



# **ORDINARY MEETING**

## **AGENDA**

**23 OCTOBER 2018**

*Your attendance is required at an Ordinary meeting of Council to be held in the Council Chambers, 232 Bolsover Street, Rockhampton on 23 October 2018 commencing at 9.00am for transaction of the enclosed business.*

A handwritten signature in black ink, appearing to be "C. Pe", written in a cursive style.

**CHIEF EXECUTIVE OFFICER**  
18 October 2018

Next Meeting Date: 13.11.18

**Please note:**

In accordance with the *Local Government Regulation 2012*, please be advised that all discussion held during the meeting is recorded for the purpose of verifying the minutes. This will include any discussion involving a Councillor, staff member or a member of the public.

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**1 OPENING**

**2 PRESENT**

Members Present:

The Mayor, Councillor M F Strelow (Chairperson)  
Councillor N K Fisher  
Councillor A P Williams  
Councillor C E Smith  
Councillor C R Rutherford  
Councillor M D Wickerson  
Councillor S J Schwarten

In Attendance:

Mr E Pardon – Chief Executive Officer

**3 APOLOGIES AND LEAVE OF ABSENCE**

Councillor Rose Swadling previously granted leave of absence from 2 October 2018 to 4 November 2018

**4 CONFIRMATION OF MINUTES**

Minutes of the Ordinary Meeting held 9 October 2018

**5 DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA**

**6 BUSINESS OUTSTANDING**

Nil

**7 PUBLIC FORUMS/DEPUTATIONS**

Nil

**8 PRESENTATION OF PETITIONS**

Nil

## **9 COMMITTEE REPORTS**

### **9.1 PLANNING AND REGULATORY COMMITTEE MEETING - 16 OCTOBER 2018**

#### **RECOMMENDATION**

THAT the Minutes of the Planning and Regulatory Committee meeting, held on 16 October 2018 as circulated, be received and that the recommendations contained within these minutes be adopted.

**(Note:** The complete minutes are contained in the separate Minutes document)

**Recommendation of the Planning and Regulatory Committee, 16 October 2018****9.1.1 MONTHLY OPERATIONS REPORT FOR PLANNING AND REGULATORY SERVICES - SEPTEMBER 2018**

**File No:** 1464  
**Attachments:** 1. Monthly Operations Report for Planning and Regulatory Services - September 2018  
**Authorising Officer:** Colleen Worthy - General Manager Community Services  
**Author:** Steven Gatt - Manager Planning and Regulatory Services

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**SUMMARY**

*The Monthly Operations Report for the Planning and Regulatory Services Section for September 2018 is presented for Councillor's information.*

**COMMITTEE RECOMMENDATION**

THAT the Planning and Regulatory Services Monthly Operations Report for September 2018 be 'received'.

**Recommendation of the Planning and Regulatory Committee, 16 October 2018****9.1.2 BUSINESS IMPROVEMENT OUTCOMES**

<b>File No:</b>	<b>297</b>
<b>Attachments:</b>	<b>1. Animal Management Review Closure Report</b>
<b>Authorising Officer:</b>	<b>Colleen Worthy - General Manager Community Services</b>
<b>Author:</b>	<b>Steven Gatt - Manager Planning and Regulatory Services</b>

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**SUMMARY**

*The report provides overview of the outcomes to finalise the Reinforcements Management Consulting Report.*

**COMMITTEE RECOMMENDATION**

THAT the Business Improvement Audit Outcomes be received and the review items finalised; and that the team be congratulated and commended on the Business Improvement Outcomes.

**Recommendation of the Planning and Regulatory Committee, 16 October 2018****9.1.3 DECISIONS UNDER DELEGATION - SEPTEMBER 2018**

**File No:** 7028  
**Attachments:** Nil  
**Authorising Officer:** Steven Gatt - Manager Planning and Regulatory Services  
Colleen Worthy - General Manager Community Services  
**Author:** Tarnya Fitzgibbon - Coordinator Development Assessment

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**SUMMARY**

*This report outlines the properly made development applications received in September 2018 and whether they will be decided under delegation or decided by Council.*

**COMMITTEE RECOMMENDATION**

THAT this report into the applications lodged in September 2018 be received.



**Recommendation of the Planning and Regulatory Committee, 16 October 2018****9.1.4 PARKING DURING MAJOR EVENTS****File No: 8041****Attachments:**

1. **Event Category List**
2. **Event Flow Chart**
3. **Event Traffic Control Checklist**
4. **Event Traffic Management Guidance Information**
5. **Preliminary Traffic Guidance Scheme**

**Authorising Officer: Colleen Worthy - General Manager Community Services****Author: Steven Gatt - Manager Planning and Regulatory Services**

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**SUMMARY**

*This report details general changes to the application process for events including simplified and scalable pedestrian and traffic guidance plan requirements to assist with regulation management for events. This report does not include the ride and park traffic plan for the largest events which is currently being developed by Strategic Planning and Advance Rockhampton Units.*

**COMMITTEE RECOMMENDATION**

THAT the matter of parking during major events be workshopped.

**9.2 AIRPORT, WATER AND WASTE COMMITTEE MEETING - 16 OCTOBER 2018**

**RECOMMENDATION**

THAT the Minutes of the Airport, Water and Waste Committee meeting, held on 16 October 2018 as circulated, be received and that the recommendations contained within these minutes be adopted.

**(Note:** The complete minutes are contained in the separate Minutes document)

**Recommendation of the Airport, Water and Waste Committee, 16 October 2018****9.2.1 ROCKHAMPTON AIRPORT MONTHLY OPERATIONS REPORT - SEPTEMBER 2018**

**File No:** 7927  
**Attachments:** 1. Monthly Operations Report - September 2018  
**Authorising Officer:** Chris Ireland - Acting General Manager Advance Rockhampton  
**Author:** Tracey Baxter - Manager Airport

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**SUMMARY**

*The monthly operations and annual performance plan report for the Rockhampton Airport for September 2018 is presented for Councillors' information.*

**COMMITTEE RECOMMENDATION**

THAT the Rockhampton Airport Operations and Annual Performance Plan Report for September 2018 be 'received'.

**Recommendation of the Airport, Water and Waste Committee, 16 October 2018****9.2.2 ROCKHAMPTON REGIONAL WASTE AND RECYCLING MONTHLY OPERATIONS REPORT - SEPTEMBER 2018**

**File No:** 7927

**Attachments:** 1. RRWR Monthly Operations Report  
September 2018

**Authorising Officer:** Peter Kofod - General Manager Regional Services

**Author:** Michael O'Keeffe - Manager Rockhampton Regional  
Waste and Recycling

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**SUMMARY**

*The purpose of this report is to provide Council with an overview of Rockhampton Regional Waste and Recycling (RRWR) for the month of September 2018.*

**COMMITTEE RECOMMENDATION**

THAT the RRWR Monthly Operations report for the period ended 30 September 2018 be received.

**Recommendation of the Airport, Water and Waste Committee, 16 October 2018**

**9.2.3 FRW MONTHLY OPERATIONS REPORT - SEPTEMBER 2018**

**File No:** 1466  
**Attachments:** 1. Monthly Operations Report - September 2018  
**Authorising Officer:** Peter Kofod - General Manager Regional Services  
**Author:** Jason Plumb - Manager Fitzroy River Water

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**SUMMARY**

*This report details Fitzroy River Water's financial position and other operational matters for the Council's information as at 30 September 2018.*

**COMMITTEE RECOMMENDATION**

THAT the FRW Monthly Operations Report for September 2018 be received.

**9.3 COMMUNITY SERVICES COMMITTEE MEETING - 17 OCTOBER 2018**

**RECOMMENDATION**

THAT the Minutes of the Community Services Committee meeting, held on 17 October 2018 as circulated, be received and that the recommendations contained within these minutes be adopted.

**(Note:** The complete minutes are contained in the separate Minutes document)

**Recommendation of the Community Services Committee, 17 October 2018**

**9.3.1 COMMUNITY FACILITIES MONTHLY OPERATIONAL REPORT - JULY 2018**

**File No:** 10097

**Attachments:** 1. Community Facilities Monthly Operation Report - July 2018

**Authorising Officer:** Colleen Worthy - General Manager Community Services

**Author:** Sophia Czarkowski - Acting Coordinator Facilities

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**SUMMARY**

*This report provides information on the activities of the Community Facilities section for July 2018.*

**COMMITTEE RECOMMENDATION**

THAT the Community Facilities Monthly Operational Report for July 2018 be received.

**Recommendation of the Community Services Committee, 17 October 2018****9.3.2 COMMUNITIES AND CULTURE OPERATIONAL REPORT FOR JULY 2018****File No: 1464****Attachments: 1. Monthly Operations Report - Communities and Culture July 2018****Authorising Officer: Colleen Worthy - General Manager Community Services****Author: John Webb - Acting Manager Communities and Culture**

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**SUMMARY**

*The report provides information on the programs and activities of the Communities and Culture section for July 2018.*

**COMMITTEE RECOMMENDATION**

THAT the Communities and Culture Operational Report of July 2018 be received.



**Recommendation of the Community Services Committee, 17 October 2018****9.3.3 COMMUNITIES AND CULTURE OPERATIONAL REPORT FOR AUGUST 2018****File No:** 1464**Attachments:** 1. August 18 Monthly Operations Report  
Communities and Culture**Authorising Officer:** Colleen Worthy - General Manager Community Services**Author:** John Webb - Acting Manager Communities and Culture

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**SUMMARY**

*The report provides information on the programs and activities of the Communities and Culture section for August 2018.*

**COMMITTEE RECOMMENDATION**

THAT the Communities and Culture Operational Report of August 2018 be received.

**9.4 PARKS, RECREATION AND SPORT COMMITTEE MEETING - 17 OCTOBER 2018**

**RECOMMENDATION**

THAT the Minutes of the Parks, Recreation and Sport Committee meeting, held on 17 October 2018 as circulated, be received and that the recommendations contained within these minutes be adopted.

**(Note:** The complete minutes are contained in the separate Minutes document)

**Recommendation of the Parks, Recreation and Sport Committee, 17 October 2018****9.4.1 BUSINESS OUTSTANDING TABLE FOR PARKS, RECREATION AND SPORT COMMITTEE**

**File No:** 10097  
**Attachments:** 1. Business Outstanding Table  
**Authorising Officer:** Colleen Worthy - General Manager Community Services  
**Author:** Steven Gatt - Manager Planning and Regulatory Services

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**SUMMARY**

*The Business Outstanding table is used as a tool to monitor outstanding items resolved at previous Council or Committee Meetings. The current Business Outstanding table for the Parks, Recreation and Sport Committee is presented for Councillors' information.*

**COMMITTEE RECOMMENDATION**

THAT the Business Outstanding Table for the Parks, Recreation and Sport Committee be received.

**Recommendation of the Parks, Recreation and Sport Committee, 17 October 2018****9.4.2 NAMING OF REMEMBRANCE PARK**

**File No:** 1313  
**Attachments:** Nil  
**Authorising Officer:** Aaron Pont - Acting Manager Parks  
Colleen Worthy - General Manager Community Services  
**Author:** Alyce James - Acting Senior Parks Planning Advisor

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**SUMMARY**

*Developed parkland in Gracemere to be named to reflect the sacrifices of war.*

**COMMITTEE RECOMMENDATION**

THAT Council approves the naming of the developed parkland on the corner of Platen Street and Arthur Street in Gracemere as '*Remembrance Park*'.

**Recommendation of the Parks, Recreation and Sport Committee, 17 October 2018**

**9.4.3 PARKS OPERATIONAL REPORT - AUGUST 2018**

**File No:** 1464  
**Attachments:** 1. Parks Operational Report - August 2018  
**Authorising Officer:** Colleen Worthy - General Manager Community Services  
**Author:** Aaron Pont - Acting Manager Parks

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**SUMMARY**

*This report provides information on the activities and services of Parks section for August 2018.*

**COMMITTEE RECOMMENDATION**

THAT the report on the activities and services of Parks Section for August 2018 be received.

**Recommendation of the Parks, Recreation and Sport Committee, 17 October 2018**

**9.4.4 PARKS OPERATIONAL REPORT - SEPTEMBER 2018**

**File No:** 1464  
**Attachments:** 1. Parks Operational Report - September 2018  
**Authorising Officer:** Colleen Worthy - General Manager Community Services  
**Author:** Aaron Pont - Acting Manager Parks

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**SUMMARY**

*This report provides information on the activities and services of Parks section for September 2018.*

**COMMITTEE RECOMMENDATION**

THAT the report on the activities and services of Parks Section for September 2018 be received.

**10 COUNCILLOR/DELEGATE REPORTS**

Nil

## 11 OFFICERS' REPORTS

### 11.1 2018-19 LOCAL GOVERNMENT LEVY READY GRANT PROGRAM APPLICATION - RETROSECTIVE REQUEST FOR APPROVAL

<b>File No:</b>	<b>12534</b>
<b>Attachments:</b>	<b>Nil</b>
<b>Authorising Officer:</b>	<b>Peter Kofod - General Manager Regional Services</b>
<b>Author:</b>	<b>Vincent Morrice - Coordinator Waste and Recycling Facilities</b> <b>Michael O'Keeffe - Manager Rockhampton Regional Waste and Recycling</b>

#### SUMMARY

*An application has been submitted under the 2018-19 Local Government Levy Ready Grant Program (LGLRGP). The program was established to provide financial assistance to Local Government to undertake infrastructure upgrades at waste disposal facilities to implement the Waste Levy.*

#### OFFICER'S RECOMMENDATION

THAT Council retrospectively approve the Rockhampton Regional Waste and Recycling application for \$106,880 from the 2018-19 Local Government Levy Ready Grant Program.

#### COMMENTARY

Applications for the grant closed on 12 October 2018. It has taken considerable time seeking information and clarification about the Waste Levy in order to determine the impacts on operations and required improvements. As a result the grant application has been submitted application prior to gaining approval from Council.

#### BACKGROUND

On 20 March 2018, the Queensland Government announced the implementation of a waste disposal levy. The levy will commence on 4 March 2019. The objectives of the 2018-19 LGLRGP are to support eligible projects that:

- facilitate accurate collection of the levy
- ensure adequate security and operational site controls
- comply with environmental authority and regulatory requirements.

Total funding for the 2018-19 LGLRGP is \$5 million. Applications closed 12 October and the announcement of successful projects is expected from 29 October.

Funding was sought for the following categories:

<b>Description:</b>	<b>Estimated Cost:</b>
IT Upgrades and/or Repairs	\$75,126
Security	\$48,000
Traffic Control	\$30,000
<b>TOTAL</b>	<b>\$153,126</b>

#### BUDGET IMPLICATIONS

Projects approved under the 2018-19 LGLRGP will be allocated a subsidy of up to 70 per cent of eligible project costs, which in this case a maximum of \$106,880. The Council contribution of \$45,806 will be covered from the existing operational budget.



**STAFFING IMPLICATIONS**

Implementation of software and systems will be undertaken using existing resources and consultants as required.

**CONCLUSION**

It is recommended that application for a grant of \$106,880 from the 2018-19 Local Government Levy Ready Grant Program is retrospectively approved by Council.

## 11.2 REGIONAL ARTS DEVELOPMENT FUND CATEGORY 1 OUT OF ROUND APPROVAL

**File No:** 8944  
**Attachments:** Nil  
**Authorising Officer:** Colleen Worthy - General Manager Community Services  
**Author:** John Webb - Acting Manager Communities and Culture

### SUMMARY

*An application received out of round for the Regional Arts Development Fund has been assessed by the RADF Committee and is recommended for funding.*

### OFFICER'S RECOMMENDATION

THAT Council approves the following application for funding from the Regional Arts Development Fund:

Applicant	Purpose of Grant	Grant Recommended
Kylie Harris	<i>The grant will be used towards the costs of attending the Fibre Arts Festival 17 to 19 November 2018</i>	\$640
	Total	\$640

### COMMENTARY

The application from Kylie Harris for \$640 is to facilitate travel and attendance at the Fibre Arts Festival on the Sunshine Coast 17–19 November 2018.

The application was received on 11 October 2018 and the Committee has been able to act promptly to assess the application.

It is noted that the quality of the tuition available at the festival would benefit the artists practice. The artist has themselves previously given workshops in the region sharing weaving techniques including at the 2018 Tropicana event. The applicant has stated it is their aim to continue advancing their skills in order to share with others.

### BACKGROUND

The Regional Arts Development Fund is a joint program of the Queensland Government (administered by Arts Queensland) and the Rockhampton Regional Council that focuses on the development of quality art and arts practice in our regional

Category 1 applications can be received out of round to enable short turnaround funding.

For the 18-19 funding period a total of \$60,000 is available through the annual RADF grants program. Round 1 of the 18-19 funding closes on 29 October 2018.

**11.3 2019 ROCKHAMPTON AGRICULTURAL SHOW COMMITTEE**

**File No:** 6097  
**Attachments:** Nil  
**Authorising Officer:** Evan Pardon - Chief Executive Officer  
**Author:** Chris Ireland - Acting General Manager Advance Rockhampton

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**SUMMARY**

*This report outlines the Rockhampton Agricultural Show Committee for the 2019 event as per the Council resolution on 28 August 2018 to auspice a committee for the Rockhampton Show..*

**OFFICER'S RECOMMENDATION**

THAT Council establish the 2019 Rockhampton Agricultural Show Committee for the 2019 event and the following be appointed to the Committee:

- Mr Tony Cullen, General Manager Advance Rockhampton (Chair),
- Councillor Ellen Smith,
- Mr Zac Garven and
- Mr Rod Green

**COMMENTARY**

As part of the overall Show project there is a need to establish a Management Committee. The role of this Committee will be to provide oversight and delivery of the event. This Committee will operate for twelve (12) months initially. It should also be noted that the 2019 Rockhampton Agricultural Show Committee will provide reports to the Council on a regular basis on matters relating to the Rockhampton Agricultural Show 2019.

It is proposed that the Committee be comprised as follows:

- Mr Tony Cullen (Chair);
- Councillor Ellen Smith
- Mr Zac Garven
- Mr Rod Green

**BUDGET IMPLICATIONS**

The decision to deliver the 2019 Show event will come at some cost and this will be clarified at the revised budget. The Committee will need to prepare a budget as a high priority.

**STAFFING IMPLICATIONS**

An event officer will be employed on a temporary basis to support the delivery of the 2019 event.

**CONCLUSION**

The Rockhampton Show is an imperative and beneficial event for the Rockhampton Region and as such a Committee, comprising of various levels of Council and local business, is required to be formed to oversee and drive this event into the future.

**11.4 PARADISE LAGOONS CAMPDRAFT ASSOCIATION REQUESTING FINANCIAL SUPPORT FROM COUNCIL FOR AN APPLICATION UNDER ROUND 3 BUILDING BETTER REGIONS GRANT PROGRAM**

**File No:** 12534  
**Attachments:** Nil  
**Authorising Officer:** Evan Pardon - Chief Executive Officer  
**Author:** Ross Cheesman - Deputy Chief Executive Officer

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**SUMMARY**

*Council has received a request from Paradise Lagoons Campdraft Association requesting financial support for an application under Round 3 of the Building Better Regions Grant Program.*

**OFFICER'S RECOMMENDATION**

THAT Council provides financial support to the maximum amount of \$25,000 for the Paradise Lagoons Campdraft Association's application under Round 3 of the Building Better Regions Grant Program.

**COMMENTARY**

The Paradise Lagoons Campdraft Association is an incorporated, not-for-profit organisation managed primarily by a small group of volunteers who raise funds for various charities from the Paradise Lagoons facility. Since its inception, the association has donated more than \$365,000 to local and national charities. The 2018 recipients include CQ Rescue Helicopter (\$3,000), Royal Flying Doctor Service (\$7,000) and Lions Club (\$4,000).

In its correspondence the Association states that despite the growing popularity of the venue, running costs continue to rise which negatively impacts the capacity of future events. Costs of most significance include the hire of infrastructure such as generators, toilets and portable buildings. Other significant costs include the labour hire required to set up these temporary facilities. In 2018 over \$100,000 was expended on these abovementioned items.

The purchase of permanent infrastructure would significantly reduce costs and enable the organisation to continue to provide events of significance and to support charities.

The Association's Committee is seeking the financial support of Council and the State Government in an application for Round 3 Building Better Regions Fund (Infrastructure Projects Stream). The cost of permanent fixtures including ablution blocks and power has been costed at \$160,000. Paradise Lagoons Campdraft Association Inc. will contribute \$30,000 towards the project cost. The Association is seeking a contribution of \$25,000 from Council and a contribution of \$25,000 from the State Government with the balance from the grant. This round has the Infrastructure Stream offering \$200 million of which \$45 million has been earmarked to support tourism related infrastructure projects, a category that the facility may fit into.

Council also intends to apply for funding under this grant and will be subject to a separate report however it is highly likely to be of significantly greater value. The fund guideline indicates that eligible applications are grouped in the following categories to ensure projects of similar size are compared against each other.

- Category 1: Projects with total eligible project cost under \$1 million
- Category 2: Projects with total eligible project cost from \$1 million to \$5 million
- Category 3: Projects with total eligible project cost over \$5 million.

Consequently it is not considered that Council support will put its own application at risk.

**BUDGET IMPLICATIONS**

If the funding application is successful this will be funded in the revised operational budget.

**CONCLUSION**

In summary there are many regional benefits that evolve from events conducted at this facility. Council's support is not considered to be an impediment to its own applications under this fund and consequently it is recommended that support be given as requested.

**11.5 OAKLEY STREET PROPERTY NUMBERING**

<b>File No:</b>	<b>8054</b>
<b>Attachments:</b>	<ol style="list-style-type: none"><li><b>1. Map - Little Oakley Street and Oakley Street Property Addresses</b><a href="#">↓</a></li><li><b>2. Map - Potential Renumber of Property in Oakley Street</b><a href="#">↓</a></li><li><b>3. Map - Rename Little Oakley Street as Oakley Street and Renumbering Both Streets</b><a href="#">↓</a></li><li><b>4. Map - Rename Little Oakley Street as Oakley Street and Renumber Little Oakley Street properties</b><a href="#">↓</a></li><li><b>5. Map - Rename and Renumber Little Oakley Street</b></li></ol>
<b>Authorising Officer:</b>	<b>Peter Kofod - General Manager Regional Services Martin Crow - Manager Infrastructure Planning Stuart Harvey - Coordinator Strategic Infrastructure</b>
<b>Author:</b>	<b>Stuart Singer - Technical Officer</b>

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**SUMMARY**

*A complaint has been received from a resident in relation to the adverse impacts being experienced by the resident due to confusion over street addressing. This report presents a number of options to resolve the street address issue.*

**OFFICER'S RECOMMENDATION**

THAT Council endorse Option 2 to renumber 4 Oakley Street to 2 Oakley Street.

**BACKGROUND**

Council has received a complaint from a resident of Little Oakley Street in relation to confusion occurring with a nearby street.

The resident has experienced issues with service providers such as the NBN, Telstra and other service authorities. The resident considers the recent creation of the 4 Oakley Street property address has caused this confusion.

In 2016, a Reconfiguration of Lot (ROL), application D/24-2016 was received by Council. Lot 9 and 10 on RP602274 known collectively as 66 Rundle Street (corner allotment) was reconfigured into Lot 1 and 2 on SP289296. The corner Lot 1 with an existing dwelling remained as 66 Rundle Street (number 2 Oakley Street being reserved for this corner allotment) and the next lot along Oakley Street, Lot 1, was allocated number 4 Oakley Street.

Service providers including AEC, Australia Post, DNRM, Emergency Services, Ergon, and Telstra, were notified on 19 October 2016 of this new address of 4 Oakley Street, Wandal for Lot 1 on SP289296.

**COMMENTARY**

The following options are presented:

**Option 1:** Lot 1 on SP289296 to remain 4 Oakley Street as allocated.

Oakley Street and Little Oakley Street are both discrete streets. The property address allocated to Lot 1 on SP289296 as 4 Oakley Street is unique and not in conflict with Lot 2 RP6187824 with a property address of 4 Little Oakley Street.

**Option 2:** Renumber 4 Oakley Street (Lot 1 on SP289296)

It is possible that the property address of either 2, 2A or 6 could be assigned to Lot 1 on SP289296 (known as 4 Oakley Street). This can be seen in attachment 2.

At the time of the ROL for Lot 1 on SP289296, Oakley Street between Rundle Street and Lanigan Street had only one number allocated. Number 2, 4 and 6 were available. In this instance, number 2 Oakley Street has been reserved for the corner allotment (66 Rundle Street) however due to the size of the lot it is unlikely that they would need the 2 Oakley Street address. It is possible to renumber Lot 1 on SP289296 (known as 4 Oakley Street) to 2 Oakley Street.

The allocation of an alpha suffix number should only be used when whole numbers are not available. Alpha suffixes should be applied in the same direction as the numbering of the addresses on the road. As a result, number 2A could be assigned to Lot 1 on SP289296 (currently known as 4 Oakley Street). This may cause confusion as there would be a 2A Oakley Street but there would be no 2 Oakley Street.

Number 6 could also be assigned to Lot 1 on SP289296 (currently known 4 Oakley Street). When issuing numbers, allotment sizes and potential ROLs are taken into account. It would be reasonable to assume number 8 Oakley Street could be subject to an ROL in the future. Number 6 would be the logical number for a new allotment in this potential future scenario. If number 6 were allocated to Lot 1 on SP289296 then any ROL to 8 Oakley Street would require renumbering to 8 and 8A Oakley Street. Using number 6 Oakley Street could also present the same potential issues with the property owner of 6 Little Oakley Street.

**Option 3:** Rename Little Oakley Street to Oakley Street.

Australian Standard AS/NZ 4819:2011 states road names are intended to be enduring, and shall only be changed when necessary. Changing the road name of Little Oakley Street to Oakley Street, would affect up to 24 property owners and / or tenants, if the renumbering was done in a thorough manner, without alpha suffixes (attachment 3). With the use of alpha suffixes, 4 properties would be affected (refer attachment 4). The process of renaming with the use of suffixes is not ideal as it results in a large number of suffix addresses that do not consistently flow.

This option would require extensive resources with stakeholder engagement to rate the level of community desire for the road name change, and property renumbering, thus contributing to an informed basis for supporting / not supporting this resident request.

Subsequent advertising for the formal renaming of this section of road, as per Council's Naming of Infrastructure Assets Policy and Procedure would then be undertaken if this option was supported.

This imposed change to the official road name of Little Oakley Street and property address re-numbering for up to 24 owners and /or tenants is not considered appropriate.

**Option 4:** Rename Little Oakley Street to a new street name.

Changing the road name of Little Oakley Street to a new name, would affect 4 property owners and / or tenants (see attachment 5). One of the affected owners would be the requestor.

This option would require resources with stakeholder engagement to quantify the level of support. This engagement would enable Council to rate the level of community desire for the road name change, and property renumbering, thus contributing to an informed basis.

This imposed change from the official road name of Little Oakley Street and property address re-numbering for 4 owners and / or tenants, is not considered appropriate.

**STAFF IMPLICATIONS**

Council staff will undertake the consultation to implement the option selected by Council.

**CONCLUSION**

After a request to investigate the property addressing issues raised by the resident in Little Oakley Street, a number of options have been investigated for consideration. Option 2 is recommended to address the adverse impacts currently being experienced by the resident due to confusion over street addressing.

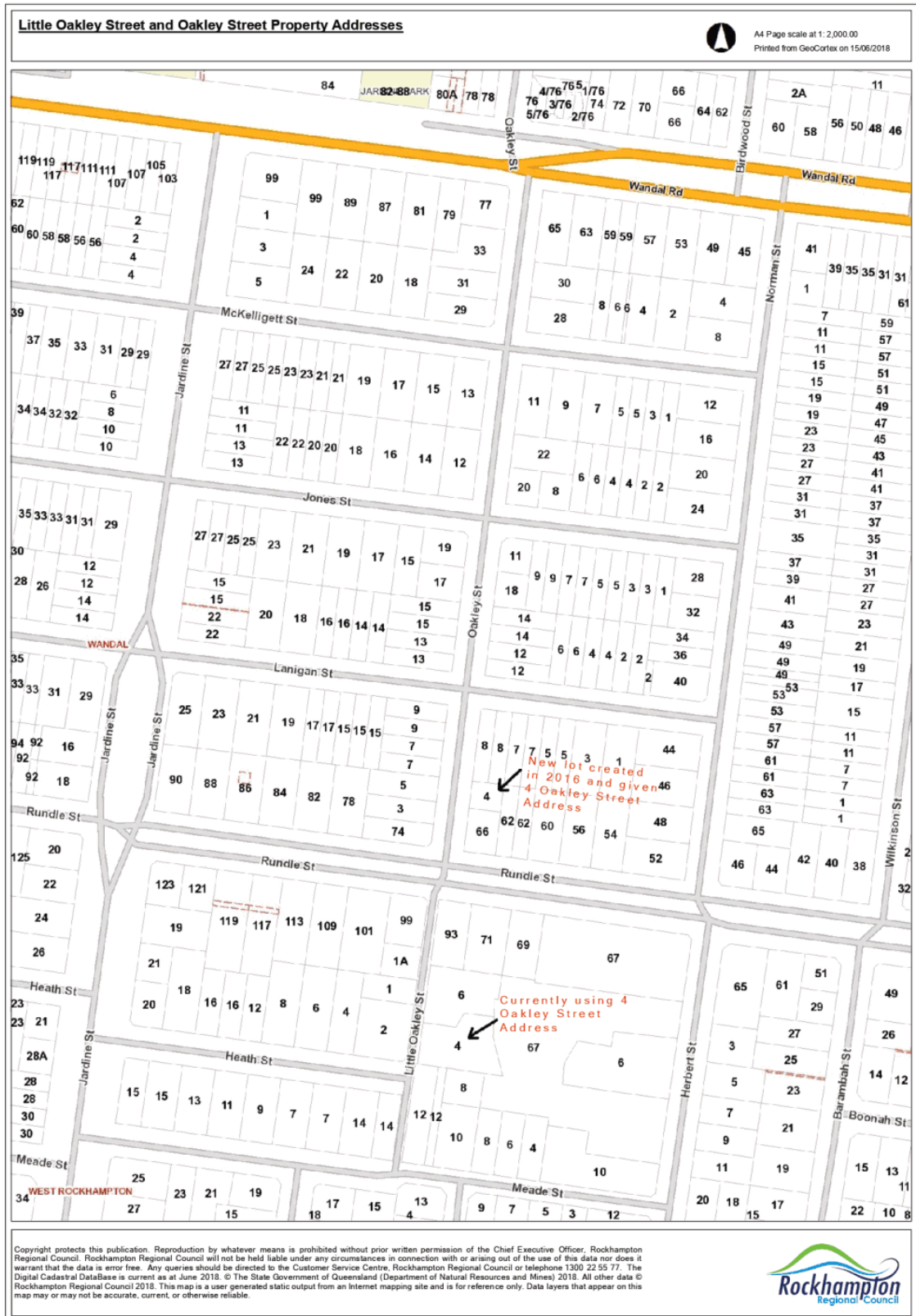


# **OAKLEY STREET PROPERTY NUMBERING**

## **Map - Little Oakley Street and Oakley Street Property Addresses**

**Meeting Date: 23 October 2018**

**Attachment No: 1**



# **OAKLEY STREET PROPERTY NUMBERING**

## **Map - Potential Renumber of Property in Oakley Street**

**Meeting Date: 23 October 2018**

**Attachment No: 2**

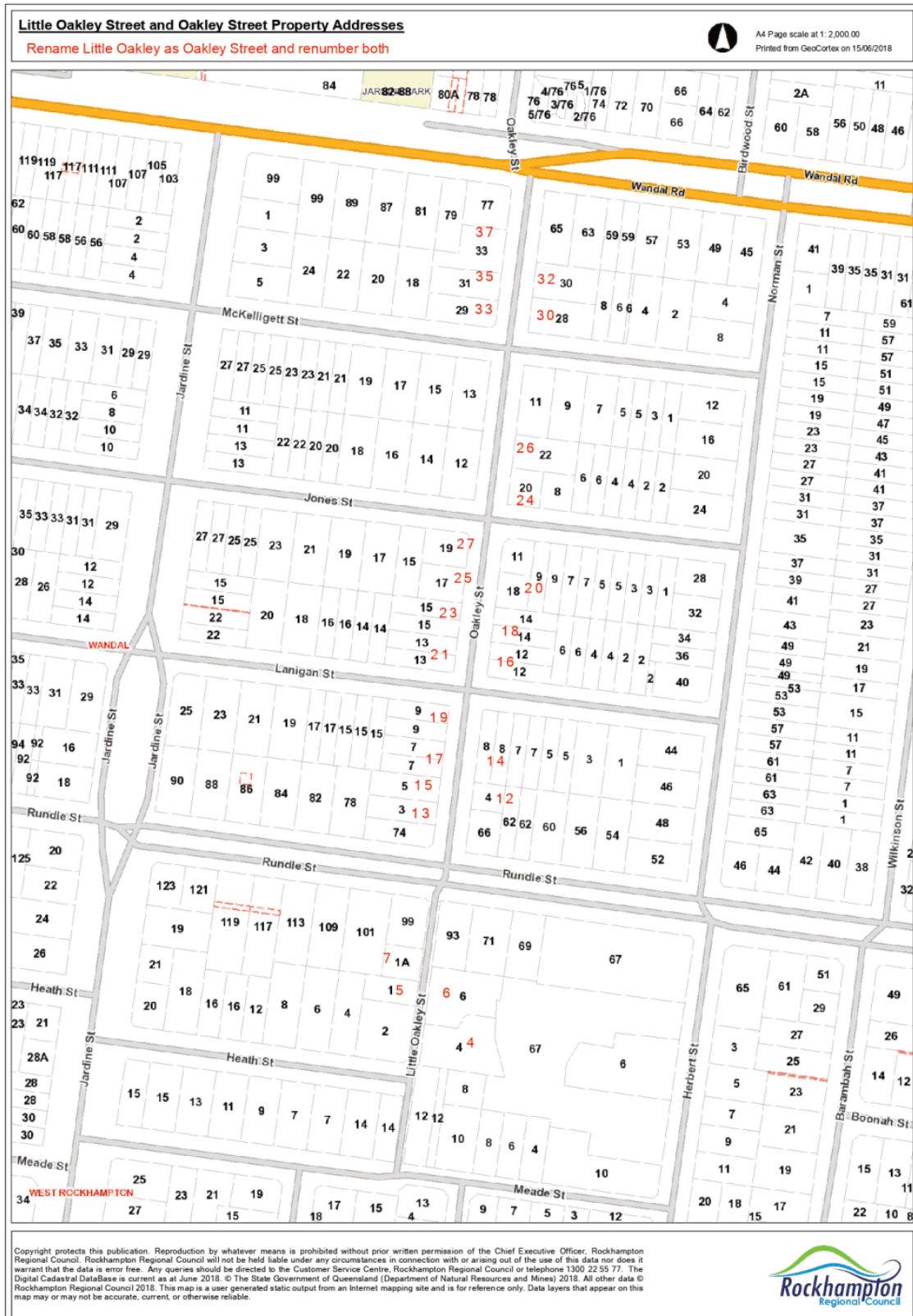


# **OAKLEY STREET PROPERTY NUMBERING**

## **Map - Rename Little Oakley Street as Oakley Street and Renumbering Both Streets**

**Meeting Date: 23 October 2018**

**Attachment No: 3**



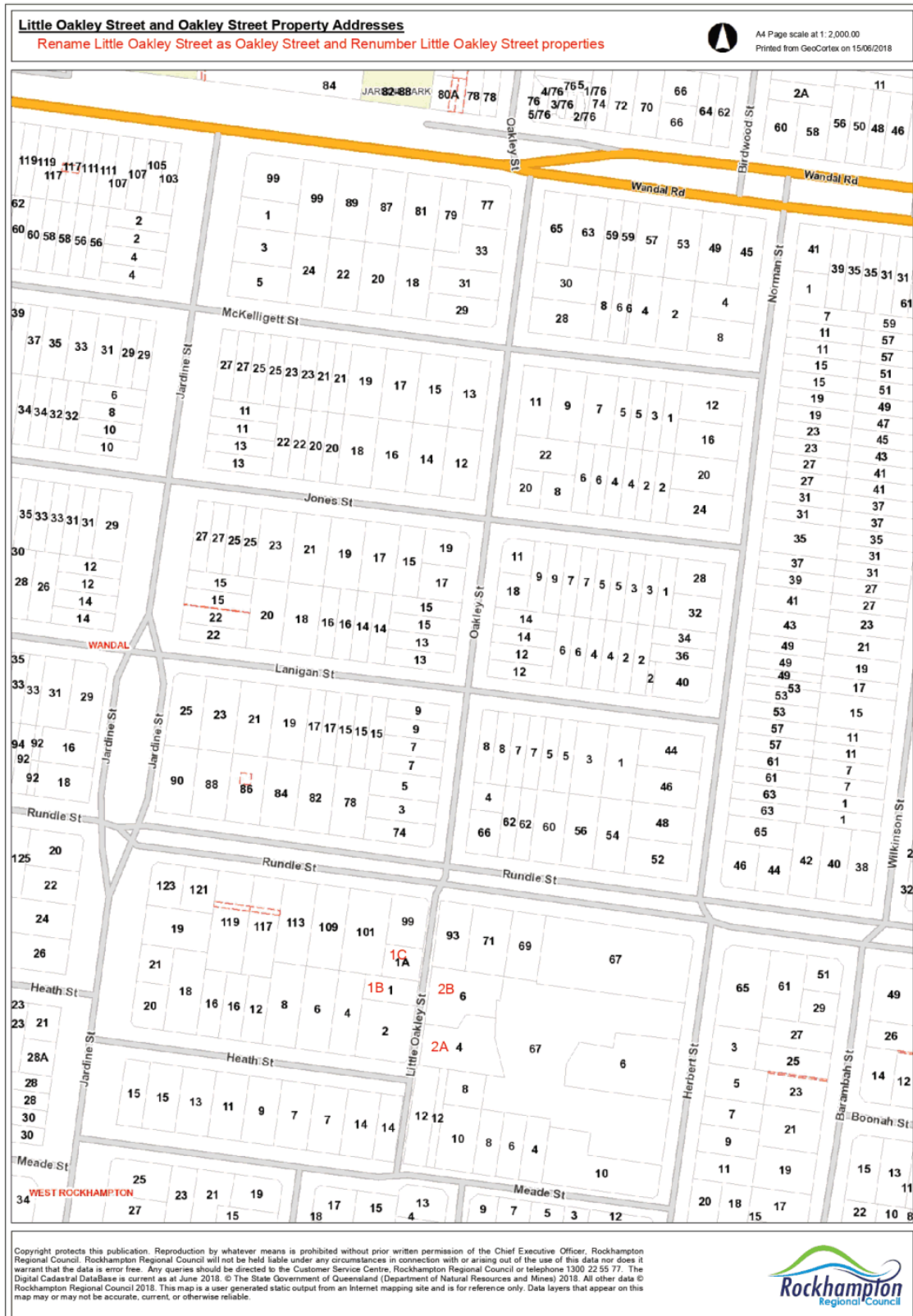
# **OAKLEY STREET PROPERTY NUMBERING**

**Map - Rename Little Oakley Street as  
Oakley Street and Renumber Little  
Oakley Street properties**

**Meeting Date: 23 October 2018**

**Attachment No: 4**







# **OAKLEY STREET PROPERTY NUMBERING**

## **Map - Rename and Renumber Little Oakley Street**

**Meeting Date: 23 October 2018**

**Attachment No: 5**



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**11.6 SUMMARY BUDGET MANAGEMENT REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

**File No:** 8148  
**Attachments:** 1. [Income Statement September 2018](#)  
2. [Key Indicator Graphs September 2018](#)  
**Authorising Officer:** Ross Cheesman - Deputy Chief Executive Officer  
**Author:** Alicia Cutler - Chief Financial Officer

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**SUMMARY**

*The Chief Financial Officer presenting the Rockhampton Regional Council Summary Budget Management Report for the period ended 30 September 2018.*

**OFFICER'S RECOMMENDATION**

THAT the Rockhampton Regional Council Summary Budget Management Report for the period ended 30 September 2018 be 'received'.

