

ROCKHAMPTON REGIONAL COUNCIL

ANNUAL REPORT
2021/2022



Gudamulli

Bimbi

Gurha

Two women are seated on a stage, reading a book together. The woman on the left is older with white hair and glasses, wearing a white cardigan over a red t-shirt. The woman on the right is younger with dark hair, wearing a dark polo shirt and blue jeans. They are both looking at an open book held by the younger woman. The book shows a green plant illustration.

A group of approximately ten children are sitting on the floor in a circle, facing the women. They are sitting on various mats and cushions, including some that look like tree stumps. The children are of diverse backgrounds and are listening attentively to the women. The floor is decorated with colorful patterns.



Rockhampton Regional Council acknowledges the traditional custodians of the land which is now known as the Rockhampton Region - the Darumbal People, the Gaangalu Nation People and Barada Kabalbara Yetimarala People - and pay respects to their Elders past, present and emerging.

We also acknowledge the Torres Strait Islander people whose land is in the Torres Strait but who live and work on Aboriginal land.

Welcome to the 2021-22 Annual Report for Rockhampton Regional Council.

This report describes Council's progress and performance over the course of the 2021-22 financial year. It has been prepared to meet legislative obligations and provide a clear, transparent overview of the organisation's financial performance for our community.

HOW TO READ THE ANNUAL REPORT

This report is divided into sections beginning with an introduction containing information on the Rockhampton Region and our organisation as well as messages from Mayor Tony Williams and CEO Evan Pardon.

The report then provides an overview of Council and the organisation, our Community Financial Report, progress and performance for program and business areas, corporate governance, disclosures and audited financial statements. All care has been taken to ensure content is complete and accurate. However, Rockhampton Regional Council does not guarantee it is without error.



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1

INTRODUCTION



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CEO's Message

Councillors

21/22 Highlights



REGIONAL SNAPSHOT

THE ROCKHAMPTON REGION is the economic heart of Central Queensland. Our Region is host to a range of industries, features high quality services and facilities, and enjoys a dynamic economy as well as a stunning natural environment.



POPULATION

82,904

Average age: 37

By Population Centre

- Rockhampton South side 17,016
- Rockhampton North side 44,941
- Gracemere 12,223
- Mount Morgan 2,960
- Rural Suburbs 5,764

Source: ABS ERP, 2021

EMPLOYMENT

- 17.2% Healthcare & social assistance
- 9.9% Retail
- 9.7% Education and training
- 9.2% Construction
- 6.5% Transport, postal and warehousing
- 6.4% Manufacturing

Source: economy.id, 2021

TOURISM

1,639,000 visitor nights

\$341.3 million in visitor expenditure

3164 tourism jobs

Source: National Visitor Survey (via Tourism Events Queensland) and Economy ID



INDUSTRY

\$5.56 billion Gross Regional Product

Source: National Institute of Economic and Industry Research (NIEIR), 2021

Beef capital:

 **2.5 million head of cattle in the Fitzroy Region**

SERVICES



Hospitals:

**2 public | 2 private
500+ beds**



Retail outlets:

1300+

Primary schools:

22 public | 11 private

Secondary schools:

4 public | 7 private

Central Queensland University:

2 campuses

300+ education options

RRC IN PROFILE

ROCKHAMPTON REGIONAL COUNCIL services Rockhampton, Mount Morgan, Gracemere and surrounding areas. We are one of the largest employers in the Region and pride ourselves on providing an exceptional level of customer service for our community as well as fostering the growth and vibrancy of our growth.

Rockhampton Regional Council provides a diverse range of services from rubbish collection, roads and water to hosting events, supporting community groups and promoting the development of industry.

COUNCIL SERVICES AND FACILITIES

- One of the largest Local Government owned and operated Airports in the country
- Council owned and operated Zoo provided as a free attraction for our community and visitors
- Council owned and operated public Art Gallery
- Four library branches
- 973 hectares of public land across our Region, including 167 parks
- 870km of sealed urban roads and 1109km of rural unsealed roads as well as 223km of footpaths

OUR CORPORATE VALUES

Accountable

Customer Focused

People Development

Continuous Improvement

One Team



MAYOR'S MESSAGE

Tony Williams
Mayor

The budget Council delivered at the beginning of this financial year was intended to set the foundations on which we will grow a bigger and better Rockhampton Region. Our goal was to invest in growth. Growth of services, growth of population and growth of infrastructure. I am pleased to say that on the pages of this report you will see that is exactly what we have done, and it's what we will continue to do.

We committed \$77 million toward catalyst water and sewage infrastructure projects that are critical for the growth of our region. Our investment to deliver once in a generation infrastructure will result in better services for our community, more industry, and more people calling our region home.

We've laid the foundations at the North Rockhampton Sewage Treatment Plant and continued work on the Glenmore Water Treatment Plant – two of the major water and sewage projects that will set us up for years to come.

While we weathered the unpredictable impacts of COVID and pressures from the ongoing drought in Mount Morgan, we continued to invest in and advocate for our future.

In early 2021 I stood before the Mount Morgan community and promised to deliver a permanent solution to the water security issue. As a result of successful advocacy to State and Federal Government, we're now getting ready to break ground on a potable water pipeline before Christmas, made possible through a commitment of \$40.4 million in the State Budget and a federal election commitment of \$3.5 million by the Australian Labor Party.

We fought hard to bring the Northern Suburbs home to Rockhampton as part of a State Government run boundary review. We chose to fight for what we believe is right, for our future and for a community that has now voted four times to be part of the Rockhampton Region. We'll continue to advocate for this as we wait for a final decision from the State Government.

We have grappled with the announcement that our Council has now been placed in a minimum grant category for Financial Assistance Grants, a decision which could see \$53 million stripped from our budget over the next 10 years, yet we remain committed to forging a better future while we deal with these challenges.

There have also been some remarkable achievements and milestones this past financial year that deserve to be celebrated.

The long-awaited Rockhampton Museum of Art (RMOA) was officially opened to the public and marked a new chapter in the cultural history of Rockhampton. RMOA is regional Queensland's largest and most exciting art space and allows us to showcase our nationally significant collection of artwork.

While over the financial year we still saw some events cancelled due to COVID, it was fantastic once again to host the Riverfestival and our second Rockynats festival.

Our region brought home several awards including two national awards at the Australian Sustainable Communities – Tidy Towns Awards, being named a Queensland Top Tourism Town finalist, taking home gold at the Grey Nomads Awards, and two gold awards at the Qantas Australia Tourism Awards.

On top of that, plans were revealed for a brand-new playground at the Rockhampton Botanic Gardens and Zoo that will feature play equipment inspired by our very own zoo animals. This will be an incredible addition to one of our region's most beloved attractions, attracting even more visitors, which will be another long-term booster to our economy.

It certainly has been another year full of ups and downs, but I know the work we are putting in now is setting the foundations on which we will grow a bigger and better Rockhampton region.



CHIEF EXECUTIVE OFFICER'S MESSAGE

Evan Pardon
CEO

Reflecting on the past financial year, what has become necessary, is our need to be adaptable and agile. Apart from the effects still being felt from the pandemic, we have faced and continue to face other challenges such as the significant reductions in financial assistance grants, the reprioritising of core capital infrastructure and the increased inflationary costs of operating. Like many other businesses we also continue to feel the effects of a very tight labour market.

All that being said, I am immensely proud of what we have achieved over the past twelve months. Our focus on advocating for major generational projects at the state and federal level, together with the delivery of a budget that was founded in fiscal responsibility has paved the way for the future growth of our region.

We have secured long term water security for the community of Mount Morgan and we can now provide them with a new Aquatic Centre.

We have laid the foundations for the expansion of our sewerage network, which will cater for a future population growth of an additional 25,000 people.

We have redeveloped The Rockhampton Airport and are witnessing the mammoth construction project that is the Alliance Airlines Maintenance Facility.

Our income has been lower and our bills, higher. We made the tough calls and the right calls to deliver certainty in uncertain times.

Through these difficult times we also went to battle for our community. We fought hard to bring the Northern Suburbs residents' home to the Rockhampton Region and open up our growth corridor to the north.

Time and again these residents have said that they want to be considered part of the community in which they work and play, and we have left no stone unturned in our efforts to make this happen.

Throughout this past year, it has been our teams across Council who have strived to innovate, collaborate, and find new ways, more efficient ways, to achieve and deliver outcomes.

Most importantly, we have continued to demonstrate our commitment to improving health and safety standards across the organisation through the implementation of Council's Health & Safety Strategy 2021-24.

As we roll into the year ahead, I am confident that through our resilience and commitment to our corporate values we will continue to address any challenges thrown at us and continue to achieve great outcomes for our Region.

RRC COUNCILLORS



Mayor Tony Williams

Chair: Ordinary Council

Portfolio: Advance Rockhampton - Economic Development and Events



Councillor Shane Latcham

Division 1

Portfolio: Waste and Recycling



Councillor Neil Fisher Deputy Mayor

Division 2

Portfolio: Airport



Councillor Grant Mathers

Division 3

Portfolio: Planning and Regulation



Councillor Ellen Smith

Division 4

Portfolio: Infrastructure



Councillor Cherie Rutherford

Division 5

Portfolio: Parks, Sports and Public Spaces



Councillor Drew Wickerson

Division 6

Portfolio: Communities and Heritage



Councillor Donna Kirkland

Division 7

Portfolio: Water and Environmental Sustainability

21/22 HIGHLIGHTS

CAPITAL WORKS

\$95 million spent on capital works throughout the year, including investment in critical water and sewerage infrastructure as well as major projects at the Rockhampton Airport.

WATER PIPELINE FUNDING

Through successful advocacy to other levels of government Council secured \$40.4 million in State funding and \$3.5 million in Federal funding toward the Mount Morgan Water Pipeline.

ROCKYNATS

The 2022 Rare Spares Rockynats saw a total of 52,107 spectators and 3,000 entrants converge on the streets of Rockhampton for a three day event full of family-friendly, high-adrenaline, octane-fuelled action. The event contributed over \$5.4m in direct and incremental expenditure to Rockhampton's economy.



AWARDS

Our Region was recognised through a number of awards including Australian Sustainable Communities - Tidy Towns Awards, Queensland Tourism Industry Council's Top Tourism Town Awards, Grey Nomads Awards, and Qantas Australia Queensland Tourism Awards

MUSEUM OF ART

The Rockhampton Museum of Art officially opened its doors on Friday 25th February 2022. The Rockhampton Museum of Art is six times the size of the previous gallery and holds one of the finest art collections in regional Australia.

ALIVE WITH EVENTS

Council launched a major events campaign for 2022, cementing Rockhampton as the epicentre for events in Central Queensland. From burnouts to pop culture to bull riding to food and wine, there's something for everyone on Rockhampton's 2022 major events calendar.

LOCAL PREFERENCE POLICY

A continued strong local preference policy ensures money spent by Council benefits our whole community. In November 2021 Council's Annual Goods and Services Spend Analysis revealed that 80% of our expenditure in the past year has been spent locally.

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COMMUNITY FINANCIAL REPORT





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Simplified Statement of Comprehensive Income

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Expenditure by Category

Infrastructure Assets

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Net Financial Liabilities/Revenue Ratio

Asset Sustainability Ratio

Looking to the Future



COMMUNITY FINANCIAL REPORT (s184 LGR2012)

For the year ended 30 June 2022

The Community Financial Report provides a simplified summary and analysis of Council's general purpose financial statements for the 2021-22 financial year.

Simplified Statement of Financial Position (Balance Sheet) as at 30 June 2022

	\$M
How much Council has in the bank	129.6
How much Council owns	2,712.4
How much Council is owed	30.0
Total Assets	2,872.0
How much Council owes suppliers and employees	74.5
How much Council has set aside for the rehabilitation of quarries and landfills	18.7
How much Council has borrowed	158.3
Total Liabilities	251.5
Net Community Assets (Wealth)	2,620.5

The simplified balance sheet shows the value of the community's assets as at 30 June 2022. It details the total of Council assets and how much Council owes to suppliers and to Queensland Treasury Corporation.

COMMUNITY FINANCIAL REPORT (s184 LGR2012)

Simplified Statement of Comprehensive Income for the year ended 30 June 2022

Council recorded an operating deficit of \$0.3 million for 2021-22 which was close to the budgeted position.

The bottom line on the Statement of Comprehensive Income was a net gain of \$124.2 million. This gain includes an increase of \$67.0 million in the revaluation of Council's non-current assets as well as \$59.3 million

of capital grants, subsidies, and contributions received for the year.

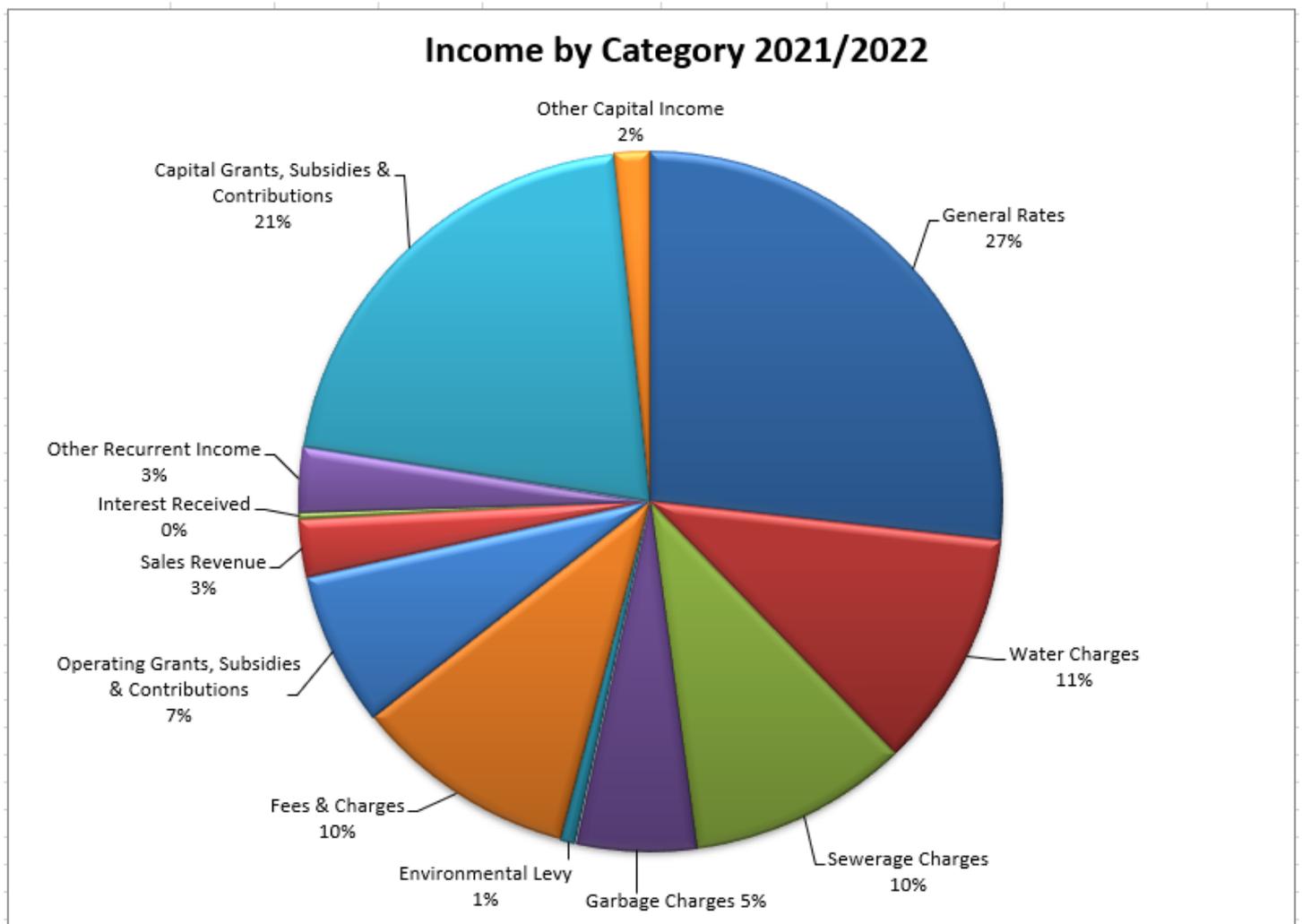
	\$M
<i>Operational Results:</i>	
Total operating revenue	220.6
Less operating expenses:	
Employee benefits	(84.3)
Materials and services	(70.8)
Finance costs	(4.6)
Depreciation and amortisation	(61.2)
<i>Net Operational Result</i>	<i>(0.3)</i>
<i>Other Results:</i>	
Capital grants, subsidies, contributed assets and other capital income	64.0
Less write-off of assets and other capital expenses	(6.5)
Plus increase in non-current asset values on revaluation	67.0
<i>Net Other Results</i>	<i>124.5</i>
<i>Comprehensive Income for the Year – Increase in Community Equity (Wealth)</i>	<i>124.2</i>

COMMUNITY FINANCIAL REPORT (s184 LGR2012)

Income – Where our money comes from...

To provide services to the community, Council must collect income. Council's total income in 2021/22 was \$284.5 million. Rates, levies and utility charges are Council's principal source of revenue and represent approximately 54.1% of Council's revenue in 2021/22. 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 2021/2022 financial year, 20.8% of Council's total income was comprised of capital revenue (capital grants, subsidies and contributions).



COMMUNITY FINANCIAL REPORT (s184 LGR2012)

Expenses – Where our money is spent...

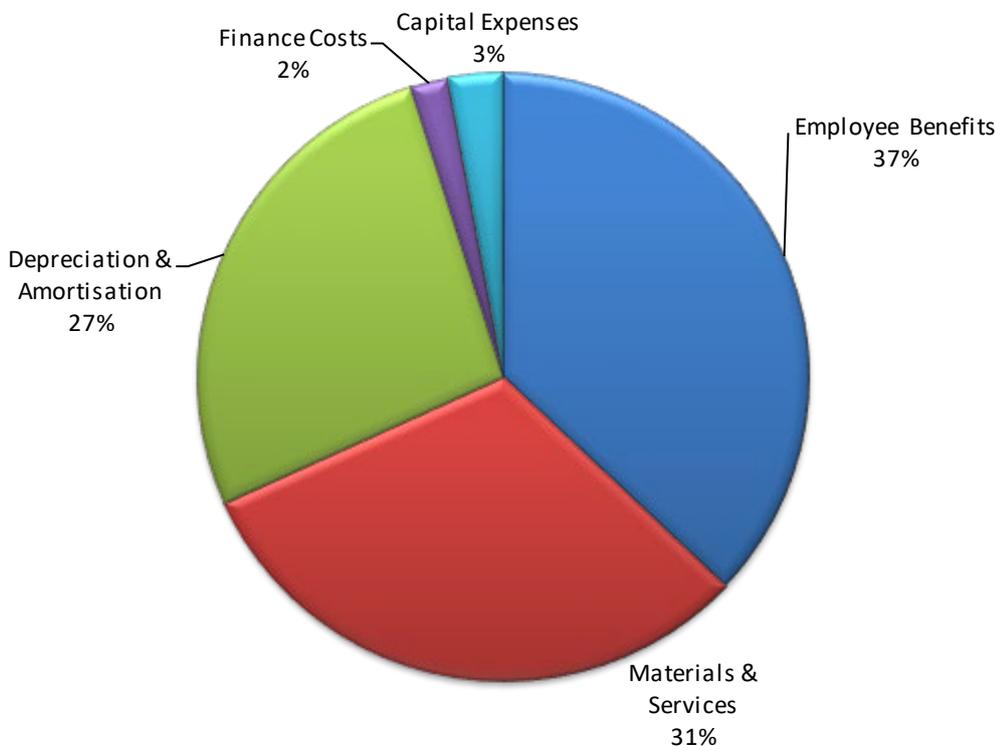
Council's operational and capital expenses as per the Statement of Comprehensive Income totalled \$227.3 million for the 2021/22 financial year. The three largest items of Council's expenditure are employee benefits (37%), materials and services (31%), and depreciation and amortisation (27%). Council's 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 (928 full time equivalent employees) 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 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.

