



SPECIAL MEETING

AGENDA

8 JUNE 2023

Your attendance is required at a Special meeting of Council to be held in the Council Chambers, 232 Bolsover Street, Rockhampton on 8 June 2023 commencing at 9:00am for transaction of the enclosed business.

A handwritten signature in black ink, appearing to be "C. P.", written in a cursive style.

CHIEF EXECUTIVE OFFICER
1 June 2023

Next Meeting Date: 13.06.23

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 A P Williams (Chairperson)
Deputy Mayor, Councillor N K Fisher
Councillor S Latcham
Councillor C E Smith
Councillor C R Rutherford
Councillor M D Wickerson
Councillor D M Kirkland
Councillor G D Mathers

In Attendance:

Mr E Pardon – Chief Executive Officer

3 APOLOGIES AND LEAVE OF ABSENCE

4 DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

5 OFFICERS' REPORTS

5.1 DRAFT 2023-2024 OPERATIONAL PLAN

File No:	8320
Attachments:	<ol style="list-style-type: none">1. Draft 2023-24 Operational Plan ↓2. Draft 2023-2024 Performance Plan - FRW ↓3. Draft 2023-2024 Performance Plan - RRWR ↓4. Draft 2023-2024 Performance Plan - Airport ↓
Authorising Officer:	Damon Morrison - Manager Workforce and Governance Ross Cheesman - Deputy Chief Executive Officer
Author:	Allysa Brennan - Coordinator Legal and Governance

SUMMARY

The following draft documents are presented for Council's review and in-principle approval prior to adoption and endorsement:

- (a) *2023-2024 Operational Plan actions and targets;*
- (b) *2023-2024 Performance Plan contents for Fitzroy River Water, Rockhampton Regional Waste and Recycling and Rockhampton Airport.*

OFFICER'S RECOMMENDATION

THAT Council receives the report and provides in-principle support of the draft:

- (a) 2023-2024 Operational Plan *2023-2024 Operational Plan* actions and targets; and
- (b) 2023-2024 Performance Plan contents for Fitzroy River Water, Rockhampton Regional Waste and Recycling and Rockhampton Airport.

COMMENTARY

This report seeks Council's in-principle approval of the draft:

- (a) 2023-2024 Operational Plan actions and targets (**Attachment 1**); and
- (b) 2023-2024 Performance Plan contents for Fitzroy River Water (**Attachment 2**), Rockhampton Regional Waste and Recycling (**Attachment 3**); and the Rockhampton Airport (**Attachment 4**).

Expenditure figures contained in the draft documents will be updated prior to adoption to reflect the 2023-24 adopted budget.

The draft Operational Plan key focus areas, significant capital projects, actions and targets presented to Council at a Briefing Session on 28 March 2023 have been updated to incorporate Councillor feedback and subsequent feedback received in relation to the 2023-24 proposed budget.

The 2023-2024 Operational Plan is proposed to be presented to Council for adoption in line with the proposed budget on 4 July 2023. Council has a legislative requirement to adopt an annual Operational Plan which must, amongst other things, detail how Council will progress the implementation of its 5 year Corporate Plan over the coming financial year in accordance with the adopted budget. Council's Operational Plan must include an annual Performance Plan for each of Council's commercial business units.

All actions contained in the draft Operational Plan are dependent on the outcome of the 2023/24 Adopted Budget.

PREVIOUS DECISIONS

Council adopted the 2022-2027 Corporate Plan on 8 February 2022.

The draft 2023-2024 Operational Plan actions and targets were presented to Council for feedback at a Briefing Session held on 28 March 2023.

BUDGET IMPLICATIONS

In accordance with section 175 of the *Local Government Regulation 2012*, the Operational Plan must be consistent with the budget. All actions contained in the draft Operational Plan are dependent on the outcome of the 2023/24 Adopted Budget.

LEGISLATIVE CONTEXT

Council has a legislative requirement under the *Local Government Act 2009* and *Local Government Regulation 2012* to produce an annual Operational Plan.

Section 174 of the *Local Government Regulation 2012* requires:

- (a) A local government to prepare and adopt an annual Operational Plan for each financial year;
- (b) The Chief Executive Officer to present a written assessment of the local government's progress towards implementing the annual Operational Plan at meetings of the local government held at regular intervals of not more than 3 months; and
- (c) A local government to discharge its responsibilities in a way that is consistent with its annual Operational Plan.

Section 175 of the *Local Government Regulation 2012* outlines that a local government's Operational Plan must:

- (a) Be consistent with its annual budget;
- (b) State how the local government will:
 - (i) Progress the implementation of the 5 year Corporate Plan during the period of the annual operational plan; and
 - (ii) Manage operational risks; and
- (c) Include an annual performance plan for each commercial business unit of the local government.

LEGAL IMPLICATIONS

Failure to adopt an annual Operational Plan will result in legislative non-compliance.

STAFFING IMPLICATIONS

It is anticipated that there will be no implications to Council permanent staffing levels.

RISK ASSESSMENT

In accordance with section 175 of the *Local Government Regulation 2012* the Operational Plan must manage operational risks.

CORPORATE/OPERATIONAL PLAN

The purpose of the annual Operational Plan is to advise how Council intends to address the 2022-2027 Corporate Plan outcomes over the upcoming financial year by outlining the actions and targets Council will undertake in accordance with the adopted budget.

CONCLUSION

Council endorsement is sought in relation to the contents of the draft 2023-2024 Operational Plan actions and targets and proposed 2023-2024 Performance Plans for Fitzroy River Water, Rockhampton Regional Waste and Recycling and the Rockhampton Airport prior to the document being presented to Council for adoption together with the proposed budget.

**DRAFT
2023-2024 OPERATIONAL PLAN**

Draft 2023-24 Operational Plan

Meeting Date: 8 June 2023

Attachment No: 1

**DRAFT OPERATIONAL PLAN
2023-2024**

Key Focus Areas

Council have identified a number of key focus areas with an aim of improving our Region for our community and visitors alike.

Fiscal Responsibility/Financial Sustainability

Corporate Plan Theme: Our Council

Remain fiscally responsible and ensure projects are prioritised and suitably funded to achieve our long term goals. Ensure the efficient and effective management of Council's finances through adopting budgets that are financially sustainable and provide value and accountability to the community. This is managed through the revision of Council's Long Term Financial Forecast in accordance with our budgetary needs, ensuring our financial indicators are within the expected benchmarks set for Queensland Local Governments.

Community Needs

Corporate Plan Theme: Our Community

It is important for Council to understand community needs in order to effectively plan for and deliver facilities that are well utilised and an appropriate standard to service those needs. Understanding current and future community needs is also essential for effective asset management and in supporting advocacy for external funding of projects.

Economic Development and Future Growth

Corporate Plan Theme: Our Economy

Land use and infrastructure planning and delivery are key dimensions supporting growth of the Rockhampton region. Council will continue to refine the Rockhampton Region Planning Scheme and Local Government Infrastructure Plan to support and guide growth and development of the Region. Planning, prioritisation and delivery of critical infrastructure supporting residential and commercial growth will be a focus for Council in the near term. This will be complemented by improved asset management planning and advocacy for external funding of capital projects.

Council will support growth and work with industry to build upon the regions key industry sectors and collaborate with stakeholders to develop and capitalise on our Economic Development Strategy and Action Plan adopted in 2023. New and emerging growth opportunities identified in the strategy include: Energy & Mining Services, Agriculture and Water, Defence, Transport & Logistics, Residential Construction, the Visitor Economy & Major Events and Professional Services. To ensure we continue to grow as the economic capital of Central Queensland, Council will focus on the following five pillars set out in the Economic Development Strategy: Future Jobs & Investment Attraction, Infrastructure for Future Growth, Regional Promotion & Major Events, Regional Collaboration & Partnerships and Talent Retention & Attraction.

Infrastructure Planning

Corporate Plan Theme: Our Infrastructure

Infrastructure planning will continue to be a priority as many of the services provided by Council such as roads, water supply and sewage treatment are asset intensive. Long term infrastructure plans and Asset Management Plans are essential to the efficient delivery of our infrastructure assets and to ensure the effective delivery of Council services. Development and implementation of long term infrastructure plans such as the Local Government Infrastructure Plan, Mount Morgan Water Supply Pipeline Project, Rockhampton and Gracemere Water Supply Strategy, Rockhampton and Gracemere Sewage Treatment Strategy and the Parkhurst Roads Strategy will be vital in delivering sustainable services to our community.

It is also necessary that Council provide a strong voice on behalf of our community to ensure that infrastructure provided by other levels of government or private providers best suit the needs of our Region. Infrastructure planning ensures that our assets are managed strategically, transparently and efficiently.

Significant Capital Projects

Several significant projects have been highlighted in the Operational Plan. These projects are at varying levels of planning, commencement of construction or final implementation, however they all form part of Council's priorities in the reporting year.

Glenmore Water Treatment Plant Upgrade

Corporate Plan Theme: Our Economy

This important project will ensure the ongoing safe and reliable operation of the Glenmore Water Treatment Plant, through the complete renewal of all electrical and control systems, including the installation of a fire suppression system and improved treatment process monitoring and control. The project will also achieve improvements to site physical security, as well as cybersecurity to ensure this important asset is protected appropriately.

North Rockhampton Sewage Treatment Plant Augmentation

Corporate Plan Theme: Our Economy

This project involves a major refurbishment of the existing Plant in addition to the expansion of capacity. This augmentation of the North Rockhampton Sewage Treatment Plant is estimated to increase the treatment capacity by an additional 25,000 equivalent persons. This increased capacity will ensure residential and other urban growth in North Rockhampton can be serviced for at least the next 30 years. The project will also further improve the removal of nutrients from the effluent and reduce our environmental footprint on the Fitzroy River estuary.

Mount Morgan Water Supply Pipeline Project

Corporate Plan Theme: Our Infrastructure

This project is the design and construction of a new potable water pipeline from the existing Gracemere water network to the Mount Morgan community. The project will provide a new dedicated potable water pipeline of approximately 28.5 kilometres and include two new reservoirs and pump stations at Gracemere, upgrade of the Old Cap highway pump station, a new booster pump station and break tank at Moonmera, chlorine boosting facilities and network connection works.

