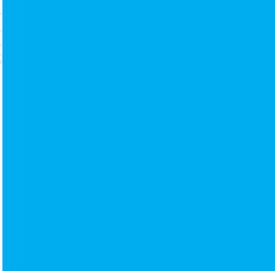
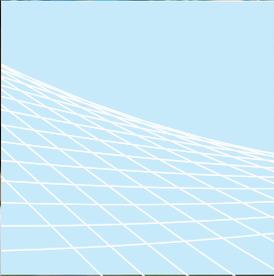


ROCKHAMPTON REGIONAL COUNCIL ANNUAL REPORT 2011-12





OUR PEOPLE
OUR PLACES
OUR FUTURE

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“ I look forward to the future with a sense of optimism knowing that as Council and the community work together we can meet the challenges that come our way ”

MAYOR'S REPORT

Following my four year absence from local government I have noticed some things had changed and some things had remained the same.

While the entity has changed due to amalgamation and the structure within Council has changed, what has remained the same is the struggle to respond to community demands for more and more. All the time struggling against an avalanche of compliance and cut backs from other levels of Government.

In April, our Council was elected with a mandate from the community to reduce our debt. We have committed to a thorough review of the way we do our business and what we do.

As a Council we intend to promote a sense of community and regional pride while containing costs and spending wisely on infrastructure and services to the benefit of the whole Region.

Councillors and Council finance staff have worked closely together to plan a way forward. We aim to reduce borrowings through reducing operating costs whilst providing a high standard of essential services (like water, roads and rubbish collections) that are always a high priority to our community.

There will no doubt be challenges as Council begins a new term in a climate of economic downturns and changing community needs and expectations.

I look forward to the future with a sense of optimism knowing that as Council and the community work together we can meet the challenges that come our way.

We do live in a great Region spoilt with opportunities and much to be proud of.



Cr Margaret Strelow

Mayor
Rockhampton Regional Council

“

All in all over \$100 million was invested in providing new and replacing Council infrastructure. This is in line with Council's reviewed Long Term Financial Forecast which will see an operating surplus in the 2014-15 year and beyond.

”

2011-12 has been a year of consolidation where Council focussed on reducing costs and increasing organisational efficiencies while continuing to invest in our community.

During the 2011-12 year we have seen the completion of projects such as stage one of the \$17 million World War II Memorial Pool and Emu Park Sewerage Treatment Plant, progress of the Barmaryee sports facility and covering of the All Abilities Playground at Yeppoon and many more. All in all over \$100 million was invested in providing new and replacing Council infrastructure. This is in line with Council's reviewed Long Term Financial Forecast which will see an operating surplus in the 2014-15 year and beyond.

Having taken on the challenge of striving to achieve a balance between a secure financial future and fulfilling the needs of our community, we have seen some other exciting community programs and projects come to fruition during 2011-12.

Rockhampton Art Gallery has had a very successful year doubling visitor numbers. Working closely with the Rockhampton Art Gallery Trust, staff launched the Gold Award, a biennial national art event and Bayton Award for local artists.

Our Zoo has undergone major changes with the construction of new animal habitats. This has enabled the Zoo to attain Zoo and Aquarium Association of Australia accreditation, increase its access to more animals and grow its capacity to undertake breeding programs.

The construction/refurbishment of Yeppoon Town Hall has enabled it to become the focal point of the community with the flexibility to be used as a civic, recreational or entertainment centre. It recently won a Master Builders Association Award which is recognition of the hard work contributed to the project by our staff and contractors.

The Mount Morgan School of Arts building was restored to its former glory after a lengthy process that involved construction and heritage consultation to revive the external aspects of the building. Both these facilities are already proving themselves to be a hub for community events.

Rockhampton Region was chosen as one of only two regions nationally to participate in the pilot Cultural Places program. Over the next three years, the program 'Creative Capricorn' will foster local arts and cultural programs and also feature a mix of commissioned and touring exhibitions, performances, workshops and festivals.

2011-12 has been a year from which I believe we have learned a great deal about our ratepayers and their expectations. Costs of living have continued to grow and the 2012 elections in April resulted in a new team of Councillors whom have requested a re-focus on the organisation's finances, in particular regarding Council's borrowings.

We will continue to keep Council on track with sound financial improvements by planning ahead with the team of Councillors and spending on key infrastructure and programs which will acutely meet the needs of our growing community.

I thank Councillors and staff for their support as we take measures to ensure that we are providing the best possible outcomes for our community.



Evan Pardon

Chief Executive Officer
Rockhampton Regional Council

HIGHLIGHTS

FROM THE PAST 12 MONTHS

GOLD AND BAYTON AWARDS

The Bayton and Gold Awards are the first of their kind for Rockhampton Art Gallery Trust and Rockhampton Art Gallery, and are paving the way for developing, nurturing and enhancing the arts culture within our community.

The Gold Award is an invitational only premier biennial art event of national significance and offers the highest monetary award for artists within Queensland.

Eight artists were announced as finalists for the inaugural \$50,000 Gold Award for contemporary painting.

Sally Gabori, an 88-year-old Mornington Island artist who began painting just five years ago won the Award. She was up against some of Australia's high profile artists such as Ben Quilty and Michael Zavros. Her work measuring approximately 2m by 4.5m is monumental in scale and ambition.

The Bayton Award is a local award open for residents in Rockhampton, Gladstone, Banana, Woorabinda, Central Highlands, Isaac, Barcaldine, Blackall-Tambo, Longreach, Winton, Barcoo, Diamantina and Boulia regions.

The biennial, non-acquisitive Bayton Award is an opportunity to celebrate the diversity and excitement of visual arts in the Central Queensland region, and 46 artists were chosen as finalists.

Rockhampton artist Patrick Connor won over the judges and took home the Award, along with \$5,000 in prize money and a residency at Carnarvon Gorge.

The painting is a personal tribute to Patrick's friend, associate and fellow artist, the late Peter Indans of the Capricorn Coast.

MT MORGAN SCHOOL OF ARTS

The project of refurbishing the Mount Morgan School of Arts began in March 2010 and after a lengthy process involving construction and heritage consultation to revive the external aspects of the building, it officially opened on 18 November 2011.

The project included repairs to the School of Arts and Library structural timbers, external weatherboards, preparation and painting of the external surfaces to maintain and prolong the life of the building as well as upgrades to electricity supply and safety, fire detection and emergency exit hardware.

The project cost almost \$1 million with a \$544,000 grant received from the Australian Government Regional and Local Community Infrastructure Program and a further \$467,000 supplied by Council.

ROCKHAMPTON ZOO

Rockhampton Zoo has undergone major changes during 2011 and is currently in a transitional stage.

The redevelopment of the Australian Rainforest Aviary and surrounding area into a habitat zone resulted in many significant Australian bird species coming in including satin bower birds, a lyrebird, a whipbird and other icons of the Australian rainforest.

The cassowaries were also moved into this zone and this resulted in the first successful breeding of this species in Australia under the Australian Species Management Program recommendations for over ten years.

The new macropod enclosure incorporates new pathways, open, easy viewing enclosures and is now home to the Zoo's kangaroos, emus and wallabies. Construction of a rainforest themed enclosure for the endangered lion tailed macaques has also been completed.

The arrival of a Northern Quoll, an endangered Queensland species marked the first stage of breeding programs at the Zoo for this species and the endangered mahogany glider.

Several new reptile species have arrived including frilled lizards and pythons in readiness for the construction of the Australian reptile house. Two female chimpanzees and two blue and gold macaws have also been welcomed to the Zoo family.

Accreditation for a five year period through the Zoo and Aquarium Association of Australia has been received. It will give a greater capacity for breeding programs, offers access to more animals and certifies that the Zoo's animals are appropriately cared for.

Rockhampton Zoo also hosted the Annual Zoo and Aquarium Association State Conference which was attended by approximately 40 delegates from Queensland's leading zoos and aquaria.

RIGARLSFORD PARK

Rigarlsford Park is part of the Frenchman's Creek Corridor Master Plan and the upgrade was funded by \$300,000 from the Federal Government Regional Local Community Infrastructure Program and a further \$150,000 supplied by Rockhampton Regional Council.

The Frenchman's Creek Corridor Master Plan aims to make parks in this corridor more accessible and add to the general amenity of the area.

The park now boasts three walking tracks, an 800m, a 1.4km and a 1.1km that go through to Thozet Road. It also has newly installed spotlights that are operational from dusk until 11pm daily and electric barbecues that operate between 5am and 9pm daily.

HIGHLIGHTS

FROM THE PAST 12 MONTHS

TALISMAN SABRE 2011 OPEN DAY AT THE ROCKHAMPTON SHOWGROUNDS

Approximately 10,000 people visited the Rockhampton Showgrounds on Saturday 9 July for the Talisman Sabre 2011 Open Day.

The Open Day presented the community with a unique opportunity to get a close look at military equipment, helicopters, tanks and machinery and to meet and talk to military personnel.

Entertainment included performances by the 1st Battalion, The Royal Australian Regiment and US 7th Fleet Bands and the Precision Drill Team as well as an interactive robotic device and camouflage face painting for the children.

JAMES STREET RECONSTRUCTION

In early March 2012, work began on the \$2.6 million reconstruction of James Street in Yeppoon. The project includes a major reconstruction of James Street between Arthur and Mary Streets. Work includes upgrades to stormwater, reconstruction of kerb and channel, footpaths and road pavement and street lighting and will also provide additional car parking and landscaping.

This major project will deliver a fantastic new look for this part of the Yeppoon CBD as well as extra car parks which will be enjoyed by local business owners.

The project was expected to take six months to complete and is on track to finish in mid September 2012.

CREATIVE CAPRICORN

Rockhampton Region was chosen as one of only two regions nationally to participate in the pilot Cultural Places program. Cultural Places, known locally as Creative Capricorn, is a \$600,000 initiative of the Australia Council for the Arts delivered in co-operation with Arts Queensland and Rockhampton Regional Council.

Over three years, the program will grow with a locally owned and produced arts and cultural program at its heart. It will also feature a mix of commissioned and touring exhibitions, performances, workshops, festivals and other events over the course of the pilot.



Talisman Sabre 2011 Open Day

HIGHLIGHTS

FROM THE PAST 12 MONTHS

WORLD WAR II MEMORIAL POOL

The stage one of the \$17 million redevelopment of the World War II Memorial Pool was officially opened in February 2012. This project, which was partially funded by the State Government, will give the Region a 50m FINA compliant pool and a world class swimming facility. The new pool is heated and allows our athletes to train all year round.

Council allocated \$6.2 million to this redevelopment for the 2011-12 financial year with a further \$5.9 million allocated in the 2012-13 budget.

ALL ABILITIES RECREATIONAL PLAYGROUND SHADE STRUCTURE

This project saw the construction of a 17m by 20m by 5m shade structure over the All Abilities Recreational Playground at Appleton Drive, Yeppoon.

The need for shade structures covering the play equipment at the All Abilities Playground was identified in initial feedback upon opening last year. Email communication with local carer groups identified that greater accessibility to the Region's parks would benefit the greater disabled community as there is a shortage of parks and gardens in the Region with equal access amenities, and the disabled community as a whole are limited in their choices of where they can go for outings.

The project was jointly funded by Council and Department of Families, Housing, Community Services and Indigenous Affairs under the Accessible Communities Program.

WORLD WAR II MEMORIAL POOL ACCESSIBILITY PROJECT

As part of stage one of the redevelopment, the Rockhampton World War II Memorial Pool Accessibility Project procured a Pool and Wet Area wheelchair, providing equitable access to the facility for the whole of the community. This accessibility project was jointly funded by Council and Department of Families, Housing, Community Services and Indigenous Affairs under the Accessible Communities Program.

YEPPOON TOWN HALL

The Yeppoon Town Hall is once again the Capricorn Coast community's meeting place after a \$6.4 million reconstruction. This project was made possible due to funding received from the Australian Government's Regional and Local Community Infrastructure Program, with Rockhampton Regional Council matching the funding dollar for dollar.

The Yeppoon Town Hall is now a focus point for the Capricorn Coast Community with the flexibility to be used as a civic, recreational or entertainment centre. It also now hosts Council's Yeppoon Customer Service Centre and has commercial quality cinema equipment and will screen movies for local residents to enjoy.



Yeppoon Town Hall

HIGHLIGHTS FROM THE PAST 12 MONTHS



Rockhampton Art Gallery Staff celebrate the success of the Gold and Bayton Awards

BE HEARD

The 2011-12 financial year saw the conclusion of Council's most extensive community engagement campaign - BE HEARD.

During the campaign more than 50 engagement sessions were held throughout the Rockhampton Region and the dedicated BE HEARD engagement website received in addition of 30,000 visits.

Community feedback received from BE HEARD was incorporated into the Rockhampton Regional Community Plan 2012-22 which was adopted by Council in November 2011.

The Community Plan is a ten year strategic plan for the Region, which identifies our community's aspirations, needs and priorities to provide a framework for our future. Ultimately, the Community Plan will allow for better decision making and investment, tailored services based on the community's need, development of Council's and the community's capacity, and a greater opportunity to foster relationships.

As a living document, the Community Plan will be subject to ongoing annual reviews as part of an integrated and coordinated monitoring framework.

MARLBOROUGH WATER TREATMENT PLANT INSTALLATION

The \$140,000 Marlborough Water Treatment Plant was officially opened at a community event on 12 September 2011 and provides Marlborough residents with an ongoing supply of clean and safe drinking water.

The Marlborough Water Treatment Plant treats the brackish groundwater by combining fine filtration with Reverse Osmosis (RO) to produce potable water with a dissolved mineral salt content that meets all Australian Drinking Water Guidelines.

In February 2012, the Marlborough Water Treatment Plant was upgraded to increase the water capacity of the system to a supply of approximately 1,000 litres/person/day to meet the demand for drinking water in the Marlborough Drinking Water Supply Scheme.

Marlborough's entire drinking water supply system is monitored and controlled, if required, via a radio telemetry network from the Glenmore Water Treatment Plant central control room located in Rockhampton.

The supply of drinking water to the Marlborough community has been received well by residents with many noticing and enjoying the improved water quality.

COMMUNITY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

Interpreting formally presented financial statements prepared in accordance with relevant accounting standards can often be a difficult process for all stakeholders. The aim of the Community Financial Report is to assist readers to evaluate Council's financial performance and financial position without the need to interpret the financial statements. In this way the financial operations of Council can be clearly understood by members of our community and interested stakeholders.

Council's General Purpose Financial Statements are a record of our financial performance for the year ended 30 June 2012 and is subject to independent audit to verify the accuracy of the reports, as well as the systems Council has in place to record financial transactions. The three primary reports are the Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Cash Flows.

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income details total income and expenses, and the net result attributable to Council as a result of Council's activities for the financial year.

Sources of Income – Where Our Money Comes From...

The majority of Council's income comes from rates and levies, fees and charges, interest, recoverable works and grants, subsidies and contributions.

Council's total income in 2011-12 is more than the total

income reported for the 2010-11 financial year. This is mostly due to increases in rates, levies and charges and fees and charges income.

To provide services to the community, Council must collect revenue. Rates and utility charges are Council's principal source of revenue and represented approximately 65% of Council's recurrent revenue in 2011-12.

Council also charges fees to developers, undertakes private and recoverable works and receives funding in the form of grants and subsidies from both State and Federal Government, to help construct and maintain the extensive infrastructure.

A total of \$264,470,763 was recognised as income during the financial year. *See Fig. 1*

Expenses – Where Our Money is Spent...

The three largest items of Council's expenditure are employee costs, materials and services, and depreciation and amortisation. The level of expenditure is constantly monitored via a rigorous budget process. Detailed estimates are prepared prior to the start of the financial year and are then constantly monitored 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 the future of the Rockhampton Region in respect to developments, so that our existing lifestyle is maintained and enhanced.

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.

FIG. 1

TOTAL INCOME \$264,470,763

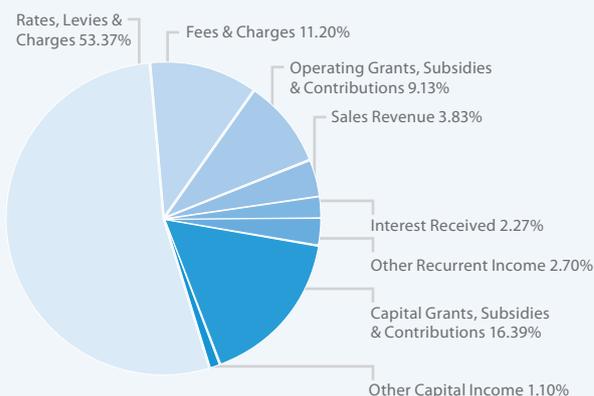
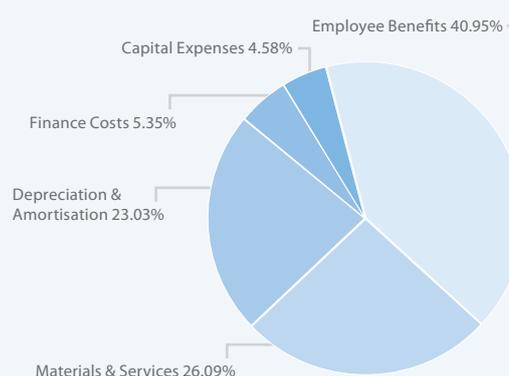


FIG. 2

TOTAL EXPENDITURE \$231,769,034



COMMUNITY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

As well as being a large employer in the community, it makes sound economic sense to keep our money circulating in the Region for the benefit of all who live here.

Depreciation and amortisation is a way of allocating the cost of an asset over the assets' 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 when they reach the end of their lives.

In comparing the total expenditure of Council from this year to last, it can be seen that total expenditure is approximately 2.3% higher than last period. See Fig. 2

Capital expenses for the year incorporate a reduction to our assets (mainly roads) mostly occurring during renewal exercises.

Total Comprehensive Income for the Year

The total comprehensive income for the year was a positive result of \$179,424,058 which is the difference between total income and total expenses and measures the change in community wealth. The main contributing factor to this positive result is a large increase in Council's Asset Revaluation Surplus. This surplus increased significantly due to Council's road and drainage network assets being re-valued.

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position lists Council's assets and liabilities. The result of these two components determines the net worth of Council.

What Do We Own?

Council controls a variety of current and non-current assets of which 92% is attributed to Property, Plant and Equipment assets. This is a significant investment for the community and requires astute management to ensure the level of service provided by these assets is maintained.

Total assets are approximately \$2.7 billion as at 30 June 2012. The value of total assets has increased when compared to last period. This increase is primarily the result of the revaluation of Council road and drainage network assets. See Fig. 3

Capital Works

The increase in Property, Plant and Equipment assets is also as a result of sound asset management practices directing funding towards new assets and the renewal of existing infrastructure assets. These capital assets were funded from depreciation, grants/subsidies, loans and reserves.

Capital works undertaken for the year totalled approximately \$105 million.

Significant projects undertaken in 2011-12 were:

- Continued reconstruction cost to road infrastructure resulting from the 2010-11 flood event
- Replacement Program of the Region's water and sewerage mains
- Emu Park Sewerage Treatment Plant
- Urban and Rural Roadwork Program
- Continuation of redevelopment of the South Rockhampton Memorial Pool and
- Waste Transfer Station

FIG. 3

TOTAL ASSETS \$2,696,928,153

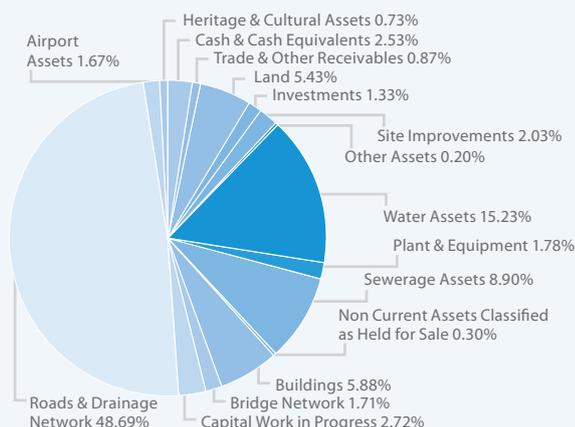
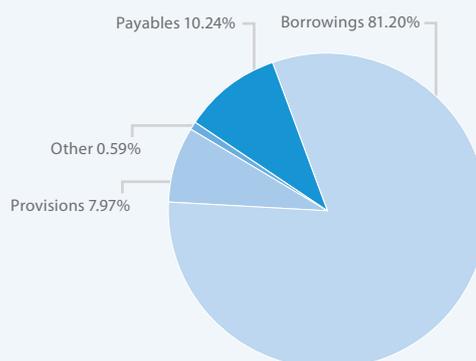


FIG. 4

TOTAL LIABILITIES \$271,037,706



COMMUNITY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

What do we owe?

Council's borrowings at 30 June 2012 totalled approximately \$220 million. The level of Council's long-term debt is regularly reviewed as a component of the Long Term Financial Strategic Plan.

Interest expense on all loans, totalled 5.4% of total operating income. See Fig. 4

Total liabilities of approximately \$271 million at 30 June 2012 are an increase of \$31.5 million over the previous period. This increase is primarily attributed to an increase in Council's borrowings.

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 reading through all of the details contained within the Financial Statements.

Six core ratios are the sustainability ratios. These have been calculated for the 2011-12 year and are listed as below with a forecast for how the ratios will develop in Council's adopted Long Term Financial Forecast.

Council's Long Term Financial Forecast has been developed and adopted by Council and shows a continued high level of investment into its assets. Whilst showing an operational deficit in the short term, the forecast shows that Council plans to move to an operational surplus position by 2013-14. Councils budgets are consistent with its Long Term Financial Forecast with 2011-12 results being an improvement on the budgeted outcome.

Statement of Changes in Equity

This statement demonstrates the movements between the differing elements of equity which is the net wealth of the Community.

What Are We Worth?

Community Equity is equal to Assets less Liabilities and is represented by Retained Surplus, Asset Revaluation Surplus and Other Reserves. Total Community Equity at 30 June 2012 is approximately \$2.4 billion.

Council continues to be in a strong financial position. It is holding a good reserve of cash, has substantial equity in its assets, and maintains debt at manageable levels.

The healthy financial position of Council combined with sound budgeting and forward planning, provides capacity for Council to meet its objectives as well as provide a large degree of flexibility if strategic directions change.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows reports cash flows in and out of Council for the financial year. The statement is useful in assisting readers to assess Council's sources and uses of cash and ensuring that Council has the capacity to meet all of its financial commitments. The cash flows are classified into operating, investing, and financing activities.

Council pools and invests funds throughout the year in low-risk short-term to medium term investments in accordance with Council's investment policy. The net movement in cash for the 2011-12 year was a \$13 million increase. Despite the fact total investments decreased by \$3 million from 2010-11 to 2011-12, total cash and investments combined increased by \$10 million.

Looking to the Future

Council is well placed to provide the necessary financial resources to address the land use, natural resource, environmental, economic and social challenges associated with the developing growth across the Region.

Rockhampton Regional Council will continue to build on its management of infrastructure assets. This will permit more informed decisions about renewal and replacement of assets and associated funding.

The recent improvements to Council's asset management information will have a significant impact upon the way in which Council manages its assets and funds their replacement.

Rockhampton Regional Council aims to continue to maintain its strong financial base through the prudent use of annual rates collection, grants and subsidies, developer's contributions, borrowings and the use of specific cash reserves. On-going long term cash flow planning, sound budgeting and extensive financial strategic planning will assist Council greatly in achieving its objectives. This forward planning focus will put the Council in the best position possible to achieve the effective and efficient delivery of services to the community.

