An aerial photograph of a town and a river with a dam. The town is densely packed with houses and buildings. The river is brown and flows through the town. A dam is visible in the middle of the river. The background shows rolling hills and mountains under a blue sky with some clouds. A teal text box is overlaid on the right side of the image.

ROCKHAMPTON REGIONAL COUNCIL ANNUAL REPORT 2012-13

OUR PEOPLE
OUR PLACES
OUR FUTURE



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“ We will thrive, of that I have no doubt, due to our go-get-it attitude and continued investment in our assets. We will remain a plentiful Region to be coveted by many. ”

MAYOR'S REPORT

In what may be somewhat of an understatement, it has certainly been an eventful 12 months, during my first full financial year at the helm of Rockhampton Regional Council.

Throughout the year Council demonstrated its commitment to delivering a responsible, cost-efficient budget which responded to increasing community expectations and declining state and federal funding. We were determined to reign in unnecessary spending and to reduce our debt levels in order to ease the future burden on ratepayers, during a time when the everyday costs of living continue to escalate beyond our control. Within our adopted budget, Council allocated \$85.04 of every \$100 of rates to be spent on the front line, core services that a progressive local government must provide: roads, footpaths, drainage, provision of water and sewerage services, parks and recreational facilities, rubbish collection and waste facility management.

I am delighted to report on the achievement of one of my critical election commitments; the advancement of the Gracemere Industrial Area (GIA). In addition to adoption of the major amendment to the Fitzroy Shire Planning Scheme, Council commenced upgrading road, water and sewerage trunk infrastructure within the eastern section of the GIA to ensure that light, medium and heavy industries can take advantage of the area's ideal geographical location. I remain committed to the full realisation of the GIA's economic potential for the Region, through the supply of quality industrial land to accommodate future growth in the mining and resource sectors.

In what I believe was an unfortunate turn of events, this year it was decided that the former Livingstone Shire Council area would de-amalgamate from Rockhampton Regional Council. Although many localities within the Livingstone Shire Council boundaries voted no to de-amalgamation, we will become two councils from 1 January 2014, with the former Fitzroy Shire, Mount Morgan Shire and Rockhampton City remaining amalgamated as Rockhampton Regional Council. I have said previously, and I will reiterate again, that we will thrive, of that I have no doubt, due to our go-get-it attitude and continued investment in our assets. We will remain a plentiful Region to be coveted by many.

Progress on the new Rockhampton Regional Council Planning Scheme continues full steam ahead, with completion of the drafting phase and commencement of the final phases. Extensive preliminary community engagement held at the end of 2012 was used to inform refinements to the draft strategic framework and elements of the new scheme. The new planning scheme will provide a consistent approach to the management of land use and development throughout our region in order to build the kind of place we all want to continue to live in.

It is with pleasure that I present this Annual Report; a tangible measure of the many achievements of our progressive and resilient Council.



Cr Margaret Strelow

Mayor,
Rockhampton Regional Council

“ Ensuring our Region is a great place to reside for people of all ages, our Parks & Open Spaces Section continued the roll out of state of the art playgrounds, with a new \$450,000 district playground opened in Mount Morgan. ”

CEO'S REPORT

The 2012/13 financial year has been one of both great challenges and significant achievements for our Council.

The commencement of the financial year saw Council undergo a major restructure and refocus on services, with nearly 70 positions within Council made redundant. This restructure achieved significant costing savings and positioned Council to achieve a good future financial outcome, with little to no impact on the delivery of services.

Following this major upheaval, the Minister for Local Government, Community and Resilience announced that Rockhampton Regional Council would be considered for de-amalgamation of the former Livingstone Shire Council area, which was subsequently approved. While I believe it was a disappointing result after five productive and successful years as one united regional council, Rockhampton Regional Council proceeded with business as usual and will continue to do so; delivering services and programs to our community with a consistent aim to continually improve.

Council achieved a major milestone through the amendment of the Fitzroy Shire Planning Scheme; making way for the development of the Gracemere Industrial Area. Council took initiative in development of the industrial area to ensure the Rockhampton Region was on the front foot and able to take advantage of economic opportunities afforded by the nearby mining-centric Bowen and Galilee Basins.

Council was in the process of completing repairs to infrastructure damaged by the 2011 natural disaster events, when we faced another extreme weather event in late January 2012. This led to a variety of impacts on residents, and on our infrastructure and assets. However as a community, we witnessed great camaraderie and solidarity, particularly in the areas of Bajool and Stanwell.

In order to meet community expectations, a thorough review of Council's road construction and maintenance standards commenced during the year and will continue into the 2013/14 financial year. Results from this review will ensure we implement best practice standards throughout both our rural and urban road networks.

The home of the Region's thriving theatrical scene, the Pilbeam Theatre, underwent \$1 million of cosmetic refurbishment works including replacement of seating that had been sat on by more than one million patrons. Works were completed in time for the first show in the 2013 See It Live theatre season which included the musical Chicago, seen by over 4000 theatre goers.

Ensuring our Region is a great place to reside for people of all ages, our Parks & Open Spaces Section continued the roll out of state of the art playgrounds, with a new \$450,000 district playground opened in Mount Morgan. Although government funding has been in decline in recent years, Council was able to secure \$350,000 towards the project from the Federal and State Governments.

I extend my sincere thanks to our enthusiastic and community-driven Councillors and to Council's dedicated staff and volunteers for another year of outstanding achievements, as we look forward to a fresh era of stability and continued success as the new Rockhampton Regional Council.



Evan Pardon

Chief Executive Officer,
Rockhampton Regional Council

HIGHLIGHTS

FROM THE PAST 12 MONTHS

COUNCIL PROGRESSES THE GRACEMERE INDUSTRIAL AREA

The Gracemere Industrial Area was identified by Council as a suitable site for urgently needed industrial land in the Region to capitalise upon investor interest. Council resolved to adopt a major amendment to the Fitzroy Shire Planning Scheme, while protecting community access needs and limiting the heavy vehicle intrusion in the Gracemere Industrial Area, in order to allow for current and future demand of industrial land in the Rockhampton Region to be appropriately planned and provided. This will allow the Gracemere Industrial Area to become the major service area for new projects in the Bowen, Galilee and Surat Basins, and will allow the Rockhampton Region to take advantage of the mining industry and develop our Region as a service hub for these nearby developments.

The eastern segment of the Gracemere Industrial Area includes the land that is positioned within the boundaries of Somerset Road, Kabra Road, Middle Road, Boongary Road and Capricorn Street. The western portion of the industrial area contains that part of the Gracemere Stanwell Zone which is situated between Kabra and the Stanwell overpass. The majority of this area had already been zoned for industrial use under the Fitzroy Shire Planning Scheme.

As part of the process Council initiated discussions with the community in relation to the Gracemere Industrial Area to develop an informed land use plan for this area, and Councillors considered all the matters raised from 76 properly made submissions received during the public consultation period.

GKI GETS GREEN LIGHT

On 17 May 2013 Rockhampton Regional Council granted a preliminary approval to the Great Keppel Island Resort. The development was assessed by the Federal, State and Local Governments. Council's decision to approve the development application took into account the Coordinator-General's report, which reviewed the Environmental Impact Statement for the development, and the Federal Government approval.

The preliminary approval will enable the construction of a 250 berth marina, 1300 units/villas/suites, a golf course and associated restaurants, conference facilities, and spa and educational facilities.

FITZROY RIVER BARRAGE FISH LADDER

Following a much needed major upgrade, the Fitzroy River Barrage fish ladder is now strong enough to withstand future flood damage after being largely destroyed in the 2011 floods.

Fitzroy River Water staff worked tirelessly to develop the new design which has a sturdy stainless steel cover constructed over the top of the fish ladder to prevent large objects from entering the fish ladder and destroying the baffle plates. The new design also included stronger material to better withstand the impact of objects passing through the fish ladder at high flow rates.

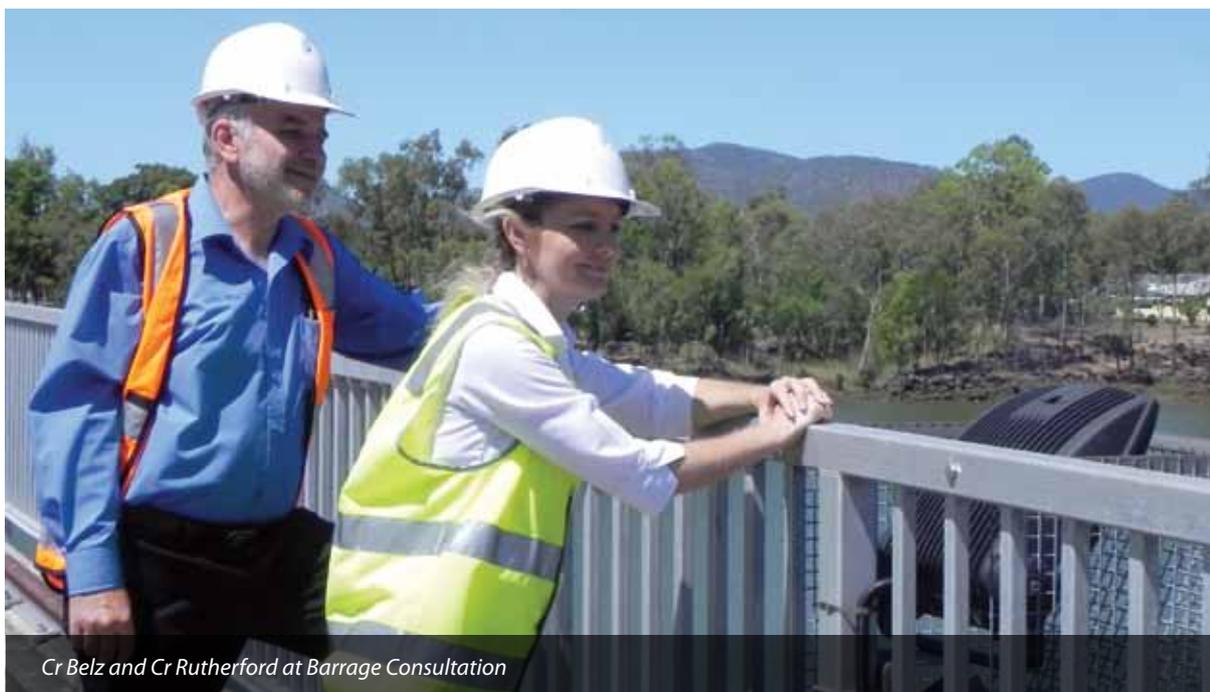
The fish ladder plays an important part in the normal life cycle of many species of fish by allowing them to migrate from the downstream salt water to the fresh water upstream, helping to sustain healthy fish populations.

The \$95,000 project to redesign and upgrade the Barrage fish ladder was completed on 2 November 2012 by local contractors.



Gracemere Overpass

HIGHLIGHTS FROM THE PAST 12 MONTHS



Cr Belz and Cr Rutherford at Barrage Consultation

IMPROVED FRW SERVICE DELIVERY AT MOUNT MORGAN

Fitzroy River Water (FRW) completed the replacement of a water main on Hall and Lyons Streets in Mount Morgan after a history of failures.

At a cost of \$170,000, replacing the main has reduced the risk of future water supply disruptions in this area, and means better water flow and pressure and stronger fire fighting protection for the area.

The project was part of FRW's ongoing works program which continues to improve the Region's water and sewerage infrastructure.

SCHOTIA PLACE FAÇADE GETS NEW LOOK

Extensive restoration work on the heritage listed facade of Schotia Place in Bolsover Street commenced on 12 November 2012.

The works to ensure the preservation of the building included external cleaning, repair of damaged render and painting, repair of brick work, installation of a spoon drain and insertion of new sub floor vents. The project cost \$140,000 to complete. Schotia Place was built in 1899 and was registered as a heritage listed building in 1978.

PILBEAM THEATRE GIVEN NEW LEASE ON LIFE

After being sat on by more than a million people, by audiences watching hundreds of different performances over almost 20 years, the Pilbeam Theatre auditorium seating was replaced with the installation coinciding with overall refurbishment of the venue, including new carpet and paint.

The total cost of refurbishment works was \$1 million, and was completed in time for the first show in the 2013 See It Live theatre season.

ROCKHAMPTON ART GALLERY SETS NEW RECORD

Rockhampton Art Gallery delivered another record-breaking year of exhibitions, programs and events catching the attention of local residents and visitors alike.

During the 2012/13 financial year Rockhampton Art Gallery's attendance numbers increased from 16,733 to 21,957, and included general visitation, education and public program attendance, outreach programs, and touring exhibitions.

Parents took advantage of children's programs, particularly those offered during the school holidays at Stockland Rockhampton which were attended by 3508 children. Another 980 children attended other programs including 'Stay 'n' Play Saturdays', 'Toddler Artscapades' and Family Days.

HIGHLIGHTS

FROM THE PAST 12 MONTHS



WORK PROGRESSES ON WORLD WAR II MEMORIAL POOL

Since the opening of the 50 metre FINA compliant pool in early 2012, construction has been completed on stage two of the development; the grandstand and shade structure, with a contribution of \$2.8 million from the Queensland Government and \$350,000 from Council.

The grandstand has a 650 person seating capacity and includes a control room and undercroft service and storage bays. The shade structure will protect participants and spectators from the sun and inclement weather, whilst remaining true to the spirit and character of a modern regional aquatic facility.

When the renovation is completed, the new World War II Memorial Pool will be an international standard aquatic complex offering a 50 metre FINA compliant heated pool with disabled access, a 25 metre variable depth heated swimming pool with disabled access, a separate diving platform facility, a learn to swim facility, a café and a zero depth toddler play facility.

JAMES STREET RECONSTRUCTION COMPLETE

Work was completed in September 2012 on the \$2 million reconstruction of a section of James Street between Arthur and Mary Streets in Yeppoon, after ongoing public consultation with local traders and retailers.

Council conducted works in such a way that minimised disruptions to business and normal traffic wherever possible, after a four week delay from wet weather and the discovery of two old underground fuel tanks.

The project which was completed \$600,000 under budget included upgrades to stormwater, reconstruction of kerb and channel, footpaths and road pavement and street lighting and also provided additional car parking and landscaping.

HIGHLIGHTS FROM THE PAST 12 MONTHS



Mount Morgan Arts and Crafts Ladies knit winter items for Homeless Connect

MILLION DOLLAR AIRPORT MAKEOVER

Travellers will experience new facilities at the Rockhampton Airport after completion of a \$1.16 million redevelopment project.

The development saw the Relay News and Gifts store moved to near where travellers enter the airport from their flight with the shop extended to approximately twice its original size.

The Rockhampton Airport hopes to continue improving the experience of travel and transit and will continue to strive towards being a well recognised airport, nationally.

INCREASED WATER PUMPING CAPACITY FOR SOUTHERN GRACEMERE

Fitzroy River Water upgraded the pumping capacity by 50% at the Lucas Street Water Pump Station in southern Gracemere to meet future demand.

The \$15,000 upgrade has greatly improved its ability to meet demand during high consumption periods and was prompted by water pressure reduction issues in early 2013 due to insufficient pumping capacity.

The upgrade included the installation of larger impellers in each pump and the replacement of the pump control system to ensure optimal operation of the water pump station.

The project reached completion on 7 May 2013.

WOODBURY WATER TREATMENT PLANT UPGRADE COMPLETE

A \$1.3 million upgrade of the Woodbury Water Treatment Plant to ensure ongoing safe and reliable operations reached completion during December 2012.

The upgrade saw 25 weeks of work including the supply and installation of a new programmable logic controller, main electrical switchboard, Honeywell Experion hardware and software to enable the plant to be monitored and controlled remotely from the Glenmore Water Treatment Plant Operations Control Room.

Importance was placed on the project due to reliability issues identified in 2011 and the upgrade has ensured that the plant can continue to supply water to the Capricorn Coast Water Supply Scheme.

Since reaching completion, the majority of water supplied to the Capricorn Coast has again been sourced from Waterpark Creek; however, the Rockhampton to Yeppoon Pipeline continues to provide a safeguard for water consumers on the Capricorn Coast.

COMMUNITY FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

The Community Financial Report provides an easy to read summary and analysis of Council's general purpose financial statements for the 2012/13 financial year.

This report enables readers to gain an understanding of Council's Financial Position.

DE-AMALGAMATION OF LIVINGSTONE SHIRE COUNCIL

The de-amalgamation of Livingstone Shire Council (LSC) from Rockhampton Regional Council (RRC) will occur as at 1 January 2014 as per the *Local Government (De-amalgamation Implementation) Regulation 2013*. Within the general purpose financial statements, the results for the LSC are shown under 'Discontinued Operations'. All assets and liabilities that are expected to transfer to LSC are shown under 'Assets held for sale'. These figures are management's best estimates and it is not until financial results are prepared up until 31 December 2013, that figures will be final.

Simplified Balance Sheet as at 30 June 2013

	RRC	LSC	Whole of RRC
	\$'000 000		
How much council has in the bank	76.4	43.5	119.9
How much council owns	1707.8	888	2,595.8
How much people owe	16.0	5.1	21.1
Total Assets	1,800.0	936.6	2736.8
How much Council owes suppliers and employees	45.3	22.2	67.6
How much Council has borrowed	160.6	79.4	240.0
Total Liabilities	205.9	101.6	307.6
Net community assets (wealth)	1594.1	835	2429.2

The simplified balance sheet shows the value of the community's assets as at the close of the 2012/13 financial year. This is calculated by Total Assets – Total Liabilities = Net community assets.

Simplified Income Statement for the year ended 30 June 2013

	\$'000 000
Rockhampton Regional Council (excluding Livingstone Shire Council)	
Total Revenue (money we receive)	164.4
Less Expenses	
Employee costs	(66.2)
Materials & Services	(51.9)
Interest & Finance Charges	(9.1)
Depreciation & Amortisation	(41.6)
Net Operational deficit - RRC	(4.4)
Livingstone Shire Council (shown as discontinued Operations)	
Total Revenue (money received)	71.8
Less Expenses	(72.8)
Net Operational deficit - LSC	(1)
Operational deficit - combined	(5.4)
Capital Movements	
Add capital grants, subsidies, contributed assets and other capital income	37.6
Less write off of assets and other capital expense	(14.7)
Less decrease in Non-current asset values on Revaluation	(14.1)
Net Result - Total increase in Community Assets (Wealth) for the year	3.3

From the above table, the operational result of the Rockhampton Regional entity was a \$5.4 million deficit. This represents a shortfall in annual income to cover its annual expenses. Operational deficits have been incurred since amalgamation and over time Council has been raising revenue and reducing costs to ensure that the trend is reversed. The budgeted Operational result for the 2013/14 year is for surplus, which will mark a key milestone for the continuing Rockhampton Regional Council which will reduce Council's reliance upon debt to finance its capital programs.

After capital adjustments a positive net result is achieved which shows that net community wealth continues to grow. This has been achieved largely with the assistance of State and Federal Government grants as well infrastructure assets that are built in new growth areas and then contributed to the community.

COMMUNITY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

SOURCES OF INCOME – WHERE OUR MONEY COMES FROM

To provide services to the community, Council must collect income. Council's total income (for the entire Council including the area which will de-amalgamate) in 2012/13 was \$201,937,059. Rates, levies and utility charges are Council's principal source of revenue and represent approximately 52% of Council's revenue in 2012/13. Council also generates income from fees and charges, 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.

During the 2012/13 financial year Council received 18% of capital revenue which was largely non monetary in the form of contributed infrastructure assets from developers as a result of constructing new land subdivisions in the Region.

Council has increased its income by 7.5% from the 2011/12 financial year. See FIG.1

EXPENSES – WHERE OUR MONEY IS SPENT

Council spent \$183,522,215 on operational and capital expenses during the 2012/13 year providing services to the community (whole RRC). The three largest items of Council's expenditure are employee costs (36%), materials and services (28%), and depreciation and amortisation

(23%). The levels of expenditure are constantly monitored via a rigorous budget process. Detailed estimates are prepared prior to the start of the financial year, and reviewed numerous times 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 improved.

Council spends considerable funds on materials and services to operate effectively. In accordance with Council's Purchasing Policy, we give some preference to local businesses resulting in 67% of this expenditure being invested in the local economy (a large portion of the balance is for goods unavailable locally). 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 asset's estimated useful life. Through the accurate calculation and allocation of depreciation and amortisation, we are confident that we will have the necessary funds to renew our existing assets.

