



# ORDINARY MEETING

## AGENDA

**8 NOVEMBER 2016**

*Your attendance is required at an Ordinary meeting of Council to be held in the Council Chambers, 232 Bolsover Street, Rockhampton on 8 November 2016 commencing at 9.00am for transaction of the enclosed business.*

A handwritten signature in black ink, appearing to be "C. R.", is positioned above the text of the Chief Executive Officer.

**CHIEF EXECUTIVE OFFICER**  
2 November 2016

Next Meeting Date: 22.11.16

**Please note:**

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

## TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	OPENING.....	1
2	PRESENT .....	1
3	APOLOGIES AND LEAVE OF ABSENCE .....	1
4	CONFIRMATION OF MINUTES .....	1
5	DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA.....	1
6	BUSINESS OUTSTANDING .....	2
	NIL .....	2
7	PUBLIC FORUMS/DEPUTATIONS .....	3
	NIL .....	3
8	PRESENTATION OF PETITIONS .....	4
	NIL .....	4
9	COMMITTEE REPORTS .....	5
	NIL .....	5
10	COUNCILLOR/DELEGATE REPORTS .....	6
	NIL .....	6
11	OFFICERS' REPORTS.....	7
11.1	D/71-2016 - DEVELOPMENT APPLICATION FOR A MATERIAL CHANGE OF USE FOR A FUNCTION FACILITY .....	7
11.2	D/110-2016 - DEVELOPMENT APPLICATION FOR A MATERIAL CHANGE OF USE FOR A TRANSPORT DEPOT .....	26
11.3	D/131-2016 - DEVELOPMENT APPLICATION FOR A MATERIAL CHANGE OF USE FOR HEALTH CARE SERVICES AND A SHOP AND FOR OPERATIONAL WORKS FOR ADVERTISING DEVICES (AWNING FASCIA SIGN, WALL SIGN AND BILLBOARD SIGN) .....	51
11.4	ADOPTION OF 2015/16 ANNUAL REPORT .....	86
11.5	WHOLE OF REGION SIGNAGE & WAYFINDING STRATEGY .....	187
11.6	MAJOR AMENDMENT TO ROCKHAMPTON REGION PLANNING SCHEME - CLASS 10A STRUCTURES.....	188
12	NOTICES OF MOTION.....	192
	NIL .....	192
13	QUESTIONS ON NOTICE.....	193
	NIL .....	193

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<b>14</b>	<b>URGENT BUSINESS/QUESTIONS .....</b>	<b>194</b>
<b>15</b>	<b>CLOSED SESSION .....</b>	<b>195</b>
16.1	ECONOMIC DEVELOPMENT QUEENSLAND JOINT VENTURE AND STRATEGIC PROPERTY ACQUISITION .....	195
16.2	CONFIDENTIAL REPORT ON MATTERS CURRENTLY IN LEGAL PROCESS.....	195
16.3	CONFIDENTIAL LEGAL PROCEEDINGS FOR DEVELOPMENT OFFENCES.....	195
<b>16</b>	<b>CONFIDENTIAL REPORTS.....</b>	<b>196</b>
16.1	ECONOMIC DEVELOPMENT QUEENSLAND JOINT VENTURE AND STRATEGIC PROPERTY ACQUISITION .....	196
16.2	CONFIDENTIAL REPORT ON MATTERS CURRENTLY IN LEGAL PROCESS.....	197
16.3	CONFIDENTIAL LEGAL PROCEEDINGS FOR DEVELOPMENT OFFENCES.....	198
<b>17</b>	<b>CLOSURE OF MEETING .....</b>	<b>199</b>

**1 OPENING**

The opening prayer presented by Reverend Scott Ballment from Rockhampton South Uniting Church.

**2 PRESENT**

Members Present:

The Mayor, Councillor M F Strelow (Chairperson)  
Councillor C E Smith  
Councillor C R Rutherford  
Councillor M D Wickerson  
Councillor N K Fisher

In Attendance:

Mr E Pardon – Chief Executive Officer

**3 APOLOGIES AND LEAVE OF ABSENCE**

Councillor Stephen Schwarten previously granted leave of absence from 17 October 2016 to 18 December 2016.

Councillor Rose Swadling will not be in attendance as she is representing Council at the International Cities, Town Centres and Communities Conference in Launceston.

Councillor Tony Williams has tendered his apology and will not be in attendance.

**4 CONFIRMATION OF MINUTES**

Minutes of the Ordinary Meeting held 25 October 2016

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

**6 BUSINESS OUTSTANDING**

Nil

**7 PUBLIC FORUMS/DEPUTATIONS**

Nil

**8 PRESENTATION OF PETITIONS**

Nil



**9 COMMITTEE REPORTS**

Nil

**10 COUNCILLOR/DELEGATE REPORTS**

Nil

## 11 OFFICERS' REPORTS

### 11.1 D/71-2016 - DEVELOPMENT APPLICATION FOR A MATERIAL CHANGE OF USE FOR A FUNCTION FACILITY

<b>File No:</b>	<b>D/71-2016</b>
<b>Attachments:</b>	<ol style="list-style-type: none"> <li>1. <b>Locality Plan</b></li> <li>2. <b>Site Plan</b></li> <li>3. <b>Floor Plan</b></li> <li>4. <b>Elevations</b></li> </ol>
<b>Authorising Officer:</b>	<b>Tarnya Fitzgibbon - Coordinator Development Assessment</b> <b>Steven Gatt - Manager Planning &amp; Regulatory Services</b> <b>Michael Rowe - General Manager Community Services</b>
<b>Author:</b>	<b>Alyce James - Planning Officer</b>

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#### SUMMARY

<i>Development Application Number:</i>	<i>D/71-2016</i>
<i>Applicant:</i>	<i>Korte Nominees Pty Ltd</i>
<i>Real Property Address:</i>	<i>Lot 21 on SP171783</i>
<i>Common Property Address:</i>	<i>984-986 Yaamba Road, Parkhurst</i>
<i>Area of Site:</i>	<i>3.8 hectares</i>
<i>Planning Scheme:</i>	<i>Rockhampton Region Planning Scheme 2015</i>
<i>Planning Scheme Zone:</i>	<i>Low Density Residential Zone</i>
<i>Planning Scheme Overlays:</i>	<i>Transport Noise Corridor Category 2</i>
<i>Existing Development:</i>	<i>Cabin Park and Accommodation Building</i>
<i>Existing Approvals:</i>	<i>Preliminary Approval for Material Change of Use (Motel and Caravan Park) and Reconfiguration of a Lot (two lot subdivision) – Application D/500-2005</i>  <i>Material Change of Use for an Accommodation Building (40 Room Motel and Managers Residence) – Stage One – Application D/1747-2009</i>  <i>Material Change of Use for a Cabin Park (thirty seven cabins and ancillary buildings) – Stage Two - Application D/389-2010</i>
<i>Approval Sought:</i>	<i>Development Permit for a Material Change of Use for a Function Facility</i>
<i>Level of Assessment:</i>	<i>Impact Assessable</i>
<i>Submissions:</i>	<i>One Properly Made Submission</i>
<i>Referral Agency(s):</i>	<i>Department of Infrastructure, Local Government and Planning</i>
<i>Infrastructure Charges Area:</i>	<i>Charge Area 1</i>

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*Application Progress:*

<i>Application Lodged:</i>	<i>20 May 2016</i>
<i>Application Properly Made:</i>	<i>20 May 2016</i>
<i>Acknowledgment Notice issued:</i>	<i>26 May 2016</i>
<i>Request for Further Information sent:</i>	<i>6 June 2016</i>
<i>Government Agency Response:</i>	<i>11 July 2016</i>
<i>Request for Further Information responded to:</i>	<i>27 July 2016</i>
<i>Submission period commenced:</i>	<i>1 August 2016</i>
<i>Submission period end:</i>	<i>23 August 2016</i>
<i>Last receipt of information from applicant:</i>	<i>25 August 2016</i>
<i>Council request for additional time (until 21 October 2016):</i>	<i>16 September 2016</i>
<i>Council requested for additional time (until 18 November 2016):</i>	<i>18 October 2016</i>
<i>Statutory due determination date:</i>	<i>18 November 2016</i>

**OFFICER'S RECOMMENDATION****RECOMMENDATION A**

THAT in relation to the application for a Development Permit for a Material Change of Use for Function Facility, made by Korte Nominees Pty Ltd on behalf of K & T Holdings Pty Ltd, on Lot 21 on SP171783, located at 984-986 Yaamba Road, Parkhurst, Council resolves to Approve the application subject to the following conditions:

**1.0 ADMINISTRATION**

- 1.1 The Developer is responsible for ensuring compliance with the conditions of this development approval and the Conditions of the approval by an employee, agent, contractor or invitee of the Developer.
- 1.2 Where these Conditions refer to "Council" in relation to requiring Council to approve or to be satisfied as to any matter, or conferring on the Council a function, power or discretion, that role of the Council may be fulfilled in whole or in part by a delegate appointed for that purpose by the Council.
- 1.3 All conditions, works, or requirements of this development approval must be undertaken and completed and be accompanied by a Compliance Certificate for any operational works required by this development approval:
  - 1.3.1 to Council's satisfaction;
  - 1.3.2 at no cost to Council; and
  - 1.3.3 prior to the commencement of the use, unless otherwise stated.
- 1.4 Infrastructure requirements of this development approval must be contributed to the relevant authorities, where applicable, at no cost to Council, prior to the commencement of the use, unless otherwise stated.
- 1.5 The following further Development Permits must be obtained prior to the commencement of any works associated with their purposes:

- 1.5.1 Plumbing and Drainage Works; and
- 1.5.2 Building Works:
- 1.6 All Development Permits for Plumbing and Drainage Works must be obtained prior to the issue of a Development Permit for Building Works.
- 1.7 All works must be designed, constructed and maintained in accordance with the relevant Council policies, guidelines and standards, unless otherwise stated.
- 1.8 All engineering drawings/specifications, design and construction works must be in accordance with the requirements of the relevant *Australian Standards* and must be approved, supervised and certified by a Registered Professional Engineer of Queensland.

## 2.0 APPROVED PLANS AND DOCUMENTS

- 2.1 The approved development must be completed and maintained generally in accordance with the approved plans and documents, except where amended by the conditions of this permit:

<u>Plan/Document Name</u>	<u>Plan/Document Number</u>	<u>Dated</u>
Site Location – Proposed Korte’s Lakehouse	Not Numbered	Not Dated
Floor Plan Lakehouse	DA.201 Revision A	27 April 2016
Elevations Lakehouse	DA.401 Revision A	27 April 2016
Preliminary Schematic Footing Layout and Detail	D16.169-SK1	July 2016
Stormwater Management Plan as a part of Information Request	D16.169	26 July 2016

- 2.2 Where there is any conflict between the conditions of this approval and the details shown on the approved plans and documents, the conditions of approval must prevail.
- 2.3 Where conditions require the above plans or documents to be amended, the revised document(s) must be submitted for endorsement by Council prior to the submission of an application for a Development Permit for Building Works.
- ## 3.0 PLUMBING AND DRAINAGE WORKS
- 3.1 All internal plumbing and drainage works must be designed and constructed in accordance with the approved plans (refer to condition 2.1), *Capricorn Municipal Development Guidelines, Water Supply (Safety and Reliability) Act, Plumbing and Drainage Act*, Council’s Plumbing and Drainage Policies and the provisions of a Development Permit for Plumbing and Drainage Works.
- 3.2 The development must be connected to Council’s reticulated sewerage and water networks.
- 3.3 The existing sewerage and water connection point(s) must be retained, and upgraded if necessary, to service the development.
- 3.4 Adequate domestic and fire fighting protection must be provided to the development, and must be certified by a hydraulic engineer or other suitably qualified person.
- 3.5 Sewer connections and water meter boxes located within trafficable areas must be raised or lowered to suit the finished surface levels and must be provided with heavy duty trafficable lids.
- 3.6 Alteration, disconnection or relocation of internal plumbing and sanitary drainage works associated with the existing building must be in accordance with regulated work under the *Plumbing and Drainage Act* and Council’s Plumbing and Drainage Policies.

- 3.7 Sewerage trade waste permits must be obtained for the discharge of any non-domestic waste into Council's sewerage reticulation network. Arrestor traps must be provided where commercial or non-domestic waste is proposed to be discharged into the sewer system.
- 4.0 ROOF AND ALLOTMENT DRAINAGE WORKS
- 4.1 All roof and allotment drainage works must be designed and constructed in accordance with the approved plans (refer to condition 2.1), *Queensland Urban Drainage Manual, Capricorn Municipal Development Guidelines*, sound engineering practice.
- 4.2 All roof and allotment runoff from the development must be directed to a lawful point of discharge and must not restrict, impair or change the natural flow of runoff water or cause a nuisance or worsening to surrounding land or infrastructure.
- 5.0 SITE WORKS
- 5.1 All earthworks must be undertaken in accordance with *Australian Standards, AS3798 "Guidelines on Earthworks for Commercial and Residential Developments"*.
- 5.2 Site works must be constructed such that they do not, at any time, in any way restrict, impair or change the natural flow of runoff water, or cause a nuisance or worsening to surrounding land or infrastructure.
- 6.0 BUILDING WORKS
- 6.1 All building works must be undertaken in accordance with *Queensland Development Code, Mandatory Part 1.4* for building over or near relevant infrastructure.
- 6.2 The finished floor level of proposed Function Facility must be a minimum of 500 millimetres above a one per cent (1%) Annual Exceedance Probability flood inundation level.
- 6.3 All electrical and telecommunication services and utilities connected to the property, including electrical outlets, must be designed and installed at such a height that they are a minimum of 500 millimetres above a one per cent (1%) Annual Exceedance Probability defined flood event.
- 7.0 LANDSCAPING WORKS
- 7.1 All landscaping must be established generally in accordance with the approved plans (refer to condition 2.1). The landscaping must be constructed and/or established prior to the commencement of the use and the landscape areas must predominantly contain plant species that are locally native to the Central Queensland region due to their low water dependency.
- 8.0 ELECTRICITY
- 8.1 Electricity services must be provided to the development in accordance with the standards and requirements of the relevant service provider.
- 9.0 TELECOMMUNICATIONS
- 9.1 Telecommunications services must be provided to the development in accordance with the standards and requirements of the relevant service provider. Unless otherwise stipulated by telecommunications legislation at the time of installation, this includes all necessary pits and pipes, and conduits that provide a connection to the telecommunications network.
- 10.0 ASSET MANAGEMENT
- 10.1 Any alteration necessary to electricity, telephone, water mains, sewerage mains, and/or public utility installations resulting from the development or in connection with the development, must be at full cost to the Developer.
- 10.2 Any damage to existing stormwater, water supply and sewerage infrastructure, kerb and channel, pathway or roadway (including removal of concrete slurry from public land

and Council infrastructure) that occurs while any works are being carried out in association with this development approval must be repaired at full cost to the developer. This includes the reinstatement of any existing traffic signs or pavement markings that may have been removed or damaged.

#### 11.0 ENVIRONMENTAL

11.1 An Erosion Control and Stormwater Control Management Plan in accordance with the *Capricorn Municipal Design Guidelines*, must be:

11.1.1 implemented, monitored and maintained for the duration of the works, and until all exposed soil areas are permanently stabilised (for example, turfed, hydromulched, concreted, landscaped); and

11.1.2 available on-site for inspection by Council Officers whilst all works are being carried out.

#### 12.0 ENVIRONMENTAL HEALTH

12.1 Any lighting devices associated with the development, such as sensory lighting, must be positioned on the development site and shielded so as not to cause glare or other nuisance to nearby residents and motorists. Night lighting must be designed, constructed and operated in accordance with *Australian Standard AS4282 "Control of the obtrusive effects of outdoor lighting"*.

12.2 Noise emitted from the activity must not cause an environmental nuisance.

12.3 Operations on the site must have no significant impact on the amenity of adjoining premises or the surrounding area due to the emission of light, noise or dust.

12.4 All mechanical plant equipment installed, including air-conditioning, must be checked for noise nuisance compliance prior to installation and certified compliant by testing by a suitably qualified acoustic consultant. Testing to be in accordance with acoustic quality objectives specified in the most recent addition of the Environmental Protection (Noise) Policy.

#### 13.0 OPERATING PROCEDURES

13.1 All construction materials, waste, waste skips, machinery and contractors' vehicles must be located and stored or parked within the site. No storage of materials, parking of construction machinery or contractors' vehicles will be permitted in Yaamba Road.

13.2 All waste storage areas must be:

13.2.1 kept in a clean and tidy condition; and

13.2.2 maintained in accordance with *Environmental Protection Regulation 2008*.

#### ADVISORY NOTES

##### NOTE 1. Aboriginal Cultural Heritage

(1) It is advised that under section 23 of the *Aboriginal Cultural Heritage Act 2003*, a person who carries out an activity must take all reasonable and practicable measures to ensure the activity does not harm Aboriginal cultural heritage (the "cultural heritage duty of care"). Maximum penalties for breaching the duty of care are listed in the Aboriginal cultural heritage legislation. The information on Aboriginal cultural heritage is available on the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs website [www.datsima.qld.gov.au](http://www.datsima.qld.gov.au).

##### NOTE 2. General Environmental Duty

(2) General environmental duty under the *Environmental Protection Act 1994* prohibits unlawful environmental nuisance caused by noise, aerosols, particles, dust, ash, fumes, light, odour or smoke beyond the boundaries of the development site during all stages of the development including earthworks, construction and operation.

**NOTE 3. Licensable Activities**

(3) Should an activity licensable by Rockhampton Regional Council be proposed for the development site, Council's Environment and Public Health Unit must be consulted to determine whether any approvals are required. Such activities may include food preparation, storage of dangerous goods or environmentally relevant activities. Approval for such activities is required before 'fit out' and operation.

**NOTE 4. General Safety Of Public During Construction**

(4) The *Work Health and Safety Act 2011* and *Manual of Uniform Traffic Control Devices* must be complied with in carrying out any construction works, and to ensure safe traffic control and safe public access in respect of works being constructed on a road.

**NOTE 5. Infrastructure Charges Notice**

This application is subject to infrastructure contributions in accordance with Council policies. The contributions are presented on an Infrastructure Charges Notice.

**RECOMMENDATION B**

That in relation to the application for a Development Permit for a Material Change of Use for Function Facility, made by Korte Nominees Pty Ltd on behalf of K & T Holdings Pty Ltd, on Lot 21 on SP171783, located at 984-986 Yaamba Road, Parkhurst, Council resolves to issue an Infrastructure Charges Notice for the amount of \$29,283.35.

**BACKGROUND****APPLICATION DATA**

<b>Gross Floor Area</b> - Commercial	419.50
<b>Impervious area</b>	508.60

**PROPOSAL IN DETAIL**

The proposal is for a function facility with a gross floor area of 419.50 square metres. The proposed structure will contain two (2) function rooms with bifold doors to an undercover deck area. The proposal includes a warming kitchen, bar, plant room and amenities.

The function facility will be located over/adjacent to the existing "lake" that was constructed as part of approval D/1747-2009 as a detention pond. The function facility will operate in conjunction with Kortess Resort which is currently operating on the site.

**SITE AND LOCALITY**

The subject site is rectangular in shape and has an area of 3.8 hectares. The subject site is fully established with a lake, gardens, an accommodation building and cabins. A restaurant is also approved however the construction of this has not yet commenced.

The subject site is located on Yaamba Road which is a state-controlled road. Majority of the area is characterised by Motels, Caravan Parks, Industrial Uses and large acreage lots with single dwelling houses.

**PLANNING ASSESSMENT****MATTERS FOR CONSIDERATION**

This application has been assessed by relevant Council planning, engineering, environmental health, and other technical officers as required. The assessment has been in accordance with the Integrated Development Assessment System provisions of the *Sustainable Planning Act 2009*, based on consideration of the relevant State Planning Policy; State Government guidelines; the Council's Town Planning Scheme, Planning



Policies and other general policies and procedures, as well as other documents as considered relevant.

**Development Engineering Comments – 9 August 2016**

Support, subject to conditions.

**Public and Environmental Health Comments – 25 May 2016**

Support, subject to conditions.

**Other Staff Technical Comments**

Not applicable as the application was not referred to any other technical staff.

**TOWN PLANNING COMMENTS****Central Queensland Regional Plan 2013**

The *Central Queensland Regional Plan 2013* is a statutory document which came into effect on 18 October 2013. The development is not required to be assessed against the regional plan if this document is appropriately reflected in the local planning scheme. It is considered that the regional plan is appropriately reflected in the current local planning scheme.

**State Planning Policy 2016**

This policy came into effect in April 2016 and replaced all former State Planning Policies. This policy requires development applications to be assessed against its requirements until the identified state interests have been appropriately reflected in the local planning scheme.

**Rockhampton Region Planning Scheme 2015****Low Density Residential Zone**

The subject site is situated within the Low Density Residential Zone under the *Rockhampton Region Planning Scheme 2015*. The purpose of the Low Density Residential Zone identifies that: -

*“The purpose of the low density residential zone code is to provide for predominantly dwelling houses supported by community related activities and small-scale services and facilities that cater for local residents.”*

*“...non-residential uses only occur within the zone where they:*

- (i) do not compromise the residential character and existing amenity of the surrounding area;*
- (ii) are small-scale and consistent with the surrounding urban form;*
- (iii) primarily function to service the needs of the immediate local residential community;*
- (iv) do not detract from the role and function of centres;*
- (v) do not result in the expansion of a centre zone; and*
- (vi) in proximity to higher order roads (minor urban collector or higher);”*

This application is consistent with the purpose of the Zone. The proposal is small in scale and will operate in conjunction with the existing Accommodation Building and Cabin Park (Kortes Resort). The proposal is located on a state-controlled road and will not detract from the role and function of centres. The use will not compromise the integrity of the surrounding area from providing a range of housing options and is considered to be consistent with the surrounding built form and streetscape.

**Rockhampton Regional Planning Scheme Codes**

The following codes are applicable to this application: -

- Low Density Residential Zone Code;
- Access, Parking and Mobility Code;

- Landscaping Code;
- Stormwater Management Code;
- Waste Management Code; and
- Water and Sewer Code.

An assessment has been made against the requirements of the abovementioned codes and the proposed development generally complies with the relevant Performance Outcomes and Acceptable Outcomes. An assessment of the Performance Outcome/s which the application is in conflict with, is outlined below:

<b>Low Density Residential Zone Code</b>		
<b>Performance Outcome/s</b>		<b>Officer's Response</b>
PO14	<p>Non-residential development may locate in the low density residential zone when the use can demonstrate the following:</p> <p>(a) it services the day-to-day needs of residents of the local neighbourhood;</p> <p>(b) it does not compromise the residential character and existing amenity of the surrounding area in relation to lighting, noise, dust and odour;</p> <p>(c) is small in scale;</p> <p>(d) is consistent with the surrounding built form and streetscape;</p> <p>(e) the use provides only a convenience function and does not compromise the role and function of existing centres;</p> <p>(f) does not adjoin an existing centre zone;</p> <p>(g) located in proximity to public transport facilities and public transport routes; and</p> <p>(h) minimises impacts on local amenity and the local street network.</p>	<p>The proposal development will not compromise the primary purpose of the Low Density Residential Zone. The proposal is small in scale and will operate in conjunction with the existing Accommodation Building and Cabin Park (Kortes Resort). The proposal is located on a state-controlled road and will not detract from the role and function of centres. The use will not compromise the integrity of the surrounding area from providing a range of housing options and is considered to be consistent with the surrounding built form and streetscape.</p>

Based on a performance assessment of the above mentioned codes, it is determined that the proposal is acceptable and generally complies with the relevant Performance Outcomes and where there is deviation from the codes, sufficient justification has been provided.

### **INFRASTRUCTURE CHARGES**

Adopted Infrastructure Charges Resolution (No. 5) 2015 for non-residential development applies to the application and it falls within Charge Area 1. The Infrastructure Charges are as follows:

Column 1 Use Schedule		Column 2 Charge Area	Column 3 Adopted Infrastructure Charge		Column 4 Adopted Infrastructure Charge for stormwater network		Calculated Charge
			(\$)	Unit	(\$)	Unit	
Places of Assembly	All uses as per AICN 4/14 Table 2.2.1	Areas 1	59.50	per m <sup>2</sup> of GFA			\$24,960.25
		Area 1			8.50	per m <sup>2</sup> of impervio us area	\$4,323.10
					Total		\$29,283.35
					Less credit		Nil
					<b>TOTAL CHARGE</b>		<b>\$29,283.35</b>

This is based on the following calculations:

- A charge of \$24,960.25 for Gross Floor Area being 419.50 square metres (building gross floor area and deck);
- A charge of \$4,323.10 for Impervious Area being 508.60 square metres (roof area); and
- No infrastructure credit applies as the current use remains operational on the site.

Therefore, a total charge of \$29,283.35 is payable and will be reflected in an Infrastructure Charges Notice for the development.

### **CONSULTATION**

The proposal was the subject of public notification between 1 August 2016 and 23 August 2016 as per the requirements of the *Sustainable Planning Act 2009*, and one properly made submission was received.

The following is a summary of the submissions lodged, with Council officer comments:

Issue	Officer's Response
The proposal conflicts with the Strategic Framework.	The proposed use does not compromise the strategic framework in the <i>Rockhampton Region Planning Scheme 2015</i> as the primary purpose of the Low Density Residential Zone will not be compromised. The proposal is small in scale and will operate in conjunction with the existing Accommodation Building and Cabin Park (Kortes Resort) and will not detract from the role and function of centres. The use will not compromise the integrity of the surrounding area from providing a range of housing options and is considered to be consistent with the surrounding built form and streetscape.
The proposal conflicts with the Low Density Residential Zone Code.	The proposal complies with the Low Density Residential Zone Code and will not

Issue	Officer's Response
	compromise the primary purpose of the Low Density Residential Zone. The proposal is small in scale and will operate in conjunction with the existing Accommodation Building and Cabin Park (Kortes Resort). The proposal will not detract from the role and function of centres and will not compromise the integrity of the surrounding area from providing a range of housing options. The proposal is therefore considered to be consistent with the surrounding built form and streetscape.
The proposal conflicts with the Access, Parking and Mobility Code.	Council's Development Engineers have assessed the development application in accordance with the Access, Parking and Mobility Code. The proposal complies with the code and conditions have been imposed accordingly.
The proposal conflicts with the Stormwater Management Code.	Council's Development Engineers have assessed the development application in accordance with the Stormwater Management Code. The proposal complies with the code and conditions have been imposed accordingly.
The development application does not address the conflicts with the Planning Scheme.	The proposal was assessed against the <i>Rockhampton Region Planning Scheme 2015</i> and was determined that the proposal is acceptable and generally complies with the relevant Performance Outcomes of the applicable codes and where there is deviation from the codes, sufficient justification has been provided and/or conditioned. The proposal complies with the requirements of the <i>Rockhampton Region Planning Scheme 2015</i> .
There are no grounds to justify the approval despite the conflict.	The assessment of the application demonstrated that the proposal complies with the requirements of the <i>Rockhampton Region Planning Scheme 2015</i> ; therefore no grounds to justify the approval are required.

### **REFERRALS**

The application was referred to the Department of Infrastructure, Local Government and Planning as the land is within twenty-five (25) metres of a state-controlled road. The department assessed the proposal and has provided conditions in support of the application on 11 July 2016.

**CONCLUSION**

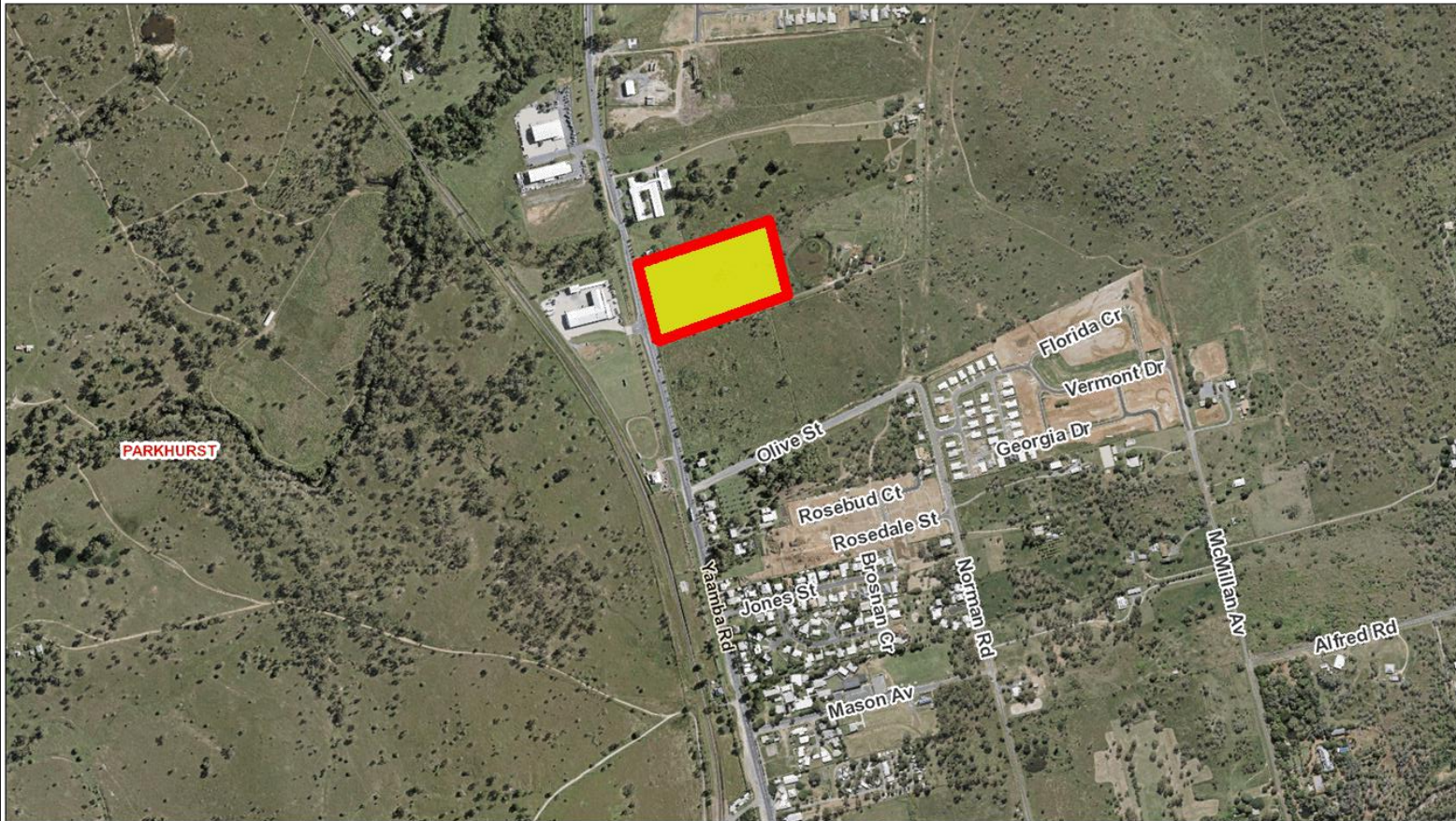
The proposed development is in keeping with the Low Density Residential Zone under the *Rockhampton Region Planning Scheme 2015*. In addition, the proposal is generally in accordance with the applicable Codes and the Preliminary Approval, therefore the application is recommended for approval, subject to the conditions outlined in the recommendation.

**D/71-2016 - DEVELOPMENT  
APPLICATION FOR A MATERIAL  
CHANGE OF USE FOR A  
FUNCTION FACILITY**

**Locality Plan**

**Meeting Date: 8 November 2016**

**Attachment No: 1**



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**D/71-2016 - DEVELOPMENT  
APPLICATION FOR A MATERIAL  
CHANGE OF USE FOR A  
FUNCTION FACILITY**

**Site Plan**

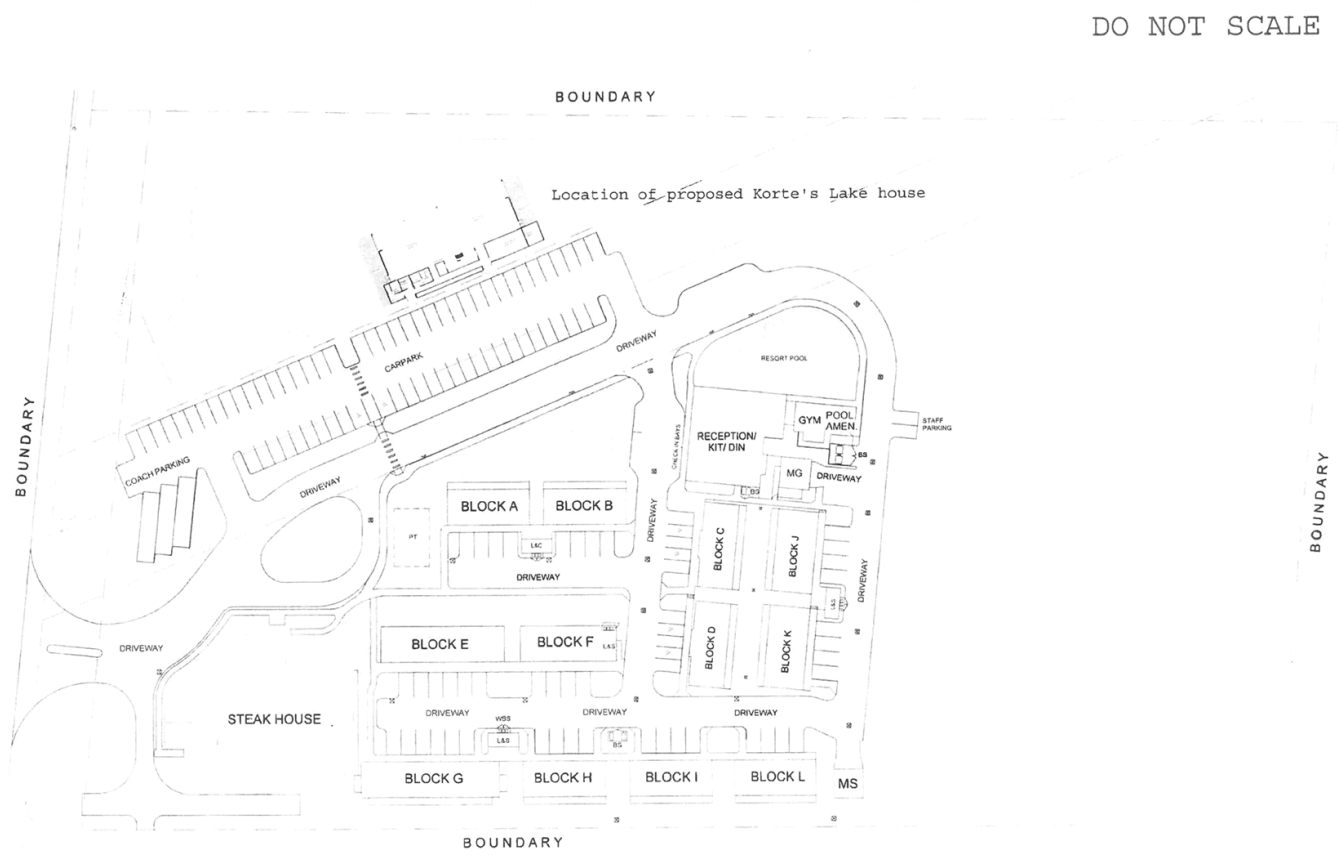
**Meeting Date: 8 November 2016**

**Attachment No: 2**

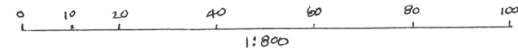




YAAMBA ROAD



DO NOT SCALE



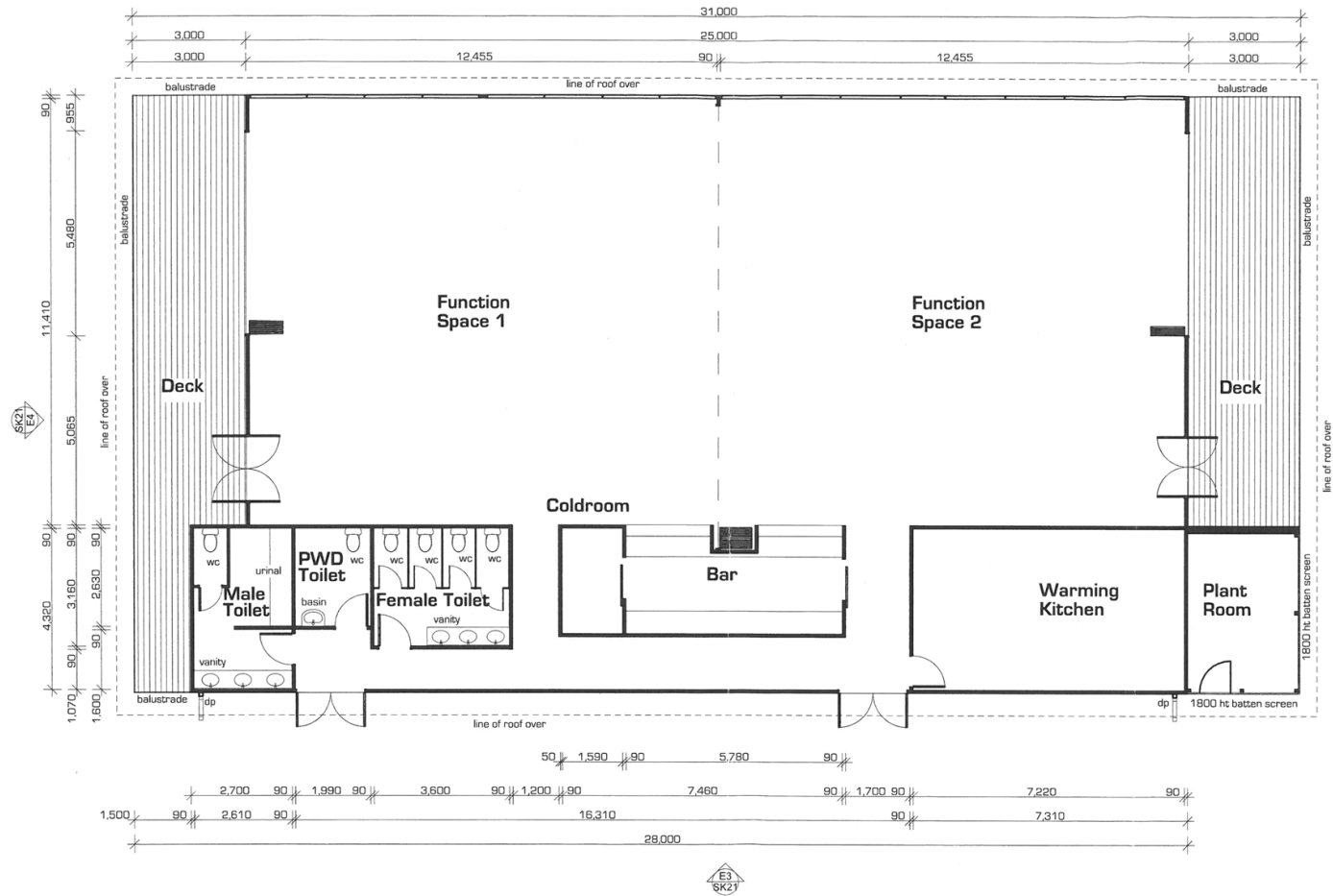
SITE LOCATION - PROPOSED KORTE'S LAKEHOUSE

**D/71-2016 - DEVELOPMENT  
APPLICATION FOR A MATERIAL  
CHANGE OF USE FOR A  
FUNCTION FACILITY**

**Floor Plan**

**Meeting Date: 8 November 2016**

**Attachment No: 3**



1 Floor Plan Lakehouse  
1:100

AREAS	
Building GFA :	419.5m <sup>2</sup>
Deck Area :	75.8m <sup>2</sup>
Plant Room :	13.3m <sup>2</sup>

Revisions	Description	Date
AS	Final Issue	07/04/16
AS	DA Issue	07/04/16

**Note:**

- The plan has not been assessed against the BCA for compliance or AS/NZS 15626:2005 access compliance.
- All design has been completed by Hatchburn Builders Tropical Drafting takes no credit, liability or responsibility for the design or suitability of any products.
- Tropical Drafting takes no responsibility for compliance to the Rain Plans or any NCU planning approval conditions.
- The plan and concept have plans only, not for construction.