**COMMENTARY**

The attached financial report and graphs have been compiled from information within Council's Finance One system. The reports presented are as follows:

1. Income Statement (Actuals and Budget for the period 1st July 2018 to 30 September 2018), Attachment 1.
2. Key Indicators Graphs, Attachment 2.

The attached financial statement provides Council's position after the first three months of the 2018/19 financial year. After the first three months results should be approximately 25% of the adopted budget.

The following commentary is provided in relation to the Income Statement:

Total Operating Revenue is reported at 38% of adopted budget. Key components of this result are:

- Net Rates and Utility Charges are at 44% of budget. Council's rates and utility charges for the first six months ending 31 December 2018 of the financial year have been raised and fell due on 29 August 2018.
- Private and recoverable works are at 17% of adopted budget. This is mostly due to the timing of the works to be performed.
- Grants, Subsidies & Contributions are at 31% of budget due to CQ Home Assist receiving half their annual allocation in September.
- Interest revenue is ahead of budget at 35%. Interest revenue historically remains ahead of budget for the first six months of the financial year and then moves closer to budget during the second half of the financial year.
- All other revenue items are in proximity to the adopted budget.

Total Operating Expenditure is at 31% of the adopted budget with committals, or 25% of budget without committals. Key components of this result are:

- Committals are impacting the results of several Expenditure Account Groups. In some cases a number of annual committals have been raised for services and materials. Percentages for Expenditure Account Groups with and without committals is as follows:

Account Group	With committals	Without committals
Employee costs	24%	24%
Contractors & Consultants	50%	21%
Materials & Plant	27%	17%
Asset Operational	45%	36%
Administrative expenses	50%	28%
Depreciation	25%	25%
Finance costs	26%	26%
Other expenses	43%	35%
<b>Total Expenses</b>	<b>31%</b>	<b>25%</b>

- The majority of Expenditure Account Groups are within proximity of budget year to date when committals are excluded.
- Materials and Plant is at 17% without committals. This result is influenced by the level of Private and Recoverable works being undertaken as the majority of the associated costs are budgeted against this account group. It is expected that the level of Private and Recoverable works will increase later in the year.
- Asset Operational Expenses are at 36% without committals due to Council paying various annual insurance premiums in the first quarter including vehicles, assets and public liability.
- Other expenses are at 35% without committals due to the payment of Council's LGAQ membership during August.

The following commentary is provided in relation to capital income and expenditure, as well as investments and loans:

Total Capital Income is at 8% of adopted budget. The majority of capital revenue budgeted to be received in 2018/19 is from grants and subsidies and is tied to performance obligations. As Council progresses through the year and meets performance milestones, grants will be claimed. Grant acquittals are in progress for Riverfront (\$0.7M) and Airport (\$4.9M).

Total Capital Expenditure is at 22% of the budget without committals. This represents an actual spend of \$7.7M for the third month of the financial year. A large portion of capital projects are underway with \$32.2M of committals raised. Note that the carryover portion of Capital has been added (unfinished projects from the 17/18 budget). The total Capital Budget with carryover target is now \$140.85 million.

Total Investments are approximately \$86.1M as at 30 September 2018.

Total Loans are \$119.0M as at 30 September 2018 after the first quarter loan repayment was made during September.

## CONCLUSION

Operational Income is well ahead of budget due to the levying of the General Rates and Utility Charges for the six months ending 31 December 2018. Operational revenue excluding net rates and utility charges is at 24%. Operational expenditure excluding committals is on budget after the first three months of the financial year with a number of annual payments already being made.

The capital program saw \$7.7M spent during September. It is anticipated that capital expenditure will continue to gain momentum over the coming months with the ongoing roll out of the capital works program for 2018/19.

# **SUMMARY BUDGET MANAGEMENT REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

## **Income Statement September 2018**

**Meeting Date: 23 October 2018**

**Attachment No: 1**



**Income Statement**  
**For Period July 2018 to September 2018**  
**25% of Year Gone**

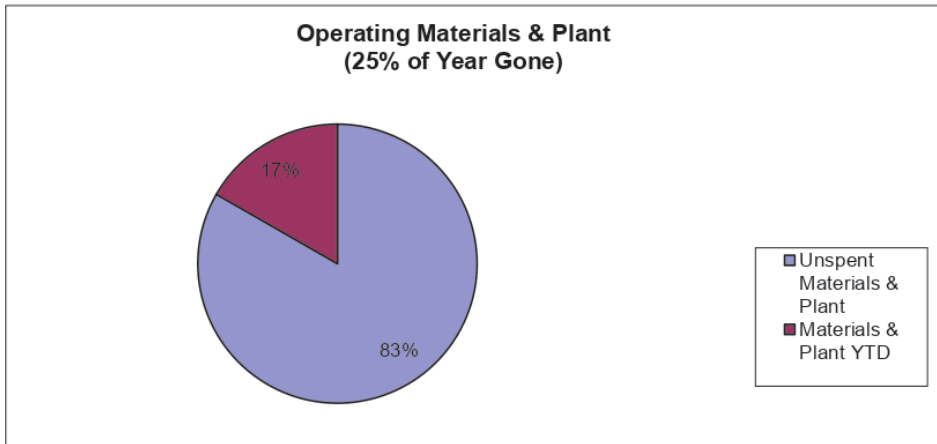
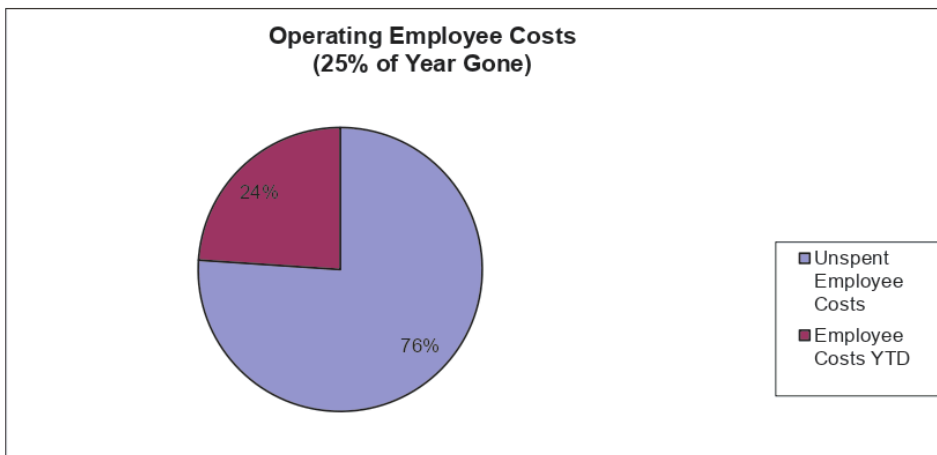
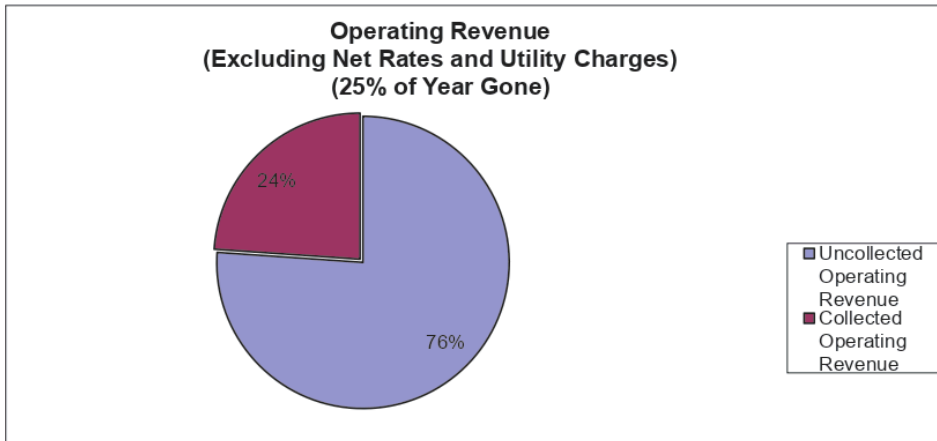
	Adopted Budget	YTD Actual	Commitments	YTD Actuals (inc commitments)	% of Adopted Budget	
	\$	\$	\$	\$		
<b>OPERATING</b>						
<b>Revenues</b>						
Net rates and utility charges	(145,182,957)	(63,202,516)	0	(63,202,516)	44%	
Fees and Charges	(24,846,946)	(6,071,953)	0	(6,071,953)	24%	
Private and recoverable works	(15,859,497)	(2,694,011)	0	(2,694,011)	17%	
Rent/Lease Revenue	(3,072,340)	(822,923)	147,673	(675,250)	22%	
Grants Subsidies & Contributions	(7,431,709)	(2,339,445)	0	(2,339,445)	31%	
Interest revenue	(1,581,517)	(548,776)	0	(548,776)	35%	
Other Income	(4,224,795)	(1,153,971)	88	(1,153,883)	27%	
<b>Total Revenues</b>	<b>(202,199,762)</b>	<b>(76,833,595)</b>	<b>147,761</b>	<b>(76,685,834)</b>	<b>38%</b>	
<b>Expenses</b>						
Employee costs	78,647,831	18,831,243	192,460	19,023,703	24%	
Contractors & Consultants	17,227,336	3,575,279	4,987,353	8,562,632	50%	
Materials & Plant	21,058,807	3,518,996	2,115,484	5,634,480	27%	
Asset Operational	20,349,070	7,387,823	1,680,534	9,068,357	45%	
Administrative expenses	14,406,616	4,067,408	3,083,579	7,150,986	50%	
Depreciation	52,553,686	13,138,422	0	13,138,422	25%	
Finance costs	6,804,535	1,771,673	0	1,771,673	26%	
Other Expenses	1,204,503	418,152	103,460	521,612	43%	
<b>Total Expenses</b>	<b>212,252,384</b>	<b>52,708,995</b>	<b>12,162,870</b>	<b>64,871,865</b>	<b>31%</b>	
<b>Transfer / Overhead Allocation</b>						
Transfer / Overhead Allocation	(8,287,308)	(2,150,671)	0	(2,150,671)	26%	
<b>Total Transfer / Overhead Allocation</b>	<b>(8,287,308)</b>	<b>(2,150,671)</b>	<b>0</b>	<b>(2,150,671)</b>	<b>26%</b>	
<b>TOTAL OPERATING POSITION (SURPLUS)/DEFICIT</b>	<b>1,765,314</b>	<b>(26,275,271)</b>	<b>12,310,631</b>	<b>(13,964,640)</b>	<b>-791%</b>	
<b>CAPITAL</b>						
	Adopted Budget	Revised Budget	YTD Actual	Commitments	YTD Actuals (inc commitments)	% of Revised Budget
<b>Total Developers Contributions Received</b>	(1,814,000)	(1,814,000)	(97,687)	0	(97,687)	5%
<b>Total Capital Grants and Subsidies Received</b>	(29,017,683)	(31,608,143)	(2,569,731)	0	(2,569,731)	8%
<b>Total Proceeds from Sale of Assets</b>	0	(1,000,000)	0	0	0	0%
<b>Total Capital Income</b>	<b>(30,831,683)</b>	<b>(34,422,143)</b>	<b>(2,667,418)</b>	<b>0</b>	<b>(2,667,418)</b>	<b>8%</b>
<b>Total Capital Expenditure</b>	131,162,197	140,850,392	30,944,309	32,237,771	63,182,080	45%
<b>Net Capital Position</b>	<b>100,330,514</b>	<b>106,428,249</b>	<b>28,276,891</b>	<b>32,237,771</b>	<b>60,514,662</b>	<b>57%</b>
<b>TOTAL INVESTMENTS</b>			86,128,131			
<b>TOTAL BORROWINGS</b>			118,973,170			

**SUMMARY BUDGET MANAGEMENT  
REPORT FOR THE PERIOD ENDED  
30 SEPTEMBER 2018**

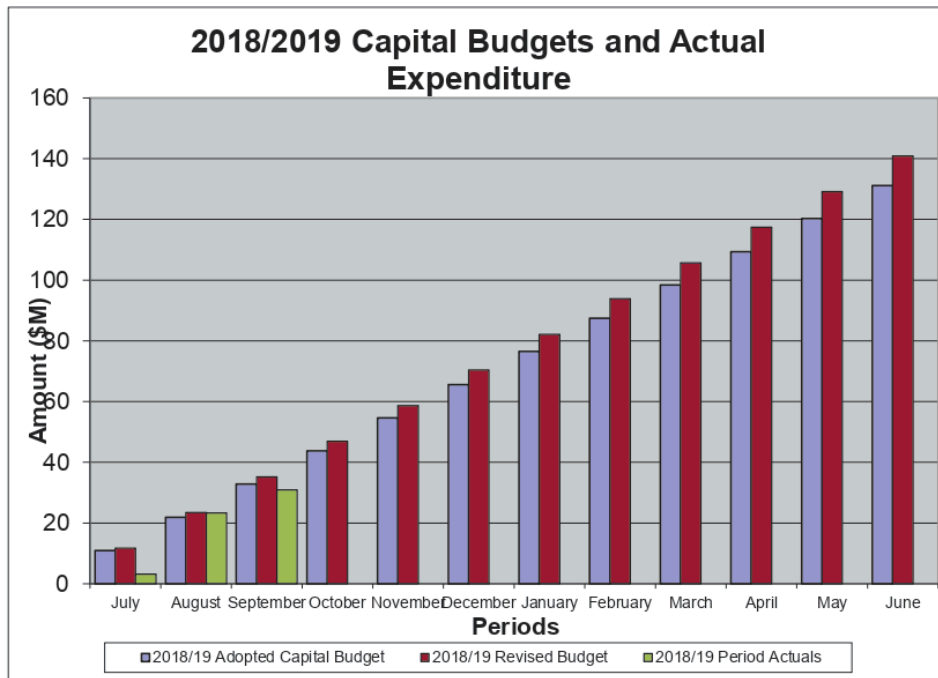
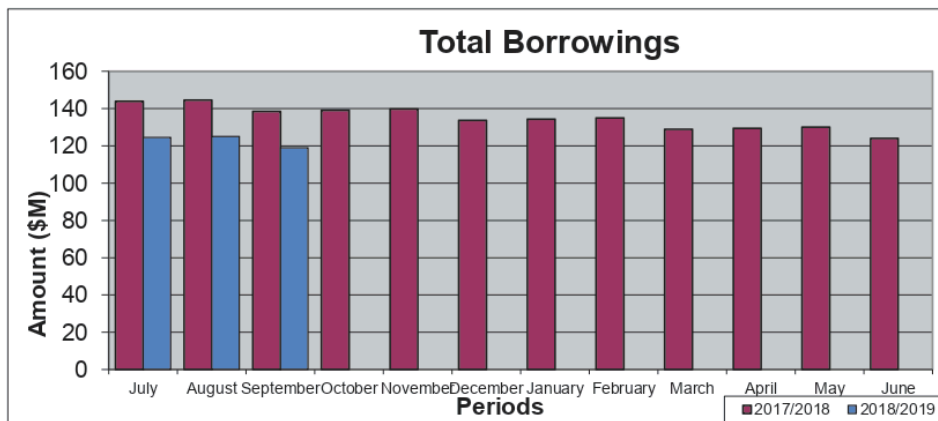
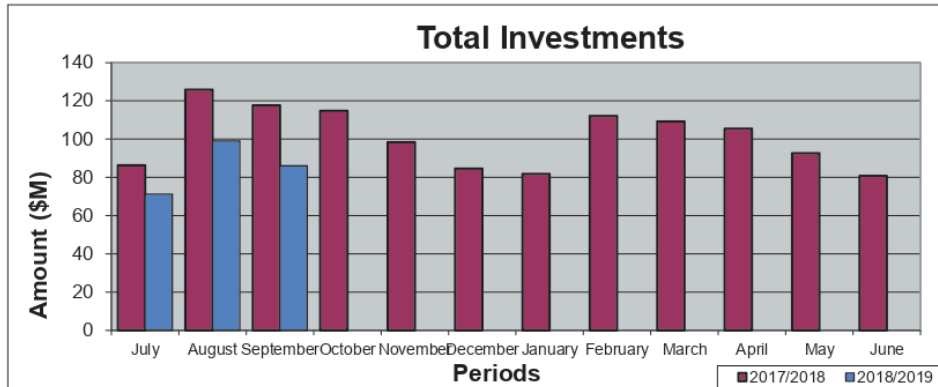
**Key Indicator Graphs September 2018**

**Meeting Date: 23 October 2018**

**Attachment No: 2**







**11.7 CORPORATE SERVICES DEPARTMENT - MONTHLY OPERATIONAL REPORT  
SEPTEMBER 2018****File No:** 1392**Attachments:**

1. Finance Monthly Report - September 2018 [↓](#)
2. ES Monthly Report September 2018 [↓](#)
3. CTS Monthly Report - September 2018 [↓](#)

**Authorising Officer:** Evan Pardon - Chief Executive Officer**Author:** Ross Cheesman - Deputy Chief Executive Officer

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**SUMMARY**

*The monthly operations report for the Corporate Services Department as at 30 September 2018 is presented for Councillors information.*

**OFFICER'S RECOMMENDATION**

THAT the Corporate Services Departmental Operations Report as at 30 September 2018 be "received".

**COMMENTARY**

It is recommended that the monthly operations report for Corporate Services Department as at 30 September 2018 be received.

**CORPORATE SERVICES  
DEPARTMENT - MONTHLY  
OPERATIONAL REPORT  
SEPTEMBER 2018**

**Finance Monthly Report –  
September 2018**

**Meeting Date: 23 October 2018**

**Attachment No: 1**

**MONTHLY OPERATIONS REPORT**

**FINANCE**

**PERIOD ENDED SEPTEMBER 2018**



**1. Operational Summary**

Financial Statements for 17/18 financial year were finalised and accepted by Audit committee on the 28<sup>th</sup> September.

## 2. Customer Service Requests

Response times for completing customer requests in this reporting period for September are within the set timeframes.



### All Monthly Requests (Priority 3) Finance 'Traffic Light' report September 2018

	Balance B/F	Completed In Current Mth	Current Month NEW Requests		TOTAL INCOMPLETE REQUESTS BALANCE	On Hold	Completion Standard (days)	Avg Completion Time (days) Current Mth	Avg Completion Time (days) 6 Months	Avg Completion Time (days) 12 Months	Avg Duration (days) 12 Months (complete and incomplete)	Avg Completion Time (days) Q1
			Received	Completed								
Bookings Enquiry	2	2	4	4	0	0	5	● 2.00	● 1.50	● 2.00	1.88	● 1.75
Rates Searches	20	20	122	105	17	0	5	● 3.05	● 3.00	● 3.00	2.82	● 2.98
Rates Enquiry	5	5	70	64	6	0	3	● 1.16	● 1.06	● 1.16	0.81	● 1.01

### 3. Capital Projects

No Capital Projects

### 4. Operational Projects

As detailed in the Environmental Sustainability section report.

## 5. Budget

Financial performance as expected for the reporting period.



### End of Month Job Costing Ledger - (Operating Only) - CORPORATE SERVICES

As At End Of September

Report Run: 04-Oct-2018 15:48:38 Excludes Nat Accts: 2802,2914,2917,2924

	Adopted Budget	EOM Commitments	YTD Actual	Commit + Actual	Variance	On target
	\$	\$	\$	\$	%	25% of Year Gone
<b>CORPORATE SERVICES</b>						
<b>FINANCE</b>						
<i>Finance Management</i>						
Expenses	553,292	127,157	148,044	275,201	50%	x
Transfer / Overhead Allocation	0	0	58	58	0%	x
<b>Total Unit: Finance Management</b>	<b>553,292</b>	<b>127,157</b>	<b>148,102</b>	<b>275,259</b>	<b>50%</b>	<b>x</b>
<i>Accounting Services</i>						
Expenses	1,654,564	0	372,561	372,561	23%	✓
Transfer / Overhead Allocation	0	0	823	823	0%	x
<b>Total Unit: Accounting Services</b>	<b>1,654,564</b>	<b>0</b>	<b>373,384</b>	<b>373,384</b>	<b>23%</b>	<b>✓</b>
<i>Financial Systems</i>						
Revenues	(1,143)	0	0	0	0%	x
Expenses	205,499	0	43,815	43,815	21%	✓
Transfer / Overhead Allocation	600	0	0	0	0%	✓
<b>Total Unit: Financial Systems</b>	<b>204,957</b>	<b>0</b>	<b>43,815</b>	<b>43,815</b>	<b>21%</b>	<b>✓</b>
<i>Customer Service</i>						
Revenues	(200,988)	0	(74,521)	(74,521)	37%	✓
Expenses	1,700,333	9,164	406,155	415,319	24%	✓
Transfer / Overhead Allocation	0	0	(372)	(372)	0%	✓
<b>Total Unit: Customer Service</b>	<b>1,499,345</b>	<b>9,164</b>	<b>331,263</b>	<b>340,427</b>	<b>23%</b>	<b>✓</b>
<i>Rates &amp; Revenue</i>						
Revenues	(452,834)	0	(90,040)	(90,040)	20%	x
Expenses	1,778,786	325,106	457,192	782,298	44%	x
Transfer / Overhead Allocation	750	0	0	0	0%	✓
<b>Total Unit: Rates &amp; Revenue</b>	<b>1,326,701</b>	<b>325,106</b>	<b>367,152</b>	<b>692,257</b>	<b>52%</b>	<b>x</b>
<i>Natural Resource Management</i>						
Expenses	533,335	57,551	75,085	132,636	25%	✓
Transfer / Overhead Allocation	10,000	0	(9,657)	(9,657)	-97%	✓
<b>Total Unit: Natural Resource Management</b>	<b>543,335</b>	<b>57,551</b>	<b>65,428</b>	<b>122,979</b>	<b>23%</b>	<b>✓</b>
<b>Total Section: FINANCE</b>	<b>5,782,193</b>	<b>518,978</b>	<b>1,329,144</b>	<b>1,848,121</b>	<b>32%</b>	<b>x</b>
<b>Total Department: CORPORATE SERVICES</b>	<b>5,782,193</b>	<b>518,978</b>	<b>1,329,144</b>	<b>1,848,121</b>	<b>32%</b>	<b>x</b>
<b>Grand Total:</b>	<b>5,782,193</b>	<b>518,978</b>	<b>1,329,144</b>	<b>1,848,121</b>	<b>32%</b>	<b>x</b>

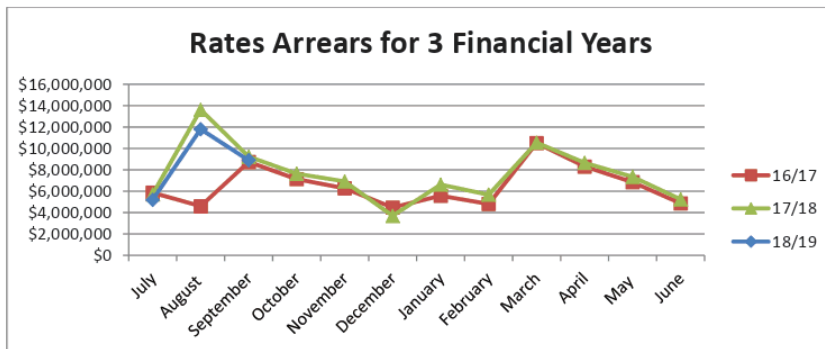
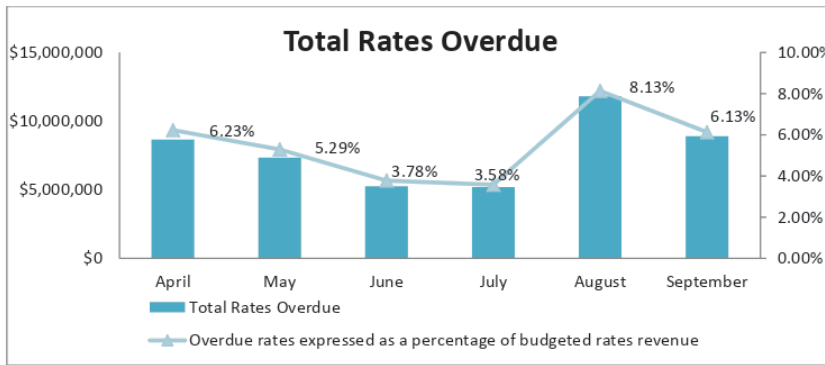
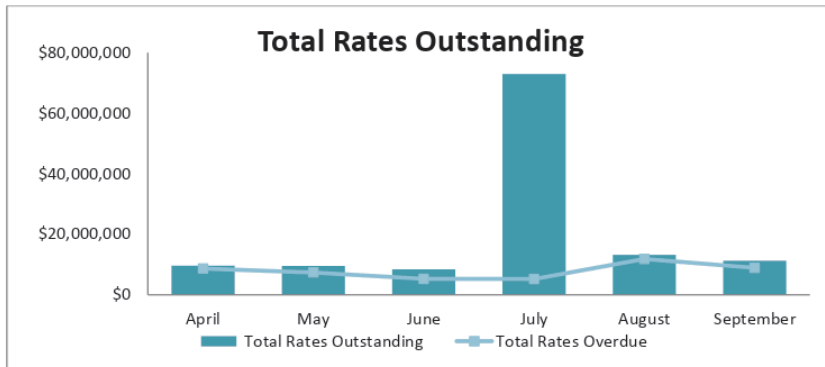
### Comments

Committals raised for Audit Fees and legal collection action for the year are impacting on the final result in the Finance Management area as well as Rates & Revenue.

**6. Section Statistics**

Service Level	Target	Current Performance	Service Level Type (Operational or Adopted)
Unpaid rates and charges are managed in accordance with the Revenue Management Policy, achieving an overdue balance of less than 3% at its lowest point.	<3%	6.13% in August	Operational
Maintain the ratio of customer queries satisfied by Customer Service Officers, without referral to departments.	80%	90%	Operational
Customer Service Call Centre answering 75% of incoming calls within 45 seconds.	75%	81%	Adopted





**7. Whole of Council Reports and Statistics**

***Safety Statistics***

Nil to report

**Customer Requests Completed Monthly & Top 5 Customer Requests**

	July	August	September	October	November	December	January	February	March	April	May	June
<b>Requests Logged</b>	3388	4194	4183									
<b>Same month Completed</b>	2647	3168	3527									
<b>% completed same month</b>	78%	75%	84%									
<b>Completed Total for Month</b>	3263	3455	3745									
<b>Total Pending</b>	1889	2500	2942									
<b>Top 5 Requests for Month</b>	An/Dogr An/Wand Fac Man W/Leak R/Bin	M/Maint An/Dogr WanAni Fac Man W/Leak	M/Replace An/Dogr Fac Man W/Ani P/Gen									

<b>Total uncompleted customer requests up to 3 months old:</b>	<b>2601</b>
<b>Total uncompleted customer requests between 3 to 6 months old:</b>	<b>169</b>
<b>Total uncompleted customer requests greater than 6 months old:</b>	<b>172</b>

<b>Conquest Work Order &amp; Investigation Long Term up to 3 months old:</b>	<b>1827</b>
<b>Conquest Work Order &amp; Investigation Long Term between 3 to 6 months old:</b>	<b>94</b>
<b>Conquest Work Order &amp; Investigation Long Term greater than 6 months old:</b>	<b>111</b>

**Request Completed:** Requested task or action has been completed (not just work order raised), or complaint has been investigated, action taken and correspondence finalised.

**Conquest Work Order:** A Work Order has been raised for maintenance, repair or future planned action.

**Investigation Long Term:** Requested task, action or complaint assigned to internal or external investigation, may include, but not limited to: Insurance, Planning, Legal, Civil or Domestic matter

<b>Key:</b>	T/Trim - Tree Trimming	Pk Gen - Parks General Request	An/Dogr - Dog Registration Enquiry
	M/Maint - Meter Maintenance	R/Bin - Replacement Bin	W/Leak - Water Leak
	Bin RRC - Replace Bin RRC	D/Plan - Duty Planner (New Enq)	S/Blockage - Reactive Sewerage Block

**CORPORATE SERVICES  
DEPARTMENT - MONTHLY  
OPERATIONAL REPORT  
SEPTEMBER 2018**

**ES Monthly Report September 2018**

**Meeting Date: 23 October 2018**

**Attachment No: 2**

**MONTHLY OPERATIONS REPORT**  
**FINANCE – ENVIRONMENTAL SUSTAINABILITY**  
**PERIOD ENDED SEPTEMBER 2018**



**1. Operational Summary**

**Environmental Sustainability Strategy**

- Council adopted the Environmental Sustainability Strategy on 25 September 2018.
- The Sustainability Strategy Executive Group meet in early October to progress the supporting annual action plan.

**Bringing Nature Back Program**

- Capricornia Catchments commenced work on the Fraser Park community-based bush regeneration project. Capricornia Correctional Centre and Multicultural Development Australia are also assisting with on-ground works.
- Final preparations were made for the launch of the Bringing Nature Back program at Tropicana (07 October 2018), including an interactive nature-based community workshop series involving more than 25 different presenters and a native plant giveaway.

**Living Sustainably Program**

- Council finalised the 'Sustainability in Action!' community calendar for printing and invited participating schools to be recognised at Tropicana 2018. The calendar will be distributed directly to schools, as well as the community both online and in limited hard copy. This calendar builds upon, and replaces, the recycling calendar successfully delivered by Council over the past decade.

**Second Nature Program**

- The Internal Sustainability Working Group rolled out the reusable coffee cup trial with the Workforce Governance Team and commenced the office recycling trial on the top floor of the Walter Reid building.

## 2. Customer Service Requests

Response times for completing customer requests in this reporting period for September are within the set timeframes.

## 3. Capital Projects



Details of capital projects not reported regularly to Council or a particular Committee in other project specific report updates as at period ended September – 25% of year elapsed.




Project	Planned Start Date	Planned End Date	On Track	Budget Estimate	YTD actual (incl committals)
No capital projects at this time.					





#### 4. Operational Projects

As at period ended September – 25% of year elapsed.



In terms of scope, schedule and budget, the project is:






		
on track	generally on track, with minor issues	off track



Project	Planned Start	Planned End	On Track	Comment	Budget Estimate	YTD actual (inc oom'tals)
<b>Environmental Sustainability Strategy (ESS):</b> Develop Council's Strategy with input from stakeholders: Stage 1 – Initial review (completed Jan 2018) Stage 2 – Visioning (completed Mar 2018) Stage 3 – Strategy development (completed Apr 2018) Stage 4 – Strategy validation (completed May 2018) Stage 5 – Consultation and adoption (completed Sep 2018) Stage 6 – Implementation (upon adoption of the Strategy)	Oct 17	Dec 18		<ul style="list-style-type: none"> <li>Public consultation completed 13 July 2018.</li> <li>Community input considered by the Sustainability Strategy Executive Group on 31 Aug 2018.</li> <li>Council adopted Strategy on 25 Sep 2018.</li> <li>Sustainability Strategy Executive Group workshop scheduled for 11 Oct 2018 to progress the annual action plan.</li> <li>First two videos in the sustainability series finalised Sep 2018.</li> </ul>	\$0	\$0
<b>Pathway 1 – Natural environment (partnerships and programs)</b>						
<b>Natural environment planning:</b> Identify and map priority natural assets for protection and enhancement. This work will replace the natural environment study completed in 2010 (covering the amalgamated regions) and will inform future works, identify areas for future development offsets and also inform the Planning Scheme.	Sep 18	Jun 19		<ul style="list-style-type: none"> <li>Rapid urban canopy (i-Tree) assessment completed in Sep 18. Details to be presented to Leadership Team to inform further investment in urban canopy projects.</li> <li>Initial scoping to be undertaken pending commencement of new Project Officer in Oct 2018.</li> </ul>	\$65,000	\$2,940
<b>Bringing Nature Back – works program:</b> On-ground works projects to maintain and enhance key natural assets, green corridors and urban waterways in conjunction with key stakeholders and the community. It may also provide seed funding to help address environmental projects on Council land.	Jul 18	Jun 19		<ul style="list-style-type: none"> <li>Fraser Park bush regeneration works - approved by Council in Aug 2018. Capricornia Catchments commenced on-ground work in Sep 2018.</li> <li>Frenchmans/Moores Ck revegetation works – Council established an MOU with Multicultural Development Australia (MDA) to progress potential</li> </ul>	\$50,000	\$20,600

Project	Planned Start	Planned End	On Track	Comment	Budget Estimate	YTD actual (inc oom/tals)
				project opportunities.		
<b>Fish hotels:</b> Fitzroy Basin Association (FBA) secured Australian government funding to install additional fish hotels at selected Lagoons. The ES Team is coordinating Council interests and Parks is providing in-kind support to this project via the Jobs Queensland crew and the use of the Green Waste Compound for assembly activities at the Rockhampton Botanic Gardens.	Apr 18	Sep 18		Completed: <ul style="list-style-type: none"> <li>Water levels necessitated a change of installation location to Yeppen and Crescent Lagoons.</li> <li>Construction completed Jul 2018.</li> <li>Installation and media completed Aug 2018.</li> </ul>	FBA	FBA
<b>Riparian study – Frenchmans and Thozets Creek:</b> Regional Services has formed a cross-disciplinary Council team to explore opportunities for integrated floodplain management within the Frenchmans and Thozets Creek areas. The ES Team is part of the project team providing input to this study.	Mar 18	Jul 18		Completed: <ul style="list-style-type: none"> <li>Final report received, project completed.</li> <li>Collaboratively exploring opportunities to support and fund proposed program of riparian works, via grants and labour support.</li> </ul>	Regional Services	Regional Services
<b>Pathway 2 – Empowering our community (external programs)</b>						
<b>Bringing Nature Back – engagement program:</b> Long-term nature-based community engagement program, designed to bring nature back into the community's hearts, minds and everyday lives by creating opportunities to connect with nature and get involved with the natural environment program. Sponsored by the Australian Government as part of the <i>Building Better Regions – Community Investments Stream</i> . The Program will deliver a workshop series and engagement activities and tools that help the community to improve urban canopy cover in their own backyards, local streets, nearby creeks and on Council land.	Jul 18	Jun 19		<ul style="list-style-type: none"> <li>Council executed grant agreement with the Australian Government's Building Better Regions Fund in Aug 2018.</li> <li>Bringing Nature Back workshop program developed for official launch at Tropicana (Oct 2018).</li> <li>Council's website updated in Sep 2018 to reflect additional program information on our natural assets, native plant program and key regional partnerships.</li> </ul>	\$29,305 + \$19,990 grant	\$21,500
<b>Living Sustainably program:</b> Long-term behaviour change program designed to encourage the community to adopt a wide array of actions and behaviours that support Council's sustainability goals. The program will	Jul 18	Jun 19		<ul style="list-style-type: none"> <li>Finalised the 'Sustainability in Action!' community calendar for printing and invited participating schools to be recognised at Tropicana 2018.</li> <li>Commenced preparations for calendar distribution</li> </ul>	\$25,000 + \$10,000 RRWR contribution	\$10,500



Project	Planned Start	Planned End	On Track	Comment	Budget Estimate	YTD actual (inc com'tals)
recognise and reward sustainability awareness and action in schools as part of the annual schools calendar competition, Council's annual sustainability calendar in both electronic and hardcopy formats, a sustainability resolutions calendar for residents and a rolling monthly communications program commencing in January 2019.				<p>to schools, Customer Service, Councillors and at the CBD Xmas Fair.</p> <ul style="list-style-type: none"> <li>Facilitated EcoBiz workshop for community members and Council lessees to learn about water, waste and energy efficiencies (07 and 08 Oct 2018).</li> <li>Preparations continuing for a rolling communications program focussed on a monthly sustainability action for residents to implement in their own home, supported by a range of associated information and events should they wish to learn more.</li> </ul>		
<p><b>Community assistance program (environment and sustainability):</b> A grants program designed to support community-based environment and sustainability initiatives. Funds will be administered as part of the Community Assistance Program and ensure that community environment and sustainability objectives are met by contributing to the establishment of a specific funding stream. It is anticipated that the program will support a wide range of community workshops and on-ground activities.</p>	Jan 19	Jun 19		<ul style="list-style-type: none"> <li>Pending integration with Council's existing Community Assistance Program.</li> </ul>	\$10,000	\$0
<p><b>Reef Guardian Stewardship grant:</b> The Great Barrier Reef Marine Park Authority awarded Council a Reef Guardian Stewardship grant to encourage environmental initiatives in our local communities. As part of this grant, Council will develop an education resource kit to provide local schools across the Rockhampton Region with action learning opportunities focussed on waterway awareness and source reduction.</p>	Jul 18	Jun 19		<ul style="list-style-type: none"> <li>Pending development of resource materials for rollout in Jan 2019.</li> </ul>	\$1700	0
<b>Pathway 3 – Industry and infrastructure</b>						

Project	Planned Start	Planned End	On Track	Comment	Budget Estimate	YTD actual (inc oom/tals)
<b>Clean growth choices for communities in transition:</b> Queensland Government program designed to assist communities to become more resilient by acquiring new skills and technologies, mastering the transition to a low carbon technology and adapting to changing climate – all while creating the new jobs of tomorrow.	Aug 18	TBC		<ul style="list-style-type: none"> <li>Attended Program start-up meeting in Brisbane Aug 2018.</li> <li>Contributed to initial desktop review in Sep 2018.</li> <li>Scheduled to contribute to proposed stakeholder meetings in Nov 2018.</li> </ul>	TBC	TBC
<b>Sustainable Rockhampton Investment Fund:</b> Supports projects that deliver both positive environmental outcomes and real operational savings for Council.	Jul 18	TBC		<ul style="list-style-type: none"> <li>Pending finalisation of fund guidelines.</li> </ul>	TBC	TBC
<b>Pathway 4 – Council operations (corporate sustainability)</b>						
<b>Second Nature program:</b> Council's internal sustainability engagement program has been designed to advance sustainability awareness and action within Council's operations. The Internal Sustainability Working Group champion sustainability initiatives across departments, act as a conduit for information and support sustainability action across the organisation.	Jul 18	Jun 19		<ul style="list-style-type: none"> <li>Facilitated Working Group meeting at Gracemere library solar installation on 29 Aug 2018.</li> <li>Next Working Group meeting scheduled for Nov 2018.</li> <li>Facilitated EcoBiz workshop for Council officers to learn about water, waste and energy efficiencies (08 Oct 2018).</li> </ul>	\$0	\$0
<b>Sustainability Seed Fund program:</b> As a key part of the internal sustainability engagement program, seed fund initiatives provide the opportunity to trial staff-initiated sustainability projects that foster sustainable behaviour whilst improving Council's wise use of resources.	Feb 18	Dec 18		2018 trial initiatives progressing as planned: <ul style="list-style-type: none"> <li>Composting at City Childcare Centre (delivered)</li> <li>Black soldier fly trial at Zoo (in progress)</li> <li>Transition to recycled paper (in progress)</li> <li>Reusable coffee cups (in progress)</li> <li>Office recycling across Council (in progress)</li> <li>Energy efficient behaviour (pending)</li> <li>Enhanced public place recycling at Zoo (pending)</li> <li>Transitioning to electronic forms (pending)</li> <li>Management of runoff from the Nursery (pending)</li> </ul>	\$20,000	\$0
<b>Queensland Climate Resilient Councils (QCRC):</b> The QCRC is a free three year Program which Council subscribed to in mid-2017. Led by LGAQ, in partnership with the	Feb 18	Dec 18		<ul style="list-style-type: none"> <li>Draft report received, pending review and finalisation.</li> </ul>	\$0	\$0

Project	Planned Start	Planned End	On Track	Comment	Budget Estimate	YTD actual <small>(inc com' tals)</small>
Queensland Government, the Program is designed to strengthen Council decision-making processes to respond to climate change.						
<b>Energy Action Plan:</b> Council facilities and services consume a significant amount of energy. This plan aims to identify Council's key strategic opportunities to achieve cost savings, improve environmental sustainability and recognise wider economic and social benefits.	Apr 18	Dec 18		<ul style="list-style-type: none"> <li>Final draft under development, including more detailed information on site feasibility.</li> <li>To be presented for Council consideration upon completion.</li> </ul>	\$0	\$0
<b>Initial Environmental Review:</b> This project aims to identify the legal and other requirements associated with Council's operations and potential environmental risks and impacts.	Sep 18	Jun 19		<ul style="list-style-type: none"> <li>Contributed to initial project scoping in Sep 2018.</li> </ul>	Chief Audit Executive	Chief Audit Executive

5. Budget

Financial performance is as expected for September – 25% of year elapsed.