In comparing the total expenditure of Council from this year to last, it can be seen that total expenditure is approximately 10.5% higher than last period. See FIG.2

FIG. 1

TOTAL INCOME \$201,937,058

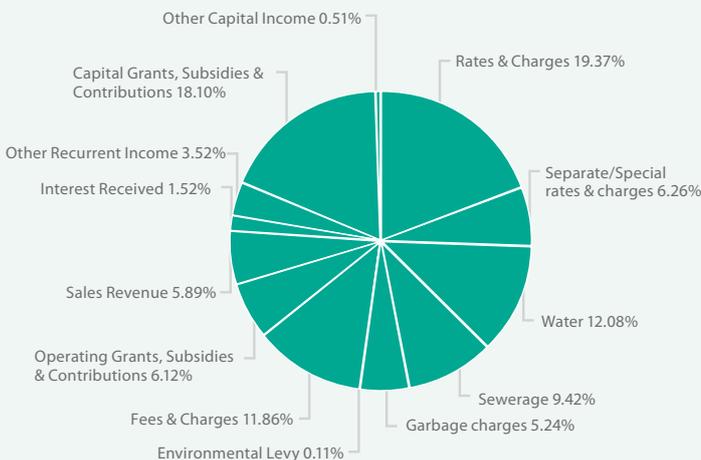
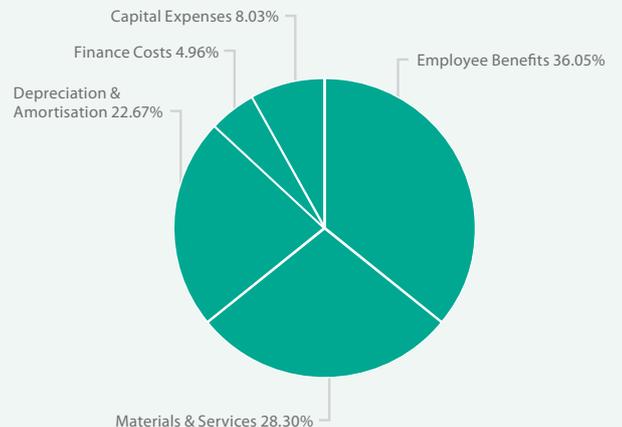


FIG. 2

TOTAL EXPENDITURE \$183,522,215



COMMUNITY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

WHAT ARE OUR ASSETS?

The following graph (See FIG.3) details the \$1.7 billion worth of community infrastructure owned and managed by Council.

INVESTMENT IN ASSETS - CAPITAL WORKS

The capital works program for the 2012/13 year totalled approximately \$81 million. The expenditure represents a commitment to sound asset management practices directing funding towards new assets and the renewal of existing infrastructure assets.

Significant projects undertaken in 2012/13 were:

- Continued reseal and rehabilitation program to road and drainage network including some reconstruction works from the natural disaster events experienced throughout the Region,
- Replacement and upgrade program of the Regions' water and sewerage mains,
- Completion of Stage 1 of the redevelopment of the World War II Memorial Pool (South Rockhampton),
- Development of the Gracemere Industrial Area,
- Lakes Creek Landfill Transfer Station,
- Redevelopment of the Airport Terminal, and
- Barmaryee Sports field upgrades.

FINANCIAL SUSTAINABILITY RATIOS

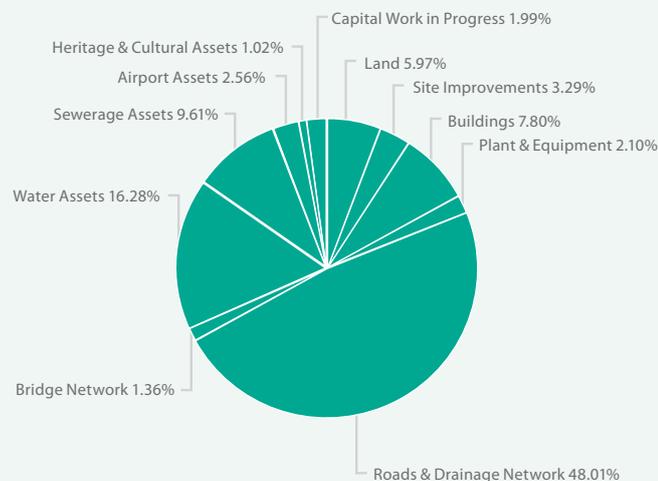
An important indication in determining the financial health of Council is to calculate and review financial indicators or financial ratios. These ratios further assist in understanding the financial performance and position of Council, without reading through all of the details contained within the Financial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

There are three measures of financial sustainability. These have been calculated for the 2012/13 year and are listed opposite 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 2012/13, the forecast shows that Council plans to move to an operational surplus position by 2013/14.

FIG. 3

TOTAL ASSETS \$1,702,951,195



RELEVANT MEASURES OF FINANCIAL SUSTAINABILITY

	Target	Forecast													
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22				
OPERATING SURPLUS RATIO (Net Operating Surplus / Total Operating Revenue) (%)	Up to 10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	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 2.7% 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.															
ASSET SUSTAINABILITY RATIO		90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
(Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense) (%)	<90 Greater than 90%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%	120.0%
This ratio indicates whether Council is renewing or replacing its existing assets at the same time that its overall stock of assets is wearing out, expressed as a percentage. Council's asset management plans were finalised for the 2012/13 year and shows commitment to the long term management of infrastructure assets with an improved ratio in future years.															
NET FINANCIAL LIABILITIES RATIO		60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
(Total Liabilities - Current Assets) / Total Operating Revenue (%)	Up to 60%	67.3%	65.8%	77.1%	73.0%	67.2%	60.9%	54.7%	48.5%	42.1%	42.1%	42.1%	42.1%	42.1%	35.3%
This ratio indicates the extent to which Council's debts can be met by its operating income, expressed as a percentage. A result of less than 60% indicates that Council has capacity to fund its liabilities and has the capacity to increase its loan borrowings if required. Council's result of 67.3% indicates that it may be restricted from funding projects with debt. Whilst the short to medium forecast period is not within the target ratio, it is managed and controlled within the forecast period.															

ROCKHAMPTON'S FUTURE IS STABLE

After 31 December 2013 and the de-amalgamation of Livingstone Shire Council, Rockhampton Regional Council will continue to grow and maintain its position as the capital of Central Queensland. The return to surplus for budget allows improved financial flexibility and there are many exciting developments ahead that will ensure that the community remains attractive and one in which ratepayers are proud to call home.

Our on-going long term financial and asset management planning, sound budgeting and strong day-to-day financial management will assist Council greatly in achieving its objectives. All financial indicators improve over the long-term which shows that whilst the de-amalgamation of Livingstone has an impact in the short term, the longer term shows financial improvement and stability.

AUDITED FINANCIAL STATEMENTS



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Continuing operations			
Income			
Recurrent revenue			
Rates, levies and charges	3(a)	105,969,690	95,629,202
Fees and charges	3(b)	23,950,058	24,824,333
Interest received	3(c)	3,066,259	4,303,872
Sales revenue	3(d)	11,900,316	5,083,226
Other recurrent income	3(e)	7,114,184	6,538,856
Grants, subsidies and contributions	4(a)	12,361,224	17,546,962
		164,361,731	153,926,451
Capital revenue			
Grants, subsidies and contributions	4(b)	36,551,652	33,215,099
Total revenue		200,913,383	187,141,550
Capital income	5	1,023,676	537,171
Total income from continuing operations		201,937,059	187,678,721
Expenses			
Recurrent expenses			
Employee benefits	6	(66,168,142)	(67,525,881)
Materials and services	7	(51,927,746)	(42,554,455)
Finance costs	8	(9,095,658)	(8,746,857)
Depreciation and amortisation	9	(41,602,036)	(38,719,121)
		(168,793,582)	(157,546,314)
Capital expenses	10	(14,728,633)	(8,553,173)
Total expenses from continuing operations		(183,522,215)	(166,099,487)
Surplus/(deficit) for the year from continuing operations		18,414,845	21,579,235
Discontinued operations			
Surplus/(deficit) for the year from discontinued operations	13	(1,019,429)	11,122,442
Net result attributable to Council		17,395,415	32,701,680
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	26	(14,069,394)	146,722,379
Total other comprehensive income for the year		(14,069,394)	146,722,379
Total comprehensive income for the year		3,326,021	179,424,059

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	14	17,351,530	68,291,602
Investments	15	59,000,000	36,000,000
Trade and other receivables	16	16,042,046	23,570,134
Inventories	17	1,459,135	2,891,946
		93,852,711	130,753,682
Assets classified as held for sale and transfer	18	938,070,467	8,138,842
Total current assets		1,031,923,178	138,892,524
Non-current assets			
Property, plant and equipment	19	1,702,951,194	2,555,571,909
Intangible assets	20	1,970,532	2,463,720
Total non-current assets		1,704,921,727	2,558,035,629
TOTAL ASSETS		2,736,844,904	2,696,928,154
Current liabilities			
Trade and other payables	21	13,456,741	22,888,913
Provisions	22	3,894,839	2,354,506
Borrowings	23	13,267,455	18,531,494
Other liabilities	24	317,378	119,668
		30,936,414	43,894,581
Liabilities directly associated with assets classified as held for sale and transfer	18	101,669,972	-
Total current liabilities		132,606,386	43,894,581
Non-current liabilities			
Trade and other payables	21	3,492,648	4,856,887
Provisions	22	22,973,577	19,260,549
Borrowings	23	147,334,972	201,559,454
Other liabilities	24	1,220,860	1,466,237
Total non-current liabilities		175,022,057	227,143,127
TOTAL LIABILITIES		307,628,443	271,037,708
NET COMMUNITY ASSETS		2,429,216,464	2,425,890,446
Community equity			
Retained surplus	25	1,959,789,759	1,952,178,181
Asset revaluation surplus	26	384,425,885	398,495,279
Other reserves	27	85,000,820	75,216,986
TOTAL COMMUNITY EQUITY		2,429,216,464	2,425,890,446

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 2013

	Total		Retained surplus/(deficiency) Note 25		Asset revaluation surplus Note 26		Other reserves Note 27	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Balance at beginning 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
Net result attributable to Council	17,395,415	32,701,679	17,395,415	32,701,679	-	-	-	-
Other comprehensive income for the year								
Adjustment to asset revaluation surplus: Property, plant & equipment	(14,069,394)	146,722,379	-	-	(14,069,394)	146,722,379	-	-
Total comprehensive income for year	3,326,021	179,424,058	17,395,415	32,701,679	(14,069,394)	146,722,379	-	-
Transfers to and from reserves								
Transfers from general reserves	-	-	31,065,105	36,328,729	-	-	(31,065,105)	(36,328,729)
Transfers to general reserves	-	-	(40,848,939)	(29,421,050)	-	-	40,848,939	29,421,050
Total transfers to and from reserves	-	-	(9,783,834)	6,907,679	-	-	9,783,834	(6,907,679)
Balance at end of year	2,429,216,464	2,425,890,446	1,959,789,759	1,952,178,181	384,425,885	398,495,279	85,000,820	75,216,986

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 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Rates, levies and charges		155,545,641	142,122,095
Fees and charges		29,348,318	29,619,615
Grants, subsidies and contributions		17,349,645	24,154,486
Interest received		5,829,437	5,459,406
Other Income		22,265,444	19,373,339
Net GST paid		420,066	289,816
Payments to suppliers		(66,704,374)	(58,431,574)
Payments to employees		(92,169,777)	(92,954,007)
Interest expense		(12,733,551)	(11,753,630)
Net cash inflow from operating activities	33	59,150,849	57,879,546
Cash flows from investing activities			
Government subsidies and grants		8,407,985	13,525,613
Capital contributions		6,969,914	7,128,856
Payments for property, plant and equipment		(80,199,169)	(99,853,210)
Payments for intangible assets		(1,089,821)	(447,972)
Net transfer (to)/from cash investments		(56,000,000)	3,000,000
Proceeds from sale of property plant and equipment		2,435,925	6,801,539
Net movement in loans and advances		-	5,671
Net cash outflow from investing activities		(119,475,166)	(69,839,503)
Cash flows from financing activities			
Proceeds from borrowings		38,400,000	41,500,000
Repayment of borrowings		(18,469,477)	(16,537,046)
Net cash inflow from financing activities		19,930,523	24,962,954
Net increase/(decrease) in cash and cash equivalents held		(40,393,794)	13,002,997
Cash at beginning of reporting year		68,291,602	55,288,605
Cash at end of reporting year	14	27,897,808	68,291,602

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 2013

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

These general purpose financial statements are for the period 1 July 2012 to 30 June 2013 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. 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 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

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 opposite were in issue but not yet effective:

Effective for annual report periods beginning on or after:	
AASB 9 <i>Financial Instruments</i> (December 2009)	1 January 2015
AASB 10 <i>Consolidated Financial Statements</i>	1 January 2013
AASB 11 <i>Joint Arrangements</i>	1 January 2013
AASB 12 <i>Disclosure of interests in other entities</i>	1 January 2013
AASB 13 <i>Fair Value Measurement</i>	1 January 2013
AASB 119 <i>Employee benefits</i> (completely replaces existing standard)	1 January 2013
AASB 127 <i>Separate Financial Statements</i> (replaces the existing standard together with AASB 10)	1 January 2013
AASB 128 <i>Investments in Associates and Joint Ventures</i> (replaces the existing standard)	1 January 2013
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
AASB 1055 <i>Budgetary Reporting</i>	1 July 2014
2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2009)	1 January 2015
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	1 January 2015
AASB 2010-10 <i>Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters</i>	1 January 2013
AASB 2011-2 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements</i>	1 July 2013
AASB 2011-4 <i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i>	1 July 2013
AASB 2011-6 <i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements</i>	1 July 2013
AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i>	1 January 2013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13	1 January 2013
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	1 January 2013
AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	1 July 2013
AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20 (AASB 1)	1 January 2013
AASB 2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	1 July 2013
AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014
AASB 2012-4 Amendments to Australian Accounting Standards – Government Loans [AASB 1]	1 January 2013
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	1 January 2013
AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8]	1 January 2013
AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, AASB 12, AASB 101 & AASB 127]	1 July 2013
AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	1 January 2013
AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	1 January 2013
AASB 2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, AASB 2, AASB 8, AASB 10, AASB 107, AASB 128, AASB 133, AASB 134 & AASB 2011-4]	1 July 2013

AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	1 July 2014
Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

AASB 9 Financial Instruments (effective from 1 January 2013)

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2015 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

Consolidation Standards

The following accounting standards apply to Rockhampton Regional Council as from reporting periods beginning on or after 1 January 2014:

- 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 planning to amend AASB 10. The amendments are expected to clarify how the IASB's principles about control of entities should be applied by not-for-profit entities in an Australian context. Hence, Council is not yet in a position to reliably determine the future implications of these new and revised standards for the Council's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

AASB 10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into another entity's financial statements. Once the AASB finalises its not-for-profit amendments to AASB 10, Council will reassess the nature of its relationships with other entities, including entities that aren't currently consolidated.

AASB 11 deals with the concept of joint control and sets out new principles for determining the type of joint arrangement that exists, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit amendments to be made to AASB 11, Council will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11.

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 applies to reporting periods beginning on or after 1 January 2013 and will therefore be applied by Council in the 2013-14 reporting period. This standard is not required to be applied retrospectively, therefore there is no impact from the application of AASB 13 to values or other disclosures in the 2012-13 financial statements.

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 Council's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The key changes will relate to the level of disclosures required.

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, the necessary changes will be implemented. While 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 as from 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. The recognised fair values will be classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

- Level 1 Fair values that reflect the unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 Fair values that are based on inputs other than quoted prices that are directly or indirectly observable for the asset or liability
- Level 3 Fair values that are derived from data not observable in a market.

To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside Council, the amount of information to be disclosed will be relatively greater.

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 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.

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 Council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. 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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

- Discontinued operations - Note 1.15 and Note 13
- Assets classified as held for sale and transfer - Note 1.16, Note 1.17 and Note 18
- Valuation of property, plant and equipment - Note 1.19(c) and Note 19
- Impairment of property, plant and equipment - Note 1.21 and Note 19
- Provisions - Note 1.24 (e), 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 Council.

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

The Rockhampton Art Gallery Trust

The Rockhampton Art Gallery Trust fund is applied for charitable purposes with the primary purpose 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 Rockhampton Regional Council Art Gallery and become heritage and cultural assets of 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 2012/13 financial year are as follows:

Art Gallery	2013	2012
Receipts	28,695	12,297
Disbursements	(55,345)	5,282
Net Surplus/Deficit	(26,650)	7,015
Assets	65,854	92,504
Liabilities	-	-
Net Assets	65,854	92,504

Mayoress Regional Charity Foundation Limited

Mayoress Regional Charity Foundation Limited was a public company limited by guarantee, which was incorporated in Australia on the 21st of May 2009. The company was deregistered on the 7th November 2012.

The company did not trade as a commercial enterprise and had no employees at any stage during the 2012/13 financial year.

1.9 Revenue

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

(a) Rates, levies and charges

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

(b) Grants and subsidies

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

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 sewerage 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

For new development applications, since the 3rd 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.

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

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 approximates their carrying amounts and are not disclosed separately.
- 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 Council repaid it in full at balance date. As it is the intention of 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 37.

1.11 Cash and cash equivalents

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

1.12 Investments

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

1.13 Trade and other receivables

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

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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 Discontinued operations

The de-amalgamation of Livingstone Shire Council from Rockhampton Regional Council will occur as at 1 January 2014 as per the *Local Government (De-amalgamation Implementation) Regulation 2013*. In line with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* the revenue and expense of the discontinued operations have been separated. Note 13 supplies a summary of the operational results of the discontinued operations, while the operational results of the discontinued operations have been excluded from Notes 3 to Note 12. The methodology used for this separation was geographical separation where appropriate. Where this was not possible population distribution was used, while other indicators were only used where they provided meaningful separation.

1.16 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.

Profit arising upon sale of land is recognised in the Statement of Comprehensive Income on the signing of a valid unconditional contract of sale. Details of land held for sale can be found in Note 18.

1.17 Other assets classified as held for sale and transfer

Non-current assets and disposal groups are classified as held for sale and transfer if their carrying amount will be recovered principally through a sale or disposal process, rather than through continuing use. This condition is regarded as met only when the sale or disposal is highly probable and the non-current asset (or disposal group) is available for immediate sale or disposal in its present condition. Management must be committed to the sale or disposal, and/or directed by law or regulation, which should be expected to qualify for recognition as a completed sale or disposal within one year from the date of classification.

When the above commitment to a sale or disposal process exists, all appropriate assets and liabilities are classified as held for sale and transfer. Non-current assets (and disposal groups) classified as held for sale and transfer are measured at the lower of their previous carrying amount and fair value less cost to sell. Assets and liabilities impacted by the de-amalgamation of Livingstone Shire Council, with the effective date of de-amalgamation 1 January 2014, fit into this classification. Details of the de-amalgamating assets and liabilities can be found in Note 18.

1.18 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.

1.19 Property, plant and equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets, site improvements, airport assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

The classes of property, plant and equipment recognised by 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,
- Work in progress.

(a) Acquisition of assets

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

Property, plant and equipment received in the form of 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, site improvements, buildings, heritage and cultural 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 5 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 mostly 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 19.

(d) Capital work in progress

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

(e) Depreciation

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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 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 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 19.

(f) Land under roads

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

Land under the road network within 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.

1.20 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 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, 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 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) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

(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 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 Council's employment or other associated employment which would result in 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 Regulation 2012* Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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 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 retained surplus. 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 retained surplus. 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 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

This 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 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 38.

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 in particular comparative information for the statement of comprehensive income and supporting notes has been re-presented in order to comply with the disclosure requirements of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

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 Council. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1.34 Carbon pricing

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

The pricing mechanism commenced on 1 July 2012 and set a fixed price path for the first three years (\$23 per tonne of CO₂-equivalent emissions adjusted in real terms by 2.5% per annum) before moving to a flexible price mechanism from 1 July 2015. It provides 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.

It is likely that the way this mechanism is priced and/or applies will change, following the outcome of the Australian Federal election on 7 September 2013.

Council has one landfill that produces emissions that exceed the current relevant liability threshold. Council recognises a liability under the carbon pricing mechanism as the emissions from this facility occur. Organic material within waste deposited at landfills takes time to begin decomposing. Waste deposited in 2012/13 will only begin to break down and generate emissions at the start of 2013/14; therefore Council has not recognised a liability for the purchase of carbon permits for these facilities at 30 June 2013. Although the waste deposited in landfills takes over twelve months to begin emitting carbon dioxide, it also continues to generate emissions for the following 40 years.

Council estimates that the liability under the carbon pricing scheme for emissions during the 2013/14 financial year will be \$281,208. This estimate is based on the quantity and types of refuse received, estimated future CO₂ type gas emissions (using the latest national Greenhouse Accounts Factors), estimates of likely timing of such emissions and the potential offsets by collection of emitted gases and other methods. The calculation has been based on the fixed price per tonne CO₂ currently set for the 2013/14 financial year.

The liability that has been estimated is unlikely to be the same as Council's actual liability for 2013/14 due to the nature of estimates and, in particular, the likelihood that the pricing mechanism will change following the outcome of the Federal Election on 7 September 2013.

Council has been, and will continue to be, indirectly impacted through increased costs arising from the carbon pricing mechanism. The most significant of these will be electricity and fuel. As suppliers do not indicate the specific price movements that are due to the carbon tax legislation implementation, the indirect price increase experienced by Council is becoming more uncertain to quantify as we move further beyond the implementation date.

1.35 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.

Council pays payroll tax to the Queensland Government on certain activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

2 ANALYSIS OF RESULTS BY FUNCTION

(a) Components of Council functions

The activities relating to 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 and Planning

Incorporates the offices of the Mayor, Councillors and the Chief Executive Officer. Includes governance and Council innovation as well as marketing and engagement functions. Includes development assessment, development compliance, strategic planning and natural resource management functions. Manages operations of public health, environmental health, health planning and related administration.

Infrastructure Services

Includes roadworks, street lighting, stormwater drainage, recoverable works, depot and workshop operations, engineering administration and engineering planning.

Finance and Business

Includes communication and information technology, administration services, financial services, workforce and strategy, asset management, rationalisation and realisation of land and building assets, organisational development services and fleet and plant services. Also includes management of caravan parks and Gracemere Saleyards.

Community Services

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

Airports

Encompasses Rockhampton Airport operations.