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**If in doubt, ASK**

Architect:  
**B. Korte**

Proposed Kortess Lakehouse

Address:  
982 - 986 Yaamba Rd,  
Parkhurst

Site:  
Floor Plan Lakehouse

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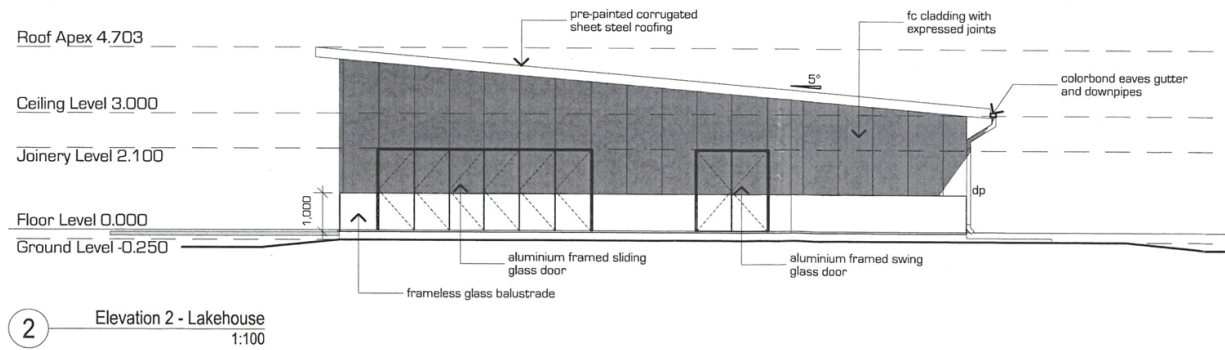
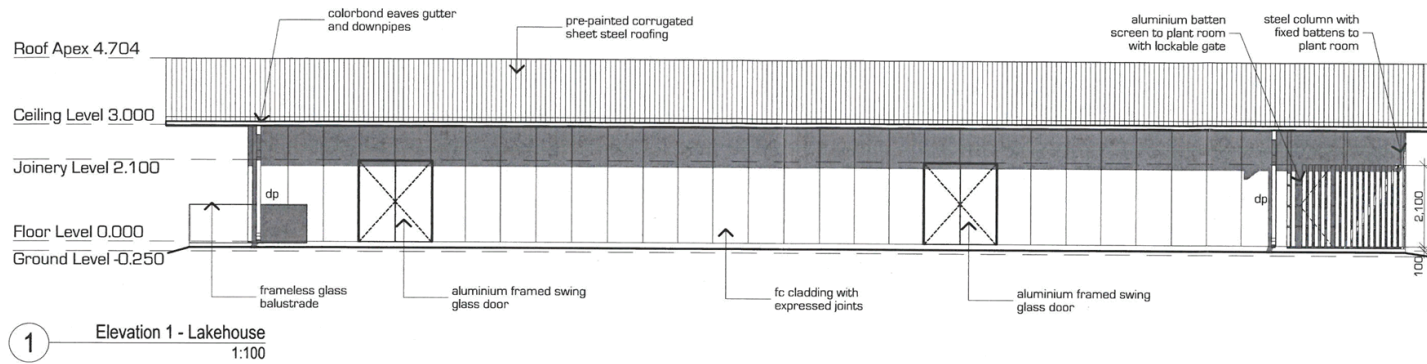
Scale	Sheet	AS	Date
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AS	12	AS	07/16/2016
AS	13	AS	07/16/2016
AS	14	AS	07/16/2016
AS	15	AS	07/16/2016
AS	16	AS	07/16/2016
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AS	98	AS	07/16/2016
AS	99	AS	07/16/2016
AS	100	AS	07/16/2016

**D/71-2016 - DEVELOPMENT  
APPLICATION FOR A MATERIAL  
CHANGE OF USE FOR A  
FUNCTION FACILITY**

**Elevations**

**Meeting Date: 8 November 2016**

**Attachment No: 4**



Revisions	Description	Date
1	Issue for AS	07/04/16
2	Issue for AS	07/04/16

**Note**

The plan has not been assessed against the BCA for compliance or AS1428.1 disability access compliance.

All design has been completed by Macquarie Building Tropical Drafting takes no credit, liability or responsibility for the design.

Liability or functionality

- Tropical Drafting takes no responsibility for compliance to the local, state or any NCC planning approval conditions.
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**If in doubt, ASK**

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Site  
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ACN: 074 133510

Drawn	Checked	AS	Date
CB	AS	AS	07/04/16
AS	AS	AS	07/04/16
AS	AS	AS	07/04/16

## 11.2 D/110-2016 - DEVELOPMENT APPLICATION FOR A MATERIAL CHANGE OF USE FOR A TRANSPORT DEPOT

**File No:** D/110-2016

**Attachments:**

1. Locality Plan
2. Site Plan
3. Floor Plan
4. Elevations

**Authorising Officer:** Tarnya Fitzgibbon - Coordinator Development Assessment  
Steven Gatt - Manager Planning & Regulatory Services  
Michael Rowe - General Manager Community Services

**Author:** Corina Hibberd - Planning Officer

### SUMMARY

*Development Application Number:* D/110-2016

*Applicant:* Scott Walton

*Real Property Address:* Lot 1 on RP607631, Parish of Murchison

*Common Property Address:* 63 Farm Street, Kawana

*Area of Site:* 582 square metres

*Planning Scheme:* Rockhampton Region Planning Scheme 2015

*Planning Scheme Zone:* Rural Zone

*Planning Scheme Overlays:* Bushfire Hazard (buffer), Fitzroy River Flood (high to extreme hazard), and Water Resource Catchments

*Existing Development:* Vacant land

*Existing Approvals:* D/166-2014 Material Change of Use for a House, refused 23 October 2014

*Approval Sought:* Development Permit for a Material Change of Use for a Transport Depot

*Level of Assessment:* Impact Assessable

*Submissions:* Nil

*Referral Agency(s):* Not Applicable

*Infrastructure Charges Area:* Charge Area 3

*Application Progress:*

<i>Application Lodged:</i>	12 July 2016
<i>Acknowledgment Notice issued:</i>	26 July 2016
<i>Request for Further Information sent:</i>	26 July 2016
<i>Request for Further Information responded to:</i>	18 August 2016
<i>Submission period commenced:</i>	24 August 2016
<i>Submission period end:</i>	16 September 2016

<i>Council request for additional time:</i>	<i>4 October 2016</i>
<i>Last receipt of information from applicant:</i>	<i>19 September 2016</i>
<i>Statutory due determination date:</i>	<i>15 November 2016</i>

## OFFICER'S RECOMMENDATION

### **RECOMMENDATION A**

THAT in relation to the application for a Development Permit for a Material Change of Use for a Transport Depot, made by Capricorn Engineering and Drafting on behalf of Scott Walton, on Lot 1 on RP607631, Parish of Murchison, located at 63 Farm Street, Kawana, Council resolves to Approve the application despite its conflict with the planning scheme and provide the following grounds to justify the decision despite the conflict:

- a) The use is considered to be low intensity and scale in nature and it is not considered to significantly impact on the amenity or character of the surrounding area;
- b) The use does not adversely affect the amenity of the natural environment or of residential uses in the vicinity. The use will be further buffered through conditioned landscaping and has good separation distances from residential uses;
- c) The residential sized lot is not suitable for residential uses due to the extreme flood hazard;
- d) The site is appropriately serviced by adequate transport and water infrastructure;
- e) The use will be managed sustainably through on-site rainwater tanks, landscaping, and the supporting contingency plan and as such the environmental impacts are limited;
- f) The site is not mapped as Good Quality Agricultural Land and is not of a sufficient size or agricultural land quality to support intensive agricultural uses, therefore the proposed development will not impinge on existing economic values of any natural resources;
- g) The proposed use does not compromise the strategic framework in the *Rockhampton Region Planning Scheme 2015*;
- h) Assessment of the development against the relevant zone purpose, planning scheme codes and planning scheme policies demonstrates that the proposed development will not cause significant adverse impacts on the surrounding natural environment, built environment and infrastructure, community facilities, or local character and amenity; and
- i) The proposed development does not compromise the relevant State Planning Policy.

### **RECOMMENDATION B**

That in relation to the application for a Development Permit for a Material Change of Use for a Transport Depot, made by Capricorn Engineering and Drafting Services on behalf of Scott Walton, on Lot 1 on RP607631, Parish of Murchison, located at 63 Farm Street, Kawana, Council resolves to Approve the application subject to the following conditions:

#### 1.0 **ADMINISTRATION**

- 1.1 The Developer is responsible for ensuring compliance with this approval and the Conditions of the approval by an employee, agent, contractor or invitee of the Developer.
- 1.2 Where these Conditions refer to "Council" in relation to requiring Council to approve or to be satisfied as to any matter, or conferring on the Council a function, power or discretion, that role of the Council may be fulfilled in whole or in part by a delegate appointed for that purpose by the Council.

- 1.3 All conditions of this approval must be undertaken and completed to the satisfaction of Council, at no cost to Council.
- 1.4 All conditions, works, or requirements of this approval must be undertaken and completed prior to the commencement of the use, unless otherwise stated.
- 1.5 Where applicable, infrastructure requirements of this approval must be contributed to the relevant authorities, at no cost to Council prior to the commencement of the use, unless otherwise stated.
- 1.6 The following further Development Permits must be obtained prior to the commencement of any works associated with their purposes:
- 1.6.1 Operational Works:
- (i) Access and Parking Works;
  - (ii) Roof and Allotment Drainage Works;
- 1.6.2 Plumbing and Drainage Works; and
- 1.6.3 Building Works.
- 1.7 All Development Permits for Operational Works and Plumbing and Drainage Works must be obtained prior to the issue of a Development Permit for Building Works.
- 1.8 Unless otherwise stated, all works must be designed, constructed and maintained in accordance with the relevant Council policies, guidelines and standards.
- 1.9 All engineering drawings/specifications, design and construction works must comply with the requirements of the relevant *Australian Standards* and must be approved, supervised and certified by a Registered Professional Engineer of Queensland.

## 2.0 APPROVED PLANS AND DOCUMENTS

- 2.1 The approved development must be completed and maintained generally in accordance with the approved plans and documents, except where amended by the conditions of this permit:

<u>Plan/Document Name</u>	<u>Plan/Document Number</u>	<u>Dated</u>
Site Plan	16-207-C Sheet 001 Rev 2	6 July 2016
Landscape Plan	16-207-C Sheet 002 Rev 1	6 July 2016
Ground Floor Plan	16-207-C Sheet 100 Rev 2	6 July 2016
Elevations Plan	16-207-C Sheet 200 Rev 3	6 July 2016
Elevations Plan	16-207-C Sheet 201 Rev 3	6 July 2016
Stormwater Management Plan – Title Sheet	D16.188-00	
Stormwater Management Plan – Pre-Development Plan	D16.188-01 Sheet 1 of 3 Rev A	August 2016
Stormwater Management Plan – Post-Development Plan	D16.188-02 Sheet 2 of 3 Rev A	August 2016
Stormwater Management Plan – Stormwater Calculations	D16.188-03 Sheet 3 of 3 Rev A	August 2016
Investigation and Design for On-site Sewerage Facility	CQ11820	27 July 2016

- 2.2 Where there is any conflict between the conditions of this approval and the details shown on the approved plans and documents, the conditions of approval must prevail.



2.3 Where conditions require the above plans or documents to be amended, the revised document(s) must be submitted for endorsement by Council prior to the submission of a Development Application for Operational Works.

### 3.0 ACCESS AND PARKING WORKS

3.1 A Development Permit for Operational Works (access and parking works) must be obtained prior to the commencement of any access and parking works on the site.

3.2 All works must be designed and constructed in accordance with the approved plans (refer to condition 2.1), *Capricorn Municipal Development Guidelines, Australian Standard AS2890 "Parking Facilities"* and the provisions of a Development Permit for Operational Works (access and parking works).

3.3 The new driveway crossover must be constructed such that there is no impediment to stormwater flows within the existing swale in Farm Street.

3.4 All parking spaces, access driveway(s), and vehicular manoeuvring areas associated with this proposed development must be concrete paved or asphalted.

3.5 All vehicles must ingress and egress the development in a forward gear.

### 4.0 WATER WORKS

4.1 The development must be connected to Council's reticulated water network.

4.2 Water meter boxes located within trafficable areas must be raised or lowered to suit the finished surface level and must be provided with heavy duty trafficable lids.

### 5.0 PLUMBING AND DRAINAGE WORKS

5.1 All sanitary drainage works must be in accordance with regulated work under the *Plumbing and Drainage Act* and Council's Plumbing and Drainage Policies.

5.2 All internal plumbing and sanitary drainage works must be in accordance with regulated work under the *Plumbing and Drainage Act*.

5.3 Internal Plumbing and Sanitary Drainage of existing buildings must be contained within the lot it serves.

5.4 On-site sewage treatment and disposal must be in accordance with the *Queensland Plumbing and Wastewater Code* and Council's Plumbing and Drainage Policies.

### 6.0 ROOF AND ALLOTMENT DRAINAGE WORKS

6.1 A Development Permit for Operational Works (roof and allotment drainage works) must be obtained prior to the commencement of any drainage works on the site.

6.2 All roof and allotment drainage must be in accordance with the requirements of the *Queensland Urban Drainage Manual* and the *Capricorn Municipal Development Guidelines*.

6.3 The proposed development must achieve no increase in peak stormwater runoff for a selected range of storm events up to and including the one in one hundred year storm event (100 year Average Recurrence Interval) for the post development condition.

6.4 All roof and allotment drainage must be discharged such that it does not restrict, impair or change the natural flow of runoff water or cause a nuisance to adjoining properties or infrastructure.

### 7.0 SITE WORKS

7.1 All earthworks must be undertaken in accordance with *Australian Standards, AS3798 "Guidelines on Earthworks for Commercial and Residential Developments"*.

7.2 Site works must be constructed such that they do not, at any time, in any way restrict, impair or change the natural flow of runoff water, or cause a nuisance or worsening to adjoining properties or infrastructure.

## 8.0 BUILDING WORKS

- 8.1 Any lighting devices associated with the development, such as sensory lighting, must be positioned on the site and shielded so as not to cause glare or other nuisance to nearby residents and motorists. Night lighting must be designed, constructed and operated in accordance with *Australian Standard AS4282 "Control of the obtrusive effects of outdoor lighting"*.
- 8.2 All services and utilities connected to the property, including electrical outlets, must be designed and installed at such a height that they are a minimum of 500 millimetres above the Q100 flood level.
- 8.3 Any application for a Development Permit for Building Works must be accompanied by a detailed structural engineering report and a building certificate prepared by suitably qualified Registered Professional Engineer of Queensland, which demonstrates that the building has been designed to withstand the forces created by floodwaters and debris loading.

## 9.0 LANDSCAPING WORKS

- 9.1 All landscaping must be established generally in accordance with the approved plans (refer to condition 2.1). The landscaping must be constructed and/or established prior to the commencement of the use and the landscape areas must predominantly contain plant species that are locally native to the Central Queensland region due to their low water dependency.
- 9.2 Landscaping, or any part thereof, upon reaching full maturity, must not:
- (i) obstruct sight visibility zones as defined in the *Austrroads 'Guide to Traffic Engineering Practice'* series of publications;
  - (ii) adversely affect any road lighting or public space lighting; or
  - (iii) adversely affect any Council infrastructure, or public utility plant.
- 9.3 The landscaped areas must be subject to:
- (i) a watering and maintenance plan during the establishment moment; and
  - (ii) an ongoing maintenance and replanting programme.

## 10.0 ELECTRICITY AND TELECOMMUNICATIONS

- 10.1 Above-ground electricity and telecommunication connections must be provided to the proposed development to the standards of the relevant authorities.

## 11.0 ASSET MANAGEMENT

- 11.1 Any alteration necessary to electricity, telephone, water mains, sewerage mains, and/or public utility installations resulting from the development or in connection with the development, must be at full cost to the Developer.
- 11.2 Any damage to existing kerb and channel, pathway or roadway (including removal of concrete slurry from public land, pathway, roads, kerb and channel and stormwater gullies and drainage lines) which may occur during any works carried out in association with the approved development must be repaired. This must include the reinstatement of the existing traffic signs and pavement markings which may have been removed.

## 12.0 ENVIRONMENTAL

- 12.1 The developer must implement and maintain an Erosion Control and Stormwater Control Management Plan on-site for the duration of the works, and until all exposed soil areas are permanently stabilised (for example, turfed, hydromulched, concreted, landscaped). The prepared Erosion Control and Stormwater Control Management Plan must be available on-site for inspection by Council Officers during those works.

**13.0 OPERATING PROCEDURES**

- 13.1 All construction materials, waste, waste skips, machinery and contractors' vehicles must be located and stored or parked within the site. No storage of materials, parking of construction machinery or contractors' vehicles will be permitted in Farm Street or Cramb Street.
- 13.2 Noise emitted from the activity must not cause an environmental nuisance.
- 13.3 Operations on the site must have no significant impact on the amenity of adjoining premises or the surrounding area due to the emission of light, noise or dust.
- 13.4 No contaminants are permitted to be released to land or water, including soil, silt, oils, detergents, et cetera.
- 13.5 Regulated waste and any other waste must not be released to the environment, stored, transferred or disposed of in such a manner that it will or may cause environmental harm or nuisance. This includes any waste being burnt or incinerated at the premises.
- 13.6 Cleaning of plant equipment and vehicles must be carried out in an area where waste water can be suitably managed so as not to cause contaminants to release into waterways or overland flow paths.
- 13.7 All waste storage areas must be:
- 13.7.1 kept in a clean and tidy condition; and
  - 13.7.2 maintained in accordance with *Environmental Protection Regulation 2008*.
- 13.8 All non-habitable areas subjected to flood inundation during a Q100 flood event must be designed and constructed using suitable flood resilient materials.
- 13.9 The applicant must prepare a contingency plan for flooding. Council is not required to approve contingency plans and Council does not accept any liability for loss of or damage to property, or injury or loss of life as a result of any person using or relying on the contingency plan, or failing to use the contingency plan during a flood event.
- 13.10 It is the responsibility of the owner or occupier of the land from time to time to implement the contingency plan during a flood event or if there is a risk of flooding near the land.

**ADVISORY NOTES****NOTE 1. Aboriginal Cultural Heritage**

It is advised that under section 23 of the *Aboriginal Cultural Heritage Act 2003*, a person who carries out an activity must take all reasonable and practicable measures to ensure the activity does not harm Aboriginal Cultural Heritage (the "cultural heritage duty of care"). Maximum penalties for breaching the duty of care are listed in the Aboriginal Cultural Heritage legislation. The information on Aboriginal Cultural Heritage is available on the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs website [www.datsima.qld.gov.au](http://www.datsima.qld.gov.au)

**NOTE 2. General Environmental Duty**

General environmental duty under the *Environmental Protection Act* prohibits unlawful environmental nuisance caused by noise, aerosols, particles, dust, ash, fumes, light, odour or smoke beyond the boundaries of the property during all stages of the development including earthworks, construction and operation.

**NOTE 3. General Safety Of Public During Construction**

The *Work Health and Safety Act 2014* and *Manual of Uniform Traffic Control Devices* must be complied with in carrying out any construction works, and to ensure safe traffic control and safe public access in respect of works being constructed on a road.

**RECOMMENDATION C**

That in relation to the application for a Development Permit for a Material Change of Use for a Transport Depot, made by Capricorn Engineering and Drafting Services on behalf of Scott Walton, on Lot 1 on RP607631, Parish of Murchison, located at 63 Farm Street, Kawana, Council resolves to not issue an Infrastructure Charges Notice.

**BACKGROUND**

The applicant previously applied for a Material Change of Use for a House over the site, which was refused on the basis that the flood hazard (extreme) was unacceptable for residential uses. It was agreed that the site is suitable for a small scale vehicle depot and that any future application for this use would be supported and conditioned at a low scale.

**PROPOSAL IN DETAIL**

The proposal is for a small scale transport depot on the corner lot of Cramb and Farm Streets. The development is for a shed (162 square metres) for the purpose of storing work vehicles associated with 'CQ Soil Testing'. The shed will be of lightweight construction materials being purlins with colour bond cladding. The development will include one (1) visitor car park at the front of the shed, and one (1) staff car park within the shed. The shed will include large roller doors on each end of the shed so that in a time of flood the doors can be opened to allow flood water to move through the site.

**SITE AND LOCALITY**

The subject site is 582 square metres in area with access to Farm Street. The area is characterised by rural land uses, and is subject to extreme riverine flooding. The site is generally flat with minimal vegetation.

**PLANNING ASSESSMENT****MATTERS FOR CONSIDERATION**

This application has been assessed by relevant Council planning, engineering, environmental health, and other technical officers as required. The assessment has been in accordance with the Integrated Development Assessment System provisions of the *Sustainable Planning Act 2009*, based on consideration of the relevant State Planning Policy; State Government guidelines; the Council's Town Planning Scheme, Planning Policies and other general policies and procedures, as well as other documents as considered relevant.

**Development Engineering Comments – 29 August 2016**

Support, subject to conditions.

**Public and Environmental Health Comments – 14 September 2016**

Support, subject to conditions.

**TOWN PLANNING COMMENTS****Central Queensland Regional Plan 2013**

The *Central Queensland Regional Plan 2013* is a statutory document which came into effect on 18 October 2013. The development is not required to be assessed against the regional plan if this document is appropriately reflected in the local planning scheme. It is considered that the regional plan is appropriately reflected in the current local planning scheme.

**State Planning Policy 2016**

This policy came into effect in April 2016 and replaced all former State Planning Policies. The development is not required to be assessed against the State Planning Policy if it is appropriately reflected in the local planning scheme. It is considered that the regional plan is appropriately reflected in the current local planning scheme.

---

**Rockhampton Region Planning Scheme 2015****Strategic framework**

This application is situated within the Rural Area designation under the scheme's strategic framework map. The strategic framework themes and their strategic outcomes, as identified within Part 3 of the *Rockhampton Region Planning Scheme 2015* are applicable:

**(i) Settlement pattern**

- (1) The pattern of settlement is reinforced in accordance with the Strategic framework – settlement pattern maps (SFM-1 to SFM-4) and as defined in Table 3.3.2.2 – Strategic map designations and descriptions. Sufficient land has been allocated for residential, commercial, industrial and community uses to meet the needs of the region for at least twenty-five (25) years.
- (2) Residential development within Rockhampton and Gracemere will occur in urban areas, urban infill and intensification areas and new urban areas (greenfield areas). These areas are shown on the strategic framework maps SFM-2 to SFM-3.
- (3) Urban development in Mount Morgan will only occur within the urban area and local centre as shown on strategic framework map SFM-4.
- (4) Residential development is compact, encourages strong neighbourhoods with attractive places for residents, makes efficient use of land and optimises the delivery and use of infrastructure and services. Expansion beyond these identified areas will not occur to ensure a focus on urban infill and intensification areas and to avoid further encroachment on natural assets and ecologically vulnerable areas.
- (5) Sufficient land for employment growth has been identified in industrial areas, new industrial areas and centres (including proposed centres) at locations that can be most efficiently serviced with infrastructure and facilities.
- (6) Future urban areas and future industrial areas are the preferred location for greenfield development beyond 2026.
- (7) The settlement pattern provides for a diverse range of housing to meet changing demographic needs, and creates opportunities for more affordable living close to services and facilities. These housing options will help stimulate centres and community focal points, and assist in making the most efficient use of infrastructure and other public investment.
- (8) Higher density development is focussed around centres and public transport nodes and corridors. Increased residential densities will be encouraged in the urban infill and intensification areas in a range of dwelling types that are located to make public transport, walking and cycling more convenient, safe and viable.
- (9) The design of the built environment (including buildings, streets and public spaces) is consistent with the existing or desired character of the area and buildings are oriented to the street and public places. Development is undertaken in accordance with urban design principles.
- (10) Centres provide for employment, retail, accommodation, entertainment and community services that meet the needs of residential communities that are well connected by the public transport network.
- (11) Centres are based on a hierarchy that ensures the scale and form of development is appropriate to the location, and that the centres' roles and functions are appropriate within the wider planning scheme area.
- (12) Centres are consolidated within designated areas, and expansion does not occur into adjoining residential areas.

- (13) An integrated and high quality public open space network caters for the needs of residents, particularly in and around centres and higher density areas.
- (14) The continuing viability of areas that provide for economic development such as industrial and specific use areas is protected from incompatible land uses.
- (15) Limited rural residential areas provide for semi-rural living; however, these areas do not expand beyond the areas designated.
- (16) The productive capacity of all rural land is protected.
- (17) Rural lands and natural areas are maintained for their rural and landscape values.
- (18) The scenic and environmental values of areas identified as nature conservation or natural corridor link are protected.
- (19) The cultural heritage of Rockhampton is conserved for present and future communities.
- (20) Development responds to natural hazards (flooding, bushfire, steep land, storm tide inundation and coastal erosion) by avoiding, mitigating, adapting and building resilience to natural hazards in areas mapped as being susceptible.
- (21) Complies. The existing vacant lot is not appropriate for residential uses due to flooding constraints and therefore the settlement pattern is not disrupted.

(ii) **Natural environment and hazards**

- (1) The natural environment and landscape are highly valued by the community for their contribution to the planning scheme area's biodiversity, economic prosperity, culture, character and sense of place. These areas are to be protected from incompatible development.
- (2) Development does not create unsustainable impacts on:
  - (a) the natural functioning of floodplains;
  - (b) environmentally significant areas, including areas of state and locally significant vegetation, which provide fauna habitat and support biodiversity; and
  - (c) the quality of water entering waterways, wetlands and local catchments.
- (3) Development does not increase the risk to human life and property in areas that are affected, or potentially affected, by storm-surge, erosion, sea-level rise or other coastal processes, flooding, bushfire, or landslide. This occurs through the avoidance of natural hazards in new development areas, particularly greenfield areas and the mitigation of risks in existing built up areas.
- (4) Strategic and iconic scenic and landscape values are protected from potential adverse impacts of development.

**Complies.** The design of the shed allows for the floodplain to function normally if the contingency plan is followed (i.e. roller doors are opened and site is evacuated in advance of a riverine flood event). The site contains no significant scenic or landscape values.

(iii) **Community identity and diversity**

- (1) The quality of life of residents is enhanced through equitable access to social infrastructure, community services and facilities necessary to support community health and well-being.
- (2) The community is self-sufficient and does not rely on services and facilities located in other regions. Development contributes to the provision of new social infrastructure, including land.
- (3) Cultural heritage including character housing and heritage buildings are conserved and enhanced.

- (4) Public places are safe, functional, characterised by good urban design, and include a range of facilities to encourage healthy and active lifestyles.
- (5) Crime prevention through environmental design is achieved in urban areas including public spaces to improve public safety.

**Not Applicable.**

(iv) **Access and mobility**

- (1) Connectivity is achieved between residential uses, employment centres and services through the provision of active transport infrastructure integrated with efficient public transport services.
- (2) The trunk transport network (as shown on the strategic framework maps SFM-9 to SFM-12 and in plans for trunk infrastructure in the local government infrastructure plan) supports the settlement pattern and the local economy by facilitating the efficient and safe movement of people and goods both within the planning scheme area (especially between the main urban centres of Rockhampton and Gracemere), and to and from other locations.
- (3) The transport network encourages and supports active living in centres by providing for integrated walking, cycling, and public transport infrastructure to support a progressive reduction in car dependency.
- (4) The safety and efficiency of transport infrastructure, including the Bruce and Capricorn highways and other state and local roads, rail, airport and seaports, are not compromised by development.

**Complies.** Farm Street is not accessible in a riverine flood event, and therefore the site must be evacuated in advance of a flood event. The use will not be operational during a flood event and all equipment and personnel can be evacuated easily with ample notice, to the office or managers residence, as per the CQ Soil Test Flood Evacuation Plan.

(v) **Infrastructure and services**

- (1) Infrastructure and services are planned and delivered in a logical and cost efficient manner in support of the planned settlement pattern. It is fit for purpose and is sensitive to cultural and environmental values. In particular:
  - (a) efficient, affordable, reliable, timely and lasting infrastructure makes best use of public resources;
  - (b) the long-term needs of the community, industry and business are met; and
  - (c) the desired standards of service in Part 4 — Local government infrastructure plan are achieved.

**Complies.** The site has access to urban services such as reticulated water, constructed road access, and electricity. On-site sewerage treatment will be required.

(vi) **Natural resources and economic development**

- (1) The economy of the planning scheme area continues to grow and provides the community with diverse and new employment opportunities. Rockhampton continues to strengthen as the retail, service, cultural and administrative centre for both the planning scheme area and the wider Central Queensland region.
- (2) The strategic importance of Rockhampton for transport and logistics industries is fostered, given its central location at the junction of the Bruce Highway, the Capricorn Highway (through to the Landsborough Highway) and the Burnett Highway (through to the Leichhardt Highway).
- (3) The local community continues to value its traditional economic assets and natural resources and protects and conserves them and the contribution they

make to maintaining and growing the region's economic prosperity, culture, character and sense of place. The region's traditional economic sectors of tourism and agriculture (including the iconic beef industry) continue to strengthen.

- (4) Development protects and, where possible, leverages the intrinsic economic value of the region's natural resources, including productive grazing, agricultural and forestry land, extractive and mineral resources, marine and coastal resources, and existing and planned water resources, including watercourses, water bodies and groundwater.
- (5) Natural assets identified by this planning scheme are protected as they underpin current and emerging tourism opportunities and important lifestyle values for residents.

**Not applicable.**

The performance assessment of the proposal demonstrates that the development will not compromise the *Rockhampton Region Planning Scheme 2015* strategic outcomes.

**Rural Zone**

The subject site is situated within the Rural Zone under the *Rockhampton Region Planning Scheme 2015*. The purpose of the Rural Zone identifies that: -

- (1) *The purposes of the rural zone code is to:*
  - (a) *provide for rural uses including cropping, intensive horticulture, intensive animal industry, animal husbandry, animal keeping and other primary production activities;*
  - (b) ***provide opportunities for non-rural uses that are compatible with agriculture, the environmental features, and the landscape character of the rural area where they do not compromise the long-term use of the land for rural purposes; and***
  - (c) *protect or manage significant natural resources and processes to maintain the capacity for primary production.*
- (2) *The local government purpose of the zone code is to:*
  - (a) *ensure that land with productive capacity is maintained for a range of existing and emerging rural uses that are significant to the economy of the planning scheme area;*
  - (b) *recognise that different types of rural land are suited to specific uses such as animal industries, horticulture, cropping, intensive animal industries, intensive grazing and extractive industries;*
  - (c) *prevent the establishment of development which may limit the productive capacity of the land;*
  - (d) *provide for diversification of rural industries where impacts can be managed; and*
  - (e) *maintain the environmental values of all rural land.*
- (3) *The purpose of the zone will be achieved through the following outcomes:*
  - (a) *development in the zone accommodates predominantly rural uses;*
  - (b) *development:*
    - (i) *does not detract from the scenic landscape features of rural land including the Fitzroy River, floodplains, lagoons, wetlands, salt pans, mountains and ridges and the coastline;*
    - (ii) *is responsive to the environmental characteristics and constraints of the land, and minimises impacts on natural features such as waterways, wetlands and remnant vegetation;*



- (iii) *has legal and practical access to the road hierarchy;*
- (iv) *is serviced by infrastructure that is commensurate with the needs of the use; and*
- (v) *maximises energy efficiency and water conservation;*
- (c) ***non-rural uses may be appropriate where they do not detract from the productivity or residential amenity of rural areas and can demonstrate:***
  - (i) *a direct relationship with the rural use in the immediate locality; or*
  - (ii) *the potential to make a contribution to primary production or the diversification of rural industries; or*
  - (iii) *a need to be remote from urban uses as a result of their impacts; or*
  - (iv) *a need for a larger land area than is generally available in urban areas (for example, development for outdoor sport and recreation or community use);*
- (d) *development does not alienate or impact on the productive agricultural capacity of rural areas, in particular on land identified on the agricultural land classification (ALC) overlay maps;*
- (e) *all rural land is protected from further fragmentation. A lack of viability for an existing farm or other small holdings does not justify their further subdivision or use for non-rural purposes;*
- (f) *animal keeping (being kennels and catteries), intensive animal industries, intensive horticulture, aquaculture and rural industries establish where they:*
  - (i) *are located on sites that are large enough to accommodate appropriate buffering to sensitive land uses, residential and emerging community zones. Intensive animal industries are preferred in proximity to the lower Fitzroy River, west of Ridgeland;*
  - (ii) *do not cause adverse impacts on sensitive land uses in relation to traffic, noise and air quality;*
  - (iii) *minimise water quality impacts;*
  - (iv) *protect natural, scenic and environmental values;*
  - (v) *do not diminish the productive capacity of other land nearby;*
  - (vi) *gain access from roads which are constructed to accommodate the traffic generated by the use; and*
  - (vii) *are not located in areas identified on the Agricultural Land Classification (ALC) overlay maps (except for intensive horticulture);*
- (g) *Rural workers' accommodation is appropriate where:*
  - (i) *directly associated with the primary rural use undertaken at the site;*
  - (ii) *compatible with the rural character of the zone;*
  - (iii) *not compromising the existing or potential future operation of rural uses on adjoining lots; and*
  - (iv) *not located in areas identified on the Agricultural Land Classification (ALC) overlay maps;*
- (h) *urban and rural residential development is contained within the designated growth areas and does not expand into the rural zone;*
- (i) *sensitive land uses are adequately separated from animal keeping (being kennels and catteries), intensive animal industry, aquaculture, rural industry, and industrial zoned areas (including the Gracemere industrial area, Stanwell power station, Bajool explosives reserve and Bouldercombe brickworks);*

- (j) *renewable energy facilities are located on sites that are large enough to accommodate appropriate buffering from sensitive uses and minimise adverse impacts on the natural environment;*
- (k) *extractive industries (including Marmor limeworks) on rural land are protected from development and encroachment by incompatible uses;*
- (l) *extractive industry minimises environmental and traffic impacts. Once the operation has ceased the site is rehabilitated;*
- (m) *aquaculture activities may be integrated with horticulture operations, where benefits of diversification are evident and there are no adverse impacts on amenity, water quality and ecological values;*
- (n) *reconfiguration of a lot only occurs if it results in new rural lots that:*
  - (i) *are related to the agricultural capability of the land;*
  - (ii) *are related to maintaining a viable rural business; and*
  - (iii) *have a minimum area of 100 hectares unless otherwise stated in a precinct; and*
- (o) *the establishment of two (2) precincts within the zone where particular requirements are identified:*
  - (i) *Alton Downs precinct; and*
  - (ii) *Cropping and intensive horticulture precinct.*

This application is not consistent with the purpose of the Zone, however due to the flooding constraints and the small size of the lot, agricultural and residential uses are not appropriate. The small scale and low impact nature of this development will not compromise the purpose of the zone or the amenity of the surrounding area.

### **Rockhampton Regional Planning Scheme Codes**

The following codes are applicable to this application:

#### Rural Zone Code

The use is low scale and low impact in nature and will not likely compromise the viability of surrounding rural land. The lot is part of a historic subdivision (1957) and is small in area. The lots are not suitable for residential uses due to the flooding impact, and are too small for most agricultural uses.

#### Flood Hazard Overlay Code

The site is affected by high and extreme riverine flooding hazard. An assessment of the proposal by Council engineers has indicated the predicted 1 in 100 Average Recurrence Interval level at the site to be 10.2 metres Australian Height Datum, which is up to 0.85 metres of inundation. The site is able to be evacuated with warning before a flood event. Generally, no new buildings are allowed within the high to extreme hazard area, however the small scale nature of the use and specific design of the shed, results in no net loss of flood storage area, and minimal impacts to adjoining properties.

#### Water Resource Catchments Overlay Code

The site is not within 100 metres of the high bank of the Fitzroy River, however it is within the flood margin of the water resource catchment. There are conditions included regarding the storage of hazardous materials not allowed at this site, and the site be cleared with warning time prior so that the water catchment is not polluted.

#### Access, Parking and Mobility Code

A new access is proposed to the shed from the Farm Street frontage of the site. It will be conditioned that it be constructed in accordance with the requirements of the *Capricorn Municipal Development Guidelines*. A condition has also been added that addresses damage or alterations to the existing swale along the Farm Street frontage.

The Rockhampton Region Planning Scheme requires one (1) car parking space per 100 square metres of Gross Floor Area and the submitted documentation shows one (1) space external to the proposed shed and one (1) space inside the shed.

#### Landscape Code

Approximately sixty-one per cent (61%) of the site will contain landscaping including turf and garden beds.

#### Stormwater Management Code

A rainwater harvesting tank will be installed to ensure the peak runoff from the developed site does not exceed that of the pre-development scenario. The discharge from the tank and the remaining roof and hardstand areas will be directed to the existing swale along the Farm Street frontage of the site.

#### Waste Management Code, Water and Sewer Code

No additional water supply works are proposed. Any upgrade will be at the developer's expense.

The existing lot is located within the water supply service area of Rockhampton Regional Council as the Registered Water Service Provider however it does not appear to be connected to Council reticulated water supply network. There is an existing sixty-three (63) millimetre diameter poly water main located within Farm Street and a fifty (50) millimetre galvanized iron main is located within Cramb Street, fronting the development site. A fire hydrant is located on the existing 150 millimetre main on the opposite side of Farm Street to the development site.

No additional sewerage works are proposed. Any upgrade will be at the developer's expense. The subject lot is located outside the sewerage service area of RRC as the Registered Water Service Provider and is not connected to Council reticulated sewerage network. The developer intends to install an on-site sewerage facility comprised of a septic tank and absorption bed suitable for the proposed use. An Investigation and Design for On-site Sewerage Facility Report has been submitted in response to Council's Information Request and this has adequately addressed Council's concerns in that regard.

Waste will be disposed of via regular wheelie-bins.

Based on a performance assessment of the above mentioned codes, it is determined that the proposal is acceptable and generally complies with the relevant Performance outcomes and where there is deviation from the codes, sufficient justification has been provided.

#### **Sufficient Grounds**

The proposed development cannot be considered consistent with the *Rockhampton Region Planning Scheme 2015*. Council should note, however, that pursuant to Section 326(1)(b) of the *Sustainable Planning Act 2009*, the assessment manager's decision may conflict with the planning scheme if there are sufficient grounds to justify the decision despite the conflict. Sufficient grounds to support the development are as follows:

- a) The use is considered to be low intensity and scale in nature and it is not considered to significantly impact on the amenity or character of the surrounding area;
- b) The use does not adversely affect the amenity of the natural environment or of residential uses in the vicinity. The use will be further buffered through conditioned landscaping and has good separation distances from residential uses;
- c) The residential sized lot is not suitable for residential uses due to the extreme flood hazard;
- d) The site is appropriately serviced by adequate transport and water infrastructure;
- e) The use will be managed sustainably through on-site rainwater tanks, landscaping, and the supporting contingency plan and as such the environmental impacts are limited;

- f) The site is not mapped as Good Quality Agricultural Land and is not of a sufficient size or agricultural land quality to support intensive agricultural uses, therefore the proposed development will not impinge on existing economic values of any natural resources;
- g) The proposed use does not compromise the strategic framework in the *Rockhampton Region Planning Scheme 2015*;
- h) Assessment of the development against the relevant zone purpose, planning scheme codes and planning scheme policies demonstrates that the proposed development will not cause significant adverse impacts on the surrounding natural environment, built environment and infrastructure, community facilities, or local character and amenity; and
- i) The proposed development does not compromise the relevant State Planning Policy.

Having regard to all of the above, it is recommended Council, from a land use perspective, consider the proposed development favourably as there are considered to be sufficient grounds to justify a decision that favours the alternative land uses proposed herein.

### **INFRASTRUCTURE CHARGES**

Adopted Infrastructure Charges Resolution (No. 5) 2015 for non-residential development applies to the application and it falls within Charge Area 3. The Infrastructure Charges are as follows:

Column 1 Use Schedule	Column 2 Charge Area	Column 3 Adopted Infrastructure Charge		Column 4 Adopted Infrastructure Charge for stormwater network		Calculated Charge
		(\$)	Unit	(\$)	Unit	
Industry	All other uses as per AICN 4/14 Table 2.2.1	Area 3	12.50			\$2,025.00
				per m <sup>2</sup> of GFA	0	per m <sup>2</sup> of impervio us area
					Total	\$2,025.00
					Credit	\$7,000.00
					<b>TOTAL CHARGE</b>	<b>\$0.00</b>

This is based on the following calculations:

- (a) A charge of \$2,025.00 for Gross Floor Area being 162 square metres;
- (b) No charge for Impervious Area; and
- (c) An Infrastructure Credit of \$7,000.00 applicable for the existing allotment.

Therefore, no charge is payable. A credit of \$4,975.00 remains against the lot. An Infrastructure Charges Notice will not be issued.

### **CONSULTATION**

The proposal was the subject of public notification between 24 August 2016 and 16 September 2016 as per the requirements of the *Sustainable Planning Act 2009*, and no submissions were received.

**REFERRALS**

Nil.

**CONCLUSION**

It is recognised that the proposal is not a consistent use within the Rural Zone under the *Rockhampton Region Planning Scheme 2015*. However, the assessment of this application concludes that the proposed development, subject to conditions, is not likely to conflict with the Planning Scheme's Strategic Framework. As demonstrated in the above report, the proposal is generally consistent with the code requirements prescribed by the planning scheme and the use will not compromise the intent of the area or the viability of surrounding uses.