End of Month Job Costing Ledger - (Operating Only) - CORPORATE SERVICES

As At End Of September

Report Run: 12-Oct-2018 12:07:57 Excludes Nat Accs: 2802,2914,2917,2924

	Adopted Budget	Revised Budget	EOM Commitments	YTD Actual	Commit + Actual	Variance
	\$	\$	\$	\$	\$	%
<b>CORPORATE SERVICES</b>						
<b>FINANCE</b>						
<i>Natural Resource Management</i>						
Expenses	533,335	0	57,551	75,085	132,636	25% ✓
Transfer / Overhead Allocation	10,000	0	0	(9,657)	(9,657)	-97% ✓
<b>Total Unit: Natural Resource Management</b>	<b>543,335</b>	<b>0</b>	<b>57,551</b>	<b>65,428</b>	<b>122,979</b>	<b>23% ✓</b>
<b>Total Section: FINANCE</b>	<b>543,335</b>	<b>0</b>	<b>57,551</b>	<b>65,428</b>	<b>122,979</b>	<b>23% ✓</b>
<b>Total Department: CORPORATE SERVICES</b>	<b>543,335</b>	<b>0</b>	<b>57,551</b>	<b>65,428</b>	<b>122,979</b>	<b>23% ✓</b>
<b>Grand Total:</b>	<b>543,335</b>	<b>0</b>	<b>57,551</b>	<b>65,428</b>	<b>122,979</b>	<b>23% ✓</b>

Comments

Budget on target.

## 6. Section Statistics

Program/Activity	Date/s	Attendees	Comments
<b>Completed activities</b>			
<b>Workforce and Governance workshop:</b> Rollout of the Sustainability Seed Fund reusable coffee cup trial	Sep 18	~40	
<b>Upcoming activities</b>			
<b>Small Landholders Day:</b> Community event designed to provide information and resources to support small landholders, including provision of native plants and information flyers	06 Oct 18	~700	~500 native plants to be provided to attendees
<b>Tropicana (Rockhampton Botanic Gardens):</b> Official launch of the Bringing Nature Back program including an interactive workshop series, native plant giveaway and presentation to winners of the 'Sustainability in Action' schools calendar competition	07 Oct 18	~1,500	~500 native plants to be provided to attendees
<b>EcoBiz workshops:</b> This Queensland government program designed to help Queensland businesses understand resource use and cut costs. Council is facilitating targeted workshops for Council lessees and Council officers in order to introduce the free program and provide access to a range of free services that will support energy, water and waste efficiencies across the Region.	07 and 08 Oct 18	~20	Workshops to be held at Tropicana (07 Oct 18) and the Smart Hub (08 Oct 18)
<b>Tilapia Terminator and Wetland Care Day (Murray Lagoon):</b> Council's Environmental Sustainability Team and Environmental Resource Unit trailer to work with the Fitzroy Partnership for River Health to support community education activities	21 Oct 18	~100	
<b>CBD Christmas Fair (CBD):</b> Encouraging sustainability awareness and action via Council's 'Sustainability in Action!' calendar and 'Sustainability Resolutions' fridge calendar	01 Dec 18	~2,000	

## 7. Whole of Council Reports and Statistics

No whole of Council statistics at this time.

8. Sustainability Events and Media Coverage



**Council's Workforce and Governance section trials reusable coffee cups to help reduce waste and save money**  
*With support from the Sustainability Seed Fund, Workforce and Governance rolled out a trial of reusable coffee cups in conjunction with the Internal Sustainability Working Group (Sep 2018). The team will encourage each other to foster sustainable behaviours by remembering to bring their own cup.*



**Council's Workforce and Governance section trials reusable coffee cups to help reduce waste and save money**  
*Progress will be monitored and reviewed throughout the trial and reported back to encourage other units to make wise use of their resources.*





**Council's Workforce and Governance section trials reusable coffee cups to help reduce waste and save money**  
*The 'Bring your own cup' initiative sees Council officers making a visible and durable commitment to sustainability awareness and action.*



**CORPORATE SERVICES  
DEPARTMENT - MONTHLY  
OPERATIONAL REPORT  
SEPTEMBER 2018**

**CTS Monthly Report - September 2018**

**Meeting Date: 23 October 2018**

**Attachment No: 3**

**MONTHLY OPERATIONS REPORT**  
**CORPORATE AND TECHNOLOGY SERVICES**  
**PERIOD ENDED SEPTEMBER 2018**



**1. Operational Summary**

**Property & Insurance:**

The Warrabal Native Title claim reported in the August monthly report has now been closed by a Notice of Discontinuance submitted to the court. No further action at this time.

**Fleet:**

Plant hire operating surplus remains on budget at this time of the year. Construction activity has been strong with good weather, but this level of activity traditionally falls through the Christmas / New Year period, the effects of which will have to be closely watched.

The fleet renewal program continues with a high level of committed expenditure showing in budget reports. This is expected to continue into the next quarter.

Workshop activity has continued to be high associated with high levels of activity in the construction areas, with the increasing average temperatures of summer not far away, activity is expected to rise.

**SmartHub:**

Evans Edwards Accountants held an evening session with our SmartHub members to share valuable survival strategies for small businesses during tough economic times.

Navdeep Pasricha from iYouth Global ran an engaging and interactive workshop for the wider business community and high school educators to learn 'How to design an App in 2 hours'.

SmartHub Business Manager, Elize Hattin and a SmartHub Member, Kaleb Roberts were both judges at the Young Change Agents (YCA) Rockhampton Regional Pitch Night which was held at CQUniversity. The event was a great success showcasing the achievements of the Primary and High School students who participated in the YCA programs in July and August.

The SmartHub was an event partner for GovHack2018 and hosted the national open data Hackathon Rocky node and also had a live connection to the participants in Gladstone. The weekend was well supported with the teams applying themselves to solving real problems and delivering fantastic outcomes.

Our September monthly lunch and learn session was with Geoff Higgins of Performance People Pty Ltd who talked to our members and the wider business community about 'The Entrepreneur as People Manager'. He shared some useful resources and practical tips to help business owners improve their leadership skills.

Elize was a panellist for the Institute of Managers and Leaders Masterclass – Accidental Manager to International Leader held at the CQUniversity. The topic for discussion was 'leading in 2025 and beyond' and therefore had the opportunity to share her knowledge and observations regarding the future of businesses and leadership.

The Advance Queensland funded, Startup Onramp program commenced in late September. The SmartHub cohort consisting of nine participants will learn the best and fastest ways to progress their tech business idea over the 12 session course and will have the opportunity to pitch at the end of the program.

Enquiries and submissions for SmartHub Membership continue to be received and reviewed by the RRC SmartHub Working Group – currently 43 members.







## 2. Customer Service Requests

Response times for completing customer requests in this reporting period for September are within the set timeframes.

	Balance B/F	Completed in Current Month	Current Month NEW Request		TOTAL INCOMPLETE REQUESTS BALANCE	On Hold	Completion Standard (days)	Avg Completion Time (days) Current Mth	Avg Completion Time (days) 6 Months	Avg Completion Time (days) 12 Months	Avg Duration (days) 12 Months (complete and incomplete)
			Received	Completed							
Accounts Payable Enquiry	0	0	1	1	0	0	2	● 0.00	● 1.00	● 1.10	0.75
Insurance: Mower / Slasher / Whipper / Snipper	0	0	2	1	0	0	90	● 16.00	● 16.17	● 12.21	14.00
Insurance: Personal Accident / Injury	2	2	2	1	0	0	120	● 1.00	● 20.09	● 19.69	29.88
Insurance: Public Liability / Property Damage Public Property	7	7	6	3	0	0	90	● 2.67	● 6.50	● 10.49	12.16
Leased Premises - General Enquiry	1	1	0	0	0	0	5	● 0.00	● 0.00	● 0.57	0.67

### 3. Capital Projects


Details of capital projects not reported regularly to Council or a particular Committee in other project specific report updates as at period ended September 2018 – 25% of year elapsed

Project	Planned Start Date	Planned End Date	On Track	Budget Estimate	Life to date actual (incl committals)
<b>Fleet Asset Renewal Program (CP440)</b>	01/07/2018	30/06/2019		\$6,986,178	\$3,584,832
Comments	The fleet renewal program continues with a high level of committed expenditure showing in budget reports. This is expected to continue into the next quarter.				
<b>IT Asset Renewal &amp; Upgrade Program – excluding RAMP (CP230)</b>	01/07/2018	30/06/2019		\$2,159,766	\$195,038
Comments					
<b>RRC Asset Management Project RAMP (CP230)</b>	22/01/2018	30/09/2019		\$2,075,762	\$1,567,740
Comments	Active projects for the month included Business Process & Enterprise Budgeting workshops; data migration; interface design progressing. 2018b installed.				
<b>Stage 3d Smart Technology – Victoria Parade – Fitzroy to Archer (CP235)</b>	01/12/2016	01/03/2019		\$571,226 (18/19 budget allocation)	\$555,645
Comments	Civil works portion of project progressing as scheduled.				
<b>Stage 2 Smart Parking – Disability ePermit (CP235)</b>	22/01/2018	14/12/2018		\$250,000	\$235,606
Comments	The three parking wayfinding banners installed and operational. Parking availability display expected to be presented on the banners mid-Oct.				
<b>CCTV System Upgrade</b>	01/07/2018	14/12/2018		\$184,000	\$157,005
Comments	Final configuration and commissioning underway.				



**4. Operational Projects**

As at period ended September – 25% of year elapsed

Project	Planned Start Date	Planned End Date	On Track	Budget Estimate	YTD Actual
Smart Hub Programming	01/07/2018	30/06/2019		\$61,725	\$0
YCA & YINC	Date 25/07/2018 – 27/07/2018, 06/09/2018 (Pitch Night) and 2019 – <b>completed</b> October and Jan 2019	Young Change Agents Program (YCA) The YCA high school program (grades 7-12) is built as a train-the-trainer model for teachers and runs for two and half days. This is a cross-curricular program that encompasses elements of civics & citizenship, social studies, commerce, english, maths, drama, IT and art. Youth Incubator Program (YINC) YINC is Young Change Agents youth incubator program for selected alumni of the YCA program. YINC is a mix of masterclasses, activities, networking and group work including: - a cycle of prototyping and customer validation that allows teams to iterate their solutions in line with customer needs; - engagement with mentors to create confidence and a transfer of knowledge and skills; - exposure to industry experts, professionals and potential clients; - specific new learning topics including sales, partnerships, financing, marketing, legal, finance and risk; - showcases at the end of each 3 day session to allow teams to access support and/or reflect on their learnings.			
<p><u>Comments</u></p> <p>The YCA Rockhampton Regional Pitch night was held on 6<sup>th</sup> September at the CQUniversity. Elize and a SmartHub Member Kaleb were on the judging panel to provide the students with valuable feedback and encouragement. Three high school teams and two primary school teams pitched their social enterprise ideas from when they participated in the YCA school programs held during July and August this year.</p> <p>Further YCA workshops are scheduled to run in two of the independent High Schools (Emmaus and Heights College) in October 2018.</p> <p>The YINC Program will now be held next year to allow more students the opportunity to participate and progress and develop their ideas.</p>					
Startup OnRamp	Date 27/09/2018 – 06/12/2018	The 12 session Startup Onramp program is for startup founders who are at the beginning of their startup journey, including those who currently have a day job and want to make the transition from <i>employee</i> to <i>startup founder</i> . The program comprises a two-hour workshop each week, two additional weekend sessions, plus weekly individual mentoring sessions and culminates in a pitch night in which all participants pitch their startup and share their learnings with fellow entrepreneurs.			
<p><u>Comments</u></p> <p>Applications were received and there are nine participants in the SmartHub Cohort.</p>					

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<p>The program kicked off in late September. Bill McKeague assisted with the facilitation of the first four sessions which included two Thursday evenings and two Saturday sessions. The program will continue for 10 weeks and the final pitch night will take place on 6 December 2018.</p>		
<p>GovHack and Startup Weekends</p>	<p>Date 07/09/2018 – 09/09/2018 – <b>Completed</b> and 09/11/2018- 11/11/2018</p>	<p>GovHack 2018 (yearly)</p> <p>GovHack is an open data hackathon held across Australia. It's all about encouraging and celebrating people's technical and creative capacity with government for great outcomes, and building upon the social and economic value of Open Data published by government.</p> <p>Startup Weekends (2 per year)</p> <p>In just 54 hours, participants experience the highs, lows, fun, and pressure that make up life as a startup. They learn how to create a real company, meet great mentors, investors, co-founders, and sponsors who are ready to help turn their idea into an actual business with paying customers.</p>
<p><u>Comments</u></p> <p>GovHack Rocky was well supported consisting of five dedicated teams working on solutions for real life problems using open data. The weekend was challenging but enjoyable for all involved and fantastic outcomes were achieved in such a short period of time.</p> <p>Marketing for the November Startup Weekend will commence next month and the committee will have weekly meetings to progress with organising the event and promote participation.</p>		



## 5. Budget

Financial performance as expected for the reporting period.

	Adopted Budget	EOM Commitments	YTD Actual	Commit + Actual	Var	On target 25% of Year Gone
	\$	\$	\$	\$	%	
<b>CORPORATE &amp; TECHNOLOGY SERVICES</b>						
<i>Fleet</i>						
Revenues	(283,000)	0	(67,990)	(67,990)	24%	✘
Expenses	11,900,948	614,551	3,052,798	3,667,349	31%	✘
Transfer / Overhead Allocation	(17,803,700)	0	(4,607,491)	(4,607,491)	26%	✓
<b>Total Unit: Fleet</b>	<b>(6,185,752)</b>	<b>614,551</b>	<b>(1,622,683)</b>	<b>(1,008,132)</b>	<b>16%</b>	<b>✘</b>
<i>Property &amp; Insurance</i>						
Revenues	(439,352)	0	(125,546)	(125,546)	29%	✓
Expenses	3,554,418	191,816	3,042,554	3,234,370	91%	✘
Transfer / Overhead Allocation	9,171	0	2,098	2,098	23%	✓
<b>Total Unit: Property &amp; Insurance</b>	<b>3,124,237</b>	<b>191,816</b>	<b>2,919,106</b>	<b>3,110,922</b>	<b>100%</b>	<b>✘</b>
<i>Corporate &amp; Technology Management</i>						
Revenues	0	0	(1,117)	(1,117)	0%	✓
Expenses	664,420	38,985	139,683	178,668	27%	✘
Transfer / Overhead Allocation	555	0	1,127	1,127	203%	✘
<b>Total Unit: Corporate &amp; Technology Management</b>	<b>664,974</b>	<b>38,985</b>	<b>139,692</b>	<b>178,678</b>	<b>27%</b>	<b>✘</b>
<i>Information Systems</i>						
Revenues	(22,500)	0	(13,354)	(13,354)	59%	✓
Expenses	7,205,775	375,890	2,883,899	3,259,789	45%	✘
Transfer / Overhead Allocation	19,768	0	10,184	10,184	52%	✘
<b>Total Unit: Information Systems</b>	<b>7,203,043</b>	<b>375,890</b>	<b>2,880,730</b>	<b>3,256,620</b>	<b>45%</b>	<b>✘</b>
<i>Procurement &amp; Logistics</i>						
Revenues	0	0	(151)	(151)	0%	✓
Expenses	1,731,614	292	447,768	448,059	26%	✘
Transfer / Overhead Allocation	37,454	0	9,308	9,308	25%	✓
<b>Total Unit: Procurement &amp; Logistics</b>	<b>1,769,068</b>	<b>292</b>	<b>456,925</b>	<b>457,217</b>	<b>26%</b>	<b>✘</b>
<i>Smart Hub Business</i>						
Revenues	(59,000)	0	(9,170)	(9,170)	16%	✘
Expenses	393,971	853	67,448	68,300	17%	✓
Transfer / Overhead Allocation	0	0	898	898	0%	✘
<b>Total Unit: Smart Hub Business</b>	<b>334,971</b>	<b>853</b>	<b>59,176</b>	<b>60,029</b>	<b>18%</b>	<b>✓</b>
<b>Total Section: CORPORATE &amp; TECHNOLOGY SERVICES</b>	<b>6,910,541</b>	<b>1,222,386</b>	<b>4,832,946</b>	<b>6,055,332</b>	<b>88%</b>	<b>✘</b>

### Comments

Property & Insurance - \$2.94M expenditure refers to pre-paid rent for 175 East Street, Rates on Council owned properties and pre-paid insurance premiums.

Information Systems – Approximately \$1.8M expenditure refers to pre-paid subscription, maintenance and licensing fees.

Fleet – Expenses are ahead of target due to block payment of vehicle registrations and insurance.



## 6. Section Statistics

### Safety Statistics

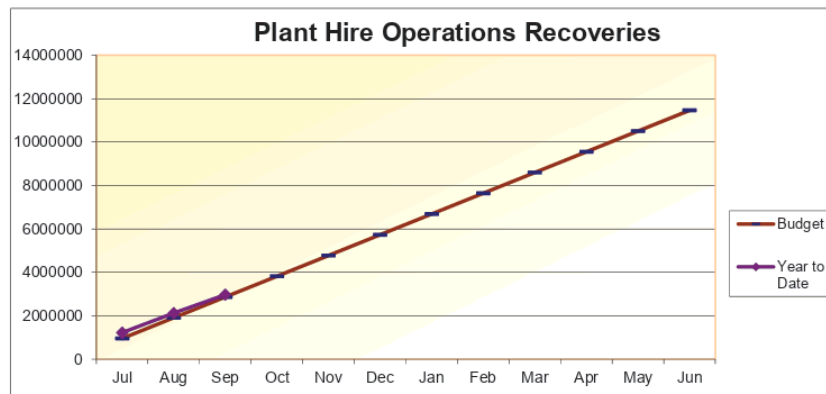
	First Quarter		
	July	August	September
Number of Lost Time Injuries	0	0	0
Number of Days Lost Due to Injury	0	0	0
Total Number of Incidents Reported	2	0	2
Number of Incomplete Hazard Inspections	1 (Hardcopy done subsequently entered into Riskware)	0	0

### Service Delivery

Service Level	Target	Current Performance	Service Level Type (Operational or Adopted)
IT support services provided within service levels outlined in the IT Service Catalogue.	95%	91%	Operational
Ensure availability of system up-time during core business hours (excluding planned outages).	99%	100%	Operational
Process records on the day of receipt as per Recordkeeping Charter.	95%	100%	Operational
Ensure supplier payments are made within stated trading terms – <u>7 days</u> .	90%	96%	Operational
Ensure top 100 suppliers by dollar value under formal purchasing agreements (contracts).	90%	95%	Operational
Maximise Council property occupancy rates.	98%	100%	Operational
Ensure tenanted properties in any month, have current lease agreements and public liability insurance.	80%	96%	Operational
Process insurance claims within procedural timeframes.	100%	100%	Operational
SmartHub Membership (Target 2018 - 20)	50	43	Operational

**7. Whole of Council Reports and Statistics**

**Fleet Services**



<b>Plant Hire Operations Budget (Surplus)</b>	<b>\$11,463,100</b>
<b>Year to Date (Surplus)</b>	<b>\$2,975,243</b>

**Procurement & Logistics**

Contracts Awarded for September – 14

Tender/ Contract No.	Contract Name	Awarded	Amount
TEN12979	Bulk Haulage Waste Services	Cleanaway Pty Ltd	SOR
TEN13097	Supply of Irrigation Parts and Irrigation Maintenance Services	Panel	SOR
TEN13107	City Hall Reception Room Restoration	J Hutchinson Pty Ltd	\$908,998
TEN13110	RPQS Traffic Control Services	Panel	SOR
TEN13113	Provision of Veterinary Services	Capvets Pty Ltd	SOR
QUO13141	Supply and Installation of Office Building (Extension) LCRL	M & P Services (Qld) Pty Ltd	\$76,448
TEN13144	RPQS Supply & Delivery of Motor Vehicles	Various	SOR
QUO13146	Demolition of Units 24 Barrett Street, Norman Gardens	Taboh Pty Ltd T/A BT Builders	\$15,950
QUO13149	Fire Protection Systems and Equipment Service Maintenance (Airport)	Wormald Australia Pty Ltd	SOR
TEN13154	Oval Lighting at Heritage Village	Stankey Electrics Contracting Pty Ltd	\$114,612
QUO13166	Painting Services for Robert Schwarten Pavilion	Swadling International Industrial Coating Pty Ltd	\$52,227
QUO13182	Supply and Delivery of Gaseous Chlorine	Ixom Operations Pty Ltd	SOR

Corporate & Technology Services Monthly Operations Report

Tender/ Contract No.	Contract Name	Awarded	Amount
QUO13187	SES Facilities Upgrade Gracemere	Carl Brown Architects Pty Ltd	\$59,144
CON13194	Fitzroy River Barrage Gate Height Raising Detailed Design	GHD Pty Ltd	\$168,900

Tenders / quotes in progress - 30

**11.8 OFFICE OF THE CEO DEPARTMENT - MONTHLY OPERATIONAL REPORT  
SEPTEMBER 2018****File No:** 1830**Attachments:**

1. Office of the CEO & Office of the Mayor  
Monthly Report – September 2018 [↓](#)
2. Workforce & Governance Monthly Report -  
September 2018 [↓](#)

**Authorising Officer:** Evan Pardon - Chief Executive Officer**Author:** Tracy Sweeney - Manager Workforce and Governance

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**SUMMARY**

*The monthly operations report for the Office of the CEO Department as at 30 September 2018 is presented for Councillors information.*

**OFFICER'S RECOMMENDATION**

THAT the Office of the CEO Departmental Operations Report as at 30 September 2018 be "received".

**COMMENTARY**

The Office of the CEO Department includes the following sections:

- Office of the CEO and Office of the Mayor (Attachment 1)
- Workforce and Governance (Attachment 2)

Specific highlights from the reporting period as well as significant achievements and non-compliances have been detailed in the attachments.

General section and organisational performance statistics as reported quarterly for the period 1 July – 30 September 2018 are detailed within the attachments.

**OFFICE OF THE CEO DEPARTMENT -  
MONTHLY OPERATIONAL REPORT  
SEPTEMBER 2018**

**Office of the CEO & Office of the Mayor  
Monthly Report – September 2018**

**Meeting Date: 23 October 2018**

**Attachment No: 1**

**MONTHLY OPERATIONS REPORT**  
**OFFICE OF THE CEO & OFFICE OF THE MAYOR**  
**PERIOD ENDED SEPTEMBER 2018**



**1. Operational Summary**

**Office of the CEO**

**Directorate**

CEO provided overview to Office of CEO staff (Councillor Support and Committee Support) following Department of Local Government, Racing and Multicultural Affairs training session on the outcomes of Belcarra and Separation of Powers to assist in the understanding and implementation of the new legislation and the impacts it will have on internal processes and Councillors.

CEO received the prestigious "Manager of the Year" Award at the LGMA Annual Conference held at the Sunshine Coast from 11-13 September 2018.

CEO is holding an Open Forum for all interested RRC staff on the subject of Megatrends, which he presented at LGMA Annual Conference in September 2018

**Committee Support**

Training has been provided to new staff in the operation of InfoCouncil during the reporting period and discussions are continuing with relevant staff for most efficient method for Councillors to download Agendas (including possible use of One Drive for Business).

Arrangements under way for international travel approved by Council as follows:

- General Manager Advance Rockhampton and Senior Executive for Trade and Investment to attend the China International Import Expo in Shanghai on 5 and 6 November 2018, to further develop International relations and generate opportunities for International Trade and Investment
- Mayor, General Manager Advance Rockhampton and Senior Trade and Investment Officer to travel to China from 5 to 10 November 2018 for the International Sister Cities Ceremony with Zhenjiang;

Councillor Williams, Senior Executive for Trade and Investment and Acting Senior Executive Economic and Business Development to undertake an international trade delegation to Singapore and begin supply chain discussions to develop aquaculture opportunities within the region

**Office of the Mayor**

Support and coordination for a range of community engagement activities (both underway and proposed) for Council projects and initiatives were undertaken during the reporting period including:

- 2018 Community Conversations program
- Rural Waste Management
- Subordinate Local Law 1.17
- Civil Operations

**Executive Support Unit**

There were no civic events held during the reporting period. Preparations for a civic event to commemorate the centenary of the Armistice that ended the First World War proposed for Remembrance Day are underway.

**Media and Communications**

The Supercars 2020 launch, arrival of the Antonov aircraft at Rockhampton Airport and progress update of Nurim Circuit boardwalk were the top three stories for the month of September. On Council's social media channels, the video of Leakey saving Capri from a tumble was the highest engaging post.

## 2. Customer Service Requests



### All Monthly Requests (Priority 3) Governance 'Traffic Light' report September 2018

	Balance B/F	Completed in Current Mth	Current Month NEW Requests		TOTAL INCOMPLETE REQUESTS BALANCE	On Hold	Completion Standard (days)	Avg Completion Time (days) Current Mth	Avg Completion Time (days) 6 Months	Avg Completion Time (days) 12 Months	Avg Duration (days) 12 Months (complete and incomplete)	Avg Completion Time (days) Q1
			Received	Completed								
Media All Enquiries	1	0	0	0	1	0	5	● 0.00	● 1.00	● 1.25	60.50	● 0.00
Citizenship Request/Enquiry	0	0	0	0	0	0	5	● 0.00	● 0.00	● 0.00	0.00	● 0.00
Committee Support - Meetings/Agendas etc	0	0	0	0	0	0	2	● 0.00	● 0.00	● 0.00	0.00	● 0.00
CEO General Request	2	2	1	1	0	0	1	● 1.00	● 23.00	● 20.46	0.67	● 8.00
Councillor General Enquiry	1	1	3	2	1	0	5	● 4.50	● 10.69	● 14.69	9.70	● 2.17
Mayor's Personal (Mayor's General Info) DEPT USE	0	0	0	0	0	0	2	● 0.00	● 4.00	● 4.00	0.00	● 0.00

### Service Standards Commentary

#### CEO Office

Outstanding matter has now been closed.

#### Media and Communication

During the reporting period, the Media and Communications Unit received 46 enquiries from media outlets with response times for completion within established timeframes. 36 of the 46 enquiries were received in response to proactive media releases from Council.

#### Executive Support

94 of 103 Pathway Requests were logged by the Executive Support Unit on behalf of Councillors during the reporting period.

Response times for completing customer requests in this reporting period for September are outside the established service timeframes due to a request relating to customer requesting a response direct from Councillor which has yet to be confirmed.



### 3. Capital Projects

There are no capital projects scheduled for the Office of the CEO or the Office of the Mayor.

## 4. Operational Projects

As at period ended August – 16.7% of year elapsed



Project	Planned Start Date	Planned End Date	On Track	Comment	Budget Estimate	YTD actual (incl committals)
<b>Office of the CEO</b>						
Meeting Procedures Policy	July 18	November 18		Review of existing policy and incorporation of legislative changes – waiting on response from Department regarding Model Meeting Procedures.	Labour	Labour
Travel and Conference Attendance Policy	April 18	November 18		Review of existing policy with a view to streamlining processes.	Labour	Labour
<b>Office of the Mayor</b>						
Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy	May 18	August 18		Allocation of new job numbers by Finance now completed and reporting mechanism now being finalised.	Labour	Labour
Community Engagement resourcing and policy and procedure	August 19	October 19		Recruitment of Community Engagement Officer completed (commencement date mid-Oct). Review of policy and procedure on track for completion within timeframe.	Labour	Labour

## 5. Budget

Financial performance as expected for the reporting period.



### End of Month Job Costing Ledger - (Operating Only) - OFFICE OF CEO

As At End Of September

Report Run: 02-Oct-2018 08:46:17 Excludes Nat Accs: 2802,2914,2917,2924

	Adopted Budget \$	Revised Budget \$	EOM Commitments \$	YTD Actual \$	Commit + Actual \$	Variance %	On target 25% of Year Gone
<b>OFFICE CHIEF EXECUTIVE OFFICER</b>							
<b>CHIEF EXECUTIVE OFFICER</b>							
<i>CEO Management</i>							
Expenses	8,000	0	0	1,200	1,200	15%	✓
Total Unit: CEO Management	8,000	0	0	1,200	1,200	15%	✓
Total Section: CHIEF EXECUTIVE OFFICER	8,000	0	0	1,200	1,200	15%	✓
<b>GOVERNANCE SUPPORT</b>							
<i>Executive Support</i>							
Expenses	79,500	0	3,273	4,460	7,733	10%	✓
Total Unit: Executive Support	79,500	0	3,273	4,460	7,733	10%	✓
Total Section: GOVERNANCE SUPPORT	79,500	0	3,273	4,460	7,733	10%	✓
<b>MEDIA &amp; COMMUNICATION</b>							
<i>Media &amp; Communication</i>							
Expenses	6,000	0	0	0	0	0%	✓
Total Unit: Media & Communication	6,000	0	0	0	0	0%	✓
Total Section: MEDIA & COMMUNICATION	6,000	0	0	0	0	0%	✓
<b>Executive Co-ordinator to the Mayor</b>							
<i>Mayors Office</i>							
Expenses	10,000	0	0	0	0	0%	✓
Total Unit: Mayors Office	10,000	0	0	0	0	0%	✓
Total Section: Executive Co-ordinator to the Mayor	10,000	0	0	0	0	0%	✓
Total Department: OFFICE CHIEF EXECUTIVE OFFICER	103,500	0	3,273	5,660	8,933	9%	✓
Grand Total:	103,500	0	3,273	5,660	8,933	9%	✓

### Comments

No variances to date

## 6. Section Statistics

The following statistics have been provided on the responsibilities and workload for the Office of the CEO:

<b>Committee Support</b>			
<i>Description</i>	<i>No</i>	<i>Total Reports / Topics</i>	<i>Comments</i>
Standing Committee Agenda	5	16	Parks Committee cancelled
Advisory Committee Agenda	1	6	Audit and Business
Council Agenda	2	20	
Councillor Workshop Agenda	2	7	4/9/18 and 2/10/18
Travel Arrangements – internal	45	-	Staff and Councillors
Travel Arrangements – external	6	-	Visiting consultants for Advance Rockhampton events
<b>Media &amp; Communications</b>			
<i>Description</i>	<i>No</i>	<i>Comments</i>	
Media Releases – distributed	21	Generated: - 391 stories - Audience total of 2.2 million - Advertising equivalent - \$248,000	
Media Opportunities	6		
Social Media – Facebook likes	20,978	Increase of 0.7%	
Social Media – Impressions	616,800	People liking, commenting and sharing down 16% from previous month	
Social Media – Clicks	3,409	Clicks on posts to follow links	

## 7. Whole of Council Reports and Statistics

No specific whole of Council statistics to report

**OFFICE OF THE CEO DEPARTMENT -  
MONTHLY OPERATIONAL REPORT  
SEPTEMBER 2018**

**Workforce & Governance Monthly  
Report - September 2018**

**Meeting Date: 23 October 2018**

**Attachment No: 2**

# MONTHLY OPERATIONS REPORT

## WORKFORCE AND GOVERNANCE

PERIOD ENDED SEPTEMBER 2018



### 1. Operational Summary

#### **Organisational Structure Implementation**

With the implementation of the Organisational structure in July, the majority of recruitment to new and vacant positions has been completed. However, Community Services are to finalise several of positions. The process of formal advice to employees whose position was impacted, updates to position descriptions, classification evaluations, review of personnel in Fire Warden, First Aid and Safety Representative Roles have also been largely completed.

#### **Commencing Recruitment**

A new initiative to streamline the commencing recruitment process will commence in early October. The process will see 'like for like' positions advertised internally more expediently without the need for the submission of forms and with a simplified approval process.

#### **Operational Plan**

The Operational Plan 2018-2019 was adopted by Council on 13 July 2018. The Quarter 1 Operational Plan Quarterly Progress Report is scheduled to be presented to Council on 13 November 2018.

#### **Annual Safety Performance**

It was reported in the 2017/18 Operational Plan that of the 9 key performance indicators set for the 17/18 financial year, only 3 were achieved. However, it is important to note that the actual performance of the organisation across the 2017/18 year exceeded the actual performance for the 2016/17 year for all key performance indicators reported with the new indicators for 2017/18 of incident logging, hazard inspections and corrective action completion generally meeting or exceeding the set target. On this basis there is a significant improvement for the organisation in relation to its safety performance.

KPI	Performance as at 30.06.2017	2017/18 Target	Performance as at 30.06.2018
Incident Logging	N/A	75%	74%
Hazard Inspections	N/A	80%	87%
Corrective Action completion	N/A	80%	82%
Total Injury Count	234	187	216
TIFR	165.10	132.08	148.95
LTI Count	38	34	36
LTIFR	26.81	24.13	24.83
Days lost due to Injury	871*	479	416
LTISR	22.92	8.71	11.56

\*This figure included injuries sustained in the previous financial year. The target of 479 for 2017/18 was for injuries sustained in the current reporting period. Total days lost due to injury including injuries from the previous period total 654 which is a significant reduction from the 871 recorded for 2016/17..

## 2. Customer Service Requests

Response times for completing customer requests in this reporting period for September are within the set timeframes.

	Balance B/F	Completed in Current Mth	Current Month NEW Requests		TOTAL INCOMPLETE REQUESTS BALANCE	On Hold	Completion Standard (days)	Avg Completion Time (days) Current Mth	Avg Completion Time (days) 6 Months	Avg Completion Time (days) 12 Months	Avg Duration (days) 12 Months (complete and incomplete)	Avg Completion Time (days) Q1
			Received	Completed								
Administrative Action Complaints	0	0	0	0	0	0	36	● 0.00	● 0.00	● 0.00	0.00	● 0.00
W&S - Complaints Management Process (NOT CSO USE)	5	5	8	2	4	0	30	● 1.00	● 12.27	● 8.61	7.86	● 11.46

### 3. Capital Projects

No capital projects are relevant to the Workforce and Governance Section.




### 4. Operational Projects

As at period ended August – 25% of year elapsed



Project	Planned Start Date	Planned End Date	On Track	Comment	Budget Estimate	YTD actual (incl committals)
Certified Agreements	July 2018	March 2019		Negotiations for both certified agreements are continuing with positive progress being accomplished.	\$10,000	\$5,138
Staff Health and Wellbeing Program	July 2018	June 2019		<p>A program is being finalised this month in liaison with Qld Health for the delivery of the programs below:</p> <ul style="list-style-type: none"> <li>• Quit Smoking</li> <li>• Breast Cancer</li> <li>• Alcohol &amp; Other Drugs</li> <li>• Organ Donation</li> <li>• Mental Health</li> </ul> <p>Separate to Qld Health, Council will also be providing a skin check program for all staff.</p>	\$16,000	\$0



Project	Planned Start Date	Planned End Date	On Track	Comment	Budget Estimate	YTD actual (incl committals)
Legislative Compliance Training Program	July 2018	June 2019		The program is being delivered as scheduled. The following courses were held during the reporting period: <ul style="list-style-type: none"> <li>• Traffic Management Implementation</li> <li>• Confined Space and Breathing Apparatus</li> <li>• CPR</li> <li>• First Aid</li> <li>• EWP</li> </ul>	\$313,000	\$94,933
Leadership and Cultural Development Program	July 2018	June 2019		A leadership capability framework encompassing leadership development will be developed for roll out.	\$75,000	\$0
Learning Management System Project	July 2018	June 2019		A Project Control Group has been established to oversee key project decisions. The project team has been expanded to include representatives from the Airport, Finance and Local laws. The team is in the process of reviewing various LMS software packages. Internal communication has been published advising officers of the LMS project. An Information session for managers and major stakeholders is being planned for November 2018.	Business Case Stage is Labour Only	NA

## 5. Budget

Financial performance as expected for the reporting period.



