



ORDINARY MEETING

AGENDA

27 OCTOBER 2020

Your attendance is required at an Ordinary meeting of Council to be held in the Council Chambers, 232 Bolsover Street, Rockhampton on 27 October 2020 commencing at 9:00am for transaction of the enclosed business.

In line with section 277E of the Local Government Regulation 2012, it has been determined that it is not practicable for the public to attend Council meetings in person at the current time. Until further notice, Council meetings will instead take place via videoconference and will be livestreamed online.

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

CHIEF EXECUTIVE OFFICER
23 October 2020

Next Meeting Date: 10.11.20

Please note:

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

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1 OPENING

1.1 Acknowledgement of Country

2 PRESENT

Members Present:

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

In Attendance:

Mr E Pardon – Chief Executive Officer

3 APOLOGIES AND LEAVE OF ABSENCE

Councillor Tony Williams - Leave of Absence from 12 October 2020 to 30 October 2020

4 CONFIRMATION OF MINUTES

Minutes of the Ordinary Meeting held 13 October 2020

5 DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

6 PUBLIC FORUMS/DEPUTATIONS

Nil

7 PRESENTATION OF PETITIONS

Nil

8 COUNCILLOR/DELEGATE REPORTS

Nil

9 OFFICERS' REPORTS

ADVANCE ROCKHAMPTON – ECONOMIC DEVELOPMENT AND EVENTS

Councillor Portfolio – Mayor Strelow and Assistant Portfolio – Councillor Williams

9.1 BEEF 21 EVENT SITE PLAN

File No: 10486

Attachments:

1. **Beef Master Plan Review** [↓](#)
2. **Beef Venue Map** [↓](#)
3. **Showgrounds Cattle Washbay Construction Survey Request Plan (Plan A)** [↓](#)
4. **Showgrounds Cattle Washbay Construction Survey Request Plan (Plan B)** [↓](#)

Authorising Officer: Greg Bowden - Executive Manager Advance Rockhampton

Author: Annette Pearce - Manager Tourism, Events and Marketing

SUMMARY

The Beef Expo is a major trade and tourism event for the Rockhampton region, driving attendance of over 100,000 and bringing in 53,485 unique visitors during the 2018 event estimated to have contributed some \$88 million to the local and regional economy. Beef Australia have requested support for additional infrastructure for the event of additional cattle wash pads.

OFFICER'S RECOMMENDATION

1. THAT Council support the additional infrastructure based on the proposed venue layout plan for the cattle location from Beef Australia;
2. THAT the proposed locations for the cattle wash pads are positioned to suit the current service locations and the requirements from Beef Australia to limit the cattle walking distances and segregation of cattle and pedestrians to ensure a safer event, as detailed on site map and services map; and
3. THAT Beef Australia be responsible for Community Engagement around the event in particular the operational aspects of the cattle area and are required to submit a proposed Community Engagement Plan and report on outcomes prior to the event.

COMMENTARY

The Beef Expo is a major trade and tourism event for the Rockhampton region, driving attendance of over 100,000 and bringing in 53,485 unique visitors during the 2018 event estimated to have contributed some \$88 million to the local and regional economy.

Beef Australia met with Mayor and Councillors on 3 September 2019 to discuss plans and infrastructure requirement for the Beef 21 event based on recommendations from the Beef Australia Master Plan Review. The review was presented at this time (copy attached) outlining the proposed layout plan.

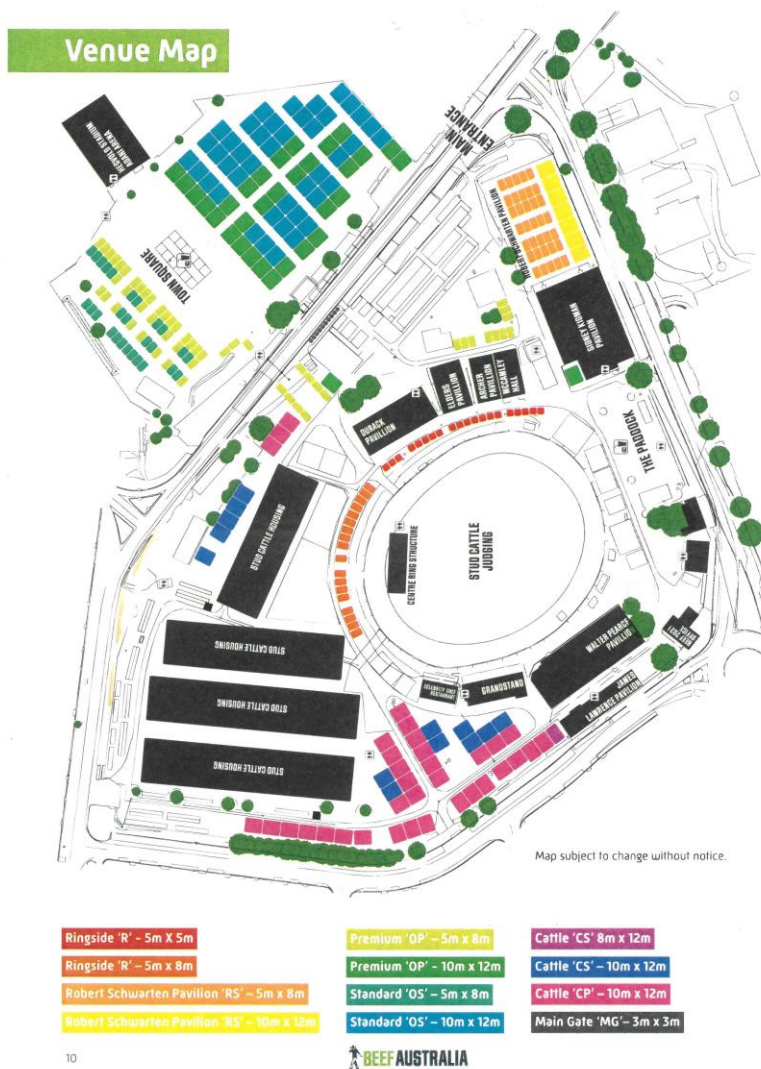
Further to this, on 26 May 2020 a Mayoral Minute on Beef Australia Sponsorship provided a Council Resolution to support a Cash Sponsorship for the 2021 event pending Council budget approval.

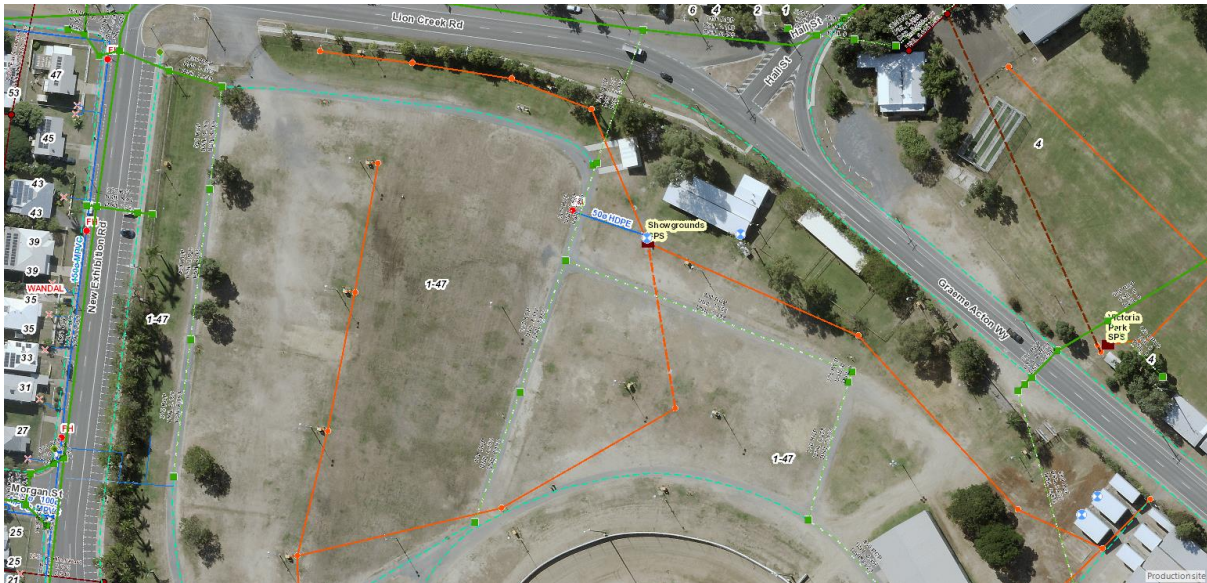
Beef Australia requested support for additional infrastructure for the event of additional cattle wash pads.

Council advised they would provide recommendations and costs around this infrastructure, however there would be no additional funding available and that any works would need to be funded by Beef Australia.

The proposed location and works required to fulfill the request for additional wash bay infrastructure includes consultation with council stakeholders including FRW, Community Assets and Facilities, and Strategic Planning.

- Location - Northern Fence Line along Lion Creek Road approximately from Gate 8 to Toilet Block
- Estimated Cost - \$170 000 (covered by Beef Australia)
- Installation timeline - works need to commence prior to December 2020.
- Beef Australia responsible for funding works, however council retain ownership
- Beef Australia to complete works under RRC project management/supervision





BACKGROUND

Council stakeholders have met and will continue to meet with Beef Australia with a collaborative approach to the Beef21 event with the outcome to ensure minimal impact on the community particularly around the showgrounds, and maximize the opportunity for the Rockhampton region.

In the current environment, Beef Australia has also been advised that Council's sponsorship is also conditional on them obtaining a COVID Safe Event Plan from Queensland Health. This plan has been submitted.

Any additional infrastructure is to be scoped and costed and Beef Australia have been advised Council did not have capital budgeted to contribute to any works.

The layout plan presented to Council in September 2019 outlines the location of the cattle (event hero) on the showgrounds part of the precinct, as they also have for earlier events most recently in 2015.

Community consultation around the layout/set up is conducted by Beef Australia. Council is working with Beef Australia to ensure a comprehensive Community Engagement Plan is in place and actioned particularly around the position of the cattle (see site map) and the operational requirements around noise, odour, proximity to residents and movement of cattle in and out of the showgrounds both timing and access.

PREVIOUS DECISIONS

A Mayoral Minute on Beef Australia Sponsorship on May 29 2020 provided a Council Resolution to support a Cash Sponsorship to the 2021 event pending Council budget approval.

BUDGET IMPLICATIONS

Budgeted in FY21

LEGISLATIVE CONTEXT

Nil

LEGAL IMPLICATIONS

Nil

STAFFING IMPLICATIONS

Nil

RISK ASSESSMENT**CORPORATE/OPERATIONAL PLAN**

2.1.1 Pursue tourism opportunities for the region that leverage existing assets that provides a strong platform for future visitor and economic growth for the Region.

CONCLUSION

The proposed locations for the cattle wash pads are positioned to suit the current service locations and the requirements from Beef Australia to limit the cattle walking distances and segregation of cattle and pedestrians to ensure a safer event as recommended in the Master Plan Review.

BEEF 21 EVENT SITE PLAN

Beef Master Plan Review

Meeting Date: 27 October 2020

Attachment No: 1



Beef Australia Master Plan Review





Beef 2018 Site Review

Lagardère
SPORTS | EKS



Beef 2018 Site Review

- // LS/EKS visited Beef 2018 with a view to reviewing existing site operations and layout and identifying potential enhancements for Beef 2021 and beyond
- // It is noted that the event has experienced considerable growth and the existing site presents constraints for accommodating future needs
- // The initial findings and potential concepts have been developed with a view to support Beef 2021 in presenting an optimal layout which accommodates the additional needs for the event and enhances the constituent experience
- // It is noted that some recommendations will require the support of stakeholders including Rockhampton Council with respect to potential site improvements



General - Back of House



Back of house areas are required for most pavilions and marquees, including:

- Power Generators
- Air-con compressors
- Cooking / kitchen areas



General - Back of House



Back of house areas are required for most pavilions and marquees, including:

- Power Generators
- Air-con compressors
- Cooking / kitchen areas





Congestion & BOH/FOH Conflicts





Pedestrian/Vehicle/Cattle Separation



Issues with separation of public from service vehicles (golf buggy size) or cattle (requiring fences to controlling cross pedestrian traffic)





Site Organisation and Wayfinding



Complicated and disaggregated site layout creates challenges in wayfinding. Signage is limited to street names, plus enhancements to highlight activity – see bottom left example



Show Ring Activity – BOH Areas



Within the Show Arena, the back of house area for the Qantas marquee, servicing a restaurant and lounge, are accessible to the public, include:

- Waste
- Toilets
- Kitchens and storage
- Generators and air-con compressors





Show Ring Activity – BOH Areas



Show Ring Activity – Existing Grandstand



Show Arena Activity – Multiple arenas and temp seating within Show Ring, minimal use of existing grand stand

- 1 Kids space
- 2 Landmark
- 3 Loading Ramps
- 4 Meat & Livestock Australia
- 5 Merchandise
- 6 MLA 'The Paddock to Plate Story'
- 7 Police
- 8 The Paddock Bar
- 9 Walter Pearce Pavilion
- 10 ATM
- 11 First Aid
- 12 Food
- 13 Parents Room
- 14 Toilets



Master Plan Options



Master Plan Principles

- // **Site Expansion** - Current extent of Rockhampton Showgrounds site offers significant constraints, consider opportunities for expansion
- // **Future Growth** - Ensure plan allows for future growth within each functional zone
- // **Site Organisation** - Consideration of options for eliminating FOH/BOH conflicts and logical separation of public with cattle flows etc. Create clear 'zoning', facility hubs and placemaking opportunities
- // **Site Experience** - Consider location and access to entertainment/festival activities
- // **Show Ring** - Enhance use of Show Ring as site focal point

Site Expansion



Hegvold Stadium
7,500 m2 (.75 ha)

Current Site
162,000 m2 (16 ha)

Playing Fields
35,000 m2 (3.5 ha)

Site Expansion



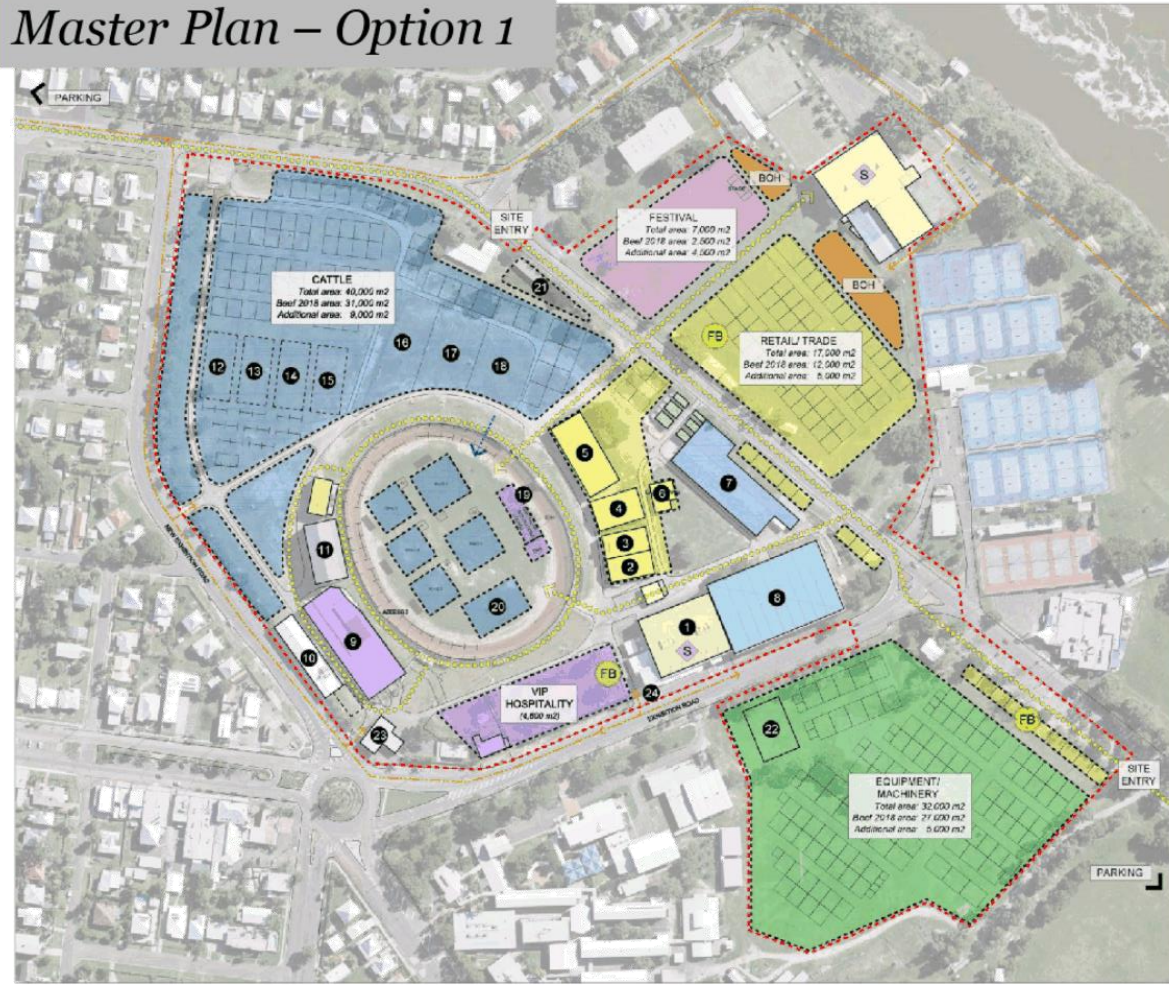
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Site Organisation



- Site Perimeter
- Primary Pedestrian Flow
- BOH Service Road
- Site Entry
- Food + Beverage Hub
- ★ Entertainment Hub
- ◆ Special Events
- ▲ Show Ring Entry - Public
- ▲ Show Ring Entry - Cattle

Master Plan – Option 1



LEGEND

- 1 BONEY KIDMAN PAVILION
- 2 MCARNEY HILL
- 3 ARCHER PAVILION
- 4 ELDER'S PAVILION
- 5 DURACK PAVILION
- 6 CATTLEBARBERS CLUB
- 7 STUC CATTLE - MONDIZ PAVILION
- 8 STUC CATTLE - WIGBY PAVILION
- 9 WALTER TEAROCK PAVILION
- 10 JAMES LAWRENCE PAVILION
- 11 DRACOPANE
- 12 STUC CATTLE - COOKING PAVILION
- 13 STUC CATTLE - DANSON PAVILION
- 14 STUC CATTLE - COMET PAVILION
- 15 STUC CATTLE - ISAAC PAVILION
- 16 AUSTRALIAN BARBARIAN BREEDERS ASSOCIATION
- 17 SANTA HELENA BREEDERS ASSOCIATION
- 18 PARULCO
- 19 QANTAS INTERNATIONAL LOUNGE
- 20 LANEMARK
- 21 KUS SINCE
- 22 BULLOCKS (AMPTON) STATE HIGH SCHOOL SPORTS COMPLEX
- 23 GATE 1 - WEST ENTRY
- 24 GATE 2 - SOUTH ENTRY

SYMBOL KEY

- CATTLE
- EQUIPMENT/MACHINERY
- RETAIL/TRADE
- HOSPITALITY
- FESTIVAL
- BOV OPERATIONAL AREAS
- ERIC PERIMETER
- BOV SERVICE ROAD
- PRIMARY PEDESTRIAN FLOW
- FOOD & BEVERAGE KUB
- SPECIAL EVENTS

BEEF AUSTRALIA MASTERPLAN

A1

24/01/2019
V1
Lagardère EKS



Show Ring



Enhancement of Show Ring Concept :

- Use existing grandstands
- Create 'stadium' for showcasing and special events, including concerts etc.

Show Ring



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SPORTS

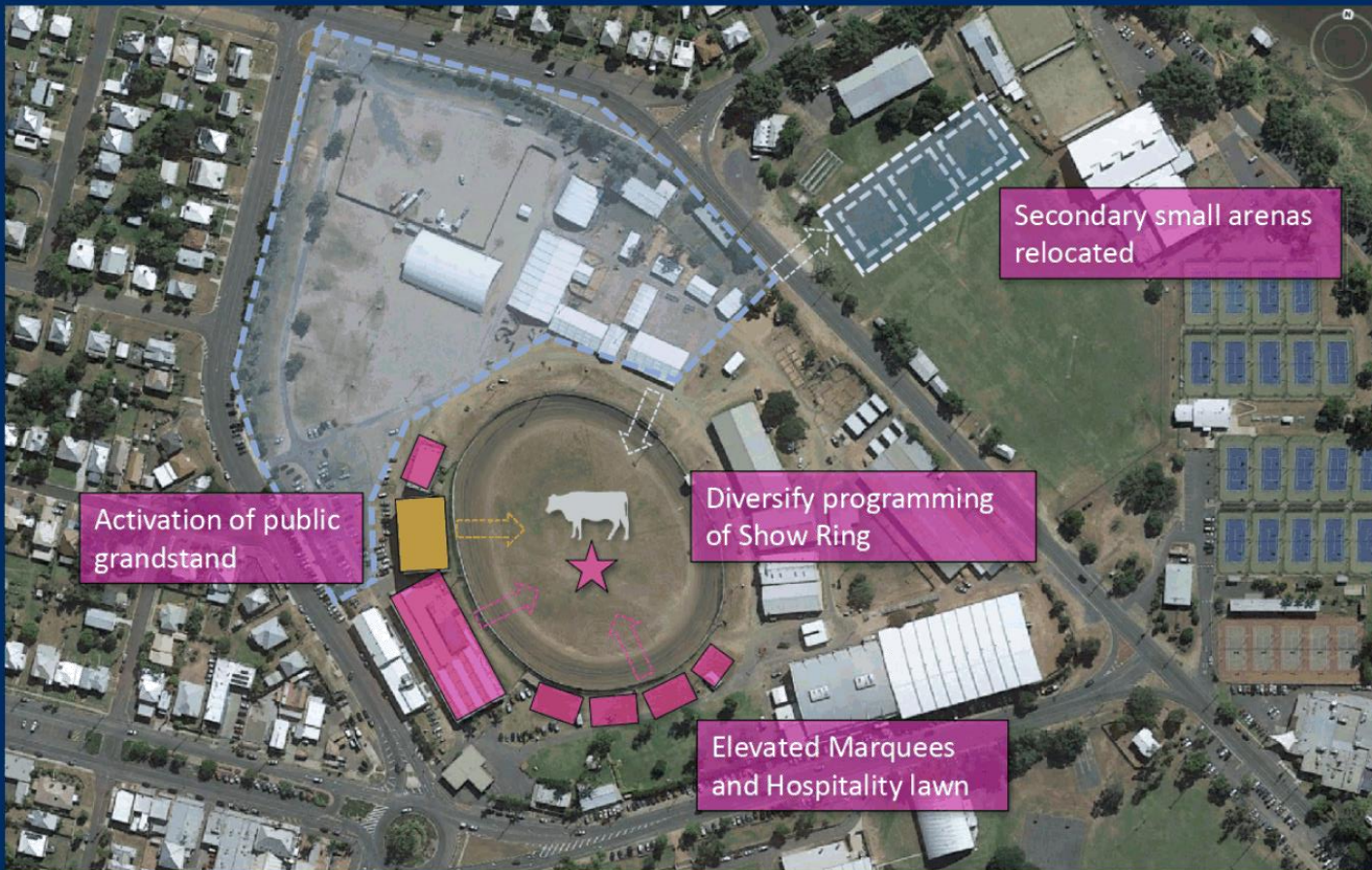


Show Ring - Concept

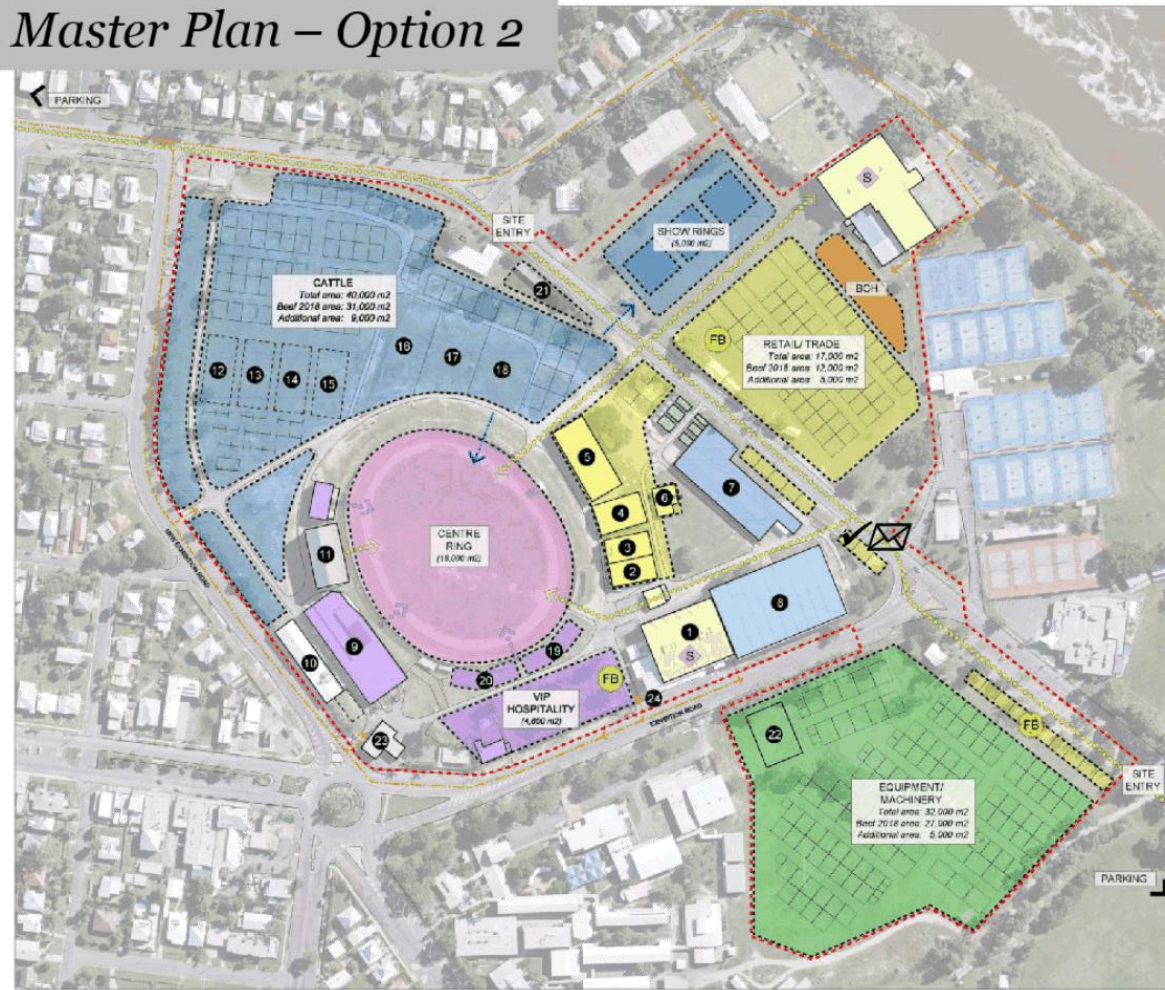
- // Create Show Ring as focal point in Master Plan, enhance public access and utilisation of Grand Stand
- // Consider treatment of Show Ring perimeter to include public space and elevated marquees overlooking central space
- // Resolve perimeter fencing, refurbish with removeable system
- // Diversify programming of Show Ring including festival elements



Show Ring



Master Plan – Option 2



LEGEND

- 1 BONEY VIEW PAVILION
- 2 BUDALEY HALL
- 3 ARCHER PAVILION
- 4 ELDERS PAVILION
- 5 DUNLOP PAVILION
- 6 CATTLEMAN'S CLUB
- 7 STUC CATTLE - KONDIZIE PAVILION
- 8 STUC CATTLE - FITZROY PAVILION
- 9 VALTIR TRAROC PAVILION
- 10 JAMES LAWRENCE PAVILION
- 11 GRANGE STAND
- 12 STUC CATTLE - CONING PAVILION
- 13 STUC CATTLE - DAVISON PAVILION
- 14 STUC CATTLE - GOMET PAVILION
- 15 STUC CATTLE - ISAAC PAVILION
- 16 AUSTRALIAN BRANIMA BREEDERS ASSOCIATION
- 17 SHEPHERD'S BREEDERS ASSOCIATION
- 18 RURALCO
- 19 QANTAS INTERNATIONAL LOUNGE
- 20 LANDMARK
- 21 RODEO HALL
- 22 BHS ROCKWASHTON STATE HIGH SCHOOL SPORTS COMPLEX
- 23 GATE 1 - CHEMERY
- 24 GATE 2 - SCHEFFERY

SYMBOL KEY

- CATTLE
- EQUIPMENT/MACHINERY
- RETAIL/TRADE
- HOSPITALITY
- FESTIVAL
- BOH OPERATIONAL AREAS
- SITE PERIMETER
- BOH SERVICE ROAD
- PRIMARY PEDESTRIAN FLOW
- FOOD & BEVERAGE HUB
- SPECIAL EVENTS

BEEF AUSTRALIA MASTERPLAN

A2 | Date: 28/03/2019 | Scale: 1:1000 | V1 | Lagardere | EKS





Discussion / Issues

// Space expansion 'sources':

// School – Equipment / Machinery

// Parking – Jardine Park (other – Quay Street?)

// City – Pilbeam Theatre / Browne Park Stadium / Arts Centre / Hotels / Restaurants

// Show ring safety fence

// Impact of cattle waste – neighbours on New Exhibition Road

// Status of McKenzie Pavilion

// Other

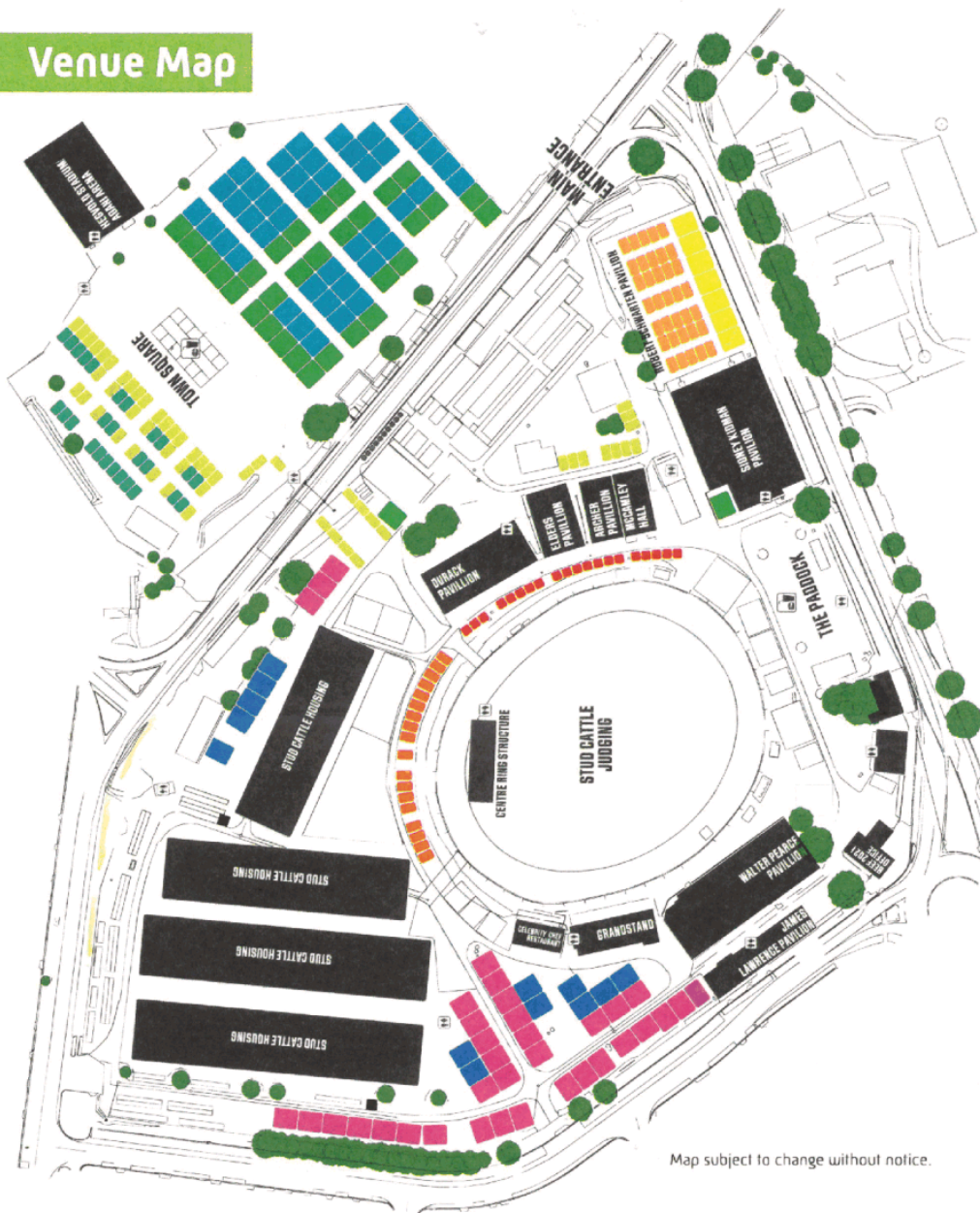
BEEF 21 EVENT SITE PLAN

Beef Venue Map

Meeting Date: 27 October 2020

Attachment No: 2

Venue Map



Map subject to change without notice.

Ringside 'R' - 5m X 5m

Ringside 'R' - 5m x 8m

Robert Schwarden Pavilion 'RS' - 5m x 8m

Robert Schwarden Pavilion 'RS' - 10m x 12m

Premium 'OP' - 5m x 8m

Premium 'OP' - 10m x 12m

Standard 'OS' - 5m x 8m

Standard 'OS' - 10m x 12m

Cattle 'CS' 8m x 12m

Cattle 'CS' - 10m x 12m

Cattle 'CP' - 10m x 12m

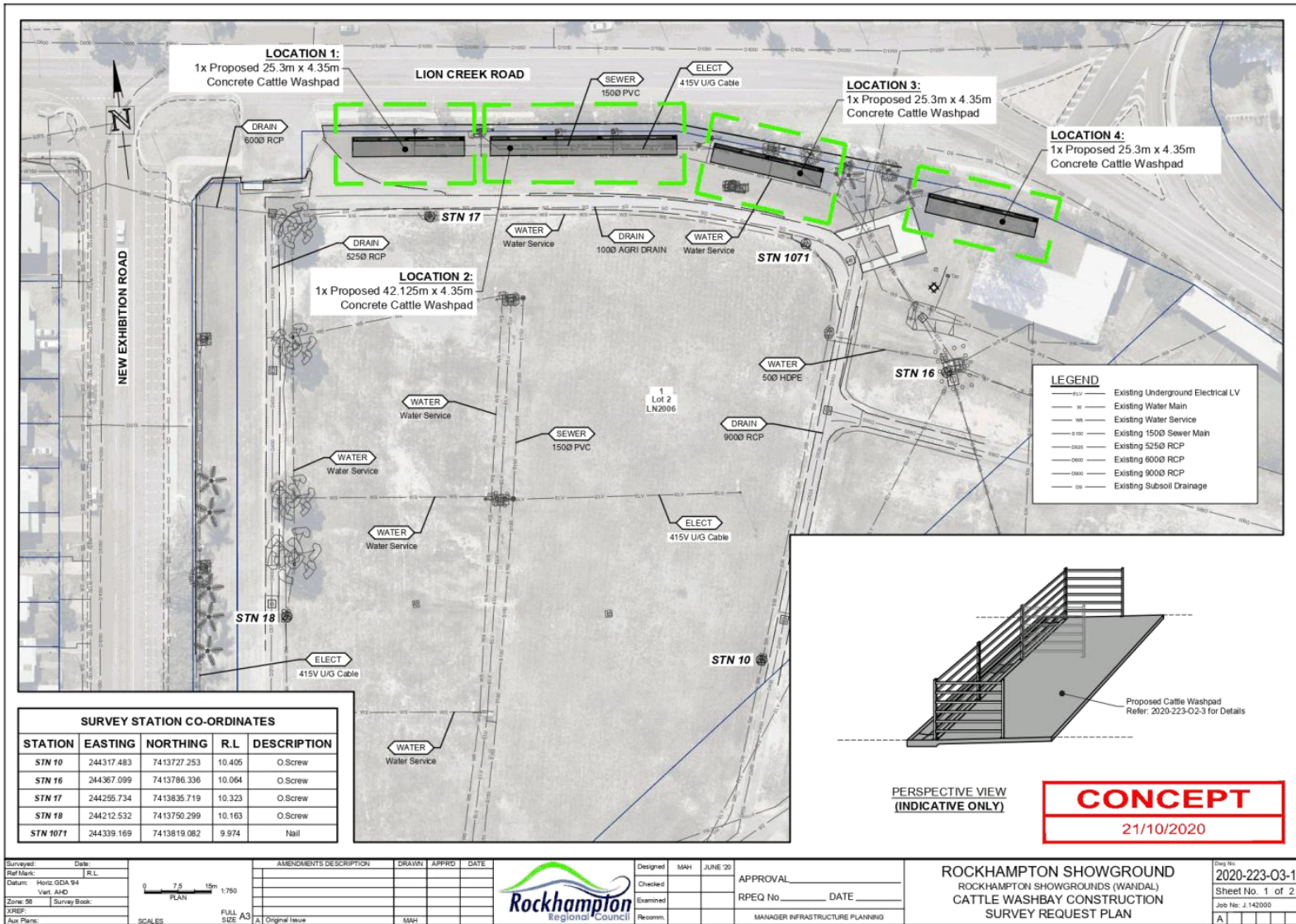
Main Gate 'MG' - 3m x 3m

BEEF 21 EVENT SITE PLAN

Showgrounds Cattle Washbay Construction Survey Request Plan (Plan A)

Meeting Date: 27 October 2020

Attachment No: 3



SURVEY STATION CO-ORDINATES

STATION	EASTING	NORTHING	R.L	DESCRIPTION
STN 10	244317.483	7413727.253	10.405	O.Screw
STN 16	244367.099	7413786.336	10.064	O.Screw
STN 17	244255.734	7413835.719	10.323	O.Screw
STN 18	244212.532	7413750.299	10.163	O.Screw
STN 1071	244339.169	7413819.082	9.974	Nail

Surveyed:	Date:	R.L.
Ref Mark:		
Datum:	Horiz: GDA 94	
	Vert: AHD	
Zone: 56	Survey Book:	
CRIP:		
Aux Plans:		

AMENDMENTS DESCRIPTION	DRAWN	APPRD	DATE
Original Issue		MAH	

Designed: MAH JUNE 20
 Checked: _____
 Examined: _____
 Recomm: _____

APPROVAL: _____
 RPEQ No: _____ DATE: _____
 MANAGER INFRASTRUCTURE PLANNING

ROCKHAMPTON SHOWGROUND
 ROCKHAMPTON SHOWGROUNDS (WANDAL)
 CATTLE WASHBAY CONSTRUCTION
 SURVEY REQUEST PLAN

Draw No:	2020-223-03-1
Sheet No.	1 of 2
Job No:	J.142000
A	

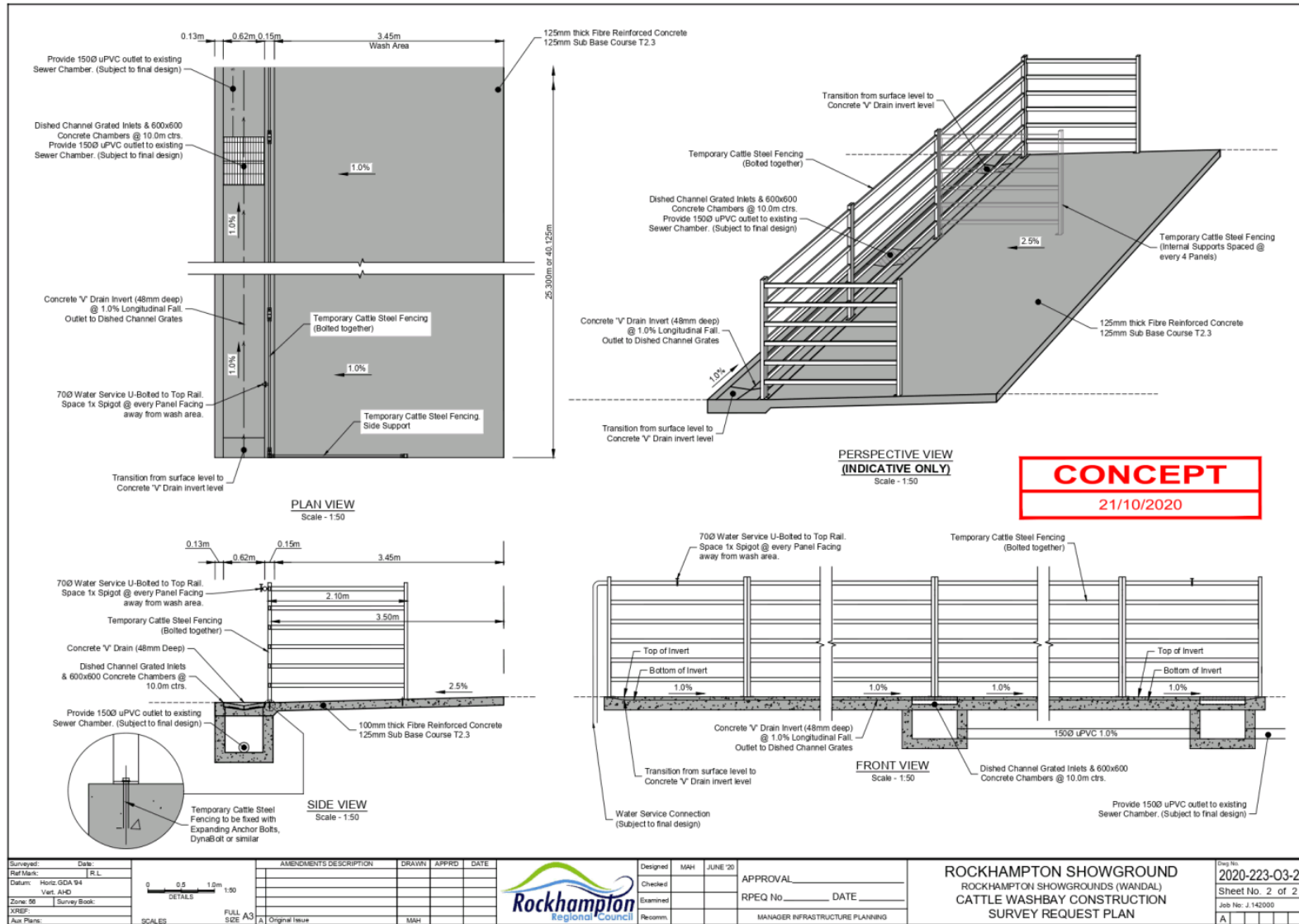
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BEEF 21 EVENT SITE PLAN

Showgrounds Cattle Washbay Construction Survey Request Plan (Plan B)

Meeting Date: 27 October 2020

Attachment No: 4



Surveyed:	Date:	R.L.
Ref Mark:		
Datum:	Horiz. GDA 94	
	Vert. AHD	
Zone:	56	Survey Book:
DREF:		
Aux Plans:		

AMENDMENTS DESCRIPTION	DRAWN	APPRD	DATE
Original Issue	MAH		

	Designed	MAH	JUNE 20
	Checked		
	Examined		
	Recomm.		

APPROVAL	DATE
RPEQ No.	
MANAGER INFRASTRUCTURE PLANNING	

ROCKHAMPTON SHOWGROUND
ROCKHAMPTON SHOWGROUNDS (WANDAL)
CATTLE WASHBAY CONSTRUCTION
SURVEY REQUEST PLAN

Draw No.	2020-223-03-2
Sheet No.	2 of 2
Job No.	J.142000
A	

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AIRPORT GROWTH AND DEVELOPMENT*Councillor Portfolio – Councillor Fisher*

9.2 SPECIALISED SUPPLIER ROCKHAMPTON AIRPORT - AVDATA AUSTRALIA

File No:	1920, 3008
Attachments:	Nil
Authorising Officer:	Ross Cheesman - Deputy Chief Executive Officer
Author:	Marcus Vycke - Manager Airport

SUMMARY

The purpose of this report is to seek a Council resolution that Avdata Australia is deemed a specialised supplier in accordance with Section 235(b) of the Local Government Regulation 2012.

OFFICER'S RECOMMENDATION

THAT pursuant to s235(b) of the *Local Government Regulation 2012* Council approve Avdata Australia as a specialised supplier for the collection of data and billing service of aircraft landing and parking fees.

COMMENTARY

The Airport recently upgraded the Avdata equipment due to its age and further enhancements with the new equipment that has Automatic Dependent Surveillance Broadcast (ADS-B) capability which enables aircraft to be more accurately tracked without the need for conventional radar. ADS-B will also allow us to record landings 24-hours per day rather than the current system which only records aircraft during Air Traffic Control tower opening times, therefore we will potentially receive increased revenue from aircraft landing fees.

It is impractical to invite quotes for the upgrade of the existing equipment and the ongoing billing management services as there is only one other provider in the market, Aimm, that captures, tracks and reports on aircraft landing data, however they do not provide an entire billing service. Council would also be required to purchase new equipment, as the equipment provided by either supplier is not interchangeable or compatible.