**D/110-2016 - DEVELOPMENT  
APPLICATION FOR A MATERIAL  
CHANGE OF USE FOR A  
TRANSPORT DEPOT**

**Locality Plan**

**Meeting Date: 8 November 2016**

**Attachment No: 1**

D/110-2016 - Locality Plan



A4 Page scale at 1: 3,257.74

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**D/110-2016 - DEVELOPMENT  
APPLICATION FOR A MATERIAL  
CHANGE OF USE FOR A  
TRANSPORT DEPOT**

**Site Plan**

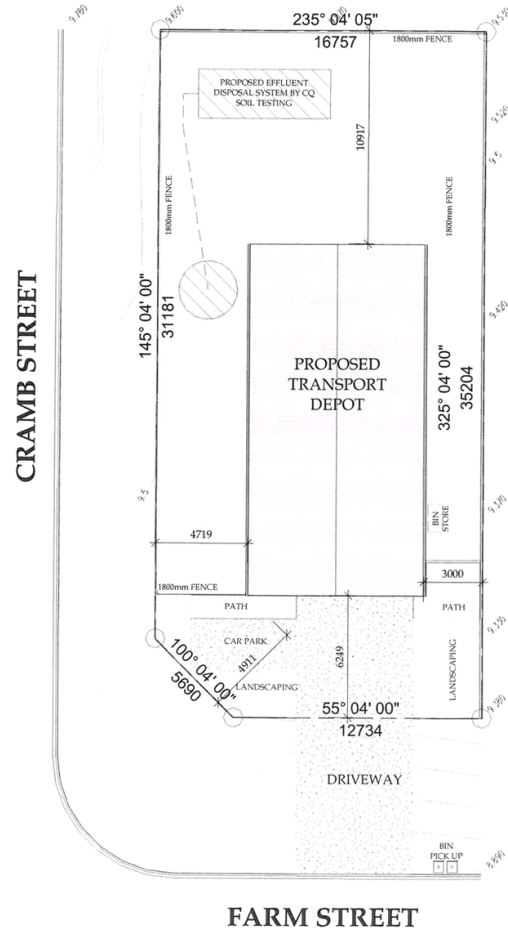
**Meeting Date: 8 November 2016**

**Attachment No: 2**



RP Data <b>PRELIMINARY ONLY</b> RP/SP Number: CP60733 COUNCIL SUBMISSION Parish: MURCHISON County: Livingstone Area: 582m <sup>2</sup>	
<b>PLANNING SCHEDULE</b> Planning Statistics	
Zone	Rural Zone
Applicable Primary Code	Rural Zone Code
Applicable Sub-Codes	Acid Sulfate Soils Overlay Code Airport Environs Overlay Code Bushfire Hazard Overlay Code Flood Hazard Overlay Code Water Resource Catchments Overlay Code Access, Parking & Mobility Code Landscape Code Self-assessable Works Code Stormwater Management Code Water & Sewer Code
<b>Site &amp; Facility Statistics</b>	
Site Area	582.00m <sup>2</sup>
Sewer	On Site System - By CQ Soil Testing
Site Usage	Building Footprint 162.00m <sup>2</sup> 27.84% Driveway 52.61m <sup>2</sup> 9.04% Landscaping - Paths 12.40m <sup>2</sup> 2.10% Landscaping - Gardens 416.60m <sup>2</sup> 61.02% TOTAL 100%
No. of onsite Carparks Required	2
Provided	2
<b>Building Statistics</b>	
No. of Stories	1
Building Ground Floor Area	162.00m <sup>2</sup>
Building Total Area	162.00m <sup>2</sup>
Building Height Allowable	10.0m
Proposed	5.3m
Setbacks (to main walls)	Building to Front Alignment 6.3m Building to Left Alignment 4.7m Building to Right Alignment 1.5m Building to Rear Alignment 10.9m

2 Site Plan  
1:200



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1	Conceptual	28.06.16	TJE
2	DA Issue	06.07.16	TJE



PROPOSED  
 Transport Depot for Scott  
 Walton

ADDRESS  
 63 Cramb Street, Kawana

DRAWING  
 Site Plan

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SCALE: As indicated  
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DWG No. 16-207-C SHT No. 001

**D/110-2016 - DEVELOPMENT  
APPLICATION FOR A MATERIAL  
CHANGE OF USE FOR A  
TRANSPORT DEPOT**

**Floor Plan**

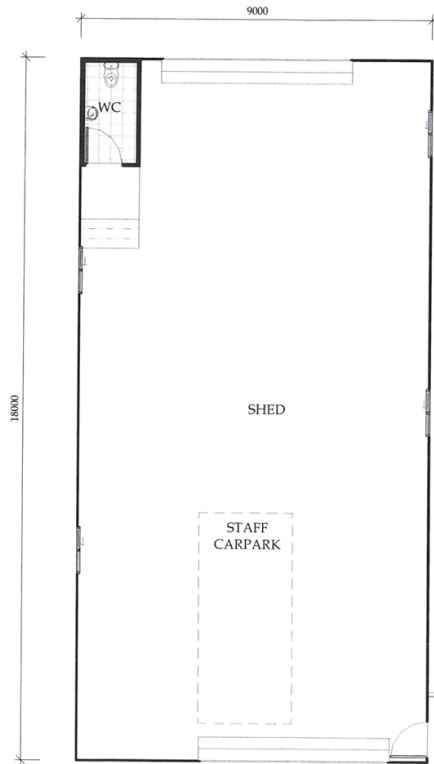
**Meeting Date: 8 November 2016**

**Attachment No: 3**

**PRELIMINARY ONLY**  
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Area Schedule	
Name	Area

G.F.A.	162.00 m <sup>2</sup>
	162.00 m <sup>2</sup>



1 Floor Level  
1: 100

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PROPOSED  
Transport Depot for Scott  
Walton

ADDRESS  
63 Cramb Street, Kawana

DRAWING  
Ground Floor Plan

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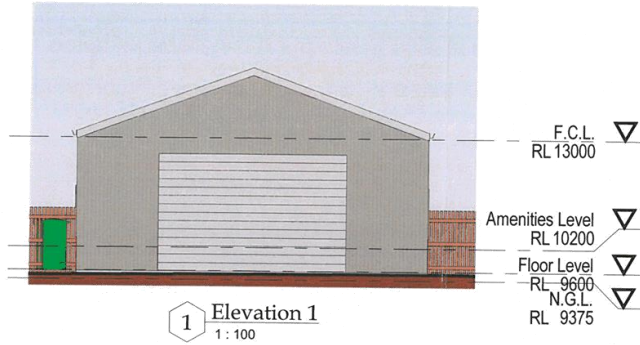
**D/110-2016 - DEVELOPMENT  
APPLICATION FOR A MATERIAL  
CHANGE OF USE FOR A  
TRANSPORT DEPOT**

**Elevations**

**Meeting Date: 8 November 2016**

**Attachment No: 4**

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2	DA Issue	06.07.16	TJE
3	RL Amended	26.07.16	TJE

PROPOSED  
Transport Depot for Scott  
Walton

ADDRESS  
63 Cramb Street, Kawana

DRAWING  
Elevations

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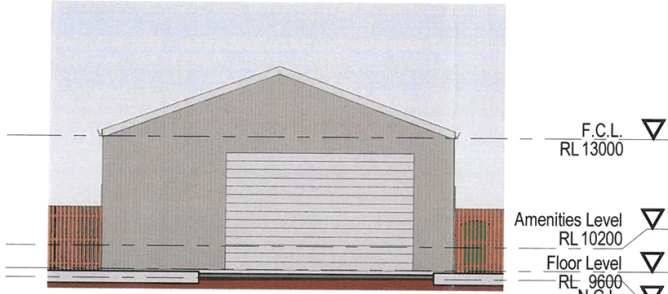
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SCALE: 1 : 100 PROJECT STATUS: DA

DWG No. 16-207-C SHT No. 200 3

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**1 Elevation 3**  
1 : 100

F.C.L. ▽  
RL 13000

Amenities Level ▽  
RL 10200

Floor Level ▽  
RL 9600

N.G.L. ▽  
RL 9375



**2 Elevation 4**  
1 : 100

F.C.L. ▽  
RL 13000

Amenities Level ▽  
RL 10200

Floor Level ▽  
RL 9600

N.G.L. ▽  
RL 9375

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3	RL Amended	26.07.16	TJE

PROPOSED  
Transport Depot for Scott  
Walton

ADDRESS  
63 Cramb Street, Kawana

DRAWING  
Elevations

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PROJECT STATUS: DA

DWG No. 16-207-C SHT No. 201 REV: 3

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**11.3 D/131-2016 - DEVELOPMENT APPLICATION FOR A MATERIAL CHANGE OF USE FOR HEALTH CARE SERVICES AND A SHOP AND FOR OPERATIONAL WORKS FOR ADVERTISING DEVICES (AWNING FASCIA SIGN, WALL SIGN AND BILLBOARD SIGN)**

**File No:** D/131-2016

**Attachments:**

1. Locality Plan
2. Site Plan
3. Floor Plan
4. Elevations

**Authorising Officer:** Tarnya Fitzgibbon - Coordinator Development Assessment  
Steven Gatt - Manager Planning & Regulatory Services  
Michael Rowe - General Manager Community Services

**Author:** Anton de Klerk - Senior Planning Officer

---

**SUMMARY**

*Development Application Number:* D/131-2016

*Applicant:* Saachi Investments Pty Ltd ATF the PPS Investment Trust ABN 36 813 044 069

*Real Property Address:* Lot 1 on RP602231, Parish of Gracemere

*Common Property Address:* 3 O'Shanesy Street, Gracemere

*Area of Site:* 4,085 square metres

*Planning Scheme:* Rockhampton Region Planning Scheme 2015

*Planning Scheme Zone:* Low-medium density residential zone

*Planning Scheme Overlays:* Airport Obstacle - Height Limit 30m  
Airport Wildlife Hazard Buffer Area - 8km  
Road Hierarchy Overlay - Minor urban collector  
Road Hierarchy Overlay - Urban access street  
Steep Land Overlay - 15-20% slope  
Steep Land Overlay - 20-25% slope  
Transport Noise Corridor - Railway noise buffer

*Existing Development:* Vacant land

*Existing Approvals:* Nil

*Approval Sought:* Development Permit for a Material Change of Use for Health Care Services and a Shop and for Operational Works for Advertising Devices (Awning Fascia Sign, Wall Sign and Billboard Sign)

*Level of Assessment:* Impact Assessable

*Submissions:* Four (4) submissions received

*Referral Agency(s):* Nil

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Infrastructure Charges Area:

Charge Area 1

Application Progress:

<i>Application Lodged:</i>	<i>18 August 2016</i>
<i>Acknowledgment Notice issued:</i>	<i>29 August 2016</i>
<i>Confirm that no further information is required:</i>	<i>12 September 2016</i>
<i>Submission period commenced:</i>	<i>16 September 2016</i>
<i>Submission period end:</i>	<i>7 October 2016</i>
<i>Council request for additional time (until 5 December 2016):</i>	<i>20 October 2016</i>
<i>Last receipt of information from applicant:</i>	<i>10 October 2016</i>
<i>Statutory due determination date:</i>	<i>5 December 2016</i>

**OFFICER'S RECOMMENDATION****RECOMMENDATION A**

That in relation to the application for a Development Permit for a Material Change of Use for Health Care Services and a Shop and Operational Works for Advertising Devices (Awning Fascia Sign, Wall Sign and Billboard Sign), made by Saachi Invest Pty Ltd ATF the PPS Investment Trust ABN 36 813 044 069 c/- Reel Planning CQ on behalf of VP Medical Services Pty Ltd Tte, on land described as Lot 1 on RP602231, Parish of Gracemere, located at 3 O'Shanesy Street, Gracemere, Council resolves to Approve the application despite its conflict with the planning scheme and provide the following grounds to justify the decision despite the conflict:

- a) The standalone Health Care Facility is of a type and size that will not undermine the role and function of Gracemere's District Centre for retail purposes. It is further noted that the long-standing status of existing commercial development in the District Centre, and the unavailability of suitably sized and configured commercial tenancies or land parcels, compromises the fit-for-purpose design and location of the health care facility on District Centre Zoned land.
- b) The Health Care Facility delivers an essential service to the immediate Gracemere community as the predominant catchment, but secondly, will also service the health care needs of the peripheral rural areas;
- c) The proposed use does not compromise the strategic framework in the Rockhampton Region Planning Scheme 2015, which encourages improved accessibility to non-residential uses around low-medium density residential areas;
- d) Assessment of the development against the relevant zone purpose, planning scheme codes and planning scheme policies demonstrates that the proposed development will not cause significant adverse impacts on the surrounding natural environment, built environment and infrastructure, community facilities, or local character and amenity; and
- e) The proposed development does not compromise the relevant State Planning Policy 2016.

**RECOMMENDATION B**

That in relation to the application for a Development Permit for a Material Change of Use for Health Care Services and a Shop and Operational Works for Advertising Devices (Awning Fascia Sign, Wall Sign and Billboard Sign), made by Saachi Invest Pty Ltd ATF the PPS Investment Trust ABN 36 813 044 069 c/- Reel Planning CQ on behalf of VP Medical



Services Pty Ltd Tte, on land described as Lot 1 on RP602231, Parish of Gracemere, located at 3 O'Shanesy Street, Gracemere, Council resolves to Approve the application subject to the following conditions:

***Condition for Material Change of Use***

1.0 ADMINISTRATION

- 1.1 The Developer is responsible for ensuring compliance with the conditions of this development approval and the Conditions of the approval by an employee, agent, contractor or invitee of the Developer.
  - 1.2 Where these Conditions refer to "Council" in relation to requiring Council to approve or to be satisfied as to any matter, or conferring on the Council a function, power or discretion, that role of the Council may be fulfilled in whole or in part by a delegate appointed for that purpose by the Council.
  - 1.3 All conditions, works, or requirements of this development approval must be undertaken and completed and be accompanied by a Compliance Certificate for any operational works required by this development approval:
    - 1.3.1 to Council's satisfaction;
    - 1.3.2 at no cost to Council; and
    - 1.3.3 prior to the commencement of the use, unless otherwise stated.
  - 1.4 Infrastructure requirements of this development approval must be contributed to the relevant authorities, where applicable, at no cost to Council, prior to the commencement of the use, unless otherwise stated.
  - 1.5 The following further Development Permits must be obtained prior to the commencement of any works associated with their purposes:
    - 1.5.1 Operational Works:
      - (i) Road Works;
      - (ii) Access and Parking Works;
      - (iii) Stormwater Works; and
      - (iv) Site Works
    - 1.5.2 Plumbing and Drainage Works; and
    - 1.5.3 Building Works:
  - 1.6 All Development Permits for Operational Works and Plumbing and Drainage Works must be obtained prior to the issue of a Development Permit for Building Works.
  - 1.7 All works must be designed, constructed and maintained in accordance with the relevant Council policies, guidelines and standards, unless otherwise stated.
  - 1.8 All engineering drawings/specifications, design and construction works must be in accordance with the requirements of the relevant *Australian Standards* and must be approved, supervised and certified by a Registered Professional Engineer of Queensland.
- 2.0 APPROVED PLANS AND DOCUMENTS
- 2.1 The approved development must be completed and maintained generally in accordance with the approved plans and documents, except where amended by the conditions of this permit:

<u>Plan/Document Name</u>	<u>Plan/Document Number</u>	<u>Dated</u>
Proposed Site Plan	SK-002; Revision 7	17 August 2016
Floor Plan	SK-003; Revision 7	17 August 2016
Elevations	SK-004; Revision 7	17 August 2016
Elevations	SK-005; Revision 7	17 August 2016
Signage	SK-006; Revision 7	17 August 2016
3D Views	3D-001; Revision 7	17 August 2016
3D Views	3D-002; Revision 7	17 August 2016
3D Views	3D-003; Revision 7	17 August 2016
3D Views	3D-004; Revision 7	17 August 2016
Conceptual Stormwater Management Plan	K3733-0004	15 August 2016
Traffic Impact Assessment	K3733-0003	12 August 2016

- 2.2 Where there is any conflict between the conditions of this development approval and the details shown on the approved plans and documents, the conditions of this development approval must prevail.
- 2.3 Where conditions require the above plans or documents to be amended, the revised document(s) must be submitted for approval by Council prior to the submission of an application for a Development Permit for Operational Works.
- 3.0 ROAD WORKS
- 3.1 A Development Permit for Operational Works (road works) must be obtained prior to the commencement of any road works on for the development site.
- 3.2 All road works must be designed and constructed in accordance with the approved plans (refer to condition 2.1), *Capricorn Municipal Development Guidelines*, relevant *Australian Standards* and the provisions of a Development Permit for Operational Works (road works).
- 3.3 Pierce Street must be upgraded to an Access Place standard for the full frontage of Lot 1 on RP616167, with half road construction along the development side. Kerb and channel and drainage infrastructure must be included.
- 3.4 All new road works must connect with existing constructed road(s) and smooth transition must be provided between these two sections.
- 3.5 A concrete pathway, with a minimum width of 1.2 metres, must be constructed on the western side of Pierce Street for the full frontage of the development site.
- 3.6 All pathways and access ramps must be designed and constructed in accordance with *Australian Standard AS1428 "Design for access and mobility"*.
- 3.7 All pathways must incorporate kerb ramps at all road crossing points.
- 3.8 Traffic signs (if required) and pavement markings must be provided in accordance with the *Manual of Uniform Traffic Control Devices – Queensland*. Where necessary, existing traffic signs and pavement markings must be modified in accordance with the

*Manual of Uniform Traffic Control Devices – Queensland.*

#### 4.0 ACCESS AND PARKING WORKS

- 4.1 A Development Permit for Operational Works (access and parking works) must be obtained prior to the commencement of any access and parking works on the development site.
- 4.2 All access and parking works must be designed and constructed in accordance with the approved plans (refer to condition 2.1), *Capricorn Municipal Development Guidelines, Australian Standard AS2890 "Parking facilities"* and the provisions of a Development Permit for Operational Works (access and parking works).
- 4.3 All parking spaces, access driveway(s), and vehicular manoeuvring areas associated with the proposed development must be concrete paved or asphalted.
- 4.4 Universal access parking spaces must be provided on-site in accordance with *Australian Standard AS2890.6 "Parking facilities - Off-street parking for people with disabilities"*.
- 4.5 Parking spaces must be line-marked as shown in the Site Plan (refer to condition 2.1) and in accordance with the *Australian Standard AS2890 "Parking facilities"* and the provisions of a Development Permit for Operational Works (access and parking works).
- 4.6 Any application for a Development Permit for Operational Works (access and parking works) must be accompanied by revised detailed and scaled plans, which demonstrate the turning movements/swept paths of the largest vehicle to access the development site including refuse collection vehicles. Encroachment onto the car parking spaces will not be supported.
- 4.7 All internal pedestrian pathways must be designed and constructed in accordance with *Australian Standard AS1428 "Design for access and mobility"*.
- 4.8 Signs and pavement markings must be provided on the approach and departure sides of the access to allow safe ingress and egress movements and must be in accordance with the *Manual of Uniform Traffic Control Devices – Queensland*.
- 4.9 A minimum of forty-eight (48) parking spaces must be provided on-site. This includes two (2) universal access parking spaces, one (1) space for special use vehicles and one (1) space for emergency ambulance space.

#### 5.0 PLUMBING AND DRAINAGE WORKS

- 5.1 A Development Permit for Plumbing and Drainage Works must be obtained for the removal and/or demolition of any existing structure on the development site.
- 5.2 All internal plumbing and drainage works must be designed and constructed in accordance with the approved plans (refer to condition 2.1), *Capricorn Municipal Development Guidelines, Water Supply (Safety and Reliability) Act 2008, Plumbing and Drainage Act 2002*, Council's Plumbing and Drainage Policies and the provisions of a Development Permit for Plumbing and Drainage Works.
- 5.3 The development must be connected to Council's reticulated sewerage and water networks.
- 5.4 The existing sewerage point(s) must be retained, and upgraded if necessary, to service the development.
- 5.5 Sewerage connection point must be located minimum of one (1) metre clear of the proposed bio-detention basin and must be raised to suit the finished surface levels.
- 5.6 A new water connection point must be provided to the development. A hydraulic engineer or other suitably qualified person must determine the size of connection required.
- 5.7 All internal plumbing and sanitary drainage works must be completely independent for

each tenancy.

- 5.8 Alteration, disconnection or relocation of internal plumbing and sanitary drainage works associated with the existing building must be in accordance with regulated work under the *Plumbing and Drainage Act 2002* and Council's Plumbing and Drainage Policies.
- 5.9 The development must be provided with a master meter at the development site boundary and sub-meters for each sole occupancy building in accordance with the *Queensland Plumbing and Drainage Code* and Council's Sub-metering Policy.
- 5.10 Water meter box located within trafficable areas must be raised or lowered to suit the finished surface levels and must be provided with heavy duty trafficable lids.
- 5.11 Sewerage trade waste permits must be obtained for the discharge of any non-domestic waste into Council's sewerage reticulation network. Arrestor traps must be provided where commercial or non-domestic waste is proposed to be discharged into the sewer system.

## 6.0 STORMWATER WORKS

- 6.1 A Development Permit for Operational Works (stormwater works) must be obtained prior to the commencement of any stormwater works on the development site.
- 6.2 All stormwater drainage works must be designed and constructed in accordance with the approved plans (refer to condition 2.1), *Queensland Urban Drainage Manual*, *Capricorn Municipal Development Guidelines*, sound engineering practice and the provisions of a Development Permit for Operational Works (stormwater works).
- 6.3 All stormwater must be discharged to lawful point and must not adversely affect surrounding land or infrastructure in comparison to the pre-development condition, including but not limited to blocking, altering or diverting existing stormwater runoff patterns or having the potential to cause damage to other infrastructure.
- 6.4 The development must not increase peak stormwater runoff for a selected range of storm events up to and including a one percent (1%) Annual Exceedance Probability defined storm event, for the post development condition.
- 6.5 The installation of bio-retention basin must be in accordance with relevant *Australian Standards* and all maintenance of the proposed bio-retention basin must be the responsibility of the property owner (VP Medical Services P/L).
- 6.6 Adequate safety measures must be provided around the proposed Bio-retention basin and must comply with the requirement of *Queensland Urban Drainage Manual*.
- 6.7 Energy dissipaters at downstream of stormwater outlet must be provided and must comply with the requirement of *Queensland Urban Drainage Manual*.

## 7.0 ROOF AND ALLOTMENT DRAINAGE WORKS

- 7.1 All roof and allotment drainage works must be designed and constructed in accordance with the approved plans (refer to condition 2.1), *Queensland Urban Drainage Manual*, *Capricorn Municipal Development Guidelines* and sound engineering practice.
- 7.2 All roof and allotment runoff from the development must be directed to a lawful point of discharge and must not restrict, impair or change the natural flow of runoff water or cause a nuisance or worsening to surrounding land or infrastructure.

## 8.0 SITE WORKS

- 8.1 A Development Permit for Operational Works (site works) must be obtained prior to the commencement of any site works.
- 8.2 All earthworks must be undertaken in accordance with *Australian Standards, AS3798 "Guidelines on Earthworks for Commercial and Residential Developments"*.

- 8.3 Site works must be constructed such that they do not, at any time, in any way restrict, impair or change the natural flow of runoff water, or cause a nuisance or worsening to surrounding land or infrastructure.
- 9.0 BUILDING WORKS
- 9.1 All structures must maintain a clearance of two (2) metres to any sewerage infrastructure.
- 9.2 All external elements, such as air conditioners, pool and spa pumps and associated equipment, must be adequately screened from public view, to Council's satisfaction.
- 9.3 Impervious paved waste storage area/s must be provided in accordance with the approved plans (refer to condition 2.1) and the *Environmental Protection Regulation 2008* and must be:
- 9.3.1 designed and located so as not to cause a nuisance to neighbouring properties;
  - 9.3.2 aesthetically screened from any road frontage or adjoining property;
  - 9.3.3 concealed from public view such that the contents of the waste storage area are not visible from any public place;
  - 9.3.4 of a sufficient size to accommodate commercial type bins that will be serviced by a commercial contractor plus clearances around the bins for manoeuvring and cleaning;
  - 9.3.5 provided with a washdown facility which include a suitable hosecock and hoses at the refuse container area. Washdown must be drained to the sewer and fitted with an approved stormwater diversion valve arrangement in accordance with the Sewerage Trade Waste provisions and the *Plumbing and Drainage Act 2002*.
- As an alternative to a washdown facility, a fully contained commercial bin cleaning service is acceptable provided no wastewater is discharged from the site to the sewer.
- 10.0 LANDSCAPING WORKS
- 10.1 All landscaping must be established generally in accordance with the approved plans (refer to condition 2.1). The landscaping must be constructed and/or established prior to the commencement of the use and the landscape areas must predominantly contain plant species that are locally native to the Central Queensland region due to their low water dependency.
- 10.2 Landscaping, or any part thereof, upon reaching full maturity, must not:
- (i) obstruct sight visibility zones as defined in the *Austrroads 'Guide to Traffic Engineering Practice'* series of publications;
  - (ii) adversely affect any road lighting or public space lighting; or
  - (iii) adversely affect any Council infrastructure, or public utility plant.
- 10.3 The landscaped areas must be subject to:
- 10.3.1 a watering and maintenance plan during the establishment moment; and
  - 10.3.2 an ongoing maintenance and replanting programme.
- 11.0 ELECTRICITY
- 11.1 Electricity services must be provided to the development in accordance with the standards and requirements of the relevant service provider.
- 11.2 Evidence that the development is provided with electricity services from the relevant service provider must be provided to Council, prior to the commencement of the use.

## 12.0 TELECOMMUNICATIONS

- 12.1 Telecommunications services must be provided to the development in accordance with the standards and requirements of the relevant service provider. Unless otherwise stipulated by telecommunications legislation at the time of installation, this includes all necessary pits and pipes, and conduits that provide a connection to the telecommunications network.
- 12.2 Evidence that the development is provided with telecommunications services from the relevant service provider must be provided to Council, prior to the commencement of the use.

Note: The *Telecommunications Act 1997* (Cth) specifies where the deployment of optical fibre and the installation of fibre-ready facilities is required.

Note: For telecommunications services, written evidence must be in the form of either a "Telecommunications Infrastructure Provisioning Confirmation" where such services are provided by Telstra or a "Notice of Practical Completion" where such services are provided by the NBN.

## 13.0 ASSET MANAGEMENT

- 13.1 Any alteration necessary to electricity, telephone, water mains, sewerage mains, and/or public utility installations resulting from the development or in connection with the development, must be at full cost to the Developer.
- 13.2 Any damage to existing stormwater, water supply and sewerage infrastructure, kerb and channel, pathway or roadway (including removal of concrete slurry from public land and Council infrastructure), that occurs while any works are being carried out in association with this development approval must be repaired at full cost to the developer. This includes the reinstatement of any existing traffic signs or pavement markings that may have been removed or damaged.
- 13.3 'As Constructed' information pertaining to assets to be handed over to Council and those which may have an impact on Council's existing and future assets must be provided prior to the commencement of the use. This information must be provided in accordance with the *Manual for Submission of Digital As Constructed Information*.

## 14.0 ENVIRONMENTAL

- 14.1 The Erosion Control and Stormwater Control Management Plan prepared by a Registered Professional Engineer of Queensland in accordance with the *Capricorn Municipal Design Guidelines*, must be:
- 14.1.1 implemented, monitored and maintained for the duration of the works, and until all exposed soil areas are permanently stabilised (for example, turfed, hydromulched, concreted, landscaped); and
- 14.1.2 available on-site for inspection by Council Officers whilst all works are being carried out.

## 15.0 ENVIRONMENTAL HEALTH

- 15.1 Any lighting devices associated with the development, such as sensory lighting, must be positioned on the development site and shielded so as not to cause glare or other nuisance to nearby residents and motorists. Night lighting must be designed, constructed and operated in accordance with *Australian Standard AS4282 "Control of the obtrusive effects of outdoor lighting"*.
- 15.2 Noise emitted from the activity must not cause an environmental nuisance.
- 15.3 Operations on the site must have no significant impact on the amenity of adjoining premises or the surrounding area due to the emission of light, noise or dust.
- 15.4 Sirens from attending ambulances are to be silenced where circumstances allow and as soon as possible as the ambulance enters the site.
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Note: Any operations on the site between 10pm to 7am must ensure noise management measures are enforced during this timeframe.

- 15.5 When requested by Council, noise monitoring must be undertaken and recorded within three (3) months, to investigate any genuine complaint of nuisance caused by noise. The monitoring data, an analysis of the data and a report, including noise mitigation measures, must be provided to Council within fourteen (14) days of the completion of the investigation. Council may require any noise mitigation measures identified in the assessment to be implemented within appropriate timeframes. Noise measurements must be compared with the acoustic quality objectives specified in the most recent edition of the *Environmental Protection (Noise) Policy 2008*.
- 16.0 OPERATING PROCEDURES
- 16.1 All construction materials, waste, waste skips, machinery and contractors' vehicles must be located and stored or parked within the development site. Storage of materials or parking of construction machinery or contractors' vehicles must not occur within O'Shanesy Street and Pierce Street.
- 16.2 The hours of operations for the development site must be limited to:
- (i) 0700 hours to 1800 hours on Monday to Friday for Radiology Practice,
  - (ii) 0700 hours to 2200 hours on Monday to Sunday for Medical Practice, and
  - (iii) 0700 hours to 2200 hours on Monday to Sunday for Pharmacy.
- 16.3 The loading and/or unloading of delivery and waste collection vehicles is limited between the hours of 0700 and 1900 Monday to Saturday and between the hours of 0800 and 1500 on Sundays. No heavy vehicles must enter the development site outside these times to wait for unloading/loading.
- 16.4 All waste storage areas must be:
- 16.4.1 kept in a clean and tidy condition; and
  - 16.4.2 maintained in accordance with *Environmental Protection Regulation 2008*.

### ADVISORY NOTES

NOTE 1. Aboriginal Cultural Heritage

It is advised that under section 23 of the *Aboriginal Cultural Heritage Act 2003*, a person who carries out an activity must take all reasonable and practicable measures to ensure the activity does not harm Aboriginal cultural heritage (the "cultural heritage duty of care"). Maximum penalties for breaching the duty of care are listed in the Aboriginal cultural heritage legislation. The information on Aboriginal cultural heritage is available on the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs website [www.datsima.qld.gov.au](http://www.datsima.qld.gov.au)

NOTE 2. General Environmental Duty

General environmental duty under the *Environmental Protection Act 1994* prohibits unlawful environmental nuisance caused by noise, aerosols, particles, dust, ash, fumes, light, odour or smoke beyond the boundaries of the development site during all stages of the development including earthworks, construction and operation.

NOTE 3. General Safety Of Public During Construction

The *Work Health and Safety Act 2011* and *Manual of Uniform Traffic Control Devices* must be complied with in carrying out any construction works, and to ensure safe traffic control and safe public access in respect of works being constructed on a road.

NOTE 4. Infrastructure Charges Notice

This application is subject to infrastructure contributions in accordance with Council policies. The contributions are presented on an Infrastructure Charges Notice.

**Conditions for Operational Work - Signage**17.0 ADMINISTRATION

17.1 The Developer and his employee, agent, contractor or invitee is responsible for ensuring compliance with the conditions of this development approval.

17.2 Where these Conditions refer to "Council" in relation to requiring Council to approve or to be satisfied as to any matter, or conferring on the Council a function, power or discretion, that role may be fulfilled in whole or in part by a delegate appointed for that purpose by the Council.

17.3 All conditions of this approval must be undertaken and completed to the satisfaction of Council, at no cost to Council.

17.4 All conditions, works, or requirements of this approval must be undertaken and completed prior to the commencement of the use, unless otherwise stated.

17.5 The following further Development Permits must be obtained prior to the commencement of any works associated with their purposes:

17.5.1 Building Works.

17.6 The Operational Works Permit will have a relevant period of four (4) years from the date of approval.

18.0 APPROVED PLANS AND DOCUMENTS

18.1 The approved development must be completed and maintained generally in accordance with the approved plans and documents, except where amended by the conditions of this permit:

<u>Plan/Document Name</u>	<u>Plan Number</u>	<u>Dated</u>
Signage	SK-006; Revision 7	17 August 2016

18.2 A set of the above approved plans are returned to you as the Consultant. The Consultant is to supply one (1) Approved set to the contractor to be retained on site at all times during construction.

18.3 Where there is any conflict between the conditions of this approval and the details shown on the approved plans and documents, the conditions of approval must prevail.

18.4 Where conditions require the above plans or documents to be amended, the revised document(s) must be submitted for endorsement by Council prior to the submission of a Development Application for Building Works.

19.0 ASSET MANAGEMENT

19.1 Any alteration necessary to electricity, telephone, water mains, sewerage mains, and/or public utility installations resulting from the development or in connection with the development, must be at full cost to the Developer.

20.0 OPERATING PROCEDURES

20.1 All signage must only display or advertise a matter associated with the purpose for which the premises is used.

20.2 All signage must be maintained at all times on the premises by the owner of the premises to the same standard as it was when it was installed.



20.3 Any lighting devices associated with the signage, such as sensory lighting, must be positioned on the site and shielded so as not to cause glare or other nuisance to nearby residents or motorists. Night lighting must be designed, constructed and operated in accordance with '*Australian Standard AS4282 – Control of the obtrusive effects of outdoor lighting*'.

21.0 DIGITAL (LED) SIGNAGE - DISPLAY AND MOVEMENT

21.1 The digital display screen of the Advertising Device must incorporate an automatic error detection system which will turn off the screen display or display a blank screen should the Advertising Device malfunction.

21.2 The Advertising Device display screen must incorporate a minimum of two (2) automated ambient light sensors capable of supporting a minimum of five (5) levels of stepped dimming to ensure display screen luminance can adjust automatically in response to surrounding ambient light conditions from dark of night to fully sunlit conditions.

21.3 Advertisements must not display text, photographs or symbols depicting, mimicking or that could be reasonably interpreted as a traffic control device.

21.4 The use of text components in a sequential manner, whereby text refers to or is reliant on previous or successive screen displays in order to convey an advertising message is not permitted.

Note: An advertising message refers to the main point the advertisement is attempting to convey to its target audience. This condition seeks to ensure that drivers in particular are not required to spend an excessive amount of time reading and interpreting advertisements.

21.5 Messages must remain static for a minimum dwell time of nine (9) seconds, and are not to scroll across the screen or incorporate flashing, blinking, revolving, pulsating, high contrast or rotating effects animation.

21.6 Each change of advertisement is to be completed instantaneously (i.e. within 0.1 of a second).

21.7 Changeover animation effects such as 'fade', 'zoom', or 'fly-in' between advertisements must not be used.

21.8 A blank black, white, or any coloured screen must not be displayed between advertisements.

21.9 Advertisements that comprise of, or incorporate moving visual images, such as videos or animations must not be displayed.

Note: Video refers to a recording or the streaming of moving visual images captured by or using a video camera or similar device. Animation refers to a simulation of movement created by displaying a series of pictures or frames either digitally or otherwise.

21.10 The Advertising Device must not be capable of playing audio nor synchronised with any outdoor sound system utilised for advertising purposes.

21.11 The digital (LED) display screen must generally comply with the Outdoor Media Association (OMA) Guidelines where not specifically conditioned by this approval.

22.0 CONSTRUCTION PROCEDURES

22.1 Council reserves the right for uninterrupted access to the site at all times during construction.

22.2 All Construction work and other associated activities are permitted only between 0630 hours and 1800 hours Monday to Saturday. No work is permitted on Sundays or public holidays. All requirements of the Environmental Protection Act and Environmental Protection Regulations must be observed at all times.

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- 22.3 Any proposed works within the vicinity (or zone of influence) of existing Council infrastructure will not adversely affect the integrity of the infrastructure. Any restoration works required on existing Council infrastructure as a result of proposed works will be at developer's expense.
- 22.4 All construction materials, waste, waste skips, machinery and contractors' vehicles must be located and stored or parked within the site.

#### ADVISORY NOTES

NOTE 5. Aboriginal Cultural Heritage

It is advised that under section 23 of the *Aboriginal Cultural Heritage Act 2003*, a person who carries out an activity must take all reasonable and practicable measures to ensure the activity does not harm Aboriginal cultural heritage (the "cultural heritage duty of care"). Maximum penalties for breaching the duty of care are listed in the Aboriginal cultural heritage legislation. The information on Aboriginal cultural heritage is available on the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs website [www.datsima.qld.gov.au](http://www.datsima.qld.gov.au).

NOTE 6. General Environmental Duty

General environmental duty under the *Environmental Protection Act 1994* prohibits unlawful environmental nuisance caused by noise, aerosols, particles, dust, ash, fumes, light, odour or smoke beyond the boundaries of the development site during all stages of the development including earthworks, construction and operation.

NOTE 7. General Safety Of Public During Construction

The *Work Health and Safety Act 2011* and *Manual of Uniform Traffic Control Devices* must be complied with in carrying out any construction works, and to ensure safe traffic control and safe public access in respect of works being constructed on a road.

#### RECOMMENDATION C

That in relation to the application for a Development Permit for a Material Change of Use for Health Care Services and a Shop and Operational Works for Advertising Devices (Awning Fascia Sign, Wall Sign and Billboard Sign), made by Saachi Invest Pty Ltd ATF the PPS Investment Trust ABN 36 813 044 069 c/- Reel Planning CQ on behalf of VP Medical Services Pty Ltd Tte, on land described as Lot 1 on RP602231, Parish of Gracemere, located at 3 O'Shanesy Street, Gracemere, Council resolves to issue an Infrastructure Charges Notice for the amount of \$166,127.50.

#### **BACKGROUND**

##### **PROPOSAL IN DETAIL**

The proposal is for a Material Change of Use for a Health Care Service and a Shop and ancillary Operational Works for advertising devices located at 3 O'Shanesy Street, Gracemere. It is proposed to establish a fit-for-purpose health care facility, comprising a medical practice, radiology practice and a pharmacy, on the vacant site, which previously accommodated a detached dwelling house.

The proposed health care facility will be in the form of a single storey building located on the southern section of the site with a primary orientation to the north-east. At its highest point, the building stands 5.6 metres from ground level and has a site coverage of thirty per cent (30%). Total site coverage including gross floor area and covered walkways is thirty-five per cent (35%). The building is divided into three (3) separate tenancies with a total gross floor area of 1,232 square metres. The two (2) south-eastern tenancies are intended to accommodate the defined land use of Health Care Services (medical practice and radiology practice), while the south-western tenancy is intended to accommodate the defined use of a Shop (pharmacy).

Primary vehicular access to the site will be obtained via separate right-in and left-out driveways onto Pierce Street, approximately twenty (20) metres from the intersection of Pierce Street with O'Shanesy Street. A total provision of forty-eight (48) on-site car parks is proposed to service the health care facility, including two (2) disabled car parks, as well as a car park for special use vehicles and one (1) space for an emergency ambulance.

Topographically, the site is characterised by a gentle slope from the south-eastern corner to the north-western corner of the site.

### **SITE AND LOCALITY**

The subject site is located in the Low-medium Density Residential Zone under the *Rockhampton Region Planning Scheme 2015*.

The site is located within the north/north-western part of Gracemere, approximately ten (10) kilometres to the south-west of Rockhampton and is identified as Rockhampton Regional Council's second largest town. The site is positioned in a small pocket of development that forms part of an elongated strip of mixed land uses that line the southern side of O'Shanesy Street and extend to its intersection with the Capricorn Highway. The area comprises of a range of mixed uses such as:

- the Gracemere Shopping Centre, an irrigation system business, an auction yard and a nursery (to the north and northeast);
- existing residential houses and a gift shop (to the northwest);
- residential units and a low impact industry (to the west);
- residential houses (to the southwest, south and east); and
- Gracemere State School (to the east).

The site contains two (2) road frontages, being situated at the intersection of O'Shanesy Street and Pierce Street. Its primary frontage is 54.3 metres long, facing O'Shanesy Street to the north, with a secondary frontage of 68.3 metres long, facing Pierce Street to the east. The site's location on the southern side of O'Shanesy Street is afforded with a particularly wide road reserve of approximately 27.5 metres from the edge of the formed road to the property boundary.

### **PLANNING ASSESSMENT**

#### **MATTERS FOR CONSIDERATION**

This application has been assessed by relevant Council planning, engineering, environmental health, and other technical officers as required. The assessment has been in accordance with the Integrated Development Assessment System provisions of the *Sustainable Planning Act 2009*, based on consideration of the relevant State Planning Policy; State Government guidelines; the Council's Town Planning Scheme, Planning Policies and other general policies and procedures, as well as other documents as considered relevant.

#### **Development Engineering Comments – 2 September 2016**

Support, subject to conditions.

#### **Public and Environmental Health Comments – 29 August 2016**

Support, subject to conditions.

#### **Other Staff Technical Comments**

Not applicable as the application was not referred to any other technical staff.

### **TOWN PLANNING COMMENTS**

#### **Central Queensland Regional Plan 2013**

The *Central Queensland Regional Plan 2013* is a statutory document which came into effect on 18 October 2013. The development is not required to be assessed against the regional

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plan if this document is appropriately reflected in the local planning scheme. It is considered that the regional plan is appropriately reflected in the current local planning scheme.

### **State Planning Policy 2016**

This policy came into effect on 2 December 2013 (amended in July 2014 and April 2016) and replaced all former State Planning Policies. This policy requires development applications to be assessed against its requirements until the identified state interests have been appropriately reflected in the local planning scheme.

#### Liveable communities

Not Applicable. The development complies with the requirements in the State Planning Policy.

#### Mining and extractive resources

Not Applicable. The development is not near or affected by mining or extractive resources.

#### Biodiversity

Not Applicable. The subject site is not affected by any protected flora and habitat.

#### Coastal environment

Not Applicable. The development does not relate to a coastal management area.

#### Water quality

Not Applicable. The application does not affect receiving waters or the water supply in South East Queensland.

#### Natural hazard, risk and resilience

Not Applicable. The site is not affected by bushfire hazard, flood hazard or steep land.

#### Emissions and hazardous activities

Not Applicable. The proposal does not include any activities regarded as generating dangerous emissions or include activities regarded as hazardous.

#### State transport infrastructure

Not Applicable. The proposal does not affect any State transport infrastructure.