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 2013

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

Functions	Income		Total Income	Total Expenses	Net Result	Assets
	Grants	Other				
	2013	2013	2013	2013	2013	2013
	\$	\$	\$	\$	\$	\$
Resourcing	8,262,488	82,457,559	90,720,047	(26,267,318)	116,987,365	270,405,451
Office of CEO and Planning	-	5,869,186	5,869,186	17,334,162	(11,464,976)	11,112
Infrastructure Services	11,859,685	37,722,886	49,582,571	78,659,268	(29,076,697)	1,402,152,323
Finance and Business	627,275	2,684,867	3,312,142	21,636,985	(18,324,843)	55,745,711
Community Services	4,309,078	8,592,993	12,902,071	56,286,237	(43,384,166)	178,226,711
Airports	48,000	12,908,779	12,956,779	12,924,086	32,693	78,023,453
Waste & Recycling	-	21,538,697	21,538,697	27,035,082	(5,496,385)	42,490,185
Fitzroy River Water	172,662	76,114,397	76,287,059	68,164,637	8,122,422	709,789,956
Total	25,279,188	247,889,364	273,168,552	255,773,139	17,395,413	2,736,844,902

Prior Year

Functions	Income		Total Income	Total Expenses	Net Result	Assets
	Grants	Other				
	2012	2012	2012	2012	2012	2012
	\$	\$	\$	\$	\$	\$
Resourcing	12,070,398	77,329,207	89,399,605	(18,354,319)	107,753,924	257,171,565
Office of CEO and Planning	-	4,916,085	4,916,085	18,706,554	(13,790,469)	(3,459)
Infrastructure Services	19,177,041	28,148,084	47,325,125	56,843,491	(9,518,366)	1,404,279,278
Finance and Business	577,047	5,152,697	5,729,744	22,021,069	(16,291,325)	56,308,381
Community Services	4,779,562	9,788,335	14,567,897	57,177,999	(42,610,103)	180,062,256
Airports	248,774	12,588,495	12,837,269	12,168,969	668,300	78,598,801
Waste & Recycling	70,432	19,792,249	19,862,681	19,458,829	403,852	21,731,368
Fitzroy River Water	(157,049)	69,989,407	69,832,357	63,746,492	6,085,865	698,779,963
Total	36,766,204	227,704,559	264,470,763	231,769,084	32,701,679	2,696,928,153

The amounts as per the analysis of results by function were maintained for the total Rockhampton Regional Council, i.e. with the inclusion of the amounts relating to the future de-amalgamating Livingstone Shire. This was deemed to give the most informative position for Rockhampton Regional Council for the current and comparative year. This note should be read in conjunction with Note 13 and Note 18 in order to form an opinion on how Note 2 may be impacted in future years due to the de-amalgamation of Livingstone Shire Council.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
3 REVENUE ANALYSIS			
(a) Rates, levies and charges			
General rates		40,720,834	37,910,051
Separate rates		14,596,561	12,318,577
Special rates		214,500	97,753
Water		26,227,465	23,892,682
Sewerage		21,891,618	20,455,385
Garbage charges		12,244,406	11,240,790
Rates and utility charge revenue		115,895,384	105,915,238
Less: Discounts		(8,804,968)	(9,164,262)
Less: Pensioner remissions		(1,120,726)	(1,121,774)
Net rates and utility charges		105,969,690	95,629,202
(b) Fees and charges			
Airport fees		9,043,264	8,838,716
Waste and recycling fees		4,602,613	4,109,380
Venues, events, tourism and cultural fees		2,987,565	4,938,414
Building, plumbing and development fees		3,888,374	3,043,948
Local laws and health licencing fees		898,109	1,310,229
Irrigator and commercial water fees		1,560,020	1,559,372
Other fees		970,113	1,024,274
		23,950,058	24,824,333
(c) Interest received			
Investments		2,601,027	3,709,042
Overdue rates and utility charges		465,232	594,830
		3,066,259	4,303,872
(d) Sales revenue			
Recoverable and private works		11,900,316	5,083,226
		11,900,316	5,083,226
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.			
(e) Other recurrent income			
Rental / lease income		3,766,098	3,825,182
Commission and collection fees		370,320	480,418
Other income		2,977,766	2,233,256
		7,114,184	6,538,856

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
4 GRANTS, SUBSIDIES AND CONTRIBUTIONS			
(a) Recurrent - grants, subsidies and contributions are analysed as follows:			
General purpose grants		6,351,489	8,535,460
Government subsidies and grants		5,672,433	8,367,206
Contributions		337,302	644,296
Total recurrent revenue		12,361,224	17,546,962
(b) Capital - grants, subsidies, and contributions are analysed as follows:			
(i) Monetary revenue designated for capital funding purposes:			
Government subsidies and grants		6,353,595	10,184,079
Contributions		4,695,157	4,400,071
		11,048,752	14,584,150
(ii) Non-monetary revenue received:			
Developer assets contributed by developers at fair value		24,793,945	18,328,156
Other physical assets contributed at fair value		708,955	302,793
	19	25,502,900	18,630,949
Total Capital Revenue		36,551,652	33,215,099
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:			
Non-reciprocal grants for expenditure on recurrent Government subsidies and grants		210,128	1,101,606
Non-reciprocal grants for expenditure on capital Government subsidies and grants		32,735	90,000
		242,863	1,191,606
5 CAPITAL INCOME			
Gain from assets not previously recognised	19	452,966	-
Quarry rehabilitation - change from revision of future restoration expenditure	22	66,971	-
Quarry rehabilitation - reduction in rehabilitation provision for future costs, due to a change in discount rate	22	23,185	-
Landfill restoration - change from revision of future restoration expenditure		170,948	537,171
Landfill restoration - reduction in rehabilitation provision for future costs, on land not controlled by Council, due to a change in discount rate	22	309,606	-
Total capital income		1,023,676	537,171

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
6 EMPLOYEE BENEFITS			
Total staff wages and salaries		56,616,174	58,804,129
Councillors' remuneration		1,116,997	1,159,962
Annual, sick and long service leave entitlements		7,982,471	7,743,510
Superannuation	31	6,897,759	6,470,373
		72,613,401	74,177,974
Other employee related expenses		2,864,161	3,472,334
		75,477,562	77,650,308
Less: Capitalised employee expenses		(9,309,420)	(10,124,427)
		66,168,142	67,525,881
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		668	653
Depot and outdoors staff		515	555
Total full time equivalent employees		1,194	1,219

The total full time equivalent positions (excluding casuals) as at 30 June 2013 was 1,237 of which 391 will be transferred to Livingstone Shire Council.

7 MATERIALS AND SERVICES			
Audit of annual financial statements by the Auditor-General of Queensland		208,978	158,314
Advertising and marketing		609,905	766,122
Administration supplies and consumables		829,582	750,069
Communications and IT		1,828,086	2,117,585
Consultants		2,330,251	3,262,035
Contractors		7,518,320	5,543,355
Donations paid		1,494,845	1,568,782
Insurance		1,717,451	1,457,671
Electricity		5,555,896	4,818,939
Repairs and maintenance		22,910,314	20,113,821
Rentals - operating leases		139,873	314,285
Other materials and services		6,784,245	1,683,477
		51,927,746	42,554,455

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
8 FINANCE COSTS			
Finance costs charged by the Queensland Treasury Corporation		8,432,480	8,286,309
Bank charges		279,351	199,741
Impairment of receivables		265,036	114,540
Quarry rehabilitation - change in present value over time	22	13,689	-
Landfill sites - change in present value over time	22	105,102	146,267
		9,095,658	8,746,857

9 DEPRECIATION AND AMORTISATION			
(a) Depreciation of non-current assets			
Site improvements		1,730,734	1,668,924
Buildings		5,895,165	6,232,138
Plant and equipment		5,944,424	5,100,981
Road and drainage network		15,035,957	13,582,395
Bridge network		414,984	393,022
Water		5,125,699	4,928,202
Sewerage		5,333,815	5,204,032
Airport		1,580,528	963,308
Total depreciation of non-current assets	19	41,061,306	38,073,002
(b) Amortisation of intangible assets			
Computer software		540,730	646,119
Total amortisation of intangible assets	20	540,730	646,119
Total depreciation and amortisation		41,602,036	38,719,121

10 CAPITAL EXPENSES			
Loss/(gain) on the disposal non-current assets	11	569,454	1,041,142
Write off of non-current assets	12	10,661,938	6,099,547
Flood events			
Flood event 2013 asset adjustments	36(a)	1,634,565	-
Flood event 2011 asset adjustments	36(b)	(2,724,751)	-
Landfill rehabilitation			
Closure cost now recognised	12	4,587,428	-
Increase in rehabilitation provision for future costs, on land not controlled by Council, due to a change in discount rate	22	-	875,795
Increase in rehabilitation provision, due to recognition of new sites requiring future expenditure	22	-	536,689
Total capital expenses		14,728,633	8,553,173

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
11	LOSS/(GAIN) ON THE DISPOSAL NON-CURRENT ASSETS		
(a) Proceeds from disposal of land		(5,388)	(598,478)
Less: Book value of land disposed		40,276	1,141,544
		34,888	543,066
(b) Proceeds from disposal of plant and equipment		(2,430,537)	(1,864,307)
Less: Book value of plant and equipment disposed		2,965,103	2,228,363
		534,566	364,056
(c) Proceeds from disposal of intangible assets		-	-
Less: Book value of intangible assets disposed		-	134,020
		-	134,020
Total loss/(gain) on the disposal of non-current assets		569,454	1,041,142
12	WRITE OFF OF NON-CURRENT ASSETS		
Heritage and cultural		414,000	-
Intangible assets		3,749	-
Buildings		925,625	1,386,411
Plant and equipment		221,021	-
Site improvements		3,601,320	112,903
Road and drainage network		5,046,645	2,967,483
Bridge network		-	342,983
Water		387,396	793,317
Sewer		62,150	487,491
Airport		32	8,954
	10	10,661,938	6,099,542
Additional information regarding landfill rehabilitation assets			
<i>Landfill rehabilitation asset</i>			
Site improvements write off above - Landfill closure cost previously capitalised written off in line with the recognition of only the future landfill closure costs as assets		3,581,739	-
<i>Additional site and closure recognition for landfill rehabilitation</i>			
Capital closure cost transferred to rehabilitation asset		7,716,851	-
Additional site closure costs for ongoing maintenance and environment rehabilitation		(3,129,423)	-
	10	4,587,428	-
<i>Landfill rehabilitation asset establishment</i>			
Future landfill closure costs recognised as rehabilitation asset		11,749,718	-
Future landfill ongoing maintenance and environment costs recognised as an asset		3,129,423	-
	19	14,879,141	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
13 DISCONTINUED OPERATIONS			
<p>The de-amalgamation of Livingstone Shire Council from Rockhampton Regional Council will occur as at 1 January 2014 as per the <i>Local Government (De-amalgamation Implementation) Regulation 2013</i>. Rockhampton Regional Council has considered all relevant impacts, legislation, transactions and modelling likely on its assets and liabilities as at 30 June 2013 and beyond, as a result of the de-amalgamation process. In accordance with AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>, all revenue and expenses for the de-amalgamating Livingstone Shire Council have been separated for the 2012/13 financial year, and summarised as per Note 13.</p> <p>Livingstone Shire Council has been classified and accounted for at 30 June 2013 as a disposal group held for sale (also see Note 18 Assets classified as held for sale).</p>			
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges		48,573,274	45,520,693
Fees and charges		5,398,260	4,795,281
Interest received		2,170,089	1,712,790
Sales revenue		1,698,083	5,052,488
Other recurrent income		804,006	607,057
Grants, subsidies and contributions		4,988,422	6,607,524
		63,632,134	64,295,833
Capital revenue			
Grants, subsidies and contributions		8,196,132	10,127,333
Total revenue		71,828,266	74,423,166
Capital income			
		-	3,410,017
Total income		71,828,266	77,833,183
Expenses			
Recurrent expenses			
Employee benefits		(26,772,390)	(27,388,164)
Materials and services		(16,334,764)	(17,905,122)
Finance costs		(4,444,712)	(3,657,162)
Depreciation and amortisation		(16,909,249)	(14,650,400)
		(64,461,115)	(63,600,848)
Capital expenses			
		(8,386,580)	(3,109,893)
Total expenses		(72,847,695)	(66,710,741)
Surplus/(deficit) from discontinued operations		(1,019,429)	11,122,442

AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* determines that assets classified as held for sale should not be depreciated. The assets to be transferred to Livingstone Shire Council have however been depreciated from the date of enactment of the *Local Government (De-amalgamation Implementation) Regulation 2013* to 30 June 2013, as Council does not consider this depreciation to be material in nature.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
13 CONTINUED			
Cash flows from discontinued operations			
Net cash inflows/(outflows) from operating activities		13,087,587	15,704,826
Net cash inflows/(outflows) from investing activities		(19,672,613)	(19,155,595)
Net cash inflows/(outflows) from financing activities		5,071,313	6,811,520
Net cash inflows/(outflows)		(1,513,713)	3,360,751
14 CASH AND CASH EQUIVALENTS			
Cash in operating bank account		1,113,447	3,077,916
Cash in other banks and on hand		27,350	30,140
Deposits and investments held with QTC		16,210,733	65,183,546
Balance as per statement of financial position		17,351,530	68,291,602
Component of cash held by Livingstone Shire Council		10,546,278	-
Balance as per statement of cash flows		27,897,808	68,291,602
<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 (3.44% for June 2013).</p>			
<p>Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:</p>			
Unspent government grants and subsidies		1,047,861	4,375,055
Unspent developer contributions		26,131,295	25,563,777
Total unspent restricted cash for capital projects		27,179,156	29,938,832
15 INVESTMENTS			
Term Deposits		59,000,000	36,000,000
		59,000,000	36,000,000
<p>Term deposits at fixed interest rates are held with the following financial institutions: ANZ (A1+), Westpac (A1+), National Australia Bank (A1+), Bank of Queensland (A2), ME Bank (A2) and The Rock (A3). Maturity ranges from 3 to 7 months and bear interest rates from 4.10% to 4.50%.</p>			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
16 TRADE AND OTHER RECEIVABLES			
Current			
Rateable revenue and utility charges		6,252,617	10,189,560
Less: impairment		(23,546)	(163,621)
		6,229,071	10,025,939
Water charges yet to be levied		50,092	565,603
GST recoverable		579,682	1,251,327
Other debtors		8,206,562	10,286,263
Less: impairment		(427,675)	(236,562)
		8,408,661	11,866,631
Prepayments		1,404,314	1,677,564
		16,042,046	23,570,134
<p>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.</p> <p>Community loans arise from time to time and are subject to negotiated interest rates.</p> <p>Movement in accumulated impairment losses (trade and other receivables) is as follows:</p>			
Opening balance		400,183	327,398
Impairment debts written off during the year		(131,355)	(88,696)
Additional impairments recognised		182,392	161,481
Closing balance		451,220	400,183
17 INVENTORIES			
Inventories held for sale			
Other trading stocks		279,028	422,548
		279,028	422,548
Inventories held for internal use:			
Quarry and road materials		162,027	834,406
Stores and materials		1,018,080	1,634,992
		1,180,107	2,469,398
Valued at cost, adjusted when applicable for any loss of service potential.		1,459,135	2,891,946

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
18 ASSETS CLASSIFIED AS HELD FOR SALE AND TRANSFER			
Land held for sale	(a)	1,442,210	8,138,842
Assets held for transfer to Livingstone Shire Council	(b)	936,628,257	-
		938,070,467	8,138,842
Liabilities held for transfer to Livingstone Shire Council	(b)	101,669,972	-
<p>(a) Council has decided to sell vacant land. It has been placed with real estate agents and is expected to be sold within one year. 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.</p> <p>(b) The de-amalgamation of Livingstone Shire Council from Rockhampton Regional Council will occur as at 1 January 2014 as per the Local Government (De-amalgamation Implementation) Regulation 2013. Rockhampton Regional Council have considered all relevant impacts, legislation, transactions and modelling likely on its assets and liabilities as at 30 June 2013 and beyond, as a result of the de-amalgamation process. Assets and liabilities anticipated to be transferred to the Livingstone Shire Council as at 1 January 2014 at the estimated 30 June 2013 values are as follows:</p>			
Cash, investments and cash equivalents		43,546,279	-
Trade and other receivables		5,136,020	-
Inventories		846,795	-
Property, plant and equipment		885,763,331	-
Intangible assets		857,764	-
Land held for sale		478,068	-
Assets of Livingstone Shire Council classified as held for sale and transfer	(b)	936,628,257	-
Trade and other payables		7,064,528	-
Provisions		14,532,944	-
Loans		79,419,045	-
Other liabilities		653,455	-
Liabilities of Livingstone Shire Council classified as held for sale and transfer	(b)	101,669,972	-
Net assets and liabilities to be transferred		834,958,285	-

OUR PEOPLE
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

19 (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 2012		146,492,138	79,685,973	270,686,164	80,095,722
Additions at cost		46,804	2,821,582	4,117,533	9,407,806
Contributed assets at valuation	4(b) (ii)&13	42,521	35,900		67,595
Assets not previously recognised		-	-	131,302	18,320
Establishment of future landfill closure and maintenance asset	12	-	24,534,788	-	-
Transfers between classes		10,681	3,290,316	1,059,898	326,549
Disposals		(402,640)	-	-	(8,452,772)
Assets classified as held for sale - land	18	6,178,288	-	-	-
Revaluation adjustment to asset revaluation surplus	26	-	-	5,098	-
Flood event 2013 asset adjustments	36(a)	-	-	-	-
Flood event 2011 asset adjustments	36(b)	-	-	-	-
Write offs	10 & 13	-	(3,872,472)	(1,671,150)	(1,233,285)
Impairment and reversal of impairment	26	-	-	-	-
Transfer to intangible assets	20	-	-	-	-
Assets held for transfer to Livingstone Shire Council		(50,774,106)	(29,769,721)	(39,182,819)	(18,756,814)
Closing gross value as at 30 June 2013		101,593,686	76,726,366	235,146,026	61,473,121
Accumulated depreciation and impairment					
Opening balance as at 1 July 2012		-	24,904,503	112,200,508	32,158,363
Depreciation provided in period	9(a)&13	-	2,372,413	7,019,177	7,792,001
Depreciation on disposals		-	-	-	(5,487,669)
Revaluation adjustment to asset revaluation surplus	26	-	-	-	-
Flood event 2013 asset adjustments	36(a)	-	-	-	-
Flood event 2011 asset adjustments	36(b)	-	-	-	-
Depreciation on write offs	9 & 13	-	(271,151)	(745,526)	(1,012,264)
Impairment and reversal of impairment	26	-	-	-	-
Assets held for transfer to Livingstone Shire Council		-	(6,379,585)	(16,195,238)	(7,743,675)
Accumulated depreciation as at 30 June 2013		-	20,626,180	102,278,920	25,706,756
Net value at 30 June 2013		101,593,686	56,100,186	132,867,105	35,766,365
Residual value		-	-	-	16,619,622
Range of estimated useful life in years		Not depreciated	4 - 145	10 - 80	2 - 40
Additions comprise:					
Continuing operations		\$	\$	\$	\$
Renewals		-	255,095	3,290,071	6,615,835
Other additions		46,069	1,530,355	375,048	635,391
Total additions		46,069	1,785,450	3,665,119	7,251,225

Road and drainage network	Bridge network	Water	Sewerage	Airport	Heritage and cultural assets	Work in Progress	Total
Valuation	Valuation	Valuation	Valuation	Valuation	Valuation	Cost	
\$	\$	\$	\$	\$	\$	\$	\$
1,636,734,979	61,077,663	663,883,048	429,735,761	65,568,698	19,606,354	73,447,201	3,527,013,701
19,259,186	32,412	7,448,515	5,608,991	233,796	25,909	27,100,747	76,103,281
22,922,869	-	2,525,637	3,376,525	-	708,955	-	29,680,002
281,580	-	-	-	-	50,318	-	481,520
-	-	-	-	-	-	(7,716,851)	16,817,937
18,794,153	94,676	13,237,191	8,162,492	2,304	6,794	(44,985,054)	-
-	-	-	-	-	-	-	(8,855,412)
-	-	-	-	-	-	-	6,178,288
510,388	-	-	-	-	1,666,582	-	2,182,068
(9,777,691)	-	-	-	-	-	-	(9,777,691)
(13,978,418)	-	-	-	-	-	-	(13,978,418)
(14,899,187)	(80,700)	(6,496,990)	(2,224,358)	(14,000)	(414,000)	-	(30,906,142)
-	-	4,266,912	-	-	-	-	4,266,912
-	-	-	-	-	-	(1,089,821)	(1,089,821)
(583,452,462)	(28,689,388)	(237,382,288)	(109,891,720)	-	(330,990)	(12,809,340)	(1,111,039,648)
1,076,395,396	32,434,663	447,482,025	334,767,691	65,790,798	21,319,922	33,946,882	2,487,076,576
323,721,949	15,064,796	253,164,923	189,643,419	20,583,335	-	-	971,441,796
22,684,608	767,498	8,419,090	7,154,473	1,580,528	-	-	57,789,787
-	-	-	-	-	-	-	(5,487,669)
-	-	-	-	-	3,932,800	-	3,932,800
(1,790,974)	-	-	-	-	-	-	(1,790,974)
(8,467,989)	-	-	-	-	-	-	(8,467,989)
(3,149,817)	(71,792)	(3,742,784)	(1,513,063)	(13,968)	-	-	(10,520,365)
-	-	2,504,313	-	-	-	-	2,504,313
(74,122,598)	(6,493,639)	(90,162,284)	(24,179,297)	-	-	-	(225,276,317)
258,875,179	9,266,863	170,183,258	171,105,531	22,149,895	3,932,800	-	784,125,382
817,520,217	23,167,800	277,298,767	163,662,160	43,640,903	17,387,122	33,946,882	1,702,951,194
297,271,914	-	-	-	22,294,349	-	-	336,185,885
4 - 130	10 - 100	10 - 150	20 - 100	12 - 120	Buildings only 15 - 75	-	
\$	\$	\$	\$	\$	\$	\$	\$
9,105,552	-	3,750,736	1,939,694	114,302	-	5,994,374	31,065,659
4,637,058	-	572,119	2,447,452	119,494	25,909	18,904,010	29,292,906
13,742,611	-	4,322,855	4,387,147	233,796	25,909	24,898,384	60,358,566

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

19 (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 2011		155,905,504	73,954,089	253,791,016	75,457,994
Additions at cost		83,981	6,451,529	13,303,630	12,312,824
Contributed assets at valuation	4(b)(ii)	-	-	58,946	303,769
Disposals		(2,300,442)	-	-	(7,978,865)
Assets classified as held for sale	18	(7,196,904)	-	-	-
Adjustment to asset revaluation surplus	26	-	-	7,593,693	-
Write offs		-	(719,645)	(4,303,121)	-
Transfers between classes		-	-	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
Depreciation provided in period	9(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		-	-	-	-
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	Work in Progress	Total
Valuation	Valuation	Valuation	Valuation	Valuation	Valuation	Cost	
\$	\$	\$	\$	\$	\$	\$	\$
1,515,383,595	-	651,885,117	420,094,064	49,922,095	19,741,513	57,556,816	3,273,691,801
22,822,048	2,138,722	14,112,168	11,502,750	1,216,079	19,091	15,890,386	99,853,209
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	73,447,202	3,527,013,702

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 73,447,202 2,555,571,908

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 2013

19 (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. There was a 0.41% increase in land valuations provided by the Department of Natural Resources to be applied for the period 1 July 2012 to 30 June 2013 for the Region. As a result no valuation adjustments were undertaken. A revaluation of land assets is planned for 2013/14.