The majority of regional airports in Australia also use the services of Avdata with only a handful of the larger airports utilizing their own billing system software.

BACKGROUND

In June 2007 the Airport purchased the follow equipment to capture aircraft landing data at a cost of \$3,421 from Avdata Australia (Avdata):

- Avdata Broadcast Recorder (ABR) – sources information from Airservices, audio recordings of pilot radio broadcasts, recorded images, or notes of visual sightings.
- Airband scanner – tuned to the radio frequency at Rockhampton Airport
- Modem – for the transfer of recorded data
- Roof mounted antenna
- Uninterrupted Power Supply (UPS) – to help protect against data loss

Avdata were also engaged to provide a centralised airport charges billing service to recover some of the costs associated with operating and maintaining the Airport facilities such as runway, taxiways, aprons and terminal building, and collection charges on our behalf. The services Avdata provides include:

- Identifying aircraft which use our Airport and the operators of those aircraft;
- Calculating charges based on the specified charge rates;
- Generating accounts and sending them to aircraft operators;
- Receiving and processing payments;
- Responding to enquiries and making account adjustments;
- Maintaining and updating comprehensive records of aircraft liability and ownership;
- Tracking debts, management and referral for debt recovery; and
- Detailed reports of airport usage and customer account activity via a secure login on their website.

PREVIOUS DECISIONS

Nil

BUDGET IMPLICATIONS

For the 2019/2020 financial year Avdata collected on behalf of Council \$523,394 in aircraft landing and parking fees at Rockhampton Airport and charged an administration fee of \$32,497 to provide a centralised airport charges billing service. Leaving a net total income of aircraft landing and parking fees of \$490,896.

There is no ongoing monthly fee for the equipment. Avdata's billing service is offered on a month-to-month basis, with no long-term contracts.

LEGISLATIVE CONTEXT

Under Section 235, Other Exceptions, of the Local Government Regulation 2012:

"A local government may enter into a medium-sized contractual arrangement or large-sized contractual arrangement without first inviting written quotes or tenders if –
b) the local government resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders; or

LEGAL IMPLICATIONS

There are no legal implications.

STAFFING IMPLICATIONS

There will be no staffing implications.

RISK ASSESSMENT

A Risk Assessment is not required.

CORPORATE/OPERATIONAL PLAN

A Corporate/Operations Plan is not required.

CONCLUSION

In order to continue collecting revenue from aircraft landing and parking fees at Rockhampton Airport, it is recommended Council approve Avdata Australia as a specialized supplier in accordance with Section 235(b) of the *Local Government Regulation 2012*.

COMMUNITIES**Councillor Portfolio** – Councillor Wickerson

No items for consideration

INFRASTRUCTURE**Councillor Portfolio** – Councillor Williams

No items for consideration

PLANNING AND REGULATION**Councillor Portfolio** – Councillor Smith

No items for consideration

SPORTS, PARKS AND PUBLIC SPACES**Councillor Portfolio** – Councillor Rutherford

9.3 EXTENSION OF CURRENT TRUSTEE LEASE - ROCKHAMPTON TENNIS LIMITED**File No:** 374**Attachments:** Nil**Authorising Officer:** Aaron Pont - Manager Parks
Alicia Cutler - General Manager Community Services**Author:** Justin Bulwinkel - Supervisor - Sports and Administration

SUMMARY

Supervisor Sports & Administration reporting on the proposed renewal of the Trustee Lease and extension of the Operation Agreement to the Rockhampton Tennis Limited (RTL) for a period of 6 months.

OFFICER'S RECOMMENDATIONTHAT pursuant to section 236(c)(iii) of the *Local Government Regulation 2012*:

1. Council approve a six (6) month renewal on the Trustee Lease currently held by Rockhampton Tennis Limited over part of Victoria Park Precinct (Lot 40 on SP240869);
2. Council approve a six (6) month extension on the Operation Agreement currently held by Rockhampton Tennis Limited over part of Victoria Park Precinct (Lot 40 on SP240869); and
3. Council authorises the Chief Executive Officer (Supervisor Sports & Administration) to negotiate the terms and conditions of the agreement with Rockhampton Tennis Limited in preparation for execution by the delegate officer.

COMMENTARY

Rockhampton Tennis Limited (RTL) have held a Trustee Lease accompanied by an Operation Agreement (Agreements) over Victoria Park Tennis Centre for the past 10 years. Both are set to expire on 31 December 2020.

Officers intend to re-tender the Agreements to ensure Council demonstrates transparency with equal opportunities provided to all potential tennis centre operators.

It is acknowledged that the current expiry of the Agreements falls at an inopportune time for a tender for the facility. Undertaking this process over the December period creates difficulties for the current operator, specifically associated with their operational planning ie securing and scheduling competitive events for the next 12 months.

Providing RTL with an extension on their existing Agreements will provide them with sufficient time to meet their operational obligations before participating in the re-tendering process.

Council officers recently met with RTL where they conveyed immense concern around the operational impacts a tendering process leading into the month of December would have on their organisation. Their position considers resourcing constraints such as staff security, along with uncertainty it places around their ability to effectively conduct operational planning for 2021.

PREVIOUS DECISIONS

There are no previous decisions relating to this matter.

BUDGET IMPLICATIONS

The standard annual fee will be reduced to \$7,000 Inc GST (50%) to align with the 6 month term.

LEGISLATIVE CONTEXT

Under Section 236 of the *Local Government Regulation 2012* (Qld) Council has the ability to renew Leases to existing Tenants, provided that Council has decided, by resolution, that the exception applies to the leasing of valuable non-current assets (i.e. land) other than by tender or auction.

LEGAL IMPLICATIONS

There are no legal implications pertaining to this matter.

STAFFING IMPLICATIONS

Existing resources within Park and Property & Insurance can adequately manage the required legal documentation.

RISK ASSESSMENT

The granting of the renewal of lease and extension of operation agreement is considered appropriate in order to tender the facility at a more favorable time of year.

CORPORATE/OPERATIONAL PLAN

1.4 Healthy living and active lifestyles.

CONCLUSION

It is recommended that Council renews the term of the Rockhampton Tennis Trustee Lease and extends the Operation Agreement for six (6) months to 30 June 2021.

9.4 PROPOSED DEMOLITION OF LITTLER-CUM-INGHAM PARK (OLD) AMENITIES

File No:	8052
Attachments:	1. Amenities block locations along Fitzroy River 2. Littler-Cum-Ingham Park amenities - condition assessment
Authorising Officer:	Richard Dunkley - Manager Community Assets and Facilities Aaron Pont - Manager Parks
Author:	Sophia Czarkowski - Coordinator Community Facilities

SUMMARY

The original amenities block located at Littler-Cum-Ingham Park is approaching end of life and requires significant maintenance works. This report details a proposal to demolish the toilet block.

OFFICER'S RECOMMENDATION

THAT Council approves the request to demolish the original toilet block at Littler-Cum-Ingham Park as detailed in the report.

BACKGROUND

The original amenities block located at Littler-Cum-Ingham Park was constructed on the corner of Arthur and Quay Streets in Rockhampton. Our records indicate that the amenities were built in 1971 and have been assigned an expected life of 50 years (2021). A new amenities block was built at Littler-Cum-Ingham Park approximately 10 years ago, however, the original block was never demolished.

As the original block approaches end of life an inspection on its condition was carried out to determine future planned maintenance works. The inspection, coupled with recent anti-social behavior, has triggered officers to consider the value of retaining the amenities block. Recent work orders have also identified that Officers are responding to graffiti, vandalism and other anti-social damage.

A condition inspection has identified that the following works will be required, and officers estimate the cost of rectification to be in the vicinity of \$40,000:

- Remove all asbestos roofing products replace with Colorbond or Zinalume
- Repaint external blockwork
- Address rising damp, remove and replace damaged mortar, clean and treat rust marks and repaint (internals) as required
- Concrete apron/pathway around building to reduce future issues with rising damp
- Reseal flooring
- Replace and seal concrete entry pads
- Remove and replace the rusted steel angle supporting the brickwork to the male cubical
- Install new light fixtures
- Replace all plumbing fixtures with stainless steel

In light of the extent and cost of maintenance works, Officers are recommending that the amenities be demolished and a temporary sign be erected directing users to the newer amenities approximately 200m upstream. In addition to this, the following amenities blocks are within a 1.4km vicinity of the original block, including:

- Toonooba Park (~700m)
- Riverside Park Playground Amenities (~1100m)
- Riverside Park Amenities (~1400m)

There are two other options the first would be to demolish the existing block and replace it with amenities similar to what was installed at Stapleton Park. The cost of demolition would be less than \$20,000 and based off of the cost of the Stapleton Park amenities a new block would be between \$100,000 and \$120,000. Alternatively Council could carry out the required maintenance works, as detailed above which would see Council spend approximately \$40,000 on a toilet block that is at end of life.

PREVIOUS DECISIONS

Nil

BUDGET IMPLICATIONS

The annual maintenance costs on the amenities block vary dependent on reactive maintenance, but this financial year to date we have spent around \$1,300; with approximately \$3,500 and \$2,400 spent in 2019/20 and 2018/19, respectively.

Preferred Option: Demolition cost estimated at \$20,000 – this could be funded from our existing operational budget for demolitions

2nd Option: Replacement cost estimated at \$100,000 to \$120,000 – consideration of funding this through the amenity renewal program would be required.

3rd Option: Maintenance works estimated at \$40,000 – This could be funded through the amenity renewal program

LEGISLATIVE CONTEXT

Administrative Policy: Asset Disposal Policy

LEGAL IMPLICATIONS

Nil

STAFFING IMPLICATIONS

There is sufficient resourcing to carry out any of the options provided. The demolition would provide a resource saving from an ongoing maintenance point of view.

RISK ASSESSMENT

This building is located on the asbestos register and this may pose a risk to Council if no action is taken.

CORPORATE/OPERATIONAL PLAN

Corporate Plan:

Community Expectation: Regional Infrastructure and Facilities:

1.1 Safe, accessible, reliable and sustainable infrastructure and facilities

Operational Plan:

4.1.1 Undertake a review of the facilities and service delivery to ensure future sustainability

5.3.1 Ensure the efficient and effective management of Council's finances

CONCLUSION

The original amenities block at Littler-Cum-Ingham Park is approaching end of life and significant maintenance works are required for it to continue operating. This report proposes to demolish to the toilet block resulting in operational savings from a maintenance point of view.

PROPOSED DEMOLITION OF LITTLER-CUM-INGHAM PARK (OLD) AMENITIES

Amenities Block Locations Along Fitzroy River

Meeting Date: 27 October 2020

Attachment No: 1

Location of toilets along Fitzroy River (southside)



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Printed from GeoCortex on 04/09/2020



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PROPOSED DEMOLITION OF LITTLER-CUM-INGHAM PARK (OLD) AMENITIES

Littler-Cum-Ingham Park Amenities - Condition Assessment

Meeting Date: 27 October 2020

Attachment No: 2



Community Assets
Building Inspection

Old Blue Toilet Block Littler-Cum-Ingham Park



Asset ID: 582215
Inspected by: Clinton Connolly
Inspection Date: 28-08-2020

Purpose: To provide a general assessment of the buildings current condition.

Building type: Amenities Block

Total Building Area: 17m2.

External walls constructed from: Brick

Roof Construction: Open Gable

Roof Covering: Super 6 Asbestos Sheeting

Internal walls covered with: Paint

Internal ceilings covered with: No Ceiling

Windows are constructed from: Brick

Footings/Foundations: Slab on Ground

Building Age: 49 .2 years (Date Created Thursday, 1 July 1971)

Standard Life: 50 Years.

Expected Life: 50 Years.

Insured Value: \$64,000.00

Note: There are no details on the valuation of the building in Conquest.

Roofing



The roof is sheeted with Super 6 Asbestos sheeting which has been damaged in some areas. See below.



The Asbestos barge mould on the Southern side of the building is cracked in multiple places.



Recommendation: Remove all asbestos roofing products before more damaged sections break away and replace with Colorbond or Zinalume.

External Walls

The paint work is very old and chalky looking.

Recommendation: Repaint the whole building using a lighter and more modern colour scheme.



The brickwork on the Western side on the building looks to be affected by rising damp, as the ground around the building is very wet. This prolonged moisture has started to cause the mortar to crack and fall out, also the Bricktor (Metal woven mesh that is used to reinforce brickwork and provide joint flexibility.) is severely rusted, causing it to swell and push the mortar out also.

Recommendation: Investigate and repair the cause of the water leak, then allow the ground and brickwork to completely dry out, remove all the cracked and damaged mortar, clean and treat the rusted bricktor as best as possible and then repoint the brickwork in all affected areas.

Note: The treatment of the rusted bricktor will only slow the affects for a period of time, before the problem will arise again. The only way to eliminate the problem totally would be to rebuild the wall.

Flooring

The painted flooring in both the male and female toilets has flaked off in areas and is very dull and dirty looking.



The concrete pads at entrance to both the male and female toilets are cracked and damaged.



Recommendations:

Flooring: Remove the paint from the floor and coat with a seamless epoxy product.

Concrete Pads: Remove and replace both concrete pads and extend the seamless epoxy to cover the new concrete pads.

Internal



The steel angle supporting the brickwork to the male cubical is severely rusted.

Recommendation: Remove and replace the rusted steel angle supporting the brickwork to the male cubical.

There is no adequate lighting available, as all the light fixtures have been removed.

Recommendation: Install new light fixtures to provide adequate lighting to the building.



The taps to both basins are corroded and difficult to use and are prone to leak and be left on.



Recommendation: Replace both taps with more water wise options.

WASTE AND WASTE TO RESOURCE IMPLEMENTATION*Councillor Portfolio – Councillor Latcham*

No items for consideration

WATER AND SUPPORTING A BETTER ENVIRONMENT*Councillor Portfolio – Councillor Kirkland*

No items for consideration

BUDGET, GOVERNANCE AND OTHER MATTERS

9.5 ADOPTION OF 2019/20 ANNUAL REPORT

File No:	5042
Attachments:	1. Annual Report 2019/2020 ↓
Authorising Officer:	Evan Pardon - Chief Executive Officer
Author:	Ross Cheesman - Deputy Chief Executive Officer

SUMMARY

Deputy CEO presenting the content for the 2019/20 Annual Report for Council's consideration and approval.

OFFICER'S RECOMMENDATION

THAT in accordance with the *Local Government Act 2009*, the *Local Government Regulation 2012* and the *Water Supply (Safety and Reliability) Act 2008*, the 2019/20 Annual Report as presented be adopted.

COMMENTARY

Attached for Council's consideration is the 2019/20 Annual Report, which incorporates the Annual Reports for Councils commercial business activities:

- Fitzroy River Water (FRW)
- Rockhampton Regional Waste and Recycling (RRWR)
- Rockhampton Airport

BACKGROUND

The *Local Government Act 2009* and *Local Government Regulation 2012* require Council to prepare an Annual Report and adopt the report within one month after the day the Auditor-General gives their report about the local government's financial statement for the financial year to Council. The Regulation goes on further to stipulate the content of the Annual Report. These requirements have been met in this document.

PREVIOUS DECISIONS

Nil

BUDGET IMPLICATIONS

Nil

LEGISLATIVE CONTEXT

2019/20 Annual Report has made reference to the *Local Government Act 2009*, the *Local Government Regulation 2012* and the *Water Supply (Safety and Reliability) Act 2008*.

LEGAL IMPLICATIONS

Nil

STAFFING IMPLICATIONS

Nil

RISK ASSESSMENT

Nil

CORPORATE/OPERATIONAL PLAN

Nil

CONCLUSION

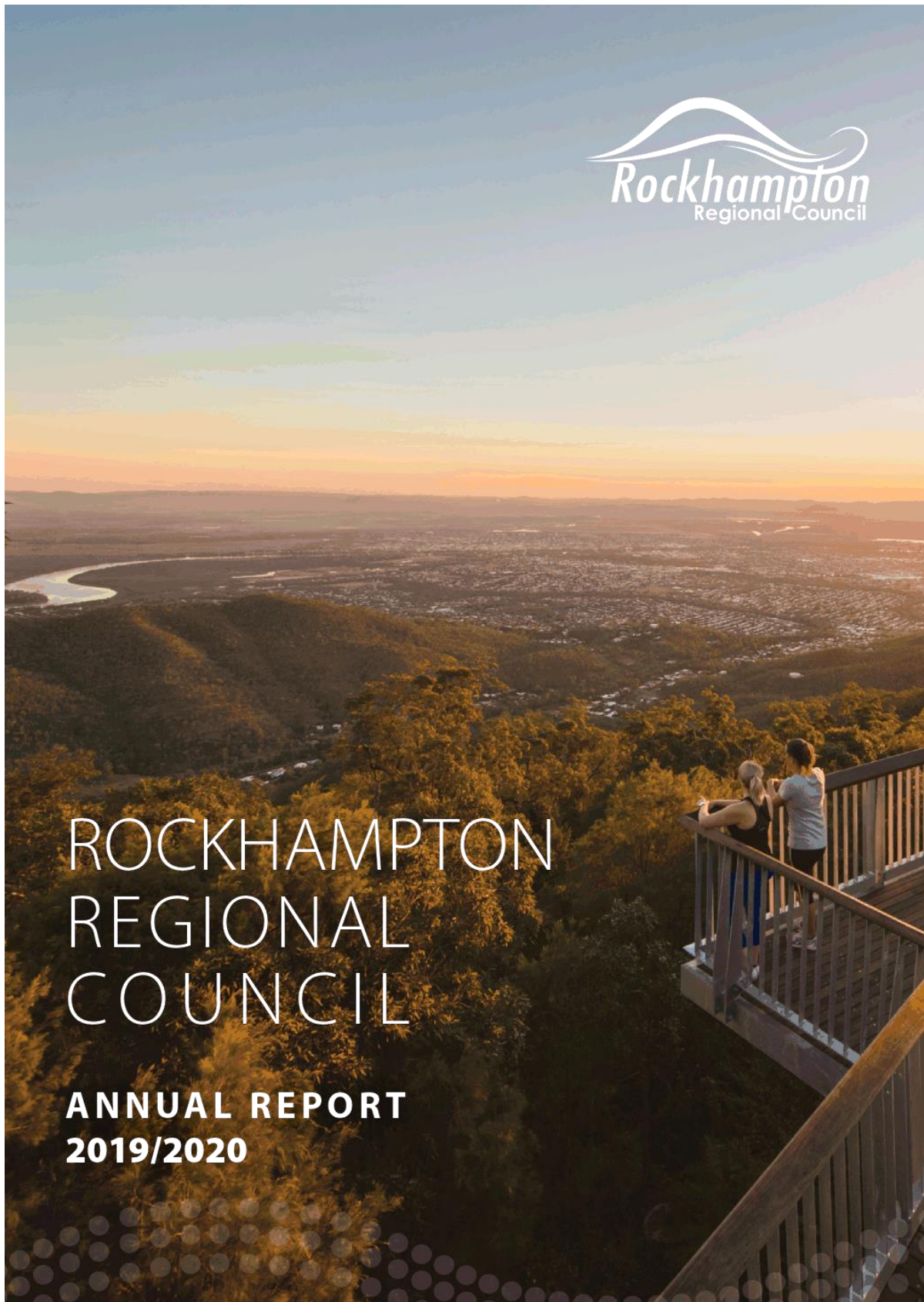
The 2019/20 Annual Report has been prepared in accordance with legislation and it is recommended that the attached annual report be adopted.

ADOPTION OF 2019/20 ANNUAL REPORT

Annual Report 2019/2020

Meeting Date: 27 October 2020

Attachment No: 1





Darumbal Elder, Aunty Nicky and Mayor Strelow at Nurim Circuit, Mount Archer



WE ACKNOWLEDGE THE TRADITIONAL CUSTODIANS OF THE LAND WHICH IS NOW KNOWN AS THE ROCKHAMPTON REGION. WE ALSO PAY RESPECT TO ELDERS PAST, PRESENT AND EMERGING AND THE BROADER ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITIES OF ROCKHAMPTON AND SURROUNDS.

Welcome to the 2019-20 Annual Report for Rockhampton Regional Council.

This report describes Council's progress and performance over the course of the 2019-20 financial year. It has been prepared to meet legislative obligations and provide a clear, transparent overview of the organisation's financial performance for our community.

HOW TO READ THE ANNUAL REPORT

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

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

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**COMMERCIAL
BUSINESS UNITS**

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Fitzroy River Water

92



Rockhampton Regional
Waste and Recycling

106



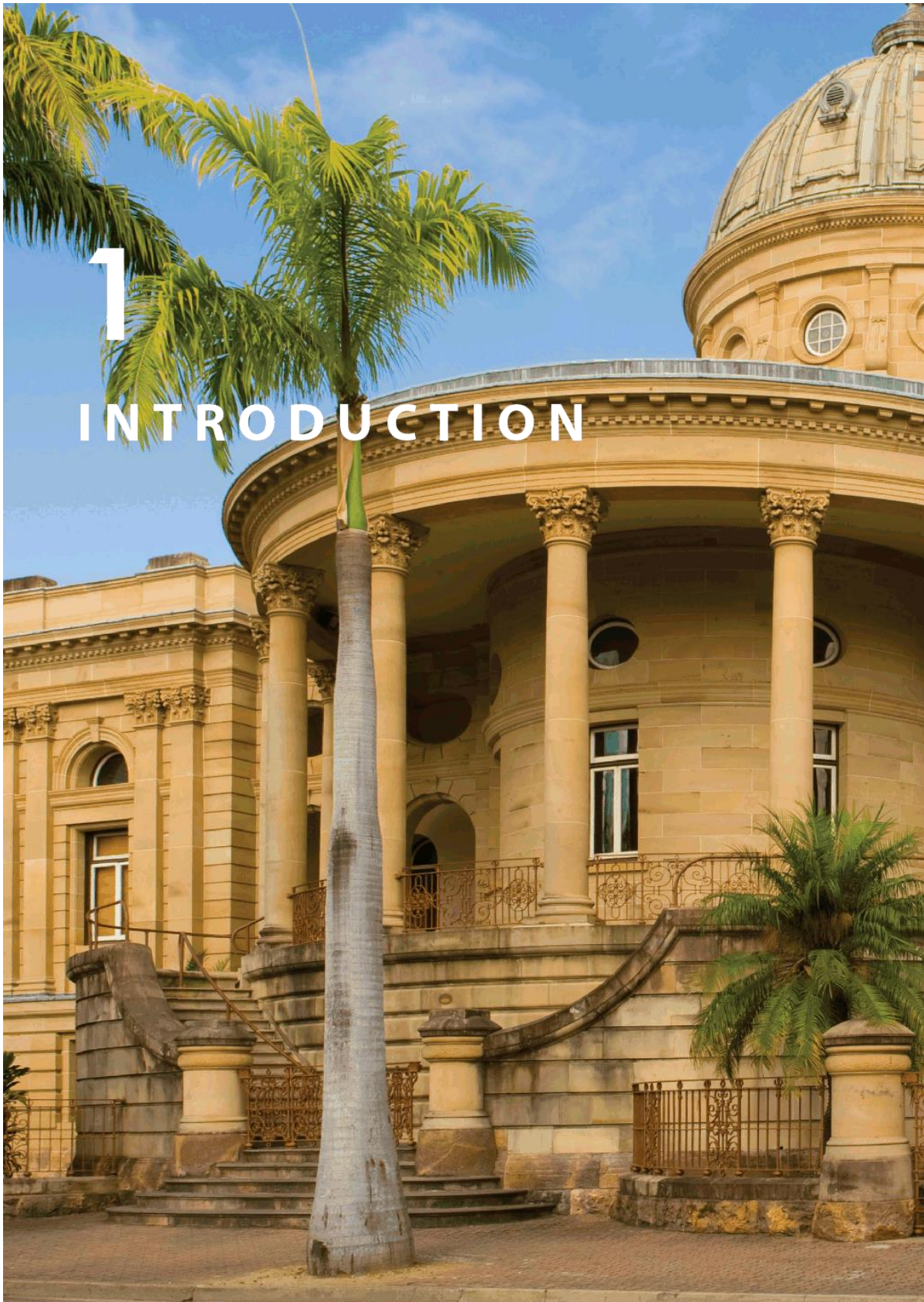
Rockhampton Airport

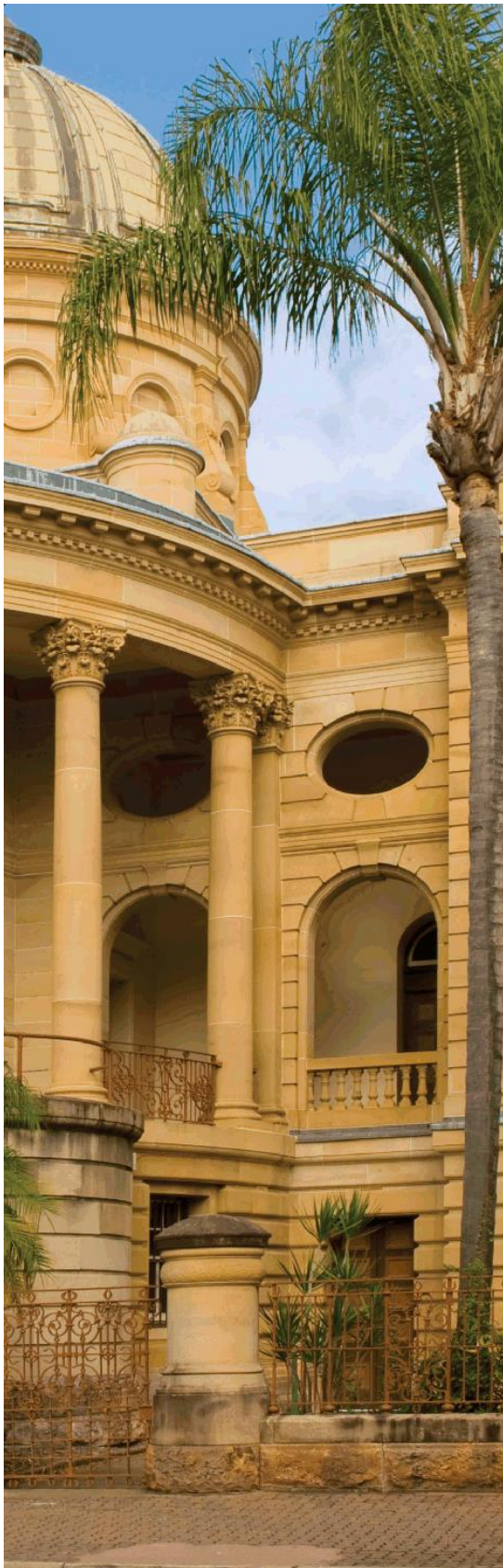
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**STATUTORY
INFORMATION**

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IN THIS SECTION

- Regional snapshot
- Council profile
- Mayor's message
- CEO's message
- Councillors
- 19/20 highlights



SECTION 1 Introduction

7

REGIONAL SNAPSHOT

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

Population

Current: **82,790**

(ABS ERP 2019)

Average age: 36

By Population Centre

Rockhampton South side 16,886

Rockhampton North side 43,887

Gracemere 12,379

Mount Morgan 2,931

Rural Suburbs 6,707

Beef capital

2.6 million head of cattle
in the Fitzroy region



Events

30+ annual events organised
or supported by Council
Over \$6 million boost to local
economy in 2019 through five
major events

Industry

\$4.83 billion Gross Regional Product

Source: <https://economy.id.com.au/rockhampton>

Employment

- 13.8% Healthcare and social assistance
- 11.1% Retail
- 8.6% Education and training
- 8.2% Manufacturing
- 6.6% Public administration and safety
- 4.1% Mining

Source: ABS 2016 Census

One of two primary employment hubs for Adani
Carmichael Mine

Services

Hospitals 1 public | 2 private | 500+ beds
1300+ retail outlets

Primary schools 22 public | 11 private
Secondary schools 4 public | 7 private

Central Queensland University
Two campuses
300+ education and training options

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

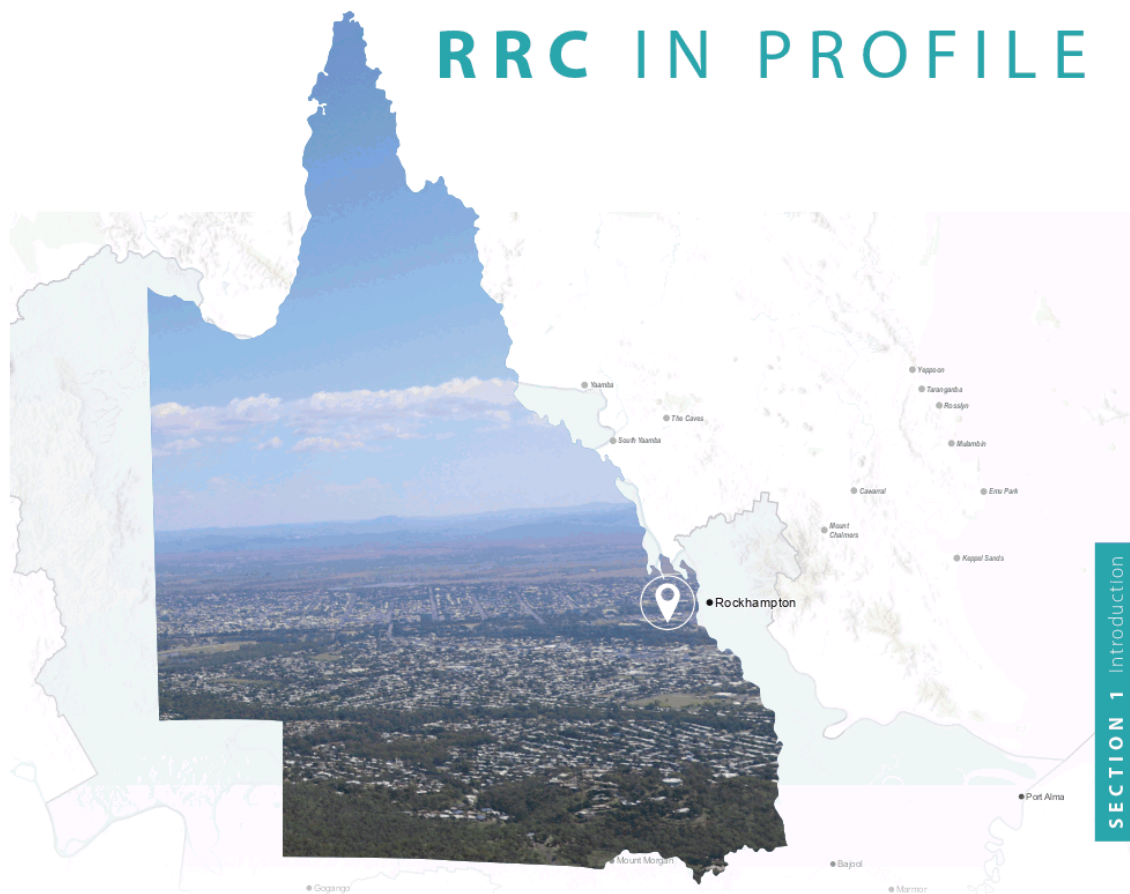
Rockhampton Regional Council provides a diverse range of services from rubbish collection, roads and water to hosting events, supporting community groups and promoting the development of industry.

COUNCIL SERVICES AND FACILITIES

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

OUR CORPORATE VALUES

Accountable	Customer Focused	People Development	Continuous Improvement	One Team
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MAYOR'S MESSAGE

Margaret Strelow **Mayor**

On behalf of Rockhampton Regional Council, it is my pleasure to present the 2019-20 Annual Report.

The pages of this report reveal more than operating budgets and financial statements. They tell a story of resilience, bold actions, determination, and the strength of our community.

We began this financial year from a position of strength after reducing our inherited amalgamation/de-amalgamation debt by \$41.5 million in just over six years.

As a community, we were already seeing some flow on benefits from the announcement that construction at the Carmichael Mine could begin, and throughout the financial year we have seen Adani open a Rockhampton office and award a number of contracts to local businesses. Council supported these benefits with our own incentives packages, including a new home builder's grant and our resources sector incentives scheme.

We also continued to grow as a centre for innovation and start-ups. Our award-winning SmartHub provided support and assistance to more than 100 start-ups and small businesses owners, and facilitated a select number of entrepreneurs to take part in Turbo-Traction Lab – an innovative and hands on program supported by the Australian Government and a generous contribution from Rocky expat and technology entrepreneur Bevan Slattery.

The success of our Smart Way Forward strategy was also highlighted on the international stage with an Asia-Pacific Leading Smart City Award at the China Hi-Tech Fair.

Council invested \$96.1 million on capital works projects throughout the financial year, boosting our local economy and driving job creation. This financial year we broke ground on the long-awaited Rockhampton Museum of Art – a project which has received funding from all three levels of Government – and were the first regional airport in the country to reveal the new state of the art body scanners and baggage screening equipment required by the Australian Government's Strengthening Aviation Security Initiative.

Of course, 2019-20 was a year like no other in history. The impact of COVID-19 was felt everywhere, and our Region is no exception. It is no secret that Council took a financial hit, particularly due to reduced passenger activity at the Airport. The necessary public health response posed unprecedented challenges to our economy and the social fabric of our community as a whole.

As a Council we responded to these challenges quickly and boldly. Within weeks we had announced a \$1.3 million relief package for businesses and community groups, we maintained a robust workforce of 925 full time equivalent employees, and we worked closely with community groups to develop and roll out a COVID-19 grant program.

While we know that the financial impacts and uncertainty of COVID-19 will continue into the 2020/21 financial year, I am proud to say that as a community we have come together to weather the storm this year, and I have absolute confidence that we will continue to thrive as we move forward.



CHIEF EXECUTIVE OFFICER'S MESSAGE

Evan Pardon
CEO

Each year when we release our Annual Report I am grateful for the opportunity to look back and reflect on how we performed, as well as what we can learn moving forward.

What stands out for me about this year is not the challenges we faced due to COVID-19 or the financial impact: it's the way that our staff responded. I say often that our greatest strength at Council is our people, and this year that was more apparent than ever.

When the scale of this pandemic became clear our organisation was able to respond quickly because of the hard work and dedication of our staff. Our IT Services Team did a tremendous job enabling hundreds of our staff to move to working from home even before that became the official advice.

Those in roles which couldn't be performed remotely worked hard to find ways to continue to deliver essential services while still protecting themselves and their community. Our customer facing areas found new ways to engage with our Region through social media and adjusted services. Across the organisation we all learned new ways of communicating and collaborating, and I am extremely proud of the way our people adjusted.

It was also fantastic to see the ways in which our staff supported each other through times. There were the more informal measures, such as themed virtual meetings and frequent catch ups, to provisions for more flexible work arrangements and dedicated initiatives such as a Wellbeing Weekly newsletter. I was proud to see many of these efforts recognised at the LGMA Awards for Excellence in the Workplace Wellbeing Category.

This year we also continued to invest in, support, and improve our community. This year we invested \$10.7 million in our rural road network and \$13.6 million of our capital works budget on construction for the Rockhampton Art Gallery. Thanks to our strong local preference policy, in the last reporting period we also spent \$96.4 million on goods and services from local businesses within the Rockhampton Regional Council boundaries. On top of this, we were able to support local businesses, community groups, and individuals through a number of grants and initiatives.

In the midst of all of the challenges we faced this year, I am proud to say we were able to not only continue to deliver an exceptional level of service, but also look ahead to the future of our Region. There were a range of major projects in the 2019/20 financial year that were focused on improving sustainability for generations to come, from the construction of new recycled water schemes and upgrades to sewage treatment plants to progressing Council's long-term transition to a low carbon fleet or the development of a new Waste Strategy mapping out our journey to zero waste by 2050.

I know that there are still challenging times ahead, however this year our organisation truly demonstrated our commitment to our core corporate values, and these values will continue to guide us as we move ahead.

RRC COUNCILLORS



Mayor Margaret Strelow

Chair: Ordinary Council

Portfolio: Advance Rockhampton - Economic Development and Events



Councillor Shane Latcham

Division 1: Norman Gardens, Parkhurst and Limestone Creek

Portfolio: Waste and Waste to Resource Implementation



Councillor Neil Fisher Deputy Mayor

Division 2: Mount Archer, Frenchville, Koongal and Lakes Creek

Portfolio: Airport Growth and Development



Councillor Tony Williams

Division 3: Lakes Creek, Nerimbera, Koongal, Berserker and The Common

Portfolio: Infrastructure

Assistant Portfolio: Special responsibility for Tourism



Councillor Ellen Smith

Division 4: Gracemere and Bouldercombe

Portfolio: Planning & Regulation



Councillor Cherie Rutherford

Division 5: Wandal, West Rockhampton, Pink Lily, Nine Mile, Alton Downs, Kabra, Stanwell, Mount Morgan, Westwood, Wycarbah, Gogango and Ridgeland

Portfolio: Sports, Parks and Public Spaces



Councillor Drew Wickerson

Division 6: The Range, Allenstown, Rockhampton City, Rockhampton (CBD), Depot Hill, Port Curtis, Bajool, Marmor, Upper Ulam, Fairy Bower, Port Alma

Portfolio: Communities



Councillor Donna Kirkland

Division 7: Parkhurst, Kawana and Park Avenue

Portfolio: Water and Supporting a Better Environment

19/20 HIGHLIGHTS

\$96.1m capital works

\$96.1million spent on capital works projects throughout the year, boosting our local economy and driving job creation.



Smart Way Forward

Smart Way Forward strategy recognised internationally with Asia-Pacific Leading Smart City Award at the China Hi-Tech Fair.



COVID-19 response

Bold response to COVID-19, including \$1.3 million relief package and \$100k in grants for sporting and community groups.



Workplace Wellbeing

Recognised at LGMA Awards for Excellence in the Workplace Wellbeing Category.



Waste Strategy

RRC Waste Strategy released to map our journey to becoming a zero waste community.



Local preference policy

A strong local preference policy ensures money spent by Council benefits our whole community.



2

COMMUNITY FINANCIAL REPORT





IN THIS SECTION

- Simplified Statement of Financial Position
- Simplified Statement of Comprehensive Income
- Income by Category
- Expenditure by Category
- Infrastructure Assets
- Operating Surplus Ratio
- Net Financial Liabilities/Revenue Ratio
- Looking to the Future

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SECTION 2 Community Financial Report

COMMUNITY FINANCIAL REPORT

(s184 LGR 2012)

For the year ended 30 June 2020.

The Community Financial Report provides a simplified summary and analysis of Council's general purpose financial statements for the 2019-20 financial year.

Simplified Statement of Financial Position (Balance Sheet) as at 30 June 2020

	\$M
How much Council has in the bank	85.4
How much Council owns	2,541.0
How much Council is owed	20.2
Total Assets	2,646.6
How much Council owes suppliers and employees	50.8
How much Council has set aside for the rehabilitation of quarries and landfills	24.6
How much Council has borrowed	140.6
Total Liabilities	216.0
Net Community Assets (Wealth)	2,430.6

The simplified balance sheet shows the value of the community's assets as at 30 June 2020.

It details the total of Council assets and how much Council owes to suppliers and to Queensland Treasury Corporation.

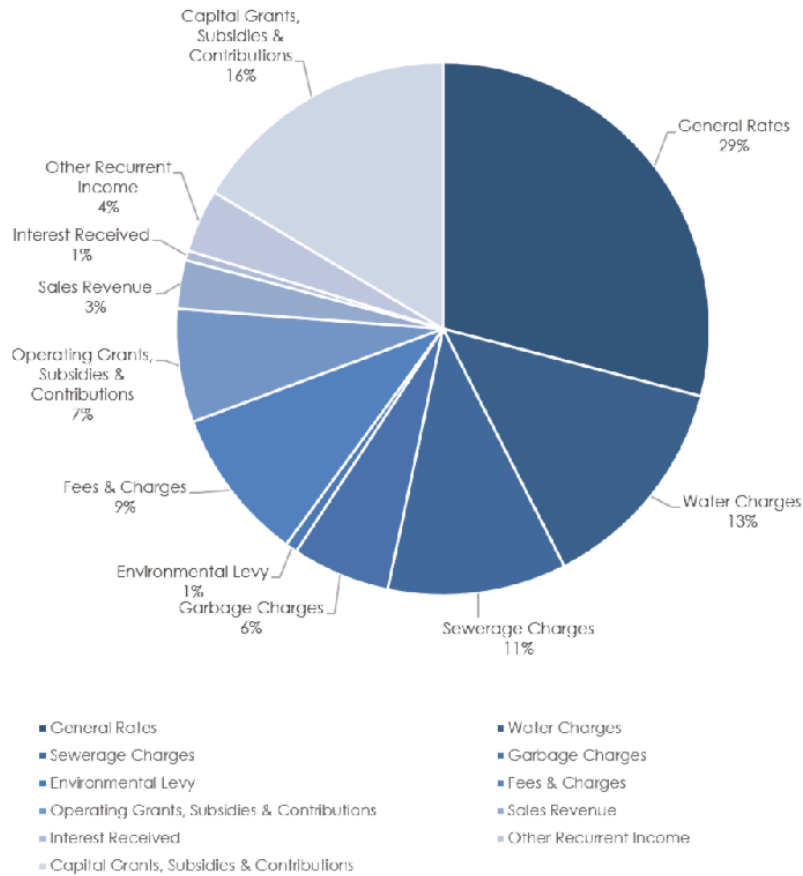
Simplified Statement of Comprehensive Income for the year ended 30 June 2020

Council recorded an operating surplus of \$1.5 million for 2019-20 which was very close to the budgeted position despite substantial impacts being felt from COVID-19.

The bottom line on the Statement of Comprehensive Income was a net gain of \$51.2 million. This gain includes an increase of \$15.7 million in the revaluation of Council's non-current assets as well as Capital Grants and subsidies received for the year.

	\$M
Rockhampton Regional Council	
Operational Results:	
Total operating revenue	206.2
Less operating expenses:	
Employee benefits	(83.6)
Materials and services	(58.7)
Finance costs	(6.6)
Depreciation and amortisation	(55.8)
Net Operational Result	1.5
Other Results:	
Capital grants, subsidies, contributed assets and other capital income	40.7
Less write-off of assets and other capital expenses	(6.7)
Plus increase in non-current asset values on revaluation	15.7
Net Other Results	49.7
Comprehensive Income for the Year – Increase in Community Equity (Wealth)	51.2

INCOME BY CATEGORY 2019/20



Income – Where our money comes from...

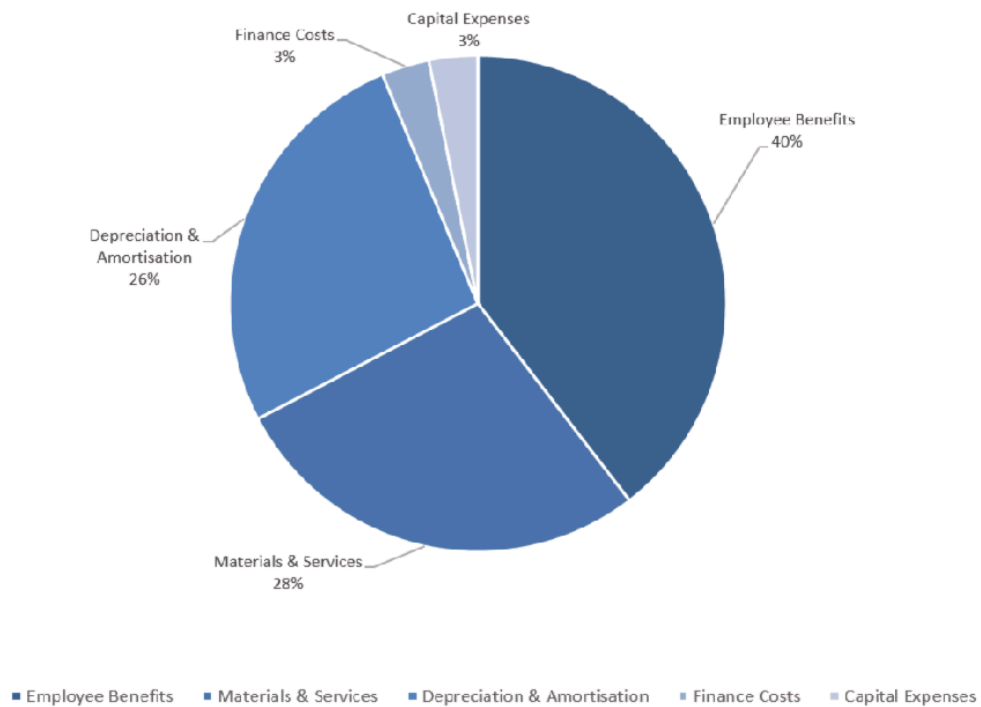
To provide services to the community, Council must collect income. Council's total income in 2019/20 was \$246.8 million.

Rates, levies and utility charges are Council's principal source of revenue and represent approximately 60% of Council's revenue in 2019/20.

Council also generates income from fees and charges, undertakes recoverable works and receives funding in the form of grants and subsidies from both the State and Federal Government, to help construct and maintain the extensive infrastructure assets and provide community development programs to the region.

For the 2019/2020 financial year, 16% of Council's total income was comprised of capital revenue (capital grants, subsidies and contributions).