#### Strategic airports and aviation facilities

Not Applicable. The proposed development does not involve or affect any strategic airports or aviation facilities.

### **Rockhampton Region Planning Scheme 2015**

#### **Strategic framework**

This application is situated within the Urban Infill and Intensification designation under the scheme's strategic framework map. The strategic framework themes and their strategic outcomes, as identified within Part 3 of the *Rockhampton Region Planning Scheme 2015* are applicable:

##### (i) **Settlement pattern**

- (1) The pattern of settlement is reinforced in accordance with the Strategic framework – settlement pattern maps (SFM-1 to SFM-4) and as defined in Table 3.3.2.2 – Strategic map designations and descriptions. Sufficient land has been allocated for residential, commercial, industrial and community uses to meet the needs of the region for at least twenty-five (25) years.
- (2) Residential development within Rockhampton and Gracemere will occur in urban areas, urban infill and intensification areas and new urban areas (greenfield areas). These areas are shown on the strategic framework maps SFM-2 to SFM-3.

- (3) Urban development in Mount Morgan will only occur within the urban area and local centre as shown on strategic framework map SFM-4.
- (4) Residential development is compact, encourages strong neighbourhoods with attractive places for residents, makes efficient use of land and optimises the delivery and use of infrastructure and services. Expansion beyond these identified areas will not occur to ensure a focus on urban infill and intensification areas and to avoid further encroachment on natural assets and ecologically vulnerable areas.
- (5) Sufficient land for employment growth has been identified in industrial areas, new industrial areas and centres (including proposed centres) at locations that can be most efficiently serviced with infrastructure and facilities.
- (6) Future urban areas and future industrial areas are the preferred location for greenfield development beyond 2026.
- (7) The settlement pattern provides for a diverse range of housing to meet changing demographic needs, and **creates opportunities for more affordable living close to services and facilities**. These housing options will help stimulate centres and community focal points, and assist in making the most efficient use of infrastructure and other public investment.
- (8) Higher density development is focussed around centres and public transport nodes and corridors. Increased residential densities will be encouraged in the urban infill and intensification areas in a range of dwelling types that are located to make public transport, walking and cycling more convenient, safe and viable.
- (9) The design of the built environment (including buildings, streets and public spaces) is consistent with the existing or desired character of the area and buildings are oriented to the street and public places. Development is undertaken in accordance with urban design principles.
- (10) Centres provide for employment, retail, accommodation, entertainment and community services that meet the needs of residential communities that are well connected by the public transport network.
- (11) Centres are based on a hierarchy that ensures the scale and form of development is appropriate to the location, and that the centres' roles and functions are appropriate within the wider planning scheme area.
- (12) Centres are consolidated within designated areas, and expansion does not occur into adjoining residential areas.
- (13) An integrated and high quality public open space network caters for the needs of residents, particularly in and around centres and higher density areas.
- (14) The continuing viability of areas that provide for economic development such as industrial and specific use areas is protected from incompatible land uses.
- (15) Limited rural residential areas provide for semi-rural living; however, these areas do not expand beyond the areas designated.
- (16) The productive capacity of all rural land is protected.
- (17) Rural lands and natural areas are maintained for their rural and landscape values.
- (18) The scenic and environmental values of areas identified as nature conservation or natural corridor link are protected.
- (19) The cultural heritage of Rockhampton is conserved for present and future communities.
- (20) Development responds to natural hazards (flooding, bushfire, steep land, storm tide inundation and coastal erosion) by avoiding, mitigating, adapting and building resilience to natural hazards in areas mapped as being susceptible.

**Complies.** The strategic framework identifies the subject site to be located within the Urban Infill and Intensification area. These areas are typically located within the urban footprint where increased residential densities are desirable to promote compact neighbourhoods. These areas also provide opportunities for replacement of older housing stock and are located in proximity to service centres and major infrastructure.

With the above-mentioned in mind, the proposed development will be located within a predominantly commercial corridor along O'Shanesy Street, within proximity of the Gracemere Shopping Centre and the Gracemere State School. The subject site is ideally located to encourage community related activities and small-scale services / facilities that cater for local residents. The proposed health care facility will therefore cater to the current health care needs of the local community as well as encouraging higher residential densities within proximity of the mixed services / facilities.

Therefore, the proposal will align with the purpose of the Strategic Framework regarding settlement patterns as stipulated within the *Rockhampton Region Planning Scheme 2015*.

(ii) **Natural environment and hazards**

- (1) The natural environment and landscape are highly valued by the community for their contribution to the planning scheme area's biodiversity, economic prosperity, culture, character and sense of place. These areas are to be protected from incompatible development.
- (2) Development does not create unsustainable impacts on:
  - (a) the natural functioning of floodplains;
  - (b) environmentally significant areas, including areas of state and locally significant vegetation, which provide fauna habitat and support biodiversity; and
  - (c) the quality of water entering waterways, wetlands and local catchments.
- (3) Development does not increase the risk to human life and property in areas that are affected, or potentially affected, by storm-surge, erosion, sea-level rise or other coastal processes, flooding, bushfire, or landslide. This occurs through the avoidance of natural hazards in new development areas, particularly greenfield areas and the mitigation of risks in existing built up areas.
- (4) Strategic and iconic scenic and landscape values are protected from potential adverse impacts of development.

**Complies.** The subject site is located within the Low-medium Density Residential Zone and contained a dwelling house which has since been removed. The site is fairly flat and does not contain any vegetation of concern, nor is influenced or impacted by any natural environment hazard.

(iii) **Community identity and diversity**

- (1) The quality of life of residents is enhanced through equitable access to social infrastructure, community services and facilities necessary to support community health and well-being.
- (2) The community is self-sufficient and does not rely on services and facilities located in other regions. Development contributes to the provision of new social infrastructure, including land.
- (3) Cultural heritage including character housing and heritage buildings are conserved and enhanced.
- (4) Public places are safe, functional, characterised by good urban design, and include a range of facilities to encourage healthy and active lifestyles.
- (5) Crime prevention through environmental design is achieved in urban areas including public spaces to improve public safety.

**Complies.** The proposal is for a Health Care Facility to cater for the current patient demand of the broader community of Gracemere. The proposal will therefore encourage access to community related activities and small-scale services and facilities that cater for local residents within the region.

(iv) **Access and mobility**

- (1) Connectivity is achieved between residential uses, employment centres and services through the provision of active transport infrastructure integrated with efficient public transport services.
- (2) The trunk transport network (as shown on the strategic framework maps SFM-9 to SFM-12 and in plans for trunk infrastructure in the local government infrastructure plan) supports the settlement pattern and the local economy by facilitating the efficient and safe movement of people and goods both within the planning scheme area (especially between the main urban centres of Rockhampton and Gracemere), and to and from other locations.
- (3) The transport network encourages and supports active living in centres by providing for integrated walking, cycling, and public transport infrastructure to support a progressive reduction in car dependency.
- (4) The safety and efficiency of transport infrastructure, including the Bruce and Capricorn highways and other state and local roads, rail, airport and seaports, are not compromised by development.

**Complies.** The proposed Health Care Facility will be located along a Minor Urban Collector, connecting numerous commercial, residential, community and low impact industrial uses. The proposed health care facility will not compromise the designation of the current transport network and will encourage active transport infrastructure and public transport services by encouraging higher residential densities and additional opportunities to be developed within the balance of the Urban Infill and Intensification area.

(v) **Infrastructure and services**

- (1) Infrastructure and services are planned and delivered in a logical and cost efficient manner in support of the planned settlement pattern. It is fit for purpose and is sensitive to cultural and environmental values. In particular:
  - (a) efficient, affordable, reliable, timely and lasting infrastructure makes best use of public resources;
  - (b) the long-term needs of the community, industry and business are met; and
  - (c) the desired standards of service in Part 4 — Local government infrastructure plan are achieved.

**Complies.** The proposal will be located within the Urban Infill and Intensification area which already contains efficient infrastructure and services. The proposal will not compromise any infrastructure or services.

(vi) **Natural resources and economic development**

- (1) The economy of the planning scheme area continues to grow and provides the community with diverse and new employment opportunities. Rockhampton continues to strengthen as the retail, service, cultural and administrative centre for both the planning scheme area and the wider Central Queensland region.
- (2) The strategic importance of Rockhampton for transport and logistics industries is fostered, given its central location at the junction of the Bruce Highway, the Capricorn Highway (through to the Landsborough Highway) and the Burnett Highway (through to the Leichhardt Highway).
- (3) The local community continues to value its traditional economic assets and natural resources and protects and conserves them and the contribution they

make to maintaining and growing the region's economic prosperity, culture, character and sense of place. The region's traditional economic sectors of tourism and agriculture (including the iconic beef industry) continue to strengthen.

- (4) Development protects and, where possible, leverages the intrinsic economic value of the region's natural resources, including productive grazing, agricultural and forestry land, extractive and mineral resources, marine and coastal resources, and existing and planned water resources, including watercourses, water bodies and groundwater.
- (5) Natural assets identified by this planning scheme are protected as they underpin current and emerging tourism opportunities and important lifestyle values for residents.

**Complies.** The proposed Health Care Facility and ancillary pharmacy will be located within the Urban Infill and Intensification area of Gracemere, encouraging economic opportunities and additional services within the region. The proposal will not compromise any natural resources or economic development.

The performance assessment of the proposal demonstrates that the development will not compromise the *Rockhampton Region Planning Scheme 2015* strategic outcomes.

### **Low-medium Density Residential Zone**

The subject site is situated within the Low-medium Density Residential Zone under the *Rockhampton Region Planning Scheme 2015*. The purpose of the Low-medium Density Residential Zone identifies that: -

- (1) *The purpose of the low-medium density residential zone code is to provide for a range and mix of dwelling types including dwelling houses and multiple dwellings supported by community related activities and small-scale services and facilities that cater for local residents.*
- (2) *The local government purpose of the zone code is to:*
  - a) *provide locations preferred for the consolidation of a range and mix of dwelling types developed at low-medium densities in the planning scheme area;*
  - b) *minimise land use conflict and ensure that uses supporting low-medium density development predominantly develop in the zone; and*
  - c) *ensure that development within the zone has appropriate standards of infrastructure and essential services.*
- (3) *The purposes of the zone will be achieved through the following overall outcomes:*
  - a) *development provides for dwellings, dual occupancies and multiple dwellings being generally a low to medium-rise built form and low-medium density;*
  - b) *infill development and greenfield areas are developed in a manner that makes efficient use of land and can provide for the development of a range and mix of accommodation and residential types;*
  - c) ***non-residential uses only occur within the zone where they:***
    - (i) ***do not compromise the residential character and existing amenity of the surrounding area;***
    - (ii) ***are small-scale and consistent with the surrounding urban form;***
    - (iii) ***primarily function to service the needs of the immediate local residential community;***
    - (iv) ***do not detract from the role and function of centres;***
    - (v) ***do not result in the expansion of a centre zone;***
    - (vi) ***in proximity to higher order roads (minor urban collector or higher); and***



- (vii) *provide for uses along Albert Street that can demonstrate a dependence on having a highway frontage, therefore limited to:*
- (A). *products predominantly displayed outside of any enclosed building and are demonstrably dependent on high visibility for attracting customers or businesses and typically include outdoor sales; or*
- (B). *products predominantly displayed inside a building, consistent with the showroom definition with gross floor area of no more than 500 square metres and is demonstrably dependent on high visibility for attracting customers or business; and*
- (C). *other uses which service and support the broad range of needs to highway users and include a food and drink outlet, service station, car wash and the like.*

This application is not considered being consistent with the purpose of the Low-medium Density Residential Zone.

### Rockhampton Region Planning Scheme Codes

- The following codes are applicable to this application:
- Low-medium Density Residential Zone Code;
- Access, Parking and Mobility Code;
- Landscape Code;
- Stormwater Management Code;
- Waste Management Code; and
- Water and Sewer Code.

An assessment has been made against the requirements of the abovementioned codes and the proposed development generally complies with the relevant Performance Outcomes and Acceptable Outcomes. An assessment of the Performance Outcome/s which the application is in conflict with, is outlined below:

<b>Low-medium Density Residential Zone Code</b>	
<b>Performance Outcome/s</b>	<b>Officer's Response</b>
PO8 The development is located and designed so that buildings and structures make provision for: <ul style="list-style-type: none"> <li>(a) an appropriate scale and size that reflects the purpose of the zone;</li> <li>(b) access to natural light and ventilation;</li> <li>(c) landscaping;</li> <li>(d) privacy and noise attenuation;</li> <li>(e) screening of materials when stored outside buildings;</li> <li>(f) integration with the streetscape and built form;</li> <li>(g) orientated to the street frontage;</li> <li>(h) landscape features of the site; and</li> <li>(i) access to open space.</li> </ul>	The proposed development does not comply with Acceptable Outcome AO8.1 (d) and AO8.3 regarding a minimum setback of 1.5 metres for a side boundary with a wall up to 4.5 metres high and not to encourage exterior walls to be more than fifteen (15) metres in length.  The proposed development will have a one (1) metres setback from the western boundary and will be built up to boundary along the southern boundary. Both walls along the western and southern boundary will exceed fifteen (15) metres in length.  Although the reduced setbacks and longer length of the exterior walls does not comply with the acceptable outcome, it is not likely that the proposed development will affect the micro-climatic condition of the neighbouring allotments to the extent that a three-storey multiple dwelling would (at 2.5 metres from the property boundary).

		<p>Therefore, although the exterior walls of the proposed development will be within the required setbacks, the wall along the western boundary will have a maximum height of 3.9 metres and the wall along the southern boundary will have a maximum height of 4.2 metres. The proposal will therefore still allow appropriate access to natural light and ventilation, enhance privacy and reduce potential noise nuisances. It can therefore be argued that the proposal is compliant with the acceptable outcomes of the Planning Scheme.</p>
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**Advertising Devices Code**

	<b>Performance Outcome/s</b>	<b>Officer's Response</b>
PO1	<p>The advertising device is designed and sited in a manner that:</p> <ul style="list-style-type: none"> <li>(a) results in a size that does not adversely impact on:                             <ul style="list-style-type: none"> <li>(i) the visual amenity and character of a building, streetscape, locality or natural landscape setting;</li> <li>(ii) the safety of a road or footpath;</li> <li>(iii) the operations of an airport; and</li> <li>(iv) the visual amenity of a main transport entrance into an urban area or township;</li> </ul> </li> <li>(b) is integrated with the design of other development on the premises;</li> <li>(c) does not visually dominate the premises, streetscape, locality or natural landscape setting;</li> <li>(d) is constructed of durable materials;</li> <li>(e) does not impede vehicle or pedestrian movements or reduce safety levels;</li> <li>(f) does not resemble traffic or road signs; and</li> <li>(g) does not result in the proliferation of unnecessary advertising.</li> </ul>	<p>The specific outcomes for a billboard sign specifies that it will be inconsistent to allow a billboard sign within a residential zone. It also highlights a maximum face area of twenty (20) square metres per side.</p> <p>It is acknowledged that billboards are not envisaged for the Low-medium Density Residential Zone, however the integration of the sign with the development creates a unique circumstance that is distinct from the typical standalone nature of billboard signage. The sign type definition for billboards recognises that such exceptional circumstances may exist where the billboard may be mounted on the side of a building.</p> <p>Given the acceptability of the health care facility as a non-residential use in the Low-medium Residential Zone, and the sign type, consideration of the ability to mount a billboard on the side of a building, the form and scale of the sign is considered an acceptable outcome for the development, and an ordinary consequence of the advertisement of the facility.</p> <p>The height of the sign will not exceed the maximum five (5) metre height limitation and the elevation of the building will not exceed the twelve (12) metre height limit for the zone. However, the face of the billboard will exceed the recommended maximum face area of twenty (20) square metres per side. The proposed billboard (forming part of the building) will have a total sign face area of forty-two (42) square metres. This is however still generally consistent with the recommended total sign face area of forty (40) square metre (as specified within the specific sign outcome provision for a</p>

		billboard sign), particularly since the total sign face area to each street frontage does not exceed the maximum total sign face area allowable.
<b>Access, Parking and Mobility Code</b>		
<b>Performance Outcome/s</b>		<b>Officer's Response</b>
PO5	<p>Provision is made for on-site vehicle parking:</p> <p>(a) to meet the demand likely to be generated by the development; and</p> <p>(b) to avoid on-street parking where that would adversely impact on the safety or capacity of the road network or unduly impact on local amenity</p>	<p>On-site car parking for a Shop requires one (1) space per twenty-five (25) square metres or part thereof of gross floor area. Health care services also requires this car parking rate, as well as one (1) space for special use vehicles and one (1) emergency ambulance space.</p> <p>Based on the proposed development's total Gross Floor Area of 1,232 square metres, a total of fifty (50) on-site car parking spaces will be required. The proposed facility is serviced by a car parking area comprising of forty-eight (48) on-site car parking spaces, including two (2) car parks for the disabled. The shortfall of two (2) spaces is expected to be offset by the likely provision of at least three (3) on-street car parking spaces as part of the development's expected road works design along Pierce Street.</p>

Based on a performance assessment of the above mentioned codes, it is determined that the proposal is acceptable and generally complies with the relevant Performance Outcomes and where there is deviation from the codes, sufficient justification has been provided.

### **Sufficient Grounds**

The proposed development cannot be considered consistent with the *Rockhampton Region Planning Scheme 2015*. Council should note, however, that pursuant to Section 326(1)(b) of the *Sustainable Planning Act 2009*, the assessment manager's decision may conflict with the planning scheme if there are sufficient grounds to justify the decision despite the conflict. Sufficient grounds to support the development are as follows:

- a) The standalone Health Care Facility is of a type and size that will not undermine the role and function of Gracemere's District Centre for retail purposes. It is further noted that the long-standing status of existing commercial development in the District Centre, and the unavailability of suitably sized and configured commercial tenancies or land parcels, compromises the fit-for-purpose design and location of the health care facility on District Centre Zoned land.
- b) The Health Care Facility delivers an essential service to the immediate Gracemere community as the predominant catchment, but secondly, will also service the health care needs of the peripheral rural areas;
- c) The proposed use does not compromise the strategic framework in the Rockhampton Region Planning Scheme 2015, which encourages improved accessibility to non-residential uses around low-medium density residential areas;
- d) Assessment of the development against the relevant zone purpose, planning scheme codes and planning scheme policies demonstrates that the proposed development will not cause significant adverse impacts on the surrounding natural environment, built environment and infrastructure, community facilities, or local character and amenity; and

- e) The proposed development does not compromise the relevant State Planning Policy 2016.

Having regard to all of the above, it is recommended Council, from a land use perspective, consider the proposed development favourably as there are considered to be sufficient grounds to justify a decision that favours the alternative land uses proposed herein.

### INFRASTRUCTURE CHARGES

Adopted Infrastructure Charges Resolution (No. 5) 2015 for non-residential development applies to the application and it falls within Charge Area 1. The Infrastructure Charges are as follows:

Column 1 Use Schedule		Column 2 Charge Area	Column 3 Adopted Infrastructure Charge		Column 4 Adopted Infrastructure Charge for stormwater network		Calculated Charge
			(\$)	Unit	(\$)	Unit	
Commercial (Retail)	All other uses as per AICN 4/14 Table 2.2.1	Areas 1	153	per m <sup>2</sup> of GFA  (436)			\$66,708.00
Essential Services	All uses as per AICN 4/14 Table 2.2.1	Areas 1	119	per m <sup>2</sup> of GFA  (796)			\$94,724.00
Commercial (Retail)  And  Essential Services		Areas 1			8.50	per m <sup>2</sup> of impervio us area  (3,023)	\$25,695.50
						Total	\$187,127.50
						Less credit	\$21,000.00
						<b>TOTAL CHARGE</b>	<b>\$166,127.50</b>

This is based on the following calculations:

- A charge of \$66,708.00 for Gross Floor Area being 436 square metres for the Shop (pharmacy);
- A charge of \$94,724.00 for Gross Floor Area being 796 square metres for the Health Care Services (medical practice and radiology);

- (c) A charge of \$25,695.50 for Impervious Area being 3,023 square metres (all roof area, hardstand areas, access, and parking areas); and
- (d) An Infrastructure Credit of \$21,000.00 for the existing residential allotment.

Therefore, a total charge of \$166,127.50 is payable and will be reflected in an Infrastructure Charges Notice for the development.

### CONSULTATION

The proposal was the subject of public notification between 16 September 2016 and 7 October 2016, as per the requirements of the *Sustainable Planning Act 2009*, and four (4) properly made submissions were received.

The following is a summary of the submissions lodged, with Council officer comments:

Issue	Officer's Response
<p>The proposed building will block the morning sun and prevailing breezes to the dwelling house on the western adjoining lot (Lot 2 on RP610380). The proposed building would be more suitably orientated towards O'Shanesy Street.</p>	<p>It is acknowledged that the dwelling house on the neighbouring property to the west of the subject site is currently afforded uninhibited morning sun and prevailing breezes, owing to the underdeveloped nature of the subject site. However, the Low-medium Density Residential Zone Code anticipates development of a higher density and larger scale than that of the proposed single-storey built form, with the former resulting in the potential for more significant impacts on residential amenity.</p> <p>The Low-medium Density Residential Zone Code provisions will result in more significant impacts to the neighbouring house, in accordance with the following acceptable outcomes:</p> <ul style="list-style-type: none"> <li>• Acceptable Outcome AO1.1 of the Low-medium Density Residential Zone Code allows buildings and structures to be twelve (12) metres above ground level.</li> <li>• Acceptable Outcome AO8.1(d) prescribes a side boundary setback of 2.5 metres for any part of a wall over 7.5 metres above ground level.</li> </ul> <p>On this basis, a three storey multiple dwelling (twelve (12) metres high from ground level) is able to be constructed with a 2.5 metre setback from the western property boundary. Such development, which is permissible in the zone, is likely to impact the neighbouring house to a greater extent than the proposed location of the development.</p>
<p>The air conditioning unit attached to the north-west elevation of the proposed building may cause a noise nuisance to the residents of the neighbouring house to the west of the site.</p>	<p>The air conditioning yard will be screened by a 1.8 metre high enclosure, which will assist in attenuating any noise emissions. Furthermore, in ensuring that noise nuisance is mitigated, the landowner will need to</p>

Issue	Officer's Response
	<p>comply with their general environmental duty under the <i>Environmental Protection Act 1994</i>, which prohibits unlawful environmental nuisance caused by noise beyond the boundaries of the development site during all stages of development and operation. This will also be conditioned as part of the approval.</p>
<p>The proposed use conflicts with the purpose of the Low-medium Density Residential Zone.</p>	<p>The purpose of the Low-medium Density Zone Code comprises two elements; the first element focuses on the provision of a range and mix of dwelling types with allowance for a low to medium density, while the second element focuses on the provision of suitable non-residential uses to support a denser residential land use pattern, being '<i>... community related activities and small-scale services and facilities that cater for local residents</i>'. The health care facility is of a low rise built form and will cater for the health care needs of the local population, which aligns with the purpose of the zone code when considering non-residential uses.</p>
<p>There is ample zoned Commercial area available within Gracemere and no community need has been demonstrated for this commercial use to be located within a residential area.</p>	<p>It is acknowledged that the site is close to the District Centre Zone, which also encompasses the Gracemere Shopping Centre. The proposed health care facility is separately defined from the primary retail activity of the District Centre in Gracemere, which is intended for weekly or fortnightly household shopping trips pursuant to Specific Outcome (29) under section 3.3.11.1 of the Strategic Framework under the <i>Rockhampton Regional Planning Scheme 2015</i>. In turn, the proposal will not detract from the Gracemere District Centre's primary role and function as a retail provider.</p> <p>While it is generally acknowledged that health care services, as a commercial land use, are envisaged for consolidation in District Centre Zones, the following observations are made about the availability of District Centre Zoned land in Gracemere for the proposed health care facility:</p> <ul style="list-style-type: none"> <li>• On the opposite side of O'Shanesy Street, all properties are occupied by either long-standing commercial and industrial land uses or dwelling houses. No land is available for the health care facility to occupy;</li> </ul>

Issue	Officer's Response
	<ul style="list-style-type: none"> <li>• The tenancies of Gracemere Shopping Centre are considered by the applicant as too small for the required scale of the medical practice. At least 600 square metres is required to accommodate the extent of practitioners needed to meet known patient demand. It is also understood that the shopping centre tenancies are not able to be re-configured to achieve the total scale and layout desired for the co-location of supporting services (radiology practice and pharmacy). Furthermore, stage two of the shopping centre is not expected to be constructed within the immediate future, which does not propose a viable alternative to the subject site and the timely delivery of the proposed health care facility; and</li> <li>• There are limited vacant land parcels available in the old town centre of Gracemere along Lawrie Street. Any vacant land parcels are either too small or of an irregular configuration with poor access, which would compromise a functional site layout. The balance of land parcels are either occupied by long-standing businesses, or are of an insufficient built scale and form to accommodate the desired extent of proposed health care services.</li> </ul> <p>The subject site's Strategic Framework designation in the Urban Infill and Intensification Area, and its location in the Low-medium Density Residential Zone, both prescribe complementary specific and overall outcomes that support the accommodation of non-residential uses in instances where accessibility is improved to services that are key to basic needs (such as health care) and are of an appropriate scale.</p>
<p>The development conflicts with a number of Performance Outcomes within the Planning Scheme.</p>	<p>Based on a performance assessment of the applicable codes within the <i>Rockhampton Region Planning Scheme 2015</i>, it is determined that the proposal is acceptable and generally complies with the relevant Performance Outcomes and where there is deviation from the codes, sufficient justification has been provided.</p>

Issue	Officer's Response
<p>The amenity impacts of the development have not been considered within the design and do not reflect the purpose of the low-medium density residential zone.</p>	<p>In accordance with the Low-medium Density Residential Zone Code, non-residential uses may establish in the zone where they meet a certain set criteria. The type of non-residential land use is not limited by the overall outcomes, and commercial development would reasonably be expected to locate in the zone in order to support the community with an appropriate standard of services and facilities, as per the purpose of the zone code. The provision of health care services is particularly relevant in this instance given it is an essential resource for any community and can therefore be perceived as an acceptable type of non-residential land use in the zone.</p> <p>Furthermore, the zone code also focuses on the physical attributes of a proposal within its urban context, requiring non-residential uses to be <i>'small-scale and consistent with the surrounding urban form'</i>, as well as more general overall outcomes that relate to an aesthetically pleasing urban environment, such as <i>'a built form that creates an attractive and pedestrian oriented streetscape...'</i></p> <p>In the instance of the subject site's surrounding urban form, development along and around O'Shanesy Street is characterised by a mix of land uses, including the Gracemere State School, a tyre repair and mechanic workshop and other retail/commercial/industrial premises with large sheds (for example, an irrigation system business and auctioneers yard for rural goods and machinery). A small block of detached houses is to the south of the site, mostly high set. The only consistent character of the surrounding urban form is its low density and older building stock. Similarly, the proposed development is of a single storey / low density, and achieves a site coverage and plot ratio that is compliant with the Planning Scheme. Its commercial architecture is softened by green open space and perimeter gardens beds at the front of the premises, presenting to the site's prominent street corner and road frontages, which reflects the leafy character of nearby houses and does not result in an over-bearing built form in the context of the streetscape.</p>



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Issue	Officer's Response
	The development is therefore considered consistent with the zone code's purpose for non-residential land uses in the zone that are aesthetically pleasing and of an appropriate physical scale.

**REFERRALS**

The proposal did not trigger any referral agency.

**CONCLUSION**

The proposed development is considered to be consistent with the relevant elements of the Planning Scheme and does not conflict with relevant State Government planning instruments. Although the proposed Health Care Facility and ancillary Shop is regarded as being an inconsistent use to the purpose of the Low-medium Density Residential Zone, sufficient planning grounds are provided to support the development sought over the site. It is considered that the proposed development has adequate merit to be considered favourably, subject to conditions.

**D/131-2016 - DEVELOPMENT  
APPLICATION FOR A MATERIAL  
CHANGE OF USE FOR HEALTH CARE  
SERVICES AND A SHOP AND FOR  
OPERATIONAL WORKS FOR  
ADVERTISING DEVICES (AWNING  
FASCIA SIGN, WALL SIGN AND  
BILLBOARD SIGN)**

**Locality Plan**

**Meeting Date: 8 November 2016**

**Attachment No: 1**

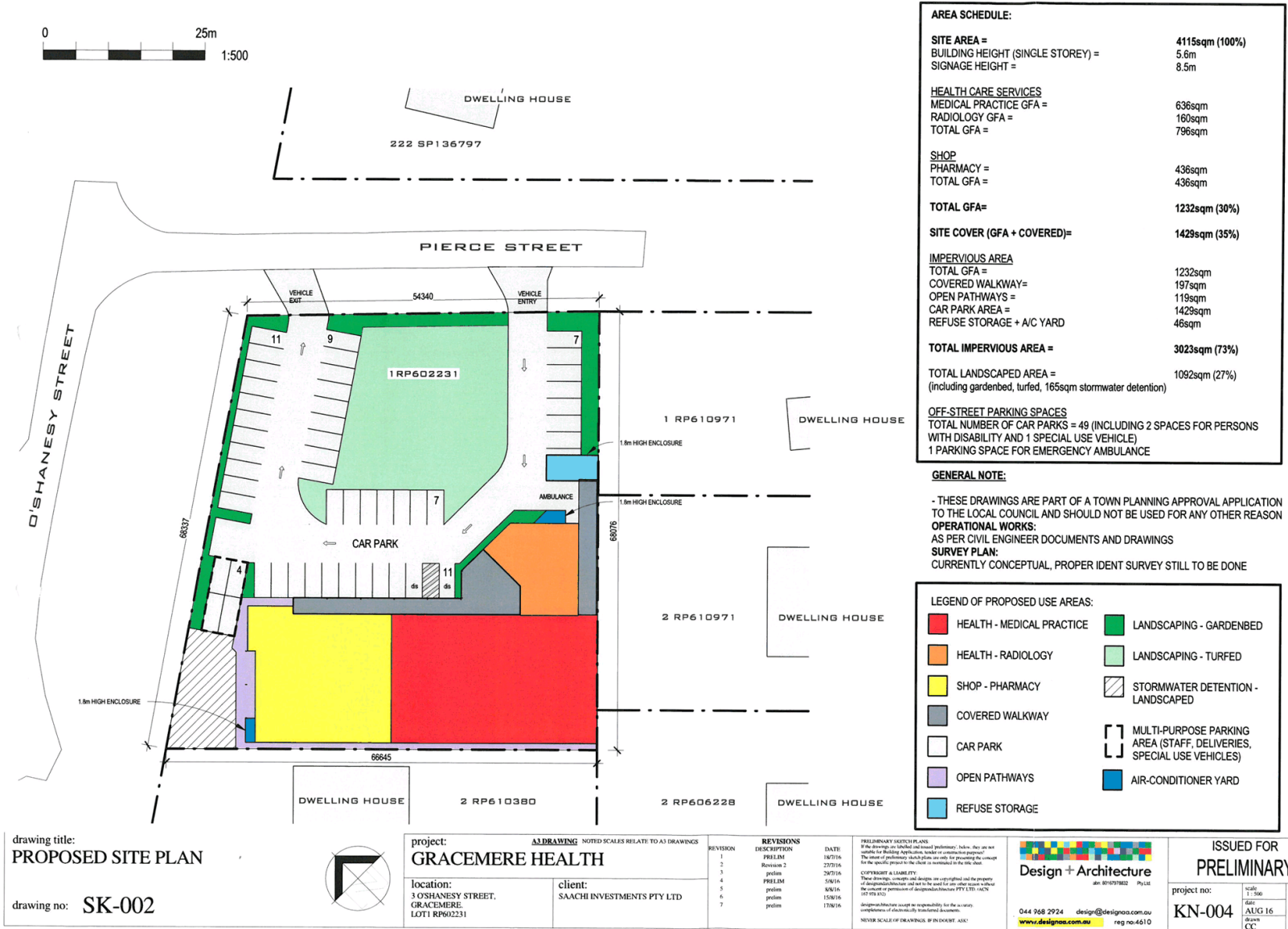


**D/131-2016 - DEVELOPMENT  
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**Site Plan**

**Meeting Date: 8 November 2016**

**Attachment No: 2**



**AREA SCHEDULE:**

<b>SITE AREA =</b>	<b>4115sqm (100%)</b>
<b>BUILDING HEIGHT (SINGLE STOREY) =</b>	<b>5.8m</b>
<b>SIGNAGE HEIGHT =</b>	<b>8.5m</b>
<b>HEALTH CARE SERVICES</b>	
MEDICAL PRACTICE GFA =	636sqm
RADIOLOGY GFA =	160sqm
TOTAL GFA =	796sqm
<b>SHOP</b>	
PHARMACY =	436sqm
TOTAL GFA =	436sqm
<b>TOTAL GFA=</b>	<b>1232sqm (30%)</b>
<b>SITE COVER (GFA + COVERED)=</b>	<b>1429sqm (35%)</b>
<b>IMPERVIOUS AREA</b>	
TOTAL GFA =	1232sqm
COVERED WALKWAY=	197sqm
OPEN PATHWAYS =	119sqm
CAR PARK AREA =	1429sqm
REFUSE STORAGE + A/C YARD	46sqm
<b>TOTAL IMPERVIOUS AREA =</b>	<b>3023sqm (73%)</b>
<b>TOTAL LANDSCAPED AREA =</b> (including gardenbed, turf, 165sqm stormwater detention)	<b>1092sqm (27%)</b>
<b>OFF-STREET PARKING SPACES</b>	
TOTAL NUMBER OF CAR PARKS = 49 (INCLUDING 2 SPACES FOR PERSONS WITH DISABILITY AND 1 SPECIAL USE VEHICLE)	
1 PARKING SPACE FOR EMERGENCY AMBULANCE	

**GENERAL NOTE:**

- THESE DRAWINGS ARE PART OF A TOWN PLANNING APPROVAL APPLICATION TO THE LOCAL COUNCIL AND SHOULD NOT BE USED FOR ANY OTHER REASON

**OPERATIONAL WORKS:**  
AS PER CIVIL ENGINEER DOCUMENTS AND DRAWINGS

**SURVEY PLAN:**  
CURRENTLY CONCEPTUAL, PROPER IDENT SURVEY STILL TO BE DONE

**LEGEND OF PROPOSED USE AREAS:**

<span style="color: red;">■</span> HEALTH - MEDICAL PRACTICE	<span style="color: green;">■</span> LANDSCAPING - GARDENBED
<span style="color: orange;">■</span> HEALTH - RADIOLOGY	<span style="color: lightgreen;">■</span> LANDSCAPING - TURFED
<span style="color: yellow;">■</span> SHOP - PHARMACY	STORMWATER DETENTION - LANDSCAPED
<span style="color: grey;">■</span> COVERED WALKWAY	MULTI-PURPOSE PARKING AREA (STAFF, DELIVERIES, SPECIAL USE VEHICLES)
<span style="color: white;">■</span> CAR PARK	<span style="color: blue;">■</span> AIR-CONDITIONER YARD
<span style="color: purple;">■</span> OPEN PATHWAYS	<span style="color: lightblue;">■</span> REFUSE STORAGE

<p>drawing title: <b>PROPOSED SITE PLAN</b></p> <p>drawing no: <b>SK-002</b></p>		<p>project: <b>GRACEMERE HEALTH</b></p> <p>location: 3 OSHANESY STREET, GRACEMERE, LOT1 RP602231</p> <p>client: SAACHI INVESTMENTS PTY LTD</p>	<p><b>ALD DRAWING</b> NOTED SCALES RELATE TO A3 DRAWINGS</p> <table border="1"> <thead> <tr> <th>REVISION</th> <th>DESCRIPTION</th> <th>DATE</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>PRELIM</td> <td>18/7/16</td> </tr> <tr> <td>2</td> <td>Revision 2</td> <td>27/7/16</td> </tr> <tr> <td>3</td> <td>prelim</td> <td>29/7/16</td> </tr> <tr> <td>4</td> <td>PRELIM</td> <td>5/8/16</td> </tr> <tr> <td>5</td> <td>prelim</td> <td>8/8/16</td> </tr> <tr> <td>6</td> <td>prelim</td> <td>15/8/16</td> </tr> <tr> <td>7</td> <td>prelim</td> <td>17/8/16</td> </tr> </tbody> </table>	REVISION	DESCRIPTION	DATE	1	PRELIM	18/7/16	2	Revision 2	27/7/16	3	prelim	29/7/16	4	PRELIM	5/8/16	5	prelim	8/8/16	6	prelim	15/8/16	7	prelim	17/8/16	<p><b>PRELIMINARY SKETCH PLANS</b> If the drawings are marked as 'preliminary', they are not suitable for building applications, tender or contract purposes. The client or purchaser should refer to the contract for the specific project to the client is recommended in this case.</p> <p><b>COPYRIGHT AND LIABILITY:</b> These drawings, concepts and designs are copyright and the property of Design + Architecture and shall be used for any other purpose without the consent or permission of Design + Architecture PTY LTD (ACN 167 978 455)</p> <p>Design + Architecture accept no responsibility for the accuracy or completeness of drawings or technical documents.</p> <p>NEVER SCALE UP DRAWINGS IF IN DOUBT. ALWAYS</p>	<p>044 908 2924 design@design+arch.com.au www.design+arch.com.au reg no.46110</p>	<p><b>ISSUED FOR PRELIMINARY</b></p> <table border="1"> <tr> <td>project no:</td> <td>scale:</td> <td>rev</td> </tr> <tr> <td><b>KN-004</b></td> <td>1:1500</td> <td></td> </tr> <tr> <td></td> <td>DATE:</td> <td></td> </tr> <tr> <td></td> <td><b>AUG 16</b></td> <td><b>7</b></td> </tr> <tr> <td></td> <td>BY:</td> <td></td> </tr> <tr> <td></td> <td>CC</td> <td></td> </tr> </table>	project no:	scale:	rev	<b>KN-004</b>	1:1500			DATE:			<b>AUG 16</b>	<b>7</b>		BY:			CC	
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**D/131-2016 - DEVELOPMENT  
APPLICATION FOR A MATERIAL  
CHANGE OF USE FOR HEALTH CARE  
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BILLBOARD SIGN)**

**Floor Plan**

**Meeting Date: 8 November 2016**

**Attachment No: 3**



drawing title:  
**FLOOR PLAN**

drawing no: **SK-003**



project:  
**GRACEMERE HEALTH**

location:  
3 OSHANESY STREET,  
GRACEMERE,  
LOT1 RP602231

client:  
SAACHI INVESTMENTS PTY LTD

**ADRAWING** NOTED SCALES RELATE TO A3 DRAWINGS

REVISION	DESCRIPTION	DATE
1	PRELIM	18/7/16
2	Revision 2	27/7/16
3	prelim	29/7/16
4	PRELIM	5/8/16
5	prelim	8/8/16
6	prelim	15/8/16
7	prelim	17/8/16

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**ISSUED FOR PRELIMINARY**

project no:	scale:	rev
<b>KN-004</b>	1:300	<b>7</b>
	date:	
	<b>AUG 16</b>	
	drawn:	
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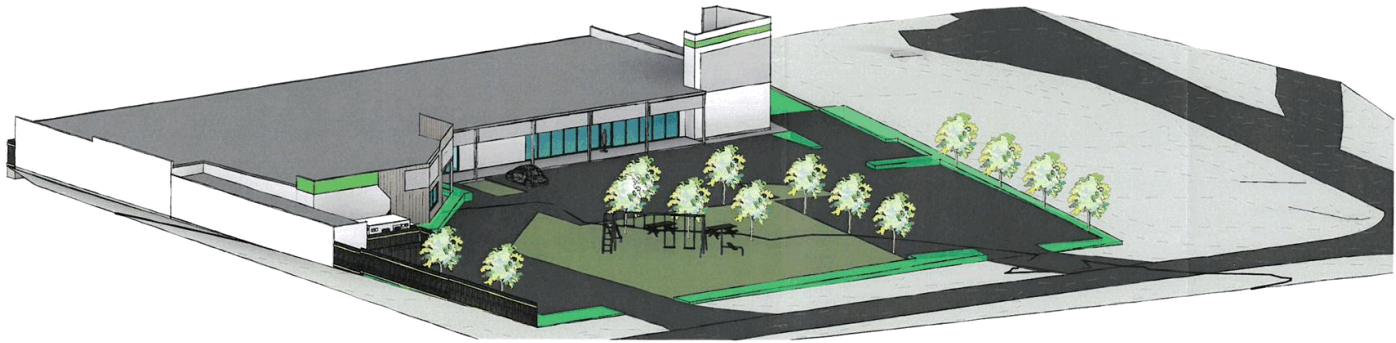
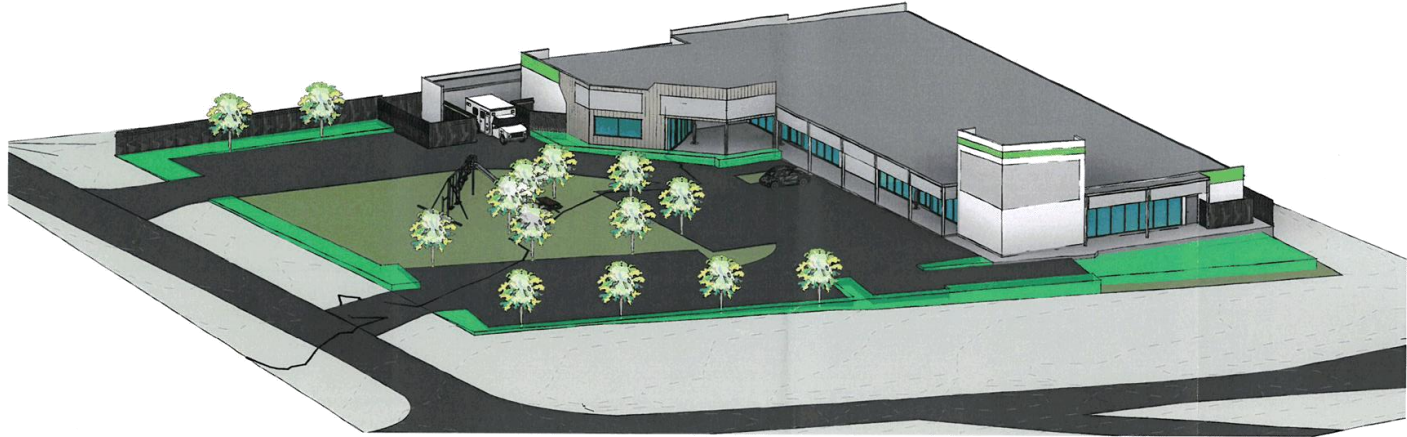
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**Elevations**

**Meeting Date: 8 November 2016**

**Attachment No: 4**





drawing title:  
3D VIEWS

drawing no: 3D-003

project: **GRACEMERE HEALTH**

location:  
3 OSHANEY STREET,  
GRACEMERE  
LOT1 RP602231

client:  
SAACHI INVESTMENTS PTY LTD

**A3DRAWING** NOTED SCALES RELATE TO A3 DRAWINGS

REVISION	DESCRIPTION	DATE
4	PRELIM	5/6/16
5	prelim	8/6/16
6	prelim	15/6/16
7	prelim	17/6/16

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ISSUED FOR  
**PRELIMINARY**

project no:	scale:	rev
KN-004	AUG 16	7
Author	Drawn	

**11.4 ADOPTION OF 2015/16 ANNUAL REPORT**

**File No:** 5042  
**Attachments:** 1. 2015/2016 Annual Report  
**Authorising Officer:** Evan Pardon - Chief Executive Officer  
**Author:** Ross Cheesman - Deputy CEO/General Manager  
Corporate Services

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**SUMMARY**

*Content for the 2015/16 Annual Report is submitted for Council's consideration and approval.*

**OFFICER'S RECOMMENDATION**

THAT in accordance with the *Local Government Act 2009*, the *Local Government Regulation 2012* and the *Water Supply (Safety and Reliability) Act 2008*, the 2015/16 Annual Report as presented be adopted.