## End of Month Job Costing Ledger - (Operating Only) - OFFICE OF CEO

As At End Of September

Report Run: 02-Oct-2018 08:55:17 Excludes Nat Accts: 2802,2914,2917,2924

	Adopted Budget \$	Revised Budget \$	EOM Commitments \$	YTD Actual \$	Commit + Actual \$	Variance %	On target 25% of Year Gone
<b>OFFICE CHIEF EXECUTIVE OFFICER</b>							
<b>WORKFORCE &amp; GOVERNANCE MANAGEMENT</b>							
<i>Human Resources and Payroll</i>							
Expenses	1,385,706	0	52	283,335	283,387	21%	✓
Transfer / Overhead Allocation	6,242	0	0	1,110	1,110	18%	✓
<b>Total Unit: Human Resources and Payroll</b>	<b>1,371,948</b>	<b>0</b>	<b>52</b>	<b>284,445</b>	<b>284,497</b>	<b>21%</b>	<b>✓</b>
<i>Safety &amp; Training</i>							
Revenues	(68,680)	0	0	(20,480)	(20,480)	30%	✓
Expenses	1,359,116	0	114,018	239,000	353,018	26%	*
Transfer / Overhead Allocation	(20,410)	0	0	6,997	6,997	-14%	*
<b>Total Unit: Safety &amp; Training</b>	<b>1,270,026</b>	<b>0</b>	<b>114,018</b>	<b>225,516</b>	<b>339,534</b>	<b>27%</b>	<b>*</b>
<i>Legal &amp; Governance</i>							
Expenses	440,486	0	702	100,824	101,526	23%	✓
<b>Total Unit: Legal &amp; Governance</b>	<b>440,486</b>	<b>0</b>	<b>702</b>	<b>100,824</b>	<b>101,526</b>	<b>23%</b>	<b>✓</b>
<i>Workforce &amp; Governance Management</i>							
Expenses	977,076	0	34,307	176,557	210,864	22%	✓
Transfer / Overhead Allocation	0	0	0	2,913	2,913	0%	*
<b>Total Unit: Workforce &amp; Governance Management</b>	<b>977,076</b>	<b>0</b>	<b>34,307</b>	<b>179,470</b>	<b>213,778</b>	<b>22%</b>	<b>✓</b>
<i>Investigations and Industrial Relations</i>							
Expenses	262,680	0	1,734	49,759	51,493	20%	✓
Transfer / Overhead Allocation	0	0	0	15	15	0%	*
<b>Total Unit: Investigations and Industrial Relations</b>	<b>262,680</b>	<b>0</b>	<b>1,734</b>	<b>49,774</b>	<b>51,508</b>	<b>20%</b>	<b>✓</b>
<b>Total Section: WORKFORCE &amp; GOVERNANCE MANAGEMENT</b>	<b>4,322,215</b>	<b>0</b>	<b>150,814</b>	<b>640,029</b>	<b>950,043</b>	<b>23%</b>	<b>✓</b>
<b>Total Department: OFFICE CHIEF EXECUTIVE OFFICER</b>	<b>4,322,215</b>	<b>0</b>	<b>150,814</b>	<b>640,029</b>	<b>950,043</b>	<b>23%</b>	<b>✓</b>
<b>Grand Total:</b>	<b>4,322,215</b>	<b>0</b>	<b>150,814</b>	<b>640,029</b>	<b>950,043</b>	<b>23%</b>	<b>✓</b>

## Comments

Safety & Training Expenses tracking at 30% with only 25% of year gone due to the committal orders raised for legislative and compliance training to be undertaken by staff between July and December.

## 6. Section Statistics Reported Quarterly

Data will now be updated quarterly for periods ended 30 September, 31 December, 31 March and 30 June.

### Establishment – Workforce and Governance

FTE Positions	Period	Workforce & Governance
Starting Point	1 July 2018	36.39
Current Quarter	30 June – 30 September	39.39

Increase includes a Fire Safety Officer approved in the 2018/19, a Human Resource Advisor to backfill maternity leave and an Organisational Development Officer

### Lost Time Injury Free Days – Workforce and Governance

Section	Date of Last LTI	LTI Free Days	LTI Free Record
Workforce & Governance	29 February 2016	947	947

## 7. Whole of Council Reports & Statistics Reported Quarterly

Data will now be updated quarterly for periods ended 30 September, 31 December, 31 March and 30 June.

### Establishment – Whole of Council

FTE Positions	Period	Council
Starting Point	1 July 2018	913.37
Current Quarter	30 June 2018 – 30 September 2018	939.30

FTE Positions is the total full time equivalent positions approved and recorded in Aurion excluding casual positions and including approved vacancies

A number of new positions were approved in the 2018/19 Budget and were included in the Organisational Structure adopted Council effective from 1 July.

New positions included seven positions in the Parks Section, six in Civil Operations as well as two Community Engagement Officers and an Education Officer in Rockhampton Regional Waste and Recycling.

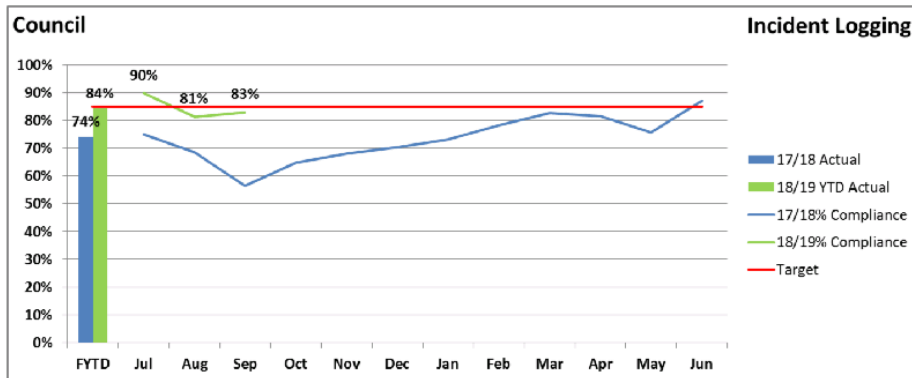
**Safety Statistics**

Please note that the statistical data recorded in this section of the report is accurate at the time of compilation. As this information is sourced from a live database, changes will occur as required when amendments or upgrades are made to injury severities including lost and rehabilitation days.

The following statistics are reported against organisational key performance indicators in accordance with the Workplace Health & Safety Procedure – Performance Measures.

**Incident Logging**

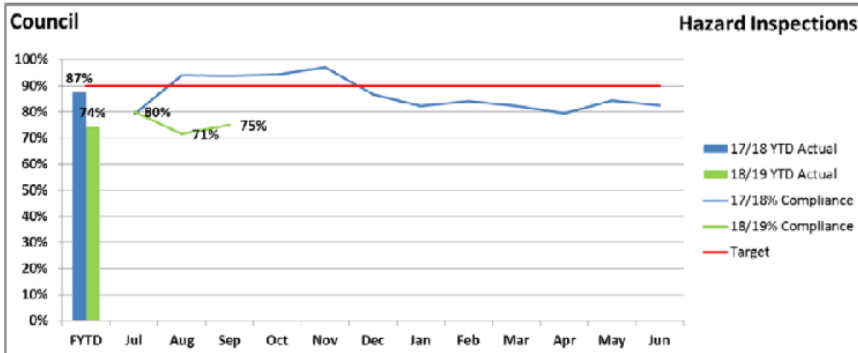
Council's 2018/19 target is for 85% of all incidents to be logged into Riskware by the end of the next business day.



Department	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Advance	100%	50%	100%									
Community	75%	70%	75%									
Corporate	100%	100%	50%									
Office CEO	-	100%	-									
Regional	96%	91%	90%									
<b>Council</b>	<b>90%</b>	<b>81%</b>	<b>83%</b>									

**Hazard Inspections**

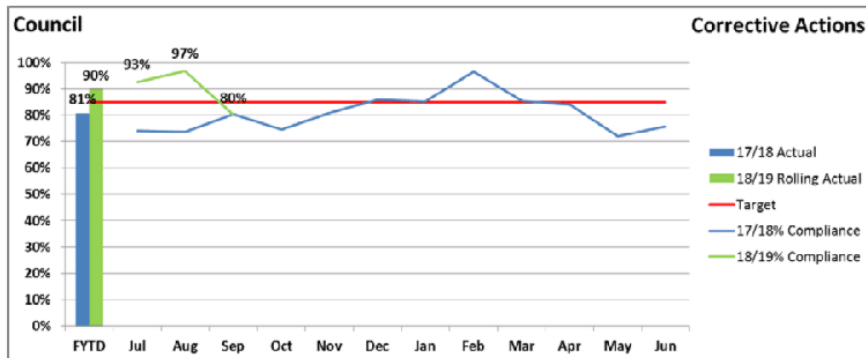
Council's 2018/19 target is for 90% of all Hazard Inspections to be completed within the scheduled month.



Department	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Advance	-	80%	100%									
Community	67%	36%	91%									
Corporate	100%	100%	100%									
Office CEO	-	50%	-									
Regional	82%	95%	59%									
<b>Council</b>	<b>80%</b>	<b>71%</b>	<b>75%</b>									

**Corrective Actions**

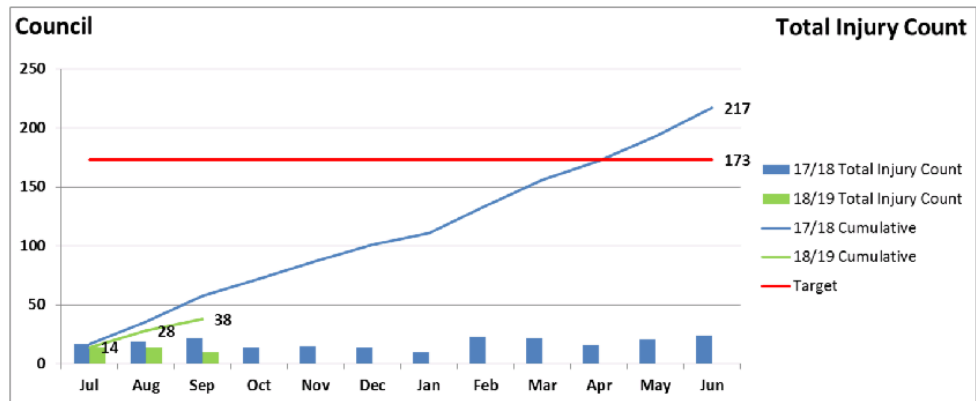
Council's 2018/19 target is for 85% of all Corrective Actions to be completed by the nominated due date.



Department	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Advance	100%	100%	82%									
Community	80%	96%	77%									
Corporate	90%	80%	89%									
Office CEO	100%	100%	58%									
Regional	99%	99%	91%									
<b>Council</b>	<b>93%</b>	<b>97%</b>	<b>80%</b>									

**Total Injury Count**

Council's 2018/19 injury threshold is 173.

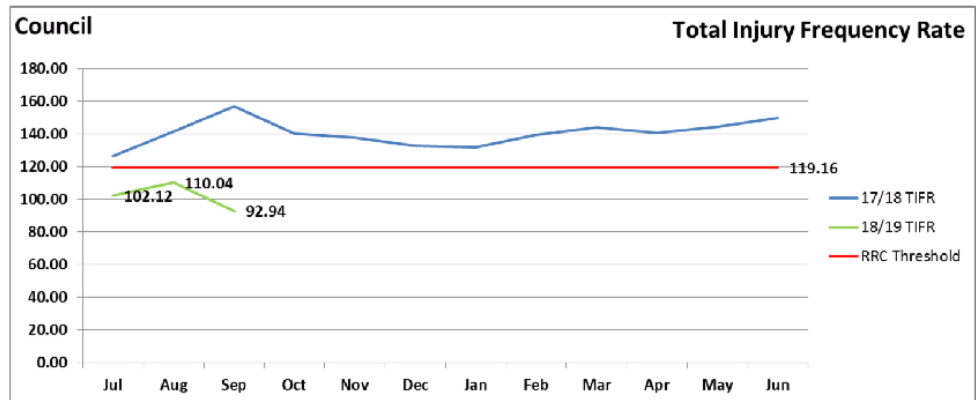


The total number of injuries projected for Council for the 2018/19 financial year is 152.

Department	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
Advance	-	-	-										0
Community	6	9	8										23
Corporate	2	1	1										4
Office CEO	-	-	-										0
Regional	6	4	1										11
<b>Council</b>	<b>14</b>	<b>14</b>	<b>10</b>										<b>38</b>

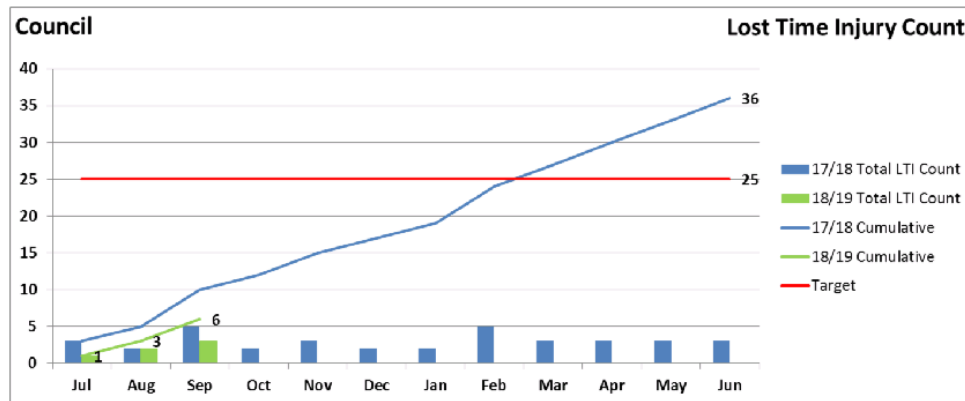
**Total Injury Frequency Rate**

Council's 2018/19 Injury Frequency Rate threshold is 119.16.



**Lost Time Injury Count**

Council's 2018/19 Lost Time Injury threshold is 25.



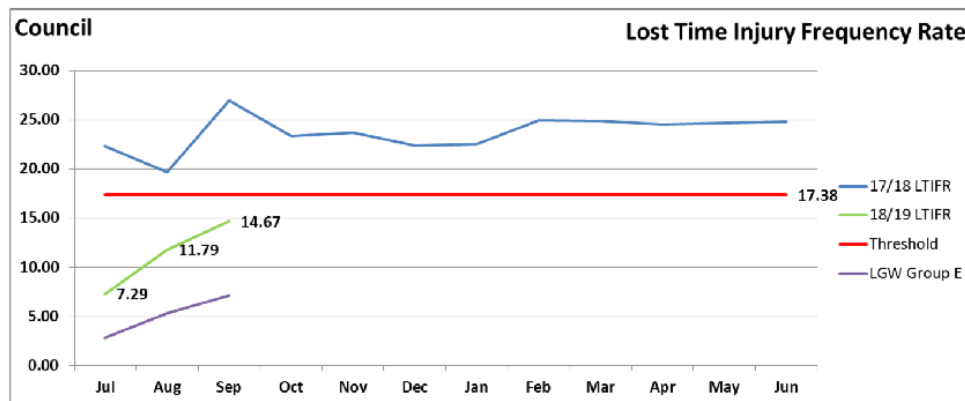
The total number of lost time injuries projected for Council for the 2018/19 financial year is 24.

Department	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
Advance	-	-	-	-	-	-	-	-	-	-	-	-	0
Community	-	1	3	-	-	-	-	-	-	-	-	-	4
Corporate	-	-	-	-	-	-	-	-	-	-	-	-	0
Office CEO	-	-	-	-	-	-	-	-	-	-	-	-	0
Regional	1	1	-	-	-	-	-	-	-	-	-	-	2
<b>Council</b>	<b>1</b>	<b>2</b>	<b>3</b>	-	-	-	-	-	-	-	-	-	<b>6</b>

**Lost Time Injury Frequency Rate**

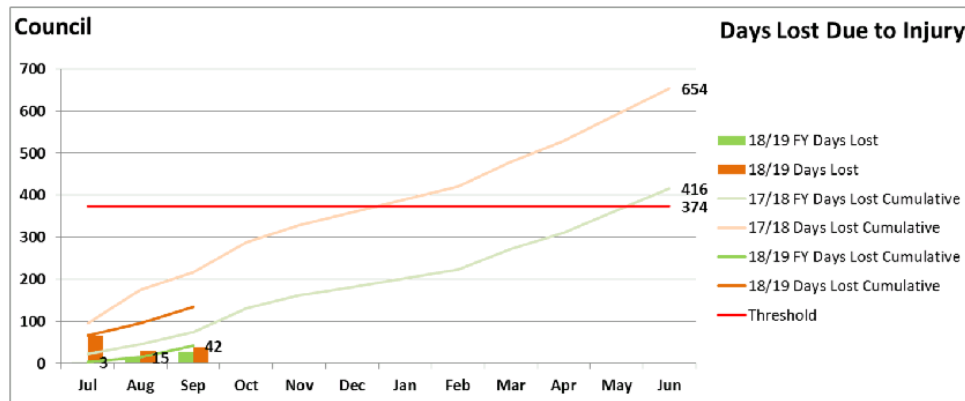
(Number of lost time injuries per million man hours worked)

Council's 2018/19 Lost Time Injury Frequency Rate threshold is 17.38.



**Days Lost due to Injury**

Council's 2018/19 Days Lost due to Injury threshold is 374.



The total days lost projected for Council for the 2018/19 financial year is 472.

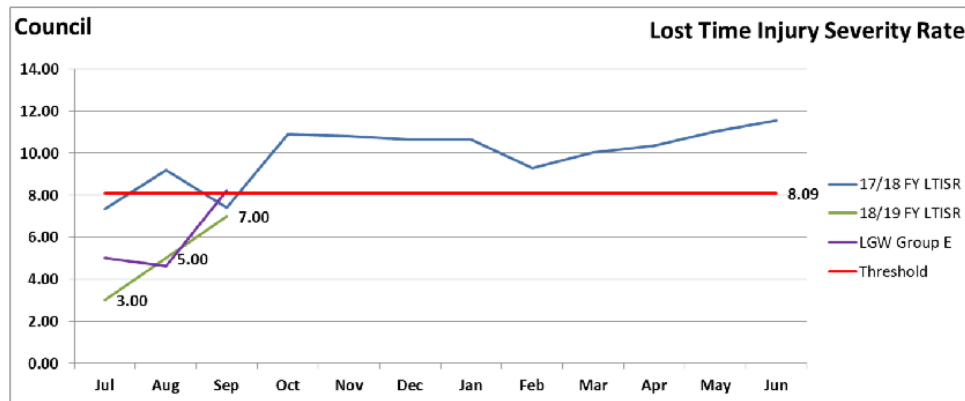
Department	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
Advance	-	0	0										0
Community	39	12	27										78
Corporate	-	-	-										0
Office CEO	-	-	-										0
Regional	28	17	11										56
<b>Council</b>	<b>67</b>	<b>29</b>	<b>38</b>										<b>134</b>

\* This data includes days lost from injuries which occurred in or before the 2018/19 financial year.

**Lost Time Injury Severity Rate**

(Average number of lost days per lost time injury)

Council's 2018/19 Lost Time Injury Severity Rate threshold is 8.09.





**11.9 ADOPTION OF 2017/18 ANNUAL REPORT**

**File No:** 5042  
**Attachments:** 1. [2017-18 Annual Report](#)↓  
**Authorising Officer:** Evan Pardon - Chief Executive Officer  
**Author:** Ross Cheesman - Deputy Chief Executive Officer

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**SUMMARY**

*Content for the 2017/18 Annual Report is submitted for Council's consideration and approval.*

**OFFICER'S RECOMMENDATION**

THAT in accordance with the *Local Government Act 2009*, the *Local Government Regulation 2012* and the *Water Supply (Safety and Reliability) Act 2008*, the 2017/18 Annual Report as presented be adopted.

**COMMENTARY**

The *Local Government Act 2009* and *Local Government Regulation 2012* require Council to prepare an Annual Report and adopt the report within one month after the day the Auditor-General gives the Auditor-Generals report about the local government's financial statement for the financial year to the local government. Council received the Auditor-General's report on 09 October 2018.

Attached for Council's consideration is the 2017/18 Annual Report, which incorporates the Annual Reports for Council's commercial business activities Fitzroy River Water (FRW), Rockhampton Regional Waste and Recycling (RRWR) and the Rockhampton Airport.

Once adopted, branding will be applied to enhance the document into a presentable corporate publication.

**LEGISLATIVE CONTEXT**

*Section 182 of the Local Government Regulation 2012* states:

- (1) A local government must prepare an annual report for each financial year.
- (2) The local government must adopt its annual report within 1 month after the day the auditor-general gives the auditor-general's report about the local government's financial statements for the financial year to the local government.

The regulation goes on further to stipulate the content of the Annual Report. These requirements have been met in this document.

**CONCLUSION**

The 2017/18 Annual Report has been prepared in accordance with legislation and it is recommended that the attached annual report be adopted.

# **ADOPTION OF 2017/18 ANNUAL REPORT**

## **2017-18 Annual Report**

**Meeting Date: 23 October 2018**

**Attachment No: 1**

## **COMMUNITY FINANCIAL REPORT (s184 LGR 2012)**

For the year ended 30 June 2018

The Community Financial Report provides a simplified summary and analysis of Council's general purpose financial statements for the 2017-18 financial year.

### **Simplified Statement of Financial Position (Balance Sheet) as at 30 June 2018**

	<b>\$M</b>
How much Council has in the bank	81.5
How much Council owns	2,368.5
How much Council is owed	19.0
<b>Total Assets</b>	<b>2,469.0</b>
How much Council owes suppliers and employees	36.4
How much Council has set aside for the rehabilitation of parks, quarries and landfills	15.6
How much Council has borrowed	124.0
<b>Total Liabilities</b>	<b>176.0</b>
<b>Net Community Assets (Wealth)</b>	<b>2,293.0</b>

The simplified balance sheet shows the value of the community's assets as at 30 June 2018. It details the total of Council assets and how much Council owes to suppliers and to Queensland Treasury Corporation.

### **Simplified Statement of Comprehensive Income for the year ended 30 June 2018**

Council recorded an operating surplus of \$12.2 million for 2017-18. A key component of this improved surplus is attributable to an advance payment of Councils Federal Assistance Grants for 2018-19 of \$4 million.

After Capital Revenue and Capital Expenses are applied, the net result attributable to Council is \$50.5 million. A key component is the increase in Grants and Subsidies received by Council from both State and Federal Government for its Capital expenditure. Key projects such as Rockhampton Riverfront Development, Kershaw Gardens, and Works for Queensland projects are included in this amount.

The bottom line on the Statement of Comprehensive Income was a net gain of \$44.1 million. A decline in the valuation of Council's non-current assets of \$6.4 million was posted which mostly related to recognising that Land values reduced.

	<b>\$M</b>
<b>Rockhampton Regional Council</b>	
<b><i>Operational Results:</i></b>	
Total operating revenue	195.5
Less operating expenses:	
Employee benefits	(73.6)

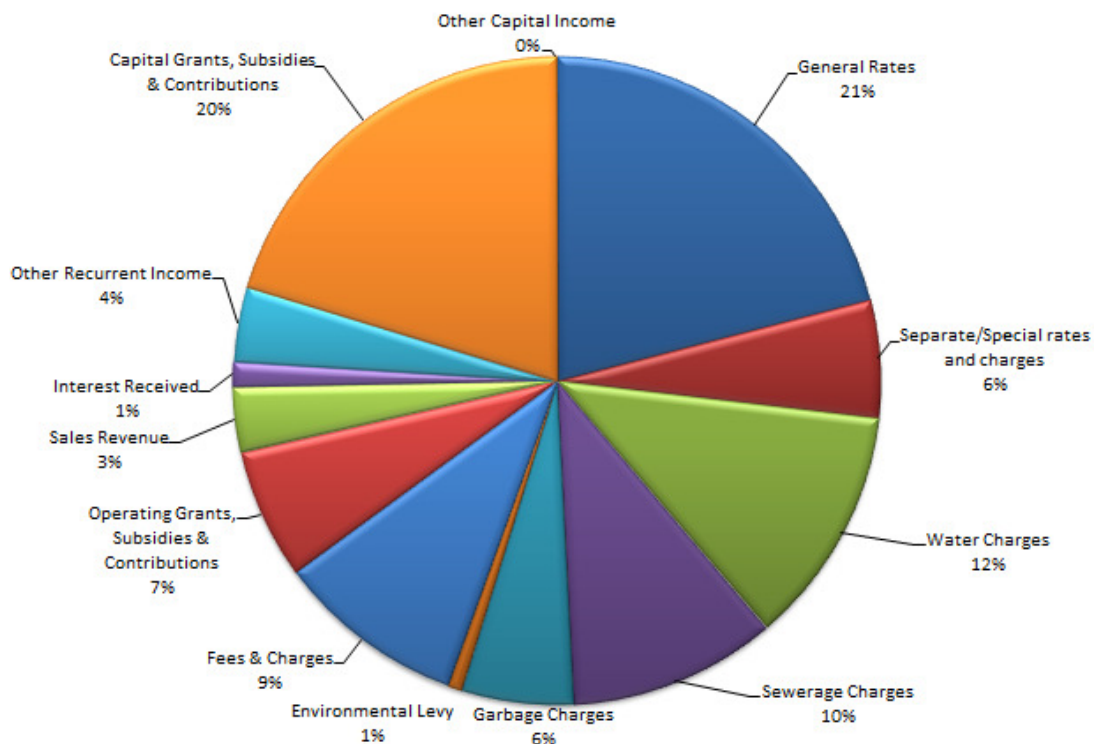
Materials and services	(50.4)
Finance costs	(7.7)
Depreciation and amortisation	(51.6)
<b>Net Operational Result</b>	<b>12.2</b>
<b>Other Results:</b>	
Capital grants, subsidies, contributed assets and other capital income	49.8
Less write-off of assets and other capital expenses	(11.5)
Less decrease in non-current asset values on revaluation	(6.4)
<b>Net Other Results</b>	<b>31.9</b>
<b>Comprehensive Income for the Year – Increase in Community Equity (Wealth)</b>	
	<b>44.1</b>

### Income – Where our money comes from...

To provide services to the community, Council must collect income. Council's total income in 2017/18 was \$245.3 million. Rates, levies and utility charges are Council's principal source of revenue and represent approximately 55.5% of Council's revenue in 2017/18. Council also generates income from fees and charges, undertakes recoverable works and receives funding in the form of grants and subsidies from both the State and Federal Government, to help construct and maintain the extensive infrastructure assets and provide community development programs to the region.

For the 2017/2018 financial year, 20% of Council's total income was comprised of capital revenue (capital grants, subsidies and contributions).

**Income by Category 2017/2018**



### Expenses – Where our money is spent...

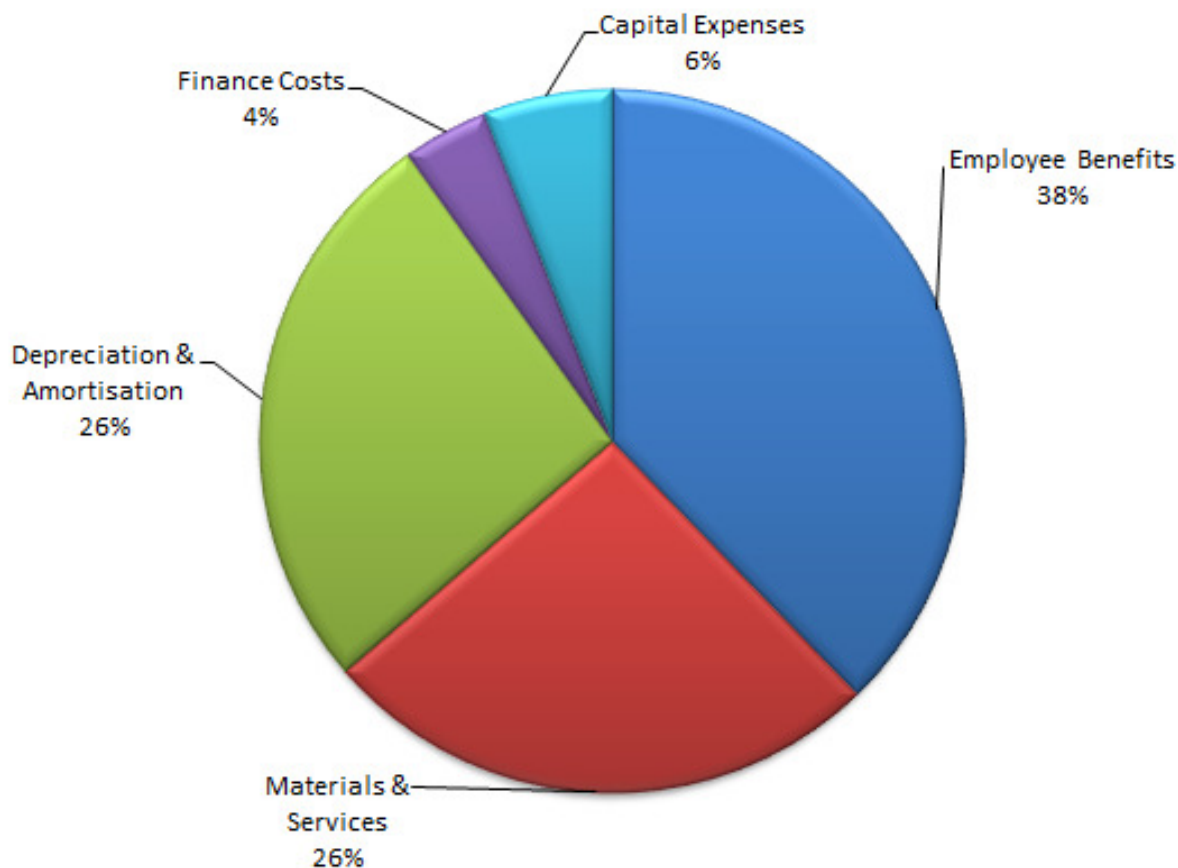
Council's operational and capital expenses as per the Statement of Comprehensive Income totalled \$194.8 million for the 2017/18 financial year. The three largest items of Council's expenditure are employee benefits (38%), depreciation and amortisation (26%), and materials and services (26%). Council's expenditure is constantly monitored via a rigorous budget process. Detailed estimates are prepared prior to the start of the financial year, and reviewed throughout the year to ensure that funds are utilised efficiently.

Council is a key employer in the region with a large workforce to deliver a diverse range of services to our community. Council's workforce is crucial in planning and monitoring for the future of the Rockhampton Region in respect of developments, so that our lifestyle is maintained and improved.

Council spends considerable funds on materials and services to operate effectively. In accordance with Council's Purchasing Policy, we give some preference to local businesses when work is tendered to external suppliers. As well as being a large employer in the community, it makes sound economic sense to keep our money circulating in the region for the benefit of all who live here.

Depreciation and amortisation is the method of allocating the cost of an asset over the asset's estimated useful life. Through the accurate calculation and allocation of depreciation and amortisation, we are confident that we will have the necessary funds to renew our existing assets.

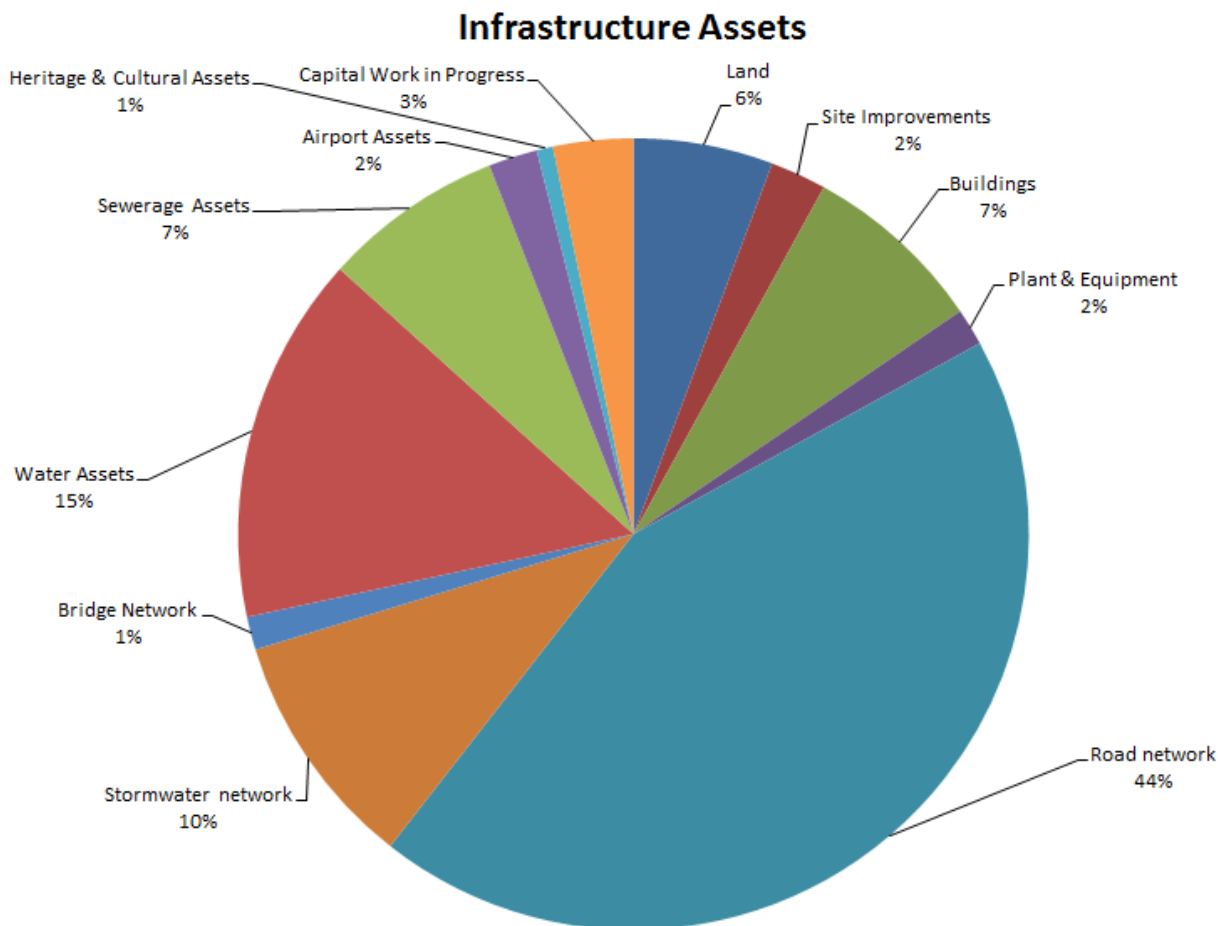
### Expenditure by Category 2017/2018



## What are our Assets?

The total value of Council's assets at the end of 2017/18 was \$2,469 million. Infrastructure assets such as roads and drainage, water and sewerage, buildings and land comprise 96% of total assets, with the remaining 4% being mainly comprised of cash held in bank accounts and investments and money owed to Council from its customers.

The following graph details the \$2,365 million of community infrastructure owned and managed by Council.



## Investment in Infrastructure - Capital Works

Capital works expenditure for the 2017/18 year totalled \$108.1 million. The Riverfront Revitalisation projects were completed during 2017/18 with Council spending \$13 million during the year. Restoration works at Kershaw Gardens totalled to \$9.6 million and Mt Morgan streetscape works were \$2.2 million. Council's commitment to sound asset management practices remains strong, as evidenced by the funding of new assets, renewal of existing assets and having an asset sustainability ratio of 95% for the 2017/2018 year.

Significant capital projects undertaken during 2017/18 were:

- Riverbank Revitalisation
- Kershaw Gardens
- Construction, upgrade and renewal of region's roads, water and sewerage assets
- Life extension of the Lakes Creek Road Landfill
- Mount Morgan streetscape improvements
- Land acquisition for CBD Cultural Precinct

## What do we owe?

Liabilities are amounts that Council owes to others. As at 30 June 2018 Council owed \$176 million made up of loan borrowings, amounts owing to suppliers for goods and services, amounts owing to employees for leave entitlements, and obligations to rehabilitate parks, quarries and landfills.

Council's borrowings at the end of 2017/18 totalled \$124 million, a decrease of \$19.3 million from the previous financial year. The level of Council's debt is regularly reviewed as a component of our Long Term Financial Forecast. Interest expense on loans totalled 3.8% of total operating income, which is within the sustainable range provided by the Department of Local Government. Council is committed to undertake a responsible borrowing program to fund new major assets to service the community's needs.

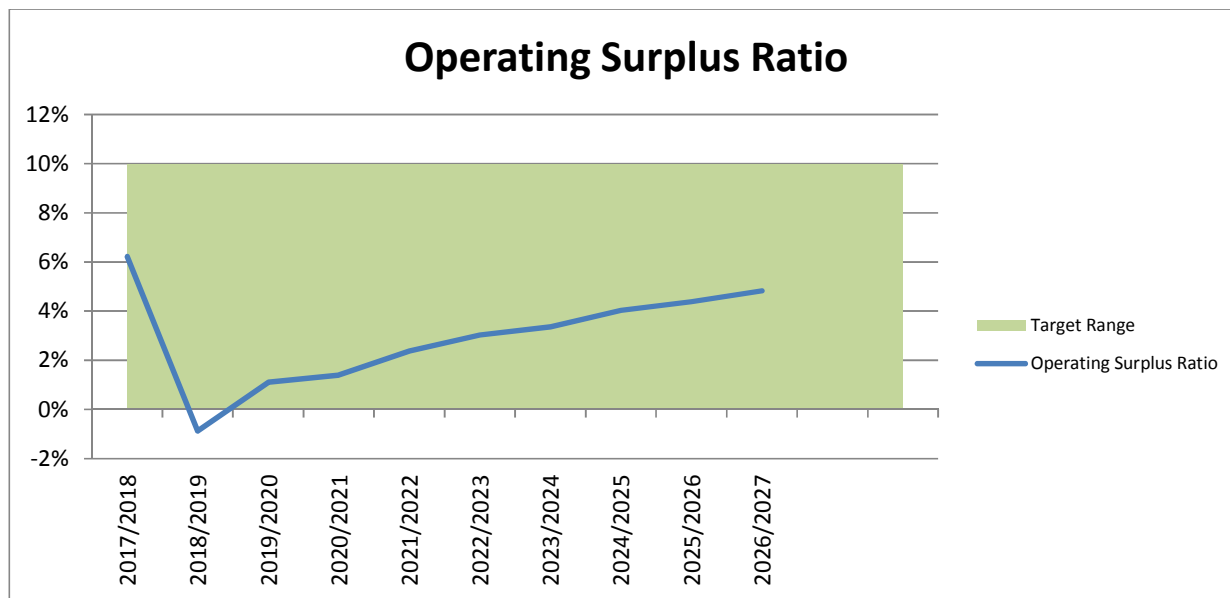
## Financial Sustainability Ratios

An important indication in determining the financial health of Council is to calculate and review financial indicators or financial ratios. These ratios further assist in understanding the financial performance and position of Council, without reviewing all of the details contained within the Financial Statements.

There are three measures of financial sustainability specified in the *Local Government Regulation 2012*. These have been calculated for the 2017/18 year and are shown below together with projected ratios as per Council's adopted Long Term Financial Forecast.

### Operating Surplus Ratio – Target Benchmark between 0% and 10%

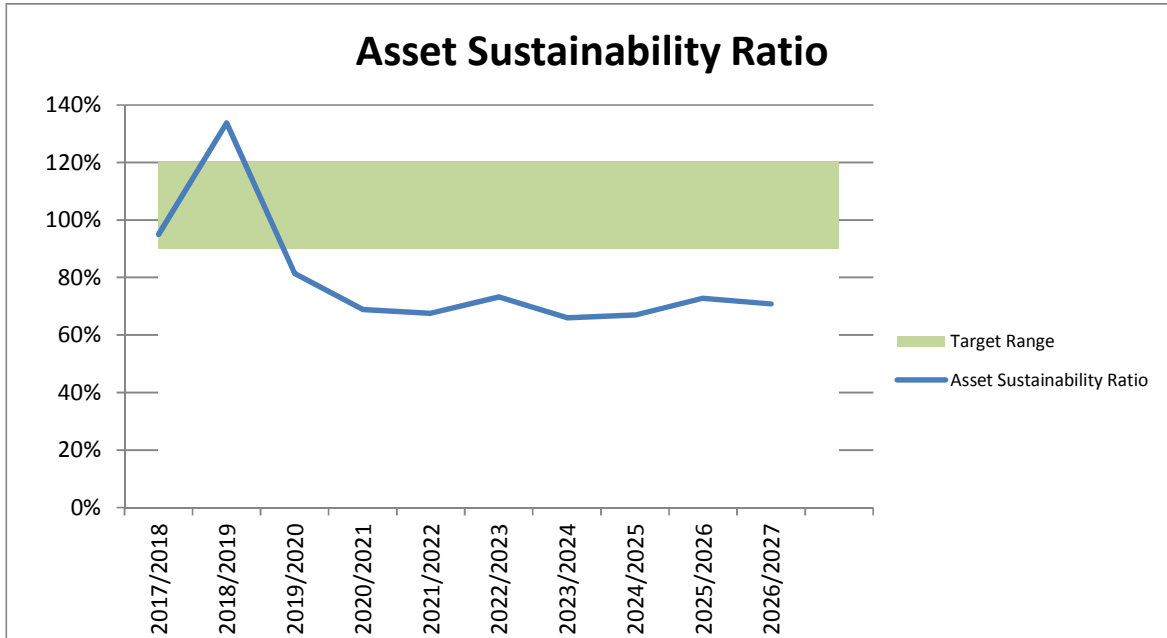
This ratio indicates the relationship between Council's operational result and total operating income, expressed as a percentage. It is an indication of Council's ability to fund its day-to-day operations. A result of up to 10% means that surplus income is available after Council has paid for the cost of delivering all services to the community. Council's ratio of 6.2% for 2017/18 was positively influenced by receiving \$4 million advance payment of Federal Assistance Grants. Council's long-term financial forecast shows the operating surplus ratio falling slightly below the target range in 2018/19 (due to the Federal Assistance Grant prepaid in the 17/18 financial year) and then continuing within the target range over the remainder of the forecast period.