Mount Morgan Swimming Pool

Corporate Plan Theme: Our Community

This project will provide the community of Mount Morgan and surrounding areas with a community aquatic centre, enabling recreation, swimming lessons and swimming competitions/carnivals. The project will replace the pool and plant equipment, as well as develop new amenities and kiosk. Centrally located within the community and neighbouring community facilities, the pool will provide improved access for families and young people in the area and encourage active lifestyles.

2023 – 2024 Proposed Actions and Targets

Responsible Section		Code	Corporate Plan Commitment	Corporate Plan Goal	Corporate Plan Effort	Proposed 2023-24 Operational Action	Proposed 2023-24 Operational Target	Link to additional Corporate Plan Effort	Councillor Portfolio	Link to Key Focus Areas/Significant Capital Project
Department	Section									
Corporate Services	Airport	1.1.1.1	1. Our Council	1.1. We are fiscally responsible	1.1.1. We prioritise our projects and operational activities effectively to achieve our long-term goals.	Manage the Airport in accordance with the Rockhampton Airport 2023-2024 Performance Plan.	Achieve all financial and non-financial performance targets.		Airport	
Regional Services	Waste & Recycling	1.1.1.2	1. Our Council	1.1. We are fiscally responsible	1.1.1. We prioritise our projects and operational activities effectively to achieve our long-term goals.	Deliver waste and recycling services in accordance with Rockhampton Regional Waste and Recycling 2023-2024 Performance Plan.	Achieve all financial and non-financial performance targets.	4.2.3	Waste and Recycling	
Regional Services	Fitzroy River Water	1.1.1.3	1. Our Council	1.1. We are fiscally responsible	1.1.1. We prioritise our projects and operational activities effectively to achieve our long-term goals.	Deliver water and sewerage services in accordance with Fitzroy River Water 2023-2024 Performance Plan.	Achieve all financial and non-financial performance targets.		Water and Environmental Sustainability	
Corporate Services	Finance	1.1.2.1	1. Our Council	1.1. We are fiscally responsible	1.1.2. Our budgets are financially sustainable and provide value and accountability to the community.	Efficient and effective management of Council's finances.	Long Term Financial Forecast updated at each budget and budget revision.		Whole of Council	KFA – Fiscal Responsibility/ Financial Sustainability
Regional Services	Project Delivery	1.1.2.2	1. Our Council	1.1. We are fiscally responsible	1.1.2. Our budgets are financially sustainable and provide value and accountability to the community.	Delivery of assigned Capital Projects.	Complete 95% expenditure against approved Capital budget.		Infrastructure	KFA – Fiscal Responsibility/ Financial Sustainability
Regional Services	Infrastructure Planning	1.1.3.1	1. Our Council	1.1. We are fiscally responsible	1.1.3. We have effective governance with accountable decision-making practices.	Continually improve asset management practices.	Develop and adopt a 3-year Asset Management Improvement Plan by 30 June 2024.	5.1.1	Infrastructure	KFA – Economic Development and Future Growth KFA – Infrastructure Planning
Office of the CEO	Office of the Mayor	1.1.4.1	1. Our Council	1.1. We are fiscally responsible	1.1.4. We pursue and advocate for funding that enables us to deliver our planned priorities and supports our financial sustainability.	Continue to advocate for support from other levels of government for Council's planned priorities.	Advocate for planned priorities in accordance with the Advocacy Framework.		Whole of Council	KFA – Economic Development and Future Growth

Responsible Section								Link to additional Corporate Plan Effort	Councillor Portfolio	Link to Key Focus Areas/Significant Capital Project
Department	Section	Code	Corporate Plan Commitment	Corporate Plan Goal	Corporate Plan Effort	Proposed 2023-24 Operational Action	Proposed 2023-24 Operational Target			
Corporate Services	Directorate	1.2.1.1	1. Our Council	1.2. We are respected and recognised for our engagement with the community and our contributions to the Region	1.2.1. We build strong and respectful working relationships with stakeholders in all levels of government.	Establish a strategic approach to relationships across all levels of Government.	Develop the 2024-25 Advocacy Plan by 30 June 2024.	2.2.4	Whole of Council	KFA – Economic Development and Future Growth
Office of the CEO	Directorate	1.2.2.1	1. Our Council	1.2. We are respected and recognised for our engagement with the community and our contributions to the Region	1.2.2. We have productive and respectful relationships with stakeholders within neighbouring regions.	Engage in regional collaboration initiatives and targeted advocacy.	Actively participate in Central Queensland Regional Organisation of Council's (CQROC) and associated working groups.		Whole of Council	KFA – Economic Development and Future Growth
Community Services	Directorate	1.2.3.1	1. Our Council	1.2. We are respected and recognised for our engagement with the community and our contributions to the Region	1.2.3. We have a strong relationship with the community, built on trust and shared goals for the Region.	Develop regular and formal engagement with our Traditional Owners.	Develop regular and formal engagement with the Traditional Owners of land within the Region.		Communities and Heritage	
Community Services	Directorate	1.2.3.2	1. Our Council	1.2. We are respected and recognised for our engagement with the community and our contributions to the Region	1.2.3. We have a strong relationship with the community, built on trust and shared goals for the Region.	Provide a conduit for all our diverse and active community groups and members to achieve common objectives.	Regular information reports to Council on activity within the community and various initiatives and opportunities.	2.2.2	Communities and Heritage	
Office of the CEO	Office of the Mayor	1.2.4.1	1. Our Council	1.2. We are respected and recognised for our engagement with the community and our contributions to the Region	1.2.4. As a community leader, we advocate for the benefit of our community.	Develop a calendar of engagements in line with the scope and resourcing of the Community Engagement Framework.	Implement actions included in the calendar of engagements.		Whole of Council	KFA – Community Needs

Responsible Section								Link to additional Corporate Plan Effort	Link to Key Focus Areas/Significant Capital Project
Department	Section	Code	Corporate Plan Commitment	Corporate Plan Goal	Corporate Plan Effort	Proposed 2023-24 Operational Action	Proposed 2023-24 Operational Target	Councillor Portfolio	
Corporate Services	Workforce & Governance	1.3.1.1	1. Our Council	1.3. We are motivated to provide excellent service and have a strong organisational culture	1.3.1. We have a workplace culture that is safe, engaged, responsive, professional and accountable.	Implement the Health and Safety Strategy.	Deliver the Health and Safety Strategy actions for 2023-24.	Whole of Council	
Corporate Services	Workforce & Governance	1.3.1.2	1. Our Council	1.3. We are motivated to provide excellent service and have a strong organisational culture	1.3.1. We have a workplace culture that is safe, engaged, responsive, professional and accountable.	Maintain a safe work environment for all employees, volunteers and contractors of Council.	Develop and implement the annual Work Health and Safety Performance Measures Procedure for 23-24 to monitor compliance against Key Performance Indicators.	Whole of Council	
Corporate Services	Corporate & Technology Services	1.3.1.3	1. Our Council	1.3. We are motivated to provide excellent service and have a strong organisational culture	1.3.1. We have a workplace culture that is safe, engaged, responsive, professional and accountable.	Implement the Information and Communication Technology Strategic Plan 2021-2025.	Deliver the Information and Communication Technology Strategic Plan actions for 2023-24.	Whole of Council	
Corporate Services	Finance	1.3.1.4	1. Our Council	1.3 We are motivated to provide excellent service and have a strong organisational culture	1.3.1. We have a workplace culture that is safe, engaged, responsive, professional and accountable	Undertake a review of delivery of customer service, including a review of our Customer Service Charter to ensure a consistent approach to customer service across Council.	Completion of a 3 year Customer Service Strategy by 30 June 2024.	Whole of Council	KFA – Community Needs
Corporate Services	Workforce & Governance	1.3.1.5	1. Our Council	1.3 We are motivated to provide excellent service and have a strong organisational culture	1.3.1. We have a workplace culture that is safe, engaged, responsive, professional and accountable	Complete a Strategy that assesses all of Council's works depots and associated infrastructure. This Strategy will be the basis of a future plan to ensure needs are addressed and these worksites are safe and effective.	Completion of a Depot Strategy by 31 March 2024.	Whole of Council	
Corporate Services	Workforce & Governance	1.3.2.1	1. Our Council	1.3. We are motivated to provide excellent service and have a strong organisational culture	1.3.2. We value our staff and volunteers, and recognise their contributions to the workplace and the Region.	Develop and implement required strategies and operational actions from the Certified Agreements.	Deliver all actions and strategies within the timeframes indicated in the Certified Agreements.	Whole of Council	

Responsible Section								Link to additional Corporate Plan Effort	Link to Key Focus Areas/Significant Capital Project
Department	Section	Code	Corporate Plan Commitment	Corporate Plan Goal	Corporate Plan Effort	Proposed 2023-24 Operational Action	Proposed 2023-24 Operational Target	Councillor Portfolio	
Regional Services	Infrastructure Planning	2.1.1.1	2. Our Community	2.1. Our places and spaces enhance the liveability and diversity of our communities	2.1.1. We ensure community assets are utilised and appropriate for the needs of the community.	Update Asset Management Plans for Buildings	Present plans to Council for adoption by 30 June 2024.	Infrastructure	KFA – Economic Development & Future Growth KFA – Infrastructure Planning
Community Services	Directorate	2.1.1.2	2. Our Community	2.1. Our places and spaces enhance the liveability and diversity of our communities	2.1.1. We ensure community assets are utilised and appropriate for the needs of the community.	Prepare a discussion paper which outlines the number of different arrangements within the community and the advantages and disadvantages of each.	Discussion paper prepared and briefing to Council provided.	Parks, Sport and Public Space Communities and Heritage	
Community Services	Parks	2.1.4.1	2. Our Community	2.1. Our places and spaces enhance the liveability and diversity of our communities	2.1.4. We provide facilities for sports and the arts that encourage community participation, and attract elite sporting and cultural events.	Support and Sponsorship for the Queensland Touch Football Junior State Cup and the Queensland Country Rugby Union Championships	Assistance and liaison for the successful delivery of both events.	Parks, Sport and Public Spaces	
Regional Services	Project Delivery	2.1.5.1	2. Our Community	2.1. Our places and spaces enhance the liveability and diversity of our communities	2.1.5. We maintain our public places and spaces responsibly by planning and prioritising our work.	Undertake Mount Morgan Pool Redevelopment Project.	Commence construction and complete for commissioning by June 2024.	5.1.3 Parks, Sport and Public Spaces	KFA – Infrastructure Planning
Community Services	Parks	2.1.5.2	2. Our Community	2.1. Our places and spaces enhance the liveability and diversity of our communities	2.1.5. We maintain our public places and spaces responsibly by planning and prioritising our work.	Continue the review of current levels of service and maintenance of open spaces to identify opportunities for continuous improvement.	Present an updated analysis report to Council and review service level standards by 30 June 2024.	2.1.3 Parks, Sport and Public Spaces	KFA – Community Needs
Office of the CEO	Strategy & Planning	2.2.1.1	2. Our Community	2.2. We support our communities through our activities and programs	2.2.1. We develop our understanding of the needs and concerns of the community.	Undertake planning for major sports and events precincts.	Provide regular updates to Council.	Parks, Sport and Public Spaces	KFA – Community Needs
Regional Services	Waste & Recycling	2.2.3.1	2. Our Community	2.2. We support our communities through our activities and programs	2.2.3. We support our people and community groups through our programs and resources.	Create a community that is supported to achieve best practices in waste management.	Deliver the Rockhampton Regional Waste and Recycling Waste Education Plan 2023 by 31 December 2023.	Waste and Recycling	