EXPENDITURE BY CATEGORY 2019/20



Expenses – Where our money is spent...

Council's operational and capital expenses as per the Statement of Comprehensive Income totalled \$211.4 million for the 2019/20 financial year.

The three largest items of Council's expenditure are employee benefits (40%), materials and services (28%), and depreciation and amortisation (26%). Council's expenditure is constantly monitored via a rigorous budget process. Detailed estimates are prepared prior to the start of the financial year and reviewed throughout the year to ensure that funds are utilised efficiently.

Council is a key employer in the region with a large workforce (925 full time equivalent employees) to deliver a diverse range of services to our community. Council's workforce is crucial in planning and monitoring for the future of the Rockhampton Region in respect of developments, so that our lifestyle is maintained and improved.

Council spends considerable funds on materials and services to operate effectively. In accordance with Council's Purchasing Policy, we give preference to local businesses when work is tendered to external suppliers.

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

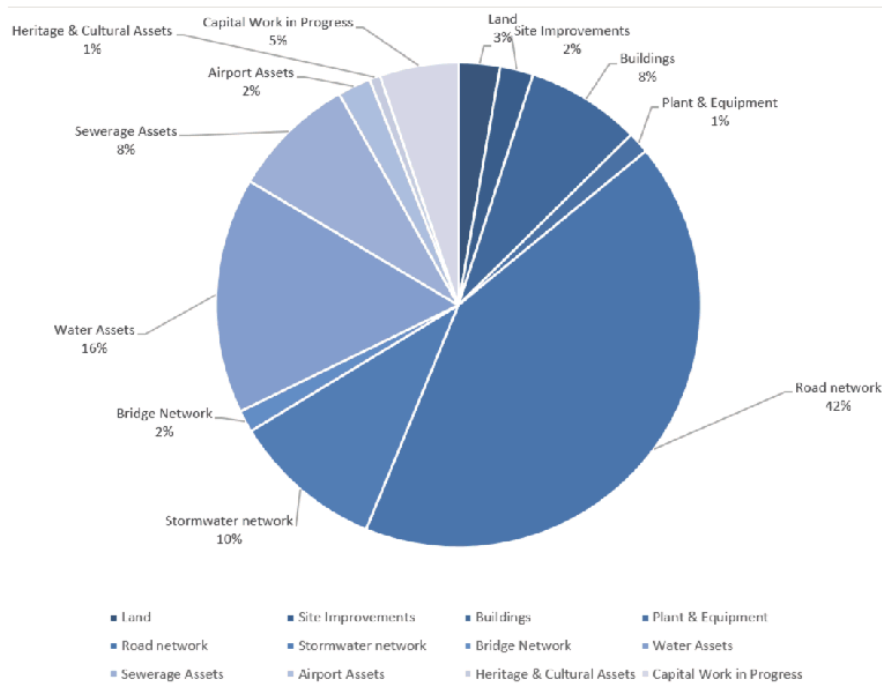
Depreciation and amortisation is the method of allocating the cost of an asset over the asset's estimated useful life. Through the accurate calculation and allocation of depreciation and amortisation, we are confident that we will have the necessary funds to renew our existing assets.

INFRASTRUCTURE ASSETS

What are our Assets?

The total value of Council's assets at the end of 2019/20 was \$2,646 million. Infrastructure assets such as roads and drainage, water and sewerage, buildings and land comprise 96% of total assets, with the remaining 4% being mainly comprised of cash held in bank accounts and investments and money owed to Council from its customers.

A key goal of Council is solid long-term asset management planning to ensure that the community's assets are maintained now and for future generations. The below graph details the \$2,646 million of community infrastructure owned and managed by Council.



Investment in Infrastructure - Capital Works

Capital works expenditure for the 2019/20 year totalled \$96.1 million. Council has spent \$13.6 million on Rockhampton Art Gallery construction during 2019/20. Rockhampton Airport Terminal Refurbishment totalled \$4.9 million and Lakes Creek Road Landfill expansion \$2.5 million.

The total investment in assets for the year is 1.7 times the level of depreciation which demonstrates Council's commitment to improving the region's facilities.

The asset sustainability ratio of 77.5% for the 2019/20 year shows the level of investment in spending on the renewal of assets.

What do we Owe?

Liabilities are amounts that Council owes to others. As at 30 June 2020 Council owed \$216 million made up of loan borrowings, amounts owing to suppliers for goods and services, amounts owing to employees for leave entitlements, and obligations to rehabilitate quarries and landfills.

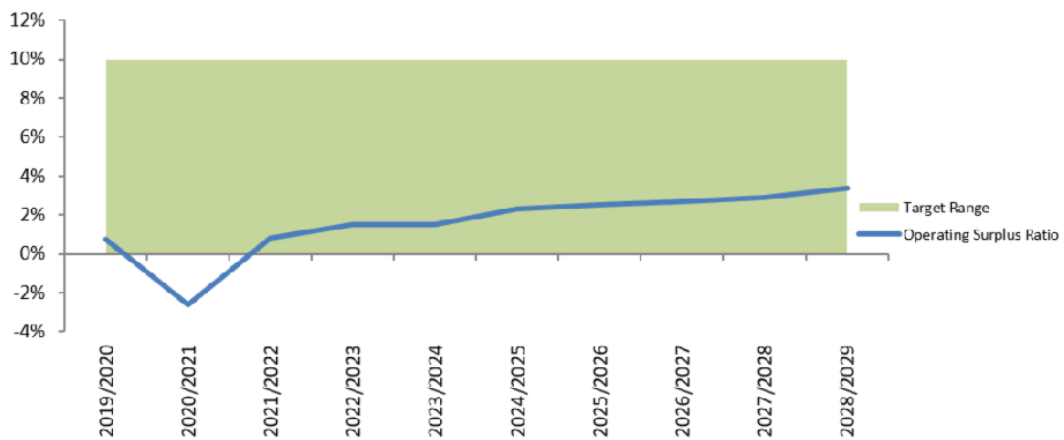
Council's borrowings at the end of 2019/20 totalled \$140.6 million, an increase of \$21.6 million from the previous financial year. The level of Council's debt is regularly reviewed as a component of our Long Term Financial Forecast, which projects loan balances for 10 years into the future. Interest expense on loans totalled 2.6% of total operating income, which is within the sustainable range provided by the Department of Local Government.

Financial Sustainability Ratios

The following ratios further assist in understanding the financial performance and position of Council, without reviewing all of the details contained within the Financial Statements.

There are three measures of financial sustainability specified in the Local Government Regulation 2012. These have been calculated for the 2019/20 year and are shown below together with projected ratios as per Council's adopted Long Term Financial Forecast.

OPERATING SURPLUS RATIO

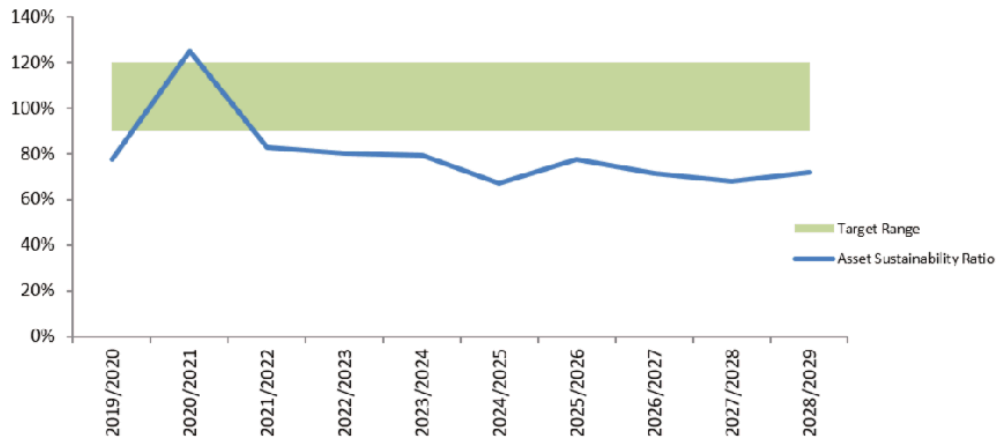


Operating Surplus Ratio – Target Benchmark between 0% and 10%

This ratio indicates the relationship between Council's operational result and total operating income, expressed as a percentage. It is an indication of Council's ability to fund its day-to-day operations. A result of up to 10% means that surplus income is available after Council has paid for the cost of delivering all services to the community. Council's Operating Surplus Ratio for 2019/20 was 0.7%.

Council's long-term financial forecast shows the operating surplus ratio falling to below 0% in 2020/2021 and then continuing within the target range over the remainder of the forecast period. The reason for the forecast deficit position in 20/21 is primarily reduced passenger activity at Rockhampton Airport from travel restrictions as a result of COVID-19.

ASSET SUSTAINABILITY RATIO

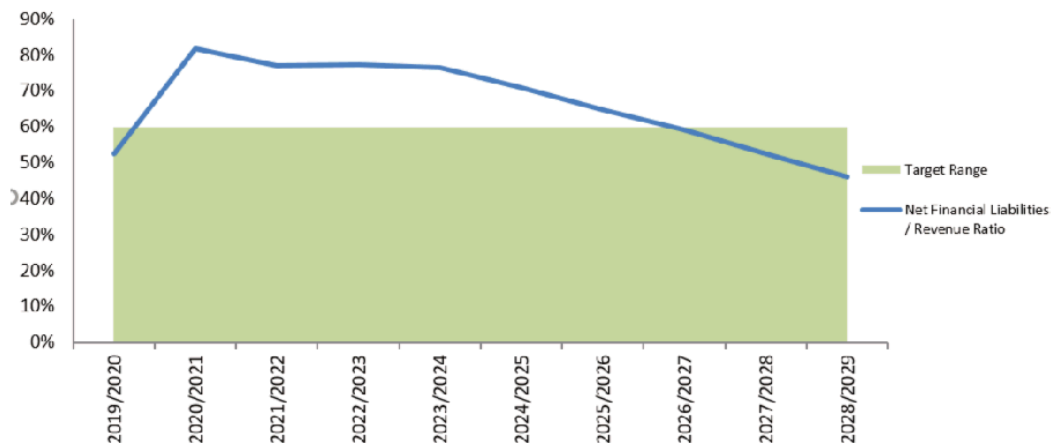


Asset Sustainability Ratio – Target Benchmark greater than 90%

This ratio indicates the rate at which Council is renewing or replacing its existing assets. Council's ratio of 77.5% in the 2019/20 year. The forward projections show the ratio mainly below the target range with an average ratio of 80.3% over the forecast period. The forward Capital program has conservative levels of external funding such as Capital Grants.

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

NET FINANCIAL LIABILITIES / REVENUE RATIO



Net Financial Liabilities/Revenue Ratio – Target Benchmark not greater than 60%

This ratio indicates the extent to which Council's debts can be met by its operating income, expressed as a percentage. A result of less than 60% indicates that Council has capacity to fund its liabilities and has the capacity to increase its loan borrowings if required. Council's ratio is currently within the target range at 52.6%.

In the 10 year forecast period, Council sits outside of the Target Range, as debt levels are Forecast to increase to fund significant forward capital expenditure. The Department of Local Government will do a full Credit Review prior to approving the latest loans to ensure that Council's position is sustainable overall.

LOOKING TO THE FUTURE

The 20/21 Budget was Council's first budget that was in deficit for seven years. There are many areas of Council that have been impacted by the COVID-19 pandemic.

Venues such as the Pilbeam Theatre and Libraries are seeing reduced activity, but the largest financial impact comes from the Rockhampton Airport.

The Rockhampton Airport normally pays a commercial return to Council however in the 20/21 year, it is not in a position to do so and it will cost Council to maintain operations. Council's forward financial plan assumes that Airport activity will not return to pre-COVID-19 levels until 22/23.

As a result, forecast surpluses compared to pre-COVID-19 levels are much lower.

Queensland has done well to contain the pandemic, however the level of uncertainty exists over the economic impact that is still unfolding.

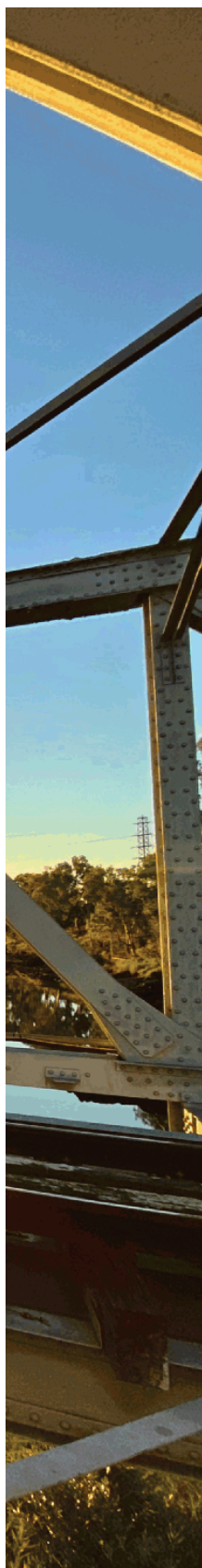
Rockhampton Regional Council wants to ensure that it is in a position to respond to worsening economic conditions should they eventuate. Forward financial planning is integral to maintaining our success and the flexibility to respond in the areas of the community that are needed.

On-going long term cash flow planning, source budgeting and extensive strategic financial planning feature significantly on Council's annual calendar.

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



**FINANCIAL
STATEMENTS**



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3

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
INCOME			
RECURRENT REVENUE			
Rates, levies and charges	3(a)	148,023,811	143,198,653
Fees and charges	3(b)	23,016,148	23,256,701
Interest received		1,437,485	2,428,399
Sales revenue		7,276,723	8,595,928
Other recurrent income	3(c)	9,452,100	7,937,961
Grants, subsidies and contributions	4(a)	16,969,007	16,429,045
		206,175,274	201,846,687
CAPITAL REVENUE			
Grants, subsidies and contributions	4(b)	40,529,300	33,655,616
Other capital income	5	126,555	1,090,994
		40,655,855	34,746,610
TOTAL INCOME		246,831,129	236,593,297
EXPENSES			
RECURRENT EXPENSES			
Employee benefits	6	(83,624,291)	(79,324,353)
Materials and services	7	(56,661,415)	(58,123,910)
Finance costs	8	(6,576,711)	(6,769,820)
Depreciation and amortisation	9	(55,804,103)	(52,312,701)
		(204,666,520)	(196,828,444)
CAPITAL EXPENSES	10	(6,695,787)	(32,900,211)
TOTAL EXPENSES		(211,362,307)	(229,728,655)
NET RESULT ATTRIBUTABLE TO COUNCIL		35,468,822	6,864,642
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	22	(15,701,646)	(46,567,665)
Total other comprehensive income for the year		(15,701,646)	(46,567,665)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		51,170,468	53,432,307

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	11	70,356,712	45,133,677
Investments	12	15,000,000	19,000,000
Receivables	13	15,099,536	12,321,870
Inventories		1,906,287	1,686,089
Other assets	14	4,088,584	5,760,239
Contract assets	16(a)	1,010,850	-
		107,461,969	83,901,875
Non-current assets held for sale		159,700	-
Total current assets		107,621,669	83,901,875
NON-CURRENT ASSETS			
Property, plant and equipment	15	2,536,608,621	2,491,897,209
Right-of-use assets	17(a)	1,160,326	-
Intangible assets		1,222,364	995,488
Total current assets		2,538,991,311	2,492,892,697
TOTAL ASSETS		2,646,612,980	2,576,794,572
CURRENT LIABILITIES			
Contract liabilities	16(b)	1,088,693	-
Lease liabilities	17(b)	253,029	-
Payables	18	21,334,214	10,370,764
Provisions	19	24,474,935	22,928,527
Borrowings	20	26,514,702	22,648,183
Other liabilities	21	291,724	2,429,535
Total current liabilities		73,957,297	58,377,009
NON-CURRENT LIABILITIES			
Lease liabilities	17(b)	917,501	-
Provisions	19	24,774,695	27,377,277
Borrowings	20	114,099,508	96,383,734
Other liabilities	21	2,251,999	1,294,616
Total non-current liabilities		142,043,703	125,055,627
TOTAL LIABILITIES		216,001,000	183,432,636
NET COMMUNITY ASSETS		2,430,611,980	2,393,361,936
COMMUNITY EQUITY			
Retained surplus		1,476,162,787	1,452,582,806
Asset revaluation surplus	22	954,449,193	940,779,130
TOTAL COMMUNITY EQUITY		2,430,611,980	2,393,361,936

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Note	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Balance at beginning of year		2,393,361,936	2,334,432,960	1,452,582,806	1,440,221,495	940,779,130	894,211,465
Adjustment to opening balance PPE	15,22	48,404	5,446,851	2,079,988	5,446,851	(2,031,583)	-
Adjustment to opening balance intangibles		11,270		11,270	-	-	-
Adjustment on initial application of AASB 15 / AASB 1058	31	(13,980,098)	-	(13,980,098)	-	-	-
Adjustment on initial application of AASB 9	13	-	49,818	-	49,818	-	-
Restated balances		2,379,441,512	2,339,929,629	1,440,693,965	1,445,718,164	938,747,547	894,211,465
Net result attributable to Council		35,468,822	6,864,642	35,468,822	6,864,642	-	-
Other comprehensive income for the year							
Adjustment to asset revaluation surplus:							
Property, plant & equipment	22	15,701,646	46,567,665	-	-	15,701,646	46,567,665
Total comprehensive income for year		51,170,468	53,432,307	35,468,822	6,864,642	15,701,646	46,567,665
BALANCE END OF YEAR		2,430,611,980	2,393,361,936	1,476,162,787	1,452,582,806	954,449,193	940,779,130

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates, levies and charges		148,930,509	141,927,895
Fees and charges		23,016,148	23,256,701
Grants, subsidies and contributions		16,551,455	16,429,045
Interest received		1,472,261	2,823,856
Other income		12,903,908	21,275,092
Payments to suppliers		(55,849,649)	(58,273,212)
Payments to employees		(81,350,673)	(78,103,810)
Interest expense		(5,392,480)	(6,255,229)
Net cash inflow from operating activities	27	60,281,479	63,080,338
CASH FLOWS FROM INVESTING ACTIVITIES			
Government subsidies and grants		26,680,653	29,672,815
Capital contributions		5,748,901	1,095,456
Payments for property, plant and equipment		(94,043,876)	(109,095,840)
Payments for intangible assets		(515,682)	(25,870)
Net transfer from cash investments	12	4,000,000	43,000,000
Proceeds from sale of property plant and equipment		1,764,328	2,872,243
Net cash outflow from investing activities		(56,365,676)	(32,481,196)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	20	44,026,000	15,451,000
Repayment of borrowings	20	(22,443,707)	(20,378,077)
Repayments made on leases (principal only)		(275,061)	-
Net cash inflow/(outflow) from financing activities		(21,307,232)	(4,927,077)
Net increase in cash and cash equivalents held		(25,223,035)	(25,672,065)
Cash and cash equivalents at beginning of reporting year		45,133,677	19,461,612
CASH AND CASH EQUIVALENTS AT END OF REPORTING YEAR	11	70,356,712	45,133,677

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

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

1 SIGNIFICANT ACCOUNTING POLICIES

1.A BASIS OF PREPARATION

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

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with the Australian Accounting Standards as applicable to not-for-profit entities.

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

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

1.B BASIS OF CONSOLIDATION

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

Information about controlled entities that have not been consolidated, because they are not considered material, is included in Note 34.

1.C NEW AND REVISED ACCOUNTING STANDARDS ADOPTED DURING THE YEAR

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2019, the standards which had an impact on reported position, performance and cash flows were those relating to revenue and leases.

Refer to the change in accounting policy Note 31 for transition disclosures for AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of NFP Entities and AASB 16 Leases.

1.D STANDARDS ISSUED BY THE AASB NOT YET EFFECTIVE

Some Australian Standards and Interpretations have been issued but are not yet effective. These standards have not yet been applied in these financial statements. Council will implement them

when they are effective. The new standards are not expected to have a material impact on Council's future financial statements.

1.E ESTIMATES AND JUDGEMENTS

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

Valuation of property, plant and equipment - Note 15
 Impairment of property, plant and equipment - Note 15
 Depreciation - Note 9
 Provisions - Note 19
 Contingencies - Note 25
 Capital income - Note 5
 Capital expenses - Note 10
 Revenue - Note 3

1.F ROUNDING AND COMPARATIVES

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

Comparative information is generally restated for reclassification, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

1.G VOLUNTEER SERVICES

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

1.H TAXATION

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

2 ANALYSIS OF RESULTS BY FUNCTION

2.A COMPONENTS OF COUNCIL FUNCTIONS

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

Resourcing

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

Office of CEO

The goals of the Office of CEO are to provide leadership, corporate oversight and strategic direction. The Office of CEO incorporates the offices of the Mayor, Councillors, Chief Executive Officer, Workforce and Governance and Advance Rockhampton sections.

Regional Services

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

Corporate Services

Corporate Services provides professional financial and information services across all of Council. This function includes communication and information technology, administration services, financial services, strategic planning, natural resource management, internal audit and fleet and plant services. The goal of Corporate Services is to provide accurate, timely and appropriate information and services to all areas of Council to support sound decision making and to meet statutory requirements.

Community Services

The goals of Community Services are to achieve a healthy and liveable environment for everyone to enjoy and a safe, caring and healthy community. Community Services provides well managed and maintained community facilities, and ensures the effective delivery of cultural, environmental and recreational services. Services provided include libraries, art services, theatre and venue management, heritage preservation, child care, aged services and community assistance. Community Services also provides compliance

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

Airport

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

Waste & Recycling

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

Fitzroy River Water

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

2.B REVENUE, EXPENSES AND ASSETS HAVE BEEN ATTRIBUTED TO THE FOLLOWING FUNCTIONS:

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result from Recurrent Operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2020 \$	2020 \$	2020 \$	2020 \$		2020 \$	2020 \$				
Resourcing	8,939,117	69,580,566	5,370,377	-	83,890,060	(31,163,074)	-	(31,163,074)	109,682,757	115,053,134	163,868,320
Office of the CEO	146,151	282,881	-	-	429,032	16,207,061	-	16,207,061	(15,778,029)	(15,778,029)	886,062
Regional Services	2,673,453	2,185,855	21,328,867	6,564,552	32,752,727	44,824,743	5,174,601	49,999,344	(39,965,435)	(17,246,617)	1,401,820,827
Corporate Services	725,064	1,603,874	374,933	-	2,703,871	17,653,211	241,433	17,894,645	(15,324,273)	(15,190,774)	61,035,428
Community Services	3,240,785	6,850,704	(30,045)	656,166	10,717,610	63,882,509	592,183	64,474,692	(53,791,020)	(53,757,082)	227,686,386
Airport	8,271	14,194,868	4,310,000	-	18,513,139	14,203,139	71,187	14,274,326	-	4,238,813	110,507,442
Waste & Recycling	377,382	23,277,389	49,343	102,524	23,806,638	20,556,756	142,904	20,699,660	3,098,015	3,106,978	45,516,392
Fitzroy River Water	8,279	72,080,635	421,641	1,507,497	74,018,052	58,502,175	473,478	58,975,653	13,586,739	15,042,399	635,292,123
Total	16,118,502	190,056,772	31,825,116	8,830,739	246,831,129	204,666,520	6,695,787	211,362,307	1,508,754	35,468,822	2,646,612,980

PRIOR YEAR

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result from Recurrent Operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2019 \$	2019 \$	2019 \$	2019 \$		2019 \$	2019 \$				
Resourcing	8,416,286	67,689,259	-	1,000	76,106,545	(29,288,266)	11,685,235	(17,603,031)	105,393,811	93,709,575	138,017,783
Office of the CEO	363,363	965,246	-	-	1,328,609	13,940,386	-	13,940,386	(12,611,777)	(12,611,777)	467,136
Regional Services	2,546,823	4,416,861	13,239,486	2,109,058	22,312,228	49,034,159	7,935,689	56,969,848	(42,070,475)	(34,657,620)	1,364,112,645
Corporate Services	523,450	1,435,419	685,658	647,348	3,291,876	15,947,476	-	15,947,476	(13,988,607)	(12,655,601)	57,068,265
Community Services	3,928,586	7,808,607	7,891,220	651,604	20,280,017	59,051,097	239,990	59,291,087	(47,313,904)	(39,011,070)	225,624,684
Airport	-	15,484,127	4,911,705	-	20,395,832	15,414,100	3,124,759	18,538,859	70,026	1,856,972	107,720,877
Waste & Recycling	-	19,668,748	66,208	124,424	19,859,380	15,092,317	492,721	15,585,038	4,576,432	4,274,342	46,819,250
Fitzroy River Water	16,500	68,583,412	2,878,538	1,540,361	73,018,811	57,637,175	9,421,817	67,058,992	10,962,737	5,959,819	636,963,932
Total	15,795,008	186,051,679	29,672,815	5,073,795	236,593,297	196,828,444	32,900,211	229,728,655	5,018,243	6,864,642	2,576,794,572

3 REVENUE

3.A RATES, LEVIES AND CHARGES

	Note	2020 \$	2019 \$
REVENUE RECOGNISED AT A POINT IN TIME			
Rates, levies and charges	3(a)	19,038,707	128,985,104
Grants, subsidies, donations and contributions	4(a)	3,023,049	13,528,406
Infringements		-	211,070
Fees and charges (excluding infringements)	3(b)	22,805,078	-
Sale of goods and services		7,276,723	-
Other	3(c)	9,452,100	-
		61,595,657	142,724,580
REVENUE RECOGNISED OVER TIME			
Grants and subsidies	4(a)	417,552	-
Revenue relating to grants for assets controlled by Council	4(b)	-	40,529,300
		417,552	40,529,300
Total revenue under AASB 15 and AASB 1058		62,013,209	183,253,880

2020 accounting policy: Rates and annual charges are recognised as revenue when Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

2019 accounting policy: Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.

	Note	2020 \$	2019 \$
General rates		63,561,586	59,961,781
Separate rates		17,913,222	17,891,056
Special rates		96,914	96,874
Water		34,833,907	32,968,614
Sewerage		29,781,105	28,939,862
Garbage charges		16,347,160	17,114,295
Rates and utility charge revenue		162,533,894	156,972,482
Less: Discounts		(12,818,065)	(12,264,679)
Less: Pensioner remissions		(1,692,018)	(1,509,150)
		148,023,811	143,198,653

3.B FEES AND CHARGES

2020 accounting policy: Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

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

Licences granted by Council are all either short-term or low value and all revenue from licences is

recognised at the time that the licence is granted rather than the term of the licence.

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

2019 accounting policy: 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.

	Note	2020 \$	2019 \$
Airport fees		10,055,978	11,266,072
Waste and recycling fees		5,785,509	3,780,607
Venues, events, tourism and cultural fees		1,987,207	3,675,638
Building, plumbing and development fees		1,492,551	1,074,356
Local laws and health licencing fees		1,075,885	1,153,697
Irrigator and commercial water fees		1,789,927	1,402,994
Other fees		829,091	903,337
		23,016,148	23,256,701

3.C OTHER RECURRENT INCOME

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

	Note	2020 \$	2019 \$
Rental / lease income		3,219,228	3,148,423
Commission and collection fees		2,087,581	2,226,935
Insurance		106,431	32,786
Other income		4,038,860	2,529,817
		9,452,100	7,937,961

4 GRANTS, SUBSIDIES AND CONTRIBUTIONS

2020 ACCOUNTING POLICY:

Grant income under AASB 15

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

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

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

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the assets' fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

CAPITAL GRANTS

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

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

2019 ACCOUNTING POLICY:

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them, which is usually upon receipt of funds. Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. In 2019, Council did not have any reciprocal grants.

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

	Note	2020 \$	2019 \$
4.A RECURRENT			
General purpose grants		8,470,543	8,416,286
Government subsidies and grants		76,479,59	7,378,722
Contributions		850,505	634,037
Total recurrent revenue		16,969,007	16,429,045

4.B CAPITAL
 Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and / or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

	Note	2020 \$	2019 \$
(i) Monetary revenue designated for capital funding purposes:			
Government subsidies and grants		31,825,116	29,672,815
Contributions		5,802,368	1,563,795
		37,627,484	31,236,610
(ii) Non-monetary revenue received is analysed as follows:		2,698,884	2,224,461
Developer assets contributed by developers at fair value		202,932	194,545
Other physical assets contributed at fair value		2,901,816	2,419,006
Total capital revenue		40,529,300	33,655,616

CONDITIONS OVER CONTRIBUTIONS

Contributions recorded as income during the 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:

	Note	2020 \$	2019 \$
Grants for expenditure on services		-	417,552
Grants for expenditure on infrastructure		-	5,435,519
		-	5,853,071

5 CAPITAL INCOME

	Note	2020 \$	2019 \$
Gain on the disposal of non-current assets			
(a) Proceeds from disposal of land		-	952,000
Less: Book value of land disposed		-	(347,372)
		-	604,628
(b) Proceeds from disposal of plant and equipment			1,594,989
Less: Book value of plant and equipment disposed			(1,573,072)
		-	21,917
(c) Insurance proceeds for buildings		-	325,253
Less: Book value of buildings disposed		-	-
		-	325,253
Provision for rehabilitation			
Quarry rehabilitation - change from revision of future restoration expenditure	19	27,304	14,772
Landfill restoration - change from revision of future restoration expenditure	19	99,251	124,424
Total capital income		126,555	1,090,994

6 EMPLOYEE BENEFITS

	Note	2020 \$	2019 \$
Total staff wages and salaries		72,704,400	68,749,621
Councillors' remuneration		995,675	1,006,813
Annual, sick and long service leave entitlements		9,963,575	9,504,934
Superannuation	26	8,639,803	8,343,657
		92,303,453	87,605,025
Other employee related expenses		2,922,707	3,819,372
		95,226,160	91,424,397
Less: Capitalised employee expenses		(11,601,869)	(12,100,044)
		83,624,291	79,324,353

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

TOTAL EMPLOYEES AT YEAR END:	No.	No.
Elected members	8	8
Administration staff	546	539
Depot and outdoors staff	371	374
Total full time equivalent employees	925	921

7 MATERIALS AND SERVICES

	Note	2020 \$	2019 \$
Audit of annual financial statements by the Auditor-General of Queensland		190,294	175,282
Advertising and marketing		1,386,777	1,605,431
Administration supplies and consumables		934,916	904,966
Communications and IT		4,319,098	3,604,614
Consultants		3,441,273	2,697,210
Contractors		11,044,813	10,009,624
Donations paid		1,241,740	1,306,173
Insurance		3,975,262	3,463,458
Electricity		6,104,970	6,448,913
Repairs and maintenance		21,048,705	22,949,738
Other materials and services		4,973,567	4,958,501
		58,661,415	58,123,910

8 FINANCE COSTS

	Note	2020 \$	2019 \$
Finance costs charged by the Queensland Treasury Corporation		5,392,480	6,255,229
Bank charges		307,638	304,997
Impairment of receivables		503,552	(271,736)
Interest on leases		25,752	-
Quarry rehabilitation - change in present value over time	19	6,858	12,752
Landfill sites restoration - change in present value over time	19	340,431	468,578
		6,576,711	6,769,820

9 DEPRECIATION AND AMORTISATION

	Note	2020\$	2019\$
DEPRECIATION OF NON-CURRENT ASSETS			
Site improvements		2,746,272	2,694,709
Buildings		7,295,713	6,247,695
Plant and equipment		5,253,922	5,234,191
Road network		18,644,009	18,045,837
Stormwater network		3,986,335	3,691,358
Bridge network		1,015,486	898,503
Water		9,275,713	8,611,836
Sewerage		4,606,477	4,996,618
Airport		2,420,587	1,891,954
Total depreciation of non-current assets	15	55,244,514	52,312,701
AMORTISATION OF INTANGIBLE ASSETS			
Computer software		300,077	297,660
DEPRECIATION OF RIGHT-OF-USE ASSETS			
Leases	17(a)	259,512	-
Total depreciation and amortisation		55,804,103	52,610,361

10 CAPITAL EXPENSES

	Note	2020 \$	2019 \$
LOSS ON THE DISPOSAL OF NON-CURRENT ASSETS			
(a) Proceeds from disposal of land		(295,200)	-
(b) Less: Book value of land disposed		250,010	-
		(45,190)	-
(c) Proceeds from disposal of plant and equipment		(1,422,875)	-
Less: Book value of plant and equipment disposed		1,715,550	-
		292,675	-
(d) Insurance proceeds for buildings		(46,253)	-
Less: Book value of buildings disposed		71,187	-
		29,934	-
WRITE OFF OF NON-CURRENT ASSETS			
Site improvements		79,628	-
Buildings		430,138	438,351
Plant and equipment		22,152	-
Road network		298,983	131,303
Stormwater network		222,127	113,161
Bridge network		317,759	4,155,201
Water		841,436	2,265,062
Sewer		156,046	2,557,652
Airport		-	440,059
REHABILITATION			
Quarry rehabilitation - increase in rehabilitation provision for future costs, due to a change in discount rate	19	18,243	53,113
Landfill restoration - increase in restoration provision for future costs, due to a change in discount rate	19	78,535	321,441
Landfill restoration expenditure in excess of provision	-	-	200,210
REVALUATION DECREMENT			
Revaluation down of property, plant and equipment	15	-	16,839,568
Impairment of property, plant and equipment	15	-	210,400
Total capital expenses		6,695,787	32,900,211

1.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows includes cash on hand, all cash and cheques received but not banked at the year end, deposits held at call with financial institutions, other short-

term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	Note	2020 \$	2019 \$
Cash at bank and on hand		3,226,518	3,984,910
Deposits at call		67,130,194	41,148,767
Balance as per statement of cash flows		70,356,712	45,133,677

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

	Note	2020 \$	2019 \$
Unspent government grants and subsidies		1,088,693	5,853,071
Unspent infrastructure charges		2,251,999	1,294,616
Waste levy refund received in advance		-	2,162,970
Total restricted cash		3,340,692	9,310,657

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged

to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

	Note	2020 \$	2019 \$
TRUST FUNDS HELD FOR OUTSIDE PARTIES			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities		1,168,975	1,264,224
		1,168,975	1,264,224

1.2 INVESTMENTS

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

	Note	2020 \$	2019 \$
Opening balance		19,000,000	62,000,000
Transfers to operating bank account		(4,000,000)	(43,000,000)
		15,000,000	19,000,000

Term deposits at fixed interest rates are held with the following financial institutions (respective short term credit ratings noted in brackets): Westpac (A1+), Bank of Queensland (A2) and MyState Bank (A2). Maturity ranges from 4 to 6 months and bear interest rates from 1.15% to 1.60%.

13 RECEIVABLES

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

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

All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

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

	Note	2020 \$	2019 \$
RECEIVABLES			
CURRENT			
Rateable revenue and utility charges		7,356,289	7,504,246
Less: loss allowances		(189,125)	(208,809)
		7,167,164	7,295,437
Other debtors		5,983,098	3,631,821
Less: loss allowances		(615,512)	(102,685)
		5,367,586	3,529,136
State and Commonwealth Government		2,564,786	1,497,297
		15,099,536	12,321,870

Interest is charged on outstanding rates (9.5% per annum from 1 July 2019 to 25 March 2020. Previously 11% per annum). No interest has been charged on outstanding rates from 26 March 2020 to 30 June 2020 as a COVID-19 pandemic relief measure. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

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

	Note	2020 \$	2019 \$
Opening balance		311,494	996,904
Adjustment to opening balance upon application of AASB 9		-	(49,818)
Impairment adjustment in the year		(128,983)	(543,377)
Impairment debts written off during the year		(10,964)	(363,857)
Impairments recognised		633,090	271,642
Closing balance		804,637	311,494

14 OTHER ASSETS

Water charges yet to be levied	1,326,031	2,104,456
GST recoverable	1,214,002	1,076,588
Prepayments	1,548,551	2,579,195
	4,088,584	5,760,239

15 PROPERTY, PLANT AND EQUIPMENT

15.A

	Note	Land	Site improvements	Buildings	Plant and equipment	Road network
Basis of measurement		Fair value	Fair value	Fair value	Cost	Fair value
Fair value category		Level 2 & 3	Level 3	Level 2 & 3		Level 3
Asset values		\$	\$	\$	\$	\$
Opening gross value as at 1 July 2019		70,508,178	120,116,947	292,026,740	67,147,759	1,346,407,439
Adjustment to opening value		-	(5,819,051)	(335,403)	(765,405)	1,424,273
Additions at cost		46,785	27,499	231,352	7,539,259	3,744,839
Prior year write off of additions at cost		-	-	-	-	-
Contributed assets at valuation		-	-	-	35,000	1,129,161
Reassessment of landfill restoration cost		-	(3,035,340)	-	-	-
Transfers between classes		(159,700)	(37,533,301)	31,749,269	318,288	1,343,058
Transfers from work in progress		751	9,716,521	14,118,965	863,288	21,899,870
Disposals		(250,010)	-	(174,150)	(4,730,004)	-
Revaluation adjustment to asset revaluation surplus	22	-	-	-	-	(58,786,149)
Obsolescence adjustment to asset revaluation surplus		-	(3,734,912)	(6,449,387)	-	-
Write offs	10	-	(147,266)	(1,131,862)	(283,064)	(9,660,621)
Transfer to intangible assets		-	-	-	-	-
Closing gross value as at 30 June 2020		70,146,004	79,591,097	330,035,524	70,125,121	1,307,501,870
Accumulated depreciation and impairment						
Opening gross value as at 1 July 2019		-	41,025,741	126,433,432	32,202,184	280,131,057
Adjustment to opening value		-	(3,211,872)	(209,845)	(761,391)	(1,097,162)
Depreciation provided in period	9	-	2,746,272	7,295,713	5,253,922	18,644,009
Transfers between classes		-	(13,566,054)	10,602,285	103,975	974,939
Depreciation on disposals		-	-	(102,963)	(3,014,454)	-
Revaluation adjustment to asset revaluation surplus	22	-	-	-	-	(55,895,394)
Obsolescence adjustment to asset revaluation surplus	22	-	(3,734,912)	(6,449,387)	-	-
Depreciation on write offs	10	-	(67,638)	(701,725)	(260,912)	(4,860,864)
Accumulated depreciation as at 30 June 2020		-	23,191,536	136,867,510	33,523,324	237,896,585
Net value at 30 June 2020		70,146,004	56,399,561	193,168,014	36,601,797	1,069,605,285
Residual value		-	-	-	10,530,681	-
Range of estimated useful life in years		Not depreciated	10 - 1000	10 - 150	3 - 40	10 - 1000
Additions comprise:		\$	\$	\$	\$	\$
Infrastructure Renewals		-	13,750	183,658	6,796,826	2,278,834
Other additions (Net of transfer to intangibles)		46,785	13,749	47,694	742,433	1,466,005
Total additions		46,785	27,499	231,352	7,539,259	3,744,839

	Stormwater network	Bridge network	Water	Sewerage	Airport	Heritage and cultural assets	Work in Progress	Total
	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	
	Level 3	Level 3	Level 3	Level 3	Level 3	Level 2		
	\$	\$	\$	\$	\$	\$	\$	\$
	343,992,029	54,468,039	653,206,173	341,656,261	73,585,793	18,005,117	112,633,442	3,493,753,917
	11,928	-	212,385	62,293	-	(22,886)		(5,231,866)
	1,584,568	177,140	1,443,633	278,759	-	112,222	80,916,548	96,102,604
	-	-	-	-	-	-	(2,724,484)	(2,724,484)
	914,871	-	333,133	321,718	-	167,932	-	2,901,815
	-	-	-	-	-	-	-	(3,035,340)
	503,634	-	3,515,095	-	103,957	-	-	(159,700)
	3,592,002	3,486,560	2,278,185	1,437,760	-	10,000	(57,403,902)	-
	-	-	-	-	-	-	-	(5,154,164)
	20,192,331	3,229,955	-	-	3,549,852	-	-	(31,814,011)
	-	-	-	-	-	-	-	(10,184,299)
	(496,542)	(696,676)	(1,083,529)	(316,851)	-	-	-	(13,816,411)
	-	-	-	-	-	-	(515,682)	(515,682)
	370,294,821	60,665,018	659,905,075	343,439,940	77,239,602	18,272,385	132,905,922	3,520,122,379
	104,037,877	21,680,027	250,062,085	128,702,839	17,581,467	-	-	1,001,856,708
	-	-	-	-	-	-	-	(5,280,270)
	3,986,335	1,015,486	9,275,713	4,606,477	2,420,587	-	-	55,244,514
	221,529	-	1,661,894	-	1,432	-	-	-
	-	-	-	-	-	-	-	(3,117,417)
	6,107,023	1,285,626	-	-	987,088	-	-	(47,515,657)
	-	-	-	-	-	-	-	(10,184,299)
	(197,559)	(474,549)	(765,770)	(160,804)	-	-	-	(7,489,821)
	114,155,205	23,506,590	260,233,922	133,148,512	20,990,574	-	-	983,513,758
	256,139,616	37,158,428	399,671,153	210,291,428	56,249,028	18,272,385	132,905,922	2,536,608,621
	-	-	-	-	-	-	-	10,530,681
	25 - 120	10 - 80	15 - 1000	15 - 1000	7 - 1000	Not depreciated		
	\$	\$	\$	\$	\$	\$	\$	\$
	452,759	139,545	777,670	220,630	-	-	34,005,798	44,869,470
	1,131,809	37,595	665,963	58,129	-	112,222	46,395,068	50,717,452
	1,584,568	177,140	1,443,633	278,759	-	112,222	80,400,866	95,586,922

15.B PROPERTY, PLANT AND EQUIPMENT -
PRIOR YEAR

	Note	Land	Site improvements	Buildings	Plant and equipment	Road network
Basis of measurement		Fair value	Fair value	Fair value	Cost	Fair value
Fair value category		Level 2 & 3	Level 3	Level 2 & 3		Level 3
Asset values		\$	\$	\$	\$	\$
Opening gross value as at 1 July 2018		127,256,323	101,697,914	290,233,896	66,544,661	1,335,100,001
Adjustment to opening value		9,000	(11,622)	(123,540)	(2,770,972)	416,043
Additions at cost		468,642	1,911,763	328,078	6,471,132	8,980,370
Prior year write off of additions at cost		-	-	-	-	-
Contributed assets at valuation		1,000	-	-	-	1,109,214
Reassessment of landfill restoration cost		-	11,681,379	-	-	-
Transfers between classes		208,315	12,469	-	-	104,534
Transfers from work in progress		412,723	4,638,044	1,508,525	1,591,269	16,633,585
Disposals		(347,372)	-	-	(4,688,331)	-
Assets classified as held for sale-land		-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	22	(40,450,485)	-	-	-	-
Revaluation adjustment to capital expenses		(16,839,568)	-	-	-	-
Disaster event 2015 asset adjustments	29	-	187,000	532,500	-	610,811
Impairment adjustment to capital expenses		(210,400)	-	-	-	-
Write offs	10	-	-	(452,719)	-	(16,547,119)
Transfer to intangible assets		-	-	-	-	-
Closing gross value as at 30 June 2019		70,508,178	120,116,947	292,026,740	67,147,759	1,346,407,439
Accumulated depreciation and impairment						
Opening gross value as at 1 July 2018		-	34,494,364	113,579,457	32,330,193	270,900,729
Adjustment to opening value		-	(7,920)	(69,424)	(2,246,941)	(84,179)
Depreciation provided in period	9	-	2,694,709	6,247,695	5,234,191	18,045,837
Transfers between classes		-	9,262	-	-	20,800
Depreciation on disposals		-	-	-	(3,115,259)	-
Revaluation adjustment to asset revaluation surplus	22	-	-	-	-	-
Disaster event 2015 asset adjustments	29	-	100,414	240,685	-	355,238
Obsolescence adjustment to asset revaluation surplus		-	3,734,912	6,449,387	-	-
Depreciation on write offs	10	-	-	(14,368)	-	(9,107,368)
Accumulated depreciation as at 30 June 2018		-	41,025,741	126,433,432	32,202,184	280,131,057
Net value at 30 June 2019		70,508,178	79,091,206	165,593,308	34,945,575	1,066,276,382
Residual value		-	-	-	10,034,101	-
Range of estimated useful life in years		Not depreciated	10 - 1000	10 - 150	3 - 40	10 - 1000
Additions comprise:		\$	\$	\$	\$	\$
Infrastructure Renewals		-	33,352	47,844	5,720,887	6,699,844
Other additions (Net of transfer to intangibles)		468,642	1,878,411	280,234	750,245	2,280,526
Total additions		468,642	1,911,763	328,078	6,471,132	8,980,370

	Stomwater network	Bridge network	Water	Sewerage	Airport	Heritage and cultural assets	Work in Progress	Total
	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	
	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3		
	\$	\$	\$	\$	\$	\$	\$	\$
	337,079,349	53,728,642	555,668,226	313,785,879	64,461,000	17,660,208	93,869,063	3,357,085,162
	3,050,594	121,199	(1,251,686)	690,028	-	-	-	129,044
	1,849,671	6,144	5,785,905	5,171,591	12,186,106	151,364	63,133,003	106,443,769
	-	-	-	-	-	-	(820,305)	(820,305)
	509,660	-	259,137	346,450	-	193,545	-	2,419,006
	-	-	-	-	-	-	-	11,681,379
	135,487	(136,772)	(22,500)	(93,218)	-	-	-	208,315
	1,587,215	918,005	7,585,500	7,014,635	1,632,948	-	(43,522,449)	-
	-	-	-	-	-	-	-	(5,035,703)
	-	-	-	-	-	-	-	-
	-	-	97,088,215	20,137,066	-	-	-	76,774,796
	-	-	-	-	-	-	-	(16,839,568)
	-	159,493	-	-	-	-	-	1,489,804
	-	-	-	-	-	-	-	(210,400)
	(219,947)	(328,672)	(11,906,624)	(5,396,170)	(4,694,261)	-	-	(39,545,512)
	-	-	-	-	-	-	(25,870)	(25,870)
	343,992,029	54,468,039	653,206,173	341,656,261	73,585,793	18,005,117	112,633,442	3,493,753,917
	101,004,125	21,032,966	212,101,157	145,163,467	19,943,715	-	-	950,550,172
	(652,619)	-	(1,910,451)	(346,273)	-	-	-	(5,317,807)
	3,691,358	898,503	8,611,836	4,996,618	1,891,954	-	-	52,312,701
	83,657	(83,779)	(11,869)	(18,072)	-	-	-	(1)
	-	-	-	-	-	-	-	(3,115,259)
	-	-	39,022,835	(18,254,383)	-	-	-	20,768,452
	-	47,848	-	-	-	-	-	744,185
	-	-	-	-	-	-	-	10,184,299
	(88,644)	(215,511)	(7,751,423)	(2,838,518)	(4,254,202)	-	-	(24,270,034)
	104,037,877	21,680,027	250,062,085	128,702,839	17,581,467	-	-	1,001,856,708
	239,954,152	32,788,012	403,144,088	212,953,422	56,004,326	18,005,117	112,633,442	2,491,897,209
	-	-	-	-	-	-	-	10,034,101
	25 - 120	10 - 80	15 - 1000	15 - 1000	7 - 1000	Not depreciated		
	\$	\$	\$	\$	\$	\$	\$	\$
	548,869	5,387	5,708,713	4,249,387	11,576,885	-	30,373,037	64,964,205
	1,300,802	757	77,193	922,204	609,221	151,364	32,734,096	41,453,695
	1,849,671	6,144	5,785,906	5,171,591	12,186,106	151,364	63,107,133	106,417,900

15 PROPERTY, PLANT AND EQUIPMENT

15.C RECOGNITION

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

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

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

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

15.D MEASUREMENT

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

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

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

15.E DEPRECIATION

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

Land and Heritage and Cultural assets are not depreciated as these assets have an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-

line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

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

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

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

15.F IMPAIRMENT

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

15.G ADJUSTMENT TO OPENING VALUE

During the preparation for revaluations and ongoing data improvement processes, additional assets not previously recognised and recognised incorrectly were identified and brought to account at fair value. The valuation method and recognition criteria for site improvement assets were amended during the year resulting in immaterial adjustments being processed as opening balance adjustments.

