the five year period 2015-2020. The Corporate Plan contains the themes or 'vision outcomes' as communicated by the Redlands community in the 2030 Community Plan.

Other than the day-to-day operational needs to keep Council's services running, there have been improvements to help expand services, bringing Council closer to the 'vision outcomes' goals outlined in its 2030 Community Plan, such as:

- delivering a new Customer Service Centre at Victoria Point Library
- completing Point Lookout Wastewater Treatment Plant
- continuing to reduce debt level with Queensland Treasury Corporation.

Strategic priorities

During the 2016-17 financial year, Council identified six strategic priorities that form the guiding principles to shape and achieve the strategic vision for the current local government term. The following strategic priorities are considered the main drivers of Redlands growth and development:

1-Transport and connectivity: getting our residents where they need to go faster and safer

2-Sport, education and the arts: giving our residents the foundations for a strong future, be it in the classroom, on the stage or on the sporting field

3-Economic development: giving businesses a reason to invest in our city and the confidence to employ locals

4-Planning: adopting a clearer city plan that gives both our community and the industry confidence

5-Branding identity: setting our city apart from the rest, creating civic pride and putting us on the national and international tourism map

6-Smart cities and digital connectivity: investing in digital pathways, recognising that today's businesses can be home and cloud-based and we can no longer rely on the NBN being the only solution to our digital connectivity

Summary

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

Council undertook a number of initiatives and the key highlights are listed below:

- In 2016-17, Council delivered the largest capital program to date at \$69m.
- The shift to fixed rate loans for the generic debt pool facility offered by the Queensland Treasury Corporation resulted to cost efficiency in terms of interest expense savings on long term borrowings. Existing borrowings will be paid out 12 months earlier than the original term of the loans.
- There was a strong focus on sourcing operating and capital grants to boost Council's revenue generation.
- Lean process improvement projects continued to be initiated across Council to encourage effective use of available resources and cut out non-value adding activity. Lean Methodology training continues and is supported Council wide.

Index of statutory information

Queensland 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	72
<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	72
<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> <p>(4) To remove any doubt, it is declared that nothing in this section requires the exact salary of any employee in senior management to be separately stated in the annual report.</p>	6	201	31 31 31
<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	123-127

Local Government Regulation 2012

Requirement	Chapter	Section	Page
Community financial report (1) A local government must prepare a community financial report for each financial year. (2) The community financial report for a financial year must: (a) contain a summary and an analysis of the local government's financial performance and position for the financial year (b) be consistent with the general purpose financial statement for the financial year (c) include the relevant measures of financial sustainability for the financial year (d) be written in a way that can be easily understood by the community.	5	179	75
Preparation of annual report (1) A local government must prepare an annual report for each financial year. (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. (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. (4) The local government must publish its annual report on its website within two weeks of adopting the annual report.	5	182	N/A
Financial statements The annual report for a financial year must contain: (a) the general purpose financial statement for the financial year, audited by the Auditor-General (b) the current-year financial sustainability statement for the financial year, audited by the Auditor-General (c) the long-term financial sustainability statement for the financial year (d) the Auditor-General's audit reports about the general purpose financial statement and the current-year financial sustainability statement.	5	183	88-127
Community financial report The annual report for a financial year must contain the community financial report for the financial year.	5	184	75-81

Local Government Regulation 2012			
Requirement	Chapter	Section	Page
<p>Particular resolutions</p> <p>The annual report for a financial year must contain:</p> <p>(a) a copy of the resolutions made during the financial year under section 250(1)</p> <p>(b) a list of any resolutions made during the financial year under section 206(2).</p>	5	185	19
<p>Councillors</p> <p>The annual report for a financial year must contain particulars of:</p> <p>(a) for each Councillor, the total remuneration, including superannuation contributions, paid to the Councillor during the financial year</p> <p>(b) the expenses incurred by, and the facilities provided to, each Councillor during the financial year under the local government's expenses reimbursement policy</p> <p>(c) the number of local government meetings that each Councillor attended during the financial year</p> <p>(d) the total number of the following during the financial year:</p> <p>(i) orders and recommendations made under section 180(2) or (4) of the Act</p> <p>(ii) orders made under section 181 of the Act</p> <p>(e) each of the following during the financial year:</p> <p>(i) the name of each Councillor for whom an order or recommendation was made under section 180 of the Act or an order was made under section 181 of the Act</p> <p>(ii) a description of the misconduct or inappropriate conduct engaged in by each of the Councillors</p> <p>(iii) a summary of the order or recommendation made for each Councillor</p> <p>(f) the number of each of the following during the financial year:</p> <p>(i) complaints about the conduct or performance of Councillors for which no further action was taken under section 176C(2) of the Act</p> <p>(ii) complaints referred to the department's chief executive under section 176C(3)(a)(i) of the Act</p> <p>(iii) complaints referred to the Mayor under section 176C(3)(a)(ii) or (b)(i) of the Act</p> <p>(iv) complaints referred to the department's chief executive under section 176C(4)(a) of the Act</p> <p>(v) complaints assessed by the chief executive officer as being about official misconduct</p> <p>(vi) complaints heard by a regional conduct review panel</p> <p>(vii) complaints heard by the tribunal</p> <p>(viii) complaints to which section 176C(6) of the Act applied</p>	5	186	N/A

Local Government Regulation 2012			
Requirement	Chapter	Section	Page
<p>Administrative action complaints</p> <p>(1) The annual report for a financial year must contain:</p> <ul style="list-style-type: none"> (a) a statement about the local government's commitment to dealing fairly with administrative action complaints (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>(2) The annual report must also contain particulars of:</p> <ul style="list-style-type: none"> (a) the number of the following during the financial year: <ul style="list-style-type: none"> (i) administrative action complaints made to the local government (ii) administrative action complaints resolved by the local government under the complaints management process (iii) administrative action complaints not resolved by the local government under the complaints management process (b) the number of administrative action complaints under paragraph (a)(iii) that were made in a previous financial year. 	5	187	35
<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> <ul style="list-style-type: none"> (a) for a Councillor - the name of the Councillor (b) for a local government employee - the name of, and position held by, the local government employee (c) the destination of the overseas travel (d) the purpose of the overseas travel (e) the cost of the overseas travel. <p>(2) The annual report may also contain any other information about the overseas travel the local government considers relevant.</p>	5	188	73
<p>Expenditure on grants to community organisations</p> <p>The annual report for a financial year must contain a summary of:</p> <ul style="list-style-type: none"> (a) the local government's expenditure for the financial year on grants to community organisations (b) expenditure from each Councillor's discretionary fund, including: <ul style="list-style-type: none"> (i) the name of each community organisation to which an amount was allocated from the fund (ii) the amount and purpose of the allocation. 	5	189	19, 52

Local Government Regulation 2012

Requirement	Chapter	Section	Page
Other contents	5	190	N/A
(1) The annual report for a financial year must contain the following information:			
(a) the chief executive officer's assessment of the local government's progress towards implementing its five-year corporate plan and annual operational plan			38-57
(b) particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year			38-57
(c) an annual operations report for each commercial business unit			58-71
(d) details of any action taken for, and expenditure on, a service, facility or activity:			
(i) supplied by another local government under an agreement for conducting a joint government activity			73
(ii) for which the local government levied special rates or charges for the financial year			74
(e) the number of invitations to change tenders under section 228(7) during the financial year			74
(f) a list of the registers kept by the local government			73
(g) a summary of all concessions for rates and charges granted by the local government			74
(h) the report on the internal audit for the financial year			36
(i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints			72
(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).			72
(2) 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:			58-71
(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.			

