



FNQROC ANNUAL REPORT 2013-2014

PREPARED FOR THE ANNUAL GENERAL MEETING ON 11 AUGUST 2014

This report will give an overview of the financial and operational activities undertaken by FNQROC on behalf of member Councils during the period 1 July 2013 to 30 June 2014.



Far North Queensland Regional Organisation Of Councils

FNQROC's Vision

Our Vision is to achieve regional prosperity through interactive and collaborative planning and advocacy.

FNQROC's Mission

Our Mission is to foster cooperation and resource sharing between Councils and effectively advocate on agreed regional positions and priorities.

FNQROC's Core Values

- **Autonomy** to act within the constraints of our systems of Government,
 - **Integrity** in the performance of our functions,
 - **Responsiveness** to the needs of the local community,
 - **Accountability to stakeholders** – electors, ratepayers, other spheres of Government,
 - **Equity**; and
 - **Respect** the rights of individual Councils to have their own opinions.
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CHAIR'S EXECUTIVE SUMMARY

I am pleased to present to you the FNQROC Annual Report for the 2013/2014 financial year period. It has again been a big year with numerous programs being run to support Councils and their staff. We are now fully resourced to drive our Strategic Plan and continue the operational activities Councils told us were important.

The FNQROC exists to create a forum to enable elected representatives and Council officers to network for their mutual and individual benefits, and also to facilitate connections with other levels of government. Agencies can more readily connect with the 12 ROC's rather than 77 Councils, especially with members of ROC's have regional common interests.

ROC's will never be resourced to replace individual Councils, nor should they impinge on the integrity of individual Councils.

deChastal and Associates calculated a return of \$13.30 for every dollar invested in the FNQROC by its members, in these tough times, we should embrace the opportunities and look to gain even greater benefits.

We also welcome back Mareeba and Douglas Shire Councils after the de-amalgamation process.

The Technical Committees under the auspice of FNQROC have focussed their attention on identifying ways to save money and to contribute to Councils' long term financial sustainability. This has been done by way of:

- ✓ Regional Procurement with more than \$1 million saved on three projects.
- ✓ Development of regional useful life and residual value benchmarking tool (draft for water and waste and transport assets) which has identified opportunities to reduce depreciation costs and provide a base for Council's asset management plans.
- ✓ Dedicated drive to work with Ergon Energy to replace end-of-life (financial) inefficient energy luminaires with approved energy efficient luminaires. The replacement of end-of-life Mercury Vapours with CFL's will save Councils \$250,000 per year in energy costs.
- ✓ Dedicated drive for service level agreements with Ergon Energy to compliment the reintroduction of 10% (approximately \$550,000) Alternative Service Charge.
- ✓ \$1 million in funding for biodiversity work and \$2.7 million in funding applications waiting for assessment.
- ✓ Additional funding and subsidies which the region would not have had access to, totalling more than \$300,000 to support training and operational activities.

FNQROC Staff through the Technical Committees have also worked hard to:

- ✓ Achieve the directions of the FNQROC Strategic Plan.
- ✓ Achieve and exceed approved operational plan and activities.
- ✓ Create relationships with external organisations.
- ✓ Bring 'Brisbane' to the region to enable Council staff to understand and be proactive with changes in legislation and policy.
- ✓ Create cross portfolio understanding – particularly where their work impacts another portfolio eg. Local Government Infrastructure Plans.
- ✓ Continue the cross pollination of knowledge and experience between Council staff.
- ✓ Respond to an unprecedented number of complex submissions.
- ✓ Continue our advocacy efforts in relation to NDRRA and continued reduction in funding sources.
- ✓ Support new and emerging regional groups across the state.

- ✓ Represent Councils collectively on a number of boards and working groups to advocate our position and drive our Strategic Directions.

I congratulate both the staff of FNQROC and Council staff members involved in these projects, which help build and strengthen our ability to service our constituents.

Cr Bill Shannon
CHAIR



FNQROC CORE STRATEGIC ACTIVITIES

On 25 July 2012 member Council Mayors and CEOs met to discuss and prioritise the strategic areas in which the FNQROC Board should collaborate and focus attention on over the next five years.

It is important for the FNQROC Board to focus its attentions on three key areas, but it is also important not to lose sight of those issues which did not rate as high, but through changing legislation or economic impacts may quickly rise in importance. Many of these will be considered and developed through existing Technical Committees and regularly reported back to the FNQROC Board to keep it informed.