RELEVANT MEASURES OF FINANCIAL SUSTAINABILITY

| | | Forecast | | | | | | | | | |
|---|--|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Target | | 30/06/2012 | 30/06/2013 | 30/06/2014 | 30/06/2015 | 30/06/2016 | 30/06/2017 | 30/06/2018 | 30/06/2019 | 30/06/2020 | 30/06/2021 |
| 1 WORKING CAPITAL RATIO (Current Assets / Current Liabilities) | Between 1:1 and 4:1 This ratio examines the relationship between current assets and current liabilities. It measures the extent to which Council has liquid assets available to meet its short-term debts. A ratio of between 1:1 and 4:1 indicates an ability to maintain strong cash flows and meet future commitments. Council's result of 3.1:1 means it has a strong ability to meet its short-term debts as they fall due. | 3.1692:1 | 2.5655:1 | 2.533:1 | 2.45:1 | 2.3766:1 | 2.2691:1 | 2.2871:1 | 2.2852:1 | 2.211:1 | 2.164:1 |
| 2 OPERATING SURPLUS RATIO (Net Operating Surplus / Total Operating Revenue) (%) | Up to 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 result of negative 1.3% indicates that Council had an operational deficit for the year. Council's long-term financial strategy indicates that Council will move back into operational surplus in 2013-14. | (1.3)% | (5.2)% | 0.1% | 1.9% | 2.6% | 3.3% | 3.7% | 4.2% | 4.6% | 5.3% |
| 3 NET FINANCIAL LIABILITIES RATIO (Total Liabilities - Current Assets) / Total Operating Revenue (%) | Up to 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 the capacity to fund its liabilities and has the capacity to increase its loan borrowings if required. Council's result of 60.5% indicates that Council can fund its existing loan borrowings. * Whilst the whole of the forecast period is not within the target ratio, it is managed and controlled within the forecast period. | 60.5% | 78.1% | 75.6% | 72.7% | 69.7% | 66.5% | 63.0% | 59.5% | 55.7% | 51.3% |
| 4 INTEREST COVERAGE RATIO (Net Interest Expense / Total Operating Revenue) (%) | Up to 5% This ratio indicates the extent to which Council's operating revenues are committed to paying interest expense, expressed as a percentage. A ratio of up to 5% is generally considered acceptable, having regard to Council's long-term financial strategy and borrowings policy. Council result of 2.9% indicates that only a very small portion of Council's operating revenue is committed to paying interest. | 2.9% | 4.5% | 4.0% | 3.9% | 3.8% | 3.6% | 3.4% | 3.2% | 3.0% | 2.8% |
| 5 ASSET SUSTAINABILITY RATIO (Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense) (%) | 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 has finalised asset management plans for 2012-13 onwards, but does not have sufficient information available for prior and current year results. | Not Available | 119.0% | 95.0% | 105.1% | 97.3% | 98.2% | 98.9% | 98.3% | 98.9% | 97.9% |
| 6 ASSET CONSUMPTION RATIO (Written Down Value of Infrastructure Assets / Gross Current Replacement Cost of Infrastructure Assets) (%) | Between 40% and 80% This ratio indicates the written down value of Council's infrastructure assets on its books relative to their 'as new' replacement price, expressed as a percentage. This ratio seeks to highlight the aged condition of Council's stock of physical assets. | 70.7% | 73.5% | 72.7% | 71.9% | 71.2% | 70.6% | 70.0% | 69.6% | 69.1% | 68.8% |

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|--|-----------|----------------------|----------------------|
| Income | | | |
| Revenue | | | |
| Recurrent revenue | | | |
| Rates, levies and charges | 3(a) | 141,149,895 | 128,759,261 |
| Fees and charges | 3(b) | 29,619,615 | 24,484,813 |
| Interest received | 3(c) | 6,016,663 | 4,368,127 |
| Sales revenue | 3(d) | 10,135,713 | 8,814,598 |
| Other recurrent income | 3(e) | 7,145,912 | 5,358,511 |
| Grants, subsidies and contributions | 4(i) | 24,154,486 | 25,200,837 |
| | | 218,222,284 | 196,986,147 |
| Capital revenue | | | |
| Grants, subsidies and contributions | 4(ii) | 43,342,432 | 42,175,790 |
| | | 43,342,432 | 42,175,790 |
| Total revenue | | 261,564,716 | 239,161,937 |
| Capital income | 5 | 2,906,047 | 1,542,936 |
| Total income | 2 | 264,470,763 | 240,704,873 |
| Expenses | | | |
| Recurrent expenses | | | |
| Employee benefits | 7 | (94,914,045) | (88,370,261) |
| Materials and services | 8 | (60,459,577) | (61,116,321) |
| Finance costs | 9 | (12,404,018) | (10,091,645) |
| Depreciation and amortisation | 10 | (53,369,519) | (50,591,908) |
| Total recurrent expenses | | (221,147,159) | (210,170,135) |
| Capital expenses | 11 | (10,621,925) | (16,351,587) |
| Total expenses | 2 | (231,769,084) | (226,521,722) |
| Net result attributable to Council | | 32,701,679 | 14,183,151 |
| Other comprehensive income | | | |
| Increase / (decrease) in asset revaluation surplus | 26 | 146,722,379 | (16,830,651) |
| Total other comprehensive income for the year | | 146,722,379 | (16,830,651) |
| Total comprehensive income for the year | | 179,424,058 | (2,647,500) |

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

| | Note | 2012 \$ | Restated 2011 \$ | Restated 2010* \$ |
|--|------|----------------------|------------------------|-------------------------|
| Current assets | | | | |
| Cash and cash equivalents | 13 | 68,291,602 | 55,288,605 | 52,460,783 |
| Investments | 14 | 36,000,000 | 39,000,000 | 32,000,000 |
| Trade and other receivables | 15 | 23,570,134 | 26,793,226 | 22,817,752 |
| Inventories | 16 | 2,891,946 | 2,983,020 | 2,469,241 |
| | | 130,753,682 | 124,064,851 | 109,747,776 |
| Non-current assets classified as held for sale | 17 | 8,138,842 | 941,938 | - |
| | | 138,892,524 | 125,006,789 | 109,747,776 |
| Non-current assets | | | | |
| Property, plant and equipment | 18 | 2,482,124,706 | 2,300,425,022 | 2,241,954,783 |
| Capital works in progress | 19 | 73,447,202 | 57,556,816 | 89,986,405 |
| Intangible assets | 20 | 2,463,721 | 3,077,317 | 3,696,684 |
| | | 2,558,035,629 | 2,361,059,155 | 2,335,637,872 |
| Total Assets | | 2,696,928,153 | 2,486,065,944 | 2,445,385,648 |
| Current liabilities | | | | |
| Trade and other payables | 21 | 22,888,913 | 20,720,235 | 20,465,531 |
| Provisions | 22 | 2,354,506 | 2,063,193 | 1,936,041 |
| Borrowings | 23 | 18,531,494 | 16,627,640 | 14,798,589 |
| Other liabilities | 24 | 119,668 | 375,023 | 570,607 |
| | | 43,894,581 | 39,786,091 | 37,770,768 |
| Non-current liabilities | | | | |
| Trade and other payables | 21 | 4,856,886 | 4,418,809 | 4,210,402 |
| Provisions | 22 | 19,260,549 | 16,406,160 | 15,585,492 |
| Borrowings | 23 | 201,559,454 | 178,500,354 | 138,705,099 |
| Other liabilities | 24 | 1,466,237 | 488,142 | - |
| | | 227,143,126 | 199,813,465 | 158,500,993 |
| Total Liabilities | | 271,037,707 | 239,599,556 | 196,271,761 |
| Net Community Assets | | 2,425,890,446 | 2,246,466,388 | 2,249,113,887 |
| Community equity | | | | |
| Retained surplus/(deficiency) | 25 | 1,952,178,181 | 1,912,568,823 | 1,909,513,853 |
| Asset revaluation surplus | 26 | 398,495,279 | 251,772,899 | 268,603,550 |
| Other reserves | 27 | 75,216,986 | 82,124,665 | 70,996,484 |
| Total Community Equity | | 2,425,890,446 | 2,246,466,388 | 2,249,113,887 |

* Council has made a retrospective restatement as a consequence of a correction of an error and therefore, in accordance with AASB 101 has presented restated Statements of Financial Position as at the beginning of the comparative period i.e. as at 1 July 2010. Details are disclosed in Notes 18 and 37. The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

| | Total | | Retained surplus/(deficiency) Note 25 | | Asset revaluation surplus Note 26 | | Other reserves Note 27 | |
|---|----------------------|----------------------|--|----------------------|--------------------------------------|---------------------|---------------------------|-------------------|
| | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ |
| Balance at beginning of year | 2,246,466,388 | 2,168,589,830 | 1,912,568,823 | 1,826,400,049 | 251,772,899 | 271,193,297 | 82,124,665 | 70,996,484 |
| Adjustment to opening balance Note 37 | - | 80,524,057 | - | 83,113,804 | - | (2,589,747) | - | - |
| Restated balances | 2,246,466,388 | 2,249,113,887 | 1,912,568,823 | 1,909,513,853 | 251,772,899 | 268,603,550 | 82,124,665 | 70,996,484 |
| Net result attributable to Council | 32,701,679 | 14,183,151 | 32,701,679 | 14,183,151 | - | - | - | - |
| Other comprehensive income for the year | - | - | - | - | - | - | - | - |
| Adjustment to asset revaluation surplus | - | (16,830,651) | - | (16,830,651) | 146,722,379 | (16,830,651) | - | - |
| Property, plant & equipment | 146,722,379 | (16,830,651) | - | - | - | - | - | - |
| Impairments: | - | - | - | - | - | - | - | - |
| Property, plant & equipment | - | - | - | - | - | - | - | - |
| Total comprehensive income for year | 179,424,058 | (2,647,499) | 32,701,679 | 14,183,151 | 146,722,379 | (16,830,651) | - | - |
| Transfers to and from reserves | - | - | - | - | - | - | - | - |
| Transfers from other reserves | - | - | 36,328,729 | 27,773,176 | - | - | (36,328,729) | (27,773,176) |
| Transfers to other reserves | - | - | (29,421,050) | (38,901,357) | - | - | 29,421,050 | 38,901,357 |
| Net transfers to (from) retained Surplus | - | - | 6,907,679 | (11,128,181) | - | - | (6,907,679) | 11,128,181 |
| Balance at end of year | 2,425,890,446 | 2,246,466,388 | 1,952,178,181 | 1,912,568,823 | 398,495,279 | 251,772,899 | 75,216,986 | 82,124,665 |

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|--|-----------|---------------------|---------------------|
| Cash flows from operating activities: | | | |
| Rates, levies and charges | | 142,122,095 | 130,763,142 |
| Fees and charges | | 29,619,615 | 24,484,813 |
| Grants, subsidies and contributions | | 24,154,486 | 25,200,837 |
| Interest received | | 5,459,406 | 4,437,208 |
| Other Income | | 19,373,339 | 8,708,684 |
| Net GST (received)/ paid | | 289,816 | (113,285) |
| Payments to suppliers | | (58,431,574) | (62,638,923) |
| Payments to employees | | (92,954,007) | (87,243,610) |
| Interest expense | | (11,753,630) | (9,446,600) |
| Net cash inflow (outflow) from operating activities | 33 | 57,879,546 | 34,152,266 |
| Cash flows from investing activities | | | |
| Government subsidies and grants | | 13,525,613 | 21,565,275 |
| Capital contributions | | 7,128,856 | 3,490,047 |
| Payments for property, plant and equipment | | (99,853,210) | (95,313,995) |
| Payments for intangible assets | | (447,972) | (279,388) |
| Net transfer (to) from cash investments | | 3,000,000 | (7,000,000) |
| Proceeds from sale of property plant and equipment | | 6,801,539 | 4,586,199 |
| Net movement in loans and advances | | 5,671 | 3,111 |
| Net cash inflow (outflow) from investing activities | | (69,839,503) | (72,948,752) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | 41,500,000 | 56,301,266 |
| Repayment of borrowings | | (16,537,046) | (14,676,958) |
| Net cash inflow (outflow) from financing activities | | 24,962,954 | 41,624,308 |
| Net increase (decrease) in cash held | | 13,002,997 | 2,827,822 |
| Cash at beginning of reporting year | | 55,288,605 | 52,460,783 |
| Cash at end of reporting year | 13 | 68,291,602 | 55,288,605 |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

These general purpose financial statements are for the period 1 July 2011 to 30 June 2012 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government (Finance, Plans and Reporting) Regulation 2010. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

1.2 Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. 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 Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective:

| Effective for annual report periods beginning on or after: | |
|--|----------------|
| AASB 9 Financial Instruments (December 2009) | 1 January 2015 |
| AASB 10 Consolidated Financial Statements | 1 January 2013 |
| AASB 11 Joint Arrangements | 1 January 2013 |
| AASB 12 Disclosure of interests in other entities | 1 January 2013 |
| AASB 13 Fair Value Measurement | 1 January 2013 |
| AASB 119 Employee benefits (completely replaces existing standard) | 1 January 2013 |
| AASB 127 Separate Financial Statements (replaces the existing standard together with AASB 10) | 1 January 2013 |
| AASB 128 Investments in Associates and Joint Ventures (replaces the existing standard) | 1 January 2013 |
| 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009) | 1 January 2013 |
| AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements | 1 July 2013 |
| AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) | 1 January 2013 |
| AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters | 1 January 2013 |
| AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related | 1 July 2012 |
| AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements | 1 July 2013 |
| AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards | 1 January 2013 |
| AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 | 1 January 2013 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | |
|---|----------------|
| AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income | 1 July 2012 |
| AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) | 1 January 2013 |
| AASB 2011-13 Amendments to Australian Accounting Standard - Improvements to AASB 1049 | 1 July 2012 |

Management have yet to assess the impact that AASB 9 Financial Instruments and 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 is likely to have on the financial statements of Council as it is anticipated that further amendments will occur. Council does not expect to implement the amendments prior to the adoption date of 1 January 2013.

Consolidation Standards

The AASB issued a suite of six related accounting standards which are effective for annual reporting periods beginning on or after 1 January 2013:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 127 Separate Financial Statements
- AASB 128 Investments in Associates and Joint Ventures
- AASB 2011-7 Amendments to Australian Accounting

Standards arising from the Consolidation and Joint Arrangements Standards

These standards aim to improve the accounting requirements for consolidated financial statements, joint arrangements and off balance sheet vehicles. The AASB is still considering whether these standards need to be modified for application by not-for-profit entities. Consequently, not-for-profit entities are not currently permitted to apply these standards prior to the mandatory application date. As Council is a not-for-profit entity, no assessment has been made of the potential impact. An assessment of the impact will be made when the not-for-profit requirements are finalised.

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 applies to reporting periods beginning on or after 1 January 2013. The standard sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Council's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used, and financial statement disclosures made in respect of, such assets and liabilities.

Council has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While the Council is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, and at this stage, no consequential material impacts are expected for Council's property, plant and equipment in 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside the Council, the amount of information to be disclosed will be relatively greater.

Amendments to AASB 101 Presentation of Financial Statements

The AASB 101 Amendments require Council to group items presented in other comprehensive income into those that, in accordance with other standards: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Council's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

Amendments to AASB 119 Employee Benefits

A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is to be applied retrospectively if applicable.

The revised standard includes changed criteria for accounting for employee benefits as "short-term employee benefits". Had Council applied the revised standard this year annual leave currently classified as a "short-term benefit" would have been reclassified as a "long-term benefit". However, no reported amounts would have been amended as the Council already discounts the annual leave liability to present value in respect of amounts not expected to be settled within 12 months (refer Note 1.24).

The concept of "termination benefits" is clarified and the recognition criteria for liabilities for terminations benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. Council contributes to the Local Government Superannuation Scheme (Qld) as disclosed in Note 31. The revised standard will require Council to make additional disclosures regarding the Defined Benefits Fund element of the scheme.

The reported results and position of Council will not change on adoption of the other pronouncements as they do not result in any changes to the Council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Council does not intend to adopt any of these pronouncements before their effective dates.

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 1.18(c) and Note 18
- Impairment of property, plant and equipment - Note 1.21 and Note 18
- Provisions - Note 1.24, Note 1.26 and Note 22
- Contingencies - Note 30 and Note 34

1.8 Reporting entities

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Council.

The following controlled entities are not consolidated with the Council's financial statements as the transactions and balances are not material to the Council's operations.

The Rockhampton Art Gallery Trust

The Rockhampton Art Gallery Trust fund is applied for charitable purposes with the primary object of acquiring objects of art for inclusion in the Collection and the enhancement of the Art Gallery as a regional art gallery holding significant works of art for the benefit of the community of Central Queensland. All art acquisitions purchased by The Rockhampton Art Gallery Trust are donated to the Rockhampton Regional Council Art Gallery and become heritage and cultural assets of the Council.

The Rockhampton Art Gallery Trust's operations are audited by the Auditor-General of Queensland. The financial statements receive a qualified audit opinion, as is normal for organisations of this type, because it cannot demonstrate that it has identified and recorded all revenue from donations. The results for the 2011-12 financial year are as follows:

| Art Gallery | 2012 | 2011 |
|---------------------|---------------|---------------|
| Receipts | 12,297 | 21,889 |
| Disbursements | 5,282 | 14,264 |
| Net Surplus/Deficit | 7,015 | 5,625 |
| Assets | 92,504 | 85,489 |
| Liabilities | - | - |
| Net Assets | 92,504 | 85,489 |

Mayoress Regional Charity Foundation Limited

Mayoress Regional Charity Foundation Limited is a public company limited by guarantee, which was incorporated in Australia on 21 May 2009.

The company acts solely as trustee of the Mayoress Regional Charity Foundation Charitable Trust (Charitable Trust) and the Mayoress Regional Charity Foundation Charitable Fund (Ancillary Fund). The purpose of the company is to advance social, religious and educational activities which are, or could be, to the benefit of the community of Rockhampton Regional Council. The aim is to achieve these objectives via the Ancillary Fund, with its Deductible Gift Recipient status, as well as the Charitable Trust which distributes money, property and/or benefits to the community or community entities.

The Charitable Trust and Ancillary Fund are not controlled by Rockhampton Regional Council. The company does not trade as a commercial enterprise and has no employees.

The company as well as the Charitable Trust and the Ancillary Fund is in the process of being de-registered as at 30 June 2012.

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 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. An equivalent amount is transferred from retained earnings to the relevant reserve until the funds are expended. Unspent non-reciprocal capital grants are placed in the unspent or constrained grants reserve.

FOR THE YEAR ENDED 30 JUNE 2012

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 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. the 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 the developers relating to these contributions are determined to fall within the scope of AASB Interpretation 18 Transfers of Assets from Customers these contributions are recognised as revenue when the related service obligations are fulfilled.

Developers may also make cash contributions 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). Cash contributions 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, these cash contributions are recognised as income when received.

For new development applications, since 3 January 2012, developers pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with them. Consequently, those infrastructure charges are recognised as income when received.

e) *Interest received*

Interest received from term deposits is accrued over the term of the investment.

f) *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.

The Council generates revenues 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.

g) *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.

h) *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.

Rockhampton Regional 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)
- Trade and other receivables - measured at amortised cost (Note 1.13)
- Investments (Note 1.12)

Financial liabilities

- Payables - measured at amortised cost (Note 1.23)
- Borrowings and borrowing costs - measured at amortised cost (Note 1.25)

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

The fair value of financial instruments is determined as follows:

- The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

- The fair value of borrowings, as disclosed in Note 23 to the accounts, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if the Council repaid it in full at balance date. As it is the intention of the Council to hold its borrowings for their full term, no adjustment provision is made in these accounts.
- The fair value of trade receivables approximates the amortised cost less any impairment. The fair value of payables approximates the amortised cost.

Rockhampton Regional Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 38.

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.

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.

Because Council has the power 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.

1.14 Inventories

Stores and raw materials held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution (internal consumption) are:

- Goods to be supplied at no, or nominal, charge, and
- Goods to be used for the provision of services at no, or nominal, charge.

Inventory for distribution is valued at cost, adjusted when applicable for any loss of service potential.

1.15 Land held for resale

Land acquired with the intention of reselling it (with or without further development) is classified as inventory. As inventory this land is valued at the lower of cost or net realisable value. Inventory land is treated as a current asset except where it is anticipated that a material portion of land value will not be sold within 12 months. Land held beyond 12 months is reported as non-current inventory.

Profit arising upon sale of land is recognised in the Statement of Comprehensive Income on the signing of a valid unconditional contract of sale.

1.16 Non-current assets classified as held for sale

Items of property, plant and equipment are reclassified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use. Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are not depreciated. On the eventual sale of these assets a gain or loss is recognised.

1.17 Investment property

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation. This includes land held by Council for a currently undetermined future use.

Investment property is measured using the fair value model. This means all investment property is initially recognised at cost (including transaction costs) and then subsequently revalued annually at the balance sheet date. Where investment property is acquired at no or nominal cost it is recognised at fair value.

Property that is being constructed or developed for future use as investment property is classified as investment property. Investment property under construction is measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case the property concerned is measured at cost until fair value can be reliably determined).

Gains or losses arising from changes in the fair value of investment property are included in the Statement of Comprehensive Income for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

1.18 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 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 and Drainage Network
 - Bridge Network
 - Water Assets
 - Sewerage Assets
- Airport Assets
- Heritage and Cultural Assets

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 physical 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 means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

b) *Capital and operating expenditure*

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of 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.

c) *Valuation*

Land and improvements, buildings and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB116 Property, Plant and Equipment. Other plant and equipment is 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 valuers to determine the fair value for each class of property, plant and equipment assets at least once every five years. This process involves the valuer physically sighting Council's assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council uses internal resources to assess the condition and cost assumptions associated with all property, plant and equipment assets, the results of which are considered in combination with the Australian Bureau of Statistics Indexes for Queensland, and other measures deemed suitable. Together these are used to form the basis of a management valuation for property, plant and equipment asset classes in each of the intervening years.

The Producer Price Indexes for Queensland provided by Australian Bureau of Statistics that are used for property, plant and equipment assets are:

- Buildings - Index Number; 30 Building construction Queensland;
- Water and Sewerage - Index Number; 3020 Non-residential building construction Queensland;
- Road and Drainage Network, Bridge Network and Airport - Index Number ; 3101 Road and bridge construction Queensland; and
- Site Improvements used the combination of indices above.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by a valuer when performed is not significant and the indices used by Council are sound.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Details of valuers and methods of valuations are disclosed in Note 18.

d) *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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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 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.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

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 the annual valuation process for assets measured at depreciated current replacement cost are 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 18.

e) *Unfunded depreciation*

The Council has elected not to fund depreciation expenses for assets that will not be replaced or where external funding sources other than loans will be obtained to fund their replacement. Depreciation is funded to the extent necessary to meet Council defined future service delivery levels to the community unless insufficient revenue sources are available to cover this depreciation amount.

f) *Land under roads*

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. The Rockhampton Regional Council currently does not have any such land holdings.

Land under the road network within the Council area that has been dedicated and opened for public use under the Land Act 1994 or the Land Title Act 1994 is not controlled by Council but is controlled by the state pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

1.19 Capital works in progress

Capital works in progress constructed by the Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

1.20 Intangible assets

Intangible assets with a cost or other value exceeding \$10,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council.

It has been determined that there is not an active market for any of the Council's intangible assets. Therefore, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate. Details of the estimated useful lives assigned to each class of intangible assets are shown in Note 20.

1.21 Impairment of non-current assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the 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.

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

1.22 Leases

Leases of plant and equipment under which the Council as lessee assumes substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases.

a) *Finance leases*

Where Council enters into a finance lease, Council recognises an asset equal to the lower of fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease liabilities are reduced by repayments of principal. The interest

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

components of the lease payments are charged as finance costs. The asset is accounted for on the same basis as other assets of the same class. Contingent rentals are written off as an expense in the accounting period in which they are incurred.

b) *Operating leases*

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.23 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.

1.24 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 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 21 as a payable.

b) *Annual leave*

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months (the non-current portion) 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 21 as a payable.

c) *Sick leave*

Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised for this obligation. This liability represents an accrued expense and is reported in Note 21 as a payable.

d) *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 31.

e) *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 22 as a provision.

1.25 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 book value at date of reporting.

In accordance with the Local Government (Finance, Plans and Reporting) Regulation 2010 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.

Borrowings are classified as current liabilities except for the principal amount that is due and payable, under the contractual terms of the loan agreement, 12 months after the end of the reporting period. This amount is classified as a non-current amount. Further details are provided in Note 23.

1.26 Restoration provision

A provision is made for the cost of restoration of landfill facilities and 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. Further details can be found in Note 22.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

Landfill restoration

The provision represents the present value of the anticipated future costs associated with the closure of the landfill facilities and monitoring of historical residues on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill facilities is reviewed at least annually and updated based on the facts and circumstances available at the time.

The provision is measured at the expected cost of the work required, discounted to current day values using an appropriate rate. The Commonwealth Government guaranteed securities, with a maturity date corresponding to the anticipated date of restoration, is considered an appropriate rate.

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

Quarry rehabilitation

The provision represents the present value of the anticipated future costs associated with the closure of the quarries and rehabilitation of these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The provision recognised for quarry rehabilitation is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the restoration will occur on an ongoing basis.

The provision is measured at the expected cost of the work required, discounted to current day values using an appropriate rate. The Commonwealth Government guaranteed securities, with a maturity date corresponding to the anticipated date of restoration, is considered an appropriate rate.

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

1.27 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.

1.28 Reserves held for future capital expenditure

These are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future capital assets needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

a) Unspent grants reserve

This reserve is credited with all grants and subsidies received during the reported period and constrained for the purpose of funding specific capital expenditure. As the expenditure is incurred on specified capital assets the equivalent funds are transferred from the reserve to the capital account. The closing balance reported at the period end represents funds not yet expended and must be retained until expended in the manner for which the grant was received.

b) Constrained grants and contributions reserve

This reserve is credited with all contributions of monetary revenue received during the reported period and constrained for the purpose of funding specific capital expenditure. As the expenditure is incurred on specified capital assets the equivalent funds are transferred from the reserve to the capital account. The closing balance reported at the period end represents funds not yet expended and must be retained until expended in the manner specified by the contributor.

c) Airport development reserve

This reserve was created to set aside funds for future Airport capital upgrades and expansion.

d) Capital works reserve

This reserve was created to provide future funds for the future replacement of assets.

e) Plant reserve

This reserve was created to provide funds for the future replacement of plant and equipment.

f) Water reserve

This reserve was created to provide funds for the future replacement of water infrastructure.

g) Sewerage reserve

This reserve was created to provide funds for the future replacement of sewerage infrastructure.

h) Waste management reserve

This reserve was created to provide funds for the future replacement of waste assets.

i) Year-end uncompleted works reserve

The reserve was created to assist with the management of the transition of uncompleted works between financial years in a transparent and timely manner.

1.29 Reserves held for funding future recurrent expenditure

These are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future recurrent or operating expenditure needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

a) Operating projects reserve

This reserve was created to set aside funds for specific recurrent expenditure, including unspent operational grants.

b) Asset maintenance reserve

This reserve was created to meet unexpected asset maintenance expenditure.

1.30 Retained surplus

This represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

1.31 National competition policy

The Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 39.

1.32 Rounding and comparatives

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

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

1.33 Trust funds held for outside parties

Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates recovery, 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.

The monies are disclosed in the notes to the financial statements for information purposes only in Note 32.

1.34 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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

Includes recognition and allocation of general rate and grant revenue as well as interest revenue and expenses not allocated to business units.

Office of CEO

Incorporates the offices of the Mayor, Councillors and the Chief Executive Officer. Includes governance and Council innovation as well as marketing engagement functions.

Infrastructure and Planning

Includes roadworks, street lighting, stormwater drainage, recoverable works, depot and workshop operations, asset management, engineering administration and engineering planning. Also includes development assessment functions, comprising compliance, strategic planning and natural resource management functions.

Organisational Services

Includes communication and information technology, administration services, financial services, workforce and strategy and organisational development services. Also includes major projects, which manages major infrastructure projects on behalf of various Council departments. Also includes asset services which manages the maintenance of Council's building portfolio.

Community Services

Includes libraries, art services, theatre and venue management, heritage preservation, child care, aged services, and community assistance. Management and operation of Council reserves and parks. Maintenance and beautification of entrances into the Region and road reserves where these are Council controlled. Manages operations of public health, environmental health, health planning and administration and local law enforcement (dog registration and regulation of parking) within Council boundaries.

Airports

Encompasses Rockhampton Airport operations.

Commercial Services

Comprises the rationalisation and realisation of land and building assets, caravan park activities and the Gracemere Saleyards.

Waste & Recycling

Includes waste collection and disposal, recycling collection, and management of Council's landfill facilities.