Public Sector Ethics Act 1994			
Requirement	Chapter	Section	Page
<p>Reporting</p> <p>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:</p> <p>section 15 (Preparation of codes of conduct)</p> <p>section 21 (Education and training)</p> <p>section 22 (Procedures and practices of public sector entities).</p>	5	23	24–31



Consolidated Financial Statements

For the year ended 30 June 2017

REDLAND CITY COUNCIL
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2017

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Note	Consolidated		Council	
		2017 \$000	2016 \$000	2017 \$000	2016 \$000
Income					
Recurrent revenue					
Rates, levies and charges	4(a)	217,308	209,926	217,308	209,926
Fees and charges	4(b)	13,178	13,744	13,014	13,675
Interest received		4,510	4,623	4,470	4,584
Sales revenue		4,896	4,154	3,903	4,154
Other income		3,216	1,733	2,041	2,008
Grants, subsidies and contributions	5(a)	16,769	11,170	16,769	11,170
Total recurrent revenue		259,877	245,350	257,505	245,517
Capital revenue					
Grants, subsidies and contributions	5(b)	30,696	33,438	30,696	33,438
Non-cash contributions	5(b)	27,776	34,769	27,776	34,769
Increase in investment property		37	98	37	98
Total capital revenue		58,509	68,305	58,509	68,305
Total income		318,386	313,655	316,014	313,822
Expenses					
Recurrent expenses					
Employee benefits	6	(84,823)	(80,173)	(83,836)	(79,712)
Materials and services	7	(125,656)	(108,166)	(125,105)	(108,215)
Finance costs		(3,923)	(3,980)	(3,922)	(3,979)
Depreciation and amortisation	8	(56,511)	(51,717)	(56,504)	(51,717)
Impairment loss on non-current assets held-for-sale		-	(1,289)	-	-
Total recurrent expenses		(270,913)	(245,325)	(269,367)	(243,623)
Capital expenses					
Loss on disposal of non-current assets		(7,943)	(3,152)	(7,943)	(3,152)
Impairment loss on non-current assets held-for-sale		-	-	-	(1,289)
Total capital expenses		(7,943)	(3,152)	(7,943)	(4,441)
Total expenses		(278,856)	(248,477)	(277,310)	(248,064)
Net result		39,530	65,178	38,704	65,758
Other comprehensive income/(loss)					
Items that will not be reclassified to net result					
Revaluation of property, plant and equipment	12	107,489	135,939	107,489	135,939
Total comprehensive income/(loss) for the year		147,019	201,117	146,193	201,697

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 2017

	Note	Consolidated		Council	
		2017 \$000	2016 \$000	2017 \$000	2016 \$000
Current assets					
Cash and cash equivalents	9	157,399	142,929	156,415	141,212
Trade and other receivables	10	27,697	25,795	27,273	25,805
Inventories	11	9,112	9,295	552	676
Non-current assets held-for-sale		262	462	262	4,278
Other current assets		2,073	2,122	2,073	2,122
Total current assets		196,543	180,603	186,575	174,093
Non-current assets					
Investment property		7,149	1,054	1,091	1,054
Property, plant and equipment	12	2,559,337	2,424,908	2,559,417	2,424,916
Intangible assets		2,938	3,277	2,938	3,277
Other financial assets		73	73	14,785	6,034
Total non-current assets		2,569,497	2,429,312	2,578,231	2,435,281
Total assets		2,766,040	2,609,915	2,764,806	2,609,374
Current liabilities					
Trade and other payables	13	39,000	22,355	39,144	22,359
Borrowings	14(a)	7,713	7,702	7,713	7,702
Provisions	15(a)	12,440	13,324	12,429	13,316
Other current liabilities		1,697	3,390	1,697	3,390
Total current liabilities		60,850	46,771	60,983	46,767
Non-current liabilities					
Borrowings	14(b)	37,486	42,155	37,486	42,155
Provisions	15(b)	12,130	12,434	12,108	12,416
Total non-current liabilities		49,616	54,589	49,594	54,571
Total liabilities		110,466	101,360	110,577	101,338
Net community assets		2,655,574	2,508,555	2,654,229	2,508,036
Community equity					
Asset revaluation surplus	16	1,070,839	963,350	1,070,839	963,350
Retained surplus		1,584,735	1,545,205	1,583,390	1,544,686
Total community equity		2,655,574	2,508,555	2,654,229	2,508,036

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Asset Revaluation Surplus \$000	Retained Surplus \$000	Total Community Equity \$000
	Note	12, 16	
Consolidated			
Balance as at 1 July 2016	963,350	1,545,205	2,508,555
Net result	-	39,530	39,530
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	107,489	-	107,489
Total comprehensive income for the year	107,489	39,530	147,019
Balance as at 30 June 2017	1,070,839	1,584,735	2,655,574
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
Council			
Balance as at 1 July 2016	963,350	1,544,686	2,508,036
Net result	-	38,704	38,704
Other comprehensive income for the year:			
Increase/(decrease) in asset revaluation surplus	107,489	-	107,489
Total comprehensive income for the year	107,489	38,704	146,193
Balance as at 30 June 2017	1,070,839	1,583,390	2,654,229
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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Note	Consolidated		Council	
		2017 \$000	2016 \$000	2017 \$000	2016 \$000
Cash flows from operating activities					
Receipts from customers		238,565	230,728	236,624	230,272
Payments to suppliers and employees		(199,279)	(193,941)	(196,636)	(192,533)
Interest received		4,510	4,624	4,470	4,584
Non-capital grants and contributions		15,036	12,035	15,036	12,035
Borrowing costs	14	(1,066)	(3,354)	(1,066)	(3,354)
Net cash inflow/(outflow) from operating activities	21	57,766	50,092	58,428	51,004
Cash flows from investing activities					
Payments for property, plant and equipment		(67,296)	(60,678)	(67,225)	(60,678)
Payments for intangible assets		(830)	(646)	(830)	(646)
Proceeds from sale of property, plant and equipment		912	1,365	912	1,365
Capital grants, subsidies and contributions		30,696	33,438	30,696	33,438
Net cash inflow/(outflow) from investing activities		(36,518)	(26,521)	(36,447)	(26,521)
Cash flows from financing activities					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings	14	(6,778)	(4,598)	(6,778)	(4,598)
Net cash inflow/(outflow) from financing activities		(6,778)	(4,598)	(6,778)	(4,598)
Net increase/(decrease) in cash and cash equivalents held		14,470	18,973	15,203	19,885
Cash and cash equivalents at beginning of the financial year		142,929	123,956	141,212	121,327
Cash and cash equivalents at end of the financial year	9	157,399	142,929	156,415	141,212

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

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

These consolidated general purpose financial statements are for the period 1 July 2016 to 30 June 2017 in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, they have been prepared in accordance with all Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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). Therefore in some instances these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation gains and losses within a class of assets and the timing of recognition of non-reciprocal grant revenue.

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.

1(b) Principles of consolidation

Council and its controlled entities together form the economic entity which is referred to in these financial statements as the group. The financial statements of controlled entities are included in the consolidated financial statements where material by size or nature, from the date when control commences until the date when control ceases.

Transactions with entities controlled by Council have been eliminated when preparing consolidated financial statements and accounting policies of controlled entities adjusted where necessary to ensure consistency with the policies adopted by the group.

Redland Investment Corporation Pty Ltd (consolidated)

Council has 100% ownership of Redland Investment Corporation Pty Ltd (RIC) which is limited by shares. RIC was formed to enhance the commercial activities of Council and oversees a diverse range of projects across the city.

RIC Toondah Pty Ltd (not consolidated as transactions in this entity are not material)

RIC has 100% ownership of RIC Toondah Pty Ltd (RICT) which is limited by shares. RICT was formed to provide the administration services for the day-to-day management of the joint operation between the Minister of Economic Development Queensland (MEDQ), Council and the developer for the project in the Toondah Harbour Priority Development Area. Council's interest in the joint operation is 50%. The project is pending a transfer of State land to MEDQ as well as an environmental assessment, as such nominal transactions have occurred in this entity during the current financial year.

Redheart Pty Ltd (not consolidated as transactions in this entity are not material)

Council has 100% ownership of Redheart Pty Ltd (Redheart) which is limited by shares. Redheart was formed to conduct a beneficial enterprise by holding a mining lease and environmental authority and sell quarry material from Council's German Church Road quarry operations, so as to manage risks and increase commercial flexibility. As at 30 June 2017, the company had net assets of \$2 and remained dormant throughout the financial year.

