

Q. What activities are involved in maintaining revetment walls?

➤A. Council directed activities include revetment wall planning, monitoring, maintenance, and upgrades.

Q. What is involved in maintaining the navigability of the canals and lakes?

➤A. The activities include navigation beacon renewals, canal maintenance, canal monitoring, planning and dredging/bed-levelling.

Q. Where does siltation at Aquatic Paradise stem from?

➤A. A siltation study carried out in 2011 as part of the canal management plan found that siltation within the Aquatic Paradise Canal Estate and entrance channel, from 2000 to 2011, came from two main sources:

- Waterloo Bay (approximately 10,157m³/annum, or 99.6 per cent v/v long-term average).
- The stormwater outlets, including Tarradarrapin Creek (approximately 43m³/annum, or 0.4 per cent v/v long-term average).

The outlets of Tarradarrapin Creek, and other stormwater sources in the canals, are dredged by Council separate to the special charge account in recognition of the probable source of this sedimentation.

The siltation study can be found on Council's website at yoursay.redland.qld.gov.au

Q. How much does it cost each year for these activities?

➤A. The required activities vary every year, but in the 17/18 financial year, works costing a total of \$6,457,158 are scheduled.

Q. How much do property owners with a revetment wall on a canal or lake front property contribute towards these costs each year?

➤A. Canal and lake front property owners currently contribute as per the following schedule:

- \$723.60 for a standard lot at Sovereign Waters
- \$2,354.28 for a standard lot at Raby Bay Canal Estate (including lots 1 to 12 on Group Title Plans 2073)
- \$1,364.24 for a unit in a Community Title Scheme at Raby Bay Canal Estate (excluding lots 1 to 12 on Group Title Plans 2073)

- \$1,189.96 for a marina berth at Raby Bay Canal Estate
- \$2,806.28 for a standard lot at Aquatic Paradise Canal Estate
- \$2,806.28 for a marina berth at Aquatic Paradise Canal Estate

Note: These annual charges may change each FY.

Q. What has Council been contributing?

➤A. While percentage contributions have varied over time at the direction of Council, over the past several financial years Council has contributed 20% of the

total reserve funding for Raby Bay, and 30% of the total reserve funding at Aquatic Paradise and Sovereign Waters.

Until the 17/18 financial year, Council established an annual implementation plan that calculated the annual estimated cost for operational and capital works (maintenance and repair), which was then apportioned to canal and lake estate property owners via the levy calculation.

Q. How much does every other Redland ratepayer contribute to canal, lake and revetment wall maintenance each year?

➤A. Through their general rates, other Redland ratepayers contribute to the balance of the cost to ensure the canals and Sovereign Waters Lake can be navigated and revetment walls maintained. In 17/18 the total cost for canal and lake maintenance and revetment wall activities is expected to be distributed as follows:

Raby Bay

Total cost of activities:	\$4,330,105
Resident contribution:	\$2,242,921
Council contribution (through ratepayers): (20% of total contribution)	\$560,730
Shortfall:	\$1,526,454

Aquatic Paradise

Total cost of activities:	\$1,663,507
Resident contribution:	\$611,769
Council contribution (through ratepayers): (30% of total contribution)	\$262,187
Shortfall:	\$789,551

Sovereign Waters

Total cost of activities:	\$463,546
Resident contribution:	\$36,180
Council contribution (through ratepayers): (30% of total contribution)	\$15,506
Shortfall:	\$411,860

In the 17/18 FY the cost of the works required exceeded the money raised.

The shortfalls listed above will be funded by Council (from general rates), so in the case of Raby Bay, the actual contribution by Council (or other ratepayers), will be \$2,087,184 (i.e. \$560,730+1,526,454), which equates to 48% of the total contribution to the Raby Bay Reserve (not 20%) for FY 17-18.

In the case of Aquatic Paradise, in the 17/18 FY the contribution made by Council (or other ratepayers), will be \$1,051,738, which equates to 63% of the total contribution to the Aquatic Paradise Reserve (not 30%) for FY 17-18.

In the case of Sovereign Waters, in the 17/18 FY the contribution made by Council (or other ratepayers), will be \$427,366, which equates to 92% of the total contribution to the Sovereign Waters Reserve (not 30%) for FY 17-18.

In the case of the 17/18 financial year all other Redland ratepayers will contribute a total of \$3,566,288 towards the maintenance of canals, the lake and revetment walls. With 66,356 properties not being on a canal or lakefront property, this equates to \$54.03 per property.