15.H CHANGE OF MEASUREMENT BASIS

The measurement basis for site improvement assets was changed to adopt the cost model as at 1 July 2019 from the previous revaluation model for this relatively minor asset class with no material accounting policy adjustments required.

15.1 VALUATION

15.1 (i) Valuation Processes

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

In the intervening years, Council will assess the assets by utilising a combination of internal and external sources of information, as appropriate, in a structured manner in order to determine if there has been any potential material movement in the fair value of assets. Where this is indicated the relevant assets will be revalued by indexation or a desktop valuation as appropriate. A desktop valuation may involve management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value, and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

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

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

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

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

15.1 (ii) Valuation techniques used to derive fair values

Land (level 2 & 3)

Land fair values were determined by independent valuer, Australis Asset Advisory Group, effective 30 September 2018. An indices assessment of the land assets was provided by Australis Asset Advisory Group for the year ended 30 June 2020, which found no material movement in value, and as a result no valuation adjustment was applied.

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

Where an observable market for land assets could be identified, fair value was determined by a market approach (level 2), utilising sales of comparable

properties after adjusting for differences in key attributes of the property, such as size. Where a significant adjustment was required between the sale prices of comparable properties, fair value was determined by a market approach (level 3). The valuation considered the carrying value of land assets which are subject to restrictions on use. Council's current use of a non-financial asset is presumed to be its highest and best use.

	2020 \$	2019 \$
Land		
Observable market - (level 2)	32,283,100	32,288,004
No observable market - (level 3)	37,862,904	38,220,174
Total	70,146,004	70,508,178

Buildings (level 2 & 3)

The fair value of buildings were determined by independent valuer, Australis Asset Advisory Group, effective 31 March 2017. An indices assessment of the building assets was provided by Australis Asset Advisory Group for the year ended 30 June 2020, were determined on a straight line basis.

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

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

	2020 \$	2019 \$
Buildings		
Non specialised buildings - observable market (level 2)	3,994,165	4,187,974
Non specialised buildings - (level 3)	3,095,581	3,235,971
Specialised Buildings - (level 3)	186,078,268	158,169,363
Total	193,168,014	165,593,308

Infrastructure assets (level 3)

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

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

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

Road network (level 3)

The fair value of sealed and unsealed road components, floodways, carparks, access roads and kerbs were determined by suitably qualified Council staff utilising unit rates provided by Lemmah Pty Ltd, Registered Professional Engineer (Qld) and Valuer, with condition assessments being undertaken by Pavement Management Services and Shepherd Asset Management Solutions, as at 31 December 2019. The footpath and road furniture assets (street lights, traffic lights and bus stops) were comprehensively revalued as at 31 March 2016 by suitably qualified officers of Council. The minor road furniture items (medians, retaining walls, roundabouts and indented car parks) were comprehensively revalued by suitably qualified officers of Council as at 31 March 2017.

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

For the road assets, the CRC for road components was calculated by reference to asset linear and area specifications and unit rates based on a road

stereotypes approach developed and supported by the Department of Transport and Main Roads (Queensland) (TMR). The TMR approach is modified to suit local government roads (initially through the Roads Alliance Valuation Project (RAVP) which continues as LGVAL). These rates were customised to local design conditions, being generally dry ground conditions with a mixture of reactive and non-reactive soil types, where appropriate. Council assumes that roads are constructed to the standard drawings set out in the Capricorn Municipal Development Guidelines.

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

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

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

Stormwater network (level 3)

The fair value of stormwater assets were determined by independent valuer, AssetVal Pty Ltd, effective 31 March 2017. Based on the indices assessment of the stormwater assets conducted by Australis Asset Advisory Group in 2018/19, indexation was applied at 1 July 2019, with no further indexation being required based on the indices assessment provided by Australis Asset Advisory Group for the year ended 30 June 2020.

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

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

Bridge network (level 3)

The fair value of the bridge network was determined by Australis Asset Advisory Group, as at 31 March 2016. Based on the indices assessment of the bridge assets conducted by Australis Asset Advisory Group in 2018/19, indexation was applied at 1 July 2019, with no further indexation being required based on the indices assessment provided by Australis Asset Advisory Group for the year ended 30 June 2020.

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

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

Water and sewerage (level 3)

The fair value of water and sewerage assets were determined by AssetVal Pty Ltd, Registered Valuer, as at 31 December 2018. An indices assessment of the water and sewer assets was provided by Australis Asset Advisory Group and Council performed an assessment of the internal construction costs, for the year ended 30 June 2020, which found no material movement in value, and as a result no valuation adjustment was applied.

The water and sewer assets are segregated into active and passive assets. For passive assets (water and sewer mains; water meters) unit rates were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's construction rates and quotations and reviews by Council engineers. The active assets of treatment, pumping and storage assets were valued independently, utilising New South Wales Reference Rates with appropriate adjustments for local Council factors with further componentisation being applied.

In determining the level of physical obsolescence for major assets, the assets have been disaggregated into significant components which exhibit different patterns of consumption (useful lives). The remaining useful life was calculated on asset age and estimated useful life.

Airport (level 3)

The fair value of the airport assets were determined by Australis Asset Advisory Group, as at 31 March 2016 at current replacement cost. Based on the indices assessment of the airport assets conducted by Australis Asset Advisory Group in 2018/19, indexation was applied at 1 July 2019, with no further indexation being required based on the indices assessment provided by Australis Asset Advisory Group for the year ended 30 June 2020.

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

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

Heritage and cultural assets (level 2)

The fair value of artworks, heritage collections, rare books and museum collections were determined by independent valuer, Australis Asset Advisory Group, effective 31 March 2018 on a market approach. Given the proportionate value of the asset class to overall non-current asset values, no valuation assessment or adjustment was required in the current year.

16 CONTRACT BALANCES

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in

progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

	Note	2020 \$	2019 \$
(a) Contract assets			1,010,850
(b) Contract liabilities			
Deposits received in advance of services provided			797,637
Funds received upfront to construct Council controlled assets			291,056
			1,088,693
Current contract liabilities			1,088,693
			1,088,693
Revenue recognised that was included in the contract liability balance at the beginning of the year			
Deposits received in advance of services provided			417,552
Funds received upfront to construct Council controlled assets			5,435,519
			5,853,071

(c) Significant changes in contract balances

The contract assets and liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously the revenue was recognised on receipt and therefore there was no effect on the statement of financial position.

17 LEASES

COUNCIL AS A LESSEE

Council has leases in place over land, a building and pool complex. Council has applied the exception to lease accounting for the leases of low-value and short-term leases.

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

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

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

EXCEPTIONS TO LEASE ACCOUNTING

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

LEASES AT SIGNIFICANTLY BELOW MARKET VALUE / CONCESSIONARY LEASES

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

Two leases have perpetual terms, the other three leases are for periods between 20 years and 30 years. These leases have annual payments between \$383 and \$29,700. The lease agreements restrict the use of the right-of-use assets by Council to specified community services.

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

TERMS AND CONDITIONS OF LEASES

Buildings

Council leases one building which is used as office space. The lease is fixed for five years and the lease payment is subject to annual CPI increases.

Land

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

Other

Council has a lease over a swimming pool complex. The lease term is five years, increasing annually by CPI. There is no option to renew.

17.A RIGHT-OF-USE-ASSETS

	Note	Land	Buildings	Other	Total
		2020	2020	2020	2020
		\$	\$	\$	\$
Adoption of AASB 16 at 1 July 2019		633,418	568,005	218,415	1,419,838
Depreciation charge	9	(26,494)	(189,335)	(43,683)	(259,512)
Balance as at 30 June 2020		606,924	378,670	174,732	1,160,326

17.B LEASE LIABILITIES

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

	2020 \$
Within one year	275,061
One to five years	505,170
Later than five years	590,700
Total	1,370,931
Current lease liabilities	253,029
Non-current lease liabilities	917,501
Total per statement of financial position	1,170,530

LIABILITIES NOT RECOGNISED - EXTENSION OPTIONS

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

There are \$1,726,881 in potential future lease payments which are not included in the lease liability as the exercise of the option has been assessed as not reasonably certain.

AMOUNTS INCLUDED IN THE STATEMENT OF COMPREHENSIVE INCOME RELATED TO LEASES

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

	2020 \$
Interest on lease liabilities	25,752
Income from sub-leasing right-of-use assets under operating leases	(40,085)
Depreciation of right-of-use assets	259,512
Expenses relating to short term leases	57,131
Expenses relating to low value assets	1,823
	304,133

COUNCIL AS A LESSOR

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

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

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

Finance leases:

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

Operating leases:

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

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

	Note	2020 \$	2019 \$
18 PAYABLES			
Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.			
Current			
Creditors and accruals		12,247,661	10,370,764
Prepaid rates		9,086,553	-
		21,334,214	10,370,764

19 PROVISIONS

Liabilities are recognised for employee benefits such as wages and salaries, sick, annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised in regards to this obligation.

Long Service Leave

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

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

Landfill restoration, quarry rehabilitation and parks remediation

Council recognises provisions for the estimated cost of restoration in respect of refuse dumps (landfills) and rehabilitation of quarries where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. Council also recognised a provision for the estimated cost of remediation in respect of damage to Kershaw Gardens during Tropical Cyclone Marcia in February 2015. The provisions are measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of the restoration. Changes to the provisions resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

	Note	2020 \$	2019 \$
<p>Management estimates the amount of expected restoration work based on current known restoration costs inflated using relevant cost inflation indices and then discounted to current day values, and the timing of the work based on estimated landfill or quarry volumes.</p> <p>With the commencement of construction of new landfill cells, the Lakes Creek Road landfill facility is now forecast to close in 2061/62. Gracemere landfill ceased accepting waste for disposal during the 2015/16 year.</p> <p>Remediation work at Kershaw Gardens commenced in 2015/16 and was completed in the 2018/2019 financial year.</p>			
Current			
Annual leave		8,172,811	7,288,962
Sick leave		85,146	85,146
Other leave entitlements		678,756	632,763
Quarry rehabilitation		49,880	48,980
Landfill restoration		1,512,099	1,586,264
Long service leave		13,976,243	13,286,412
		24,474,935	22,928,527
Non-current			
Quarry rehabilitation		528,272	531,375
Landfill restoration		22,526,751	25,260,734
Long service leave		1,719,672	1,585,168
		24,774,695	27,377,277
Details of movements in provisions:			
Quarry rehabilitation			
Balance at beginning of financial year		580,355	529,262
Increase in provision due to change in time	8	6,858	12,752
Increase in provision due to change in discount rate	10	18,243	53,113
Decrease in estimate of future cost	5	(27,304)	(14,772)
Balance at end of financial year		578,152	580,355

This is the present value of the estimated future costs of restoring the quarry sites to a usable state at the end of their useful life. The projected future cost is \$634,915 and this cost is expected to be incurred over the years 2021 to 2040.

	Note	2020 \$	2019 \$
Landfill restoration			
Balance at beginning of financial year		26,846,998	15,015,220
Decrease in provision for rehabilitation performed		(92,522)	(515,196)
Increase in provision due to change in time	8	340,431	468,578
Increase in provision due to change in discount rate	10	78,535	321,441
Increase in provision due to change in discount rate - transfer to rehabilitation asset	15	1,703,394	8,781,762
Decrease in estimate of future cost	5	(99,251)	(124,424)
(Decrease) / increase in estimate of future cost - transfer to rehabilitation asset	15	(4,738,734)	2,899,617
Balance at end of financial year		24,038,851	26,846,998

This is the present value of the estimated future costs associated with restoring the refuse disposal sites in accordance with Queensland State Government Environmental Regulations at the end of their useful lives. The projected future cost is \$50,205,219 and this cost is expected to be incurred over the period 2021 to 2102.

Parks remediation

Balance at beginning of financial year	-	80,281
Decrease in provision for remediation performed	-	(80,281)
Balance at end of financial year	-	-
Balance at end of financial year	-	-

This provision was established for the costs associated with remediating the Kershaw Gardens following damage caused by Tropical Cyclone Marcia in February 2015. Remediation work at Kershaw Gardens was completed in the 2018/2019 financial year.

	Note	2020 \$	2019 \$
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20 BORROWINGS

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost at date of reporting. Principal and interest repayments are made quarterly in arrears.

All borrowings are in Australian dollar denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary between 15 December 2022 to 15 June 2035. There have been no defaults or breaches of the loan agreement during the period.

Council adopts an annual debt policy that sets out Council's planned borrowings for the next ten years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Current		
Queensland Treasury Corporation	26,514,702	22,648,183
	26,514,702	22,648,183
Non-current		
Queensland Treasury Corporation	114,099,508	96,383,734
	114,099,508	96,383,734
Queensland Treasury Corporation		
Opening balance	119,031,917	123,958,994
Loans raised	44,026,000	15,451,000
Principal repayments	(22,443,707)	(20,378,077)
Book value at year end	140,614,210	119,031,917

The QTC loan market value for all loans at the reporting date was \$148,091,311. This represents the value of the debt if Council repaid it at 30 June 2020. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

Unsecured borrowings are provided by the Queensland Treasury Corporation.

The Council does not have a bank overdraft facility.

21 OTHER LIABILITIES

Current liabilities		
Unearned revenue	291,724	266,565
Waste levy refund received in advance	-	2,162,970
	291,724	2,429,535
Non-current liabilities		
Infrastructure charges	2,251,999	1,294,616
	2,251,999	1,294,616
	2,543,723	3,724,151

Infrastructure charges liability reflects cash contributions from developers for which the related service obligations have yet to be fulfilled by Council.

	Note	2020 \$	2019 \$
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22 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.

In the current year, the Site improvements asset class was changed from the revaluation model to the cost model with the remaining asset revaluation surplus transferred to retained earnings as an opening balance adjustment.

Movements in the asset revaluation surplus were as follows:

Balance at beginning of the year	90,779,130	8,205,572
Adjustment to opening balance - transfer to retained earnings	(2,031,583)	-
	<u>938,747,547</u>	<u>894,211,465</u>
Net adjustment to non-current assets to reflect a change in current fair value:		
Adjustments to surplus from fair value assessment done:		
Land - revaluation	-	(40,450,485)
Sewerage - revaluation	-	38,391,449
Water - revaluation	-	58,065,380
Road network - revaluation	(2,890,756)	-
Stormwater network - indexation	14,085,309	-
Bridge network - indexation	1,944,329	-
Airport - indexation	2,562,764	-
Impairment:		
Road network - disaster adjustment	-	255,574
Bridge network - disaster adjustment	-	111,645
Site improvements - obsolescence	-	(3,648,326)
Buildings - obsolescence	-	(6,157,572)
	<u>15,701,646</u>	<u>46,567,665</u>
Balance at end of the year	<u>954,449,193</u>	<u>940,779,130</u>

	Note	2020 \$	2019 \$
Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Site improvements		-	5,315,617
Buildings		57,062,070	54,250,575
Road network		596,515,142	599,055,406
Stormwater network		44,729,934	30,594,104
Bridge network		8,246,096	6,301,767
Water		109,420,798	109,349,272
Sewerage		108,268,332	108,268,332
Airport		26,555,043	23,992,279
Heritage and cultural assets		3,651,778	3,651,778
		954,449,193	940,779,130

In the current year (opening balance adjustment) the following transfers of asset revaluation surplus were processed between asset classes to reflect the transfer of assets between classes:

\$2,811,494 from Site Improvements to Buildings

\$350,491 from Site Improvements to Roads

\$50,521 from Site Improvements to Stormwater

\$71,527 from Site Improvements to Water

23 COMMITMENTS FOR EXPENDITURE

CONTRACTUAL COMMITMENTS

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

Operational commitments

Regional Services	293,487	22,240
Communities	3,763,340	5,231,387
Airport	1,158,861	4,933,488
Waste and Recycling	10,994,039	11,204,721
Fitzroy River Water	121,702	118,468
Other	600,424	297,760
	16,931,853	21,808,063

Capital commitments

Regional Services	6,414,207	2,300,202
Communities	20,907,240	2,423,614
Airport	5,461,090	477,472
Waste and Recycling	1,573,416	134,701
Fitzroy River Water	2,138,508	693,467
Other	-	260,217
	36,494,467	6,289,673

	Note	2020 \$	2019 \$
Contractual commitments at end of financial year but not recognised in the financial statements by payable period are as follows:			
Within one year		41,662,292	12,189,042
One to five years		7,864,496	10,946,471
Later than five years		3,899,526	4,962,223
		53,426,314	28,097,736

24 EVENTS AFTER THE REPORTING PERIOD

The impact of the novel coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is evolving and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There were no other material adjusting or non-adjusting events after 30 June 2020.

25 CONTINGENCIES

Assets

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

Liabilities

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

(i) Community loans

Under approval from Queensland Treasury, Council has guaranteed loans to Rockhampton Basketball Inc (\$65,818) and Rockhampton Hockey Association Inc (\$33,975).

Total Community loans guaranteed by Council:	99,793	82,254
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(ii) Local Government Workcare

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

The Council's maximum exposure to the bank guarantee is:	1,822,958	1,683,720
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(iii) Local Government Mutual

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

The financial statements for 30 June 2019 reported an accumulated surplus and it is not anticipated any liability will arise.

	Note	2020 \$	2019 \$
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26 SUPERANNUATION

Council contributes to the LGIAsuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIAsuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB 119 because LGIAsuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

Technically Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIAsuper trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date". The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is not due until 1 July 2021.

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

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

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

Superannuation contributions made to the Regional Defined Benefits Fund		522,130	562,767
Other superannuation contributions for employees		8,117,673	7,780,890
Total superannuation contributions paid by Council	6	8,639,803	8,343,657

	Note	2020 \$	2019 \$
27 RECONCILIATION OF NET RESULT ATTRIBUTABLE TO COUNCIL TO NET CASH FLOW FROM OPERATING ACTIVITIES			
Net result attributable to Council		35,468,822	6,864,642
Non-cash operating items:			
Depreciation and amortisation		55,804,103	52,610,361
Opening work in progress write off		2,724,484	820,305
Change in restoration provisions expensed to finance costs		347,289	481,330
Non-cash interest on leases		25,752	-
		58,901,628	53,911,996
Investing and development activities:			
Capital grants, subsidies and contributions		(40,529,300)	(33,655,616)
Capital income		(126,555)	(1,090,994)
Capital expenses		6,695,787	32,900,211
		(33,960,068)	(1,846,399)
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		(3,195,218)	2,979,420
Decrease / (increase) in other assets		1,671,655	(1,965,753)
(Increase) / decrease in inventories (excluding land)		(220,198)	198,027
Increase / (decrease) in payables		1,231,035	(99,758)
Increase in contract liabilities		797,637	-
(Decrease) / increase in other liabilities		(2,137,811)	2,084,512
Increase in provisions		1,723,997	953,651
		(128,903)	4,150,099
Net cash inflow from operating activities		60,281,479	63,080,338

28 RECONCILIATION OF LIABILITIES ARISING FROM FINANCE ACTIVITIES

	As at 30 June 2019	Change in accounting policy	Cashflows	As At 30 June 2020
	\$	\$	\$	\$
Borrowings	119,031,917	-	21,582,293	140,614,210
Lease Liability	-	1,445,591	(275,061)	1,170,530
	119,031,917	1,445,591	21,307,232	141,784,740

	As at 30 June 2018	Cashflows	As At 30 June 2019
	\$	\$	\$
Borrowings	123,958,994	(4,927,077)	119,031,917
	123,958,994	(4,927,077)	119,031,917

29 ACCOUNTING FOR NATURAL DISASTER EVENTS

2015 Cyclone Marcia

In February 2015, the Rockhampton area experienced Tropical Cyclone Marcia with considerable damage to botanic assets, some structural damage to roads, buildings and other site improvements and local creek flooding and run off. All restoration works have been completed with the reinstatement of the asset values in the prior year.

(a) Current Year		Cost	Accumulated depreciation	Asset revaluation surplus
	Note	\$	\$	\$
Restatement of asset values - impairment no longer required		-	-	-
Disaster event	15	-	-	-
(b) Prior Year		Cost	Accumulated depreciation	Asset revaluation surplus
	Note	\$	\$	\$
Restatement of asset values - impairment no longer required		1,489,804	744,185	745,619
Increase in asset values due to 2015 disaster event	15	1,489,804	744,185	745,619

30 IMPACT OF COVID-19 PANDEMIC

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus saw an unprecedented global response by Governments, regulators and industry sectors.

The Australian Federal Government enacted its emergency plan on 29 February 2020 which has seen the closure of Australian borders from 20 March and the release of a number of government stimulus packages to support individuals and business as the Australian economy faces significant slowdowns and uncertainties.

For the year ended 30 June 2020, COVID-19 has impacted Council specifically as follows:

From late March 2020, in response to social distancing requirements and travel restrictions enacted by the Queensland Government, Council implemented a range of temporary measures including:

- Temporary closure of community facilities such as parks, Rockhampton Zoo, swimming pools, community halls, libraries, Rockhampton Art Gallery and Pilbeam Theatre;
- Customer service centres restricted to online or telephone services;
- Cancellation or deferral of community events such as Rockhampton Show, Rockhampton River Festival, and RockyNats;
- Office-based employees worked from home where possible.

Other Council services continued to be delivered with the implementation of social distancing and COVID-19 safe working procedures. The majority of Council services that were impacted by COVID-19 restrictions were re-opened by June 2020 in line with the Queensland Government's staged recovery, however Council facilities or events that host large public gatherings are yet to fully recommence.

As a result of the closure of Council facilities and travel restrictions, Council has incurred a reduction in some revenue streams, notably ticket sales for theatre shows and council run events and Airport fees due to decreased passenger numbers. In some instances, the decrease in use of these facilities or services also resulted in the reduction of variable costs, lessening the overall net financial impact.

Council recognised the financial impacts that the COVID-19 pandemic would potentially have on members of the community and implemented a range of relief measures from March 2020 comprising:

- Rent relief for Council's commercial tenants;
- Business licences extended to June 2021;
- All environmentally relevant authorities extended for 12 months;
- No interest on outstanding rates until 31 December 2020;
- Lease fee refunds for eligible sporting and community groups;
- Financial hardship and assistance scheme to support community organisations.

Whilst COVID-19 and Council's response measures have in some instances reduced revenue and / or increased costs; the overall financial impacts have not materially affected Council's financial performance for the 2019/20 financial year or Council's financial position as at 30 June 2020. Council's non-current assets are predominantly valued using the revaluation model (at fair value) utilising the current replacement cost approach with the exception of land, heritage & cultural assets (artworks) and a small number of building assets where the market approach is applied. There are no significant indicators that there is a material impact on the value of non-current assets held by Council due to COVID-19.

Council has prepared projected cash flow information for twelve months from the date of approval of these financial statements taking into consideration the estimation of the continued financial impacts of COVID-19. These forecasts indicate that, taking account of reasonably possible downsides, the Council is expected to continue to operate within available cash levels and the terms of its debt facilities. Therefore, Council believes that it remains appropriate to prepare the financial statements on a going concern basis.

Note

2020 \$

2019 \$

31 CHANGES IN ACCOUNTING POLICY

During the year ended 30 June 2020, Council has adopted AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of NFP Entities and AASB 16 Leases using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 Construction Contracts, AASB 117 Leases, AASB 118 Revenue, AASB 1004 Contributions and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

Revenue standards - AASB 15 and AASB 1058

The following options have been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements.
- Council has not retrospectively restated contracts for modifications that occurred before 1 July 2019.

Changes in accounting policy on adoption of AASB 15 and AASB 1058 include the following:

- Recognition of grant revenue within the scope of AASB 15
- Prepaid rates - now recorded as a financial liability until the beginning of the rating period
- Recognition of grant revenue for acquisition or construction of assets controlled by Council

Opening contract balances on transition at 1 July 2019

	Balance as at 1 July 2019 \$
Contract liabilities	
Under AASB 15	5,853,071
Under AASB 1058	8,127,027
Total contract liabilities	13,980,098

	Note	2020 \$	2019 \$
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Comparison of affected financial statements lines between AASB 15 / 1058 and previous revenue standards

The following table shows the amount by which the financial statement line item is affected by the application of AASB 15 and AASB 1058 as compared to the previous revenue standards.

Statement of financial position at 30 June 2020

	Carrying amount per Statement of Financial Position	Adjustments	Carrying amount if previous standards had been applied
	\$	\$	\$
Contract assets	1,010,850	(1,010,850)	-
Contract liabilities	(1,088,693)	1,088,693	-
Payable - prepaid rates	(9,086,553)	9,086,553	-
Retained earnings	(1,476,162,787)	(9,164,396)	(1,485,327,183)
	(1,476,162,787)	-	(1,485,327,183)

Statement of comprehensive income for the year ended 30 June 2020

	Carrying amount per Statement of Financial Position	Adjustments	Carrying amount if previous standards had been applied
	\$	\$	\$
Revenue - rates, levies and charges	(148,023,811)	(959,536)	(148,983,337)
Revenue - operating grants	(16,969,007)	(380,085)	(17,349,092)
Revenue - capital grants	(40,529,300)	5,144,463	(35,384,837)
	(205,522,118)	3,804,852	(201,717,266)

The adjustments above relate to the recognition of contract assets and contract liabilities for revenue streams where the revenue is recognised over time rather than on receipt of funding under AASB 1004.

- The recognition of contract assets and contract liabilities for revenue streams where the revenue is recognised over time rather than on receipt of funding under AASB 1004.
- The recognition of a payable for rates, levies and charges paid in advance of the rating period. These amounts were previously recognised as revenue on receipt under AASB 1004.

Statement of cash flows for the year ended 30 June 2020

The adoption of AASB 15 and AASB 1058 has not caused a material change to the Statement of Cash Flows for the year ended 30 June 2020.

Lease standard - AASB 16*Council as a lessee*

Under the previous lease accounting standard, Council assessed whether leases were operating or finance leases, based on its assessment of whether the significant risks and rewards of ownership had been transferred to Council or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low-value assets).

Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Statement of Comprehensive Income on a straight-line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition. Council has used the following expedients:

- Contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16.
- Lease liabilities have been discounted using the Council's incremental borrowing rate at 1 July 2019.
- Right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability including adjustments for any prepaid or accrued lease payments.
- A single discount rate was applied to all leases with similar characteristics.
- The right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset.
- Leases with an expiry date prior to 30 June 2020 were excluded from the Statement of Financial Position, and lease expenses for these leases have been recorded on a straight-line basis over the remaining term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impact of adopting AASB 16 at 1 July 2019

Council has recognised right-of-use assets and lease liabilities of \$1,419,838 at 1 July 2019 for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 1.81%.

32 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

Risk management framework

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

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

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

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

The Council does not enter into derivatives.

Credit risk

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

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for the Council.

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

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

Cash and cash equivalents

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

Other financial assets

Other investments are held with financial institutions, which are rated A1+ to A2 based on Standard and Poor's rating agency ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as low.

Trade and other receivables

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low.

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

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

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

	Note	2020 \$	2019 \$
Rates and utility charges		8,682,320	9,608,702
State and Commonwealth Government		3,778,788	2,573,885
Other		5,983,098	3,631,821
Total		18,444,206	15,814,408

Accounting policies - Receivables

Receivables are measured at amortised cost which approximates fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase / contract price. Settlement of these amounts is required within 30 days from invoice date.

Accounting policies - Grouping

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

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses (ECL) and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment. Council has identified three distinctive groupings of its receivables: Rates and Charges, State and Commonwealth government, Other Debtors.

Rates and Charges: Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts and therefore the expected credit loss is immaterial. Council does not impair rates and charges except when arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property.

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

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

Credit risk exposure and impairment of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security.

Council uses a provision matrix to measure the expected credit losses on statutory charges and other debtors. Loss rates are calculated separately for groupings with similar loss patterns. The calculations reflect historical observed default rates calculated using credit losses experienced on past transactions from the last five years for each group. Loss rates are based on actual credit loss experience over the past five years, current conditions and the Council's view of economic conditions over the expected lives of the receivables.

In Council's statements after reviewing macro economic conditions, Council reached the conclusion that forward looking conditions indicated no foreseeable expected deviations from historically calculated ratios, thus no forward looking adjustments were made.

Expected credit loss assessment

The Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and expected losses for receivables as at 30 June 2020:

	Gross carrying amount	Loss allowance
	\$	\$
Not past due		
Past due 1-30 days	4,706,663	1,083
Past due 31-60 days	3,002,104	1,787
Past due 61-90 days	383,711	225,445
More than 90 days	845,234	288,129
Total	6,966,460	288,193
	15,904,173	804,638

Liquidity risk

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

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

Exposure to liquidity risk

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

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

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities for 2020) held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
	\$	\$	\$	\$	\$
2020					
Trade payables	12,247,661	-	-	12,247,661	12,247,661
Borrowings - QTC	31,135,644	71,815,433	54,469,275	157,420,351	140,614,210
	43,383,305	71,815,433	54,469,275	169,668,012	152,861,871
2019					
Trade payables	10,370,764	-	-	10,370,764	10,370,764
Borrowings - QTC	27,836,188	83,560,663	24,247,214	135,644,065	119,031,917
	38,206,952	83,560,663	24,247,214	146,014,829	129,402,681

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

Market risk

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

Interest rate risk

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

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

Sensitivity

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

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

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

	Net carrying amount		Effect on Net Result		Effect on Equity	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	70,326,230	45,093,031	703,262	450,930	703,262	450,930
Investments	15,000,000	19,000,000	150,000	190,000	150,000	190,000
Total	85,326,230	64,093,031	853,262	640,930	853,262	640,930

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

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

Fair Value

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

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is disclosed in Note 20.

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

NOTES TO THE FINANCIAL STATEMENT

As at 30 June 2020

33 NATIONAL COMPETITION POLICY

The Council has resolved to commercialise the following activities:

- › Waste and Recycling
- › Fitzroy River Water
- › Airport

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

- › Building Certification

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

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

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

	Building Certification	Fitzroy River Water	Rockhampton Airport	Waste & Recycling
	2020	2020	2020	2020
	\$	\$	\$	\$
Revenue for services provided to Council	9,021	6,973	185	364,132
Revenue for services provided to external clients	73,625	72,088,914	14,203,139	23,654,771
Community service obligations	245,121	827,209	318,102	1,018,137
	327,767	72,923,096	14,521,426	25,037,040
Less expenditure	302,248	59,336,357	14,521,426	21,939,025
Surplus	25,519	13,586,739	-	3,098,015

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

Activities	CSO description	Net cost
		\$
Building Certification	Non-commercial private certification services	245,121
Fitzroy River Water	Remissions to community & sporting bodies - water	46,705
	Undetected Leak Rebates - water	98,670
	Combined line charges (operating)	91,846
	Remissions to community & sporting bodies - sewerage	112,573
	Combined line charges (capital)	178,502
	Raising manholes (capital)	298,913
		827,209
Rockhampton Airport	Capricorn Rescue Helicopter Service	112,140
	Royal Flying Doctor Service	129,095
	Patient Travelling Subsidy Scheme	76,867
		318,102
Waste and Recycling	Roadside Bin Operations (Collection)	23,428
	Roadside Bin Disposal Costs	1,700
	Old Landfill Maintenance Works	108,629
	Regulated Waste Disposal	127,191
	Charity Waste Policy	59,530
	Green Waste	657,044
	Waste Education	17,715
	Waste Audit	22,900
		1,018,137

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2020

34 CONTROLLED ENTITIES THAT HAVE NOT BEEN CONSOLIDATED

Rockhampton Aviation Services Pty Ltd is a proprietary company that is limited by shares and was incorporated on the 24 November 2017. Rockhampton Regional Council is the sole member. The Company was formed to provide limitation of liability to Rockhampton Regional Council in any aviation ventures. At the reporting date, the company remains dormant and does not hold any assets or liabilities.

35 TRANSACTIONS WITH RELATED PARTIES

(a) Remuneration for Key Management Personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and some executive management. The compensation paid to KMP for 2019/20 comprises:

Details of benefits	Note	2020 \$	2019 \$
Short-term employee benefits	35(a)(i)	2,576,996	2,173,705
Post-employment benefits	35(a)(i)	264,896	234,328
Long-term benefits	35(a)(i)	3,281	-
Total	35(a)(i)	2,845,173	2,408,033

(i) In the current year two additional executive management roles were recognised as KMP. Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with KMP and other related parties

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

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

Details of transactions	Note	2020 \$	Restated 2019 \$
Fees and charges charged to KMP and other related parties	35(b)(i)	33,241	7,485
Development and infrastructure contributions charged to KMP and other related parties	35(b)(ii)	89,740	4,481
Employee expenses for close family members of KMP	35(b)(iii)	175,490	68,510
Purchase of materials and services from other related parties	35(b)(iv)	176,518	426,855

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

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

(iii) All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award (or contract if applicable) for the job they perform. Council employees 1024 staff of which 2 are close family members of KMP.

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

Details of materials and services purchased	2020 \$	2019 \$
Hospitality services	-	1,379
Grants and Donations	14,241	5,574
Trade services with Swadling Painting Contractors	134,157	413,477
Trade services - other	23,971	-
Supply of materials	4,149	6,425
Total	176,518	426,855

Council entered into a contract with Swadling Painting Contractors, a company owned by a close family member of Cr Rose Swadling during 2019/20. This contract was awarded for the provision of Trade Services for a period from 29th February 2020 to 28th February 2021 based on a schedule of rates. This same contract type was also in place for the 2018/19 financial year. During 2018/19 Swadling Painting also completed 2 small scale works contracts for Robert Schwarten Pavilion and Mount Morgan Railway Station.

All contracts were awarded in accordance with Council's normal purchasing policies, procedures and Local Government legislative requirements.

(c) Outstanding balances

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

(d) Loans and guarantees to / from related parties

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

(e) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Rockhampton Regional Council area. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of regional swimming pools
- Dog registration
- Borrowing books from a Council library

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

ROCKHAMPTON REGIONAL COUNCIL**Financial statements**For the year ended 30 June 2020

Management Certificate
For the year ended 30 June 2020

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 54, 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: 1 October 2020



E.A. Pardon
Chief Executive Officer

Date: 1 October 2020



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Rockhampton Regional Council

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2020, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Rockhampton Regional Council's annual report for the year ended 30 June 2020 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.



My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the council.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

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

A handwritten signature in blue ink that reads "Melissa Read".

Melissa Read
as delegate of the Auditor-General

6 October 2020

Queensland Audit Office
Brisbane

ROCKHAMPTON REGIONAL COUNCIL

Current-year Financial Sustainability Statement
For the year ended 30 June 2020

Measures of Financial Sustainability

Council's performance at 30 June 2020 against key financial ratios and targets:	How the measure is calculated	Actual - Council	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0.7%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	77.5%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	52.6%	Not greater than 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2020.

Certificate of Accuracy
For the year ended 30 June 2020


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

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.



M.F. Strelow
Mayor

Date: 1 October 2020



E.A. Pardon
Chief Executive Officer

Date: 1 October 2020



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Rockhampton Regional Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year statement of financial sustainability of Rockhampton Regional Council (the council) for the year ended 30 June 2020 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Rockhampton Regional Council for the year ended 30 June 2020 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Rockhampton Regional Council's annual report for the year ended 30 June 2020 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.



My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current year financial sustainability statement

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

Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in blue ink that reads "Melissa Read".

6 October 2020

Melissa Read
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

ROCKHAMPTON REGIONAL COUNCIL

Unaudited Long-Term Financial Sustainability Statement
 Prepared as at 30 June 2020

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2020	Projected for the years ended:								
				30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	0.7%	-2.6%	0.8%	1.5%	1.5%	2.3%	2.5%	2.7%	2.9%	3.4%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	77.5%	125.2%	82.6%	80.3%	79.2%	66.9%	77.4%	71.6%	68.0%	71.9%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	52.6%	81.7%	77.1%	77.2%	76.5%	71.0%	64.7%	59.2%	52.5%	46.1%

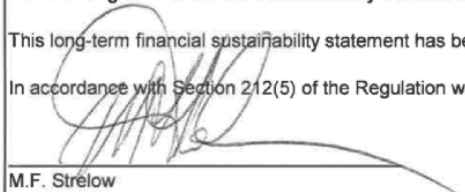
Council's Financial Management Strategy

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

Certificate of Accuracy**For the long-term financial sustainability statement as at 30 June 2020**

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

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



M.F. Strelow
Mayor

Date: 1 October 2020



E.A. Pardon
Chief Executive Officer

Date: 1 October 2020

4

COMMERCIAL BUSINESS UNITS





IN THIS SECTION

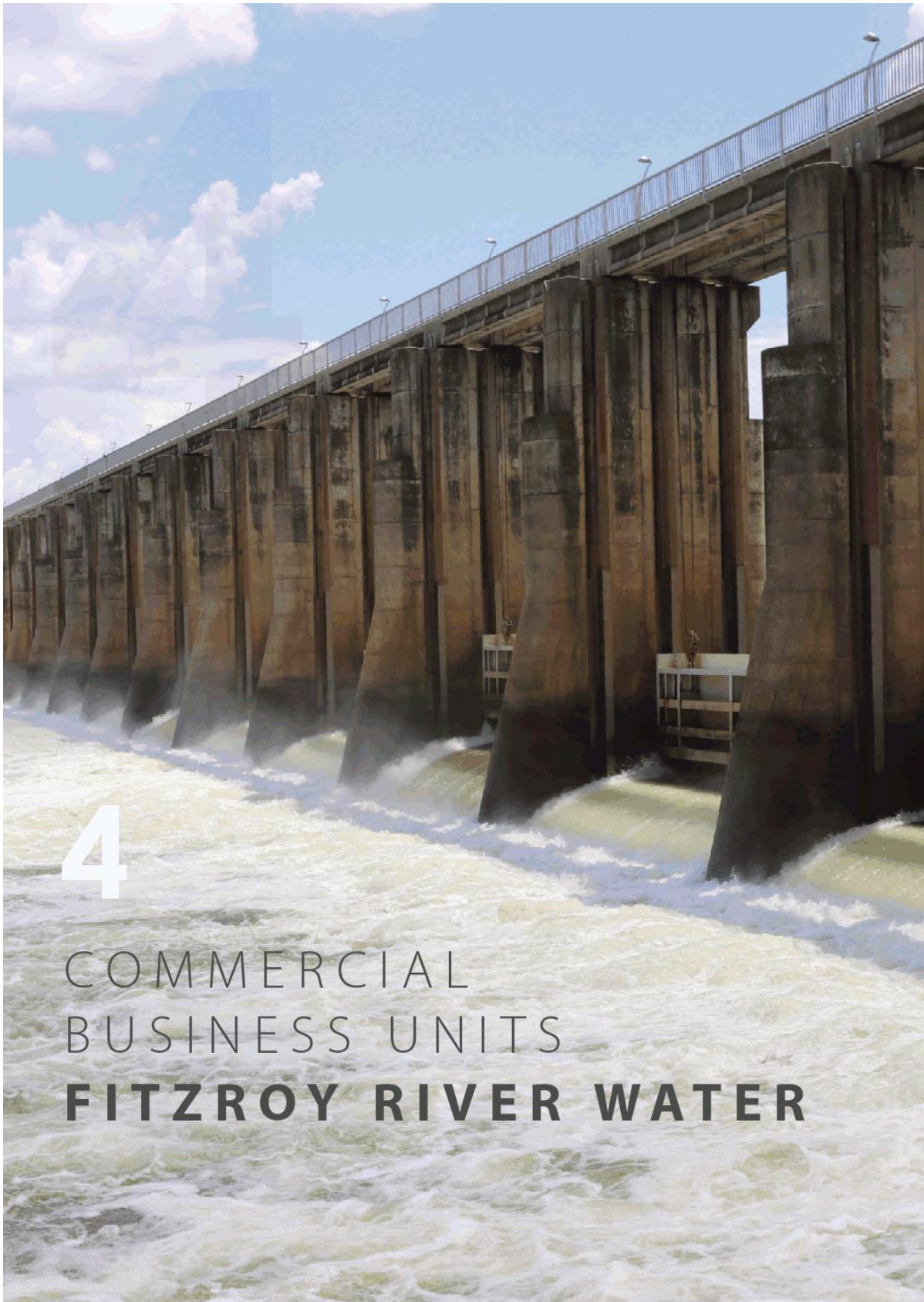
Fitzroy River Water

Rockhampton Regional Waste
and Recycling

Rockhampton Airport

4

SECTION 4 Commercial Business Units



4

COMMERCIAL BUSINESS UNITS **FITZROY RIVER WATER**

FITZROY RIVER WATER

(s190(2) LGR 2012)

Annual statement on operations of Fitzroy River Water

NATURE AND SCOPE OF ACTIVITIES

Fitzroy River Water (FRW) is a commercial business unit of Council and is responsible for operating and maintaining water and sewerage assets totaling approximately \$616.5M.

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

Broadly, the scope of FRW (based upon the 2019-20 financial year) is as follows:

	\$M
Total income (operating)	\$73.1M
Total expenses (operating)	\$37.1M

ANNUAL OPERATIONS REPORT

Financial Indicators

	2019-20 Target	2019-20 Achieved
Operating surplus ratio	48.6%	49.2%
Interest coverage ratio	5.9 times	6.3 times
Asset sustainability ratio	73.2%	54.1%
Gross revenue	\$68,635,924	\$73,090,824
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	\$48,661,814	\$51,443,454
Competitive neutrality ratio (% of gross revenue)	31.1%	29.9%
Depreciation ratio	20.5%	19.2%
Total written down asset value	\$554,034,410	\$616,548,402
Return on assets	5.8%	5.5%

FINANCIAL PERFORMANCE OPERATIONAL

FRW raised operational income of \$73.1 million with the majority raised through utility charges. Operating revenue in the 2019-20 financial year has increased by 5.2% from the 2018-19 financial year. Utility charges realised an increase of 4.11%, with water consumption charges increasing by 7.5%, as a result of a relatively dry year. Some other revenue streams also realised some large increases. Fees and charges increased by 27.6% with trade waste and metered standpipe charge activities being the biggest contributions. Private works charges increased by 37.2% and bulk water sales increased by 16.2% largely due to annual maximum usage excess.

Operational expenditure for the 2019-20 financial year was \$37.1 million, which has increased slightly (0.9%) from the 2018-19 financial year. Employee costs, materials and services and depreciation continually remain as the largest portion of expenditure for FRW each year. Employee costs and depreciation expenditure streams have increased slightly, with finance costs decreasing as a result of paying down debt and not drawing new loans to fund capital expenditure.