Fitzroy River Water

Council's commercialised water and sewerage business. Fitzroy River Water (FRW) has responsibility for provision of water and sewerage services to the residents of Rockhampton Regional Council including operation of the barrage, water treatment plant, reservoirs, water distribution network, water quality control, sewerage treatment plants, trunk sewers, sewerage pump stations, sewerage mains and services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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

| Functions | Income | | Total | Total | Net | Assets |
|-----------------------------|-------------------|--------------------|--------------------|--------------------|-------------------|----------------------|
| | Grants | Other | Income | Expenses | Result | |
| | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Resourcing | 12,070,398 | 77,329,207 | 89,399,605 | (18,354,319) | 107,753,924 | 257,165,065 |
| Office of CEO | - | 101,219 | 101,219 | 7,785,468 | (7,684,249) | 20,018 |
| Infrastructure and Planning | 14,216,065 | 32,362,757 | 46,578,822 | 66,114,639 | (19,535,817) | 1,384,138,245 |
| Organisational Services | 5,538,023 | 1,399,130 | 6,937,153 | 35,576,479 | (28,639,326) | 189,942,524 |
| Community Services | 4,779,562 | 10,107,542 | 14,887,103 | 42,851,708 | (27,964,604) | 39,098,470 |
| Airports | 248,774 | 12,588,495 | 12,837,269 | 12,168,969 | 668,300 | 78,598,802 |
| Commercial Services | - | 4,053,601 | 4,053,601 | 2,428,213 | 1,625,389 | 13,855,251 |
| Waste & Recycling | 70,432 | 19,792,249 | 19,862,681 | 19,458,829 | 403,852 | 35,329,815 |
| Fitzroy River Water | (157,049) | 69,970,359 | 69,813,309 | 63,739,099 | 6,074,211 | 698,779,963 |
| Total | 36,766,204 | 227,704,559 | 264,470,763 | 231,769,084 | 32,701,679 | 2,696,928,153 |

Prior Year

| Functions | Income | | Total | Total | Net | Assets |
|-----------------------------|-------------------|--------------------|--------------------|--------------------|-------------------|----------------------|
| | Grants | Other | Income | Expenses | Result | |
| | 2011 | 2011 | 2011 | 2011 | 2011 | 2011 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Resourcing | 20,410,573 | 69,441,212 | 89,851,785 | (14,615,057) | 104,466,842 | 247,541,634 |
| Office of CEO | - | 143,061 | 143,061 | 8,615,349 | (8,472,288) | 21,383 |
| Infrastructure and Planning | 15,258,303 | 15,966,504 | 31,224,807 | 76,602,879 | (45,378,072) | 1,222,403,578 |
| Organisational Services | 2,852,609 | 1,013,346 | 3,865,956 | 28,725,609 | (24,859,653) | 162,808,672 |
| Community Services | 4,757,413 | 7,973,171 | 12,730,584 | 40,384,273 | (27,653,689) | 46,115,092 |
| Airports | - | 22,678,021 | 22,678,021 | 10,457,745 | 12,220,276 | 76,144,527 |
| Commercial Services | - | 4,189,831 | 4,189,831 | 5,066,070 | (876,238) | 13,657,566 |
| Waste & Recycling | - | 16,490,641 | 16,490,641 | 15,437,400 | 1,053,241 | 29,802,513 |
| Fitzroy River Water | 2,908,960 | 56,621,229 | 59,530,188 | 55,847,455 | 3,682,733 | 687,570,977 |
| Total | 46,187,858 | 194,517,016 | 240,704,873 | 226,521,722 | 14,183,151 | 2,486,065,944 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|---|------|--------------------|--------------------|
| 3 REVENUE ANALYSIS | | | |
| (a) Rates, levies and charges | | | |
| General rates | | 61,722,046 | 56,269,517 |
| Separate rates | | 18,310,707 | 17,489,426 |
| Special rates | | 274,440 | 272,536 |
| Water | | 34,075,404 | 29,860,188 |
| Sewerage | | 26,819,454 | 25,683,286 |
| Garbage charges | | 15,051,476 | 13,469,821 |
| Rates and utility charge revenue | | 156,253,526 | 143,044,773 |
| Less: Discounts | | (13,554,509) | (12,674,912) |
| Less: Pensioner remissions | | (1,549,122) | (1,610,600) |
| Net rates and utility charges | | 141,149,895 | 128,759,261 |
| (b) Fees and charges | | | |
| Airport fees | | 8,838,716 | 7,496,024 |
| Waste and Recycling fees | | 5,200,216 | 4,078,561 |
| Venues, events, tourism and cultural fees | | 6,070,242 | 5,537,268 |
| Building, plumbing and development fees | | 4,317,657 | 3,547,496 |
| Local laws and health licencing fees | | 1,858,480 | 1,537,066 |
| Irrigator and commercial water fees | | 2,075,061 | 1,289,970 |
| Other fees | | 1,259,244 | 998,429 |
| | | 29,619,615 | 24,484,813 |
| (c) Interest received | | | |
| Investments | | 5,175,288 | 3,488,406 |
| Overdue rates and utility charges | | 841,375 | 879,721 |
| | | 6,016,663 | 4,368,127 |
| (d) Sales revenue | | | |
| Recoverable and private works | | 10,135,713 | 8,814,598 |
| | | 10,135,713 | 8,814,598 |
| <p>The amount recognised as revenue from contract works during the period is the amount receivable in respect of invoices issued during the period. The contract work carried out is not subject to retentions.</p> | | | |
| (e) Other recurrent income | | | |
| Rental / lease income | | 3,981,441 | 3,314,084 |
| Commission and collection fees | | 521,048 | 435,921 |
| Other income | | 2,643,423 | 1,608,506 |
| | | 7,145,912 | 5,358,511 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|---|------|-------------------|-------------------|
| 4 GRANTS, SUBSIDIES AND CONTRIBUTIONS | | | |
| (i) Recurrent - grants, subsidies and contributions are analysed as follows: | | | |
| General purpose grants | | 12,096,227 | 9,495,583 |
| Government subsidies and grants | | 11,144,364 | 15,127,000 |
| Contributions | | 913,895 | 578,254 |
| Total recurrent revenue | | 24,154,486 | 25,200,837 |
| (ii) Capital - grants, subsidies, and contributions are analysed as follows: | | | |
| (a) Monetary revenue designated for capital funding purposes: | | | |
| Government subsidies and grants | | 13,525,613 | 21,565,275 |
| Contributions | | 6,241,235 | 2,889,795 |
| | | 19,766,848 | 24,455,069 |
| (b) Non-monetary revenue received is analysed as follows: | | | |
| Developer assets contributed by developers at fair value | | 23,125,119 | 4,137,474 |
| Other physical assets contributed at fair value | | 450,465 | 13,583,247 |
| | 18 | 23,575,585 | 17,720,721 |
| Total Capital Revenue | | 43,342,432 | 42,175,790 |
| 5 CAPITAL INCOME | | | |
| Gain on the sale of capital assets | 6 | 2,138,715 | 1,409,462 |
| Change from revision of future restoration expenditure | 22 | 767,332 | 70,253 |
| Reduction in rehabilitation provision for future costs, on land not controlled by Council, due to a change in discount rate | 22 | - | 63,221 |
| | | 2,906,047 | 1,542,936 |
| 6 GAIN / LOSS ON THE DISPOSAL OF CAPITAL ASSETS | | | |
| (a) Proceeds from sale of land | | 4,937,232 | 1,585,560 |
| Less: Book value of land disposed | | (2,300,442) | (1,591,290) |
| | | 2,636,791 | (5,730) |
| (b) Proceeds from sale of plant and equipment | | 1,864,307 | 3,000,639 |
| Less: Book value of plant and equipment disposed | | (2,228,363) | (1,553,432) |
| | | (364,056) | 1,447,207 |
| (c) Proceeds from sale of intangible assets | | - | - |
| Less: Book value of intangible assets disposed | | (134,020) | (32,015) |
| | | (134,020) | (32,015) |
| Total gain (loss) on the disposal of capital assets | | 2,138,715 | 1,409,462 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|--|------|--------------------|--------------------|
| 7 EMPLOYEE BENEFITS | | | |
| Total staff wages and salaries | | 82,465,704 | 77,827,646 |
| Councillors' remuneration | | 1,583,436 | 1,416,537 |
| Annual, sick and long service leave entitlements | | 10,749,907 | 10,291,800 |
| Superannuation | 31 | 9,228,333 | 8,781,233 |
| | | 104,027,380 | 98,317,216 |
| Other employee related expenses | | 5,043,875 | 5,086,634 |
| | | 109,071,255 | 103,403,850 |
| Less: Capitalised employee expenses | | (14,157,211) | (15,033,589) |
| | | 94,914,045 | 88,370,261 |
| Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties. | | | |
| Total Council employees at the reporting date: | | | |
| Elected members | | 11 | 11 |
| Administration staff | | 653 | 665 |
| Depot and outdoors staff | | 555 | 523 |
| Total full time equivalent employees | | 1,219 | 1,199 |

8 MATERIALS AND SERVICES

Audit of annual financial statements by the Auditor-General of Queensland

| | | | |
|--|--|-------------------|-------------------|
| Audit fees 2011-12 | | 260,000 | 322,010 |
| Audit fees - (over)/under provision prior year | | (35,441) | 6,072 |
| Advertising and marketing | | 1,051,791 | 1,234,803 |
| Administration supplies and consumables | | 1,050,807 | 1,157,122 |
| Communications and IT | | 2,982,459 | 2,842,488 |
| Consultants | | 4,794,777 | 4,535,784 |
| Contractors | | 8,610,421 | 9,788,190 |
| Donations paid | | 2,090,904 | 2,002,652 |
| Insurance | | 2,036,518 | 1,692,678 |
| Electricity | | 6,564,132 | 5,982,398 |
| Repairs and maintenance | | 25,687,467 | 28,715,717 |
| Rentals - operating leases | | 438,003 | 346,207 |
| Other materials and services | | 4,927,738 | 2,490,201 |
| | | 60,459,576 | 61,116,320 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|--|------|-------------------|-------------------|
| 9 FINANCE COSTS | | | |
| Finance costs charged by the Queensland Treasury Corporation | | 11,753,630 | 9,446,600 |
| Bank charges | | 281,438 | 206,007 |
| Impairment of receivables | | 161,481 | 205,419 |
| Refuse sites - change in present value over time | | 207,470 | 233,619 |
| | | 12,404,018 | 10,091,645 |

| | | | |
|--|-----------|-------------------|-------------------|
| 10 DEPRECIATION AND AMORTISATION | | | |
| (a) Depreciation of non-current assets | | | |
| Site improvements | | 2,274,083 | 2,258,013 |
| Buildings | | 7,332,435 | 6,716,398 |
| Plant and equipment | | 6,373,801 | 5,753,333 |
| Road and drainage network / road, bridge and drainage network 2011 | | 19,851,219 | 18,579,562 |
| Bridge network | | 756,352 | - |
| Water | | 8,056,734 | 8,320,620 |
| Sewerage | | 6,834,039 | 7,150,899 |
| Airport | | 963,308 | 946,343 |
| Total depreciation of non-current assets | 18 | 52,441,971 | 49,725,168 |
| (b) Amortisation of intangible assets | | | |
| Computer software | | 927,548 | 866,739 |
| Total amortisation of intangible assets | 20 | 927,548 | 866,739 |
| Total depreciation and amortisation | | 53,369,519 | 50,591,908 |

| | | | |
|--|----|-------------------|-------------------|
| 11 CAPITAL EXPENSES | | | |
| Write off of capital assets | 12 | 8,393,425 | 8,064,004 |
| Major flood damage - write off of capital assets | | - | 8,287,583 |
| Increase in rehabilitation provision for future costs, on land not controlled by Council, due to a change in discount rate | 22 | 1,467,238 | - |
| Increase in rehabilitation provision, due to recognition of new sites requiring future expenditure | 22 | 761,261 | - |
| Total capital expenses | | 10,621,925 | 16,351,587 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|---------------------------------------|-----------|------------------|------------------|
| 12 WRITE OFF OF CAPITAL ASSETS | | | |
| Buildings | | 1,519,042 | - |
| Site improvements | | 124,366 | - |
| Road and drainage network | | 3,895,584 | 6,505,215 |
| Bridge network | | 605,222 | - |
| Water | | 919,513 | 256,904 |
| Sewer | | 1,320,743 | 1,301,885 |
| Airport | | 8,954 | - |
| | 11 | 8,393,425 | 8,064,004 |

| | | | |
|---|--|-------------------|-------------------|
| 13 CASH AND CASH EQUIVALENTS | | | |
| Cash in operating bank account | | 3,077,916 | 3,969,765 |
| Cash in other banks and on hand | | 30,140 | 29,310 |
| Term deposits | | - | 15,000,000 |
| Deposits and investments held with QTC | | 65,183,546 | 36,289,530 |
| Balance per statement of cash flows | | 68,291,602 | 55,288,605 |
| <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 (4.14% for June 2012).</p> | | | |
| <p>Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:</p> | | | |
| Unspent government grants and subsidies | | 4,375,055 | 11,292,278 |
| Unspent developer contributions | | 25,563,777 | 29,384,100 |
| Total unspent restricted cash for capital projects | | 29,938,832 | 40,676,378 |

| | | | |
|---|--|-------------------|-------------------|
| 14 INVESTMENTS | | | |
| Term Deposits | | 36,000,000 | 39,000,000 |
| | | 36,000,000 | 39,000,000 |
| <p>Term deposits at fixed interest rates are held with the following financial institutions: ANZ (A1+), St George (A1+), Westpac (A1+) and Suncorp (A1). Maturity ranges from 3 to 12 months and bear interest rates from 5.91% to 6.30%.</p> | | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|---|------|-------------------|-------------------|
| 15 TRADE AND OTHER RECEIVABLES | | | |
| Current | | | |
| Rateable revenue and utility charges | | 10,189,560 | 10,424,096 |
| Less: Impairment provision | | (163,621) | (109,828) |
| | | 10,025,939 | 10,314,268 |
| Water charges yet to be levied | | 565,603 | 1,249,475 |
| GST recoverable | | 1,251,327 | 1,541,144 |
| Other debtors | | 10,286,263 | 12,128,090 |
| Less: Impairment provision | | (236,562) | (217,570) |
| | | 11,866,631 | 14,701,139 |
| Prepayments | | 1,677,564 | 1,772,148 |
| Loans and advances to community organisations | | - | 5,671 |
| | | 23,570,134 | 26,793,226 |
| Interest is charged on outstanding rates at a rate of 11% per annum. 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 | | 327,398 | 268,634 |
| Impairment adjustment in the year | | 72,785 | 58,764 |
| Closing balance | | 400,183 | 327,398 |
| 16 INVENTORIES | | | |
| Inventories held for sale | | | |
| Other trading stocks | | 422,548 | 467,810 |
| | | 422,548 | 467,810 |
| Inventories held for internal use: | | | |
| Quarry and road materials | | 834,406 | 740,107 |
| Stores and materials | | 1,634,992 | 1,775,103 |
| | | 2,469,398 | 2,515,210 |
| Valued at cost, adjusted when applicable for any loss of service potential. | | 2,891,946 | 2,983,020 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|---|------|------------------|----------------|
| 17 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE | | | |
| Council has decided to sell vacant land. It has been placed with real estate agents and is expected to be sold within one year. | | 8,138,842 | 941,938 |
| Internal transfer from land | 18 | 8,138,842 | 941,938 |
| These assets are measured at the lower of the assets' carrying amounts and their fair values less costs to sell. These assets are not depreciated or amortised. | | | |



Schotia Place

201
Halsmer
Street

OUR PEOPLE
OUR PLACES
OUR FUTURE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

18 (A) PROPERTY, PLANT AND EQUIPMENT

| | Note | Land | Site improvements | Buildings | Plant and equipment |
|--|----------|--------------------|-------------------|--------------------|---------------------|
| Basis of measurement | | Valuation | Valuation | Valuation | Cost |
| Asset values | | \$ | | \$ | \$ |
| Opening gross value as at 1 July 2011 | | 155,905,504 | 73,954,089 | 253,791,016 | 75,457,994 |
| Adjustment to opening value | | | | | |
| Additions at cost | | 83,981 | 6,451,529 | 13,303,630 | 12,312,824 |
| Contributed assets at valuation | 4(ii)(b) | - | - | 58,946 | 303,769 |
| Disposals | | (2,300,442) | - | - | (7,978,865) |
| Assets classified as held for sale | 17 | (7,196,904) | - | - | - |
| Adjustment to asset revaluation surplus | 26 | - | - | 7,593,693 | - |
| Write offs | | - | (719,645) | (4,303,121) | - |
| Transfers between classes | 35 | - | - | 242,000 | - |
| Closing gross value as at 30 June 2012 | | 146,492,138 | 79,685,973 | 270,686,164 | 80,095,722 |
| Accumulated depreciation and impairment | | | | | |
| Opening balance as at 1 July 2011 | | - | 23,225,698 | 105,923,687 | 31,535,065 |
| Adjustment to opening value | | | | | |
| Depreciation provided in period | 10(a) | - | 2,274,083 | 7,332,435 | 6,373,801 |
| Depreciation on disposals | | - | - | - | (5,750,503) |
| Adjustment to asset revaluation surplus | 26 | - | - | 1,728,468 | - |
| Depreciation on write offs | | - | (595,279) | (2,784,083) | - |
| Transfers between classes | 35 | - | - | - | - |
| Accumulated depreciation as at 30 June 2012 | | - | 24,904,503 | 112,200,508 | 32,158,363 |
| Net value at 30 June 2012 | | 146,492,138 | 54,781,470 | 158,485,656 | 47,937,359 |
| Residual value | | - | 33,563 | - | 20,833,393 |
| Range of estimated useful life in years | | Not depreciated | 2 - 145 | 10 - 80 | 2 - 45 |

| Road and drainage network | Bridge network | Water | Sewerage | Airport | Heritage and cultural assets | Total |
|---------------------------|-------------------|--------------------|--------------------|-------------------|------------------------------|----------------------|
| Valuation | Valuation | Valuation | Valuation | Valuation | Valuation | |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 1,515,383,595 | - | 651,885,117 | 420,094,064 | 49,922,095 | 19,741,513 | 3,216,134,985 |
| 22,822,048 | 2,138,722 | 14,112,168 | 11,502,750 | 1,216,079 | 19,091 | 83,962,823 |
| 17,543,777 | - | 2,465,781 | 3,115,562 | - | 87,750 | 23,575,585 |
| - | - | - | - | - | - | (10,279,307) |
| - | - | - | - | - | - | (7,196,904) |
| 144,599,772 | 3,311,561 | - | - | 14,478,690 | - | 169,983,716 |
| (7,087,399) | (899,433) | (4,580,017) | (4,976,615) | (48,166) | - | (22,614,397) |
| (56,526,813) | 56,526,813 | - | - | - | (242,000) | - |
| 1,636,734,979 | 61,077,663 | 663,883,048 | 429,735,761 | 65,568,698 | 19,606,354 | 3,453,566,500 |
| 303,773,858 | - | 248,768,692 | 186,465,252 | 16,017,710 | - | 915,709,963 |
| 19,851,219 | 756,352 | 8,056,734 | 6,834,039 | 963,308 | - | 52,441,971 |
| - | - | - | - | - | - | (5,750,503) |
| 16,628,006 | 1,263,337 | - | - | 3,641,528 | - | 23,261,337 |
| (3,191,815) | (294,211) | (3,660,504) | (3,655,872) | (39,211) | - | (14,220,974) |
| (13,339,319) | 13,339,319 | - | - | - | - | - |
| 323,721,949 | 15,064,796 | 253,164,923 | 189,643,419 | 20,583,335 | - | 971,441,795 |
| 1,313,013,031 | 46,012,866 | 410,718,126 | 240,092,342 | 44,985,364 | 19,606,354 | 2,482,124,706 |
| 520,987,478 | - | - | - | 22,108,840 | - | 563,963,274 |
| 4 - 130 | 10 - 100 | 10 - 150 | 20 - 150 | 12 - 120 | Not depreciated | - |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

18 (B) PROPERTY, PLANT AND EQUIPMENT - PRIOR YEAR

| | Note | Land | Site improvements | Buildings | Plant and equipment |
|---|----------|--------------------|-------------------|--------------------|---------------------|
| Basis of measurement | | Valuation | Valuation | Valuation | Cost |
| Asset values | | \$ | | \$ | \$ |
| Opening gross value as at 1 July 2010 | | 156,732,154 | 66,974,019 | 235,827,581 | 69,654,988 |
| Adjustment to opening value | 37 | 5,000 | 1,896,424 | 2,988,826 | (17,000) |
| Additions at cost | | 1,213,784 | 5,471,189 | 3,372,945 | 9,803,380 |
| Contributed assets at valuation | 4(ii)(b) | - | 26,400 | 12,363,664 | 45,455 |
| Disposals | | (1,103,496) | (413,943) | (762,000) | (4,028,829) |
| Assets classified as held for sale | 17 | (941,938) | - | - | - |
| Adjustment to asset revaluation surplus | 26 | - | - | - | - |
| Major flood damage write off | | - | - | - | - |
| Write offs | | | | | |
| Closing gross value as at 30 June 2011 | | 155,905,504 | 73,954,089 | 253,791,016 | 75,457,994 |
| Accumulated depreciation and impairment | | | | | |
| Opening balance as at 1 July 2010 | | - | 21,219,860 | 101,958,559 | 28,244,271 |
| Adjustment to opening value | 37 | - | (21,286) | (2,256,150) | (25,000) |
| Depreciation provided in period | 10(a) | - | 2,258,013 | 6,716,398 | 5,753,333 |
| Depreciation on disposals | | - | (230,888) | (495,119) | (2,437,539) |
| Adjustment to asset revaluation surplus | 26 | - | - | - | - |
| Major flood damage write off | | - | - | - | - |
| Depreciation on write offs | | - | - | - | - |
| Accumulated depreciation as at 30 June 2011 | | - | 23,225,698 | 105,923,687 | 31,535,065 |
| Net value at 30 June 2011 | | 155,905,504 | 50,728,391 | 147,867,328 | 43,922,929 |
| Residual value | | - | 33,563 | - | 17,261,950 |
| Range of estimated useful life in years | | Not depreciated | 5 - 145 | 8 - 100 | 2 - 45 |

| Road and Bridge network | Bridge network (New class 11/12) | Water | Sewerage | Airport | Heritage and cultural assets | Total |
|-------------------------|----------------------------------|--------------------|--------------------|-------------------|------------------------------|----------------------|
| Valuation \$ | Valuation \$ | Valuation \$ | Valuation \$ | Valuation \$ | Valuation \$ | Valuation \$ |
| 1,446,101,691 | - | 600,756,481 | 413,988,887 | 49,195,891 | 19,527,304 | 3,058,758,996 |
| 72,364,405 | - | 40,464 | 127,754 | 602,673 | - | 78,008,545 |
| 30,335,429 | - | 63,598,256 | 13,798,434 | 123,531 | 26,636 | 127,743,584 |
| 3,961,018 | - | 583,137 | 553,475 | - | 187,573 | 17,720,722 |
| - | - | - | - | - | - | (6,308,269) |
| - | - | - | - | - | - | (941,938) |
| (16,269,299) | - | (7,584,016) | - | - | - | (23,853,316) |
| (10,919,185) | - | - | - | - | - | (10,919,185) |
| (10,190,464) | - | (5,509,205) | (8,374,486) | - | - | (24,074,155) |
| 1,515,383,595 | - | 651,885,117 | 420,094,064 | 49,922,095 | 19,741,513 | 3,216,134,985 |
| 296,331,508 | - | 248,113,074 | 186,389,631 | 15,071,367 | - | 897,328,270 |
| (210,050) | - | (348) | (2,677) | - | - | (2,515,512) |
| 18,579,562 | - | 8,320,620 | 7,150,899 | 946,343 | - | 49,725,168 |
| | | | | | | (3,163,546) |
| (4,610,312) | - | (2,412,353) | - | - | - | (7,022,665) |
| (2,631,601) | - | - | - | - | - | (2,631,601) |
| (3,685,249) | - | (5,252,301) | (7,072,601) | - | - | (16,010,151) |
| 303,773,858 | - | 248,768,692 | 186,465,252 | 16,017,710 | - | 915,709,963 |
| 1,211,609,737 | - | 403,116,425 | 233,628,812 | 33,904,384 | 19,741,513 | 2,300,425,022 |
| 458,837,268 | - | - | - | 20,662,647 | - | 496,795,428 |
| 4 - 120 | - | 15 - 150 | 20 - 150 | 10 - 100 | Not depreciated | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

18 (C) PROPERTY, PLANT AND EQUIPMENT VALUATIONS WERE DETERMINED BY REFERENCE TO THE FOLLOWING:

Land

Freehold Land was last comprehensively revalued as at 28 June 2009 by Scott Fullarton Valuations Pty Ltd. An updated review performed by the same valuers for the period from June 2009 to June 2012 indicated an average increase of between 1 - 2 % for all the different land use types in the Council area.

Site improvements

Site improvement assets (open space furniture and utilities, water features, watering systems, pathway structures and waterway facilities) were last comprehensively revalued as at 28 June 2009 by Jeff Roorda & Associates (JRA). A review of indices was carried out at 30 June 2012 which found no material movement in values, and as a result no valuation adjustment was undertaken.

Buildings

The fair value of all building assets is measured at written down current replacement cost. The fair value of buildings as at 30 June 2012 was determined by AssetVal Pty Ltd, Registered Valuers, by way of a comprehensive revaluation.

Plant and equipment

Plant and equipment is measured at cost less accumulated depreciation.

Airport

Airport infrastructure assets were comprehensively revalued at their written down replacement cost as at 30 June 2012 by AssetVal Pty Ltd, Registered Valuers.

Heritage and cultural assets

Heritage and cultural assets (artworks, rare books and heritage collections) were last comprehensively revalued as at 28 June 2009 by McWilliam & Associates Pty Ltd. Based on the review of Heritage and Cultural assets undertaken by McWilliam and Associates (Fine Arts Division Registered Valuer No. 384), the overall valuation movement for this class of assets had not increased materially, and as a result no valuation adjustment was undertaken.

Infrastructure assets

The fair value of all infrastructure assets are measured at written down current replacement cost.

Road and drainage network

Road and Drainage infrastructure assets were comprehensively revalued as at 30 June 2012 by suitably qualified officers of Rockhampton Regional Council.

Bridge network

Bridge infrastructure assets were comprehensively revalued at their written down replacement cost as at 30 June 2012 by AssetVal Pty Ltd, Registered Valuers.

Water

Water infrastructure assets were comprehensively revalued as at 28 June 2009 by Alf Grigg & Associates. A review of indices was carried out at 30 June 2012 which found no material movement in values, and as a result no valuation adjustment was undertaken.