### Asset Sustainability Ratio – Target Benchmark greater than 90%

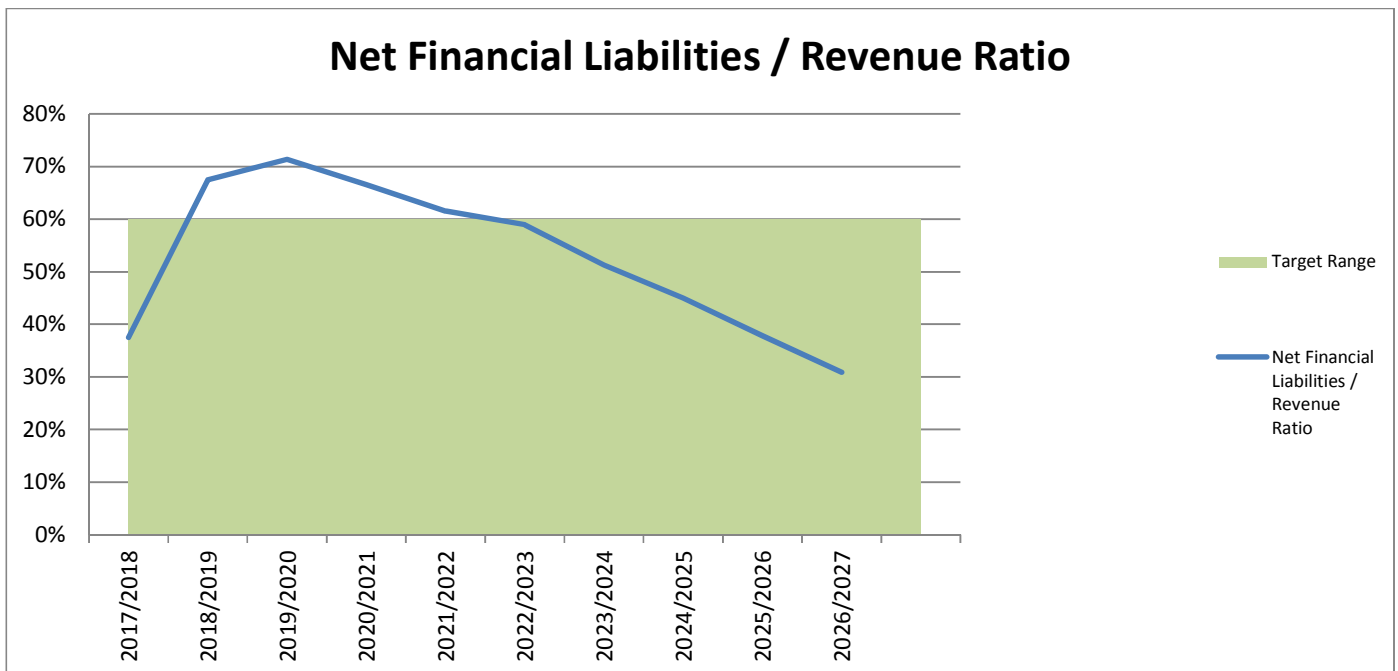
This ratio indicates whether Council is renewing or replacing its existing assets at the same time that its overall stock of assets is wearing out, expressed as a percentage. Council's asset management plans continue to place emphasis on renewal works and at each annual budget Council has to determine an appropriate balance between renewal projects as well as meeting the requirements of our growing community. Council's ratio of 95.0% in the 2017/18 year is the strongest result that Council has achieved in recent years. The improvement can be attributed to the larger than normal Capital program in 2017/18 as well as emphasis being given to renewal works in Council's priorities. The forward projections show the ratio mainly below the target range with an average ratio of 77.9% over the forecast period. The forward Capital program has

conservative levels of external funding such as Capital Grants. Where additional funds can be found, renewal works will be increased. Importantly, Council is continually reviewing its asset condition information to ensure that service levels are maintained and renewals for assets are optimised.



**Net Financial Liabilities/Revenue Ratio – Target Benchmark Not Greater Than 60%**

This ratio indicates the extent to which Council’s debts can be met by its operating income, expressed as a percentage. A result of less than 60% indicates that Council has capacity to fund its liabilities and has the capacity to increase its loan borrowings if required. Council’s ratio is currently within the target range at 37.5%. The short-term forecast is to move marginally outside the upper limit of the target range; however the ratio is managed and controlled within the target range over the remainder of the forecast period.





## **Looking to the Future**

Rockhampton is currently reaping the rewards of investment in new infrastructure and the confidence of the region is growing.

Looking forward the momentum will be maintained with Council doing everything possible to stimulate the local economy by attraction of new events for the region and promotion of our region and all it has to offer to the world. The forward capital program sees a commitment to the new Art Gallery and the South Rockhampton Flood Levee, both substantial projects that will provide many future opportunities for growth. Council continues to lobby for the external funding for both projects which will bring them to fruition.

The financial position of Council has improved in recent years and we are now consistently reporting small surpluses. This allows Council to re-invest back into community assets as well as reduce the reliance on loans.

Forward financial planning is integral to maintaining our success and the flexibility to respond in the areas of the community that are needed. On-going long term cash flow planning, sound budgeting and extensive strategic financial planning feature significantly on Council's annual calendar.

Strong fiscal responsibility will continue to be at our core decision making moving forward.

# FINANCIAL STATEMENTS (s183 LGR2012)

## ROCKHAMPTON REGIONAL COUNCIL

### Financial statements

For the year ended 30 June 2018

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**ROCKHAMPTON REGIONAL COUNCIL**

**Statement of Comprehensive Income**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>Income</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3(a)	136,096,837	130,474,287
Fees and charges	3(b)	23,193,872	22,842,943
Interest received		3,074,276	3,675,787
Sales revenue		7,988,844	5,443,459
Other recurrent income	3(c)	9,159,793	7,600,113
Grants, subsidies and contributions	4(a)	<u>15,949,017</u>	<u>21,476,145</u>
		<u>195,462,639</u>	<u>191,512,734</u>
<b>Capital revenue</b>			
Grants, subsidies and contributions	4(b)	49,736,379	45,675,266
Other capital income	5	<u>99,703</u>	<u>666,629</u>
		<u>49,836,082</u>	<u>46,341,895</u>
<b>Total income</b>		<u>245,298,721</u>	<u>237,854,629</u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	(73,579,651)	(71,222,968)
Materials and services	7	(50,424,931)	(49,805,063)
Finance costs	8	(7,655,061)	(11,317,383)
Depreciation and amortisation	9	<u>(51,641,292)</u>	<u>(50,806,476)</u>
		<u>(183,300,935)</u>	<u>(183,151,890)</u>
<b>Capital expenses</b>	10	<u>(11,499,204)</u>	<u>(9,642,327)</u>
<b>Total expenses</b>		<u>(194,800,139)</u>	<u>(192,794,217)</u>
<b>Net result attributable to Council</b>		<u>50,498,582</u>	<u>45,060,412</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Decrease in asset revaluation surplus	18	<u>(6,398,878)</u>	<u>(135,803,564)</u>
<b>Total other comprehensive income for the year</b>		<u>(6,398,878)</u>	<u>(135,803,564)</u>
<b>Total comprehensive income for the year</b>		<u>44,099,704</u>	<u>(90,743,152)</u>

*The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.*

**ROCKHAMPTON REGIONAL COUNCIL**

**Statement of Financial Position**

As at 30 June 2018

	Note	2018 \$	2017 \$
<b>Current assets</b>			
Cash and cash equivalents	11	19,461,612	26,930,803
Investments	12	62,000,000	75,000,000
Receivables	13	19,045,958	18,435,432
Inventories		<u>1,884,116</u>	<u>1,723,224</u>
		102,391,686	122,089,459
Assets classified as held for sale		<u>208,315</u>	<u>327,346</u>
<b>Total current assets</b>		<u>102,600,001</u>	<u>122,416,805</u>
<b>Non-current assets</b>			
Property, plant and equipment	14	2,365,130,218	2,303,966,218
Intangible assets		<u>1,267,279</u>	<u>1,217,002</u>
<b>Total non-current assets</b>		<u>2,366,397,497</u>	<u>2,305,183,220</u>
<b>TOTAL ASSETS</b>		<u>2,468,997,498</u>	<u>2,427,600,025</u>
<b>Current liabilities</b>			
Payables	15	20,665,859	20,203,531
Provisions	16	12,661,869	14,985,411
Borrowings	17	20,613,749	19,535,892
Other liabilities		<u>345,023</u>	<u>574,538</u>
<b>Total current liabilities</b>		<u>54,286,500</u>	<u>55,299,372</u>
<b>Non-current liabilities</b>			
Provisions	16	16,574,609	6,644,096
Borrowings	17	103,345,245	123,684,882
Other liabilities		<u>1,762,955</u>	<u>3,370,114</u>
<b>Total non-current liabilities</b>		<u>121,682,809</u>	<u>133,699,092</u>
<b>TOTAL LIABILITIES</b>		<u>175,969,309</u>	<u>188,998,464</u>
<b>NET COMMUNITY ASSETS</b>		<u>2,293,028,189</u>	<u>2,238,601,561</u>
<b>Community equity</b>			
Retained surplus		1,440,221,495	1,379,395,989
Asset revaluation surplus	18	852,806,694	859,205,572
<b>TOTAL COMMUNITY EQUITY</b>		<u>2,293,028,189</u>	<u>2,238,601,561</u>

*The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.*

**ROCKHAMPTON REGIONAL COUNCIL**

**Statement of Changes in Equity**

For the year ended 30 June 2018

		Total		Retained surplus		Asset revaluation surplus Note 18	
Note		2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
<b>Balance at beginning of year</b>		2,238,601,561	2,331,826,481	1,379,395,989	1,336,817,345	859,205,572	995,009,136
Adjustment to opening balance		10,326,924	(2,481,768)	10,326,924	(2,481,768)	-	-
Restated balances		2,248,928,485	2,329,344,713	1,389,722,913	1,334,335,577	859,205,572	995,009,136
Net result attributable to Council		50,498,582	45,060,412	50,498,582	45,060,412	-	-
Other comprehensive income for the year							
Adjustment to asset revaluation surplus:							
Property, plant & equipment		(6,398,878)	(135,803,564)	-	-	(6,398,878)	(135,803,564)
<b>Total comprehensive income for year</b>		44,099,704	(90,743,152)	50,498,582	45,060,412	(6,398,878)	(135,803,564)
<b>Balance at end of year</b>		2,293,028,189	2,238,601,561	1,440,221,495	1,379,395,989	852,806,694	859,205,572

*The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.*

**ROCKHAMPTON REGIONAL COUNCIL**

**Statement of Cash Flows**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Rates, levies and charges		135,984,763	130,089,574
Fees and charges		23,193,872	22,842,943
Grants, subsidies and contributions		15,949,017	21,476,145
Interest received		3,290,856	3,627,741
Other income		16,428,827	6,999,886
Net GST (recoverable) / paid		(84,288)	177,537
Payments to suppliers		(48,893,771)	(49,094,329)
Payments to employees		(73,873,710)	(70,783,056)
Interest expense		(7,371,526)	(8,188,692)
<b>Net cash inflow from operating activities</b>	23	<u>64,624,040</u>	<u>57,147,749</u>
<b>Cash flows from investing activities</b>			
Government subsidies and grants		40,256,968	35,156,874
Capital contributions		1,549,223	6,493,664
Payments for property, plant and equipment		(109,066,606)	(93,448,114)
Payments for intangible assets		(644,337)	(270,666)
Net transfer from cash investments	12	13,000,000	-
Proceeds from sale of property plant and equipment		2,073,302	1,124,638
<b>Net cash outflow from investing activities</b>		<u>(52,831,450)</u>	<u>(50,943,604)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	17	-	7,041,394
Repayment of borrowings	17	(19,261,780)	(17,852,740)
<b>Net cash outflow from financing activities</b>		<u>(19,261,780)</u>	<u>(10,811,346)</u>
<b>Net decrease in cash and cash equivalents held</b>		<u>(7,469,191)</u>	<u>(4,607,201)</u>
Cash and cash equivalents at beginning of reporting year		26,930,803	31,538,004
<b>Cash and cash equivalents at end of reporting year</b>	11	<u>19,461,612</u>	<u>26,930,803</u>

*The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.*

**Notes to the financial statements**

For the year ended 30 June 2018

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**1 Significant accounting policies**

**1.A Basis of preparation**

These general purpose financial statements are for the period 1 July 2017 to 30 June 2018 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

These financial statements have been prepared under the historical cost convention, except for the following:

- financial assets and liabilities, certain classes of property, plant and equipment which are measured at fair value;
- assets held for sale which are measured at fair value less cost of disposal.

**1.B Basis of Consolidation**

Council has no material controlled entities and the financial statements presented are those of the Council only.

Information about controlled entities that have not been consolidated, because they are not considered material, is included in Note 28.

**1.C Constitution**

The Rockhampton Regional Council is constituted under the *Queensland Local Government Act 2009* and is domiciled in Australia.

**1.D New and revised Accounting Standards**

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current reporting period. Council has applied AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107* for the first time. As a result Council has disclosed more information to explain changes in liabilities arising from financing activities ('debt reconciliation'). This information is presented in Note 24. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

**Standards that are not yet effective**

Some Australian Standards and Interpretations have been issued but are not yet effective. These standards have not yet been applied in these financial statements. Council will implement them when they are effective. The standards that are expected to have an impact upon council's future financial statements are:

**AASB 9 Financial Instruments (effective from 1 January 2018)**

AASB 9 *Financial Instruments*, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met. The standard also introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on an assessment to date Council expects a small increase to impairment losses however the standard is not expected to have a material impact overall.

**Notes to the financial statements**

For the year ended 30 June 2018

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**AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for Profit Entities (effective from 1 January 2019)**

AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 *Contributions*. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

Council has undertaken preliminary analysis of the potential impacts of these standards on the financial statements. The main impacts of the new standards are to prepaid rates, levies and charges, and grants, subsidies and contributions for specific purposes. Prepaid rates, levies and charges are currently recognised as revenue on receipt of funds; however AASB 1058 requires that prepaid rates initially be recognised as a liability and only subsequently transferred to revenue in the period in which the rates are raised. Grants, subsidies and contributions that are non-reciprocal in nature are currently recognised as revenue when Council obtains control over them, which is usually on receipt of funds. Under the new standards, revenue recognition may be deferred if the rights and obligations under the relevant funding agreement are enforceable and sufficiently specific to determine the deferral of revenue.

**AASB 16 Leases (effective from 1 January 2019)**

Council has some leases that are not in the Statement of Financial Position. These will need to be included when this standard comes into effect. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term. Council has performed an assessment of the potential impact on the financial statements and does not believe it will be material at this time.

**1.E Estimates and Judgements**

Where necessary judgements, estimates and assumptions have been used in preparing these financial statements. Those that have a significant effect, or risk of causing an adjustment to Council's assets or liabilities relate to:

Valuation of property, plant and equipment - Note 14  
Impairment of property, plant and equipment - Note 14  
Depreciation - Note 9  
Provisions - Note 16  
Contingencies - Note 21  
Capital income - Note 5  
Capital expenses - Note 10

**1.F Rounding and Comparatives**

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

**1.G Taxation**

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

The Council pays Payroll Tax to the Queensland Government on certain activities.



## ROCKHAMPTON REGIONAL COUNCIL

### Notes to the financial statements

For the year ended 30 June 2018

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#### 2 Analysis of results by function

##### (a) Components of Council functions

The activities relating to the Council's components reported on in Note 2(b) are as follows:

##### **Resourcing**

The objective of Resourcing is to provide a function for the recognition and allocation of general rate and grant revenue as well as interest revenue and expense not allocated to commercial business units.

##### **Office of CEO**

The goals of the Office of CEO are to provide leadership, corporate oversight and strategic direction. The Office of CEO incorporates the offices of the Mayor, Councillors and the Chief Executive Officer and includes internal audit and governance sections.

##### **Advance Rockhampton (formerly Regional Development)**

The objective of Advance Rockhampton is to provide strategic services to cater for the regions future growth as well as optimising quality of life and economic development opportunities for the region's residents and businesses. The sections include Economic Development, Regional Promotions and Strategic Planning.

##### **Regional Services**

Regional Services' goals are to achieve safe, secure and reliable road and drainage infrastructure and plan for liveable and distinctive communities that we are proud to be part of. Regional Services provides roadworks, street lighting, stormwater drainage, engineering planning and administration. Regional Services also maintains disaster management response capability to meet community needs when required.

##### **Corporate Services**

Corporate Services provides professional financial and information services across all of Council. This function includes communication and information technology, administration services, financial services, workforce and strategy, asset management, organisational development services and fleet and plant services. The goal of Corporate Services is to provide accurate, timely and appropriate information and services to all areas of Council to support sound decision making and to meet statutory requirements.

## **ROCKHAMPTON REGIONAL COUNCIL**

### **Notes to the financial statements**

For the year ended 30 June 2018

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#### **Community Services**

The goals of Community Services are to achieve a healthy and liveable environment for everyone to enjoy and a safe, caring and healthy community. Community Services provides well managed and maintained community facilities, and ensures the effective delivery of cultural, environmental and recreational services. Services provided include libraries, art services, theatre and venue management, heritage preservation, child care, aged services, and community assistance. Community Services undertakes the management, maintenance and operation of Council facilities such as reserves and parks and provides compliance and regulatory services in line with legislation and community standards. Manages operations of public health, environmental health, health planning and natural resource management as well as provides regulatory and compliance services for development assessment and development compliance.

#### **Airport**

The key objectives of Rockhampton Airport are to safely deliver aeronautical and related non-aeronautical services that are ancillary to the operation of a modern Airport. As a commercialised business unit, Rockhampton Airport works with Council to conduct operations in accordance with commercial principles and provides the strategic direction and operations of the Airport's service delivery for Council.

#### **Waste & Recycling**

The key objectives of Waste and Recycling are to deliver commercially viable waste and recycling services that satisfy adopted customer service standards. Waste and Recycling is a commercial business unit of Rockhampton Regional Council and is responsible for the operation and maintenance of waste management facilities and waste and recycling collection services throughout the Rockhampton Region.

#### **Fitzroy River Water**

Fitzroy River Water's aim is to enhance the community's quality of life by providing sustainable water, sewerage and environmental services, through innovation, technical expertise, business efficiency, excellence in customer service and commitment to the environment. Fitzroy River Water is a commercial business unit of Rockhampton Regional Council and is responsible for operating and maintaining water and sewerage assets throughout the region.

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

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

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result from Recurrent	Net Result	Assets	
	Recurrent		Capital			2018	2018					2018
	Grants	Other	Grants	Other								
	2018	2018	2018	2018								
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
Resourcing	8,823,039	67,046,199	-	-	75,869,238	(29,280,323)	-	(29,280,323)	105,149,561	105,149,561	207,130,380	
Office of the CEO	160,455	40,225	-	-	200,680	6,987,253	-	6,987,253	(6,786,573)	(6,786,573)	14,463	
Advance Rockhampton	156,613	311,823	-	60,000	528,436	5,342,491	-	5,342,491	(4,874,055)	(4,814,055)	397,202	
Regional Services	1,749,644	3,857,456	25,214,392	7,930,842	38,752,334	45,167,965	7,840,939	53,008,904	(39,560,865)	(14,256,570)	1,305,928,968	
Corporate Services	326,362	1,582,105	1,252,318	-	3,160,785	14,382,596	1,241,843	15,624,439	(12,474,129)	(12,463,654)	54,381,346	
Community Services	4,584,748	8,375,903	9,792,153	267,041	23,019,845	55,117,881	614,968	55,732,849	(42,157,230)	(32,713,004)	214,660,223	
Airport	-	15,883,340	88,295	-	15,971,635	14,970,338	(132,634)	14,837,704	913,002	1,133,931	100,258,014	
Waste & Recycling	-	18,038,080	-	87,334	18,125,414	13,962,781	529,430	14,492,211	4,075,299	3,633,203	41,778,029	
Fitzroy River Water	(41,224)	64,567,871	3,909,810	1,233,897	69,670,354	56,649,953	1,404,658	58,054,611	7,876,694	11,615,743	544,448,871	
<b>Total</b>	<b>15,759,637</b>	<b>179,703,002</b>	<b>40,256,968</b>	<b>9,579,114</b>	<b>245,298,721</b>	<b>183,300,935</b>	<b>11,499,204</b>	<b>194,800,139</b>	<b>12,161,704</b>	<b>50,498,582</b>	<b>2,468,997,496</b>	

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

**Prior Year**

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result from Recurrent	Net Result	Assets
	Recurrent		Capital			2017	2017				
	Grants	Other	Grants	Other							
	2017	2017	2017	2017							
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Resourcing	11,388,686	64,765,336	-	3,543,642	79,697,664	(25,496,579)	-	(25,496,579)	101,650,601	105,194,243	230,036,773
Office of the CEO	32,622	41,305	-	-	73,927	3,533,595	-	3,533,595	(3,459,668)	(3,459,668)	175,122
Advance Rockhampton	-	121,410	-	-	121,410	5,153,215	-	5,153,215	(5,031,805)	(5,031,805)	-
Regional Services	4,110,661	1,569,304	25,435,776	3,688,155	34,803,896	43,534,629	5,343,879	48,878,508	(37,854,664)	(14,074,612)	1,285,703,105
Corporate Services	557,216	1,500,959	708,000	54,847	2,821,022	17,854,675	282,428	18,137,103	(15,796,500)	(15,316,081)	44,948,591
Community Services	4,660,441	8,237,849	5,415,692	371,983	18,685,965	52,707,022	1,082,214	53,789,236	(39,808,732)	(35,103,271)	193,860,601
Airport	3,636	15,310,728	-	-	15,314,364	14,225,343	14,503	14,239,846	1,089,021	1,074,518	101,862,429
Waste & Recycling	-	17,008,243	-	630,945	17,639,188	14,329,644	-	14,329,644	2,678,599	3,309,544	29,887,892
Fitzroy River Water	650,455	61,553,883	3,597,406	2,895,449	68,697,193	57,310,346	2,919,303	60,229,649	4,893,992	8,467,544	541,125,512
<b>Total</b>	<b>21,403,717</b>	<b>170,109,017</b>	<b>35,156,874</b>	<b>11,185,021</b>	<b>237,854,629</b>	<b>183,151,890</b>	<b>9,642,327</b>	<b>192,794,217</b>	<b>8,360,844</b>	<b>45,060,412</b>	<b>2,427,600,025</b>

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>3 Revenue</b>			
Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below.			
<b>(a) Rates, levies and charges</b>			
Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.			
General rates		56,922,142	54,003,275
Separate rates		17,794,153	17,778,397
Special rates		132,519	91,340
Water		30,859,481	29,615,855
Sewerage		28,326,817	27,053,047
Garbage charges		<u>15,242,696</u>	<u>14,593,772</u>
Rates and utility charge revenue		149,277,808	143,135,686
Less: Discounts		(11,679,899)	(11,158,272)
Less: Pensioner remissions		<u>(1,501,072)</u>	<u>(1,503,127)</u>
Net rates and utility charges		<u><u>136,096,837</u></u>	<u><u>130,474,287</u></u>

**(b) 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.

Airport fees	11,079,348	11,153,724
Waste and recycling fees	4,062,901	3,745,233
Venues, events, tourism and cultural fees	2,995,738	2,519,220
Building, plumbing and development fees	1,428,548	1,594,179
Local laws and health licencing fees	1,473,867	1,418,484
Irrigator and commercial water fees	1,232,420	1,318,083
Other fees	<u>921,050</u>	<u>1,094,020</u>
	<u><u>23,193,872</u></u>	<u><u>22,842,943</u></u>

**(c) Other recurrent income**

Other revenue is recognised as a revenue when it is probable that it will be received and the amount is known, otherwise the amount is recognised upon receipt. Rental revenue is recognised as income on a periodic straight line basis over the lease term.

Rental / lease income	3,265,878	3,103,326
Commission and collection fees	2,249,993	1,966,176
Insurance	918,822	66,239
Other income	<u>2,725,100</u>	<u>2,464,372</u>
	<u><u>9,159,793</u></u>	<u><u>7,600,113</u></u>

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

Note	2018 \$	2017 \$
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**4 Grants, subsidies and contributions**

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park assets are recognised as revenue when the development becomes "on maintenance" (i.e. Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions are recognised at fair value in excess of the recognition thresholds as non-current assets. Those below the thresholds are recorded as recurrent revenues and expenses.

**(a) Recurrent**

General purpose grants	7,887,659	10,990,249
Government subsidies and grants	7,871,978	10,413,468
Contributions	<u>189,380</u>	<u>72,428</u>
Total recurrent revenue	<u>15,949,017</u>	<u>21,476,145</u>

**(b) Capital**

Capital revenue includes grants and subsidies 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.

(i) Monetary revenue designated for capital funding purposes:

Government subsidies and grants	40,256,968	35,156,874
Contributions	<u>3,156,382</u>	<u>5,530,363</u>
	<u>43,413,350</u>	<u>40,687,237</u>

(ii) Non-monetary revenue received is analysed as follows:

Developer assets contributed by developers at fair value	6,291,573	4,855,207
Other physical assets contributed at fair value	<u>31,456</u>	<u>132,822</u>
	<u>6,323,029</u>	<u>4,988,029</u>

Total capital revenue	<u>49,736,379</u>	<u>45,675,266</u>
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**Conditions over contributions**

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

Non-reciprocal grants for expenditure on services	292,030	212,340
Non-reciprocal grants for expenditure on infrastructure	<u>6,383,415</u>	<u>5,427,251</u>
	<u>6,675,445</u>	<u>5,639,591</u>

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>5 Capital income</b>			
Provision for rehabilitation			
Quarry rehabilitation - change from revision of future restoration expenditure	16	12,152	12,935
Quarry rehabilitation - reduction in rehabilitation provision for future costs, due to a change in discount rate	16	-	21,984
Landfill restoration - change from revision of future restoration expenditure	16	-	511,047
Landfill restoration - reduction in restoration provision for future costs, due to a change in discount rate	16	87,334	119,898
Parks remediation - reduction in remediation provision for future costs, due to a change in discount rate	16	217	765
Total capital income		<u>99,703</u>	<u>666,629</u>

**6 Employee benefits**

Total staff wages and salaries		65,344,672	64,056,409
Councillors' remuneration		996,754	990,224
Annual, sick and long service leave entitlements		9,356,801	8,710,022
Superannuation	22	<u>7,841,055</u>	<u>7,519,122</u>
		83,539,282	81,275,777
Other employee related expenses		<u>1,372,853</u>	<u>1,345,688</u>
		84,912,135	82,621,465
Less: Capitalised employee expenses		<u>(11,332,484)</u>	<u>(11,398,497)</u>
		<u>73,579,651</u>	<u>71,222,968</u>

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

Total employees at year end:	<b>No.</b>	<b>No.</b>
Elected members	8	8
Administration staff	518	507
Depot and outdoors staff	<u>358</u>	<u>362</u>
Total full time equivalent employees	<u>884</u>	<u>877</u>

**7 Materials and services**

	\$	\$
Audit of annual financial statements by the Auditor-General of Queensland	195,273	219,377
Advertising and marketing	1,267,138	1,153,227
Administration supplies and consumables	1,037,334	964,281
Communications and IT	3,451,314	3,289,509
Consultants	3,650,359	3,934,343
Contractors	9,002,151	13,917,547
Donations paid	1,147,175	854,529
Insurance	2,909,455	2,498,842
Electricity	6,447,656	6,260,930
Repairs and maintenance	14,924,999	13,124,961
Rentals - operating leases	515,884	258,114
Other materials and services	<u>5,876,193</u>	<u>3,329,403</u>
	<u>50,424,931</u>	<u>49,805,063</u>

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>8 Finance costs</b>			
Finance costs charged by the Queensland Treasury Corporation		7,371,526	8,188,692
Bank charges		330,749	335,424
Impairment of receivables		(166,597)	2,638,868
Quarry rehabilitation - change in present value over time	16	12,144	10,563
Landfill sites restoration - change in present value over time	16	105,945	116,785
Parks remediation - change in present value over time	16	1,294	27,051
		<u>7,655,061</u>	<u>11,317,383</u>
<b>9 Depreciation and amortisation</b>			
<b>Depreciation of non-current assets</b>			
Site improvements		2,639,095	2,380,479
Buildings		6,170,443	6,926,098
Plant and equipment		5,444,422	5,130,818
Road network		17,609,585	16,632,465
Stormwater network		3,588,639	3,498,785
Bridge network		862,843	844,690
Water		7,993,575	7,879,569
Sewerage		5,079,051	5,454,723
Airport		1,705,310	1,566,699
Heritage and cultural assets		-	432
Total depreciation of non-current assets	14	<u>51,092,963</u>	<u>50,314,758</u>
<b>Amortisation of intangible assets</b>			
Computer software		<u>548,329</u>	<u>491,718</u>
Total amortisation of intangible assets		<u>548,329</u>	<u>491,718</u>
Total depreciation and amortisation		<u>51,641,292</u>	<u>50,806,476</u>
<b>10 Capital expenses</b>			
Loss on the disposal non-current assets			
(a) Proceeds from disposal of land		(10,000)	(6,818)
Less: Book value of land disposed		201,197	210,000
		<u>191,197</u>	<u>203,182</u>
(b) Proceeds from disposal of plant and equipment		(1,930,668)	(1,117,820)
Less: Book value of plant and equipment disposed		2,855,927	1,101,680
		<u>925,259</u>	<u>(16,140)</u>
(c) Insurance proceeds for buildings		(132,634)	-
Less: Book value of buildings disposed		-	-
		<u>(132,634)</u>	<u>-</u>



**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>Write off of non-current assets</b>			
Site improvements		541,986	220,975
Buildings		305,124	946,116
Plant and equipment		32,432	7,482
Road network		7,494,645	5,208,584
Stormwater network		191,838	135,295
Bridge network		45,333	3,988
Water		841,436	2,265,062
Sewer		489,459	653,280
Airport		-	14,503
Intangible assets		45,730	-
Provision for rehabilitation			
Quarry rehabilitation - increase in rehabilitation provision for future costs, due to a change in discount rate	16	2,259	-
Landfill restoration - change from revision of future restoration expenditure	16	<u>525,140</u>	<u>-</u>
Total capital expenses		<u><u>11,499,204</u></u>	<u><u>9,642,327</u></u>

**11 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash at bank and on hand	3,341,812	2,104,462
Deposits at call	<u>16,119,800</u>	<u>24,826,341</u>
Balance as per statement of cash flows	<u><u>19,461,612</u></u>	<u><u>26,930,803</u></u>

Council's cash, cash equivalents and investments (Note 12) are subject to a number of internally and externally imposed expenditure restrictions that limit the amount available for discretionary or future use at the reporting date. These restrictions relate to the following cash assets:

Unspent government grants and subsidies	7,247,345	6,291,035
Unspent developer contributions	<u>16,984,141</u>	<u>19,263,226</u>
Total restricted cash	<u><u>24,231,486</u></u>	<u><u>25,554,261</u></u>

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

**Trust funds held for outside parties**

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	<u>1,366,838</u>	<u><u>1,071,531</u></u>
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**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>12 Investments</b>			
Held to Maturity Investments			
Term deposits with a term in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents.			
Opening Balance		75,000,000	75,000,000
Transfers to operating bank account		<u>(13,000,000)</u>	<u>-</u>
		<u>62,000,000</u>	<u>75,000,000</u>

Term deposits at fixed interest rates are held with the following financial institutions (respective short term credit ratings noted in brackets): National Australia Bank (A1+), Westpac (A1+), Bank of Queensland (A2), The Rock (A2). Maturity ranges from 6 to 9 months and bear interest rates from 2.60% to 2.85%.

**13 Receivables**

Receivables are amounts owed to Council at year end. They are recognised at the amounts due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.

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 at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

As Council has the power under the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council will only impair rate receivables when outstanding debt exceeds unimproved capital values.

**Current**

Rateable revenue and utility charges	7,786,061	7,036,971
Less: impairment	<u>(326,150)</u>	<u>(300,410)</u>
	<u>7,459,911</u>	<u>6,736,561</u>
Water charges yet to be levied	669,224	1,280,500
GST recoverable	828,630	744,342
Other debtors	8,462,315	9,726,657
Less: impairment	<u>(670,754)</u>	<u>(2,375,408)</u>
	<u>9,289,415</u>	<u>9,376,091</u>
Prepayments	<u>2,296,632</u>	<u>2,322,780</u>
	<u>19,045,958</u>	<u>18,435,432</u>

Interest is charged on outstanding rates at a rate of 11% per annum for both the current and prior year. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Movement in accumulated impairment losses (trade and other receivables) is as follows:

Opening balance	2,675,818	138,437
Impairment adjustment in the year	(822,128)	62,351
Impairment debts written off during the year	(1,512,317)	(101,487)
Impairments recognised	<u>655,531</u>	<u>2,576,517</u>
Closing balance	<u>996,904</u>	<u>2,675,818</u>

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2018

14 (a) Property, plant and equipment

Basis of measurement	Note	Land	Site improvements	Buildings	Plant and equipment	Road network	Stormwater network	Bridge network	Water	Sewerage	Airport	Heritage and cultural assets	Work in Progress	Total
		Fair value	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Cost
Fair value category		Level 2 & 3	Level 3	Level 2 & 3		Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 2		
Asset values		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2017		131,514,488	84,051,559	278,872,453	66,920,943	1,262,251,335	323,359,788	51,557,496	552,709,446	310,670,792	64,461,000	15,272,263	75,434,847	3,217,076,411
Adjustment to opening value		35,768	12,865	(213,200)	95,765	2,759,543	5,087,998	84,884	-	172,955	-	506,147	-	8,542,725
Additions at cost		3,490,640	2,650,920	4,394,941	6,931,801	10,894,083	1,078,397	60,369	3,047,812	1,957,914	-	545,566	73,028,328	108,080,771
Prior year write off of additions at cost		-	-	-	-	-	-	-	-	-	-	-	(2,009,895)	(2,009,895)
Contributed assets at valuation		-	41,067	-	-	1,943,578	1,695,756	1,377,274	576,907	656,990	-	31,456	-	6,323,029
Reassessment of landfill restoration		-	9,459,695	-	-	-	-	-	-	-	-	-	-	9,459,695
Transfers between classes		119,031	-	-	-	-	-	-	-	-	-	-	-	119,031
Transfers from work in progress		161,895	2,943,742	7,923,837	717,578	28,693,104	6,208,062	814,273	2,286,316	1,379,858	-	811,218	(51,939,883)	-
Disposals		(201,197)	-	-	(7,935,533)	-	-	-	-	-	-	-	-	(8,136,730)
Revaluation adjustment to asset revaluation surplus	18	(7,864,302)	3,807,781	-	-	-	-	-	-	-	-	493,558	-	(3,562,963)
Write offs	10	-	(1,269,715)	(744,135)	(185,893)	(14,278,987)	(350,652)	(165,654)	(2,952,256)	(1,052,630)	-	-	-	(20,999,922)
Transfer to intangible assets		-	-	-	-	-	-	-	-	-	-	-	(644,337)	(644,337)
Closing gross value as at 30 June 2018		127,256,323	101,697,914	290,233,896	66,544,662	1,292,262,655	337,079,350	53,728,643	555,668,226	313,785,879	64,461,000	17,660,209	93,869,060	3,314,247,815

Accumulated depreciation and impairment

Opening gross value as at 1 July 2017		-	31,218,204	106,558,915	32,118,838	258,695,022	99,010,466	20,402,691	206,218,402	140,649,250	18,238,405	-	-	913,110,193
Adjustment to opening value		-	-	(182,010)	-	(52,112)	(1,436,166)	(112,247)	-	(1,664)	-	-	-	(1,784,199)
Depreciation provided in period	9	-	2,639,095	6,170,443	5,444,422	17,609,585	3,588,639	862,843	7,993,575	5,079,051	1,705,310	-	-	51,092,963
Depreciation on disposals		-	-	-	(5,079,606)	-	-	-	-	-	-	-	-	(5,079,606)
Revaluation adjustment to asset revaluation surplus	18	-	1,364,795	1,471,120	-	-	-	-	-	-	-	-	-	2,835,915
Depreciation on write offs	10	-	(727,730)	(439,011)	(153,461)	(6,784,342)	(158,814)	(120,321)	(2,110,820)	(563,170)	-	-	-	(11,057,669)
Accumulated depreciation as at 30 June 2018		-	34,494,364	113,579,457	32,330,193	269,468,153	101,004,125	21,032,966	212,101,157	145,163,467	19,943,715	-	-	949,117,597

Net value at 30 June 2018		127,256,323	67,203,550	176,654,439	34,214,469	1,022,794,502	236,075,225	32,695,676	343,567,069	168,622,412	44,517,285	17,660,209	93,869,060	2,365,130,218
Residual value		-	-	-	9,383,743	-	-	-	-	-	-	-	-	9,383,743
Range of estimated useful life in years		Not depreciated	10 - 102	10 - 150	3 - 40	10 - 1,000	25 - 120	10 - 80	15 - 120	15 - 100	7 - 1,000	Not depreciated		

Additions comprise:		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure Renewals			346,797	365,624	6,623,991	6,115,404	392,854	39,180	2,279,110	1,354,963	-	-	32,223,298	49,741,221
Other additions (Net of transfer to intangibles)		3,490,640	2,304,123	4,029,318	307,810	4,778,678	685,543	21,189	768,702	602,951	-	545,566	40,160,694	57,695,214
Total additions		3,490,640	2,650,920	4,394,942	6,931,801	10,894,082	1,078,397	60,369	3,047,812	1,957,914	-	545,566	72,383,992	107,436,435

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2018

14 (b) Property, plant and equipment - prior year

Basis of measurement Fair value category <b>Asset values</b>	Note	Land	Site improvements	Buildings	Plant and equipment	Road network	Stormwater network	Bridge network	Water	Sewerage	Airport	Heritage and cultural assets	Work in Progress	Total	
		Fair value	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	
		Level 2 & 3	Level 3	Level 2 & 3		Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2016		129,522,350	87,355,216	281,541,274	63,933,365	1,385,055,534	349,537,963	51,227,079	547,111,087	303,042,422	60,502,377	21,768,440	46,754,119	3,327,351,226	
Adjustment to opening value		-	-	670,693	(10,000)	(194,532)	(6,355,268)	24,336	92,455	57,728	-	-	-	(5,714,588)	
Additions at cost		1,877,405	769,116	-	6,112,506	8,324,830	6,060,425	-	3,796,225	3,829,084	801,787	8,000	62,475,001	94,054,379	
Prior year write off of additions at cost		-	-	-	-	-	-	-	-	-	-	-	(1,821,414)	(1,821,414)	
Contributed assets at valuation		-	-	77,974	54,846	2,484,493	1,333,618	-	553,980	483,118	-	-	-	4,988,029	
Reassessment of landfill restoration cost		-	356,446	-	-	-	-	-	-	-	-	-	-	356,446	
Transfers between classes		(7,345)	(4,415,910)	8,386,167	42,915	2,289,318	111,936	316,581	121,557	(298,389)	-	(6,554,177)	-	(7,346)	
Transfers from work in progress		332,078	463,391	125,119	844,652	8,395,766	2,579,649	-	7,430,477	6,197,204	5,283,857	50,000	(31,702,193)	-	
Disposals		(210,000)	-	-	(4,011,336)	-	-	-	-	-	-	-	-	(4,221,336)	
Revaluation adjustment to asset revaluation surplus	18	-	-	(9,958,789)	-	(133,123,323)	(29,670,157)	-	-	-	-	-	-	(172,752,269)	
Disaster event 2015 asset adjustments	24	-	-	84,152	-	855,957	-	-	-	-	-	-	-	940,109	
Write offs	10	-	(476,700)	(2,054,137)	(46,005)	(11,836,708)	(238,378)	(10,500)	(6,396,335)	(2,640,375)	(2,127,021)	-	-	(25,826,159)	
Transfer to intangible assets		-	-	-	-	-	-	-	-	-	-	-	(270,666)	(270,666)	
Closing gross value as at 30 June 2017		131,514,488	84,051,559	278,872,453	66,920,943	1,262,251,335	323,359,788	51,557,496	552,709,446	310,670,792	64,461,000	15,272,263	75,434,847	3,217,076,411	

**Accumulated depreciation and impairment**

Opening gross value as at 1 July 2016		-	30,118,878	127,334,428	30,001,572	251,472,767	100,159,646	19,487,630	202,445,886	137,274,628	18,784,222	4,237,723	-	921,317,380
Adjustment to opening value		-	-	(163,488)	(9,687)	(307,182)	(2,739,646)	-	-	(12,817)	-	-	-	(3,232,820)
Depreciation provided in period	9	-	2,380,479	6,926,098	5,130,818	16,632,465	3,498,785	844,690	7,879,569	5,454,723	1,566,699	432	-	50,314,758
Depreciation on disposals		-	-	-	(2,909,656)	-	-	-	-	-	-	-	-	(2,909,656)
Revaluation adjustment to asset revaluation surplus	18	-	-	(31,282,072)	-	(3,108,161)	(1,899,107)	-	-	-	-	-	-	(36,289,340)
Disaster event 2015 asset adjustments	24	-	-	127,505	-	153,240	-	-	-	-	-	-	-	280,745
Depreciation on write offs	10	-	(255,725)	(1,108,021)	(38,523)	(6,628,124)	(103,083)	(6,512)	(4,131,273)	(1,987,096)	(2,112,517)	-	-	(16,370,874)
Transfers between classes		-	(1,025,428)	4,724,465	(55,686)	480,017	93,871	76,883	24,220	(80,188)	-	(4,238,154)	-	-
Accumulated depreciation as at 30 June 2017		-	31,218,204	106,558,915	32,118,838	258,695,022	99,010,466	20,402,691	206,218,402	140,649,250	18,238,405	-	-	913,110,193

Net value at 30 June 2017		131,514,488	52,833,355	172,313,538	34,802,105	1,003,556,313	224,349,322	31,154,805	346,491,045	170,021,542	46,222,595	15,272,263	75,434,847	2,303,966,218
Residual value		-	-	-	9,640,237	-	-	-	-	-	-	-	-	9,640,237
Range of estimated useful life in years		Not depreciated	10 - 102	10 - 150	3 - 40	10 - 1,000	25 - 120	10 - 80	15 - 120	15 - 100	7 - 1,000	Not depreciated		

Additions comprise:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure Renewals	-	533,912	-	4,609,990	4,813,043	1,053,629	-	3,368,874	2,252,131	624,424	-	26,199,161	43,455,164	
Other additions (Net of transfer to intangibles)	1,877,405	235,204	-	1,502,516	3,511,787	5,006,796	-	427,351	1,576,953	177,363	8,000	36,005,174	50,328,549	
Total additions	1,877,405	769,116	-	6,112,506	8,324,830	6,060,425	-	3,796,225	3,829,084	801,787	8,000	62,204,335	93,783,713	

**Notes to the financial statements**

For the year ended 30 June 2018

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**14 Property, plant and equipment**

**(c) Recognition**

Plant and equipment with a total value of less than \$5,000, and infrastructure assets (road, stormwater, bridge, water and sewerage assets), site improvements, airport assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Replacement of a major component of an asset, in order to maintain its service potential, is treated as the acquisition of a new asset. However, routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred.