NET RESULT ATTRIBUTABLE TO FITZROY RIVER WATER

FRW net result before tax, a surplus of \$37.4 million, is the difference between total income and total expenditure. Included in the total income and total expenditure are items of capital revenue and capital expenditure which fluctuate from year to year. After appropriations (payment of return to Council, transfers of capital income and expenditure and income tax payment), the increased movement in FRW's community equity amounted to \$17.1 million in the 2019-20 financial year.

CAPITAL

Total capital expenditure for the 2019-20 financial year was \$17.5 million including debt redemption. Extensive refurbishment programs of underground water and sewerage assets were undertaken and also construction of new aboveground and underground infrastructure was prominent.

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

- › Completion of Old Capricorn Highway water pump station pipework reconfiguration;
- › Completion of the Barrage gate 10 refurbishment;
- › Completion of the Mount Morgan Water Treatment Plant clarifier access upgrade;
- › Continuation of the Glenmore Water Treatment Plant electrical and control renewal;
- › Completion of the Elizabeth Street water main extension project in Gracemere;
- › Continuation of West Gracemere water main extension;
- › Continuation of the Lowlift water pump station pump and valve renewal;
- › Continuation of the Barrage gate height increase project;
- › Completion of concept design for North Rockhampton Sewage Treatment Plant augmentation;
- › Continuation of Jardine Park and Hadgraft Street sewerage pump station electrical and mechanical renewal;
- › Continuation of South Rockhampton Sewage Treatment Plant mechanical dewatering and construction of recycled water scheme;
- › Continuation of the refurbishment of the sewerage network; and
- › Continuation of the replacement of water mains.

DIRECTIONS THE LOCAL GOVERNMENT GAVE THE UNIT – NON COMMERCIAL DIRECTIVES

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

revenue received or, alternatively, the benchmarked cost of providing the service less any attributable revenue received where the benchmark has been obtained from equivalent service providers.

The following table summarises the types of CSO revenue received by FRW during 2019-20:

The following table summarises the types of CSO revenue received by FRW during 2019-20:

	\$
WATER	
Remissions to Community and Sporting Bodies	\$46,705
Undetected Leak Rebates	\$98,670
SEWERAGE	
Combined Line Charges (expenses)	\$91,846
Combined Line Charges (capital)	\$178,502
Raising Manholes (capital)	\$298,913
Sporting Bodies Sewerage Access	\$112,573
TOTAL	\$827,209

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

WATER	OBJECTIVE
Other Rate Concessions	RRC upon review of applications, at times grants concession for Water Charges. These amounts are then claimed as a CSO by FRW.
Undetected Leak Rebates	A resolution dated 23 May 2017 states that "the implementation of the Undetected Leak Rebate Policy for both residential and commercial customers be identified as a CSO to the amount of \$110,000 per annum.
Sporting Bodies Rate Concessions	RRC upon review of applications, at times grants remissions for Water Charges. These amounts are then claimed as a CSO by FRW. Refer to Rates Concession Policy.
SEWERAGE	OBJECTIVE
Combined Line Charges (expenses)	A resolution dated 22 June 1999 states that "Council continue its current policy of maintaining combined line house drains and fund all such work carried out by FRW as a CSO.
Combined Line Charges (Capital)	Further to the above resolution regarding the maintenance of combined lines, FRW has begun a full replacement program of these assets. As a result the cost of the replacement of these Combined Lines also constitutes a CSO and the full cost incurred is claimed.
Raising Manholes (Capital)	A resolution dated 29 May 2000 states that "FRW carries out the raising of sewerage manholes and claims this as a CSO.
Sporting Bodies Rate Concessions	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 Rates Concession Policy.
Other Rate Concessions	RRC upon review of applications grants concession for Sewerage Charges. These amounts when remitted are then claimed as a CSO by FRW.

ASSET MANAGEMENT

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

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

COMPARISON WITH ANNUAL PERFORMANCE PLAN

Water Services Performance

WATER - DAY TO DAY CONTINUITY

CSS Reference	Performance indicator	Potable Water Schemes						Potable Water Schemes					
		Rockhampton and Gracemere Water Supply Scheme Number of access charges – 38,346 as at January 2020						Mt Morgan Water Supply Scheme Number of access charges - 1,509 as at January 2020					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS1	Extent of unplanned interruptions - connections based (no. per 1,000 connections per year)	12	6	25	13	<80	56	3	1	3	4	<80	11
CSS2	Extent of unplanned interruptions - incidents based (no. per 100 km of main per year) Rockhampton and Gracemere 769 km Mount Morgan 71 km	12	20	32	18	<30	82	4	1	4	6	<30	15
CSS3	Time for restoration of service - unplanned interruptions (% restored within 5 hours)	100%	100%	100%	100%	>90%	100%	100%	100%	100%	100%	>90%	100%
CSS4	Customer interruption frequency:												
	1 interruption per year	1.51%	0.92%	3.36%	1.34%	12%	7.13%	0.13%	ND	3.71%	0.39%	12%	4.23%
	2 interruptions per year	0.14%	0.03%	0.08%	0.02%	2%	0.27%	ND	ND	ND	ND	2%	0.00%
	3 interruptions per year	ND	ND	ND	ND	1%	0.00%	ND	ND	ND	ND	1%	0.00%
	4 interruptions per year	ND	ND	ND	ND	0.50%	0.00%	ND	ND	ND	ND	0.50%	0.00%
	5 or more interruptions per year	ND	ND	ND	ND	0.25%	0.00%	ND	ND	ND	ND	0.25%	0.00%
CSS5	Relative incidence of planned and unplanned interruption incidents (% of planned versus total number of interruptions)	9%	5%	6%	2%	>30%	6%	0%	ND	ND	ND	>30%	0%
CSS6	Average interruption duration - planned and unplanned (hours)	3.31	1.89	2.23	3.91	3 hrs	2.84	0.13	0.17	1.07	0.32	3 hrs	0.42

CSS7	Response time	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
	Priority 1 – 1 hour response	94%	95%	93%	96%	95%	95%	100%	100%	ND	100%	95%	100%
	Priority 2 – 2 hours response	92%	92%	98%	96%	95%	95%	67%	100%	89%	100%	95%	89%
	Priority 3 – 24 hours response	99%	99%	100%	99%	95%	99%	100%	100%	100%	100%	95%	100%
	Restoration time												
	Priority 1 – 5 hours restoration	99%	91%	93%	91%	95%	94%	100%	100%	ND	100%	95%	100%
	Priority 2 – 24 hours restoration	90%	98%	100%	100%	95%	97%	78%	92%	100%	100%	95%	93%
	Priority 3 – 5 days restoration	98%	99%	100%	100%	95%	99%	100%	100%	100%	100%	95%	100%

ADEQUACY AND QUALITY OF NORMAL SUPPLY OF WATER SUPPLY

CSS Reference	Performance indicator	Potable Water Schemes						Potable Water Schemes					
		Rockhampton and Gracemere Water Supply Scheme Number of access charges – 38,346 as at January 2020						Mt Morgan Water Supply Scheme Number of access charges - 1,509 as at January 2020					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS8	Minimum pressure standard at the water meter (kPa)	220	220	220	220	220 kPa	220	220	220	220	220 kPa	220	
CSS9	Minimum flow standard at the water meter	9	9	9	9	9 L/min	9 L/min	9	9	9	9	9 L/min	9 L/min
CSS10	Connections with deficient pressure and/or flow (% of total connections)	0.3%	0.3%	0.3%	0.3%	<2.5%	0.3%	2.0%	2.0%	2.0%	2.0%	<2.5%	2.0%
CSS11	Drinking water quality (compliance with industry standard)	100%	100%	100%	100%	>98%	100%	100%	100%	100%	100%	>98%	100%
FRW's Drinking Water Quality Management Plan identifies the following key water quality parameters as reference indicators for customer service purposes: Physical and Chemical Water Quality Parameters - Target: >99% of all samples tested compliant with Australian Drinking Water Guidelines and E.coli - Target: None detected in >98% of all samples tested													
CSS12	Drinking water quality complaints (number per 1,000 connections)	0.29	0.28	0.26	0.48	<5	1.31	These figures are combined with the Rockhampton and Gracemere figures to give a total across all water supply schemes.					
CSS13	Drinking water quality incidents (number per 1,000 connections)	0	0	0	0	<5	0	0	0	0	0	<5	0

LONG TERM CONTINUITY OF WATER SERVICES

CSS Reference	Performance indicator	Potable Water Schemes						Potable Water Schemes					
		Rockhampton and Gracemere Water Supply Scheme Number of access charges – 38,346 as at January 2020						Mt Morgan Water Supply Scheme Number of access charges - 1,509 as at January 2020					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS14	Water main breaks (number per 100 km main) Rockhampton and Gracemere 769 km Mount Morgan 71 km	2	4	3	2	<40	11	1	0	1	0	<40	2
CSS15	Water services breaks (number per 1,000 connections)	4	5	7	6	<40	22	2	8	3	8	<40	21
CSS16	System water loss (litres per connection per day)	122	159	289	209	< 200 L	195	113	103	98	75	< 200 L	97

EFFECTIVE TRANSPORTATION OF SEWAGE

CSS Reference	Performance Indicator	Sewerage Schemes						Sewerage Schemes					
		Rockhampton and Gracemere Sewerage Scheme Number of access connections – 52,007 as at January 2020						Mt Morgan Sewerage Scheme Number of access connections – 557 as at January 2020					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS17	Sewage overflows – total (number per 100 km main) Rockhampton and Gracemere 724 km Mount Morgan 15 km	13.31	12.34	15.33	12.98	<30	53.96	ND	ND	ND	ND	<10	0
CSS18	Sewage overflows to customer property (number per 1,000 connections)	1.85	1.71	2.13	1.81	<10	7.5	ND	ND	ND	ND	<5	0
CSS19	Odour complaints (number per 1,000 connections)	0.15	0.21	0.44	0.04	<1	0.84	These figures are combined with the Rockhampton and Gracemere figures to give a total across all sewage supply schemes.					
CSS20	Response time												
	Priority 1 – 1 hour response	80%	100%	93%	82%	>95%	89%	ND	ND	ND	ND	>95%	0%
	Priority 2 – 2 hours response	92%	98%	96%	97%	>95%	96%	ND	ND	ND	ND	>95%	0%
	Priority 3 – 24 hours response	100%	100%	100%	100%	>95%	100%	ND	ND	ND	ND	>95%	0%
	Restoration time												
	Priority 1 – 5 hours restoration	93%	97%	94%	100%	>95%	96%	ND	ND	ND	ND	>95%	0%
	Priority 2 – 24 hours restoration	98%	98%	99%	99%	>95%	99%	ND	ND	ND	ND	>95%	0%
	Priority 3 – 5 days restoration	100%	97%	100%	100%	>95%	99%	ND	ND	ND	ND	>95%	0%

Long Term Continuity of Sewerage Services

CSS Reference	Performance Indicator	Sewerage Schemes						Sewerage Schemes					
		Rockhampton and Gracemere Sewerage Scheme Number of access connections – 52,007 as at January 2020						Mt Morgan Sewerage Scheme Number of access connections - 557 as at January 2020					
		1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date	1st qtr	2nd qtr	3rd qtr	4th qtr	Annual Target	Year to Date
CSS21	Sewer main breaks and chokes (number per 100 km main) Rockhampton and Gracemere 724 km Mount Morgan 15 km	4.99	4.58	6.08	3.18	<50	18.83	ND	ND	ND	ND	<20	0
CSS22	Sewer inflow and infiltration (ratio of Peak Day Flow to Average Day Flow)	1.48	1.23	2.59	1.46	<5	1.69	1.49	1.68	1.59	1.43	<5	1.55

REFERENCE CODES

A blank field should contain one of the following:

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

CUSTOMER SERVICE STANDARDS

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

CUSTOMER SERVICE TARGETS

Performance indicator	1st qtr	2nd qtr	3rd qtr	4th qtr	Target	Year to Date
Installation of new water connections (within the water service area)	76%	94%	78%	90%	15 working days	85%
Installation of sewerage connections (within the sewerage area)	75%	44%	25%	33%	15 working days	44%
Complaints – (excluding maintenance of water and sewerage services) – advise outcome	100%	100%	100%	100%	20 working days	100%

FINANCIAL PERFORMANCE TARGETS

Performance indicator	1st qtr date reported	2nd qtr date reported	3rd qtr date reported	4th qtr date reported	Target
RRC Operational Plan Reporting Frequency: quarterly	15/10/2019	17/01/2020	15/04/2020	14/07/2020	Initiatives successfully completed by year end
Operating Budget Reporting Frequency: quarterly or when variations arise	30/09/2019	31/12/2019	31/03/2020	30/06/2020	Conduct all activities in accordance with required timelines and budget
Annual Revenue Reporting Frequency: quarterly or when variations arise	30/09/2019	31/12/2019	31/03/2020	30/06/2020	Timely reporting of any significant variations to budget revenue and collection timing
Capital Works Reporting Frequency: quarterly or when variations arise	30/09/2019	31/12/2019	31/03/2020	30/06/2020	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; the indicator is not relevant to that scheme)

NON COMPLIANCE COMMENTS

Table Reference	CSS Reference	Scheme	Comment
Table 1 Water - Day to Day Continuity	CSS2	Rockhampton and Gracemere Water Supply Scheme	A total of 95 unplanned incidents affecting 312 connections for the quarter has contributed to this result.
	CSS5	Rockhampton and Gracemere Water Supply Scheme	A significant reduction in the number of planned interruptions during water main construction projects is the main contributor to this result, along with continued interruptions associated with reactive repairs. The reduction in planned interruptions is due to the nature of current water main construction activities requiring less isolations to install connections to the existing reticulation network.
	CSS7	Rockhampton and Gracemere Water Supply Scheme	Response P1 - Total of 173 requests with 163 being responded to within 1 hour over the 3 months.
	CSS7	Mount Morgan Water Supply Scheme	Response P2 - Total of 45 requests with 41 being responded to within 24 hours over the 3 months.
	CSS17	Rockhampton and Gracemere Sewerage Scheme	Restoration A total number of 491 blockages and 283 overflows for the year.
Table 4 Effective Transportation of Sewage	CSS20	Rockhampton and Gracemere Sewerage Scheme	Response P1 - Total of 45 requests with 43 being responded to within 1 hour over the 3 months.

WATER SUPPLY (SAFETY AND RELIABILITY) ACT 2008

In accordance with the *Water Supply (Safety and Reliability) Act 2008*, FRW has an approved Drinking Water Quality Management Plan (DWQMP) to manage the ongoing safe and reliable supply of drinking water to the community. Each year FRW reviews the DWQMP and completes and publishes an annual report that documents the performance of the drinking water schemes against national standards, state regulatory targets and the

objectives outlined in the DWQMP. FRW continues to review and update important plan documents that describe the strategies associated with asset management, drought management, trade waste management and system leakage management. Together these activities help to ensure long term safe and reliable provision of water and sewerage services. FRW also undertakes the various significant activities associated with the safe management of the Mount Morgan No. 7 Dam which is a referable dam that supplies water to the Mount Morgan community.

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

OVERVIEW OF SERVICES

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

CUSTOMER SERVICE STANDARDS PROCESSES SERVICE CONNECTIONS

Water

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

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

Sewerage

A standard sewerage connection is provided free to each property within existing 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.

FRW 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 on the basis that it does not pose an unacceptable risk to the sewerage infrastructure. Trade waste specifically excludes any sewage discharged from private residential premises. A customer may discharge trade waste into the sewerage system provided the customer has first entered into a Trade Waste Agreement with FRW and in accordance with the Trade Waste Environmental Management Plan.

Metering and Billing

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

FRW's water access and sewer charges are integrated with Council rate notices which are issued twice a year.

Accounting

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

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

Payment can be made in the following manner:

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

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

CUSTOMER SERVICE STANDARDS PROCESSES SERVICE CONNECTIONS

Complaints

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

Dispute Resolution

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

Chief Executive Officer

Rockhampton Regional Council

PO Box 1860

Rockhampton QLD 4700

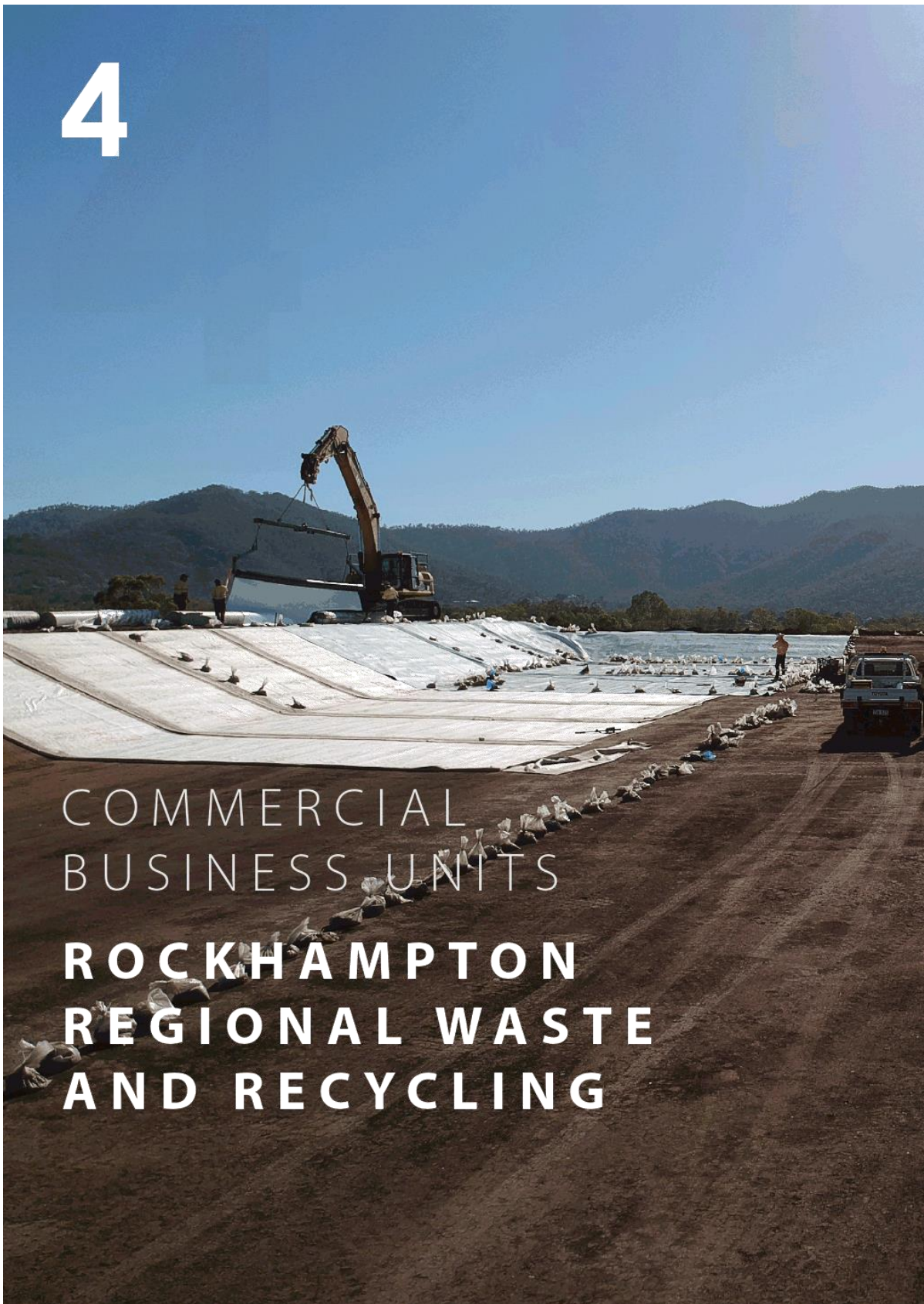
Customers not happy with the response at this point, may raise their concerns with the Queensland Ombudsman's Office on (07) 3005 7000 or toll free 1800 068 908.

Review of Customer Service Standards

Legislation requires service providers to review the CSS every year. FRW's performance against financial and non-financial targets and key strategies are reported to Council on a quarterly basis in accordance with the adopted 2019-20 Performance Plan. The Annual Performance Plan report as at 30 June 2020 was presented to Council with the CSS and adopted on 11 August 2020.

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

4



COMMERCIAL
BUSINESS UNITS
**ROCKHAMPTON
REGIONAL WASTE
AND RECYCLING**

ROCKHAMPTON REGIONAL WASTE & RECYCLING

(s190(2) LGR 2012)

Annual statement on operations of Rockhampton Regional Waste and Recycling

NATURE AND SCOPE OF ACTIVITIES

Rockhampton Regional Waste and Recycling (RRWR) is a commercial business unit of Council and is responsible for the operation and maintenance of waste and recycling assets totalling approximately \$46.1 million (replacement value).

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

Broadly, the scope of RRWR (based upon the 2019-20 financial year) is as follows:

Item	RRWR
Total Income (operating)	\$24.7M
Total Expenses (operating)	\$18.2M
Number of staff	36
Properties served- General Waste	32,260
Properties served- Recycling	32,130
Total waste to Landfill – including kerbside waste collection but not including cover material and green waste (tonnes)	52,848
Kerbside Waste Collected (tonnes)	22,064
Kerbside Recycling Collected (tonnes)	4,580
Landfills	1
Transfer Stations (staffed), including Lakes Creek Road	7

ANNUAL OPERATIONS REPORT FINANCIAL INDICATORS

Item	2019-20 Target	2019-20 Achieved
Operating Surplus Ratio	26.2%	26.3%
Interest Coverage Ratio	2.7x	2.72x
Asset Sustainability Ratio	90.0%	31.3%
Depreciation Ratio	6.3%	5.9%

COMPARISON WITH ANNUAL PERFORMANCE PLAN NON-FINANCIAL PERFORMANCE TARGETS

CSS Reference	Performance Indicator	Target	Rockhampton Region
WCSS1	Weekly collection of domestic waste on the same day every week	98%	99.95%
WCSS2	Weekly collection of commercial waste	95%	99.95%
WCSS3	Fortnightly collection of domestic recyclable waste	98%	99.93%
WCSS4	Fortnightly collection of commercial recyclable waste	98%	99.93%
WCSS5	Missed service collection provided within two working days from notification when notification is within one working day of scheduled collection	95%	98.78%
WCSS6	Collection services will be made available within four working days upon application by the owner	98%	97.17%
WCSS7	Provision of assisted services within ten working days from application by the resident	100%	96.90%
WCSS8	Repair or replacement of stolen, removed, damaged, vandalised mobile bins within four working days from notification	100%	96.56%

Notes:

1. WCSS6 - Collection services will be made available within four working days upon application by owner; 7 requests were completed outside of the threshold out of 247 total requests.
2. WCSS7 - Provision of assisted services within ten working days from application by owner; 9 requests were completed outside of the threshold out of 290 total requests.
3. WCSS8 - Repair or replacement of stolen, removed, damaged, vandalised mobile bins within four working days from notification; 48 requests were completed outside of the threshold out of 1394 total requests.

FINANCIAL PERFORMANCE TARGETS

Performance Indicator	Target	1st qtr date reported	2nd qtr date reported	3rd qtr date reported	4th qtr date reported
RRC Operational Plan Reporting Frequency: quarterly	Initiatives successfully completed by year end	Reported monthly			
Operating Budget Reporting Frequency: quarterly or when variations arise	Conduct all activities in accordance with required timelines and budget	30/09/2019	31/12/2019	31/03/2020	30/06/2020
Annual Revenue Reporting Frequency: quarterly or when variations arise	Timely reporting of any significant variations to budget revenue and collection timing	30/09/2019	31/12/2019	31/03/2020	30/06/2020
Capital Works Reporting Frequency: quarterly or when variations arise	Completion of capital program in accordance with adopted timeframe and budget (within 3%)	30/09/2019	31/12/2019	31/03/2020	30/06/2020

REVIEW OF CUSTOMER SERVICE STANDARDS

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

FINANCIAL PERFORMANCE OPERATIONAL

RRWR raised operational income of \$24.7 million, including internal charges revenue, with the majority raised through rates and utility charges, and landfill fees and charges.

Operating revenue in the 2019-20 financial year is higher than the 2018-19 financial year by 17.0%. This is attributed to higher landfill fees and charges revenue (due to an increase to cover waste levy expense for commercial customers) and also waste levy rebate revenue to cover the expense for domestic customers, both of which were introduced in 2019-20.

Operational expenditure for the 2019-20 financial year amounted to \$18.2 million which does not include capital expenditure and company tax equivalents.

Materials and services and employee costs formed the largest portion of expenditure for RRWR in the financial period. Expenditure incurred for materials and services (66%) is essential in providing critical waste services to the community and maintaining RRWR property, plant and equipment. RRWR also supports a medium sized in-house workforce in order to provide and maintain these services for today and into the future with employee costs being 21% of operational expenditure.

NET RESULT ATTRIBUTABLE TO ROCKHAMPTON REGIONAL WASTE AND RECYCLING

RRWR's net result of a surplus of \$5.4 million before income tax is the difference between total income and total expenditure. Included in the total income and total expenditure are items of capital revenue and capital expenditure which fluctuate from year to year. After appropriations (payment of return to Council, transfers of capital income and expenditure) the increase in RRWR's retained surplus was \$3.5 million.

CAPITAL

Total capital expenditure for the 2019-20 financial year was \$4.4 million which fell just short of the capital program budget of \$ 4.5 million.

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

- › Continuation of the LCR life extension project, construction of Cell A1
- › Completion of the Bushley Waste Transfer Station
- › Continuation of landscaping at LCR landfill site
- › Virtual completion of LCR extension interim capping
- › Continuation of storm water outlets at the LCR WTS
- › Completion of LCR site upgrades
- › Continuation of monitoring of old landfill sites in accordance with environmental guidelines
- › Completion of flying debris netting at LCR landfill site
- › Completion of LCR landfill capping of Bail Area
- › Agreement and deposit for purchase of land adjacent to existing LCR landfill site

DIRECTIONS THE LOCAL GOVERNMENT GAVE THE UNIT NON-COMMERCIAL DIRECTIVES

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

The following table summarises the types of CSO revenue received by RRWR during the 2019-20 financial year:

Description	Actual Cost \$
Roadside Bin Station operations and disposal costs	25,129
Old Landfill Maintenance Works	108,629
Regulated waste disposal	127,192
Charity Waste Policy	59,530
Green Waste Processing	657,044
Waste Education	17,713
Waste Audit	22,900
TOTAL CSO	1,018,137

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

Authorised Group	Date	Limit	Expiry
Anglicare Central Queensland Limited	01/07/2019	60 tonne	30/06/2020
Australian Red Cross	01/07/2019	½ tonne	30/06/2020
Lifeline Central Queensland	01/07/2019	250 tonne	30/06/2020
St Vincent de Paul Society Queensland	01/07/2019	120 tonne	30/06/2020
The Salvation Army	01/07/2019	120 tonne	30/06/2020
Rockhampton Women's Shelter	01/07/2019	5 tonne	30/06/2020
Rockhampton Foodbank	31/08/2019	5 tonne	30/06/2020
Care & Share Rockhampton	01/07/2019	50 tonne	30/06/2020
Ring Pull Association	01/07/2019	5 tonne	30/06/2020
The Jolly Rogers Fishing Club	01/07/2019	7 tonne	30/06/2020

4

COMMERCIAL BUSINESS UNITS ROCKHAMPTON AIRPORT



ROCKHAMPTON AIRPORT

(s190(2) LGR 2012)

Annual statement on operations of Rockhampton Airport.

NATURE AND SCOPE OF ACTIVITIES

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

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

Rockhampton Airport is responsible for the operation and maintenance of Airport assets totalling approximately \$149.1 million (replacement value).

ANNUAL OPERATIONS REPORT

Item	As at 30 June 2020
Total income	\$14.5M
Total expenses	\$13.3M
Passenger movements	439,691
Number of staff	24
Number of paid parking car parks	788
Aircraft movements	24,238

COMPARISON WITH ANNUAL PERFORMANCE PLAN ANNUAL PERFORMANCE REPORT

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

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

Performance Indicator	Target	Annual Result
Increase Passenger numbers	1%	-21.3%
Increase Aircraft Movements	1%	1.2%
Bird Strikes	Less than 36	22
Lost Time Days – workplace injuries	0	0
Reported Public Injuries on Airport Precinct	0	0
Customer Requests Actioned	100%	100%
Airline Engagement Meetings held Quarterly	Yes	Yes
All Military Exercise Briefings Attended	Yes	No

FINANCIAL PERFORMANCE OPERATIONAL

Total Income for the financial period was \$14.5 million, including revenue from RRC and excluding capital income. Operating income is lower in comparison to the previous financial year by 8% as a result of COVID-19.

Operational expenditure for the 2019-20 financial year was \$13.3 million, this does not include capital expenditure and company tax equivalents. Materials and services, depreciation and employee costs formed the largest portion of expenditure for Rockhampton Airport in the financial period. Expenditure incurred for materials and services (46%) is essential in providing critical services to the community and maintaining Rockhampton Airport property, plant and equipment. Rockhampton Airport also supports a reasonable size in-house workforce in order to provide and maintain these services for today and into the future with

employee costs being 20% of operating expenditure.

Rockhampton Airport net result of \$5.7 million before income tax is the difference between total income and total expenditure. Included in the total income and total expenditure are items of capital revenue and capital expenditure which fluctuate from year to year. Overall, Rockhampton Airport achieved a surplus of \$5.3 million for the 2019-20 financial year. After appropriations (payment of return to Council, transfers of capital income and expenditure and application of previous year's surplus) the Airport incurred a retained surplus of \$4.6 million.

CAPITAL

Total capital expenditure for the 2019-20 financial year was \$6.1 million against a budget of \$6.9 million.

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

- Commencement of the Airport Terminal Redevelopment and Security Screening upgrades
- Commencement and near completion of the CCTV upgrade project.
- Improvement to the Airside Storm Water System
- Continuation of renewal of the Aviation Security Infrastructure

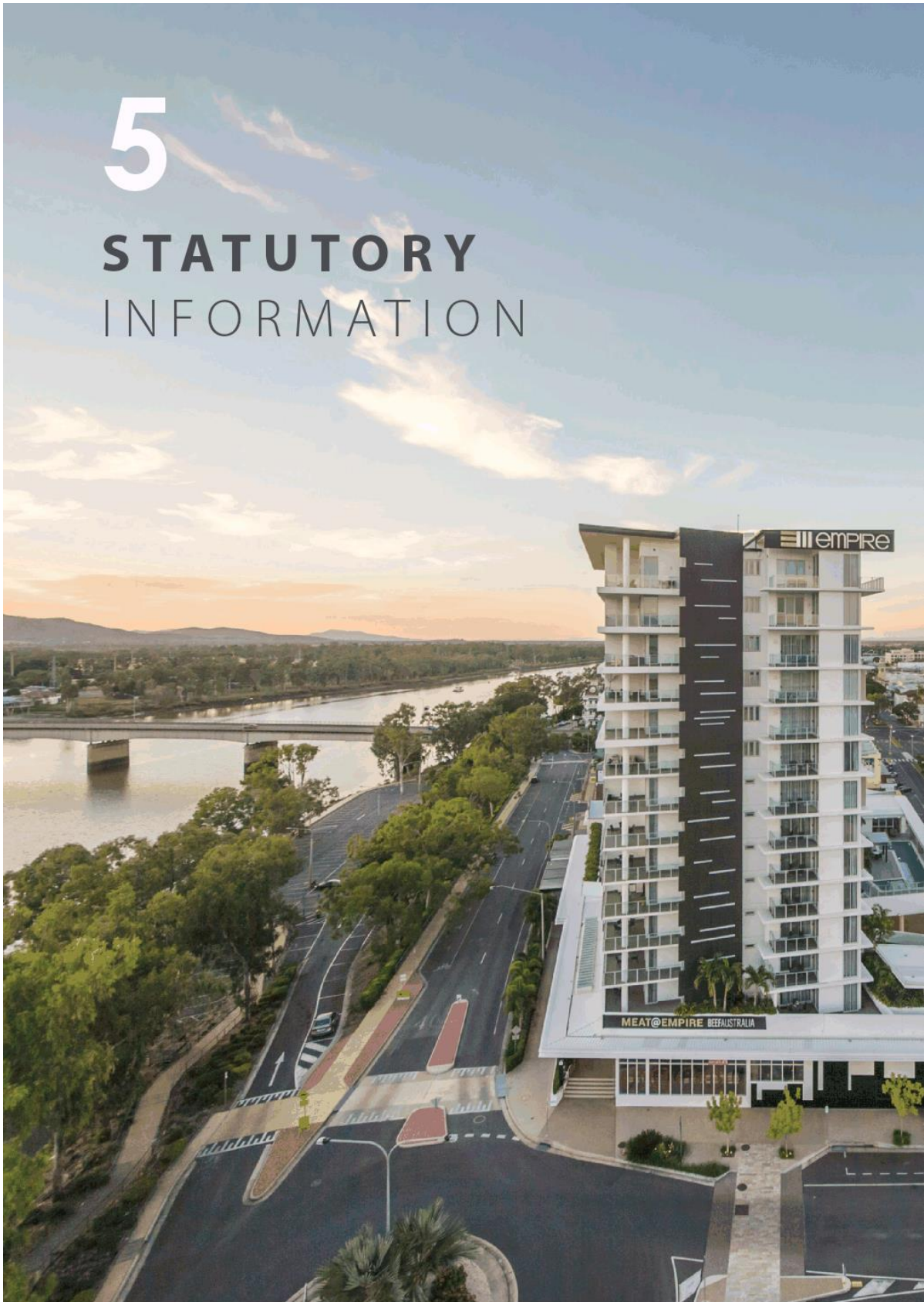
DIRECTIONS THE LOCAL GOVERNMENT GAVE THE UNIT – NON COMMERCIAL DIRECTIVES

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

attributable revenue received where the benchmark has been obtained from equivalent service providers.

The following table summarises the types of CSO revenue received by Rockhampton Airport during the 2019-20 financial year.

Description	Actual Cost \$
Royal Flying Doctors Service and Capricorn Helicopter Rescue Service	\$241,235
Patient Travelling Subsidy Scheme	\$76,867
Total CSO	\$318,102



5

STATUTORY INFORMATION



IN THIS SECTION

- Beneficial Enterprises
- Significant Business Activities
- List of Registers kept by Council
- Summary of all concessions for rates and charges granted by the Local Government
- Report on Internal Audit for the year
- Administration Action Complaints
- Councillors

5

SECTION 5 Statutory Information

BENEFICIAL ENTERPRISES

(s41 LGA 2009)

Identifying beneficial enterprises

- › Building Certification

SIGNIFICANT BUSINESS ACTIVITIES

(s45 LGA 2009)

All Business Activities

- › Water and Sewerage
- › Regional Waste
- › Rockhampton Airport

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

- › Water and Sewerage
- › Regional Waste
- › Rockhampton Airport

The Code of Competitive Conduct was applied to all significant business activities. All significant business activities were conducted in the previous year.

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

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

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

Honest, transparent and accountable corporate governance in line with corporate values has resulted in the majority of key outcome targets being achieved with those results reported to Council via its Operational Plan on a quarterly basis. However, it was reported that overall approximately 19% of Council's annual Operational Plan activities weren't met, largely due to COVID-19 impacts.

The detailed annual results for the 2019-20 Operational Plan were reported to Council's meeting on the 25 August 2020 in accordance with s174(3) *Local Government Regulation 2012*.

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

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

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

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

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

There were no invitations to change tenders under section 228(7) during the 2019/2020 financial year.

LIST OF THE REGISTERS KEPT BY COUNCIL (S190(1)(F) LGR 2012)

- > Register of Asbestos Register
- > Register of Asset Register
- > Register of Cemetery Register
- > Register of Dog Registry
- > Register of Infrastructure Charges Register
- > Register of Local Laws Register
- > Register of Activities for Competitive Neutrality
- > Register of Administrative Action Complaints Received
- > Register of Authorised Persons (*Environmental Protection Act 1994*)
- > Register of Beneficial Enterprises
- > Register of Biosecurity Orders
- > Register of Building Development Application Register
- > Register of Private Certifier Application Register
- > Register of Complaints about the Conduct or Performance of Councillors
- > Register of Contact with Lobbyists
- > Register of Cost-Recovery Fees (Council Fees and Charges)
- > Register of Delegations
- > Register of Designated Natural Hazard Management Areas (Flood)
- > Register of Development Applications
- > Register of Direction Notices
- > Register of Application Documents for an Application for an Environmental Authority or Amendment of Environmental Authority, Including Information Requests and Responses to Information Requests
- > Register of Environmental Authorities
- > Register of Environmental Evaluations
- > Register of Environmental Protection Orders
- > Register of Environmental Reports
- > Register of Impounded Animals
- > Register of Greywater Use and On-Site Sewerage Facilities
- > Register of Interests of Chief Executive Officer and Persons related to Chief Executive Officer
- > Register of Interests of Councillors
- > Register of Interests of Persons related to a Councillor
- > Register of Interests of Senior Executive Employees and Persons related to a Senior Executive Employee
- > Register of Monitoring Programs
- > Register of Pre-qualified Suppliers
- > Register of Permits and Inspection Certificates
- > Register of Results of Monitoring Programs
- > Register of Roads and Road Maps
- > Register of Show Cause and Enforcement Notices
- > Register of Surrendered Environmental Authorities
- > Register of Suspended or Cancelled Environmental Authorities
- > Register of Temporary Emissions Licences
- > Register of Testable Backflow Prevention Devices
- > Register of Transitional Environmental Programs
- > Register of Risk Register

SUMMARY OF ALL CONCESSIONS FOR RATES AND CHARGES GRANTED BY THE LOCAL GOVERNMENT

APPROVED GOVERNMENT PENSIONERS

The Queensland Government Pensioner Rate Subsidy Scheme is directed to the elderly, invalid or otherwise disadvantaged citizens of the community whose principal or sole source of income is a pension or allowance paid by Department of Human Services or the Department of Veterans' Affairs.

Unless stated otherwise, the terms and conditions of the Queensland Government Pensioner Rate Subsidy Scheme will apply to the application of the Council subsidy.

Eligibility

The following ratepayers are eligible for a concession/subsidy:

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

Applications for Concessions

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

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

Amount of Rebate

Approved ratepayers whose property in which they reside is located within the Region, may be entitled to a rebate of 20% (to a maximum of \$260 each year) on all rates levied in respect of each eligible property, excluding environment separate charge, special rates/charges, water consumption charges and rural and state fire levies/charges.

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

NOT-FOR-PROFIT/CHARITABLE ORGANISATIONS

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

Eligibility

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

- a. Not include the making of profit in its objectives;
- b. Not charge a fee for service;
- c. Be located within the Region and the majority of its members reside in the Region;
- d. Not receive income from gaming machines and/or from the sale of alcohol in an organised manner (for example, bar with regular hours of operation with permanent liquor license);
- e. Be the owner, lessee or life tenant of the property and is the incorporated bodies main grounds/base/club house or residence;
- f. Either solely or jointly with a co-owner, have the legal responsibility for the payment of rates and charges which are levied in respect of the property; and
- g. Not be a religious body or entity or educational institution recognised under State or Federal statute or law.

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

Applications for Concessions

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

Amount of Rebate

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

- a. Category One – Surf Life Saving Organisations
 - Rebate Level General Rates – 100%
 - Rebate Level Separate Rates/Charges – 100%
 - Rebate Level Special Rates/Charges – 0%
 - Rebate Level Water Access Charges – 50%
 - Rebate Level Water Consumption Charges – Charged at residential rates
 - Rebate Level Sewerage Charges – 50%
 - Rebate Level Waste Charges – 50%
 - Cap – N/A
- b. Category Two - Showground Related Organisations
 - Rebate Level General Rates – 100%
 - Rebate Level Separate Rates/Charges – 100%
 - Rebate Level Special Rates/Charges – 0%
 - Rebate Level Water Access Charges – 50%
 - Rebate Level Water Consumption Charges – Charged at residential rates
 - Rebate Level Sewerage Charges – 50%
 - Rebate Level Waste Charges – 50%
 - Cap – N/A
- c. Category Three – Kindergartens
 - Rebate Level General Rates – 50%
 - Rebate Level Road Network Separate Charge – 50%
 - Rebate Level Special Rates/Charges – 0%
 - Rebate Level Environment Separate Charge – 0%
 - Rebate Level Water Access Charges – 50%
 - Rebate Level Water Consumption Charges – Charged at residential rates
 - Rebate Level Sewerage Charges – 50%
 - Rebate Level Waste Charges – 50%
 - Cap - \$ 1,000.00
- d. Category Four – Charitable Organisations Benefiting the Aged/Disadvantaged
 - Rebate Level General Rates – 100%
 - Rebate Level Separate Rates/Charges – 100%
 - Rebate Level Special Rates/Charges – 0%
 - Rebate Level Water Access Charges – 50%
 - Rebate Level Water Consumption Charges – 0%
 - Rebate Level Sewerage Charges – 50%
 - Rebate Level Waste Charges – 50%
 - Cap - \$ 1,000.00 for Service Charges only
- e. Category Five – Sporting Clubs and Associations – Without Liquor and Gaming Licenses
 - Rebate Level General Rates – 100%
 - Rebate Level Separate Rates/Charges – 100%
 - Rebate Level Special Rates/Charges – 0%
 - Rebate Level Water Access Charges – 55%
 - Rebate Level Water Consumption Charges – Charged at residential rates
 - Rebate Level Sewerage Charges – 55%
 - Rebate Level Waste Charges – 55%
 - Cap - \$ 4,000.00 for Service Charges only
- f. Category Six – Sporting Clubs and Associations – With Liquor Licenses but No Gaming Licenses
 - Rebate Level General Rates – 100%
 - Rebate Level Road Network Separate Charge – 100%
 - Rebate Level Environment Separate Charge – 0%
 - Rebate Level Special Rates/Charges – 0%
 - Rebate Level Water Access Charges – 55%
 - Rebate Level Water Consumption Charges – Charged at residential rates
 - Rebate Level Sewerage Charges – 55%
 - Rebate Level Waste Charges – 55%
 - Cap - \$ 4,000.00
- g. Category Seven – Sporting Clubs and Associations situated on highly valued leasehold land – With Liquor Licenses but No Gaming Licenses
 - Rebate Level General Rates – 85%
 - Rebate Level Road Network Separate Charge – 75%
 - Rebate Level Environment Separate Charge – 0%
 - Rebate Level Special Rates/Charges – 0%
 - Rebate Level Water Access Charges – 50%
 - Rebate Level Water Consumption Charges – Charged at residential rates
 - Rebate Level Sewerage Charges – 50%

- Rebate Level Waste Charges – 50%
 - Cap - \$ 2,000.00 for Service Charges only
 - Applies to Assessment Number 105813 – Rockhampton Bowls Club only.
- h. Category Eight – Sporting Clubs and Associations – With Liquor and Gaming Licenses
 - Rebate Level General Rates – 0%
 - Rebate Level Separate Rates/Charges – 0%
 - Rebate Level Special Rates/Charges – 0%
 - Rebate Level Water Access Charges – 0%
 - Rebate Level Water Consumption Charges – 0%
 - Rebate Level Sewerage Charges – 0%
 - Rebate Level Waste Charges – 0%
 - Cap – N/A
 - i. Category Nine - All Other Not-For- Profit/Charitable Organisations
 - Rebate Level General Rates – 100%
 - Rebate Level Separate Rates/Charges – 100%
 - Rebate Level Special Rates/Charges – 0%
 - Rebate Level Water Access Charges – 55%
 - Rebate Level Water Consumption Charges – Charged at residential rates
 - Rebate Level Sewerage Charges – 55%
 - Rebate Level Waste Charges – 55%
 - Cap - \$ 3,000.00 for Service Charges only.
 - j. Category Ten - Rural Fire Brigade
 - Rebate Level General Rates – 100%
 - Rebate Level Separate Rates/Charges – 100%
 - Rebate Level Special Rates/Charges – 0%
 - Rebate Level Water Access Charges – 100%
 - Rebate Level Water Consumption Charges – 100%
 - Rebate Level Sewerage Charges – 100%
 - Rebate Level Waste Charges – 100%
 - Cap - N/A

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

GENERAL RATE REBATES

In accordance with Chapter 4, Part 10 of the Local Government Regulation 2012, the properties where 100% rebate of general rates applies may be exempted from payment of general rates in lieu of the provision of a rebate.

Permits to Occupy Pump Sites and Separate Pump Site Assessments

Council will grant rebates on the following basis for those assessments that only contain pump sites and where the land area is 25 square meters or less:

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

Water Consumption Charges

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

- > 237107 – Gracemere Lakes Golf Club
- > 237109 – Gracemere Bowling Club

Water Consumption Charges – 50% rebate.

Lot 1 South Ulam Rd, Bajool

Council will grant a rebate on the following basis for the following assessment: 146963-2 – being Lot 1 South Ulam Rd, Bajool (L1 MLG80014 Parish of Ultimo)

- a. General Rate 100%
- b. Road Network Charge 100%
- c. Environment Separate Charge 100%

Limit in Increases in Rates and Charges

For the 2019/20 financial year Council will not be resolving to limit any increases in rates and charges.

ROCKHAMPTON CBD COMMERCIAL PROPERTIES WITH MIXED RESIDENTIAL USE

The purpose of this concession is to encourage inner city residential living and reduce vacancies in the Rockhampton CBD by providing an incentive for commercial property owners within the defined CBD area (as per Appendix A - Rockhampton CBD Extent) to utilise unoccupied commercial space for residential purposes. Residential purposes is defined as any space constructed and permitted for residential use and occupied by the owner or tenant as a residence.