**COMMENTARY**

The *Local Government Act 2009* and *Local Government Regulation 2012* require Council to prepare an Annual Report and adopt the report within one month after the day the Auditor-General gives the Auditor-General's report about the local government's financial statement for the financial year to the local government. Council received the Auditor-General's report on 19 October 2016.

Attached for Council's consideration is the 2015/16 Annual Report, which incorporates the Annual Reports for Council's commercial business activities Fitzroy River Water (FRW), Rockhampton Regional Waste and Recycling (RRWR) and the Rockhampton Airport.

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

**LEGISLATIVE CONTEXT**

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

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

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

**CONCLUSION**

The 2015/16 Annual Report has been prepared in accordance with legislation and it is recommended that the attached annual report be adopted.

# **ADOPTION OF 2015/16 ANNUAL REPORT**

## **2015/2016 Annual Report**

**Meeting Date: 8 November 2016**

**Attachment No: 1**

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

For the year ended 30 June 2016

The Community Financial Report provides an easy to read summary and analysis of Council's general purpose financial statements for the 2015/2016 financial year.

**Simplified Statement of Financial Position (Balance Sheet) as at 30 June 2016**

	<b>\$M</b>
How much Council has in the bank	106.5
How much Council owns	2,409.6
How much Council is owed	14.7
<b>Total Assets</b>	<b>2530.8</b>
How much Council owes suppliers and employees	33.6
How much Council has set aside for the rehabilitation of parks, quarries and landfills	11.4
How much Council has borrowed	154.0
<b>Total Liabilities</b>	<b>199.0</b>
<b>Net Community Assets (Wealth)</b>	<b>2331.8</b>

The simplified balance sheet shows the value of the community's assets as at 30 June 2016. It details the total of Council assets and how much Council owes to suppliers and to Queensland Treasury Corporation.

**Simplified Statement of Comprehensive Income for the year ended 30 June 2016**

Council recorded an operational surplus of \$21.2 million for 2015/16 whereas at the start of the financial year Council had budgeted for a \$7.5 million surplus. This was revised in December to a budgeted surplus of \$14.5 million. The increase in budget surplus was mainly due to the receipt of grant revenue and insurance recoveries in relation to Tropical Cyclone Marcia. The overall net impact of Tropical Cyclone Marcia on operational revenue and expenditure estimated for 2015/16 was a \$15 million improvement to the operational surplus, partially offsetting the negative impacts Tropical Cyclone Marcia had on Council's 2014/15 financial results.

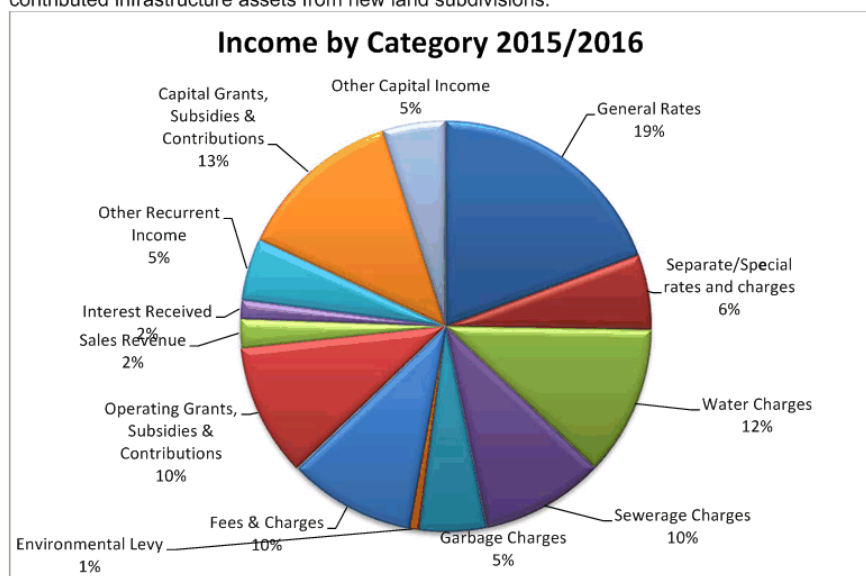
The overall net improvement to Council's financial position in 2015/16 was an increase of \$229.5 million, of which \$190.0 million resulted from the revaluation of Council's non-current assets, primarily road assets. Council has applied a State-wide system of Road Valuation that has been developed by the Local Government Association of Queensland, which should allow for comparable values of Local Government road assets across the state.

	\$M
<b>Rockhampton Regional Council</b>	
<b>Operational Results:</b>	
Total operating revenue	196.6
Less operating expenses:	
Employee benefits	(69.7)
Materials and services	(46.8)
Finance costs	(9.2)
Depreciation and amortisation	(49.7)
<b>Net Operational Result</b>	<b>21.2</b>
<b>Other Results:</b>	
Capital grants, subsidies, contributed assets and other capital income	43.4
Less write-off of assets and other capital expenses	(25.1)
Plus increase in non-current asset values on revaluation	190.0
<b>Net Other Results</b>	<b>208.3</b>
<b>Comprehensive Income for the Year – Increase in Community Equity (Wealth)</b>	<b>229.5</b>

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

To provide services to the community, Council must collect income. Council's total income in 2015/16 was \$239.9 million. Rates, levies and utility charges are Council's principal source of revenue and represent approximately 52.9% of Council's revenue in 2015/16. 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 2015/2016 financial year, 13% of Council's total income was comprised of capital revenue (capital grants, subsidies and contributions). Approximately one third of this 'income' was non-monetary in the form of contributed infrastructure assets from new land subdivisions.



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

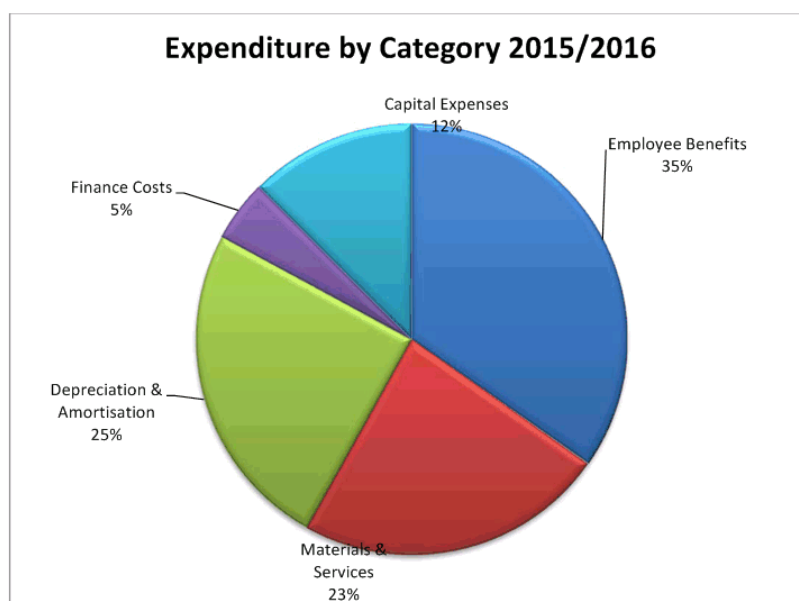
Council's operational and capital expenses as per the Statement of Comprehensive Income totalled \$200.5 million for the 2015/16 financial year. The three largest items of Council's expenditure are employee benefits (35%), depreciation and amortisation (25%), and materials and services (23%). Council's 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 requires a large workforce to provide the many and diverse services to our community. We also need to plan and monitor for the future of the Rockhampton Region in respect of developments, so that our lifestyle is maintained and improved.

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

Council's expenditure on materials and services decreased in the 2015/16 financial year. In the 2014/15 year Council incurred substantial costs for the clearing and removal of debris and in providing community assistance following Tropical Cyclone Marcia.

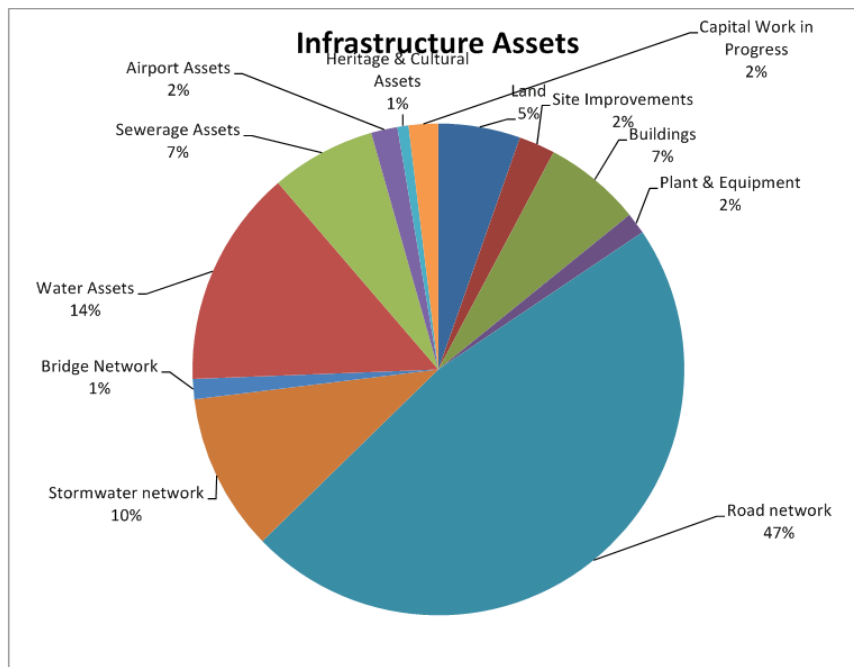
Depreciation and amortisation is the method of allocating the cost of an asset over the asset's estimated useful life. Through the accurate calculation and allocation of depreciation and amortisation, we are confident that we will have the necessary funds to renew our existing assets.



### What are our Assets?

The total value of Council's assets at the end of 2015/16 was \$2,531 million. Infrastructure assets such as roads and drainage, water and sewerage, buildings and land comprise 95% of total assets, with the remaining 5% being mainly comprised of cash held in bank accounts and investments and money owed to Council from its customers.

The following graph details the \$2,406 million of community infrastructure owned and managed by Council.



### Investment in Infrastructure - Capital Works

Capital works expenditure for the 2015/16 year totalled \$64.4 million. The Riverfront Revitalisation project which is well underway will transform the upper and lower bank of Quay Street. Remediation work was undertaken for the restoration and improvement of Pilbeam Drive to rectify damage caused by Tropical Cyclone Marcia. Council's commitment to sound asset management practices remains strong, as evidenced by the funding of new assets and the renewal of existing assets during the 2015-16 financial year.

Significant capital projects undertaken during 2015/16 were:

- Riverbank Revitalisation
- Pilbeam Drive (Mt Archer) - Tropical Cyclone Marcia Restoration
- Upgrade to the Glenmore Water Treatment Plant
- Reseal and rehabilitation program to road and drainage network
- Replacement and upgrade program of the Region's water and sewerage mains
- North Rockhampton Flood Mitigation
- Airport runway lighting upgrades
- Augmentation of the Gracemere Sewerage Treatment Plant
- Extension of the Mt Morgan reticulated sewerage system
- Restoration of the Fitzroy River Barrage crane

**What do we Owe?**

Liabilities are amounts that Council owes to others totalling \$199 million at 30 June 2016. Council's liabilities comprise loan borrowings, amounts owing to suppliers for goods and services, amounts owing to employees for leave entitlements, and obligations to rehabilitate parks, quarries and landfills.

Council's borrowings at the end of 2015/16 totalled \$154 million, a decrease of \$2.1 million from the previous financial year. The level of Council's debt is regularly reviewed as a component of our Long Term Financial Forecast. Interest expense on loans totalled 4.3% of total operating income, which is within the sustainable range provided by the Department of Local Government. Council is committed to undertake a responsible borrowing program to fund new major assets to service the community's needs.

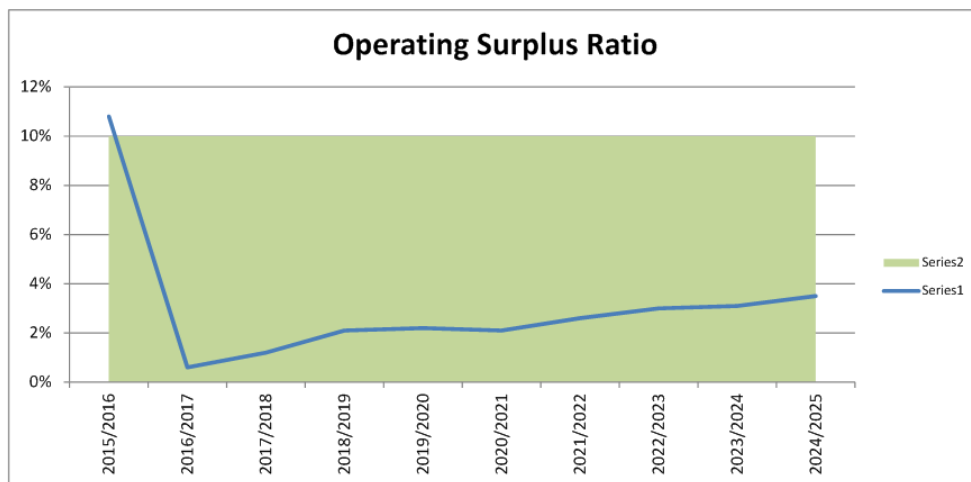
**Financial Sustainability Ratios**

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

There are three measure of financial sustainability specified in the *Local Government Regulation 2012*. These have been calculated for the 2015/16 year and are shown below together with projected ratios as per Council's adopted Long Term Financial Forecast.

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

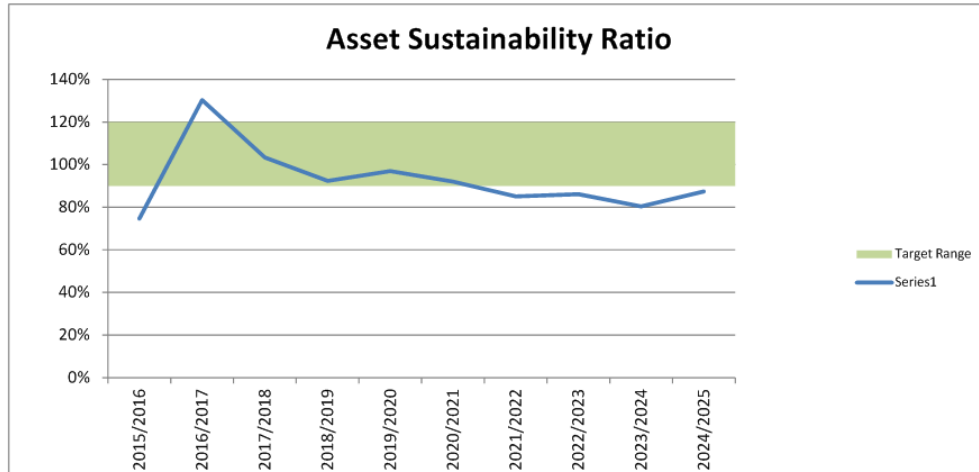
This ratio indicates the relationship between Council's operational result and total operating income, expressed as a percentage. It is an indication of Council's ability to fund its day-to-day operations. A result of up to 10% means that surplus income is available after Council has paid for the cost of delivering all its services to the community. Council's ratio of 10.8% for 2015/16 was strongly influenced by the receipt of grants and insurance monies that related to the previous year's expenditure on Tropical Cyclone Marcia recovery. The net positive impact of Tropical Cyclone Marcia on the operational result in 2015/16 is estimated at \$15 million; removing this impact would result in Council's 'normal' operating surplus ratio for 2015/16 being closer to 3%. Council's long-term financial forecast shows the operating surplus ratio moving back into the target range.





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

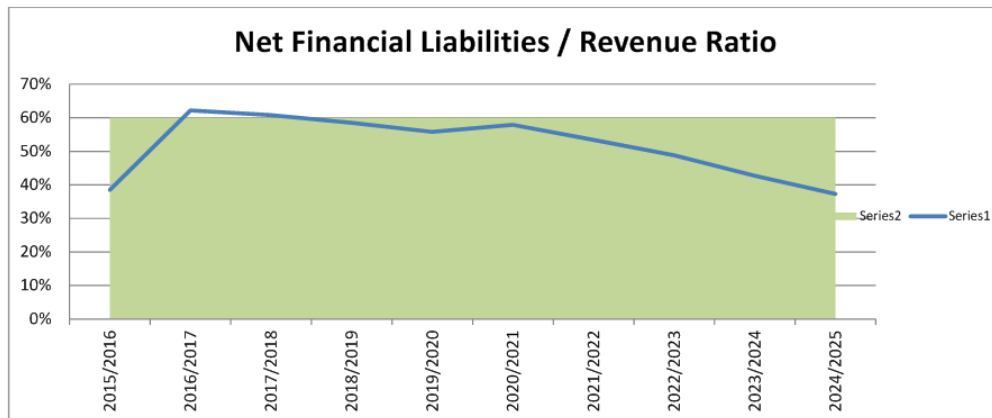
This ratio indicates whether Council is renewing or replacing its existing assets at the same time that its overall stock of assets is wearing out, expressed as a percentage. Council's asset management plans continue to place emphasis on renewal works and at each annual budget Council has to determine an appropriate balance between renewal projects as well as meeting the requirements of our growing community. Council's ratio of 74.65% in the 2015/16 year indicates more expenditure was invested into growth capital expenditure which resulted in the ratio falling below the target level. The forward projections show the ratio mainly within the target range with an average ratio of 94.9% over the forecast period.



**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 38.5%. Whilst the short-term forecast is marginally outside the target ratio, it is managed and controlled to move within the target benchmark range over the remainder of the forecast period.



**Looking to the Future**

Following the impacts of Tropical Cyclone Marcia, Council is keen to make opportunities for new and transformational projects that will benefit the city and region. The forward capital program incorporates the Riverbank development project which will transform the Central Business District as well as the upgrade and rectification of Kershaw Gardens. Where opportunities arise, the projects will be contracted out to stimulate the local economy. Council is also making substantial investment into Economic Development Initiatives to progress every area possible that will translate to improved economic outcomes for our community.

On-going long term cash flow planning, sound budgeting and extensive strategic financial planning feature significantly on Council's calendar. These actions provide Council the flexibility to adjust to the needs of the community whilst ensuring the sustainability of the organisation as the landscape continues to change.

**FINANCIAL STATEMENTS (s183 LGR 2012)****ROCKHAMPTON REGIONAL COUNCIL****Financial statements**For the year ended 30 June 2016

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**Table of contents**

	<b>Statement of Comprehensive Income</b>
	<b>Statement of Financial Position</b>
	<b>Statement of Changes in Equity</b>
	<b>Statement of Cash Flows</b>
Note	<b>Notes to the financial statements</b>
1	Significant accounting policies
2	Analysis of results by function
3	Revenue analysis
4	Grants, subsidies and contributions
5	Capital income
6	Employee benefits
7	Materials and services
8	Finance costs
9	Depreciation and amortisation
10	Capital expenses
11	Cash and cash equivalents
12	Investments
13	Trade and other receivables
14	Property, plant and equipment
15	Fair value measurements
16	Trade and other payables
17	Provisions
18	Borrowings
19	Asset revaluation surplus
20	Commitments for expenditure
21	Events after the reporting period
22	Contingent liabilities
23	Superannuation
24	Trust funds
25	Reconciliation of net result attributable to Council to net cash flow from operating activities
26	Contingent assets
27	Accounting for natural disaster events
28	Change in accounting estimate
29	Financial instruments
30	National competition policy
31	Controlled entities that have not been consolidated
	<b>Management Certificate</b>
	<b>Independent Auditor's Report</b>

## ROCKHAMPTON REGIONAL COUNCIL

## Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Income</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3(a)	126,821,272	121,552,306
Fees and charges	3(b)	23,979,439	25,646,755
Interest received		3,570,242	3,631,344
Sales revenue		5,461,208	8,046,934
Other recurrent income	3(c)	11,660,925	9,478,197
Grants, subsidies and contributions	4(a)	25,066,311	17,604,985
		<u>196,559,397</u>	<u>185,960,521</u>
<b>Capital revenue</b>			
Grants, subsidies and contributions	4(b)	31,500,103	30,931,613
<b>Total revenue</b>		<u>228,059,500</u>	<u>216,892,134</u>
<b>Capital income</b>	5	11,889,767	728,055
<b>Total income</b>		<u>239,949,267</u>	<u>217,620,189</u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	(69,671,171)	(68,016,659)
Materials and services	7	(46,781,431)	(74,282,168)
Finance costs	8	(9,200,198)	(9,015,711)
Depreciation and amortisation	9	(49,744,453)	(44,929,775)
		<u>(175,397,253)</u>	<u>(196,244,313)</u>
<b>Capital expenses</b>	10	(25,055,363)	(8,173,436)
<b>Total expenses</b>		<u>(200,452,616)</u>	<u>(204,417,749)</u>
<b>Net result attributable to Council</b>		<u>39,496,651</u>	<u>13,202,440</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Increase in asset revaluation surplus	19	189,964,603	347,579,527
<b>Total other comprehensive income for the year</b>		<u>189,964,603</u>	<u>347,579,527</u>
<b>Total comprehensive income for the year</b>		<u>229,461,254</u>	<u>360,781,967</u>

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

## ROCKHAMPTON REGIONAL COUNCIL

Statement of Financial Position  
As at 30 June 2016

	Note	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	11	31,538,004	48,701,188
Investments	12	75,000,000	30,000,000
Trade and other receivables	13	14,681,641	18,502,090
Inventories		1,830,573	1,784,242
		<u>123,050,218</u>	<u>98,987,520</u>
Assets classified as held for sale and transfer		320,000	321,454
<b>Total current assets</b>		<u>123,370,218</u>	<u>99,308,974</u>
<b>Non-current assets</b>			
Property, plant and equipment	14	2,406,033,846	2,211,051,998
Intangible assets		1,438,053	1,692,788
<b>Total non-current assets</b>		<u>2,407,471,899</u>	<u>2,212,744,786</u>
<b>TOTAL ASSETS</b>		<u>2,530,842,117</u>	<u>2,312,053,760</u>
<b>Current liabilities</b>			
Trade and other payables	10	16,924,320	20,278,748
Provisions	17	16,177,635	18,744,441
Borrowings	18	18,171,619	15,227,724
Other liabilities		543,344	583,666
<b>Total current liabilities</b>		<u>51,816,918</u>	<u>54,834,579</u>
<b>Non-current liabilities</b>			
Provisions	17	8,931,404	11,651,427
Borrowings	18	135,860,501	140,952,561
Other liabilities		2,406,813	2,249,966
<b>Total non-current liabilities</b>		<u>147,198,718</u>	<u>154,853,954</u>
<b>TOTAL LIABILITIES</b>		<u>199,015,636</u>	<u>209,688,533</u>
<b>NET COMMUNITY ASSETS</b>		<u>2,331,826,481</u>	<u>2,102,365,227</u>
<b>Community equity</b>			
Retained surplus		1,336,817,345	1,297,320,694
Asset revaluation surplus	10	995,009,136	805,044,533
<b>TOTAL COMMUNITY EQUITY</b>		<u>2,331,826,481</u>	<u>2,102,365,227</u>

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

## ROCKHAMPTON REGIONAL COUNCIL

Statement of Changes in Equity  
For the year ended 30 June 2016

	Total		Retained surplus		Asset revaluation surplus Note 19	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
<b>Balance at beginning of year</b>	2,102,365,227	1,741,583,260	1,297,320,694	1,284,118,254	805,044,533	457,465,006
Net result attributable to Council	39,496,651	13,202,440	39,496,651	13,202,440	-	-
Other comprehensive income for the year						
Adjustment to asset revaluation surplus:						
Property, plant & equipment	189,964,603	347,579,527	-	-	189,964,603	347,579,527
<b>Total comprehensive income for year</b>	<b>229,461,254</b>	<b>360,781,967</b>	<b>39,496,651</b>	<b>13,202,440</b>	<b>189,964,603</b>	<b>347,579,527</b>
<b>Balance at end of year</b>	<b>2,331,826,481</b>	<b>2,102,365,227</b>	<b>1,336,817,345</b>	<b>1,297,320,694</b>	<b>995,009,136</b>	<b>805,044,533</b>

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

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## ROCKHAMPTON REGIONAL COUNCIL

## Statement of Cash Flows

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Rates, levies and charges		126,184,916	122,110,967
Fees and charges		23,979,440	25,646,755
Grants, subsidies and contributions		25,066,311	14,321,534
Interest received		3,264,066	3,806,861
Other income		22,199,275	20,684,453
Net GST (recoverable)/paid		271,699	(553,758)
Payments to suppliers		(49,225,407)	(64,852,760)
Payments to employees		(69,793,175)	(67,674,657)
Interest expense		(8,542,030)	(8,350,822)
<b>Net cash inflow from operating activities</b>	25	<u>73,405,095</u>	<u>45,138,573</u>
<b>Cash flows from investing activities</b>			
Government subsidies and grants		16,775,200	7,540,276
Capital contributions		3,775,659	4,541,726
Payments for property, plant and equipment		(66,148,277)	(68,127,378)
Payments for intangible assets		(442,531)	(231,503)
Net transfer (to) / from cash investments	12	(45,000,000)	27,000,000
Proceeds from sale of property plant and equipment		2,619,835	4,662,908
Transfer on restructure of local government		-	(10,381,261)
<b>Net cash outflow from investing activities</b>		<u>(88,420,114)</u>	<u>(34,995,232)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	18	12,969,708	12,678,534
Repayment of borrowings	18	(15,117,873)	(14,401,585)
<b>Net cash outflow from financing activities</b>		<u>(2,148,165)</u>	<u>(1,723,051)</u>
<b>Net (decrease) / increase in cash and cash equivalents held</b>		<u>(17,163,184)</u>	<u>8,420,290</u>
Cash and cash equivalents at beginning of reporting year		48,701,188	40,280,898
<b>Cash and cash equivalents at end of reporting year</b>	11	<u>31,538,004</u>	<u>48,701,188</u>

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

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016**1 Significant accounting policies****1.1 Basis of preparation**

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

**Historic cost convention**

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

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

**Recurrent/capital classification**

Revenue and expenditure are presented as "recurrent" or "capital" in the Statement of Comprehensive Income on the following basis:

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.

The following transactions are classified as either "Capital Income" or "Capital Expenses" depending on whether they result in accounting gains or losses:

- disposal of non-current assets
- discount rate adjustments to restoration provisions

All other revenue and expenses have been classified as "recurrent".

**1.2 Statement of compliance**

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

**1.3 Constitution**

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

**1.4 Date of authorisation**

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

**1.5 Currency**

The Council uses the Australian Dollar as its functional currency and its presentation currency.

**1.6 Adoption of new and revised Accounting Standards**

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

Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of *AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Generally Council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted Council from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the Fair Value hierarchy.



## ROCKHAMPTON REGIONAL COUNCIL

## Notes to the financial statements

For the year ended 30 June 2016

**Standards that are not yet effective**

At the date of authorisation of the financial report, AASB 9 *Financial Instruments* and AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* are the only new accounting standards with a future application date that are expected to have a material impact on Council's financial statements.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

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

AASB 9 *Financial Instruments*, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

As a result, Council will be required to measure its financial assets, at fair value. Information about fair value is disclosed in Note 15.

**AASB 124 Related Party Disclosures (effective from 1 July 2016)**

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to Council. This means that Council will disclose more information about related parties and transactions with those related parties.

**AASB 15 Revenue and Contracts with Customers (effective from 1 January 2018)**

Council is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 *Revenue from Contracts with Customers* will have a material impact. To date no impact has been identified.

AASB 15 is effective from 1 January 2018 and will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

**1.7 Critical accounting judgements and key sources of estimation uncertainty**

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

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

Valuation of property, plant and equipment - Note 1.14 (c) and Note 14  
 Impairment of property, plant and equipment - Note 1.15  
 Depreciation - Note 1.14 (e) and Note 9  
 Provisions - Note 1.17 (d), Note 1.19 and Note 17  
 Contingencies - Note 22 and Note 26  
 Capital income - Note 5  
 Capital expenses - Note 10

**1.8 Reporting Entities**

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

Information about controlled entities that have not been consolidated, because they are not considered material, is included in Note 31.

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016**1.9 Revenue**

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

**(a) Rates, levies and charges**

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

**(b) Grants and subsidies**

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

Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements. Council does not currently have any reciprocal grants.

**(c) Non-cash contributions**

Non-cash contributions with a value in excess of the asset recognition thresholds, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park assets are recognised as revenue when the development becomes "on maintenance" (i.e. Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

**(d) Cash contributions**

Council receives cash contributions from property developers to construct assets such as roads and footpaths and to connect new property developments to water and sewerage networks in the local government area. Where agreements between Council and developers relating to these contributions are determined to fall within the scope of AASB Interpretation 10 *Transfers of Assets from Customers* these contributions are recognised as revenue when the related service obligations are fulfilled.

Developers also pay infrastructure charges towards the cost of constructing existing and proposed water supply and sewerage headworks in accordance with Council's planning scheme policies (headworks include pumping stations, treatment works, mains, sewers and water pollution control works). Infrastructure charges in relation to water supply and sewerage headworks are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with these contributions. Consequently, the infrastructure charges are recognised as income when received.

**(e) Sales revenue**

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

Council generates revenue from a number of services including contracts for road and earthworks. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

**(f) Fees and charges**

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

## ROCKHAMPTON REGIONAL COUNCIL

## Notes to the financial statements

For the year ended 30 June 2016

**(g) Other recurrent income**

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

**1.10 Financial assets and financial liabilities**

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

Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

**Financial assets**

Cash and cash equivalents (Note 1.11)

Investments (Note 1.12)

Trade and other receivables - measured at amortised cost (Note 1.13)

**Financial liabilities**

Payables - measured at amortised cost (Note 1.16)

Borrowings and borrowing costs - measured at amortised cost (Note 1.18)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 29.

**1.11 Cash and cash equivalents**

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

**1.12 Investments**

Term deposits in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents.

**1.13 Trade and other receivables**

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

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

All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

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

Loans and advances are recognised in the same way as other receivables. Security is not normally obtained.

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016**1.14 Property, plant and equipment**

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure 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.

The classes of property, plant and equipment recognised by the Council are:

Land  
Site improvements  
Buildings  
Plant and equipment  
Infrastructure assets:

- Road network
- Stormwater network
- Bridge network
- Water assets
- Sewerage assets

Airport assets  
Heritage and cultural assets  
Work in progress

**(a) Acquisition of assets**

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

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

**(b) Capital and operating expenditure**

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

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

**(c) Valuation**

Land, site improvements, buildings, airport, heritage and cultural and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. Other plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging professionally qualified external valuers or suitably qualified internal staff to determine the fair value for each class of property, plant and equipment assets at least once every 5 years. This process involves physically sighting a representative sample of Council's assets and making assessments of the condition of the assets at the date of inspection.

## ROCKHAMPTON REGIONAL COUNCIL

## Notes to the financial statements

For the year ended 30 June 2016

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

**(d) Capital work in progress**

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

**(e) Depreciation**

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

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

Where assets have separately identifiable significant components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of Council's asset management processes, for assets measured at depreciated current replacement cost may be used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 14.

The determination that residual value should reflect the consideration receivable for an asset at the end of the useful life contained in AASB Action Alert Issue No. 172 on 29 May 2015 required a change to estimates in the prior year. Previously, cost savings from the re-use of in-situ materials were incorporated in the residual values. In line with this change residual values have been removed where there is no anticipated consideration receivable and useful lives reassessed.

**1.15 Impairment of non-current assets**

Each non-current physical and intangible assets and group of assets 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. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

**1.16 Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

## ROCKHAMPTON REGIONAL COUNCIL

**Notes to the financial statements**  
For the year ended 30 June 2016**1.17 Liabilities - employee benefits**

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be paid in the next twelve months or that Council does not have an unconditional right to defer settlement of the liability for at least 12 months, the liability is treated as a current liability. Otherwise the liability is treated as non-current.

**(a) Salaries and wages**

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 16 as a payable.

**(b) Annual leave**

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 16 as a payable. As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

**(c) Superannuation**

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 23.

**(d) Long service leave**

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 17 as a provision.

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.

**1.18 Borrowings and borrowing costs**

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.

In accordance with the *Local Government Regulation 2012* Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine 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.

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets. Further details are provided in Note 18.

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016**1.19 Restoration provisions****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 provision is 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 provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

Management estimates the amount of expected restoration work based on current known restoration costs inflated using relevant cost inflation indices and then discounted to current day values; and the timing of the work based on estimated landfill or quarry volumes.

The existing cells at the Lakes Creek Road landfill facility are forecast to close in 2016/2017 and Gracemere landfill ceased accepting waste for disposal during the 2015/2016 year.

**Parks remediation**

Council recognises a provision for the estimated cost of remediation in respect of damage caused to Kershaw Gardens during Tropical Cyclone Marcia in February 2015. The provision is 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 remediation. Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

Management estimates the amount of expected remediation work based on current known costs inflated using relevant cost inflation indices and then discounted to current day values; and the timing of the work. The remediation work commenced in 2015/16 and is expected to occur over the next two financial years, with the majority of work planned for the 2016/2017 financial year.

**1.20 Asset revaluation surplus**

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

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

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

**1.21 Retained surplus**

This represents the amount of Council's surplus funds.

**1.22 National competition policy**

The Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 30.

**1.23 Rounding**

Amounts included in the financial statements have been rounded to the nearest \$1.

**1.24 Taxation**

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

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

## ROCKHAMPTON REGIONAL COUNCIL

## Notes to the financial statements

For the year ended 30 June 2016

**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, and grow a strong, resilient and diversified economy. The Office of CEO incorporates the offices of the Mayor, Councillors and the Chief Executive Officer and includes regional development, internal audit and governance 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. Also provides regulatory and compliance services for development assessment and development compliance in line with statutory requirements and best practice. Regional Services also maintains disaster management response capability to meet community needs when required.

**Corporate Services**

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

**Community Services**

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

**Airport**

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

**Waste & Recycling**

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

**Fitzroy River Water**

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



## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

## 2 Analysis of results by function

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

Functions	Income		Total Income	Total Expenses	Net Result	Assets
	Recurring					
	Grants	Other				
	2016	2016				
	\$	\$	\$	\$	\$	\$
Resourcing	12,551,860	64,166,379	76,718,239	(27,670,630)	104,388,869	228,948,708
Office of CEO	1,000	285,258	286,258	7,199,325	(6,913,067)	36,789
Regional Services	20,577,101	16,024,815	36,601,916	62,031,707	(25,429,791)	1,414,377,280
Corporate Services	451,808	1,609,008	2,060,816	16,810,780	(14,749,964)	44,834,214
Community Services	6,522,715	13,976,517	20,499,232	50,873,340	(30,374,108)	174,697,392
Airport	16,136	16,908,338	16,924,474	14,654,396	2,270,078	98,341,447
Waste & Recycling	86,102	20,424,838	20,510,940	17,778,551	2,732,389	30,442,528
Fitzroy River Water	1,420,569	64,926,823	66,347,392	58,775,147	7,572,245	539,163,760
<b>Total</b>	<b>41,627,291</b>	<b>198,321,976</b>	<b>239,949,267</b>	<b>200,452,616</b>	<b>39,496,651</b>	<b>2,530,842,118</b>

## Prior Year

Functions	Income		Total Income	Total Expenses	Net Result	Assets
	Recurring					
	Grants	Other				
	2015	2015				
	\$	\$	\$	\$	\$	\$
Resourcing	6,961,109	60,301,071	67,262,180	(22,294,027)	89,556,207	207,301,012
Office of CEO	9,000	115,239	124,239	6,061,595	(5,937,356)	48,147
Regional Services	12,761,267	21,690,840	34,452,107	51,623,452	(17,171,345)	1,233,099,936
Corporate Services	506,967	1,781,977	2,288,944	16,030,649	(13,741,705)	44,010,252
Community Services	3,715,128	10,709,682	14,424,810	64,110,038	(49,685,228)	175,860,994
Airport	5,909	16,020,544	16,026,453	15,251,520	774,933	85,886,331
Waste & Recycling	4,318	16,612,798	16,617,116	14,897,467	1,719,649	32,767,395
Fitzroy River Water	1,045,058	65,379,282	66,424,340	58,737,055	7,687,285	533,079,693
<b>Total</b>	<b>25,008,756</b>	<b>192,611,433</b>	<b>217,620,189</b>	<b>204,417,749</b>	<b>13,202,440</b>	<b>2,312,053,760</b>

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>3 Revenue analysis</b>			
<b>(a) Rates, levies and charges</b>			
General rates		51,379,477	49,583,583
Separate rates		17,647,432	16,956,818
Special rates		96,815	144,885
Water		29,756,114	27,897,123
Sewerage		25,958,560	25,185,822
Garbage charges		14,185,520	13,644,954
Rates and utility charge revenue		139,023,918	133,413,185
Less: Discounts		(10,714,870)	(10,394,204)
Less: Pensioner remissions		(1,487,776)	(1,466,675)
Net rates and utility charges		126,821,272	121,552,306
<b>(b) Fees and charges</b>			
Airport fees		10,654,064	11,667,126
Waste and recycling fees		4,924,884	4,336,996
Venues, events, tourism and cultural fees		2,865,614	3,778,610
Building, plumbing and development fees		1,605,935	2,092,182
Local laws and health licencing fees		1,573,659	1,205,921
Irrigator and commercial water fees		1,386,839	1,491,186
Other fees		968,444	1,074,734
		23,979,439	25,646,755
<b>(c) Other recurrent income</b>			
Rental / lease income		3,045,118	2,822,207
Commission and collection fees		1,947,355	1,871,011
Insurance income		3,464,835	2,280,329
Other income		3,203,617	2,504,650
		11,660,925	9,478,197
<b>4 Grants, subsidies and contributions</b>			
<b>(a) Recurrent - grants, subsidies and contributions are analysed as follows:</b>			
General purpose grants		7,094,781	6,961,109
Government subsidies and grants		17,757,323	10,507,371
Contributions		214,207	136,505
Total recurrent revenue		25,066,311	17,604,985
<b>(b) Capital - grants, subsidies, and contributions are analysed as follows:</b>			
(i) Monetary revenue designated for capital funding purposes:			
Government subsidies and grants		16,775,187	7,540,276
Contributions		3,618,812	4,764,470
		20,393,999	12,304,746
(ii) Non-monetary revenue received is analysed as follows:			
Developer assets contributed by developers at fair value		8,576,887	18,209,847
Other physical assets contributed at fair value		2,529,217	417,020
		11,106,104	18,626,867
Total capital revenue		31,500,103	30,931,613

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:			
Non-reciprocal grants for expenditure on recurrent Government subsidies and grants		223,779	456,720
Non-reciprocal grants for expenditure on capital Government subsidies and grants		2,971,739	542,027
		<u>3,195,518</u>	<u>998,747</u>
<b>5 Capital income</b>			
Gain from assets not previously recognised	14	6,973,002	-
Gain on the disposal of non-current assets			
(a) Proceeds from disposal of land		8,303	3,479,060
Less: Book value of land disposed		<u>(13,641)</u>	<u>(3,086,003)</u>
		<u>(5,338)</u>	<u>393,057</u>
(b) Proceeds from disposal of plant and equipment		1,410,080	1,183,848
Less: Book value of plant and equipment disposed		<u>(1,638,676)</u>	<u>(1,326,642)</u>
		<u>(228,596)</u>	<u>(142,794)</u>
(c) Non cash restoration / proceeds due to disposal of buildings		1,331,918	483,740
Less: Book value of building assets disposed		<u>(485,637)</u>	<u>(114,544)</u>
		<u>846,281</u>	<u>369,196</u>
(d) Non cash restoration/proceeds from disposal of site improvement assets		1,657,681	-
Less: Book value of site improvements disposed		<u>(99,594)</u>	<u>(2,644)</u>
		<u>1,558,087</u>	<u>(2,644)</u>
(e) Non cash restoration of heritage and cultural assets		120,334	-
Less: Book value of heritage and cultural assets disposed		<u>(29,625)</u>	<u>-</u>
		<u>90,709</u>	<u>-</u>
(f) Insurance proceeds from water assets		2,695	-
Less: Book value of water assets disposed		<u>-</u>	<u>-</u>
		<u>2,695</u>	<u>-</u>
Quarry rehabilitation - change from revision of future restoration expenditure	17	16,606	50,027
Landfill restoration - change from revision of future restoration expenditure	17	2,636,321	61,213
Total capital income		<u>11,889,767</u>	<u>728,055</u>

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>6 Employee benefits</b>			
Total staff wages and salaries		59,564,882	57,696,603
Councillors' remuneration		1,091,450	1,075,861
Annual, sick and long service leave entitlements		7,815,546	8,204,533
Superannuation	23	7,155,795	6,920,566
		<u>75,627,673</u>	<u>73,897,563</u>
Other employee related expenses		3,491,799	2,137,163
		<u>79,119,472</u>	<u>76,034,726</u>
Less: Capitalised employee expenses		(9,448,301)	(8,018,067)
		<u>69,671,171</u>	<u>68,016,659</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		491	462
Depot and outdoors staff		363	342
Total full time equivalent employees		<u>862</u>	<u>812</u>
<b>7 Materials and services</b>		\$	\$
Audit of annual financial statements by the Auditor-General of Queensland		265,533	218,260
Advertising and marketing		886,368	933,646
Administration supplies and consumables		990,281	919,927
Communications and IT		2,636,247	2,717,118
Consultants		4,430,507	3,561,582
Contractors		10,682,548	15,758,142
Donations paid		1,053,506	1,154,588
Insurance		2,598,950	2,589,424
Electricity		5,991,828	6,419,502
Repairs and maintenance		11,614,683	32,943,994
Rentals - operating leases		76,622	265,603
Other materials and services		5,554,358	6,800,382
		<u>46,781,431</u>	<u>74,282,168</u>
<b>8 Finance costs</b>			
Finance costs charged by the Queensland Treasury Corporation		8,542,030	8,350,822
Bank charges		353,771	407,252
Impairment of receivables		49,887	(53,659)
Quarry rehabilitation - change in present value over time	17	13,512	15,228
Landfill sites restoration - change in present value over time	17	166,521	296,068
Parks remediation - change in present value over time	17	74,477	-
		<u>9,200,198</u>	<u>9,015,711</u>

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>9 Depreciation and amortisation</b>			
<b>(a) Depreciation of non-current assets</b>			
Site improvements		2,529,046	2,854,447
Buildings		7,069,257	6,254,200
Heritage and cultural assets		159,002	156,793
Plant and equipment		4,791,467	4,840,313
Road network / Road and drainage network		16,392,490	* 16,121,430
Stormwater network		3,307,352	-
Bridge network		590,038	490,380
Water		7,663,139	7,349,153
Sewerage		5,208,080	4,945,729
Airport		1,350,378	1,347,837
Total depreciation of non-current assets	14	<u>49,060,249</u>	<u>44,360,282</u>
<b>(b) Amortisation of intangible assets</b>			
Computer software		<u>684,204</u>	<u>569,493</u>
Total amortisation of intangible assets		<u>684,204</u>	<u>569,493</u>
Total depreciation and amortisation		<u>49,744,453</u>	<u>44,929,775</u>

\*The 2015 depreciation expense is comprised of \$12,894,345 relating to the road network and \$3,227,085 relating to the stormwater network.