Sewerage

Sewerage infrastructure assets were comprehensively revalued as at 28 June 2009 by Alf Grigg & Associates. A review of indices was carried out at 30 June 2012 which found no material movement in values, and as a result no valuation adjustment was undertaken.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|-------------------------------------|------|-------------------|-------------------|
| 19 CAPITAL WORKS IN PROGRESS | | | |
| Capital work in progress at cost | | 73,447,202 | 57,556,816 |
| | | 73,447,202 | 57,556,816 |

| 20 INTANGIBLE ASSETS | | | |
|--|-------|------------------|------------------|
| Net carrying value at period end: | | | |
| Computer software | | 2,463,721 | 3,077,317 |
| | | 2,463,721 | 3,077,317 |
| Computer software | | | |
| Opening gross carrying value | | 5,037,526 | 4,844,247 |
| Transfer from works in progress | | 447,971 | 279,388 |
| Value of asset write off in the period | | (451,336) | (86,109) |
| | | 5,034,161 | 5,037,526 |
| Accumulated amortisation | | | |
| Opening balance | | 1,960,209 | 1,147,563 |
| Amortisation in the period | 10(b) | 927,548 | 866,739 |
| Amortisation written off in the period | | (317,316) | (54,094) |
| | | 2,570,440 | 1,960,209 |
| Net carrying value at period end | | 2,463,721 | 3,077,317 |
| Estimated useful life in years - 4 to 10 years | | | |
| Straight line amortisation has been used with no residual value. | | | |

| 21 TRADE AND OTHER PAYABLES | | | |
|------------------------------------|--|-------------------|-------------------|
| Current | | | |
| Creditors and accruals | | 15,244,562 | 13,120,779 |
| Annual leave | | 6,228,961 | 5,941,876 |
| Sick leave | | 32,296 | 133,429 |
| Other entitlements | | 1,383,094 | 1,524,151 |
| | | 22,888,913 | 20,720,235 |
| Non-current | | | |
| Annual leave | | 4,693,540 | 4,270,390 |
| Sick leave | | 163,347 | 148,419 |
| | | 4,856,886 | 4,418,809 |

Employee benefit expenses are calculated at current pay levels and adjusted for inflation and likely future changes in salary level. The non-current portion of annual leave and long service leave is discounted to the present value. Further details on employee entitlements are reported in Note 1.24.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|--|------|-------------------|-------------------|
| 22 PROVISIONS | | | |
| Current | | | |
| Quarry rehabilitation | | 69,753 | - |
| Long service leave | | 2,284,753 | 2,063,193 |
| | | 2,354,506 | 2,063,193 |
| Non-current | | | |
| Quarry rehabilitation | | 691,508 | - |
| Landfill restoration | | 5,622,111 | 4,714,734 |
| Long service leave | | 12,946,931 | 11,691,426 |
| | | 19,260,549 | 16,406,160 |
| Details of movements in provisions: | | | |
| Quarry rehabilitation | | | |
| Balance at beginning of financial year | | - | - |
| Increase in provision - new sites | | 761,261 | - |
| Balance at end of financial year | | 761,261 | - |
| This is the present value of the estimated cost of restoring the quarry site to a usable state at the end of its useful life. The projected cost is \$1,001,008 and this cost is expected to be incurred over the period 2013 to 2032. | | | |
| Landfill restoration | | | |
| Balance at beginning of financial year | | 4,714,734 | 4,614,589 |
| Increase in provision due to change in time | | 207,470 | 233,619 |
| Increase (decrease) in provision due to change in discount rate | | 1,467,238 | (63,221) |
| Increase (decrease) in estimate of future cost | | (767,332) | (70,253) |
| Balance at end of financial year | | 5,622,111 | 4,714,734 |
| This is the present value of estimated future cost of refuse sites under the State Government environmental regulations at the end of its useful life. The projected cost is \$10,043,405 and this cost is expected to be incurred over the period 2016 to 2048. | | | |
| Long service leave | | | |
| Balance at beginning of financial year | | 13,754,618 | 12,906,944 |
| Long service leave entitlement arising | | 3,072,795 | 2,550,848 |
| Long service entitlement extinguished | | (286,404) | (270,914) |
| Long service entitlement paid | | (1,309,326) | (1,432,260) |
| Balance at end of financial year | | 15,231,683 | 13,754,618 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|--|------|--------------------|--------------------|
| 23 BORROWINGS | | | |
| (a) Bank overdraft | | | |
| The Council does not have a bank overdraft facility. | | | |
| (b) Unsecured borrowings | | | |
| 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 22 April 2013 to 10 May 2032. | | | |
| There have been no defaults or breaches of the loan agreement during the period. | | | |
| Principal and interest repayments are made quarterly in arrears. | | | |
| Details of borrowings at balance date are: | | | |
| Current | | | |
| Queensland Treasury Corporation | | 18,531,494 | 16,627,640 |
| | | 18,531,494 | 16,627,640 |
| Non-current | | | |
| Queensland Treasury Corporation | | 201,559,454 | 178,500,354 |
| | | 201,559,454 | 178,500,354 |
| Details of movements in borrowings: | | | |
| Queensland Treasury Corporation | | | |
| Opening balance | | 195,127,994 | 153,503,686 |
| Loans raised | | 41,500,000 | 56,301,266 |
| Principal repayments | | (16,537,046) | (14,676,958) |
| Book value at year end | | 220,090,948 | 195,127,994 |

The QTC loan market value at the reporting date was \$236,785,512. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|--|------|----------------------|----------------------|
| 24 OTHER LIABILITIES | | | |
| Current | | | |
| Unearned revenue | | 98,031 | 262,912 |
| Developer contributions | | 21,637 | 112,111 |
| | | 119,668 | 375,023 |
| Non-current | | | |
| Developer contributions | | 1,466,237 | 488,142 |
| | | 1,466,237 | 488,142 |
| The developer contribution liability reflects cash contributions from developers for which the related service obligations have yet to be fulfilled by Council (refer Note 1.9 (d)). | | | |
| 25 RETAINED SURPLUS/(DEFICIENCY) | | | |
| Movement in the retained surplus | | | |
| Retained surplus/(deficit) at beginning of the year | | 1,912,568,823 | 1,826,400,049 |
| Adjustment to opening balance | 37 | - | 83,113,804 |
| Restated balances | | 1,912,568,823 | 1,909,513,853 |
| Net result attributable to Council | | 32,701,679 | 14,183,151 |
| | | 1,945,270,502 | 1,923,697,004 |
| Transfers (to)/ from reserves for future capital funding purposes: | | | |
| (i) Unspent capital grants reserve | | 6,917,223 | (11,292,287) |
| (ii) Constrained grants and contributions reserve | | 3,820,313 | 7,060,883 |
| (iii) Airport development reserve | | (192,652) | 1,827,624 |
| (iv) Capital works reserve | | (172,506) | 311,901 |
| (v) Plant reserve | | (500,000) | - |
| (vi) Water reserve | | 3,888,829 | 658,184 |
| (vii) Sewerage reserve | | 2,056,482 | 865,803 |
| (viii) Waste management reserve | | - | - |
| (ix) Year end uncompleted works reserve | | (6,779,834) | (10,518,300) |
| Transfers (to) from reserves for future general funding purposes: | | | |
| (i) Operating projects reserve | | (2,134,833) | (37,330) |
| (ii) Asset maintenance reserve | | 4,657 | (4,659) |
| Balance at the end of financial year | | 1,952,178,181 | 1,912,568,823 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|--|------|--------------------|--------------------|
| 26 ASSET REVALUATION SURPLUS | | | |
| Movements in the asset revaluation surplus were as follows: | | | |
| Balance at beginning of the year | | 251,772,899 | 271,193,297 |
| Adjustment to opening balance | 37 | - | (2,589,747) |
| Restated balance | | 251,772,899 | 268,603,550 |
| Net adjustment to non-current assets to reflect a change in current fair value: | | | |
| Buildings | | 5,865,226 | - |
| Road and drainage network | | 127,971,766 | (11,658,987) |
| Bridge network | | 2,048,225 | - |
| Water | | - | (5,171,663) |
| Airport | | 10,837,163 | - |
| Balance at end of the year | | 398,495,279 | 251,772,899 |
| Asset revaluation surplus analysis | | | |
| The closing balance of the asset revaluation reserve is comprised of the following asset categories: | | | |
| Land | | 22,797,377 | 22,797,377 |
| Site improvements | | 1,868,048 | 1,868,048 |
| Buildings | | 28,348,263 | 22,483,038 |
| Road and drainage network | | 241,658,494 | 113,686,726 |
| Bridge network | | 2,048,224 | - |
| Water | | 8,647,837 | 8,647,837 |
| Sewerage | | 69,508,882 | 69,508,882 |
| Airport | | 16,940,328 | 6,103,166 |
| Heritage and cultural assets | | 6,677,827 | 6,677,827 |
| | | 398,495,279 | 251,772,899 |

| | | | |
|---|--|-------------------|-------------------|
| 27 OTHER RESERVES | | | |
| (a) Summary of capital reserves held for funding future projects | | | |
| (i) Unspent capital grants reserve | | 4,375,064 | 11,292,287 |
| (ii) Constrained grants and contributions reserve | | 25,563,778 | 29,384,091 |
| (iii) Airport development reserve | | 3,775,721 | 3,583,069 |
| (iv) Capital works reserve | | 6,309,323 | 6,136,817 |
| (v) Plant reserve | | 2,073,713 | 1,573,713 |
| (vi) Water reserve | | 2,594,893 | 6,483,722 |
| (vii) Sewerage reserve | | 2,125,029 | 4,181,511 |
| (viii) Waste management reserve | | 1,067,176 | 1,067,176 |
| (ix) Year end uncompleted works reserve | | 17,298,134 | 10,518,300 |
| | | 65,182,831 | 74,220,686 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|--|------|-------------------|-------------------|
| (b) Summary of reserves held for funding future recurrent expenditure | | | |
| (i) Operating projects reserve | | 9,637,944 | 7,503,111 |
| (ii) Asset maintenance reserve | | 396,211 | 400,868 |
| | | 10,034,155 | 7,903,979 |
| Total reserves | | 75,216,986 | 82,124,665 |
| Movements in capital reserves are analysed as follows: | | | |
| (i) Unspent capital grants reserve | | | |
| Balance at beginning of financial year | | 11,292,287 | - |
| Transfers from retained earnings, grants, and contributions received in the period which restricted to specific capital projects | | 178,859 | 11,292,287 |
| Transfers to the capital account funds expended in the period | | (7,096,082) | - |
| Balance at end of financial year | | 4,375,064 | 11,292,287 |
| (ii) Constrained grants and contributions reserve | | | |
| Balance at beginning of financial year | | 29,384,091 | 36,444,974 |
| Transfers from retained earnings, grants, and contributions received in the period which restricted to specific capital projects | | 3,672,140 | 13,162,792 |
| Transfers to the capital account funds expended in the period | | (7,492,453) | (20,223,675) |
| Balance at end of financial year | | 25,563,778 | 29,384,091 |
| (iii) Airport development reserve | | | |
| Balance at beginning of financial year | | 3,583,069 | 5,410,693 |
| Transfer from retained surplus for future expenditure | | 855,509 | - |
| Transfers to the capital account funds expended in the period | | (662,857) | (1,827,624) |
| Balance at end of financial year | | 3,775,721 | 3,583,069 |
| (iv) Capital works reserve | | | |
| Balance at beginning of financial year | | 6,136,817 | 6,448,718 |
| Transfer from retained earnings for future expenditure | | 172,506 | 73,799 |
| Transfers to the capital account funds expended in the period | | - | (385,700) |
| Balance at end of financial year | | 6,309,323 | 6,136,817 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|---|------|-------------------|-------------------|
| (v) Plant reserve | | | |
| Balance at beginning of financial year | | 1,573,713 | 1,573,713 |
| Transfer from retained earnings for future expenditure | | 500,000 | - |
| Balance at end of financial year | | 2,073,713 | 1,573,713 |
| (vi) Water reserve | | | |
| Balance at beginning of financial year | | 6,483,722 | 7,141,906 |
| Transfers to the capital account funds expended in the period | | (3,888,829) | (658,184) |
| Balance at end of financial year | | 2,594,893 | 6,483,722 |
| (vii) Sewerage reserve | | | |
| Balance at beginning of financial year | | 4,181,511 | 5,047,314 |
| Transfers to the capital account funds expended in the period | | (2,056,482) | (865,803) |
| Balance at end of financial year | | 2,125,029 | 4,181,511 |
| (viii) Waste management reserve | | | |
| Balance at beginning of financial year | | 1,067,176 | 1,067,176 |
| Balance at end of financial year | | 1,067,176 | 1,067,176 |
| (ix) Year end uncompleted works reserve | | | |
| Balance at beginning of financial year | | 10,518,300 | - |
| Transfer from retained earnings for future expenditure | | 17,298,134 | 10,518,300 |
| Transfers to the capital account funds expended in the period | | (10,518,300) | - |
| Balance at end of financial year | | 17,298,134 | 10,518,300 |
| Movements in recurrent reserves are analysed as follows: | | | |
| (i) Operating projects reserve | | | |
| Balance at beginning of financial year | | 7,503,111 | 7,465,781 |
| Transfer from retained earnings for future expenditure | | 6,743,902 | 3,849,520 |
| Transfer to retained earnings | | (4,609,070) | (3,812,190) |
| Balance at end of financial year | | 9,637,944 | 7,503,111 |
| (ii) Asset maintenance reserve | | | |
| Balance at beginning of financial year | | 400,868 | 396,209 |
| Transfer from retained earnings for future expenditure | | - | 4,659 |
| Transfer to retained earnings | | (4,657) | - |
| Balance at end of financial year | | 396,211 | 400,868 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|-----------|---|-------------------|-------------------|
| 28 | COMMITMENTS FOR EXPENDITURE | | |
| | Contractual commitments | | |
| | Contractual commitments at end of financial year but not recognised in the financial statements are as follows: | | |
| | Waste and Recycling | 13,990,660 | 2,869,505 |
| | Fitzroy River Water | 2,918,632 | 4,578,626 |
| | Communities | 1,837,593 | 2,064,612 |
| | Other | 1,485,990 | 3,381,780 |
| | | 20,232,874 | 12,894,523 |

29 EVENTS AFTER THE REPORTING PERIOD

(i) In 2011 the Australian Government introduced a Clean Energy Legislation package. One aspect of this legislation package, which will impact upon Council directly and indirectly, is the introduction of a pricing mechanism for greenhouse gas emissions in the Australian economy.

The pricing mechanism commences on 1 July 2012 and sets a fixed price path for the first three years (\$23 per tonne of CO₂-equivalent emissions adjusted in real terms by 2.5 percent per annum) before moving to a flexible price mechanism for 1 July 2015. It proposes a framework for setting a cap on greenhouse gas emissions by capping the number of carbon units available once the flexible price period commences, which can be adjusted over time to ensure that the government's reduction targets are met.

Council estimates that one landfill, the Lakes Creek Road landfill will trigger a direct liability under the carbon pricing scheme from 1 July 2012. No liability arises in respect of waste processed prior to 1 July 2012.

Council has undertaken modelling to estimate the liability that will arise from this facility. However uncertainty exists due to the following factors:

- the closure date of the Lakes Creek facility is imminent (approximately 2016) and no definite replacement strategy has been finalised as yet. The choices available may lead to substantially different emission liability outcomes for Council.
- greenhouse gas is emitted from waste over a very long period (40 years); and
- the price/tonne of emissions, after the initial fixed price period has expired, is currently unknown.

Organic material within waste deposited at landfills takes time to begin decomposing. Council will not have to begin purchasing carbon credits until the 2013-14 financial year, as waste deposited in 2012-13 will only begin to break down and generate emissions at the start of 2013-14. This waste will continue to generate emissions over the next 40 years. This means Council will have a liability to purchase carbon permits in respect of that waste as long as total emissions from the landfill site continue to be above the legislated landfill facility threshold of 25,000 tonnes of carbon dioxide equivalent.

On 12 June 2012 Council resolved that gate fees at affected landfills will increase from 1 July 2012 by \$7.70/tonne to

compensate for the estimated liability that will arise from waste emissions.

In addition to this direct liability for waste facilities, Council expects increased costs arising from the carbon pricing mechanism. The most significant of these will be electricity and fuel. Commonwealth Treasury modelling published in July 2011 in the document "Strong growth, low pollution modelling a carbon price" indicates that carbon pricing is expected to increase electricity prices by 10% within 5 years from 1 July 2012 and increase other costs by 0.7% on inflation. In addition fuel tax credits will be progressively reduced over the initial fixed price period.

(ii) Representatives from the former Livingstone Shire Council have lodged a submission for de-amalgamation from Rockhampton Regional Council with the Minister for Local Government. The key timeframes for submissions accepted are the following:

- Submissions or proposals must have been received by the Minister for Local Government by 29 August 2012. This criteria has been met by the de-amalgamation proponents and Queensland Treasury Corporation is in the process of undertaking a review to determine the financial viability of the local governments that are subject to the de-amalgamation proposal/submission.
- The Queensland Boundaries Commissioner will provide a report, including recommendations, to the Minister by 28 November 2012.
- If the Commissioner recommends a de-amalgamation proposal proceed to a poll to gauge whole-of-community support, the Minister will make this decision public by 14 December 2012.
- Compulsory polls, if required, are expected to be held prior to 31 March 2013.
- Should a poll be successful an Executive Council on behalf of the Minister for Local Government approves the de-amalgamation, transitional work will be undertaken to prepare the Councils for de-amalgamation.
- Should it be required, elections for new Council's are expected to be held by 31 March 2014.

Any costs associated with de-amalgamation will be the responsibility of the de-amalgamating Council, not the current or remaining Council.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|---|-------------------------------|-----------------|-----------------|
| 30 | CONTINGENT LIABILITIES | | |
| Details and estimates of maximum amounts of contingent liabilities are as follows: | | | |
| (i) Under approval from Queensland Treasury, Council has guaranteed loans to Diggers Memorial Bowls Club (\$11) and Rockhampton Basketball Inc (\$276,654) at reporting date. | | 276,665 | 306,450 |
| (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: | | 3,106,328 | 2,738,769 |
| (iii) Local Government Mutual The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at 30 June 2012 the financial statements for 30 June 2011 reported an accumulated surplus and it is not anticipated any liability will arise. | | | |
| (iv) As at 30 June 2012, the following cases were filed in the courts naming the Rockhampton Regional Council as defendant: | | | |
| (iv) As at 30 June 2012, the following cases were filed in the courts naming the Rockhampton Regional Council as defendant: | | | |
| Supreme Court | | Number of cases | Number of cases |
| | | 1 | 1 |
| The claim is for a quantum of approximately \$6.2 million (plus interest). The claim is being vigorously defended by Council. The matter relates to alleged breaches of the contract, and alleged breaches of the Trade Practices Act 1974, in relation to the Yeppoon to Rockhampton pipeline. | | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

31 SUPERANNUATION

The Rockhampton Regional Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 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 two elements referred to as the Defined Benefits Fund (DBF) 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.

The DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the 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.

The audited general purpose financial report of the scheme as at 30 June 2011 (the most recent available) which was not subject to any audit qualification, indicates

that the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2009. The actuary indicated that "the DBF is in a very modest financial position with regard to the net asset coverage of vested liabilities. Investment returns will be volatile under the required investment strategy, particularly over short periods. The DBF therefore needs sufficient reserves to be able to withstand a reasonable range of such influences. Because the DBF is now running down and cash flows are negative, the VBI (vested benefit index) should not be allowed whenever possible to retreat below 100%. Once below 100%, benefits drawn reduce the available assets for remaining members and hence the net asset coverage of vested benefits declines further.

In order to withstand a one in ten 'low return' outcome, the DBF would need reserves of the order of 8% to 10% having regard to the investment strategy adopted. Given the current position of the DBF, such reserve can essentially only eventuate from either excess investment returns over salary increases or additional employer contributions.

Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. Under the Local Government Act 2009 the trustee of the scheme has the power to levy additional contributions on councils which have employees in the DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

| | Note | 2012 \$ | 2011 \$ |
|--|------|------------|------------|
| The next actuarial investigation will be made as at 1 July 2012. | | | |
| The amount of superannuation contributions paid by Rockhampton Regional Council to the scheme in this period for the benefit of employees was: | | 9,228,333 | 8,781,233 |

32 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

| | | |
|--|------------------|------------------|
| | 3,028,163 | 2,383,641 |
| | 3,028,163 | 2,383,641 |

The Rockhampton Regional Council performs only a custodial role in respect of these monies and because the monies cannot be used for Council purposes, they are not brought to account in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|---|------|---------------------|---------------------|
| 33 RECONCILIATION OF NET RESULT ATTRIBUTABLE TO COUNCIL TO NET CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net result attributable to Council | | 32,701,679 | 14,183,151 |
| Non-cash operating items: | | | |
| Depreciation and amortisation | | 53,369,519 | 50,591,908 |
| Change in restoration provisions expensed to finance costs | | 207,470 | 233,619 |
| | | 53,576,989 | 50,825,527 |
| Investing and development activities: | | | |
| Capital grants, subsidies and contributions | | (43,342,432) | (42,175,790) |
| Capital income | | (2,906,047) | (1,542,936) |
| Capital expenses | | 10,621,925 | 16,351,587 |
| | | (35,626,554) | (27,367,139) |
| Changes in operating assets and liabilities: | | | |
| (Increase)/decrease in receivables | | 3,217,420 | (3,978,586) |
| (Increase)/decrease in inventories (excluding land) | | 91,074 | (513,780) |
| Increase/(decrease) in payables | | 2,606,755 | 463,112 |
| Increase/(decrease) in provisions | | 1,477,065 | 847,674 |
| Increase/(decrease) in other liabilities | | (164,882) | (307,694) |
| | | 7,227,432 | (3,489,273) |
| Net cash inflow from operating activities | | 57,879,546 | 34,152,266 |

34 CONTINGENT ASSETS

(i) Council has an agreement with Fun Pty Ltd for a lease over a Council controlled reserve known as the 42nd Battalion Pool. The lease was transferred from The Ireland Group Pty Ltd to Fun Pty Ltd on 21 September 2006. The lessee/s have agreed as part of the agreement to construct fixtures upon the land for their own purpose. It has been agreed that a sum of \$3,467,000 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.

No value is applied as at the reporting date as a contingent asset as the value cannot be reliably measured. The agreement commenced on 14 July 2003 and will expire on 30 June 2028.

(ii) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | 2012 \$ | 2011 \$ |
|---|------|-------------------|------------|
| 35 RESTRUCTURE OF ASSET CLASS | | | |
| As at 1 July 2011 Council has adopted an additional class of Infrastructure assets - bridge network which was previously included as a component of the previous road and bridge network. | | | |
| Transfer to bridge network | | | |
| Asset values | 18 | 56,526,813 | - |
| Accumulated depreciation and impairment | 18 | (13,339,319) | - |
| Net value transferred | | 43,187,494 | - |

36 ADJUSTMENT TO CAPITAL WORKS IN PROGRESS FOR 2010/11 FLOOD EVENT

Council has recognised the effects of the severe 2010-11 Rockhampton floods in its financial statements. The road and bridge network suffered the major damage, but damage was experienced in various other areas of Council as well. Some separately identifiable components were written off as a capital expense during 2010-11 while some components not readily separately identifiable were written off against the asset revaluation surplus also in 2010-11.

Flood reconstruction work continued during 2011-12. Some of these works were expensed where appropriate, while the component to be capitalised is included in Note 19 as a component of capital works in progress.

37 CORRECTION OF ERROR RESTATED AS AT 1 JULY 2010

| | Note | Land | Site Improvements | Buildings | Plant and Equipment | Road and Bridge Network | Water | Sewerage | Airport | Total |
|---|--------------|--------------|-------------------|------------------|---------------------|-------------------------|---------------|----------------|----------------|-------------------|
| (a) Correction of error by asset class: | | | | | | | | | | |
| Asset values | | | | | | | | | | |
| (i) Assets not previously recognised | 37(b) | - | - | - | - | 63,276,685 | - | - | - | 63,276,685 |
| (ii) Assets not previously recognised | 37(c) | - | 7,000 | 4,602,000 | 13,000 | 1,859,867 | - | - | 602,673 | 7,084,539 |
| (iii) Contributed assets - prior years | 37(c) | 5,000 | 2,388,936 | 3,435,826 | - | 8,676,605 | 107,292 | 143,466 | - | 14,757,125 |
| (iv) Assets previously recognised incorrectly | 37(c)& 37(d) | - | (499,512) | (5,049,000) | (30,000) | (1,448,753) | (66,828) | (15,712) | - | (7,109,805) |
| Adjustment to opening value | 18(b) | 5,000 | 1,896,424 | 2,988,826 | (17,000) | 72,364,405 | 40,464 | 127,754 | 602,673 | 78,008,545 |
| Accumulated depreciation | | | | | | | | | | |
| (iv) Assets previously recognised incorrectly | 37(c)& 37(d) | - | (21,286) | (2,256,150) | (25,000) | (210,050) | (348) | (2,677) | - | (2,515,512) |
| Adjustment to opening value | 18(b) | - | (21,286) | (2,256,150) | (25,000) | (210,050) | (348) | (2,677) | - | (2,515,512) |
| Total adjustments for correction of errors | | 5,000 | 1,917,710 | 5,244,976 | 8,000 | 72,574,454 | 40,813 | 130,431 | 602,673 | 80,524,057 |

A restated Statement of Financial Position has been included in the financial statements as at 1 July 2010.

(b) As identified and noted in the financial accounts in 2010-11:

After the critical priorities during the initial amalgamation period were attended to, Council commenced with a project of establishing a database of assets based on the geographical information system sourcing of data. The creation of the database has allowed for a detailed cross-referencing and analysis of data contained in the Council's asset register. The analysis highlighted inconsistencies that have been progressively investigated, verified and processed in the 2010-11 and in the 2011-12 accounts. The project has a remaining amount of inconsistencies of approximately \$6 million still to be fully investigated and the appropriate amount will be brought to account in 2012-13.

(c) As identified in the 2011-12 year:

During the process of valuing Council's assets at 30 June 2012, additional assets not previously recognised and recognised incorrectly were identified and brought to account. In addition, Council recognises that asset data improvement is an ongoing process, and as such some data cleansing functions are included in the correction of opening balances.

(d) Details of the net value of assets previously recognised incorrectly:

| | |
|---|-------------------|
| Asset value | -7,109,805 |
| Accumulated depreciation | 2,515,512 |
| Net value of assets previously recognised incorrectly | -4,594,293 |
| Represented by: | |
| Capital expense | -2,004,546 |
| Asset revaluation surplus - reversal of previous incorrect revaluations | -2,589,747 |
| | -4,594,293 |

All the above corrections have been brought to account by amending the opening balances for 1 July 2010, and have been reflected in the restatement of the comparative amounts for 2010/11.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

38 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 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 Queensland Treasury Corporation (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.

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.

| | Note | 2012 \$ | 2011 \$ |
|---|------|--------------------|--------------------|
| The following table represents the Council's maximum exposure to credit risk: | | | |
| Financial assets | | | |
| Cash and cash equivalents | 13 | 68,291,602 | 55,288,605 |
| Investments | 14 | 36,000,000 | 39,000,000 |
| Receivables - rates | 15 | 10,591,543 | 11,563,743 |
| Receivables - other | 15 | 11,301,028 | 13,457,335 |
| Other credit exposures | | | |
| Guarantee | 30 | 3,382,993 | 3,045,219 |
| | | 129,567,166 | 122,354,902 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

38 FINANCIAL INSTRUMENTS (CONTINUED)

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 June 2012 | Fully performing | Past due | | | | Less impairment | Total |
|-----------------|------------------|-------------------|------------|------------|--------------|-----------------|------------|
| | | Less than 30 days | 30-60 days | 61-90 days | Over 90 days | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Receivables | 15,184,383 | 612,083 | 100,398 | 70,354 | 6,325,535 | (400,183) | 21,892,570 |
| Net receivables | 15,184,383 | 612,083 | 100,398 | 70,354 | 6,325,535 | (400,183) | 21,892,570 |

| 30 June 2011 | Fully performing | Past due | | | | Less impairment | Total |
|-----------------|------------------|-------------------|------------|------------|--------------|-----------------|------------|
| | | Less than 30 days | 30-60 days | 61-90 days | Over 90 days | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Receivables | 15,548,285 | 973,809 | 104,497 | 7,966,805 | 755,080 | (327,398) | 25,021,078 |
| Net receivables | 15,548,285 | 973,809 | 104,497 | 7,966,805 | 755,080 | (327,398) | 25,021,078 |

(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 Queensland Treasury Corporation 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 23.