Council will consider granting a concession of up to \$2,200 per annum or a maximum of 75% of the general rate whichever is the lesser for a CBD mixed use category one property. The concession is primarily intended to facilitate the adaptation of established vacant commercial spaces, particularly above ground floor, to residential use.

Conditions

The following conditions apply:

- a. The residential component should not be vacant longer than six months within the financial year;
- b. Verification of use may be provided by a registered real estate agent or through pre-arranged inspection by a Council officer; and
- c. Properties receiving the concession must advise Council if the residential use is discontinued.

The rates concession may be subject to reversal if the above conditions are not adhered to.

Applications for Concession

To apply a completed CBD Commercial Property Rates Concession Application Form must be submitted and will be subject to approval by Council.

Applications for concessions will be considered during the rating period (that is, half year). Applications received after the date of levy will be considered only from the commencement date of the current rating period (concessions are not applied retrospectively).

Leased Council Vacant Land

Council will grant rebates of 100% of the general rate and separate charges on vacant land owned or held by Council as trustee if the land is leased to another person and the land is not used for any business or commercial/industrial purpose.

In accordance with Chapter 4, Part 10 of the *Local Government Regulation 2012*, properties where 100% rebate of general rates and separate charges apply may be exempt from the payment of general rates and separate charges in lieu of the provision of a rebate.

Waste Rebates for Multi-Residential Unit Developments

The purpose of this concession is to waive the waste/recycling charge where it has been deemed by Council impractical for Council to provide waste and recycling collection services to a multi-residential unit development consisting of six or more individual attached or semi attached premises or units for which a community title scheme exists under the *Body Corporate and Community Management Act 1997*.

Council may grant a concession of 100% of the waste/recycling charge for each multi-residential unit or units for which a community title scheme exists.

Applications for Concession

To apply a completed Waste Charges Rebate Form must be submitted and will be subject to approval by Council.

Applications will be considered during the rating period (that is, half year). The concession may be applied retrospectively for the full financial year where the service has not been provided in accordance with this policy and the Waste and Recycling Collection Services Policy and Procedure.

REPORT ON INTERNAL AUDIT FOR THE YEAR

s190(1)(h) LGR 2012

The Internal Audit Function and Audit Committee (Audit and Business Improvement Committee) are mandatory compliance requirements of the *Local Government Act 2009*.

Audit and Business Improvement Committee

This advisory committee operates under best practice guidelines with a majority independent membership consisting of three external experts. The voting member profiles are –

- Mr A MacLeod (Committee Chair and Independent External Member)
- Cr M Strelow (Mayor)
- Cr E Smith
- Mr M Parkinson (Independent External Member)
- Mr G Mullins (Independent External Member)

Committee responsibilities include review and monitoring of the effectiveness of governance, risk and compliance processes and functions, strategic asset management, and fraud prevention, including the internal and external audit process. The Committee's role includes making recommendations to Council about any matters reviewed. The Committee meets four times a year.

Internal Audit

Internal Audit's mission is to independently and objectively examine and evaluate Council activities to help ensure that Council meets its objectives. The risk management function is managed through Internal Audit providing a consulting and reporting function to management and Council. Besides assisting with the management of both risks and opportunities relevant to Council meeting its key objectives, this function provides the basis for the risk-based audits undertaken.

Internal Audit provides consulting, analyses, appraisals, recommendations for improvement, and evaluation of internal controls across all areas of operations which assist the Council in the effective discharge of its responsibilities. These in-house audit services extend to investigations for fraud and corruption. Internal Audit is empowered to report functionally directly to the Audit and Business Improvement Committee, thus following a best practice governance approach to protect the public interest.

Internal Audit Plan

Specific audits and key audit activities planned and completed during the 2019-2020 financial year included:

- Study Assistance – Assurance over authorisations and payments to staff
- False or Overstated Qualifications – Assurance over processes to manage applicants
- Major Sponsorships – Assurance over key policy provisions of the acquittal process
- Follow-Up Reviews – Confirmation agreed improvement actions have been completed
- Fitness For Work – Assurance over process consistency for staff
- Suitable Duties – Assurance over process consistency for staff
- Asset Maintenance Prestart – Assurance over effective compliance with processes
- Status Reports – Ensuring audit recommendations are actioned
- Business Improvement Activities – related to external review of Internal Audit
- Annual Audit Plan – Mid-Year update to Annual Plan of assurance and related activities
- Annual Audit Plan and Strategy – Rolling Risk-Based Annual Audit Plan for 2019-2020
- Audit Policy Reviews and Updates
- Revenue Assurances – cancelled due to COVID-19

Summary of investigation notices given in the year under section 49 for competitive neutrality complaints (s190(1)(i) LGR 2012)

Nil.

Responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under sections 52(3) and 190(1)(j) LGR 2012

Nil.

Senior Employees (s201 LGA 2009)

The total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government.

The total remuneration packages that were payable to senior management for the financial year was

\$2,350,540.05

Number of employees in senior management who are being paid each band of remuneration

Five senior contract employees with a total remuneration package in the range of <\$200,000.

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

Two senior contract employees with a total remuneration package in the range of \$300,000-\$399,000.

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

ADMINISTRATIVE ACTION COMPLAINTS

(s187 LGR 2012)

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

Council manages complaints through the Complaints Management Policy and the Administrative Action Complaint procedure. If a customer is dissatisfied with the outcome of the investigation undertaken by the department they may appeal to the CEO to have the complaint investigated, there is a three step internal escalation process.

Council employs seven complaint management principles, comprising of accessibility, client focus, confidentiality, communication, continuous improvement, fairness and objectivity, and responsiveness. This year to enhance the suite of complaint management framework documents a recording and processing guide was developed to further support transparency and accuracy of the administrative action complaint process. Council has maintained a satisfactory performance in resolving complaints this financial year and continues to optimise processes when opportunities are identified. There has been a reduction of complaints received this financial year compared to last financial year by 54 complaints.

The table below depicts Administrative Action Complaint statistics.

Number of administrative action complaints received in financial year	207
Number of administrative action complaints resolved in financial year	209
Number of administrative action complaints received and resolved in financial year	198
Number of administrative action complaints that were not resolved in financial year	12
Number of administrative action complaints in previous financial year and not resolved in this financial year	3

COUNCILLORS**Resolutions made under s250(1) LG Regulation 2012 (Requirement to adopt expenses reimbursement policy or amendment) (s185(a) LGR 2012)**

Adopted at Council Meeting on 14 April 2020:

THAT the suggested alterations as noted be incorporated into the Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy and be presented at the next meeting of Council for formal adoption.

Moved by: Councillor Smith
 Seconded by: Councillor Latham

MOTION CARRIED

Adopted at Council Meeting on 28 April 2020:

THAT the Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy be adopted, with the amendment to 5.3.2.3 to allow travel within Queensland.

Moved by: Councillor Fisher
 Seconded by: Councillor Latham

MOTION CARRIED

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

Nil

REMUNERATION AND SUPERANNUATION CONTRIBUTIONS PAID TO EACH COUNCILLOR

(S186(a) LGR 2012)

Div.	Councillor	Remuneration	Superannuation	Notes
	Mayor, Councillor M F Strelow	\$155,005.79	\$14,725.52	
1	Councillor R A Swadling	\$70,748.54	\$8,489.71	
2	Councillor N K Fisher	\$92,188.22	\$8,757.80	Deputy Mayor from 8 April 2020
3	Councillor A P Williams	\$89,739.38	\$10,768.58	
4	Councillor C E Smith	\$89,739.38	\$10,768.58	
5	Councillor C R Rutherford	\$99,388.59	\$11,926.66	Deputy Mayor to 8 April 2020
6	Councillor M D Wickerson	\$89,739.38	\$10,768.58	
7	Councillor S J Schwarten	\$70,748.54	\$8,489.71	
From 06 April 2020				
1	Councillor S Latham	\$18,990.84	\$2,278.87	
7	Councillor D M Kirkland	\$18,990.84	\$1,804.11	

EXPENSES INCURRED BY AND PROVIDED TO EACH COUNCILLOR UNDER THE EXPENSES REIMBURSEMENT POLICY

(s186(b) LGR 2012)

Div.	Councillor	Travel/Expenses/Allowances	Notes
	Mayor, Councillor M F Strelow	\$19,566.30	
1	Councillor R A Swadling	\$16,756.70	
2	Councillor N K Fisher	\$26,598.71	Deputy Mayor from 8 April 2020
3	Councillor A P Williams	\$15,889.88	
4	Councillor C E Smith	\$20,701.36	
5	Councillor C R Rutherford	\$7,218.66	Deputy Mayor to 8 April 2020
6	Councillor M D Wickerson	\$12,350.98	
7	Councillor S J Schwarten	\$12,747.30	
From 06 April 2020			
1	Councillor S Latcham	\$2,525.60	
7	Councillor D M Kirkland	\$1,382.00	

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

(s186(c) LGR2012)

MEETING ATTENDANCE FIGURES: 1 JULY 2019 - 28 MARCH 2020

Councillor	Council Meeting	Special Council Meeting	Audit & Business Improvement	Airport, Water & Waste	Community Services	Infrastructure	Parks, Recreation & Sport	Planning & Regulatory
Mayor, Councillor M F Strelow	13	5	3	6	6	5	4	7
Deputy Mayor, Councillor C R Rutherford	15	6	-	7	7	7	7	9
Councillor R A Swadling	10	3	-	6	6	7	6	-
Councillor N K Fisher	15	5	-	7	6	7	6	8
Councillor A P Williams	15	4	-	6	4	6	-	1 (observer)
Councillor C E Smith	14	6	2	6	-	6	4	9
Councillor M D Wickerson	14	4	-	7	7	7	7	8
Councillor S J Schwarten	5	0	-	-	-	-	-	1 (observer)
Total Meetings Held	15	6	3	7	7	7	7	9

Note: Where the field is blank this denotes that the Councillor is not a member of that Committee.

MEETING ATTENDANCE FIGURES: 29 MARCH 2020 - 30 JUNE 2020

(NEW COUNCIL TERM)

Councillor	Ordinary Council	Special Council	Audit & Business Improvement Committee
Mayor, Councillor MF Strelow	6	5	-
Deputy Mayor, Councillor N K Fisher	6	5	-
Councillor S Latcham	6	5	1
Councillor A P Williams	6	5	-
Councillor C E Smith	6	5	-
Councillor C R Rutherford	6	5	-
Councillor M D Wickerson	6	5	-
Councillor D Kirkland	6	5	1 (observer)
Total Meetings Held	6	5	1

ORDERS AND COMPLAINTS DURING THE FINANCIAL YEAR ARE SHOWN IN TABLES:

(d) the total number of the following during the financial year -		
(i) orders made under section 150I(2) of the Act		0
(ii) orders made under section 150AH(1) of the Act;		0
(iii) decisions, orders and recommendations made under section 150AR(1) of the Act; and		0
(l) the name of each Councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made		NA
(ii)a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors;		NA
(iii) a summary of the decision, order or recommendation made for each Councillor; and		NA
(f) the number of each of the following during the financial year -		
(i) complaints referred to the assessor under section 150P(2)(a) of the Act by the local government; a Councillor of the local government and the chief executive officer of the local government.		0
(ii) matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission		0
(iii) notices given under section 150R(2) of the Act;		0
(iv) notices given under section 150S(2)(a) of the Act		0
(v) decisions made under section 150W(a), (b) and (d) of the Act;		0
(vi) referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act		0
(vii) occasions information was given under section 150AF(4)(a) of the Act		0
(viii) occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a Councillor		0
(ix) applications heard by the conduct tribunal about the alleged misconduct of a Councillor		0

OVERSEAS TRAVEL

(s188 LGR 2012)

Overseas travel by Councillor or employee in an official capacity

Name/Job Title	Reason	Date	Amount	Destination
Tony Cullen General Manager Advance Rockhampton	Visit Chinese cities to further develop international relations and generate opportunities for international trade and investment	31/07/2019- 10/08/2019	\$7,101	China
Jin Young Beamish Senior Executive Trade and Investment	Visit Chinese cities to further develop international relations and generate opportunities for international trade and investment	31/07/2019- 10/08/2019	\$3,820	China
Tony Cullen General Manager Advance Rockhampton	Manage and implement activities for Rockhampton Day Celebration; strengthen Rockhampton's trade and investment relationship; promote Rockhampton's agribusiness	29/10/2019- 10/11/2019	\$10,059	China
Jin Young Beamish Senior Executive Trade and Investment	Manage and implement activities for Rockhampton Day Celebration; strengthen Rockhampton's trade and investment relationship; promote Rockhampton's agribusiness	29/10/2019- 10/11/2019	\$5,363	China
Drew Stevenson Manager Corporate and Technology Services	Present Smart Way Forward Strategy Implementation at the 2019 China Hi-Tech Fair - Shenzhen	12/11/2019- 17/11/2019	\$561* *Flights and 2 nights accommodation funded by forum organiser IDG Asia	China
Elize Hattin Smart Hub Business Manager	Present Smart Way Forward Strategy Implementation at the 2019 China Hi-Tech Fair - Shenzhen	12/11/2019- 17/11/2019	\$3,633	China
Tony Cullen General Manager Advance Rockhampton	Lead a trade mission to Korea to further develop international relations and generate opportunities for international education	30/11/2019- 07/12/2019	\$5,098 Partially funded by Australia-Korea Foundation Grant under the Department of Foreign Affairs and Trade	South Korea
Jin Young Beamish Senior Executive Trade and Investment	Lead a trade mission to Korea to further develop international relations and generate opportunities for international education	30/11/2019- 11/12/2019	\$7,464 Fully funded by Australia-Korea Foundation Grant under the Department of Foreign Affairs and Trade	South Korea

EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

(s189 LGR 2012)

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

A total of \$499,758.60 was granted to community organisations during the 2019-20 financial year.

Grant Program	Expenditure for 2019-20
Community Assistance Program	\$369,070.09
Waste and Recycling Community Service	\$ 59,530.00
Australia Day Community Events	\$ 4,309.96
Exemptions of hire costs for public events	\$ 3,284.55
Regional Arts Development Fund	\$ 63,564.00
	\$499,758.60

SUMMARY OF EXPENDITURE FROM EACH COUNCILLOR'S DISCRETIONARY FUND DETAILING ORGANISATION, AMOUNT AND PURPOSE

2019-2020 COUNCILLORS DISCRETIONARY FUND

MAYOR, COUNCILLOR MARGARET STRELOW

Community Organisation	Purpose	Amount
Mount Morgan State High School	Donation towards Blue EDGE program for Mount Morgan youth	\$500.00
Crompton Park Hack & Pony Club Inc	To assist with rebuilding the canteen after the building was set alight and destroyed.	\$7,500.00
South Rockhampton Girl Guides	Financial support to assist with the Districts general running costs whilst unable to fundraise during COVID-19	\$2,000.00
Total		\$10,000

COUNCILLOR CHERIE RUTHERFORD

Community Organisation	Purpose	Amount
Mt Morgan Pensioners and Superannuants League QLD	Donation for Mt Morgans seniors week morning tea	\$100.00
Crescent Lagoon State Schol P&C	Donation for Cent Sale to raise funds for school equipment	\$200.00
Mount Morgan State High School	Financial assistance towards 2019 Awards Ceremony	\$100.00
QCWA Mt Morgan	Financial assistance towards building kids corner	\$500.00
Dee Bowls Club	Donation to assist the club to remain financial	\$260.00
The Ridgeland and District Sporting and Agricultural Association	Financial assistance with the costs of printing programs for the Ridgeland Show	\$1,000.00
Mount Morgan Promotion and Development	Donation towards community Christmas Tree Festival	\$100.00
Hands of Compassion World Aid Inc	Donation for purchasing shelving for cold room	\$950.00
Rockhampton State High School	Donation towards 'Containers for Change' program	\$700.00
Rockhampton Regional Council	Barking Dog Collars	\$1,000.00
Total		\$4,910.00

COUNCILLOR ROSE SWADLING

Community Organisation	Purpose	Amount
ASSIUC Rton and District	Donation towards flag raising morning tea	\$100.00
Cockscomb Veterans Bush Retreat Inc	Assistance for 2019 Veteran's day celebration	\$800.00
Cathedral Parish of St Joseph	Donation towards annual Multicultural Mass and celebration	\$250.00
Depot Hill State School	Donation towards 2020 Centenary celebrations	\$500.00
RSL Capricornia & Rton Region Sub Branch Inc	Donation towards RSL Ladies end of year bus trip	\$250.00
Rockhampton PCYC Boxing	Donation towards purchasing training equipment	\$250.00
Mercy Day Respite Centre - Palm Court	Donation towards Christmas celebrations for the community	\$200.00
Rockhampton Relay for Life	To assist with the running expenses for community fundraiser event	\$900.00
Emmaus College	Donation towards sustainability project let by student sustainability committee	\$250.00
Royal Flying Doctor Service Rockhampton Volunteer Auxiliary	Donation towards purchasing tables and chairs for fundraising events	\$250.00
Project Booya Rockhampton	To assist with running of Project Booyah Rockhampton	\$500.00
Crime Stoppers QLD	Financial assistance towards crime prevention education and promoting to schools in CQ	\$250.00
CQ Filipino Australian Association	Sporting equipment for filipino community sport festival	\$250.00
Parkana Neighbourhood Watch	Assistance for community education and engagement	\$250.00
Total		\$5,000.00

COUNCILLOR NEIL FISHER

Community Organisation	Purpose	Amount
Diggers Memorial Ladies Bowls Club Inc	Sponsorship for ladies Bowling Carnival on 4 August 2019	\$500.00
Capricorn Scouts District	Donation towards the purchase of flags for the new Scouts district area	\$705.00
Fitzroy Rover Crew	Financial assistance for service project at Seeonee Park to repair Chapel used by all Scout Groups in Capricorn District.	\$200.00
Mount Archer State School	Financial assistance towards bus subsidy for student visit to Lakes Creek Recycling Plant	\$467.50
Meals on Wheels	Donation towards the Meals on Wheels garden projects in Janet Pujolas Park	\$1,800.00
North Rockhampton Little Athletics Centre	Financial assistance to print brochures and posters to advertise the centre to the community	\$350.00
North Rockhampton State High School	Donation to purchase plaque to acknowledge traditional owners	\$300.00
Bundara Kindergarten	Donation to repair carpark entrance and footpath	\$677.50
Total		\$5,000.00

COUNCILLOR TONY WILLIAMS

Community Organisation	Purpose	Amount
Drug Arm	To support the Outreach Program in Rockhampton for youth at risk	\$300.00
Capricornia District Country Music Association	Donation to purchase new chairs	\$760.00
Rockhampton Fitzroy Parish	Financial assistance to purchase new chairs for the Uniting Church North Rockhampton	\$500.00
QLD Blue Light Association Inc	Donation towards crime prevention program for children in Rockhampton	\$200.00
Community Mental Health Support	Donation towards Movie Extravaganza for Children in Need event in Rockhampton 24/8/19	\$60.00
North Rton Junior Rugby League Football Club Inc	Financial assistance towards bore water irrigation repairs for playing fields	\$500.00
Rockhampton Horse Riding for the Disabled Ass. Inc	Donation towards specialised equipment to support disabled clients	\$500.00
St Mary's Catholic Primary School P&F	Donation of extra wheelie bins for St Mary's Parish Fair	\$300.00
Anglicare CQ	Donation to Christmas Hampers	\$500.00
JRFC (Jolly Rogers Fishing Club)	River clean - assistance towards outboard for the river clean vessel	\$500.00
Rockhampton Panthers AFL	Financial assistance for purchasing new tables and chairs for the Rockhampton Cricket Ground clubhouse	\$880.00
Total		\$5,000.00

COUNCILLOR ELLEN SMITH

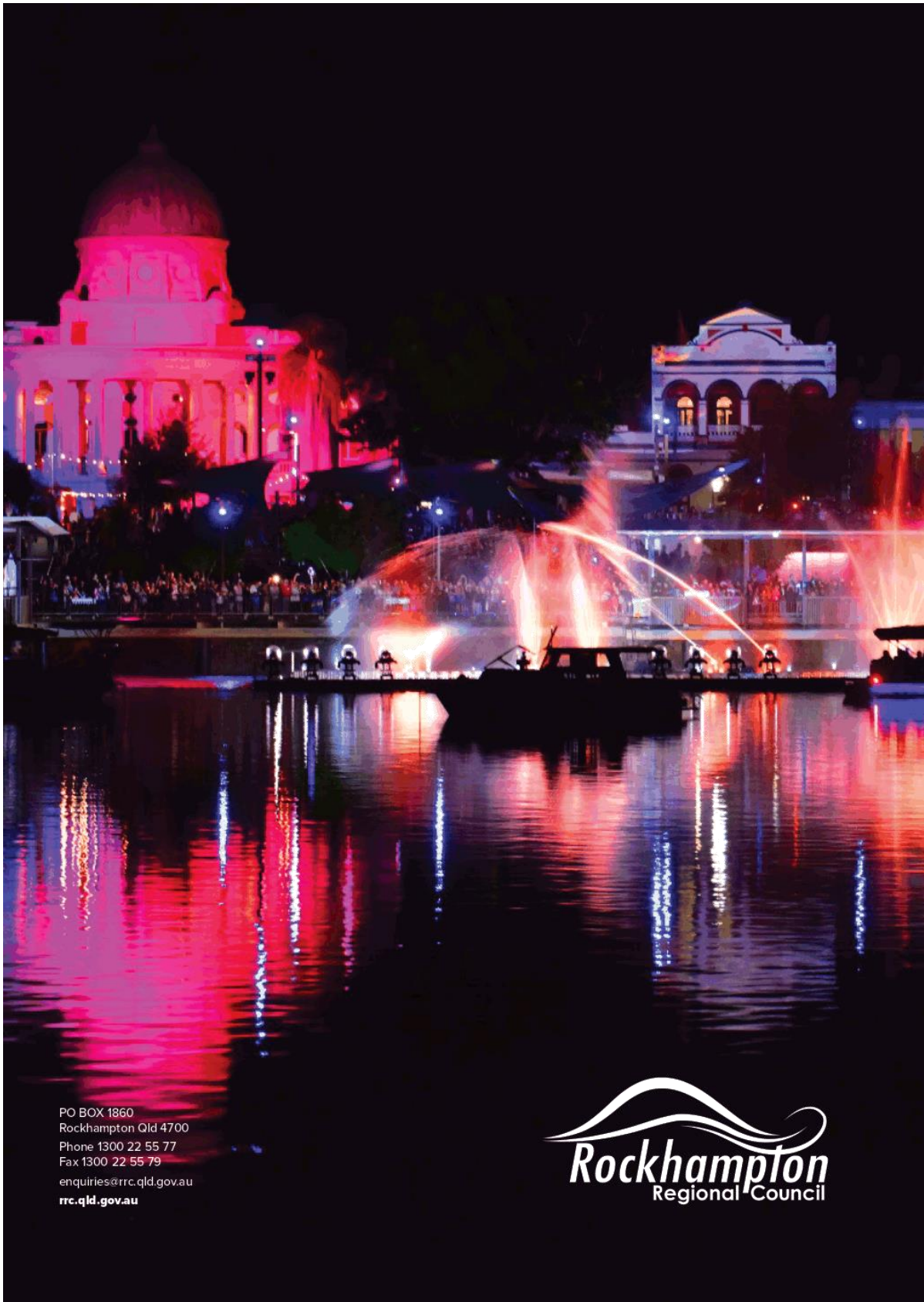
Community Organisation	Purpose	Amount
Mount Morgan Show Society	Sponsorship of Lucky Exhibitor prize	\$300.00
Depot Hill State School	Donation towards 2020 Centenary celebrations	\$200.00
Gracemere Scouts	Financial assistance towards Jamboree	\$300.00
Gracemere Croquet Club	Donation towards 14 point extravaganza competition	\$350.00
Rockhampton Kennel Club Inc	Financial assistance to upgrade canteen 15 amp power	\$350.00
Gracemere Bowls club	Sponsorship of the Ladies and Men's Fours Carnival October 2019	\$800.00
Gracemere State School P&C	Support for Gracemere State School Fete, Markets on the Green	\$250.00
St Pauls Catholic Primary School	Financial assistance with watering down school carpark	\$700.00
Bouldercombe Progress Association Inc	Donation towards purchasing Hams for the Bouldercombe Community Christmas Fair	\$200.00
Gracemere and District School Chaplaincy Service	Support for Rocky Instincts programme run at the Bouldercombe State School	\$250.00
Crompton Park Hack & Pony Club Inc	To assist with rebuilding the canteen after the building was set alight and destroyed.	\$500.00
Gracemere Community Voice	To assist with ongoing expenses	\$200.00
Gracemere Lake Golf Club	Financial assistance towards office materials and signage for COVID-19 requirements	\$600.00
Total		\$5,000.00

COUNCILLOR DREW WICKERSON

Community Organisation	Purpose	Amount
Rockhampton Special School	Assistance towards multi-sensory room	\$1,000.00
Depot Hill State School	Donation towards students participating in inter-school sport	\$1,000.00
CQ First Aid Volunteers	Donation towards purchasing new oxygen kit for volunteer group	\$850.00
Rockhampton Golf Club	Financial assistance for Rockhampton Golf Club Ladies Close Championships June 2020	\$500.00
Rockhampton Special School	Financial assistance to purchase soil for vegetable garden for the Tuck Shop and Cooking Program	\$307.00
CQ Military Museum Inc	Donation towards preservation and restoration of artefacts	\$900.00
Port Curtis Road State School	Donation to purchase lunchtime play/wellbeing activity	\$443.00
Total		\$5,000.00

COUNCILLOR STEPHEN SCHWARTEN

Community Organisation	Purpose	Amount
ASSIUC Rton	Assistance towards ongoing hall hire fees	\$500.00
Capricorn Conservation Council	Costs towards Wildlife Conservation Project initiative	\$3,500.00
Total		\$4,000.00



9.6 COUNCIL PORTFOLIO SYSTEM

File No: 10072

Attachments: 1. [Calendar](#)
2. [Councillor Portfolio Policy](#)

Authorising Officer: Evan Pardon - Chief Executive Officer

Author: Ross Cheesman - Deputy Chief Executive Officer

SUMMARY

Council's current Portfolio arrangement was agreed to by Council on 14 April 2020 with a review date set by December 2020. This report addresses that review with recommended improvements to the current arrangement.

OFFICER'S RECOMMENDATION

THAT the previously adopted Portfolio model and structure continue with the addition of at least one informal meeting/workshop conducted every two months for each Portfolio.

COMMENTARY

Since the Portfolio system of Council representation was adopted, some minor adjustments to the provision of information were made, mostly via the Councillor Information Briefing sessions. Following feedback from Councillors it is recommended that, while the Portfolio model continue, a more inclusive approach be taken and a lesser focus be on the Councillor Information Briefing Sessions. This proposed approach will see an improved flow of information.

In this regard it is recommended that each Portfolio will have an information session and workshop at least once every two months (schedule prepared in advance). This will be chaired and led by the Portfolio Councillor with the relevant General Manager. Managers and other appropriate staff will be in attendance. In addition a general session is allocated once per month to catch any urgent matters and to consider issues that don't relate directly to a Portfolio. A suggested program for November and December 2020 is attached and provides the model for moving forward.

With reference to the workshop portion of these sessions, General Managers will arrange workshop topics for their stipulated Portfolios in conjunction with the Portfolio Councillor. The distribution of workshop information prior to these sessions will still occur.

It is recommended that the Councillor Information Briefing sessions no longer occur and they be replaced by this proposal. Furthermore the distribution of generalised information to Councillors for reference only will still continue on a weekly basis.

The Councillor Portfolio Policy is attached for reference and if the recommended action is adopted it is not considered that any modification is required to this policy. Section 5.4 of this policy stipulates the operating protocols of this arrangement. With Councillors and the Leadership Team being guided by these protocols this proposed approach will see an effective and efficient information flow and delivery of Council's strategic priorities and services.

Furthermore this abovementioned Policy also permits the appointment of Assistant Portfolio Councillors. To date only Councillor Williams has been appointed as Assistant Portfolio Councillor to the Advance Rockhampton – Economic Development and Events Portfolio. Council may wish to consider further appointments to other Portfolios.

BACKGROUND

Following the 2020 Local Government election Council agreed to trial a Portfolio system rather than the former Committee approach with a review date of December 2020. This review date has been brought forward following feedback and to allow planning for 2021.

PREVIOUS DECISIONS

On 14 April 2020 it was resolved that Council:

- adopt the Portfolio model and structure; and
- review the portfolio system in December 2020 with a view to consider the reinstatement of Committees in 2021; and
- bring the matter back to the Council table in December 2020.

BUDGET IMPLICATIONS

Nil if the recommended action is adopted.

LEGISLATIVE CONTEXT

Nil

LEGAL IMPLICATIONS

Nil

STAFFING IMPLICATIONS

Nil if the recommended action is adopted.

RISK ASSESSMENT

Nil if the recommended action is adopted. The Councillor Portfolio Policy, if adhered to, will mitigate risk.

CONCLUSION

In conclusion, it is recommended that following a review and feedback that the Portfolio model and structure continue with a major change to the approach currently being utilised. This change proposes the addition of at least one informal meeting/workshop conducted every two months for each Portfolio with a general session once per month to catch any urgent matters and those items that don't relate directly to a Portfolio. This proposed approach will see an improved flow of information. Finally Council may wish to consider appointing assistant Portfolio Councillors.

COUNCIL PORTFOLIO SYSTEM

Calendar

Meeting Date: 27 October 2020

Attachment No: 1



Councillor Meeting Schedule

Nov 2020

Monday	Tuesday	Wednesday	Thursday	Friday
2	3	4	5	6
	Melbourne Cup Day	9am to 12noon PARKS Councillor Information Session and Workshop 1pm to 4pm COMMUNITIES Councillor Information Session and Workshop		
9	10	11	12	13
	9am Council Meeting			
16	17	18	19	20
	9 to 12 ECONOMIC DEVELOPMENT Councillor Information Session and Workshop 1 to 4 PLANNING & REGULATORY Councillor Information Session and Workshop		10 – Audit Committee	
23	24	25	26	27
	9am Council Meeting			
30				

as at 16 October 9.30 am



Councillor Meeting Schedule

Dec 2020

Monday	Tuesday	Wednesday	Thursday	Friday
	1 9am to 12 noon AIRPORT Councillor Information Session and Workshop 1pm to 4pm INFRASTRUCTURE Councillor Information Session and Workshop	2 9am to 12 WHOLE OF COUNCIL Councillor Information Session and Workshop	3	4
7	8 9am Council Meeting	9	10	11
14	15 9am to 12 noon WASTE Councillor Information Session and Workshop 1 to 4 WATER & SUSTAINABILITY Councillor Information Session and Workshop	16	17	18
21	22	23	24	25 CHRISTMAS DAY
28 BOXING DAY HOLIDAY	29 RRC SHUT DOWN	30 RRC SHUT DOWN	31 RRC SHUT DOWN	

as at 16 October 9.30 am

COUNCIL PORTFOLIO SYSTEM

Councillor Portfolio Policy

Meeting Date: 27 October 2020

Attachment No: 2

COUNCILLOR PORTFOLIO POLICY

COUNCILLOR POLICY



1 Scope

This policy applies to portfolio activities undertaken by Councillors and employees of Rockhampton Regional Council.

2 Purpose

The purpose of this policy is to provide a governance framework and associated protocols related to the appointment of Councillors to portfolios that facilitate Council's engagement with the community and productive, professional and appropriate relationships within the organisation to advance the delivery of Council's strategic priorities and services.

3 Related Documents

3.1 Primary

Nil

3.2 Secondary

Local Government Act 2009

Local Government Regulation 2012

Civic Events Policy

Councillor Acceptable Requests Guidelines Policy

Code of Conduct for Councillors in Queensland (Department of Local Government, Racing and Multicultural Affairs)

Community Engagement Policy

Council Meeting Procedures Policy

Media Policy

4 Definitions

To assist in interpretation, the following definitions apply:

Act	<i>Local Government Act 2009</i>
CEO	Chief Executive Officer A person who holds an appointment under section 194 of the Act. This includes a person acting in this position.
Council	Rockhampton Regional Council
Councillor/s	The Mayor and/or Councillors of Council, within the meaning of the Act.
Corporate Plan	Council's 5 year outline of the strategic direction of the local government as required by the <i>Local Government Regulation 2012</i> .

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Employee	Local government employee: (a) The CEO; or (b) A person holding an appointment under section 196 of the Act.
Leadership Team	CEO, Deputy Chief Executive Officer, general managers, Manager Workforce and Governance and Chief Financial Officer.
Manager	Employee appointed to a position delegated a corporate band 3.
Mayor	The Mayor is an elected member of Council, also referred to as a Councillor, with additional responsibilities as outlined in section 12(4) of the Act.
Meeting	Ordinary meeting at Council.
Operational Plan	The annual plan adopted by Council as required by the <i>Local Government Regulation 2012</i> .
Portfolio	A specified strategic priority, service and function of Council.
Portfolio Councillor	A Councillor who has been allocated responsibility of a portfolio.
Region	Rockhampton Regional Area defined by the Local Government Areas of Queensland.
Report	Documents and information that relate to the business to be dealt with at a meeting.

5 Policy Statement

Council has established a portfolio system for nominated Councillors to be assigned specific responsibilities linked to the key strategic priorities of Council and the core responsibilities that it is required to discharge consistent with the local government principles contained in the Act.

5.1 Role of Portfolio Councillors

In addition to their responsibilities as a Councillor under the Act, Portfolio Councillors are required to:

- (a) Familiarise themselves with the Corporate Plan and Operational Plan, in particular the objectives, strategies, issues and activities which are relevant to their portfolio;
- (b) Liaise with other Portfolio Councillors regarding matters that may affect their respective portfolio areas;
- (c) Keep the Mayor and the relevant divisional Councillor (as appropriate) fully informed on portfolio matters;
- (d) Act as the official Council spokesperson or representative on portfolio relevant matters in accordance with this policy to ensure consistent communication and messaging on portfolio relevant matters;
- (e) Liaise with and engage with industry and community groups and associations on portfolio related matters;
- (f) Provide an elected representative's viewpoint and act as a sounding board for employees and Council on issues relating to their portfolio through participation, discussion and debate at meetings;
- (g) Lead discussion and generally advocate for the advancement of Council's key priorities and decisions relevant to their portfolio responsibilities; and
- (h) Introduce reports under their relevant portfolio at meetings.

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5.1.1 Limitations

The role of Portfolio Councillors is subject to the following limitations:

- (a) The Act and the framework established under this policy does not provide for formal delegated authority to a Portfolio Councillor for policy determination and operational decision-making for matters relevant to their portfolio.
- (b) Portfolio Councillors do not hold any specific statutory or governance responsibilities related to their portfolio beyond those which they ordinarily hold as a Councillor.
- (c) In discharging their responsibilities as Portfolio Councillors and consistent with their role under the Act and the local government principles as provided for under the Act, Councillors should maintain a focus on strategic issues relevant to their portfolio, rather than day to day operational matters.
- (d) A Portfolio Councillor does not assume any of the roles, powers and functions assigned to the Mayor under the Act unless delegated by the Mayor. This includes the portfolio responsibilities exclusively assigned to the Mayor.
- (e) This policy does not set aside or amend the provisions contained in the following instruments:
 - (i) The Act;
 - (ii) The *Local Government Regulation 2012*;
 - (iii) The Code of Conduct for Councillors in Queensland; and/or
 - (iv) The Councillors Acceptable Requests Guidelines Policy.
- (f) Where there is any inconsistency between this policy and a provision in any of the instruments detailed in paragraph 5.1.1(e) of this policy the provision of the instrument shall prevail to the extent of any inconsistency.

5.2 Role of the Mayor and Councillors**5.2.1 Mayor and Councillor Responsibilities**

A Councillor must represent the current and future interests of the residents of the local government area.

All Councillors have the following responsibilities under the Act:

- (a) Ensuring the local government:
 - (i) Discharges its responsibilities under this Act;
 - (ii) Achieves its corporate plan; and
 - (iii) Complies with all laws that apply to local governments;
- (b) Providing high quality leadership to the local government and the community;
- (c) Participating in council meetings, policy development, and decision-making, for the benefit of the local government area;
- (d) Being accountable to the community for the local government's performance.

Specific responsibilities are assigned to the Mayor under the Act including:

- (a) Leading and managing meetings of the local government at which the Mayor is the chairperson, including managing the conduct of the participants at the meetings;
- (b) Leading, managing, and providing strategic direction to, the CEO in order to achieve the high quality administration of the local government;

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- (c) Directing the CEO in accordance with a resolution, or a document adopted by resolution, of the local government;
- (d) Conducting a performance appraisal of the CEO, at least annually, in the way that is decided by the local government;
- (e) Ensuring that the local government promptly provides the Minister with the information about the local government area, or the local government, that is requested by the Minister;
- (f) Being a member of each standing committee of the local government; and
- (g) Representing the local government at ceremonial or civic functions.

5.3 Spokesperson/Media

5.3.1 Mayor

The Mayor is typically the spokesperson on regional issues, which include but are not necessarily limited to:

- (a) Matters of emergency, for example floods, fires, cyclones;
- (b) Major reputation management;
- (c) State and/or Federal Government matters, policies, plans, initiatives and relationships;
- (d) Civic events in accordance with Council's Civic Events Policy;
- (e) Initiatives and projects of major regional significance;
- (f) Region wide planning matters;
- (g) Major regional events and promotions;
- (h) General commentary on the performance of the regional economy and Council finances which impact on or are relevant to the Region generally; and
- (i) Matters of regional environmental significance.

If the Mayor is not available to comment on a regional issue and/or project as detailed above, the Deputy Mayor will be the Council spokesperson for the media.

5.3.2 Portfolio Media

The Portfolio Councillor should be the key Council spokesperson on a portfolio related matter (other than those matters specified in paragraph 5.3.1). The Mayor can also make comment on any portfolio matters and be quoted in Council releases along with the Portfolio Councillor (including for media statements arising from decisions of Council).

Where a portfolio-related issue or project has a Divisional focus, the Divisional Councillor will assist and work with the Portfolio Councillor, with the Portfolio Councillor being the lead spokesperson on that matter with the opportunity being provided to the Divisional Councillor to be secondary spokesperson.

If neither the Mayor nor Deputy Mayor is available to comment on a regional issue and/or project, a relevant Divisional Councillor or the CEO may act as the spokesperson in that instance for the media.

All media will be undertaken in accordance with Council's Media Policy and Media Procedure.

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5.4 Operating Protocols

5.4.1 Support

Portfolio Councillors must be appropriately supported by the Deputy Chief Executive Officer, general managers and managers to enable them to:

- (a) Be across the details of portfolio relevant proposals coming before Council;
- (b) Be well placed to present and advocate portfolio issues within the community;
- (c) Remain informed of research and other developments relevant to their portfolio; and
- (d) Understand and communicate the implications of decisions by other levels of government on portfolio matters.

5.4.2 Engagement with Leadership Team and Managers

Portfolio Councillors should be engaged by the Leadership Team at the earliest opportunity:

- (a) On all matters where there is an intention to develop a report;
- (b) Where it is proposed to conduct community engagement activities in accordance with Council's Community Engagement Policy; and/or
- (c) On matters which are likely to generate media or strong community interest.

The Deputy Chief Executive Officer, general managers and managers should meet regularly with their Portfolio Councillor(s) to ensure they remain informed of current information, service issues and proposed response strategies.

5.4.3 Reports

Reports to a meeting which are relevant to a portfolio should be introduced by the Portfolio Councillor(s). The Portfolio Councillor does not have to support the recommendations in a report but should be aware a report is proposed for a meeting and is fully briefed on the content, direction and proposals in the report.

The Deputy Chief Executive Officer, general managers and managers should ensure the Portfolio Councillor(s) is provided with a detailed briefing note prior to the meeting for any reports that the Portfolio Councillor is presenting.

5.4.3.1 Dual Portfolio Matters

Where a matter spans the responsibilities of more than one Portfolio Councillor, the relevant general manager(s) and manager(s) or Deputy Chief Executive Officer will work collaboratively with the Portfolio Councillors to ensure their needs are addressed in line with the roles, obligations and protocols within this policy. Similarly, the relevant Portfolio Councillors shall engage with each other and the Mayor at the earliest opportunity on issues and matters which span their portfolio responsibilities.

5.5 Assistant Portfolio Councillors

Subject to a resolution of Council, a Councillor may be nominated as an Assistant Portfolio Councillor to assist a Portfolio Councillor. In each case, the areas of responsibility for the Councillor assisting are to be specified. The areas of responsibility may span the whole portfolio, or may be targeted at a specific element of the portfolio.

The Portfolio Councillor should be the spokesperson for matters relevant to that Portfolio. The Portfolio Councillor may however, agree that the Assistant Portfolio Councillor may act as a spokesperson on specific portfolio issues, matters or projects.

When assisting a Portfolio Councillor the Assistant Portfolio Councillor is to receive the same information and support as the Portfolio Councillor on those matters relevant to the responsibilities assigned to the Assistant Portfolio Councillor as detailed in paragraph 5.6.

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5.6 Portfolio Appointments

The Portfolio appointments of Portfolio Councillors are as follows:

Portfolio	Portfolio Councillor	Assistant Portfolio Councillor (and area of responsibility)
Advance Rockhampton – Economic Development and Events	Mayor Margaret Strelow	Councillor Tony Williams – Special Responsibility for Tourism
Waste and Waste to Resource Implementation	Councillor Shane Latcham	
Airport Growth and Development	Councillor Neil Fisher	
Infrastructure	Councillor Tony Williams	
Planning and Regulation	Councillor Ellen Smith	
Sports, Parks and Public Spaces	Councillor Cherie Rutherford	
Communities	Councillor Drew Wickerson	
Water and Supporting a Better Environment	Councillor Donna Kirkland	

6 Review Timelines

This policy is reviewed when any of the following occur:

- The related information is amended or replaced; or
- Other circumstances as determined from time to time by Council.

7 Document Management

Sponsor	Chief Executive Officer
Business Owner	Chief Executive Officer
Policy Owner	Chief Executive Officer
Policy Quality Control	Legal and Governance



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9.7 COUNCIL OWNED COMMERCIAL PROPERTY RENT

File No: 1392,3086
Attachments: Nil
Authorising Officer: Evan Pardon - Chief Executive Officer
Author: Ross Cheesman - Deputy Chief Executive Officer

SUMMARY

This report considers the extension of rent concessions to Council Owned Commercial properties.

OFFICER'S RECOMMENDATION

THAT:

1. Council applies relief to lessees of its commercially owned properties in line with the *Retail Shop Leases and Other Commercial Leases (COVID-19 Emergency Response) Regulation 2020*;
2. Future rent concession is in the way of rent deferral only; and
3. Mayor and Chief Executive Officer are delegated the authority to consider special circumstances and approve a waiver of rent until 31 December 2020 or until the *Retail Shop Leases and Other Commercial Leases (COVID-19 Emergency Response) Regulation 2020* expires on a case by case basis.

COMMENTARY

The *Retail Shop Leases and Other Commercial Leases (COVID-19 Emergency Response) Regulation 2020* (the regulation) applies to 'affected leases' giving effect to the principles in the National Code of Conduct. The regulation expires on 31 December 2020.

An affected lease under this regulation is a commercial lease to tenants that are a SME (small and medium enterprise with annual turnover less than \$50 million) and where the tenant is eligible for JobKeeper. The regulation requires parties under an affected lease to negotiate a reduction of the rent payable and must cooperate and act reasonably and in good faith.

Up until 30 September 2020 the parties could agree on a wavier or deferral of rent, with at least 50% of the rent reduction offered to be in the form of a waiver. As of 29 September 2020, the regulation was amended to extend to 31 December 2020. The amendment still provides for a rent reduction to be negotiated in a combination of a waiver and deferral but there is no longer any requirement for the rent reduction to include a minimum of 50% waiver. The rent reduction for the extension period can be any combination of wavier and/or deferral of rent.

Since the commencement of the COVID-19 pandemic, Council has been generally applying the regulation with delegation being given to Mayor and the Chief Executive Officer to consider circumstances. This delegation was effective until the end of September 2020, hence the need for this report to revisit this delegation.

No requests have been received in October 2020 for any rent concessions from properties under management of the Property and Insurance team. Airport management have only received three requests from car rental firms.

It appears that business is returning to some form of normal in a lot of cases. It is recommended that Council strictly follow the intent of the regulation and that deferrals are offered where applicable rather than the waiver option. To be flexible there may well be some extenuating circumstances whereby consideration of a waiver of a portion of the rent may be reasonable.

To give any business in this position a quick response it is recommended that the Mayor and Chief Executive Officer be delegated to approve any waivers on a case by case basis.

BACKGROUND

The previous decisions section states the previous resolution of Council. At that point in time there was no Code of Practice or Regulation to follow as a guide. Once these were in place they were generally followed with consideration given to particular circumstances.

PREVIOUS DECISIONS

On 25 March 2020 it was resolved that:

Requests for rent relief from its commercial tenants, including the Airport, be considered on a case by case basis with the Chief Executive Officer and Mayor delegated the authority to decide the level of concession up to a maximum of six months. Mayor and Chief Executive Officer will be guided by the principles of Council's Local Preference Policy.