The three key areas identified for the FNQROC Board's attention include:

1. The infrastructure renewal gap,
2. Natural Disaster Recovery Relief Arrangements, and
3. Managing our environment.


Our economy rated highly, however it is acknowledged the FNQROC Board should actively support our peak organisations focussed on this portfolio.

Governance and a stronger voice for the region also rated highly. This has been addressed within this document but it is seen as a culture shift for the FNQROC Board rather than as targeted actions. This culture shift is paramount if the region is to be 'heard'.





It is recognised we have a mature operational structure (our Technical Committees) and that they can focus on supporting both the high and medium priorities of the FNQROC Board.







The themes and actions include:

1. GOVERNANCE




1.1.1. The FNQROC Board will actively advocate regional priorities with the support of substantiated data which will be acknowledged by State and Federal Governments.	 Ongoing
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2. INFRASTRUCTURE






2.1.1. A regional document which clearly articulates our funding renewal gap in the next five, 10 and 20 years and can be used as a technical document to substantiate advocacy efforts of the FNQROC Board and Councils individually.	 Commenced
2.1.2. A regional document which clearly articulates our capacity to raise revenue which can be used as a technical document to support advocacy efforts (ie. asset renewal gap, devolved responsibilities etc) of the FNQROC Board and Councils individually. This also is a document which can be utilised by regional peak bodies for their advocacy efforts.	 Commenced with the introduction of LGIP
2.2.1. The Q-WRAP Technical Committee will provide a recommendation to the FNQROC Board on future business model opportunities for further consideration and implementation.	 Completed
2.3.1. The development of a submission to the Federal and State Governments on NDRRA, with an understanding the FNQROC Board is to actively advocate our position if there is a lack of response.	 Completed August 2012 and ongoing

2.3.2. Motions to the LGAQ Annual Conference.	
2.4.1. The development of a submission to the Federal and State Governments and Ergon Energy to resolve the issues surrounding CEEP funding, regulations and Ergon Energy implementation.	 Completed and ongoing
2.4.2. The FNQROC Board to actively advocate our position should there be a lack of response.	 Commenced
2.5.1. FNQROC recognises waste issues are a lead role for LAWMAC, and will advise LAWMAC of these identified issues and initiatives and keep a watching brief.	 Ongoing and progression with FNQROC regional activities
2.6.1. FNQROC advises Advance Cairns that heavy transport on inland route was raised at our Strategic Directions Workshop and it is recognised that Advance Cairns has the lead role in advocating this through the TNQREP, and	 Ongoing
2.6.2. FNQROC and member Councils are prepared to support Advance Cairns through the provision of documentation and where needed.	 Ongoing

3. ENVIRONMENT

3.1.1. The Natural Asset Management Advisory Committee (NAMAC) to make recommendation on the changes required within current Federal and State Legislation to facilitate local management of environmental areas rather than exclusion or complex approval processes.	 Commenced
3.1.2. FNQROC to coordinate a meeting of peak organisations, State and Federal departments and relevant stakeholders to: a. provide a Terms of reference around a regional Task Force to develop a regional destination strategy and scoping document – linked to the ‘one region one voice’ philosophy. b. provide a regional strategy document to which local community groups can refer when developing funding applications for infrastructure works (tracks and trails) which is actively supported by peak organisations within the region. c. identify a lead agency for this project.	 Commenced through Mountain Bike Taskforce
3.1.3. The NAMAC to put forward a proposal to Federal and State Governments which identifies proposed solutions to: a. long term funding sources/opportunities/economic models, b. environmental restoration post a natural event, and c. opportunities this region has to take advantage of the Carbon Market.	 Commenced

4. ECONOMY

4.1.1. FNQROC recognises that Advance Cairns and Tourism Tropical North Queensland are the peak economic development and marketing organisations within the region and will support these lead agencies in terms of implementing the TNQREP.	 Ongoing
4.2.1. That FNQROC endorse the development of a Regional Events Technical Committee.	 Ongoing
4.2.2. That the Regional Events Technical Committee develop: a. a process for event coordinators to follow where events cross Council boundaries; b. regional sponsorship requirements i.e. economic value data.	 Ongoing
4.2.3. That FNQROC communicate this process to existing and new regional event coordinators.	 Commenced
4.3.1. FNQROC to keep a watching brief regarding foreign investment.	 Ongoing