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 2013 which found no material movement in values, and as a result no valuation adjustment was undertaken. A revaluation of site improvements is planned for 2013/14.

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. A review of indices was carried out at 30 June 2013 which found no material movement in values, and as a result no valuation adjustment was undertaken.

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. A review of indices was carried out at 30 June 2013 which found no material movement in values, and as a result no valuation adjustment was undertaken.

Heritage and cultural assets

The fair value of heritage buildings, as at 30 June 2013, were measured at depreciated replacement cost; a change from the previous replacement cost valuation. The fair value of artworks, heritage collections, rare books and museum collections were measured at current market value as at 30 June 2013. The fair values were independently determined by byjoel, Registered Valuer for artworks, and AssetVal Pty Ltd, Registered Valuers, for all other items.

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. A review of indices was carried out at 30 June 2013 which found no material movement in values, and as a result no valuation adjustment was undertaken.

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. A review of indices was carried out at 30 June 2013 which found no material movement in values, and as a result no valuation adjustment was undertaken.

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 2013 which found no material movement in values, and as a result no valuation adjustment was undertaken. A revaluation of water assets is planned for 2013/14.

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 2013 which found no material movement in values, and as a result no valuation adjustment was undertaken. A revaluation of sewerage assets is planned for 2013/14.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
20 INTANGIBLE ASSETS			
Net carrying value at period end:			
Computer software		1,970,532	2,463,721
		1,970,532	2,463,721
Computer software			
Opening gross carrying value		5,034,161	5,037,526
Transfer from work in progress	19	1,089,821	447,971
Value of asset write off in the period		(492,479)	(451,336)
Assets held for transfer to Livingstone Shire Council	18	(1,700,999)	-
		3,930,504	5,034,161
Accumulated amortisation			
Opening balance		2,570,440	1,960,209
Amortisation in the period	9(b)	721,497	927,548
Amortisation written off in the period		(488,730)	(317,316)
Assets held for transfer to Livingstone Shire Council	18	(843,235)	-
		1,959,972	2,570,440
Net carrying value at period end		1,970,532	2,463,721
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		8,252,425	15,244,562
Annual leave		4,222,860	6,228,961
Sick leave		20,079	32,296
Other entitlements		961,377	1,383,094
		13,456,741	22,888,913
Non-current			
Annual leave		3,375,926	4,693,540
Sick leave		116,722	163,347
		3,492,648	4,856,887

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 2013

	Note	2013 \$	2012 \$
22 PROVISIONS			
Current			
Quarry rehabilitation		49,287	69,753
Landfill restoration		2,116,193	-
Long service leave		1,729,359	2,284,753
		3,894,839	2,354,506
Non-current			
Quarry rehabilitation		410,935	691,508
Landfill restoration		12,762,949	5,622,111
Long service leave		9,799,693	12,946,931
		22,973,577	19,260,549
Details of movements in provisions:			
Quarry rehabilitation			
Balance at beginning of financial year		761,261	-
Increase in provision due to change in time		19,417	-
Increase (decrease) in provision due to change in discount rate		(32,886)	-
Increase (decrease) in estimate of future cost		(94,995)	-
Increase in provision		-	761,261
Liabilities held for transfer to Livingstone Shire Council	18	(192,575)	-
Balance at end of financial year		460,222	761,261
<p>This is the present value of the estimated cost of restoring the quarry sites to a usable state at the end of their useful life. The projected cost is \$633,447 and this cost is expected to be incurred over the period 2013 to 2032.</p>			
Landfill restoration			
Balance at beginning of financial year		5,622,111	4,714,734
Additional sites and closure cost recognitions		19,530,969	-
Increase in provision due to change in time		171,307	207,470
Increase (decrease) in provision due to change in discount rate		(533,345)	1,467,238
Increase (decrease) in estimate of future cost		(256,253)	(767,332)
Liabilities held for transfer to Livingstone Shire Council		(9,655,646)	-
Balance at end of financial year		14,879,142	5,622,111

This is the first year that closure costs of landfills are provided for under this provision. In the past only monitoring and maintenance costs during the legislated thirty year period after closure of a landfill were included in the landfill restoration provision.

This is the present value of estimated future closure, maintenance and monitoring cost of landfill sites to the end of their useful lives and regulated periods. The projected cost is \$17,466,510 and this cost is expected to be incurred over the period 2014 to 2048.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
22 PROVISIONS (CONTINUED)			
Long service leave			
Balance at beginning of financial year		15,231,683	13,754,618
Long service leave entitlement arising		3,094,275	3,072,795
Long service entitlement extinguished		(1,129,923)	(286,404)
Long service entitlement paid		(982,260)	(1,309,326)
Liabilities held for transfer to Livingstone Shire Council		(4,684,723)	-
Balance at end of financial year		11,529,052	15,231,683

23 BORROWINGS			
(a) Bank overdraft			
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 1 November 2015 to 25 April 2033.			
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		19,396,425	18,531,494
Liabilities held for transfer to Livingstone Shire Council		(6,128,970)	-
		13,267,455	18,531,494
Non-current			
Queensland Treasury Corporation		220,625,047	201,559,454
Liabilities held for transfer to Livingstone Shire Council		(73,290,075)	-
		147,334,972	201,559,454
Details of movements in borrowings:			
Queensland Treasury Corporation			
Opening balance		220,090,948	195,127,994
Loans raised		38,400,000	41,500,000
Principal repayments		(18,469,477)	(16,537,046)
		240,021,472	220,090,948
Liabilities held for transfer to Livingstone Shire Council		(79,419,045)	-
Book value at year end		160,602,427	220,090,948

The QTC loan market value for all loans including Livingstone Shire Council at the reporting date was \$253,548,993. 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 2013

	Note	2013 \$	2012 \$
24 OTHER LIABILITIES			
Current			
Unearned revenue		317,378	98,031
Developer contributions		-	21,637
		317,378	119,668
Non-current			
Developer contributions		1,220,860	1,466,237
		1,220,860	1,466,237
<p>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)).</p>			
25 RETAINED SURPLUS/(DEFICIENCY)			
Movement in the retained surplus			
Retained surplus/(deficit) at beginning of the year		1,952,178,181	1,912,568,823
Net result attributable to Council		17,395,415	32,701,679
		1,969,573,596	1,945,270,502
Transfers (to)/from reserves for future capital funding purposes:			
(i) Unspent capital grants reserve		3,327,194	6,917,223
(ii) Constrained grants and contributions reserve		(2,414,654)	3,820,313
(iii) Airport development reserve		(159,083)	(192,652)
(iv) Capital works reserve		(113,216)	(172,506)
(v) Plant reserve		(194,293)	(500,000)
(vi) Water reserve		134,587	3,888,829
(vii) Sewerage reserve		-	2,056,482
(viii) Year end uncompleted works reserve		(9,780,209)	(6,779,834)
Transfers (to)/from reserves for future general funding purposes:			
(i) Operating projects reserve		(584,160)	(2,134,833)
(ii) Asset maintenance reserve		-	4,657
Balance at the end of financial year		1,959,789,759	1,952,178,181

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
26 ASSET REVALUATION SURPLUS			
Movements in the asset revaluation surplus were as follows:			
Balance at beginning of the year		398,495,279	251,772,899
Net adjustment to non-current assets to reflect a change in current fair value:			
Water - impairment and reversal of previous impairment		1,762,599	-
Road and drainage network - flood and other adjustments		(13,570,873)	-
Buildings - revaluation		5,098	5,865,226
Road and drainage network - revaluation		-	127,971,766
Bridge network - revaluation		-	2,048,225
Airport - revaluation		-	10,837,163
Heritage and cultural assets - revaluation		(2,266,218)	-
Balance at end of the year		384,425,885	398,495,279
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		28,353,361	28,348,263
Road and drainage network		228,087,621	241,658,494
Bridge network		2,048,224	2,048,224
Water		10,410,435	8,647,837
Sewerage		69,508,882	69,508,882
Airport		16,940,328	16,940,328
Heritage and cultural assets		4,411,609	6,677,827
		384,425,885	398,495,279

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Balance at beginning of financial year	Transfers to/ from retained earnings	Balance at the end of financial year
	\$	\$	\$
27 OTHER RESERVES			
(a) Other reserves - current year			
Movements in capital reserves are analysed as follows:			
(i) Unspent capital grants reserve	4,375,064	(3,327,194)	1,047,870
(ii) Constrained grants and contributions reserve	25,563,778	2,414,654	27,978,432
(iii) Airport development reserve	3,775,721	159,083	3,934,804
(iv) Capital works reserve	6,309,323	113,216	6,422,539
(v) Plant reserve	2,073,713	194,293	2,268,006
(vi) Water reserve	2,594,893	(134,587)	2,460,306
(vii) Sewerage reserve	2,125,029	-	2,125,029
(viii) Waste management reserve	1,067,176	-	1,067,176
(ix) Year end uncompleted works reserve	17,298,134	9,780,209	27,078,343
	65,182,831	9,199,674	74,382,505
Movements in operating reserves are analysed as follows:			
(i) Operating projects reserve	9,637,944	584,160	10,222,104
(ii) Asset maintenance reserve	396,211	-	396,211
	10,034,155	584,160	10,618,315
Total other reserves	75,216,986	9,783,834	85,000,820
(b) Other reserves - prior year			
Movements in capital reserves are analysed as follows:			
(i) Unspent capital grants reserve	11,292,287	(6,917,223)	4,375,064
(ii) Constrained grants and contributions reserve	29,384,091	(3,820,313)	25,563,778
(iii) Airport development reserve	3,583,069	192,652	3,775,721
(iv) Capital works reserve	6,136,817	172,506	6,309,323
(v) Plant reserve	1,573,713	500,000	2,073,713
(vi) Water reserve	6,483,722	(3,888,829)	2,594,893
(vii) Sewerage reserve	4,181,511	(2,056,482)	2,125,029
(viii) Waste management reserve	1,067,176	-	1,067,176
(ix) Year end uncompleted works reserve	10,518,300	6,779,834	17,298,134
	74,220,686	(9,037,855)	65,182,831
Movements in operating reserves are analysed as follows:			
(i) Operating projects reserve	7,503,111	2,134,833	9,637,944
(ii) Asset maintenance reserve	400,868	(4,657)	396,211
	7,903,979	2,130,176	10,034,155
Total other reserves	82,124,665	(6,907,679)	75,216,986

These reserves are cash backed as per cash and investments held in Notes 14, 15 and 18.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
28 COMMITMENTS FOR EXPENDITURE			
Operating leases			
Minimum lease payments in relation to non-cancellable operating leases are as follows:			
Within one year		9,557	23,677
One to five years		40,593	-
Greater than five years		-	-
		50,149	23,677
Included in the operating leases as at 30 June 2013 are leases relating to Livingstone Shire Council with an estimated value of \$13,494.			
Contractual commitments			
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:			
Airport		967,829	-
Waste and Recycling		19,041,080	13,990,660
Fitzroy River Water		1,018,725	2,918,632
Communities		910,015	1,837,593
De-amalgamation		906,061	-
Other		817,936	1,485,990
		23,661,646	20,232,874
Included in the contractual commitments as at 30 June 2013 are commitments relating to Livingstone Shire Council an estimated value of \$4,567,818.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

29 EVENTS AFTER THE REPORTING PERIOD

De-amalgamation of Livingstone Shire Council from Rockhampton Regional Council – 1 January 2014

The financial statements for the year ending 30 June 2012 detailed in Note 29 “Events after the reporting period” that a de-amalgamation submission was received from representatives of the former Livingstone Shire Council as part of a total possible de-amalgamation process that was put in place by the Minister for Local Government. The following is a summary of the major milestones since the 30 June 2012 financial statements:

After a ‘yes’ vote for de-amalgamation, the *Local Government (De-amalgamation Implementation) Regulation 2013* was enacted April 2013, confirming the de-amalgamation of four Queensland jurisdictions, including the Rockhampton Region local government area, with changeover date 1 January 2014. A Transfer Committee was enacted to oversee the process, including decisions on such matters as the transfer of assets and liabilities to the new council, establishment of joint agreements to ensure continuity of business and deciding on de-amalgamation cost (to be funded by the new Council);

Between 325 and 400 employees are to be transferred from Rockhampton Regional Council to the new Livingstone Shire Council.

Take all steps necessary to achieve the transfer of contractual agreements, assets, liabilities and documents from the continuing Council to the new Council.

The two major financial outcomes of the above process is firstly that the budget for Rockhampton Regional Council for 2013/14 will decrease by approximately 15%, and from 2014/15 by approximately 30% when the Livingstone Shire activities will be excluded on a full year basis.

The second major financial outcome is that various assets and liabilities will be transferred to the new Livingstone Shire Council, with effective date 1 January 2014. It is envisaged that additional guidance regarding the enactment of this requirement will be forthcoming from the Transfer Committee and/or State Government. It is however anticipated that financial statements will be prepared for Rockhampton Regional Council as at 31 December 2013 as well as opening Statements of Financial Position for both Councils as at 1 January 2014. It is also anticipated that the quality of these statements will be to audit standards.

Rockhampton Regional Council have considered all relevant impacts, legislation, transactions and modelling likely on its assets and liabilities as at 30 June 2013 and beyond, as a result of the de-amalgamation process. Assets anticipated to be transferred to the new Livingstone Shire Council have been summarised under “Assets held for transfer to Livingstone Shire Council”, while liabilities anticipated to be transferred have been summarised under “Liabilities held for transfer to Livingstone Shire Council”. Assets and liabilities to be transferred to Livingstone Shire Council will be transferred at the carrying value. Financial detail of these can be found in the Statement of Financial Position with more detail in Note 18.

The detail of the final transfers of assets and liabilities will remain a moving target as financial transactions will continue to 31 December 2013. Despite the substantial work on these specific issues that have been done in the past as well as at present, including modelling by Queensland Treasury Corporation, past and current work in this regard remains best estimates of the position as at 30 June 2012 and 30 June 2013. The final distribution of assets and liabilities is yet to be determined by work to be completed in the future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
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 (\$12.90) and Rockhampton Basketball Inc (\$244,401.10) at reporting date.		244,414	276,665
(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 are 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: Included in the contingent liabilities for Local Government Workcare as at 30 June 2013 are insurance funds relating to Livingstone Shire Council with an estimated value of \$1,094,849.		3,909,040	3,106,328
(iii) Local Government Mutual The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. The financial statements for 30 June 2011 reported an accumulated surplus and it is not anticipated any liability will arise.			
(iv) As at 30 June 2013, the following cases were filed in the courts naming the Rockhampton Regional Council as defendant:			
		Number of cases	Number of cases
Supreme Court		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 2013

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 three elements referred to as:

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

The ABF is a defined contribution scheme as defined in AASB119. 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 Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the Regional 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 Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2012 (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 2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience".

Following the previous actuarial assessment in 2009, councils were 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 Regional DBF members. In the 2012 Actuarial Report the actuary has recommended no change to the employer contribution levels at this time.

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 Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

	Note	2013 \$	2012 \$
The next actuarial investigation will be conducted as at 1 July 2015.			
The amount of superannuation contributions paid by Rockhampton Regional Council to the scheme in this period for the benefit of employees was:		9,837,890	9,228,333
Included in superannuation contributions as at 30 June 2013 are contributions relating to Livingstone Shire Council with an estimated value of \$2,940,131.			

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

2,210,679

3,028,163

2,210,679

3,028,163

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.

Included in the trust funds held as at 30 June 2013, are trust monies of \$703,933 relating to Livingstone Shire Council.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
33 RECONCILIATION OF NET RESULT ATTRIBUTABLE TO COUNCIL TO NET CASH FLOW FROM OPERATING ACTIVITIES			
Net result attributable to Council		17,395,415	32,701,680
Non-cash operating items:			
Depreciation and amortisation		58,511,284	53,369,519
Landfill rehabilitation		5,185,709	-
Change in restoration provisions expensed to finance costs		190,724	207,470
		63,887,717	53,576,989
Investing and development activities:			
Capital grants, subsidies and contributions		(44,747,784)	(43,342,432)
Capital income		(426,906)	(2,906,047)
Capital expenses		22,518,444	10,621,925
		(22,656,245)	(35,626,554)
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		2,392,068	3,217,420
(Increase)/decrease in inventories (excluding land)		586,015	91,074
Increase/(decrease) in payables		(3,731,883)	2,606,755
Increase/(decrease) in provisions		982,092	1,477,065
Increase/(decrease) in other liabilities		295,672	(164,882)
		523,964	7,227,432
Net cash inflow from operating activities		59,150,852	57,879,548

34 CONTINGENT ASSETS

(i) 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 30 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 2013

	Note	2013 \$	2012 \$
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		-	56,526,813
Accumulated depreciation and impairment		-	(13,339,319)
Net value transferred		-	43,187,494

36 ACCOUNTING FOR NATURAL DISASTER EVENTS

	Note	Cost \$	Accumulated Depreciation \$	Asset Revaluation Surplus \$	Capital Expenses \$
(a) 2013 flood event:					
Asset adjustments	19 & 26	9,777,691	1,790,974	5,355,165	2,631,553
Assets held for transfer Livingstone Shire Council		(3,412,306)	(986,104)	(1,429,215)	(996,988)
Write off of assets for 2013 flood event	10	6,365,385	804,870	3,925,950	1,634,565
In January 2013, the Rockhampton area experienced an unprecedented amount of rainfall within a 24 hour period from Cyclone Oswald which led to flash flooding as well as a moderate flood in the Fitzroy River. As a result of this event, road infrastructure asset values have been adjusted to reflect their damaged condition.					
(b) 2011 flood event:					
Asset adjustments	19 & 26	13,978,418	8,467,989	8,726,095	(3,215,667)
Assets held for transfer Livingstone Shire Council		(3,791,733)	(1,673,666)	(2,608,982)	490,916
Reduction in asset values due to 2011 flood event	10	10,186,685	6,794,323	6,117,113	(2,724,751)

In January 2011, the Rockhampton area experienced a major flood from Cyclone Yasi and in the reporting period ended 30 June 2011, similar entries were performed to that of the January 2013 event above. However, adjustments have been required to this data in the current reporting period, as below:

Corrections to revaluation adjustments posted at 30 June 2012 due to incorrect asset dimensions being used.

Reversal of asset write-offs in the year ended 30 June 2011 due to the preliminary nature of information used.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

37 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.

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.
- Council does not invest in derivatives or other high risk investments.
- When 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.

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	2013 \$	2012 \$
The following table represents the Council's maximum exposure to credit risk:			
Financial assets			
Cash and cash equivalents	14	17,351,530	68,291,602
Investments	15	59,000,000	36,000,000
Receivables - rates	16	6,279,162	10,591,543
Receivables - other	16	8,358,569	11,301,028
Other credit exposures			
Guarantee	30	4,153,454	3,382,993
		95,142,715	129,567,166

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

37 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 Council's financial assets that are either fully performing, past due or impaired:

30-Jun-13	Fully performing		Past due			Less impairment	Total
	Less than 30 days	30-60 days	61-90 days	Over 90 days			
	\$	\$	\$	\$	\$	\$	\$
Receivables	9,001,443	1,187,897	93,862	525,302	4,280,448	(451,220)	14,637,732
Net receivables	9,001,443	1,187,897	93,862	525,302	4,280,448	(451,220)	14,637,732

30-Jun-12	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

(ii) Liquidity risk

Liquidity risk refers to the situation where Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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.