Responsible Section								Link to additional Corporate Plan Effort	Link to Key Focus Areas/Significant Capital Project	
Department	Section	Code	Corporate Plan Commitment	Corporate Plan Goal	Corporate Plan Effort	Proposed 2023-24 Operational Action	Proposed 2023-24 Operational Target	Councillor Portfolio		
Community Services	Communities & Culture	2.3.1.1	2. Our Community	2.3. Our Region's heritage and culture are preserved and celebrated	2.3.1. Our services, activities and community assets provide opportunities to celebrate our culture and creative arts, and preserve the Region's heritage.	Review the demand for Heritage Services within Council and Community and establish a plan to manage into the future.	Establish sustainable operational of Heritage Village and overview of gaps and needs in other Heritage/Museum offerings and places.	2.3.2	Communities and Heritage	
Community Services	Directorate	2.3.3.1	2. Our Community	2.3. Our Region's heritage and culture are preserved and celebrated	2.3.3. We acknowledge and celebrate the Region's cultural diversity.	Undertake a review of Council's existing Indigenous Land Use Agreement (ILUA) with Darumbal People Aboriginal Corporation and commence negotiations of an ILUA with Gaangalu Nation People.	Monitor progress of ILUA arrangements and present report to Council every quarter.		Communities and Heritage	
Office of the CEO	Advance Rockhampton	3.1.1.1	3. Our Economy	3.1. We plan for growth with the future needs of the community, business and industry in mind	3.1.1. We have a greater understanding of the Region's economic strengths, opportunities and challenges.	Focus upon the growth opportunities identified in the Rockhampton Region Economic Development Strategy & Action Plan 2023-2028.	Implement and deliver 2023/2024 economic actions as set out in the Rockhampton Region Economic Action Plan matrix by 30 June 2024.	3.2.2	Advance Rockhampton	KFA – Economic Development and Future Growth
Office of the CEO	Advance Rockhampton	3.1.1.2	3. Our Economy	3.1. We plan for growth with the future needs of the community, business and industry in mind	3.1.1. We have a greater understanding of the Region's economic strengths, opportunities and challenges.	Develop and grow agricultural business readiness and planning to maximise industry water resources.	Agricultural business services survey to be completed by 31 May 2024.		Advance Rockhampton	Economic Development and Future Growth
Office of the CEO	Advance Rockhampton	3.1.1.3	3. Our Economy	3.1. We plan for growth with the future needs of the community, business and industry in mind	3.1.1. We have a greater understanding of the Region's economic strengths, opportunities and challenges.	Continue advocacy for a defence troop presence, defence jobs & industry capability, defence logistics and maintenance opportunities within the region.	Continued engagement with high-level defence officials, senior government representatives, defence industry, and education providers.		Advance Rockhampton	Economic Development and Future Growth
Office of the CEO	Strategy & Planning	3.1.2.1	3. Our Economy	3.1. We plan for growth with the future needs of the community, business and industry in mind	3.1.2. Our strategic planning supports the Region's growing population and enables economic development.	Commence Ten Year Review of the Rockhampton Region Planning Scheme.	Complete preliminary consultation with internal and external stakeholders and commence independent external review.	4.3.1	Planning and Regulation	KFA – Economic Development and Future Growth

Responsible Section								Link to additional Corporate Plan Effort	Link to Key Focus Areas/Significant Capital Project
Department	Section	Code	Corporate Plan Commitment	Corporate Plan Goal	Corporate Plan Effort	Proposed 2023-24 Operational Action	Proposed 2023-24 Operational Target	Councillor Portfolio	
Office of the CEO	Advance Rockhampton	3.1.3.1	3. Our Economy	3.1. We plan for growth with the future needs of the community, business and industry in mind	3.1.3. We support businesses and industries to adapt and capitalise on the move towards renewable energy and a circular economy.	Increase industry engagement in the development of a Circular Economy in the Rockhampton region	Scope and deliver three circular economy feasibility studies by 30 April 2024.	Advance Rockhampton	Economic Development and Future Growth
Office of the CEO	Strategy & Planning	3.2.1.1	3. Our Economy	3.2. Our work attracts business and industry to our Region	3.2.1. We support projects that strengthen the Region's economic development.	Review Council's Infrastructure Charges Resolution.	Review and update as required by 31 December 2023.	Planning and Regulation	
Office of the CEO	Advance Rockhampton	3.2.1.2	3. Our Economy	3.2. Our work attracts business and industry to our Region	3.2.1. We support projects that strengthen the Region's economic development.	Develop a rolling 'Live and Work in Rockhampton' marketing campaign.	Deliver and launch campaign by 31 March 2024.	Advance Rockhampton	Economic Development and Future Growth
Office of the CEO	Office of the Mayor	3.2.3.1	3. Our Economy	3.2. Our work attracts business and industry to our Region	3.2.3. We advocate for the Region with all levels of government and support non-Council projects that benefit the Region.	Collaborate with key stakeholders to identify relevant non-Council projects and issues for advocacy to other levels of government.	Non-Council projects and issues are included in Council's Advocacy Plan.	Whole of Council	KFA – Economic Development and Future Growth
Office of the CEO	Advance Rockhampton	3.2.4.1	3. Our Economy	3.2. Our work attracts business and industry to our Region	3.2.4. We work collaboratively with business and industry partners and stakeholders.	Develop further opportunities to engage and collaborate with local industry, industry groups and industry partners.	Deliver a minimum of 12 business events led by Advance Rockhampton by 30 June 2024.	Advance Rockhampton	Economic Development and Future Growth
Office of the CEO	Advance Rockhampton	3.3.1.1	3. Our Economy	3.3. Our work attracts visitors to the Region	3.3.1. We promote our Region as an attractive destination for visitors.	Develop new tours and experiences in the Explore Rockhampton Self-Guided Tours App and focus promotion on the regions Hero Experience pillars: natural encounters, adventure & discovery, lifestyle & culture, history & heritage, and major events.	Launch three new tours/experiences by 30 April 2024.	Advance Rockhampton	Economic Development and Future Growth
Office of the CEO	Advance Rockhampton	3.3.1.2	3. Our Economy	3.3. Our work attracts visitors to the Region	3.3.1. We promote our Region as an attractive destination for visitors.	Plan and implement initiatives that improve tourism accessibility and inclusivity in line with the 2023 Year of Accessible Tourism, Tourism Queensland objectives.	Implement new accessible and inclusive based content across the Explore Rockhampton media channels by 31 October 2023.	Advance Rockhampton	Economic Development and Future Growth

Responsible Section		Corporate Plan				Proposed 2023-24		Link to additional	Link to Key Focus	
Department	Section	Code	Plan Commitment	Plan Goal	Plan Effort	Operational Action	Operational Target	Corporate Plan Effort	Councillor Portfolio	Areas/Significant Capital Project
Office of the CEO	Advance Rockhampton	3.3.2.1	3. Our Economy	3.3. Our work attracts visitors to the Region	3.3.2. We design places and deliver events that encourage visitors to come and stay.	Continue promotion 'out of region' for major events.	Increase 'out of region' attendance at major events by 5% by 30 June 2024.		Advance Rockhampton	Economic Development and Future Growth
Office of the CEO	Advance Rockhampton	3.3.2.2	3. Our Economy	3.3. Our work attracts visitors to the Region	3.3.2. We design places and deliver events that encourage visitors to come and stay.	Consolidate and grow the Rockhampton Region Major Events calendar.	Attract and secure one additional major regional event by 31 March 2024.	2.1.2	Advance Rockhampton	Economic Development and Future Growth
Office of the CEO	Advance Rockhampton	3.4.1.1	3. Our Economy	3.4. We support our Region's economy through our projects and activities	3.4.1. We plan and deliver significant projects that deliver ongoing, sustainable economic benefits for the Region.	Deliver project de-risking business cases to ensure agricultural projects are investment ready.	The Making Water Work initiative is 50% complete by 30 June 2024.		Advance Rockhampton	Economic Development and Future Growth
Regional Services	Project Delivery	3.4.2.1	3. Our Economy	3.4. We support our Region's economy through our projects and activities	3.4.2. Our infrastructure and community assets support the growth of the Region's economy.	Undertake the Glenmore Water Treatment Plant Upgrade Project.	Carry out Electrical upgrade and Mechanical services work in line with approved project schedule by 30 June 2024.	5.1.3	Infrastructure	Significant Capital Project
Regional Services	Project Delivery	3.4.2.2	3. Our Economy	3.4. We support our Region's economy through our projects and activities	3.4.2. Our infrastructure and community assets support the growth of the Region's economy.	Undertake the North Rockhampton Sewage Treatment Plant Augmentation Project.	Complete construction work on Stage 2a (new Process train) and progress to commence on Stage 2b (existing process train) in line with approved project schedule.	5.1.3	Infrastructure	Significant Capital Project
Regional Services	Waste & Recycling	3.4.2.3	3. Our Economy	3.4. We support our Region's economy through our projects and activities	3.4.2. Our infrastructure and community assets support the growth of the Region's economy.	Develop a suitable strategy for the Materials Recycling Facility operation within the region.	Develop strategy by 30 June 2024.		Waste and Recycling	KFA – Economic Development and Future Growth
Community Services	Environmental Sustainability	4.1.1.1	4. Our Environment	4.1. Our Region is resilient and prepared to manage climate-related risks and opportunities	4.1.1. We have a greater understanding of climate risks and their impacts on the Region, which prepares us for challenges and opportunities in the future.	Commence local implementation of the Climate Risk Management Framework for Queensland Local Government.	Undertake strategic climate risk profiling by 30 June 2024.		Water and Environmental Sustainability	