Actioned



Commenced

FNQROC REPRESENTATION

FNQROC was represented on the following external boards and working groups:

- LGAQ Policy Executive
- Advance Cairns
- Regional Managers' Coordination Network (Treasurer)
- QLD ROC collective (through assemblies)
- Reef Urban Stormwater Management Implementation Group
- Roads Alliance (through Chair and Technical Committee assemblies)
- Wet Tropics Management Authority Community Consultative Committee
- Wet Tropics Water Quality Management Community Advisory Committee
- Invasive Plant and Animal Co-investment Project Board
- Invasive Plant and Animal Co-investment Think Tank
- National Pond Apple Management Group
- Feral Animal Summit
- National Gamba Grass Taskforce
- Weeds Society Queensland Executive
- Terrestrial Biodiversity Advisory Group
- National Tropical Weeds Management Committee
- Tropical Weeds Operational Committee
- Natural Resources and Environment Sub – Committee
- National Environmental Research Program Implementation Group (NERP)
- WTMA Community Sector Liaison Group
- Far North Queensland Pest Advisory Forum

FNQROC SUBMISSIONS

It would be safe to say, this financial year the number and type of submissions has been unprecedented. Not one of the submissions below was quick or easy to compile. Each one required a complex understanding of the legislation or policy and the potential impact on Councils in Far North Queensland. FNQROC lodged the following submissions:

- Productivity Commission NDRRA Issues Paper
- Draft Environmental Offsets Regulation 2014
- Sustainable Planning (Infrastructure Charges Bill)
- Great Barrier Reef – Strategic Assessment
- Northern Australian White Paper – Issues Paper
- Australian Energy Regulator on the Framework and Approach for Ergon Energy Distribution Reset 2015-2020
- Queensland Competition Authority Issues Paper – Retail Electricity Price Regulation
- Federal Government Energy Issues Paper

- Strategic Offset Investment Corridor
- Biosecurity Bill 2013
- Australian Government on Emissions Reduction Fund
- Infrastructure Charges Framework Review

FNQROC PRESENTATIONS

PRESENTATIONS MADE BY FNQROC STAFF MEMBERS

Officer	Name	To:
Cr Bill Shannon	Presentation to Infrastructure Australia re Archer Point and Tully Millstream	Infrastructure Australia
Darlene Irvine	Australian Water Association – North Queensland Conference re QWRAP	Australia Water Association
Darlene Irvine	Patience + Persistence + Planning = Collaboration in FNQ	NQLGA
Darlene Irvine	Collaboration with research organisations in FNQ	USQ Local Government Research Symposium
Amanda Hancock	Regional Waste Metal Recycling	Regional Waste Group
Darlene Irvine	Speed dating with FNQROC – What are we doing in relation to engineering activities	IPWEA Nth Qld Conference – Mission Beach
Steven Cosatto	Collective procurement	IPWEA Nth Qld Conference – Cooktown
Steven Cosatto	Collaborative Procurement Projects	Roads and Transport Alliance Technical Committee Forum
Steven Cosatto	Review of Reseal Collective procurement	Regional Roads and Transport Group Assembly
Steven Cosatto	Collective Procurement	Whitsunday ROC
Travis Sydes	FNQROC/LG spatial planning initiatives and natural asset planning	Reef Urban Stormwater implementation Group
Travis Sydes	Gamba Grass management plan and project	Cape York Peninsula Pest Management Advisory Group
Travis Sydes	Pest Adaptation Response Strategy: a draft framework for the Wet Tropics	FNQ Pest Advisory Forum
Travis Sydes	Local Government Pest Management Planning in FNQ	Tablelands Regional Council
Travis Sydes	National Four Tropical Weeds Eradication Program review: Local Government perspective	National Four Tropical Weeds Eradication Program Review Committee

PRESENTATIONS MADE TO FNQROC BOARD AND TECHNICAL COMMITTEES

Organisation	Name	To:
Queensland Audit Office	Auditing from a Procurement Perspective	Regional Procurement Group
Queensland Audit Office	LG Performance Audits	Regional Asset Management Group
Department of Environment and Heritage Protection	Flying Fox Roost Management – Proposed new policy framework	FNQROC Board
Jardine Lloyds Thompson	Insurance Items of Interest	Regional Procurement Group
AEC	Collaborative Mechanisms for FNQ Urban Water Services	QWRAP Steering Committee & FNQROC Board
ANZAC Centenary	Qld ANZAC Centenary	FNQROC Board
Graham Newton (QRA)	QRA Update	FNQROC Board
MacDonnells Law	Contracting & Procurement Reforms	Regional Procurement Group

OFFICER REPORTS

EXECUTIVE OFFICER

OVERVIEW OF 2013/2014

Staffing:

In 2013/2014 we said goodbye to Scott Britton (Regional Infrastructure Coordinator) in October 2013. To develop some redundancy in our procurement work Steven Cosatto took over the role of Regional Infrastructure Coordinator and we welcomed Amanda Hancock into the role of Regional Procurement Coordinator in January 2014.