FOR THE YEAR ENDED 30 JUNE 2012

38 FINANCIAL INSTRUMENTS (CONTINUED)

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

| | 0 to 1 year | 1 to 5 years | Over 5 years | Total | Carrying amount |
|--------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2012 | | | | | |
| Trade and other payables | 15,244,562 | - | - | 15,244,562 | 15,244,562 |
| Loans - QTC | 31,204,053 | 112,667,119 | 164,363,206 | 308,234,378 | 220,090,948 |
| | 46,448,615 | 112,667,119 | 164,363,206 | 323,478,940 | 235,335,510 |
| 2011 | | | | | |
| Trade and other payables | 13,120,779 | - | - | 13,120,779 | 13,120,779 |
| Loans - QTC | 28,290,675 | 105,268,574 | 136,793,243 | 270,352,492 | 195,127,996 |
| | 41,411,454 | 105,268,574 | 136,793,243 | 283,473,271 | 208,248,775 |

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 finance lease borrowings, borrowings from the Queensland Treasury Corporation 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 | |
|-----------------------|----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial assets | 104,261,462 | 94,259,295 | 1,042,615 | 942,593 | 1,042,615 | 942,593 |
| Financial liabilities | (220,090,948) | (195,127,994) | (2,200,909) | (1,951,280) | (2,200,909) | (1,951,280) |
| Net total | (115,829,486) | (100,868,699) | (1,158,295) | (1,008,687) | (1,158,295) | (1,008,687) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

39 NATIONAL COMPETITION POLICY

(a) Type 1 and type 2 activities

Definitions of type 1 and 2 activities :

Before the end of each financial year, the Minister must decide for the financial year, the expenditure amounts (the "threshold amounts") for identifying a "significant business activity" that should be a type 1 or 2 business activity.

Type 1

A significant business activity where the threshold expenditure has been set by the Minister for the year ended 30 June 2012 follows :-

- (a) for water and sewerage combined activities - \$41.6 million
- (b) for other activities - \$24.9 million

Type 2

- (a) for water and sewerage combined activities - \$12.5 million
- (b) for other activities - \$8.4 million

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

- Waste and Recycling
- Fitzroy River Water

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

A "business activity" of a local government is divided into two categories :

(a) Roads business activity:

(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, other than through a sole supplier arrangement.

(ii) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

(b) Other business activity, previously referred to as type three activities, means the following:

(i) trading in goods and services to clients in competition with the private sector, or

(ii) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself. Excluded activities are (a) library services, and (b) an activity or part thereof prescribed by legislation.

Local government may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. 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 application of the CCC to the roads business activity is compulsory.

The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the primary objective of the activities 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. Notwithstanding CSO's, the Council is committed to operating these activities as business activities in accordance with the CCC.

- Caravan Parks
- Rockhampton Airport
- Building Certification

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

39 NATIONAL COMPETITION POLICY (CONTINUED)

The following table summarises the financial results for these, including competitive neutrality adjustments if applicable. Full information is available for inspection at the Council offices.

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

| | Caravan Parks | | Rockhampton Airport | | Building Certification | |
|---|-----------------|-----------|---------------------|------------|------------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue for services provided to the Council | - | - | - | - | - | - |
| Revenue for services provided to external clients | 1,107,184 | 1,043,129 | 12,837,269 | 10,499,130 | 191,116 | 1,529,597 |
| Community service obligations | - | - | 42,000 | 42,000 | - | - |
| | 1,107,184 | 1,043,129 | 12,879,269 | 10,541,130 | 191,116 | 1,529,597 |
| Less : expenditure | 1,136,034 | 1,043,129 | 12,023,760 | 10,541,130 | 601,906 | 2,008,580 |
| Surplus/(deficiency) | (28,850) | - | 855,509 | - | (410,790) | (478,983) |

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

| Activities | CSO description | Actual |
|---------------------|---|------------------|
| | | \$ |
| Waste and Recycling | Non commercial community services | 1,960,320 |
| Fitzroy River Water | Combined line charges (operational) | 45,686 |
| | Access chamber/manholes (capital) | 800,000 |
| | Storage of water allocations | 21,759 |
| | Remissions to community and sporting bodies | 61,810 |
| | Limestone Creek road site rental | 5,046 |
| | Marlborough water supply return on capital | 75,119 |
| | | 1,009,420 |
| Rockhampton Airport | Capricorn Rescue Helicopter Service and Royal Flying Doctor Service | 42,000 |

INDEPENDENT AUDITOR'S REPORT

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 2012, 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 (Finance, Plans and Reporting) Regulation 2010*, 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.

INDEPENDENT AUDITOR'S REPORT

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 2011 to 30 June 2012 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Rockhampton Regional Council for the year ended 30 June 2012. Where the financial report is included on Rockhampton Regional Council's website the Council is responsible for the integrity of Rockhampton Regional Council's website and I have not been engaged to report on the integrity of Rockhampton Regional Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.



Stephen Stavrou
as Delegate of the Auditor-General of Queensland

6 November 2012

INDEPENDENT AUDITOR'S REPORT

Management Certificate For the year ended 30 June 2012

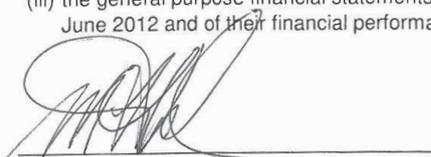
These general purpose financial statements have been prepared pursuant to Section 102 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* (the Regulation) and other prescribed requirements.

In accordance with Section 161 of the Regulation we certify that these general purpose financial statements:

- (i) have been prepared in accordance with the relevant accounting documents; and
- (ii) accurately reflect the local government's financial performance and position for the financial year.

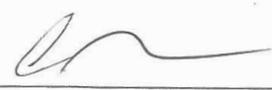
In addition we certify that, in our opinion:

- (i) the prescribed requirements of the Local Government Act 2009 and associated Regulations 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 50, have been prepared in accordance with Australian accounting standards (including Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board); and
- (iii) the general purpose financial statements present a true and fair view of the Council's financial position as at 30 June 2012 and of their financial performance and cash flows for the financial year ended on that date.



M.F. Strelow
Mayor

Date: 06/11/2012



E. A. Pardon
Chief Executive Officer

Date: 06/11/2012



OUR PEOPLE
OUR PLACES
OUR FUTURE

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

ANNUAL STATEMENT ON OPERATIONS OF COMMERCIAL BUSINESS UNIT

s32 (1) (BEBA) Reg. 2010 & s32 (2) (BEBA) Reg. 2010

Fitzroy River Water

Nature and Scope of Activities

Fitzroy River Water is responsible for the operation and maintenance of water and sewerage assets of approximately \$1.115 billion (replacement value).

General functions of these assets include the storage and supply of raw water for urban, commercial and agricultural purposes, treating and distributing potable water and the collection, treatment of waste water and discharge of treated effluent and reuse where appropriate.

Broadly, the scope of Fitzroy River Water (based upon 2011-12 year) is as follows:

| | |
|--|----------------------------------|
| Total income | Approximately \$60.9M |
| Total expenses | Approximately \$44.6M |
| Total equity | \$642.7M |
| Number of staff | 164 staff (full time equivalent) |
| Total connections – water access charges | 46,279 |
| Total connections - sewerage access charges | 52,229 |
| Volume of potable water produced | 21,441 ML |
| Volume of sewage collected | 9,052 ML |
| Barrage | 1 |
| Dams | 2 |
| Weirs | 3 |
| Water Treatment Plants | 4 |
| Sewage Treatment Plants | 7 |
| Length of water mains (including common and property services) | 1,341.4km |
| Water supply reservoirs | 37 |
| Non potable water supply storage | 4 |
| Water pump stations | 57 |
| Bores | 8 |
| Length of sewer mains | 922km |
| Sewerage pump stations | 104 |

Annual Operations Report

Financial Indicators

| Item | 2011-12 Target | 2011-12 Achieved |
|---|----------------|------------------|
| Dividend payments to Council (Return on Equity) Percentage (Post Tax) | 7.1% | 4.36% |
| Debt Service Cover | 2.4 | 0.14 |
| Dividend (Return on Equity) | \$12.6M | \$12.2M |
| Capital Expenditure Ratio | 1.32 | 1.74 |
| Debt to Equity | 22% | 19% |

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Water Services Performance

Table 1: Water - Day to Day Continuity

| CSS Indicator No. | Performance Indicator | Potable Water Schemes | | | | | | | | | | | | | | |
|-------------------|--|---|---------|------------------------|-----------------------------------|-------------------------------------|--------|------------------------|-----------------------------------|-------------------------------|--------|------------------------|-----------------------------------|---|---|---|
| | | Rockhampton Water Supply Scheme (Includes Gracemere and The Caves) | | | | Capricorn Coast Water Supply Scheme | | | | Mt Morgan Water Supply Scheme | | | | | | |
| | | Target | Actual | Satisfactory Yes/No | Confidence Grading Reliability | Target | Actual | Satisfactory Yes/No | Confidence Grading Reliability | Target | Actual | Satisfactory Yes/No | Confidence Grading Reliability | | | |
| CSS1 | Extent of unplanned interruptions – connections based (no. per 1,000 connections per year) | < 80 | 59 | Y | A | 2 | < 80 | 97 | N | A | 2 | < 80 | 228 | N | A | 2 |
| CSS2 | Extent of unplanned interruptions – incidents based (no. per 100 km of main per year) | < 30 | 49 | N | A | 2 | < 30 | 105 | N | A | 2 | < 30 | 50 | N | A | 2 |
| CSS3 | Time for restoration of service - unplanned interruptions (% restored within 5 hours) | > 90% | 82% | N | A | 2 | > 90% | 98% | Y | A | 2 | > 90% | 95% | Y | A | 2 |
| CSS4 | Customer interruption frequency: | | | | | | | | | | | | | | | |
| | 1 interruption per year | 12% | 14.23% | N | A | 2 | 12% | 39.80% | N | A | 2 | 12% | 46.17% | N | A | 2 |
| | 2 interruptions per year | 2% | 1.66% | Y | A | 2 | 2% | 5.02% | N | A | 2 | 2% | 7.71% | N | A | 2 |
| | 3 interruptions per year | 1% | 0.21% | Y | A | 2 | 1% | 0.29% | Y | A | 2 | 1% | 0.47% | Y | A | 2 |
| | 4 interruptions per year | 0.50% | 0.01 | Y | A | 2 | 0.5% | 0.02% | Y | A | 2 | 0.5% | 0% | Y | A | 2 |
| | 5 or more interruptions per year | 0.25% | 0% | Y | A | 2 | 0.25% | 0% | Y | A | 2 | 0.25% | 0% | Y | A | 2 |
| CSS5 | Relative incidence of planned and unplanned interruption incidents (% of planned versus total number of interruptions) | > 30% | 19% | N | A | 2 | > 30% | 6% | N | A | 2 | > 30% | 29% | N | A | 2 |
| CSS6 | Average interruption duration - planned and unplanned (hours) | 3 hrs | 1.42hrs | Y | A | 2 | 3 hrs | 2.14hrs | Y | A | 2 | 3 hrs | 2.16hrs | Y | A | 2 |
| CSS7 | Response time | | | | | | | | | | | | | | | |
| | Priority 1 – 1 hour response and 5 hours restoration | 95% | 72% | N | A | 2 | 95% | 89% | N | A | 2 | 95% | 88% | N | A | 2 |
| | Priority 2 – 2 hours response and 24 hours restoration | 95% | 69% | N | A | 2 | 95% | 88% | N | A | 2 | 95% | 95% | Y | A | 2 |
| | Priority 3 – 24 hours response and 5 days restoration | 95% | 93% | N | A | 2 | 95% | 93% | N | A | 2 | 95% | 92% | N | A | 2 |
| | Reaction time | | | | | | | | | | | | | | | |
| | Priority 1 – 1 hour response and 5 hours restoration | 95% | 85% | N | A | 2 | 95% | 81% | N | A | 2 | 95% | 83% | N | A | 2 |
| | Priority 2 – 2 hours response and 24 hours restoration | 95% | 96% | Y | A | 2 | 95% | 99% | Y | A | 2 | 95% | 95% | Y | A | 2 |
| | Priority 3 – 24 hours response and 5 days restoration | 95% | 97% | Y | A | 2 | 95% | 99% | Y | A | 2 | 95% | 92% | N | A | 2 |

Table 1: Water - Day to Day Continuity (continued)

| CSS Indicator No. | Performance Indicator | Potable Water Schemes | | | | | | Non Potable Water Schemes | | | | | | | | |
|-------------------|--|---------------------------------|--------|---------------------|----------------------------|------------------|----------|---------------------------------|---------------------|------------------------|----------------------------|--------|--------|---------------------|------------------------|------------------|
| | | Marlborough Water Supply Scheme | | | Ogmore Water Supply Scheme | | | Marlborough Water Supply Scheme | | | Ogmore Water Supply Scheme | | | | | |
| | | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy |
| CSS1 | Extent of unplanned interruptions – connections based (no. per 1,000 connections per year) | < 80 | 0 | Y | A | 2 | < 500 | 0 | Y | A | 2 | | | | | |
| CSS2 | Extent of unplanned interruptions – incidents based (no. per 100 km of main per year) | < 30 | 0 | Y | A | 2 | NR | NR | | | | | | | | |
| CSS3 | Time for restoration of service - unplanned interruptions (% restored within 5 hours) | > 90% | 100% | Y | A | 2 | > 90% | 100% | Y | A | 2 | > 90% | 100% | Y | A | 2 |
| CSS4 | Customer interruption frequency: | | | | | | | | | | | | | | | |
| | 1 interruption per year | | 12% | ND | - | - | NR | NR | | | | | | | | |
| | 2 interruptions per year | | 2% | | | | | | | | | | | | | |
| | 3 interruptions per year | | 1% | | | | | | | | | | | | | |
| | 4 interruptions per year | | 0.50% | | | | | | | | | | | | | |
| | 5 or more interruptions per year | | 0.25% | | | | | | | | | | | | | |
| CSS5 | Relative incidence of planned and unplanned interruption incidents (% of planned versus total number of interruptions) | > 30% | ND | - | - | - | > 80% | ND | - | - | - | | | | | |
| CSS6 | Average interruption duration - planned and unplanned (hours) | 3 hrs | ND | - | - | - | < 3 days | 0 | Y | A | 2 | | | | | |
| CSS7 | Response time | | | | | | | | | | | | | | | |
| | Priority 1 – 1 hour response and 5 hours restoration | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 |
| | Priority 2 – 2 hours response and 24 hours restoration | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 |
| | Priority 3 – 24 hours response and 5 days restoration | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 |
| | Reaction time | | | | | | | | | | | | | | | |
| | Priority 1 – 1 hour response and 5 hours restoration | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 |
| | Priority 2 – 2 hours response and 24 hours restoration | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 |
| | Priority 3 – 24 hours response and 5 days restoration | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 | 95% | 100% | Y | A | 2 |

The Ogmore supply system is based on a timed constant flow type

The Ogmore supply system operates intermittently to supply raw water. No records have been kept of planned interruptions.

INFORMATION REQUIRED UNDER THE ACT FITZROY RIVER WATER

Table 2: Adequacy and Quality of Normal Supply of Water Supply

| CSS Indicator No. | Performance Indicator | Potable Water Schemes | | | | | | | | | | | | | | |
|-------------------|--|---|---------|---------------------|------------------------|-------------------------------------|---------|---------|---------------------|-------------------------------|------------------|---------|---------|---------------------|------------------------|------------------|
| | | Rockhampton Water Supply Scheme (Includes Gracemere and The Caves) | | | | Capricorn Coast Water Supply Scheme | | | | Mt Morgan Water Supply Scheme | | | | | | |
| | | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy |
| CSS8 | Minimum pressure standard at the water meter (kPa) | 220kPa | 220kPa | Y | B | 3 | 220kPa | 220kPa | Y | B | 3 | 220kPa | 220kPa | Y | B | 3 |
| CSS9 | Minimum flow standard at the water meter | 9 L/min | 9 L/min | Y | B | 3 | 9 L/min | 9 L/min | Y | B | 3 | 9 L/min | 9 L/min | Y | B | 3 |
| CSS10 | Connections with deficient pressure and/or flow (% of total connections) | < 2.5% | 1.4% | Y | B | 3 | < 2.5% | 2.0% | Y | B | 3 | < 2.5% | 4.0% | N | B | 5 |
| CSS11 | Drinking water quality (compliance with industry standard) | > 98% | 100% | Y | A | 1 | > 98% | 100% | Y | A | 1 | > 98% | 100% | Y | A | 1 |
| CSS12 | Drinking water quality complaints (number per 1,000 connections) | < 5 | 3.362 | Y | A | 1 | < 5 | 10.3 | N | A | 1 | < 5 | 10.99 | N | A | 1 |
| CSS13 | Drinking water quality incidents (number per 1,000 connections) | < 5 | 0.03 | Y | A | 1 | < 5 | 0 | Y | A | 1 | < 5 | 0 | Y | A | 1 |

Fitzroy River Water'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.

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

Table 3: Adequacy and Quality of Normal Supply of Water Supply

| CSS Indicator No. | Performance Indicator | Potable Water Schemes | | | | | | Non Potable Water Schemes | | | |
|-------------------|--|---|---------|------------------------|-----------------------------------|----------|--------|-------------------------------|------------------------|-----------------------------------|----------|
| | | Marlborough Water Supply Scheme (Includes Gracemere and The Caves) | | | | | | Mt Morgan Water Supply Scheme | | | |
| | | Target | Actual | Satisfactory Yes/No | Confidence Grading Reliability | Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Grading Reliability | Accuracy |
| CSS8 | Minimum pressure standard at the water meter | 220kPa | 220kPa | Y | B | 3 | NR | NR | | | |
| CSS9 | Minimum flow standard at the water meter | 9 L/min | 9 L/min | Y | B | 3 | NR | NR | | | |
| CSS10 | Connections with deficient pressure and/or flow (% of total connections) | < 2.5% | 0% | Y | B | 3 | NR | NR | | | |
| CSS11 | Drinking water quality (compliance with industry standard) | > 98% | 100% | Y | A | 1 | NR | NR | | | |
| CSS12 | Drinking water quality complaints (number per 1,000 connections) | < 5 | 0 | Y | A | 1 | NR | NR | | | |
| CSS13 | Drinking water quality incidents (number per 1,000 connections) | < 5 | 0 | Y | A | 1 | NR | NR | | | |

Fitzroy River Water'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.

INFORMATION REQUIRED UNDER THE ACT FITZROY RIVER WATER

Table 4: Long Term Continuity of Water Services

| CSS Indicator No. | Performance Indicator | Potable Water Schemes | | | | | | | | | | | | | | |
|-------------------|--|---------------------------------|--------|---------------------|-------------------------------------|------------------|---------|-------------------------------|---------------------|------------------------|------------------|---------|--------|---------------------|------------------------|------------------|
| | | Rockhampton Water Supply Scheme | | | Capricorn Coast Water Supply Scheme | | | Mt Morgan Water Supply Scheme | | | | | | | | |
| | | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy |
| CSS14 | Water main breaks (number per 100 km main) | < 40 | 18 | Y | A | 2 | < 10 | 8 | Y | A | 2 | < 40 | 25 | Y | A | 2 |
| CSS15 | Water services breaks (number per 1,000 connections) | < 40 | 25 | Y | A | 2 | < 25 | 52 | N | A | 2 | < 40 | 15 | Y | A | 2 |
| CSS16 | System water loss (litres per connection per day) | < 200 L | 254 | N | B | 3 | ≤ 130 L | ND | - | - | - | ≤ 200 L | 180 | Y | B | 3 |

Table 4: Long Term Continuity of Water Services (continued)

| CSS Indicator No. | Performance Indicator | Potable Water Schemes | | | | | | | | | | | | Non Potable Water Schemes | | | | | |
|-------------------|--|---------------------------------|--------|---------------------|----------------------------|------------------|--------|--------|---------------------|------------------------|----------------------------|--------|--------|---------------------------|------------------------|------------------|--|--|--|
| | | Marlborough Water Supply Scheme | | | Ogmore Water Supply Scheme | | | | | | Ogmore Water Supply Scheme | | | | | | | | |
| | | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | | | |
| CSS14 | Water main breaks (number per 100 km main) | <10 | 0 | Y | A | 2 | < 10 | 0 | Y | A | 0 | < 10 | 0 | Y | A | 2 | | | |
| CSS15 | Water services breaks (number per 1,000 connections) | <25 | 0 | Y | A | 2 | < 25 | 0 | Y | A | 0 | < 25 | 0 | Y | A | 2 | | | |
| CSS16 | System water loss (litres per connection per day) | < 200 L | 258 | N | B | 3 | NR | NR | NR | NR | NR | NR | NR | NR | NR | NR | | | |

Unable to measure this indicator due to the nature of the Ogmore system – any assessment will need to be based on field observations.

Table 6: Effective Transportation of Sewage

| CSS Indicator No. | Performance Indicator | Rockhampton & Gracemere Sewerage Scheme | | | | Capricorn Coast Sewerage Scheme | | | | Mt Morgan Sewerage Scheme | | | | | | |
|-------------------|--|---|--------|---------------------|------------------------|---------------------------------|--------|--------|---------------------|---------------------------|------------------|--------|--------|---------------------|------------------------|------------------|
| | | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy |
| CSS17 | Sewage overflows – total (number per 100 km main) | < 30 | 66.42 | N | A | 2 | < 10 | 9.5 | Y | A | 2 | < 10 | 0 | Y | A | 2 |
| CSS18 | Sewage overflows to customer property (number per 1,000 connections) | < 10 | 13.89 | N | A | 2 | < 5 | 2.84 | Y | A | 2 | < 5 | 0 | Y | A | 2 |
| CSS19 | Odour complaints (number per 1,000 connections) | < 1 | 1.14 | N | A | 1 | < 1 | 2.57 | N | A | 1 | < 1 | 0 | Y | A | 1 |
| CSS20 | Response time | | | | | | | | | | | | | | | |
| | Priority 1 – 1 hour response and 5 hours restoration | > 95% | 66% | N | A | 2 | > 95% | 85% | N | A | 2 | > 95% | 100% | Y | A | 2 |
| | Priority 2 – 2 hours response and 24 hours restoration | > 95% | 83% | N | A | 2 | > 95% | 96% | Y | A | 2 | > 95% | 100% | Y | A | 2 |
| | Priority 3 – 24 hours response and 5 days restoration | > 95% | 94% | N | A | 2 | > 95% | 100% | Y | A | 2 | > 95% | 100% | Y | A | 2 |
| | Reaction time | | | | | | | | | | | | | | | |
| | Priority 1 – 1 hour response and 5 hours restoration | > 95% | 93% | N | A | 2 | > 95% | 88% | N | A | 2 | > 95% | 100% | Y | A | 2 |
| | Priority 2 – 2 hours response and 24 hours restoration | > 95% | 97% | Y | A | 2 | > 95% | 96% | Y | A | 2 | > 95% | 100% | Y | A | 2 |
| | Priority 3 – 24 hours response and 5 days restoration | > 95% | 96% | Y | A | 2 | > 95% | 100% | Y | A | 2 | > 95% | 100% | Y | A | 2 |

Table 7: Long Term Continuity of Sewerage Services

| CSS Indicator No. | Performance Indicator | Rockhampton & Gracemere Sewerage Scheme | | | | Capricorn Coast Sewerage Scheme | | | | Mt Morgan Sewerage Scheme | | | | | | |
|-------------------|--|---|--------|---------------------|------------------------|---------------------------------|--------|--------|---------------------|---------------------------|------------------|--------|--------|---------------------|------------------------|------------------|
| | | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy | Target | Actual | Satisfactory Yes/No | Confidence Reliability | Grading Accuracy |
| CSS21 | Sewer main breaks and chokes (number per 100 km main) | < 50 | 93.58 | N | A | 2 | < 20 | 14.53 | Y | A | 2 | < 20 | 0 | Y | A | 2 |
| CSS22 | Sewer inflow and infiltration (ratio of Peak Day Flow to Average Day Flow) | < 5 | 2.45 | Y | A | 1 | < 5 | 1.93 | Y | A | 1 | < 5 | 1.49 | Y | A | 1 |

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

Customer Service Standards

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

Table 8: Customer Service Targets

| CSS Indicator No. | Performance Indicator | Target | Percentage | Satisfactory | Confidence Grading | | Comments |
|-------------------|--|-----------------|------------|--------------|--------------------|----------|--|
| | | | | Yes/No | Reliability | Accuracy | |
| CSS23 | Installation of new water connections (within the water service area) | 15 working days | 64% | N | A | 2 | Delays due to staffing shortages, planned leave (leave balance reduction), unplanned leave and training have impacted with meeting our customer service standards. |
| CSS24 | Installation of sewerage connections (within the sewerage area) | 15 working days | 52% | N | A | 2 | Delays due to staffing shortages, planned leave (leave balance reduction), unplanned leave and training have impacted with meeting our customer service standards. |
| CSS25 | Complaints – (excluding maintenance of water and sewerage services) – advise outcome | 20 working days | 63% | N | A | 2 | The target is low as one complaint during the last quarter was under long term investigation and has since been completed. |

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)

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

Non Compliance Comments

| CSS Indicator | Scheme | Comment |
|---------------|---|---|
| CSS1 | Capricorn Coast Water Supply Scheme | The annual target is exceeded due to water breaks for the Region continuing to be shutdown where repairs could be carried out under pressure. Continue to advise staff where possible to complete water services repairs under pressure. |
| CSS1 | Mt Morgan Water Supply Scheme | The annual target is exceeded due to 16 major water main breaks which affected a total of 332 properties. |
| CSS2 | Rockhampton & Gracemere Water Supply Scheme | For the year there have been 399 incidents versus 143 broken water mains. A water main replacement program is in place. |
| CSS2 | Capricorn Coast Water Supply Scheme | For the year there have been 429 incidents versus 32 broken water mains. Currently network design limits FRW's ability to avoid service interruptions. |
| CSS2 | Mt Morgan Water Supply Scheme | For the year there have been 33 incidents versus 16 broken water mains. Due to the water network, one break can affect large numbers of properties. |
| CSS3 | Rockhampton & Gracemere Water Supply Scheme | Current focus on the diligent application of WHS processes have impacted on the duration of meeting our annual target for restoration of unplanned interruptions. FRW have reflected a better restoration time then previous quarter. Through weekly reporting of priorities we hope this will continue to improve. |
| CSS4 | Rockhampton & Gracemere Water Supply Scheme and Capricorn Coast Water Supply Scheme | We continue to have in place our water services programs and to align our processes with shutting down water to properties when attending to reactive water leaks. |
| CSS5 | Rockhampton & Gracemere Water Supply Scheme | Due to the ageing infrastructure Rockhampton has had 100 unplanned versus 14 planned water shut downs. A water main replacement program is in place. |
| CSS5 | Capricorn Coast Water Supply Scheme | Due to the ageing infrastructure Yeppoon has had 82 unplanned versus 3 planned water shut downs. A water main replacement program is in place. |
| CSS5 | Mt Morgan Water Supply Scheme | Due to the ageing infrastructure Mt Morgan has had 7 unplanned versus 3 planned water shut downs. A water main replacement program is in place. |
| CSS7 | Rockhampton & Gracemere Water Supply Scheme | <p>Response Time</p> <p>P1 - Total of 72 requests and 50 responded to within 1 hour response time.</p> <p>P2 - Total of 184 requests and 138 responded to within 2 hour response time</p> <p>Reaction Time</p> <p>P1 - Total of 72 requests and 59 restored to within 5 hour restoration time.</p> <p>Network Service supervisory staff continue to work with staff on improving resource allocation to achieve service standards compliance.</p> |
| CSS7 | Capricorn Coast Water Supply Scheme | <p>Response Time</p> <p>P1 - Total of 85 requests and 74 responded to within 1 hour response time.</p> <p>P2 - Total of 183 requests and 162 responded to within 2 hour response time.</p> <p>Reaction</p> <p>P1 - Total of 85 requests and 76 restored to within 1 hour response time.</p> <p>Network Service supervisory staff continue to work with staff on improving resource allocation to achieve service standards compliance.</p> |