Responsible Section		Code	Corporate Plan Commitment	Corporate Plan Goal	Corporate Plan Effort	Proposed 2023-24 Operational Action	Proposed 2023-24 Operational Target	Link to additional Corporate Plan Effort	Councillor Portfolio	Link to Key Focus Areas/Significant Capital Project
Department	Section									
Regional Services	Fitzroy River Water	4.1.1.2	4. Our Environment	4.1. Our Region is resilient and prepared to manage climate-related risks and opportunities	4.1.1. We have a greater understanding of climate risks and their impacts on the Region, which prepares us for challenges and opportunities in the future.	Finalise the final stage of the North Rockhampton Flood Backflow Prevention Project to enable an increased level of protection of the North Rockhampton Flood Mitigated Area in riverine flooding events.	Complete the construction and commissioning by 31 March 2024.		Water and Environmental Sustainability	KFA – Infrastructure Planning
Regional Services	Fitzroy River Water	4.2.1.1	4. Our Environment	4.2. We pursue innovative and sustainable practices	4.2.1. We continually improve our environment and sustainability performance and comply with State and Federal requirements.	Develop a comprehensive rehabilitation program for the Fitzroy River Barrage following condition assessment.	Adopt rehabilitation program by 31 March 2024.		Water and Environmental Sustainability	
Regional Services	Waste & Recycling	4.2.1.2	4. Our Environment	4.2. We pursue innovative and sustainable practices	4.2.1. We continually improve our environment and sustainability performance and comply with State and Federal requirements.	Implement the development of the Lakes Creek Road Landfill in accordance with the Masterplan and detailed design.	Actions from the Masterplan are completed in line with budget and in accordance with detailed design by 30 June 2024.		Waste and Recycling	KFA – Infrastructure Planning
Regional Services	Waste & Recycling	4.2.1.3	4. Our Environment	4.2. We pursue innovative and sustainable practices	4.2.1. We continually improve our environment and sustainability performance and comply with State and Federal requirements.	Continue to develop the Central Queensland Regional Waste Management Plan.	Develop Central Queensland Regional Waste Management Plan by 30 June 2024.		Waste and Recycling	KFA – Infrastructure Planning
Community Services	Environmental Sustainability	4.2.2.1	4. Our Environment	4.2. We pursue innovative and sustainable practices	4.2.2. We seek out opportunities that contribute to the long-term environmental sustainability of the Region.	Implement the Sustainability Strategy for the Region in accordance with the Annual Action Plan.	Report on progress via quarterly updates and an annual Year in Review highlights report.	4.2.5	Water and Environmental Sustainability	
Regional Services	Fitzroy River Water	4.2.2.2	4. Our Environment	4.2. We pursue innovative and sustainable practices	4.2.2. We seek out opportunities that contribute to the long-term environmental sustainability of the Region.	Develop an extensive meter replacement program.	Prepare a program to identify priority precincts for wholesale meter replacement, by 31 March 2024.		Water and Environmental Sustainability	

Responsible Section								Link to additional Corporate Plan Effort	Link to Key Focus Areas/Significant Capital Project	
Department	Section	Code	Corporate Plan Commitment	Corporate Plan Goal	Corporate Plan Effort	Proposed 2023-24 Operational Action	Proposed 2023-24 Operational Target		Councillor Portfolio	
Community Services	Environmental Sustainability	4.2.4.1	4. Our Environment	4.2. We pursue innovative and sustainable practices	4.2.4. We support our community, businesses and industries as they transition towards a low carbon economy.	Promote innovative and sustainable practices across our local communities.	Develop and commence delivery of initiatives by 30 June 2024.		Water and Environmental Sustainability	
Regional Services	Project Delivery	5.1.2.1	5. Our Infrastructure	5.1. Our Region has infrastructure that meets current and future needs	5.1.2. Our future projects are planned and prioritised.	Implement Gracemere and South Rockhampton Sewage Treatment Plant Strategy.	Implement design and construction of short-term measures and the planning for long term strategy.		Infrastructure	KFA – Infrastructure Planning
Regional Services	Project Delivery	5.1.2.2	5. Our Infrastructure	5.1. Our Region has infrastructure that meets current and future needs	5.1.2. Our future projects are planned and prioritised.	Construction of a new potable water pipeline from Gracemere to Mount Morgan.	Commence construction.	5.1.3	Infrastructure	Significant Capital Project
Regional Services	Infrastructure Planning	5.1.2.3	5. Our Infrastructure	5.1. Our Region has infrastructure that meets current and future needs	5.1.2. Our future projects are planned and prioritised.	Develop a Long-Term Water Supply Strategy for Rockhampton and Gracemere.	Present strategy to Council for adoption by 31 December 2023.		Water and Environmental Sustainability	KFA – Infrastructure Planning
Community Services	Communities & Culture	5.1.2.4	5. Our Infrastructure	5.1. Our Region has infrastructure that meets current and future needs	5.1.2. Our future projects are planned and prioritised.	Secure direction on refurbishment/redevelopment of Pilbeam Theatre.	Continue to advocate for funding for a business case by 30 June 2024.		Communities and Heritage	KFA – Infrastructure Planning
Community Services	Communities & Culture	5.1.2.5	5. Our Infrastructure	5.1. Our Region has infrastructure that meets current and future needs	5.1.2. Our future projects are planned and prioritised.	Complete and receive endorsement for Rockhampton Showgrounds Master Plan.	Plan endorsed by Council by 31 October 2023.		Communities and Heritage	KFA – Infrastructure Planning

**DRAFT
2023-2024 OPERATIONAL PLAN**

**Draft
2023-2024 Performance Plan - FRW**

Meeting Date: 8 June 2023

Attachment No: 2

FITZROY RIVER WATER

2023-2024 PERFORMANCE PLAN

OVERVIEW

Fitzroy River Water (FRW) is a commercial business unit of Council responsible for operating and maintaining water and sewer assets totalling approximately \$1,015.9 billion (replacement value). General functions of these assets include the storage and supply of raw water for commercial and agricultural purposes, treating and distributing potable water for urban and industrial use, and the collection, treatment and discharge of treated effluent. FRW provides water and sewerage services to the communities of Rockhampton, Gracemere and Mount Morgan. It is also a bulk drinking water supplier to Livingstone Shire Council.

This plan underpins FRW's performance objectives over the 2023-24 financial year in accordance with the *Local Government Regulation 2012* and commercialisation principles under the provisions of the *Local Government Act 2009*.

OBJECTIVES

FRW will deliver all services relating to water and sewerage on behalf of Council in accordance with the parameters outlined within this performance plan and those identified within Council's 2023-24 Operational Plan.

FRW will enhance the community's quality of life providing sustainable water, sewerage and environmental services, through innovation, technical expertise, business efficiency, excellence in customer service and commitment to the environment.

The key objectives of FRW are to deliver commercially viable water and sewerage services that satisfy adopted and statutory customer service standards.

FRW will, in conducting the activities on behalf of Council:

- Provide high-quality, safe, reliable and cost-effective water and sewerage services;
- Operate in an efficient and financially sustainable manner and provide Council with an appropriate rate of return;
- Responsibly manage, improve and augment infrastructure;
- Be responsive to customer needs;
- Meet performance targets;
- Optimise costs;
- Protect the environment, encourage water conservation and water recycling; and
- Undertake other commercial activities with a profit motive.

VALUES

FRW will provide a service which embraces Council's Corporate Values of Safety, Accountable, Customer Focused, Continuous Improvement, One Team, and People Development.

Vision

Contribute to the Region's liveability, growth and development by being a leading water and sewerage business.

Mission

To efficiently and reliably provide sustainable, high quality water and sewerage services.

NATURE AND SCOPE OF ACTIVITIES

Broadly, the nature and extent of the water and sewerage services provided by FRW are as follows:

Water Operations

Water	25,767 ML
Barrage	1 (Fitzroy River Barrage High Priority Allocation: 50,383ML)
Dams	1 (Mount Morgan No. 7 Dam Capacity at full operating level: 2,830ML)
Water Treatment Plants	2 (120ML/d and 2.6ML/d)
Water Reticulation	862 km
Potable Water Supply Reservoirs	21
Pumping Stations and Bores	37
Properties Served* – Water (as at 30 June 2022)	33,142

Sewerage Operations

Sewage Treated	6,922 ML
Sewage Treatment Plants	4 (10 ML/d, 5 ML/d, 2 ML/d, 0.2 ML/d)
Pumping Stations	57
Sewerage Collection Mains	744 km
Properties Served* – Sewerage (as at 30 June 2022)	30,480

* Not including vacant land.