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.

The following table sets out the liquidity risk of financial liabilities held by 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
	\$	\$	\$	\$	\$
2013					
Trade and other payables	8,252,425	-	-	8,252,425	8,252,425
Loans - QTC	21,999,697	80,225,681	124,920,476	227,145,854	160,602,427
	30,252,122	80,225,681	124,920,476	235,398,279	168,854,852
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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

37 FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Interest rate risk

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.

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	
	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$
Financial assets	76,324,180	104,261,462	763,242	1,042,615	763,242	1,042,615
Financial liabilities	(160,602,427)	(220,090,948)	(1,606,024)	(2,200,909)	(1,606,024)	(2,200,909)
Net total	(84,278,246)	(115,829,486)	(842,782)	(1,158,295)	(842,782)	(1,158,295)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

38 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 for Local Government 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 2013 follows :-

(a) for water and sewerage combined activities - \$42,640,000

(b) for other activities - \$25,540,000

Type 2.

(a) for water and sewerage combined activities - \$12,770,000

(b) for other activities - \$8,550,000

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

- Waste and Recycling
- Fitzroy River Water
- Airport

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

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

The Code of Competitive Conduct (CCC) must be applied to the following business activities:

(a) A building certifying activity that:

(i) involves performing building certifying functions within the meaning of the Building Act, section 8; and

(ii) is prescribed under a regulation*.

* *Section 38 of the Local Government Regulation 2012 lists the local governments whose activities are prescribed building certifying activities.*

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

(i) the construction or maintenance of state controlled roads for which the local government submits an offer to carry out work in response to a tender invitation.

(ii) construction or road maintenance on another local government's roads which the local government has put out to tender.

Each local government may elect to apply a CCC to any other identified business activities. However, for any with current expenditure of \$300,000 or more, the local government must decide, by resolution each year, whether to apply the CCC to that activity.

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

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

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

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

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

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

Rockhampton Regional Council applies the CCC to the following activities:

- Building Certification

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

The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the primary objective of the activities was to make a profit. 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 Council.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

38 NATIONAL COMPETITION POLICY (CONTINUED)

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

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

	2013 \$	2012 \$
	Building Certification	
Revenue for services provided to the Council	-	-
Revenue for services provided to external clients	161,473	133,781
Community service obligations	92,295	122,081
	253,768	255,862
Less : expenditure	253,768	421,334
Surplus/(deficiency)	-	(165,472)

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

Activities	CSO description	Actual \$
Building Certification	Non-commercial private certification services	92,295
Fitzroy River Water	Combined Lines Charges (Capital)	36,517
	Combined Line Charges (Operational)	87,589
	Manholes/Access Chambers (Capital)	872,165
	Remissions to Community & Sporting Bodies	43,890
	Storage of Water Allocations	33,138
		1,073,299
Rockhampton Airport	Capricorn Rescue Helicopter Service and Royal Flying Doctor Service	42,000
Waste and Recycling	Non commercial community services	1,632,197

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

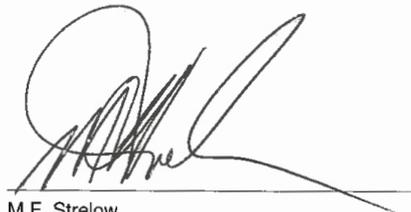
Management Certificate

For the year ended 30 June 2013

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 51, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



M.F. Strelow
Mayor

Date: 25 October 2013



E.A. Pardon
Chief Executive Officer

Date: 25 October 2013

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 2013, 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 the certificate given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT

Independence

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

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

Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Rockhampton Regional Council for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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



P J FLEMMING CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

INDEPENDENT AUDITOR'S REPORT

ROCKHAMPTON REGIONAL COUNCIL
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2013

Measures of Financial Sustainability	Measure	Target	Projected for the years ended														
			Actuals at 30 June 2013	30 June 2014	30 June 2015	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022					
Consolidated																	
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-2.7%	0.5%	2.7%	4.5%	5.0%	5.7%	6.3%	6.8%	7.5%	8.2%					
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	75.7%	115.8%	97.8%	85.9%	94.3%	96.2%	96.5%	98.2%	97.5%	97.7%					
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	67.3%	65.8%	77.1%	73.0%	67.2%	60.9%	54.7%	48.5%	42.1%	35.3%					

Council's Financial Management Strategy

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

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2013

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 272(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.


M.F. Strelow
Mayor
 Date: 25 October 2013


E.A. Pardon
Chief Executive Officer
 Date: 25 October 2013

STATUTORY INFORMATION

FITZROY RIVER WATER

LOCAL GOVERNMENT ACT 2009 AND WATER SUPPLY SAFETY & RELIABILITY ACT 2008

ANNUAL STATEMENT ON OPERATIONS OF COMMERCIAL BUSINESS UNIT

With the de-amalgamation of the Livingstone Shire Council from 1 January 2014 reference is given to 'Continuing Operations' which implies that the figures pertain only to the continuing business activities of Fitzroy River Water under the Rockhampton Regional Council and does not include activities of the Livingstone Shire Council (Discontinued Operations).

Nature and Scope of Activities

Fitzroy River Water is a commercial business unit of Rockhampton Regional Council and is responsible for the operation and maintenance of water and sewerage assets with a total value of approximately \$793.6 million (replacement value).

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

Broadly, the scope of Fitzroy River Water (based upon 2012/13 year) is as follows:

Item	As at 30 June 2013	
	RRC	Whole of Council
Total Income (Operating)	\$ 48.9M	\$67.3M
Total Expenses (Operating)	\$ 28.8M	\$44.5M
Total Equity	\$ 652.7M	\$652.7M
Number of staff	172 (full time equivalent)	
Total Connections – Water	47156	
Total Connections – Sewerage access charges	55388	
Volume of Potable Water Produced	21441ML	
Volume of Sewage Collected	9032ML	
Barrage	1	
Dams	2	
Weirs	3	
Water Treatment Plants	4	
Sewage Treatment Plants	7	
Length of Water Mains (incl. common & property services)	1341.4km	
Potable Water Supply Reservoirs	37	
Non Potable Water Supply Storage	4	
Water Pump Stations	64	
Bores	8	
Length of Sewer Mains	922km	
Sewerage Pump Stations	104	

Annual Operations Report

Item	2012/13 Target	2012/13 Achieved
Operating surplus ratio	33.20%	33.81%
Interest coverage ratio	5.80%	5.92%
Asset consumption ratio	59.20%	59.65%
Gross revenue	\$67,686,127	\$67,315,357
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	\$43,971,904	\$42,527,940
Competitive neutrality ratio (% of gross revenue)	26.90%	29.92%
Depreciation ratio	25.70%	23.44%
Total written down asset value	\$718,594,052	\$692,564,842
Return on assets	0.83%	0.97%

STATUTORY INFORMATION

FITZROY RIVER WATER

LOCAL GOVERNMENT ACT 2009 AND WATER SUPPLY SAFETY & RELIABILITY ACT 2008

Asset Management

Compliance with an approved Strategic Asset Management Plan (SAMP) should ensure continuity of supply of services for customers, and should help a service provider to maintain its current assets and plan future needs to meet customer demand. A SAMP provides performance indicators and targets for service standards. This annual report compares those targets with actual performances.

A summary of the performance indicators and targets set out in Fitzroy River Water's SAMP, actual performance and confidence gradings are outlined below. Where performance has not met the minimum targets set, commentary is provided qualifying the data, including action to be taken.

Confidence Gradings

The confidence levels (reliability and accuracy bands) used in this report are based on both a "reliability band" and an "accuracy band" for each item of data reported as defined by the Regulator and assessed by Fitzroy River Water. Relevant bands include:

Reliability and Accuracy Bands

Reliability Bands			Accuracy Bands	
A	Highly reliable	Data is based on sound records, procedures, investigations or analyses that are properly documented and recognised as the best available assessment methods.	1	+/- 1%
			2	+/- 5%
			3	+/- 10%
B	Reliable	Generally as in "A", but with minor shortcomings eg. some of the documentation is missing, the assessment is old, or some reliance on unconfirmed reports; or there is some extrapolations from such reports/inspections/analysis.	4	+/- 25%
			5	+/- 50%
			6	+/- 100%
C	Unreliable	Generally as in "A" or "B" but data is based on extrapolations from records which cover more than 30% (but less than 50%) of the service provider's system.		
D	Highly unreliable	Data is based on unconfirmed verbal reports and/or cursory inspections or analysis, including extrapolations from such reports/inspections/analysis.		

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Water Services Performance

Table 1: Water - Day to Day Continuity - Potable and Non Potable Water Schemes

CSS Indicator No.	Performance Indicator	Potable Water Schemes															
		Rockhampton and Gracemere Water Supply Scheme				Capricorn Coast Water Supply Scheme				Mt Morgan Water Supply Scheme							
		Target	Actual	Satisfactory	Yes/No	Target	Actual	Satisfactory	Yes/No	Target	Actual	Satisfactory	Yes/No				
CSS1	Extent of unplanned interruptions – connections based (no. per 1,000 connections per year)	< 80	234	N	A	2	< 80	122	N	A	2	< 80	337	N	A	2	
		> 90%	69%	N	A	2	> 90%	99%	Y	A	2	> 90%	99%	Y	A	2	
CSS2	Extent of unplanned interruptions – incidents based (no. per 100 km of main per year)	< 30	51	N	A	2	< 30	82	N	A	2	< 30	121	N	A	2	
		> 30%	16%	N	A	2	> 30%	19%	N	A	2	> 30%	23%	N	A	2	
CSS3	Time for restoration of service - unplanned interruptions (% restored within 5 hours)	> 90%	69%	N	A	2	> 90%	99%	Y	A	2	> 90%	99%	Y	A	2	
		Customer interruption frequency:															
		1 interruption per year	12%	29.52%	N	A	2	12%	18.31%	N	A	2	12%	38.00%	N	A	2
		2 interruptions per year	2%	0.94%	Y	A	2	2%	1.85%	Y	A	2	2%	4.59%	N	A	2
		3 interruptions per year	1%	0.07%	Y	A	2	1%	0.01%	Y	A	2	1%	0.08%	Y	A	2
		4 interruptions per year	0.50%	0.00%	Y	A	2	0.5%	0.00%	Y	A	2	0.5%	0.00%	Y	A	2
CSS4	5 or more interruptions per year	0.25%	0.00%	Y	A	2	0.25%	0.00%	Y	A	2	0.25%	0.00%	Y	A	2	
		> 30%	16%	N	A	2	> 30%	19%	N	A	2	> 30%	23%	N	A	2	
CSS5	Relative incidence of planned and unplanned interruption incidents (% of planned versus total number of interruptions)	> 30%	16%	N	A	2	> 30%	19%	N	A	2	> 30%	23%	N	A	2	
		Average interruption duration - planned and unplanned (hours)	3 hrs	2.23hrs	Y	A	2	3 hrs	1.97hrs	Y	A	2	3 hrs	2.16hrs	Y	A	2
CSS6	Response time	Priority 1 – 1 hour response and 5 hours restoration	95%	91%	N	A	2	95%	87%	N	A	2	95%	96%	Y	A	2
		Priority 2 – 2 hours response and 24 hours restoration	95%	92%	N	A	2	95%	97%	Y	A	2	95%	96%	Y	A	2
		Priority 3 – 24 hours response and 5 days restoration	95%	97%	Y	A	2	95%	99%	Y	A	2	95%	100%	Y	A	2
		Restoration time															
		Priority 1 – 1 hour response and 5 hours restoration	95%	87%	N	A	2	95%	92%	N	A	2	95%	92%	N	A	2
CSS7	Priority 2 – 2 hours response and 24 hours restoration	95%	98%	Y	A	2	95%	99%	Y	A	2	95%	100%	Y	A	2	
		Priority 3 – 24 hours response and 5 days restoration	95%	99%	Y	A	2	95%	99%	Y	A	2	95%	99%	Y	A	2

COMPARISON WITH ANNUAL PERFORMANCE PLAN Water Services Performance

Table 1: Water - Day to Day Continuity - Potable and Non Potable Water Schemes (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% % restored within 24 hours	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	-	-	-	> 80%	ND	-	-	-
CSS6	Average interruption duration - planned and unplanned (hours)	3 hrs	0	Y	A	2	< 3 days	0	Y	A	2	< 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

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Water Services Performance

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

CSS Indicator No.	Performance Indicator	Potable Water Schemes														
		Rockhampton and Gracemere 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
C558	Minimum pressure standard at the water meter (kPa)	220kPa	220kPa	Y	B	3	220kPa	220kPa	Y	B	3	220kPa	220kPa	Y	B	3
C559	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
C5510	Connections with deficient pressure and/or flow (% of total connections)	< 2.5%	0.0%	Y	B	3	< 2.5%	0.0%	Y	B	3	< 2.5%	0.0%	Y	B	5
C5511	Drinking water quality (compliance with industry standard)	> 98%	100%	Y	A	1	> 98%	100%	Y	A	1	> 98%	100%	Y	A	1
C5512	Drinking water quality complaints (number per 1,000 connections)	< 5	4.78	Y	A	1	< 5	5.09	N	A	1	< 5	15.61	N	A	1
C5513	Drinking water quality incidents (number per 1,000 connections)	< 5	0.06	Y	A	1	< 5	0	Y	A	1	< 5	0.68	Y	A	1

Fitzroy River Water's DWQMP 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.

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Water Services Performance

Table 2b: Adequacy and Quality of Normal Supply of Water Supply (continued)

CSS Indicator No.	Performance Indicator	Potable Water Schemes						Non Potable Water Schemes								
		Marlborough Water Supply Scheme			Mt Morgan Water Supply Scheme			Marlborough 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	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 DWQMP 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.

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Water Services Performance

Table 3a: Long Term Continuity of Water Services Potable and Non Potable Water Schemes

CSS Indicator No.	Performance Indicator	Potable Water Schemes						Non Potable Water Schemes								
		Rockhampton and Gracemere Water Supply Scheme		Capricorn Coast Water Supply Scheme		Mt Morgan Water Supply Scheme		Ogmore Water Supply Scheme		Marlborough Water Supply Scheme		Non Potable Water Schemes				
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual			
CSS14	Water main breaks (number per 100 km main)	< 40	21	Y	A	2	< 40	9	Y	A	2	< 40	62	Y	A	2
CSS15	Water services breaks (number per 1,000 connections)	< 40	24	Y	A	2	< 40	41	N	A	2	< 40	18	Y	A	2
CSS16	System water loss (litres per connection per day)	< 200 L	203	N	B	3	≤ 130 L	110	Y	B	3	≤ 200 L	156	Y	B	3

Table 3b: Long Term Continuity of Water Services Potable and Non Potable Water Schemes (continued)

CSS Indicator No.	Performance Indicator	Potable Water Schemes						Non Potable Water Schemes								
		Rockhampton and Gracemere Water Supply Scheme		Capricorn Coast Water Supply Scheme		Mt Morgan Water Supply Scheme		Ogmore Water Supply Scheme		Marlborough Water Supply Scheme		Non Potable Water Schemes				
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual			
CSS14	Water main breaks (number per 100 km main)	< 40	0	Y	A	2	< 40	2	Y	A	0	< 40	0	Y	A	2
CSS15	Water services breaks (number per 1,000 connections)	< 40	0	Y	A	2	< 40	2	Y	A	0	< 40	0	Y	A	2
CSS16	System water loss (litres per connection per day)	< 200 L	158.75	Y	B	3	NR	3	NR	3	NR	NR	3	NR	3	NR

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

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Water Services Performance

Table 4: Effective Transportation of Sewage

CSS Indicator No.	Performance Indicator	Rockhampton and Gracemere Sewerage Scheme				Capricorn Coast Sewerage Scheme				Mt Morgan Sewerage Scheme						
		Target	Actual	Satisfactory Yes/No	Confidence Grading Reliability Accuracy	Target	Actual	Satisfactory Yes/No	Confidence Grading Reliability Accuracy	Target	Actual	Satisfactory Yes/No	Confidence Grading Reliability Accuracy			
CSS17	Sewage overflows – total (number per 100 km main)	< 30	74.96	N	A	2	< 10	10.51	N	A	2	< 10	0	Y	A	2
CSS18	Sewage overflows to customer property (number per 1,000 connections)	< 10	11.94	N	A	2	< 5	2.23	Y	A	2	< 5	0	Y	A	2
CSS19	Odour complaints (number per 1,000 connections)	< 1	0.61	Y	A	1	< 1	0.98	Y	A	1	< 1	0	Y	A	1
CSS20	Response time															
	Priority 1 – 1 hour response and 5 hours restoration	> 95%	80%	N	A	2	> 95%	100%	Y	A	2	> 95%	100%	Y	A	2
	Priority 2 – 2 hours response and 24 hours restoration	> 95%	86%	N	A	2	> 95%	99%	Y	A	2	> 95%	100%	Y	A	2
	Priority 3 – 24 hours response and 5 days restoration	> 95%	95%	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%	97%	Y	A	2	> 95%	100%	N	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%	97%	Y	A	2	> 95%	100%	Y	A	2	> 95%	100%	Y	A	2

Table 5: Long Term Continuity of Sewerage Services

CSS Indicator No.	Performance Indicator	Rockhampton and Gracemere Sewerage Scheme				Capricorn Coast Sewerage Scheme				Mt Morgan Sewerage Scheme						
		Target	Actual	Satisfactory Yes/No	Confidence Grading Reliability Accuracy	Target	Actual	Satisfactory Yes/No	Confidence Grading Reliability Accuracy	Target	Actual	Satisfactory Yes/No	Confidence Grading Reliability Accuracy			
CSS21	Sewer main breaks and chokes (number per 100 km main)	< 50	111.09	N	A	2	< 20	14.6	Y	A	2	< 20	0	Y	A	2
CSS22	Sewer inflow and infiltration (ratio of Peak Day Flow to Average Day Flow)	< 5	3.44	Y	A	2	< 5	2.62	Y	A	2	< 5	1.89	Y	A	2

FITZROY RIVER WATER

COMPARISON WITH ANNUAL PERFORMANCE PLAN

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 6: 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	69%	N	A	2	Delays due to staffing shortages.
CSS24	Installation of sewerage connections (within the sewered area)	15 working days	40%	N	A	2	Delays due to staffing shortages.
CSS25	Complaints – (excluding maintenance of water and sewerage services) – advise outcome	20 working days	100%	Y	A	2	

Table 7: Financial Performance Targets

Performance Indicator	1st QTR date reported	2nd QTR date reported	3rd QTR date reported	4th QTR date reported	Target
RRC Operational Plan Reporting Frequency: quarterly	26/10/2012	1/11/2012	31/01/2013	02/05/2013	Initiatives successfully completed by year end.
Operating Budget Reporting Frequency: quarterly or when variations arise	30/09/12	31/12/2012	31/03/2013	30/06/2013	Conduct all activities in accordance with required timelines and budget.
Annual Review Reporting Frequency: quarterly or when variations arise	30/09/12	31/12/2012	31/03/2013	30/06/2013	Timely reporting of any significant variations to budget revenue and collection timing.
Capital Works Reporting Frequency: quarterly or when variations arise	30/09/12	31/12/2012	31/03/2013	30/06/2013	Completion of capital program in accordance with adopted timeframe and budget (within 3%).

Reference Codes

A blank field should contain one of the following:

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

FITZROY RIVER WATER

Non Compliance Comments

CSS Indicator	Scheme	Comment
CSS1	Rockhampton and Gracemere Water Supply Scheme	The annual target is exceeded due to a failure of an off take on a trunk water main in January 2013 that affected approximately 6407 properties.
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 41 major water main breaks which affected a total of 495 properties.
CSS2	Rockhampton & Gracemere Water Supply Scheme	For the year there have been 414 incidents versus 171 broken water mains. A water replacement program is in place.
CSS2	Capricorn Coast Water Supply Scheme	For the year there have been 333 incidents versus 39 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 81 incidents versus 41 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 has reflected a better restoration time than the 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	Water services programs to be in place and processes aligned with shutting down water to properties when attending to reactive water leaks.
CSS4	Marlborough Water Supply Scheme	The number of incidents occurring during the year did not require any shutdowns to occur.
CSS5	Rockhampton & Gracemere Water Supply Scheme	Due to the ageing infrastructure Rockhampton has had 414 unplanned versus 77 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 333 unplanned versus 30 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 81 unplanned versus 11 planned water shut downs. A water main replacement program is in place.
CSS5	Ogmore Water Supply Scheme	The Ogmore supply system operates intermittently to supply raw water. No records have been kept of planned interruptions.
CSS7	Rockhampton & Gracemere Water Supply Scheme	<p>Response Time</p> <p>P1 - Total of 49 requests and 46 responded to within 1 hour response time.</p> <p>Restoration Time</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>

FITZROY RIVER WATER

Non Compliance Comments (continued)

CSS Indicator	Scheme	Comment
CSS7	Capricorn Coast Water Supply Scheme	<p>Response Time</p> <p>P1 - Total of 49 requests and 46 responded to within 1 hour response time.</p> <p>Restoration</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>
CSS7	Mt Morgan Water Supply Scheme	<p>Restoration Time</p> <p>P1 - Total of 34 requests and 32 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>
CSS12	Capricorn Coast Water Supply Scheme	The annual score is only marginally above the target for this indicator. This non-compliance is due to the relatively high number of discoloured water complaints received per 1000 connections.
CSS12	Mt Morgan Water Supply Scheme	The non-compliant score is due to a moderate number of complaints received following the Ex-Tropical Cyclone Oswald event and the relatively low number of access charges for the Mount Morgan Water Supply Scheme which contributes to a high score per 1000 connections.
CSS14	Mt Morgan Water Supply Scheme	The annual target has exceeded due to Mount Morgan having 41 water main breaks. A water mains replacement program is in place.
CSS15	Capricorn Coast Water Supply Scheme	The annual target has exceeded due to Capricorn Coast having 467 service breaks. A water services replacement program is in place.
CSS16	Rockhampton & Gracemere Water Supply Scheme	The current leakage for this scheme just exceeds the target level. A number of flow meters are currently being installed throughout the network that will greatly assist in prioritising those supply areas experiencing the highest levels of leakage per connection.
CSS17	Rockhampton & Gracemere Sewerage Scheme	Total of 736 sewerage requests and a total of 496 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.
CSS17	Capricorn Coast Water Supply Scheme	Total of 37 sewerage requests and a total of 27 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 736 sewerage requests for the year, resulting in 46 overflows to customer properties.
CSS20	Rockhampton & Gracemere Sewerage Scheme	<p>Response Time</p> <p>P1 – Total of 118 requests and 94 responded to within 1 hour response time.</p> <p>P2 – Total of 334 requests and 283 responded to within 2 hour response time.</p> <p>P3 – Total of 297 requests and 246 responded to within 24 hour response time.</p> <p>The region had a significant rain event and flood event in January 2013. Network Service supervisory staff continue to work with staff on improving resource allocation to achieve service standards compliance.</p>
CSS21	Rockhampton & Gracemere Sewerage Scheme	736 sewerage mainline, combined lines or jump ups were cleared (of these 344 related to tree root intrusion). Continue to log defects and monitor outcomes to ensure inclusion in capital rehabilitation program, and ongoing maintenance program.