AVA Terraces Pty Ltd (not consolidated as transactions in this entity are not material)

AVA Terraces Pty Ltd (AVA) was incorporated on 27 February 2017 and is limited by shares. RIC has 100% ownership of AVA. AVA was formed to develop and deal with land at 9-11 Oaklands Street, Alexandra Hills. As at 30 June 2017, the company had nil net assets and remained dormant throughout the financial year.

Separate financial statements for the RIC have been prepared for the financial year ended 30 June 2017 and are audited by the Auditor-General of Queensland.

1(c) 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(d) Date of authorisation

The consolidated 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(e) Currency

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

1(f) 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 2017

1 Basis of preparation and compliance - continued

1(g) 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.

This year Council applied AASB 124 *Related Party Disclosures* for the first time. As a result Council has disclosed information about related parties and transactions with those related parties in Note 24. As permitted by the transitional provisions, no comparative figures are required in the first year of application.

Council has not adopted new or revised Standards and Interpretations issued by the AASB that are not yet effective.

Other relevant new Standards and Interpretations that have been issued but are not mandatory for 30 June 2017 reporting periods, as well as the assessment of the impact of these new Standards and Interpretations is set out below.

Standard	Nature of change	Impact	Effective dates
AASB 9 <i>Financial Instruments</i> and related amendments to Australian Accounting Standards arising from AASB 9	AASB 9 addresses the classification, measurement and de-recognition of financial assets and liabilities, introduces a new impairment model for financial assets.	Council does not expect the new standard to have a significant impact on the classification and measurement of its financial assets. The group's only "available-for-sale" financial asset is its investment in SEQ Recreational Facility Pty Ltd. The exemption to measure these unlisted securities at cost rather than at fair value has been eliminated. Therefore, under AASB 9, these unlisted securities must be measured at fair value.	1 January 2018
AASB 15 <i>Revenue from contracts with customers</i> , AASB 1058 <i>Income of Not-for-Profit Entities</i> and AASB 2016-8 <i>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</i>	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 as each performance obligation as stipulated in the contract with customers is satisfied. Not-for-profit (NFP) entities will need to consider both AASB 1058 and AASB 15 together. AASB 1058 will apply to recognise income for NFP entities where there is no enforceable contract and sufficiently specific performance obligations.	Council is currently assessing the effects of the new standard and analysing revenue streams to determine whether they represent contracts with customers and therefore fall under AASB 15. If AASB 15 does not apply, AASB 1058 will apply. Council will continue to recognise income on receipt where there is no performance obligation under a contract with a customer. The most significant change for Council will likely be to defer income from grants and donations where the delivery of goods and services are enforceable and the performance obligations are sufficiently specific. The majority of grants and donations received by Council is currently recognised on receipt under AASB 1004 <i>Contributions</i> . AASB 1058 will most likely also require Council to defer prepaid rates to the period they relate where currently they are being recognised upfront.	1 January 2019
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.	The standard will affect the accounting for Council's operating leases. As at the reporting date, Council has non-cancellable operating lease commitments of \$12,210,937, refer Note 17. However, Council is considering to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect Council's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases.	1 January 2019
AASB 2016-4 <i>Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	The amendments made to AASB 136 <i>Impairment of Assets</i> remove references to depreciated replacement cost as a measure of value in use for NFP entities. They also clarify that the recoverable amount of specialised assets of NFP entities that are held for the continuing use of their service capacity is expected to be materially the same as the fair value determined under AASB 13 <i>Fair Value Measurement</i> .	These amendments make changes to AASB 136 to simplify the impairment testing requirements for NFP entities measuring specialised, non-cash-generating assets under the fair value model ('cost approach'). Council is currently in the process of investigating the impact.	1 January 2017

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(h) 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)

Transactions with related parties (Note 24)

Events after the reporting period (Note 25)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

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. Utility charges are recognised based on consumption.

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 or upon unconditional entitlement to the funds, whichever occurs earlier.

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 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 Enterprise Risk Management Framework and related policies, guidelines and procedures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

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, and deposits held at call with financial institutions.

Council's cash and cash equivalents are subject to a number of internal restrictions that limit amounts available for discretionary or future use. 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 levied for 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 for the Rural Fire Brigade Levy Special Charge and these funds are distributed to the respective Rural Fire Service Southern Moreton Bay Islands Local Area Finance Committee. This reserve also holds funds levied 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 levied for 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.

All known bad debts were written-off or provided for at 30 June 2017.

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 and/or construction of assets

Acquisitions of assets are initially recorded at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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.

Assets 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.

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, except for plant and equipment and work in progress which are measured at historical 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.

Depreciation and amortisation

Land, artwork and heritage assets are not depreciated as they have an unlimited useful life. Depreciation on other fixed 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. 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(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.

2(g) Trade and other payables

Trade and other payables 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 Significant accounting policies - continued

2(h) Employee benefits 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. The liability for annual leave is reported in Note 13 as a payable.

2(i) Rehabilitation provisions

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

A provision is also raised for the closure of the German Church Road quarry and represents the present value of costs associated with the closure of the quarry and the rehabilitation of this site.

The calculation of these provisions require 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 liabilities, the most significant uncertainty in estimating the provision is the cost that will be incurred. The provisions recognised for landfill and quarry sites are 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:

Community and Customer Services

Community and Customer Services provides operational support and manages the city's community services through the following functions:

Community and Cultural Services

- Community and Cultural Services which supports the health and wellbeing of our community, promotes strong community spirit and extends to people of all ages, cultures, abilities and needs.

Planning, Development and Environment

- City Planning and Assessment which delivers strategic planning and development assessment and the management of infrastructure charging and planning.
- Economic Sustainability and Major Projects which 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.
- Environment and Regulation which is focused on the protection, management, promotion and enhancement of biodiversity.

Infrastructure and Operations

Infrastructure, Recreation and Facilities Services

- This function is responsible for the sustainable management, maintenance and operation of Council's infrastructure assets. It includes the identification, planning and delivery of infrastructure to support the community by way of roads, parks and conservation, community halls and swimming pools; and ensure a high standard of infrastructure in the Redlands.

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.

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.

Organisational Services

Organisational Services provides an internal support function to Council from a compliance and provision of service perspective. It includes:

- Internal Audit and Risk with a focus on a strong control environment, risk management, insurances, business continuity, compliance and governance practices.
- Corporate Services manage a diverse range of organisational functions, such as Corporate Governance, Indigenous Partnerships, Office of the Mayor and Councillors, Disaster Management and Fleet Management.
- Communication, Engagement and Tourism is responsible for a broad range of communication, community engagement, events, graphic design, web management, social media services and tourism development for Redland City Council.
- Information Management enables productivity through technology solutions, and enhancing efficiency and effectiveness across the organisation.
- Portfolio Management has two responsibilities, to provide methodology, governance, training, advice and support to assist project management teams to plan and deliver successful initiatives; and secondly, for providing organisational oversight, analysis, and reporting to assist Council to make informed decisions about projects and programs.
- Corporate Planning and Transformation supports Council in strategic and operational planning. It ensures that Council efficiently and effectively delivers these strategic objectives through organisational performance management, and business process improvement. The team supports staff to deliver what our customers need faster, better and, where possible, cheaper.

Corporate Administration

These functions provide support to all of Council and include administrative services, Redland WorkCover, legal, procurement, budget support, financial and human resources services. The goal of these functions is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

Redland Investment Corporation Pty Ltd

RIC'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. RIC also has in place a Service Level Agreement with Council to act as the preferred commercial consultants for the Priority Development Areas.

REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2017

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:

Year ended 30 June 2017

Functions	Gross income				Total Income	Gross expenses		Total Expenses	Net result from recurrent operations	Net Result	Total Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$000	\$000	\$000	\$000		\$000	\$000				
Community and Cultural Services	192	727	649	-	1,568	(18,308)	(1)	(18,309)	(17,389)	(16,741)	15,621
Planning, Development and Environment	1,682	9,610	33	14,063	25,388	(27,885)	8	(27,877)	(16,593)	(2,489)	7,123
Infrastructure, Recreation and Facilities Services	6,142	12,962	2,296	24,733	46,133	(94,030)	(3,256)	(97,286)	(74,926)	(51,153)	1,452,628
Water and Wastewater Services	-	106,225	3,088	13,253	122,566	(71,026)	(4,647)	(75,673)	35,199	46,893	835,872
Waste Services	-	22,207	-	-	22,207	(17,650)	-	(17,650)	4,557	4,557	17,054
Organisational Services	146	635	-	78	859	(15,505)	(43)	(15,548)	(14,724)	(14,689)	22,045
Corporate Administration	7,781	89,196	-	316	97,293	(24,963)	(4)	(24,967)	72,014	72,326	414,463
Total Council	15,943	241,562	6,066	52,443	316,014	(269,367)	(7,943)	(277,310)	(11,862)	38,704	2,764,806
Redland Investment Corporation Pty Ltd (net of eliminations)	-	2,372	-	-	2,372	(1,546)	-	(1,546)	826	826	1,234
Total Consolidated	15,943	243,934	6,066	52,443	318,386	(270,913)	(7,943)	(278,856)	(11,036)	39,530	2,766,040

Year ended 30 June 2016

Functions	Gross income				Total Income	Gross expenses		Total Expenses	Net result from recurrent operations	Net Result	Total Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$000	\$000	\$000	\$000		\$000	\$000				
Community and Cultural Services	1,800	717	635	12	3,164	(20,598)	(8)	(20,606)	(18,081)	(17,442)	15,934
Planning, Development and Environment	5	10,828	-	814	11,647	(24,126)	322	(23,804)	(13,293)	(12,157)	5,472
Infrastructure, Recreation and Facilities Services	3,448	12,539	3,880	42,662	62,549	(84,418)	(2,128)	(86,546)	(68,431)	(23,997)	1,422,761
Water and Wastewater Services	3	101,139	2,446	17,788	121,376	(69,720)	(331)	(70,051)	31,422	51,325	745,160
Waste Services	-	21,661	-	-	21,661	(16,118)	(204)	(16,322)	5,543	5,339	14,946
Organisational Services	203	333	-	-	536	(15,295)	(89)	(15,384)	(14,759)	(14,848)	21,956
Corporate Administration	5,179	87,662	-	48	92,889	(13,348)	(2,003)	(15,351)	79,493	77,538	383,145
Total Council	10,638	234,879	6,961	61,344	313,822	(243,623)	(4,441)	(248,064)	1,894	65,758	2,609,374
Redland Investment Corporation Pty Ltd (net of eliminations)	-	(167)	-	-	(167)	(1,702)	1,289	(413)	(1,869)	(580)	541
Total Consolidated	10,638	234,712	6,961	61,344	313,655	(245,325)	(3,152)	(248,477)	25	65,178	2,609,915

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

	Note	Consolidated		Council	
		2017 \$000	2016 \$000	2017 \$000	2016 \$000
4 Revenue analysis					
(a) Rates, levies and charges					
General rates		86,789	85,151	86,789	85,151
Special charges		3,616	3,945	3,616	3,945
Environment and landfill remediation charges		8,983	8,675	8,983	8,675
Water access		18,218	17,990	18,218	17,990
Water consumption		39,184	35,435	39,184	35,435
Wastewater		41,183	40,406	41,183	40,406
Trade waste		1,823	1,625	1,823	1,625
Waste disposal		20,809	19,896	20,809	19,896
Total rates and utility charges		<u>220,605</u>	<u>213,123</u>	<u>220,605</u>	<u>213,123</u>
Less: Pensioner remissions and rebates		<u>(3,297)</u>	<u>(3,197)</u>	<u>(3,297)</u>	<u>(3,197)</u>
		<u>217,308</u>	<u>209,926</u>	<u>217,308</u>	<u>209,926</u>
(b) Fees and charges					
Fines and penalties		700	851	700	851
Mooring and parking fees		697	393	697	393
Search fees		810	877	810	877
Development and related application fees		5,247	5,967	5,247	5,967
License fees		2,187	2,047	2,187	2,047
Commercial collection fees		236	212	236	212
Operational works application fees		619	960	619	960
Other fees and charges		2,682	2,437	2,518	2,368
		<u>13,178</u>	<u>13,744</u>	<u>13,014</u>	<u>13,675</u>
5 Grants, subsidies and contributions					
(a) Recurrent					
General purpose government grants		7,781	5,143	7,781	5,143
Government grants and subsidies		8,161	5,495	8,161	5,495
Contributions		827	532	827	532
		<u>16,769</u>	<u>11,170</u>	<u>16,769</u>	<u>11,170</u>
(b) Capital					
Government grants and subsidies		6,065	6,961	6,065	6,961
Contributions		24,631	26,477	24,631	26,477
		<u>30,696</u>	<u>33,438</u>	<u>30,696</u>	<u>33,438</u>
Non-cash contributions	12	<u>27,776</u>	<u>34,769</u>	<u>27,776</u>	<u>34,769</u>

Conditions over contributions

Contributions and non-reciprocal grants recognised as income 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:

Unexpended grants and contributions held in reserve 1 July	63,580	47,702	63,580	47,702
Prior period grants and contributions spent in year	(13,269)	(12,336)	(13,269)	(12,336)
Grants and contributions recognised as revenue in year	47,465	44,609	47,465	44,609
Current period grants and contributions spent in year	<u>(20,984)</u>	<u>(16,395)</u>	<u>(20,984)</u>	<u>(16,395)</u>
Unexpended grants and contributions held in reserve 30 June	<u>76,792</u>	<u>63,580</u>	<u>76,792</u>	<u>63,580</u>

REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2017

	Note	Consolidated		Council	
		2017 \$000	2016 \$000	2017 \$000	2016 \$000
6 Employee benefits					
Total staff wages and salaries		66,310	63,337	65,546	62,876
Councillors' remuneration		1,419	1,378	1,419	1,378
Annual leave and long service leave entitlements		7,708	7,674	7,608	7,674
Superannuation		8,034	7,735	7,943	7,735
		83,471	80,124	82,516	79,663
Other employee related expenses		6,688	5,322	6,656	5,322
		90,159	85,446	89,172	84,985
Less: Capitalised employee expenses		(5,336)	(5,273)	(5,336)	(5,273)
		84,823	80,173	83,836	79,712

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

7 Materials and services					
Contractors		33,431	30,672	33,572	31,297
Consultants		2,728	2,908	2,260	2,725
Other Council outsourcing costs		17,745	16,090	17,572	15,888
Purchase of materials		40,142	37,620	40,142	37,620
Office administration costs		8,127	7,309	8,095	7,135
Electricity charges		5,575	5,368	5,575	5,368
Plant operations		4,791	4,480	4,788	4,476
Information technology resources		2,045	2,024	2,045	2,019
General insurance premiums		1,080	1,216	1,080	1,216
Community assistance		1,572	1,670	1,572	1,670
Audit of annual financial statements by Queensland Audit Office		143	139	134	133
Other material and service expenses		2,564	718	2,557	716
Canal and lake charges refund		8,130	-	8,130	-
Remediation costs for landfill		(2,417)	(2,048)	(2,417)	(2,048)
		125,656	108,166	125,105	108,215

8 Depreciation and amortisation					
Depreciation of non-current assets	12	55,451	50,786	55,444	50,786
Amortisation of intangible assets		1,060	931	1,060	931
		56,511	51,717	56,504	51,717

9 Cash and cash equivalents					
Cash at bank and on hand		1,488	2,853	504	2,336
Deposits at call		155,911	140,076	155,911	138,876
Balance as per Consolidated Statement of Cash Flows		157,399	142,929	156,415	141,212

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		3,079	2,408	3,079	2,408
Utilities reserve		-	9,900	-	9,900
Constrained works reserve		76,792	63,580	76,792	63,580
Separate charge reserve - environment		2,005	8,036	2,005	8,036
Special charge reserve - other		(7)	13	(7)	13
Special charge reserve - canals*		7,774	8,237	7,774	8,237
		89,643	92,174	89,643	92,174
Unrestricted funds		67,756	50,755	66,772	49,038
Total cash and cash equivalents		157,399	142,929	156,415	141,212

* Council decided to temporarily cease the special charges levied on canal and lake-front homeowners for the period 31 March to 30 June 2017 while it developed a new strategy and will refund unspent money quarantined for canal maintenance and repairs since 1 July 2011. An expense and corresponding liability was recognised for \$8,130,088 based on the estimated refund advised by the independent accountant (refer Note 7). The process for issuing refunds is being worked through with independent accountants, with the number of refunds, final amounts and methods of refunds to be determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

Note	Consolidated		Council	
	2017 \$000	2016 \$000	2017 \$000	2016 \$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 2.57% (2016: 2.96%).