FINANCIAL AND NON-FINANCIAL PERFORMANCE TARGETS

Financial Performance

Performance Measure	2023-24 Target	Explanation	Calculation
Operating surplus ratio	42.2%	An indicator of the extent to which revenue raised covers operational expenses only or are available for capital funding purposes or other purposes.	Net result (excluding capital items) divided by total operating revenue (excluding capital items)
Interest coverage ratio	189.8 times	An indicator of the extent to which an entity can pay their interest expense on outstanding debt.	Earnings before interest, tax, depreciation and amortisation divided by interest expense
Asset sustainability ratio	Greater than 90%	An indicator of the extent to which the infrastructure assets are being replaced as they reach the end of their useful lives. The Department of State Development, Infrastructure, Local Government and Planning target is greater than 90% per annum (on average over the long-term).	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense
Competitive neutrality ratio (% of gross revenue)	37.4%	An indicator of the extent to which operating revenues are committed to competitive neutrality adjustments such as tax equivalents and return to Council.	Competitive neutrality adjustments divided by operating revenue
Depreciation ratio	19.3%	An indicator of the extent to which operating revenues are committed to funding depreciation.	Depreciation and amortisation expenditure divided by operating revenue
Return on assets	3.3%	An indicator of how profitable a business is relative to its total assets. Return on assets tells you what earnings were generated from invested capital (assets).	Net profit after tax divided by Written Down Value of assets (excluding contributed or rehabilitation assets)
RRC Operational Plan	By year end	Initiatives successfully completed.	N/A

Performance Measure	2023-24 Target	Explanation	Calculation
Operating Budget	Advise quarterly or when variances arise	Conduct all activities in accordance with required timelines and budget.	N/A
Annual Revenue	Advise quarterly or when variances arise	Timely reporting of any significant variations to budget revenue and collection timing.	N/A
Capital Works	Within 10%	Completion of capital program in accordance with adopted timeframe and budget.	Actual expenditure divided by budget

Non-Financial Performance

Water

CSS Reference	Performance Indicator	Potable Water Supply Schemes	
		Rockhampton and Gracemere	Mount Morgan
Day to Day Continuity			
CSS1	Number of unplanned interruptions – connections based (number per 1,000 connections per year)	<80	<80
CSS2	Number of unplanned interruptions – incidents based (number per 100 km of main per year)	<30	<30
CSS3	Time for restoration of service – unplanned interruptions (% restored within 5 hours)	>95%	>95%
CSS4	Customer interruption frequency: 1 interruption per year 2 interruptions per year 3 interruptions per year 4 interruptions per year 5 or more interruptions per year	5% 2% 1% 0.50% 0.25%	5% 2% 1% 0.50% 0.25%
CSS5	Average interruption duration – planned and unplanned	<3 hours	<3 hours
CSS6	Response time: Priority 1 – <1 hour response Priority 2 – <2 hours response Priority 3 – <24 hours response	>95%	>95%
	Restoration time: Priority 1 – <5 hours restoration Priority 2 – <24 hours restoration Priority 3 – <5 days restoration	>95%	>95%

CSS Reference	Performance Indicator	Potable Water Supply Schemes	
		Rockhampton and Gracemere	Mount Morgan
Adequacy and Quality of Normal Supply of Water Supply			
CSS7	Minimum pressure standard at the water meter	220 kPa	220 kPa
CSS8	Minimum flow standard at the water meter	9 L/min	9 L/min
CSS9	Connections with deficient pressure and/or flow (% of total connections)	<2.5%	<2.5%
CSS10	Drinking water quality (compliance with industry standard) ¹	>98%	>98%
CSS11	Drinking water quality complaints (number per 1,000 connections)	<3	
CSS12	Drinking water quality incidents (number per 1,000 connections)	<2	<2
Long Term Continuity of Water Services			
CSS13	Water main breaks (number per 100 km of main)	<20	<20
CSS14	Water services breaks (number per 1,000 connections)	<20	<20
CSS15	System unaccounted for water (litres per connection per day)	<150 L	<150 L

¹ FRW's Drinking Water Quality Management Plan identifies the following key water quality parameters as reference indicators for customer service purposes: physical and chemical water quality parameters – Target: >99% of all samples tested compliant with Australian Drinking Water Guidelines; E. coli – Target: None detected in >98% of all samples tested.

Sewerage

CSS Reference	Performance Indicator	Sewerage Schemes	
		Rockhampton and Gracemere	Mount Morgan
Effective Transportation of Sewage			
CSS16	Sewage overflows – total (number per 100km of main)	<25	<10
CSS17	Sewage overflows to customer property (number per 1,000 connections)	<5	<5
CSS18	Odour complaints (number per 1,000 connections)	<1	
CSS19	Response time: Priority 1 – <1 hour response Priority 2 – <2 hours response Priority 3 – <24 hours response	>95%	>95%

CSS Reference	Performance Indicator	Sewerage Schemes	
		Rockhampton and Gracemere	Mount Morgan
	Restoration time: Priority 1 – <5 hours restoration Priority 2 – <24 hours restoration Priority 3 – <5 days restoration	>95%	>95%
Long Term Continuity of Sewerage Services			
CSS20	Sewer main breaks and chokes (number per 100km of main)	<20	<20
CSS21	Sewer inflow and infiltration (ratio of Peak Day Flow to Average Day Flow)	<5	<5

Customer Service Standards

Performance Indicator	2023-24 Target
Installation of new water connections (within the water service area) – excluding private works new connections	<15 working days
Installation of sewerage connections (within the sewerage area) – excluding private works new connections	<15 working days
Complaints (excluding maintenance of water and sewerage services) – advise outcome	<20 working days

COMMUNITY SERVICE OBLIGATIONS

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

The following community service obligations have been identified for the 2023-24 financial year and are funded by Council:

Community Service Obligation	Estimated Cost	Objective
Water		
Sporting Bodies Water Access and Consumption	\$64,123	Council upon review of applications, at times, grants remissions for water charges. These amounts are then claimed as a community service obligation by FRW. Refer to Council's Rates Concession Policy.

Community Service Obligation	Estimated Cost	Objective
Undetected Leak Rebates	\$110,000	A resolution dated 23 May 2017 states that the implementation of the Undetected Leak Rebate Policy for both residential and non-residential customers be identified as a community service obligation to the amount of \$110,000 per annum.
Water Total	\$174,123	
Sewerage		
Combined Line Charges (expenses)	\$82,442	A resolution dated 22 June 1999 states that Council continue its current policy of maintaining combined line house drains and fund all such work carried out by FRW as a community service obligation.
Combined Line Charges (capital)	\$150,000	Further to the above resolution regarding the maintenance of combined lines, FRW has begun a full replacement program of these assets. As a result, the cost of replacing these combined lines also constitutes a community service obligation and the full cost incurred is claimed.
Raising Access Chambers	\$150,000	A resolution dated 29 May 2000 states that FRW carries out the raising of sewerage manholes and claims this as a community service obligation.
Sporting Bodies Sewerage Access	\$143,790	Council upon review of applications, at times, grants remissions for sewerage charges. These amounts are then claimed as a community service obligation by FRW. Refer to Council's Rates Concession Policy.
Sewerage Total	\$526,232	
TOTAL	\$700,355	

FINANCIAL POLICIES

Capital Structure

FRW's notional capital structure is 60% debt/40% equity for pricing purposes. FRW will continue to improve long term financial planning models which upon adoption, will be incorporated into Council's overall financial strategy. All FRW's financial planning is subject to approval by Council.

Borrowings

Debt financing is provided by Council under the terms and conditions imposed by the Queensland Treasury Corporation having regard to Council's determination on FRW's capital structure. FRW will be responsible for managing this debt and use Council's services where necessary to assist in this regard. Loans will only be used for capital expenditure and long term borrowing strategies will be in line with Council's long term financial plan.

Depreciation

Asset depreciation for external reporting and tax purposes will be calculated in accordance with Australian Accounting Standards and the Local Government Tax Equivalent Manual, respectively.

Working Capital

Council provides working capital as required which does not replace long term fixed borrowings.

Dividends

Annual dividends returned to Council are determined as part of the budget process. A ten year forecast reviews the level of future capital expenditure and affordability prior to setting dividends.

Treatment of Surpluses/Losses

In accordance with Council resolution, after the required Return on Assets and Income Tax Equivalents have been forwarded to Council each year, any remaining surplus/loss will be held in FRW's Retained Earnings for revenue fluctuations unless Council endorses an alternate treatment of such revenue.

Taxation

FRW is required to pay taxes either in the form of tax equivalents (income tax, land tax and stamp duty) to Council or via Council to the relevant government agencies (payroll tax, GST and fringe benefits).

Contributed Assets

Assets donated by developers or other parties will be recognised as revenue and a non-current asset. Contributed assets will also be recognised in the asset management system as a contributed asset.

Grants and Subsidies

FRW, in conjunction with Council, will provide priority projects to optimise use of available grants and subsidies.

Pricing

When developing pricing structures, FRW applies the National Competition Policy methodologies in conjunction with Council policies. While it is Council's responsibility for price setting, applying competitive neutrality principles negates competitive advantage when acting as a monopoly business activity.

Water utility charges consist of a two-part tariff – an access charge and a consumption charge.

Sewerage utility charges are set on number of charges per residence or number of charges per pedestal and/or equivalent urinal.

PROPOSED MAJOR INVESTMENTS

FRW's proposed major investments for 2023-24 financial year are outlined below:

Water Supply	Cost	Sewerage	Cost
Barrage	\$2.0M	Sewage Treatment Plants	\$20M
Water Treatment Plants	\$7.8M	Sewerage Pump Stations	\$1.6M
Water Pump Stations	\$0.5M	Sewerage Mains	\$0.3M
Water Reservoirs	\$2.0M		
Water Mains	\$1.5M		
Water Meters	\$2.5M		
Water Supply	\$25.0M		
Solar Initiative	\$4.1M		
TOTAL	\$45.4M	TOTAL	\$21.9M

CUSTOMER SERVICE

Customers are entitled to be provided with a service that consistently meets all relevant state legislative compliance targets and national guideline requirements. Customer needs and satisfaction will be met in the achievement of our Customer Service Standard performance targets and through our values. FRW is responsible for the contact with, and commitment to, customers in accordance with customer service standards. Commercial customers will also have a formal contract with Council but the service will be provided by FRW on behalf of Council.

As a water service provider, FRW has prepared a Customer Service Standard in line with the requirements of the *Water Supply (Safety and Reliability) Act 2008* (the Act). The Customer Service Standard states a target for the level of service provided and the process for service connections, billing, metering, accounting, customer consultation, complaints and dispute resolution. The Act also requires a water or sewerage service provider supplying a reticulated water service or sewerage service to declare the relevant area to be a service area and keep a map showing the service area.

FRW undertakes quarterly reporting to Council on performance against the adopted Customer Service Standards and aims to achieve the Non-Financial Performance indicators in the 2023-24 Performance Plan.