**10 Capital expenses**

<b>Write off of non-current assets</b>			
Intangible assets		13,062	17,498
Buildings		479,591	304,744
Plant and equipment		16,850	38,846
Site improvements		318,986	31,746
Road network / Road and drainage network		17,230,113	* 4,598,349
Stormwater network		4,285,888	-
Bridge network		187,057	438,640
Water		1,401,157	785,200
Sewer		516,723	1,152,320
Airport		355,740	2,553
Quarry rehabilitation - increase in rehabilitation provision for future costs, due to a change in discount rate	17	41,917	13,778
Landfill restoration - increase in restoration provision for future costs, due to a change in discount rate	17	190,745	-
Parks remediation - increase in remediation provision for future costs, due to a change in discount rate	17	17,534	-
Disaster events asset adjustments		-	789,762
Total capital expenses		<u>25,055,363</u>	<u>8,173,436</u>

\*The 2015 capital expense is comprised of \$4,341,020 relating to the road network and \$257,329 relating to the stormwater network.

## ROCKHAMPTON REGIONAL COUNCIL

## Notes to the financial statements

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>11 Cash and cash equivalents</b>			
Cash in operating bank account		1,876,940	3,792,506
Cash in other banks and on hand		28,080	27,030
Deposits and investments held with QTC		29,632,984	44,881,652
Balance as per statement of cash flows		<u>31,538,004</u>	<u>48,701,188</u>
<p>Cash at bank funds are held with the Commonwealth Bank. Deposits at call consist of funds held in a Queensland Treasury Corporation Cash Fund, which has a short term credit rating of A1+ and a long term rating of AA+, with a floating interest rate (2.83% for 30 June 2016).</p>			
<p>Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:</p>			
Unspent government grants and subsidies		3,971,506	914,721
Unspent developer contributions		17,663,632	16,184,042
Total restricted cash		<u>21,635,138</u>	<u>17,098,763</u>
<b>12 Investments</b>			
Opening Balance		30,000,000	57,000,000
Transfers (to) / from operating bank account		45,000,000	(27,000,000)
		<u>75,000,000</u>	<u>30,000,000</u>
<p>Term deposits at fixed interest rates are held with the following financial institutions: National Australia Bank (A1+), Westpac (A1+), Suncorp (A1), Bendigo Bank (A2), Bank of Queensland (A2), The Rock (A2). Maturity ranges from 5 months to 1 year and bear interest rates from 2.95% to 3.20%.</p>			
<b>13 Trade and other receivables</b>			
<b>Current</b>			
Rateable revenue and utility charges		7,589,574	6,939,057
Less: impairment		(15,677)	(12,802)
		<u>7,573,897</u>	<u>6,926,255</u>
Water charges yet to be levied		58,451	69,737
GST recoverable		921,879	1,193,578
Other debtors		3,989,952	9,219,425
Less: impairment		(122,760)	(81,383)
		<u>4,847,522</u>	<u>10,401,357</u>
Prepayments		2,260,222	1,174,478
		<u>14,681,641</u>	<u>18,502,090</u>

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Interest is charged on outstanding rates at a rate of 11% per annum for both the current and prior year. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.			
Community loans arise from time to time and are subject to negotiated interest rates.			
Movement in accumulated impairment losses (trade and other receivables) is as follows:			
Opening balance		94,185	514,623
Impairment adjustment in the year		(3,170)	(378,204)
Impairment debts written off during the year		(49,887)	(11,056)
Impairments recognised		97,309	(31,178)
Closing balance		<u>138,437</u>	<u>94,185</u>

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

14 (a) Property, plant and equipment

Note		Land	Site improvements	Buildings	Plant and equipment	Road network	Stormwater network	Bridge network	Water	Sewerage	Airport	Heritage and cultural assets	Work in Progress	Total
		Fair value	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	
	<b>Basis of measurement</b>													
	<b>Asset values</b>													
	Opening gross value as at 1 July 2015	128,154,113	85,927,174	277,887,095	84,787,005	1,522,847,585	-	41,531,100	538,216,280	301,830,501	62,659,308	21,561,891	37,381,445	3,080,763,257
	Additions at cost	474,512	558,109	2,807,628	4,290,347	8,882,278	2,594,249	472,125	5,284,227	2,596,644	-	22,550	36,394,412	64,377,081
	Prior year write off of additions at cost	-	-	-	-	-	-	-	-	-	-	-	(2,888,088)	(2,888,088)
	Contributed assets at valuation & non-cash insurance restoration	897,610	741,872	2,108,151	112,794	3,928,862	3,163,020	-	1,145,091	689,606	-	252,264	-	13,017,270
5	Assets not previously recognised	-	75,478	13,371	-	6,425,755	113,651	220,350	35,727	-	88,673	-	-	6,973,003
	Reassessment of landfill restoration cost	-	98,578	-	-	-	-	-	-	-	-	-	-	98,578
	Transfers between classes	-	(332,143)	(126,783)	-	(325,590,370)	330,431,272	418,844	-	3,000	(4,803,820)	-	-	-
	Transfers from work in progress	8,293	459,842	515,164	784,937	10,126,348	1,438,313	481,577	8,897,073	730,628	248,944	-	(23,691,110)	-
	Disposals	(12,187)	(152,051)	(885,485)	(5,267,172)	-	-	-	-	-	-	(102,869)	-	(6,419,764)
19	Revaluation adjustment to asset revaluation surplus	-	-	-	-	184,088,646	18,689,965	8,420,423	-	-	-	-	-	213,957,765
27	Disaster event 2015 asset adjustments	-	539,531	486,268	-	(250,476)	-	46,207	-	-	-	34,804	-	836,334
10	Write offs	-	(561,172)	(1,244,135)	(754,546)	(25,411,074)	(6,892,507)	(383,547)	(4,467,291)	(2,787,957)	(439,459)	-	-	(42,921,688)
	Transfer to intangible assets	-	-	-	-	-	-	-	-	-	-	-	(442,531)	(442,531)
	Closing gross value as at 30 June 2016	129,522,350	87,355,218	281,541,274	83,933,365	1,385,055,534	349,537,963	51,227,079	547,111,087	303,042,422	60,502,377	21,788,440	46,754,110	3,327,351,228
	<b>Accumulated depreciation and impairment</b>													
	Opening gross value as at 1 July 2015	-	27,927,213	121,151,957	29,576,296	320,208,932	-	10,232,799	197,848,881	134,336,292	24,302,279	4,126,810	-	869,711,259
9	Depreciation provided in period	-	2,529,046	7,069,257	4,791,467	16,392,490	3,307,352	590,038	7,663,139	5,208,080	1,350,378	159,002	-	49,060,249
	Depreciation on disposals	-	(52,456)	(399,848)	(3,628,486)	-	-	-	-	-	-	(73,244)	-	(4,154,044)
19	Revaluation adjustment to asset revaluation surplus	-	-	-	-	14,561,689	5,417,615	8,804,367	-	-	(4,303,220)	-	-	24,480,451
27	Disaster event 2015 asset adjustments	-	63,707	289,770	-	17,498	-	(27,285)	-	-	-	25,355	-	348,045
10	Depreciation on write offs	-	(242,185)	(784,544)	(737,695)	(8,180,981)	(2,806,619)	(176,486)	(3,066,134)	(2,271,234)	(83,719)	-	-	(18,129,580)
	Transfers between classes	-	(106,447)	7,836	-	(91,526,881)	94,041,298	64,200	-	1,490	(2,481,496)	-	-	-
	Accumulated depreciation as at 30 June 2016	-	30,118,878	127,334,428	30,001,572	251,472,787	100,159,646	19,487,630	202,445,886	137,274,628	18,784,222	4,237,723	-	921,317,380
	<b>Net value at 30 June 2016</b>													
	Net value at 30 June 2016	129,522,350	57,236,338	154,206,846	33,931,793	1,133,582,787	249,378,317	31,739,449	344,665,201	165,767,794	41,718,155	17,530,717	46,754,110	2,406,033,848
	Residual value	-	-	-	9,382,178	-	-	-	-	-	-	-	-	9,382,178
	Range of estimated useful life in years	Not depreciated	10 - 102	10 - 80	3 - 40	10 - 1,000	15 - 130	10 - 80	15 - 120	15 - 100	7 - 1,000	Buildings only 15 - 75		
	<b>Additions comprise:</b>													
	Infrastructure Renewals	-	154,749	1,072,625	3,467,870	5,254,851	563,768	321,275	3,855,645	2,188,000	-	-	19,609,328	36,288,111
	Other additions (Net of transfer to intangibles)	474,512	403,360	1,735,003	822,478	3,627,427	2,030,481	150,851	1,628,581	408,644	-	22,550	16,992,094	28,295,981
	Total additions	474,512	558,109	2,807,628	4,290,348	8,882,278	2,594,249	472,126	5,284,226	2,596,644	-	22,550	36,601,422	64,584,092





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

Basis of measurement	Note	Land	Site improvements	Buildings	Plant and equipment	Road and drainage network	Stormwater network (new class 15/16)	Bridge network	Water	Sewerage	Airport	Heritage and cultural assets	Work in Progress	Total
		Fair value	Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	Cost
Asset values		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2014		127,625,458	85,786,064	230,115,911	62,177,228	1,121,951,823		36,389,276	530,479,772	297,754,881	65,863,149	21,558,767	42,904,997	2,631,386,028
Additions at cost		167,003	1,811,848	4,509,058	6,231,280	11,681,300		1,439,868	3,668,506	4,085,107	85,490	42,909	30,206,171	63,728,540
Prior year write off of additions at cost		-	-	-	-	-		-	-	-	-	-	(2,675,935)	(2,675,935)
Contributed assets at valuation	4(b)(ii)	42,500	49,929	130,962	-	13,725,860		-	2,322,735	2,246,066	-	108,815	-	18,626,867
Reassessment of landfill restoration cost		-	(525,725)	-	-	-		-	-	-	-	-	-	(525,725)
Transfers between classes		7,809	1,437,549	15,735,467	764,023	9,277,510		4,504,229	2,635,684	1,516,882	(3,056,698)	-	(32,822,285)	-
Disposals		-	(3,000)	(733,312)	(4,075,611)	-		-	-	-	-	-	-	(4,811,923)
Assets classified as held for sale - land		311,543	-	-	-	-		-	-	-	-	-	-	311,543
Revaluation adjustment to asset revaluation surplus	19	-	-	21,015,209	-	369,946,003		-	-	-	-	-	-	390,961,212
Disaster event 2013 asset adjustments	27	-	-	-	-	4,403,308		-	-	-	-	-	-	4,403,308
Disaster event 2015 asset adjustments	27	-	(2,332,031)	(974,690)	-	(1,216,277)		(205,700)	-	-	-	(148,800)	-	(4,877,498)
Write offs	10	-	(77,460)	(911,540)	(329,915)	(6,921,762)		(596,573)	(2,890,437)	(3,681,476)	(32,633)	-	-	(15,441,796)
Impairment and reversal of impairment		-	-	-	-	-		-	-	(90,759)	-	-	-	(90,759)
Transfer to intangible assets		-	-	-	-	-		-	-	-	-	-	(231,503)	(231,503)
Closing gross value as at 30 June 2015		128,154,113	85,927,174	277,887,095	64,767,005	1,522,847,565		41,531,100	536,216,260	301,830,501	62,659,308	21,561,691	37,381,445	3,080,783,257
<b>Accumulated depreciation and impairment</b>														
Opening gross value as at 1 July 2014		-	26,338,668	106,703,282	27,778,006	270,747,472		9,465,314	192,604,965	131,965,367	23,511,565	4,089,333	-	793,201,972
Depreciation provided in period	9	-	2,854,447	6,254,200	4,840,313	16,121,430		490,380	7,349,153	4,945,729	1,347,837	156,793	-	44,360,282
Depreciation on disposals		-	(356)	(618,766)	(2,748,969)	-		-	-	-	-	-	-	(3,368,093)
Revaluation adjustment to asset revaluation surplus	19	-	-	9,774,157	-	35,599,888		-	-	-	-	-	-	45,373,845
Disaster event 2013 asset adjustments	27	-	-	-	-	423,080		-	-	-	-	-	-	423,080
Disaster event 2015 asset adjustments	27	-	(930,506)	(544,640)	-	(525,976)		(20,563)	-	-	-	(119,516)	-	(2,141,201)
Depreciation on write offs	10	-	(45,714)	(606,796)	(291,069)	(2,323,413)		(157,933)	(2,105,237)	(2,529,156)	(30,080)	-	-	(8,089,398)
Impairment and reversal of impairment		-	-	-	-	-		-	-	(49,228)	-	-	-	(49,228)
Transfers between classes		-	(289,326)	190,522	15	168,851		455,601	-	3,580	(527,043)	-	-	-
Accumulated depreciation as at 30 June 2015		-	27,927,213	121,151,957	29,576,296	320,208,932		10,232,799	197,848,881	134,336,292	24,302,279	4,126,610	-	869,711,259
Net value at 30 June 2015		128,154,113	57,999,961	156,735,138	35,190,709	1,202,638,633		31,298,301	338,367,379	167,494,209	38,357,029	17,435,081	37,381,445	2,211,051,998
Residual value		-	-	-	9,648,427	-		-	-	-	-	-	-	9,648,427
Range of estimated useful life in years		Not depreciated	10 - 102	10 - 80	2 - 40	4 - 130		10 - 110	15 - 120	15 - 100	12 - 120	Buildings only 15 - 75		
<b>Additions comprise:</b>														
<b>Continuing operations</b>														
Renewals		-	431,699	1,082,788	5,992,485	7,045,822		212,564	2,001,523	2,935,437	55,744	-	15,859,888	35,617,748
Other additions (Net of transfer to intangibles)		167,003	1,180,150	3,426,274	238,798	4,635,485		1,227,304	1,666,983	1,149,670	29,745	42,909	14,114,979	27,879,300
Total additions		167,003	1,611,849	4,509,060	6,231,283	11,681,307		1,439,868	3,668,506	4,085,107	85,489	42,909	29,974,867	63,497,048

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

**15 Fair value measurements****(a) Recognised fair value measurements**

Council measures and recognises the following assets at fair value on a recurring basis:

- Property, plant and equipment
- Land
- Site improvements
- Buildings
- Road network
- Stormwater network
- Bridge network
- Water
- Sewerage
- Airport
- Heritage and cultural assets

Council does not measure any liabilities at fair value on a recurring basis. Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 18 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (level 2).

Council has Land assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading "Land (level 2)" and "Land (level 3)".

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

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

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for all Council assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

## ROCKHAMPTON REGIONAL COUNCIL

## Notes to the financial statements

For the year ended 30 June 2016

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2016.

	Note	Level 2 (Significant other observable inputs)		Level 3 (Significant unobservable inputs)		Total	
		2016	2015	2016	2015	2016	2015
		\$	\$	\$	\$	\$	\$
<b>Recurring fair value measurements:</b>							
Land	14	79,550,944	78,249,000	-	-	79,550,944	78,249,000
Land - no active markets	14	-	-	49,971,406	49,905,113	49,971,406	49,905,113
Site improvements	14	-	-	57,236,338	57,999,961	57,236,338	57,999,961
Buildings	14	-	-	154,206,846	156,735,138	154,206,846	156,735,138
Road network / Road and drainage network	14	-	-	1,133,582,767	1,202,638,633	1,133,582,767	1,202,638,633
Stormwater network	14	-	-	249,378,317	-	249,378,317	-
Bridge network	14	-	-	31,739,449	31,298,301	31,739,449	31,298,301
Water	14	-	-	344,665,201	338,367,379	344,665,201	338,367,379
Sewerage	14	-	-	165,767,794	167,494,209	165,767,794	167,494,209
Airport	14	-	-	41,718,155	38,357,029	41,718,155	38,357,029
Heritage and cultural assets	14	-	-	17,530,717	17,435,081	17,530,717	17,435,081
<b>Total recurring fair value measurements</b>		<b>79,550,944</b>	<b>78,249,000</b>	<b>2,245,796,990</b>	<b>2,060,230,844</b>	<b>2,325,347,934</b>	<b>2,138,479,844</b>
<b>Non-recurring fair value measurements:</b>							
Land held for sale		320,000	320,000	-	1,454	320,000	321,454

## (b) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Specific valuation techniques used to value Council assets comprise:

## Land (level 2) / land held for sale (level 2)

Land fair values were determined by independent valuer, APV Valuers & Asset Management effective, 30 April 2014. An indices assessment of the land assets was conducted by Australis Asset Advisory Group at 31 March 2016 which found no material movements in value, and as a result no valuation adjustment was undertaken.

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

## Land (level 3) / land held for sale (level 3)

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

Where land is used for community benefit purposes there is generally a difference between the current use and highest and best use, including cemeteries, parks, sporting facilities and the showgrounds.

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the level 2 and 3 methods described in the preceding paragraphs.

## ROCKHAMPTON REGIONAL COUNCIL

## Notes to the financial statements

For the year ended 30 June 2016

**Buildings (level 3)**

The fair value of buildings is measured at current replacement cost. The last comprehensive revaluation was undertaken by AssetVal Pty Ltd, Registered Valuers, under AASB 116 *Property Plant & Equipment*, as at 30 June 2012. Indexation was applied to the current replacement cost values in line with the movement in the Producer Price Index from June 2012 (last valuation) to 31 March 2015. An indices assessment was undertaken by Australis Asset Advisory Group as at 31 March 2016 which found no material movements in value, and as a result no valuation adjustment was undertaken.

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

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

**Site improvements (level 3)**

The fair value of site improvements were determined by Cardno (Qld) Pty Ltd, Registered Valuer, as at 30 April 2014, at current replacement cost. An indices assessment was undertaken by Australis Advisory Group as at 31 March 2016 which found no material movements in value, and as a result no valuation adjustment was undertaken.

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

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

**Infrastructure assets (level 3)**

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

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

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

## ROCKHAMPTON REGIONAL COUNCIL

**Notes to the financial statements**  
For the year ended 30 June 2016**Road network (level 3)**

The road assets (Stormwater being separated in 2015/16) are undergoing a three year rolling revaluation. In the prior year the sealed and unsealed road components, floodways, carparks and access roads and kerbs were finalised. The fair value of these assets were determined by Pavement Management Services, Registered Valuer, as at 30 June 2015, at current replacement cost. As part of the rolling revaluation, the unit rates of these assets have been updated to current year rates. The footpath and road furniture assets (street lights, traffic lights and bus stops) were comprehensively revalued as at 31 March 2016 by suitably qualified officers of Council. The last valuation of the remaining road infrastructure assets was undertaken effective 30 June 2012 by suitably qualified officers of Council under AASB116 *Property, Plant and Equipment*.

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

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

The CRC for assets valued this year (road furniture and footpaths) and all other assets are derived from published cost guides, internal construction estimates and prices based on existing supplier contract rates or supplier price lists and labour wage rates. All direct costs were allocated to the assets at standard usage quantities with an overhead allocation, or CRC was based on the average unit rates of completed similar projects over the last few years.

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

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

**Stormwater network (level 3)**

The fair value of the stormwater network is measured at current replacement cost. Being a new asset class this year, the last valuation was undertaken as part of the previous road and drainage asset class effective 30 June 2012 undertaken by suitably qualified officers of Rockhampton Regional Council, with some assets transferring from the airport asset class with a valuation effective 30 June 2012, both valued under AASB116 *Property, Plant and Equipment*. An indices assessment was undertaken by Australis Asset Advisory Group as at 31 March 2016 and Council performed a review of the internal cost movements. As a result indexation was applied in line with the movement in internal costs of construction.

The CRC of assets is derived by internal construction estimates and prices based on existing supplier contract rates or supplier price lists and labour wage rates; with these being indexed in the current year. All direct costs were allocated to the assets at standard usage quantities with an overhead allocation. Where construction is outsourced, CRC was based on the average unit rates of completed similar projects over the last few years.

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

## ROCKHAMPTON REGIONAL COUNCIL

**Notes to the financial statements**  
For the year ended 30 June 2016**Bridge network (level 3)**

The fair value of the bridge network was determined by Australis Asset Advisory Group, as at 31 March 2016, at current replacement cost.

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

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

**Water and sewerage (level 3)**

The fair value of water and sewerage assets were determined by AssetVal Pty Ltd, Registered Valuer, as at 30 April 2014, at current replacement cost. A desktop valuation assessment was undertaken by Australis Asset Advisory Group as at 31 March 2016 and Council performed an assessment of the internal construction costs, which found no material movements in value, and as a result no valuation adjustment was undertaken.

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

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

**Airport (level 3)**

The fair value of the airport assets were determined by Australis Asset Advisory Group, as at 31 March 2016, at current replacement cost.

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

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

**Heritage and cultural assets (level 3)**

The fair value of heritage buildings is measured at current replacement cost; with the fair value of artworks, heritage collections, rare books and museum collections valued on a market based approach. The last comprehensive revaluation was undertaken by byjpe, Registered Valuer for artworks, and AssetVal Pty Ltd, Registered Valuers, for all other items, under AASB 116 *Property Plant & Equipment*, as at 30 June 2013. Taking account of the low value of the asset class, no valuation assessment or adjustment was undertaken in the current year.

## ROCKHAMPTON REGIONAL COUNCIL

**Notes to the financial statements**For the year ended 30 June 2016

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**(c) Changes in fair value measurements using significant unobservable inputs (level 3)**

The changes in level 3 assets with recurring fair value measurements are detailed in Note 14 (Property, plant and equipment).

There have been no transfers between level 1, 2 or 3 measurements during the year.

**(d) Valuation processes**

The Council engages external, independent and qualified valuers to determine the fair value of the land, site improvements, buildings, infrastructure, airport and heritage and cultural assets on a regular basis within a five year cycle. An annual assessment for material asset classes is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. Changes in level 2 and 3 fair values are reviewed by Finance and the Chief Executive Officer and received by the Audit and Business Improvement Committee.

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>16 Trade and other payables</b>			
<b>Current</b>			
Creditors and accruals		8,484,585	11,882,758
Annual leave		7,765,776	7,706,312
Sick leave		97,063	107,247
Other entitlements		576,896	582,431
		<u>16,924,320</u>	<u>20,278,748</u>
<b>17 Provisions</b>			
<b>Current</b>			
Quarry rehabilitation		49,218	49,048
Landfill restoration		885,073	1,407,720
Parks remediation		3,397,149	6,500,079
Long service leave		11,846,195	10,787,594
		<u>16,177,635</u>	<u>18,744,441</u>
<b>Non-current</b>			
Quarry rehabilitation		502,149	463,496
Landfill restoration		6,181,826	8,687,712
Parks remediation		380,846	759,956
Long service leave		1,866,583	1,740,263
		<u>8,931,404</u>	<u>11,651,427</u>
<b>Details of movements in provisions:</b>			
<b>Quarry rehabilitation</b>			
Balance at beginning of financial year		512,544	533,565
Increase in provision due to change in time	8	13,512	15,228
Increase in provision due to change in discount rate	10	41,917	13,778
Decrease in estimate of future cost	5	(16,606)	(50,027)
Balance at end of financial year		<u>551,367</u>	<u>512,544</u>

This is the present value of the estimated future costs of restoring the quarry sites to a usable state at the end of their useful life. The projected cost is \$668,583 and this cost is expected to be incurred over the years 2017 to 2036.



## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Landfill restoration</b>			
Balance at beginning of financial year		10,095,432	12,108,453
Decrease in provision for rehabilitation performed		(848,055)	(1,722,151)
Increase in provision due to change in time	8	166,521	296,068
Increase in provision due to change in discount rate	10	190,745	-
Increase in provision due to change in discount rate - transfer to rehabilitation asset	14	334,326	245,525
Decrease in estimate of future cost	5	(2,636,321)	(61,213)
Decrease in estimate of future cost - transfer to rehabilitation asset	14	(235,748)	(771,250)
Balance at end of financial year		<u>7,066,900</u>	<u>10,095,432</u>

This is the present value of estimated future closure, maintenance and monitoring cost of landfill sites to the end of their useful lives and regulated periods. The projected cost is \$7,101,636 and this cost is expected to be incurred over the period 2017 to 2046.

<b>Parks remediation</b>			
Balance at beginning of financial year		7,260,035	-
Recognition of liability		-	7,260,035
Decrease in provision for remediation performed		(1,445,839)	-
Increase in provision due to change in time	8	74,477	-
Increase in provision due to change in discount rate	10	17,534	-
Decrease in estimate of future cost - transfer to materials and services		(2,128,211)	-
Balance at end of financial year		<u>3,777,996</u>	<u>7,260,035</u>

This is the present value of the estimated future costs associated with remediating the Kershaw Gardens following damage caused by Tropical Cyclone Marcia in February 2015. The projected cost is \$3,844,171 and this cost is expected to be incurred over the period 2017 to 2018.

<b>Long service leave</b>			
Balance at beginning of financial year		12,527,857	12,307,948
Long service leave entitlement arising		2,423,980	1,505,835
Long service entitlement extinguished		(442,177)	(518,833)
Long service entitlement paid		(796,882)	(767,092)
Balance at end of financial year		<u>13,712,778</u>	<u>12,527,857</u>

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

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

Note	2016 \$	2015 \$
<b>18 Borrowings</b>		
<b>(a) Bank overdraft</b>		
The Council does not have a bank overdraft facility.		
<b>(b) Unsecured borrowings</b>		
Unsecured borrowings are provided by the Queensland Treasury Corporation. 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 2031.		
There have been no defaults or breaches of the loan agreement during the period. Principal and interest repayments are made quarterly in arrears.		
<b>Details of borrowings at balance date are:</b>		
<b>Current</b>		
Queensland Treasury Corporation	18,171,619	15,227,724
	<u>18,171,619</u>	<u>15,227,724</u>
<b>Non-current</b>		
Queensland Treasury Corporation	135,860,501	140,952,561
	<u>135,860,501</u>	<u>140,952,561</u>
<b>Details of movements in borrowings:</b>		
<b>Queensland Treasury Corporation</b>		
Opening balance	156,180,285	157,903,336
Loans raised	12,969,708	12,678,534
Principal repayments	(15,117,873)	(14,401,585)
Book value at year end	<u>154,032,120</u>	<u>156,180,285</u>

The QTC loan market value for all loans at the reporting date was \$172,179,533. This represents the value of the debt if Council repaid it at 30 June 2016. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>19 Asset revaluation surplus</b>			
<b>Movements in the asset revaluation surplus were as follows:</b>			
Balance at beginning of the year		805,044,533	457,465,006
Net adjustment to non-current assets to reflect a change in current fair value:			
Adjustments to surplus from fair value assessment done:			
Buildings - indexation		-	11,241,052
Road network / Road and drainage network - revaluation		169,536,957	334,346,315
Stormwater network - indexation		13,272,350	-
Bridge network - revaluation		(383,944)	-
Airport - revaluation		7,051,951	-
Impairment:			
Road network - adjustment various disasters		(267,974)	3,235,631
Bridge network - disaster adjustment		73,492	(185,137)
Site improvements - disaster adjustment		475,824	(562,410)
Buildings - disaster adjustment		196,498	(425,124)
Heritage and cultural assets - disaster adjustment		9,449	(29,284)
Sewerage - impairment		-	(41,516)
		<u>189,964,603</u>	<u>347,579,527</u>
Balance at end of the year		<u>995,009,136</u>	<u>805,044,533</u>
<b>Asset revaluation surplus analysis</b>			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Land		48,314,787	48,314,787
Site improvements		6,520,957	6,045,133
Buildings		39,365,783	39,169,285
Road network / Road and drainage network		736,437,797	567,168,814
Stormwater network		13,272,349	-
Bridge network		1,552,636	1,863,087
Water		51,283,891	51,283,891
Sewerage		69,876,883	69,876,883
Airport		23,992,279	16,940,328
Heritage and cultural assets		4,391,774	4,382,325
		<u>995,009,136</u>	<u>805,044,533</u>

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>20 Commitments for expenditure</b>			
<b>Contractual commitments</b>			
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:			
Airport		1,585,544	4,871,022
Waste and Recycling		4,683,970	1,985,050
Fitzroy River Water		1,216,459	6,259,700
Communities		11,233,617	7,683,202
Regional Services		7,089,178	-
Other		538,362	569,618
		<u>26,347,130</u>	<u>21,368,682</u>

**21 Events after the reporting period**

There were no material adjusting events after 30 June 2016.

**22 Contingent 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 Diggers Memorial Bowls Club (\$16.17) and Rockhampton Basketball Inc (\$148,466.33) as at 30 June 2016.

Total Community loans guaranteed by Council: 148,483 174,019

**(ii) Local Government Workcare**

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

The Council's maximum exposure to the bank guarantee is: 2,466,283 2,907,553

**(iii) Local Government Mutual**

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

The financial statements for 30 June 2016 reported an accumulated surplus and it is not anticipated any liability will arise.

**(iv) The Rockhampton Art Gallery Trust**

The Rockhampton Art Gallery Trust is a controlled entity of Council. An internal review conducted during the 2014-15 year confirmed that the Trust has been endorsed as a Deductible Gift Recipient (DGR) under Items 1 and 4 of section 30-15 of the Income Tax Assessment Act 1997 since 1 July 2000. The Trustees are however not aware of the Australian Tax Office (ATO) issuing a formal letter of endorsement of the Trust as a DGR. On review against the current legislation, the Trust does not satisfy the requirements to hold DGR status. As a result the Trust has resolved to cease accepting gifts and donations pending formal confirmation of its DGR status by the ATO.

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

The ATO was duly informed that the Trust did not satisfy the requirements to hold DGR status against the current legislation. Advice from the ATO suggests that the risk of the Trust's DGR endorsement being revoked retrospectively is very low. If this were to occur, donors of past gifts and donations to the Trust as well as the Trust itself could be impacted.

During the 2015-16 year, Council obtained endorsement as a DGR from the ATO for the operation of the Rockhampton Art Gallery under Items 1 and 4 of section 30-15 of the Income Tax Assessment Act 1997 and the Rockhampton Art Gallery Gift Fund (the Gift Fund) was established. All gifts and donations made to the Rockhampton Art Gallery during the 2015-16 year were received via the Gift Fund.

Following the establishment of the Gift Fund, the Rockhampton Art Gallery Trust has resolved to wind-up with all of its assets transferred to the Gift Fund.

Council does not expect any liabilities or claims to be instigated against the Trust in relation to the Trust's DGR status.

**23 Superannuation**

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

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

The scheme has three elements referred to as:

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

The Accumulation Benefits Fund (ABF).

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

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

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

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

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

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

ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

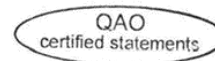
	Note	2016 \$	2015 \$
<p>The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date."</p> <p>In the 2015 actuarial report the actuary has recommended no change to the employer contribution levels at this time.</p> <p>Under the <i>Local Government Act 2009</i> the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.</p> <p>There are currently 69 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 69 entities. Rockhampton Regional Council made less than 4% of the total contributions to the plan in the 2015/16 financial year.</p> <p>The next actuarial investigation will be conducted as at 1 July 2018.</p> <p>The amount of superannuation contributions paid by Rockhampton Regional Council to the scheme in this period for the benefit of employees was:</p>			
	6	7,155,795	6,920,566

**24 Trust funds**

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	1,335,915	1,649,267
	<u>1,335,915</u>	<u>1,649,267</u>

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.



## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>25 Reconciliation of net result attributable to Council to net cash flow from operating activities</b>			
Net result attributable to Council		39,496,651	13,202,440
Non-cash operating items:			
Depreciation and amortisation		49,744,453	44,929,775
Opening work in progress write off		2,888,088	2,675,935
Carbon tax		-	(65,296)
Change in restoration provisions expensed to finance costs		254,510	311,296
Parks remediation provision		(3,105,642)	7,260,035
		<u>49,781,409</u>	<u>55,111,745</u>
Investing and development activities:			
Capital grants, subsidies and contributions		(31,500,103)	(30,931,613)
Capital income		(11,889,767)	(728,055)
Capital expenses		25,055,363	8,173,436
Insurance proceeds		-	483,740
		<u>(18,334,507)</u>	<u>(23,002,492)</u>
Changes in operating assets and liabilities:			
Decrease / (increase) in receivables		3,820,449	(95,023)
Decrease in inventories (excluding land)		(46,331)	(54,077)
(Decrease) / increase in payables		(2,457,176)	11,428
Increase in provisions		1,184,921	219,909
Decrease in other liabilities		(40,321)	(255,357)
		<u>2,461,542</u>	<u>(173,120)</u>
Net cash inflow from operating activities		<u>73,405,095</u>	<u>45,138,573</u>

**26 Contingent 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 2016

## 27 Accounting for natural disaster events

## 2015 Cyclone Marcia

In February 2015, the Rockhampton area experienced Tropical Cyclone Marcia with considerable damage to the botanic assets, some structural damage to roads, buildings and other site improvements and local creek flooding and run off. Estimates were made with regard to the impact on relevant assets to ensure that the carrying values reflect their damaged condition.

The treatment of impacted assets is:

**Disposal of assets due to major damage:**

- Assets with cash settlements by insurance: due to the nature of this disaster event some of the assets impacted were covered by insurance. Where there has been a cash settlement, the assets were disposed and form part of the gain on disposal of assets in capital income.

- Assets impacted by major damage: assets were disposed and recorded as a capital expense.

**Impairment of assets due to minor or moderate damage:**

- Assets impacted by minor or moderate damage were impaired in the previous year to the asset revaluation surplus with the amount being updated in the current year based on restoration works undertaken. This includes all assets located in the Kershaw Gardens that have access restrictions from previous landfill activities.

- Assets that have been directly restored by the insurer have been disposed and reinstated based on works undertaken. These works are shown as non cash insurance proceeds in Note 14 and form part of the gain on disposal of assets in capital income.

## 2013 Oswald flood event

In January 2013, the Rockhampton area experienced a major rainfall event within a 24 hour period from Cyclone Oswald. In the prior year the flood restoration works and asset entries were finalised. Any remaining estimated corrections to previous years were reinstated to the asset values.

## (a) Current Year

	Note	Cost \$	Accumulated depreciation \$	Asset revaluation surplus \$	Capital income \$	Capital expense \$
(i) 2015 Cyclone Marcia:						
Restatement of asset values - impairment no longer required		1,470,319	526,930	943,389	-	-
Reassessment of asset adjustments - minor and moderate damage		(633,985)	(177,885)	(456,100)	-	-
Increase in asset values due to 2015 disaster event	14	836,334	349,045	487,289	-	-



## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

## (b) Prior Year

	Note	Cost \$	Accumulated depreciation \$	Asset revaluation surplus \$	Capital income \$	Capital expense \$
<b>(i) 2015 Cyclone Marcia:</b>						
Asset adjustments - major damage	5 & 10	2,344,578	1,385,994	-	114,544	844,040
Asset adjustments - minor and moderate damage		3,266,247	1,373,975	1,892,272	-	-
Reduction in asset values due to 2015 disaster event		5,610,825	2,759,969	1,892,272	114,544	844,040
<b>(ii) 2013 Oswald flood event:</b>						
Reinstatement of asset values - 2012/13 adjustments not required		4,403,308	423,080	3,925,950	-	54,278
Increase in asset values due to 2013 flood event	14	4,403,308	423,080	3,925,950	-	54,278

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	2016	2015
	\$	\$
<b>28 Change in accounting estimate</b>		
<b>Road network - unit costs for 2014/15</b>		
The estimate of the fair value of road assets in 2014/15 (stage one of a rolling valuation for unsealed and sealed road components, floodways, carparks and access roads and kerb assets) as a component of an expert valuation undertaken by Pavement Management Services, utilised the unit rates established by the Roads and Transport Alliance Valuation Project (Queensland) (RAVP).		
In the current year changes were made to assumptions by RAVP, based upon new information, thereby impacting on the unit rates previously adopted by Council and the fair value of stage one road assets. As part of the three year rolling revaluation of the road asset class all unit rates for the stage one assets were updated to the latest rates, incorporating the changed assumptions.		
Increase in property, plant and equipment	127,526,543	-
Increase in asset revaluation surplus	127,526,543	-

**29 Financial instruments**

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

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

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

- Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia.
- The Council does not invest in derivatives or other high risk investments.