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	\$385,000
Electronic Payaway	\$5,000,000
Varied Facility	\$5,050,000

10 Trade and other receivables

Rates and utility charges	21,990	21,048	21,990	21,048
Trade and other debtors	3,626	3,306	3,202	3,316
GST recoverable	2,786	1,995	2,786	1,995
Less: Allowance for impairment	(705)	(554)	(705)	(554)
	<u>27,697</u>	<u>25,795</u>	<u>27,273</u>	<u>25,805</u>

Interest is charged on outstanding rates at a fixed rate of 11% (2016: 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	19,584	18,012	19,160	18,022
Past due but not impaired:				
31 - 60 days	43	3,392	43	3,392
61 - 90 days	3,134	81	3,134	81
> 90 days	5,641	4,864	5,641	4,864
Impaired	(705)	(554)	(705)	(554)
	<u>27,697</u>	<u>25,795</u>	<u>27,273</u>	<u>25,805</u>

11 Inventories

Inventories held for distribution - measured at cost	552	676	552	676
Land held for development and resale:				
Opening balance	8,619	10,155	-	-
Acquisition and related costs	537	-	-	-
Transfer (to)/from other non-current asset class	141	(1,536)	-	-
Disposals	(737)	-	-	-
	<u>8,560</u>	<u>8,619</u>	<u>-</u>	<u>-</u>
	<u>9,112</u>	<u>9,295</u>	<u>552</u>	<u>676</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.

For the year ended 30 June 2016 (prior year), Council resolved to transfer properties to RIC at book value of \$3,817,561. These properties were reflected in Council's financial statements as non-current assets held-for-sale. For purposes of the consolidated financial statements, these properties are disclosed as part of inventories to reflect the change in intention of the group. There were no properties held for transfer to RIC as at 30 June 2017.

REDLAND CITY COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2017

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 2017												
Asset values		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening gross value as at 1 July 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
Assets not previously recognised or disposed		-	298	156	(83)	146	(111)	262	(894)	45	-	(181)
Work in progress expenditure		-	-	-	-	-	-	-	-	-	67,908	67,908
Transfers from work in progress		-	-	-	-	-	-	-	-	-	(79,676)	(79,676)
Additions		10,077	1,546	5,028	22,615	1,443	28,452	7,563	2,459	772	-	79,955
Contributed assets at fair value	5(b)	317	50	78	7,043	12,991	7,038	259	-	-	-	27,776
Disposals		(2)	(613)	(7,297)	(6,368)	(195)	(16,926)	(1,667)	-	-	-	(33,068)
Revaluation adjustments		7,787	4,040	-	10,534	(9,148)	133,924	-	5,592	-	-	152,729
Transfers between asset classes		(4,934)	439	(645)	7,978	255	166	739	(9,701)	(7)	-	(5,710)
Closing gross value at 30 June 2017		241,789	142,893	43,037	872,438	590,560	1,309,127	91,734	288,949	14,275	20,634	3,615,436
Accumulated depreciation												
Opening balance as at 1 July 2016		-	45,988	23,599	228,956	143,527	452,430	40,299	43,378	2,610	-	980,787
Depreciation adjustments		-	229	111	(101)	17	(5)	101	(175)	(334)	-	(157)
Depreciation for the year	8	-	4,273	4,598	15,900	6,148	18,470	3,737	2,169	149	-	55,444
Depreciation on disposals		-	(482)	(6,755)	(3,936)	(33)	(12,279)	(1,128)	-	-	-	(24,613)
Depreciation on revaluation adjustments		-	380	-	4,010	(2,606)	42,641	-	815	-	-	45,240
Depreciation on transfers between asset classes		-	138	(630)	3,823	12	155	267	(4,447)	-	-	(682)
Accumulated depreciation at 30 June 2017		-	50,526	20,923	248,652	147,065	501,412	43,276	41,740	2,425	-	1,056,019
Council book value as at 30 June 2017		241,789	92,367	22,114	623,786	443,495	807,715	48,458	247,209	11,850	20,634	2,559,417
Consolidated book value as at 30 June 2017		241,789	92,367	22,153	623,786	443,495	807,715	48,458	247,209	11,850	20,634	2,559,337

RIC held no material property, plant and equipment as at 30 June 2017. As such, the consolidated results are presented in aggregate.

Land with a carrying value of \$13,312,434 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 2017

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

Asset class	Note	Land Fair value n/a	Buildings Fair value 10-75	Plant and equipment Cost 3-10	Roads Fair value 10-100	Stormwater drainage Fair value 20-150	Water and wastewater Fair value 10-134	Parks Fair value 16-60	Other infrastructure Fair value 15-100	Waste Fair value 5-70	Work in progress Cost n/a	Total
Council - 30 June 2016												
Asset values												
Opening gross value 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 fair value	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)	-	(13,892)
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 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	23,599	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
Consolidated book value as at 30 June 2016		228,544	91,145	22,121	601,763	441,541	704,154	44,279	248,115	10,855	32,391	2,424,908

RIC held no material property, plant and equipment as at 30 June 2016. As such, the consolidated results are presented in aggregate.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

Note	Consolidated		Council	
	2017 \$000	2016 \$000	2017 \$000	2016 \$000
13 Trade and other payables				
Creditors and accruals	32,306	16,013	32,527	16,052
Annual leave	6,694	6,342	6,617	6,307
	<u>39,000</u>	<u>22,355</u>	<u>39,144</u>	<u>22,359</u>

Creditors and accruals are expected to be settled within 12 months. Of the consolidated annual leave balance, \$5,025,126 (2016: \$4,927,840) is expected to be settled within 12 months from balance date and \$1,669,440 (2016: \$1,414,885) is expected to be settled after 12 months.

14 Borrowings**(a) Current**

Loans - Queensland Treasury Corporation (QTC)	7,713	7,702	7,713	7,702
	<u>7,713</u>	<u>7,702</u>	<u>7,713</u>	<u>7,702</u>

(b) Non-current

Loans - Queensland Treasury Corporation (QTC)	37,486	42,155	37,486	42,155
	<u>37,486</u>	<u>42,155</u>	<u>37,486</u>	<u>42,155</u>

Movement in loans:

Opening balance at 1 July	49,857	54,455	49,857	54,455
Loan repayment - principal*	(6,778)	(4,598)	(6,778)	(4,598)
Loan repayment - interest	(1,066)	(3,354)	(1,066)	(3,354)
Accrued interest expense	3,186	3,354	3,186	3,354
Closing balance at 30 June	<u>45,199</u>	<u>49,857</u>	<u>45,199</u>	<u>49,857</u>

* When Council borrows, it borrows from the QTC. Council's borrowing capacity is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*. Following QTC's restructure of loans, the existing loan accounts were converted to fixed rate loans on 1 April 2016 in line with QTC policies. Council's annual payment in July 2016 settled a substantial portion of the principal debt.

The market value of QTC loans at the reporting date was \$51,470,349 (2016: \$58,751,489). This represents the debt value at the current market interest rate 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. 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.

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 7.55%. No borrowing costs were capitalised on qualifying assets.