Access to the Customer Service Standard

<https://www.rockhamptonregion.qld.gov.au/CouncilServices/Fitzroy-River-Water>

Access to the Service Area Maps

<https://www.rockhamptonregion.qld.gov.au/CouncilServices/Fitzroy-River-Water>

DELEGATED AUTHORITIES

Council will be responsible for providing an environment in which FRW can operate in a manner in which it has every opportunity to meet the objectives of commercialisation and that responsibility will include:

- Providing FRW with the required delegations to operate to achieve outcomes set by Council, within the context of the management framework of Council, in line with legislation, and in accordance with the adopted performance plan;

- Providing funding as agreed in budget;
- Not unnecessarily withholding approvals; and
- Not to expect non-commercial effort unless identified as a customer service obligation and appropriate funding provided.

To protect its assets and to ensure that it can meet its performance agreement with Council, FRW is responsible for managing and controlling the operations and development of water and sewerage infrastructure, where required, in accordance with Council's adopted policies.

FRW's overall delegated authorities are in accordance with section 259 of the *Local Government Act 2009*. A full list of delegations and authorisations is maintained in Council's Delegations and Authorisations Registers including delegated powers in various Legislative Acts.

REPORTING FRAMEWORK

FRW will report to Council through various forums to meet corporate reporting requirements to satisfy the requirements set out in the *Local Government Act 2009* and the *Local Government Regulation 2012* and provide reports to regulatory authorities as required by a water and sewerage service provider.

Corporate Requirements

Reporting Requirements
Annual Operations Report
Asset Management Plan
Council Officer Reports
Operational Plan metric inputs
Quarterly Performance Report

Regulatory Requirements

Reporting Requirements
Australian Bureau of Statistics Reports
Bureau of Meteorology Reports
Dam Safety Annual Review
Drinking Water Quality Management Plan Annual Report
Emergency Action Plan
Environmental Annual Reports and Licence Returns
Environmental Authority Pump Station Annual Report
National Performance Report
National Pollutant Inventory
Resource Operations Licence Quarterly/Annual Report
Statewide Water Information Management (Mandatory KPI) Reporting

The *Local Government Regulation 2012* (section 175(4)) allows a performance plan to be amended at any time before the end of the financial year for which it is prepared.

SERVICE DELIVERY STATEMENT

Overview

Within the Fitzroy River Water portfolio there are four main service areas:

Drinking Water Supply Schemes/Bulk Water Services (>100,000 total population):

- Rockhampton Water Supply Scheme – supplies to the Rockhampton and Gracemere localities
- Mount Morgan Water Supply Scheme – supplies to Mount Morgan
- Bulk Water Supply to Livingstone Shire Council – supplies drinking water to The Caves, Nerimbera and Capricorn Coast localities within the Livingstone Shire Council area

Raw/Untreated Water Supply Schemes (>100 customers):

- Fitzroy Barrage Water Supply Scheme – supplies medium priority supplemented water to allocation holders located within the vicinity of the Fitzroy River Barrage pondage
- No. 7 Dam Water Supply Scheme – supplies partially treated water to customers located near Fletchers Creek south of Mount Morgan

Sewerage Schemes (>80,000 total population):

- North Rockhampton Sewerage Scheme – servicing suburban North Rockhampton
- South Rockhampton Sewerage Scheme – servicing suburban South Rockhampton
- Gracemere Sewerage Scheme – servicing the Gracemere community
- Mount Morgan Sewerage Scheme – servicing the Mount Morgan township

Recycled Water Schemes (>10 customers):

- North Rockhampton Recycled Water Scheme (NRRWS)
- South Rockhampton Recycled Water Scheme (SRRWS)
- Gracemere Recycled Water Scheme (GRWS)
- Mount Morgan Recycled Water Scheme
- NRRWS, SRRWS, GRWS are currently not operational.

Staff Resources

Tenure	Total FTEs
Fulltime	115
Casual	1

**DRAFT
2023-2024 OPERATIONAL PLAN**

**Draft
2023-2024 Performance Plan - RRWR**

Meeting Date: 8 June 2023

Attachment No: 3

ROCKHAMPTON REGIONAL WASTE AND RECYCLING

2023-2024 PERFORMANCE PLAN

OVERVIEW

Rockhampton Regional Waste and Recycling (RRWR) is a commercial business unit of Council providing recycling and solid waste collection and management services to the communities of Rockhampton, Gracemere, Mount Morgan and surrounds. It also provides waste transfer station management services to the communities of Bajool, Bushley, Alton Downs and Bouldercombe.

RRWR will enhance the community by embracing the principles of Council's Waste Strategy 2020-2030, as we move towards a circular economy.

This plan underpins RRWR's performance objectives over the 2023-24 financial year in accordance with the *Local Government Regulation 2012* and commercialisation principles under the provisions of the *Local Government Act 2009*.

OBJECTIVES

RRWR will deliver all services relating to waste management and collection on behalf of Council in accordance with the parameters outlined within this performance plan and those identified within Council's 2023-24 Operational Plan.

The key objectives of RRWR are to deliver commercially viable waste and recycling services that satisfy adopted customer service standards.

RRWR will, in conducting the activities on behalf of Council:

- Provide high-quality, safe, reliable and cost-effective waste services;
- Operate in a safe, efficient and financially sustainable manner and provide Council with an appropriate rate of return;
- Responsibly manage, improve and augment infrastructure;
- Be responsive to customer needs;
- Provide efficient and effective collection services;
- Meet performance targets;
- Optimise costs and business processes;
- Protect the environment, encourage waste conservation and waste re-use; and
- Undertake other commercial activities on a cost recovery basis with an appropriate rate of return.

VALUES

RRWR will provide a service which embraces Council's Corporate Values as well as a number of other values.

Vision

To live in a community without waste.

Mission

We will become a "zero-waste" community by 2050, diverting 90% of waste from landfill.

Values Statement

RRWR will provide a service which embraces Council's corporate values. We will protect the environment based upon legislative guidelines and best practice for the betterment of our community and future generations. We will value our earth commodities through implementing innovative and viable resource recovery practices.

NATURE AND SCOPE OF ACTIVITIES

Broadly, the nature and extent of the waste and recycling services provided by RRWR are as follows:

Number of domestic and commercial collection services – General Waste (as at 1 January 2023)	38,003
Number of domestic and commercial collection services – Recycling (as at 1 January 2023)	35,118
Total Waste to Landfill – including kerbside waste collection but not including cover or operational material (tonnes) (as at 30 June 2022)	55,135t
Kerbside Waste Collection (tonnes) (as at 30 June 2022)	23,387t
Kerbside Recycling Collection (tonnes) (as at 30 June 2022)	4,320t
Landfill	1
Transfer Stations – Staffed	7

FINANCIAL AND NON- FINANCIAL PERFORMANCE TARGETS

Financial Performance

Performance Measure	2023-24 Target	Explanation	Calculation
Operating surplus ratio	27.1%	An indicator of the extent to which revenue raised covers operational expenses only or are available for capital funding purposes or other purposes.	Net result (excluding capital items) divided by total operating revenue (excluding capital items)

Performance Measure	2023-24 Target	Explanation	Calculation
Interest coverage ratio	50.1 times	An indicator of the extent to which an entity can pay their interest expense on outstanding debt.	Earnings before interest, tax, depreciation and amortisation divided by interest expense
Asset sustainability ratio	Greater than 90%	An indicator of the extent to which the infrastructure assets are being replaced as they reach the end of their useful lives. The Department of State Development, Infrastructure, Local Government and Planning target is greater than 90% per annum (on average over the long-term).	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense
Competitive neutrality ratio (% of gross revenue)	2.0%	An indicator of the extent to which operating revenues are committed to competitive neutrality adjustments such as tax equivalents and return to Council.	Competitive neutrality adjustments divided by operating revenue
Depreciation ratio	6.0%	An indicator of the extent to which operating revenues are committed to funding depreciation.	Depreciation and amortisation expenditure divided by operating revenue
Return on assets	30.2%	An indicator of how profitable a business is relative to its total assets. Return on assets tells you what earnings were generated from invested capital (assets).	Net profit after tax divided by Written Down Value of assets (excluding contributed or rehabilitation assets)
RRC Operational Plan	By year end	Initiatives successfully completed.	N/A
Operating Budget	Advise quarterly or when variances arise	Conduct all activities in accordance with required timelines and budget.	N/A
Annual Revenue	Advise quarterly or when variances arise	Timely reporting of any significant variations to budget revenue and collection timing.	N/A
Capital Works	Within 3%	Completion of capital program in accordance with adopted timeframe and budget.	Actual expenditure divided by budget

Non-Financial Performance

Performance Measure	2023-24 Target
Weekly collection of domestic waste on the same day every week	98%
Weekly collection of commercial waste	95%
Fortnightly collection of domestic recyclable waste	98%
Fortnightly collection of commercial recyclable waste	98%
Missed service collection provided within two working days from notification when notification is within one working day of scheduled collection	95%
Collection services will be made available within five working days upon application by the owner	95%
Provision of assisted services within ten working days from application by the resident/s	98%
Repair or replacement of stolen, removed, damaged, vandalised mobile bins within five working days from notification	95%

COMMUNITY SERVICE OBLIGATIONS

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

The following community service obligations have been identified for the 2023-24 financial year and are funded by Council:

Community Service Obligation	Estimated Cost	Objective
Old Landfills Maintenance Works	\$109,000	To offset the costs associated with monitoring and maintaining many old closed landfill sites.
Regulated Waste Disposal	\$178,000	Regulated waste must all be disposed of in adherence to environmental laws and regulations and the method of disposal is quite expensive. To ensure disposal costs charged to the community is at an affordable rate, which in turn will prevent illegal dumping and more costs due to environmental damage.
Green Waste	\$150,000	Council has introduced fees and charges for the disposal of green waste which is expected to off-set the cost of managing green waste by the amount of \$455,000. The CSO amount has been reduced by the same amount.