As at the end of June 2014 our staffing levels are as follows:

Darlene Irvine, Executive Officer	1.0 FTE
Sandra McCormack, Administration Officer	0.734 FTE
Travis Sydes, Regional Natural Asset Management Coordinator	1.0 FTE
Steven Cosatto, Regional Infrastructure Project Coordinator	1.0 FTE
Amanda Hancock, Regional Procurement Coordinator	1.0 FTE
Daniela Gambotto, Regional Projects Officer	0.40FTE
Gerard Read, FNQ RRTG and Program Coordinator	(Consultant)

Summary of 2013/2014

Regional Development Manual

The Regional Development Manual was reviewed and amended to ensure it remains current and best practice. A commentary process also has been put in place to alleviate issues or conflicts between statutory processes to review the manual.

Integrated Biodiversity Assessment Planning Framework

This framework continues to be utilised by Councils, State agencies and not for profit organisations such as Terrain NRM. Efforts are now being turned to alternative funding mechanisms and how we can think 'outside the box' to manage our landscapes in tight fiscal times.

Cross Council Events Strategy

While still in its infancy, progress has already been made to develop a guideline for use by Councils and event organisers. While not mandatory the intent is to ensure participants at events within the region leave with the best impressions of their stay here.

This group also has commenced collective early engagement with organisers to ensure each Council area is able to be proactive, contribute to any route designs and make the most of these events. This process also has been beneficial for organisers which leaves this region in a good light.

Natural Disaster Relief and Recovery Arrangements

We continue to advocate and drive this agenda. Crs Shannon and Scott spoke to ministers in Canberra about our issues. A quite in-depth submission was made to the Productivity Commission Issues paper together with representation at the round table.

Copies of previous submissions and the submission to the productivity commission have all been reissued to Federal and State members.

As always, Cook Shire Council continues to lead this fight and while they continue to win each fight we do not have a long term solution which allows Councils to plan into the future.

This push will continue into 2014/2015.

Queensland Water Regional Alliance Program

Our initial investigations into working collaboratively to identify alternative business models to manage urban water supplies concluded in 2014 with the board minuting that regionally we should work further on a. demand management, b. strategic asset management, c. transition to full cost pricing, and d. legislative requirements over the next three years. This of course is dependent upon available resources. In the interim, where we can within our existing technical committees we include water and waste as a primary focus such as in our Asset Management group.

Planning Reform

When we started the 2013/2014 financial year we thought planning reform was mostly complete so the resourcing for this group was with the Executive Officer. How wrong we were. Not only had planning reform not settled, it ramped up and we ended the financial year with the requirement for Councils to develop and include in their planning schemes a Local Government Infrastructure Plan by 30 June 2016.

LGAQ (Tracy Haynes) is a regular participant in our Planning technical committee meetings and officers (both local and State) are kept informed of all the issues and consultations which occur. This process also allows member Councils to inform LGAQ of our perspective on proposed amendments and changes.

The 2014/2015 year will see more planning reform and actions for Councils. At this stage this includes:

- Queensland Plan legislation requiring Council to include priorities into their planning schemes and corporate plans.
- Planning and Development Act to replace the Sustainable Planning Act.
- Strategic Offsets, and
- Significant work to develop Local Government Infrastructure Plans (this will involve Planners, Engineers, Asset Managers and Financial Managers in Councils).

Waste Management

We recommended the Regional Waste Management Technical Committee this financial year. It is recognised that waste management is an issue for all Councils which needs regional solutions. We have commenced investigations into a Regional Waste Management Strategy and a regional solution for the collection of scrap metal and batteries. We will continue to work collaboratively with the greater regional group; Local Authority Waste Management Advisory Committee (LAWMAC).