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	7,844	7,844	7,844
1 to 5 years	31,374	31,374	31,374	31,374
Over 5 years	16,949	24,793	16,949	24,793
Total contractual cash flows	<u>56,167</u>	<u>64,011</u>	<u>56,167</u>	<u>64,011</u>
Carrying amount	45,199	49,857	45,199	49,857

15 Provisions**(a) Current**

Landfill rehabilitation	2,137	3,554	2,137	3,554
Workers compensation	603	444	603	444
Long service leave	9,700	9,326	9,689	9,318
	<u>12,440</u>	<u>13,324</u>	<u>12,429</u>	<u>13,316</u>

(b) Non-current

Quarry rehabilitation	339	-	339	-
Landfill rehabilitation	8,984	10,177	8,984	10,177
Workers compensation	967	462	967	462
Long service leave	1,840	1,795	1,818	1,777
	<u>12,130</u>	<u>12,434</u>	<u>12,108</u>	<u>12,416</u>

(c) Long service leave

Of the consolidated current long service leave balance, \$1,105,233 (2016: \$934,000) is expected to be settled within 12 months from balance date and \$8,595,192 (2016: \$8,391,807) is expected to be settled after 12 months. The non-current portion, \$1,840,128 (2016: \$1,795,297) relates to employees who have not yet reached the required years of service to be entitled to take long service leave.

Current long service leave (expected settlement within 12 months)	1,105	934	1,104	934
Current long service leave (expected settlement after 12 months)	8,595	8,392	8,585	8,384
Non-current long service leave	1,840	1,795	1,818	1,777
Total long service leave	<u>11,540</u>	<u>11,121</u>	<u>11,507</u>	<u>11,095</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

Note	Consolidated		Council	
	2017 \$000	2016 \$000	2017 \$000	2016 \$000
15 Provisions - continued				
Movements in provisions:				
<u>Quarry rehabilitation</u>				
Opening balance at 1 July	-	-	-	-
Increase in provision	339	-	339	-
Closing balance at 30 June	339	-	339	-
This is the estimated present value cost of restoring the quarry site to as near its original condition as possible at the end of its useful life.				
<u>Landfill rehabilitation</u>				
Opening balance at 1 July	13,731	15,940	13,731	15,940
Increase/(decrease) in provision due to change in discount rate and costs	(922)	1,669	(922)	1,669
Provision utilised during the period	(1,896)	(4,081)	(1,896)	(4,081)
Increase in provision due to passage of time - borrowing costs	208	203	208	203
Closing balance at 30 June	11,121	13,731	11,121	13,731
This is the estimated present value cost of restoring closed landfill sites across the city and is based on Council's 10 year program. The program is funded by a separate charge.				
<u>Workers compensation</u>				
Opening balance at 1 July	906	795	906	795
Adjustment for period	664	111	664	111
Closing balance at 30 June	1,570	906	1,570	906
<u>Long service leave</u>				
Opening balance at 1 July	11,121	10,157	11,095	10,142
Long service leave entitlement raised	1,720	2,070	1,701	2,059
Long service entitlement used/extinguished	(693)	(703)	(681)	(703)
Long service entitlement paid	(608)	(403)	(608)	(403)
Closing balance at 30 June	11,540	11,121	11,507	11,095
16 Asset revaluation surplus				
The closing balance of the asset revaluation surplus comprises the following asset categories. Increases and decreases on revaluation are offset within a class of assets.				
Land	71,412	63,625	71,412	63,625
Buildings	62,016	58,356	62,016	58,356
Roads	291,927	285,403	291,927	285,403
Stormwater drainage	224,901	231,443	224,901	231,443
Water and wastewater	165,105	73,822	165,105	73,822
Parks	43,190	43,190	43,190	43,190
Other infrastructure	211,137	206,360	211,137	206,360
Waste	1,151	1,151	1,151	1,151
	1,070,839	963,350	1,070,839	963,350
17 Commitments				
Operating leases				
Future minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within 1 year	1,178	1,150	1,178	1,150
1 to 5 years	4,882	4,788	4,882	4,788
Greater than 5 years	6,151	7,362	6,151	7,362
	12,211	13,300	12,211	13,300
Operating contractual commitments				
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:				
Roadworks	1,365	728	1,365	728
Water and wastewater	1,352	2,461	1,352	2,461
Waste	17,531	32,880	17,531	32,880
Other	13,821	25,327	13,821	25,327
	34,069	61,396	34,069	61,396
These expenditures are payable:				
Within 1 year	26,438	40,881	26,438	40,881
1 to 5 years	7,451	20,515	7,451	20,515
Greater than 5 years	180	-	180	-
	34,069	61,396	34,069	61,396
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	45	16	45	16
Water and wastewater	3,408	8,869	3,408	8,869
Waste	88	1,117	88	1,117
Other	7,841	10,603	7,841	10,603
	11,382	20,605	11,382	20,605

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

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 \$13,312,434 (2016: \$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 2017 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 2017 is \$1,396,000 (2016: \$944,000) where estimated claims liability is defined in Section 84 of the Act. The Actuary has recommended that a provision be recognised for \$1,570,000 (2016: \$906,000) for the total estimated claims liability. Council has in place a bank guarantee with the ANZ Banking Group Ltd for \$5,000,000 (2016: \$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.

Based on advice from Council's solicitors, there are a number of claims and legal proceedings that may result in financial settlement being made by Council to resolve the litigation. The total of these contingent liabilities, liability for which is not admitted, is estimated at \$330,000.

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 Local Government Investment Australia Super (LGIA Super), 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:

- Accumulation Benefits Fund (ABF);
- City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund; and
- Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

Note	Consolidated		Council	
	2017 \$000	2016 \$000	2017 \$000	2016 \$000
19 Superannuation - continued				
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.				
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 <i>Local Government Act 2009</i> 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 65 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 65 entities. Redland City Council made less than 4% of the total contributions to the plan in the financial year ended 30 June 2017.				
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:				
	8,037	7,634	7,946	7,634
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of councillors was:				
	142	139	142	139
20 Trust funds				
Monies collected or held on behalf of other entities				
	7,668	7,343	7,668	7,343
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	39,530	65,178	38,704	65,758
<u>Non-cash items</u>				
Depreciation and amortisation	8	56,511	51,717	56,504
Prior years errors corrected in-year		22	(1,363)	22
Net accrued interest	14	2,120	-	2,120
Non-cash contributions	5(b)	(27,776)	(34,769)	(27,776)
Bad and doubtful debts		151	(25)	151
Cost of land sold - acquired as contributed equity		737	-	-
Land acquired in lieu of rates		(2)	(2)	(2)
Impairment of assets classified as held-for-sale		-	1,289	-
Fair value adjustment - investment property		(1,303)	(98)	(37)
		<u>30,460</u>	<u>16,749</u>	<u>30,982</u>
<u>Investing and development activities</u>				
Net loss on disposal of non-current assets		7,943	3,152	7,943
Capital grants and contributions	5(b)	(30,696)	(33,438)	(30,696)
		<u>(22,753)</u>	<u>(30,286)</u>	<u>(22,753)</u>
<u>Changes in operating assets and liabilities</u>				
(Increase)/decrease in trade and other receivables		(1,558)	(830)	(1,619)
(Increase)/decrease in other current assets and inventories		(364)	(918)	174
Increase/(decrease) in trade and other payables		15,333	661	15,829
Increase/(decrease) in provisions		(1,189)	(1,158)	(1,196)
Increase/(decrease) in other current liabilities		(1,693)	696	(1,693)
		<u>10,529</u>	<u>(1,549)</u>	<u>11,495</u>
Net cash inflow/(outflow) from operating activities		<u>57,766</u>	<u>50,092</u>	<u>58,428</u>
		<u>51,004</u>		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

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 2017.

2017	Gross value	Written down value	Level 2	Level 3
	\$000	\$000	\$000	\$000
Land	241,789	241,789	20,587	221,202
Buildings	142,893	92,367	-	92,367
Roads	872,438	623,786	-	623,786
Stormwater drainage	590,560	443,495	-	443,495
Water and wastewater	1,309,127	807,715	-	807,715
Parks	91,734	48,458	-	48,458
Other infrastructure	288,949	247,209	-	247,209
Waste	14,275	11,850	-	11,850
	3,551,765	2,516,669	20,587	2,496,082

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

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.