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

Non Compliance Comments (continued)

| CSS Indicator | Scheme | Comment |
|---------------|---|---|
| CSS7 | Mt Morgan Water Supply Scheme | <p>Response Time</p> <p>P1 - Total of 18 requests and 15 responded to within 1 hour response time.</p> <p>P3 - Total of 63 requests and 60 responded to within 24 hour response time.</p> <p>Reaction</p> <p>P1 - Total of 18 requests and 14 restored to within 5 hour restoration time.</p> <p>P3 - Total of 63 requests and 59 restored to within 5 day restoration time.</p> <p>Network Service supervisory staff continue to work with staff on improving resource allocation to achieve service standards compliance.</p> |
| CSS10 | Mt Morgan Water Supply Scheme | Based on network modelling. The majority of estimated properties with deficient pressure/flow are outside the recognised water supply area and are supplied as special water supply arrangements that are not bound by the requirements of the CSS. These properties will be excluded from future CSS reporting once the recognised water supply area has been documented. |
| CSS12 | Capricorn Coast Water Supply Scheme | The non-compliance is due largely to a relatively high number of discoloured water complaints during this period. |
| CSS12 | Mt Morgan Water Supply Scheme | The non-compliant score is due to the small number of complaints being made to look more significant due to the relatively low number of access charges for the Mount Morgan Water Supply Scheme. |
| CSS15 | Capricorn Coast Water Supply Scheme | Total of 563 services breaks as at 30 June 2012. Total of 117 services breaks for the last quarter. Water services replacements are being undertaken. |
| CSS16 | Rockhampton & Gracemere Water Supply Scheme | The current leakage for this scheme exceeds the target level and further analysis will be carried out to define and prioritise those supply areas experiencing the highest levels of leakage per connection. |
| CSS16 | Capricorn Coast Water Supply Scheme | Ongoing issues associated with reconciliation of production and consumption data. This is still under investigation. |
| CSS16 | Marlborough Water Supply Scheme | Calculations based on the last two quarters only since production data became available. |
| CSS17 | Rockhampton & Gracemere Sewerage Scheme | Total of 754 sewerage requests and a total of 458 overflows recorded (including customer properties and public land). Continue to log defects and monitor outcomes to ensure inclusion in capital rehabilitation program, and ongoing maintenance program. |
| CSS18 | Rockhampton & Gracemere Water Supply Scheme | A total of 754 sewerage requests for the year. Resulting in 433 overflows to customer properties. |
| CSS19 | Rockhampton & Gracemere Sewerage Scheme | A combination of network and treatment plant related sewer odours have led to a score that exceeds the target. These issues are being worked through to provide long term solutions. |
| CSS19 | Capricorn Coast Water Supply Scheme | A combination of network and treatment plant related sewer odours have led to a score that exceeds the target. These issues are being worked through to provide long term solutions. |

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

Non Compliance Comments (continued)

| CSS Indicator | Scheme | Comment |
|---------------|---|---|
| CSS20 | Rockhampton & Gracemere Sewerage Scheme | <p>Response Time</p> <p>P1 – Total of 131 requests and 86 responded to within 1 hour response time.</p> <p>P2 – Total of 386 requests and 326 responded to within 2 hour response time.</p> <p>Reaction Time</p> <p>P1 – Total of 131 requests and 121 restored within 5 hour restoration.</p> <p>Network Service supervisory staff continue to work with staff on improving resource allocation to achieve service standards compliance.</p> |
| CSS20 | Capricorn Coast Water Supply Scheme | <p>Response Time</p> <p>P1 – Total of 32 requests and 27 responded to within 1 hour response time.</p> <p>P2 – Total of 20 requests and 19 responded to within 2 hour response time.</p> <p>Reaction Time</p> <p>P1 - Total of 32 requests and 29 restored within 5 hour restoration.</p> <p>P2 – Total of 20 requests and 20 restored within 24 hour restoration.</p> |
| CSS21 | Rockhampton & Gracemere Sewerage Scheme | <p>632 sewerage mainline, combined lines or jump ups were cleared (of these 328 related to tree root intrusion). Continue to log defects and monitor outcomes to ensure inclusion in capital rehabilitation program, and ongoing maintenance program.</p> |

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

FINANCIAL PERFORMANCE

Operational

Fitzroy River Water raised operational income of \$60.9 million including internal charges revenue with the majority raised through utility charges. Operating revenue in 2011-12 is higher than the 2010-11 period. This is attributed to higher water consumption as the 2011-12 year experienced less rainfall compared to the prior year when much of the Region was in flood. Water consumption revenue was up 27% compared to the 2010-11 financial year (see Fig.1). Gross sewerage utility charges account for 44% of utility revenue and water consumption charges account for 27%.

Operational expenditure for the 2011-12 financial period was \$44.6 million, which was an increase of 7% from the 2010-11 financial period.

Employee costs, materials and services and depreciation formed the largest portion of expenditure for Fitzroy River Water in the financial period. Fitzroy River Water supports a large workforce in order to supply and maintain essential services today and into the future. As the asset base of Fitzroy River Water grows, so does depreciation – the periodic consumption of property, plant and equipment – providing the funds to renew water and sewerage infrastructure as its effective life expires.

There was a marginal drop in depreciation in the reporting year and this was as a result of some revaluation work and review of asset lives.

Fitzroy River Water net result of \$18.3 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 years deficit) Fitzroy River Water incurred a retained deficit of \$3.9 million.

Capital

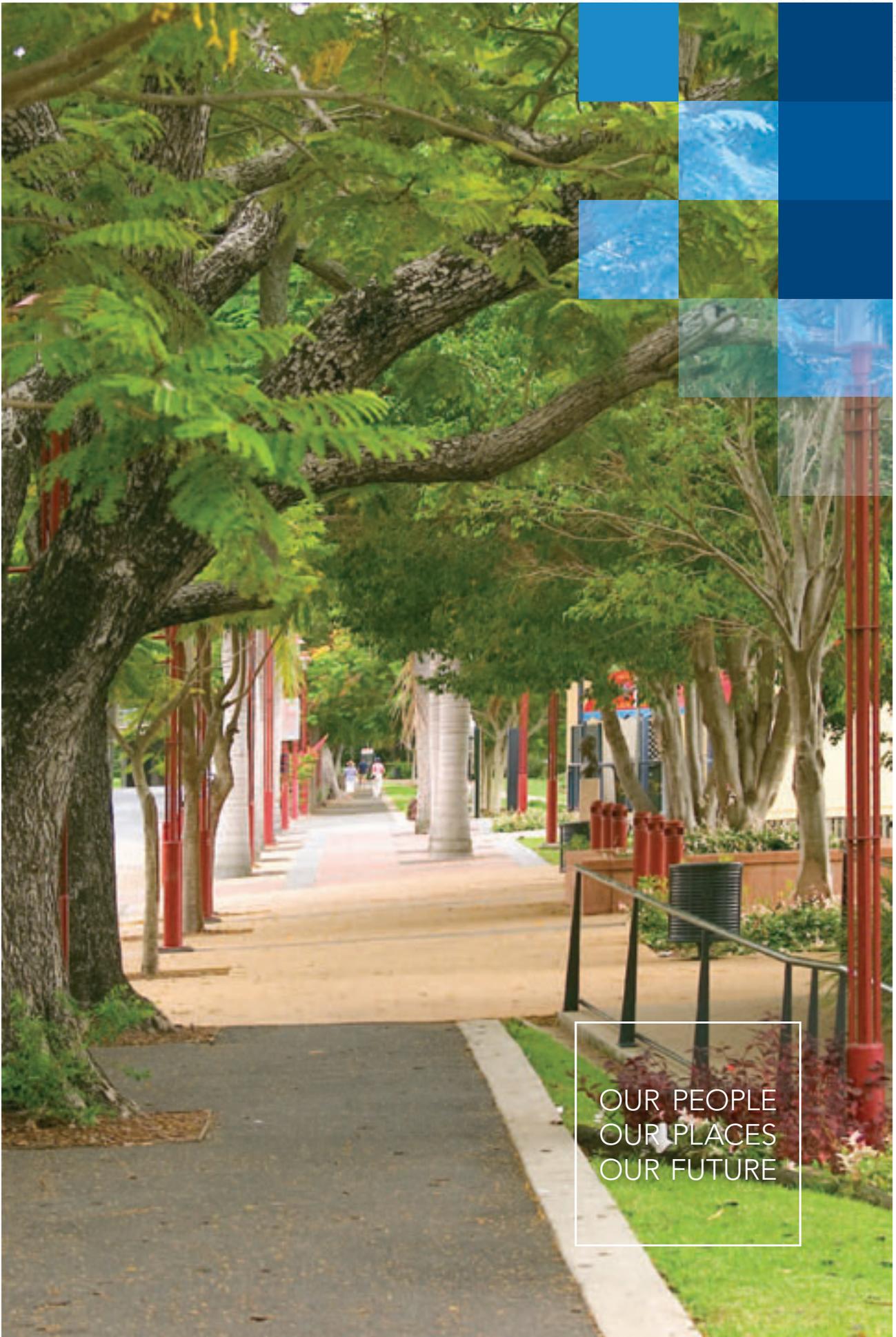
Total capital expenditure for the 2011-12 year was \$36.6 million. This includes debt redemption and physically contributed assets. Extensive refurbishment programs of underground water and sewerage assets were undertaken and also construction of new aboveground infrastructure was prominent.

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

- Commencement of the North Rockhampton and Yeppoon Sewerage Treatment Plant dewatering facilities
- Near completion of the construction of the Emu Park Sewage Treatment Plant
- Commencement of the Mt Charlton Reservoir Refurbishment
- Near completion of the Barrage Gates protection
- Completion of the expansion of the Glenmore Water Treatment Plant Lagoons
- Continuation of the Cathodic Protection of the Barrage
- Near completion of the construction of the St Faith's Reservoir
- Continuation of the Taranganba Reservoir Roof replacement
- Continuation of the Hobas pipe replacement from Rosslyn to Causeway
- Completion of the Fletchers Creek Water Pump Station Switchboard and associated infrastructure upgrade
- Continuation of the relining and refurbishment of the sewerage network; and
- Continuation of the replacement of water mains.

Directions the Local Government gave the unit – Non Commercial Directives

Nil



OUR PEOPLE
OUR PLACES
OUR FUTURE

INFORMATION REQUIRED UNDER THE ACT

ROCKHAMPTON REGIONAL WASTE AND RECYCLING

ANNUAL STATEMENT ON OPERATIONS OF COMMERCIAL BUSINESS UNIT

s32 (1) (BEBA) Reg. 2010 & s32 (2) (BEBA) Reg. 2010

Nature and Scope of Activities

Rockhampton Regional Waste and Recycling is responsible for the operation and maintenance of waste and recycling assets totalling approximately \$27.8 million (replacement value).

General functions of these assets include the provision of waste collection points for the bulk transport of waste to three landfills. It also provides 'airspace' to receive the Region's waste in an environmental sound process and associated recycling and reuse support facilities at the four landfills.

Broadly, the scope of Rockhampton Regional Waste and Recycling (based upon 2011-12 year) is as follows:

| Item | as at 30 June 2012 |
|---|--------------------|
| Total Operating Income | \$ 22M |
| Total Operating Expenses | \$ 19.7M |
| Total Equity | \$ 3.3M |
| Number of staff | 37 |
| Properties served- General Waste | 40,167 |
| Properties served- Recycling | 39,996 |
| Total waste to Landfill - including kerbside waste collection but not including cover material (tonnes) | 74,742 |
| Kerbside Waste Collected (tonnes) | 26,864 |
| Recycling Collected (tonnes) | 7,668 |
| Landfills | 4 |
| Transfer Stations (manned) | 8 |
| Transfer Stations (unmanned) | 11 |

Annual Operations Report

Financial Indicators

| Item | 2011-12 Target | 2011-12 Achieved |
|---|----------------|------------------|
| Dividend payments to Council (Return on Operating Profit) Percentage (Post Tax) | 0% | 21.2% |
| Debt Service Cover | 0.9 | 0.13 |
| Dividend (Return on Operating Profit) | \$0 | \$0.5M |
| Capital Expenditure Ratio | 1.35 | 9.78 |
| Debt to Equity (Use SWIM estimate or wait) | 336% | 1096% |

INFORMATION REQUIRED UNDER THE ACT

ROCKHAMPTON REGIONAL WASTE AND RECYCLING

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Non-Financial Performance Targets

| CSS Reference | Performance Indicator | Target | Rockhampton Actual | Gracemere Actual | Capricorn Coast Actual | Mount Morgan Actual |
|---------------|--|--------|--------------------|--------------------|------------------------|---------------------|
| WCSS1 | Weekly collection of domestic waste on the same day every week | 98% | 99.99% | 99.95% | 99.95% | 99.93% |
| WCSS2 | Weekly collection of commercial waste | 95% | 99.99% | Included in WCSS1# | 99.99% | Included in WCSS1# |
| WCSS3 | Fortnightly collection of domestic recyclable waste | 98% | 99.99% | 99.99% | 99.99% | 99.99% |
| WCSS4 | Fortnightly collection of commercial recyclable waste | 98% | 99.99% | Included in WCSS3# | 99.99% | 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% | 100% | 100% | 100% |
| WCSS6 | Collection services will be made available within four working days upon application by the owner | 98% | 100% | 100% | 100% | 100% |
| WCSS7 | Provision of assisted services within ten working days from application by the resident | 100% | 100% | 100% | 100% | 100% |
| WCSS8 | Repair or replacement of stolen, removed, damaged, vandalised mobile bins within four working days from notification | 100% | 100% | 100% | 100% | 100% |

Unable to separate domestic and commercial data for Gracemere and Mount Morgan. Staff currently working on this to enable these indicators to be reported on in future.

INFORMATION REQUIRED UNDER THE ACT

FINANCIAL PERFORMANCE

Operational

Total Income for the financial period was \$24.3 million, this includes capital income such as subsidies and grants received for capital purposes and donations. Rockhampton Regional Waste and Recycling's raised operational income of \$22.0 million, including internal charges revenue, with the majority raised through utility and landfill fees and charges.

Operating revenue in 2011-12 is higher than the 2010-11 period. This is partly attributed to the introduction of the State Government Waste Levy. This has been netted off in operational expenditure. Rates revenue was up by 34% compared to the 2011-12 financial year and landfill fees and charges were higher by 24% in comparison to last year, all of which contain an increase due to the State Government waste levy. The increase in rates revenue can be attributed to additional revenue generated from the expansion of the recycling service to areas outside Rockhampton City.

Operational expenditure for the 2011-12 financial period was \$19.7 million, this does not include capital expenditure, company tax equivalents and return on assets. Total expenditure for the financial period was \$22.4 million which includes capital expenditure (loss on assets and increased rehabilitation provision), tax equivalents and a return paid to Council.

Materials and services and employee costs formed the largest portion of expenditure for Rockhampton Regional Waste and Recycling in the financial period. Expenditure incurred for materials and services (64%) is essential in providing critical waste services to the community and maintaining Rockhampton Regional Waste and Recycling's property, plant and equipment. Rockhampton Regional Waste and Recycling 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 12% of total expenditure.

Rockhampton Regional Waste and Recycling's net result of \$0.9 million after 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 and application of previous years surplus) Rockhampton Regional Waste and Recycling incurred a retained surplus of \$2.7 million.

Capital

Total capital expenditure for the 2011-12 year was \$10.7 million, including debt redemption.

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

- Completion of the raising of the gatehouse and amenities building at Yeppoon Landfill.
- Commencement of the removal of the former Livingstone Shire Council recycling drop off points.

Directions the Local Government gave the unit – Non Commercial Directives

Community service obligations arise as a result of Rockhampton Regional Waste and Recycling receiving a direction from Rockhampton Regional Council to undertake activities that would generally considered not to be in the interests of a commercial entity to undertake. The amount attributed to community service obligations 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 community service obligation revenue received by Rockhampton Regional Waste and Recycling during the 2011-12 year.

| Description | Actual Cost |
|--|----------------|
| Great Keppel Island Collections and Landfill | \$93,730.00 |
| Sharps | \$ 8,240.00 |
| Clean-up Australia | \$ 20,060.00 |
| Roadside Bin Operations | \$500,580.00 |
| Roadside Bin Disposal Costs | \$180,250.00 |
| Tyres, Oils & Chemicals | \$113,300.00 |
| Stanage Bay Landfill | \$28,840.00 |
| Old Landfill Maintenance Works | \$ 51,500.00 |
| Green Waste Vouchers | \$330,000.00 |
| Green Waste/Mulch Loading Trial | \$78,280.00 |
| Waste Education | \$66,753.00 |
| CQLGA Membership | \$226,600.00 |
| Boat Ramp Services | \$20,137.00 |
| Charity Waste Policy | \$103,000.00 |
| Waste Audit | \$82,400.00 |
| Waste Clean ups | \$56,650.00 |
| Total Community Service Obligations | \$1,960,320.00 |

INFORMATION REQUIRED UNDER THE ACT

ROCKHAMPTON REGIONAL WASTE AND RECYCLING

In accordance with the Rockhampton Regional Council's Community Service Obligation policy, the following requests have been approved.

| Authorised Group | Date | Limit | Expiry |
|---|------------|-----------|------------|
| Australian Volunteer Coast Guard Yeppoon Flotilla | 1/08/2011 | 12 tonne | 30/06/2012 |
| Yeppoon Inlet Association | 15/08/2011 | 5 tonne | 30/09/2012 |
| The Salvation Army (Rockhampton) | 23/09/2011 | 120 tonne | 30/06/2012 |
| St Vincent de Paul (Yeppoon) | 23/09/2011 | 120 tonne | 30/06/2012 |
| The Caves Progress and Agricultural Society Inc | 3/10/2011 | 6 tonne | 30/06/2012 |
| Rockhampton Baptist Tabernacle | 3/10/2011 | 10 tonne | 30/09/2012 |
| 30 Church Street, Yeppoon | 10/11/2011 | 50 tonne | 9/11/2012 |
| Anglicare Central Queensland | 1/01/2012 | 50 tonne | 31/12/2012 |
| Centacare | 1/01/2012 | 25 tonne | 30/06/2012 |
| North Rockhampton Special School | 14/04/2012 | 40m3 | 14/04/2012 |
| Clean Up Australia Day | 1/03/2012 | .82 tonne | |

INFORMATION REQUIRED UNDER THE ACT

SIGNIFICANT BUSINESS ACTIVITIES

All Business Activities

s45 (a)

- Water and Sewerage
- Regional Waste
- Caravan Parks
- Airport
- Building Certification

Identify all significant business activities stating whether conducted in previous year or new and whether Competitive Neutrality Principles were applied or not and reasons why

s45 (b)

- Water and Sewerage
- Regional Waste

s45 (c)

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

s45 (d)

All significant Business Activities were conducted in the previous year.

COUNCIL PERFORMANCE

Assessment of Council performance in implementing its long-term community plan *Other contents (s119)*

Council's performance against the Community Plan for the year under review is unable to be assessed as the Community Plan was not legislatively required until 1 December 2011 and was effective from 1 July 2012.

Assessment of Council performance in implementing five year corporate plan

Performance against the corporate plan goals of:

- An engaged safe and inclusive community
- A prosperous and self sustaining region
- Protection and enhancement of the Region's environmental values.

Assessment of Council performance in implementing annual operational plan

Honest, transparent and accountable corporate governance in line with corporate values has resulted in all key outcome targets being substantially achieved over what can be loosely termed the "amalgamation term" of Council with those results reported to Council via its Operational Plan on an annual basis.

These results have been largely in accordance with the operational plan whereby the detailed results for the 2011-12 year were reported to Council's Performance and Service Committee on the 28 August, 2012 in accordance with s122 and S123 Local Government (Finance, Plans and Reporting) Regulation 2010.

Particulars of other issues relevant to making an informed assessment of Council operations and performance in the financial year

No contingent issues are impacting on 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 Council for conducting a joint government activity and for which the Council levied special rates/charges for the financial year

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 177(7) during the year

s119 (1)(d) (FPR) Reg 201

Nil

List of the registers kept by the local government s119(1)(e) (FPR) Reg 2010

- Asset Register
- Register of Activities for Competitive Neutrality
- Register of Beneficial Enterprises
- Cat and Dog Register
- Cemetery Register
- Register of Declared Pest Permits
- Register of Designated Natural Hazard Management Areas (Flood)
- Register of Development Applications
- Register of Direction Notices
- Register of Contact with Lobbyists
- Register of Cost-Recovery Fees
- Register of Councillors Interests
- Register of Delegations
- Register of Development Approvals for Environmentally Relevant Activities
- Register of Environmental Authorities
- Register of Environmental Protection Orders

INFORMATION REQUIRED UNDER THE ACT

- Register of Impounded Animals
- Infrastructure Charges Register
- Regulated Infrastructure Charges Register
- Register of Installed On-site Sewerage and Greywater Use Facilities
- Local Laws Register
- Register of Master Plan Applications
- Register of Monitoring Programs
- Register of Pest Control and Entry Notices
- Register of Pre-qualified Suppliers
- Register of Registration Certificates
- Register of Resolutions About Land Liable to Flooding made under the Building Act
- Register of Roads and Road Maps
- Register of Reports the Administering Authority Accepts under Section 73C(1)(g)(ii) Transfer of Environmental Authorities
- Register of Subdivisions Approved under the Repealed Local Government (Planning and Environment) Act 1990
- Register of Surrenders of Registration Certificates
- Register of Testable Backflow Prevention Devices
- Register of Transitional Environmental Programs
- Register of Zonings, Rezoning and Consents Approved under the Repealed Local Government (Planning and Environment) Act 1990
- Register of Thermostatic Mixing Valves
- Asbestos Register
- Adopted Infrastructure Charges Register

Summary of all concessions for rates and charges granted by the local government

s119(1)(f) (FPR) Reg 2010

Approved Government Pensioners

Rate remissions/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 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 shall apply to the application of the Council subsidy.

Close of Applications

Applications for remissions will be considered at anytime during the rating period (i.e. half year). Applications received after the date of levy will be considered only for the following rating period/s.

Applications must be made in writing using Council's approved form and a new application will need to be submitted where a change of address occurs.

Amount of Remission

Persons who qualify for a subsidy under the Queensland Government Pensioner Rate Subsidy Scheme guidelines will be eligible for a Council remission of 20% (to a maximum of \$200) on all rates levied in respect of each eligible property, excluding special rates/charges and rural and state fire levies/charges.

A person in receipt of a Widow's Allowance will also be entitled to a subsidy of 20% (to a maximum of \$200) on all rates levied in respect of the property the person owns and occupies, excluding special rates/charges and rural and state fire levies/charges.

Should an applicant/person be entitled to only part of the State Subsidy, because of part ownership of the property, or other relevant reason, the Council remission would be similarly reduced.

Not-For-Profit/Charitable Organisations

Rate remissions 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.

INFORMATION REQUIRED UNDER THE ACT

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 Rockhampton Regional 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 (eg 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. Council remission is allowed only in respect of the current Budget year.

Close of Applications

Eligibility for a remission will be assessed by Council on annual basis prior to issue of the first rate notice each financial year (generally June/July). Organisations who are not automatically provided with a remission, and who believe that they meet the relevant criteria, may apply for approval at any time. If an application is approved by Council, remissions will be applied from the beginning of the next half yearly rating period (remissions will not be applied retrospectively) subject to budget availability.

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 | 25% |
| Remission Level Water Consumption Charges | Charged at residential rates |
| Remission Level Sewerage Charges | 25% |
| Remission Level Waste Charges | 25% |
| Cap | N/A |

(b) Category Two (2) - Showground Related 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 |

(c) Category Three (3) – Kindergartens

| | |
|---|------------------------------|
| Remission Level General Rate | 50% |
| Remission Level Separate Rates/Charges | 50% |
| Remission Level Special Rates/Charges | 0% |
| Remission Level Water Access Charges | 25% |
| Remission Level Water Consumption Charges | Charged at residential rates |
| Remission Level Sewerage Charges | 25% |
| Remission Level Waste Charges | 25% |
| Cap | \$ 700.00 |

(d) Category Four (4) – Charitable Organisations Benefiting the Aged/Disadvantaged

| | |
|---|-----------|
| Remission Level General Rates | 100% |
| Remission Level Separate Rates/Charges | 100% |
| Remission Level Special Rates/Charges | 0% |
| Remission Level Water Access Charges | 25% |
| Remission Level Water Consumption Charges | 0% |
| Remission Level Sewerage Charges | 25% |
| Remission Level Waste Charges | 25% |
| Cap | \$ 700.00 |

(e) Category Five (5) – Sporting Clubs & Associations – Without Liquor & Gaming Licenses

| | |
|---|------------------------------|
| Remission Level General Rates | 100% |
| Remission Level Separate Rates/Charges | 100% |
| Remission Level Special Rates/Charges | 0% |
| Remission Level Water Access Charges | 25% |
| Remission Level Water Consumption Charges | Charged at residential rates |
| Remission Level Sewerage Charges | 25% |
| Remission Level Waste Charges | 25% |
| Cap | \$ 700.00 |

INFORMATION REQUIRED UNDER THE ACT

(f) Category Six (6) – Sporting Clubs & Associations – With Liquor Licenses but No Gaming Licenses

| | |
|---|------------------------------|
| Remission Level General Rates | 50% |
| Remission Level Separate Rates/Charges | 50% |
| Remission Level Special Rates/Charges | 0% |
| Remission Level Water Access Charges | 25% |
| Remission Level Water Consumption Charges | Charged at residential rates |
| Remission Level Sewerage Charges | 25% |
| Remission Level Waste Charges | 25% |
| Cap | \$ 700.00 |

(g) Category Seven (7) – Sporting Clubs & Associations situated on highly valued leasehold land – With Liquor Licenses but No Gaming Licenses

| | |
|---|------------------------------------|
| Remission Level General Rates | 75% |
| Remission Level Separate Rates/Charges | 75% |
| Remission Level Special Rates/Charges | 0% |
| Remission Level Water Access Charges | 25% |
| Remission Level Water Consumption Charges | Charged at residential rates |
| Remission Level Sewerage Charges | 25% |
| Remission Level Waste Charges | 25% |
| Cap | \$ 700.00 for Service Charges only |

(h) Category Eight (8) – Sporting Clubs & Associations – With Liquor & Gaming Licenses

| | |
|---|-----|
| Remission Level General Rates | 0% |
| Remission Level Separate Rates/Charges | 0% |
| Remission Level Special Rates/Charges | 0% |
| Remission Level Water Access Charges | 0% |
| Remission Level Water Consumption Charges | 0% |
| Remission Level Sewerage Charges | 0% |
| Remission Level Waste Charges | 0% |
| Cap | N/A |

(i) Category Nine (9) - All Other Not-For-Profit/Charitable Organisations

| | |
|---|------------------------------|
| Remission Level General Rates | 100% |
| Remission Level Separate Rates/Charges | 100% |
| Remission Level Special Rates/Charges | 0% |
| Remission Level Water Access Charges | 25% |
| Remission Level Water Consumption Charges | Charged at residential rates |
| Remission Level Sewerage Charges | 25% |
| Remission Level Waste Charges | 25% |
| Cap | \$ 700.00 |

NOTE:- Sewerage charges are not to be levied in respect of public amenities blocks that are locked and controlled by the clubs.