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

FINANCIAL PERFORMANCE

Operational

Continuing operations of Fitzroy River Water raised operational income of \$48.9 million with the majority raised through utility charges. Operating revenue in 2012/13 has increased by 11.04% from the 2011/12 period. This is attributed to slightly higher water consumption than the 2011-2012 year and the removal of the 10% discount on water consumption charges. Gross sewerage utility charges account for 45% of utility revenue and water charges account for 55%.

Continuing operational expenditure for the 2012/13 financial period was \$28.8 million, which remains static from the 2011/12 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.

Fitzroy River Water net result for continuing operations before tax of \$27.5 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. The net operational result for continuing operations before tax is \$20 million. After appropriations (payment of return to Council, transfers of capital income and expenditure and application of previous years deficit for continuing and discontinuing operations) Fitzroy River Water incurred a retained deficit of \$4.5 million.

Capital

Total capital expenditure for the 2012/13 year was \$33.7 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:

- Continuation of the North Rockhampton and Yeppoon Sewerage Treatment Plant dewatering facilities
- Completion of the Glenmore Water Treatment Plant backup generator
- Completion of the Mount Charlton Reservoir Roof Refurbishment
- Continuation of the Gracemere Industrial Area water and sewerage expansion
- Completion of the Ramsay Creek Sewerage Pump Station and trunk sewerage mains
- Completion of the Barrage Gates protection and Fish Ladder refurbishment

- Completion of the Woodbury Water Treatment Plant PLC's and Communications
- Continuation of the trunk water main to Emu Park West Reservoir
- Completion of the construction of the St Faiths Reservoir
- Completion of Taranganba Reservoir Roof replacement
- Continuation of the Hobas pipe replacement from Causeway to Emu Park
- Completion Mount Morgan Water Treatment Plant chlorination and instrumentation
- Continuation of the refurbishment of the sewerage network, and
- Continuation of the replacement of water mains.

Directions the Local Government gave the unit – Non Commercial Directives

Community service obligations arise as a result of Fitzroy River Water receiving a direction from Rockhampton Regional Council to undertake activities that would generally be considered not to be in the interests of a commercial entity to undertake. The amount attributed to 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 Fitzroy River Water during the 2011/12 year:

Water	
Storage of Water Allocations	\$21,759
Lease of land to Ergon Energy	\$5,046
Marlborough Water Supply Return on Capital	\$75,119
Remissions to Community & Sporting Bodies	\$19,409
Sewerage	
Combined Line Charges (expenses)	\$45,687
Raising Manholes (Capital)	\$800,000
Sporting Bodies Sewerage Access	\$42,401
TOTAL	\$1,009,421

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

The following Community Service Obligations (CSO) were funded by a contribution from council to FRW:

WATER	OBJECTIVE
Other Rate Remissions	RRC upon review of applications, at times grants remissions for Water Charges. These amounts are then claimed as a CSO by FRW.
Sporting Bodies Rate Remissions	RRC upon review of applications, at times grants remissions for Water Charges. These amounts are then claimed as a CSO by FRW. Refer to Council Rate Rebates and Remissions Policy.
Storage of Water Allocations	A resolution dated 23 December 2008 states that "a Community Service Obligation of 2.5% be applied to the Annual Increase in the Full Commercial Cost".
Lease of land to Ergon Energy – Mt Barmoya	A resolution dated 24 August 2010 states that "a Community Service Obligation to the value of \$5,000pa (increased by CPI) be allocated to FRW" in relation to the 99 year peppercorn lease (nil rent) by Ergon Energy Corporation Limited for part of Mt Barmoya.
Marlborough Water Supply Return on Capital	A resolution dated 27 April 2010 states that "Council will fund a Community Service to FRW to the value of the return of capital employed".
SEWERAGE	OBJECTIVE
Combined Line Charges (expenses)	A resolution dated 22 June 1999 states that "Council continue its current policy of maintaining combined line house drains and fund all such work carried out by FRW as a Community Service Obligation".
Combined Line Charges (capital)	Further to the above resolution regarding the maintenance of combined lines, FRW has begun a full replacement program of these assets. As a result the cost of the replacement of these combined lines also constitutes a CSO and the full cost incurred is claimed.
Raising Access Chambers (capital)	A resolution dated 29 May 2000 states that "FRW carries out the raising of sewerage manholes and claims this as a Community Service Obligation".
Sporting Bodies Rate	
Remissions	RRC, upon review of applications, at times grants remissions for Sewerage Charges. These amounts are then claimed as a CSO by FRW. Refer to Council Rate Rebates and Remissions Policy.
Other Rate	
Remissions	RRC, upon review of applications, grants remissions for Sewerage Charges. These amounts when remitted are then claimed as a CSO by FRW.

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

WATER SUPPLY (SAFETY AND RELIABILITY) ACT 2008

The *Water Supply (Safety and Reliability) Act 2008* requires that each water and sewerage service provider prepare an annual report on its approved SAMP, submitted Customer Service Standards (CSS) and approved System Leakage Management Plan (SLMP) for the financial year.

The annual report provides customers and the Regulator the Department of Energy and Water Supply with information on:

- actual performance against targets set in the SAMP, SLMP and CSS;
- key actions taken to implement the SAMP and SLMP including funding;
- results of reviews and audits of the SAMP and SLMP; and
- results of reviews of the CSS.

Fitzroy River Water is a commercial business unit of Rockhampton Regional Council and this Annual Report covers its SAMP (approved 22 February 2012), CSS and SLMP (approved 19 November 2010).

Fitzroy River Water's Drinking Water Quality Management Plan (DWQMP) was approved by the Office of the Water Supply Regulator in August 2012. The DWQMP is the regulatory document used by Fitzroy River Water to manage all risks posed to the safety of drinking water supply.

STATUTORY INFORMATION

Overview of Services

Type	Scheme Name
Retail Water	Rockhampton Water Supply Scheme (including Gracemere and The Caves) (Potable)
	Capricorn Coast Water Supply Scheme (Potable)
	Mount Morgan Water Supply Scheme (Potable)
	Marlborough Water Supply Scheme (Potable)
	Ogmore Water Supply Scheme (Raw-partially treated water scheme)
Recycled Water Scheme	Emu Park Recycled Water Scheme
	Gracemere Recycled Water Scheme
	Mount Morgan Recycled Water Scheme
	Yeppoon Recycled Water Scheme
Irrigation / Other	Fitzroy River Barrage Water Supply Scheme (Raw-partially treated water scheme)

Type	Scheme Name
Sewerage	North Rockhampton Sewerage System
	South Rockhampton Sewerage System
	West Rockhampton Sewerage System
	Gracemere Sewerage System
	Yeppoon Sewerage System
	Emu Park Sewerage System
	Mount Morgan Sewerage System

CUSTOMER SERVICE STANDARDS PROCESSES

Service Connections

Water

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

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

Sewerage

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

Fitzroy River Water aims to install all new sewerage connections within the Sewerage Area within 15 working days of approval of the application and payment of the related fee or by the installation date agreed with the customer outside the 15 day period.

Trade Waste Services

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

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

Metering and Billing

Water consumption bills are individually and independently issued by Fitzroy River Water on a quarterly basis.

Fitzroy River Water's water access and sewer charges are integrated with Rockhampton Regional Council rate notices which are issued twice a year.

Accounting

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

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

Payment can be made in the following manner:

- payment by BPAY
- payment via Mail
- direct debit
- payment via Australia Post
- personal payment to Council – payments can be made at a Customer Service Centre
- via the Internet through Council's website
- Phone – Call 1300 BPOINT.

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

Complaints

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

Dispute Resolution

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

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

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

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

ACTIONS TAKEN TO IMPLEMENT THE STRATEGIC ASSET MANAGEMENT PLAN (SAMP) (INCLUDING FUNDING)

To review progress, actions taken to implement the SAMP are detailed below. Commentary is provided where proposed actions have not been taken (e.g. reasons for failing to undertake nominated actions).

Renewals and Improvements Strategies

Renewals and Improvements Expenditure – Water Services

Project Description	2012/2013 SAMP \$000	2012/2013 Actual \$000	Budget to 2017/2018 \$000	Status	Comments
Mains and common services:					
Current replacement liability	3639	4446	27 478	The SAMP made provision for \$5.95 million to be spent throughout the Region on water mains and service renewals in 2012/13. During 2012/13, a total of 12.7 kilometres of water mains were renewed.	Water mains targeted for this program are prioritised by analysis of frequency of failure, criticality, age and material of construction. Significant resources continue to be applied to this priority work.
Trunk main	1000	1508	1121		
Total	4639	5954	28 599		
Property services:					
Current replacement liability	-	Incl. in mains	-	2.6 kilometres of property services were renewed.	Water services are usually replaced as part of the Water Main Replacement Program dependent on material and age.
Total	-	0	-		
Water Treatment Plant:					
Component renewal	528	1357	464	Glenmore Water Treatment Plant chlorinator upgrade complete.	
Misc. plant improvements			-		
Total	528	1357	464		
Water meter replacement:					
Residential and non-residential	54	173	1203	Yeppoon meters and services are being replaced and moved outside the property boundary.	The relocation of the meter outside the property is based upon when the customer reports the meter to be faulty or broken, or when it has been identified as a safety issue.
Total	54	173	1203	The following water replacement programs are completed: Mount Morgan, Rockhampton and Gracemere.	
Fitzroy River Barrage refurbishment	-	218	2843	Refurbishment of Barrage gates is an ongoing program. Crane restoration work is underway. Mechanical and electrical refurbishment works at the Barrage currently underway.	
Valve and Hydrant Program	55	81	260	Marlborough and Rockhampton valve replacement completed. Yeppoon valve replacement is ongoing.	Hydrants and valves targeted for this program are prioritised by analysis of frequency of failure, criticality, age and material construction. Significant resources continue to be applied to this priority work.

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

Renewals and Improvements Expenditure – Water Services (continued)

Project Description	2012/2013 SAMP \$000	2012/2013 Actual \$000	Budget to 2017/2018 \$000	Status	Comments
Reservoirs	160	176	225	Mt Charlton roof replacement project is delayed and will be revised following further inspection of the asset. The roof and floor of the Taranganba Reservoir were renewed in the first half of 2012. The reservoir is cleaned, tested and returned to normal operation in November 2013.	The contract was terminated due to financial difficulties experienced by the contractor. Emu Park reservoir wall restoration completed. The Caves reservoir roof replacement work completed.
Other water sources, weirs and dams	-	-	50	Under capital threshold and was classed as operational expenditure.	A 5-yearly comprehensive inspection was conducted on the Kelly's Off-Stream Storage and a report prepared.
Pump Stations	2786	462	1826	Pump stations currently being upgraded or replaced: Glenmore Water Treatment Plant Highlift Pump and Lowlift Switchboard, Norman Road.	The following pump stations were upgraded during 2012/13: Lucas St WPS, Yeppoon West WPS, Keppel St North SPS, Kalka Shades SPS.
PRV and Flow Meter Renewals	-	-	-	Nil this year	
TOTAL CAPITAL EXPENDITURE	8222	8421	23 667		

Note – 2012/13 SAMP and Budget 2017/18 figures are not indexed (\$2012 AUD)

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

Renewals and Improvements Expenditure – Sewerage Services

Project Description	2012/2013 SAMP \$000	2012/2013 Actual \$000	Budget to 2017/2018 \$000	Status	Comments
Sewer mains:					
Relining		85	23 595	Contractor has completed	Sewer mains targeted for the program are identified by analysis of criticality, frequency of failure, age, depth and material of construction.
Refurbishments Arising Prior to Relining	1869	891	3985	package of works for 2012/13 relining 594 metres of sewerage main. A total of 500 metres of sewer were cleaned and CCTV condition assessed.	
Sub-total	1869	976	27 580		
Emu Park Test Infiltration	220	160	220	Work in progress.	
Total	220	160	220		
Access chambers and jump ups:					
Access Chamber Raising Program	-	1017	-	533 access chambers raised to surface during 2012/13.	Condition assessments completed for each raised access chamber.
Access Chamber Renewals/ Refurbishment				Nil	Access chamber raising program will provide condition information to prioritise this future work.
Jump Up Raising/ Refurbishment	-	60	-	151 (includes jump up renewals and mainline repairs). Jump up priority refurbishment complete.	As part of the relining program, problem jump ups are identified and renewed.
Total	-	1077	-		
Sewerage:					
North R'ton Sewage Treatment Plant		170	79	Aerator replacement - work in progress.	Inlet Screen completed.
South R'ton Sewage Treatment Plant	125	29	-	Concrete refurbishment (weir gate wells) - work in progress.	
West R'ton Sewage Treatment Plant		-	-	No activity.	
Yeppoon	34	28	600	SCADA computer upgrade underway.	Air compressor completed.
Mt Morgan	11	8	-	Chlorination upgrade underway.	
Total	170	235	679		
General	36	70	73	Upgrading of radio telemetry and other communications in progress.	Sewer camera refurbishment completed.
Combined Lines Program	-	37	-	A part of the broader sewer rehabilitation program.	6 Bishop Street, 6 and 8 Naughton Street and 135 Murray Street - completed.

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

Renewals and Improvements Expenditure – Sewerage Services (continued)

Project Description	2012/2013 SAMP \$000	2012/2013 Actual \$000	Budget to 2017/2018 \$000	Status	Comments
Pump Stations	321	227	751	Arthur Street sewerage pump station new air extraction system expensed. Arthur Street electrical upgrade underway. Gracemere Duckponds irrigation underway. Communications and automation underway. Charles Street install of new pumps under way.	Peppermint Drive pump replacement completed. Keppel Street North Electrical upgrade completed. Kalka Shades electrical upgrade completed.
TOTAL CAPITAL EXPENDITURE	2616	2782	17 771		

Note – 2012-2013 SAMP and Budget 2015-2016 Figures are not indexed (\$2012 AUD)

New Works Strategies

New Works – Water and Sewerage Services

Project Description	2012/2013 SAMP \$000	2012/2013 Actual \$000	Budget to 2017/2018 \$000	Status	Comments
Water					
Fitzroy River Barrage refurbishment and other storage	1209	37	1649	Cathodic Protection initial installation work deferred pending redesign of the Cathodic Protection technique.	
Water Treatment Plants	363	734	330	The following projects are in progress: Mount Morgan Water Treatment Plant Chlorination and instrumentation; and Woodbury Water Treatment Plant PLC and communications upgrades.	The following Glenmore Water Treatment Plant projects are completed: Control room equipment upgrades and backup generator.
Reservoirs	55	230	3613	St Faiths Reservoir rechlorination in progress. Kinka West Reservoir land acquisition in progress. Mount Morgan North Reservoir mechanical and electrical installations ongoing. Rechlorination underway.	St Faiths No. 3 Reservoir completed. Taranganbah Roof Restoration completed.
Trunk Mains	4547	3168	11 022	Work is in progress on the following trunk mains: Emu Park West Reservoir, Kinka West, Gracemere Industrial Area Stage 1 and 2, Somerset Road and Capricorn Street, Gracemere.	The Gracemere Industrial Area Somerset Road 200mm trunk main has been completed.

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

New Works – Water and Sewerage Services (continued)

Project Description	2012/2013 SAMP \$000	2012/2013 Actual \$000	Budget to 2017/2018 \$000	Status	Comments
Pump Stations	599	400	635	Works in progress:	
				Glenmore Water Treatment Plant highlift switchboard upgrade.	
Reticulation Mains	22	159	66	Works in progress:	The following have been completed:
				Cliff Street, seepage drain, Webb Park, Yeppoon, Murray Lane, Rockhampton.	Water connection 886 Yeppoon Road, James Street, Yeppoon, water services Chappell Street, North Rockhampton, water service 15 Govind Crescent, Gracemere.
General	-	8	267	Upgrading of radio telemetry and other communications and security equipment underway.	
Water Sources	-	23	-	The following are works in progress:	Kelly's offshore overhead crane completed
				Mount Morgan No. 7 Dam installation of safety buoys and land acquisition for Fletchers Creek Weir.	
System Leakage Management Plan	648	632	531	Related works undertaken in the following areas during the 2012-2013 financial year:	The following areas in Rockhampton have had pressure reduction valves installed:
				The majority of the program will involve establishing telemetry at all flow meter sites installed in the previous year.	Featherstone Street, Rachel Drive, Mason Avenue, Individual Yaamba Road connections north of Nuttall Street, Frenchville Road, Diplock Street, and McColl Street.
				A pressure reduction valve is to be installed in Black St, Mount Morgan including various minor network augmentations required to establish the pressure zone.	The following locations have had flow meters installed
				A pressure reduction valve is to be installed at Yaamba Road prior to the Ramsey Creek Pump Station.	Rachel Drive, Mason Avenue, Diplock St, Thozet Road reservoir inlet and outlet, Rogar Reservoir Inlet and, Nagle Drive Pump Station outlet, Farm Street East and West, Carlton Street, Crane Avenue.
					Network augmentation has been completed at Mason St/ Norman Rd intersection
Sub-total	7443	5391	18113		

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

New Works – Water and Sewerage Services (continued)

Project Description	2012/2013 SAMP \$000	2012/2013 Actual \$000	Budget to 2017/2018 \$000	Status	Comments
Sewerage					
Emu Park Sewage Treatment Plant	-	267	-	STP compliant with licence conditions although outstanding technical issues still being addressed.	
North R'ton Sewage Treatment Plant	742	81	-	Dewatering biosolids work in progress.	
South R'ton Sewage Treatment Plant	22	-	2748	Planning and design of upgrades underway.	
Yeppoon Sewage Treatment Plant	528	581	12 496	Dewatering facility work in progress.	
Mount Morgan Sewage Treatment Plant	29	2	-		Upgrade of SCADA and telemetry systems completed.
Gracemere Sewage Treatment Plant	574	352	9586	Augmentation Study. Upgrade of SCADA and telemetry systems.	Scoping for strategic planning study in progress. Work in progress
Sewage Treatment Plants General	-	-	220	North Rockhampton Sewage Treatment Plant Effluent Reuse.	Expensed
Pump Stations	1594	2315	5197	Hidden Valley land acquisition under way. Gracemere Industrial 16 and 17 - work in progress. Limestone Creek - work in progress.	Strow Street overflow completed. Kalare Street installation of diversion pipe completed. Ramsay Creek completed.
Mains	4369	2590	9243	The following mains are work in progress: Cooee Bay augmentation, Kinka Stage 3 land acquisition, Capricorn Coast; Gracemere Industrial Area 100 and 200mm (rising) and 200 and 300mm (gravity) Somerset Road, Breakspeare Street (trunk), Gracemere; 90 Murray Street, 22 Flynn Street, Derby Street connection, Rockhampton; 412 Paterson Avenue, North Rockhampton.	The following mains have been completed in 2012/13: Jarman Street diversion pipe, jump up at 2 Apollo Court, sewer connection Island View Crescent, Yeppoon; 150mm gravity main 9 Redman Street, Emu Park.
General	340	3	150	Sewer flow metered have been used throughout the region to assist with calibration of sewer network models and confirmation of actual pump performance. Field Deployment System Business Case drafted for IT Steering Committee submission.	The network overflow monitoring project has been discontinued as it has been deemed that the need to provide accurate measurement of flows at sewer overflow sites is no longer required.
Sub-total	8198	6191	39 640		
Total	15 641	11 564	57 753		

INFORMATION REQUIRED UNDER THE ACT

FITZROY RIVER WATER

Variation and Concerns

Under Expenditure

Overall, the under spend is a result of deferred expenditures on new works. In particular, the deferral of the Barrage Crane Upgrade and timing of Emu Park Trunk Main Installation has had a major impact within the water capital program. The sewer capital program has been impacted by the timing of sewer main installations. The Strategic Asset Management Plan (SAMP) was adopted in 2012 and reflects changes to meet Customer Service Standards and changes in Council direction.