2017 Land	Level 2	Level 3	Total
	\$000	\$000	\$000
Opening balance 1 July 2016	11,948	216,596	228,544
Additions and contributions	8,310	2,084	10,394
Disposals	(2)	-	(2)
Transfer level 3 to level 2	-	-	-
Transfer level 2 to level 3	-	-	-
Internal transfer	-	(4,934)	(4,934)
Revaluation	331	7,456	7,787
Closing balance 30 June 2017	20,587	221,202	241,789

2016 Land	Level 2	Level 3	Total
	\$000	\$000	\$000
Opening balance 1 July 2015	12,506	215,721	228,227
Additions and contributions	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

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 valuer, 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.

Qualified external valuer AssetVal was commissioned to undertake an independent indexation analysis at 30 June 2017. Recent land sales trends and other market evidence were considered to derive a suitable indexation rate.

Buildings

All buildings were comprehensively valued as at 30 April 2016 by independently qualified external valuer 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 Rawlinsons Australia Construction Handbook and databases built from research by external valuer Cardno. 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.

Qualified external valuer Cardno was commissioned to undertake an independent indexation analysis at 30 June 2017. 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.

Road infrastructure assets

Road assets were comprehensively valued as at 1 July 2013 by Cardno. 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 valuer Cardno was commissioned to undertake an independent indexation analysis at 30 June 2016 and again at 30 June 2017. 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 valuer Cardno. 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 valuer Cardno was commissioned to undertake an independent indexation analysis at 30 June 2016 and again at 30 June 2017. 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

Water and Wastewater assets were comprehensively valued as at 30 June 2017 by registered valuer Cardno. 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. The costs have been resourced with reference to researched cost data for recent Redland City Council projects and industry costing data and include 20% oncosts (Survey 6%, Design 5%, Construction Supervision 3%, and Project Management 6%).

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 condition where assessed, with reference to useful lives developed by Cardno using common engineering and industry practice standards and assessed against Redland City Council data.

The condition of passive assets was determined with reference to the age of the assets, while the condition of active assets was determined by Cardno through sampled visual inspection against predetermined condition criteria.

Condition assessments were assessed against expected useful life to determine indicative remaining useful lives and determine accumulated depreciation and fair value.

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

22 Fair value measurements - continued

Parks infrastructure assets

Parks infrastructure assets were independently valued as at 30 April 2015 by qualified external valuer Cardno. 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. 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 valuer Cardno. 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.

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 valuer Cardno were commissioned to undertake an independent indexation analysis at 30 June 2016 and again at 30 June 2017. 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 valuer AssetVal. 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 Rawlinsons 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.

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 2017

23 National Competition Policy

Business activities to which the Code of Competitive Conduct (CCC) 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 must be applied.

Council resolved to apply the CCC to the following business activities during the financial year ended 30 June 2017:

Significant Business Activities:	Water and wastewater; Waste Management
Prescribed Business Activity:	Building Certification

Financial performance of activities subject to the CCC:

Business Activities - 2017	Significant Businesses		Prescribed Business
	Water and Wastewater	Waste Management	Building Certification
	\$000	\$000	\$000
Revenue for services provided to Council	2,610	619	11
Revenue for services provided to external clients	103,296	22,207	70
Community service obligations	372	1,475	20
	106,278	24,301	101
Less: Expenditure	93,371	18,751	500
Operating surplus/(deficit)	12,907	5,550	(399)

Description of Community Service Obligations (CSOs):

Activities	CSO Description	Actual
		\$000
Water and Wastewater	CSOs	
	Water not-for-profit	89
	Wastewater not-for-profit	283
		372
Waste Management	CSOs	
	Birkdale Sanitary Landfill - Gate Waiver Fees	50
	Redland Bay Transfer Station	3
	North Stradbroke Island Transfer Station	347
	Kerbside Recycling	17
	Kerbside Waste Collection	28
	Kerbside Greenwaste Collection	1
	Bulky Item Collection for HAS clients	22
	Russell Island Transfer Station	338
	Macleay Island Transfer Station	344
	Lamb Island Transfer Station	102
Karragarra Island Transfer Station	85	
Coochiemudlo Island Transfer Station	138	
		1,475
Building Certification Services	CSOs	
	Delivery of professional advice to customers	20
		20

Anticipated changes to business activities

It is expected that there will be no new business activities to which the CCC will be applied for the financial year ending 30 June 2018. Building Certification will no longer be a business activity to which the CCC will be applied for the financial year ending 30 June 2018. Roads activity continues to not meet the definition to which the CCC will be applied as it does not involve itself in competitive bids.

24 Transactions with related parties

(a) Subsidiaries

The group consists of the parent entity Redland City Council and four subsidiaries (Note 1(b)).

The following transactions occurred between Council and its subsidiaries for year ended 30 June 2017:

Redland Investment Corporation Pty Ltd (RIC)

Details of transaction	\$000
Asset contribution by Council*	8,751
Services provided by Council to RIC**	157
Services provided by RIC to Council***	583
GST paid by Council and subsequently received from RIC	147
GST refunds claimed by Council and subsequently paid to RIC	63

RIC Toondah Pty Ltd

RIC Toondah Pty Ltd manage the RIC Toondah joint operation (refer Note 1(b)). Transactions with RIC Toondah include an accrual of \$11,238 in relation to joint operation costs.

- * *Asset contribution consists of transfer of land at book value by Council resolution. Based on current valuation methodology the book value is reflecting of the fair value of the property. Rates charges on properties transferred to RIC is waived according to Council resolution.*
- ** *Recovery of overheads and other costs in the provision of facilities, admin and organisational services, which include renting of office space, legal services, financial services, information management services and fleet services. Cost of these services are based on the Service Level Agreement (SLA).*
- *** *RIC is conducting work in certain priority development areas on Council behalf. RIC's invoice to Council for the work undertaken are based on Service Level Agreement (SLA).*

(b) Transactions with key management personnel (KMP)

Key management personnel include the Mayor, Councillors and Executive Leadership Team. The compensation earned by key management personnel for year ended 30 June 2017 comprises:

Details of transaction	\$000
Short-term employee benefits*	3,251
Post-employment benefits**	412
Long-term employee benefits***	215
Termination benefits	208
Total	4,086

- * *Short-term employee benefits include salaries, paid sick leave, allowances and any non-monetary benefits provided such as Council vehicles.*
- ** *Post-employment benefits include employer superannuation contributions.*
- *** *Long-term employee benefits include annual leave and long service leave accrued during the year.*

Detailed remuneration disclosures are provided in the annual report.

(c) Transactions with other related parties

Other related parties include the KMP, close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.

Details of transactions between Council and other related parties are disclosed below:

Details of transaction	\$000
Employee expenses for close family members of key management personnel*	288

- * *All close family members of KMP were employed through an arm's length process and are paid in accordance with the Award for the job they perform.*

Council employs 1000 staff of which only 4 are close family members of key management personnel.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

24 Transactions with related parties - continued**(d) Outstanding balances**

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current receivables

Name of the person/entity	\$000
Redland Investment Corporation Pty Ltd	99

Current payables

Name of the person/entity	\$000
Redland Investment Corporation Pty Ltd	272

(e) Loans and guarantees to/from related parties

Council did not make loans to or receive loans from related parties in the financial year ended 30 June 2017. No guarantees were provided.

(f) Commitments to / from related parties

Refer PPE note for the restricted land (Note 12 and Note 17).

(g) Transactions with LGIA super

Refer Note 19 for the transactions with LGIA Super.

(h) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Redland City area. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- payment of rates
- use of Council owned facilities such as swimming pool
- animal registration
- borrowing books from a Council library

Council has not included these types of transaction in its disclosure where they are made on the same terms and conditions available to the general public.

25 Events after the reporting period

Council entered into a loan agreement with Redland Investment Corporation Pty Ltd on 25 July 2017 for Council to provide a \$3.5M loan to fund the development undertaken by AVA Terraces Pty Ltd. This is a short term loan, expected to be repaid by 30 June 2018.