- When the Council borrows, it borrows from the Queensland Treasury Corporation (QTC) unless another financial institution can offer a more beneficial rate, taking into account any risk. Borrowing by the Council is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

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

Risk exposure	Measurement method
Credit risk	Ageing analysis
Liquidity risk	Maturity analysis
Interest rate risk	Sensitivity analysis

**(i) Credit risk**

Credit risk exposure refers to the situation where the Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

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

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

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

## ROCKHAMPTON REGIONAL COUNCIL

## Notes to the financial statements

For the year ended 30 June 2016

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

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

The following table represents the Council's maximum exposure to credit risk:

Financial assets	Note	2016	2015
		\$	\$
Cash and cash equivalents	11	31,538,004	48,701,188
Investments	12	75,000,000	30,000,000
Receivables - rates	13	7,573,897	6,926,255
Receivables - other	13	4,847,522	10,401,357
<b>Other credit exposures</b>			
Guarantees	22	2,614,766	3,081,572
		<b>121,574,189</b>	<b>99,110,372</b>

**Past due or impaired**

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

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

30-Jun-16	Fully performing	Past due				Less impairment	Total
		Less than 30 days	30-60 days	61-90 days	Over 90 days		
	\$	\$	\$	\$	\$	\$	
Receivables	8,611,848	178,142	83,277	33,011	3,653,578	(138,437)	12,421,419

30-Jun-15	Fully performing	Past due				Less impairment	Total
		Less than 30 days	30-60 days	61-90 days	Over 90 days		
	\$	\$	\$	\$	\$	\$	
Receivables	10,115,053	2,041,697	792,533	76,143	4,396,371	(94,185)	17,327,612

**(ii) Liquidity risk**

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

The Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in the borrowings Note 18. There are no additional facilities or lines of credit available.

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

## ROCKHAMPTON REGIONAL COUNCIL

Notes to the financial statements  
For the year ended 30 June 2016

	0 to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
	\$	\$	\$	\$	\$
<b>2016</b>					
Trade and other payables	8,484,585	-	-	8,484,585	8,484,585
Loans - QTC	26,041,432	104,165,728	57,760,564	187,967,724	154,032,120
	34,526,017	104,165,728	57,760,564	196,452,309	162,516,705
<b>2015</b>					
Trade and other payables	11,882,758	-	-	11,882,758	11,882,758
Loans - QTC	23,658,183	94,582,130	78,443,005	196,683,318	156,180,285
	35,540,941	94,582,130	78,443,005	208,566,076	168,063,043

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

**(iii) Interest rate risk**

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

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

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

**Interest rate sensitivity analysis**

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

	Net carrying amount		Profit/Loss		Equity	
	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$
Financial assets	106,509,924	78,674,158	1,065,099	786,742	1,065,099	786,742
Financial liabilities	(154,032,120)	(156,180,285)	(1,540,321)	(1,561,803)	(1,540,321)	(1,561,803)
Net total	(47,522,196)	(77,506,127)	(475,222)	(775,061)	(475,222)	(775,061)

**(iv) 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 18.

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 2016

**30 National competition policy****(a) Business activities**

Before the end of each financial year, the Minister for Local Government must decide for the financial year, the expenditure amounts (the "threshold amounts") for identifying a "significant business activity".

A significant business activity where the threshold expenditure has been set by the Minister for the year ended 30 June 2016 follows:

- (a) for water and sewerage combined activities - \$13,600,000
- (b) for other activities - \$9,000,000

The Council has resolved to commercialise the following activities which fall into the expenditure guidelines above.

Waste and Recycling  
Fitzroy River Water  
Airport

**(b) Activities to which the code of competitive conduct (CCC) is applied**

A "business activity" of a local government is any activity that involves trading in goods or services.

The CCC must be applied to the following business activities:

- (a) A building certifying activity that:
  - (i) involves performing building certifying functions within the meaning of the Building Act, section 8; and
  - (ii) is prescribed under a regulation\*.

\*Section 38 of the *Local Government Regulation 2012* lists the local government's whose activities are prescribed building certifying activities.

- (b) A roads activity, other than a roads activity for which business is conducted only through a sole supplier arrangement, that involves:

- (i) the construction or maintenance of state controlled roads for which the local government submits an offer to carry out work in response to a tender invitation.
- (ii) construction or road maintenance on another local government's roads which the local government has put out to tender.

Each local government may elect to apply a CCC to any other identified business activities. However, for any with current expenditure of \$318,000 or more, the local government must decide, by resolution each year, whether to apply the CCC to that activity.

In general, applying the CCC means that the competitive neutrality principle is applied to the business activity.

Under the competitive neutrality principle, an entity that is conducting a business activity in competition with the private sector should not enjoy a net advantage over competitors only because the entity is in the public sector.

The competitive neutrality principle may be applied by commercialisation or full cost pricing. This includes removing any competitive advantage or disadvantage, where possible, and charging for goods and services at full cost.

In addition the cost of performing community service obligations, less any revenue received from carrying out those obligations, must be treated as revenue for the business activity.

## ROCKHAMPTON REGIONAL COUNCIL

## Notes to the financial statements

For the year ended 30 June 2016

A community service obligation is an obligation the local government imposes on a business activity that is not in its commercial interest. For example, giving a concession to pensioners.

A local government's financial statements must contain an activity statement for each business activity to which the CCC applies.

The Rockhampton Regional Council applies the 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 CCC:

## (c) Financial performance of activities subject to competition reforms:

	Building Certification	Fitzroy River Water	Rockhampton Airport	Waste & Recycling
	2016	2016	2016	2016
	\$	\$	\$	\$
Revenue for services provided to Council	1,100	3,621	-	249,206
Revenue for services provided to external clients	69,091	66,343,771	16,924,474	20,261,734
Community service obligations	152,847	606,421	160,669	3,081,739
	223,038	66,953,813	17,085,143	23,592,679
Less : expenditure	223,039	58,168,726	14,493,727	14,696,812
Surplus/(deficiency)	-	8,785,087	2,591,416	8,895,867

## (d) Community Service Obligations were paid during the reporting period to the following activities:

Activities	CSO description	Net cost
		\$
Building Certification	Non-commercial private certification services	152,847
Fitzroy River Water	Remissions to community & sporting bodies - water	20,606
	Combined line charges (operating)	68,644
	Remissions to community & sporting bodies - sewerage	74,888
	Combined line charges (capital)	192,492
	Raising manholes (capital)	249,791
		606,421
Rockhampton Airport	Capricorn Rescue Helicopter Service	23,256
	Royal Flying Doctor Service	93,175
	Patient Travelling Subsidy Scheme	44,238
		160,669
Waste and Recycling	Roadside bin operations	423,347
	Roadside bin disposal costs	158,986
	Tyres, oils and chemicals	17,362
	Old landfill maintenance works	719,300
	Green waste	1,559,625
	Waste education	64,234
	Boat ramp services	2,501
	Charity waste policy	45,738
	Tropical Cyclone Marcia - community recovery assistance	90,646
		3,081,739

## ROCKHAMPTON REGIONAL COUNCIL

## Notes to the financial statements

For the year ended 30 June 2016

**31 Controlled entities that have not been consolidated**

Council has two controlled entities that are not consolidated because their size and nature means that they are not material to Council's operations.

A summary of those entities, their net assets and results for the year ended 30 June 2016 follows:

**Controlled Entities - Financial Results:**

Controlled Entity	Receipts		Disbursements		Net (deficit) / surplus		Assets		Liabilities	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
CQ Performing Arts Foundation	10,365	10,604	1,320	-	9,045	10,604	120,957	111,911	-	-
The Rockhampton Art Gallery Trust	1,991	31,947	-	(34,544)	1,991	(2,597)	-	66,115	-	-

The CQ Performing Arts Foundation promotes and provides performing arts experiences and opportunities so as to further enhance the cultural life of the residents of the Rockhampton Regional Council community.

The Rockhampton Art Gallery Trust resolved to wind-up in June 2016 and transfer all of the Trust's assets to the Rockhampton Art Gallery Gift Fund (the Gift Fund). The Gift Fund has been established by Council to hold any gifts to the Rockhampton Art Gallery on trust for the Rockhampton Art Gallery.

## ROCKHAMPTON REGIONAL COUNCIL

Financial statements  
For the year ended 30 June 2016


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**Management Certificate**  
For the year ended 30 June 2016

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 45, 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.

  
\_\_\_\_\_  
M.F. Strelow  
Mayor  
Date: 14th October, 2016

  
\_\_\_\_\_  
E.A. Pardon  
Chief Executive Officer  
Date: 14th October, 2016



**INDEPENDENT AUDITOR'S REPORT**

To the Mayor of Rockhampton Regional Council

**Report on the Financial Report**

I have audited the accompanying financial report of Rockhampton Regional Council, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

*The Council's Responsibility for the Financial Report*

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

*Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

*Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

*Opinion*

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

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

**Other Matters - Electronic Presentation of the Audited Financial Report**

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



A handwritten signature in blue ink that reads "J Macgregor".

J MACGREGOR CPA  
(as delegate of the Auditor-General of Queensland)

Queensland Audit Office  
Brisbane

ROCKHAMPTON REGIONAL COUNCIL  
 Current-year Financial Sustainability Statement  
 For the year ended 30 June 2016

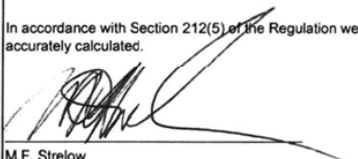

Measures of Financial Sustainability

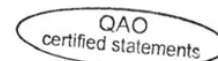
Council's performance at 30 June 2016  
 against key financial ratios and targets:

	How the measure is calculated	Actual - Council	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	10.8%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	74.65%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	38.5%	not greater than 60%

Note 1 - Basis of Preparation

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

Certificate of Accuracy For the year ended 30 June 2016	
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the <i>Local Government Regulation 2012</i> (the Regulation).	
In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.	
	
M.F. Strelow Mayor	E.A. Pardon Chief Executive Officer
Date: 14 <sup>th</sup> October, 2016	Date: 14 <sup>th</sup> October, 2016



**INDEPENDENT AUDITOR'S REPORT**

To the Mayor of Rockhampton Regional Council

**Report on the Current-Year Financial Sustainability Statement**

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Rockhampton Regional Council for the year ended 30 June 2016, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

*The Council's Responsibility for the Current-Year Financial Sustainability Statement*

The Council is responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the *Local Government Regulation 2012*. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

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

*Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

*Opinion*

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Rockhampton Regional Council, for the year ended 30 June 2016, has been accurately calculated.

*Emphasis of Matter – Basis of Accounting*

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

**Other Matters - Electronic Presentation of the Audited Statement**

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



J MACGREGOR CPA  
(as delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane

ROCKHAMPTON REGIONAL COUNCIL  
 Long-Term Financial Sustainability Statement  
 Prepared as at 30 June 2016

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2016	Projected for the years ended								
				30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	10.8%	0.6%	1.2%	2.1%	2.2%	2.1%	2.6%	3.0%	3.1%	3.5%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	74.65%	130.3%	103.4%	92.4%	97.0%	92.0%	85.1%	86.1%	80.4%	87.4%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	38.5%	62.2%	60.8%	58.5%	55.8%	57.9%	53.4%	48.8%	42.7%	37.3%

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 prepared as at 30 June 2016	
This long-term financial sustainability statement has been prepared pursuant to Section 178 of the <i>Local Government Regulation 2012</i> (the Regulation).	
In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.	
 M.F. Strelow Mayor Date: 14th October 2016	 E.A. Pardon Chief Executive Officer Date: 14th October 2016

**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 totalling approximately \$862.6 million (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 and discharge of treated effluent.

Broadly, the scope of FRW (based upon the 2015-16 financial year) is as follows:

Item	\$M
Total income (operating)	\$62.6M
Total expenses (operating)	\$36.0M

**Annual Operations Report**

Financial Indicators

Item	2015-16 Target	2015-16 Achieved
Operating surplus ratio	41.70%	42.40%
Interest coverage ratio	4.30%	3.84%
Asset consumption ratio	60.30%	59.97%
Gross revenue	\$60,301,843	\$62,578,972
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	\$40,385,855	\$42,188,434
Competitive neutrality ratio (% of gross revenue)	35.30%	33.67%
Depreciation ratio	21.00%	20.88%
Total written down asset value	\$515,841,721	\$520,023,327
Return on assets	5.00%	4.82%

**Financial Performance****Operational**

FRW raised operational income of \$62.6million with the majority raised through utility charges. Operating revenue in the 2015-16 financial year has increased by 4.83% from the 2014-15 financial year. Utility charges realised an increase of 6.0%, with water consumption charges growth exceeding expectation, largely due to a dryer year than has been seen for the past three years. Most other revenue streams have decreased from the 2014-15 financial year.

Operational expenditure for the 2015-16 financial year was \$36.0 million, which has decreased from the 2014-15 financial year.

Employee costs, materials and services and depreciation continually remain to be the largest portion of expenditure for FRW each year. The 2015-16 financial year is no different in this respect; however there has been a decrease in material and service costs such as electricity due to the benefit of major capital upgrades undertaken to achieve efficiencies in pumping.

**Net Result Attributable to Fitzroy River Water**

FRW net result before tax, a surplus of \$29.1 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 application of previous year's deficit), the increased movement in FRW's retained surplus amounted to \$7.6 million in the 2015-16 financial year.

**Capital**

Total capital expenditure for the 2015-16 financial year was \$23.4 million including debt redemption. Extensive refurbishment programs of underground water and sewerage assets were undertaken and also construction of new aboveground infrastructure was prominent.

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

- Completion of the Barrage crane rail refurbishment;
- Continuation of Stage 2 of the North Rockhampton flood mitigation project;
- Completion of the Mount Morgan North Reservoir roof replacement;
- Completion of Stage 2 of the Mount Morgan sewerage expansion;
- Completion of the 300mm trunk water main duplication to Gracemere;
- Completion of Stage 3 & 4 of the Gracemere Sewage Treatment Plant effluent return;
- Completion of the augmentation of the Gracemere and South Rockhampton Sewage Treatment Plants;
- Continuation of the Arthur Street Sewerage Pump Station electrical and dry well pump upgrade;
- Continuation of the Lucas Street Water Pump Station pump and trunk main upgrade;
- Completion of the Ramsay Creek wetwell duplication and 225mm gravity sewerage main construction;
- Completion of three sewerage pump station electrical upgrades;
- Continuation of the refurbishment of the sewerage network; and
- Continuation of the replacement of water mains.

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

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

The following table summarises the types of CSO revenue received by FRW during the 2015-16 financial year:

<b>Water</b>	
Remissions to Community and Sporting Bodies	<b>\$20,606</b>
<b>Sewerage</b>	
Combined Line Charges (expenses)	<b>\$68,644</b>
Combined Line Charges (capital)	<b>\$192,492</b>
Raising Manholes (capital)	<b>\$249,791</b>
Sporting Bodies Sewerage Access	<b>\$74,888</b>
<b>TOTAL</b>	<b>\$606,421</b>

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



WATER	OBJECTIVE
Other Rate Remissions	RRC upon review of applications, at times grants remissions for Water Charges. These amounts are then claimed as a CSO by FRW.
Sporting Bodies Rate Remissions	RRC upon review of applications, at times grants remissions for Water Charges. These amounts are then claimed as a CSO by FRW. Refer to Council Rate Rebates and Remissions Policy.
Tropical Cyclone Marcia - potable water distribution, Glenmore Water Treatment Plant review and CQ Ice generator and filtration system	To the extent of the particular services provided from a directive of Council during the Tropical Cyclone Marcia event.

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

### Asset Management

With the preparation of a Strategic Asset Management Plan (SAMP) now no longer a legislative requirement for water service providers, FRW has been working with Council's Asset Management team to prepare an Asset Management Plan (AMP) in accordance with the requirements of the *Local Government Act 2009*. The purpose of this plan is to develop a long term strategy for the management of water and sewerage infrastructure to ensure the safe and reliable provision of water and sewerage service for the community.

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

### Comparison with Annual Performance Plan

Water Services Performance

#### Water - Day to Day Continuity

CSS Reference	Performance indicator	Potable Water Schemes						Potable Water Schemes					
		Rockhampton and Gracemere Water Supply Scheme Number of access charges - 37,579 as at January 2016						Mt Morgan Water Supply Scheme Number of access charges - 1,512 as at January 2016					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS1	Extent of unplanned interruptions - connections based (no. per 1,000 connections per year)	15	4	9	9	<80	37	13	1	8	22	<80	44
CSS2	Extent of unplanned interruptions - incidents based (no. per 100 km of main per year) Rockhampton and Gracemere 757 km Mt Morgan 72 km	12	12	16	11	<30	51	3	1	3	4	<30	11
CSS3	Time for restoration of service - unplanned interruptions (% restored within 5 hours)	100%	100%	100%	98%	>90%	100%	100%	100%	100%	100%	>90%	100%
CSS4	<b>Customer interruption frequency:</b>												
	1 interruption per year	1.69%	0.78%	1.30%	1.33%	12%	5.10%	5.15%	0.00%	0.79%	2.11%	12%	8.05%
	2 interruptions per year	0.10%	0.00%	0.05%	0.02%	2%	0.17%	0.00%	0.00%	0.00%	0.00%	2%	0.00%
	3 interruptions per year	0.01%	0.00%	0.00%	0.03%	1%	0.04%	0.00%	0.00%	0.00%	0.00%	1%	0.00%

	4 interruptions per year	0.01%	0.00%	0.00%	0.00%	<b>0.50%</b>	0.01%	0.00%	0.00%	0.00%	0.00%	<b>0.50%</b>	0.00%
	5 or more interruptions per year	0.01%	0.00%	0.00%	0.00%	<b>0.25%</b>	0.01%	0.00%	0.00%	0.00%	0.00%	<b>0.25%</b>	0.00%
CSS5	Relative incidence of planned and unplanned interruption incidents (% of planned versus total number of interruptions)	15%	10%	8%	13%	<b>&gt;30%</b>	12%	50%	0%	0%	0%	<b>&gt;30%</b>	13%
CSS6	Average interruption duration - planned and unplanned (hours)	2.37	1.95	2.8	2.61	<b>3 hrs</b>	2.43	2.04	0.11	0.67	0.47	<b>3 hrs</b>	0.82
CSS7	<b>Response time</b>												
	<b>Priority 1</b> – 1 hour response	90%	100%	88%	94%	<b>95%</b>	93%	100%	50%	100%	100%	<b>95%</b>	88%
	<b>Priority 2</b> – 2 hours response	99%	90%	96%	95%	<b>95%</b>	95%	100%	88%	100%	100%	<b>95%</b>	97%
	<b>Priority 3</b> – 24 hours response	99%	100%	100%	99%	<b>95%</b>	100%	100%	100%	100%	100%	<b>95%</b>	100%
	<b>Restoration time</b>												
	<b>Priority 1</b> – 5 hours restoration	83%	85%	92%	83%	<b>95%</b>	86%	100%	100%	100%	100%	<b>95%</b>	100%
	<b>Priority 2</b> – 24 hours restoration	100%	97%	100%	98%	<b>95%</b>	99%	100%	100%	100%	100%	<b>95%</b>	100%
	<b>Priority 3</b> – 5 days restoration	99%	99%	100%	100%	<b>95%</b>	100%	100%	100%	100%	100%	<b>95%</b>	100%

## Adequacy and Quality of Normal Supply of Water Supply

CSS Reference	Performance indicator	Potable Water Schemes						Potable Water Schemes						
		Rockhampton and Gracemere Water Supply Scheme Number of access charges - 37,579 as at January 2016						Mt Morgan Water Supply Scheme Number of access charges - 1,512 as at January 2016						
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	
CSS8	Minimum pressure standard at the water meter (kPa)	220	220	220	220	<b>220 kPa</b>	220	220	220	220	220	220	<b>220 kPa</b>	220
CSS9	Minimum flow standard at the water meter	9	9	9	9	<b>9 L/min</b>	9 L/min	9	9	9	9	9	<b>9 L/min</b>	9 L/min
CSS10	Connections with deficient pressure and/or flow (% of total connections)	0.3%	0.3%	0.3%	0%	<b>&lt;2.5%</b>	0.3%	2.0%	2.0%	2.0%	2.0%	2.0%	<b>&lt;2.5%</b>	2%
CSS11	Drinking water quality (compliance with industry standard)	100%	100%	100%	100%	<b>&gt;98%</b>	100%	100%	100%	100%	100%	100%	<b>&gt;98%</b>	100%
FRW's Drinking Water Quality Management Plan identifies the following key water quality parameters as reference indicators for customer service purposes: Physical and Chemical Water Quality Parameters - Target: >99% of all samples tested compliant with Australian Drinking Water Guidelines and E.coli - Target: None detected in >98% of all samples tested														
CSS12	Drinking water quality complaints (number per 1,000 connections)	0.62	0.37	0.37	0.27	<b>&lt;5</b>	1.63	2	2	1.98	7.28	7.28	<b>&lt;5</b>	13.26
CSS13	Drinking water quality incidents (number per 1,000 connections)	0	0	0	0	<b>&lt;5</b>	0	0	0	0	0	0	<b>&lt;5</b>	0

## Long Term Continuity of Water Services

CSS Reference	Performance indicator	Potable Water Schemes						Potable Water Schemes					
		Rockhampton and Gracemere Water Supply Scheme Number of access charges - 37,579 as at January 2016						Mt Morgan Water Supply Scheme Number of access charges - 1,512 as at January 2016					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS14	Water main breaks (number per 100 km main) Rockhampton and Gracemere 757 km Mt Morgan 72 km	5	4	4	3	<40	16	4	7	3	4	<40	18
CSS15	Water services breaks (number per 1,000 connections)	5	5	6	4	<40	20	6	2	6	7	<40	21
CSS16	System water loss (litres per connection per day)	167	177	154	103	< 200 L	150.25	184	170	148	114	≤ 200 L	154

## Effective Transportation of Sewage

CSS Reference	Performance indicator	Sewerage Schemes						Sewerage Schemes					
		Rockhampton and Gracemere Sewerage Scheme Number of access connections - 50,365 as at January 2016						Mt Morgan Sewerage Scheme Number of access connections - 506 as at January 2016					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS17	Sewage overflows – total (number per 100 km main) Rockhampton and Gracemere 714.8 km Mt Morgan 11 km	12.63	8.01	10.07	9.65	<30	40.36	0	0	0	0	<10	0
CSS18	Sewage overflows to customer property (number per 1,000 connections)	1.76	1.12	1.43	1.37	<10	5.68	0	0	0	0	<5	0
CSS19	Odour complaints (number per 1,000 connections)	0.12	0.12	0.46	0.06	<1	0.76	0	1.98	0	0	<1	1.98
CSS20	<b>Response time</b>												
	<b>Priority 1</b> – 1 hour response	88%	91%	78%	90%	>95%	87%	100%	100%	ND	ND	>95%	100%
	<b>Priority 2</b> – 2 hours response	94%	94%	94%	92%	>95%	94%	100%	100%	ND	ND	>95%	100%
	<b>Priority 3</b> – 24 hours response	98%	100%	100%	100%	>95%	100%	100%	100%	ND	ND	>95%	100%
	<b>Restoration time</b>												
	<b>Priority 1</b> – 5 hours restoration	95%	95%	89%	100%	>95%	95%	100%	100%	ND	ND	>95%	100%
	<b>Priority 2</b> – 24 hours restoration	100%	99%	98%	98%	>95%	99%	100%	100%	ND	ND	>95%	100%
	<b>Priority 3</b> – 5 days restoration	100%	100%	100%	100%	>95%	100%	100%	100%	ND	ND	>95%	100%

**Long Term Continuity of Sewerage Services**

CSS Reference	Performance indicator	Sewerage Schemes						Sewerage Schemes					
		Rockhampton and Gracemere Sewerage Scheme Number of access connections - 50,365 as at January 2016						Mt Morgan Sewerage Scheme Number of access connections - 506 as at January 2016					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS21	Sewer main breaks and chokes (number per 100 km main) Rockhampton and Gracemere 714.8 km Mt Morgan 11 km	22.61	19.32	20.29	15.11	<50	77.33	0	0	0	0	<20	0
CSS22	Sewer inflow and infiltration (ratio of Peak Day Flow to Average Day Flow)	1.4	1.5	4.65	2.3	<5	2.46	1.45	1.52	1.27	1.5	<5	1.44

Reference Codes

A blank field should contain one of the following:

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

**Customer Service Standards**

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

**Customer Service Targets**

Performance indicator	1st qtr	2nd qtr	3rd qtr	4th qtr	Target	Year to Date
Installation of new water connections (within the water service area)	88%	82%	91%	100%	15 working days	90%
Installation of sewerage connections (within the sewerage area)	58%	73%	76%	95%	15 working days	76%
Complaints – (excluding maintenance of water and sewerage services) – advise outcome	100%	100%	100%	100%	20 working days	100%

**Financial Performance Targets**

Performance indicator	1st qtr date reported	2nd qtr date reported	3rd qtr date reported	4th qtr date reported	Target
RRC Operational Plan Reporting Frequency: quarterly	21/10/2015	15/01/2016	20/04/2016	11/07/2016	Initiatives successfully completed by year end
Operating Budget Reporting Frequency: quarterly or when variations arise	30/09/2015	31/12/2015	31/03/2016	30/06/2016	Conduct all activities in accordance with required timelines and budget
Annual Revenue Reporting Frequency: quarterly or when variations arise	30/09/2015	31/12/2015	31/03/2016	30/06/2016	Timely reporting of any significant variations to budget revenue and collection timing
Capital Works Reporting Frequency: quarterly or when variations arise	30/09/2015	31/12/2015	31/03/2016	30/06/2016	Completion of capital program in accordance with adopted timeframe and budget (within 3%)

**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; this indicator is not relevant to that scheme)



## Non Compliance Comments

CSS Reference	Scheme	Comment
CSS2	Rockhampton and Gracemere Water Supply Scheme	A total of 126 broken water mains for the YTD affecting a total of 393 unplanned interruption incidents.
CSS5	Rockhampton and Gracemere Water Supply Scheme	Due to the ageing infrastructure Rockhampton has had 331 unplanned versus 13 planned water shut downs. A water mains replacement program is in place.
CSS5	Mount Morgan Water Supply Scheme	Due to the ageing infrastructure Mount Morgan has had 34 unplanned versus no planned water shut downs. A water mains replacement program is in place.
CSS7	Rockhampton and Gracemere Water Supply Scheme	<b>Response</b> P1 - 100 of 108 total requests were responded to within 1 hour. <b>Restoration</b> P1 - 92 of 108 total requests were restored within 5 hours.
CSS7	Mount Morgan Water Supply Scheme	<b>Response</b> P1 - 6 of 7 total requests were responded to within 1 hour.
CSS12	Mount Morgan Water Supply Scheme	The annual target has been exceeded due to the receipt of a number of drinking water quality complaints during this reporting period. The relatively low number of access charges (1512 connections) means that only a very small number of complaints are required to exceed the annual target which is measured in complaints per 1000 connections.
CSS17	Rockhampton and Gracemere Sewerage Supply Scheme	There was a YTD total number of 546 mainline blockages and 285 subsequent overflows.
CSS19	Mount Morgan Water Supply Scheme	One complaint received for only 506 connections gives a value above the target per 1000 connections.
CSS20	Rockhampton and Gracemere Sewerage Supply Scheme	<b>Response</b> P1 - 94 of 109 total requests were responded to within 1 hour. P2 - 413 of 442 total requests were responded to within 2 hour.
CSS21	Rockhampton and Gracemere Sewerage Supply Scheme	The was a YTD total of 188 mainline blockages with a total of 285 overflows.

### 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 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 also undertook an independent external audit of the DWQMP, which is a legislative requirement that is scheduled for completion every four years. Although recent amendments to the *Water Supply (Safety and Reliability) Act 2008* have removed the ongoing requirement for preparation of a SAMP and other regulatory plan documents, 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.

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

#### Overview of Services

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

### Customer Service Standards Processes

#### Service Connections

##### Water

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

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

##### Sewerage

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

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

##### Trade Waste Services

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

#### Metering and Billing

Water consumption bills are individually and independently issued by FRW on a quarterly basis.

FRW's water access and sewer charges are integrated with Council rate notices which are issued twice a year.

#### Accounting

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

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

Payment can be made in the following manner:

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

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

#### Complaints

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

#### Dispute Resolution

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

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

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

#### **Review of Customer Service Standards**

Legislation requires service providers to review the CSS every year. FRW's performance against financial and non-financial targets and key strategies are reported to Council on a quarterly basis in accordance with the adopted 2014-15 Performance Plan. The Annual Performance Plan report as at 30 June 2015 was presented to Council with the CSS on 11 August 2015.

The CSS will be reviewed in the current period.

The current CSS are available under the FRW section on Council's website.

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

Annual statement on operations of Rockhampton Regional Waste and Recycling

**Nature and Scope of Activities**

Rockhampton Regional Waste and Recycling (RRWR) is a commercial business unit of Council and is responsible for the operation and maintenance of waste and recycling assets totalling approximately \$36.1 million (replacement value).

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

Broadly, the scope of RRWR (based upon the 2015-16 financial year) is as follows:

Item	Whole of Council
Total Income (operating)	\$21.0M
Total Expenses (operating)	\$18.3M
Number of staff	31
Properties served– General Waste	36,510
Properties served– Recycling	33,347
Total waste to Landfill – including kerbside waste collection but not including cover material and green waste (tonnes)	117,819
Kerbside Waste Collected (tonnes)	23,373
Recycling Collected (tonnes)	6,275
Landfills	1
Transfer Stations (manned)	4
Roadside Bin Stations	6
Trench Stations (1), Enclosed Wheelie Bin Collection Points(1), Bank of Bins (1)	3

**Annual Operations Report**

Financial Indicators

Item	2015-16 Target	2015-16 Achieved
Operating Surplus Ratio	21.3%	12.9%
Interest Coverage Ratio	6.3%	4.3%
Asset Consumption Ratio	80.5%	81.6%
Depreciation Ratio	6.5%	5.4%

## Comparison with Annual Performance Plan

## Non-Financial Performance Targets

CSS Reference	Performance Indicator	Target	Rockhampton Actual	Gracemere Actual	Mount Morgan Actual
WCSS1	Weekly collection of domestic waste on the same day every week	98%	99.98%		
WCSS2	Weekly collection of commercial waste	95%	99.98%	Included in WCSS1#	Included in WCSS1#
WCSS3	Fortnightly collection of domestic recyclable waste	98%	99.92%		
WCSS4	Fortnightly collection of commercial recyclable waste	98%	99.92%	Included in WCSS3#	Included in WCSS3#
WCSS5	Missed service collection provided within two working days from notification when notification is within one working day of scheduled collection	95%	100.00%	100%	100%
WCSS6	Collection services will be made available within four working days upon application by the owner	98%	100.00%	100%	100%
WCSS7	Provision of assisted services within ten working days from application by the resident	100%	100.00%	100%	100%
WCSS8	Repair or replacement of stolen, removed, damaged, vandalised mobile bins within four working days from notification	100%	100.00%	100%	100%
# Unable to separate domestic and commercial data for Gracemere and Mount Morgan. Staff are currently working on this to enable these indicators to be reported on in the future.					

**Financial Performance Targets**

<b>Performance Indicator</b>	<b>Target</b>	<b>1st qtr date reported</b>	<b>2nd qtr date reported</b>	<b>3rd qtr date reported</b>	<b>4th qtr date reported</b>
RRC Operational Plan Reporting Frequency: quarterly	<b>Initiatives successfully completed by year end</b>	Now reported monthly			
Operating Budget Reporting Frequency: quarterly or when variations arise	<b>Conduct all activities in accordance with required timelines and budget</b>	30/09/2015	31/12/2015	31/03/2016	30/06/2016
Annual Revenue Reporting Frequency: quarterly or when variations arise	<b>Timely reporting of any significant variations to budget revenue and collection timing</b>	30/09/2015	31/12/2015	31/03/2016	30/06/2016
Capital Works Reporting Frequency: quarterly or when variations arise	<b>Completion of capital program in accordance with adopted timeframe and budget (within 3%)</b>	30/09/2015	31/12/2015	31/03/2016	30/06/2016

**Review of Customer Service Standards**

Legislation requires service providers to review the CSS every year. RRWR's performance against financial and non-financial targets and key strategies are reported to Council on a monthly basis in accordance with the 2015-16 Annual Performance Plan presented to Council 2 December 2015.

**Financial Performance****Operational (Continuing Operations)**

RRWR raised operational income of \$21.0 million, including internal charges revenue, with the majority raised through utility and landfill fees and charges.

Operating revenue in the 2015-16 financial year is lower than the 2014-15 financial year by 18%, which is attributed to lower CSO revenue received which has been netted off in operational expenditure.

Operational expenditure for the continuing RRWR 2015-16 financial year was \$18.3 million, this does not include capital expenditure and company tax equivalents.

Materials and services and employee costs formed the largest portion of expenditure for RRWR in the financial period. Expenditure incurred for materials and services (72%) is essential in providing critical waste services to the community and maintaining RRWR property, plant and equipment. RRWR also supports a medium sized in-house workforce in order to provide and maintain these services for today and into the future with employee costs being 16% of operational expenditure.

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

RRWR net result of \$4.7 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 decrease in RRWR's retained deficit was \$2.3 million.

**Capital**

Total capital expenditure for the 2015-16 financial year was \$0.7 million excluding prior year write offs and LCR capping expenditure which fell short of the capital program budgeted of \$1.7 million.

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

- Final completion of the waste transfer station construction project.
- Replacement of bins under the RRWR replacement bin program.
- Completion of the regional bin station and waste transfer station solution project
- Commencement of design works for the LCR life extension project

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

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

The following table summarises the types of CSO revenue received by RRWR during the 2015-16 financial year:

DESCRIPTION	ACTUAL COST
Roadside Bin Operations	\$ 423,347
Roadside Bin Disposal Costs	\$ 158,986
Tyres, Oils & Chemicals	\$ 17,362
Old Landfill Maintenance Works	\$ 719,300
Green Waste	\$ 1,559,625

Waste Education	\$ 64,234
Boat Ramp Services	\$ 2,501
Charity Waste Policy	\$ 45,738
Tropical Cyclone Marcia	\$ 90,646
<b>TOTAL CSO</b>	<b>\$3,081,739.00</b>

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

Authorised Group	Date	Limit	Expiry
Anglicare Central Queensland Limited	01/07/2015	60 tonne	30/06/2016
Australian Red Cross	14/10/2015	1 tonne	30/06/2016
Lifeline Central Queensland	01/07/2015	250 tonne	30/06/2016
St Vincent de Paul Society Queensland	01/07/2015	120 tonne	30/06/2016
The Salvation Army	01/07/2015	120 tonne	30/06/2016
The Umbrella Network	07/07/2015	3 tonne	30/06/2016
Rockhampton Women's Shelter	20/07/2015	3 tonne	30/06/2016
Cancer Council - Relay for Life	01/05/2015	6 tonne	30/06/2016



**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 Gold Coast, 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 \$126.4 million (replacement value).

**Annual Operations Report**

Item	As at 30 June 2016
Total income	\$14.9M
Total expenses	\$11.1M
Passenger movements	604,594
Number of staff	24
Number of paid parking car parks	788
Aircraft movements	28,872

**Comparison with Annual Performance Plan****Annual Performance Report**

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

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

Performance Indicator	Target	Annual Result
Increase Passenger numbers	1%	-5.6%
Increase Aircraft Movements	1%	-7.6%
Bird Strikes	Less than 36	34
Lost Time Days – workplace injuries	0	0
Reported Public Injuries on Airport Precinct	0	2
Customer Requests Actioned	100%	100%
Airline Engagement Meetings held Quarterly	Yes	Yes
All Military Exercise Briefings Attended	Yes	Yes

## Financial Performance

### Operational

Total Income for the financial period was \$14.9 million, including revenue from RRC and excluding capital income. Operating income was lower in comparison to the previous financial year by 8%, which can be attributed mostly to a drop in passenger numbers by 5.6% and a reduction in checked bag screening revenue.

Operational expenditure for the 2015-16 financial year was \$11.1 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 (51.62%) 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 24.28% of operating expenditure.

Rockhampton Airport net result of \$5.7 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 \$4.5 million for the 2015-16 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 \$2.3 million.

### Capital

Total capital expenditure for the 2015-16 financial year was \$1.7 million which fell short of the capital program budgeted of \$3.4 million.

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

- Completion of stage 2 of the Runway Lighting project with commissioning to be carried out in 16/17.
- Commencement of the main runway resurfacing project.
- Commencement of the upgrade of the two terminal standby generators.
- Completion of the paid car parking, Europay, Mastercard and Visa compliance upgrade.
- Commencement of the GA apron lighting upgrade.
- Continuation of the security upgrades to general aviation.

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

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

The following table summarises the types of CSO revenue received by Rockhampton Airport during the 2015-16 financial year.

Description	Actual Cost
Royal Flying Doctors Service and Capricorn Helicopter Rescue Service	\$ 116,431
Patient Travelling Subsidy Scheme	\$ 44,238
<b>TOTAL CSO</b>	<b>\$ 160,669</b>

**STATUTORY INFORMATION****Beneficial Enterprises (s41 LGA 2009)****Identifying beneficial enterprises**

- Building Certification

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

- Water and Sewerage
- Regional Waste
- Rockhampton Airport

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

- Water and Sewerage
- Regional Waste
- Rockhampton Airport

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

All significant business activities were conducted in the previous year.

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

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

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

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

The detailed annual results for the 2015-16 Operational Plan were reported to Council's Performance and Service Committee meeting on the 23 August 2016 in accordance with s104 *Local Government Act 2009* and s174 *Local Government Regulation 2012*.

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

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

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

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

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

Tender 11789 – Air Conditioning and Refrigeration Service Maintenance

A notice was issued on 17 February 2016 to all Tenderers that submitted at the closing date of 7 October 2015 regarding a change to the Specification for Portions 5, 7 and 9 relating to the Rockhampton Airport.

The Airport Terminal is a high profile, high use public building where equipment breakdowns severely impact facility operations. To provide clarity of servicing requirements and ensure equipment is maintained to the required service level, Council made amendment to the specification, service frequencies and evaluation criteria relevant to the portions.

Due to these significant changes, all Tenderers for these Portions were invited to revise their tender.

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

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

- Register of Temporary Emissions Licences
- Register of Testable Backflow Prevention Devices
- Register of Thermostatic Mixing Valves (Temperature Control Devices)
- Register of Transitional Environmental Programs
- Risk Register

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

**Approved Government Pensioners**

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

The Queensland Government Pensioner Rate Subsidy Scheme is directed to the elderly, invalid or otherwise disadvantaged citizens of the community whose principal or sole source of income is a pension or allowance paid by Centrelink or the Department of Veterans' Affairs and who are the owners of property in which they reside and have responsibility for payment of Council rates and charges thereon.

Eligibility

Approved Pensioner – A Person who:

- 1) Is and remains an eligible holder of a Queensland "Pensioner Concession Card" issued by Centrelink or the Department of Veterans' Affairs, or a Queensland "Repatriation Health Card – For All Conditions" issued by the Department of Veterans' Affairs; and
- 2) Is the owner or life tenant (either solely or jointly) of the property which is his/her principal place of residence; and
- 3) 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.

Approved Widow/er – A Person who:

- 1) Is and remains in receipt of a Widow's Allowance.

Unless stated otherwise the terms and conditions of the Queensland Government Pensioner Rate Subsidy Scheme will apply to the application of the Council subsidy.

Close of Applications

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

A completed Pensioner Rates Subsidies Application Form must be submitted, with a new application being submitted when a change of address occurs.

Amount of Rebate

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

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

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

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

Eligibility

Not-For-Profit/Community Organisation – An incorporated body who:

- 1) Does not include the making of profit in its objectives;
- 2) Does not charge a commercial fee for service;
- 3) Is located within Council area and the majority of its members reside in the Council area;
- 4) Does not receive income from gaming machines and/or from the sale of alcohol in an organised manner (e.g. bar with regular hours of operation with permanent liquor license);
- 5) Is the owner, lessee or life tenant of the property and which is the incorporated bodies main grounds/base/club house or residence;
- 6) 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; and
- 7) Is not 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 remission would be similarly reduced.

#### Close of Applications

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

#### **Amount of Remission**

##### *(a) Category One (1) – Surf Life Saving Organisations*

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

##### *(b) Category Two (2) - Showground Related Organisations*

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

##### *(c) Category Three (3) – Kindergartens*

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

##### *(d) Category Four (4) – Charitable Organisations Benefiting the Aged/Disadvantaged*

- Rebate Level General Rates – 100%
- Rebate Level Separate Rates/Charges – 100%

- Rebate Level Special Rates/Charges – 0%
- Rebate Level Water Access Charges – 50%
- Rebate Level Water Consumption Charges – 0%
- Rebate Level Sewerage Charges – 50%
- Rebate Level Waste Charges – 50%
- Cap - \$ 1,000.00 for Service Charges only

*(e) Category Five (5) – Sporting Clubs and Associations – Without Liquor and Gaming Licenses*

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

*(f) Category Six (6) – Sporting Clubs and Associations – With Liquor Licenses but No Gaming Licenses*

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

*(g) Category Seven (7) – Sporting Clubs and Associations situated on highly valued leasehold land – With Liquor Licenses but No Gaming Licenses*

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

*(h) Category Eight (8) – Sporting Clubs and Associations – With Liquor and Gaming Licenses*

- Rebate Level General Rates – 0%
- Rebate Level Separate Rates/Charges – 0%
- Rebate Level Special Rates/Charges – 0%
- Rebate Level Water Access Charges – 0%
- Rebate Level Water Consumption Charges – 0%
- Rebate Level Sewerage Charges – 0%
- Rebate Level Waste Charges – 0%
- Cap – N/A

*(i) Category Nine (9) – All Other Not-For-Profit/Charitable Organisations*

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

- Cap - \$ 2,000.00 for Service Charges only

(j) *Category Ten (10) - 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 levied in respect of public amenities blocks that are locked and controlled by clubs.

**General Rate Rebates**

In accordance with Chapter 4, Part 10 of the *Local Government Regulation 2012*, the properties where 100% rebate of general rates applies may be exempted from payment of general rates in lieu of the provision of a rebate.