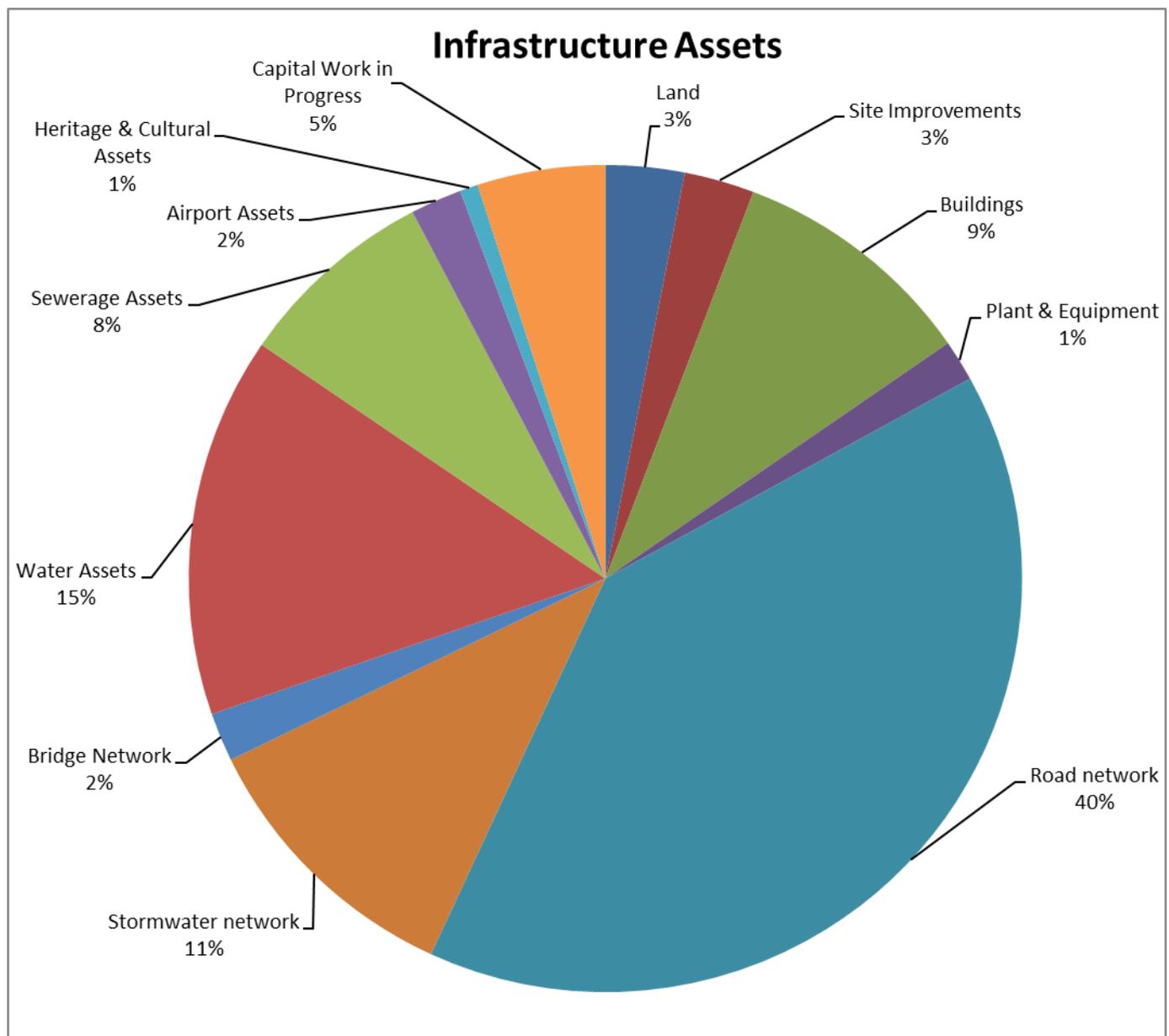
Expenditure by Category 2021/2022



What are our assets?

The total value of Council's assets at the end of 2021/22 was \$2,872 million. Infrastructure assets such as roads and drainage, water and sewerage, buildings and land comprise 94% of total assets, with the remaining 6% being mainly comprised of cash held in bank accounts and money owed to Council from its customers. A key goal of Council is solid long-term asset management planning to ensure that the community's assets are maintained now and for future generations.

The following graph details the \$2,708 million of community infrastructure owned and managed by Council.



Investment in Infrastructure Assets - Capital Works

Capital works expenditure for the 2021/22 year totalled \$95.0 million. Council spent \$14.8 million on Rockhampton Airport Maintenance Facility, \$5.8 million on North Rockhampton Sewer Treatment Plant, \$4.7 million on Glenmore Water Treatment Plant, \$4.2 million on Rockhampton Art Gallery, and \$3.8 million on Rockhampton Airport Terminal Refurbishment during 2021/22.

The total investment in assets for the year is 1.6 times the level of depreciation expense which demonstrates Council's commitment to improving the region's facilities. The asset sustainability ratio of 63.2% for the 2021/22 year shows the level of investment in spending on the renewal of existing assets.

What do we owe?

Liabilities are amounts that Council owes to others. As of 30 June 2022, Council owed \$251.5 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 quarries and landfills.

Council's borrowings at the end of 2021/22 totalled \$158.3 million, an increase of \$10.3 million from the previous financial year. The level of Council's debt is regularly reviewed as a component of our Long-Term Financial Forecast, which projects loan balances for 10 years into the future. Interest expense on loans totalled 1.8% of total operating income, which is within the sustainable range provided by the Department of Local Government.

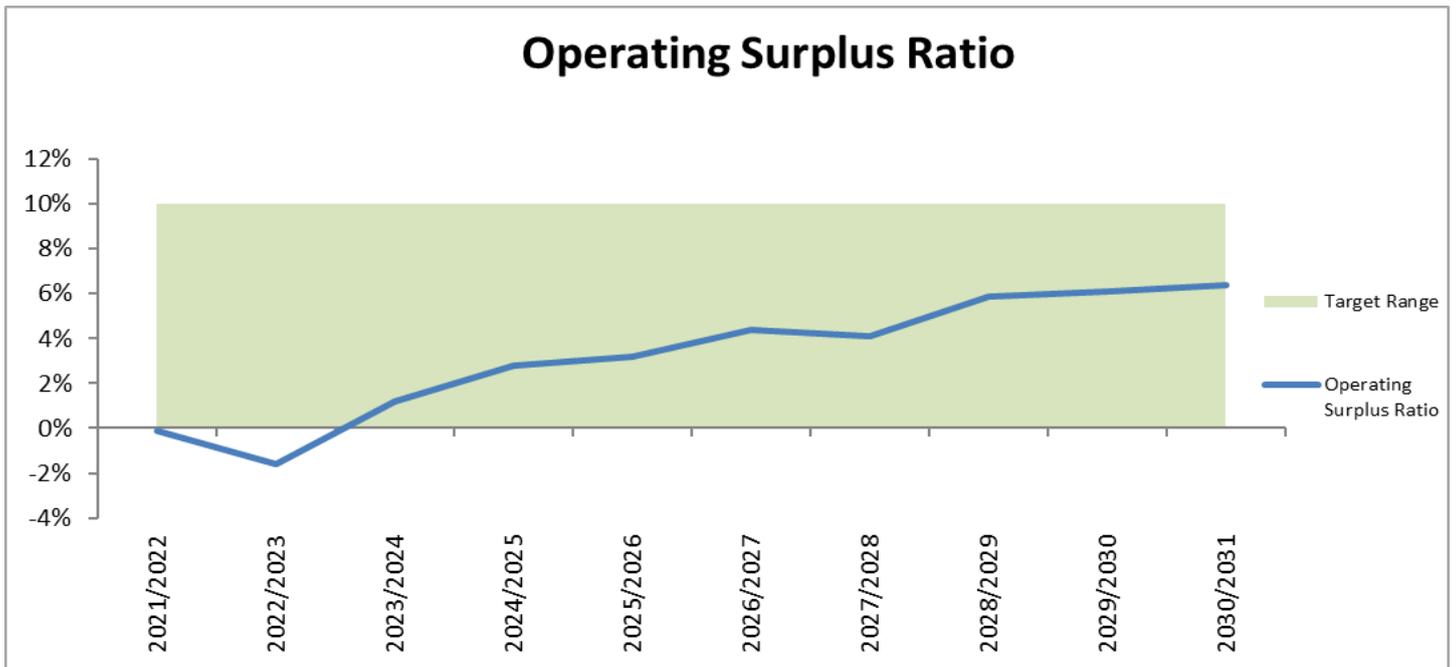
Financial Sustainability Ratios

The following 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 2021/22 year and are shown below together with projected ratios as per Council's adopted Long Term Financial Forecast.

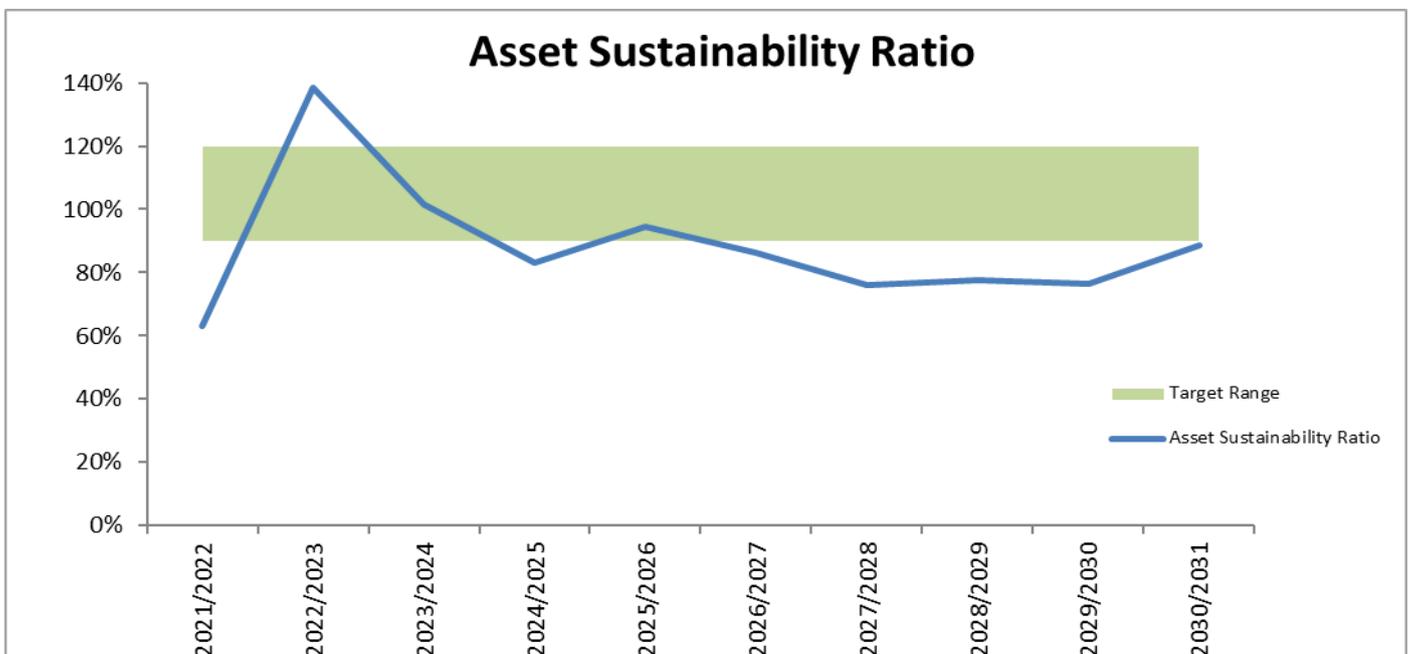
Operating Surplus Ratio – Target Benchmark between 0% and 10%

This ratio indicates the relationship between Council's net 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 Operating Surplus Ratio for 2021/22 was -0.1%. Council's long-term financial forecast shows the operating surplus ratio falling below 0% in 2022/2023 and then continuing within the target range over the remainder of the forecast period.



Asset Sustainability Ratio – Target Benchmark greater than 90%

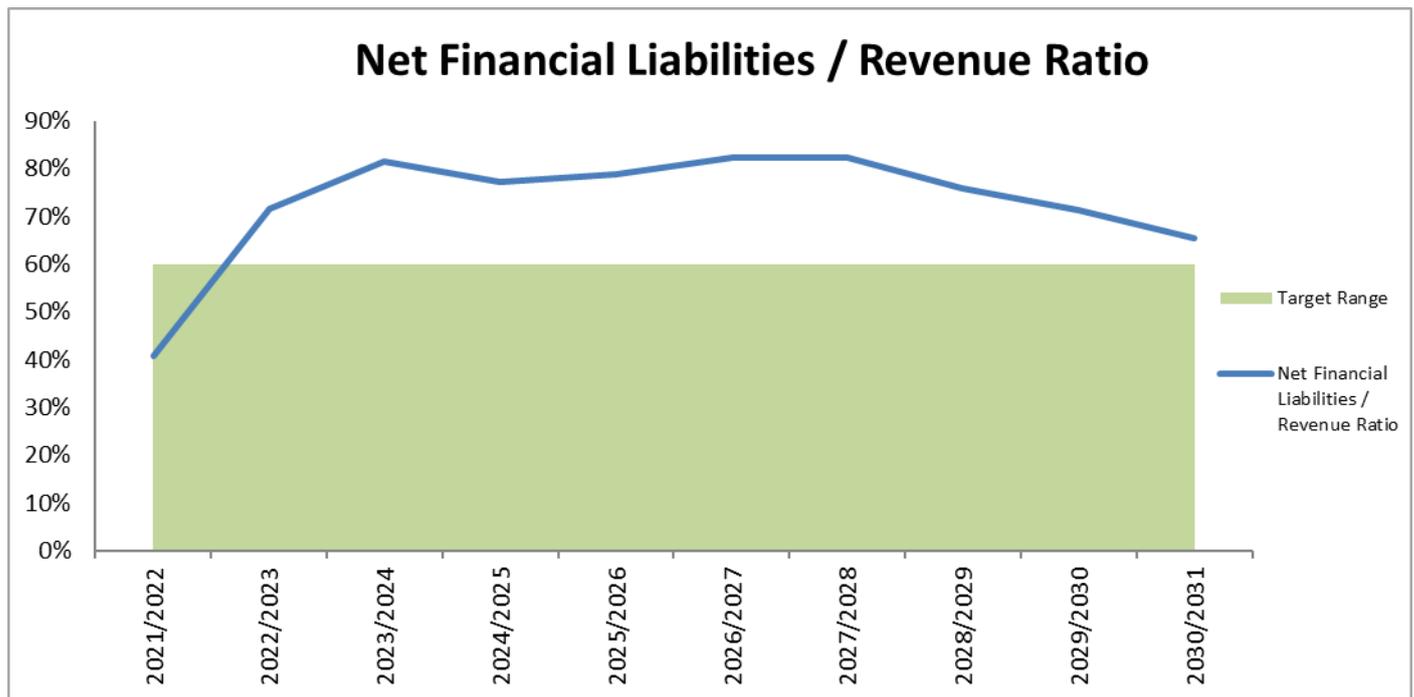
This ratio indicates the rate at which Council is renewing or replacing its existing assets. Council's ratio is 63.2% for the 2021/22 year. The forward projections show the ratio below the target range for some years, however showing an average ratio of 91.4% over the forecast period. The forward Capital 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.



COMMUNITY FINANCIAL REPORT (s184 LGR2012)

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 40.8%. In the 10 year forecast period, Council sits outside of the target range, as debt levels are forecast to increase to fund significant capital projects. However, the ratio is managed and controlled over the forecast period and decreases to within proximity of the target range in later years of the forecast period. The Department of Local Government undertakes a regular Credit Review process to ensure that Council's financial position is sustainable.



Looking to the Future

The 2022/2023 budget focused on the commencement and continuation of regionally significant infrastructure projects and those projects that Council 'must do' to ensure growth and sustainability of the region into the future.

Expenditure on capital works is at a record-high level to deliver essential asset upgrades and renewals. A significant amount of effort has gone into finding operational efficiencies without cutting services, and this analysis will continue through 2022/23, laying the platform for the journey that is ahead and ensuring Council can meet any future financial shocks.

Our capital works program places Council in a solid financial position to support the region for future forecast growth. By investing in 'must do' projects, the region is poised to prosper and grow. This commitment to invest in our future provides the basis to support forecast economic improvement in the years to come.

Forward financial planning is integral to maintaining our success and provide 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 the core of our decision-making moving forward.

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FINANCIAL
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ROCKHAMPTON REGIONAL COUNCIL

Financial statements

For the year ended 30 June 2022

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ROCKHAMPTON REGIONAL COUNCIL

Statement of Comprehensive Income
For the year ended 30 June 2022

	Note	2022 \$	Restated 2021* \$
Income			
Recurrent revenue			
Rates, levies and charges	3(a)	153,937,969	148,704,274
Fees and charges	3(b)	29,376,569	24,590,253
Sales revenue		7,628,173	6,738,976
Grants, subsidies and contributions	4(a)	20,126,774	15,649,496
Total recurrent revenue		<u>211,069,485</u>	<u>195,682,999</u>
Interest income		960,298	666,674
Other recurrent income	3(c)	8,521,145	7,643,898
Capital revenue			
Grants, subsidies and contributions	4(b)	59,307,179	64,036,101
Total capital revenue		<u>59,307,179</u>	<u>64,036,101</u>
Other capital income	5	4,664,727	2,744,491
Total income		<u>284,522,834</u>	<u>270,774,163</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(84,275,046)	(82,958,434)
Materials and services	7	(70,792,509)	(56,324,893)
Finance costs	8	(4,553,931)	(5,510,426)
Depreciation and amortisation	9	(61,224,256)	(56,814,068)
Total recurrent expenses		<u>(220,845,742)</u>	<u>(201,607,821)</u>
Capital expenses	10	(6,485,123)	(11,660,087)
Total expenses		<u>(227,330,865)</u>	<u>(213,267,908)</u>
Net result		<u>57,191,969</u>	<u>57,506,255</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	22	67,010,964	8,169,084
Total other comprehensive income for the year		<u>67,010,964</u>	<u>8,169,084</u>
Total comprehensive income for the year		<u>124,202,933</u>	<u>65,675,339</u>

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

* Council has made a retrospective restatement as a consequence of a correction of error and therefore, in accordance with AASB 101 has presented a restated Statement of Comprehensive Income for the comparative period. Details are disclosed in note 30.