Cleveland Plaza Pty Ltd (Cleveland Plaza) was incorporated on 27 July 2017 and is limited by shares. RIC has 100% ownership of Cleveland Plaza. Cleveland Plaza was formed to purchase and hold 48 Bloomfield Street, Cleveland.

On 29 September 2017, RIC declared a dividend to Council in the amount of \$500,000, payable on 1 November 2017.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected the consolidated entity's operations.

REDLAND CITY COUNCIL
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2017

MANAGEMENT CERTIFICATE
For the year ended 30 June 2017

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: 12 / 10 / 17



Chief Executive Officer
Andrew Chesterman

Date: 12 / 10 / 2017

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Redland City Council

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report of Redland City Council (the council) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2017, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2017, the statements of comprehensive income, statements of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in Redland City Council's annual report for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the *Local Government Regulation 2012*, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council 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 *the Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards, and for such internal control as the council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The council is also responsible for assessing the council's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the group.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's and the group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council or group to cease to continue as a going concern.

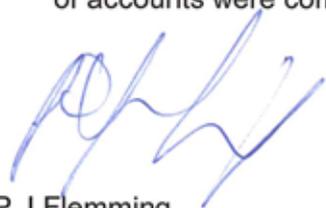
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



P J Flemming
as delegate of the Auditor-General



Queensland Audit Office
Brisbane

REDLAND CITY COUNCIL
MEASURES OF FINANCIAL SUSTAINABILITY
For the year ended 30 June 2017

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REDLAND CITY COUNCIL
CURRENT-YEAR FINANCIAL SUSTAINABILITY STATEMENT
 For the year ended 30 June 2017

Measures of Financial Sustainability

	How the measure is calculated	Actual	Target
Council's consolidated performance at 30 June 2017 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-4.25%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	53.22%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-33.12%	Below 60%
Council's performance at 30 June 2017 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-4.61%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on replacement of infrastructure assets (renewals) divided by depreciation expense on infrastructure assets	53.17%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-29.51%	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 2017. 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 2017

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


 Chief Executive Officer
 Andrew Chesterman

Date: 12 / 10 / 17

Date: 12 / 10 / 2017

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Redland City Council

Report on the Audit of the Current Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Redland City Council for the year ended 30 June 2017, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Redland City Council for the year ended 30 June 2017 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Emphasis of matter – basis of accounting

I draw attention 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. My opinion is not modified in respect of this matter.

Other Information

Other information comprises the information included in Redland City Council's annual report for the year ended 30 June 2017, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and the long-term financial sustainability statement.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council 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 responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



P J Flemming
as delegate of the Auditor-General



Queensland Audit Office
Brisbane

REDLAND CITY COUNCIL
LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT
 Prepared as at 30 June 2017

Measures of Financial Sustainability

Measure	Projected for the years ended									
	Actuals 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	30 June 2026
Operating surplus ratio	-4.61%	-4.26%	0.71%	0.56%	0.55%	1.41%	2.32%	2.84%	3.93%	4.26%
Asset sustainability ratio	53.17%	59.25%	80.19%	71.10%	49.63%	52.80%	52.69%	53.68%	43.20%	40.40%
Net financial liabilities ratio	-29.51%	-29.32%	-24.64%	-23.30%	-30.40%	-37.79%	-46.79%	-61.57%	-79.16%	-98.50%

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	Actuals 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	30 June 2026
Operating surplus ratio	Between 0% and 10%	-4.61%	-4.26%	0.71%	0.56%	0.55%	1.41%	2.32%	2.84%	3.93%	4.26%
Asset sustainability ratio	Greater than 90%	53.17%	59.25%	80.19%	71.10%	49.63%	52.80%	52.69%	53.68%	43.20%	40.40%
Net financial liabilities ratio	Below 60%	-29.51%	-29.32%	-24.64%	-23.30%	-30.40%	-37.79%	-46.79%	-61.57%	-79.16%	-98.50%

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 2017-18 budget which is underpinned by the Financial Strategy. It does not include any revisions based on actual results as at 30 June 2017.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2017

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

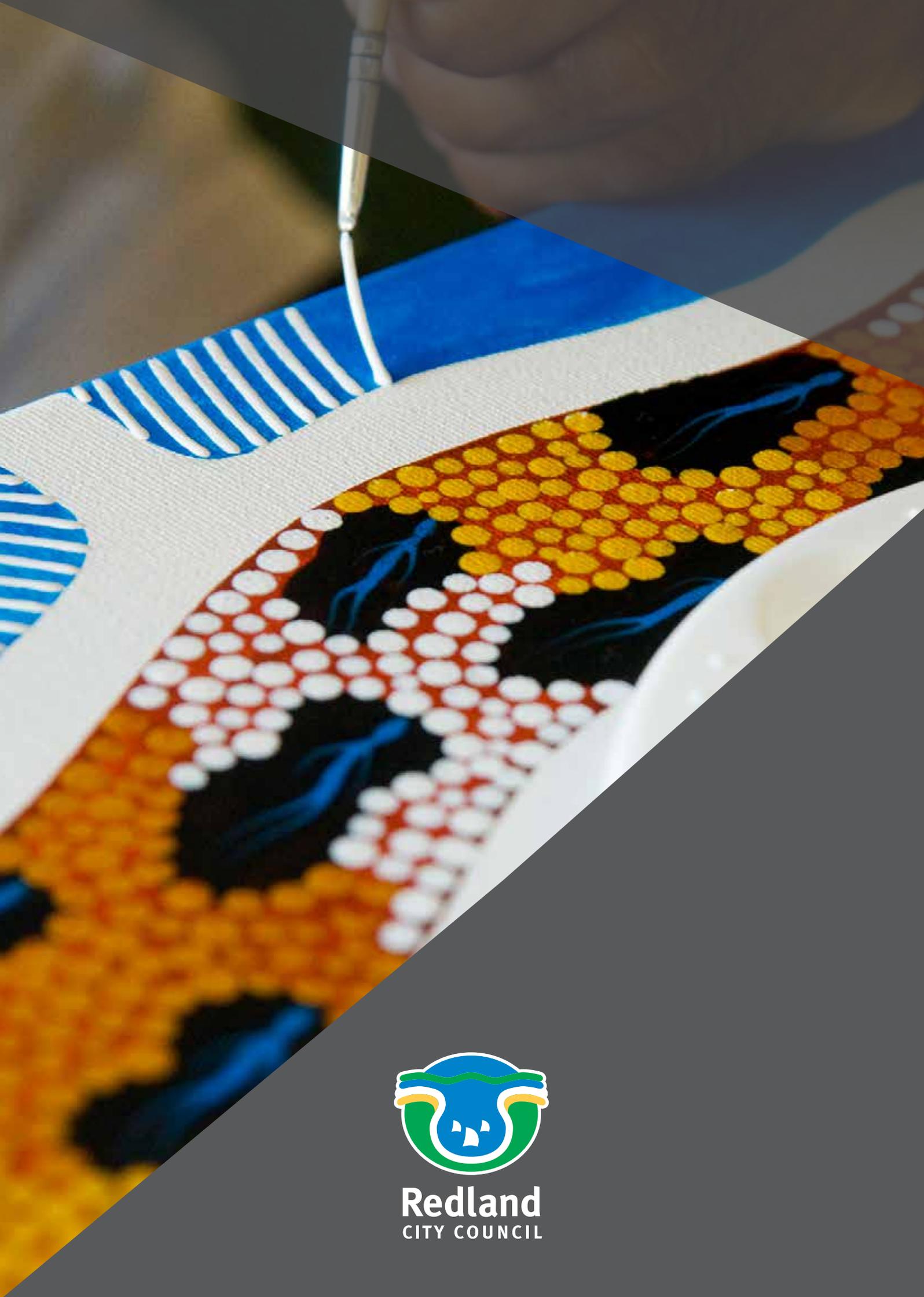
In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.


 Mayor
 Karen Williams

Date: 12/10/17


 Chief Executive Officer
 Andrew Chesterman

Date: 12/10/2017



Redland
CITY COUNCIL