Expenditure incurred in accordance with Natural Disaster Relief and Recovery Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council officers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a rebuild of the full width of the road is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Land under the roads and reserve land which falls under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to the relevant legislation. This land is not recognised in these financial statements.

**(d) Measurement**

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value (as shown in the table above) less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including inwards freight, architect's fees and engineering design fees and all other establishment costs. Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included in their cost.

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value.

**(e) Depreciation**

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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

**Notes to the financial statements**

For the year ended 30 June 2018

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Where assets have separately identifiable significant 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.

Landfill rehabilitation assets are depreciated on a straight line basis over the period remaining until the forecast closure date of the landfill area. Council annually assesses the remaining life of landfill cells and accordingly, depreciation rates are adjusted to reflect these estimates.

Depreciation methods, estimated useful lives and residual values 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. The condition assessments performed as part of Council's asset management processes, for assets measured at depreciated current replacement cost may be used to estimate the useful lives of these assets at each reporting date.

**(f) Impairment**

Property, plant and equipment is assessed for indicators of impairment annually. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

**(g) Adjustment to opening value**

During the preparation for revaluations and ongoing data improvement processes, additional assets not previously recognised and recognised incorrectly were identified and brought to account at fair value.

**(h) Valuation**

**(i) Valuation Processes**

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 engaging professionally qualified external valuers or suitably qualified internal staff to determine the fair value for each class of property, plant and equipment assets at least once every 5 years. This process may involve physically sighting a representative sample of Council's assets and making assessments of the condition of the assets at the date of inspection.

In the intervening years, Council will assess the assets by utilising a combination of internal and external sources of information, as appropriate, in a structured manner in order to determine if there has been any potential material movement in the fair value of assets. Where this is indicated the relevant assets will be revalued by indexation or to the desktop valuation as appropriate.

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)

There have been no transfers between level 1 and 2; however, there were transfers from Level 3 to 2 for the heritage and cultural assets during the year.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

## ROCKHAMPTON REGIONAL COUNCIL

### Notes to the financial statements

For the year ended 30 June 2018

#### (ii) Valuation techniques used to derive fair values

##### Land (level 2 & 3)

Land fair values were determined by independent valuer, APV Valuers & Asset Management, effective 30 April 2014. An indices assessment of the land assets was conducted by Australis Asset Advisory Group at 31 March 2018, and as a result indexation was applied to Council's land assets.

Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Where there was no observable market evidence for a land asset due to its configuration, Council zoning restrictions, contamination or similar factors that result in there being no directly comparable market evidence, level 3 valuation inputs were used. For these assets significant assumptions needed to be made to determine the fair value. These were subsequently valued at the level 3 valuation input hierarchy by using the professional judgment of a Registered Valuer who adjusted the price per square metre of sales from sites not in close proximity which provided only a low level of comparability. The highest and best alternate use was utilised in the determination of the replacement cost where there was no directly comparable market evidence for the current use.

	2018	2017
<b>Land</b>	\$	\$
• Observable market - (level 2)	74,996,941	79,410,944
• No observable market - (level 3)	<u>52,259,383</u>	<u>52,103,544</u>
<b>Total</b>	<b><u>127,256,324</u></b>	<b><u>131,514,488</u></b>

##### Buildings (level 2 & 3)

The fair value of buildings were determined by independent valuer, Australis Asset Advisory Goup, effective 31 March 2017. An indices assessment of the building assets was conducted by Australis Asset Advisory Group at 31 March 2018, which found no material movement in value, and as a result no valuation adjustment was applied.

Where an observable market for Council building assets could be identified, fair value was measured by way of a market approach requiring level 2 and 3 inputs, utilising sales prices of comparable properties after adjusting for differences in key attributes of the property. Where inputs required significant professional judgement assets were classified as level 3. The most significant inputs into this valuation approach was the price per square metre. Where Council buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement cost with a modern equivalent asset having similar service potential.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit different useful lives. Condition was assessed taking into account both physical characteristics, age, recent repairs or capital works, as well as factors such as functionality, capability, utilisation and obsolescence. Estimates of expired service potential and remaining useful lives were determined on a straight line basis.

	2018	2017
<b>Buildings</b>	\$	\$
• Non specialised buildings - observable market (level 2)	4,385,148	5,462,761
• Non specialised buildings - (level 3)	3,356,672	3,491,188
• Specialised Buildings - (level 3)	<u>168,912,619</u>	<u>163,359,589</u>
<b>Total</b>	<b><u>176,654,439</u></b>	<b><u>172,313,538</u></b>

**Notes to the financial statements**

For the year ended 30 June 2018

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**Site improvements (level 3)**

The fair value of site improvements were determined by Cardno (Qld) Pty Ltd, Registered Valuer, as at 30 April 2014, at current replacement cost. Based on the indices assessment of the site improvement assets conducted by Australis Asset Advisory Group in 2016/17, indexation was applied at 1 July 2017, with no further indexation being required based on the indices assessment undertaken by Australis Asset Advisory Group at 31 March 2018.

Where site improvement assets are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential. The unit rates (labour and materials) and quantities applied to determine the current replacement cost (CRC) of an asset are based on the full replacement cost, including components that may not need to be replaced. The unit rates were derived from valuer databases and cost curves, scheduled rates for construction of assets or similar assets, published cost guides and supplier quotations and calibrated where applicable. Valuation unit rates (replacement costs) were increased by 15% to allow for project overheads including survey, environmental and investigation costs, engineering design, planning, and project management.

In determining the level of accumulated depreciation, the asset has been disaggregated into significant components which exhibit different useful lives. Allowance has been made for the consumed or expired future economic benefits of the asset by reference to the useful life and condition of the asset.

**Infrastructure assets (level 3)**

All Council infrastructure assets were valued at current replacement cost. This valuation comprises the asset's CRC less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within the council's planning horizon.

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" or " Incremental Greenfield" assumption for valuations, meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks. The current replacement cost was determined using methods relevant to the asset class as described under individual asset categories below.



**Notes to the financial statements**

For the year ended 30 June 2018

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**Road network (level 3)**

The fair value of sealed and unsealed road components, floodways, carparks and access roads and kerbs were determined by Pavement Management Services, Registered Valuer, as at 30 June 2015. The footpath and road furniture assets (street lights, traffic lights and bus stops) were comprehensively revalued as at 31 March 2016 by suitably qualified officers of Council. The minor road furniture items (medians, retaining walls, roundabouts and indented car parks) were comprehensively revalued by suitably qualified officers of Council as at 31 March 2017.

Council categorises its road infrastructure according to the NAASRA (National Association of Australian State Road Authorities) functional road classifications and then categorises these into sealed and unsealed. Both urban and rural roads are managed in segments of varying lengths to meet engineering requirements. This can be dependent on construction type, environment and surroundings. Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is constructed to the same standard and uses consistent unit rates.

For the road assets, the CRC for road components was calculated by reference to asset linear and area specifications and unit rates (indexed in 2015/16 to the latest available rates; with amendments for significant assumption changes in 2016/17) based on road stereotypes established by the then Roads and Transport Alliance Valuation Project (RAVP), a joint initiative by the Local Government Association of Queensland (LGAQ) of which Council is a member and the Queensland Government. These rates were customised to local design conditions, being generally dry ground conditions with a mixture of reactive and non-reactive soil types, where appropriate. Council assumes that roads are constructed to the standard drawings set out in the Capricorn Municipal Development Guidelines.

An indices assessment was undertaken by Lemmah Pty Ltd as at 31 March 2018 which found no material movements in value, and as a result no valuation adjustment was applied.

The CRC for assets other than sealed and unsealed roads, floodways, carparks and access roads are derived from published cost guides, internal construction estimates and prices based on existing supplier contract rates or supplier price lists and labour wage rates. All direct costs were allocated to the assets at standard usage quantities with an overhead allocation, or CRC was based on the average unit rates of completed similar projects over the last few years.

In determining the level of accumulated depreciation, roads were disaggregated into significant components which exhibited different useful lives.

For the road assets, the level of accumulated depreciation reflects the consumption of the asset based on the condition assessment determined by a number of factors including the distress weightings for the surface and pavement components. The resultant condition index ranges from brand new to end of life incorporating a level of acceptability where the asset will be replaced. For road furniture and footpaths, the accumulated depreciation reflects the consumption of the asset based on the condition assessment. For other assets, the level of accumulated depreciation represents an assessment of the expired service potential and remaining useful lives based on a straight line basis derived from the associated benchmark life for the type of asset or condition information where reliable information is available.

**Notes to the financial statements**

For the year ended 30 June 2018

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**Stormwater network (level 3)**

The fair value of stormwater assets were determined by independent valuer, AssetVal Pty Ltd, effective 31 March 2017. An indices assessment was undertaken by Australis Asset Advisory Group as at 31 March 2018 which found no material movement in value, and as a result no valuation adjustment was applied.

Where Council stormwater assets are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential. The CRC of assets is derived by unit rates based on similar recent project costs, direct quotations from suppliers, unit rate databases, indices and cost guides.

The level of accumulated depreciation represents an assessment of the expired service potential and remaining useful lives based on a straight line basis derived from the associated benchmark life for the type of asset.

**Bridge network (level 3)**

The fair value of the bridge network was determined by Australis Asset Advisory Group, as at 31 March 2016. An indices assessment was undertaken by Australis Asset Advisory Group as at 31 March 2018 which found no material movements in value, and as a result no valuation adjustment was applied.

Where Council bridges are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential. Published or available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost, including allowances for preliminaries and professional fees.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit different useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component. An assessment of the economic life and remaining economic life of the various assets has been derived from valuer experience.

**Water and sewerage (level 3)**

The fair value of water and sewerage assets were determined by AssetVal Pty Ltd, Registered Valuer, as at 30 April 2014. A indices assessment was undertaken by Australis Asset Advisory Group as at 31 March 2018 and Council performed an assessment of the internal construction costs, which found no material movements in value, and as a result no valuation adjustment was applied.

The water and sewer assets are segregated into active and passive assets. For passive assets (water and sewer mains; water meters) unit rates were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's construction rates and quotations and reviews by Council engineers. The active assets of treatment, pumping and storage assets were componentised and valued independently, with allowances for complexity, size, function and site factors. As part of the 2013/14 valuation raw costs were increased by up to 30% depending on project complexity to allow for project overheads including survey, environmental and investigation costs, engineering design, planning and project management.

In determining the level of accumulated depreciation for major assets, the assets have been disaggregated into significant components which exhibit different patterns of consumption (useful lives). A condition assessment is applied on a component basis, which is based on factors such as the age of the asset, overall condition at the time of inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied. Where site inspections were not conducted the remaining useful life was calculated on asset age and estimated useful life.

**Notes to the financial statements**

For the year ended 30 June 2018

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**Airport (level 3)**

The fair value of the airport assets were determined by Australis Asset Advisory Group, as at 31 March 2016 at current replacement cost. An indices assessment was undertaken by Australis Asset Advisory Group as at 31 March 2018 which found no material movements in value, and as a result no valuation adjustment was applied.

Where Council airport assets are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential. Current replacement cost was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs and overhead allocations. Various sources, such as published cost guides, historical and current supply costs and information from the Road and Valuation Alliance Project are utilised to determine the estimated replacement cost, including allowance for overheads depending on the complexity of the asset.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit different useful lives. An assessment of the useful life and remaining useful life of the various assets considers the inspected physical condition data and construction dates, historical renewal data, failure rates and inputs supplied by Council.

**Heritage and cultural assets (level 2)**

The fair value of artworks, heritage collections, rare books and museum collections were determined by independent valuer, Australis Asset Advisory Group, effective 31 March 2018 on a market approach.

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	2018	2017
Note	\$	\$
<b>15 Payables</b>		
<p>Creditors are recognised upon receipt of the goods or services ordered at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.</p>		
<p>Liabilities are recognised for employee benefits such as wages and salaries, sick and annual leave in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.</p>		
<p>As Council does not have an unconditional right to defer settlement of annual leave beyond 12 months, annual leave is classified as a current liability.</p>		
<p>Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised in regards to this obligation.</p>		
<b>Current</b>		
Creditors and accruals	12,374,327	11,564,411
Annual leave	7,553,153	7,838,849
Sick leave	85,146	88,172
Other entitlements	<u>653,233</u>	<u>712,099</u>
	<u>20,665,859</u>	<u>20,203,531</u>

**16 Provisions**

*Long Service Leave*

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

Where employees have met the prerequisite length of service and Council does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current liability. Otherwise it is classified as non-current.

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<i>Landfill restoration, quarry rehabilitation and parks remediation</i>			
Council recognises provisions for the estimated cost of restoration in respect of refuse dumps (landfills) and rehabilitation of quarries where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. Council also recognised a provision for the estimated cost of remediation in respect of damage to Kershaw Gardens during Tropical Cyclone Marcia in February 2015. The provisions are measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of the restoration. Changes to the provisions resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.			
Management estimates the amount of expected restoration work based on current known restoration costs inflated using relevant cost inflation indices and then discounted to current day values, and the timing of the work based on estimated landfill or quarry volumes.			
With the commencement of construction of new landfill cells, the Lakes Creek Road landfill facility is now forecast to close in 2055/56. Gracemere landfill ceased accepting waste for disposal during the 2015/16 year.			
Remediation work at Kershaw Gardens commenced in 2015/16 and is scheduled for completion in the 2018/2019 financial year.			
<b>Current</b>			
Quarry rehabilitation		49,064	49,196
Landfill restoration		517,343	1,264,931
Parks remediation		80,281	1,728,783
Long service leave		<u>12,015,181</u>	<u>11,942,501</u>
		<u>12,661,869</u>	<u>14,985,411</u>
<b>Non-current</b>			
Quarry rehabilitation		480,198	477,815
Landfill restoration		14,497,877	4,552,246
Long service leave		<u>1,596,534</u>	<u>1,614,035</u>
		<u>16,574,609</u>	<u>6,644,096</u>
<b>Details of movements in provisions:</b>			
<b>Quarry rehabilitation</b>			
Balance at beginning of financial year		527,011	551,367
Increase in provision due to change in time	8	12,144	10,563
Increase / (decrease) in provision due to change in discount rate	5,10	2,259	(21,984)
Decrease in estimate of future cost	5	<u>(12,152)</u>	<u>(12,935)</u>
Balance at end of financial year		<u>529,262</u>	<u>527,011</u>

This is the present value of the estimated future costs of restoring the quarry sites to a usable state at the end of their useful life. The projected cost is \$668,583 and this cost is expected to be incurred over the years 2019 to 2038.

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>Landfill restoration</b>			
Balance at beginning of financial year		5,817,178	7,066,900
Decrease in provision for rehabilitation performed		(805,404)	(1,092,008)
Increase in provision due to change in time	8	105,945	116,785
Decrease in provision due to change in discount rate	5	(87,334)	(119,898)
Decrease in provision due to change in discount rate - transfer to rehabilitation asset	14	(123,864)	(189,984)
Increase / (decrease) in estimate of future cost	5,10	525,140	(511,047)
Increase in estimate of future cost - transfer to rehabilitation asset	14	<u>9,583,559</u>	<u>546,430</u>
Balance at end of financial year		<u>15,015,220</u>	<u>5,817,178</u>

This is the present value of the estimated future costs associated with restoring the refuse disposal sites in accordance with Queensland State Government Environmental Regulations at the end of their useful lives. The projected cost is \$18,644,307 and this cost is expected to be incurred over the period 2019 to 2096.

**Parks remediation**

Balance at beginning of financial year		1,728,784	3,777,996
Decrease in provision for remediation performed		(998,799)	(1,131,606)
Increase in provision due to change in time	8	1,294	27,051
Decrease in provision due to change in discount rate	5	(217)	(765)
Decrease in estimate of future cost - transfer to materials and services		<u>(650,781)</u>	<u>(943,892)</u>
Balance at end of financial year		<u>80,281</u>	<u>1,728,784</u>

This is the present value of the estimated future costs associated with remediating the Kershaw Gardens following damage caused by Tropical Cyclone Marcia in February 2015. The projected cost is \$81,811 and this cost is expected to be incurred during the 2018/2019 financial year.

**Long service leave**

Balance at beginning of financial year		13,556,537	13,712,778
Long service leave entitlement arising		1,498,230	912,650
Long service entitlement extinguished		(425,871)	(373,879)
Long service entitlement paid		<u>(1,017,181)</u>	<u>(695,012)</u>
Balance at end of financial year		<u>13,611,715</u>	<u>13,556,537</u>

Long service leave is discounted to present value if not expected to be taken within the next financial year.

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>17 Borrowings</b>			
<p>Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost at date of reporting. Principal and interest repayments are made quarterly in arrears.</p> <p>All borrowings are in Australian dollar denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary between 15 December 2022 to 15 June 2032. There have been no defaults or breaches of the loan agreement during the period.</p> <p>In accordance with the <i>Local Government Regulation 2012</i> Council adopts an annual debt policy that sets out Council's planned borrowings for the next ten years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.</p>			
<b>Current</b>			
Queensland Treasury Corporation		<u>20,613,749</u>	<u>19,535,892</u>
		<u>20,613,749</u>	<u>19,535,892</u>
<b>Non-current</b>			
Queensland Treasury Corporation		<u>103,345,245</u>	<u>123,684,882</u>
		<u>103,345,245</u>	<u>123,684,882</u>
<b>Queensland Treasury Corporation</b>			
Opening balance		143,220,774	154,032,120
Loans raised		-	7,041,394
Principal repayments		<u>(19,261,780)</u>	<u>(17,852,740)</u>
Book value at year end		<u>123,958,994</u>	<u>143,220,774</u>

The QTC loan market value for all loans at the reporting date was \$132,312,721. This represents the value of the debt if Council repaid it at 30 June 2018. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

Unsecured borrowings are provided by the Queensland Treasury Corporation.

The Council does not have a bank overdraft facility.

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>18 Asset revaluation surplus</b>			
<p>The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.</p> <p>Increases and decreases on revaluation are offset within a class of assets. Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.</p> <p>When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.</p>			
<b>Movements in the asset revaluation surplus were as follows:</b>			
Balance at beginning of the year		<u>859,205,572</u>	<u>995,009,136</u>
Net adjustment to non-current assets to reflect a change in current fair value:			
Adjustments to surplus from fair value assessment done:			
Buildings - revaluation		(1,471,120)	21,323,284
Road network - revaluation		-	(130,015,162)
Stormwater network - revaluation		-	(27,771,050)
Heritage and Culture - revaluation		493,558	-
Land - indexation		(7,864,302)	-
Site improvements - indexation		2,442,986	-
Impairment:			
Road network - disaster adjustment		-	702,717
Buildings - impairment / disaster adjustment		-	(43,353)
		<u>(6,398,878)</u>	<u>(135,803,564)</u>
Balance at end of the year		<u><u>852,806,694</u></u>	<u><u>859,205,572</u></u>



**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>Asset revaluation surplus analysis</b>			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Land		40,450,485	48,314,787
Site improvements		8,963,943	6,520,957
Buildings		60,408,147	60,645,713
Road network		557,395,062	589,992,445
Stormwater network		30,594,104	2,634,207
Bridge network		6,190,122	1,552,636
Water		51,283,891	51,283,891
Sewerage		69,876,883	69,876,883
Airport		23,992,279	23,992,279
Heritage and cultural assets		<u>3,651,778</u>	<u>4,391,774</u>
		<u>852,806,694</u>	<u>859,205,572</u>

In the current year the following transfers of asset revaluation surplus were processed between asset classes to reflect the transfer of assets between classes in prior financial years:

- \$27,959,896 from Road network to Stormwater network;
- \$4,637,486 from Road network to Bridge network;
- \$1,233,554 from Heritage and cultural assets to Buildings.

**19 Commitments for expenditure**

**Contractual commitments**

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

Regional Services	5,061,117	13,063,302
Communities	13,138,844	25,767,098
Airport	20,741,285	753,865
Waste and Recycling	4,663,383	4,660,595
Fitzroy River Water	2,434,579	957,100
Other	<u>810,440</u>	<u>216,331</u>
	<u>46,849,648</u>	<u>45,418,291</u>

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

Within one year	31,269,173	34,638,814
One to five years	9,929,081	4,239,943
Later than five years	<u>5,651,394</u>	<u>6,539,534</u>
	<u>46,849,648</u>	<u>45,418,291</u>

**20 Events after the reporting period**

There were no material adjusting events after 30 June 2018.

Notes to the financial statements

For the year ended 30 June 2018

Note	2018 \$	2017 \$
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**21 Contingencies**

**Assets**

Council has an agreement with RLX Investment Company Pty Ltd for a lease over Council controlled reserves, known as the Gracemere Saleyards. The lease commenced 1 January 2010 for a period of thirty years. The lessee has agreed as part of the agreement to construct fixtures upon the land for their own purpose. It has been agreed that a sum of approximately \$14 million will be expended in additions and refurbishments over the term of the lease. Council obtaining control of this asset is contingent upon the expiration/surrender of the lease agreement. Until such time that the fixtures revert back to Council control they will not be included in Council's non-current assets.

**Liabilities**

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

(i) Community loans

Under approval from Queensland Treasury, Council has guaranteed a loan to Rockhampton Basketball Inc.

Total Community loans guaranteed by Council:	<u>101,960</u>	<u>125,006</u>
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(ii) Local Government Workcare

The Rockhampton Regional Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise.

The Council's maximum exposure to the bank guarantee is:	<u>1,732,704</u>	<u>1,930,457</u>
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(iii) Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

The financial statements for 30 June 2017 reported an accumulated surplus and it is not anticipated any liability will arise.

	Note	2018 \$	2017 \$
<b>22 Superannuation</b>			
<p>Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009.</p> <p>The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.</p> <p>Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.</p> <p>Technically Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to council's obligations will only be made on the advice of an actuary.</p> <p>The last completed 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." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.</p> <p>No changes have 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.</p> <p>Another actuarial investigation is being conducted as at 1 July 2018. At the time of signing these financial statements this investigation is still in progress.</p> <p>The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:</p> <p>Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.</p> <p>Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.</p> <p>There are currently 72 entities contributing to the scheme and any changes in contribution rates would apply equally to all 72 entities. Council made less than 4% of the total contributions to the plan in the 2017-18 financial year.</p> <p>The amount of superannuation contributions paid by Rockhampton Regional Council to the scheme in this period for the benefit of employees was:</p>			
	6	<u>7,841,055</u>	<u>7,519,122</u>

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>23 Reconciliation of net result attributable to Council to net cash flow from operating activities</b>			
Net result attributable to Council		<u>50,498,582</u>	<u>45,060,412</u>
Non-cash operating items:			
Depreciation and amortisation		51,641,292	50,806,476
Opening work in progress write off		2,009,895	1,821,414
Change in restoration provisions expensed to finance costs		119,383	154,399
Parks remediation provision		<u>(650,781)</u>	<u>(943,892)</u>
		<u>53,119,789</u>	<u>51,838,397</u>
Investing and development activities:			
Capital grants, subsidies and contributions		(49,736,379)	(45,675,266)
Capital income		(99,703)	(666,629)
Capital expenses		<u>11,499,204</u>	<u>9,642,327</u>
		<u>(38,336,878)</u>	<u>(36,699,568)</u>
Changes in operating assets and liabilities:			
Increase in receivables		(610,526)	(3,753,793)
(Increase) / decrease in inventories (excluding land)		(160,892)	107,349
Increase in payables		317,245	719,999
Increase / (decrease) in provisions		26,235	(156,241)
(Decrease) / increase in other liabilities		<u>(229,515)</u>	<u>31,194</u>
		<u>(657,453)</u>	<u>(3,051,492)</u>
Net cash inflow from operating activities		<u><u>64,624,040</u></u>	<u><u>57,147,749</u></u>

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

**24 Reconciliation of liabilities arising from finance activities**

	As at 30 June 2017	Cashflows	As at 30 June 2018
Borrowings	143,220,774	(19,261,780)	123,958,994
	<u>143,220,774</u>	<u>(19,261,780)</u>	<u>123,958,994</u>

**25 Accounting for natural disaster events**

**2015 Cyclone Marcia**

In February 2015, the Rockhampton area experienced Tropical Cyclone Marcia with considerable damage to the botanic assets, some structural damage to roads, buildings and other site improvements and local creek flooding and run off. All restoration works available for Queensland Reconstruction Authority funding were completed in the 2016/17 year with any remaining estimated corrections to previous years being reinstated to the asset values.

**(a) Current Year**

	Note	Cost \$	Accumulated depreciation \$	Asset revaluation \$
Restatement of asset values - impairment no longer required		-	-	-
Reassessment of asset adjustments - minor and moderate damage		-	-	-
Increase in asset values due to 2015 disaster event	14	-	-	-

**(b) Prior Year**

	Note	Cost \$	Accumulated depreciation \$	Asset revaluation \$
Restatement of asset values - impairment no longer required		855,957	153,240	702,717
Reassessment of asset adjustments - minor and moderate damage		84,152	127,505	(43,353)
Increase in asset values due to 2015 disaster event	14	<u>940,109</u>	<u>280,745</u>	<u>659,364</u>

## ROCKHAMPTON REGIONAL COUNCIL

### Notes to the financial statements

For the year ended 30 June 2018

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#### 26 Financial instruments

Rockhampton Regional Council's activities expose it to a variety of financial risks including interest rate risk, credit risk, and liquidity risk.

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Council.

The Council minimised its exposure to financial risk in the following ways:

- Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia.
- The Council does not invest in derivatives or other high risk investments.
- When the Council borrows, it borrows from the Queensland Treasury Corporation (QTC) unless another financial institution can offer a more beneficial rate, taking into account any risk. Borrowing by the Council is constrained by the provisions of the Statutory Bodies Financial Agreements Act 1982.

Rockhampton Regional Council measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method	
Credit risk	Ageing analysis	
Liquidity risk	Maturity analysis	
Market Risk	Sensitivity analysis	

#### Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

#### *Cash and cash equivalents*

The Council is exposed to credit risk through its investments with the QTC and deposits held with banks or other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits with QTC are capital guaranteed. Other investments are held with highly rated and regulated banks and whilst not capital guaranteed, the likelihood of a credit failure is remote.

#### *Trade and other receivables*

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of these debts.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

No collateral is held as security relating to the financial assets held by the Council.

The following table represents the maximum credit risk based on the carrying amounts of financial assets at balance date in relation to each class of recognised financial assets:

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**  
For the year ended 30 June 2018

	Note	2018	2017
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	11	19,461,612	26,930,803
Investments	12	62,000,000	75,000,000
Receivables - rates	13	7,459,911	6,736,561
Receivables - other	13	9,289,415	9,376,091
<b>Other credit exposures</b>			
Guarantees	21	1,834,664	2,055,463
<b>Total</b>		<b>100,045,602</b>	<b>120,098,918</b>

**Past due or impaired**

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

The following represents an analysis of the age of the Council's receivables that are either fully performing, past due or impaired:

	2018	2017
	\$	\$
Fully Performing	7,254,996	7,300,133
Past due 1-30 days	4,769,350	2,782,592
Past due 31-60 days	494,707	445,930
Past due 61-90 days	255,386	48,600
More than 90 days	4,971,791	8,211,215
Impaired	(996,904)	(2,675,818)
<b>Total</b>	<b>16,749,326</b>	<b>16,112,653</b>

**Liquidity risk**

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from the QTC for capital works.

The Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flow. These facilities are disclosed in the borrowings Note 17. There are no additional facilities or lines of credit available.

The following table sets out the liquidity risk of financial liabilities held by the Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date.

	0 to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
	\$	\$	\$	\$	\$
<b>2018</b>					
Payables	12,374,327	-	-	12,374,327	12,374,327
Borrowings - QTC	26,633,306	102,764,374	14,773,413	144,171,093	123,958,994
	39,007,633	102,764,374	14,773,413	156,545,420	136,333,321
<b>2017</b>					
Payables	11,564,411	-	-	11,564,411	11,564,411
Borrowings - QTC	26,633,306	106,533,223	37,637,869	170,804,398	143,220,774
	38,197,717	106,533,223	37,637,869	182,368,809	154,785,185

**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

**Market Risk**

Market risks is the risk that changes in market process, such as interest rate, will affect the Councils income or the value of its holdings of financial instruments.

*Interest rate risk*

The Council is exposed to interest rate risk through its borrowings from the QTC and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing from financial institutions which provide access to a mix of floating and fixed funding sources such that the desired interest rate risk exposure can be constructed. Interest rate risk in other areas is minimal.

The Council does not undertake any hedging of interest rate risk.

*Interest rate sensitivity analysis*

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at balance date.

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

	Net carrying amount		Effect on Net Result		Effect on Equity	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	19,431,036	26,901,723	194,310	269,017	194,310	269,017
Investments	62,000,000	75,000,000	620,000	750,000	620,000	750,000
Borrowings - QTC	(123,958,994)	(143,220,774)	(1,239,590)	(1,432,208)	(1,239,590)	(1,432,208)
<b>Net total</b>	<b>(42,527,958)</b>	<b>(41,319,051)</b>	<b>(425,280)</b>	<b>(413,191)</b>	<b>(425,280)</b>	<b>(413,191)</b>

**Fair Value**

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is disclosed in Note 17.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.



**ROCKHAMPTON REGIONAL COUNCIL**

**Notes to the financial statements**

For the year ended 30 June 2018

**27 National competition policy**

The Council has resolved to commercialise the following activities:

- Waste and Recycling
- Fitzroy River Water
- Airport

Council also applies the Code of Competitive Conduct (CCC) to the following activity:

- Building Certification

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

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

The following activity statements are for activities subject to the Code of Competitive Conduct:

	Building Certification	Fitzroy River Water	Rockhampton Airport	Waste & Recycling
	2018	2018	2018	2018
	\$	\$	\$	\$
Revenue for services provided to Council	3,389	8,032	-	102,326
Revenue for services provided to external clients	124,790	64,518,615	15,883,340	17,935,754
Community service obligations	167,646	748,208	309,680	1,802,595
	295,825	65,274,855	16,193,020	19,840,675
Less : expenditure	295,825	57,398,161	15,280,018	15,765,376
Surplus/(deficiency)	-	7,876,694	913,002	4,075,299

Community Service Obligations were paid during the reporting period to the following activities:

Activities	CSO description	Net cost
		\$
Building Certification	Non-commercial private certification services	167,646
Fitzroy River Water	Remissions to community & sporting bodies - water	37,532
	Undetected Leak Rebates - water	110,000
	Combined line charges (operating)	121,724
	Remissions to community & sporting bodies - sewerage	84,381
	Combined line charges (capital)	84,623
	Raising manholes (capital)	309,948
		748,208
Rockhampton Airport	Capricorn Rescue Helicopter Service	102,609
	Royal Flying Doctor Service	120,834
	Patient Travelling Subsidy Scheme	86,237
		309,680
Waste and Recycling	Roadside bin operations (collection)	95,877
	Roadside bin operations (cleanup)	244,170
	Roadside bin disposal costs	168,590
	Boat ramp services	3,782
	Old landfill maintenance works	143,986
	Regulated waste disposal	221,398
	Charity waste policy	50,832
	Green waste	804,848
	Clean-up Australia	48
	Waste education	24,781
	Waste audit	44,283
		1,802,595

## ROCKHAMPTON REGIONAL COUNCIL

### Notes to the financial statements

For the year ended 30 June 2018

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#### 28 Controlled entities that have not been consolidated

These entities are not consolidated because their size and nature means that it is not material to Council's operations.

A summary of Council's controlled entities, their net assets and results for the year ended 30 June 2018 follows:

##### Controlled Entities - Financial Results:

Controlled Entity	Receipts		Disbursements		Net (deficit) / surplus		Assets		Liabilities	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
CQ Performing Arts Foundation	-	1,334	-	1,160	-	174	-	-	-	-

The CQ Performing Arts Foundation wound up in December 2016. All of the Foundation's assets were transferred to the Friends of the Theatre Rockhampton Inc. Friends of the Theatre enhance the experience of patrons attending the Pilbeam Theatre by providing volunteers that act as front of house and other services at performances.

Rockhampton Aviation Services Pty Ltd is a proprietary company that is limited by shares and was incorporated on the 24 November 2017. Rockhampton Regional Council is the sole member. The Company was formed to provide limitation of liability to Rockhampton Regional Council in any aviation ventures. At the reporting date, the company remains dormant.

## ROCKHAMPTON REGIONAL COUNCIL

### Notes to the financial statements

For the year ended 30 June 2018

#### 29 Transactions with related parties

##### (a) Transactions with Key Management Personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and some executive management. The compensation paid to KMP for 2017/18 comprises:

Details of benefits	2018 \$	2017 \$
Short-term employee benefits	2,268,817	2,356,545
Post-employment benefits	257,973	239,540
Long-term benefits	178,333	117,996
Termination benefits	-	87,785
<b>Total</b>	<b>2,705,123</b>	<b>2,801,866</b>

Detailed remuneration disclosures are provided in the annual report.

##### (b) Transactions with other related parties

Other related parties include the close family members of KMP and any entities under significant influence by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

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

Details of transactions	Note	2018 \$	2017 \$
Fees and charges charged to other related parties	29(b)(i)	18,838	12,305
Employee expenses for close family members of key management personnel	29(b)(ii)	80,897	38,375
Purchase of materials and services from other related parties	29(b)(iii)	344,000	459,436

(i) The fees and charges charged to entities controlled by key management personnel were on an arms length basis in accordance with the schedule of fees and charges adopted by council. The fees and charges were in relation to leases, trade waste permits, plumbing application, private works and administration services.

(ii) All close family members of key management personnel were employed through an arms length process. They are paid in accordance with the Award for the job they perform. Council employees 884 Staff of which 2 are close family members of key management personnel.