ROCKHAMPTON REGIONAL COUNCIL

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	Restated 2021* \$
Current assets			
Cash and cash equivalents	11	64,570,831	88,173,948
Investments	12	65,000,000	-
Receivables	13	24,022,052	11,062,822
Inventories		1,854,182	2,072,659
Other assets	14	4,281,864	3,081,335
Contract assets	16(a)	1,687,385	872,809
Total current assets		<u>161,416,314</u>	<u>105,263,573</u>
Non-current assets			
Property, plant and equipment	15	2,707,500,239	2,608,655,049
Right-of-use assets	17(a)	637,112	966,517
Intangible assets		2,443,959	1,024,745
Total non-current assets		<u>2,710,581,310</u>	<u>2,610,646,311</u>
TOTAL ASSETS		<u>2,871,997,625</u>	<u>2,715,909,884</u>
Current liabilities			
Contract liabilities	16(b)	10,820,890	2,847,925
Lease liabilities	17(b)	87,312	296,310
Payables	18	29,040,618	21,998,934
Provisions	19	22,781,267	24,304,466
Borrowings	20	29,456,046	29,838,519
Other liabilities	21	3,883,526	461,151
Total current liabilities		<u>96,069,659</u>	<u>79,747,305</u>
Non-current liabilities			
Lease liabilities	17(b)	568,850	686,869
Provisions	19	19,313,223	21,054,260
Borrowings	20	128,797,063	118,094,882
Other liabilities	21	6,719,329	-
Total non-current liabilities		<u>155,398,465</u>	<u>139,836,011</u>
TOTAL LIABILITIES		<u>251,468,124</u>	<u>219,583,316</u>
NET COMMUNITY ASSETS		<u>2,620,529,501</u>	<u>2,496,326,568</u>
Community equity			
Retained surplus		1,590,900,260	1,533,708,291
Asset revaluation surplus	22	1,029,629,241	962,618,277
TOTAL COMMUNITY EQUITY		<u>2,620,529,501</u>	<u>2,496,326,568</u>

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

* Council has made a retrospective restatement as a consequence of a correction of error and therefore, in accordance with AASB 101 has presented a restated Statement of Financial Position for the comparative period. Details are disclosed in note 30.

ROCKHAMPTON REGIONAL COUNCIL

Statement of Changes in Equity
For the year ended 30 June 2022

	Total		Retained surplus		Asset revaluation surplus	
	2022 \$	Restated 2021* \$	2022 \$	Restated 2021* \$	2022 \$	2021 \$
	2,496,326,568	2,430,611,980	1,533,708,291	1,476,162,787	962,618,277	954,449,193
	-	39,249	-	39,249	-	-
Balance at beginning of year	2,496,326,568	2,430,651,229	1,533,708,291	1,476,202,036	962,618,277	954,449,193
Adjustment to opening balance PPE	57,191,969	57,506,255	57,191,969	57,506,255	-	-
Restated balances						
Net result						
Other comprehensive income for the year						
Adjustment to asset revaluation surplus:						
Property, plant & equipment	67,010,964	8,169,084	-	-	67,010,964	8,169,084
Total comprehensive income for year	124,202,933	65,675,339	57,191,969	57,506,255	67,010,964	8,169,084
Balance at end of year	2,620,529,501	2,496,326,568	1,590,900,260	1,533,708,291	1,029,629,241	962,618,277

Note

15

22

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

* Council has made a retrospective restatement as a consequence of a correction of error and therefore, in accordance with AASB 101 has presented a restated Statement of Changes in Equity for the comparative period. Details are disclosed in note 30.

ROCKHAMPTON REGIONAL COUNCIL

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Rates, levies and charges		155,200,578	150,305,266
Fees and charges		29,376,569	24,590,253
Grants, subsidies and contributions		19,826,386	15,675,473
Interest received		855,470	730,611
Other income		17,163,076	19,018,172
Payments to suppliers		(69,414,058)	(54,847,774)
Payments to employees		(84,938,171)	(82,922,174)
Borrowing costs		(4,062,728)	(4,804,836)
Net cash inflow from operating activities	27	<u>64,007,122</u>	<u>67,744,991</u>
Cash flows from investing activities			
Government subsidies and grants		44,479,603	37,237,735
Capital contributions		9,439,464	5,211,763
Payments for property, plant and equipment		(88,922,076)	(118,863,126)
Payments for intangible assets		(3,410,543)	(47,278)
Net transfer (to) / from cash investments	12	(65,000,000)	15,000,000
Proceeds from sale of property plant and equipment		5,810,622	4,401,311
Net cash outflow from investing activities		<u>(97,602,930)</u>	<u>(57,059,595)</u>
Cash flows from financing activities			
Proceeds from borrowings	20	40,000,000	33,650,000
Repayment of borrowings	20	(29,680,292)	(26,330,809)
Repayments made on leases (principal only)		(327,017)	(187,351)
Net cash inflow from financing activities		<u>9,992,691</u>	<u>7,131,840</u>
Net (decrease) / increase in cash and cash equivalents held		<u>(23,603,116)</u>	<u>17,817,236</u>
Cash and cash equivalents at beginning of the financial year		88,173,948	70,356,712
Cash and cash equivalents at end of the financial year	11	<u>64,570,832</u>	<u>88,173,948</u>

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

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

1 Information about these financial statements

1.A Basis of preparation

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

These general purpose financial statements are for the period 1 July 2021 to 30 June 2022 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

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

- some financial assets and liabilities, which are measured at fair value,
- 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.

1.C New and revised Accounting Standards adopted during the year

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021, none of the standards had a material impact on reported position, performance and cash flows.

1.D Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. The new standards are not expected to have a material impact on Council's future financial statements.

1.E Estimates and Judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

Valuation of property, plant and equipment - Note 15
Impairment of property, plant and equipment - Note 15
Depreciation - Note 9
Provisions - Note 19
Contingencies - Note 25
Revenue recognition - Note 3

1.F Rounding and Comparatives

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

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

Comparative information is generally restated for reclassification, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard. Comparative information is prepared on the same basis as prior year.

1.G Volunteer services

Council has elected not to recognise volunteer services in the Financial Statements. After a review of Council's current volunteer services across various departments, it is confirmed that Council would not have purchased these services if they had not been donated. To purchase these services the impact would either be an increase in rates and / or a cut to other services.

1.H Taxation

Council is exempt from Income Tax, however Council is subject to Fringe Benefits Tax ('FBT'), Goods and Services Tax ('GST') and Payroll Tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

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, Chief Executive Officer, Strategic Planning and Advance Rockhampton sections.

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 governance, internal audit 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.

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 also provides compliance and regulatory services in line with legislation and community standards; these include the operations of public health, environmental health, health planning, 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.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

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 2022

(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			Recurrent	Capital		2022	2022			2022	2022
	Grants	Other	Grants	Other										
	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Resourcing	11,649,734	74,119,666	2,379,000	(686,254)	87,462,147	(34,359,375)	-	(34,359,375)	120,128,775	121,821,523	215,069,564			
Office of the CEO	160,686	2,688,969	-	-	2,849,656	13,575,742	(4,616)	13,571,126	(10,726,086)	(10,721,470)	1,151,749			
Regional Services	443,268	3,088,878	23,631,041	12,049,419	39,212,606	45,771,418	4,499,013	50,270,430	(42,239,272)	(11,057,825)	1,437,835,632			
Corporate Services	621,233	1,690,128	-	1,340,321	3,651,681	26,419,155	937,823	27,356,978	(24,107,795)	(23,705,297)	61,399,553			
Community Services	4,262,344	10,035,407	44,979	326,200	14,668,931	65,958,183	(59,675)	65,898,508	(51,660,431)	(51,229,577)	295,052,891			
Airport	1,873,872	14,099,669	17,763,867	7,400	33,744,808	16,344,833	29,530	16,374,362	(371,292)	17,370,446	173,020,741			
Waste & Recycling	259,020	24,250,192	51,210	321,596	24,882,018	21,052,914	352,614	21,405,528	3,456,298	3,476,490	44,614,126			
Fitzroy River Water	27,274	71,280,588	3,586,154	3,156,972	78,050,987	66,082,874	730,434	66,813,308	5,224,988	11,237,679	643,853,368			
Total	19,297,431	201,253,497	47,456,251	16,515,655	284,522,834	220,845,742	6,485,123	227,330,865	(294,816)	57,191,969	2,871,997,625			

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements
For the year ended 30 June 2022

Prior Year (* Restated)

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result from Recurrent	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
2021	2021	2021	2021	2021	2021	2021	2021				
Resourcing	8,623,768	69,074,955	2,793,239	-	80,491,962	(37,199,289)	-	(37,199,289)	114,898,012	117,691,251	159,598,356
Office of the CEO	107,755	1,542,583	-	-	1,650,338	12,608,905	20,326	12,629,231	(10,958,567)	(10,978,893)	1,155,779
Regional Services	500,309	2,423,537	17,521,804	24,649,445	45,095,095	43,938,051	8,025,724	51,963,774	(41,440,717)	(6,868,679)	1,436,451,928
Corporate Services	568,233	1,472,406	-	288,101	2,328,741	22,029,487	47,956	22,077,444	(19,988,848)	(19,748,703)	62,878,352
Community Services	3,628,578	8,656,995	1,184,185	854,008	14,323,766	62,374,018	1,381,862	63,755,879	(50,088,444)	(49,432,113)	237,897,830
Airport	1,420,663	11,898,648	13,516,063	2,304,783	29,140,157	13,319,312	52,812	13,372,124	-	15,768,033	140,181,449
Waste & Recycling	213,859	22,370,542	39,790	215,574	22,839,766	20,172,292	642,046	20,814,337	2,412,110	2,025,429	43,882,874
Fitzroy River Water	15,474	71,475,265	449,398	2,964,201	74,904,338	64,365,045	1,489,361	65,854,407	7,125,694	9,049,931	633,863,316
Total	15,078,640	188,914,931	35,504,479	31,276,112	270,774,162	201,607,821	11,660,087	213,267,908	1,959,240	57,506,255	2,715,909,884

*Prior year amounts have been restated to reflect a restructure of components within Council's various functions and for correction of error as disclosed in Note 30.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements For the year ended 30 June 2022

	2022	2021
	\$	\$
3 Revenue		
(a) Rates, levies and charges		
Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	68,172,730	65,519,738
Separate rates	18,565,622	17,962,602
Special rates	97,998	91,565
Water	33,205,302	34,213,081
Sewerage	31,988,885	30,788,373
Garbage charges	17,574,684	16,889,503
Rates and utility charge revenue	<u>169,605,221</u>	<u>165,464,862</u>
Less: Discounts	(13,900,272)	(13,426,660)
Less: Remissions	(1,766,980)	(3,333,928)
Net rates and utility charges	<u><u>153,937,969</u></u>	<u><u>148,704,274</u></u>

(b) Fees and charges

Revenue arising from fees and charges are recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on receipt of the service. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Revenue from infringements is recognised on issue of the infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

Airport fees	9,693,123	7,897,869
Waste and recycling fees	7,038,121	6,201,189
Venues, events, tourism and cultural fees	5,077,952	3,652,465
Building, plumbing and development fees	3,056,516	2,515,212
Local laws and health licencing fees	1,419,406	1,301,464
Irrigator and commercial water fees	1,747,759	1,841,749
Other fees	1,343,692	1,180,305
	<u><u>29,376,569</u></u>	<u><u>24,590,253</u></u>

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements For the year ended 30 June 2022

	2022	2021
	\$	\$
(c) Other recurrent income		
Other revenue is recognised when it is received or when the right to receive payment is established. Rental revenue is recognised as income on a periodic straight line basis over the lease term.		
Rental / lease income	3,394,920	3,255,461
Commission and collection fees	2,259,129	1,979,688
Insurance	39,149	100,222
Other income	2,827,947	2,308,527
	<u>8,521,145</u>	<u>7,643,898</u>

4 Grants, subsidies and contributions

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

Performance obligations vary in each agreement but include disaster resilience projects, aged care assistance and community events. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, revenue is recognised using either costs or time incurred.

Grant income under AASB 1058

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income is then recognised for any remaining asset value at the time that the asset is received.

Capital grants

Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Contributions

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by Council.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

Contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and sewerage 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 expenses.

(a) Operating

	Note	2022 \$	Restated 2021 \$
General purpose grants		11,649,734	8,623,768
Government subsidies and grants		7,647,697	6,454,872
Contributions		829,343	570,856
		<u>20,126,774</u>	<u>15,649,496</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		47,456,250	35,504,479
Contributions		3,534,711	7,325,721
		<u>50,990,961</u>	<u>42,830,200</u>
(ii) Non-monetary revenue received is analysed as follows:			
Developer assets contributed by developers at fair value		8,254,445	7,089,910
Other physical assets contributed at fair value		61,773	14,115,991
		<u>8,316,218</u>	<u>21,205,901</u>
		<u>59,307,179</u>	<u>64,036,101</u>

(c) Timing of revenue recognition for grants, subsidies and contributions

Revenue recognised at a point in time			
Operational Grants and subsidies	4(a)	18,473,817	14,281,003
Operational Contributions	4(a)	829,343	570,856
Capital Grants and subsidies	4(b)	45,431,938	35,213,423
Capital Contributions	4(b)	3,534,711	5,073,722
		<u>68,269,809</u>	<u>55,139,005</u>
Revenue recognised over time			
Operational Grants and subsidies	4(a)	823,614	797,637
Capital Grants and subsidies	4(b)	2,024,312	291,056
Capital Contributions	4(b)	-	2,251,999
		<u>2,847,926</u>	<u>3,340,692</u>
		<u>71,117,735</u>	<u>58,479,696</u>

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
5 Capital income			
Gain on the disposal of non-current assets			
(a) Proceeds from disposal of land		1,155,463	129,100
Less: Carrying value of land disposed		<u>(474,854)</u>	<u>(371,100)</u>
		<u>680,609</u>	<u>(242,000)</u>
(b) Proceeds from disposal of plant and equipment		1,104,473	1,819,610
Less: Carrying value of plant and equipment disposed		<u>(1,023,010)</u>	<u>(1,251,814)</u>
		<u>81,463</u>	<u>567,796</u>
(c) Proceeds from disposals / insurance proceeds for buildings		3,550,686	2,452,601
Less: Carrying value of buildings disposed		<u>(56,209)</u>	<u>(159,302)</u>
		<u>3,494,477</u>	<u>2,293,299</u>
Provision for rehabilitation			
Quarry rehabilitation - change from revision of future restoration expenditure	19	-	1,938
Quarry rehabilitation - reduction in rehabilitation provision for future costs, due to a change in discount rate	19	86,582	26,395
Landfill restoration - change from revision of future restoration expenditure	19	<u>321,596</u>	<u>97,063</u>
Total capital income		<u><u>4,664,727</u></u>	<u><u>2,744,491</u></u>

6 Employee benefits

Employee benefit expenses are recorded when the service has been provided by the employee.

Staff wages and salaries		81,523,677	81,111,993
Councillors' remuneration		1,009,935	940,238
Termination benefits		546,535	460,619
Superannuation	26	<u>9,057,093</u>	<u>8,910,862</u>
		92,137,240	91,423,712
Other employee related expenses		<u>2,511,695</u>	<u>2,859,900</u>
		94,648,935	94,283,612
Less: Capitalised employee expenses		<u>(10,373,889)</u>	<u>(11,325,178)</u>
		<u><u>84,275,046</u></u>	<u><u>82,958,434</u></u>

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

Total employees at year end:	No.	No.
Elected members	8	8
Administration staff	558	554
Depot and outdoors staff	<u>362</u>	<u>365</u>
Total full time equivalent employees	<u><u>928</u></u>	<u><u>927</u></u>

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

	Note	2022 \$	Restated 2021 \$
7 Materials and services			
Expenses are recorded on an accruals basis as Council receives the goods or services.			
Audit of annual financial statements by the Auditor-General of Queensland		179,425	158,622
Advertising and marketing		1,660,307	1,559,289
Administration supplies and consumables		814,083	855,151
Communications and IT		4,281,003	4,097,838
Consultants		2,424,033	3,283,235
Contractors		14,711,923	12,058,208
Donations paid		1,074,177	1,374,071
Insurance		5,637,230	4,738,738
Electricity		5,177,371	5,407,147
Repairs and maintenance		27,679,849	18,464,035
Waste levy		2,073,253	1,854,732
Other materials and services		5,079,855	2,473,826
		<u>70,792,509</u>	<u>56,324,893</u>

8 Finance costs

Finance costs charged by the Queensland Treasury Corporation		4,062,728	4,804,836
Bank charges		316,216	311,554
(Reversal of impairment) / impairment of receivables		(270,120)	28,985
Interest on leases		17,877	22,090
Quarry rehabilitation - change in present value over time	19	6,595	4,529
Landfill sites restoration - change in present value over time	19	420,635	338,432
		<u>4,553,931</u>	<u>5,510,426</u>

9 Depreciation and amortisation

Depreciation of non-current assets

Site improvements		3,673,524	3,179,576
Buildings		8,311,672	7,818,084
Plant and equipment		6,098,763	5,282,526
Road network		19,145,351	18,926,177
Stormwater network		4,347,361	4,050,473
Bridge network		1,242,138	1,048,352
Water		9,263,350	9,173,334
Sewerage		4,605,049	4,476,222
Airport		2,245,457	2,327,996
Total depreciation of non-current assets	15	<u>58,932,665</u>	<u>56,282,740</u>

Amortisation of intangible assets

Computer software		1,991,552	247,824
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Depreciation of right-of-use assets

Leases	17(a)	300,039	283,504
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Total depreciation and amortisation		<u>61,224,256</u>	<u>56,814,068</u>
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ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

	Note	2022 \$	Restated 2021 \$
10 Capital expenses			
Write off of non-current assets			
Site improvements		(14,139)	566,191
Buildings		794,332	677,164
Plant and equipment		127,606	99,280
Road network		4,622,687	7,189,369
Stormwater network		341,142	481,845
Bridge network		(471,724)	503,324
Water		359,469	1,106,670
Sewer		372,206	409,328
Airport		1,399	661
Intangible assets		(223)	409
Rehabilitation			
Quarry rehabilitation - increase in rehabilitation provision for future costs, due to a change in discount rate	19	15,380	-
Landfill restoration - increase in restoration provision for future costs, due to a change in discount rate	19	336,988	625,846
Total capital expenses		<u><u>6,485,123</u></u>	<u><u>11,660,087</u></u>

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
11 Cash and cash equivalents			
Cash and cash equivalents in the statement of cash flows 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		12,377,451	3,444,971
Deposits at call		52,193,380	84,728,977
Balance as per Statement of Cash Flows		<u>64,570,831</u>	<u>88,173,948</u>

Council is exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio investing in a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Cash and cash equivalents		64,570,831	88,173,948
Less: externally imposed restrictions on cash	11(a)	<u>(22,997,924)</u>	<u>(7,278,114)</u>
Unrestricted cash		<u>41,572,908</u>	<u>80,895,834</u>

Council's cash, cash equivalents and investments (Note 12) are subject to a number of 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:

(a) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent government grants and subsidies		10,820,890	2,847,925
Unspent infrastructure charges		3,365,759	4,430,189
Waste levy refund received in advance		8,811,275	-
Total externally imposed restrictions on cash assets		<u>22,997,924</u>	<u>7,278,114</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 since Council has no control over the assets.