BUDGET IMPLICATIONS

Minimal at this point in time.

LEGISLATIVE CONTEXT

The Retail Shop Leases and Other Commercial Leases (COVID-19 Emergency Response) Regulation 2020 (the regulation) applies to 'affected leases' giving effect to the principles in the National Code of Conduct

LEGAL IMPLICATIONS

Nil

STAFFING IMPLICATIONS

Nil

RISK ASSESSMENT

Nil

CONCLUSION

Council has been very supportive of its tenants since the pandemic commenced. The fact that Council resolved as it did on 25 March 2020 ahead of any regulation or Code is testament to this. At the time of writing there was very little in the way of requests for rent concessions. It is recommended that the Regulation be applied and only deferrals be granted. Any waiver should be approved by the Mayor and Chief Executive Officer as was previously the case.

9.8 SUMMARY BUDGET MANAGEMENT REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

File No: 8148
Attachments: 1. [Income Statement - September 2020](#)
2. [Key Indicator Graphs - September 2020](#)
Authorising Officer: Ross Cheesman - Deputy Chief Executive Officer
Author: Michael Clerc - Acting Chief Financial Officer

SUMMARY

The Chief Financial Officer presenting the Rockhampton Regional Council Summary Budget Management Report for the period ended 30 September 2020.

OFFICER'S RECOMMENDATION

THAT the Rockhampton Regional Council Summary Budget Management Report for the period ended 30 September 2020 be 'received'.

COMMENTARY

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

1. Income Statement (Actuals and Budget for the period 1 July 2020 to 30 September 2020), Attachment 1.
2. Key Indicators Graphs, Attachment 2.

The attached financial statement provides Council's position after the first quarter of the 2020/21 financial year. After the first quarter results should be approximately 25% of budget.

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

Total Operating Revenue is at 39% of the adopted budget. Key components of this result are:

- Net Rates and Utility Charges are at 45% of budget. Council's rates and utility charges for the first six months ending 31 December 2020 of the financial year have been raised and were due on 9 September 2020.
- Fees and charges are at 18% of the adopted budget due to the impacts of COVID-19 on airport operations, venues and events. It is anticipated that these areas will return to more normal operations as the financial year progresses and COVID-19 restrictions ease.
- Rent and lease revenue is behind budget at 20%. This is due to year end accrual adjustments processed back to the 2019/20 financial year. Actual revenue will align more closely with budget as the year progresses.
- Interest revenue is ahead of budget at 33%. Interest revenue historically remains ahead of budget for the first six months of the financial year and then moves closer to budget during the second half of the financial year.
- All other revenue items are in proximity to budget.

Total Operating Expenditure is at 23% of the adopted budget. Key components of this result are:

- Contractors and consultants are at 20%. Professional consultancies and other contractors are below budget due to the timing of works planned during the year. It is expected as the year progresses these works will be completed and paid.

- Administrative expenses are at 14% as the estimated timing for the majority of this account group is later in the financial year for events managed by Community and Culture Units and Advance Rockhampton.
- All other expenditure items are in proximity to budget.

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

Total Capital Income is at 19% of the carry over budget and in line with expectations at this early stage of the financial year.

Total Capital Expenditure is at 13% of the carry over budget. Some major projects such as the Art Gallery construction and the Airport Terminal refurbishment are making good progress. The level of capital expenditure is expected to increase in coming months.

Total Investments are \$107.5M as at 30 September 2020.

Total Loans are \$134.2M as at 30 September 2020.

CONCLUSION

With a quarter of the financial year passed indications are that operational activities are well underway and mainly on track. Total operational revenue is ahead of budget at 39% due to the levying of the General Rates and Utility Charges for the six months ending 31 December 2020.

The capital program saw \$22.6M spent during the first quarter of the financial year and will need to continue to gain momentum over the coming months to deliver the projects budgeted in 2020/21.

**SUMMARY BUDGET MANAGEMENT
REPORT FOR THE PERIOD ENDED
30 SEPTEMBER 2020**

Income Statement - September 2020

Meeting Date: 27 October 2020

Attachment No: 1



Income Statement
For Period July 2020 to September 2020
25% of Year Gone

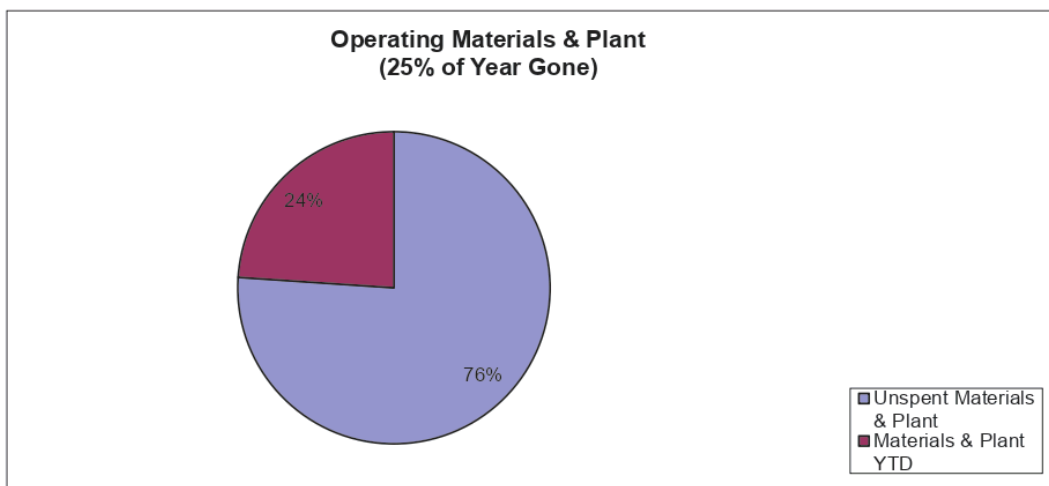
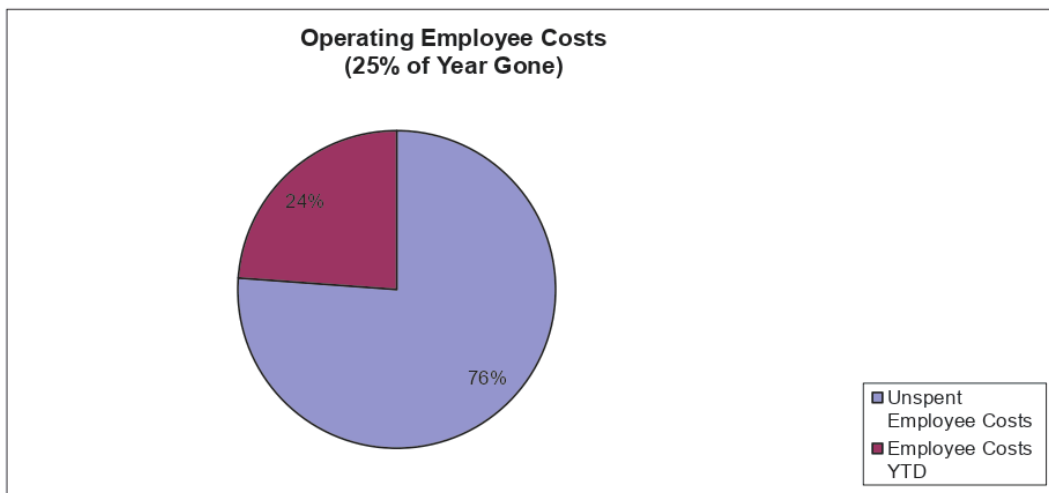
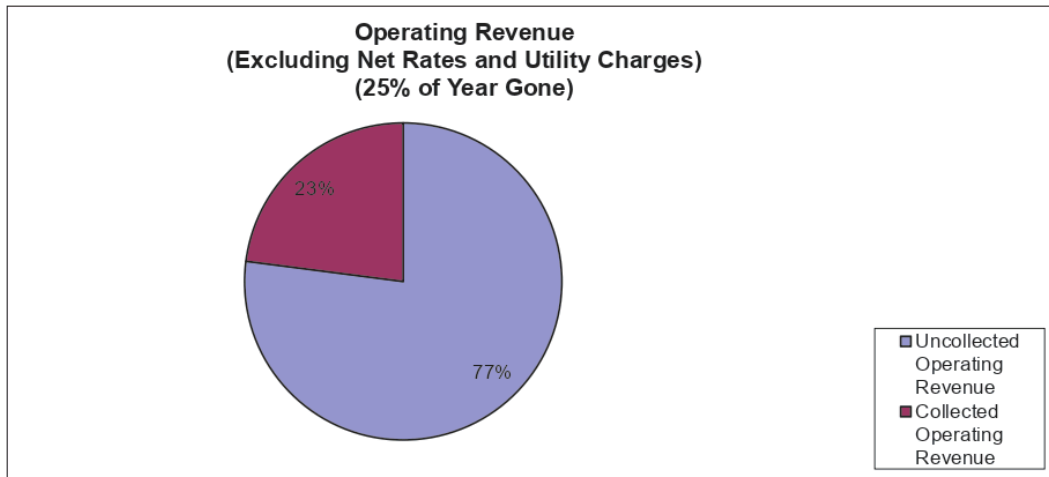
	Adopted Budget	YTD Actual	Commitments	YTD Actuals (inc commitments)	% of Adopted Budget	
	\$	\$	\$	\$		
OPERATING						
Revenues						
Net rates and utility charges	(153,000,167)	(88,178,672)	0	(88,178,672)	45%	
Fees and Charges	(22,458,987)	(4,092,644)	0	(4,092,644)	18%	
Private and recoverable works	(5,989,487)	(1,761,555)	0	(1,761,555)	29%	
Rent/Lease Revenue	(3,017,353)	(803,549)	0	(803,549)	20%	
Grants Subsidies & Contributions	(14,150,094)	(3,740,836)	0	(3,740,836)	26%	
Interest revenue	(508,000)	(170,024)	0	(170,024)	33%	
Other Income	(6,020,926)	(1,603,333)	0	(1,603,333)	27%	
Total Revenues	(205,145,014)	(80,150,613)	0	(80,150,613)	39%	
Expenses						
Employee costs	85,499,929	20,383,473	91,816	20,475,289	24%	
Contractors & Consultants	17,952,970	3,579,163	7,885,626	11,464,789	20%	
Materials & Plant	13,518,209	3,235,463	2,843,462	5,778,926	24%	
Asset Operational	25,808,718	5,318,135	2,555,944	7,874,079	21%	
Administrative expenses	15,170,473	2,164,877	2,759,582	4,924,459	14%	
Depreciation	54,989,352	13,742,338	0	13,742,338	25%	
Finance costs	5,373,800	1,405,206	0	1,405,206	26%	
Other Expenses	1,797,295	409,858	7,190	417,048	23%	
Total Expenses	219,880,746	50,238,513	15,643,622	66,082,134	23%	
Transfer / Overhead Allocation						
Transfer / Overhead Allocation	(9,303,324)	(2,235,952)	0	(2,235,952)	24%	
Total Transfer / Overhead Allocation	(9,303,324)	(2,235,952)	0	(2,235,952)	24%	
TOTAL OPERATING POSITION (SURPLUS)/DEFICIT	5,432,409	(32,148,053)	15,643,622	(16,304,431)	-592%	
CAPITAL						
	Adopted Budget	Carry Over Budget	YTD Actual	Commitments	YTD Actuals (inc commitments)	% of Carry Over Budget
Total Developers Contributions Received	(2,940,300)	(2,940,300)	(194,552)	0	(194,552)	7%
Total Capital Grants and Subsidies Received	(81,409,409)	(80,122,570)	(11,825,911)	0	(11,825,911)	20%
Total Proceeds from Sale of Assets	0	0	0	0	0	0%
Total Capital Income	(64,349,709)	(63,062,870)	(12,020,463)	0	(12,020,463)	19%
Total Capital Expenditure	170,583,964	176,936,889	22,640,251	55,054,595	77,894,846	13%
Net Capital Position	106,234,255	113,874,019	10,619,788	55,054,595	65,674,383	9%
TOTAL INVESTMENTS				107,470,902		
TOTAL BORROWINGS				134,165,523		

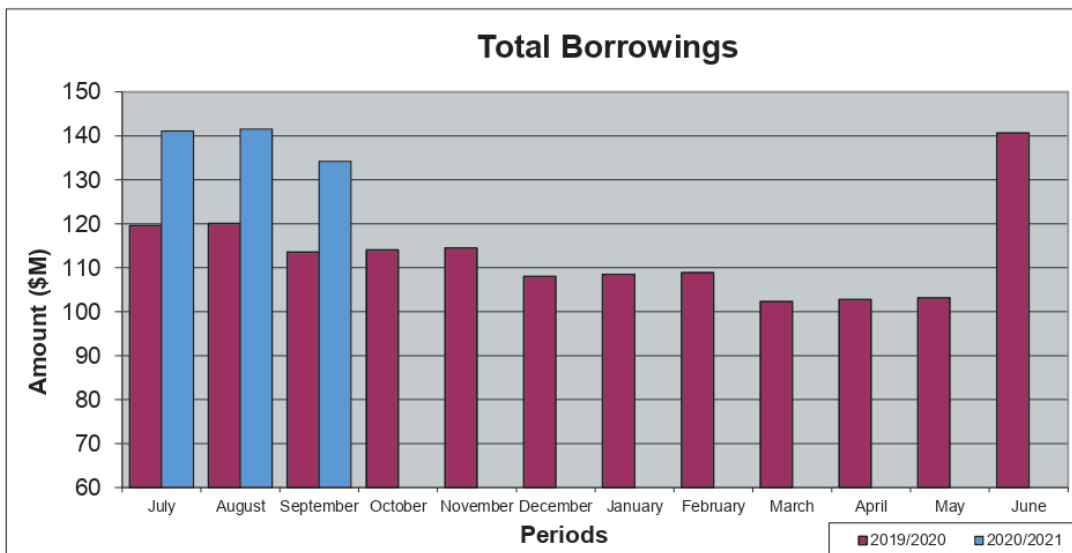
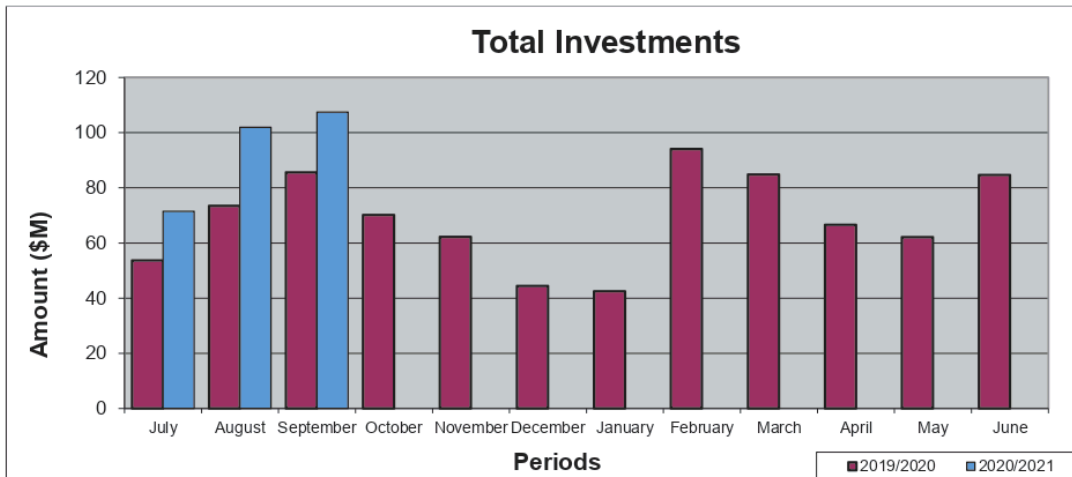
SUMMARY BUDGET MANAGEMENT REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

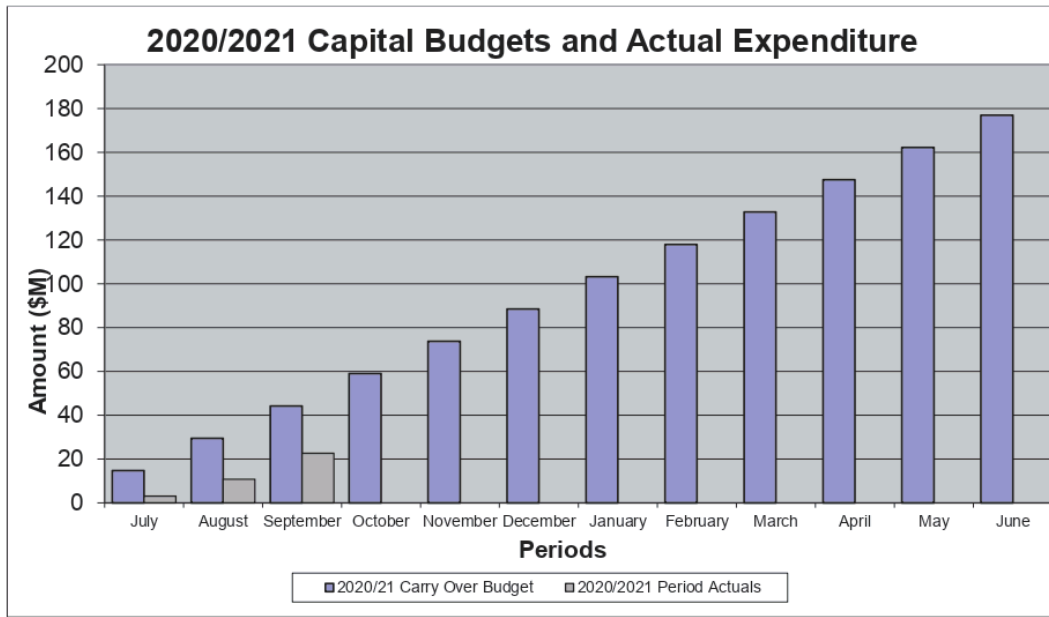
Key Indicator Graphs - September 2020

Meeting Date: 27 October 2020

Attachment No: 2







**9.9 FINAL MANAGEMENT REPORT FOR ROCKHAMPTON REGIONAL COUNCIL
2019/2020**

File No: 8151
Attachments: 1. 2020 Final Audit Management Letter [↓](#)
Authorising Officer: Ross Cheesman - Deputy Chief Executive Officer
Author: Michael Clerc - Acting Chief Financial Officer

SUMMARY

Following the certification of the Financial Statements for the period ended 30 June 2020, the Final Management Report was received from Thomas Noble & Russell (as delegate of the Auditor-General of Queensland). As required by the Local Government Regulation 2012, this is now presented to the next ordinary meeting of Council.

OFFICER'S RECOMMENDATION

THAT the Final Management Report for the 2019/2020 financial audit for Rockhampton Regional Council be received.

COMMENTARY

An Audit Committee meeting was held on 1 October 2020, where the draft matters that are disclosed in this Final Management Letter were discussed. Since then, the letter has been finalised and is now attached for review.

It is a requirement under s213 of the *Local Government Regulation 2012* that this report be provided to the next ordinary meeting of Council.

There is one new Internal Control deficiency with a planned action date of 30 June 2021.

The majority of matters previously reported have now been resolved. The remainder are work in progress with action dates scheduled by the end of the calendar year.

Progress reports will be provided to Audit committee as part of the quarterly action progress report.

**FINAL MANAGEMENT REPORT FOR
ROCKHAMPTON REGIONAL COUNCIL
2019/2020**

2020 Final Audit Management Letter

Meeting Date: 27 October 2020

Attachment No: 1



Your ref:
Our ref: 20-4134

7 October 2020

Cr Margaret Strelow
Mayor, Rockhampton Regional Council
PO Box 1860
ROCKHAMPTON QLD 4700

Dear Cr Strelow,

Final Management Report for Rockhampton Regional Council

We have completed our 2020 financial audit for Rockhampton Regional Council and have issued an unmodified audit opinion on your financial statements.

The purpose of this letter is to provide the Council with details on audit matters and other important information related to the audited financial statements. Please note that under section 213 of the *Local Government Regulation 2012*, you must present a copy of this report at the next ordinary meeting of the Council.

Reporting on issues

Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A to this letter. Our rating definitions for internal control deficiencies is shown in Appendix B.

Report to parliament

Each year we report the results of all financial audits and significant issues to Parliament.

Consistent with previous years, we intend to include the results of our audit of Council in our report to Parliament on the results of the Local Government sector. In this report we will comment on the results of our audit of your financial report, any significant internal control issues we identified, and the overall results of the sector, including, major transactions and events. We will discuss the proposed content of our report with your Acting Chief Financial Officer and will continue to consult as we draft our report. Formally, you will have an opportunity to comment on our report and for these comments to be included in the final report.


Audit fee

The final audit fee for this year is \$184,000 exclusive of GST (2019: \$178,000). This fee is higher than the \$169,000 estimated in our external audit plan. This is a result of a fee variation for additional audit work required over the TechnologyOne upgrade.

We would like to thank you and your staff for their engagement in the audit this year, and look forward to working with your team again next year.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 07 5593 1601.

Yours sincerely



Kevin Franey
Engagement Leader

Queensland Audit Office
Level 13, 53 Albert Street, Brisbane Qld 4000
PO Box 15396, City East Qld 4002

Phone 07 3149 6000
Email qao@qao.qld.gov.au
Web www.qao.qld.gov.au
 Queensland Audit Office (QAO)

Appendix A1—Internal control issues

Significant deficiencies, deficiencies, and other matters

The following table details control deficiencies and other matters identified since our last report dated 27 April 2020. It includes a response from management.

Our risk ratings are as follows—refer to [Our rating definitions](#) for more detail.

 Significant deficiency
  Deficiency
  Other matters



Deficiencies

20CR-1 Capitalisation of capital works in progress

Component: Control Activities, Control Type: Information Processing

There are approximately \$42.6 million of completed projects in work-in-progress (WIP) at 30 June 2020 not transferred to Infrastructure, Property, Plant and Equipment asset classes.

Implication

Depreciation expense is understated.

QAO recommendation

WIP assets should be reviewed and capitalised on a timely basis.

Management response

Agree with recommendation.

Responsible officer:	Chief Financial Officer
Status:	Work in progress
Action date:	30 June 2021

SENSITIVE – until tabled in Council

2

Appendix A2—Matters previously reported

Status







The following table summarises all control deficiencies, financial reporting issues and other matters that have previously been raised but are not yet resolved. The listing includes issues from our report this year and those issues raised in prior years.

Our risk ratings are as follows—refer to [Our rating definitions](#) for more detail.

Internal control issues

Financial reporting issues








					
Significant deficiency	Deficiency	Other matters	High	Medium	Low

Reference	Rating	Issue	Status/Comment action date
Internal control issues			
20IR-1 Accounts Payable Masterfile Amendment Reporting		<i>Component:</i> Control Activities <i>Control Type:</i> Information Processing Arising from the TechnologyOne system upgrade, the regular monthly review of the Masterfile amendments report was significantly delayed.	Resolved. Management are current in their review of the Masterfile amendments report.
20IR-2 Supplier Masterfile Data Quality		<i>Component:</i> Control Activities <i>Control Type:</i> Information Processing Councils supplier Masterfile database contained approximately 12,000 inactive suppliers. Processes should be implemented to verify the continued validity of GST registration.	Resolved. Council have analysed the data and verified supplier ABN and GST data. A process has been implemented to review on a 6 monthly basis.
20IR-3 Workstation inactivity lockouts		<i>Component:</i> Control Activities <i>Control Type:</i> Physical A number of workstations located in meeting rooms were not configured to lockout users after a period of inactivity.	Resolved. Controls implemented to lockout devices after 20 minutes.
20IR-4 Cyber Security Awareness Training		<i>Component:</i> Control Environment <i>Control Type:</i> People and Performance Council has not conducted formal cyber security awareness training for all staff.	Work in progress. An external party has been selected to provide further assistance with Council's cyber security awareness and training regime. This acquisition is currently in progress. Action date: 30/09/2020
20IR-5 Unsupported server operating system		<i>Component:</i> Control Activities <i>Control Type:</i> Physical Council has several servers using the unsupported Microsoft 2008 operating system.	Resolved. Council has taken sufficient action to replace these servers.
20IR-5 Unsupported server operating system		<i>Component:</i> Control Activities <i>Control Type:</i> Physical Council has several servers using the unsupported Microsoft 2008 operating system.	Resolved. Council has taken sufficient action to replace these servers.

SENSITIVE – until tabled in Council

3

Appendix A2—Matters previously reported (cont'd)

Reference	Rating	Issue	Status/Comment action date
Internal control issues			
20IR-6 Information Technology Privileged User Group Membership		<i>Component:</i> Control Activities <i>Control Type:</i> Authorisation An IT Administrator Privileged user resigned, however their membership to several network level privileged user groups was not removed during off-boarding procedures.	Resolved. Procedures have been updated to remove privileged users on termination.
20IR-7 Information Technology Network Access Controls		<i>Component:</i> Control Activities <i>Control Type:</i> Authorisation Network password length and number of acceptable network logon attempts before lockout is not in accordance with best practice.	Resolved Password lengths have now been updated and the number of unsuccessful logon attempts reduced to 5.
20IR-8 Project Management		<i>Component:</i> Control Environment <i>Control Type:</i> Governance A number of observations noted around key project signoffs, post implementation user access rights review and levels of user acceptance testing.	Work in progress. Project management improvements are currently being considered for the asset management system implementation project. Action date: 18/11/2020
18FR-2: Monitoring of Activity Logs of Users with Privileged Administrative Rights		<i>Component:</i> Monitoring Activities <i>Control Type:</i> Monitoring Council does not regularly review activity logs of users with privileged administrative rights. The activity of privileged users within Council, at the network and application levels is reviewed/monitored on an ad hoc basis.	Work in progress. Management are still reviewing options and investigating possible software solutions to address this matter however currently these are cost prohibitive for council.
Financial reporting issues			
19FR-1 Site Improvements Revaluation		Council did not revalue its Site Improvements asset class in the 2019 financial year as required by its 5-year revaluation policy. The revaluation was not conducted due to staff shortages.	Resolved. Management performed an exercise to review site improvements. This was considered by audit. No significant findings arose from this assessment. We accept managements treatment as appropriate.
Other Matters			
20OM-1 General Data Security		This observation included various general observations to further strengthen the general data security environment.	Work in progress. These matters are still being investigated for implementation. Action date: 18/12/2020
20OM-2 IT Disaster Recovery Testing		Aspects of Council's Information Technology Disaster Recovery Plan (IT DRP) are tested on an annual and monthly basis. Testing processes and related results of the annual test are documented, however results relating to monthly testing are not.	Resolved. A maintenance task has been created for the monthly test with results reported to the Steering Group.

SENSITIVE – until tabled in Council

4

Appendix B—Our rating definitions



Internal rating definitions

	Definition	Prioritisation of remedial action
Significant deficiency 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> the risk of material misstatement in the financial statements the risk to reputation the significance of non-compliance with policies and applicable laws and regulations the potential to cause financial loss including fraud, or where management has not taken appropriate timely action to resolve the deficiency. 	This requires immediate management action to resolve.
Deficiency 	A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.	We expect management action will be taken in a timely manner to resolve deficiencies.
Other matter 	An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.	Our recommendation may be implemented at management's discretion.

Financial reporting issues

	Potential effect on the financial statements	Prioritisation of remedial action
High 	We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.	This requires immediate management action to resolve.
Medium 	We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements.	We expect management action will be taken in a timely manner.
Low 	We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.	We recommend management action to resolve; however, a decision on whether any action is taken is at management's discretion.

SENSITIVE – until tabled in Council

5

9.10 COUNCILLOR INVESTIGATION POLICY

File No:	8236
Attachments:	1. Councillor Investigation Policy - Tracked Changes ↓ 2. Councillor Investigation Policy ↓
Authorising Officer:	Tracy Sweeney - Executive Manager Workforce and Governance
Author:	Travis Pegrem - Coordinator Workforce Relations and Ethics

SUMMARY

Presenting proposed amendments to the Councillor Investigation Policy for Council's consideration and adoption.

OFFICER'S RECOMMENDATION

THAT Council adopts the amended Councillor Investigation Policy.

BACKGROUND

With the passing of the *Local Government (Councillor Complaints) and Other Legislation Amendment Act 2018* on 21 May 2018, the *Local Government Act 2009* now provides for a more effective and streamlined system for dealing with Councillor complaints and imposes a mandatory Code of Conduct for Councillors.

With the passing of the *Electoral and Other Legislation (Accountability, Integrity and Other Matters) Amendment Act 2020* on 18 June 2020, further Local Government amendments came into effect on 12 October 2020. As part of these amendments, the Department of Local Government, Racing and Multicultural Affairs provided an updated example of a Councillor Investigation Policy as required under section 150AE of the *Local Government Act 2009*.

These amendments to the Councillor Investigation Policy were provided to support the changes to legislation and provide clearer guidance on how the process is to be undertaken.

Attachment 1 shows the changes made to the policy previously adopted by Council and Attachment 2 is the amended final version presented for Council adoption.

PREVIOUS DECISIONS

The Councillor Investigation Policy was previously adopted by Council on 6 August 2019.

BUDGET IMPLICATIONS

Nil

LEGISLATIVE CONTEXT

Section 150AE of the *Local Government Act 2009* states that a Local Government must adopt, by resolution, a policy (an **investigation policy**) about how it deals with the suspected inappropriate conduct of councillors referred, by the assessor, to the Local Government to be dealt with.

STAFFING IMPLICATIONS

Nil

RISK ASSESSMENT

Failure to adopt a policy that meets the changes to the legislation will result in non-compliance.

CORPORATE/OPERATIONAL PLAN

Corporate Plan - 4.4.1 Practical and values based compliance frameworks.

CONCLUSION

Amendments to the Councillor Investigation Policy have been prepared and the amended Policy is provided to Council for consideration and adoption.

COUNCILLOR INVESTIGATION POLICY

Councillor Investigation Policy - Tracked Changes

Meeting Date: 27 October 2020

Attachment No: 1

COUNCILLOR INVESTIGATION POLICY

STATUTORY POLICY



1 Scope

This policy applies to complaints about alleged inappropriate conduct of a Councillor/s which have been referred to Rockhampton Regional Council from the Independent Assessor. This policy does not apply to more serious Councillor conduct, such as misconduct or corrupt conduct.

2 Purpose

The purpose of this policy is to satisfy legislative obligations by establishing an investigation policy about how it deals with suspected inappropriate conduct of Councillors.

3 Related Documents

3.1 Primary

Local Government Act 2009

3.2 Secondary

Crime and Corruption Act 2001

Criminal Code Act 1899

Information Privacy Act 2009

Integrity Act 2009

Local Government Regulation 2012

Public Interest Disclosure Act 2010

Code of Conduct for Councillors in Queensland

Complaints Management Policy

Councillor Acceptable Request Guidelines Policy

Councillor Conduct Register

Council Meeting Procedures Policy

Corrupt Conduct Policy

Corrupt Conduct Procedure

Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy

Public Interest Disclosure Policy

Public Interest Disclosure Procedure

Purchasing Policy – Acquisition of Goods and Services

4 Definitions

To assist in interpretation, the following definitions apply:

LEGAL & GOVERNANCE USE ONLY			
Adopted/Approved:	Adopted, 6 August 2019 DRAFT	Department:	Office of the CEO
Version:	2	Section:	Workforce and Governance
Reviewed Date:		Page No:	Page 1 of 9

Act	<i>Local Government Act 2009</i>
Assessor	The Independent Assessor appointed under section 150CV of the Act
Behavioural Standard	The standard of behaviour for Councillors set out in the Code of Conduct approved under section 150E of the Act.
CCC	Crime and Corruption Commission
CEO	Chief Executive Officer A person who holds an appointment under section 194 of the Act. This includes a person acting in this position.
Conduct	As defined in the Act, includes: (a) Failing to act; and (b) A conspiracy, or attempt, to engage in conduct.
Corrupt Conduct	As defined in the <i>Crime and Corruption Act 2001</i> , conduct of a person, regardless of whether the person holds or held an appointment, that fulfils each of the following elements: (a) Adversely affects, or could adversely affect, directly or indirectly, the performance of functions, or the exercise of powers of a Unit of Public Administration (UPA) or a person holding an appointment; (b) Results, or could result, directly or indirectly, in the performance of functions or the exercise of powers mentioned in paragraph (a) in a way that: (i) Is not honest or is not impartial; or (ii) Involves a breach of the trust placed in a person holding an appointment, either knowingly or recklessly; or (iii) Involves a misuse of information or material acquired in or in connection with the performance of functions or the exercise of powers of a person holding an appointment; and (c) Would, if proved, be a criminal offence; or a disciplinary breach providing reasonable grounds for terminating the person's services, if the person is or were the holder of an appointment. Corrupt conduct also means conduct of a person, regardless of whether the person holds or held an appointment, that fulfils each of the following elements: (a) Impairs, or could impair, public confidence in public administration; and (b) Involves, or could involve any of the following: (i) Collusive tendering; (ii) Fraudulent applications for licences, permits or other authorities under an Act with a purpose or object of any of the following (however described) – protecting health or safety of persons; protecting the environment or protecting or managing the use of the State's natural, cultural, mining or energy resources; (iii) Dishonestly obtaining, or helping someone to dishonestly obtain, benefits from the payment or application of public funds or the disposition of State assets; (iv) Evading State taxes, levies, duties or otherwise fraudulently causing a loss of State revenue; (v) Fraudulently obtaining or retaining an appointment; and (c) Would, if proved, be a criminal offence; or a disciplinary breach providing reasonable grounds for terminating a person's services, if the person is or were the holder of an appointment.
Council	Rockhampton Regional Council

LEGAL & GOVERNANCE USE ONLY

Adopted/Approved:	Adopted, 6 August 2019 DRAFT	Department:	Office of the CEO
Version:	2	Section:	Workforce and Governance
Reviewed Date:		Page No:	Page 2 of 9

Councillor/s	The Mayor and Councillors of Rockhampton Regional Council, within the meaning of the Act.
Councillor Conduct Register	The register required to be kept by Council as set out in section 150DX of the Act.
Councillor Misconduct	<p>As defined in the <i>Local Government Act 2009</i>:</p> <p>(1) The conduct of a Councillor is misconduct if the conduct:</p> <p>(a) Adversely affects, directly or indirectly, the honest and impartial performance of the Councillor's functions, or the exercise of the councillor's powers; or</p> <p>(b) Is or involves:</p> <p>(i) A breach of the trust placed in the Councillor, either knowingly or recklessly; or</p> <p>(ii) A misuse of information or material acquired in, or in connection with, the performance of the Councillor's functions, whether the misuse is for the benefit of the councillor or for the benefit, or to the detriment, of another person; or</p> <p>(c) Contravenes any of the following:</p> <p>(i) An order of Council or the conduct tribunal;</p> <p>(ii) The acceptable requests guidelines of Council under section 170A;</p> <p>(iii) A policy of Council about the reimbursement of expenses;</p> <p>(iv) Sections 150R(2), 150EK, 150EL, 150EQ, 150EW, 150EZ, 170(23), 171(3), 201A, 201B or 175G-201C of the Act.</p> <p>(2) Also, the conduct of a Councillor is misconduct if the conduct is:</p> <p>(a) Part of a course of conduct leading to Council deciding to take action under section 150AG to discipline the Councillor for inappropriate conduct on three occasions within a period of one year; or</p> <p>(b) Of the same type stated in an order of Council that if the Councillor engages in the same type of conduct again, it will be dealt with as misconduct.</p> <p>(3) For subsection (2)(a), the conduct that led to the three occasions of disciplinary action, taken together, is the misconduct.</p> <p>(4) It does not matter if the conduct happened outside the State.</p>
Councillor Inappropriate Conduct	<p>As defined in the <i>Local Government Act 2009</i>:</p> <p>(1) The conduct of a Councillor is inappropriate conduct if the conduct contravenes:</p> <p>(a) A behavioural standard; or</p> <p>(b) A policy, procedure or resolution of Council.</p> <p>(2) Also, the conduct of a Councillor is inappropriate conduct if:</p> <p>(a) The conduct contravenes an order of the Chairperson of a Council meeting for the Councillor to leave and stay away from the place at which the meeting is being held; or</p> <p>(b) It is part of a course of conduct at Council meetings leading to orders for the Councillor's unsuitable meeting conduct being made on three occasions within a period of one year.</p> <p>(3) For subsection (2)(b), the conduct that led to the orders being made, taken together, is the inappropriate conduct.</p> <p>(4) However, inappropriate conduct does not include conduct that is:</p> <p>(a) Unsuitable meeting conduct, to the extent the conduct is not conduct mentioned in subsection (2); or</p> <p>(b) Misconduct; or</p>

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	(c) Corrupt conduct.
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Regulation	<i>Local Government Regulation 2012</i>
Tribunal	The Councillor Conduct Tribunal as established under section 150DK of the Act.
Unsuitable Meeting Conduct	As defined in the Act, the conduct of a Councillor is unsuitable meeting conduct if the conduct: (a) Happens during a local government meeting; and (b) Contravenes a behavioural standard.
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5 Policy Statement

Council is committed to providing a contemporary and statutory compliant process for dealing with complaints relating to alleged inappropriate conduct of a Councillor.

Council acknowledges the right of a person to lodge a complaint and is committed to upholding its duty of care by aiming to provide an effective process to all complaints received.

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It must be kept in mind that the matter is an allegation only and not yet proven. Further, there will be circumstances where the detail of the referral will need to remain confidential to Council. Any release of confidential information that a Councillor knows, or should reasonably know, to be confidential to Council may be contrary to section 171(3) of the Act and be dealt with as misconduct.

5.2 Natural Justice

Any investigation of suspected inappropriate conduct of a Councillor/s must be carried out in accordance with natural justice. An overview of the principles of natural justice follows.

Natural justice or procedural fairness, refers to three key principles:

- (a) The person being investigated has a chance to have his or her say before adverse formal findings are made and before any adverse action is taken (fair hearing);
- (b) The investigator should be objective and impartial (absence of bias); and
- (c) Any action taken is based on evidence (not suspicion or speculation).

A fair hearing means the Councillor who is the subject of the suspected inappropriate conduct matter must be told of the case against them including any evidence and be provided with an opportunity to put their case in writing with the investigation report provided to the Councillors as part of the meeting agenda.

An absence of bias means that any investigation must not be biased or be seen to be biased in any way. This principle embodies the concept of impartiality.

Decisions based on evidence requires that the investigation should not be based on mere speculation or suspicion but instead must be based upon evidence material.

A proper examination of all issues means the investigation must give a proper and genuine consideration to each party's case.

5.3 Assessor's Referral

Council ~~may will~~ receive from the Assessor a referral notice about the suspected inappropriate conduct of a Councillor/s. ~~Council may also receive referrals directly.~~

The referral notice will include details of the conduct and any complaint received about the conduct, state why the Assessor reasonably suspects that the Councillor has engaged in inappropriate conduct, and include information about the facts and circumstances that form the basis of the Assessor's reasonable suspicion.

The referral notice may be accompanied by a recommendation from the Assessor about how the Council may investigate or deal with the conduct. The recommendation from the Assessor may be inconsistent with this policy.

The investigation must be conducted in a way consistent with:

- (a) Any recommendation of the Assessor;
- (b) To the extent that this policy is not inconsistent with the recommendation of the Assessor – this policy; or
- (c) In another way the Council decides by resolution.

A resolution under part (c) above must state the decision and the reasons for the decision.

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5.4 Receipt of Assessor’s Referral

On receipt of a referral notice about the suspected inappropriate conduct of a Councillor from the Assessor, the CEO or a delegated officer will forward a copy of that referral notice to the Mayor and all Councillors, other than the Councillor who is the subject of the complaint; or the complainant if the complainant is a Councillor, as a confidential document.

Should the Mayor or a Councillor; other than the subject of the complaint or the complainant; disagree with any recommendation accompanying the Assessor’s referral notice or form the opinion that the complaint should be dealt with in a way other than under this policy, the Mayor or Councillor may request the matter be placed on the agenda of the next Council meeting to decide on the appropriate process to investigate the complaint. Such a request must be made in accordance with the Council Meeting Procedures Policy.

5.45.5 Investigator

Unless otherwise resolved by Council, the Mayor will manage the investigation of suspected inappropriate conduct of other Councillors.

If the suspected inappropriate conduct involves conduct that in the circumstances, the Mayor believes, it is in the best interests of the investigation to refer the matter for external investigation, then the CEO must refer the suspected inappropriate conduct to the President of the Tribunal to investigate and make recommendations to the Council about dealing with the conduct.

If the suspected inappropriate conduct involves:

- (a) An allegation about the conduct of the Mayor, or
- (b) The Mayor as the complainant, then

the CEO must refer the suspected inappropriate conduct to the President of the Tribunal, or another entity, to investigate and make recommendations to the Council about dealing with the conduct.

5.55.6 Early Resolution

Before beginning an investigation, the Investigator must consider whether the matter is appropriate for resolution prior to the investigation. This consideration includes any recommendation made by the Assessor.

A matter is only appropriate for early resolution if the parties to the matter voluntarily agree to explore early resolution.

The Investigator may engage an independent person with suitable qualifications or experience to facilitate this process.

If the matter cannot be resolved, the matter will then be investigated as outlined in this policy.

If the matter is resolved prior to investigation, the Investigator will advise the CEO of this outcome. In turn, the CEO will advise the Mayor; if the Mayor is not the Investigator; and all Councillors that the matter has been resolved. The CEO or a delegated officer will also update the Councillor Conduct Register accordingly.

5.65.7 Timeliness

The Investigator will make all reasonable endeavours to complete the investigation and provide a report for inclusion on the agenda of a Council meeting no more than eight weeks after the receipt of the complaint.

If the Investigator is of the opinion that it may take longer than eight weeks to complete the investigation, the matter should be raised with the Mayor; if the Mayor is not the Investigator; to seek an extension of time.

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5.75.8 Assistance for the Investigator

If the Mayor, or another Councillor appointed by Council resolution is the Investigator of a matter of suspected inappropriate conduct, the Mayor or Councillor may use section 170A of the Act to seek assistance during the investigation. The CEO or the Workforce Relations and Ethics unit via the CEO may provide assistance as required.

The Mayor is authorised by Council to expend money as reasonably needed to engage contractors/specialists in accordance with Council's Purchasing Policy.

The Assessor may make a recommendation for an external investigator to be engaged to undertake the investigation. The Assessor may provide a panel of external investigators for the Council to engage to undertake the investigation.

5.85.9 Possible Misconduct or Corrupt Conduct

If during the course of an investigation the Investigator obtains information which indicates a Councillor may have engaged in misconduct, the Investigator must cease the investigation and advise the CEO. The CEO or a delegated officer will then notify the Assessor of the possible misconduct.

If during the course of an investigation, the Investigator obtains information which indicates a Councillor/s may have engaged in corrupt conduct, the Investigator must cease the investigation and advise the CEO. The CEO or a delegated officer will then notify the CCC of the possible corrupt conduct.

Instances of suspected misconduct or corrupt conduct may be referred back to the Council if determined by the Assessor or the CCC to be inappropriate conduct.

5.95.10 Completion of Investigation

On the completion of an investigation, the Investigator or the CEO on the Investigator's behalf will provide a report to the Council outlining as appropriate:

- (a) The investigation process;
- (b) Any witnesses interviewed;
- (c) Documents or other evidence obtained;
- (d) A statement of the relevant facts ascertained;
- (e) Confirmation that the subject Councillor has been provided with an opportunity to respond to the complaint and evidence gathered;
- (f) The investigation findings;
- (g) A statement of any relevant previous disciplinary history;
- (h) Any recommendation about dealing with the conduct; and
- (i) A record of investigation costs.

If there is a risk to the health and safety of the complainant, under section 254J of the Regulation, Council may resolve that the meeting be closed to the public for the Councillors to consider the investigation report and any recommendations.

~~the investigation process, the investigation findings, any recommendations about dealing with the conduct and a record of the investigation costs.~~

The Council, with the exception of the Councillor the subject of the investigation and the complainant, if another Councillor, will consider the findings and recommendations of the Investigator's report and decide whether the Councillor has engaged in inappropriate conduct and, if so, what action it will take under section 150AH of the Act.

In accordance with section 275(3) of the Regulation, the resolution in relation to what action is to be taken as a result of the investigation must be made after the meeting has been re-opened to the public and the decision recorded in the meeting minutes.

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The CEO is also required to ensure the details are entered into the Councillor Conduct Register.

Provisions for internal and external review of decisions are set out in sections 150CO to 150CS of the Act.

5.11 Disciplinary Action Against Councillors

If the Council decides at the completion of the investigation that the Councillor has engaged in inappropriate conduct, the Council may:

- (a) Order that no action be taken against the Councillor; or
- (b) Make an order outlining action the Councillor must undertake in accordance with section 150AH(1)(b) of the Act.

5.405.12 Notification About the Outcome of the Investigation

After an investigation is finalised, the Council must give notice about the outcome of the investigation to the person who made the complaint about the Councillor/s' conduct that was the subject of the investigation and the subject Councillor.

5.415.13 Councillor Conduct Register

The CEO must ensure decisions about suspected inappropriate conduct of a Councillor/s be entered into the Councillor Conduct Register.

Where a complaint has been resolved under paragraph 5.56 of this policy, the CEO or a delegated officer will update the register to reflect that the complaint was withdrawn.