REVIEW AND AUDIT

Rockhampton Regional Council, as a water and sewerage service provider, must have an approved SAMP certified by a Registered Professional Engineer, for ensuring continuity of supply of each of the service provider's registered services.

Review of the SAMP

Service providers are required to regularly review their approved SAMP to ensure it remains relevant. The first review of the SAMP was conducted between August and October 2012 and submitted by 24 November 2012. The Department of Energy and Water Supply (DEWS) approved the modified SAMP on 22 February 2013. The second regular review must be conducted by 24 November 2015.

The following staff were involved in the review: Strategic Manager Fitzroy River Water, Strategic Manager Finance, Asset Manager (GIS/Assets) Co-ordinator Asset Management, Senior Asset Engineer and General Manager Regional Services.

The review largely involved updating information. Capital works details for the next 10 years were inputted and any outdated tables were updated. Asset lives were changed as necessary.

Review of the System Leakage Management Plan (SLMP)

Service providers are required to regularly review their approved SLMP. The first review of the approved SLMP must be conducted by 25 August 2013.

Review of Customer Service Standards (CSS)

Legislation requires service providers to review the CSS every year. Fitzroy River Water's performance against financial and non-financial targets and key strategies are reported to Council on a quarterly basis in accordance with the adopted 2012/13 Performance Plan. The Annual Performance Plan report as at 30 June 2013 was presented to Council with the Customer Service Standards on 18 September 2013.

The following Regional Services staff were involved in the review: Strategic Manager Fitzroy River Water, Manager Treatment and Supply, Manager Network Services and

General Manager Regional Services.

No significant changes were made to the CSS during the reporting period, however some minor changes were made to how the data was presented and reported.

Significant work has been undertaken during the reporting period on initiatives and work practices that will improve business performance. These include monitoring of actual performance against response targets for job requests and the assessment of the number and type of actual jobs requiring rework and associated financial performance.

During April 2013 a review was conducted of the Brochure and an updated version was produced.

Current CSS are available on Fitzroy River Water's website.

Audit of the SAMP

The service provider must comply with the approved SAMP when supplying the services to the service provider's customers. Rockhampton Regional Council is required to undertake regular audits of its SAMP. DEWS is responsible for setting the time intervals for audits and advised that an audit on the current SAMP to be undertaken by 24 November 2013.

On 16 August 2013 advice was received from DEWS that a SAMP audit will not be required. Reporting will be required in the form of KPI Performance annual reports. DEWS has not advised a date for the implementation of this reporting.

Audit of the SLMP

Rockhampton Regional Council is required to undertake regular audits of its SLMP. DEWS is responsible for setting the time intervals for audits and has advised that an audit on the current SLMP is to be undertaken by 25 August 2014.

INFORMATION REQUIRED UNDER THE ACT

ROCKHAMPTON REGIONAL WASTE & RECYCLING

ANNUAL STATEMENT ON OPERATIONS OF COMMERCIAL BUSINESS UNIT

With de-amalgamation of the Livingstone Shire Council from 1 January 2014 reference is given to 'Continuing Operations' which implies that the figures pertain only to the continuing business activities of Rockhampton Regional Waste and Recycling under Rockhampton Regional Council and does not include activities of the Livingstone Shire Council (Discontinued Operations).

Nature and Scope of Activities

Rockhampton Regional Waste and Recycling is a commercial business unit of Rockhampton Regional Council and is responsible for the operation and maintenance of waste and recycling assets totalling approximately \$31.8 million (replacement value).

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

Broadly, the scope of Rockhampton Regional Waste and Recycling (based upon 2012/13 year) is as follows:

Item	As at 30 June 2013	
	RRC	Whole of Council
Total Income	\$ 16.1M	\$22.6M
Total Expenses	\$13.8M	\$19.2M
Number of staff		37
Properties served- General Waste		41,110
Properties served- Recycling		40,673
Total waste to Landfill – including kerbside waste collection but not including cover material (tonnes)		103,488
Kerbside Waste Collected (tonnes)		31,711
Recycling Collected (tonnes)		8,502
Landfills		4
Transfer Stations (manned)		8
Roadside Bin Stations		11
Recycling Kerbside Drop Off Stations (unmanned)		6

Financial Indicators

Item	2012/13 Target	2012/13 Achieved
Operating Surplus Ratio	11.4%	15.2%
Interest Coverage Ratio	10.9%	9.1%
Asset Consumption Ratio	77%	88.9%
Depreciation Ratio	5.9%	3.7%

INFORMATION REQUIRED UNDER THE ACT

ROCKHAMPTON REGIONAL WASTE & RECYCLING

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Non-Financial Performance Targets

CSS Reference	Performance Indicator	Target	Actual	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%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.97%	99.97%
WCSS2	Weekly collection of commercial waste	95%	99.78%	99.78%	Included in WCSS1#	99.99%	Included in WCSS1#	99.99%	99.99%	Included in WCSS1#	Included in WCSS1#
WCSS3	Fortnightly collection of domestic recyclable waste	98%	99.93%	99.93%	99.96%	99.96%	99.96%	99.96%	99.96%	99.95%	99.95%
WCSS4	Fortnightly collection of commercial recyclable waste	98%	99.71%	99.71%	Included in WCSS3#	Included in WCSS3#	99.97%	99.97%	99.97%	Included in WCSS3#	Included in WCSS3#
WCSS5	Missed service collection provided within two working days from notification when notification is within one working day of scheduled collection	95%	100%	100%	100%	100%	100%	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%	100%	100%	100%	100%	100%
WCSS7	Provision of assisted services within ten working days from application by the resident	100%	100%	100%	100%	100%	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%	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 the future.

INFORMATION REQUIRED UNDER THE ACT

ROCKHAMPTON REGIONAL WASTE & RECYCLING

Performance indicator	Target	1st qtr date reported	2nd qtr date reported	3rd qtr date reported	4th qtr date reported
RRC Operational Plan					
Reporting Frequency: quarterly	Initiatives successfully completed by year end	1/11/2012	31/1/2013	2/5/2013	1/8/2013
Operating Budget					
Reporting Frequency: quarterly or when variations arise	Conduct all activities in accordance with required timelines and budget	30/09/2012	31/12/2012	31/03/2013	30/06/2013
Annual Revenue					
Reporting Frequency: quarterly or when variations arise	Timely reporting of any significant variations to budget revenue and collection timing	30/09/2012	31/12/2012	31/03/2013	30/06/2013
Capital Works					
Reporting Frequency: quarterly or when variations arise	Completion of capital program in accordance with adopted timeframe and budget (within 3%)	30/09/2012	31/12/2012	31/03/2013	30/06/2013

Review of Customer Service Standards

Legislation requires service providers to review the Customer Service Standards every year. Rockhampton Regional Waste and Recycling's performance against financial and non-financial targets and key strategies are reported to Council on a quarterly basis in accordance with the adopted 2012/13 Performance Plan. The Annual Performance Plan report as at 30 June 2013 was presented to Council with the Customer Service Standards on 10 September 2013.

Significant work has been undertaken during the reporting period on initiatives and work practices that will improve business performance. These include monitoring of actual performance against response targets for job requests and the assessment of the number and type of actual jobs requiring rework and associated financial performance.

INFORMATION REQUIRED UNDER THE ACT

ROCKHAMPTON REGIONAL WASTE & RECYCLING

FINANCIAL PERFORMANCE

Operational (Continuing Operations)

Total income for the financial period was \$16.6 million, which includes capital income such as subsidies and grants received for capital purposes and donations. Rockhampton Regional Waste and Recycling raised operational income of \$16.1 million, including internal charges revenue, with the majority raised through utility and landfill fees and charges.

Operating revenue in 2012/13 is higher than the 2011/12 period. This is partly attributed to the carbon tax price increase which has been netted off in operational expenditure. Rates revenue was up by 9% compared to the 2011/12 financial year and landfill fees and charges were higher by 9.67% in comparison to last year, all of which contain an increase due to the carbon tax price increase.

Operational expenditure for the continuing Regional Waste and Recycling 2012/13 financial period was \$13.8 million. This does not include capital expenditure, or company tax equivalents.

Materials and services and employee costs formed the largest portion of expenditure for the continuing RRWR in the financial period. Expenditure incurred for materials and services (60%) is essential in providing critical waste services to the community and maintaining Rockhampton Regional Waste and Recycling 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 21.2% of operational expenditure.

Rockhampton Regional Waste and Recycling had a total net operational surplus of \$2.3 million before income tax.

Capital

Total capital expenditure for the 2012/13 was \$8.3 million, including debt redemption.

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

- Completion of the Yeppoon landfill capacity expansion
- Purchasing of land for the Bajool roadside bin station
- Continuation of waste transfer station construction
- Replacement of bins under the Rockhampton Regional Waste and Recycling replacement bin program.

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 be 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 2012/13 year:

DESCRIPTION	ACTUAL COST
Great Keppel Island Collections and Landfill	\$93,730
Clean-up Australia	\$21,460
Roadside Bin Operations	\$ 500,580
Roadside Bin Disposal Costs	\$180,250
Tyres, Oils & Chemicals	\$113,300
Stanage Bay Landfill	\$28,840
Old Landfill Maintenance Works	\$51,500
Green Waste Vouchers	\$330,000
Green Waste/Mulch Loading Trial	\$78,280
Waste Education	\$68,000
CQLGA Membership	\$226,600
Boat Ramp Services	\$20,137
Charity Waste Policy	\$103,000
Waste Audit	\$82,400
Waste Clean ups	\$56,650
TOTAL COMMUNITY SERVICE OBLIGATIONS	\$1,954,727

INFORMATION REQUIRED UNDER THE ACT

ROCKHAMPTON REGIONAL WASTE & RECYCLING

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

Authorised Group	Date	Limit	Expiry
Rockhampton Women's Shelter	1/07/2012	25 tonne	30/06/2013
Lifeline Community Care Qld	1/07/2012	250 tonne	30/06/2013
Salvation Army Rockhampton	1/07/2012	120 tonne	30/06/2013
The Umbrella Network	15/08/2012	5 tonne	30/06/2013
Marlborough and District Lions Club	29/08/2012	46m3	9/10/2012
Anglicare Central Queensland	31/12/2012	60 tonne	30/06/2013
St Vincent de Paul - Rockhampton & Yeppoon Landfill	1/07/2012	120 tonne	30/06/2013
Endeavour Foundation	11/01/2013	20 tonne	30/06/2013
Marlborough Agricultural Show Association	21/04/2013	4 m3	22/04/2013
Lifeline Community Care Qld		100 tonne	30/06/2013

INFORMATION REQUIRED UNDER THE ACT

ROCKHAMPTON AIRPORT

ANNUAL STATEMENT ON OPERATIONS OF COMMERCIAL BUSINESS UNIT

Nature and Scope of Activities

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

The Airport is used by both domestic and international airlines using a mix of aircraft including wide-bodied aircraft such as the B747 to B777 and A340 types. There are future plans to expand the Airport to accommodate a new customs quarantine section for future international flights.

Rockhampton Regional Airport is responsible for the operation and maintenance of Airport assets totalling approximately \$107.4 million (replacement value).

Annual Operations Report

Item	As at 30 June 2013
Total income	\$13M
Total expenses	\$9.4M
Total equity	\$78.6M
Passenger movements	714,067
Number of staff	24
Number of paid parking car parks	637
Aircraft movements	37,212

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Annual Performance Report

The 2012/13 financial year was the first period that the Rockhampton Airport operated as a Significant Business Activity under the Local Government Act. This necessitated the requirement of an Annual Performance Plan. The non-financial performance targets and corresponding results are included below.

Performance Indicator	Target	Annual Result
Increase Passenger numbers	2%	-4.9%
Increase Aircraft Movements	1%	-3.3%
Bird Strikes	Less than 40	38
Lost Time Days – workplace injuries	0	4
Reported Public Injuries on Airport Precinct	0	13
Customer Requests Actioned	100%	100%

Performance Indicator	Target	Annual Result
Airline Engagement Meetings held Quarterly	Yes	Yes
All Military Exercise Briefings Attended	Yes	Yes

FINANCIAL PERFORMANCE

Operational

Total income for the financial period was \$13 million. This includes capital income for grants received for capital purposes.

Despite passenger numbers being down 4.9% over the previous financial year, operating income was higher in comparison to the previous financial year by 1%. This can be attributed mostly to passenger landing charges.

Operational expenditure for the 2012/13 financial period was \$9.3 million. This does not include capital expenditure and company tax equivalents. Total expenditure for the financial period was \$10.4 million.

Materials and services, depreciation and employee costs formed the largest portion of expenditure for the Rockhampton Regional Airport in the financial period. Expenditure incurred for materials and services (44.58%) is essential in providing critical services to the community and maintaining the Rockhampton Regional Airport property, plant and equipment. Rockhampton Regional Airport also supports a reasonable size in-house workforce in order to provide and maintain these services for today and into the future with employee costs being 27.09% of total expenditure.

Rockhampton Regional Airport total net result of \$3.7 million before income tax is the difference between total income and total expenditure. Included in the total income and total expenditure are items of capital revenue and capital expenditure which fluctuate from year to year. Overall, Rockhampton Regional Airport achieved a surplus of \$ 2.6 million for the 2012/13 financial year. After appropriations (payment of return to Council, transfers of capital income and expenditure and application of previous year's surplus) Rockhampton Regional Airport incurred a retained deficiency of \$91k.

Capital

Total capital expenditure for the 2012/13 year was \$2.3 million which fell short of the capital program budgeted of \$3.75 million.

During this period a major refurbishment to the terminal was completed allowing the progress of further business opportunities. In addition, work commenced on Stage 1 of a runway lighting project, with the final two stages to be completed over the next two financial years.

Work was also completed on upgrading the storm water management system and expanding the ground maintenance shed to improve operational support. Works were also undertaken to rejuvenate the asphalt on the bay six apron and resurface the tower crescent road to reduce potential operational hazards.

INFORMATION REQUIRED UNDER THE ACT

ROCKHAMPTON AIRPORT

Directions the Local Government gave the Unit – Non Commercial Directives

Community service obligations arise as a result of Rockhampton Regional Airport receiving a direction from Rockhampton Regional Council to undertake activities that would generally be considered not to be in the interests of a commercial entity to undertake. The amount attributed to 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 Airport during the 2012/13 year.

Description	Actual Cost
Royal Flying Doctors Service & Capricorn Rescue Helicopter Service	\$42,000

INFORMATION REQUIRED UNDER THE ACT

BENEFICIAL ENTERPRISES (S41 LGA 2009)

Identifying beneficial enterprises

- Caravan Parks
- Building Certification

SIGNIFICANT BUSINESS ACTIVITIES (S45 LGA 2009)

All business activities

- Water and Sewerage
- Regional Waste
- Rockhampton Airport

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

- Water and Sewerage
- Regional Waste
- Rockhampton Airport (new)

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

All significant business activities except Rockhampton Airport were conducted in the previous year.

COUNCIL PERFORMANCE

Assessment of Council performance in implementing five year corporate plan (s190 LGR 2012)

Performance against the Corporate Plan activities was measured and achieved by all Departments.

Assessment of Council performance in implementing the annual operational plan

Honest, transparent and accountable corporate governance in line with corporate values has resulted in all key outcome targets being substantially achieved 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 2012/13 year were reported to Council's Ordinary Meeting on the 27 August 2013 in accordance with s104 Local Government Act 2009 and s174 Local Government Regulation 2012.

Particulars of other issues relevant to making an informed assessment of the local government's operation and performance in the financial year

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

Details of any action taken for, and expenditure on a service, facility or activity supplied by another 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 228(7) during the financial year

One (1)

List of the registers kept by Council

- Register of Designated Natural Hazard Management Areas (Flood)
- Register of Thermostatic Mixing Valves
- Register of Development Applications
- Register of Subdivisions Approved under the repealed Local Government (Planning and Environment) Act 1990
- Register of Zonings, Rezoning and Consents Approved under the repealed Local Government (Planning and Environment) Act 1990
- Adopted Infrastructure Charges Register
- Infrastructure Charges Register
- Regulated Infrastructure Charges Register
- Register of Declared Pest Permits
- Register of Pest Control and Entry Notices
- Register of Testable Backflow Prevention Devices
- Register of Installed On-site Sewerage and Greywater Use Facilities
- Register of Resolutions About Land Liable to Flooding made under the Building Act
- Register of Master Plan Applications
- Register of Administrative Action Complaints Received
- Register of Complaints about the conduct or performance of Councillors
- Register of Contact with Lobbyists
- Register of Interests of Councillors
- Register of Interests of persons related to a Councillor
- Register of Interests of Senior Executive Employees and Persons related to a senior executive employee
- Register of Interests of Chief Executive Officer and Persons related to Chief Executive Officer
- Asset Register
- Register of Activities for Competitive Neutrality
- Register of Beneficial Enterprises
- Register of Roads and Road Maps

INFORMATION REQUIRED UNDER THE ACT

- Register of Cost-Recovery Fees (Council Fees and Charges)
- Register of Pre-qualified Suppliers
- Register of Delegations
- Register of Authorised Persons (Environmental Protection Act 1994)
- Asbestos Register
- Cat and Dog Registry
- Register of Impounded Animals
- Cemetery Register
- Local Law Register
- Register of Environmental Authorities
- Register of Surrendered Environmental Authorities
- Register of Suspended or Cancelled Environmental Authorities
- Register of Environmental Evaluations
- Register of Environmental Reports
- Register of Monitoring Programs
- Register of Results of Monitoring Programs
- Register of Transitional Environmental Programs
- Register of Temporary Emissions Licences
- Register of Environmental Protection Orders
- Register of Direction Notices

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

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 from the commencement of the current rating period. Rebates will not be granted retrospectively without prior approval from the State Government Concessions Unit.

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 the environment separate charge, 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 the environment separate charge, 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.

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 (e.g. bar with regular hours of operation with permanent liquor license).
- 5) is the owner, lessee or life tenant of the property and which is the incorporated bodies main grounds/base/club house or residence.
- 6) has, either solely or jointly with a co-owner, the legal responsibility for the payment of rates and charges which are levied in respect of the property; and
- 7) is not a religious body or entity or educational institution recognised under State or Federal statute or law.

Should an applicant only have part ownership of the property the Council remission would be similarly reduced.

Close of Applications

Eligibility for a 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

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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 current rating period (remissions will not be applied retrospectively).

Amount of Remission

(a) Category One (1) – Surf Life Saving Organisations

Remission Level General Rates – 100%
Remission Level Separate Rates/Charges – 100%
Remission Level Special Rates/Charges – 0%
Remission Level Water Access Charges – 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 Rates – 50%
Remission Level Road Network Separate Charge – 50%
Remission Level Special Rates/Charges – 0%
Remission Level Environment Separate Charge – 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

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

Remission Level General Rates – 50%
Remission Level Road Network Separate Charge – 50%
Remission Level Environment Separate Charge – 0%
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 Road Network Separate Charge – 75%
Remission Level Environment Separate Charge – 0%
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

(j) Category Ten (10) – Rural Fire Brigade

Remission Level General Rates – 100%
Remission Level Separate Rates/Charges – 100%
Remission Level Special Rates/Charges – 0%
Remission Level Water Access Charges – 100%
Remission Level Water Consumption Charges – 100%
Remission Level Sewerage Charges – 100%
Remission Level Waste Charges – 100%
Cap – N/A

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

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General Rate Remissions

In accordance with Part 10 of the Local Government (Finance, Plans & Reporting) Regulation 2010, the properties where 100% remission of general rates applies may be exempted from payment of general rates in lieu of the provision of a remission.

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 Charge 100%
- c) Environment Separate Charge 100%

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 (s190 LGA 2009)

The Internal Audit Unit provides independent, objective assurance and consulting activity to add value and improve the operational performance of the Council. 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 Council and management. It provides independent analyses, appraisals, recommendations, and evaluation of

internal controls to assist Council and management in the effective discharge of their responsibilities.

The Internal Audit Unit applies a risk management approach to strategic planning, assignment planning, fieldwork and reporting, and works closely with Council's management and the Corporate Risk Management Unit.

Internal Audit Plan

During 2012/13, Internal Audit completed 10 audits, including reviews, investigations, provision of advice and follow-up audits across all. Specific audits planned or undertaken included:

- Cash Handling x 2
- Event Management x 2
- Payroll
- Hazard Inspection Process

Audit Committee

Council's Audit Committee oversees the audit, control and risk management functions. The Audit Committee is comprised of five members; two councillors and three external representatives appointed by Council.

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

The Local Government Regulation 2012 does not require this plan therefore the plan does not need to be implemented.