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>1,598,910</u>	<u>1,299,429</u>
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ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

	2022 \$	2021 \$
12 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	-	15,000,000
Transfers from/(to)operating bank account	65,000,000	(15,000,000)
	<u>65,000,000</u>	<u>-</u>

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 of receivables is required within 30 days after the invoice is issued.

Debts are regularly assessed for collectability and allowance is made, where appropriate, 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.

The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

Current

Rateable revenue and utility charges	4,887,741	6,807,021
Less: loss allowance	(61,761)	(255,912)
	<u>4,825,980</u>	<u>6,551,109</u>
Other debtors	6,867,426	3,839,792
Less: loss allowance	(492,757)	(568,348)
	<u>6,374,669</u>	<u>3,271,444</u>
State and Commonwealth government	12,821,403	1,240,269
	<u>24,022,052</u>	<u>11,062,822</u>

Interest is charged on outstanding rates (8% per annum from 1 July 2021. Previously 8.5% per annum from 1 January 2021). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Council applies normal business credit protection procedures prior to providing goods or services to minimise credit risk.

The Council does not require collateral in respect of trade and other receivables.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

2022
\$

2021
\$

Accounting policies - Grouping

When Council has no reasonable expectation of recovering an amount owed by a debtor, and has ceased enforcement activity, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses (ECL) and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

Council has identified three distinctive groupings of its receivables: Rates and Charges, State and Commonwealth government, Other Debtors.

Rates and Charges: Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts and therefore the expected credit loss is immaterial. Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property.

State and Commonwealth government: amounts payable by State and Commonwealth governments and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the State and Commonwealth governments have high credit ratings. Accordingly Council determines the level of credit risk exposure to be immaterial and therefore Council does not calculate ECL for State and Commonwealth government debtors.

Other Debtors: Council identifies other debtors as receivables which are not rates and charges or State and Commonwealth government debtors.

The exposure to credit risk for receivables by type of counterparty was as follows:

Rates and utility charges	4,887,741	6,807,021
State and Commonwealth government	12,821,403	1,240,269
Other debtors	6,867,426	3,839,792
Total	24,576,570	11,887,082

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

Opening balance	824,260	804,637
Impairment adjustment in the year	(245,238)	(102,884)
Impairment debts written off during the year	-	(9,362)
Impairments recognised	(24,505)	131,869
Closing balance	554,517	824,260

14 Other assets

Water charges yet to be levied	803,614	341,094
GST recoverable	1,493,768	938,984
Prepayments	1,984,482	1,801,257
	4,281,864	3,081,335

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements
For the year ended 30 June 2022

15 (a) Property, plant and equipment

Basis of measurement Fair value category	Land	Site improvements	Buildings	Plant and equipment	Road network	Stormwater network	Bridge network	Water	Sewerage	Airport	Heritage and cultural assets	Work in Progress		Total	
												Cost	Cost		
Asset values	Fair value Level 2 & 3	Cost	Fair value Level 2 & 3	Cost	Fair value Level 3	Fair value Level 2	Fair value Level 2	Cost							
Opening gross value as at 1 July 2021 - Restated	70,196,141	97,535,188	359,003,225	78,757,384	1,344,370,650	376,068,670	76,059,419	663,701,677	345,625,050	77,725,647	18,913,449	\$	\$	134,182,911	3,642,139,411
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Renewals	-	635,867	436,239	4,077,993	5,012,978	133,651	4,339	2,035,146	264,696	-	-	-	-	24,133,257	36,794,166
- Other additions	-	1,158,752	6,251,639	310,773	6,852,051	520,914	939	525,117	573,931	-	294,180	-	-	45,120,432	61,608,729
Work in progress expensed	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,305,982)	(3,305,982)
Contributed assets at valuation	-	-	-	-	2,919,381	3,259,520	-	1,226,944	848,600	-	61,773	-	-	-	8,316,217
Reassessment of landfill restoration cost	-	(1,488,647)	-	-	-	-	-	-	-	-	-	-	-	-	(1,488,647)
Transfers between classes	-	-	-	-	-	(399,521)	399,521	(1,160,112)	1,160,112	-	-	-	-	(71,280,936)	-
Transfers from work in progress	438,589	5,602,012	37,796,519	3,214,686	7,363,611	5,703,490	215,368	4,092,548	6,370,931	480,128	3,055	-	-	-	(4,453,808)
Disposals	(474,854)	-	(71,226)	(3,907,728)	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset	13,311,663	-	-	-	-	70,143,893	-	-	-	-	-	-	-	-	118,120,223
Revaluation surplus	-	18,146	(1,951,119)	(1,886,956)	(9,733,498)	(619,189)	697,933	(3,165,313)	(2,010,176)	(14,927)	-	-	-	(18,665,098)	
Write offs	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,410,543)	-
Transfer to intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2022	83,471,539	103,461,318	436,129,944	80,566,152	1,356,785,173	454,811,428	77,377,519	667,256,007	352,833,144	78,190,848	19,272,456	-	-	125,439,139	3,835,594,671

Accumulated depreciation and impairment

Opening gross value as at 1 July 2021 - Restated	-	25,646,659	151,899,170	35,811,363	252,455,561	117,801,381	23,943,987	267,225,384	137,217,250	21,483,609	-	-	-	-	1,033,484,362
Depreciation expense	-	3,673,524	8,311,672	6,098,763	19,145,351	4,347,361	1,242,138	9,263,350	4,605,049	2,245,457	-	-	-	-	58,932,665
Transfers between classes	-	-	-	-	-	(158,068)	158,068	(348,019)	348,019	-	-	-	-	-	-
Depreciation on disposals	-	-	(15,018)	(2,884,717)	-	-	-	-	-	-	-	-	-	-	(2,899,735)
Revaluation adjustment to asset	-	-	15,823,750	-	-	35,285,510	-	-	-	-	-	-	-	-	51,109,259
Revaluation surplus	-	4,006	(1,156,787)	(1,759,351)	(5,110,810)	(278,047)	226,209	(2,805,844)	(1,637,970)	(13,527)	-	-	-	-	(12,532,119)
Depreciation on write offs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2022	-	29,324,189	174,862,787	37,266,057	266,490,102	156,998,117	25,570,422	273,334,869	140,532,349	23,715,539	-	-	-	-	1,128,094,432

Net value at 30 June 2022	83,471,539	74,137,129	261,267,158	43,300,094	1,090,295,070	297,813,311	51,807,097	393,921,138	212,300,796	54,475,309	19,272,456	-	-	125,439,139	2,707,500,239
Residual value	-	-	-	11,184,812	-	-	-	-	-	-	-	-	-	-	11,184,812
Range of estimated useful life in years	Not depreciated	10 - 1000	10 - 150	3 - 40	10 - 1000	25 - 120	10 - 80	15 - 1000	15 - 1000	7 - 1000	Not depreciated	-	-	-	-

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements
For the year ended 30 June 2022

15 (b) Property, plant and equipment - prior year - Restated

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 Level 2 & 3	Cost	Fair value Level 2 & 3	Cost	Fair value Level 3	Cost	Fair value Level 3	Fair value Level 3	Fair value Level 3	Fair value Level 3		Fair value Level 3												
Basis of measurement Fair value category																									
Asset values																									
Opening gross value as at 1 July 2020	70,146,004	79,591,097	330,035,524	70,125,121	1,307,501,870	370,294,821	60,665,018	659,905,075	343,439,940	77,239,602	18,272,385	132,905,922	3,520,122,379												
Adjustment to opening value	-	-	-	-	39,249	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,249
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Renewals	-	876,836	320,159	5,209,212	8,816,304	461,464	5,912,406	912,878	928,566	27,141	-	31,159,446	54,624,412	-	-	-	-	-	-	-	-	-	-	-	54,624,412
- Other additions	209,603	2,434,467	697,503	1,502,718	4,955,876	591,455	90	725,434	172,388	-	-	50,170,902	61,450,435	-	-	-	-	-	-	-	-	-	-	-	61,450,435
Work in progress expensed	-	-	-	-	-	-	-	-	-	-	-	-	(474,270)	-	-	-	-	-	-	-	-	-	-	-	(474,270)
Contributed assets at valuation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment of landfill restoration cost	-	(3,978,690)	-	-	4,520,279	2,174,315	11,889,838	1,056,673	923,732	-	641,064	-	21,205,900	-	-	-	-	-	-	-	-	-	-	-	(3,978,690)
Transfers from work in progress	51,934	19,902,122	10,612,787	6,265,915	33,149,869	3,442,758	697,675	4,390,160	977,236	38,028	-	(79,528,474)	10	-	-	-	-	-	-	-	-	-	-	-	(4,009,265)
Disposals	(371,100)	-	(174,926)	(3,463,239)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	159,700
Assets classified as held for sale-land	-	-	-	-	(305,772)	-	(238,368)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset	-	-	-	-	(14,307,025)	(886,143)	(2,867,220)	(3,288,542)	(816,812)	(7,063)	-	-	(25,689,442)	-	-	-	-	-	-	-	-	-	-	-	(25,689,442)
Revaluation surplus	-	(1,290,644)	(1,343,649)	(882,343)	(14,307,025)	(886,143)	(2,867,220)	(3,288,542)	(816,812)	(7,063)	-	-	(25,689,442)	-	-	-	-	-	-	-	-	-	-	-	(25,689,442)
Write offs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2021 - Restated	70,196,141	97,535,188	359,003,225	76,757,384	1,344,370,649	376,068,670	76,059,419	663,701,677	345,625,050	77,725,647	18,913,449	134,182,911	3,642,139,411												
Accumulated depreciation and impairment																									
Opening gross value as at 1 July 2020	-	23,191,536	136,867,510	33,523,324	237,896,585	114,155,205	23,506,590	260,233,922	133,148,512	20,990,574	-	-	983,513,758	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment to opening value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	3,179,576	7,818,084	5,282,526	18,926,176	4,050,473	1,048,352	9,173,334	4,476,222	2,327,996	-	-	56,282,740	-	-	-	-	-	-	-	-	-	-	-	56,282,740
Depreciation on disposals	-	-	(15,624)	(2,211,425)	-	-	-	-	-	-	-	-	(2,227,049)	-	-	-	-	-	-	-	-	-	-	-	(2,227,049)
Revaluation adjustment to asset	-	-	7,895,684	(783,063)	2,750,456	-	1,752,941	-	-	(1,828,559)	-	-	10,570,522	-	-	-	-	-	-	-	-	-	-	-	10,570,522
Revaluation surplus	-	(724,453)	(666,485)	(783,063)	(7,117,656)	(404,297)	(2,363,897)	(2,181,872)	(407,484)	(6,401)	-	-	(14,655,609)	-	-	-	-	-	-	-	-	-	-	-	(14,655,609)
Depreciation on write offs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2021 - Restated	-	25,646,659	151,899,170	35,811,362	252,455,561	117,801,381	23,943,987	287,225,384	137,217,250	21,483,609	-	-	1,033,484,362	-	-	-	-	-	-	-	-	-	-	-	1,033,484,362
Net value at 30 June 2021 - Restated	70,196,141	71,888,529	207,104,056	42,946,021	1,091,915,088	258,267,289	52,115,432	396,476,293	208,407,800	56,242,038	18,913,449	134,182,911	2,608,655,049												
Residual value	-	-	-	11,976,496	-	-	-	-	-	-	-	-	11,976,496	-	-	-	-	-	-	-	-	-	-	-	-
Range of estimated useful life in years	Not depreciated	10 - 1000	10 - 150	3 - 40	10 - 1000	25 - 120	10 - 80	15 - 1000	15 - 1000	7 - 1000	Not depreciated														

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

15 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 including individual assets valued below the asset recognition threshold if they form part of an integrated function.

Land under roads and reserve land under the *Land Act 1994* or *Land Title Act 1994* is controlled by Queensland State Government and not recognised in Council's 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 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. Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

Property, plant and equipment received in the form of contributions, for significantly less than fair value or as offsets to infrastructure charges are recognised as assets and revenues at fair value.

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised as a change in the corresponding capitalised cost.

(e) Depreciation

Assets are depreciated from the date of acquisition or when an asset is ready for use.

Land, Heritage and Cultural assets and work in progress are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Where assets have separately identifiable components, these components have separately assigned useful lives.

Depreciation methods, estimated useful lives and residual values 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.

Notes to the financial statements

For the year ended 30 June 2022

Key judgements and estimates:

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

(f) Impairment

Property, plant and equipment held at cost 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 are identified and brought to account at fair value.

(i) Valuation

Valuation Processes

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. Every 5 years Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer or suitably qualified internal staff.

In the intervening years, Council utilises 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 a desktop valuation as appropriate. A "desktop" valuation may involve management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was taken through the income statement, in that case the increase is taken to the income statement to the extent of the previous decrease.

Revaluation decreases are recognised in the asset revaluation surplus, where there is sufficient amount available in the asset revaluation surplus relating to that asset class. Where there isn't sufficient amount available in the surplus, the decrease is recognised in the statement of comprehensive income.

Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the statement of comprehensive income.

Fair values are classified into three levels as follows:

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

There were no transfers between levels of the hierarchy during the year.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land (Level 2) 2022: \$38,041,016 2021: \$32,283,100	Market value	30 September 2018	Australlis Asset Advisory Group	Sales prices (database of recent sales) of comparable properties are adjusted for differences in key attributes such as property size).	Indices assessment provided by Australlis Asset Advisory Group	Nil
Land (level 3) 2022: \$45,430,518 2021: \$37,913,041	Market value	30 September 2018	Australlis Asset Advisory Group	Sales prices (database of recent sales) of comparable properties are adjusted for differences in key attributes such as property size and other factors including restrictive use for special purposes.	Indices assessment provided by Australlis Asset Advisory Group	Nil
Buildings (level 2) 2022: \$3,305,271 2021: \$3,668,141	Market value	31 March 2017	Australlis Asset Advisory Group	Sales prices of comparable properties are adjusted for differences in key attributes of the property.	Indices assessment provided by Australlis Asset Advisory Group	Nil
Buildings (level 3) 2022: \$258,156,960 2021: \$203,435,914	Current replacement cost	31 March 2017	Australlis Asset Advisory Group	Current replacement unit costs (rate per square metre) are based on cost guides, unit rate databases and available market and construction data of modern equivalent assets. Remaining useful life incorporates condition, age, recent works, functionality, capability, utilisation and obsolescence.	Indices assessment provided by Australlis Asset Advisory Group	Nil
Road network (level 3)	Current replacement cost	Rolling revaluation: 31 December 2019 31 December 2020	Qualified Council Staff / Lemmah Pty Ltd	Current replacement cost unit rates are sourced from Lemmah Pty Ltd (market prices of plant, labour and materials along with actual costs from reference projects), cost guides and recently completed capital works for modern equivalent assets. Unit rates and useful life information is based on Road stereotypes taking account of ground conditions and customised to local design conditions. Remaining useful life incorporates condition determined by a number of factors including distress weightings within a replacement acceptability level, age, physical obsolescence and other factors.	Nil	Nil

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements
For the year ended 30 June 2022

Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Stormwater network (level 3)	Current replacement cost	31 December 2021	Qualified Council Staff / AssetVal Pty Ltd	Current replacement cost unit rates are based on similar recent project costs, direct quotations from suppliers, unit rate databases, indices and cost guides for modern equivalent assets. Remaining useful life incorporates age and condition assumptions.	Nil	Nil
Bridge network (level 3)	Current replacement cost	31 December 2020	Australis Asset Advisory Group	Current replacement cost unit rates are based on cost guides including location factors from Rawlinson's cost guide, historical costs, contractor rates, future works, site factors, overheads and regional information for modern equivalent assets. Remaining useful life incorporates asset type considerations, comparisons with similar Council areas, construction materials, locational factors of degradation of materials and knowledge of material lives.	Nil	Nil
Water (level 3) Sewerage (level 3)	Current replacement cost	31 December 2018	AssetVal Pty Ltd	Current replacement cost unit rates (modern equivalent) are based on similar recent project costs, unit rate databases, indices, Rawlinson's construction rates and quotations and reviews by Council engineers. Active assets (treatment, pumping and storage) utilised New South Wales reference rates with appropriate adjustments for local Council factors. Remaining useful life incorporates age, evidence of recent works and surrounding environmental factors.	Nil	Nil
Airport (level 3)	Current replacement cost	31 December 2020	Australis Asset Advisory Group	Current replacement cost unit rates are based on estimated contractor and material inputs (including quality factors), overheads, cost guides including location factors from Rawlinson's cost guide, historical costs and regional information for modern equivalent assets. Remaining useful life incorporates age, inspection and condition assumptions.	Nil	Nil
Heritage and cultural assets (level 2)	Market value	31 March 2018	Australis Asset Advisory Group	Sales prices from various databases of recent sales and general market information.	Nil	Nil

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

	2022	2021
	\$	\$
16 Contract balances		
<p>Contract assets represents the excess of costs incurred in relation to a contract with a customer or construction of an asset over the amounts that Council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.</p>		
(a) Contract assets	<u>1,687,385</u>	<u>872,809</u>
(b) Contract liabilities		
Non-capital performance obligations not yet satisfied	523,225	823,613
Funds received upfront to construct Council controlled assets	<u>10,297,665</u>	<u>2,024,312</u>
	<u>10,820,890</u>	<u>2,847,925</u>
<p>Deposits received in advance mostly relate to State and Federal Government grants.</p>		
<p>Revenue recognised that was included in the contract liability balance at the beginning of the year:</p>		
Non-capital performance obligations	823,613	797,637
Funds to construct Council controlled assets	<u>2,024,312</u>	<u>291,056</u>
	<u>2,847,925</u>	<u>1,088,693</u>
(c) Significant changes in contract balances		

The increase in the contract liabilities balance is due to the receipt of grants by Council including Local Roads and Community Infrastructure grant, Preparing Australian Communities grant and Rockhampton Aviation Maintenance Facility Overhaul grant, prior to the associated works being completed.

17 Leases

Council as a lessee

Council has leases in place over land, a pool complex and two items of equipment.

Where Council assesses that an agreement contains a lease, a right-of-use asset (ROU) and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where costs on initial recognition comprises: the lease liability, initial direct costs, estimated cost of removal and restoration, prepaid lease payments, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however, where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exception to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

Council has five leases for land which are classed as concessionary leases.