Community Service Obligation	Estimated Cost	Objective
Waste Education	\$55,000	To assist with the provision of education to the community in relation to the whole range of waste issues, in particular to develop community wide support for Council's strategic agenda of achieving zero waste by 2050, and to fostering desired behaviours in relation to recycling, waste generation, litter and illegal dumping.
Assisted Service	\$254,000	To offset the additional costs of providing Assisted Services for waste and recycling collections, being those services whereby operators are required to access the resident's property to collect and return bins.
Regional Waste Transfer Stations	\$650,000	Council has fees and charges for disposal of waste at the regional waste transfer stations which will offset operational costs by the amount of \$284,000. The CSO amount has been reduced by the same amount.
TOTAL	\$1,396,000	

FINANCIAL POLICIES

Capital Structure

RRWR's notional capital structure is 60% debt/40% equity for pricing purposes. RRWR will continue to improve long term financial planning models which upon adoption, will be incorporated into Council's overall financial strategy. All RRWR's financial planning is subject to approval by Council.

Borrowings

Debt financing is provided by Council under the terms and conditions imposed by the Queensland Treasury Corporation having regard to Council's determination on RRWR's capital structure. RRWR will be responsible for managing this debt and use Council's services where necessary to assist in this regard. Loans will only be used for capital expenditure and long term borrowing strategies will be in line with Council's long term financial plan.

Depreciation

Asset depreciation for external reporting and tax purposes will be calculated in accordance with Australian Accounting Standards and the Local Government Tax Equivalent Manual, respectively.

Working Capital

Council provides working capital as required which does not replace long term fixed borrowings.

Dividends

Annual dividends returned to Council are determined as part of the budget process. A ten year forecast reviews the level of future capital expenditure and affordability prior to setting dividends.

Treatment of Surpluses/Losses

In accordance with Council resolution, after the required Return on Assets and Income Tax Equivalents have been forwarded to Council each year, any remaining surplus/loss will be held in RRWR's Retained Earnings for revenue fluctuations unless Council endorses an alternate treatment of such revenue.

Taxation

RRWR is required to pay taxes either in the form of tax equivalents (income tax, land tax, payroll tax and stamp duty) to Council or via Council to the relevant government agencies (GST and fringe benefits).

Grants and Subsidies

RRWR, in conjunction with Council, will provide priority projects to optimise use of available grants and subsidies.

Pricing

When developing pricing structures, Council applies the National Competition Policy methodologies in conjunction with Council policies. While it is Council's responsibility for price setting, applying competitive neutrality principles negates competitive advantage when acting as a monopoly business activity.

Waste utility charges consist of a general waste service and/or a recycling service for both domestic and commercial customers.

Landfill gate fees are set per tonne or transaction.

Waste Transfer Station gate fees are set per transaction.

PROPOSED MAJOR INVESTMENTS

RRWR's proposed major investments for 2023-24 financial year are outlined below:

Project	Cost
Lakes Creek Road Landfill - Leachate Management System	\$0.13M
Lakes Creek Road Landfill – Surface Water Management Drainage	\$0.2M
Lakes Creek Road Landfill – Life Extension (completion of Cell C and commencement of Cell D)	\$7.2M
Other projects	\$1.27M
TOTAL	\$8.8M

CUSTOMER SERVICE

Customers are entitled to be provided with a service that consistently meets all relevant state legislative compliance targets and national guideline requirements. Customer needs and satisfaction will be met in the achievement of our Customer Service Standard performance targets and through our values. RRWR is responsible for the contact with, and commitment to, customers in accordance with customer service standards. Commercial customers will also have a formal contract with Council but the service will be provided by RRWR on behalf of Council.

RRWR is determined to meet customer needs and provide quality services. Customer needs shall be evaluated by a variety of measures including, but not limited to stakeholder analysis and engagement through customer feedback and analysis of services provided by other waste management agencies.

When delivering services such as household waste collection, commercial waste collection, recycling services, waste advisory services and landfill waste disposal services, RRWR recognises that customers are entitled to be guaranteed of a certain level of service.

RRWR undertakes quarterly reporting to Council on performance against the adopted Customer Service Standards and aims to achieve the Non-Financial Performance indicators in the 2023-24 Performance Plan.

DELEGATED AUTHORITIES

Council will be responsible for providing an environment in which RRWR can operate in a manner in which it has every opportunity to meet the objectives of commercialisation and that responsibility will include:

- Providing RRWR with the required delegations to operate to achieve outcomes set by Council, within the context of the management framework of Council, in line with legislation, and in accordance with the adopted performance plan;
- Providing funding as agreed in budget;
- Not unnecessarily withholding approvals; and
- Not to expect non-commercial effort unless identified as a customer service obligation and appropriate funding provided.

To protect its assets and to ensure that it can meet its performance agreement with Council, RRWR is responsible for managing and controlling the operations and development of waste infrastructure, where required, in accordance with Council's adopted policies.

RRWR's overall delegated authorities are in accordance with section 259 of the *Local Government Act 2009*. A full list of delegations and authorisations is maintained in Council's Delegations and Authorisations Registers including delegated powers in various Legislative Acts.

REPORTING FRAMEWORK

RRWR will report to Council through various forums to meet corporate reporting requirements to satisfy the requirements set out in the *Local Government Act 2009* and the *Local Government Regulation 2012* and provide reports to regulatory authorities as required by a licenced operator of an environmentally relevant activity.

Corporate Requirements

Reporting Requirements
Annual Operations Report
Asset Management Plan
Council Officer Reports
Operational Plan metric inputs
Quarterly Performance Report
Waste Strategy Implementation

Regulatory Requirements

Reporting Requirements
Environmental Authority – Annual Return
National Pollution Inventory (NPI) – Annual Reporting
Queensland Waste Data System (QWDS) – Monthly and Annual Reporting

The *Local Government Regulation 2012* (section 175(4)) allows a performance plan to be amended at any time before the end of the financial year for which it is prepared.

SERVICE DELIVERY STATEMENT

Overview

Within the Waste and Recycling portfolio there are three main service areas:

Waste and Recycling Collections:

- RRWR General Waste Kerbside Collections
- Contracted Recycling Kerbside Collection
- Procured Materials Recycling Facility
- Public Open Space and Events Collection Services

Waste and Recycling Facilities:

- Development of Engineered Landfill – Lakes Creek Road
- Direct management of one Engineered Landfill for domestic and commercial waste disposal
- Provision of recycling services, including:
Paper and cardboard, commingled recyclables, oils, batteries, scrap metals, white goods, mattresses, paints, e-waste, solar panels and expanded polystyrene
- Contract management of seven staffed regional waste transfer stations
- Management of historical and closed landfill sites

Waste and Recycling Management, Strategy and Education:

- Strategic management, including waste and recycling infrastructure development
- Complete the trial for kerbside organics collection and present a Business Case to Council on the most appropriate service for the Region
- Development and management of Council's Waste Strategy in line with National, State and Local objectives
- Community engagement and education relating to waste and recycling

Additionally, RRWR enjoy collaborative partnerships with other departments delivering key services and projects with a One Team approach:

- Advance Rockhampton, Events: waste reduction education and waste management services.
- Community Services, Environmental Sustainability: waste reduction initiatives including event management.
- Community Services, Parks and Community Assets and Facilities: waste and recycling collection services.

- Regional Services, Civil Operations: operation of a construction and demolition recycling facility at Lakes Creek Road Waste Management Facility.

Staff Resources

Tenure	Total FTEs
Fulltime	37

Other Resources

RRWR utilises 11 waste collection vehicles, one landfill compactor, one front end loader (waste handler), one excavator and other smaller plant (for example, mowers, litter vacuum, pumps, generators). Due to the breadth and nature of RRWR's activities, there is an element of work that is undertaken by local contractors particularly during construction periods at the landfill or regional waste transfer stations and for areas which require specialised work.

DRAFT

**DRAFT
2023-2024 OPERATIONAL PLAN**

**Draft
2023-2024 Performance Plan - Airport**

Meeting Date: 8 June 2023

Attachment No: 4

ROCKHAMPTON AIRPORT

2023-2024 PERFORMANCE PLAN

OVERVIEW

Rockhampton Airport is a commercial business unit of Council and is a major Australian Regional Airport that services the City of Rockhampton. The Airport is used by both domestic and international airlines using a mix of aircrafts including wide-bodied aircrafts such as the B747 to B777 and A340 types, as being an alternate for the A380. The Airport is also used during Australian and International military training operations, as well as being an important hub for regional disaster relief efforts.

For aeronautical activities this includes all activities that are vital to airport activity and their removal would render the Airport unable to function in an aeronautical capacity. They include the runways, taxiways and aircraft parking apron areas. For non-aeronautical activities this includes all other activities undertaken by Rockhampton Airport and includes the operation of the terminal building, car park facilities, concessions and related leases and licences, etc. All of those activities are ancillary to the operation of a modern airport.

The Rockhampton Airport is responsible for all Airport management and operations servicing the City of Rockhampton and Central Queensland.

This plan underpins Rockhampton Airport's performance objectives over the 2023-24 financial year in accordance with the *Local Government Regulation 2012* and commercialisation principles under the provisions of the *Local Government Act 2009*.

Rockhampton Airport, along with the whole airline industry, has been significantly impacted by the effects of the COVID-19 pandemic. Underpinning this plan is a premise of that passenger numbers for the year will be at 100% of the 2018-19 year. Following the successful launch of four new destinations in the first quarter of 2023 airport management will continue to build on its strong relationships with the airlines for future years. Other opportunities around the resource sectors and east-west route development and others will also be pursued.

OBJECTIVES

Rockhampton Airport will deliver aeronautical and non-aeronautical services on behalf of Council in accordance with the parameters outlined within this performance plan and those identified within Council's 2023-24 Operational Plan.

Rockhampton Airport will enhance the community by providing an airport experience that stimulates industry, tourism and economic growth.

The Rockhampton Airport will strive to safely deliver aeronautical and non-aeronautical services.

The Airport will conduct its activities in line with these objectives:

- Provide high-quality, safe, reliable and cost-effective aviation services;

- Operate in an efficient and financially sustainable manner and provide Council with an appropriate rate of return;
- Responsibly manage, improve and augment infrastructure;
- Be responsive to customer needs;
- Meet performance targets;
- Optimise costs and business processes;
- Protect the environment by implementing best practice environmental management; and
- Undertake other commercial activities on a cost recovery basis with an appropriate rate of return.

VALUES

Rockhampton Airport will provide a service which embraces Council's Corporate Values.