Q. How is this fee calculated?

➤A. Until the current financial year, Council established an annual implementation plan that calculated the annual estimated cost for operational and capital works (maintenance and repair), which was then apportioned to canal and lake front estate property owners via the special charge calculation.

Q. Why is there a shortfall this year in funding for canal, lake and revetment wall maintenance?

➤A. For the first time, this financial year's cost of maintaining the city's canals and revetment walls shows a shortfall.

This is not reflective of previous years due to a change in the way Council is required to manage the special charges levied to canal and lakefront property owners.

In late 2016, Council decided to review the special charges after questions were raised within Council about the special charges' compliance with the requirements under State legislation.

While Council can certainly levy a special charge for the canal, lake and revetment wall maintenance, there were some potential technical deficiencies in the overall plans, including for example that they failed to provide an estimated cost and timeframe for carrying out the overall plan.

As a result of the review, Council took the position that the money collected from canal and lake special charges that had not been spent should be refunded to those who paid it.

This was done in 2017 and canal and lakefront property owners were not levied the special charge in their April 2017 rates notice.

Previously, funds for canal and revetment wall maintenance that were not used in any given financial year were carried over to the next, thereby offsetting any shortfalls.

In the past, this permitted a smoothed approach to setting the special charges based on a rolling, long term expenditure plan.

However, in view of the above, the 2017/18 financial year began with a \$0 balance, with special charges set around a one-year plan.

Council reviews its rates and charges on an annual basis as part of the budget development process, and future approaches are yet to be determined and adopted but further shortfalls may arise where the special charges and Council's contribution are not set to match the planned expenditure each year.

In the past two financial years, Council raised and spent the following amounts across the three canal and lake estates:

2015/16	2016/17
Reserve: \$9,126,600.74	Reserve: \$8,236,155.16
Income: \$3,710,721.11	Income: \$2,847,529.83*
Costs: \$4,601,166.68	Costs: \$3,309,664.65
Balance: \$8,236,155.17	Balance: \$7,774,020.34

*special charge for three quarters only

The figures show that Council spent more than was raised in those years, thereby reducing the reserve. However, in those financial years, expenditure against the amount that was budgeted for canal and lake maintenance indicates that Council did not spend the amount that was budgeted.

Q. Are units without canal frontage charged the Special Levy?

➤A. Yes, if they are in a Community Title Scheme (CTS) which has canal frontage.

Q. Do the residential units above the commercial properties at Raby Bay Harbour pay the Special Charge, or only the commercial on the ground level?

➤A. No, the Benefitted Area does not include these units.

Q. How much do those in Community Title Schemes pay each year?

➤ **A.** A unit in a Community Title Scheme at Raby Bay Canal Estate (excluding lots 1 to 12 on GTP 2073) is charged \$1,364.24 per annum, in the 17/18 FY.

Q. Are general rates paid by canal or lake waterfront property owners higher than those paid by canal estate ratepayers not on waterfront properties?

➤ **A.** General rates are based on a valuation calculated by the state government's Department of Natural Resources and Mines, and the Land Use Category of the rateable property (note, no categories are related to whether a property is on a canal or lakefront).

The Department of Natural Resources and Mines values all non-rural land in Queensland using the site value methodology, which reflects what the land would be expected to sell for in its current condition, and includes any work undertaken, or materials used, to improve the physical nature of the land to prepare it for development including 'reclaiming land by draining or filling, including retaining walls and other works for the reclamation'. This method of valuation also considers anything else which might improve the value of a property, such as access, size, shape, topography, elevation or views.

So, general rates do take site specifics into consideration, and all other things being equal an owner of a canal, or lakefront property might pay a higher general rate than an owner of property without canal or lake frontage.

Likewise, the owner of a large property would pay higher general rates than the owner of an otherwise comparable smaller property. This is relevant in that, while numerous factors affect valuation and consequently general rate, only some factors (such as maintenance of revetment walls) have high associated maintenance costs.

That is why Section 94 of the Local Government Regulation 2012 allows Councils to make and levy a special charge on rateable land identified as enjoying a special benefit to fund the maintenance, construction, or renewal of that benefit. This regulation allows Council to collect money to pay for the significant works required to maintain the canal and lake walls and waterways, from those who get a special benefit from them.

Q. How were the percentage contributions decided?

➤ **A.** Rates were decided by Council resolution.

Q. When were the percentage contributions decided?

➤ **A.** Annually, rates have been changed by Council resolution at a special budget meeting when the following years' budget was adopted.