Two leases have perpetual terms, the other three leases are for periods between 20 years and 30 years. These leases have annual payments between \$277 and \$27,900. The lease agreements restrict the use of the right-of-use assets by Council to specified community services.

Where concessionary leases are individually material, Council has elected to measure the right-of-use assets arising from these leases at cost based on the value of associated lease liabilities at initial recognition.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

Terms and conditions of leases

Land

Council leases five parcels of land from the State Government and has applied lease accounting to two of the leases. The lease terms are 20 years and 30 years, neither have options to renew. Lease accounting has not been applied to the other three land leases as they are considered to be of immaterial value.

Other

Council has leases over a swimming pool complex and two items of equipment. The lease term is five years for the swimming pool complex and three years for both items of equipments, increasing annually by CPI. There is no option to renew.

Note

(a) Right of use assets

Balance at 1 July 2021
 Additions to right-of-use assets
 Adjustment to right-of-use assets due to re-measurement of lease liability
 Depreciation charge
 Balance as at 30 June 2022

	Land	Buildings	Other	Total
	\$	\$	\$	\$
	562,586	189,862	214,069	966,517
	-	-	-	-
	(18,032)	-	(11,334)	(29,366)
9	(24,854)	(189,862)	(85,323)	(300,039)
	519,700	-	117,412	637,112

Balance at 1 July 2020
 Additions to right-of-use assets
 Adjustment to right-of-use assets due to re-measurement of lease liability
 Depreciation charge
 Balance as at 30 June 2021

	Land	Buildings	Other	Total
	\$	\$	\$	\$
	606,924	378,670	174,732	1,160,326
	-	-	85,648	85,648
	(18,660)	1,055	21,652	4,047
9	(25,678)	(189,863)	(67,963)	(283,504)
	562,586	189,862	214,069	966,517

(b) Lease liabilities

The below shows the maturity analysis of the lease liabilities based on the contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

	2022	2021
	\$	\$
Within one year	101,187	314,635
One to five years	183,726	269,810
Later than five years	522,100	572,740
Total	<u>807,013</u>	<u>1,157,185</u>
Current lease liabilities	87,312	296,310
Non-current lease liabilities	568,850	686,869
Total per statement of financial position	<u>656,162</u>	<u>983,179</u>

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

Liabilities not recognised - extension options

For building leases, Council includes extension options which can be exercised at Council's discretion. At each reporting date Council assesses whether it is reasonably certain that the extension options will be exercised based on current operations and Council strategy.

There are \$1,474,614 in potential future lease payments which are not included in the lease liability as the exercise of the option has been assessed as not reasonably certain.

Amounts included in the statement of comprehensive income related to leases

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee.

	2022	2021
	\$	\$
Interest on lease liabilities	17,877	22,090
Income from sub-leasing right-of-use assets	(133,846)	(122,407)
Depreciation of right-of-use assets	300,039	283,504
Expenses relating to short term leases	28,414	1,811
Expenses relating to low value assets	3,561	1,892
	<u>216,045</u>	<u>186,890</u>

Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at the inception date, based on whether substantially all of the risk and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight line basis over the lease term.

Finance leases:

Council does not have any leases classified as a finance lease.

Operating leases:

Where Council retains the risks and rewards relating to a lease, they are classified as operating leases and relate to various land and building assets summarised under Note 15.

Rent from property is recognised as income on a periodic straight line basis over the lease term.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements For the year ended 30 June 2022

	2022	2021
	\$	\$
18 Payables		
Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms. The liability for salaries and wages is measured at the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.		
Current		
Accrued expenses	14,640,601	8,724,048
Prepaid rates	10,875,482	10,224,688
Accrued wages and salaries	3,509,249	2,922,740
Creditors	15,286	127,458
	<u>29,040,618</u>	<u>21,998,934</u>

19 Provisions

Liabilities are recognised for employee benefits such as sick, annual and long service leave in respect of services provided

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.

Long Service Leave

The provision for long service leave represents 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 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 provision is discounted using the Commonwealth Bond yield rates published on the Reserve Bank of Australia website.

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.

Landfill restoration and quarry rehabilitation

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. 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.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
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.			
Current			
Annual leave		8,267,782	8,187,416
Sick leave		85,146	85,146
Other leave entitlements		728,779	669,794
Quarry rehabilitation		48,838	50,015
Landfill restoration		897,874	1,487,223
Long service leave		12,752,848	13,824,872
		<u>22,781,267</u>	<u>24,304,466</u>
Non-current			
Quarry rehabilitation		440,903	504,333
Landfill restoration		17,347,579	18,708,741
Long service leave		1,524,741	1,841,186
		<u>19,313,223</u>	<u>21,054,260</u>

Details of movements in provisions:

Quarry rehabilitation

Balance at beginning of financial year		554,348	578,152
Increase in provision due to change in time	8	6,595	4,529
Decrease in provision due to change in discount rate	5	(86,582)	(26,395)
Increase / (decrease) in estimate of future cost	5,10	15,380	(1,938)
Balance at end of financial year		<u>489,741</u>	<u>554,348</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 future cost is \$668,583 and this cost is expected to be incurred over the years 2023 to 2042.

Landfill restoration

Balance at beginning of financial year		20,195,964	24,038,851
Decrease in provision for rehabilitation performed		(897,890)	(731,411)
Increase in provision due to change in time	8	420,635	338,432
Increase in provision due to change in discount rate	10	336,988	625,846
Decrease in provision due to change in discount rate - transfer to rehabilitation asset	15	(9,585,674)	(4,463,626)
Decrease in estimate of future cost	5	(321,596)	(97,063)
Increase in estimate of future cost - transfer to rehabilitation asset	15	8,097,027	484,936
Balance at end of financial year		<u>18,245,453</u>	<u>20,195,964</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 future cost is \$50,342,040 and this cost is expected to be incurred over the period 2023 to 2086.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

2022
\$

2021
\$

20 Borrowings

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.

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 2037. There have been no defaults or breaches of the loan agreement during the period.

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.

Current

Queensland Treasury Corporation

29,456,046	29,838,519
<u>29,456,046</u>	<u>29,838,519</u>

Non-current

Queensland Treasury Corporation

128,797,063	118,094,882
<u>128,797,063</u>	<u>118,094,882</u>

Queensland Treasury Corporation

Opening balance	147,933,401	140,614,210
Loans raised	40,000,000	33,650,000
Principal repayments	<u>(29,680,292)</u>	<u>(26,330,809)</u>
Book value at year end	<u>158,253,109</u>	<u>147,933,401</u>

The QTC loan market value for all loans at the reporting date was \$146,618,653. This represents the value of the debt if Council repaid it at 30 June 2022. 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 2022

	2022 \$	2021 \$
21 Other liabilities		
Current liabilities		
Unearned revenue	1,345,958	461,151
Waste levy refund received in advance	2,537,568	-
	<u>3,883,526</u>	<u>461,151</u>
Non-current liabilities		
Infrastructure charges	445,622	-
Waste levy refund received in advance	6,273,707	-
	<u>6,719,329</u>	<u>-</u>
	<u>10,602,855</u>	<u>461,151</u>

Revenue is classified as unearned if it relates to an obligation to supply specific goods and services in future periods. Unearned revenue includes pre-purchased event tickets, sponsorship and private works.

22 Asset revaluation surplus

The asset revaluation surplus comprises revaluation movements on property, plant and equipment. Increases and decreases on revaluation are offset within a class of assets.

Movements in the asset revaluation surplus were as follows:

Balance at beginning of the year	<u>962,618,277</u>	<u>954,449,193</u>
Net adjustment to non-current assets to reflect a change in current fair value:		
Adjustments to surplus from fair value assessment done:		
Road network - revaluation	-	(3,056,227)
Stormwater network - revaluation	34,858,384	-
Bridge network - revaluation	-	(1,991,330)
Airport - revaluation	-	2,256,498
Land - indexation	13,311,663	-
Buildings - indexation	18,840,917	10,960,143
	<u>67,010,964</u>	<u>8,169,084</u>
Balance at end of the year	<u>1,029,629,241</u>	<u>962,618,277</u>

Asset revaluation surplus analysis

The closing balance of the asset revaluation surplus is comprised of the following asset categories:

Land	13,311,663	-
Buildings	86,863,129	68,022,212
Road network	593,458,914	593,458,914
Stormwater network	79,588,318	44,729,934
Bridge network	6,254,767	6,254,767
Water	109,420,798	109,420,798
Sewerage	108,268,332	108,268,332
Airport	28,811,542	28,811,542
Heritage and cultural assets	3,651,778	3,651,778
	<u>1,029,629,241</u>	<u>962,618,277</u>

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements For the year ended 30 June 2022

	2022	2021
	\$	\$
23 Commitments for expenditure		
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements by functions are as follows:		
Kerbside recycling collections	7,811,548	8,201,202
Management and operation of swimming pools	2,678,579	4,027,607
Recyclables processing services	752,479	828,293
Airport security services	1,478,222	3,275,529
Airport cleaning services	550,307	-
Other	2,425,797	1,163,924
	<u>15,696,932</u>	<u>17,496,555</u>

Commitments for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

Buildings	3,778,740	1,210,358
Site Improvements	-	2,345,203
Sewerage & Waste	45,202,639	1,056,722
Water	10,364,063	418,106
	<u>59,345,442</u>	<u>5,030,389</u>

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

Within one year	43,005,684	10,805,232
One to five years	30,478,740	9,176,512
Later than five years	1,557,950	2,545,200
	<u>75,042,374</u>	<u>22,526,944</u>

24 Events after the reporting period

There were no other material adjusting or non-adjusting events after 30 June 2022.

25 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.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

	2022	2021
	\$	\$
Liabilities		
Details and estimates of maximum amounts of contingent liabilities are as follows:		
(i) Community loans		
Under approval from Queensland Treasury, Council has guaranteed loans to Rockhampton Basketball Inc (\$35,880) and Rockhampton Hockey Association Inc (\$13,892).		
Total Community loans guaranteed by Council:	<u>49,772</u>	<u>76,360</u>
(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 an indemnity towards 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>2,399,391</u>	<u>2,081,753</u>
(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.		
As at 30 June 2021 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.		
26 Superannuation		
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.		
The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the council level.		
Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of the Council.		
Council may 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.		

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, 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 measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. 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.

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.

The next triennial actuarial review is not due until 1 July 2024.

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	2022	2021
Note	\$	\$
Superannuation contributions made to the Regional Defined Benefits Fund	452,284	489,264
Other superannuation contributions for employees	8,604,809	8,421,598
Total superannuation contributions paid by Council	6 <u>9,057,093</u>	<u>8,910,862</u>

27 Reconciliation of net result for the year to net cash inflow from operating activities

Net result	57,191,969	55,282,602
Non-cash operating items:		
Depreciation and amortisation	61,224,256	56,814,068
Opening work in progress write off	3,305,982	474,270
Change in restoration provisions expensed to finance costs	427,230	342,961
	<u>64,957,468</u>	<u>57,631,299</u>
Investing and development activities:		
Capital grants, subsidies and contributions	(59,307,179)	(62,005,817)
Capital income	(4,664,727)	(2,744,491)
Capital expenses	6,485,123	11,426,945
	<u>(57,486,783)</u>	<u>(53,323,363)</u>
Changes in operating assets and liabilities:		
(Increase) / decrease in receivables	(1,709,230)	4,036,714
(Increase) / decrease in other assets	(1,200,529)	1,007,249
Decrease / (increase) in inventories (excluding land)	218,477	(166,372)
Increase in payables	194,777	3,130,368
(Decrease) / increase in contract liabilities	(300,388)	25,976
Increase in other liabilities	3,422,375	169,427
Decrease in provisions	(1,281,014)	(48,909)
	<u>(655,532)</u>	<u>8,154,453</u>
Net cash inflow from operating activities	<u>64,007,122</u>	<u>67,744,991</u>

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

28 Reconciliation of liabilities arising from finance activities

	As at 30 June 2021 \$	Cashflows \$	As at 30 June 2022 \$
Borrowings	147,933,401	10,319,708	158,253,109
Lease Liability	983,179	(327,017)	656,162
	<u>148,916,580</u>	<u>9,992,691</u>	<u>158,909,271</u>

	As at 30 June 2020 \$	Cashflows \$	As at 30 June 2021 \$
Borrowings	140,614,210	7,319,191	147,933,401
Lease Liability	1,170,530	(187,351)	983,179
	<u>141,784,740</u>	<u>7,131,840</u>	<u>148,916,580</u>

29 Financial instruments and financial risk management

Council's activities expose it to a variety of financial risks including; credit risk, liquidity risk and market risk.

Risk management framework

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

The Council's Audit and Business Improvement Committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk managements framework in relation to the risks faced by the Council. The Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

The Council does not enter into derivatives.

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.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state / commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

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

The carrying amount of financial assets at the end of the reporting period represent the maximum exposure to credit risk.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Exposure to liquidity risk

The Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 20. There are no additional facilities or lines of credit available.

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities - refer to Note 17) held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
	\$	\$	\$	\$	\$
2022					
Trade and other payables	18,165,136	-	-	18,165,136	18,165,136
Borrowings - QTC	33,623,110	50,775,227	102,400,740	186,799,077	158,253,109
	51,788,246	50,775,227	102,400,740	204,964,213	176,418,245
2021					
Trade and other payables	11,774,246	-	-	11,774,246	11,774,246
Borrowings - QTC	33,743,020	57,234,143	74,292,793	165,269,956	147,933,401
	45,517,266	57,234,143	74,292,793	177,044,202	159,707,647

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

Market Risk

Market risk is the risk that changes in market indices, such as interest rate, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

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

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Sensitivity

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

The Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net carrying amount		Effect on Net Result		Effect on Equity	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	64,570,831	88,173,948	645,708	881,739	645,708	881,739
Investments	65,000,000	-	650,000	-	650,000	-
Total	129,570,831	88,173,948	1,295,708	881,739	1,295,708	881,739

In relation to the QTC loans held by the Council, the following has been applied:

QTC Fixed Rate Loans - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

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 20.

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 2022

30 Correction of Error

As part of continual data integrity, completeness and improvement of processes, assets are reviewed on a progressive basis. During 2021-22 financial period, initiatives were undertaken which identified the requirement for the financial information to be updated. These initiatives identified assets that had not been financially recognised by Council during the 2020-21 financial year when Council obtained ownership. These assets have been brought to account in the current reporting period and reported as a prior period error in line with the requirements of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The error has been corrected by retrospectively adjusting 2020-21 comparative disclosures. The adjustments are as follows:

(a) Statement of Comprehensive Income

	Original - Year ended 30 June 2021	Adjustments	Restated - Year ended 30 June 2021
	\$	\$	\$
Income			
Capital revenue	62,005,817	2,030,284	64,036,101
Total income	<u>268,743,879</u>	<u>2,030,284</u>	<u>270,774,163</u>
Expenses			
Recurrent expenses	(202,034,332)	426,511	(201,607,821)
Capital expenses	(11,426,945)	(233,142)	(11,660,087)
Total expenses	<u>(213,461,277)</u>	<u>193,369</u>	<u>(213,267,908)</u>
Net result	<u>55,282,602</u>	<u>2,223,653</u>	<u>57,506,255</u>
Total comprehensive income for the year	<u>63,451,686</u>	<u>2,223,653</u>	<u>65,675,339</u>

(b) Statement of Financial Position

	Original Balance presented at 30 June 2021	Adjustments	Restated Balance at 30 June 2021
	\$	\$	\$
Non-current assets			
Property, plant and equipment	2,606,434,732	2,220,317	2,608,655,049
Intangible assets	1,021,409	3,336	1,024,745
Total non-current assets	<u>2,608,422,658</u>	<u>2,223,653</u>	<u>2,610,646,311</u>
TOTAL ASSETS	<u>2,713,686,231</u>	<u>2,223,653</u>	<u>2,715,909,884</u>
NET COMMUNITY ASSETS	<u>2,494,102,915</u>	<u>2,223,653</u>	<u>2,496,326,568</u>
Community equity			
Retained surplus	1,531,484,638	2,223,653	1,533,708,291
TOTAL COMMUNITY EQUITY	<u>2,494,102,915</u>	<u>2,223,653</u>	<u>2,496,326,568</u>

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

31 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
	2022	2022	2022	2022
	\$	\$	\$	\$
Revenue for services provided to Council	-	15,198	-	422,709
Revenue for services provided to external clients	239,294	71,307,862	15,973,541	24,509,211
Community service obligations	-	592,079	328,930	953,650
	239,294	71,915,139	16,302,471	25,885,570
Less expenditure	138,938	66,690,150	16,673,763	22,429,272
Surplus / (deficit)	100,356	5,224,989	(371,292)	3,456,298

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

Activities	CSO description	Net cost
		\$
Fitzroy River Water	Remissions to community & sporting bodies - water	62,962
	Undetected Leak Rebates - water	110,000
	Combined line charges (operating)	45,622
	Remissions to community & sporting bodies - sewerage	103,811
	Combined line charges (capital)	144,098
	Raising manholes (capital)	125,586
		592,079
Rockhampton Airport	Capricorn Rescue Helicopter Service	131,762
	Royal Flying Doctor Service	137,713
	Patient Travelling Subsidy Scheme	59,455
	328,930	
Waste and Recycling	Old Landfill Maintenance Works	121,993
	Regulated Waste Disposal	190,740
	Green Waste	318,271
	Waste Education	63,426
	Assisted Service Cost - Waste Collections	172,380
	Assisted Service Cost - Recyclables Collections	86,840
		953,650

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

32 Transactions with related parties

(a) Remuneration for Key Management Personnel (KMP)

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

Details of benefits	Note	2022 \$	2021 \$
Short-term employee benefits	32(a)(i)	2,977,082	2,834,319
Post-employment benefits	32(a)(i)	325,185	302,306
Long-term benefits	32(a)(i)	15,942	-
Total		3,318,209	3,136,625

(i) Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with KMP and 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, KMP and other related parties are disclosed below:

Details of transactions	Note	2022 \$	2021 \$
Fees and charges charged to KMP and other related parties	32(b)(i)	1,519	2,685
Development and infrastructure contributions charged to KMP and other related parties	32(b)(ii)	7,962	1,962
Employee expenses for close family members of KMP	32(b)(iii)	237,545	182,669
Purchase of materials and services from other related parties	32(b)(iv)	50,759	43,434

(i) The fees and charges charged to KMP and related parties of KMP were on an arm's length basis in accordance with the schedule of fees and charges adopted by Council.

(ii) The development and infrastructure contributions charged to KMP and related parties of KMP were in accordance with Council's development approvals.

(iii) All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award (or contract if applicable) for the job they perform. Council employs 999 staff of which 3 are close family members of KMP.

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements

For the year ended 30 June 2022

(iv) Council purchased the following materials and services from entities that are controlled by KMP. All purchases were at arm's length and were in the normal course of Council operations:

Details of materials and services purchased	2022 \$	2021 \$
Grants and Donations	990	5,935
Trade services and materials	49,769	37,499
Total	50,759	43,434

All 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 2022

Management Certificate

For the year ended 30 June 2022

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 44, 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.