General Rate Remissions

In accordance with Part 10 of the Local Government (Finance, Plans & Reporting) Regulation 2010 the properties detailed in Appendix One (1) will be exempted from the payment of general rates.

Permits to Occupy (Pump Sites)

Council will grant a remission on the following basis for those assessments that only contain a permit to occupy for pump sites provided the ratepayer as shown on the assessment is the owner of another property in the Council area on which the rate or charge has been levied:

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

Water Consumption Charges

Council will grant a remission on the following basis for the following assessments:

- 148543 – Gracemere Lakes Golf Club
- 148545 – Gracemere Bowling Club

Water Consumption Charges – 50% remission.

Lot 1 South Ulam Rd, Bajool

Council will grant a remission on the following basis for the following assessment:

- 146963-2 – being Lot 1 South Ulam Rd, Bajool (L1 MLG80014 Parish of Ultimo)
 - (a) General Rate 100%
 - (b) Road Network Levy 100%

INFORMATION REQUIRED UNDER THE ACT

Exclusions from Capping of General Rates as an Unintended Consequence

Council will grant a remission 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 remission will be that required 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.

Report on the internal audit for the year

s119(1)(g) (FPR) Reg 2010

The internal audit function and Audit Committee of Rockhampton Regional Council are both mandatory compliance requirements of the Local Government Act 2009.

Internal audit

The Internal Audit Unit's mission is to independently examine and evaluate Council activities as a service to the Council and management.

Internal Audit's objectives are to provide analyses, appraisals, recommendations for improvement, and evaluation of internal controls to assist the Council and management in the effective discharge of their responsibilities.

Internal Audit Plan

Specific audits planned or undertaken during the financial year 2011-12 included:

- Animal Control Operations
- Animal Notices
- Water Notices
- Records Management
- Events Management
- Risk Management
- Mobile Phones
- Fleet Management / Plant Operations
- CMC Investigations including internal controls review (Various)
- Follow up audits from previous years' recommendations

Statement about the local government's activities during the year to implement its plan for equal opportunity in employment

s119(1)(h) (FPR) Reg 2010

Statement about the local government's activities during the year to implement its plan for equal opportunity in employment - s119(1)(h)(FPR) Reg 2010

Council remains committed to a policy of equal

employment opportunity (EEO), fair treatment and non-discrimination for all existing and future employees. EEO is based on the principle that all employees have the right to equality of opportunity and fair treatment in employment.

Council reinforced its pledge as an equal opportunity employer through the inclusion of EEO responsibilities as part of Council's Code of Conduct that was endorsed by the Chief Executive Officer in September 2011. Training in the Code of Conduct was rolled out to all employees between October and November 2011.

A training package named the "Respect Program" is currently being finalised to include education for employees on EEO and diversity in the workplace. This training program will be rolled out across the organisation to all employees in the last quarter of 2012.

All of Council's Human Resources policies and procedures conform to EEO principles and are continually reviewed to ensure compliance. This in turn enables Council to fulfil the social obligations of equity and fairness. All new employees are also advised of and are made aware of their EEO obligations through the corporate induction upon their commencement with Council.

Human Resources maintain statistics of EEO target groups throughout the organisation on a monthly basis. This allows Council to increase its effectiveness of service delivery and decision making by adopting an employee profile that more accurately reflects the community profile. The statistics below highlight that Council has continued to maintain its commitment in the employment of target groups from September 2011 to June 2012.

| Target Group | Employee Numbers June 2010 | Employee Numbers June 2011 | Employee Numbers June 2012 |
|------------------------|----------------------------|----------------------------|----------------------------|
| Female | 448 | 463 | 466 |
| Aboriginal | 24 | 24 | 25 |
| Torres Strait Islander | 4 | 6 | 6 |
| South Sea Islander | 12 | 16 | 14 |

Names of the local government's shareholder delegates for its corporate entities

s119(1)(i) (FPR) Reg 2010

Rockhampton Regional Council does not operate any corporate entities.

Summary of investigation notices given in the year under section 137 of the Business Activities Regulation for competitive neutrality complaints

s119(1)(j) (FPR) Reg 2010

Nil

INFORMATION REQUIRED UNDER THE ACT

Decisions in the year on the referee's recommendations on any complaints under section 145(3) of the Business Activities Regulation *s119(1)(k)(i) (FPR) Reg 2010*

Nil

Decisions in the year on the Queensland Competition Authority's recommendations under section 158(5) of the Business Activities Regulation

s119(1)(k)(ii) (FPR) Reg 2010

Nil

Resolutions under s42 (5) LG (Operations) Regulation 2010 (Remuneration Schedule)

S113

That Council be an 'eligible local governing body' under the provisions of the Income Tax Assessment Act 1997.

Moved by: Councillor Ludwig
Seconded by: Councillor Swadling
MOTION CARRIED UNANIMOUSLY

Resolutions under s45 (1) LG (Operations) Regulation 2010 (Requirement to adopt expenses reimbursement policy or amendment) *S113*

That the Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy be amended as attached.

Moved by: Councillor Fisher
Seconded by: Councillor Schwarten
MOTION CARRIED

List of resolutions under s154 (2) LG (Financial Plans and Reporting) Regulation 2010 (thresholds for treating non-current physical assets as expenses) *S113*

That Council's Asset Capitalisation Policy be adopted including the separation of the Roads, Bridges and Drainage asset class as outlined in the report.

Moved by: Councillor Mather
Seconded by: Councillor O'Brien
MOTION CARRIED UNANIMOUSLY Councillors



INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

COUNCILLORS

Remuneration paid to each Councillor and Superannuation Contributions

s114(a) (FPR) Reg 2010 & s114(b) (FPR) Reg 2010

1 July 2011 – 10 May 2012

| Councillor Name | YTD salary 'Work' | Amalgamation Allowance | Employer Super | Total Remuneration | Expense allowances |
|-----------------|-------------------|------------------------|----------------|--------------------|-----------------------------------|
| Carter, B | \$137,396.24 | \$ 4,666.11 | \$17,083.43 | \$ 159,145.78 | \$ 220.00 (Travel Incidentals) |
| Swadling, R | \$ 91,981.16 | \$ 3,303.08 | \$11,434.04 | \$ 106,718.28 | - |
| Svendsen, B | \$ 81,434.74 | \$ 2,963.20 | \$ 7,678.61 | \$ 92,076.55 | - |
| O'Brien, S | \$ 81,434.74 | \$ 2,963.20 | \$10,127.80 | \$ 94,525.74 | - |
| Brady, G | \$ 81,434.74 | \$ 2,963.20 | \$10,127.80 | \$ 94,525.74 | - |
| Williams, A P | \$ 81,434.74 | \$ 2,963.20 | \$10,127.80 | \$ 94,525.74 | - |
| Mather, G | \$ 81,434.74 | \$ 2,963.20 | \$10,127.80 | \$ 94,525.74 | - |
| Rutherford, C R | \$ 81,434.74 | \$ 2,963.20 | \$10,127.80 | \$ 94,525.74 | - |
| Schwarten S J | \$ 81,434.74 | \$ 2,963.20 | \$10,127.80 | \$ 94,525.74 | - |
| Belz, G A | \$ 81,434.74 | \$ 2,963.20 | \$10,127.80 | \$ 94,525.74 | - |
| Ludwig, F W | \$ 81,434.74 | \$ 2,963.20 | \$10,127.80 | \$ 94,525.74 | \$15,824.25 |

11 May 2012 – 30 June 2012

| Councillor Name | YTD salary 'Work' | Amalgamation Allowance | Employer Super | Total Remuneration |
|-----------------|-------------------|------------------------|----------------|--------------------|
| Strelow, M F | \$ 15,086.40 | - | \$ 1,810.38 | \$ 16,896.78 |
| Williams, A P | \$ 9,864.20 | - | \$ 1,183.71 | \$ 11,047.91 |
| Smith, C E | \$ 8,914.70 | - | \$ 1,069.77 | \$ 9,984.47 |
| Wyatt, T A | \$ 8,914.70 | - | \$ 1,069.77 | \$ 9,984.47 |
| Fisher, N K | \$ 8,914.70 | - | \$ 1,069.77 | \$ 9,984.47 |
| Swadling, R | \$ 8,914.70 | - | \$ 1,069.77 | \$ 9,984.47 |
| Mather, G | \$ 8,914.70 | - | \$ 1,069.77 | \$ 9,984.47 |
| Rutherford, C R | \$ 8,914.70 | - | \$ 1,069.77 | \$ 9,984.47 |
| Schwarten, S J | \$ 8,914.70 | - | \$ 1,069.77 | \$ 9,984.47 |
| Belz, G A | \$ 8,914.70 | - | \$ 1,069.77 | \$ 9,984.47 |
| Ludwig, F W | \$ 8,914.70 | - | \$ 1,069.77 | \$ 9,984.47 |

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Expenses incurred by and provided to each Councillor under the Expenses Reimbursement Policy

s114(c) (FPR) Reg 2010

| Councillor | TOTAL |
|-------------------------------|-------------|
| Mayor, Councillor B N Carter | \$15,714.21 |
| Mayor, Councillor M F Strelow | \$2,086.35 |
| Councillor G M Mather | \$1,078.34 |
| Councillor B Svendsen | \$4,996.67 |
| Councillor T A Wyatt | \$0.00 |
| Councillor F W Ludwig | \$18,711.72 |
| Councillor S M O'Brien | \$4,981.08 |
| Councillor C E Smith | \$0.00 |
| Councillor C R Rutherford | \$8,042.81 |
| Councillor G A Belz | \$1,484.86 |
| Councillor S J Schwarten | \$0.00 |
| Councillor A P Williams | \$1,023.38 |
| Councillor R A Swadling | \$6,335.09 |
| Councillor G K Brady | \$27.27 |
| Councillor N K Fisher | \$0.00 |

These totals include all costs associated with the following:

- All travel costs including reimbursements for Conferences and Events attended by Councillors locally, nationally or internationally
- Reimbursements for vehicles costs associated with using private vehicle for business purposes.

Expenses Reimbursement Policy

s114(d) (FPR) Reg 2010

POLICY NO. POL.A1.1

Scope:

This Policy applies to the Mayor, Deputy Mayor and Councillors of Rockhampton Regional Council.

1. Purpose

This Policy will ensure accountability and transparency in the reimbursement of expenses incurred, or to be incurred, by the Mayor, Deputy Mayor and Councillors.

This Policy will also ensure that elected members are provided with reasonable facilities to assist them in carrying out their civic duties.

(This Policy does not provide for salaries or other form of Councillor remuneration. Councillor remuneration is in accordance with the determination of the Local Government Remuneration Tribunal.)

2. Reference (e.g. Legislation, related documents)

- Local Government Act 2009
- Local Government (Operations) Regulation 2010

- Local Government (Finance, Plans and Reporting) Regulation 2010
- Income Tax Assessment Act 1997
- Taxation Rulings issued by the Australian Taxation Office
- RRC Travel and Conference Attendance Policy
- RRC Travel and Conference Attendance Procedure
- RRC Corporate Uniform Policy
- Procurement Policy and Purchasing Guidelines
- Councillors Vehicle Use Policy

3. Definitions

To assist in interpretation, the following definitions shall apply:

Authorising person: shall mean the person with delegated authority to approve expenditure or reimbursement for Councillor expenses and facilities.

Council business: shall mean official business conducted on behalf of Council, where a Councillor is required to undertake certain tasks to satisfy legislative requirements or achieve business continuity for the Council, for example official Council meetings, Councillor forums and workshops, Committees/Boards as Council's official representative, scheduled meetings relating to portfolios or Council appointments.

Council Business should result in a benefit being achieved either for the local government and/or the local government area, for example Council may decide that Council business includes civic ceremony duties such as opening a school fete.

Participating in a community group event or being a representative on a Board not associated with Council is not regarded as Council business.

Councillors: shall mean the Mayor, Deputy Mayor and Councillors.

Expenses: shall mean costs reasonably incurred, or to be incurred, in connection with Councillors discharging their duties. The expenses may be either reimbursed to Councillors or paid direct by Council for something that is deemed a necessary cost or charge.

Expenses are not included as remuneration.

Facilities: shall mean the facilities deemed necessary to assist Councillors in their role.

Public record: shall mean any record created, received or kept in an official capacity.

Reasonable: shall mean Council must make sound judgements and consider what is prudent, responsible and acceptable to the community when determining reasonable levels of facilities and expenditure.

4. Context

The payment and/or reimbursement of expenses and provision of facilities for Councillors must only be for the actual cost of legitimate business use and only in accordance with the Local Government Act 2009 and the Local Government (Operations) Regulations 2010.

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Council is committed to ensuring that Councillors are provided with the facilities required to enable them to perform their duties.

The payment and/or reimbursement of expenses and provision of facilities for Councillors:

- is to be open and transparent, prudent, responsible, acceptable to the community and in accordance with statutory requirements
- based on ensuring economy and efficiency; and
- subject to budget provisions.

Council's Annual Report must contain the information as stipulated in the Local Government Act and associated Regulations.

- Spouses, partners and family members of Councillors are not entitled to reimbursement of expenses or to have access to facilities allocated to Councillors.

The following expenses refer to actual expenses deemed necessary for Council business. Councillors are only entitled to the expenses contained in the categories listed below.

4.1 Representing Council at Events

Councillors may be required to attend a range of events and functions as part of their role in attending to Council business. Councillors may, for example, be required to attend significant sporting and other community events in an official capacity.

Council will pay for expenses associated with Councillors attending events for the purpose of addressing Council's advocacy strategy and to provide support for community social and economic development activities.

4.2 Travel as Required to Represent Council

All Councillor travel, excluding that undertaken in a Council provided vehicle as per this Policy, requires the approval of Council via a report to Council identifying the relevance of such event to the Council and as far as practicable indicate the cost of attendance. The Mayor will not be required to have the approval of Council if attending functions or meetings relevant to the role of Mayor.

Council may approve local, intrastate, interstate, and overseas travel for Councillors where Council considers it appropriate to promote or represent the Rockhampton Regional area for a local government purpose.

Where time does not permit the presentation of a report to Council:

- (a) The CEO may approve any requests for travel by the Mayor subject to a report being submitted to the next available Council Meeting; and
- (b) The Mayor may approve any Councillor's travel subject to a report being submitted to the next available Council Meeting.

All travel and conference arrangements must be made in accordance with Council's Travel and Conference Attendance Policy and associated Procedure. All expenses incurred in relation to travel and conference attendance will be reimbursed in accordance with Council's Travel and Conference Attendance Policy and associated Procedure.

All requests for travel (including associated registrations) should be made in sufficient time to take advantage of discounts and gain access to the widest range of accommodation and flights. Failure to do so will limit flight and accommodation options.

4.2.1 Meeting Attendance

Where Councillors are attending to Council business such as meetings, functions or other activities in an official capacity, Council will pay for the approved expenses associated with that activity.

The following restrictions apply in the following circumstances:

Mayor: No limit to travel to attend meetings to represent Council in undertaking his/her responsibilities.

Committee Chair: No limit to travel to attend meetings to represent the interest of the Committee in line with the Committee's Terms of Reference or when directed by Council to attend.

Councillors: No limit to travel to attend meetings to represent Council when nominated or requested by the Mayor, Committee Chair or CEO or when directed by Council to attend.

4.2.2 Council Delegates

Where Councillors are appointed by the Council as Council's representative on a Committee or Association, all travel and accommodation associated with the Councillor's fulfilment of that role is deemed as approved without the need for a further report to Council.

4.2.3 Conference Attendance

The CEO, where possible, will advise Councillors of upcoming conferences. Councillors shall give notice of their desire to attend a conference by giving notice to the CEO ten (10) days prior to the relevant Committee/Council Meeting.

4.3 Professional development

There are two categories of professional development for Councillors – Mandatory Training and Discretionary Training.

4.3.1 Mandatory training

Mandatory training is where one or more Councillors are required to attend courses, workshops, seminars or conferences for skill development related to the Councillor's role. This includes events directly relating to the role of Councillor such as Councillor Induction, Meeting Procedures and Legislative Obligations, events that are relevant for a Chairperson of a Committee, or events where a Councillor has been appointed as an official Council delegate.

If a Chairperson or Council delegate is unable to attend an event and an alternative Councillor is appointed by Council then this will be deemed as mandatory. Council will meet all costs associated with mandatory training.

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

4.3.2 Discretionary training

Discretionary training is where one or more Councillor wishes to attend a course, workshop, seminar or conference outside the provisions of mandatory training.

In addition to any mandatory training required, the following limits apply to any discretionary training attendance:

Mayor: No limit
Deputy Mayor: 5 events per year
Committee Chairs: 4 events per year
Councillors: 3 events per year

Where the Councillor wishes to attend a conference and has exceeded the above limits, the CEO will submit a report to the table and the Council will determine if the Councillor is able to attend.

4.4 Hospitality Expenses

Where Councillors incur hospitality expenses while conducting Council business, apart from official civic receptions organised by the Council, the maximum amount that may be reimbursed is:

- \$500 per annum for each Councillor; and
- \$6,000 per annum for the Mayor

Hospitality expenses related to official receptions and other functions organised by council officers are met from relevant approved budgets.

4.5 Provision of Facilities

Facilities provided for Councillors must be deemed necessary and required to assist Councillors in their official capacity. In accordance with statutory provisions, Council may only provide Councillors with the facilities listed below.

Council determines the reasonable standard for facilities for Councillors. If a Councillor chooses a higher standard of facility than that prescribed by Council, any difference in cost must be met by the Councillor personally.

All facilities provided to Councillors remain the property of Council and must be accounted for during annual equipment audits. The facilities must be returned to Council when the Councillor's term expires, unless Council agrees to dispose of the facility in some other manner.

4.5.1 Administrative tools and office amenities

Office space and access to meeting rooms

The Mayor and Deputy Mayor will be provided with a dedicated office in the Rockhampton Office.

Council provides access to occasional office accommodation and meeting rooms for all Councillors to meet with constituents and the public. Such accommodation should be booked through the Councillor Support Section.

Secretarial support

The Mayor's office will be staffed with a Personal Assistant and an Administrative Assistant as a minimum. Additional staffing will be provided as deemed to be warranted from time to time by the CEO based on workloads.

Secretarial support will be provided to all Councillors as warranted by the CEO and based on demand.

Computer and Printer for business use

Councillors are provided with a laptop computer and printer for Council business use. The standard of computer shall be similar to that available to Council managers. An iPad will also be made available on request to the CEO.

Photocopier and paper shredder

Councillors are entitled to access photocopiers and paper shredders for business use at the various Council offices. Access to domestic photocopiers/scanners may be provided for the home based offices, on request by Councillors.

Stationery

Councillors are provided stationery for official purposes only, including, but not limited to:

- Pens and pen sets
- Paper
- Note paper
- Letterhead
- Business cards
- Envelopes
- Briefcase
- 'With Compliments' slips

Council stationery is not to be converted or modified in any way and may only be used for carrying out the functions of the role of Councillor. Stationery does not include any form of advertising by Council.

Telecommunication needs

Councillors will be provided with a mobile telephone or hand held device as designated by the CEO. Council will pay for all costs associated with the business use. Any personal calls made by the Councillor should be reimbursed to Council. The Mayor and Deputy Mayor are entitled to have the full cost of Council business related mobile phone/PDA charges paid by Council. It is recognised that community obligations and demands on the Mayor/Deputy Mayor are such that generally all mobile phone/PDA charges are deemed to be council business.

Individual or personal mobile phone plans will not be reimbursable under this policy.

Publications

Councillors are provided access to copies of relevant legislation, books and journals considered necessary for undertaking their duties.

Other administrative necessities

Subject to Council approval, Councillors may be provided with any other administrative necessities to meet the business of Council.

Advertising

Council will not reimburse or provide funds, services or facilities for the purposes of advertising for Councillors.

INFORMATION REQUIRED UNDER THE ACT

Community consultation

Councillors may use facilities provided to correspond with community representatives for the purpose of clarifying issues that are relevant to their division or the region in general. Where a Councillor chooses to undertake further community consultation on a particular matter, in addition to that approved by Council, the Councillor is responsible for those costs.

4.5.2 Home office

Councillors may be provided with home office equipment in addition to the abovementioned laptop computer comprising a computer, screen, printer, lockable filing cabinet, desk and chair and internet access for business use only. Where Councillors elect to establish a home office, Council will provide a land line connection to enable phone and internet access for business use only. It is the responsibility of each Councillor to ensure that where a home office is established, all WHS legislative requirements are met and where required, Council's WHS unit can provide assistance.

4.5.3 Name badge and uniforms

Councillors will be provided with any safety equipment such as overalls, safety shoes, safety helmets or glasses, as required, in their role. Councillors will be provided with uniforms in accordance with the Corporate Uniform Policy and Procedure, comprising five (5) items and a Blazer, and a name badge if required.

4.5.4 Vehicles

Councillors, with the exception of the Mayor, may either:

- (a) Be provided with a Council vehicle for official business use, or
- (b) Use their own private vehicle for business purposes and claim a mileage allowance for the business use of the vehicle, as per mileage allowances recommended by the Australian Tax Office (ATO). Such claims shall be supported by ATO compliant records.

The standard of Council vehicle provided to Councillors for business use shall be as per the Councillors Vehicle Use Policy.

A Council vehicle may also be made available for private use by the Councillor as per the Councillors Vehicle Use Policy.

The Mayor is to be provided with a Council owned vehicle for Council business. It is recognised that community expectations and demands on the Mayor are such that generally all vehicle use is deemed to be Council business. The requirement to calculate private use under the provisions of this policy and the Councillors Vehicle Use Policy are not applicable to the Mayor.

During the term of Council, a Councillor may change vehicle arrangements providing it is cost neutral for Council. Should excessive costs to Council be apparent, the CEO may refuse the request or require the Councillor to reimburse such costs.

In the case of (b) above, Councillors may utilise Council's Salary Packaging provider to facilitate the provision of a private vehicle.

4.6 Payment of Expenses

Reimbursement of personal expenses incurred whilst undertaking Council work will be paid to a Councillor through administrative processes approved by the CEO. All receipts requiring reimbursement must be submitted no later than 14 June or 14 December of that year.

Travel expenses will be paid subject to the limits outlined in this Policy and Council's Travel and Conference Attendance Policy and associated Procedure subject to the following variation:

Expenses relating to the consumption of alcohol will be reimbursed only where such expenses is incurred with the provision of a meal and which on review would not be deemed as excessive.

Should the Councillor choose not to attend a provided meal/dinner, then the full cost of the alternative meal shall be met by the Councillor.

4.7 Maintenance costs of any Council owned equipment

Council will cover all ongoing maintenance costs associated with fair wear and tear of council owned equipment to ensure it is operating for optimal professional use.

4.8 Legal costs and insurance cover

Councillors will be covered under Council insurance policies while discharging civic duties. Specifically, insurance cover will be provided for public liability, professional indemnity, personal accident and/or workers compensation, international and domestic travel insurance. Any claims over and above that the stated will require the approval of a Council Resolution. In addition the liability of any legal costs incurred while discharging a Councillors civic duty will transfer to Council upon approval via a Council resolution

5. Evaluation Process

This Policy is reviewed when any of the following occur:

1. The related information is amended or replaced.
2. Other circumstances as determined from time to time by the CEO/Council

Notwithstanding the above, this Policy is to be reviewed at intervals of no more than two years.

6. Responsibilities

| | |
|------------------------|------------------------------------|
| Sponsor | Chief Executive Officer |
| Business Owner | Executive Manager Office of CEO |
| Policy Owner | Executive Manager Office of CEO |
| Policy Quality Control | Corporate Improvement and Strategy |

7. Changes to Policy

This Policy is to remain in force until otherwise determined by the Council.