Street Lighting

We have kept the pressure on regarding energy efficient street lighting replacement through regular communication with Ergon Energy. We have narrowed our efforts to target those areas which will benefit Councils financially. At present our focus is on the Street Lighting Strategy (replacing our end of financial life inefficient lights with efficient lighting), development of Service Level Agreements (to compliment the Alternate Service Charge recently reinstated back to Councils – 10%) and tariffs.

Regional Procurement

Regional procurement continues to grow in strength. In the 2013/2014 financial year we saved Councils a little over \$1 million across three tenders. This is an additional return on investment for Councils of \$10 for each \$1 invested. This is an exceptional result given each of these tenders had limited suppliers.

Councils also are working together to leverage off existing Council contracts. This again has saved Councils time and money.

We will continue to ensure this program benefits Councils through cost savings and improved service and quality.

Asset Management

We have gone back to basics with Asset Management with a focus on Councils' financial sustainability. We have developed a regional benchmark for the Useful Life and Residual Value for transport and water and waste assets. It was quiet interesting seeing the variations across Councils which will have an impact on depreciation costs. We tackled, and believe we have resolved, some of the issues in dispute between Financial Managers and Asset Managers in this area. Councils are now testing this benchmark data.

We will continue this work in 2014/2015, tackling some of the issues which will be associated with development of Local Government Infrastructure Plans.





eNewsletters








Each month the Administration Officer does an excellent job in collating our monthly newsletter using submitted reports from the coordinators. These newsletters are designed to keep everyone informed of the work we are doing and we welcome any feedback. Our new eformat now allows us to understand who is reading these newsletters and what captures readers' interest via an online report which we can view at any time.

Financials

All financial transactions are recorded in a desktop Reckon (formerly Quickbooks) program. This program is updated to the latest version each year.

2013/2014 OPERATIONAL PLAN

STRATEGIC	
1. The Q-WRAP Technical Committee will provide a recommendation to FNQROC on future business model opportunities for further consideration and implementation.	
2. Continue to push State and Federal reforms regarding NDRRA as per our submission in 2012.	
3. Investigate a regional waste strategy.	
4. FNQROC to coordinate a meeting of peak organisations, State and Federal departments and relevant stakeholders to: a. Provide a terms of reference around a regional task force to develop a regional mountain bike destination strategy and scoping document – linked to the 'one region one voice' philosophy.	

<p>b. Provide a regional strategy document to which local community groups can refer when developing funding applications for infrastructure works (tracks and trails) which is actively supported by peak organisations within the region.</p> <p>c. Identify a lead agency for this project.</p>	
<p>5. Develop an agreed process through the FNQROC Regional Events Technical Committee for events which cross Council boundaries to ensure coordination of recommendations to Councils and value for sponsorship money ie. economic/event data in return.</p>	
OPERATIONAL	
<p>6. Minimum of three (3) regional planners meetings per year to share information, provide key presentations on topics of concern, issue or strategic direction (particularly of the State).</p>	
<p>7. Engage LGAQ to attend regional planning meetings.</p>	
<p>8. Liaise with Regional Infrastructure Project Coordinator on infrastructure projects and the associated planning impacts.</p>	
<p>9. Continued cross-pollination of information from planning, infrastructure, natural asset, portfolios.</p>	 ongoing
<p>10. Management of the date to day operations of FNQROC.</p>	
<p>11. Attendance at a majority of FNQROC Technical Committee meetings throughout the year to ensure the Board can be informed of emerging issues and proposed solutions in a timely manner.</p>	

FNQROC PROCUREMENT

Program Introduction

The role of Procurement Coordinator within FNQROC was established in July 2010 and was filled in February 2011. The program was jointly funded by the Road Alliance and member Councils until the end of 2013 financial year. For the 2013/2014 financial year, the position was funded via a Council contribution being 15% of identified savings.

The FNQROC mandate is:

- Where there exists limited supply for a product and/or service, and/or
- Where member Councils are competing against each other for the same goods and/or services.

Over the last three years we have made significant progress, maintaining contractual administration in relation to our existing arrangements and investigating and progressing new opportunities.

2013/2014 Review:

With the departure of Scott Britton (Regional Infrastructure Project Coordinator) in October 2013, it was decided that some redundancy was needed within procurement. Steven Cosatto moved across to take on Scott's role and Amanda Hancock joined the team at the end of January 2014, taking over as Regional Procurement Coordinator.