A.P. Williams
Mayor

Date: 10 October 2022



E.A. Pardon
Chief Executive Officer

Date: 10 October 2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Rockhampton Regional Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Rockhampton Regional Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2022, 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 2022, 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 certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General 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 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 financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Rockhampton Regional Council's annual report for the year ended 30 June 2022 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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 councillors for the financial report

The councillors are 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 councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are 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.

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 2022:

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

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the council's transactions and account balances to enable the preparation of a true and fair financial report.



David Adams
as delegate of the Auditor-General

13 October 2022

Queensland Audit Office
Brisbane

ROCKHAMPTON REGIONAL COUNCIL

Current-year Financial Sustainability Statement

For the year ended 30 June 2022

Measures of Financial Sustainability

Council's performance at 30 June 2022 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)	(0.1%)	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	63.2%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	40.8%	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 2022.

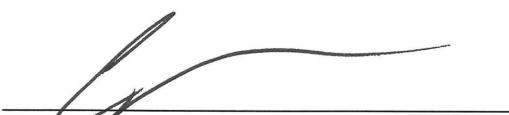
Certificate of Accuracy For the year ended 30 June 2022

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.



A.P. Williams
Mayor



E.A. Pardon
Chief Executive Officer

Date: 10 October 2022

Date: 10 October 2022

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 financial sustainability statement of Rockhampton Regional Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Rockhampton Regional Council for the year ended 30 June 2022 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General 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 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 financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Rockhampton Regional Council's annual report for the year ended 30 June 2022 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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 councillors for the current-year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors' responsibility also includes such internal control as the councillors determine 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.



David Adams
as delegate of the Auditor-General

13 October 2022

Queensland Audit Office
Brisbane

ROCKHAMPTON REGIONAL COUNCIL

Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2022

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2022	Projected for the years ended:							
				30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	(0.1%)	1.2%	2.8%	3.2%	4.4%	4.1%	5.9%	6.1%	6.4%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	63.2%	101.4%	83.1%	94.5%	86.4%	76.1%	77.7%	76.5%	88.7%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	40.8%	81.6%	77.3%	78.8%	82.3%	82.3%	75.8%	71.3%	65.5%

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 2022

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.


A.P. Williams
Mayor


E.A. Pardon
Chief Executive Officer

Date: 10 October 2022

Date: 10 October 2022

4

COMMERCIAL BUSINESS UNITS





IN THIS SECTION

Fitzroy River Water

Rockhampton Regional Waste
and Recycling

Rockhampton Airport

4



4

COMMERCIAL
BUSINESS UNITS
FITZROY RIVER WATER

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 \$1,029.9 billion (replacement value).

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, treatment of sewage and discharge of treated effluent or supply of recycled water.

Broadly, the nature and extent of the water and sewerage services provided by FRW (based upon the 2021-22 financial year) is as follows:

Item	\$M
Total income (operating)	\$72.0M
Total expenses (operating)	\$43.7M
Water	25,744 ML
Properties Served - Water	33,142
Sewage Treated	6,922 ML
Properties Served - Sewerage	30,480

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

Type	Scheme Name
Drinking Water Scheme/Bulk Water Services	Rockhampton Water Supply Scheme (including Gracemere), Mount Morgan Water Supply Scheme, Bulk Water Supply to Livingstone Shire Council
Recycled Water Scheme	Gracemere Recycled Water Scheme Mount Morgan Recycled Water Scheme, North Rockhampton Recycled Water Scheme, South Rockhampton Recycled Water Scheme
Raw/Untreated Water Scheme	Fitzroy Barrage Water Supply Scheme (Raw water scheme), No. 7 Dam Water Supply Scheme
Sewerage Scheme	North Rockhampton Sewerage Scheme, South Rockhampton Sewerage Scheme, Gracemere Sewerage Scheme, Mount Morgan Sewerage Scheme

ANNUAL OPERATIONS REPORT

FINANCIAL PERFORMANCE

Operational

FRW raised operational income of \$72.0 million with the majority raised through utility charges. Operating revenue in the 2021-22 financial year has decreased by 0.6% from the 2020-21 financial year. Utility charges realised a slight decrease due to a significant decrease in water consumption as a result of increased annual rainfall. Fees and charges decreased slightly whilst private works realised an increase by 18.0%.

Operational expenditure for the 2021-22 financial year was \$43.7 million, which has increased significantly (17.2%) from the 2020-21 financial year.

Employee costs, materials and services and depreciation continually remain as the largest portion of expenditure for FRW each year. Materials and services expenditure increased by 41.6% (\$6.1M), influenced by increased expenditure on water cartage to Mt Morgan as a result of the depleted dam water supply and some major infrastructure maintenance. Finance costs decreased 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 \$34.4 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 \$12.2 million in the 2021-22 financial year.

Capital

Total capital expenditure for the 2021-22 financial year was \$29.5 million including debt redemption. Extensive refurbishment programs of underground water and sewerage assets were undertaken and also construction of new aboveground and underground infrastructure was prominent.

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

- Completion of Jardine Park and Hadgraft Street sewerage pump station electrical and mechanical renewal;
- Completion of Botanic Gardens Zoo Potable Water Supply;
- Continuation of the Glenmore Water Treatment Plant Upgrade ;
- Commencement of the Gracemere and South Rockhampton Sewage Treatment Plant strategy;
- Continuation of North Rockhampton Sewage Treatment Plant Upgrade;
- Completion of several Sewage Pump Station electrical and control renewals;
- Commencement of Mt Morgan Water Supply Security;
- Continuation of the Glenmore Water Treatment Plant solar farm;
- Continuation of the North Rockhampton Flood Backflow Prevention;
- Continuation of the refurbishment of the sewerage network; and
- Continuation of the replacement of water mains.

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.

DIRECTIONS THE LOCAL GOVERNMENT GAVE THE UNIT – NON COMMERCIAL DIRECTIVES

Community Service Obligations (CSO) arise when a government specifically requires a public enterprise to carry out activities relating to outputs or inputs which it would not elect to do on a commercial basis or, alternatively, would only provide at higher prices or via some other form of compensation.

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.

COMMERCIAL BUSINESS UNITS

The following table summarises the types of CSO revenue received by FRW during the 2021-22:

Community Service Obligation	Actual Cost	Objective
WATER		
Sporting Bodies Water Access and Consumption	\$62,962	Council upon review of applications, at times, grants remissions for water charges. These amounts are then claimed as a community service obligation by FRW. Refer to Council's Rates Concession Policy.
Undetected Leak Rebates	\$110,000	A resolution dated 23 May 2017 states that the implementation of the Undetected Leak Rebate Policy for both residential and non-residential customers be identified as a community service obligation to the amount of \$110,000 per annum.
SEWERAGE		
Combined Line Charges (expenses)	\$45,622	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 FRW as a community service obligation.
Combined Line Charges (capital)	\$144,098	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 replacing these combined lines also constitutes a community service obligation and the full cost incurred is claimed.
Raising Access Chambers	\$125,585	A resolution dated 29 May 2000 states that FRW carries out the raising of sewerage manholes and claims this as a community service obligation.
Sporting Bodies Sewerage Access	\$103,811	Council upon review of applications, at times, grants remissions for water charges. These amounts are then claimed as a community service obligation by FRW. Refer to Council's Rates Concession Policy.
TOTAL CSO	\$592,078	

COMMERCIAL BUSINESS UNITS

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Financial Performance Targets

Financial Indicators

Performance Measure	2021-22 Target	2021-22 Achieved
Operating surplus ratio	48.1%	39.4%
Interest coverage ratio	74.0 times	63.5 times
Asset sustainability ratio	Greater than 90.0%	63.6%
Competitive neutrality ratio (% of gross revenue)	31.2%	31.4%
Depreciation ratio	19.4%	19.5%
Return on assets	5.3%	3.5%

Financial Reporting

Performance Measure	1st qtr date reported	2nd qtr date reported	3rd qtr date reported	4th qtr date reported	Target
RRC Operational Plan Reporting Frequency: quarterly	09/11/2021	08/02/2022	10/05/2022	09/08/2022	Initiatives successfully completed by year end
Operating Budget Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Conduct all activities in accordance with required timelines and budget
Annual Revenue Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Timely reporting of any significant variations to budget revenue and collection timing
Capital Works Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Completion of capital program in accordance with adopted timeframe and budget (within 3%)

COMMERCIAL BUSINESS UNITS

Financial Reporting

Performance Measure	1st qtr date reported	2nd qtr date reported	3rd qtr date reported	4th qtr date reported	Target
RRC Operational Plan Reporting Frequency: quarterly	09/11/2021	08/02/2022	10/05/2022	09/08/2022	Initiatives successfully completed by year end
Operating Budget Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Conduct all activities in accordance with required timelines and budget
Annual Revenue Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Timely reporting of any significant variations to budget revenue and collection timing
Capital Works Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Completion of capital program in accordance with adopted timeframe and budget (within 3%)

COMMERCIAL BUSINESS UNITS

Non-Financial Performance

Legend:  Not On Track  Completed

Potable Water Supply Schemes													
Rockhampton and Gracemere (number of access charges as at January 2022: 38,491)							Mount Morgan (number of access charges as at January 2022: 1,517)						
Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track	Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track

Day to Day Continuity

CSS1 Extent of unplanned interruptions – connections based (no. per 1,000 connections per year)

<80	5	7	15	8	35		<80	0	1	18	18	37	
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CSS2 Extent of unplanned interruptions – incidents based (no. per 100 km of main per year)

Rockhampton and Gracemere total kms of main: 790km

Mount Morgan total kms of main: 72km

<30	16	19	25	21	81		<30	0	1	8	4	13	
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Comments: Significant number of unplanned interruptions due to reactive maintenance requests has contributed to annual non compliance.

CSS3 Time for restoration of service – unplanned interruptions (% restored within 5 hours)

>90%	100%	92%	81%	100%	93%		>90%	N/A	N/A	100%	100%	100%	
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CSS4 Customer interruption frequency – 1 interruption per year

12%	0.79%	0.82%	2.52%	0.86%	1.25%		12%	N/A	N/A	1.71%	0.59%	1.15%	
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CSS4 Customer interruption frequency – 2 interruptions per year

2%	0.00%	0.01%	0.07%	0.00%	0.02%		2%	N/A	N/A	N/A	0.52%	0.52%	
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COMMERCIAL BUSINESS UNITS

Potable Water Supply Schemes													
Rockhampton and Gracemere (number of access charges as at January 2022: 38,491)							Mount Morgan (number of access charges as at January 2022: 1,517)						
Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track	Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track
CSS4 Customer interruption frequency – 3 interruptions per year													
1%	N/A	N/A	N/A	N/A	N/A		1%	N/A	N/A	N/A	N/A	N/A	
CSS4 Customer interruption frequency – 4 interruptions per year													
0.50%	N/A	N/A	N/A	N/A	N/A		0.50%	N/A	N/A	N/A	N/A	N/A	
CSS4 Customer interruption frequency – 5 or more interruptions per year													
0.25%	N/A	N/A	N/A	N/A	N/A		0.25%	N/A	N/A	N/A	N/A	N/A	
CSS5 Relative incidence of planned and unplanned interruption incidents (% of planned versus total number of interruptions)													
>30%	4%	4%	3%	1%	3%		>30%	N/A	N/A	N/A	N/A	N/A	
Comments: This non-compliance is primarily due to such a low number of planned interruptions, this is dependent on the nature of construction projects completed.													
CSS6 Average interruption duration – planned and unplanned													
3 hours	4.03	2.24	1.83	0.86	2.24		3 hours	N/A	0.14	0.49	0.5	0.38	
CSS7 Response time – Priority 1 – 1 hour response													
95%	87%	83%	89%	90%	87.25%		95%	N/A	N/A	100%	67%	84%	
Comments: Annual non compliance is primarily due to resourcing issues and the ability to respond to such a large volume of reactive requests.													

COMMERCIAL BUSINESS UNITS

Potable Water Supply Schemes													
Rockhampton and Gracemere (number of access charges as at January 2022: 38,491)							Mount Morgan (number of access charges as at January 2022: 1,517)						
Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track	Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track
CSS7 Response time – Priority 2 – 2 hours response													
95%	81%	78%	78%	80%	79.25%		95%	100%	100%	67%	100%	91.75%	
Comments: Annual non compliance is primarily due to resourcing issues and the inability to respond to such a large volume of reactive requests.													
CSS7 Response time – Priority 3 – 24 hours response													
95%	98%	94%	100%	100%	98%		95%	100%	100%	100%	100%	100%	
CSS7 Restoration time – Priority 1 – 5 hours restoration													
95%	87%	93%	93%	90%	90.75%		95%	N/A	N/A	100%	100%	100%	
Comments: Annual non compliance is primarily due to resourcing issues and the inability to respond to such a large volume of reactive requests.													
CSS7 Restoration time – Priority 2 – 24 hours restoration													
95%	96%	88%	96%	95%	94%		95%	100%	100%	100%	100%	100%	
Comments: Annual non compliance due to performance within Q2, target met for Q1,3 and 4.													
CSS7 Restoration time – Priority 3 – 5 days restoration													
95%	98%	98%	99%	99%	99%		95%	100%	100%	100%	100%	100%	
CSS8 Minimum pressure standard at the water meter													
220kPa	220kPa	220kPa	220kPa	220kPa	220kPa		220kPa	220kPa	220kPa	220kPa	220kPa	220kPa	

COMMERCIAL BUSINESS UNITS

Potable Water Supply Schemes													
Rockhampton and Gracemere (number of access charges as at January 2022: 38,491)							Mount Morgan (number of access charges as at January 2022: 1,517)						
Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track	Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track
CSS9 Minimum flow standard at the water meter													
9L/min	9L/min	9L/min	9L/min	9L/min	9L/min		9L/min	9L/min	9L/min	9L/min	9L/min	9L/min	
CSS10 Connections with deficient pressure and/or flow (% of total connections)													
<2.5%	0.3%	0.3%	0.3%	0.3%	0.3%		<2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	
CSS11 Drinking water quality (compliance with industry standard) ¹													
>98%	100%	100%	100%	100%	100%		>98%	100%	100%	100%	100%	100%	
CSS12 Drinking water quality complaints (number per 1,000 connections)													
<5	0.22	0.32	0.35	0.07	0.96		These figures are combined with the Rockhampton and Gracemere figures to give a total across all water supply schemes.						
CSS13 Drinking water quality incidents (number per 1,000 connections)													
<5	0	0	0	0	0		<5	0	0	0	0	0	
Long Term Continuity of Water Services													
CSS14 Water main breaks (number per 100 km main)													
<i>Rockhampton and Gracemere total kms of main: 790km</i>							<i>Mount Morgan total kms of main: 72km</i>						
<40	2	2	2	3	9		<40	N/A	N/A	1	1	2	

COMMERCIAL BUSINESS UNITS

Potable Water Supply Schemes

Rockhampton and Gracemere (number of access charges as at January 2022: 38,491)							Mount Morgan (number of access charges as at January 2022: 1,517)						
Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track	Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track
CSS15 Water services breaks (number per 1,000 connections)													
<40	4	4	6	5	19		<40	1	N/A	2	3	6	
CSS16 System water loss (litres per connection per day)													
<200L	201L	259L	247L	231L	235L		<200L	13L	5L	12L	4L	9L	
<p>Comments: System water loss has remained above 200L/connection/day for all quarters. Leakage investigations are constrained due to the limited number of isolated supply areas with bulk supply meters.</p>													

Sewerage Schemes

Rockhampton and Gracemere (number of access connections as at January 2022: 52,597)							Mount Morgan (number of access connections as at January 2022: 565)						
Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track	Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track
Effective Transportation of Sewage													
CSS17 Sewage overflows – total (number per 100km main)													
<i>Rockhampton and Gracemere total kms of main: 729km</i>							<i>Mount Morgan total kms of main: 15km</i>						
<30	13.44	17.01	10.43	8.64	49.52		<10	N/A	N/A	N/A	N/A	N/A	

COMMERCIAL BUSINESS UNITS

Sewerage Schemes													
Rockhampton and Gracemere (number of access connections as at January 2022: 52,597)							Mount Morgan (number of access connections as at January 2022: 565)						
Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track	Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track
Comments: Such overflows can be a result of either a sewer connection blockage affecting a single property or a mainline blockage affecting multiple properties.													
CSS18 Sewage overflows to customer property (number per 1,000 connections)													
<10	1.87	2.37	1.45	1.20	6.89		<5	N/A	N/A	N/A	N/A	N/A	
CSS19 Odour complaints (number per 1,000 connections)													
<1	0.45	0.17	0.17	0.21	1		These figures are combined with the Rockhampton and Gracemere figures above to give a total across all sewage supply schemes.						
CSS20 Response time – Priority 1 – 1 hour response													
>95%	76%	84%	85%	83%	82%		>95%	N/A	N/A	N/A	N/A	N/A	
Comments: Annual non-compliance is primarily due to resourcing issues and the inability to respond to such a large volume of reactive requests.													
CSS20 Response time – Priority 2 – 2 hours response													
>95%	78%	86%	92%	79%	84%		>95%	N/A	N/A	N/A	N/A	N/A	
Comments: Annual non-compliance is primarily due to resourcing issues and the inability to respond to such a large volume of reactive requests													
CSS20 Response time – Priority 3 – 24 hours response													
>95%	100%	84%	99%	100%	96%		>95%	N/A	N/A	N/A	N/A	N/A	

COMMERCIAL BUSINESS UNITS

Sewerage Schemes													
Rockhampton and Gracemere (number of access connections as at January 2022: 52,597)							Mount Morgan (number of access connections as at January 2022: 565)						
Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track	Annual Target	Q1	Q2	Q3	Q4	YTD Actual	On Track
CSS20 Restoration time – Priority 1 – 5 hours restoration													
>95%	83%	96%	88%	98%	91%		>95%	N/A	N/A	N/A	N/A	N/A	
Comments: Annual non-compliance is primarily due to resourcing issues and the inability to respond to such a large volume of reactive requests													
CSS20 Restoration time – Priority 2 – 24 hours restoration													
>95%	99%	92%	98%	99%	97%		>95%	N/A	N/A	N/A	N/A	N/A	
CSS20 Restoration time – Priority 3 – 5 days restoration													
>95%	100%	94%	100%	95%	97%		>95%	N/A	N/A	N/A	N/A	N/A	
Long Term Continuity of Sewerage Services													
CSS21 Sewer main breaks and chokes (number per 100km main)													
Rockhampton and Gracemere total kms of main: 729km							Mount Morgan total kms of main: 15km						
<50	4.53	3.70	4.25	4.12	16.60		<20	N/A	N/A	N/A	N/A	N/A	
CSS22 Sewer inflow and infiltration (ratio of Peak Day Flow to Average Day Flow)													
<5	1.90	3.31	2.87	4.03	3.03		<5	1.36	2.71	2.15	1.87	2.02	

1 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; E. coli – Target: None detected in >98% of all samples tested.