(iii) Council purchased the following materials and services from related parties. All purchases were at arm's length and were in the normal course of Council operations:

## ROCKHAMPTON REGIONAL COUNCIL

### Notes to the financial statements

For the year ended 30 June 2018

Details of materials and services purchased	2018 \$	2017 \$
Hospitality services	5,639	2,566
Donations	10,595	4,082
Trade services with Swadling Painting Contractors	316,331	447,313
Supply of materials	11,435	5,475
<b>Total</b>	<b>344,000</b>	<b>459,436</b>

Council entered into contracts with Swadling Painting Contractors, a company owned by a close family member of Cr Rose Swadling during 2017/2018. Contracts were awarded for the provision of Trade Services for the periods 1 March 2017 to 28 February 2018 and 1 March 2018 to 28 February 2019 based on a schedule of rates. A separate contract was awarded for the painting of Archer Park Rail Museum for the period of 24 August 2017 to 17 November 2017 for a value of \$159,495. Both contracts were awarded in accordance with Council's normal purchasing policies, procedures and Local Government legislative requirements.

#### (c) Outstanding balances

There are no material balances outstanding at the end of the reporting period in relation to transactions with related parties.

#### (d) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

#### (e) 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 Rockhampton Regional Council area. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties.

Some examples include:

- Payment of rates
- Use of regional swimming pools
- Dog 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.

**ROCKHAMPTON REGIONAL COUNCIL**

**Financial statements**

For the year ended 30 June 2018

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**Management Certificate**

For the year ended 30 June 2018

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, as set out on pages 1 to 43, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



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M.F. Strelow  
**Mayor**

Date: 28 September 2018



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E.A. Pardon  
**Chief Executive Officer**

Date: 28 September 2018

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Rockhampton Regional Council

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Rockhampton Regional Council (the Council).

In my opinion, the financial report:

- a) gives a true and fair view of the Council's financial position as at 30 June 2018, and of its 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 statement of financial position as at 30 June 2018, the statement of comprehensive income, statement 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 management certificate given by the Mayor and the 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 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 the Rockhampton Regional Council annual report for the year ended 30 June 2018, 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 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 Council.

### **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 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 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 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 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 Council to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the Council. 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 2018:

- 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.



John Welsh  
as delegate of the Auditor-General

9 October 2018

Queensland Audit Office  
Brisbane



## ROCKHAMPTON REGIONAL COUNCIL

### Current-year Financial Sustainability Statement

For the year ended 30 June 2018

#### Measures of Financial Sustainability

Council's performance at 30 June 2018 against key financial ratios and targets:	How the measure is calculated	Actual - Council	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	6.2%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	95.0%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	37.5%	not greater than 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 general purpose financial statements for the year ended 30 June 2018.

#### Certificate of Accuracy For the year ended 30 June 2018

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.



M.F. Strelow  
Mayor

Date: 28 September 2018



E.A. Pardon  
Chief Executive Officer

Date: 28 September 2018

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Rockhampton Regional Council

### Report on the Current Year Financial Sustainability Statement

#### Opinion

I have audited the accompanying current year statement of financial sustainability of Rockhampton Regional Council for the year ended 30 June 2018 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 Rockhampton Regional Council for the year ended 30 June 2018 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 Rockhampton Regional Council's annual report for the year ended 30 June 2018, 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.



9 October 2018

John Welsh  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

**ROCKHAMPTON REGIONAL COUNCIL**

**Unaudited Long-Term Financial Sustainability Statement**  
Prepared as at 30 June 2018

Measures of Financial Sustainability	Measure	Target	Predicted for the years ended:									
			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	30 June 2027
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	6.2%	-0.9%	1.1%	1.4%	2.4%	3.0%	3.4%	4.0%	4.4%	4.8%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	95.0%	133.8%	81.5%	68.8%	67.5%	73.2%	66.0%	66.9%	72.8%	70.8%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	37.5%	67.5%	71.3%	66.6%	61.5%	59.0%	51.3%	45.0%	37.9%	30.9%

**Council's Financial Management Strategy**

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

**Certificate of Accuracy**

**For the long-term financial sustainability statement as at 30 June 2018**

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.



M.F. Strelow  
**Mayor**  
Date: 28 September 2018



E.A. Pardon  
**Chief Executive Officer**  
Date: 28 September 2018

## **COMMERCIAL BUSINESS UNITS**

### **FITZROY RIVER WATER (s190(2) LGR 2012)**

Annual statement on operations of Fitzroy River Water

#### **Nature and Scope of Activities**

Fitzroy River Water (FRW) is a commercial business unit of Council and is responsible for operating and maintaining water and sewerage assets totaling approximately \$522.0M.

General functions of these assets include the storage and supply of raw water for urban, commercial and agricultural purposes, treating and distributing potable water for urban and industrial use and the collection and treatment of sewage and discharge of treated effluent or supply of recycled water.

Broadly, the scope of FRW (based upon the 2017-18 financial year) is as follows:

<b>Item</b>	<b>\$M</b>
Total income (operating)	\$65.4M
Total expenses (operating)	\$35.8M

#### **Annual Operations Report**

Financial Indicators

<b>Item</b>	<b>2017-18 Target</b>	<b>2017-18 Achieved</b>
Operating surplus ratio	45.0%	45.3%
Interest coverage ratio	20 times	5.6 times
Asset sustainability ratio	93.8%	88.7%
Gross revenue	\$64,829,686	\$65,448,489
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	\$44,944,896	\$45,056,033
Competitive neutrality ratio (% of gross revenue)	32.8%	32.2%
Depreciation ratio	21.1%	20.2%
Total written down asset value	\$555,866,645	\$522,036,367
Return on assets	5.2%	5.1%

#### **Financial Performance**

##### **Operational**

FRW raised operational income of \$65.4 million with the majority raised through utility charges. Operating revenue in the 2017-18 financial year has increased by 3.80% from the 2016-17 financial year. Utility charges realised an increase of 5.12%, with water consumption charges increasing by 6%, yielding 2% above rate increases due to normalising consumption patterns after Tropical Cyclone Debbie. Some other revenue streams were impacted by downturn in construction and other market alternatives.

Operational expenditure for the 2017-18 financial year was \$35.8 million, which has decreased slightly from the 2016-17 financial year.

Employee costs, materials and services and depreciation continually remain to be the largest portion of expenditure for FRW each year. All of these expenditure streams have remained fairly static and the slight decrease in expenditure is due to lower finance costs as a result of paying down debt and not drawing new loans to fund capital expenditure.

## Net Result Attributable to Fitzroy River Water

FRW net result before tax, a surplus of \$34.6 million, is the difference between total income and total expenditure. Included in the total income and total expenditure are items of capital revenue and capital expenditure which fluctuate from year to year. After appropriations (payment of return to Council, transfers of capital income and expenditure and income tax payment), the increased movement in FRW's community equity amounted to \$12.8 million in the 2017-18 financial year.

## Capital

Total capital expenditure for the 2017-18 financial year was \$23.0 million including debt redemption. Extensive refurbishment programs of underground water and sewerage assets were undertaken and also construction of new aboveground infrastructure was prominent.

The year saw the commencement and/or completion of the following projects:

- Completion of Reservoir access upgrades;
- Continuation of Yaamba Road 600mm water pipeline relocation and renewal;
- Completion of Glenmore Water Treatment Plant SCADA system upgrade and new chemical oxidation treatment process;
- Completion of first extension of Stage 3 gravity mains of the Mount Morgan sewerage expansion and continuation of further extensions, rising main and Sewerage Pump Station;
- Continuation of the Glenmore Water Treatment Plant electrical and control renewal;
- Completion of the Mount Morgan Water and Sewage Treatment Plant UV disinfection, and Water Treatment Plant chemical dosing renewals;
- Completion of the North Rockhampton Sewerage Pump Stations No.1 and No. 2 complete electrical and mechanical renewal;
- Continuation of mechanical dewatering at the Gracemere Sewage Treatment Plant;
- Completion of Rogar Avenue Reservoir rechlorination upgrade;
- Continuation of North Rockhampton Sewage Treatment Plant complete electrical renewal and aerator replacement;
- Continuation of South Rockhampton Sewage Treatment Plant methane flaring system and primary & secondary sludge pump renewal;
- Continuation of the installation of a sewer rising main to allow transfer of West Rockhampton Sewage Treatment Plant inflows to the South Rockhampton Sewage Treatment Plant;
- Completion of several smaller sewerage pump station electrical renewals and continuation of electrical/control upgrades;
- Continuation of the refurbishment of the sewerage network; and
- Continuation of the replacement of water mains.

## Directions the Local Government gave the Unit – Non Commercial Directives

Community Service Obligations (CSO) arise as a result of FRW receiving a direction from Council (RRC) to undertake activities that would generally be considered not to be in the interests of a commercial entity to undertake. The amount attributed to CSO reflects the value of the non-commercial concessional benefit provided by the business to the community. This is equal to either the cost of providing the service less any attributable revenue received or, alternatively, the benchmarked cost of providing the service less any attributable revenue received where the benchmark has been obtained from equivalent service providers.

The following table summarises the types of CSO revenue received by FRW during the 2017-18:

Water	
Remissions to Community and Sporting Bodies	\$37,532
Undetected Leak Rebates	\$110,000

<b>Sewerage</b>	
Combined Line Charges (expenses)	\$121,724
Combined Line Charges (capital)	\$84,623
Raising Manholes (capital)	\$309,948
Sporting Bodies Sewerage Access	\$84,381
<b>TOTAL</b>	<b>\$748,208</b>

The following CSO were funded by a contribution from Council to FRW:

<b>WATER</b>	<b>OBJECTIVE</b>
Other Rate Remissions	RRC upon review of applications, at times grants remissions for Water Charges. These amounts are then claimed as a CSO by FRW.
Undetected Leak Rebates	A resolution dated 23 May 2017 states that "the implementation of the Undetected Leak Rebate Policy for both residential and commercial customers be identified as a CSO to the amount of \$110,000 per annum".
Sporting Bodies Rate Remissions	RRC upon review of applications, at times grants remissions for Water Charges. These amounts are then claimed as a CSO by FRW. Refer to Council Rate Rebates and Remissions Policy.

<b>SEWERAGE</b>	<b>OBJECTIVE</b>
Combined Line Charges (expenses)	A resolution dated 22 June 1999 states that "Council continue its current policy of maintaining combined line house drains and fund all such work carried out by
Combined Line Charges (Capital)	Further to the above resolution regarding the maintenance of combined lines, FRW has begun a full replacement program of these assets. As a result the cost of the replacement of these Combined Lines also constitutes a CSO and the full cost incurred is claimed.
Raising Manholes (Capital)	A resolution dated 29 May 2000 states that "FRW carries out the raising of sewerage manholes and claims this as a CSO".
Sporting Bodies Rate Remissions	RRC upon review of applications, at times grants remissions for Sewerage Charges. These amounts are then claimed as a CSO by FRW. Refer to Council Rate Rebates and Remissions Policy.
Other Rate Remissions	RRC upon review of applications grants remissions for Sewerage Charges. These amounts when remitted are then claimed as a CSO by FRW.

### **Asset Management**

FRW has been working with Council's Assets team to review and update Asset Management Plans (AMP) for water and sewerage infrastructure in accordance with the requirements of the *Local Government Act 2009*. The purpose of this planning is to develop a long term strategy for the management of water and sewerage infrastructure to ensure the safe and reliable provision of water and sewerage service for the community.

The AMP provides details of the current condition and value of water and sewerage assets as well as forecasting the required future investment to ensure continued safe and reliable operation. The AMP also describes the performance of water and sewerage infrastructure against the adopted Customer Service Standards (CSS) which define the standard of service provided to customers. A summary of FRW's performance in meeting the targets and CSS is provided in this report along with additional supporting information where performance targets have not been met.



## Comparison with Annual Performance Plan

Water Services Performance

### Water - Day to Day Continuity

CSS Reference	Performance indicator	Potable Water Schemes						Potable Water Schemes					
		Rockhampton and Gracemere Water Supply Scheme Number of access charges - 38,032 as at January 2018						Mt Morgan Water Supply Scheme Number of access charges - 1,510 as at January 2018					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS1	Extent of unplanned interruptions - connections based (no. per 1,000 connections per year)	9	12	32	14	<80	67	22	1	3	17	<80	43
CSS2	Extent of unplanned interruptions - incidents based (no. per 100 km of main per year) Rockhampton and Gracemere 769 km Mt Morgan 71 km	9	13	18	12	<30	52	1	1	1	6	<30	9
CSS3	Time for restoration of service - unplanned interruptions (% restored within 5 hours)	100%	94%	100%	96%	>90%	98%	ND	100%	100%	ND	>90%	100%
CSS4	<b>Customer interruption frequency:</b>												
	1 interruption per year	1.21%	1.60%	3.43%	2.22%	12%	8.46%	2.90%	2.78%	0.59%	1.72%	12%	7.99%
	2 interruptions per year	0.00%	0.09%	0.24%	0.28%	2%	0.61%	ND	0.59%	0.00%	ND	2%	0.59%
	3 interruptions per year	ND	ND	ND	ND	1%	0.00%	ND	ND	ND	ND	1%	0.00%



## Adequacy and Quality of Normal Supply of Water Supply

CSS Reference	Performance indicator	Potable Water Schemes						Potable Water Schemes					
		Rockhampton and Gracemere Water Supply Scheme Number of access charges – 38,032 as at January 2018						Mt Morgan Water Supply Scheme Number of access charges - 1,510 as at January 2018					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS8	Minimum pressure standard at the water meter (kPa)	220	220	220	220	220 kPa	220	220	220	220	220 kPa	220	
CSS9	Minimum flow standard at the water meter	9	9	9	9	9 L/min	9 L/min	9	9	9	9	9 L/min	9 L/min
CSS10	Connections with deficient pressure and/or flow (% of total connections)	0.3%	0.3%	0.3%	0.3%	<2.5%	0.3%	2.0%	2.0%	2.0%	2.0%	<2.5%	2.0%
CSS11	Drinking water quality (compliance with industry standard)	100%	100%	100%	100%	>98%	100%	100%	100%	100%	100%	>98%	100%
FRW's Drinking Water Quality Management Plan identifies the following key water quality parameters as reference indicators for customer service purposes: Physical and Chemical Water Quality Parameters - Target: >99% of all samples tested compliant with Australian Drinking Water Guidelines and E.coli - Target: None detected in >98% of all samples tested													
CSS12	Drinking water quality complaints (number per 1,000 connections)	0.21	0.18	0.37	0.24	<5	1	2.65	0.66	3.31	0.66	<5	7.28
CSS13	Drinking water quality incidents (number per 1,000 connections)	0	0	0	0	<5	0	0	0	0	0	<5	0

## Long Term Continuity of Water Services

CSS Reference	Performance indicator	Potable Water Schemes						Potable Water Schemes					
		Rockhampton and Gracemere Water Supply Scheme Number of access charges – 38,032 as at January 2018						Mt Morgan Water Supply Scheme Number of access charges - 1,510 as at January 2018					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS14	Water main breaks (number per 100 km main) Rockhampton and Gracemere 769 km Mt Morgan 71 km	3	2	2	5	<40	12	4	4	1	1	<40	10
CSS15	Water services breaks (number per 1,000 connections)	4	4	6	5	<40	19	4	8	8	17	<40	37
CSS16	System water loss (litres per connection per day)	170	106	151	83	< 200 L	128	164	157	183	130	< 200 L	159

## Effective Transportation of Sewage

CSS Reference	Performance indicator	Sewerage Schemes						Sewerage Schemes					
		Rockhampton and Gracemere Sewerage Scheme Number of access connections – 51,209 as at January 2018						Mt Morgan Sewerage Scheme Number of access connections – 522 as at January 2018					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year Date to	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year Date to
CSS17	Sewage overflows – total (number per 100 km main) Rockhampton and Gracemere 740 km Mt Morgan 13 km	2.16	12.03	4.05	4.19	<30	22.43	ND	ND	ND	ND	<10	0
CSS18	Sewage overflows to customer property (number per 1,000 connections)	1.57	1.74	0.59	1.64	<10	5.54	ND	ND	ND	ND	<5	0
CSS19	Odour complaints (number per 1,000 connections)	0.14	0.14	0.25	0.04	<1	0.57	0	0	1.9	0	<1	1.9
CSS20	<b>Response time</b>												
	<b>Priority 1</b> – 1 hour response	88%	94%	90%	85%	>95%	89%	ND	ND	ND	ND	>95%	100%
	<b>Priority 2</b> – 2 hours response	98%	98%	100%	95%	>95%	98%	ND	ND	ND	ND	>95%	100%
	<b>Priority 3</b> – 24 hours response	100%	100%	100%	100%	>95%	100%	ND	ND	ND	ND	>95%	100%
	<b>Restoration time</b>												
	<b>Priority 1</b> – 5 hours restoration	94%	97%	100%	97%	>95%	97%	ND	ND	ND	ND	>95%	100%
	<b>Priority 2</b> – 24 hours restoration	100%	99%	100%	100%	>95%	100%	ND	ND	ND	ND	>95%	100%
	<b>Priority 3</b> – 5 days restoration	100%	98%	100%	100%	>95%	100%	ND	ND	ND	ND	>95%	100%

## Long Term Continuity of Sewerage Services

CSS Reference	Performance indicator	Sewerage Schemes						Sewerage Schemes					
		Rockhampton and Gracemere Sewerage Scheme Number of access connections – 51,209 as at January 2018						Mt Morgan Sewerage Scheme Number of access connections - 522 as at January 2018					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS21	Sewer main breaks and chokes (number per 100 km main) Rockhampton and Gracemere 740 km Mt Morgan 13 km	3.92	5.27	3.65	11.35	<50	24.19	ND	ND	ND	ND	<20	0
CSS22	Sewer inflow and infiltration (ratio of Peak Day Flow to Average Day Flow)	1.15	4.17	2	1.17	<5	2.12	2.4	1.55	1.4	1.47	<5	1.71

### Reference Codes

A blank field should contain one of the following:

- a. 0 (zero)
- b. ND (no data is available, although the indicator is relevant)
- c. NR (not relevant; the indicator is not relevant to that scheme)

## Customer Service Standards

A summary of the additional performance indicators and targets set out in FRW's CSS and actual performance is outlined below. Where performance has not met the minimum targets set, commentary is provided qualifying the data.

### Customer Service Targets

Performance indicator	1st qtr	2nd qtr	3rd qtr	4th qtr	Target	Year to Date
Installation of new water connections (within the water service area)	90%	86%	93%	91%	15 working days	90%
Installation of sewerage connections (within the sewerage area)	62%	67%	71%	75%	15 working days	69%
Complaints – (excluding maintenance of water and sewerage services) – advise outcome	100%	100%	100%	100%	20 working days	100%

### Financial Performance Targets

Performance indicator	1st qtr date reported	2nd qtr date reported	3rd qtr date reported	4th qtr date reported	Target
RRC Operational Plan Reporting Frequency: quarterly	03/11/2017	30/01/2018	05/04/2018	16/07/2018	Initiatives successfully completed by year end
Operating Budget Reporting Frequency: quarterly or when variations arise	30/09/2017	31/12/2017	31/03/2018	30/06/2018	Conduct all activities in accordance with required timelines and budget
Annual Revenue Reporting Frequency: quarterly or when variations arise	30/09/2017	31/12/2017	31/03/2018	30/06/2018	Timely reporting of any significant variations to budget revenue and
Capital Works Reporting Frequency: quarterly or when variations arise	30/09/2017	31/12/2017	31/03/2018	30/06/2018	Completion of capital program in accordance with adopted timeframe and budget (within 3%)

### Reference Codes

A blank field should contain one of the following:

- 0 (zero)
- ND (no data is available, although the indicator is relevant)
- NR (not relevant; this indicator is not relevant to that scheme)

## Non Compliance Comments

CSS Reference	Scheme	Comment
CSS2	Rockhampton and Gracemere Water Supply Scheme	<b>Response</b> A total of 93 unplanned incidents affecting 529 connections for the quarter has contributed to this result. Larger scale unplanned interruptions during the last three quarters has influenced this result dramatically.
CSS5	Rockhampton and Gracemere Water Supply Scheme	<b>Response</b> A total of 93 unplanned incidents affecting 529 connections for the quarter has also contributed to this result. Larger scale unplanned interruptions, along with a reduction in planned interruptions has influenced this result dramatically. The reduction of planned interruptions is a result of a number of trunk water main projects currently in progress, these trunk projects tend to have minimal network connections causing
CSS7	Rockhampton and Gracemere Water Supply Scheme	<b>Response</b> P2 - Total of 278 requests and 265 restored within 24 hour restoration time for the year <b>Restoration</b> P1 - Total of 137 requests and 111 restored within 5 hour restoration time for the year.
CSS7	Mount Morgan Water Supply Scheme	<b>Response</b> P2 -Total of 14 requests and 13 restored within 24 hour restoration time for the year. The yearly average has decreased due to increased response times for 3rd quarter.
CSS12	Mount Morgan Water Supply Scheme	<b>Response</b> A total of 11 water quality complaints were received in Mount Morgan during the year. Although this is a small number of complaints it represents a non-compliance when calculated as a number of complaints per 1000 connections due to the low number of connections in Mount Morgan.
CSS19	Mount Morgan Water Supply Scheme	<b>Response</b> One sewer odour complaint was received during the year. As there are fewer than 1000 sewer connections in Mount Morgan, one complaint is enough to exceed the compliance target.
CSS20	Rockhampton and Gracemere Water Supply Scheme	<b>Response</b> P1 -Total of 106 requests with 102 being responded to within the 1 hour response time. Continued prioritisation of requests may be a reason for this increased response time.



## Water Supply (Safety and Reliability) Act 2008

In accordance with the *Water Supply (Safety and Reliability) Act 2008*, FRW has an approved Drinking Water Quality Management Plan (DWQMP) to manage the ongoing safe and reliable supply of drinking water to the community. Each year FRW reviews the DWQMP and completes and publishes an annual report that documents the performance of the drinking water schemes against national standards, state regulatory targets and the objectives outlined in the DWQMP. FRW continues to review and update important plan documents that describe the strategies associated with asset management, drought management, trade waste management and system leakage management. Together these activities help to ensure long term safe and reliable provision of water and sewerage services. FRW also undertakes the various significant activities associated with the safe management of the Mount Morgan No. 7 Dam which is a referable dam that supplies water to the Mount Morgan community.

As a business unit of Council, FRW provides the following services:

### Overview of Services

Type	Scheme Name
Potable Water	Rockhampton Water Supply Scheme (including Gracemere) Mount Morgan Water Supply Scheme
Recycled Water Scheme	Gracemere Recycled Water Scheme Mount Morgan Recycled Water Scheme. North Rockhampton Recycled Water Scheme
Irrigation / Other Scheme	Fitzroy Barrage Water Supply Scheme (Raw water scheme)
Sewerage	North Rockhampton Sewerage Scheme South Rockhampton Sewerage Scheme West Rockhampton Sewerage Scheme Gracemere Sewerage Scheme Mount Morgan Sewerage Scheme

### Customer Service Standards Processes

#### Service Connections

##### Water

FRW aims to install all new connections in the Water Service Area within 15 working days of approval of the application and payment of the related fee; or by the installation date agreed with the customer outside the 15 day period.

A standard fee for water connections applies within each scheme. An application may be made for water connections to properties outside the Water Service Area. If approved, the applicant will be required to meet all associated costs.

##### Sewerage

A standard sewerage connection is provided free to each property within existing sewered areas. Any additional connection or reconnection where a service is removed will incur the appropriate fee. Where a request is made for a sewerage connection outside the sewered area, FRW will assess if it is practical to make the service available or if the Sewerage Scheme should be extended. The applicant will be required to meet all associated costs where it is a connection outside an existing sewered area and, in the case of the extension of a Sewerage Scheme; FRW will assess the costs to be apportioned amongst the relevant property owners.

FRW aims to install all new sewerage connections within the sewered area within 15 working days of approval of the application and payment of the related fee or by the installation date agreed with the customer outside the 15 day period.

##### Trade Waste Services

Trade waste is any wastewater that is acceptable either treated or untreated for discharge to sewer. Trade waste specifically excludes any sewage discharged from private residential premises. A customer may discharge trade waste into the sewerage system provided the customer has first entered into a Trade Waste Agreement with FRW and in accordance with the Trade Waste Environmental Management Plan.

## Metering and Billing

Water consumption bills are individually and independently issued by FRW on a quarterly basis. FRW's water access and sewer charges are integrated with Council rate notices which are issued twice a year.

## Accounting

If a customer is over charged, the amount over charged will be credited to the customer's next bill or refunded at the customer's request. If a customer is under charged, the next account will be adjusted or an additional payment will be required.

Customers who choose to pay their account in full, including arrears and interest accrued daily (if any), by the date specified, will receive a discount on current half yearly rates and utility charges excepting water consumption charges on which there is no discount applicable.

Payment can be made in the following manner:

- BPAY;
- Mail;
- Direct debit;
- Australia Post;
- Personal payment to Council – payments can be made at a Customer Service Centre or through Council's website; or
- Phone – Call 1300 BPOINT.

Customers who hold a Pensioners Concession Card or a Department of Veterans' Affairs Card are eligible for government funded concessions on rates and utility charges only.

## Complaints

All complaints received regarding maintenance of water and sewerage services will be acted upon to meet the stated performance indicators. Other complaints will be investigated and FRW will endeavour to advise of the outcome within 20 working days.

## Dispute Resolution

Customers not satisfied with FRW's response to an enquiry or complaint, can address their concerns in writing to the Chief Executive Officer at:

Chief Executive Officer Rockhampton Regional Council PO Box 1860  
Rockhampton QLD 4700

Customers not happy with the response at this point, may raise their concerns with the Queensland Ombudsman's Office on (07) 3005 7000 or toll free 1800 068 908.

## **Review of Customer Service Standards**

Legislation requires service providers to review the CSS every year. FRW's performance against financial and non-financial targets and key strategies are reported to Council on a quarterly basis in accordance with the adopted 2016-17 Performance Plan. The Annual Performance Plan report as at 30 June 2017 was presented to Council with the CSS and adopted on 11 July 2017.

The CSS will be reviewed in the current period. The current CSS are available under the FRW section on Council's website.

## ROCKHAMPTON REGIONAL WASTE & RECYCLING (s190(2) LGR 2012)

Annual statement on operations of Rockhampton Regional Waste and Recycling

### Nature and Scope of Activities

Rockhampton Regional Waste and Recycling (RRWR) is a commercial business unit of Council and is responsible for the operation and maintenance of waste and recycling assets totalling approximately \$44.3 million (replacement value).

General functions of these assets include the provision of waste collection points for the bulk transport of waste to landfill and the provision of 'airspace' to receive the Region's waste in an environmentally sound process and associated recycling and reuse support facilities.

Broadly, the scope of RRWR (based upon the 2017-18 financial year) is as follows:

Item	RRWR
Total Income (operating)	\$19.8M
Total Expenses (operating)	\$14.3M
Number of staff	36
Properties served– General Waste	31,762
Properties served– Recycling	31,635
Total waste to Landfill – including kerbside waste collection but not including cover material and green waste (tonnes)	58,094
Kerbside Waste Collected (tonnes)	22,056
Kerbside Recycling Collected (tonnes)	5,240
Landfills	1
Transfer Stations (manned), including Lakes Creek Road	5
Roadside Bin Stations	6
Trench Stations (1), Enclosed Wheelie Bin Collection Points(1), Bank of Bins (1)	3

### Annual Operations Report

Financial Indicators

Item	2017-18 Target	2017-18 Achieved
Operating Surplus Ratio	20.0%	27.8%
Interest Coverage Ratio	7.77x	2.515
Asset Sustainability Ratio	90.0%	5.3%
Depreciation Ratio	5.3%	5.3%

## Comparison with Annual Performance Plan

### Non-Financial Performance Targets

CSS Reference	Performance Indicator	Target	Rockhampton Region
WCSS1	Weekly collection of domestic waste on the same day every week	98%	99.96%
WCSS2	Weekly collection of commercial waste	95%	99.96%
WCSS3	Fortnightly collection of domestic recyclable waste	98%	99.90%
WCSS4	Fortnightly collection of commercial recyclable waste	98%	99.90%
WCSS5	Missed service collection provided within two working days from notification when notification is within one working day of scheduled collection	95%	75.35%
WCSS6	Collection services will be made available within four working days upon application by the owner	98%	71.24%
WCSS7	Provision of assisted services within ten working days from application by the resident	100%	75.90%
WCSS8	Repair or replacement of stolen, removed, damaged, vandalised mobile bins within four working days from notification	100%	76.17%

WCSS5, 6, 7, 8 are low percentages due to incorrect data reporting within Corporate Applications, this has been rectified in the last four months of the year. For 2018 / 2019 we do not see any issues.

### Financial Performance Targets

Performance Indicator	Target	1st qtr date reported	2nd qtr date reported	3rd qtr date reported	4th qtr date reported
RRC Operational Plan Reporting Frequency: quarterly	Initiatives successfully completed by year end	Reported monthly			
Operating Budget Reporting Frequency: quarterly or when variations arise	Conduct all activities in accordance with required timelines and budget	30/09/2017	31/12/2017	31/03/2018	30/06/2018
Annual Revenue Reporting Frequency: quarterly or when variations arise	Timely reporting of any significant variations to budget revenue and collection timing	30/09/2017	31/12/2017	31/03/2018	30/06/2018
Capital Works Reporting Frequency: quarterly or when variations arise	Completion of capital program in accordance with adopted timeframe and budget (within 3%)	30/09/2017	31/12/2017	31/03/2018	30/06/2018

## Review of Customer Service Standards

Legislation requires service providers to review the CSS every year. RRWR's performance against financial and non-financial targets and key strategies are reported to Council on a monthly basis.

## Financial Performance

### Operational(Continuing Operations)

RRWR raised operational income of \$19.8 million, including internal charges revenue, with the majority raised through utility and landfill fees and charges.

Operating revenue in the 2017-18 financial year is higher than the 2016-17 financial year by 3.9%, which is attributed to higher utility charge revenue and higher fees and charges revenue received for the 2017-18 year in comparison to 2016-17.

Operational expenditure for the 2017-18 financial year amounted to \$14.3 million which does not include capital expenditure and company tax equivalents.

Materials and services and employee costs formed the largest portion of expenditure for RRWR in the financial period. Expenditure incurred for materials and services (64%) is essential in providing critical waste services to the community and maintaining RRWR property, plant and equipment. RRWR also supports a medium sized in-house workforce in order to provide and maintain these services for today and into the future with employee costs being 22% of operational expenditure.

### Net Result Attributable to Rockhampton Regional Waste and Recycling

RRWR net result of \$5.1 million before income tax is the difference between total income and total expenditure. Included in the total income and total expenditure are items of capital revenue and capital expenditure which fluctuate from year to year. After appropriations (payment of return to Council, transfers of capital income and expenditure) the increase in RRWR's retained surplus was \$3.9million.

## Capital

Total capital expenditure for the 2017-18 financial year was \$3.1 million which fell short of the capital program budgeted of \$ 4.5 million.

The year saw the commencement and/or completion of the following projects:

- Continuation of the LCR life extension project
- Continuation of capping of Gracemere Landfill and Stage 1 of LCR Landfill
- Continuation of the rubbish bin replacement program
- Commencement of water evaporation system on LCR ponds
- Installation of storm water outlets at the WTS
- Completion of the LCR carpark upgrade project
- Completion of LCR pedestrian footpath and external staircase into WTF

### Directions the Local Government gave the Unit – Non Commercial Directives

CSO's arise as a result of RRWR receiving a direction from Council to undertake activities that would generally be considered not to be in the interests of a commercial entity to undertake. The amount attributed to CSO's reflects the value of the non-commercial concessional benefit provided by the business to the community. This is equal to either the cost of providing the service less any attributable revenue received or, alternatively, the benchmarked cost of providing the service less any attributable revenue received where the benchmark has been obtained from equivalent service providers.

The following table summarises the types of CSO revenue received by RRWR during the 2017-18 financial year:

DESCRIPTION	ACTUAL COST
Roadside Bin Operations	\$ 508,637

Boat ramp services	\$ 3,782
Old Landfill Maintenance Works	\$ 143,986
Regulated waste disposal	\$ 221,398
Charity Waste Policy	\$ 50,832
Green Waste Processing	\$ 804,848
Clean-up Australia	\$ 48
Waste Education	\$ 24,781
Waste Audit	\$ 44,283
<b>TOTAL CSO</b>	<b>\$1,802,595</b>

In accordance with Council's Community Service Obligation Policy, the following requests have been approved:

<b>Authorised Group</b>	<b>Date</b>	<b>Limit</b>	<b>Ex</b>
Anglicare Central Queensland Limited	01/07/2017	60 tonne	30/06/2018
Australian Red Cross	01/07/2017	½ tonne	30/06/2018
Lifeline Central Queensland	01/07/2017	250 tonne	30/06/2018
St Vincent de Paul Society Queensland	01/07/2017	120 tonne	30/06/2018
The Salvation Army	01/07/2017	120 tonne	30/06/2018
The Umbrella Network	01/07/2017	3 tonne	30/06/2018
Rockhampton Women's Shelter	01/07/2017	10 tonne	30/06/2018
Cancer Council - Relay for Life	19/02/2018	6 tonne	30/06/2018
Gavial Creek Rodeo & Camp draft Association	10/05/2017	2 tonne	30/06/2018
Care & Share Rockhampton	01/07/2017	10 tonne	30/06/2018
Gracemere's Hidden Treasures	01/07/2017	10 tonne	30/06/2018
Gracemere Men's Shed Inc	12/03/2018	5 tonne	30/06/2018
Ring Pull Association	01/07/2017	5 tonne	30/06/2018
Rockhampton Foodbank	10/10/2017	5 tonne	30/06/2018

## ROCKHAMPTON AIRPORT (s190(2) LGR 2012)

Annual statement on operations of Rockhampton Airport.

### Nature and Scope of Activities

Rockhampton Airport is a commercial business unit of Council and is a major Australian regional airport that services the City of Rockhampton and Central Queensland, with flights to Brisbane, Gladstone, Mackay, Townsville and Cairns.

The Airport is used by both domestic and international airlines using a mix of aircraft including wide-bodied aircraft such as the B747 to B777 and A340 types, as being an alternate for the A380.

Rockhampton Airport is responsible for the operation and maintenance of Airport assets totaling approximately \$140 million (replacement value).

### Annual Operations Report

Item	As at 30 June 2018
Total income	\$16.2M
Total expenses	\$11.3M
Passenger movements	568,088
Number of staff	21
Number of paid parking car parks	788
Aircraft movements	26,192

### Comparison with Annual Performance Plan

#### Annual Performance Report

The 2013-14 financial year was the first year that the Rockhampton Airport operated as a significant business activity under the *Local Government Act 2009*. This necessitated the requirement of an Annual Performance Plan.

The non-financial performance targets and corresponding results are included below.

Performance Indicator	Target	Annual Result
Increase Passenger numbers	1%	-1.02%
Increase Aircraft Movements	1%	2.83%
Bird Strikes	Less than 36	36
Lost Time Days – workplace injuries	0	0
Reported Public Injuries on Airport Precinct	0	6
Customer Requests Actioned	100%	100%
Airline Engagement Meetings held Quarterly	Yes	Yes
All Military Exercise Briefings Attended	Yes	Yes

## Financial Performance

### Operational

Total Income for the financial period was \$16.2 million, including revenue from RRC and excluding capital income. Operating income was higher in comparison to the previous financial year by 4%, comprising of an increase in commercial revenues of \$0.2 million and a one off insurance payment of \$0.5 million.

Operational expenditure for the 2017-18 financial year was \$11.3 million, this does not include capital expenditure and company tax equivalents. Materials and services, depreciation and employee costs formed the largest portion of expenditure for Rockhampton Airport in the financial period. Expenditure incurred for materials and services (52%) is essential in providing critical services to the community and maintaining Rockhampton Airport property, plant and equipment. Rockhampton Airport also supports a reasonable size in-house workforce in order to provide and maintain these services for today and into the future with employee costs being 20% of operating expenditure.

Rockhampton Airport net result of \$4.8 million before income tax is the difference between total income and total expenditure. Included in the total income and total expenditure are items of capital revenue and capital expenditure which fluctuate from year to year. Overall, Rockhampton Airport achieved a surplus of \$3.3 million for the 2018-18 financial year. After appropriations (payment of return to Council, transfers of capital income and expenditure and application of previous year's surplus) the Airport incurred a retained surplus of \$1.0 million.

### Capital

Total capital expenditure for the 2017-18 financial year was \$1.7 million against a budget of \$2.2 million.

The year saw the commencement and/or completion of the following projects:

- Practical completion of installation of the Terminal Standby Power Generators
- Practical completion of the Runway Lighting Power Distribution and Switching System with minor defects still to be rectified
- Continuation of renewal of the aviation security infrastructure
- Practical completion of refurbishment of terminal building toilets
- Practical completion of installation of digital display board in terminal building
- Continuation of the GA power switchboard upgrade
- Commencement of the main runway resurfacing project

### Directions the Local Government gave the Unit – Non Commercial Directives

CSO arise as a result of the Airport receiving a direction from Council to undertake activities that would generally be considered not to be in the interests of a commercial entity to undertake. The amount attributed to CSO reflects the value of the non-commercial concessional benefit provided by the business to the community. This is equal to either the cost of providing the service less any attributable revenue received or, alternatively, the benchmarked cost of providing the service less any attributable revenue received where the benchmark has been obtained from equivalent service providers.

The following table summarises the types of CSO revenue received by Rockhampton Airport during the 2017- 18 financial year.

Description	Actual Cost
Royal Flying Doctors Service and Capricorn Helicopter Rescue Service	\$ 223,443
Patient Travelling Subsidy Scheme	\$ 86,237
<b>TOTAL CSO</b>	<b>\$ 309,680</b>



## **STATUTORY INFORMATION**

### **Beneficial Enterprises (s41 LGA 2009)**

#### **Identifying beneficial enterprises**

- Building Certification

### **Significant Business Activities (s45 LGA 2009)**

#### **All Business Activities**

- Water and Sewerage
- Regional Waste
- Rockhampton Airport

#### **Identify all significant business activities stating where new for the financial year and whether Competitive Neutrality Principles were applied**

- Water and Sewerage
- Regional Waste
- Rockhampton Airport

The Code of Competitive Conduct was applied to all significant business activities.

All significant business activities were conducted in the previous year.

### **Assessment of Council Performance in implementing 5 year corporate plan (s190(1)(a) LGR 2012)**

Performance against the Corporate Plan activities was measured on a quarterly basis and the majority of activities were achieved by all departments.

### **Assessment of Council performance in implementing the annual operational plan (s190(1)(a) LGR 2012)**

Honest, transparent and accountable corporate governance in line with corporate values has resulted in the majority of key outcome targets being achieved with those results reported to Council via its Operational Plan on a quarterly basis.

The detailed annual results for the 2017-18 Operational Plan were reported to Council's meeting on the 14 August 2018 in accordance with *s174(3) Local Government Regulation 2012*.

### **Particulars of other issues relevant to making an informed assessment of the local government's operation and performance in the financial year (s190(1)(b) LGR 2012)**

No contingent issues impacted the assessment of Council's performance for the period under review.

### **Details of any action taken for, and expenditure on a service, facility or activity supplied by another local government under an agreement for conducting a joint government activity and for which the local government levied special rates or charges for the financial year (s190(1)(d) LGR 2012)**

Council has not been engaged in providing services to any other local government or joint local government.

**Number of invitations to change tenders under section 228(7) during the financial year (s190(1)(e) LGR 2012)**

Tender 12666 – Supply & Installation of Synthetic Turf at Parkhurst Hockey Fields

The changes to the specification were due to the original site location at Olive Street, Parkhurst, being deemed an unsuitable site for the new hockey fields. The new location for Supply & Installation of the Synthetic Turf being 34 Water Street, North Rockhampton.