Summary of investigation notices given in the year under section 49 for competitive neutrality complaints

Nil

Responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52(3)

Nil

Resolutions made under s250(1) LG Regulation 2012 (Requirement to adopt expenses reimbursement policy or Amendment)

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

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

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

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Remuneration and superannuation contributions paid to each Councillor s186(a) LG Regulation 2012

Councillor	YTD salary 'Work'	Employer Super	Gross
Mayor, Councillor M F Strelow	\$152,590	\$16,884	\$169,474
Councillor A P Williams	\$104,039	\$12,485	\$116,524
Councillor R A Swadling	\$90,167	\$10,820	\$100,987
Councillor G A Belz	\$90,167	\$10,820	\$100,987
Councillor S J Schwarten	\$90,167	\$10,820	\$100,987
Councillor N K Fisher	\$90,167	\$10,188	\$100,355
Councillor C R Rutherford	\$90,167	\$10,820	\$100,987
Councillor T A Wyatt	\$90,167	\$10,820	\$100,987
Councillor G M Mather	\$90,167	\$10,820	\$100,987
Councillor F W Ludwig	\$90,167	\$10,820	\$100,987
Councillor C E Smith	\$90,167	\$10,820	\$100,987

Expenses incurred by and provided to each Councillor under the Expenses Reimbursement Policy s186(a) LG Regulation 2012

Councillor	Travel / Expenses / Allowances TOTAL
Mayor, Councillor M F Strelow	\$29,386
Councillor A P Williams	\$14,144
Councillor R A Swadling	\$22,772
Councillor G A Belz	\$19,871
Councillor S J Schwarten	\$16,116
Councillor N K Fisher	\$23,400
Councillor C R Rutherford	\$12,923
Councillor T A Wyatt	\$20,152
Councillor G M Mather	\$25,993
Councillor F W Ludwig	\$23,878
Councillor C E Smith	\$24,586

Note: The above figures do not include contributions by Councillors for the private use of Council vehicles.

Expenses Reimbursement Policy s186(a)

LG Regulation 2012

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 this would include 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.

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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.

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.

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

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.

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.

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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.

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 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

INFORMATION REQUIRED UNDER THE ACT COUNCILLORS

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

Councillor	Council Meeting	Special Council Meeting	Business Enterprise	Communities	Health and Compliance	Infrastructure	Parks & Recreation	Planning and Development	Performance and Service	Water	Continuing Council	Audit Advisory	Resource Industry Advisory
Mayor, Councillor M F Strelow	10	11	7	6	4	7	8	10	7	5	3	(1 Observer)	1
Deputy Mayor, Councillor A P Williams	10	9	1^(2 Observer)	1^(1 Observer)	1^(3 Observer)	8	9	20	9	7	3		0
Councillor G M Mather	12	11			10	9		19	9	8			4
Councillor T A Wyatt	12	10	4**(1 Observer)	9	8	9	8	19	9				
Councillor F W Ludwig	11	10		10 (1 Observer)		1	9	18	7				
Councillor C E Smith	12	11	9	10	10		(2 Observer)	20	9		3	3	1
Councillor CR Rutherford	12	9	10	10 (4 Observer)			10	(3 Observer)	9	9	2		0
Councillor G A Belz	9	9	9			8 (1 Observer)			8	9	3		1
Councillor S J Schwartz	12	7	8	10 (1 Observer)		6	8 (1 Observer)	(1 Observer)	8		3		0
Councillor R A Swadling	10	11	(1 Observer)	9 (1 Observer)	(1 Observer)	(1 Observer)	7 (1 Observer)	(1 Observer)	8		3		1
Councillor N K Fisher	12	11	10	10	10	8	10	20	9	8	3		1
Total Meetings Held	12	11	10	10	10	10	10	22	9	9	3	4	1

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

^ Councillor Williams attended these meetings in his role as Acting Mayor

** Councillor Wyatt became an official member of the Business Enterprise Committee on 14 August 2013

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COUNCILLORS

Orders made under s180(2) or s180(4) LGA 2009 – Orders by Regional Conduct Review Panel

Nil

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

See table below

Orders made under s181 LGA 2009 – Orders by Mayor/Chairperson for Inappropriate Conduct

Nil

Description of the Order (misconduct, inappropriate conduct)

Complaint Against	Category	Nature of Allegation	Complaint Referred To	Outcome and Disciplinary Action Taken
Cr Glenda Mather	Inappropriate Conduct	Non factual, misleading and negative comments in the media about Australia Post and its employees	Mayor Strelow	Complaint was not substantiated.
Cr Stephen Schwarten	Inappropriate Conduct	Offensive comments on a social media site	Mayor Strelow	Mayor found no inappropriate behaviour but will speak with Cr Schwarten regarding social media language and has noted public apology at P&S Committee 25/6/13.
Cr Stephen Schwarten	Inappropriate Conduct	Offensive, unfounded, derogatory and insulting comments in an email	Mayor Strelow	Allegation upheld and reprimand issued along with warning that another complaint will trigger referral to Dept.

Summary of the Orders for Councillors

(i) complaints about the conduct or performance of councillors assessed as frivolous or vexatious under section 176C(2) of the Act;	0
(ii) complaints referred to the department's chief executive under section 176C(3)(a)(i) of the Act;	0
(iii) complaints referred to the mayor under section 176C(3)(a)(ii) or (b)(i) of the Act;	3
(iv) complaints referred to the department's chief executive under section 176C(4)(a) of the Act;	0
(v) complaints assessed by the chief executive officer as being about official misconduct;	0
(vi) complaints heard by a conduct review panel;	0
(vii) complaints heard by the tribunal;	0
(viii) complaints to which section 176C(6) of the Act applied.	0

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

SENIOR EMPLOYEES

Total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government (s202(1)(a) LGA 2009)

That total remuneration packages that were payable to senior management for the financial year was \$1,173,038.86

Number of employees in senior management who are being paid each band of remuneration (s202(1)(b) LGA 2009)

Three senior contract employees with a total remuneration package in the range of \$200,000-\$299,000.

One senior contract employee with a total remuneration package in the range of \$300,000-\$399,000

Please note: Packages include base salary, vehicle allocation, annual leave loading and superannuation.

Administrative Action Complaints (s187 LGA 2009)

Council takes all complaints about its services seriously and is committed to responding quickly and efficiently. Complaints may be lodged by an affected person either in writing, by telephone or face to face. The department referred to in the complaint will be responsible for the initial investigation.

Complainants not satisfied with the outcome of the investigation undertaken by the department may appeal the decision to the CEO for investigation under the Administrative Action Complaint Management Procedure.

Council manages complaints through the Actionable Communications Procedure initially and if the customer is dissatisfied with the outcome they may appeal to the CEO to have the complaint investigated under Council's Complaint Management Policy and Administrative Action Complaint Procedure. A separate investigation report will be provided to the CEO for action.

A total of 76 complaints were received by council under the above policies and procedures this financial year. 70 of those complaints were able to be resolved before the end of the financial year, along with 9 complaints from the previous financial year.

Item	No
Number of administrative action complaints received in financial year	76
Number of administrative action complaints resolved in financial year	79
Number administrative action complaints not resolved in financial year	6
Number of administrative action complaints resolved that were from a previous financial year	9

OVERSEAS TRAVEL

Overseas travel by councillor or employee in an official capacity (s188 LGA 2009)

	Reason	Date	Amount (ex GST)	Destination
Iain Lobegeier Manager Airport Operations	Attend Middle Planning Conference for Exercise Wallaby 2013 (Invitation from Singapore Armed Forces)	17/18 June 2013	\$0.00*	Singapore

*Singapore Armed Forces paid for all expenses for this trip.

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

Summary of expenditure for the financial year on grants to community organisations (s189 LGA 2009)

A total of \$417,417 was granted to community organisations during the 2012/13 financial year.

Summary of expenditure from each councillor's discretionary fund detailing organisation, amount and purpose (s189 LGA 2009)

Mayor Margaret Strelow

Community Organisation	Purpose	Amount
Rockhampton and District Historical Society	To assist the Society with leasing fees	\$300
Nag Radio Broadcasting Association Inc.	To assist with costs for the Radio Station's studio upgrade	\$400
Catholic Parish of Rockhampton South	To assist with costs for the Annual Fair for the Catholic Parish of Rockhampton South	\$100
Rockhampton & District Indoor Bowls Association	To assist with the purchase of a zippy boiler	\$500
The Salvation Army	To assist with a donation towards the launch of the 2013 Red Shield Appeal	\$1,000
St Mary's Anglican Church	To assist with funding to hold the Annual Christmas Tree Festival & Fete 2013	\$250
North Rockhampton Senior Citizens Club Inc.	To assist with costs associated with Senior Week Activities	\$500
	TOTAL	\$3,050

Division 1 Councillor Glenda Mather

Community Organisation	Purpose	Amount
Stanage Township Organisation Inc	To assist with costs for the coordination of ANZAC Day Commemorations	\$500
Lions Club of Emu Park Inc	To assist the club with funding for a new PA System	\$500
The Caves Progress & Agricultural Society	To assist towards improving the safety, security and presentation of the pavilion displays	\$400
Stockyard Point Progress Association	To assist with the purchase of maintenance/running costs of a slasher for a tractor	\$500
Girl Guides Association (Qld Aust)	To assist with the replacement of two toilets at the Kooyalee OEC Cottage	\$300
The Caves & District Lions Club Inc.	To assist with costs towards the purchase of a public address system	\$500
The Caves Rural Fire Brigade	To assist with operating costs for the construction of a shed	\$2,000
Emu Park Museum and Historical Society	To assist with costs for the purchase of paint for the old Emu Park Police lock-up building	\$300
	TOTAL	\$5,000

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Division 2 Councillor Tom Wyatt

Community Organisation	Purpose	Amount
Aussie Cheer and Dance	To assist with costs for cheerleaders to compete at Sydney in October 2012	\$200
Jason Rich Foundation	To assist with sponsorship for the Jason Rich Foundation Twilight Run	\$300
Keppel and Fitzroy Delta Alliance	To assist with outstanding costs for the organisation of the Fitzroy Delta Festival	\$250
The Lions Club Of Emu Park	To assist with the erection of electric barbeques in Lions Park	\$500
Emu Park & District Men's Shed Activity Shed Inc	To assist with the purchase of equipment to conduct raffle stalls at local markets and other venues	\$500
Sailability Capricornia Inc	To assist with the purchase of a shade bimini to be installed on one of the safety boats	\$500
Yeppoon Senior Citizens Association Inc	To assist with costs associated with Senior Week Activities	\$250
Mt Chalmers Community History Centre	To assist with the purchase of technical equipment to improve the services of the centre	\$250
The Rats of Tobruk Association	To cover costs of expenses incurred in conducting 2013 Anzac Day Rats of Tobruk Service	\$500
Mt Chalmers & District Progress Association	To assist with the purchase of food and equipment for the Great Endeavour Rally	\$250
Sandhills Community Social Club Inc	To assist with the purchase of a High Pressure Water Cleaner for the club	\$250
Australian Volunteer Coast Guard QF11 Yeppoon	To assist with the purchase of a Big Shot Rope Thrower for rescue crews	\$500
TOTAL		\$4,250

Division 3 Councillor Bill Ludwig

Community Organisation	Purpose	Amount
Aussie Cheer and Dance	To assist with cost in sending cheerleaders to compete at Sydney in October 2012	\$200
Jason Rich Foundation	To assist with sponsorship for the Jason Rich Foundation Twilight Run	\$500
Capricorn Coast Mallet Sports Club Inc.	To assist in repairs to an old mower the club currently owns	\$250
Scripture Union	To assist with costs associated with maintaining present level of services of two chaplains	\$500
Yeppoon State Primary School P & C Association	To assist with the cost of repairing the schools Environmental Trail and Bridge	\$500
132 Yeppoon Army Cadet Unit	To assist with costs associated with the recent purchase of a storage container for the unit	\$500
Keppel Coast District Girl Guides	To assist with costs associated with the painting of the existing Guide Hut	\$500
Capricorn Coast Touch Association	To assist with costs associated with the purchase of junior referee shirts, whistles	\$500
Keppel and Fitzroy Delta Alliance	To assist with outstanding costs for organisation of Fitzroy Delta Festival	\$250
Australian Volunteer Coast Guard QF11 Yeppoon	To assist with the purchase of a Big Shot Rope Thrower for rescue crews	\$500
Capricorn Junior Rugby League	To assist with costs associated with the purchase of training gear for players across all teams	\$500
The Mill Gallery Yeppoon Inc.	To assist with the purchase of a carpet steam cleaner	\$300
TOTAL		\$5,000

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Division 4 Councillor Ellen Smith

Community Organisation	Purpose	Amount
Gracemere State School P&C	To assist with costs of Family Planning Queensland Education to students	\$500
Kabra Sports & Recreation Club Inc.	To assist with costs of providing a sensor operated security light in vicinity of the entry	\$500
Depot Hill State School P&C	To assist with fundraising for the purchase of reading books across all year levels	\$250
Bouldercombe Singers	To assist with the costs of fuel for travel to events and practices	\$200
Bajool School of Arts Committee Inc.	To assist with funding for the purchase of protective blinds for hall and kitchen areas	\$500
Gracemere Hack & Pony Club Inc.	To assist with the purchasing of a new drinks refrigerator for canteen	\$300
Balmoral Hack and Pony Club Inc.	To assist with the purchase of a dressage arena	\$500
Gracemere Bowls Club Inc	To assist with sponsorship for a game during the combined Mixed Triplets	\$200
Rockhampton and District Historical Society	To assist the Society with lease fees and insurance premiums	\$50
Mount Morgan State High School P&C	To contribute towards the Centenary Awards Ceremony on 7 November 2012	\$50
Bouldercombe District Mens Shed Inc.	To assist with funds for repair of hall	\$500
Gracemere Community Voice Association Incorporated	To assist with purchase of a raffle prize	\$50
Gracemere Croquet Club Inc.	To assist with purchases of prizes for the upcoming state listed competition	\$500
Rockhampton Show 2013	To assist with donation for prize money for the Horse Section at the Rockhampton Show	\$100
Gracemere Guides	To assist with the purchase of insect screens for the Guides Hut	\$100
Bajool State School P&C	To assist with costs associated with inviting poet, Marco Gliori to run some community writing works	\$500
Gracemere Scout Group	To assist with the disposal of old car tyres	\$200
	TOTAL	\$5,000

Division 5 Councillor Cherie Rutherford

Community Organisation	Purpose	Amount
Mount Morgan Agricultural Show Society Inc.	To sponsor the Concours d'Elegance Parade at the Mount Morgan Agricultural Show	\$100
Dalma Rural Fire Brigade	To provide new tables and chairs for hall as existing furniture is very old and unsafe	\$500
Mount Morgan State High School P&C	To contribute towards the Centenary Awards Ceremony on 7 November 2012	\$100
Ridgelands & District Sporting & Agricultural	To assist towards the printing of 2013 Ridgelands Agricultural Show program	\$800
Rockhampton Mallet Sports Club Inc.	To assist with prize money for the Central Queensland Gateball Tournament	\$200
J Stock	To assist with the hire cost for Mount Morgan School of Arts	\$95
	TOTAL	\$1,795

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Division 6 Councillor Greg Belz

Community Organisation	Purpose	Amount
The Umbrella Network	To assist with facility development for the organisation to serve its members	\$250
Rockhampton Golf Club Ladies Committee	To assist with financial support for the Rockhampton Closed Ladies Golf Championship	\$500
Rockhampton and District Historical Society	To assist the Society with leasing fees and insurance premiums	\$250
Rockhampton & District Indoor Bowling Association	To purchase a mini zip water heating system	\$250
Rockhampton Show 2013	To assist with the donation of prize money for the Horse Section in the Rockhampton Show	\$250
Rockhampton Little Theatre Inc.	To assist with expenses to stage the play production "Relatively Speaking"	\$1,000
TOTAL		\$2,500

Division 7 Councillor Stephen Schwarten

Community Organisation	Purpose	Amount
Park Avenue Brothers Hockey Club Inc.	To provide funds to assist with minor repairs to clubhouse	\$500
CQ Filipino Australia Association Inc.	To assist the CQFAA in its preparations towards the Christmas Service	\$500
Neighbourhood Watch North Rockhampton	To assist the group in its efforts to maintain a safe and secure neighbourhood in Area 1	\$500
Rockhampton Darts Association Inc.	To assist the club in purchasing new dart boards and associated equipment	\$500
St Matthews Cottages Committee	To assist the Committee in replacing kitchen appliances	\$500
Rockhampton & District Indoor Bowls Association	To assist in the purchase and installation of a kitchen water heating facility	\$500
CQ Filipino Australian Association Inc.	To assist with costs for the Annual Sportfest Event	\$500
Indian Association of Central Queensland Inc	To assist the association with a temporary shortfall in operating funds	\$500
Rockhampton BMX Club	To assist the club with vandalism that has recently been done to the track	\$500
Capricorn Animal Aid	To assist the association with rescuing and rehoming abandoned pets	\$500
TOTAL		\$5,000

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Division 8 Councillor Tony Williams

Community Organisation	Purpose	Amount
Qld Police Citizens Youth Welfare Association Rockhampton	To provide sponsorship for Junior Business Supporters Club Membership	\$100
Sporting Wheelies & Disabled Association	Sponsorship of one hole at Charity Golf Day on Sunday 30 September 2012	\$300
Mount Morgan State High School P&C	To contribute towards the Centenary Awards Celebration on 7 November 2012	\$50
Rockhampton and District Historical Society	To assist the Society with lease fees and insurance premiums	\$100
Underage Committee (Juniors) Rockhampton Hockey	To purchase 15 medals for presentation to players in the Premiership winning team	\$100
District Neighbourhood Watch Committee	To contribute towards the purchase of hanging backdrops for public displays	\$100
St Mary's P & F Association	To assist with costs for extra wheelie bins for St Mary's Parish Fair	\$169
District Neighbourhood Watch Committee	To assist in registration fee for Cancer Council Christmas Parade	\$200
Norm Graff Trophies and Engraving	Payment of memorial plaque for the late Lloyd Willie	\$193
Coral 45 Reunion Group	To assist with miscellaneous items for the Coral 45 Commemoration	\$100
Wanderers Hockey Club	To assist with costs for equipment that was damaged in the recent floods	\$500
Variety Queensland Inc.	To assist with the purchase of 5 tickets for children in need and their families to attend the 2013 Children's Movie Spectacular	\$250
Rockhampton Touch Football Association	To assist with repairs from the recent flooding at Cyril Connell Touch Fields	\$500
Nerimbera Brothers Football Club Inc.	To assist the club with purchasing light weight portable tables	\$500
Capricorn District Country Music Association	To assist the association with the purchase of a colour printer	\$300
Queensland Blue Light Association Rockhampton Branch	To assist towards the work of the Association with children in the Rockhampton area	\$100
Rockhampton Mallet Sports Club Inc.	To assist with prize money and trophies for the Central Queensland Gateball Tournament	\$100
Rockhampton Show 2013	To assist with donation of prize money for the Cattle Section in the Rockhampton Show	\$250
Rocky Mah-Jong Club	To assist with funds or the process of producing a comprehensive Players' Guide Booklet	\$250
Rockhampton Hockey Association	To assist with the cost of Hockey Coaching Development Courses	\$500
PCYC	To assist the PCYC to improve the surrounding grounds for newly established Men's Shed	\$339
	TOTAL	\$5,000

INFORMATION REQUIRED UNDER THE ACT

COUNCILLORS

Division 9 Councillor Rose Swadling

Community Organisation	Purpose	Amount
Glenmore State High School P&C	To assist in costs to update and replace sporting apparel	\$200
Girls Time Out Young Women's Support	To provide financial assistance for cooking workshops	\$250
Another Story	To donate book vouchers for the Centenary Awards Celebration at Mount Morgan State High School	\$100
Sporting Wheelies and Disabled Association	To assist with the cost of programs and competition participation for the Charity Golf Day	\$100
Azah House	To assist with purchase of games and crafts for dementia patients	\$500
Centacare	To assist with payment of entertainer, Solid Gold Band (Syd Stickley) for the Glitz and Glamour Ball	\$600
Saint Anthony's Catholic Primary School P&C	To assist with funding for Saint Anthony's School Fete	\$200
Rockhampton and District Blind Club	Donation to assist with White Cane Day Celebration in mid October this year	\$250
RSL Ladies Auxiliary	Donation for bus tour	\$400
Yeppoon Senior Citizens	Assistance for Seniors Week for Capricorn Coast	\$150
Depot Hill State School P&C	To assist with funds for reading material for students	\$150
Community Supporting Police	Assist with maintenance costs for Sondra Lena Lodge	\$300
District Neighbourhood Watch Committee	To assist with costs for hanging backdrops for public display	\$100
Australian Red Cross	To assist with costs for air conditioning for the Walali Neighbourhood Centre	\$500
Glenmore State High School P&C	To assist with funds for the Feeding for Learning Breakfast Club Program	\$300
Norm Graff Trophies and Engraving	For payment of the memorial plaque for late Lloyed Willie	\$193
Coral 45 Reunion Group	To assist with miscellaneous items for the Coral 45 Commemoration	\$100
Crime Stoppers Rockhampton Area	To assist with participation at the Crime Stoppers Queensland Conference	\$600
	TOTAL	\$4,993

Division 10 Councillor Neil Fisher

Community Organisation	Purpose	Amount
Rockhampton Show 2013	To assist with the cost of prize money for the plant section at the show	\$300
Diggers Memorial Bowls Club Inc.	To assist towards sponsorship for the Mixed Fours Bowls Carnival	\$500
North Rockhampton Special School P&C	To assist with costs towards the purchase of materials for the construction of a vegetable garden	\$500
Mercy Health & Aged Care CQ Ltd	To assist with costs towards two planter boxes to establish a community garden for the residents	\$310
Frenchville State School P&C	To assist towards the purchase of mature trees to be planted in area to prevent vehicles parking	\$3,390
	TOTAL	\$5,000



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