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)

COMMERCIAL BUSINESS UNITS

Customer Service Standards

Performance Indicator	2021-22 Target	Q1	Q2	Q3	Q4	YTD Actual	On Track
Installation of new water connections (within the water service area)	15 working days	100%	100%	100%	100%	100%	
Installation of sewerage connections (within the sewered area)	15 working days	100%	100%	100%	100%	100%	
Complaints (excluding maintenance of water and sewerage services) – advise outcome	20 working days	100%	100%	100%	100%	100%	

Legend:  Not On Track  Completed

Comments

The above customer service standard performance indicators have been achieved.

Conclusion

FRW has performed well throughout 2021-22. Water and sewerage services have been delivered to a high standard with the majority of Customer Service Standards met.

Resourcing issues within key areas is still presenting significant operational challenges, however external support is being sourced where required.

Significant progress on major capital upgrade projects will also assist in alleviating pressures within the operational team.

CUSTOMER SERVICE STANDARDS

Processes

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

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.

COMMERCIAL BUSINESS UNITS

FRW aims to install all new sewerage connections within the seweraged 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 on the basis that it does not pose an unacceptable risk to the sewerage infrastructure. 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

COMMERCIAL BUSINESS UNITS

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 2021-22 Performance Plan. The Annual Performance Plan report as at 30 June 2022 was presented to Council with the CSS and adopted on 09 August 2022.

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

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 undertook an external audit of the DWQMP in early 2020 as required by the Act. 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.

4

COMMERCIAL BUSINESS UNITS ROCKHAMPTON REGIONAL WASTE AND RECYCLING



COMMERCIAL BUSINESS UNITS

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 \$50.4 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 nature and extent of the waste and recycling services provided by RRWR (based upon the 2021-22 financial year) is as follows:

Item	Measure
Total Income (operating)	\$25.5M
Total Expenses (operating)	\$20.0M
Number of staff	36
Number of domestic and commercial collection services – General Waste (as at 30 June 2022)	38,033
Number of domestic and commercial collection services – Recycling (as at 30 June 2022)	34,963
Total waste to Landfill – including kerbside waste collection but not including cover material and green waste (tonnes) (as at 30 June 2022)	55,134
Kerbside Waste Collected (tonnes) (as at 30 June 2022)	23,387
Kerbside Recycling Collected (tonnes) (as at 30 June 2022)	4,321
Landfills	1
Transfer Stations (staffed), including Lakes Creek Road	7

ANNUAL OPERATIONS REPORT

FINANCIAL PERFORMANCE

Operational

RRWR raised operational income of \$25.5 million, including internal charges revenue, with the majority raised through rates and utility charges, and landfill fees and charges.

Operating revenue in the 2021-22 financial year is less than the 2020-21 financial year by 1.5%. Fees and charges revenue increased by 13.5%, however was offset by changes to the treatment of waste compliance revenue as a contra expense.

COMMERCIAL BUSINESS UNITS

Operational expenditure for the 2021-22 financial year amounted to \$20.0 million, which does not include capital expenditure and company tax equivalents and is higher than the 2020-21 financial year by 2.4%

Materials and services (66.9%), and employee costs (18.8%) formed the largest portion of expenditure for RRWR in the financial period. Expenditure incurred for materials and services is essential in providing critical waste services to the community and maintaining RRWR property, plant and equipment. Materials and services include waste compliance expense, and payments to contractors for green waste processing, recyclables collection and recyclables processing. RRWR also supports a medium sized in-house workforce in order to provide and maintain these services for today and into the future.

Net Result Attributable to Rockhampton Regional Waste and Recycling

RRWR's net result of a surplus of \$6.2 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 \$4.4 million.

Capital

Total capital expenditure for the 2021-22 financial year was \$3.5 million which fell short of the capital program budget of \$5.1 million, due to project delays with Gracemere WTS construction and the review of LCR landfill extension design.

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

- Completion of LCR life extension project, construction of Cell A1
- Commencement of LCR life extension project, construction of Cell B
- Continuation of final capping system at former Gracemere landfill site
- Commencement of review of LCR landfill extension design
- Completion of Polystyrene Recycling Facility at LCR site
- Completion of LCR site upgrades
- Continuation of remediation works and monitoring of old landfill sites in accordance with environmental guidelines

DIRECTIONS THE LOCAL GOVERNMENT GAVE THE UNIT – NON COMMERCIAL DIRECTIVES

Community Service Obligations (CSO) arise when a government specifically requires a public enterprise to carry out activities relating to outputs or inputs which it would not elect to do on a commercial basis or, alternatively, would only provide at higher prices or via some other form of compensation.

The amount attributed to CSOs 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.

COMMERCIAL BUSINESS UNITS

The following table summarises the types of CSO revenue received by RRWR during the 2021-22 financial year:

Community Service Obligation	Actual Cost
Green Waste Processing	\$ 318,271
Assisted Bin Service Cost	\$ 259,220
Regulated waste disposal	\$ 190,741
Old Landfill Maintenance Works	\$ 121,993
Waste Education	\$ 63,425
TOTAL CSO	\$ 953,650

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

Authorised Group	Date	Limit	Expiry
Anglicare Central Queensland Limited	01/07/2021	60 tonne	30/06/2022
Lifeline Central Queensland	01/07/2021	250 tonne	30/06/2022
St Vincent de Paul Society Queensland	01/07/2021	120 tonne	30/06/2022
The Salvation Army	01/07/2021	120 tonne	30/06/2022
Care & Share Rockhampton	01/07/2021	50 tonne	30/06/2022
Cancer Council – Relay for Life	22/07/2021	6 tonne	30/06/2022
Australian Red Cross	01/07/2021	½ tonne	30/06/2022
The Jolly Rogers Fishing Club	17/08/2021	10 tonne	30/06/2022
Rockhampton Women's Shelter	01/07/2021	5 tonne	30/06/2022
Ring Pull Association	01/07/2021	5 tonne	30/06/2022

COMMERCIAL BUSINESS UNITS

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Financial Performance Targets

Performance Measure	2021-22	2021-22
	Target	Achieved
Operating Surplus Ratio	20.6%	21.7%
Interest Coverage Ratio	20.7 times	22.7 times
Asset Sustainability Ratio	Greater than 90.0%	59.4%
Competitive neutrality ratio (%of gross revenue)	4.5%	4.7%
Depreciation Ratio	6.7%	8.3%
Return on assets	19.3%	12.3%

Financial Reporting

Performance Measure	1st qtr	2nd qtr	3rd qtr	4th qtr	Target
	date reported	date reported	date reported	date reported	
RRC Operational Plan Reporting Frequency: quarterly	09/11/2021	08/02/2022	10/05/2022	09/08/2022	Initiatives successfully completed by year end
Operating Budget Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Conduct all activities in accordance with required timelines and budget
Annual Revenue Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Timely reporting of any significant variations to budget revenue and collection timing
Capital Works Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Completion of capital program in accordance with adopted timeframe and budget (within 3%)

COMMERCIAL BUSINESS UNITS

Non-Financial Performance Targets

CSS Reference	Performance Indicator	Target 21-22	Rockhampton Region
WCSS1	Weekly collection of domestic waste on the same day every week.	98%	99.92%
WCSS2	Weekly collection of commercial waste.	95%	99.92%
WCSS3	Fortnightly collection of domestic recyclable waste.	98%	99.90%
WCSS4	Fortnightly collection of commercial recyclable waste.	98%	99.95%
WCSS5	Missed service collection provided within two working days from notification when notification is within one working day of scheduled collection.	95%	97.95%
WCSS6	Collection services will be made available within five working days upon application by the owner.	95%	99.55%
WCSS7	Provision of assisted services within ten working days from application by the resident.	98%	99.84%
WCSS8	Repair or replacement of stolen, removed, damaged, vandalised mobile bins within five working days from notification.	95%	95.17%

Notes: 1. All performance indicators were met for 2021-22.

CUSTOMER SERVICE STANDARDS

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 quarterly basis in accordance with the adopted 2021-22 Performance Plan. The Annual Performance Plan report as at 30 June 2022 was presented to Council with the CSS and adopted on 9 August 2022.

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COMMERCIAL BUSINESS UNITS **ROCKHAMPTON AIRPORT**



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 \$165.0 million (replacement value).

Broadly, the nature and extent of the aviation services provided by Rockhampton Airport (based upon the 2021-22 financial year) is as follows:

Item	Measure
Total income	\$16.3M
Total expenses	\$14.2M
Passenger movements	433,671
Number of staff	24
Number of paid parking car parks	788
Aircraft movements	27,102

ANNUAL OPERATIONS REPORT

FINANCIAL PERFORMANCE

Operational

Total Income for the financial period was \$16.3 million, including revenue from RRC and excluding capital income. Operating income increased in comparison to the previous financial year by 19.6% as a result of COVID19 restrictions easing.

Operational expenditure for the 2021-22 financial year was \$14.2 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 (50%) 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 19% of operating expenditure.

COMMERCIAL BUSINESS UNITS

Rockhampton Airport net result of \$19.8 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 \$19.1 million for the 2021-22 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 \$17.4 million.

Capital

Total capital expenditure for the 2021-22 financial year was \$20.4 million against a budget of \$19.2 million.

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

- Continuation of the Airport Terminal Redevelopment and Security Screening upgrades;
- Continuation of the AA Rockhampton maintenance facility;
- Continuation of the Secondary runway resurfacing and cross runway resurfacing;

DIRECTIONS THE LOCAL GOVERNMENT GAVE THE UNIT – NON COMMERCIAL DIRECTIVES

Community Service Obligations (CSO) arise when a government specifically requires a public enterprise to carry out activities relating to outputs or inputs which it would not elect to do on a commercial basis or, alternatively, would only provide at higher prices or via some other form of compensation.

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 2021-22 financial year.

Community Service Obligation	Actual Cost
Royal Flying Doctors Service and Capricorn Helicopter Rescue Service	\$269,476
Patient Travelling Subsidy Scheme	\$59,455
TOTAL CSO	\$328,931

COMMERCIAL BUSINESS UNITS

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Financial Performance Targets

Financial Indicators

Performance Measure	2021-22 Target	2021-22 Achieved
Operating surplus ratio	14.3%	12.8%
Interest coverage ratio	17.6 times	20.1 times
Asset sustainability ratio	Greater than 90.0%	88.3%
Competitive neutrality ratio (% of gross revenue)	12.4%	12.9%
Depreciation ratio	23.2%	25.6%
Return on assets	1.8%	1.3%

Financial Reporting

Performance Measure	1st qtr date reported	2nd qtr date reported	3rd qtr date reported	4th qtr date reported	Target
RRC Operational Plan Reporting Frequency: quarterly	09/11/2021	08/02/2022	10/05/2022	09/08/2022	Initiatives successfully completed by year end
Operating Budget Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Conduct all activities in accordance with required timelines and budget
Annual Revenue Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Timely reporting of any significant variations to budget revenue and collection timing
Capital Works Reporting Frequency: quarterly or when variations arise	30/09/2021	31/12/2021	31/03/2022	30/06/2022	Completion of capital program in accordance with adopted timeframe and budget (within 3%)

COMMERCIAL BUSINESS UNITS

Non-Financial Performance Targets

Performance Measure	2021-22 Target	2021-22 Achieved
Passenger Numbers	480,000	433,671
Bird Strikes	10 per quarter	37
Lost Time Days – workplace injuries	0	0
Reported Public Injuries on Airport Precinct	0	3
Hazard inspections completed on time	100%	100%
Rectification Action completed	100%	100%
Customer Requests Actioned within set timeframes	100%	100%
Third party reporting in CASA and AMS to be completed within the required timeframes	100%	100%

CUSTOMER SERVICE STANDARDS

Review of Customer Service Standards

Legislation requires service providers to review the CSS every year. Rockhampton Airport's performance against financial and non-financial targets and key strategies are reported to Council on a quarterly basis in accordance with the adopted 2021-22 Performance Plan. The Annual Performance Plan report as at 30 June 2022 was presented to Council with the CSS and adopted on 09 August 2022.

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STATUTORY INFORMATION





IN THIS SECTION

Beneficial Enterprises

Significant Business Activities

List of Registers kept by Council

Summary of all concessions for rates and charges granted by the Local Government

Report on Internal Audit for the year

Administrative Action Complaints

Councillors

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STATUTORY INFORMATION

Beneficial Enterprises for 2021/2022 (s41 LGA 2009)

Identifying beneficial enterprises

- No Beneficial Enterprises for 2021/2022

Significant Business Activities (s45 LGA 2009)

All Business Activities

- Fitzroy River Water (Water & Sewerage)
- Rockhampton Regional Waste & Recycling
- Rockhampton Airport
- Building Certification

Significant Business Activities

- Fitzroy River Water (Water & Sewerage)
- Rockhampton Regional Waste & Recycling
- Rockhampton Airport

The competitive neutrality principle was applied to all the above significant business activities during 2021/2022.

There were no new significant business activities conducted during 2021/2022.

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 2021-22 Operational Plan were reported to Council's meeting on the 9 August 2022 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.

STATUTORY INFORMATION

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

There was one invitation to change tenders under section 228(7) during the 2021/2022 financial year.

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

- Register of Asbestos Register
- Register of Asset Register
- Register of Cemetery Register
- Register of Dog Registry
- Register of Infrastructure Charges Register
- Register of 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 Building Development Application Register
- Register of Private Certifier Application Register
- 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 Application Documents for an Application for an Environmental Authority or Amendment of Environmental Authority, Including Information Requests and Responses to Information Requests
- Register of Environmental Authorities
- Register of Environmental Evaluations
- Register of Environmental Protection Orders
- Register of Environmental Reports
- Register of Impounded Animals
- Register of Greywater Use and On-Site Sewerage 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 Permits and Inspection Certificates
- Register of Results of Monitoring Programs
- Register of Roads and Road Maps
- Register of Show Cause and Enforcement Notices
- 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 Transitional Environmental Programs

STATUTORY INFORMATION

A summary of all concessions for Rates and Charges granted by the Local Government

Approved Government Pensioners

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 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 Centrelink on behalf of the Department of Human Services or the Department of Veterans' Affairs, or
- (b) A holder of a Queensland "Repatriation 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 Concession for Rates Application 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 \$260 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 or Charitable Community Organisations

Rate concessions are available to approved not-for-profit or charitable community 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 or charitable community organisation must:

- (a) Be incorporated under the *Associations Incorporation Act 1981*;
- (a) There is no profit or gain by individual members of the group;
- (b) Its constitution or governing documents prevent it from distributing profits or assets for the benefit of particular persons, both while it is operating and on winding up;

STATUTORY INFORMATION

- (c) Whilst a surplus of revenue can be made, all profits must be used to carry out the purpose and functions of the organisation;
- (d) Be located within the Region and the majority of its members reside in the Region;
- (e) 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);
- (f) Be the owner, lessee or life tenant of the property and is the incorporated bodies main grounds/base/club house or residence;
- (g) 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
- (h) 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 eligibility 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).

All applications must be in writing and supported by a copy of the following documents:

- (i) Copy of incorporation certificate; and
- (j) Copy of rules/constitution.

Service providers applying for concession under Category three must provide a breakdown of the fees they charge the tenant.

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

(a) Category One - 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

(b) Category Two – 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

STATUTORY INFORMATION

(c) Category Three – Charitable Organisations Benefiting the Aged and/or Persons with a Disability

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 – \$ 1,000.00 for Service Charges only

(d) Category Four – 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 – \$ 4,000.00 for Service Charges only

(e) Category Five – Sporting Clubs and Associations – With Liquor Licenses but No 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 – \$ 4,000.00

(f) Category Six – Sporting Clubs and Associations situated on Highly Valued Leasehold Land – With Liquor Licenses but No Gaming Licenses

Rebate Level General Rates – 85%
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 – \$ 2,000.00 for Service Charges only
Applies to Assessment Number 105813 – Rockhampton Bowls Club only.

STATUTORY INFORMATION

(g) Category Seven – 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

(h) Category Eight - All Other Community Based 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.

(i) Category Nine - 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 grants rebates on the following basis for those assessments that only contain pump sites and where the land area is 25 square metres or less, provided the ratepayer as shown on the assessment is the owner of another property in the Region on which the separate charges and general rates have been levied:

- (a) Separate Charges – 100% rebate
- (b) General Rates – Maximum rebate of \$600.00.

STATUTORY INFORMATION

Water Consumption Charges

Council grants a rebate on the following basis for the following assessments:

237107 – Gracemere Lakes Golf Club; and

237109 – Gracemere Bowling Club

Water Consumption Charges – 50% rebate.

Lot 1 South Ulam Rd, Bajool

Council grants a rebate on the following basis for the following assessment:

146963-2 – being Lot 1 South Ulam Rd, Bajool (L1 MLG80014 Parish of Ultimo)

General Rate 100%;

Road Network Charge 100%; and

Environment Separate Charge 100%.

Limit in Increases in Rates and Charges

For the 2022/2023 financial year Council will not be resolving to limit any increases in rates and charges.

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 may consider granting a concession of up to \$2,200 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 pre-arranged 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 is subject to approval by Council.

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 date of the current rating period (concessions are not applied retrospectively).

STATUTORY INFORMATION

Leased Council Vacant Land

Council grants 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 or 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 is subject to approval by Council.

Applications are 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 Policy and Procedure.

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 as at 30 June are –

- Mr G Mullins (Committee Chair and Independent External Member)
- Cr D Kirkland
- Cr S Latcham
- Mr G Matthews (Independent External Member)
- Mr D Tanner (Independent External Member and Financial Expert)

Committee responsibilities include review and monitoring of the effectiveness of governance, risk and compliance processes and functions, strategic asset management, and 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.

STATUTORY INFORMATION

Internal Audit

Internal Audit, including the risk management function, consists of 2 full-time staff holding relevant qualifications, experience and professional affiliations.

Internal Audit's mission is to assist Council to meet its objectives, through independently and objectively examining and evaluating Council's activities control measures.

The enterprise risk management function (ERM) is managed through Internal Audit providing a consulting and reporting function to management and Council.

As the risk function provides the basis for the risk-based audits undertaken, this arrangement is highly synergistic in helping to prioritise the focus of the overall audit effort.

Council is assisted in the effective discharge of its responsibilities through Internal Audit's provision of consulting, analysis, appraisals, recommendations for improvement and evaluation of risk exposures across all areas of operations.

These in-house audit services extend to consideration of 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.

Specific audits and key-audit related activities planned and completed during the 2021-2022 financial year included:

- Bushfire Prevention Governance Review – Parks
- Roads Maintenance Governance Review
- Vector Management – Mosquitoes
- Playground Inspections (risk of injury to public/asset damage)
- Regional Arts Development Fund (RADF)
- IT Governance (non-core applications)
- Grants Process (for grants Council receives)
- Annual Follow-Up Review (of agreed actions)
- Annual Audit Plan and Strategy including a 3-year forward plan of topics
- Monitoring and reporting on the actions resulting from audit recommendations
- Fraud Data and Trends Analysis
- Audit Committee Management and Liaison
- Governance – Various advisory activities related to audit and / or ERM
- Coordination of overall assurance and risk activities across council

Resolutions made under section 206(2) LG Regulation 2012 (Valuation of non-current physical assets) (s185(b) LGR 2012)

NIL

STATUTORY INFORMATION

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	\$1,872,825.62
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Number of employees in senior management who are being paid each band of remuneration

One senior contract employee with a total remuneration package in the range of	<\$200,000.
Three senior contract employees with a total remuneration package in the range of	\$200,000-\$299,000.
Three 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 Complaints Management Policy and the Administrative Action Complaint procedure. 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, there is a three step internal escalation process.