Vision

To be recognised as the most innovative and professionally operated regional airport in Australia.

Mission

To generate a commercial rate of return on our infrastructure while remaining the preferred airport for high volume regular public transport operations within Central Queensland.

NATURE AND SCOPE OF ACTIVITIES

Broadly, the nature and extent of the aviation services provided by Rockhampton Airport is as follows:

- Provide air passenger services;
- Conduct an Airport business including affiliated services;
- Develop business for Rockhampton Regional Council;
- Support the General Aviation industry at the Rockhampton Airport; and
- Facilitate the use of the precinct during Military Exercises.

FINANCIAL AND NON-FINANCIAL PERFORMANCE TARGETS

Financial Performance

Performance Measure	2023-24 Target	Explanation	Calculation
Operating surplus ratio	14.1%	An indicator of the extent to which revenue raised covers operational expenses only or are available for capital funding purposes or other purposes.	Net result (excluding capital items) divided by total operating revenue (excluding capital items)

Performance Measure	2023-24 Target	Explanation	Calculation
Interest coverage ratio	22.3 times	An indicator of the extent to which an entity can pay their interest expense on outstanding debt.	Earnings before interest, tax, depreciation and amortisation divided by interest expense
Asset sustainability ratio	Greater than 90%	An indicator of the extent to which the infrastructure assets are being replaced as they reach the end of their useful lives. The Department of State Development, Infrastructure, Local Government and Planning target is greater than 90% per annum (on average over the long-term).	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense
Competitive neutrality ratio (% of gross revenue)	12.2%	An indicator of the extent to which operating revenues are committed to competitive neutrality adjustments such as tax equivalents and return to Council.	Competitive neutrality adjustments divided by operating revenue
Depreciation ratio	22.6%	An indicator of the extent to which operating revenues are committed to funding depreciation.	Depreciation and amortisation expenditure divided by operating revenue
Return on assets	1.8%	An indicator of how profitable a business is relative to its total assets. Return on assets tells you what earnings were generated from invested capital (assets).	Net profit after tax divided by Written Down Value of assets (excluding contributed or rehabilitation assets)
RRC Operational Plan	By year end	Initiatives successfully completed.	N/A
Operating Budget	Advise quarterly or when variances arise and impact on returns to Council	Conduct all activities in accordance with required timelines and operational budget and report any variances that will impact on the final returns to Council for the financial year.	N/A
Capital Works	Within 5%	Completion of capital program in accordance with adopted timeframe and budget.	Actual expenditure divided by budget

Non-Financial Performance

Performance Measure	2023-24 Target
Passenger Numbers	552,695
Bird/Bat Strikes	≤10 per quarter
Lost Time Injury – workplace	≤2
Reported Public Injuries on Airport Precinct	≤3
Hazard inspections completed on time	100%
Rectification Action completed	100%
Customer Requests Actioned within set timeframes	100%
Third party reporting in Civil Aviation Safety Authority and Australasian Mail Services to be completed within the required timeframes	100%
New non-aero business opportunities reported to Council quarterly	Yes
Progress on new routes reported to Council quarterly	Yes

COMMUNITY SERVICE OBLIGATIONS

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

The following community service obligations have been identified for the 2023-24 financial year and are funded by Council:

Community Service Obligation	Estimated Cost	Objective
Royal Flying Doctors Service and Capricorn Helicopter Rescue Service	\$277,012	Donation of annual landing fees and lease costs in the form of waiving associated costs.
Patient car parking waiver	\$67,144	To waive car parking fees for eligible customers under the Patient Travelling Subsidy Scheme.
TOTAL	\$344,156	

FINANCIAL POLICIES

Capital Structure

Rockhampton Airport will continue to improve long term financial planning models which upon adoption, will be incorporated into Council's overall financial strategy. All Rockhampton Airport's financial planning is subject to approval by Council.

Borrowings

Debt financing is provided by Council under the terms and conditions imposed by the Queensland Treasury Corporation having regard to Council's determination on Rockhampton Airport's capital structure. Rockhampton Airport will be responsible for managing this debt and use Council's services where necessary to assist in this regard. Loans will only be used for capital expenditure and long term borrowing strategies will be in line with Council's long term financial plan.

Depreciation

Asset depreciation for external reporting and tax purposes will be calculated in accordance with Australian Accounting Standards and the Local Government Tax Equivalent Manual, respectively.

Working Capital

Council provides working capital as required which does not replace long term fixed borrowings.

Dividends

Annual dividends returned to Council are determined as part of the budget process. A ten year forecast reviews the level of future capital expenditure and affordability prior to setting dividends.

Treatment of Surpluses/Losses

In accordance with Council resolution, after the required Return on Assets and Income Tax Equivalents have been forwarded to Council each year, any remaining surplus/loss will be held in Rockhampton Airport's Retained Earnings for revenue fluctuations unless Council endorses an alternate treatment of such revenue.

Taxation

Rockhampton Airport is required to pay taxes either in the form of tax equivalents (income tax, land tax and stamp duty) to Council or via Council to the relevant government agencies (payroll tax, GST and fringe benefits).

Grants and Subsidies

Rockhampton Airport, in conjunction with Council will provide priority projects to optimise use of available grants and subsidies.

Pricing

When developing pricing structures, Rockhampton Airport applies the National Competition Policy methodologies in conjunction with Council policies. While it is Council's responsibility for price setting, applying competitive neutrality principles negates competitive advantage when acting as a monopoly business activity.

Passenger service charges are negotiated with Airlines.

Security infrastructure charges are set on a full cost recover basis from Airlines.

PROPOSED MAJOR INVESTMENTS

The Rockhampton Airport's proposed major investments for 2023-24 financial year are outlined below:

Aeronautical	Cost	Non-Aeronautical	Cost
Runway Penetration X-Ray	\$0.2M	Baggage System Upgrade	\$0.6M
		HV Upgrades	\$0.5M
		Other	\$0.4M
TOTAL	\$0.2M	TOTAL	\$1.5M

CUSTOMER SERVICE

Customers are entitled to be provided with a service that consistently meets all relevant state legislative compliance targets and national guidelines requirements. Customer needs and satisfaction will be met in the achievement of our Customer Service Standard performance targets and through our values. Rockhampton Airport is responsible for the contact with, and commitment to, customers in accordance with customer service standards. Commercial customers will also have a formal contract with Council but the service will be provided by Rockhampton Airport on behalf of Council.

Rockhampton Airport is determined to meet customer needs and provide quality services. Customer needs shall be evaluated by a variety of measures including, but not limited to stakeholder analysis and engagement through customer feedback and analysis of services provided by other airport operators.

Rockhampton Airport undertakes quarterly reporting to Council on performance against the adopted Customer Service Standards and aims to achieve the Non-Financial Performance indicators in the 2023-24 Performance Plan.

Access to the Customer Service Standard: <https://www.rockhamptonairport.com.au/Home>

DELEGATED AUTHORITIES

Council will be responsible for providing an environment in which Rockhampton Airport can operate in a manner in which it has every opportunity to meet the objectives of commercialisation and that responsibility will include:

- Providing Rockhampton Airport with the required delegations to operate to achieve outcomes set by Council, within the context of the management framework of Council, in line with legislation, and in accordance with the adopted performance plan;
- Providing funding as agreed in budget;
- Not unnecessarily withholding approvals; and
- Not to expect non-commercial effort unless identified as a customer service obligation and appropriate funding provided.

To protect its assets and to ensure that it can meet its performance agreement with Council, Rockhampton Airport is responsible for managing and controlling the operations and development of airport infrastructure, where required, in accordance with Council's adopted policies.

Rockhampton Airport's overall delegated authorities are in accordance with section 259 of the *Local Government Act 2009*. A full list of delegations and authorisations is maintained in Council's Delegations and Authorisations Registers including delegated powers in various Legislative Acts.

REPORTING FRAMEWORK

Rockhampton Airport will report to Council through various forums to meet corporate reporting requirements to satisfy the requirements set out in the *Local Government Act 2009* and the *Local Government Regulation 2012* and provide reports to regulatory authorities as required by a licenced operator of an airport.

Corporate Requirements

Reporting Requirements
Annual Operations Report
Asset Management Plan
Council Officer Reports
Operational Plan metric inputs
Quarterly Performance Report

Regulatory Requirements

Reporting Requirements
Australian Transport Safety Bureau
Civil Aviation Safety Authority
Department Home Affairs and Maritime Security

The *Local Government Regulation 2012* (section 175(4)) allows a performance plan to be amended at any time before the end of the financial year for which it is prepared.

SERVICE DELIVERY STATEMENT

Overview

Within the Rockhampton Airport portfolio there are two main service areas:

Aeronautical Services:

- Domestic and international airlines averaging 560,000 passengers per annum pre Covid
- Australian Defence Force military operations – Exercise Wallaby and Talisman Sabre
- Domestic charter services
- General aviation services – Royal Flying Doctors, Capricorn Helicopter Rescue Service, Peace Aviation and others

Non-Aeronautical Services:

- Four car park areas – drop off and pick up, short term, premium, long term and covered
- Terminal building operations and maintenance able to accommodate 1.2M passengers throughout per annum and three retail outlets
- Six rental car agencies

Additionally, Rockhampton Airport enjoys collaborative partnerships with other departments delivering key services and projects with a One Team approach:

- Regional Services, Project Delivery: Delivery of large capital projects such as runway and apron pavement renewals and terminal upgrades.

Staff Resources

Tenure	Total FTEs
Fulltime	22

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6 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.

7.1 2023/2024 Budget Briefing

In accordance with section 254J(3)(c) of the *Local Government Regulation 2012* it is considered necessary to close the meeting to discuss the local government's budget.

7 CONFIDENTIAL REPORTS

7.1 2023/2024 BUDGET BRIEFING

File No: 8785

Attachments: Nil

Authorising Officer: Ross Cheesman - Deputy Chief Executive Officer

Author: Marnie Taylor - Chief Financial Officer

In accordance with section 254J(3)(c) of the *Local Government Regulation 2012* it is considered necessary to close the meeting to discuss the local government's budget.

SUMMARY

This report will provide an update to Council on the progress of the 2023/2024 Budget.

8 CLOSURE OF MEETING