EVAN PARDON - CHIEF EXECUTIVE OFFICER



OUR PEOPLE
OUR PLACES
OUR FUTURE

INFORMATION REQUIRED UNDER THE ACT

DETAILS OF THE NUMBER OF MEETINGS ATTENDED BY EACH COUNCILLOR DURING THE YEAR

1 July 2011 – 10 May 2012

s114(e) (FPR) Reg 2010

| Councillor | Council Meeting | Special Council Meeting | Business Enterprise | Community Development & Customer Service | Environment | Health & Regulatory Services | Infrastructure | Sports & Recreation | Strategic Planning | Water | Audit Advisory | Access & Equity Advisory |
|---------------------------------------|-----------------|-------------------------|---------------------|--|--------------|------------------------------|----------------|---------------------|--------------------|--------------|------------------|--------------------------|
| Mayor, Councillor B N Carter* | 16 | 6 | 3 | 6 | 4 | 5 | 3 | 5 | 6 | 4 | 2 | 1 |
| Councillor G M Mather | 16 | 6 | (1 Observer) | - | 6 | 8 | 9 | (1 Observer) | 14 | - | **1 (2 Observer) | (1 Observer) |
| Councillor B Svendsen | 16 | 5 | (1 Observer) | (2 Observer) | 4 | 5 | 7 | (5 Observer) | 13 | - | - | - |
| Councillor F W Ludwig | 16 | 4 | - | 9 | (1 Observer) | 7 | 7 | 9 | - | - | - | - |
| Councillor S M O'Brien | 16 | 3 | 8 | 9 | 6 | 6 | (4 Observer) | (2 Observer) | 12 | (2 Observer) | - | 2 |
| Councillor R Rutherford | 14 | 4 | 7 | 8 | - | 7 | (1 Observer) | 8 | (1 Observer) | 6 | - | - |
| Councillor G A Belz | 15 | 5 | 6 | - | 4 | - | 7 | - | - | 6 | - | - |
| Councillor S J Schwartz | 16 | 2 | - | 9 | - | - | 8 | 8 | - | 5 | - | 0 |
| Councillor A P Williams | 16 | 4 | - | - | 5 | 8 | (4 Observer) | (2 Observer) | 13 | 7 | (1 Observer) | - |
| Deputy Mayor, Councillor R A Swadling | 15 | 5 | 6 | 8 | (1 Observer) | ^1 (1 Observer) | (1 Observer) | 7 | ^2 (2 Observer) | - | - | 3 |
| Councillor G K Brady | 16 | 6 | 8 | (1 Observer) | - | (2 Observer) | (4 Observer) | 9 | 14 | 6 | 3 | - |
| Total Meetings Held | 16 | 6 | 8 | 9 | 6 | 8 | 9 | 9 | 14 | 7 | 3 | 3 |

* In accordance with section 12(4)(h) of the Local Government Act 2009, Mayor Carter is a member of each Standing Committee however is not required to attend all meetings

** Councillor Mather attended this meeting in her role as alternate member for the Committee

^ Councillor Swadling attended these meetings in her role as Acting Mayor

INFORMATION REQUIRED UNDER THE ACT COUNCILLORS

11 May 2012 – 30 June 2012

| Councillor | Council Meeting | Special Council Meeting | Business Enterprise | Communities | Health and Compliance | Infrastructure | Parks and Recreation | Performance and Service | Planning and Development | Water | Audit Advisory |
|---------------------------------------|-----------------|-------------------------|---------------------|-------------|-----------------------|----------------|----------------------|-------------------------|--------------------------|----------|----------------|
| Mayor, Councillor M F Strelow* | 3 | 5 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | - |
| Councillor G M Mather | 3 | 4 | - | - | 1 | 1 | - | 1 | 2 | 1 | - |
| Councillor T A Wyatt | 3 | 5 | - | 1 | 1 | 1 | - | 1 | 2 | - | - |
| Councillor F W Ludwig | 3 | 5 | - | 1 | - | - | 1 | 1 | 2 | - | - |
| Councillor C E Smith | 3 | 5 | 1 | 1 | 1 | - | - | 1 | 2 | - | - |
| Councillor C R Rutherford | 2 | 4 | 1 | 1 | - | - | 1 | 1 | - | 1 | - |
| Councillor G A Belz | 2 | 4 | 1 | - | - | 1 | - | 1 | - | 1 | - |
| Councillor S J Schwarten | 2 | 4 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - |
| Deputy Mayor, Councillor A P Williams | 3 | 5 | - | - | - | - | 1 | 1 | 1 | 1 | - |
| Councillor R A Swadling | 3 | 5 | - | 1 | - | - | 1 | 1 | - | - | - |
| Councillor N K Fisher | 3 | 5 | 1 | - | 1 | - | 1 | 1 | 1 | 1 | - |
| Total Meetings Held | 3 | 5 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 0 |

* 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

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Total number of Orders made under s180(2) or s180(4) LGA 2009 - Orders by Regional Conduct Review Panel

s114(f)(i) (FPR) Reg 2010

2

Total number of Orders made under s181 LGA 2009 - Orders by Mayor/Chairperson for Inappropriate Conduct

s114(f)(ii) (FPR) Reg 2010

4

Name of Councillor against whom order made under s180 or s181 LGA 2009

s114(g)(i) (FPR) Reg 2010

See table below

Description of the Order (misconduct, inappropriate conduct)

s114(g)(ii) (FPR) Reg 2010

| Complaint Made Against | Outcome |
|------------------------|-----------------------|
| Cr Stephen Schwarten | Inappropriate Conduct |
| Cr Bill Ludwig | Inappropriate Conduct |
| Cr Bill Ludwig | Inappropriate Conduct |
| Cr Bill Ludwig | Inappropriate Conduct |
| Cr Rose Swadling | Inappropriate Conduct |
| Cr Glenda Mather | Misconduct |
| Cr Glenda Mather | Misconduct |

Summary of the Orders for Councillors

s114(g)(iii) (FPR) Reg 2010

| | Legislative Reference | Number |
|---|------------------------------|--------|
| Number of complaints about councillors assessed as frivolous or vexatious under s177(4) LGA 2009 | s114(h)(i) (FPR) Reg 2010 | 0 |
| Number of complaints about councillors referred to the departments chief executive (D-G DPLG) under s177(5)(a) LGA 2009 | s114(h)(ii) (FPR) Reg 2010 | 1 |
| Number of complaints about councillors referred to the Mayor under s177(5)(b) LGA 2009 | s114(h)(iii) (FPR) Reg 2010 | 2 |
| Number of complaints about councillors referred to the departments chief executive (D-G DLGP) under s177(6) LGA 2009 | s114(h)(iv) (FPR) Reg 2010 | 10 |
| Number of complaints about councillors assessed by Council's CEO as being about Official Misconduct | s114(h)(v) (FPR) Reg 2010 | 4 |
| Number of complaints about councillors heard by a Conduct Review Panel | s114(h)(vi) (FPR) Reg 2010 | 7 |
| Number of complaints about councillors heard by the Tribunal (Remuneration and Discipline Tribunal) | s114(h)(vii) (FPR) Reg 2010 | 0 |
| Number of complaints about councillors dealt with by Council's CEO under s177(8) LGA 2009 | s114(h)(viii) (FPR) Reg 2010 | 1 |

INFORMATION REQUIRED UNDER THE ACT

EMPLOYEES

SENIOR EMPLOYEES

Total remuneration packages that are payable (in the year to which the annual report relates) to senior contract employees *s201(1)(a) LGA 2009*

Three senior contract employees with a total remuneration package in the range of \$150,000–\$199,999

Two senior contract employees with a total remuneration package in the range of \$200,000–\$249,999

Two senior contract employees with a total remuneration package in the range of \$250,000–\$299,999

One senior contract employee with a total remuneration package in the range of \$300,000–\$349,999

Please note: Package includes base salary, vehicle allocation, annual leave loading and superannuation.

Administrative Action Complaints

S115 (FPR) Reg 2010

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 or verbally. The department referred to in the complaint will be responsible for the initial investigation.

Complainants not satisfied with the outcome of the investigation conducted 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 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 Management Procedure. A separate investigation report will be provided to the CEO for action.

| | |
|--|----|
| Number of administrative action complaints made to Council | 34 |
| Number of administrative action complaints resolved by Council (under complaints management process) | 29 |
| Number of administrative action complaints not resolved by Council (under complaints management process) | 0 |
| Number of administrative action complaints not resolved by Council that were made in previous year | 0 |
| Administrative Action Complaints are still under investigation | 9 |

INFORMATION REQUIRED UNDER THE ACT

OVERSEAS TRAVEL

Overseas travel by Councillor or employee

s116 (FPR) Reg 2010

| | Reason | Date | Amount (ex GST) | Destination |
|--|---|--------------------|-----------------|-------------|
| Mayor, Councillor B N Carter | Visit to Singapore (Invitation from Singapore Armed Forces) | 4-8 July 2011 | \$4,346.09 | Singapore |
| Evan Pardon Chief Executive Officer | Visit to Singapore (Invitation from Singapore Armed Forces) | 4-8 July 2011 | \$4,333.52 | Singapore |
| Councillor Sandra O'Brien | Sister City Visit to Ibusuki | 19-25 October 2011 | \$2,724.53 | Japan |
| Tony Cullen Executive Manager Marketing and Engagement | Sister City Visit to Ibusuki | 19-25 October 2011 | \$3,499.20 | Japan |
| Andrew Malcolm Senior Information Technology Officer | ICS Cyber Security Advanced Training | 19-28 April 2012 | \$4,181.71 | Idaho Falls |

EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

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

s117(a) (FPR) Reg 2010

A total of \$472,109 was granted to community organisations during the 2011-12 financial year.

Summary of expenditure from each councillor's discretionary fund detailing organisation, amount and purpose s117(b) (FPR) Reg 2010

Mayor Brad Carter

| Community Organisation | Purpose | Amount |
|---|--|--------------------|
| Powerkids Shipwrecked | To cover the hire cost of the Gracemere Hall Facility for the Powerkids Shipwrecked program. | \$700.00 |
| Rockhampton/Capricorn Coast Group of the Australian Breastfeeding Association | Donation towards travel and conference registration for volunteers to attend the International Conference - Step Up Reach Out. | \$990.00 |
| Lions Club of Rockhampton | To assist with administration costs to conduct Toad day Out 2012. | \$500.00 |
| Capricorn Coast Historical Society | Donation to assist with relocation and re-establishment of equipment and records associated with moving back into the 'Bunker' at the rear of town hall. | \$1,000.00 |
| The Rotary Club of Yeppoon | To assist in the upgrading of the Yeppoon Town Clock. | \$2,500.00 |
| Rockhampton and District Historical Society | Assistance for the upkeep and maintenance of the valuable collection kept at the Society. | \$2,000.00 |
| Capricorn Coast Landcare Group Inc. | To reimburse costs associated to send a representative to the Queensland Regional Achievement & Community Awards 2011 for nomination in Landcare & Environment Category. | \$700.00 |
| Keppel Coast Gymnastics | Assistance with costs of mats and equipment to ensure necessary safety for the gymnasts. | \$1,610.00 |
| TOTAL | | \$10,000.00 |

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Division 1 Councillor Glenda Mather

| Community Organisation | Purpose | Amount |
|---|---|-------------------|
| Capricorn Coast Community Access Group | Contribution to assist with hosting a morning tea during Disability Week. | \$200.00 |
| Stockyard Point Progress Association | To contribute towards installing a ring main and fire hydrants around the township adjacent to the National Park. | \$500.00 |
| Stanage Bay Township Organisation Inc. | To assist with the maintenance and upgrading of the towns Memorial Garden (new/replacement plants) for Anzac Day. | \$500.00 |
| Byfield Historical Society | To employ a glazier to supply, cut and replace broken window glass at the Raspberry Creek Homestead. | \$500.00 |
| Emu Park Historical Museum Society Inc. | To assist with the securing of weather boards as part of the refurbishment of the Emu Park School of Arts Building. | \$500.00 |
| The Caves Progress and Agricultural Society | To assist with purchasing trophies and prizes for the annual country show. | \$500.00 |
| Yaamba and District SES | To assist with the purchase of a new Pelican 9460 Lighting System for road side emergencies at night. | \$600.00 |
| The Caves Rural Fire Brigade | To assist with the building of a new fire shed for storage of vehicles and training. | \$700.00 |
| Emu Park Lions Club | To assist with the purchase of an electric barbecue for community use. | \$500.00 |
| Marlborough Lions Club | To assist with funding towards replacement signage at the entrance to the township. | \$500.00 |
| TOTAL | | \$5,000.00 |

Division 2 Councillor Brett Svendsen

| Community Organisation | Purpose | Amount |
|--|---|-------------------|
| Victory Tennis Club Inc. | Donation to assist with the cost of rent and purchase of a fire extinguisher. | \$500.00 |
| Returned Services League of Australia Emu Park Sub Branch Inc. | To assist with providing shade at venue and catering costs for ANZAC Day and Remembrance Day services during the 2011-12 financial year. | \$400.00 |
| Cawarral School of Arts Inc. | To assist with provision and installation of three new whirly bird for the hall. Existing ones are deteriorating and making a great deal of noise. | \$300.00 |
| Sandhills Sports and Social Club | Donation to assist with the completion of a concrete driveway between the existing building and the new storage shed. | \$1,000.00 |
| Coowonga State School Parent's and Citizen's Association | To assist with fundraising to purchase a shade, new sporting equipment and educational resources. | \$500.00 |
| Emu Park State School Parent's and Citizen's Association | To give financial assistance to association to put towards purchase of a bicycle package for their Christmas fundraising raffle. | \$300.00 |
| Radio NAG | To assist in sending two delegates to a Music Management Workshop in Mullumbimby NSW. | \$300.00 |
| Emu Park SES Group | To purchase two Etek H handheld GPS's and a cordless phone answering machine system. | \$450.00 |
| K'Gari Educational and Cultural Centre Inc. | To assist with the Woppaburra Women's Historic Repatriation Ceremony - a re-burial ceremony to show deep respect and honour their ancestral women's secret/sacred burial objects. | \$200.00 |
| Lions Club of Emu Park | To purchase additional computers for the 'Basic Introduction to Computers and Internet' classes for the elderly. | \$500.00 |
| Emu Park State School Parent's and Citizen's Association | To assist with the costs of transporting members of the school's rugby league teams to fixtures. | \$200.00 |
| Keppel Bay Community Choir | To assist with the ongoing cost of supplying music. | \$200.00 |
| Emu Park Bowls Club Inc. - Ladies Bowls Section | To assist with sponsorship of the Emu Park Ladies Birthday Fours to be held in May 2012. | \$150.00 |
| TOTAL | | \$5,000.00 |

INFORMATION REQUIRED UNDER THE ACT

Division 3 Councillor Bill Ludwig

| Community Organisation | Purpose | Amount |
|--|--|-------------------|
| Capricorn Adult Literacy and Tesol Services Inc. | To assist with hall rental and therefore allow services to continue for at least 12 weeks. | \$500.00 |
| Blue Care | To assist with the purchase of blinds for the respite care area. | \$500.00 |
| Yeppoon Meals on Wheels | To purchase new cooking equipment for use in the kitchen. | \$500.00 |
| Yeppoon Seagulls Junior Rugby League | To purchase shelters for players and supporters which can be used at home and away games. | \$500.00 |
| Yeppoon RSL Sub Branch | To assist with upgrade of the kitchen within the RSL rooms. | \$500.00 |
| The Mill Gallery | Purchase of a new refrigerator. | \$500.00 |
| Capricorn Coast Touch Association | To purchase shelters for players and supporters which can be used at home and away games. | \$500.00 |
| Capricorn Coast Mallet Sports Club | To assist with the cost of borrowing Council's scissor-aerator for rejuvenation of the playing greens. | \$250.00 |
| Australian Volunteer Coastguard QF11 Yeppoon | To assist with the erection of two large illuminated signs on their building at Rosslyn Bay which will enable the public to locate them and to promote their services. | \$450.00 |
| Keppel Coast Girl Guides Support Group | To assist with the plumbing costs as well as anticipated maintenance and upkeep costs for the building in 2012. | \$500.00 |
| Taranganba State School Parent's and Citizen's Association | To assist with the purchase of materials for costumes and props for the inaugural Junior (Year 3) Musical. | \$300.00 |
| TOTAL | | \$5,000.00 |

Division 4 Councillor Sandra O'Brien

| Community Organisation | Purpose | Amount |
|--|---|-------------------|
| Bouldercombe Rural Fire Brigade | Financial assistance to offset costs incurred in hosting the Diamond Jubilee Celebration of the Brigade on 15 October 2011. | \$500.00 |
| Gracemere State School Parent's and Citizen's Association | Part payment of the costs of Family Planning Queensland to provide education classes to children in Years 6 and 7. | \$500.00 |
| Bajool State School Parent's and Citizen's Association | Purchase five raised gardens beds. | \$500.00 |
| Bouldercombe Playgroup | Costs for play and educational equipment. | \$500.00 |
| Mount Morgan Central State School Parent's and Citizen's Association | Donation to help fund the annual school camp for Years 6-7. | \$500.00 |
| Wildlife Carers Network Inc. | Assistance with fundraising for the Village Arts Festival 19-21 August 2011. | \$300.00 |
| Gracemere RSL | To purchase a new printer and ink. | \$300.00 |
| Capricorn Helicopter Rescue | Cost for catering for the morning tea fundraising event on 24 August 2011. | \$200.00 |
| Funky Monkeys Playgroup | Costs for indoor and outdoor play equipment. | \$200.00 |
| Bouldercombe Singers | Donation for fuel costs for members to perform at events across the Rockhampton Region. | \$200.00 |
| Saint Mary's Anglican Church Mount Morgan | Assistance with fundraising for the 2011 Christmas Tree Festival. | \$500.00 |
| Gracemere Bowls Club Inc. | Sponsorship of the Mixed Triple Game being held on 17 October 2011. | \$50.00 |
| Mount Morgan State School High School Parent's and Citizen's Association | Assistance with purchasing a banner for Mount Morgan State High School Centenary next year. | \$250.00 |
| Gracemere Cubs Junior Rugby League | Financial assistance for the club. | \$500.00 |
| TOTAL | | \$5,000.00 |

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Division 5 Councillor Cherie Rutherford

| Community Organisation | Purpose | Amount |
|---|---|-------------------|
| Rockhampton and District Softball Association | To assist with the completion of the retaining wall associated with the construction of the new storage shed. | \$2,000.00 |
| Kalapa Hall and Sports Committee Inc. | To assist with the purchase of goods and vouchers for the Annual Horse and Novelty Sports Day. | \$500.00 |
| Delwood Tennis Club | To help stage event for the Club's 80th birthday celebrations. | \$200.00 |
| Rockhampton Regional International Nurse's Day Organising Committee | For sponsorship of the International Nurse's Day celebrations. | \$500.00 |
| Mount Archer Scout Group | To assist with funding towards replacing personal floatation devices for member to go canoeing. | \$500.00 |
| Rockhampton State High School Parent's and Citizen's Association | To assist with funding for the Rockhampton High Indigenous Rugby League Tour 2012. | \$1,000.00 |
| TOTAL | | \$4,700.00 |

Division 6 Councillor Greg Belz

| Community Organisation | Purpose | Amount |
|--|---|-------------------|
| Rockhampton Golf Club Ladies Committee of Rockhampton Golf Club Inc. | Financial support for the Rockhampton Closed Ladies Golf Championship 2012. | \$500.00 |
| CQLGA | Purchase 500 CQLGA 2012 Community Calendars for constituents. | \$925.00 |
| Capricorn Launchpad | For purchase of materials to support the "Select a Senior Community Project". | \$2,000.00 |
| Catholic Parish of Rockhampton South | To assist with purchase of raffle prizes for 2012 Parish Fair. | \$500.00 |
| Rockhampton International Nurse's Day Organising Committee | To assist with the cost of staging International Nurse's Day celebrations in Rockhampton. | \$500.00 |
| TOTAL | | \$5,000.00 |

Division 7 Councillor Stephen Schwarten

| Community Organisation | Purpose | Amount |
|---|---|-------------------|
| St Matthew Cottages Australian Association | To assist with raising funds to replace existing stumps on the cottages as replacement becomes necessary. | \$500.00 |
| St Joseph's School Parents and Friends Association | To provide funds to assist with conducting of Breakfast Club for pupils for underprivileged backgrounds. | \$500.00 |
| Central Queensland Filipino-Australian Association | To assist with the annual running of costs of the Association. | \$500.00 |
| Park Avenue State School Parent's and Citizen's Association | To provide funds to assist the work of the school's environment committee. | \$500.00 |
| Shalom Village | To provide funds to assist with the home's annual Christmas Celebrations. | \$500.00 |
| The Five Star Community Service Club | To assist the Club in defraying the cost of installing a commemorative plaque in the 5 Star Playground in Church Park once it is upgraded by Council. | \$500.00 |
| Central Queensland Filipino-Australian Association | To assist with the preparations for Harmony Day 2012. | \$500.00 |
| Park Avenue State School Parent's and Citizen's Association | To assist the Association in preparing plans for the establishment of a local community produce garden within the school grounds. | \$500.00 |
| Indian Association of Central Queensland Incorp. | To assist the Association in preparations for Harmony Day 2012. | \$500.00 |
| Neighbourhood Watch North Rockhampton Area 1 | To assist the groups in it's efforts to maintain a safe and secure neighbourhood in their area. | \$500.00 |
| TOTAL | | \$5,000.00 |

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Division 8 Councillor Tony Williams

| Community Organisation | Purpose | Amount |
|--|--|-------------------|
| Queensland Blue Light Association | Donation to assist with the scheme to provide entertainment and activities for young people at risk under the age of 18. | \$100.00 |
| Lakes Creek State School Parent's and Citizen's Association | To create a learnscape area for the children to learn about different types of foods. | \$500.00 |
| Lakes Creek State School Parent's and Citizen's Association | To purchase fruit and vegetable plants for the landscape project. | \$300.00 |
| Rockhampton District Neighbourhood Watch Committee | Donation to be used for purchase of registration and purchase of decorations and giveaways for Cancer Council Christmas Parade. | \$200.00 |
| The Friends of the Rockhampton Heritage Village Association Inc. | To assist with funding for a giant Christmas stocking raffle to be drawn at 27 November Christmas markets. Proceeds from the raffle will go towards the completion of the Mini Rail Project. | \$50.00 |
| Nerimbera Brothers Football Club Inc. | Installation of seamless flooring to the outside bar and cold room. | \$486.20 |
| Variety Queensland Inc. | Children in need and their families to attend the 2012 Children's Movie Spectacular. | \$50.00 |
| CQU Berserker Soccer Club Inc. | To assist with the replacement of a trophy cabinet that was damaged during the 2011 floods. | \$495.00 |
| Cancer Council Qld | Charity Golf Day Fundraiser | \$300.00 |
| CQ Australian Ju-Jitsu Association | To assist with the financial expenses for the purchase of floor mats for the club. | \$500.00 |
| Capricorn Animal Aid | To assist with the cost of veterinary expenses. | \$500.00 |
| Rockhampton RSPCA Pet Shop | To assist the RSPCA pet shop with veterinary expenses. | \$500.00 |
| Rockhampton Regional Council | Installation of dog waste dispensers at Rigarlsford Park. | \$919.80 |
| St Mary's Primary School Parent's and Friend's Association | Request for 12 wheelie bins from Council for the evening of the Parish Fair held 25 November 2011. | \$99.00 |
| TOTAL | | \$5,000.00 |

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Division 9 Councillor Rose Swadling

| Community Organisation | Purpose | Amount |
|---|--|-------------------|
| Rockhampton/Capricorn Coast Group of the Australian Breastfeeding Association | Donation towards travel and conference registration for volunteers to attend the International Conference - Step Up Reach Out. | \$200.00 |
| North Rockhampton Senior Citizens Club Inc. | Donation for a contribution to be used towards prizes for 2011 Senior's Week Celebrations. | \$200.00 |
| Saint Anthony's School Parent's and Citizen's Association | For sponsorship of the School's fete. | \$200.00 |
| Kids Under Cover Inc. | To provide support for the homeless and at risk young Australians. | \$200.00 |
| Rockhampton and District Blind Club | To provide assistance to White Cane Day celebrations. | \$200.00 |
| Rockhampton Auxiliary Royal Flying Doctors Service | To assist with the purchase of card holders and hand towels for use by the Royal Flying Doctors Service. | \$250.00 |
| South Pacific Taekwondo | To assist two young siblings who are out of school and prefer to live in the street to regain self confidence and appreciate the need to go to school by providing for the cost of taekwondo uniforms. | \$170.00 |
| CQ Filipino Australian Association Inc. | To assist with reconnection of community for new migrants under a 457 Visa and new refugees. | \$500.00 |
| Cerebral Palsy League | To give financial assistance to enable the League to continue to provide services to its clients. | \$250.00 |
| Rockhampton District Neighbourhood Watch | To assist with the purchase of item for the public information sessions they are doing across the Region. | \$350.00 |
| Indigenous Youth Sports Program | To provide financial assistance towards allowing this very worthwhile program to continue. | \$200.00 |
| The Wahroonga Counselling Centre | To provide financial assistance towards the continued delivery of the "Youth at Risk" Counselling Service. | \$200.00 |
| Holy Family Church | To provide financial assistance towards preparations for the Christmas Fair to be held on 20 November 2011. | \$100.00 |
| St Joseph's School Parent's and Friend's Association | To give financial assistance to enable the continuation of the free Breakfast Club for the children. | \$100.00 |
| Another Story | To provide book vouchers used for prizes at Grandparent's Day. | \$100.00 |
| Rotary Club of North Rockhampton | Projects to be carried out in Rose Swadling Park. | \$1,000.00 |
| Rockhampton Mt Archer Lions Club Inc. | For the purchase of two chafing trays to allow food to be served to the public at the correct temperature. | \$230.00 |
| Riding for the Disabled | To assist with the purchase of feed for the horses in view of the fact that much of the grass available to them was burnt during the recent bushfires. | \$100.00 |
| Mount Morgan State High School Parent's and Citizen's Association | To assist with 2011 Awards Ceremony presentations. | \$100.00 |
| K'Gari Educational and Cultural Centre Inc. | To assist with the Woppaburra Women's Historic Repatriation Ceremony - a re-burial ceremony to show deep respect and honour their ancestral women's secret/sacred burial objects. | \$100.00 |
| Rockhampton Police Citizens Youth Club Boxing Club | To assist with the purchase of boxing equipment. | \$150.00 |
| Model Engineers and Live Steamers Association Rockhampton Inc. | To assist with temporary promotional signage to display at events for promotion of the club. | \$100.00 |
| TOTAL | | \$5,000.00 |

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Division 10 Councillor Graeme Brady

| Community Organisation | Purpose | Amount |
|--|---|-------------------|
| Mount Morgan Rugby Union | Financial assistance to help with fundraising efforts for the club. | \$250.00 |
| Diggers Memorial Bowls Club Inc. | To assist the Club in conducting the Open Mixed Bowls competition. | \$500.00 |
| K'Gari Educational and Cultural Centre Inc. | To assist with the Woppaburra Women's Historic Repatriation Ceremony - a re-burial ceremony to show deep respect and honour their ancestral women's secret/sacred burial objects. | \$250.00 |
| Rockhampton Show Organising Committee | Help promote woodchop at the Rockhampton Show. | \$1,320.00 |
| Diggers Memorial Ladies Bowling Club | To assist with the conduct of the Invitation Masters Fours Carnival being held 6-7 August 2012. | \$500.00 |
| Rockhampton North Special School Parent's and Citizen's Committee | For financial assistance with ongoing school projects such as provision for students in the library. | \$300.00 |
| Bundara Kindergarten Association Inc. | To assist with the purchase of new books for the children. | \$300.00 |
| Rockhampton Dog Obedience Club Inc. | To assist with the purchase of new trial equipment. | \$300.00 |
| Narnia Kindergarten and Preschool Association Inc. | To assist with the purchase of new resources to help the children. | \$300.00 |
| Frenchville State School Parent's and Citizen's Inc. | To assist with the purchase of resources to help the children. | \$300.00 |
| North Rockhampton State High School Parent's and Citizen's Association | To assist with the purchase of teaching aids for the students. | \$300.00 |
| Mount Archer State School Parent's and Citizen's Association | To assist with finance to run the schools Breakfast Club for students. | \$380.00 |
| TOTAL | | \$5,000.00 |

RESERVES AND CONTROLLED ROADS

Land that is a reserve under the Land Act (the area of the reserve that the local government controls, including land that the local government has leased to someone else) *s118(1)(a) (FPR) Reg 2010*

The total reserve land area within Rockhampton Regional Council boundaries is 13,044ha.

Total length of road the local government controls and does not own

s118(1)(b) (FPR) Reg 2010

There is a total of 3,389km of roads not owned by Council.



PO Box 1860,
Rockhampton Q 4700

Phone 1300 22 55 77
Fax 1300 22 55 79

enquiries@rrc.qld.gov.au
www.rockhamptonregion.qld.gov.au