Council employs seven complaint management principles, comprising of accessibility, client focus, confidentiality, communication, continuous improvement, fairness and objectivity, and responsiveness. Council has maintained a satisfactory performance in resolving complaints this financial year and continues to optimise processes when opportunities are identified. There has been an increase of complaints received this financial year compared to last financial year by 90 complaints.

The table below depicts Administrative Action Complaint statistics.

Number of administrative action complaints received in financial year	188
Number of administrative action complaints resolved in financial year	195
Number of administrative action complaints received and resolved in financial year	184
Number of administrative action complaints that were not resolved in financial year	4
Number of administrative action complaints in previous financial year and not resolved in this financial year	0

STATUTORY INFORMATION

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 22 March 2022:

THAT Council:

1. adopt the following amended policies as attached to the report:
 - (a) Entertainment and Hospitality Policy; and
 - (b) Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy; and
 - (c) Councillor Gifts, Benefits and Hospitality Policy.
2. rescind the Provision of Complimentary Tickets for Events and Performances Policy.
3. approves a review date of the Entertainment and Hospitality Policy, Expenses Reimbursement Facilities for Mayor and Councillors Policy and the Councillor Gifts, Benefits and Hospitality Policy of April 2024.

Moved by: Councillor Wickerson
Seconded by: Councillor Fisher
MOTION CARRIED UNANIMOUSLY

Adopted at Council Meeting on 26 April 2022:

THAT Council adopts the amended Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy attached to the report.

Moved by: Councillor Kirkland
Seconded by: Councillor Mathers
MOTION CARRIED UNANIMOUSLY

Adopted at Council Meeting on 10 May 2022:

THAT Council request an amendment to the Expenses Reimbursement and Provision of Facilities (Councillors) Policy whereby Councillors be approved to attend conferences, meetings, and associated travel outside the CQROC Local Government Area while an elected member appointed to external entities, provided the associated cost for travel is in line with the budget allocation for Councillors.

Moved by: Councillor Wickerson
Seconded by: Councillor Smith
MOTION CARRIED UNANIMOUSLY

STATUTORY INFORMATION

Adopted at Council Meeting on 24 May 2022:

THAT Council:

1. adopts the amended Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy attached to the report; and
2. approves a review date of the Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy of April 2024.

Moved by: Councillor Wickerson

Seconded by: Councillor Fisher

MOTION CARRIED UNANIMOUSLY

Expenditure on Grants to Community Organisations (s189 LGR 2012)

Summary of expenditure for the financial year on grants to community organisations

A total of \$584,307.26 was granted to community organisations during the 2021-22 financial year.

<i>Grant Program</i>	<i>Expenditure for 2021-22</i>
Community Assistance Program	\$392,691.56
Waste and Recycling Community Service	\$ 74,378.89
Australia Day Community Events	\$ 5,767.00
Exemptions of hire costs for public events	\$ 43,906.81
Regional Arts Development Fund	\$ 67,563.00
	\$584,307.26

Remuneration and superannuation contributions paid to each Councillor (S186(a) LGR 2012)

<i>Div</i>	<i>Councillor</i>	<i>Remuneration</i>	<i>Superannuation</i>
	Mayor, Councillor A P Williams	\$158,168.00	\$18,968.81
1	Councillor S Latcham	\$91,571.00	\$10,982.00
2	Deputy Mayor, Councillor N K Fisher	\$104,059.00	\$10,399.70
3	Councillor G D Mathers	\$91,571.00	\$10,982.00
4	Councillor C E Smith	\$91,571.00	\$10,911.56
5	Councillor C R Rutherford	\$91,571.00	\$10,982.00
6	Councillor M D Wickerson	\$91,571.00	\$10,982.00
7	Councillor D M Kirkland	\$91,571.00	\$ 9,151.67

STATUTORY INFORMATION

Details of the number of meetings attended by each Councillor during the financial year (s186(c) LGR2012)

Meeting Attendance Figures: 1 July 2021 – 30 June 2022

<i>COUNCILLOR</i>	<i>ORDINARY COUNCIL (22 Held)</i>	<i>SPECIAL COUNCIL (11 Held)</i>	<i>AUDIT & BUSINESS IMPROVEMENT COMMITTEE (4 Held)</i>	<i>COMMUNITIES COMMITTEE (4 Held)</i>	<i>INFRASTRUCTURE COMMITTEE (4 Held)</i>	<i>TOTAL</i>
Mayor, Councillor Tony Williams	21	11		4	4	40
Deputy Mayor, Councillor Neil Fisher	12	9		4	4	29
Councillor Shane Latcham	22	11	4	4	4	45
Councillor Ellen Smith	22	9		3	3	37
Councillor Cherie Rutherford	17	8		4	3	32
Councillor Drew Wickerson	21	10		4	4	39
Councillor Donna Kirkland	21	11	3	4	4	43
Councillor Grant Mathers	22	10		4	4	40

STATUTORY INFORMATION

Overseas Travel (s188 LGR 2012) Overseas travel by Councillor or employee in an official capacity.

No overseas travel was undertaken in the 21/22 financial year.

Expenses incurred by and provided to each Councillor under the Expenses Reimbursement Policy (s186(b) LGR 2012)

<i>Division</i>	<i>Name</i>	<i>Travel/Expenses & Conferences/Training</i>	<i>Transport</i>	<i>TOTAL</i>	<i>Cr Vehicle Contribution</i>
Mayor	Mayor, Councillor Tony Williams	\$ 3,233.20	\$ 15,909.59	\$ 19,142.79	No contribution required as per Expenses Reimbursement Policy
1	Councillor Shane Latcham	\$ 12,615.05	\$ 13,080.50	\$ 25,695.55	\$4,232.54
2	Deputy Mayor Councillor Neil Fisher	\$ 4,960.28	\$ 16,060.42	\$ 21,020.70	\$4,232.54
3	Councillor Ellen Smith	\$ 3,087.13	\$ 30,886.31	\$ 33,973.44	\$4,382.54
4	Councillor Cherie Rutherford	\$ 140.16	\$ 14,328.79	\$ 14,468.95	\$4,232.54
5	Councillor Drew Wickerson	\$ 976.91	\$ 12,124.18	\$ 13,101.09	\$4,232.54
6	Councillor Donna Kirkland	\$ 4,539.32	\$ 10,036.97	\$14 576.29	\$4,232.54
7	Councillor Grant Mathers	\$ 905.08	\$8,241.15	\$ 9,146.23	\$4,232.54

STATUTORY INFORMATION

Number of Councillor Conduct orders and disciplinary actions

Subsection of the Local Government Act	Description	Number
150I(2)	Chairperson makes an order for unsuitable meeting conduct	0
150AH(1)	Disciplinary action against a Councillor in inappropriate conduct	1
150AR(1)	Disciplinary action against a Councillor for misconduct	0

Summary of Councillor conduct decisions, orders and recommendations

The name of each Councillor for whom a decision, order or recommendation mentioned in s186(d)	A description of the unsuitable Meeting unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillor. conduct or misconduct	A summary of the decision, order or recommendation made for each Councillor
Councillor Shane Latcham	Inappropriate conduct: contravened a resolution of council in relation to a property matter that had been delegated to the CEO	That Cr Shane Latcham is ordered to training to address his conduct

Number of Councillor conduct complaints, notices and referrals

Subsection of the Local Government Act	Description	Number
150P(2)(a)	Complaints referred to the assessor by the local government, a Councillor or Chief Executive Officer	2
150P(3)	Matters referred to the Crime and Corruption Commission by the local government	0
150R(2)	Notices given to the CEO or a Councillor to the assessor about a Councillor's conduct	0
150S(2)(a)	Notices of misconduct given to the assessor by the local government	0
150W(1)(a),(b)and (e)	Decision by the assessor to dismiss, refer to the local government or take no further action	0
150AC(3)(a)	Occasions where referral notices from the assessor recommend conduct should be referred to another agency for consideration	0
150AF(4)(a)	Occasions where information about misconduct is obtained by the local government during Investigation that is given to the assessor	0
Chapter 5A, part 3 division 5	Occasions where the local government asked another entity to investigate suspected inappropriate Conduct of a councillor	0
Chapter 5A, part 3 division 6	Applications heard by the conduct tribunal about the alleged misconduct of a councillor	0

***The full register of Councillor conduct complaints outcomes is available on Council's website

STATUTORY INFORMATION

Grants and sponsorships

Mayor and Councillors Discretionary Fund

Grants are available to organisations that are a not-for-profit incorporated association (or sponsored by one).

Funding provides financial assistance to organisations with items such as equipment or incidental costs.

During the 2021–2022 financial year, a total of \$40,000 was available and distributed to various organisations through the Mayor and Councillors Discretionary Fund as per the local government discretionary fund *LGRs189(2)(a)*.

Councillor Discretionary Fund distributed monies 2021–2022

<i>Div.</i>	<i>Councillor</i>	<i>Amount</i>
	Mayor, Councillor A P Williams	\$ 5,000
1	Councillor S Latcham	\$ 5,000
2	Deputy Mayor, Councillor N K Fisher	\$ 5,000
3	Councillor G D Mathers	\$ 5,000
4	Councillor C E Smith	\$ 5,000
5	Councillor C R Rutherford	\$ 5,000
6	Councillor M D Wickerson	\$ 5,000
7	Councillor D M Kirkland	\$ 5,000

STATUTORY INFORMATION

Summary of expenditure from each Councillor's discretionary fund detailing organisation, amount and purpose:

Mayor Councillor Tony Williams

<i>Organisation</i>	<i>Purpose of Donation</i>	<i>Amount</i>
CQ Mudsporz Inc	To assist with event costs for Twin Track Mudracing on 3 July	\$250.00
Drug Arm	Donation towards day out for children with disabilities and special needs	\$300.00
Mount Morgan State High School	Assistance towards Blue Edge youth engagement programme	\$100.00
Community Mental Health Support	Sponsorship of disadvantaged children in Rockhampton to attend movie day	\$300.00
QLD Blue Light Assoc. Inc.	To assist towards crime prevention initiative for Rockhampton children at risk	\$200.00
Fitzroy Gracemere RLFC Inc	Donation towards awards presentation at annual dinner	\$100.00
Rockhampton Wildlife Rescue	Donation to purchase food and cages for rescue animals	\$200.00
Mount Morgan State High School	Sponsorship of 'Trainee of the Year' award at annual awards night	\$100.00
Meals on Wheels	Donation to the volunteer Christmas luncheon	\$500.00
Rockhampton Senior Citizens Club	Financial assistance to assist the club continue operating due to losses as a result of COVID-19	\$1,000.00
North Rockhampton Senior Citizens Club	Donation towards Australia Day celebrations and ongoing events for senior citizens	\$1,000.00
Rotary Club of Rockhampton Fitzroy	Donation towards installing buddy seats in primary schools	\$900.00
Central Queensland Animal Society Inc	Donation towards ongoing vet costs to get foster animals adoption ready	\$50.00
Total:		\$5,000.00

STATUTORY INFORMATION

Councillor Shane Latcham

Organisation	Purpose of Donation	Amount
Parkhurst State School P&C Assoc.	Donation towards prize for fundraising and planting trees at the school	\$1,000.00
Frenchville State School P&C Assoc.	Donation towards prize for fundraising and planting trees at the school	\$1,000.00
Capricorn District Scouts	Financial assistance to purchase a District Personal Locator Beacon	\$200.00
Crime Stoppers	Donation towards local signage and education outcomes for crime prevention	\$1,000.00
CQ Nepalese Association	To support CQNA Harmony Tennis Cup Tournament 14 May 2022	\$500.00
The Kalapa Hall and Sports Committee	Donation towards the Kalapa CWA Branch 100-year event	\$500.00
Bajool State School	Donation towards the cost of the bus to transport students to the Lakes Creek Road Landfill	\$300.00
Meals on Wheels	Financial assistance towards the cost of fuel to continue the service of delivering meals to the community	\$500.00
Total:		\$5,000.00

STATUTORY INFORMATION

Deputy Mayor Councillor Neil Fisher

<i>Organisation</i>	<i>Purpose of Donation</i>	<i>Amount</i>
Diggers Memorial Ladies Bowling Club	Donation toward invitation 4s bowling competition held 2nd August	\$500.00
Aqualification & Fitness	Financial assistance for a conflict management program to assist young staff deal with abusive behaviour from the public	\$796.00
Rockhampton Cycling Club	Donation to repair existing grandstand #2 in the Kenrick Tucker Velodrome	\$1,000.00
Diggers Memorial Bowls Club	Assistance with the open mixed bowls competition on 23 October	\$500.00
Meals on Wheels Rockhampton inc.	Donation towards maintenance of raised gardens beds	\$200.00
Rotary Club of Rockhampton Fitzroy	Donation towards installing buddy seats in primary schools	\$900.00
Rockhampton Horticultural Society	Donation towards prize monies for annual Rockhampton Show in June 2022	\$200.00
Central Queensland Animal Society Inc	Donation towards ongoing vet costs to get foster animals adoption ready	\$50.00
Rockhampton Dog Obedience Club Inc	Financial assistance to purchase tunnel for dog agility trials	\$500.00
North Rockhampton Branch Little Athletics Centre	Financial assistance towards LAQ Introductory Coaching course for parents to assist in away competitions	\$354.00
Total:		\$5,000.00

STATUTORY INFORMATION

Councillor Grant Mathers

<i>Organisation</i>	<i>Purpose of Donation</i>	<i>Amount</i>
St Mary's Catholic Primary School	Donation of extra wheelie bin services for St Mary's Fair on 26 November	\$480.00
Berserker Street State School P&C	Financial assistance to purchase pie warmer and kitchen accessories	\$971.95
Berserker Street Community Hub	Donation towards construction of footpath within the school grounds for pram and disabled access	\$500.00
Central Queensland Animal Society Inc	Donation towards ongoing vet costs to get foster animals adoption ready	\$500.00
Lakes Creek State School P&C	Financial assistance to purchase a laptop for the P&C	\$990.00
Berserker Street State School	Financial assistance to purchase physical education teaching equipment and resources	\$990.00
CQU Rockhampton Panthers Aust Football Club Inc	Donation towards clubhouse facility improvements to purchase damaged table and chairs	\$568.05
Total:		\$5,000.00

STATUTORY INFORMATION

Councillor Ellen Smith

<i>Organisation</i>	<i>Purpose of Donation</i>	<i>Amount</i>
Gracemere Bowls Club	Donation towards prize money for Open Fours Competition	\$800.00
Bouldy Buddy's Playgroup	Financial assistance for fencing material around the newly constructed playgroup shed	\$500.00
Bouldercombe Progress Assoc	Donation towards Community Christmas Fair	\$500.00
Gracemere Hack & Pony Club	Donation towards clubs' cost for rubbish removal and insurance	\$500.00
Gracemere Community Voice Inc	Donation to RSL for the use of venue for the Christmas function	\$200.00
Gracemere Scouts	Assistance towards the delivery of Scouting Youth Program in Gracemere	\$500.00
Gracemere Men's Shed	Donation towards repairing road within grounds to make safe for pedestrians and fix potholes	\$800.00
Gracemere Lake golf Club	Financial assistance towards repairs to irrigation system	\$1,000.00
Rockhampton Kennel Club Inc	Financial assistance to purchase two 3x3 gazebo's	\$200.00
Total:		\$5,000.00

STATUTORY INFORMATION

Councillor Cherie Rutherford

<i>Organisation</i>	<i>Purpose of Donation</i>	<i>Amount</i>
Mt Morgan Pensioners & Superannuants League	Donation towards Seniors Week morning tea	\$200.00
Rocky Roller Derby	Financial assistance towards purchasing safety equipment for come and try days to boost members	\$600.00
Rotary Club of Rockhampton Fitzroy	Donation towards installing buddy seats in primary schools	\$900.00
Mt Morgan Rodeo Association Inc.	Donation towards the Mt Morgan Rodeo event on May 1st 2022	\$500.00
The Ridgeland & District Sporting & Agricultural Association	Donation towards printing Show programs	\$800.00
Mount Morgan Show Society	Donation towards Mount Morgan Show to be held on 13 August 2022	\$500.00
Rockhampton South Rotary Club	Donation towards new cold room for Athelstane House	\$500.00
Rockhampton Youth Orchestra Inc	Financial contribution towards the purchase of a commercial grade air purifier	\$500.00
Westwood State School P&C	Donation towards Westwood State School 150years celebration	\$500.00
		Total: \$5,000.00

STATUTORY INFORMATION

Councillor Drew Wickerson

<i>Organisation</i>	<i>Purpose of Donation</i>	<i>Amount</i>
Rockhampton Golf Club Ladies	Donation towards Rockhampton Ladies Annual Closed Golf Championship	\$500.00
Rockhampton Flexible Learning	Donation towards replenishing seedling, soil, and other requirements for community garden	\$500.00
Depot Hill State School	Financial assistance to replace school taps with cold water taps	\$1,000.00
Capricornia Domestic and Family Violence Steering Committee	Donation towards stationery to use at DFV awareness events	\$100.00
Capricornia Domestic and Family Violence Steering Committee	Donation towards BBQ items for DFV awareness event	\$80.00
Rotary Club of Rockhampton Fitzroy	Donation towards installing buddy seats in primary schools	\$900.00
Rockhampton Special School	Financial assistance to purchase a wellbeing dog	\$1,000.00
Multicultural Australia	Donation towards providing lunch for the Homeless Connect event	\$920.00
Total:		\$5,000.00

STATUTORY INFORMATION

Councillor Donna Kirkland

<i>Organisation</i>	<i>Purpose of Donation</i>	<i>Amount</i>
Rockhampton Relay for Life - Cancer Council	To assist with the running of this community fundraising event	\$764.00
Central Queensland Animal Society	Donation towards ongoing vet fees for animals to be rehomed	\$250.00
Rockhampton Wildlife Rescue	Donation to assist with ongoing costs to care for injured wildlife	\$200.00
Rockhampton Equestrian Group Inc	Financial assistance to purchase printer to produce score sheets and promotional material	\$747.00
Rockhampton Youth Orchestra Inc	Financial contribution towards the purchase of a commercial grade air purifier	\$980.00
Darumbal Enterprises P/L	Donation towards tables and chairs for Mabo Day event	\$506.00
CQ Family History Association Inc	Financial assistance to install security lighting on the outside of the building	\$746.00
Country to Coast CQ Women's Shed	Donation towards advertising to assist with establishing the women's shed	\$807.00
Total:		\$5,000.00



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Rockhampton
Regional Council