## **List of the registers kept by Council (s190(1)(f) LGR 2012)**

- Asbestos Register
- Asset Register
- Cemetery Register
- Dog Registry
- Infrastructure Charges Register
- Local Laws Register
- Register of Activities for Competitive Neutrality
- Register of Administrative Action Complaints Received
- Register of Authorised Persons (Environmental Protection Act 1994)
- Register of Beneficial Enterprises
- Register of Biosecurity Orders
- Register of Complaints about the Conduct or Performance of Councillors
- Register of Contact with Lobbyists
- Register of Cost-Recovery Fees (Council Fees and Charges)
- Register of Delegations
- Register of Designated Natural Hazard Management Areas (Flood)
- Register of Development Applications
- Register of Direction Notices
- Register of Environmental Authorities
- Register of Environmental Evaluations
- Register of Environmental Protection Orders
- Register of Environmental Reports
- Register of Impounded Animals
- Register of Installed On-site Sewerage and Greywater Use Facilities
- Register of Interests of Chief Executive Officer and Persons related to Chief Executive Officer
- Register of Interests of Councillors
- Register of Interests of Persons related to a Councillor
- Register of Interests of Senior Executive Employees and Persons related to a Senior Executive Employee
- Register of Monitoring Programs
- Register of Pre-qualified Suppliers
- Register of Results of Monitoring Programs
- Register of Roads and Road Maps
- Register of Surrendered Environmental Authorities
- Register of Suspended or Cancelled Environmental Authorities
- Register of Temporary Emissions Licences
- Register of Testable Backflow Prevention Devices
- Register of Thermostatic Mixing Valves (Temperature Control Devices)
- Register of Transitional Environmental Programs
- Risk Register

## **Summary of all concessions for rates and charges granted by the local government (s190(1)(g)LGR 2012)**

### **Approved Government Pensioners**

Rate concessions/subsidies are available to approved pensioners, who are in receipt of a pension for entitlements from Centrelink or the Department of Veterans' Affairs or Widow's Allowance.

The Queensland Government Pensioner Rate Subsidy Scheme is directed to the elderly, invalid or otherwise disadvantaged citizens of the community whose principal or sole source of income is a pension or allowance paid by Department of Human Services or the Department of Veterans' Affairs. Unless stated otherwise, the terms and conditions of the Queensland Government Pensioner Rate Subsidy Scheme will apply to the application of the Council subsidy.

### **Eligibility**

The following ratepayers are eligible for a concession/subsidy:

- (a) A holder of a Queensland "Pensioner Concession Card" issued by Department of Human Services or the Department of Veterans' Affairs, or
- (b) A holder of a Queensland "Health Card – For All Conditions" (Gold Card) issued by the Department of Veterans Affairs; or
- (c) A person receiving a Widow's Allowance; and
- (d) Is the owner or life tenant (either solely or jointly) of the property which is his/her principal place of residence; and
- (e) Has, either solely or jointly with a co-owner, the legal responsibility for the payment of rates and charges which are levied in respect of the property.

### **Applications for Concessions**

Applications for concessions are considered during the rating period (that is, half year). Applications received after the date of levy are considered only from the commencement of the current rating period. Rebates are not granted retrospectively without prior approval from the State Government Concessions unit.

A completed Pensioner Rates Subsidies Form must be submitted. A new application is required when a change of address occurs.

### **Amount of Rebate**

Approved ratepayers whose property in which they reside is located within the Region, may be entitled to a rebate of 20% (to a maximum of \$250 each year) on all rates levied in respect of each eligible property, excluding environment separate charge, special rates/charges, water consumption charges and rural and state fire levies/charges.

Should a person be entitled to only part of the State subsidy, because of part ownership of the property, or other relevant reason, the Council rebate would be similarly reduced.

### **Not-For-Profit/Charitable Organisations**

Rate concessions are available to approved organisations whose objectives do not include the making of profit and who provide services to their membership and the community.

### **Eligibility**

To be eligible, the not-for-profit/charitable organisation – an incorporated body must:

- (a) Not include the making of profit in its objectives;
- (b) Not charge a fee for service;
- (c) Be located within the Region and the majority of its members reside in the Region;
- (d) Not receive income from gaming machines and/or from the sale of alcohol in an organised manner (for example, bar with regular hours of operation with permanent liquor license);

- (e) Be the owner, lessee or life tenant of the property and is the incorporated bodies main grounds/base/club house or residence;
- (f) Either solely or jointly with a co-owner, have the legal responsibility for the payment of rates and charges which are levied in respect of the property; and
- (g) Not be a religious body or entity or educational institution recognised under State or Federal statute or law.

Should an applicant only have part ownership of the property, the Council concession is similarly reduced.

**Applications for Concessions**

Eligibility for a concession is assessed by Council annually prior to the issue of the first rate notice each financial year (generally June/July). Organisations not automatically provided with a concession, and believe they meet the relevant criteria, may apply at any time. If an application is approved by Council, concessions are applied from the beginning of the current rating period (concessions are not applied retrospectively).

**Amount of Rebate**

The amount of rebate applied to eligible organisations are as follows:

(a) Category One – Surf Life Saving Organisations

- Rebate Level General Rates – 100%
- Rebate Level Separate Rates/Charges – 100%
- Rebate Level Special Rates/Charges – 0%
- Rebate Level Water Access Charges – 50%
- Rebate Level Water Consumption Charges – Charged at residential rates
- Rebate Level Sewerage Charges – 50%
- Rebate Level Waste Charges – 50%
- Cap – N/A

(b) Category Two - Showground Related Organisations

- Rebate Level General Rates – 100%
- Rebate Level Separate Rates/Charges – 100%
- Rebate Level Special Rates/Charges – 0%
- Rebate Level Water Access Charges – 50%
- Rebate Level Water Consumption Charges – Charged at residential rates
- Rebate Level Sewerage Charges – 50%
- Rebate Level Waste Charges – 50%
- Cap – N/A

(c) Category Three – Kindergartens

- Rebate Level General Rates – 50%
- Rebate Level Road Network Separate Charge – 50%
- Rebate Level Special Rates/Charges – 0%
- Rebate Level Environment Separate Charge – 0%
- Rebate Level Water Access Charges – 50%
- Rebate Level Water Consumption Charges – Charged at residential rates
- Rebate Level Sewerage Charges – 50%
- Rebate Level Waste Charges – 50%
- Cap - \$ 1,000.00

(d) Category Four – Charitable Organisations Benefiting the Aged/Disadvantaged

- Rebate Level General Rates – 100%
- Rebate Level Separate Rates/Charges – 100%
- Rebate Level Special Rates/Charges – 0%
- Rebate Level Water Access Charges – 50%
- Rebate Level Water Consumption Charges – 0%

Rebate Level Sewerage Charges – 50%  
Rebate Level Waste Charges – 50%  
Cap - \$ 1,000.00 for Service Charges only

(e) Category Five – Sporting Clubs and Associations – Without Liquor and Gaming Licenses

Rebate Level General Rates – 100%  
Rebate Level Separate Rates/Charges – 100%  
Rebate Level Special Rates/Charges – 0%  
Rebate Level Water Access Charges – 50%  
Rebate Level Water Consumption Charges – Charged at residential rates  
Rebate Level Sewerage Charges – 50%  
Rebate Level Waste Charges – 50%  
Cap - \$ 2,000.00 for Service Charges only

(f) Category Six – Sporting Clubs and Associations – With Liquor Licenses but No Gaming Licenses

Rebate Level General Rates – 50%  
Rebate Level Road Network Separate Charge – 50%  
Rebate Level Environment Separate Charge – 0%  
Rebate Level Special Rates/Charges – 0%  
Rebate Level Water Access Charges – 50%  
Rebate Level Water Consumption Charges – Charged at residential rates  
Rebate Level Sewerage Charges – 50%  
Rebate Level Waste Charges – 50%  
Cap - \$ 2,000.00

(g) Category Seven – Sporting Clubs and Associations situated on highly valued leasehold land – With Liquor Licenses but No Gaming Licenses

Rebate Level General Rates – 75%  
Rebate Level Road Network Separate Charge – 75%  
Rebate Level Environment Separate Charge – 0%  
Rebate Level Special Rates/Charges – 0%  
Rebate Level Water Access Charges – 50%  
Rebate Level Water Consumption Charges – Charged at residential rates  
Rebate Level Sewerage Charges – 50%  
Rebate Level Waste Charges – 50%  
Cap - \$ 1,000.00 for Service Charges only  
Applies to Assessment Number 105813 – Rockhampton Bowls Club only.

(h) Category Eight – Sporting Clubs and Associations – With Liquor and Gaming Licenses

Rebate Level General Rates – 0%  
Rebate Level Separate Rates/Charges – 0%  
Rebate Level Special Rates/Charges – 0%  
Rebate Level Water Access Charges – 0%  
Rebate Level Water Consumption Charges – 0%  
Rebate Level Sewerage Charges – 0%  
Rebate Level Waste Charges – 0%  
Cap – N/A

(i) Category Nine - All Other Not-For- Profit/Charitable Organisations

Rebate Level General Rates – 100%  
Rebate Level Separate Rates/Charges – 100%  
Rebate Level Special Rates/Charges – 0%  
Rebate Level Water Access Charges – 50%  
Rebate Level Water Consumption Charges – Charged at residential rates  
Rebate Level Sewerage Charges – 50%  
Rebate Level Waste Charges – 50%  
Cap - \$ 2,000.00 for Service Charges only.

(j) Category Ten - Rural Fire Brigade  
Rebate Level General Rates – 100%  
Rebate Level Separate Rates/Charges – 100%  
Rebate Level Special Rates/Charges – 0%  
Rebate Level Water Access Charges – 100%  
Rebate Level Water Consumption Charges – 100%  
Rebate Level Sewerage Charges – 100%  
Rebate Level Waste Charges – 100%  
Cap - N/A

NOTE: Sewerage charges are not levied in respect of public amenities blocks that are locked and controlled by clubs.

### **General Rate Rebates**

In accordance with Chapter 4, Part 10 of the *Local Government Regulation 2012*, the properties where 100% rebate of general rates applies may be exempted from payment of general rates in lieu of the provision of a rebate.

### **Permits to Occupy Pump Sites and Separate Pump Site Assessments**

Council will grant rebates on the following basis for those assessments that only contain pump sites and where the land area is 25 square meters or less:

- (a) Separate Charges – 100% rebate
- (b) General Rates – Maximum rebate of \$600.00.

### **Water Consumption Charges**

Council will grant a rebate on the following basis for the following assessments:

- (a) 237107 – Gracemere Lakes Golf Club
  - (b) 237109 – Gracemere Bowling Club
- Water Consumption Charges – 50% rebate.

### **Lot 1 South Ulam Rd, Bajool**

Council will grant a rebate on the following basis for the following assessment: 146963-2 – being Lot 1 South Ulam Rd, Bajool (L1 MLG80014 Parish of Ultimo)

- (a) General Rate 100%
- (b) Road Network Charge 100%
- (c) Environment Separate Charge 100%

### **Limit in Increases in Rates and Charges**

For the 2018-19 financial year Council will not be resolving to limit any increases in rates and charges.

### **General Rate Concession for Caravan Parks**

Council will grant a concession of general rates for those assessments potentially impacted by the opening of free camping sites. Council recognises the importance of the tourism drive market and the extra value caravan parks offer.

### **Eligibility**

To be eligible properties must have a land use code of “49 – Caravan Parks” and must disclose the number of tent and caravan park sites available for itinerant use. They must also advise the number of ensuite sites. Sites where an ensuite is provided are not eligible.

### **Applications for Concession**

Eligibility for this concession is assessed by Council annually prior to the issue of the first rate notice each financial year (generally June/July). Ratepayers not automatically provided with the concession may apply by submitting a Caravan Park Rates Concession Application Form at any time. If an application is approved by Council, concessions are applied from the beginning of the current rating period (concessions are not applied retrospectively)

### **Amount of Rebate**

A rebate amount of \$20 per annum will be provided per eligible site, and capped at \$2,000 per annum.

### **Rockhampton CBD Commercial Properties with Mixed Residential Use**

The purpose of this concession is to encourage inner city residential living and reduce vacancies in the Rockhampton CBD by providing an incentive for commercial property owners within the defined CBD area (as per Appendix A - Rockhampton CBD Extent) to utilise unoccupied commercial space for residential purposes. Residential purposes is defined as any space constructed and permitted for residential use and occupied by the owner or tenant as a residence. Council will consider granting a concession of up to \$2,000 per annum or a maximum of 75% of the general rate whichever is the lesser for a CBD mixed use category one property. The concession is primarily intended to facilitate the adaptation of established vacant commercial spaces, particularly above ground floor, to residential use.

### **Conditions**

The following conditions apply:

- (a) The residential component should not be vacant longer than six months within the financial year;
- (b) Verification of use may be provided by a registered real estate agent or through prearranged inspection by a Council officer; and
- (c) Properties receiving the concession must advise Council if the residential use is discontinued.

The rates concession may be subject to reversal if the above conditions are not adhered to.

### **Applications for Concession**

To apply a completed CBD Commercial Property Rates Concession Application Form must be submitted and will be subject to approval by Council. Applications for concessions will be considered during the rating period (that is, half year). Applications received after the date of levy will be considered only from the commencement date of the current rating period (concessions are not applied retrospectively).

### **Leased Council Vacant Land**

Council will grant rebates of 100% of the general rate and separate charges on vacant land owned or held by Council as trustee if the land is leased to another person and the land is not used for any business or commercial/industrial purpose.

In accordance with Chapter 4, Part 10 of the *Local Government Regulation 2012*, properties where 100% rebate of general rates and separate charges apply may be exempt from the payment of general rates and separate charges in lieu of the provision of a rebate.

### **Waste Rebates for Multi-Residential Unit Developments**

The purpose of this concession is to waive the waste/recycling charge where it has been deemed by Council impractical for Council to provide waste and recycling collection services to a multi-residential unit development consisting of six or more individual attached or semi attached premises or units for which a community title scheme exists under the *Body Corporate and Community Management Act 1997*.

Council may grant a concession of 100% of the waste/recycling charge for each multi-residential unit or units for which a community title scheme exists.

### **Applications for Concession**

To apply a completed Waste Charges Rebate Form must be submitted and will be subject to approval by Council. Applications will be considered during the rating period (that is, half year). The concession may be applied retrospectively for the full financial year where the service has not been provided in accordance with this policy and the Waste and Recycling Collection Services



## **Report On Internal Audit For The Year (s190(1)(h) LGR 2012)**

The Internal Audit Function and Audit Committee (Audit and Business Improvement Committee) are mandatory compliance requirements of the *Local Government Act 2009*.

### **Audit and Business Improvement Committee**

This advisory committee operates under best practice guidelines with a majority independent membership consisting of three external experts. The voting member profiles are –

- Mr A MacLeod (Committee Chair and Independent External Member)
- Cr M Strelow (Mayor)
- Cr E Smith
- Mr M Parkinson (Independent External Member)
- Mr G Mullins (Independent External Member)

Committee responsibilities include review and monitoring of the effectiveness of Governance, Risk and Compliance processes and functions, asset management, fraud prevention, including the internal and external audit process. The Committee's role includes making recommendations to Council about any matters reviewed. The Committee meets four times a year.

### **Internal Audit**

Internal Audit's mission is to independently examine and evaluate Council activities to help ensure that Council meets its objectives. The risk management function is managed through Internal Audit and provides the basis for risk-based audits.

Internal Audit provides consulting, analyses, appraisals, recommendations for improvement, and evaluation of internal controls across all areas of operations which assist the Council in the effective discharge of its responsibilities. These in-house audit services extend to investigations for fraud and corruption. Internal Audit is empowered to report functionally directly to the Audit and Business Improvement Committee, thus following a best practice governance approach to protect the public interest.

### **Internal Audit Plan**

Specific audits planned and undertaken during the 2017-18 financial year included:

- Kershaw Gardens Project Review – Financial Controls and Budget
- Payroll Process – Timesheets/Fraud Prevention
- Council Facilities – Damage to Council Facilities
- Food Licencing Process – Compliance; Complaints; Enforcement; Revenue
- Compliance Management Framework
- Other Reviews (minor reviews)
- Status Reports – These help ensure that audit recommendations are implemented

### **Summary of investigation notices given in the year under section 49 for competitive neutrality complaints (s190(1)(i) LGR 2012)**

Nil.

### **Responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under sections 52(3) and 190(1)(j) LGR 2012**

Nil.

**Senior Employees (s201 LGA 2009)**

**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.**

The total remuneration packages that were payable to senior management for the financial year was

\$1,716,573.73

**Number of employees in senior management who are being paid each band of remuneration**

Three senior contract employees with a total remuneration package in the range of <\$200,000.

Two senior contract employees with a total remuneration package in the range of \$200,000-\$299,000.

Two senior contract employees with a total remuneration package in the range of \$300,000-\$399,000.

Please note: Packages include base salary, vehicle allocation, annual leave loading and superannuation.

**Administrative Action Complaints (s187 LGR 2012)**

Council takes all complaints about its services seriously and is committed to responding quickly and efficiently. Complaints may be lodged by an affected person either in writing, by telephone or face to face. The department referred to in the complaint will be responsible for the initial investigation.

Council manages complaints through the Complaint Management Policy and related procedures. If a customer is dissatisfied with the outcome of the investigation undertaken by the department they may appeal to the CEO to have the complaint investigated under Council's Complaint Management Policy and Administrative Action Complaint Procedure.

A total of 120 complaints were received by Council under the Administrative Action Complaint Procedure this financial year. 116 of those complaints were able to be resolved before the end of the financial year, along with six (6) complaints from the previous financial year.

Number of administrative action complaints received in financial year	120
Number of administrative action complaints resolved in financial year	122
Number of administrative action complaints not resolved in financial year	4
Number of administrative action complaints that were from a previous financial year	6

## **COUNCILLORS**

### **Resolutions made under s250(1) LG Regulation 2012 (Requirement to adopt expenses reimbursement policy or amendment) (s185(a) LGR 2012)**

Adopted at Council Meeting on 26 April 2018:

THAT Council adopt the revised Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy, with amendments as identified by the Chief Executive Officer.

Moved by: Councillor Williams

Seconded by: Councillor Smith

MOTION CARRIED UNANIMOUSLY

Adopted at Council Meeting on 29 May 2018:

THAT Council adopt the following amendment to the Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy:

#### **5.2.5.5 Rewards Programs**

Councillors may accumulate reward points for travel for business and or personal use as a result of travel in the course of their duties.

Moved by: Councillor Williams

Seconded by: Councillor Smith

MOTION CARRIED UNANIMOUSLY

### **Resolutions made under section 206(2) LG Regulation 2012 (Valuation of non-current physical assets) (s185(b) LGR 2012)**

Nil

### **Remuneration and superannuation contributions paid to each Councillor (S186(a) LGR 2012)**

<b>Councillor</b>	<b>YTD Salary 'Work'</b>	<b>Employer Super</b>	<b>Gross</b>
Mayor, Councillor M F Strelow	\$148,536	\$12,966	\$161,502
Councillor C R Rutherford	\$97,722	\$11,722	\$109,444
Councillor R A Swadling	\$85,994	\$10,316	\$96,310
Councillor N K Fisher	\$85,994	\$8,166	\$94,160
Councillor A P Williams	\$85,994	\$10,316	\$96,310
Councillor C E Smith	\$85,994	\$10,316	\$96,310
Councillor M D Wickerson	\$85,994	\$10,316	\$96,310
Councillor S J Schwarten	\$85,994	\$10,316	\$96,310

**Expenses incurred by and provided to each Councillor under the Expenses Reimbursement Policy (s186(b) LGR 2012)**

<b>Councillor</b>	<b>Travel Expenses/ Vehicle Allowances</b>
Mayor, Councillor M F Strelow	\$59,204
Councillor C R Rutherford	\$33,548
Councillor R A Swadling	\$34,924
Councillor N K Fisher	\$24,150
Councillor A P Williams	\$20,424
Councillor C E Smith	\$40,317
Councillor M D Wickerson	\$27,602
Councillor S J Schwarten	\$18,003

Details of the number of meetings attended by each Councillor during the financial year (s186(c) LGR2012)

Meeting Attendance Figures: 1 July 2017 – 30 June 2018

Councillor	Council Meeting	Special Council Meeting	Airport, Water & Waste	Audit Advisory	Community Services	Infrastructure	Parks, Recreation & Sport	Planning & Regulatory
Mayor, Councillor M F Strelow	15	3	5	2	5	5	4	12
Deputy Mayor, Councillor C R Rutherford	16	3	7		8	8	7	15
Councillor R A Swadling	16	1	4		6	6	4	
Councillor N K Fisher	16	3	7		8	8	6	12
Councillor A P Williams	21	3	6		5	8	1*	1*
Councillor C E Smith	19	2	5	3		6	6	15
Councillor M D Wickerson	19	2	7		4*	8	7	16
Councillor S J Schwarten	13	2						
<b>Total Meetings Held</b>	<b>21</b>	<b>3</b>	<b>7</b>	<b>4</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>17</b>

Note: Where the field is blank this denotes that the Councillor is not a member of that Committee.

\* Councillor Williams attended in his capacity as Acting Mayor

\*\* Councillor Wickerson commenced membership of Community Services Committee on 14 February 2018

**Orders made under s180(2) or s180(4) LGA 2009 – Orders by Regional Conduct Review Panel (s186(d)(i) LGR 2012)**

Nil.

**Orders made under s181 LGA 2009 – Orders by Mayor/Chairperson for Inappropriate Conduct (s186(d)(ii) LGR 2012)**

One

**Description of the Order (misconduct, inappropriate conduct) (s186(f) LGR 2012)**

(i)	Complaints about the misconduct or performance of Councillors for which no further action was taken under section 176C(2) of the Act;	1
(ii)	Complaints referred to the department's chief executive under section 176C(3)(a)(i) of the Act;	1
(iii)	Complaints referred to the mayor under section 176C(3)(a)(ii) or (b)(i) of the Act;	0
(iv)	Complaints referred to the department's chief executive under section 176C(4)(a) of the Act;	0
(v)	Complaints assessed by the chief executive officer as being about corrupt conduct under the Crime and Corruption Act;	0
(vi)	Complaints heard by a regional conduct review panel;	0
(vii)	Complaints heard by the tribunal; and	0
(viii)	Complaints to which section 176C(6) of the Act applied.	0

## Overseas Travel (s188 LGR 2012)

### Overseas travel by Councillor or employee in an official capacity

Name/Job Title	Reason	Date	Amount (ext GST)	Destination
Troy Leyden – Operations Engineer	Presenting at 10 <sup>th</sup> International Conference on Energy Efficiency in Motor Driven Systems	6-8 September 2017	\$1,500	Rome, Italy
Mayor Margaret Strelow	Joint Investment/Trade Mission	20-25 August 2017	\$8,309	Singapore
Scott Waters – General Manager Aviation Services	Joint Investment/Trade Mission	20-25 August 2017	\$8,076	Singapore
Ross Cheesman – Deputy Chief Executive Officer	Trade Mission to Zhenjiang	24-29 September 2017	\$6,417	China
Councillor Cherie Rutherford	Trade Mission to Zhenjiang	24-29 September 2017	\$6,320	China
Young Beamish – Senior Executive Trade and Investment	Trade Mission to Zhenjiang	24-29 September 2017	\$6,075	China
Tony Cullen - General Manager Advance Rockhampton	Agricultural Delegation to Huizhou, China	17-29 November 2017	\$5,113	China
Young Beamish – Senior Executive Trade and Investment	Agricultural Delegation to Huizhou, China	22-28 November 2017	\$1,697	China
Elize Hattin Smart Hub Business Manager	Startup Catalyst Mission <i>(Travel subsidised through Advance Queensland Startup Community Leaders Program)</i>	8-22 March 2018	\$4,967	USA – Denver/Boulder/ San Francisco
Tony Cullen – General Manager Advance Rockhampton	Promote Rockhampton Education Industry and Attract Study Tours	6-15 April 2018	\$7,313	China
Mayor Margaret Strelow	Premier of Queensland's Trade and Investment Mission to USA	29 May – 6 June 2018	\$15,345	Boston, USA
Tony Cullen – General Manager Advance Rockhampton	Premier of Queensland's Trade and Investment Mission to USA	28 May – 6 June 2018	\$13,451	Boston, USA

### **Expenditure on Grants to Community Organisations (s189 LGR 2012)**

Summary of expenditure for the financial year on grants to community organisations

A total of \$546,678 was granted to community organisations during the 2017-18 financial year.

<b>Grant Program</b>	<b>Expenditure for 2017-18</b>
Community Assistance Program	\$421,179.30
Waste and Recycling Community Service	\$ 50,831.56
Australia Day Community Events	\$ 10,298.00
Exemptions of hire costs for public events	\$ 4,369.00
Regional Arts Development Fund	\$ 60,000.00
	<b>\$546,677.86</b>



**Summary of expenditure from each Councillor's discretionary fund detailing organisation, amount and purpose**

2017-2018 Councillors Discretionary Fund

Mayor, Councillor Margaret Strelow

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Golden Mount Festival	Financial support towards Community Basketball Court	\$515.00
Norths Junior Rugby League	Internal transfer for payment of Parks Department quote for aeration of field	\$585.00
The Lady Musgrave Trust	Financial assistance towards printing, administration, distribution etc. over the next 12 months	\$800.00
Rockhampton Wildlife Rescue, Education & Conservation Association Inc.	Financial Assistance towards supporting ongoing wildlife work done by organisation	\$250.00
Cockscomb Veterans Retreat	Financial assistance towards replacing storm damaged pergola	\$300.00
Rockhampton PCYC	Financial assistance towards National Youth Week Event	\$300.00
Walkabouts Social Golf Club - Legacy	Donation for the 2018 ANZAC Shield Golf Day	\$100.00
Rockhampton North Special School	Donation for making Piñatas for Kershaw Gardens Opening	\$50.00
Frenchville State School	Donation for making Piñatas for Kershaw Gardens Opening	\$50.00
Depot Hill State School	Donation for making Piñatas for Kershaw Gardens Opening	\$50.00
Lakes Creek State School	Donation for making Piñatas for Kershaw Gardens Opening	\$50.00
Crescent Lagoon State School	Donation for making Piñatas for Kershaw Gardens Opening	\$50.00
Bundara Kindergarten	Donation for making Piñatas for Kershaw Gardens Opening	\$50.00
St Mary's Catholic Primary School	Donation for making Piñatas for Kershaw Gardens Opening	\$50.00
Cathedral Parish of St Joseph	Donation towards purchasing food for the multicultural celebration	\$100.00
Heights College Limited	Donation for making Piñatas for Kershaw Gardens Opening	\$50.00
Mt Morgan Pensioners & Superannuants League	Donation for Seniors Week morning tea	\$500.00
The Salvation Army Capricorn Region Band	Financial assistance towards the purchase of musical equipment	\$1,000.00
Calliungal Regional Fire Brigade	Donation towards ongoing running costs	\$1,000.00
Lighthouse Christian School	Donation towards ongoing operational costs for community performances of the Lighthouse MN8 Team	\$1,000.00
<b>TOTAL</b>		<b>\$6,850.00</b>

Deputy Mayor, Councillor Cherie Rutherford

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Westwood Progress Association	Donation to multi-draw raffle for fundraising event	\$200.00
Mt Morgan Pensioners & Superannuants League	Donation for fundraising morning tea	\$100.00
Crescent Lagoon State School	Donation for multi draw raffle fundraiser	\$200.00
Mount Morgan State High School	Financial assistance towards 2017 Awards Ceremony	\$100.00
Rockhampton Junior Oztag Sports Association Inc.	Financial assistance towards hire of marquee for Junior State Cup in Sunshine Coast	\$200.00
Queensland Country Women's Association	Financial assistance towards a street sign for the CWA Hall in Wandal	\$435.60
Rockhampton Wildlife Rescue, Education & Conservation Association Inc.	Financial Assistance towards supporting ongoing wildlife work done by organisation	\$200.00
Ridgeland & District Sporting and Agricultural Association	Financial assistance with the costs of printing programs for the Ridgeland Show	\$800.00
Central Qld National Youth Week Committee	Financial assistance towards bbq at Mount Morgan for National Youth Week	\$200.00
Central Qld Suicide Prevention Network	Financial Assistance towards food for Suicide Awareness Day	\$210.00
Rockhampton Regional Western Ratepayers Association	Financial Assistance towards operational expenses for 2018	\$206.00
Mt Morgan Pensioners & Superannuants League	Donation for Seniors Week morning tea	\$100.00
Rocky Roller Derby	Financial assistance towards come and try event and purchasing equipment	\$300.00
Mount Morgan Show Society	Donation for prize money for Concours D'Elegance Costume event and Mount Morgan Show 2018	\$100.00
Alton Downs & Combined District ANZAC Day Memorial Committee	Financial assistance towards the cost of public liability insurance	\$100.00
Warripari Scout Group	Financial Assistance towards building improvements of the Scout Den at 31 Eton St, West Rockhampton	\$1,500.00
<b>TOTAL</b>		<b>\$4,951.600</b>

Councillor Rose Swadling

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Lighthouse Christian School	Financial assistance for formal blazers for Seniors	\$500.00
Parkhurst State School	Financial assistance for climate change project	\$500.00
Cockscomb Veterans Bush Retreat Inc.	Financial assistance for staging and running Veterans Day on 18/08/2017 for Veterans past & serving	\$500.00
St Anthony's Catholic Primary School	Financial assistance towards purchase of specialised gymnastic equipment for program	\$250.00
RRC Cultural Festival	Contribution for art prize at the Rockhampton Cultural Festival	\$250.00
Rockhampton Senior Citizens Club Inc.	Financial assistance towards annual fee for post box	\$200.00
RSL Capricornia Sub Branch Inc. - Women's Auxiliary	Financial assistance towards bus hire for outings	\$250.00
Rockhampton Woodworkers Guild Inc.	Financial assistance towards ongoing operational costs	\$150.00
CQ Supports for Adult Survivors of Adult Child Abuse	Financial assistance towards Blue Knot Day Fundraising Sausage Sizzle	\$250.00
Scripture Union Queensland	Financial assistance for Frontline School Chaplaincy Dinner Appeal - Rockhampton	\$250.00
Emmaus College	Financial assistance towards purchase of library resources as a legacy gift from the Year 12 cohort to senior campus	\$500.00
Rockhampton Horse Riding for the Disabled	Financial assistance towards the purchase of a promotional gazebo	\$500.00
Queensland Retired Police Association - Rockhampton	Financial support towards Rockhampton Branch of Qld Police Legacy Scheme	\$250.00
Rockhampton Mt Archer Lions Club	Financial assistance towards equipment for barbeque trailer to be used for community events	\$400.00
Depot Hill State School	Financial assistance towards inter-school sports	\$250.00
<b>TOTAL</b>		<b>\$5000.00</b>

Councillor Neil Fisher

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Diggers Memorial Ladies Bowls Club	Sponsorship for Bowls Carnival 31st July 2017	\$300.00
Mount Archer State School	Funding towards reading program	\$500.00
Rockhampton North Special School	Financial support towards purchase of shade sail	\$1,000.00
Diggers Memorial Bowls Club	Sponsorship for Open Mixed bowls carnival	\$500.00
Stitch and Chat Inc.	Financial support towards ongoing projects to assist the community	\$1,000.00
Mater Hospital Rockhampton	Financial assistance for Chapel refurbishment	\$1,000.00
Mount Archer Scouts Group	Financial assistance towards replacing ropes and tents	\$300.00
Scouts Capricorn (Rockhampton)	Financial assistance towards replacing tables at Seonee Park Scout campsite	\$300.00
Rockhampton Dog Obedience Club	Financial assistance towards the monthly productions of newsletters distributed to club members	\$100.00
<b>TOTAL</b>		<b>\$5,000.00</b>

Councillor Tony Williams

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Drug Arm's Street Outreach Services QLD	Street Outreach Service to assist homeless/troubled youth and helping families with drug/alcohol addiction	\$250.00
Nerimbera Football Club	Financial Assistance to purchase more plastic chairs for the clubhouse.	\$1,000.00
Queensland Blue Light Association Inc.	Financial assistance towards crime prevention programs and building rapport between police and at risk youth	\$200.00
Dreamtime Cultural Centre	Contribution towards grasses to be planted on site at Dreamtime Centre	\$246.05
North Rockhampton Junior Rugby League Football Club	financial assistance towards top dressing the football field	\$1,000.00
Berserker Street State School P&C Association	Financial assistance towards tuckshop improvement and support of Breakfast Club program	\$507.25
Rockhampton Touch Association Inc.	Financial assistance towards waste removal from the Red Rooster Junior Touch Carnival	\$650.00
St Mary's Catholic School P&F Association	Financial assistance towards waste removal from the St Mary's Parish Fair	\$263.00
Mount Morgan Promotion & Development Inc.	Financial support towards Mt Morgan Christmas Tree Festival	\$50.00
Rockhampton Wildlife Rescue, Education & Conservation Association Inc.	Financial Assistance towards supporting ongoing wildlife work done by organisation	\$50.00
Rockhampton PCYC	Financial assistance towards National Youth Week Event	\$181.00
Rockhampton Panthers AFC	Financial assistance towards improving pedestrian and disability access into the Rockhampton Cricket Ground	\$600.00
<b>TOTAL</b>		<b>\$4,997.30</b>

Councillor Ellen Smith

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Spiritual Assembly of the Baha'is of Rockhampton Region	Financial assistance towards the Skate Day at Gracemere 15 July and financial support for training camps	\$800.00
Gracemere Scouts	Financial assistance towards purchase of 2 large eskies for fundraising events	\$500.00
Gracemere Branch Australia Pensioners & Superannuants League	Assistance towards additional costs associated with 69th State Conference (not hall hire - other)	\$500.00
Upper Ulam Recreation Ground Assis	Assistance with relocating State School	\$250.00
Rockhampton Kennel Club Inc.	Donation towards costs of International Judges for August Triple Shows	\$200.00
Bouldercombe Singers	Assistance towards travel expenses for the choir members to travel to and from performances	\$200.00
Gracemere Men's Shed	Financial assistance towards funding for the Gracemere Men's Shed	\$250.00
Bouldercombe Pony Club Inc.	Financial assistance towards Coaching School for children	\$300.00
Bouldercombe State School P&C Association	Contribution towards P&C Fun Day to purchase goods	\$100.00
Mount Morgan State High School	Financial assistance towards 2017 Awards Ceremony	\$50.00
Rockhampton Junior Oztag Sports Association Inc.	Financial assistance towards hire of marquee for Junior State Cup in Sunshine Coast	\$50.00
Bouldercombe Progress Association Incorporated	Financial assistance towards running of Bouldercombe Christmas Fair in Lions Park on 02/12/17	\$200.00
Rockhampton Horse Riding for the Disabled	Financial assistance towards purchase of safety toe cages for riders	\$400.00
Kabra Sports and Recreation Club Inc.	Financial assistance towards building improvements at clubhouse	\$500.00
Gracemere Girl Guides QLD	Financial assistance towards building a covered area at the Girl Guides Hut	\$315.00
Gracemere Lake Golf Club	Donation towards purchase of signage	\$385.00
<b>TOTAL</b>		<b>\$5000.00</b>

Councillor Drew Wickerson

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Rockhampton Golf Club	Donation towards 2017 Rockhampton Ladies Golf Closed Championships	\$500.00
RRC Parks Department	Donation for supply of assorted plants from Armstrong Street Nursery for NAIDOC Week Celebrations	\$327.63
Rockhampton Junior Oztag Sports Association Inc.	Financial assistance towards hire of marquee for Junior State Cup in Sunshine Coast	\$100.00
Mount Morgan Promotion & Development Inc.	Financial support towards Mt Morgan Christmas Tree Festival	\$50.00
Rockhampton Wildlife Rescue, Education & Conservation Association Inc.	Financial Assistance towards supporting ongoing wildlife work done by organisation	\$100.00
Upper Ulam Recreation Grounds Association	Financial assistance towards repairing steps and rails of old school building	\$500.00
Bajool State School	Financial Assistance towards tables and chairs to be used at Bajool State School and wider Bajool community	\$500.00
Depot Hill State School	Financial assistance towards swimming programs	\$1,000.00
Endeavour Foundation	Financial assistance towards community based sustainability initiative designed towards increasing reusable bag use	\$1,000.00
Rockhampton PCYC	Financial assistance towards National Youth Week Event	\$100.00
Rockhampton Mallet Sports Club	Financial assistance towards ground maintenance	\$500.00
Jason Rich Foundation	Financial assistance towards costs of hiring venue for young driver education course	\$322.37
<b>TOTAL</b>		<b>\$5,000.00</b>

Councillor Stephen Schwarten

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Park Avenue Brothers Hockey Club Inc.	Assist with region wide initiative to supplement accommodation costs of Rockhampton Region U/15 Women's Hockey representative side at Qld State Championships	\$500.00
St Joseph's Park Avenue	Financial support towards fundraising day - advertising, amusements and food	\$300.00
St Matthews Cottages	Financial assistance towards painting cottages	\$4,200.00
<b>TOTAL</b>		<b>\$5,000.00</b>

**12 NOTICES OF MOTION**

Nil

**13 QUESTIONS ON NOTICE**

Nil



**14 URGENT BUSINESS/QUESTIONS**

*Urgent Business is a provision in the Agenda for members to raise questions or matters of a genuinely urgent or emergent nature, that are not a change to Council Policy and can not be delayed until the next scheduled Council or Committee Meeting.*

## 15 CLOSED SESSION

In accordance with the provisions of section 275 of the *Local Government Regulation 2012*, a local government may resolve to close a meeting to the public to discuss confidential items, such that its Councillors or members consider it necessary to close the meeting.

### RECOMMENDATION

THAT the meeting be closed to the public to discuss the following items, which are considered confidential in accordance with section 275 of the *Local Government Regulation 2012*, for the reasons indicated.

#### 16.1 Legal Matters Report - July to September 2018

This report is considered confidential in accordance with section 275(1)(f), of the *Local Government Regulation 2012*, as it contains information relating to starting or defending legal proceedings involving the local government.

#### 16.2 Chief Executive Officer Monthly Report

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

## 16 CONFIDENTIAL REPORTS

### 16.1 LEGAL MATTERS REPORT - JULY TO SEPTEMBER 2018

**File No:** 1392

**Attachments:** 1. Legal Matters - 1 July to 30 September 2018

**Authorising Officer:** Tracy Sweeney - Manager Workforce and Governance

**Author:** Allysa Brennan - Coordinator Legal and Governance

This report is considered confidential in accordance with section 275(1)(f), of the *Local Government Regulation 2012*, as it contains information relating to starting or defending legal proceedings involving the local government.

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#### **SUMMARY**

*Presenting an update of current legal matters that Council is involved in as at 30 September 2018.*

**16.2 CHIEF EXECUTIVE OFFICER MONTHLY REPORT****File No:** 1830**Attachments:** Nil**Authorising Officer:** Evan Pardon - Chief Executive Officer**Author:** Evan Pardon - Chief Executive Officer

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

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**SUMMARY**

*Chief Executive Officer presenting monthly report for the period ending 8 October 2018.*

**17 CLOSURE OF MEETING**