**Permits to Occupy Pump Sites and Separate Pump Site Assessments**

Council will grant rebates on the following basis for those assessments that only contain pump sites and where the land area is 25 square meters or less:

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

**Water Consumption Charges**

Council will grant a rebate on the following basis for the following assessments:

- 237107 – Gracemere Lakes Golf Club
- 237109 – Gracemere Bowling Club

Water Consumption Charges – 50% rebate.

**Lot 1 South Ulam Road, Bajool**

Council will grant a rebate on the following basis for the following assessment:

- 146963-2 – being Lot 1 South Ulam Road, Bajool (L1 MLG80014 Parish of Ultimo)
- a) General Rate 100%
  - b) Road Network Charge 100%
  - c) Environment Separate Charge 100%

**Exclusions from Capping of General Rates as an Unintended Consequence**

Council will grant a concession of general rates for those assessments impacted as a result of an unintended consequence which negates or negatively impacts upon the application of the intent of capping of general rates as per Council's Revenue Policy (For example, minor changes to property area as a result of boundary realignment).

The amount of concession is set to reduce the amount of general rates payable to the amount that would have been levied if capping had been applied to the individual assessment subject to the event leading to the unintended consequence.

**Rockhampton CBD Commercial Properties with Mixed Residential Use**

The purpose of this concession is to encourage inner city residential living and reduce vacancies in the Rockhampton CBD by providing an incentive for commercial property owners within the defined CBD area (as per Appendix A – Rockhampton CBD Extent) to utilise unoccupied commercial space for residential purposes. Residential purposes is defined as any space constructed and permitted for residential use and occupied by the owner or tenant as a residence.

Council will consider granting a concession of up to \$2,000 per annum for properties within the defined CBD



area that are rated in Category 1 (commercial/light industry) and have a mixed use of commercial and residential. The concession is primarily intended to facilitate the adaptation of vacant commercial spaces, particularly above ground floor, to residential use. The actual concession amount will be \$,2000 or a maximum of 75% of the general rate whichever is the lesser.

To be eligible for the concession the completed CBD Commercial Property Rates Concession Application Form must be submitted and will be subject to approval by Council.

Applications for concessions will be considered during the rating period (i.e half year). Applications received after the date of levy will be considered only from the commencement date of the current rating period (concessions are not applied retrospectively).

#### Conditions

- The residential component should not be vacant longer than 6 months within the financial year;
- Verification of use may be provided by a registered real estate agent or through pre-arranged inspection by a Council officer;
- 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.

#### **Leased Council Vacant Land**

Council will grant rebates of 100% of the general rate and separate charges on vacant land owned or held as Trustee by Council if the land is leased to another person and the land is not used for any business or commercial/industrial purpose.

In accordance with Chapter 4, Part 10 of the *Local Government Regulation 2012*, properties where 100% rebate of general rates and separate charges apply may be exempt from the payment of general rates and separate charges in lieu of the provision of a rebate.

#### **Waste Remission for Multi-Residential Unit Developments**

The purpose of this concession is to waive the waste/recycling charge where it has been deemed impractical for Council to provide waste/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.

To be eligible for the concession the completed Waste Charges Rebate Form must be submitted and will be subject to approval by Council.

Applications for concession will be considered during the rating period (i.e. half year). The concession may be applied retroactively 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) (FPA) Reg. 2012**

The Internal Audit Function and Audit Committee (Audit and Business Improvement Committee) are mandatory compliance requirements under section 105 of the Local Government Act 2009.

#### **Audit and Business Improvement Committee**

This Advisory Committee operates under best practice guidelines with a majority membership consisting of 3 external independent experts. Its responsibilities are to review and monitor the effectiveness of Governance, Risk and Compliance functions, including oversight of the overall audit process, and make recommendations to Council.

#### **Internal Audit**

The Internal Audit Unit's role is to independently examine and evaluate Council activities as a service to the Council, Management and the Community.

Internal Audit provides analyses, appraisals, recommendations for improvement, and assurance over internal controls across all areas of operations, which assists Council in the effective discharge of its responsibilities.

These in-house services extend to investigations for fraud and corruption. Internal Audit reports administratively to the CEO but is also empowered to report functionally independently directly to the Audit and Business Improvement Committee, thus following a best practice governance approach to protect the public interest.

**Internal Audit Plan**

Specific audits planned and undertaken during the financial year 2015-2016 included:

- Building, Plumbing & Drainage – Business Process Efficiency Review
- Purchasing – Assurance over Plant Hire Process
- Public Safety – Assurance over Playgrounds Inspections Process
- Purchasing – Assurance over Compliance of Riverbank Project Tender
- Fraud Prevention – Comprehensive Process Assessment
- Follow-Up Reviews – Confirming Completion/Effectiveness of Actions Taken by Management to Correct Deficiencies

**Summary of investigation notices given in the year under section 49 for competitive neutrality complaints (s190(1)(i) LGR 2012)**

Nil.

**Responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under sections 52(3) and 190(1)(j) LGR 2012**

Nil.

**Senior Employees (s201 LGA 2009)**

**The total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government.**

The total remuneration packages that were payable to senior management for the financial year was

\$1,251,666.36.

**Number of employees in senior management who are being paid each band of remuneration** Two senior contract employees with a total remuneration package in the range of \$200,000-\$299,000. Two senior contract employees with a total remuneration package in the range of \$300,000-\$399,000.

Please note: Packages include base salary, vehicle allocation, annual leave loading and superannuation.

**Administrative Action Complaints (s187 LGR 2012)**

Council takes all complaints about its services seriously and is committed to responding quickly and efficiently. Complaints may be lodged by an affected person either in writing, by telephone or face to face. The department referred to in the complaint will be responsible for the initial investigation.

Complainants not satisfied with the outcome of the investigation undertaken by the department may appeal the decision to the CEO for investigation under the Administrative Action Complaint Management Procedure.

Council manages complaints through the Actionable Communications Procedure initially and if the customer is dissatisfied with the outcome they may appeal to the CEO to have the complaint investigated under Council's Complaint Management Policy and Administrative Action Complaint Procedure. A separate investigation report will be provided to the CEO for action.

A total of 19 complaints were received by Council under the Complaint Management Policy and Administrative Action Complaint Procedure this financial year. 17 of those complaints were able to be resolved before the end of the financial year, along with 3 complaints from the previous financial year.

Number of administrative action complaints received in financial year	19
Number of administrative action complaints resolved in financial year	20
Number of administrative action complaints not resolved in financial year	2
Number of administrative action complaints that were from a previous financial	3

### **COUNCILLORS**

**Resolutions made under s250(1) LG Regulation 2012 (Requirement to adopt expenses reimbursement policy or amendment) (s185(a) LGR 2012)**

#### **COUNCIL RESOLUTION**

1. THAT Council adopt the following policies with amendments identified in the meeting:
  - Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy
  - Councillor Code of Conduct Policy
  - Council Meeting Procedures Policy
  - Media Policy
2. THAT Council rescind the Councillor Vehicle Use Policy

**Moved by: Mayor Strelow**

**Seconded by: Councillor**

**Williams MOTION**

**CARRIED**

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

Nil

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

<b>Councillor</b>	<b>YTD Salary 'Work'</b>	<b>Employer Super</b>	<b>Gross</b>
Mayor, Councillor M F Strelow	\$171,498	\$16,292	\$187,790
Councillor A P Williams	\$113,751	\$13,650	\$127,401
Councillor C E Smith	\$101,340	\$12,161	\$113,501
Councillor C R Rutherford	\$104,577	\$12,549	\$117,126
Councillor G A Belz	\$78,422	\$9,411	\$87,833
Councillor M D Wickerson	\$21,040	\$2,525	\$23,565
Councillor S J Schwarten	\$101,340	\$12,161	\$113,501
Councillor R A Swadling	\$101,340	\$12,161	\$113,501
Councillor N K Fisher	\$101,340	\$9,627	\$110,967

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

<b>Councillor</b>	<b>Travel/Expenses/ Allowances</b>
Mayor, Councillor M F Strelow	\$55,252
Councillor A P Williams	\$21,174
Councillor C E Smith	\$26,093
Councillor C R Rutherford	\$22,589
Councillor G A Belz	\$11,347
Councillor M D Wickerson	\$2,186
Councillor S J Schwarten	\$16,802
Councillor R A Swadling	\$31,397
Councillor N K Fisher	\$25,338

## Details of the number of meetings attended by each Councillor during the financial year (s186(c) LGR 2012)

## Meeting Attendance Figures: 1 July 2015 – 30 June 2016

Councillor	Council Meeting	Special Council Meeting	Airport, Water & Waste	Audit Advisory	Business Enterprise	Communities	Community Services	Health & Compliance
Mayor, Councillor M F Strelow	14	7	2	3	5	5	2	6
Councillor A P Williams	15	5	1	1		(+1 as observer) 1^	1	6
Councillor C E Smith	15	7	2	3	7	7		7
Councillor C R Rutherford	15	7	2		7	7	2	(observer) 1
Councillor G A Belz	9	1			5			
Councillor M D Wickerson	5	4	2					
Councillor S J Schwarten	12	4				3		
Councillor R A Swadling	14	6	2		5	5	2	
Councillor N K Fisher	15	6	1		7		1	7
<b>Total Meetings Held</b>	<b>15</b>	<b>7</b>	<b>2</b>	<b>3</b>	<b>7</b>	<b>7</b>	<b>2</b>	<b>7</b>

Councillor	Infrastructure	Parks & Recreation	Parks, Recreation & Sport	Performance & Service	Planning & Development	Planning & Regulatory	Water
Mayor, Councillor M F Strelow	6	6	1	3	8	3	5
Councillor A P Williams	7	6		5	11		6
Councillor C E Smith	8	(observer) 2	2	5	11	4	(observer) 1
Councillor C R Rutherford	2	7	2	5	11	4	7
Councillor G A Belz	4			4	7		5
Councillor M D Wickerson	2		2			4	
Councillor S J Schwarten	2	4		3	5	(observer) 1	
Councillor R A Swadling	2	4	2	5	10		
Councillor N K Fisher	7	7	1	5	10	3	7
<b>Total Meetings Held</b>	<b>8</b>	<b>7</b>	<b>2</b>	<b>5</b>	<b>11</b>	<b>4</b>	<b>7</b>

\* In accordance with section 12(4)(h) of the *Local Government Act 2009*, Mayor Strelow is a member of each Standing Committee however is not required to attend all meetings.

^ Councillor Williams attended in his role as Acting Mayor.

At the Council meeting on 12 April 2016 Council adopted an amended Standing Committee structure and amended Terms of Reference for each of the Standing Committees pursuant to s264 of the *Local Government Regulation 2012*.

At this meeting the following Committees were made inactive:

- Business Enterprise
- Communities
- Health & Compliance
- Parks & Recreation
- Performance & Service
- Planning & Development
- Water

At this meeting the following Committees were formed:

- Airport, Water & Waste
- Community Services
- Parks, Recreation & Sport
- Planning & Regulatory

**Orders made under s180(2) or s180(4) LGA 2009 – Orders by Regional Conduct Review Panel (s186(d)(i) LGR 2012)**

Nil.

**Orders made under s181 LGA 2009 – Orders by Mayor/Chairperson for Inappropriate Conduct (s186(d)(ii) LGR 2012)**

Nil.

**Description of the Order (misconduct, inappropriate conduct) (s186(f) LGR 2012)**

(i)	Complaints about the misconduct or performance of Councillors for which no further action was taken under section 176C(2) of the Act;	2
(ii)	Complaints referred to the department's chief executive under section 176C(3)(a)(i) of the Act;	0
(iii)	Complaints referred to the mayor under section 176C(3)(a)(ii) or (b)(i) of the Act;	1
(iv)	Complaints referred to the department's chief executive under section 176C(4)(a) of the Act;	0
(v)	Complaints assessed by the chief executive officer as being about corrupt conduct under the Crime and Corruption Act;	0
(vi)	Complaints heard by a regional conduct review panel;	0
(vii)	Complaints heard by the tribunal; and	0
(viii)	Complaints to which section 176C(6) of the Act applied.	0

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

Name/Job Title	Reason	Date	Amount (ex GST)	Destination
Richard Johnston Zoo Keeper	Collection of Chimpanzees	16 - 30 July 2015	\$ 4,102	Israel
Emma Houghton Corporate Applications Team Leader	Infor Public Sector User Forum Conference	6 - 11 September 2015	\$ 1,810*	Wellington, NZ
Diana Warnes Curator Art Gallery	Financial assistance to attend Venice Biennale as volunteer exhibition attendant	26 October - 23 November 2015	\$ 1,000	Venice
Mayor Margaret Strelow	Various Meetings in Singapore with Deputy Premier	19 - 21 November 2015	\$ 4,733	Singapore
Russell Claus Executive Manager Regional Development	Various Meetings in Singapore with Deputy Premier	19 - 22 November 2015	\$ 4,971	Singapore

\*InforPublic Sector refunded flights cost = \$896

**Expenditure on Grants to Community Organisations (s189 LGR 2012)****Summary of expenditure for the financial year on grants to community organisations**

A total of \$580,328 was granted to community organisations during the 2015-16 financial year.

<b>Grant Program</b>	<b>Expenditure for 2015-16</b>
Community Assistance Program	\$493,586
Waste and Recycling Community Service	-
<i>Community Entertainment Fund</i>	\$0
Australia Day Community Events	\$10,876
Regional Arts Development Fund	\$75,866
	<b>\$580,328</b>



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

2015-2016 Councillors Discretionary Fund

Mayor, Councillor Margaret Strelow

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Rockhampton and District Indoor Bowling Association	Financial assistance towards the purchase of replacement chairs	\$1,500.00
North Rockhampton Senior Citizens Club Inc	Financial assistance towards the Senior's Week Launch being held Sunday 16 August 2015	\$500.00
Forgotten Australians Justice Committee Inc	Financial assistance towards a front fence for The Children's Memorial Garden at Neerkol	\$500.00
Rockhampton Wildlife Rescue, Education and Conservation Association Inc	Financial assistance towards operational costs for running the volunteer association.	\$500.00
PCYC Rockhampton	Support in application to Westfund & Defibshop "Here for Hearts" program to obtain a Defib for the organisation	\$500.00
Rockhampton Hockey Association Inc	Support in application to Westfund & Defibshop "Here for Hearts" program to obtain a Defib for the organisation	\$500.00
Scottvale Park Squash League Inc	Support in application to Westfund & Defibshop "Here for Hearts" program to obtain a Defib for the organisation	\$500.00
Rockhampton Touch Association Inc	Support in application to Westfund & Defibshop "Here for Hearts" program to obtain a Defib for the organisation	\$500.00
AFL Capricornia Juniors	Support in application to Westfund & Defibshop "Here for Hearts" program to obtain a Defib for the organisation	\$500.00
St Mary's Catholic Primary School	Support in application to Westfund & Defibshop "Here for Hearts" program to obtain a Defib for the organisation	\$500.00
Cressy Tennis Club	Support in application to Westfund & Defibshop "Here for Hearts" program to obtain a Defib for the organisation	\$500.00
Athelstane Tennis Club	Financial assistance towards drainage and plumbing application fees	\$1,000.00
Rotary Club of Rockhampton South Inc	Financial assistance towards building and plumbing application fees - proposed disabled unisex toilet facility	\$845.55
Golden Mount Festival Association Mount Morgan Inc	Financial assistance towards Clean Up Australia Day community sausage sizzle	\$500.00
Children's Tumour Foundation of Australia-Cupids Undie Run	Charity donation for Katrina Sinclair to participate in the Cupids Undie Run to raise funds for Children's Tumour Foundation of Australia	\$100.00
Rockhampton and CQ Legacy	Financial assistance towards 2016 ANZAC Shield Charity Golf Day	\$50.00
Headspace Rockhampton	Financial assistance to Headspace Rockhampton	\$500.00
Rockhampton Rugby Referee Association	Financial assistance for the Under 14's CQ Brahman's Rugby Union Team travelling to the Queensland State championships at the Gold	\$500.00

	Coast	
<b>TOTAL</b>		<b>\$9,995.55</b>

Deputy Mayor, Councillor Cherie Rutherford

Community Organisation	Purpose	Amount
Mount Morgan Branch - Australian Pensioners & Superannuants League Queensland	Financial assistance towards hosting 2015 Seniors Week Morning Tea	\$100.00
Forgotten Australians Justice Committee Inc	Financial assistance towards a front fence at the Children's Memorial Garden at Neerkol.	\$300.00
Mount Morgan State High School Parents & Citizens Association	Financial assistance towards the Annual 2015 Awards Ceremony	\$100.00
Mount Morgan Promotion and Development Inc	Financial assistance towards the Mt Morgan Christmas Tree Festival	\$250.00
The Ridglands and District Sporting and Agricultural Association Inc	Financial assistance towards the printing of programs for the 2016 show	\$800.00
Golden Mount Festival Association Committee	Financial assistance towards the free sausage sizzle following Clean Up Australia day activities in Mount Morgan	\$200.00
Alton Downs Hall Association Inc	Financial assistance for printing of 3 page flyer and competition entry form for a 'Creative ArtsFest' event at the Alton Downs Hall on Saturday 8 October 2016 to raise awareness of Mental Health. Flyers to be distributed to the community via the 'Around the Ridges' Newsletter.	\$300.00
Rockhampton Regional council - Zoo Capital Works Budget	Donation to Zoo capital works budget - as per Council Resolution 28 June 2016	\$2,500.00
<b>TOTAL</b>		<b>\$4,550.00</b>

Councillor Tony Williams

Community Organisation	Purpose	Amount
Umbrella Network Rockhampton Inc	Financial assistance towards printing of Umbrella Network flyers to be distributed through the community	\$496.95
Capricorn District Country Music Association Inc	Financial assistance towards developing additional seating in the hall and better catering for people with disabilities	\$200.00
Sporting Wheelies and Disabled Association	Financial assistance towards the Charity Golf Day	\$300.00
Drug Awareness and Relief Foundation (Australia) (Drug ARM)	Financial assistance towards supporting the production of the comprehensive Drug ARM 'Matters of Substance' Publication	\$50.00

Forgotten Australians Justice Committee Inc	Financial assistance towards a front fence for The Children's Memorial Garden Neerkol.	\$500.00
Drug Awareness and Relief Foundation (Australia) (Drug ARM)	Financial assistance towards sponsorship of two special needs children and their families to attend 2015 movie day for special needs children	\$200.00
Variety	Financial assistance towards sponsorship of the 2016 Children's Movie Spectacular Rockhampton	\$250.00
Capricorn Animal Aid	Financial assistance towards veterinary bills	\$500.00
Bundara Kindy	Financial assistance towards purchase of educational resources for the 44 children	\$220.00
St Mary's P&F Association	Financial assistance towards St Mary's School Fundraising Fair 27/11/2015 - contribution for bin hire	\$223.00
Rockhampton Panthers Australian Football Club Inc	Provide money in support of repair works to be conducted at the clubhouse as a result of thunderstorm damage	\$1,000.00
Rockhampton Pistol Club	Financial assistance towards an office expansion to maintain security - painting to additional area	\$300.00
Queensland Blue Light Association Corporate Club	Financial assistance towards Queensland Blue Light Association	\$200.00
Rockhampton and CQ Legacy	Financial assistance towards 2016 ANZAC Shield Charity Golf Day	\$50.00
North Chargers Rugby League Football Club	Financial assistance for upcoming projects - painting of grandstands and top soiling grounds in particular	\$500.00
<b>TOTAL</b>		<b>\$4,989.95</b>

## Councillor Ellen Smith

Community Organisation	Purpose	Amount
Bouldercombe Rural Fire Brigade	Financial assistance towards the purchase of a filing cabinet, shelving and a storage cupboard	\$500.00
Gracemere Bowls Club Inc	Financial assistance towards ongoing renovations to the Club House	\$300.00
Rockhampton Kennel Club Inc	Financial assistance towards judges travel expenses for 2016 Triple Show	\$500.00
Forgotten Australians Justice Committee Inc	Financial assistance towards a front fence for The Children's Memorial Garden at Neerkol	\$500.00
Mt Morgan State High School P&C Association	Financial assistance towards the 2015 Graduation Ceremony	\$50.00
Gracemere Community Voice Association Inc	Financial assistance to help with costs associated with maintaining the post office box at Gracemere Shopping World	\$200.00
Gracemere Hack & Pony Club Inc	Financial assistance towards running the Encouragement Jumping Day event at Gracemere Pony Grounds	\$300.00
Gracemere Pensioners & Superannuants League	Financial assistance towards hosting Grandparents Day on 25 October 2015	\$500.00
Capricorn Animal Aid	Financial assistance towards ongoing veterinary fees	\$500.00
Upper Ulam Recreation	Financial assistance towards the Upper Ulam Christmas function	\$250.00

Association		
Stanwell State School P&C Association	Financial assistance towards the cost of hiring a PA System for the school's breakup day	\$300.00
Bouldercombe Pony Club Inc	Financial assistance towards set up costs for the Bouldercombe Pony Club	\$500.00
Rockhampton Agricultural and Citizens Show Society Inc	Financial assistance towards sponsorship of the horse section for the 2016 Rockhampton Show	\$250.00
Bouldercombe State School P&C Association	Financial assistance towards the Bouldercombe State School P&C Association Annual Fete	\$350.00
<b>TOTAL</b>		<b>\$5,000.00</b>

## Councillor Stephen Schwarten

Community Organisation	Purpose	Amount
Australia Pikini Canecutters	Financial assistance towards fundraising efforts to enable opportunities for ASSI youth to partake in activities designed to instil pride and learn the history and language of their lost culture	\$500.00
Carinity Shalom Lifestyle Residents Committee	Financial assistance towards the purchase of chairs for the resident's clubhouse	\$500.00
Wildlife Rockhampton	Financial assistance towards the purchase of promotional banners for display at shopping centres and for use at fundraising events	\$500.00
Parkhurst & District Pony Club	Financial assistance towards clubhouse repairs	\$500.00
The Five Star Community Service Club Inc	Financial assistance towards ongoing operational costs associated with the administration of Five Star Community Service Club	\$500.00
North Rockhampton No.1 Neighbourhood Watch	Financial assistance towards catering and promotional costs associated with hosting a Community BBQ to raise awareness for the "Get to Know Your Neighbour" campaign	\$500.00
Park Avenue Brothers Hockey Club	Financial assistance towards administrative expenses associated with organising a reunion to celebrate 80 years since the inception of the original Park Avenue Hockey Club	\$250.00
St Matthews Cottages Committee	Financial assistance towards the purchase of a new hot water cistern.	\$500.00
Rockhampton and District Indoor Bowls Association Inc	Financial assistance towards the purchase of new chairs for the clubhouse	\$250.00
Capricorn Animal Aid	Financial assistance towards a new marquee and advertising flag	\$500.00
Rockhampton Women's Shelter	Financial assistance towards the cost of new linen for the 8 units and 3 houses for crisis accommodation	\$500.00
<b>TOTAL</b>		<b>\$5,000.00</b>

## Councillor Rose Swadling

Community Organisation	Purpose	Amount
Rockhampton Mount Archer Lions Club Inc	Financial assistance towards the purchase of 2 x chip cookers that will be used by members for	\$500.00

	club catering	
Rockhampton & District Blind Club	Financial assistance towards the ongoing running costs of the club	\$250.00
Forgotten Australians Justice Committee Inc	Financial assistance towards additional work on developing the Forgotten Children's Memorial Garden at Neerkol (for children who died whilst in Orphanages)	\$500.00
Rats of Tobruk Association	Financial assistance towards the 75th Anniversary Celebrations in 2016 of the Siege of Tobruk	\$200.00
Sporting Wheelies and Disabled Association	Financial assistance towards the Charity Golf Day with funds raised to assist people with a disability to participate in sporting and recreational activities	\$100.00
RSL Ladies Auxiliary	Financial assistance to help fund social outings for war widows	\$250.00
Rockhampton Senior Citizens Inc	Financial support for rental of post office box	\$150.00
Parkhurst State School P&C Association	Financial assistance towards the ANZAC Day Memorial Garden	\$250.00
Emmaus College Parents & Friends - Eco Project	Financial assistance towards ongoing support the Eco Project at Emmaus College	\$500.00
Rockhampton South Sea Islander Community	Financial assistance towards the 21st Anniversary Recognition Celebrations	\$250.00
Mercy Aged Care Services	Donation to Azar House towards wine and cheese Art Exhibition, arts and crafts supplies and gardening supplies	\$250.00
Cockscomb Veterans Bush Retreat	Financial assistance towards restoring and rebuilding two buildings that were destroyed by TC Marcia	\$250.00
Volunteers Without Borders	Financial assistance towards fundraising efforts to reach out to migrants, refugees, homeless, the poor and the aged in our community	\$250.00
Friends of the Rockhampton Heritage Village Association Inc	Financial assistance towards the cost of hosting a Christmas break-up for the Village volunteers who assist with tours, special events, market days, school tours, new projects and displays etc.	\$450.00
Central Queensland Filipino-Australian Association Inc	Financial assistance towards purchase of costumes and equipment needed to support activities of the association	\$250.00
North Rockhampton Senior Citizens Club Inc	Financial assistance towards annual Post Office Box rental	\$100.00
Rockhampton Horse Riding for the Disabled	Financial assistance towards the restoration of arena fencing that was damaged during TC Marcia	\$500.00
	<b>TOTAL</b>	<b>\$5,000.00</b>

Councillor Neil Fisher

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Wildlife Rockhampton - Rescue Rehabilitation & Release Inc	Financial assistance towards the printing of educational flyers, business cards, banners, etc.	\$250.00
Diggers Memorial Bowls Club Inc	Financial assistance towards the mixed bowls competition	\$500.00

Rockhampton North Special School P&C Association	Financial assistance towards replacing seating damaged by TC Marcia	\$400.00
Diggers Memorial Ladies Bowling Club	Financial assistance towards the Ladies Bowling competition	\$300.00
Mount Archer State School P&C Association	Financial assistance towards an air conditioning unit for the Special Education Unit	\$597.00
Rockhampton Dog Obedience Club Inc	Financial assistance towards the purchase of agility and obedience equipment	\$500.00
Frenchville State School P&C Association	Financial Assistance towards the installation of a new tap to assist with watering of trees due to the location	\$650.00
Central Queensland Christian College P&F Association	Financial assistance towards portable audio equipment for use by the school choir	\$750.00
Eureka Age Care Social Club	Financial assistance to the social club for the purchase of a shade umbrella and outdoor chairs for their entertainment area	\$400.00
Rockhampton Horticultural Society Inc	Financial assistance towards improving the appearance of the Crowley Pavilion at the Rockhampton Showgrounds	\$300.00
Nerimbera Football Club	Financial assistance towards the purchase of training equipment for the junior members of the club	\$353.00
<b>TOTAL</b>		<b>\$5000.00</b>

Councillor Drew Wickerson

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Gymnastic & Trampoline Club Inc	Financial assistance towards travel expenses for competitors attending the 2016 National Championships in Melbourne	\$100.00
Benevolent Aged Care	Financial assistance towards Benevolent Aged Care 150 Years Celebration	\$554.45
<b>TOTAL</b>		<b>\$654.45</b>

Councillor Greg Belz

<b>Community Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Rockhampton Golf Club Ladies Committee & Rockhampton Golf Club Inc	Financial support for Rockhampton Closed Ladies Golf Championship 2016 run by Rockhampton Golf Club and Rockhampton Golf Club Ladies Committee	\$500.00
Gracemere Lake Golf Club	Financial support for the purchase of a side-mount mower attachment to assist with weed control around creek and waterways on the course	\$2,000.00
Athelstane Tennis Club Inc.	Financial assistance towards expenses incurred for plumbing and drainage - installation of a new jump up.	\$1,000.00
Rotary Club of Rockhampton South Inc	Financial assistance towards building and plumbing application fees	\$845.55
<b>TOTAL</b>		<b>\$4,345.55</b>

**11.5 WHOLE OF REGION SIGNAGE & WAYFINDING STRATEGY**

**File No:** 1731  
**Attachments:** Nil  
**Authorising Officer:** Evan Pardon - Chief Executive Officer  
**Author:** Sarah Reeves - Manager Regional Promotions

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**SUMMARY**

*The purpose of this report is to present the final version of the whole of Region Signage & Wayfinding Strategy for Council endorsement.*

**OFFICER'S RECOMMENDATION**

THAT Council approve the designs and handbook for the Regional Wayfinding Strategy.

**BACKGROUND**

In 2015 Council approved the development of a whole of region wayfinding strategy that would inform all levels of signage installed in the region.

After a competitive tender process, DotDash were selected to develop the concepts and signage handbook.

On Monday October 24, 2016, the draft concepts were presented to Council for review and commentary. Based on this feedback, the wayfinding concepts have been adapted to meet the requirements of Council.

**REPORT**

The Rockhampton Regional Wayfinding Strategy will deliver a contemporary wayfinding signage system that responds to the history, character and culture of Rockhampton while also looking to the future of the city and region. The project aims to contribute to the sense of place of Rockhampton through a bold and authentic palette of materials, forms, construction methods, colour and graphic elements.

The wayfinding strategy will inform all levels of signage across the region and will be applied to all Council assets including:

- Rockhampton Entry Gateways
- Regional Town Gateways
- Vehicular Directional and Promotion
- Riverside Precinct
- City Precinct
- Kershaw Gardens
- Recreation Precincts
- Parks
- Trails

Ultimately the signage family must achieve the following:

1. Perform the communication function it is intended for;
2. Contribute to the sense of place of the immediate environment (eg Park, Trail, City); and
3. Form a continuous placemaking story throughout Rockhampton consisting of different but visually connected elements.

**The designs were not available at the time of writing this report but will be distributed as soon as possible for final endorsement by Council.**

A number of units and departments have been involved in the review of this strategy and there is consensus that the strategy meets the brief.

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## 11.6 MAJOR AMENDMENT TO ROCKHAMPTON REGION PLANNING SCHEME - CLASS 10A STRUCTURES

<b>File No:</b>	<b>RRPS-PRO-2015/001-01-01</b>
<b>Attachments:</b>	<b>Nil</b>
<b>Authorising Officer:</b>	<b>Peter Kofod - General Manager Regional Services</b>
<b>Author:</b>	<b>Cameron Wyatt - Senior Strategic Planner Robert Truscott - Coordinator Strategic Planning</b>

### SUMMARY

Currently, officers are preparing a major amendment to the Rockhampton Region Planning Scheme (RRPS). The changes are in response to an internal review undertaken by strategic planning and initial feedback from internal and external stakeholders. At the 6 September 2016 and 4 October 2016 Councillor forums, issues associated with Class 10a structures (sheds/carports) were discussed. As a result, a further report is presented providing options regarding stormwater/overland flow and amenity issues occurring as a result of these developments.

### OFFICER'S RECOMMENDATION

THAT Council excludes provisions related to Class 10a structures within residential zones as part of the major amendment to the Rockhampton Region Planning Scheme.

### COMMENTARY

The new planning scheme commenced on 24 August 2015. Since that time Council officers have been undertaking a review of the contents to ensure continual improvement. Concerns have been raised on the impact of class 10a structures within urban areas. These issues relate to building design and residential amenity (height, size and setbacks) and stormwater impacts resulting from class 10a structures.

### BACKGROUND

Class 10a structures on residential properties have been discussed previously within Council forums on 6 September 2016 and 4 October 2016. Prior to the adoption of the RRPS, it was resolved that class 10a buildings in residential areas would have a maximum size of sixty (60) square metres, and a building height of 4.5 metres to the eaves and five (5) metres to the ridgeline. Once a proposal exceeded these limits, a planning application would be required to be lodged with Council for assessment. Currently the planning scheme contains the following requirement:

<b>Class 10a – buildings and structures</b>	
<b>PO1</b> Any additional building on the site of a residential use must not be visually dominant.	<b>A01.1</b> Class 10a – buildings and structures defined under the Building Code of Australia when not attached to a residential use do not exceed: (a) a total of sixty (60) square metres in gross floor area; and (b) a height of 4.5 metres to the eave line and five (5) metres to the ridge line.



The planning scheme requires the lodgment of a building application assessable against the planning scheme if the abovementioned provisions are not met.

Architects / designers have been stating on the plans that the building(s) are being used for car storage as Gross floor area excludes car parking areas. This results in larger class 10a structures being approved by building certifiers.

### Stormwater management issues

Since August 2015, Council has received sixty-four (64) complaints in relation to the impact of stormwater and overland flow onto private properties. Overland stormwater flow is generally a civil matter to be resolved between neighbours. In many cases, water that is coming from the neighbouring property is flowing naturally via the ground. This can be caused by factors such as high rain volumes causing water to flow down the natural fall of the land. Water that cannot enter the underground drainage system will find its natural way to the nearest watercourse via overflow paths which can include roadways, public reserves, pathways and frequently through private property.

### Proposal

It is recommended that Council remove the current RRPS class 10a structures requirements from the scheme and rely on the Queensland Development Code.

The following table provides a breakdown across Queensland Council's in relation to requirements for class 10a structures.

Local Government	Requirements with Urban Areas for Class 10a (excluding character/heritage areas)
Brisbane City Council	Self assessable requirements related to building length (25m) and building height (9.5m). Otherwise no other size requirements
Bundaberg Regional Council	Self assessable – same requirements as the QDC. No specific requirement in relation building size
Cairns Regional Council	No requirements
Central Highlands Regional Council	Self assessable requirements – 100m <sup>2</sup> GFA size Maximum height of 4.5 metres
Gladstone Regional Council	No requirements
Gold Coast Regional Council	No requirements
Gympie Regional Council	No requirements
Fraser Coast Regional Council	Self assessable – same requirements as the QDC. No specific requirement in relation building size
Sunshine Coast Regional Council	Self assessable requirements similar to current RRPS 56m <sup>2</sup> total floor area requirements
Southern Downs Regional Council	No requirements
Townsville City Council	No requirements
Toowoomba Regional Council	No requirements

Note—The above table only includes planning schemes adopted under the Sustainable Planning Act 2009.

The majority of Council's do not regulate class 10a structures or outbuildings under their planning schemes, outside of overlays and zones associated with character or heritage. Some Council's do duplicate requirements already outlined in the Queensland Development Codes. This is seen as unnecessary, as these requirements are already regulated through the building application process.

The provisions already contained in the Queensland Development Code include:

Site Coverage: 50%

Building Height:

Maximum height 8.5 metre on slope less than fifteen (15) per centum

Maximum height 10 metres on slope greater than fifteen (15) per centum

Setbacks:

Front setback is six (6) metres (or similar setback to adjoining dwelling generally 3-6 metres), except for a corner lot where a truncation is required.

Side and rear boundary:

Building and structure height	Setback
< 4.5 metres	1.5 metre setback
4.5 metres – 7.5 metres	2.0 metre setback
> 7.5 metres	2.0 metres plus 0.5 metres for every 3 metres or part exceeding 7.5 metres  (maximum 8.5 metres – 10 metres high building requires 2.5 metres setback)

If Council resolved not to regulate Class 10a structures under the planning scheme within the low / low/medium density residential zones, provisions would still remain for the neighbourhood character areas.

It is also planned to develop facts sheets for customer service use on Council’s website outlining the role and rights of property owners and provide an explanation of the role the Queensland Building and Construction Commission (QBCC). Further engagement with the community and the development industry may be required, if concerns continue, particularly in relation stormwater and overland flow.

**Alternative Option**

To reduce the scale and adverse impacts of these structures an alternative option is to limit the size based on Total Floor Area rather than the Gross Floor Area. The administrative definition for Total Floor Area proposed is specified below,

“The total floor area of all storeys of a building (measured from the outside of the external walls or the centre of a common wall). The term includes buildings or structures used for the parking and manoeuvring of motor vehicles.”

The original proposal in the major amendment to the Rockhampton Region Planning Scheme was to change the requirement from referring to gross floor area to total use area. The new administrative definition of total use area would include car parking facilities.

The current provision would therefore be updated to read as follows (changes shown in bold):

Low Density Residential Zone Code | Low / Medium Density Residential Zone Code:

Class 10a – buildings and structures	
<p><b>PO2</b> Any additional building on the site of a residential use must not be visually dominant.</p>	<p><b>AO2.1</b> Class 10a – buildings and structures defined under the Building Code of Australia <del>when not attached to a residential use</del> do not exceed:</p> <p>(a) <del>a total of</del> <b>a total of</b> sixty (60) square metres in <b>gross total</b> floor area; and</p> <p>(b) a height of 4.5 metres to the eave line and five (5) metres to the ridge line.</p> <p><b>Note—AO2.1 does not apply to a garage under the main roof of a dwelling house.</b></p>

New Administrative definition:

The total floor area of all storeys of a building (measured from the outside of the external walls or the centre of a common wall). The term includes buildings or structures used for the parking and manoeuvring of motor vehicles.

In relation to stormwater issues, it is not seen as appropriate to regulate class 10a structures under the major amendment to the RRPS, as the building provisions and codes already regulate stormwater management.

### **LEGISLATIVE CONTEXT**

The process for undertaking a major amendment to the planning scheme is detailed under section 117 of the *Sustainable Planning Act 2009* and the *Statutory guideline 04/14 – Making and amending local planning instruments*.

### **CONCLUSION**

Class 10a structures built throughout residential areas have raised a number of concerns. The major amendment being proposed provides provisions in relation to amenity. The recommendation is to leave the regulation of Class 10a structures to the Queensland Development Code. Stormwater flow resulting from Class 10a structures has also been raised as a community concern. Council involvement in resolving a dispute is limited, however further work can be undertaken to provide information to the community and particularly the development industry in relation to rights and responsibilities.

**12 NOTICES OF MOTION**

Nil

**13 QUESTIONS ON NOTICE**

Nil

**14 URGENT BUSINESS/QUESTIONS**

*Urgent Business is a provision in the Agenda for members to raise questions or matters of a genuinely urgent or emergent nature, that are not a change to Council Policy and can not be delayed until the next scheduled Council or Committee Meeting.*

## 15 CLOSED SESSION

In accordance with the provisions of section 275 of the *Local Government Regulation 2012*, a local government may resolve to close a meeting to the public to discuss confidential items, such that its Councillors or members consider it necessary to close the meeting.

### RECOMMENDATION

THAT the meeting be closed to the public to discuss the following items, which are considered confidential in accordance with section 275 of the *Local Government Regulation 2012*, for the reasons indicated.

#### 16.1 Economic Development Queensland Joint Venture and Strategic Property Acquisition

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

#### 16.2 Confidential Report on Matters Currently in Legal Process

This report is considered confidential in accordance with section 275(1)(f), of the *Local Government Regulation 2012*, as it contains information relating to starting or defending legal proceedings involving the local government.

#### 16.3 Confidential Legal Proceedings for Development Offences

This report is considered confidential in accordance with section 275(1)(f), of the *Local Government Regulation 2012*, as it contains information relating to starting or defending legal proceedings involving the local government.

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## 16 CONFIDENTIAL REPORTS

### 16.1 ECONOMIC DEVELOPMENT QUEENSLAND JOINT VENTURE AND STRATEGIC PROPERTY ACQUISITION

**File No:** 11359

**Attachments:**

1. Correspondence from MVS valuations and property consulting regarding Market Value Range
2. Proposed plans for development

**Authorising Officer:** Scott Waters - Acting Executive Manager Regional Development

**Author:** Cameron Wyatt - Senior Strategic Planner

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

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#### SUMMARY

*At Council's Ordinary Council meeting on 12 July 2016, Council resolved the following:*

1. *Adopt the Community Engagement Plan for progressing economic development projects in partnership with EDQ;*
2. *Commence negotiations to purchase property identified to consolidate and maximise the economic development potential of Council's property interests in the CBD. Final execution of the contract/s to be subject to a further Council resolution; and*
3. *Work with EDQ to develop economic development project opportunities in the CBD.*

*The following report updates Council in relation to planning and ongoing discussions with Economic Development Queensland (EDQ) to form a Joint Venture to progress economic development opportunities in the Rockhampton Central Business District (CBD). The report also recommends a strategic property acquisition for Council's consideration. It is noted that Council's previous resolution provides authority for the CEO to purchase identified properties. It is recommended that if the identified property valuation is accepted in line with Council's offer to purchase that the CEO be authorised to purchase the property.*



**16.2 CONFIDENTIAL REPORT ON MATTERS CURRENTLY IN LEGAL PROCESS****File No:** 8038 / 4781 / 8431**Attachments:** Nil**Authorising Officer:** Michael Rowe - General Manager Community Services**Author:** Judith Noland - Development Compliance Officer

This report is considered confidential in accordance with section 275(1)(f), of the *Local Government Regulation 2012*, as it contains information relating to starting or defending legal proceedings involving the local government.

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**SUMMARY**

*This report provides a review of development compliance investigations currently in legal process.*

**16.3 CONFIDENTIAL LEGAL PROCEEDINGS FOR DEVELOPMENT OFFENCES****File No:** 8038 / 4781 / 8431**Attachments:**

1. Locality Plan
2. Site Photos
3. Aerial Photo

**Authorising Officer:** Michael Rowe - General Manager Community Services**Author:** Judith Noland - Development Compliance Officer

This report is considered confidential in accordance with section 275(1)(f), of the *Local Government Regulation 2012*, as it contains information relating to starting or defending legal proceedings involving the local government.

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**SUMMARY**

*This report discusses proposed legal action relating to a use of land in Lakes Creek.*

**17 CLOSURE OF MEETING**