5.425.14 Expenses

Council must pay any reasonable expenses of Council associated with the informal early resolution or the investigation of suspected inappropriate conduct of a Councillor including any costs of:

- (a) The President of the Tribunal undertaking an investigation for Council;
- (b) ~~A mediator engaged under this policy~~An independent investigator engaged on behalf of, or by the Tribunal;
- (c) ~~A private investigator engaged on behalf of or by the Investigator~~An independent investigator engaged on behalf of Council;
- ~~(e)~~(d) A mediator engaged under this policy;
- ~~(d)~~(e) Travel where the Investigator needed to travel to undertake the investigation or to interview witnesses;
- ~~(e)~~(f) Seeking legal advice; and
- ~~(f)~~(g) Engaging an expert.

Council may order the subject Councillor reimburse it for all or some of the costs arising from the Councillor's inappropriate conduct. Any costs incurred by complainants or the subject Councillors will not be met by Council.

5.435.15 Publication

This policy ~~will be~~is made available to the public via Council's website.

6 Review Timelines

This policy is reviewed when any of the following occur:

- (a) As required by legislation;
- (b) The related information is amended or replaced; or
- (c) Other circumstances as determined from time to time by the Council.

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7 Document Management

Sponsor	Chief Executive Officer
Business Owner	Chief Executive Officer
Policy Owner	Executive Manager Workforce and Governance
Policy Quality Control	Legal and Governance

OUR VALUES



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COUNCILLOR INVESTIGATION POLICY

Councillor Investigation Policy

Meeting Date: 27 October 2020

Attachment No: 2

COUNCILLOR INVESTIGATION POLICY

STATUTORY POLICY



1 Scope

This policy applies to complaints about alleged inappropriate conduct of a Councillor/s which have been referred to Rockhampton Regional Council from the Independent Assessor. This policy does not apply to more serious Councillor conduct, such as misconduct or corrupt conduct.

2 Purpose

The purpose of this policy is to satisfy legislative obligations by establishing an investigation policy about how it deals with suspected inappropriate conduct of Councillors.

3 Related Documents

3.1 Primary

Local Government Act 2009

3.2 Secondary

Crime and Corruption Act 2001

Criminal Code Act 1899

Information Privacy Act 2009

Integrity Act 2009

Local Government Regulation 2012

Public Interest Disclosure Act 2010

Code of Conduct for Councillors in Queensland

Complaints Management Policy

Councillor Acceptable Request Guidelines Policy

Councillor Conduct Register

Council Meeting Procedures Policy

Corrupt Conduct Policy

Corrupt Conduct Procedure

Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy

Public Interest Disclosure Policy

Public Interest Disclosure Procedure

Purchasing Policy – Acquisition of Goods and Services

4 Definitions

To assist in interpretation, the following definitions apply:

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Act	<i>Local Government Act 2009</i>
Assessor	The Independent Assessor appointed under section 150CV of the Act
Behavioural Standard	The standard of behaviour for Councillors set out in the Code of Conduct approved under section 150E of the Act.
CCC	Crime and Corruption Commission
CEO	Chief Executive Officer A person who holds an appointment under section 194 of the Act. This includes a person acting in this position.
Conduct	As defined in the Act, includes: (a) Failing to act; and (b) A conspiracy, or attempt, to engage in conduct.
Corrupt Conduct	As defined in the <i>Crime and Corruption Act 2001</i> , conduct of a person, regardless of whether the person holds or held an appointment, that fulfils each of the following elements: (a) Adversely affects, or could adversely affect, directly or indirectly, the performance of functions, or the exercise of powers of a Unit of Public Administration (UPA) or a person holding an appointment; (b) Results, or could result, directly or indirectly, in the performance of functions or the exercise of powers mentioned in paragraph (a) in a way that: (i) Is not honest or is not impartial; or (ii) Involves a breach of the trust placed in a person holding an appointment, either knowingly or recklessly; or (iii) Involves a misuse of information or material acquired in or in connection with the performance of functions or the exercise of powers of a person holding an appointment; and (c) Would, if proved, be a criminal offence; or a disciplinary breach providing reasonable grounds for terminating the person's services, if the person is or were the holder of an appointment. Corrupt conduct also means conduct of a person, regardless of whether the person holds or held an appointment, that fulfils each of the following elements: (a) Impairs, or could impair, public confidence in public administration; and (b) Involves, or could involve any of the following: (i) Collusive tendering; (ii) Fraudulent applications for licences, permits or other authorities under an Act with a purpose or object of any of the following (however described) – protecting health or safety of persons; protecting the environment or protecting or managing the use of the State's natural, cultural, mining or energy resources; (iii) Dishonestly obtaining, or helping someone to dishonestly obtain, benefits from the payment or application of public funds or the disposition of State assets; (iv) Evading State taxes, levies, duties or otherwise fraudulently causing a loss of State revenue; (v) Fraudulently obtaining or retaining an appointment; and (c) Would, if proved, be a criminal offence; or a disciplinary breach providing reasonable grounds for terminating a person's services, if the person is or were the holder of an appointment.
Council	Rockhampton Regional Council

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A resolution under part (c) above must state the decision and the reasons for the decision.

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Unless otherwise resolved by Council, the Mayor will manage the investigation of suspected inappropriate conduct of other Councillors.

If the suspected inappropriate conduct involves conduct that in the circumstances, the Mayor believes, it is in the best interests of the investigation to refer the matter for external investigation, then the CEO must refer the suspected inappropriate conduct to the President of the Tribunal to investigate and make recommendations to the Council about dealing with the conduct.

If the suspected inappropriate conduct involves:

- (a) An allegation about the conduct of the Mayor, or
- (b) The Mayor as the complainant, then

the CEO must refer the suspected inappropriate conduct to the President of the Tribunal, or another entity, to investigate and make recommendations to the Council about dealing with the conduct.

5.6 Early Resolution

Before beginning an investigation, the Investigator must consider whether the matter is appropriate for resolution prior to the investigation. This consideration includes any recommendation made by the Assessor.

A matter is only appropriate for early resolution if the parties to the matter voluntarily agree to explore early resolution.

The Investigator may engage an independent person with suitable qualifications or experience to facilitate this process.

If the matter cannot be resolved, the matter will then be investigated as outlined in this policy.

If the matter is resolved prior to investigation, the Investigator will advise the CEO of this outcome. In turn, the CEO will advise the Mayor; if the Mayor is not the Investigator; and all Councillors that the matter has been resolved. The CEO or a delegated officer will also update the Councillor Conduct Register accordingly.

5.7 Timeliness

The Investigator will make all reasonable endeavours to complete the investigation and provide a report for inclusion on the agenda of a Council meeting no more than eight weeks after the receipt of the complaint.

If the Investigator is of the opinion that it may take longer than eight weeks to complete the investigation, the matter should be raised with the Mayor; if the Mayor is not the Investigator; to seek an extension of time.

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5.8 Assistance for the Investigator

If the Mayor, or another Councillor appointed by Council resolution is the Investigator of a matter of suspected inappropriate conduct, the Mayor or Councillor may use section 170A of the Act to seek assistance during the investigation. The CEO or the Workforce Relations and Ethics unit via the CEO may provide assistance as required.

The Mayor is authorised by Council to expend money as reasonably needed to engage contractors/specialists in accordance with Council's Purchasing Policy.

The Assessor may make a recommendation for an external investigator to be engaged to undertake the investigation. The Assessor may provide a panel of external investigators for the Council to engage to undertake the investigation.

5.9 Possible Misconduct or Corrupt Conduct

If during the course of an investigation the Investigator obtains information which indicates a Councillor may have engaged in misconduct, the Investigator must cease the investigation and advise the CEO. The CEO or a delegated officer will then notify the Assessor of the possible misconduct.

If during the course of an investigation, the Investigator obtains information which indicates a Councillor/s may have engaged in corrupt conduct, the Investigator must cease the investigation and advise the CEO. The CEO or a delegated officer will then notify the CCC of the possible corrupt conduct.

Instances of suspected misconduct or corrupt conduct may be referred back to the Council if determined by the Assessor or the CCC to be inappropriate conduct.

5.10 Completion of Investigation

On the completion of an investigation, the Investigator or the CEO on the Investigator's behalf will provide a report to the Council outlining as appropriate:

- (a) The investigation process;
- (b) Any witnesses interviewed;
- (c) Documents or other evidence obtained;
- (d) A statement of the relevant facts ascertained;
- (e) Confirmation that the subject Councillor has been provided with an opportunity to respond to the complaint and evidence gathered;
- (f) The investigation findings;
- (g) A statement of any relevant previous disciplinary history;
- (h) Any recommendation about dealing with the conduct; and
- (i) A record of investigation costs.

If there is a risk to the health and safety of the complainant, under section 254J of the Regulation, Council may resolve that the meeting be closed to the public for the Councillors to consider the investigation report and any recommendations.

The Council, with the exception of the Councillor the subject of the investigation and the complainant, if another Councillor, will consider the findings and recommendations of the Investigator's report and decide whether the Councillor has engaged in inappropriate conduct and, if so, what action it will take under section 150AH of the Act.

In accordance with section 275(3) of the Regulation, the resolution in relation to what action is to be taken as a result of the investigation must be made after the meeting has been re-opened to the public and the decision recorded in the meeting minutes.

The CEO is also required to ensure the details are entered into the Councillor Conduct Register.

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5.11 Disciplinary Action Against Councillors

If the Council decides at the completion of the investigation that the Councillor has engaged in inappropriate conduct, the Council may:

- (a) Order that no action be taken against the Councillor; or
- (b) Make an order outlining action the Councillor must undertake in accordance with section 150AH(1)(b) of the Act.

5.12 Notification About the Outcome of the Investigation

After an investigation is finalised, the Council must give notice about the outcome of the investigation to the person who made the complaint about the Councillor/s' conduct that was the subject of the investigation and the subject Councillor.

5.13 Councillor Conduct Register

The CEO must ensure decisions about suspected inappropriate conduct of a Councillor/s be entered into the Councillor Conduct Register.

Where a complaint has been resolved under paragraph 5.6 of this policy, the CEO or a delegated officer will update the register to reflect that the complaint was withdrawn.

5.14 Expenses

Council must pay any reasonable expenses of Council associated with the informal early resolution or the investigation of suspected inappropriate conduct of a Councillor including any costs of:

- (a) The President of the Tribunal undertaking an investigation for Council;
- (b) An independent investigator engaged on behalf of, or by the Tribunal;
- (c) An independent investigator engaged on behalf of Council;
- (d) A mediator engaged under this policy;
- (e) Travel where the Investigator needed to travel to undertake the investigation or to interview witnesses;
- (f) Seeking legal advice; and
- (g) Engaging an expert.

Council may order the subject Councillor reimburse it for all or some of the costs arising from the Councillor's inappropriate conduct. Any costs incurred by complainants or the subject Councillors will not be met by Council.

5.15 Publication

This policy is made available to the public via Council's website.

6 Review Timelines

This policy is reviewed when any of the following occur:

- (a) As required by legislation;
- (b) The related information is amended or replaced; or
- (c) Other circumstances as determined from time to time by the Council.

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7 Document Management

Sponsor	Chief Executive Officer
Business Owner	Chief Executive Officer
Policy Owner	Executive Manager Workforce and Governance
Policy Quality Control	Legal and Governance



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9.11 MONTHLY BUDGET REVIEW

File No: 8785
Attachments: 1. [September Monthly Budget Review](#) 
Authorising Officer: Ross Cheesman - Deputy Chief Executive Officer
Author: Michael Clerc - Acting Chief Financial Officer

SUMMARY

Acting Chief Financial Officer presenting updated budget estimates to 30 September 2020.

OFFICER'S RECOMMENDATION

THAT the report be received and the budget estimate changes be endorsed.

COMMENTARY

The Monthly Budget Review to 30 September 2020 comprises a small number of changes to the Operating Budget. The Capital Budget review is mainly comprised of budget reallocations between projects as well as a small number of new projects.

Operational Budget Estimate Changes

The majority of changes proposed to the Operating Budget are fully offsetting. However, an increase to Insurance costs \$483k and reduced amount of Federal Assistance Grant \$218k are the major contributors to the net operating deficit increasing by \$726k (from \$5.4M to \$6.1M).

A listing of the Operating Budget changes is attached for information.

Capital Budget Estimate Changes

The Capital Budget has been updated to reflect budget reallocations between projects and transfers of responsibility for various projects within Council. There are also a small number of new projects requiring additional funding. The net budget impact is an increase of \$718k in 20/21.

A summary by Section of the proposed Capital Budget changes is attached for information. The major movements across the current year from the 20/21 Carryover Budget are:

Corporate and Technology

Fleet Services has transferred \$160k to Facilities to undertake Gracemere Workshop extensions. There are four additional items of plant totaling \$162k in 20/21. Funding for two of these items totaling \$120k has been transferred from FRW's budget. Community Facilities also reduced their budget by \$34k in 19/20 to provide for the purchase of plant by Fleet Services, however the budget transfer to Fleet is being recognised in this Budget Review.

Property and Insurance has two new projects; purchase of Northside Land \$450k and Kershaw Gardens Land \$250k.

Airport

A budget reallocation of \$750k from Infrastructure Stimulus has been made towards planning and design for Airport Apron Extension.

Civil Operations

Civil Operations has included net additional revenue for Bus Stop Shelter Program of \$127k and Blackspot Program \$80k.

Civil Operations has submitted a number of changes to reallocate budgets between projects, the overall change to Capital Expenditure is an increase of \$222k, which is largely offset by the increase to Capital Revenue of \$207k.

An amount of \$450k has been transferred from Parks budget to Civil Operations to undertake Fraser Park Car Park.

Infrastructure Planning

A budget reallocation of \$500k from Capital Works Contingency has been made towards planning and design for Airport Levee.

Project Delivery / Various

Budgets for Works for Queensland Round 3 projects have been reallocated as per Council resolution 25 August 2020.

FRW

The budget for Botanic Gardens Potable Water Supply \$800k has been included under FRW (reallocation of Works for Queensland Round 3 budget). FRW has also submitted several other changes for reallocation of budgets – the overall net impact of these changes is a decrease of \$120k. This amount has been transferred to Fleet Services to fund the purchase of two items of plant.

Community Assets & Facilities

A budget amount of \$160k has been transferred from Fleet Services to undertake Gracemere Workshop extensions.

Parks

Parks has transferred \$450k to Civil Ops to undertake Fraser Park Car Park.

PREVIOUS DECISIONS

The budget for 2020/21 was adopted on 14 July 2020.

BUDGET IMPLICATIONS

This report provides estimated budget changes for the current financial year. The impact of these changes on future financial years has not been modelled at this stage.

LEGISLATIVE CONTEXT

Nil - this Report is not a budget amendment in accordance with the *Local Government Regulation 2012, section 170 Adoption and amendment of budget*.

LEGAL IMPLICATIONS

No related issues.

STAFFING IMPLICATIONS

No related issues.

RISK ASSESSMENT

The control of monthly oversight and reporting of expenditure against budget significantly reduces the risk of unplanned operating expenditure impacting on Council's financial position.

CORPORATE/OPERATIONAL PLAN

The Operational Plan outlines activities and actions Council will undertake for the financial year in accordance with the adopted budget. This report provides estimated budget changes for the current financial year for Council's endorsement.

CONCLUSION

The Operating Budget deficit has increased from \$5.4M to \$6.1M mainly due to an increase in Insurance costs and reduced amount of Federal Assistance Grant.

The Capital Budget has been updated to reflect budget reallocations between projects and transfer of responsibility for various projects within Council. The Capital Budget shows a net increase of \$718k in 20/21. The increase is largely due to new projects for Land purchases.

MONTHLY BUDGET REVIEW

September Monthly Budget Review

Meeting Date: 27 October 2020

Attachment No: 1

BUDGET ESTIMATE CHANGES		
FOR THE MONTH OF SEPTEMBER 2020		
	Section	2020-21 Movement
OPERATIONAL ESTIMATES		
OPERATING BUDGET (SURPLUS) / DEFICIT - 20/21 ADOPTED BUDGET		\$5,432,409
1. CEO Department		
Media and Communications - transfer of advertising budget from Marketing Unit	Media and Communication	\$116,321
Safety & Training - ICT Equipment	Workforce and Governance Management	\$31,670
Sub-Total		\$147,991
2. Corporate Services		
Rent/Lease Commercial Properties revenue	Corporate & Technology	\$16,610
Property & Insurance Payroll recovery	Corporate & Technology	\$3,660
Insurance Premiums	Corporate & Technology	\$482,510
Sub-Total		\$502,780
3. Advance Rockhampton		
Marketing Unit advertising transferred to Media and Communications Unit	Tourism, Events & Marketing	(\$116,321)
Employee Costs - transferred to EM Advance Rockhampton	Tourism, Events & Marketing	(\$93,849)
Employee Costs - transferred from Tourism, Events & Marketing	EM Advance Rockhampton	\$96,849
Sub-Total		(\$113,322)
4. Community Services		
DA fees correction - data entry error in adopted budget	Planning and Regulatory Services	(\$80,000)
Sub-Total		(\$80,000)
6. Resourcing		
Financial Assistance Grant 20/21 allocation	Resourcing	\$218,482
Sub-Total		\$218,482
TOTAL OPERATIONAL ADJUSTMENTS - SEPTEMBER 2020		\$725,501
NEW ESTIMATED OPERATING (SURPLUS) / DEFICIT		\$6,157,910
MOVEMENT IN OPERATING RESULT - ADOPTED BUDGET TO SEPTEMBER REVIEW		\$725,501

BUDGET ESTIMATE CHANGES FOR THE MONTH OF SEPTEMBER 2020				
			2020-21	
Project Description	Section	Previous Estimate	New Estimate	Movement
CAPITAL ESTIMATES				
CAPITAL REVENUE TOTAL - CARRYOVER BUDGET				(\$63,062,870)
CAPITAL REVENUE TOTAL - SEPTEMBER REVIEW				(\$63,062,870)
Bus Stop Shelter Program (BSSP) Expense 1148883	Revenue Civil Operations	-	247,000	(\$247,000)
UEC-Bus Stops Program-Grant Income	Revenue Civil Operations	125,000	5,000	\$120,000
Colliver Rd St Yaamba Rd Intersection Blackspot	Revenue Civil Operations	-	80,000	(\$80,000)
NEW ESTIMATED CAPITAL REVENUE				(\$63,269,870)
MOVEMENT IN CAPITAL REVENUE - CARRYOVER BUDGET TO SEPTEMBER REVIEW				(\$207,000)
CAPITAL EXPENDITURE TOTAL - CARRYOVER BUDGET				\$176,936,889
CAPITAL EXPENDITURE TOTAL - SEPTEMBER REVIEW				\$176,936,889
Corporate & Technology				
[R] Fleet Renewal Program - RRRRC	Communications & IT	6,407,480	6,247,480	(\$160,000)
[N] Vacuum Savity Gluton H20 EV	Communications & IT	-	34,500	\$34,500
[N] Truck 8T Tipper	Communications & IT	-	80,000	\$80,000
[N] Trailer Natural Resource Management 926U	Communications & IT	-	7,250	\$7,250
[N] Truck 8T Tipper with Crane FRW (6T upgrade)	Communications & IT	-	40,000	\$40,000
[N] Purchase of Northside Land	Communications & IT	-	400,000	\$400,000
[N] Kershaw Gardens Land Purchase	Communications & IT	-	250,000	\$250,000
Subtotal		\$6,407,480	\$7,059,230	\$651,750
TOTAL - Corporate & Technology		\$6,407,480	\$7,059,230	\$651,750
AIRPORT				
[N] Airport Apron Extension	Airport	-	750,000	\$750,000
Subtotal		\$0	\$750,000	\$750,000
Civil Operations				
Capital Works Contingency Fund	Civil Operations Management	900,000	225,000	(\$675,000)
Subtotal		\$900,000	\$225,000	(\$675,000)
Annual Reseal Program	Rural Operations West	280,000	224,000	(\$56,000)
Aremby Road Ch 00 to 6.58 , bitumen seal	Rural Operations West	-	14,415	\$14,415
Renewal of Unsealed Road Gravel Program A	Rural Operations West	2,986,000	2,947,000	(\$39,000)
Blackspot-Colliver Rd-South Yaamba Rd Alton Downs	Rural Operations West	-	80,000	\$80,000
Stoneleigh Rd Gogango - Ch 0.0-2.5 km	Rural Operations West	-	39,042	\$39,042
Calmorin Rd Gamant	Rural Operations West	-	25,300	\$25,300
Riverslea Rd Gogango Seal Ch 1.88-2.90 km	Rural Operations West	-	41,000	\$41,000
Subtotal		\$3,266,000	\$3,370,757	\$104,757
Annual Reseal Program CP427	Central Urban Operations	2,524,000	2,414,000	(\$110,000)
Blackspot - [U] UCC-RC-Derby Street and East Street Roundabout - Reve	Central Urban Operations	-	45,000	\$45,000
Bus Shelter program	Central Urban Operations	100,000	350,000	\$250,000
Bus Stop Program	Central Urban Operations	252,000	100,000	(\$152,000)
Canooka Street - Curve Widening	Central Urban Operations	500,000	550,000	\$50,000
Gross Pollutant trap - Riverside	Central Urban Operations	250,000	200,000	(\$50,000)
Knight Street - Horace to Knight top end	Central Urban Operations	600,000	650,000	\$50,000
New Footpath Package - W4QR3	Central Urban Operations	450,000	363,834	(\$86,166)
Boundary Road-McLaughlin St Intersection	Central Urban Operations	250,000	340,000	\$90,000
Pilbeam Drive Car Park - Saddle Redevelopment	Central Urban Operations	280,000	310,000	\$30,000
Elida Lane Mt Archer - Retaing wall	Central Urban Operations	-	15,800	\$15,800
[N] -UCC-TM-Rosedale Street turnaround	Central Urban Operations	15,000	3,500	(\$11,500)
Fraser Park Stage 1F Car Park Works	Central Urban Operations	-	450,000	\$450,000
Subtotal		\$5,221,000	\$5,792,134	\$571,134
William Street (Mt Morgan) - East Street to Black Street	West Urban Operations	-	85,000	\$85,000
Subtotal		\$0	\$85,000	\$85,000
TOTAL - Civil Operations		\$9,387,000	\$9,472,891	\$85,891
Infrastructure Planning				
Design for Airport Levee	Infrastructure Planning	1,008,000	1,508,000	\$500,000
Subtotal		\$1,008,000	\$1,508,000	\$500,000

Project Description	Section	Previous Estimate	New Estimate	Movement
Project Delivery				
[N] Riverbank Playground Amenities and Access - W4QR3	Projects	223,456	58,456	(\$165,000)
Subtotal		\$223,456	\$58,456	(\$165,000)
[U] CBD Cultural Precinct - Customs H Landscape/Toilets	Cbd Cultural Precinct	-	651,391	\$651,391
Subtotal		\$0	\$651,391	\$651,391
[N] Fitzroy River - Bank Protection - W4QR3	Rton Flood Mitigation Project	1,220,810	86,978	(\$1,133,832)
Subtotal		\$1,220,810	\$86,978	(\$1,133,832)
TOTAL - Project Delivery		\$1,444,266	\$796,825	(\$647,441)
FRW				
[R] M - Water Main Replacement Program	Network Water-Mt Morgan	262,900	222,900	(\$40,000)
[R] R - Water Main Replacement Program	Network Water-Rockhampton	700,000	560,000	(\$140,000)
[N] Botanic Gardens Zoo Potable Water Supply - W4QR3	Network Water-Rockhampton	-	800,000	\$800,000
Subtotal		\$962,900	\$1,582,900	\$620,000
[R] NRSTP Secondary Clarifier Mech and Elec Renewal	Process Sewerage-Roc-Gce	110,000	30,000	(\$80,000)
[R] R SPS Aquatic Place Complete Electrical and Comms (Unlicensed)	Process Sewerage-Roc-Gce	79,600	57,100	(\$22,500)
[R] R SPS Blue Gum Tce Complete Electrical and Comms (Unlicensed)	Process Sewerage-Roc-Gce	25,000	58,300	\$33,300
[R] R SPS Bodero Electrical and Site Renewal	Process Sewerage-Roc-Gce	92,600	71,500	(\$21,100)
[R] R SPS Brothers Club Electrical and Comms Renewal (Unlicensed)	Process Sewerage-Roc-Gce	42,000	56,000	\$14,000
[R] R SPS Park St Complete Electrical and Comms (Unlicensed)	Process Sewerage-Roc-Gce	59,100	55,400	(\$3,700)
[R] SRSTP No 1 Secondary Sedi tank Half Bridge Scraper Renewal	Process Sewerage-Roc-Gce	-	80,000	\$80,000
[N] SRSTP New Positive Displacement Blower	Process Sewerage-Roc-Gce	-	60,000	\$60,000
Subtotal		\$408,300	\$468,300	\$60,000
TOTAL - FRW		\$1,371,200	\$2,051,200	\$680,000
Community Assets & Facilities				
[R] Heritage Village - Lighting upgrades - W4QR3	Capital Facilities Management	363,603	288,603	(\$75,000)
[U] Tourist Information Centre Upgrades - W4QR3	Capital Facilities Management	10	-	(\$10)
[R/U] Fleet Gracemere Workshop Extensions	Capital Facilities Management	-	160,000	\$160,000
TOTAL - Community Assets & Facilities		\$373,590	\$458,580	\$84,990
PARKS				
[N] Fraser Park Stage 1C - Connecting paths	Open Space Projects	147,447	-	(\$147,447)
[N] Zoo improvements - W4QR3	Open Space Projects	290,328	310,328	\$20,000
[R] Access Roads & Carparks Renewal Program	Open Space Projects	49,941	48,955	(\$986)
[R] Botanic Gardens Pathways and Shade Shelters- W4QR3	Open Space Projects	421,264	421,265	\$1
[R] Footpaths Renewal Program	Open Space Projects	104,479	102,418	(\$2,061)
[R] Playground - Equipment Renewal Program	Open Space Projects	373,288	365,925	(\$7,363)
[R] TCM Kershaw Gardens (post JMK liquidation) works underta	2015 Disaster Event	27,590	38,000	\$10,410
Fraser Park Stage 1 D/E - Munda-gudda Discovery Path	Open Space Projects	1,178,483	875,930	(\$302,553)
TOTAL - PARKS		\$2,592,820	\$2,162,821	(\$429,999)
[N] Infrastructure Stimulus	Resourcing	2,500,000	1,750,000	(\$750,000)
Subtotal		\$2,500,000	\$1,750,000	(\$750,000)
NEW ESTIMATED CAPITAL EXPENDITURE				\$177,862,080
MOVEMENT IN CAPITAL EXPENDITURE - CARRYOVER BUDGET TO SEPTEMBER REVIEW				\$925,191
NET BUDGET - SEPTEMBER REVIEW				\$114,592,210
NET CHANGE OF CAPITAL ESTIMATE - CARRYOVER BUDGET TO SEPTEMBER REVIEW				\$718,191
NET MOVEMENT FINANCED THROUGH CASH HOLDINGS				\$718,191

9.12 VEHICLE ACCESS - CBD COMMERCIAL PROPERTY

File No:	258-2020 OPMISC
Attachments:	1. Site Plan 2. Proposed Plan (confidential attachment)
Authorising Officer:	Doug Scott - Manager Planning and Regulatory Services Ross Cheesman - Deputy Chief Executive Officer
Author:	Jamie McCaul - Coordinator Development Engineering

SUMMARY

Council support has been sought for a Road Reserve Works Permit Application (RRWPA) associated with a commercial property in the CBD.

OFFICER'S RECOMMENDATION

THAT Council endorse the recommendations made in the report.

COMMENTARY

A RRWPA was submitted to Council on 4 September 2020 regarding a proposed access onto East Street. The access is to facilitate an exit from the existing lane adjacent to the southern boundary of the site.

The request was submitted given the circumstances surrounding the site and limited access options, with East Lane having a reduced width and not extending to the properties frontage.

The RRWPA was refused on 29 September.

Consequently, the applicant's consultant has requested a review of the decision.

The options available moving forward are :

1. Discuss easement provisions at the back of the Queensland Police Services (QPS) site and remove the angle parking in the lane currently accommodating the QPS vehicles.
2. Refuse the application.
3. Approve the application, with sufficient design considerations around safety and amenity. Including relocating any assets as required.

Option1, will require further discussion with QPS around additional easements however, the issue of a reduced width trafficable area is still relevant for the rest of the lane down to Denham Street. To remedy this will require Council to remove the existing angle parking afforded to QPS currently.

Option 2, will see the developer look elsewhere.

Option 3, whilst not ideal, could be achieved with appropriate design considerations and safety provisions.

It is recommended that Council:

1. Approve the application, with sufficient design considerations around safety and vehicular / pedestrian obstruction.
2. Require any existing Council assets impacted by the access to be relocated.

BACKGROUND

A developer has approached Council regarding the future redevelopment of 74 East Street. This existing building previously accommodated the Commonwealth Bank however, has remained vacant for a number of years.

The proposal is for a commercial use with no increase to the existing gross floor area. The Rockhampton Regional Planning Scheme (RRPS) supports such a use in this building and recognizes such a redevelopment as an 'Accepted' level of assessment. Therefore, no development application is required.

East Lane currently does not extend to the lot frontage. It is only via 'right of way' easement arrangements over two (2) separate properties that legal access to the lane is maintained. Further, the lane width is approximately three and a half (3.5) metres for the first twenty (20) meters and two (2) vehicles cannot traverse the lane at the same time in opposing directions, causing congestion issues.

Initial discussions occurred with the developer around Council's preference to ensure unhindered pedestrian connectivity be maintained in East Street and to look at all other options before access to East Street would be considered.

Subsequently, the developer approached the Queensland Police Services (QPS) to secure an access from Bolsover Street via an easement. However, due to operational concerns this request was refused. The applicant considered if the on-site parking was a necessity given the existing building did not have any parking. The developer has pressed that the future tenant requires secure parking at the rear of the building.

Hence, a RRWPA was submitted to Council regarding a proposed access onto East Street associated with the redevelopment of the building.

This application was assessed and refused based on the following grounds :

1. That the access onto East Street presents a safety risk for pedestrians.
2. That the current planning scheme does not allow access onto East Street.
3. That the property has access onto East Lane from the rear.

The applicant has requested this decision be reviewed and has provided commentary around each of the items identified above.

The RRWPA is assessed in accordance with the criteria identified in Subordinate Local Law 1.16 (Carrying out works on a Road or Interfering with a Road or it's Operation). These criteria relate to harm to human health and safety, amenity, nuisance, environmental harm and obstruction of vehicular or pedestrian traffic.

No assessment against the RRPS is relevant in this instance, and access onto East Lane is currently not a reasonable option for the applicant unless Council intervene and look to remove QPS parking.

The developer has investigated alternate options in lieu of pursuing an access onto East Street. However, maintains that the access can be provided such that it is safe, and presents no greater risk to vehicular and pedestrian traffic than any other commercial access.

PREVIOUS DECISIONS

Previous Development Applications have included conditions to contribute to the widening of the lane for access purposes given the existing substandard width.

BUDGET IMPLICATIONS

Nil. All works to be undertaken and funded by the developer.

LEGISLATIVE CONTEXT

Local Law 1 (Administration) and Subordinate Local Law 1.16 (Carrying out works on a Road or Interfering with a Road or it's Operation)

RISK ASSESSMENT

Appropriate design considerations can mitigate risk to pedestrian and vehicular safety to an acceptable level.

CORPORATE/OPERATIONAL PLAN

Council has identified Regional Development as a key focus area and has advocated to pursue and promote regional economic development and tourism opportunities through investment attraction and facilitation, and business industry and product development.

CONCLUSION

Developer is proposing to redevelop the old Commonwealth Bank building at 74 East Street. The tenant aligned with this redevelopment requires secure parking at the rear of the building.

The building has limited access to East Lane and the reduced width only caters for single vehicle traffic flow. Currently Queensland Police and Telstra employees use this area. Alternate options have been pursued with QPS and the developer in lieu of accessing East Street.

It is recommended the RRWPA be approved, with an exit only onto East Street. The design must ensure vehicular and pedestrian safety are addressed as well as protecting / reinstating existing infrastructure and not impacting the amenity of the surrounding area.

VEHICLE ACCESS – CBD COMMERCIAL PROPERTY

Site Plan

Meeting Date: 27 October 2020

Attachment No: 1

10 NOTICES OF MOTION

10.1 NOTICE OF MOTION - COUNCILLOR DONNA KIRKLAND - ROCKHAMPTON RING ROAD

File No:	13672
Attachments:	<ol style="list-style-type: none">1. Correspondence to Residents2. Correspondence to Federal and State Representatives3. Alexandra Street Crossover4. Response from Department of Transport and Main Roads
Responsible Officer:	Evan Pardon - Chief Executive Officer

SUMMARY

Councillor Donna Kirkland has indicated her intention to move a Notice of Motion at the next Ordinary Council Meeting regarding the Rockhampton Ring Road project.

COUNCILLOR'S RECOMMENDATION

THAT:

1. A report be presented that details the benefits and impacts (road network, land use planning, community, etc) by the Rockhampton Ring Road project to the next Council meeting; and
2. Council formally request the Department of Transport and Main Roads (DTMR) to provide more effective community consultation on the impacts and benefits of the Rockhampton Ring Road, specifically by way of public community and stakeholder face to face consultation at its earliest convenience.

BACKGROUND

Councillor Donna Kirkland has advised the CEO of her intention to move a Notice of Motion in regard to the Rockhampton Ring Road at the next Ordinary Council Meeting as follows:

“In August of this year, the Chief Executive Officer and Mayor were invited to Department of Transport and Main Roads (DTMR) for a briefing on the Rockhampton Ring Road (RRR) and consequently returned to Council uncertain of the exact details around major design elements that stand to impact our community at a number of geographic positions throughout the revised concept designs previewed at that meeting.

After DTMR's media release of the RRR “Fly Over” video, I received concerns from nearby residents at Riverside Estate in Parkhurst regarding the exact lay of the design, and in particular the revised design component of the Alexandra Street crossover.

After the August DTMR briefing, as Divisional Councillor, I was still without resources that adequately articulated to my constituents, the exact details of DTMRs preferences for final design. Aware that the tender for the final design had been awarded. I felt it prudent to expedite a letter to the residents seeking clarification on their position. (Attached). I also wrote to State and Federal Government representatives at all tiers, requesting public consultation. (Attached).

Communications were received from residents by email, text and phone which ALL expressed their concerns for the revised switch from a Road Overpass to an

intersection of lights at the Alexandra Street crossover. (View attached). Residents are also concerned over the lack of design illustration for noise and vehicular exhaust barriers. The switch from Overpass inclusive of on and off ramps, to a set of lights, raises multiple concerns with residents, also business owners within the Parkhurst Industrial Estate.

I have received only one reply from DTMR composed by Mr Neil Scales, Director General. (Attached). I note that there is indication of consultation with Council "sometime" in November, and proposed consultation with the community in "early 2021". I have passed this information to residents including Mr Scales' recommendation to lodge their concerns to DTMR via email.

All stakeholders, residents and business owners are seeking public consultation for details and a forum to discuss their concerns.

It is of utmost importance that our community has full, clear and multiple opportunities for proper consultation that details all impacts and benefits of these State Projects in order that they may have ample time to present their concerns and suggestions prior to final decisions on designs and alterations throughout the process."

**NOTICE OF MOTION –
COUNCILLOR DONNA KIRKLAND -
ROCKHAMPTON RING ROAD**

Correspondence to Residents

Meeting Date: 27 October 2020

Attachment No: 1

17 September 2020

Dear Resident

Proposed Route of Rockhampton Ring Road

I am writing to inform and to better gauge the level of concern surrounding the proposed Rockhampton Ring Road.

The proposed route and design of the Rockhampton Ring Road has continued to remain relatively undefined to date. A maintained and deliberate avoidance of disclosure to stakeholders of full detail, has inhibited my capacity to allay the fears of residents and businesses who find themselves nearby the pathway of this ensuing construction.

The concept design component of lights on the Alexandra Street connection is the second, and I believe unacceptable option that will create accelerated brake dust, exhaust and noise pollution. The original concept design proposal consisted of an overpass – a far better option, with the need for both on and off ramp accesses. An overpass will ensure maintained traffic flow and limited pollution.

Guaranteed inclusion of sound barrier walls is also conveniently omitted in the public brief of the proposal. The current concept design presented online, is a compromise to the wellbeing and sustainability of the nearby community and is a contradiction in purpose failing to provide safety, functionality and improved lifestyle to the supporting areas.

I have contacted all tiers of Government and I am seeking your support to continue the advocacy for immediate community consultation with all stakeholders including residents. If you would like to discuss further please contact me by email or phone.

Yours faithfully

Councillor Donna Kirkland
Division 7
Rockhampton Regional Council

**NOTICE OF MOTION –
COUNCILLOR DONNA KIRKLAND -
ROCKHAMPTON RING ROAD**

**Correspondence to Federal and State
Representatives**

Meeting Date: 27 October 2020

Attachment No: 2

16 September 2020

Name
Title
Address1
Address2

Dear Minister

PROPOSED ROUTE OF ROCKHAMPTON RING ROAD

I write in my capacity as the Councillor for Division 7 of Rockhampton Regional Council, in response to concerns which have been raised with me by residents in both my division and across the Rockhampton Local Government Area concerning the above matter.

The absence of details of the proposed route within the public domain has made it difficult for me to address the concerns, anxiety and uncertainty of residents and businesses who find themselves in proximity to the pathway of the development.

From the information and mapping data publicly released by the Department of Transport and Main Roads to date, genuine concerns have been raised with me by the following groups of residents and business owners:

1. Residents, business owners and tenants along Gavial Gracemere Road;
2. Landowners and residents within the Pink Lily Ridgeland Road Connection area;
3. Residents and business owners/tenants of Riverside Estate and Parkhurst Industrial Estate, nearby the proposed Alexandra Street connection

I wish to address the concerns of the third category above as I am not representing the position of the elected Council, rather the constituents within my Division.

-2-

The latest concept design for traffic signals on the Alexandra Street connection is an unacceptable option to many people I have spoken with, that will create accelerated noise, exhaust and brake dust pollution. The original concept design proposal consisted of an overpass – a preferred option, with both on and off ramp access to the Parkhurst Industrial Estate. An overpass would ensure maintained traffic flow and limited pollution. Guaranteed inclusion of noise mitigation measures is also omitted in the publicly available information creating uncertainty of proposed attenuation efforts and noise impacts.

Of priority to both myself and my constituents is that the safety, functionality and improved lifestyle to the surrounding area is not compromised by the construction of the Ring Road which is currently unclear on the basis of the current concept design.

On behalf of the concerned residents of my division, I ask that immediate consideration be given to the undertaking of community consultation with residents and other stakeholders to address both these and other serious concerns around the final designs for this project.

I intend to further canvass the views of local residents and will continue to advocate strongly on their behalf.

I look forward to receiving your response to the above and seek your support to ensure that the community is well-informed and adequately consulted in relation to construction of this significant piece of infrastructure and any impacts on the local community.

Yours faithfully

Donna Kirkland
Division 7
Rockhampton Regional Council

**NOTICE OF MOTION –
COUNCILLOR DONNA KIRKLAND -
ROCKHAMPTON RING ROAD**

Alexandra Street Crossover

Meeting Date: 27 October 2020

Attachment No: 3



**NOTICE OF MOTION –
COUNCILLOR DONNA KIRKLAND -
ROCKHAMPTON RING ROAD**

**Response from Department of
Transport and Main Roads**

Meeting Date: 27 October 2020

Attachment No: 4



Office of the
Director-General

Department of
Transport and Main Roads

Our ref: MC117001

8 October 2020

Councillor Donna Kirkland
Division 7
Rockhampton Regional Council
donna.kirkland@rrc.qld.gov.au

Dear Councillor Kirkland

Thank you for your correspondence to the Honourable Mark Bailey MP, Minister for Transport and Main Roads, about the Rockhampton Ring Road project. I have been requested to reply to you on the Minister's behalf.

As you are aware, a state election is scheduled for 31 October 2020 and the Queensland Government is now in a caretaker period.

The Australian and Queensland Governments committed \$65 million joint funding (\$52 million Australian Government, \$13 million Queensland Government) for planning and preservation of the ring road corridor in late 2017.

The Rockhampton Ring Road project team was activated in 2018 to undertake the planning phase of the project which included gazettal of the future state-controlled road corridor, consultation with landholders in the proposed corridor and activation of the Department of Transport and Main Roads' (TMR) *Early Acquisition Policy 2015* and developing the business case for the construction project.

In February 2018 gazettal notifications were sent to impacted landholders and the corridor was formally gazetted 12 months later. This process involves comprehensive engagement with impacted stakeholders including negotiating land requirements, property accesses, and property values, gazettal objection hearings (when requested) and discussing the option of early acquisition.

Engagement with impacted property owners and key stakeholders is a priority for the project team and will continue throughout the project lifecycle. Currently, about 60 per cent of the identified landholders have either settled or are in negotiations with TMR for purchase of their properties.

The planning phase of the project, commenced in November 2018, included finalising the road alignment, consideration of road and bridge design options, completion of environmental and cultural heritage assessment, hydraulic and traffic modelling, and undertaking an economic analysis. The preliminary evaluation was finalised in May 2019.

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Community consultation was a key part of the detailed business case development. The strategy included a project launch in December 2019, key stakeholder engagement in January and February 2020, followed by community consultation using the concept design. Unfortunately, the planned community consultation in key locations throughout the Rockhampton area could not proceed in March/April 2020 due to the novel coronavirus (COVID-19) pandemic restrictions. However, the concept design was released in May 2020. This was in the format of an animated fly-through of the project posted on the TMR website, supported by social and traditional media.

Extensive feedback received from the community engagement using the online interactive platform in May and June 2020 has been incorporated into the detailed business case.

The project has now progressed to detailed design with Jacobs SMEC design joint venture engaged in September 2020 to review the concept design, considering the feedback gathered from community, industry and stakeholders throughout the planning phase. The concept design will be further refined in consideration of traffic efficiency, improved safety, increased resilience to flooding, improved connectivity and accessibility, and environment and cultural heritage.

As part of the detailed design phase TMR will undertake broad community consultation in early 2021, which will include the public displays, pop-up engagement sessions, and interaction with the concept design postponed from early 2020. TMR is committed to working with the Rockhampton community and hearing the views of the local community on the Rockhampton Ring Road project. Community members are encouraged to register for Rockhampton Ring Road project updates or contact the project team if they have enquiries by email at rockhamptonringroad@tmr.qld.gov.au or telephone on 4931 1500.

In parallel to the impacted stakeholder consultation and the community engagement TMR is undertaking, TMR has also held briefings with all levels of government on a regular basis to discuss the Rockhampton Ring Road project. At the most recent meeting in August 2020, TMR provided an update on the Rockhampton Ring Road project status and a briefing on the engagement activities that were about to commence with potentially impacted property owners in the Fitzroy River floodplain. TMR also confirmed the ongoing consultation process and timing.

TMR will continue to engage with Rockhampton Regional Council as the project proceeds, with the next briefing proposed for November 2020 at a forum, to be confirmed.

I note your feedback about a signalised intersection at Alexandra Street. The concept design has identified an at-grade signalised intersection at Alexandra Street based upon current and future traffic volumes, safety and amenity (visual). All elements of the design will be looked at further in the detailed design stage to ensure they are fit for purpose. The detailed design phase is expected to be completed at the end of 2021.

I appreciate that you have received some feedback from your recent mailout to your constituents and would encourage you to provide their feedback to the Rockhampton Ring Road project team using the contact details above.

The Lawrie Street upgrade project in Gracemere interfaces with the Rockhampton to Gracemere Duplication project and does not form part of the Rockhampton Ring Road. Community consultation for this project will commence in late 2020.

I trust this information is of assistance.

Yours sincerely



Neil Scales
Director-General
Department of Transport and Main Roads

11 QUESTIONS ON NOTICE

Nil

12 URGENT BUSINESS/QUESTIONS

Urgent Business is a provision in the Agenda for members to raise questions or matters of a genuinely urgent or emergent nature, that are not a change to Council Policy and can not be delayed until the next scheduled Council or Committee Meeting.

13 CLOSED SESSION

In accordance with the provisions of section 254J(3) of the *Local Government Regulation 2012*, a local government may resolve to close a meeting to the public to discuss confidential items, such that its Councillors or members consider it necessary to close the meeting.

RECOMMENDATION

THAT the meeting be closed to the public to discuss the following items, which are considered confidential in accordance with section 254J(3) of the *Local Government Regulation 2012*, for the reasons indicated.

14.1 Property Matter

In accordance with section 254J(3)(g) of the *Local Government Regulation 2012* it is considered necessary to close the meeting to discuss negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government.

14 CONFIDENTIAL REPORTS

14.1 PROPERTY MATTER

File No: 2021

Attachments: 1. Council Report - 14 July 2020

Authorising Officer: Evan Pardon - Chief Executive Officer

Author: Ross Cheesman - Deputy Chief Executive Officer

In accordance with section 254J(3)(g) of the *Local Government Regulation 2012* it is considered necessary to close the meeting to discuss negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government.

SUMMARY

This report provides an update on a previous property matter.

15 CLOSURE OF MEETING