Existing Projects

Liquid Alum

The FNQ collective has continued to deliver significant returns to the region over the period with the latest figures suggesting savings in the region of 27% when compared to 2011 pricing. This figure has not been adjusted to reflect a CPI increase to the 2011 pricing which when applied result in a saving more in the region of 29%. This represents an actual saving to Councils of \$121,400 which rises to \$137,100 when adjusted for CPI.

The 2014/2015 financial year represents the third year in a three year contract.

Sodium Hypochlorite

The FNQROC collective has returned savings in the region of 4.7% when compared to 2011, this saving increasing to 7.9% when applying CPI increase to the 2011 prices. This represents an actual saving to Councils of \$42,300 rising to \$74,100 when adjusted for CPI.

Interestingly, there is now just one supplier of liquid sodium hypochlorite north of Sydney which we anticipate is likely to result in increased costs to the region. Alternative treatment methods such as chlorine gas are available, though some capital investment would likely be necessary. Information has been provided to member Councils and FNQROC will of course facilitate any requests from the region for additional information and analysis as required in line with our mandate.

The 2014/2015 financial year represents the third year in a three year contract.

FNQROC continues to oversee the contract administration in relation to both existing arrangements.

Bitumen Reseal

On 1 July 2013, a 12 month contract for the supply and delivery of bitumen reseals across the FNQROC region commenced. The regional program was designed to provide member Councils with the following benefits:

- A comprehensive works program which was considered achievable by all Councils and addressed the region's annual reseal requirements;
- An estimated annual average regional saving of 19%;
- A commitment from the supplier to ensure works would be completed to agreed time frames; and
- The establishment of a working relationship which prioritises Council requirements ensuring improved efficiencies of all participating Councils.

The progress of the program was generally good throughout 2013 although works were significantly impacted by unprecedented ongoing wet weather in 2014, with some 58 working days lost and many other days where productivity was affected by conditions. All extensions of time were agreed upon and communicated to participating Councils by the Program Coordinator, however this inevitably delayed completion of the program. With this unprecedented wet season, one of the benefits of our regional tender is that the supplier wore the risk with stockpiles, not Councils.

Feedback from participating Councils has been positive with the Project Steering Committee (PSC) unanimously agreeing to exercise the option to extend the contract by a further 12 months for the 2014/2015 reseal program. Lessons learnt from this first year have been applied, particularly in relation to the programming of works, with traditionally wetter areas scheduled for completion ahead of the wet season. The first year has strengthened relationships between the supplier and participating Councils and the PSC have worked very effectively together throughout the program. Works in relation to the 2014/2015 program are to commence on 29 July 2014.

The overall estimated cost for the 2013/2014 Reseal Program is \$3,775,974 which represents an estimated regional saving of \$828,655 or 18%. These figures assume nominal spray rates supplied by each Council for each area and aggregate size for 2013/2014 were the typical spray rate for 2012/2013. They are estimated only because they include work completed up to 5 July with the remaining 2.5 weeks based on estimates.

On top of these savings, Councils have advised us that the number and quality of tenders for road capital expenditure projects have increased and costs decreased.

Register of Pre-Qualified Suppliers (ROPS) – Road Construction and Maintenance Services

As part of the original Regional Bitumen Reseal tender, suitably qualified suppliers were also invited to supply information to be used for a Register of Pre-Qualified Suppliers (ROPS) for road construction and maintenance services for participating member Councils which attracted nine responses.

Under the Local Government Regulation, Section 232, there is an exception to the requirements to invite quotes or tenders prior to entering into a medium and large-sized contractual arrangement for the supply of goods or services. The exception operates if the contract is entered into with a supplier from a ROPS.

When utilising a supplier listed on the ROPS, the best supplier most advantageous to Council will secure the work with the financial benefit to Councils being the ease of administration and the avoidance of lengthy, costly tenders.

Member Councils have utilised the ROPS throughout the year, accessing services ranging from asphalt works to capital expenditure (Capex) projects and it is planned this will continue into the forthcoming year.

Member Councils have agreed to exercise the option to extend this Regional ROPS for a further year.

New Projects

Regional Scrap Metal

In July 2013, a meeting of the Regional Waste Management Group discussed potential regional procurement opportunities. Scrap metal was identified by the group as an opportunity, particularly in relation to the management of stockpiles and return on investment. There was not only dissatisfaction at the levels of service provided by current suppliers but also a real concern over the risks posed by the ever-increasing metal stockpiles accumulating across the region, particularly during cyclone season. Despite their best endeavours Council officers were experiencing difficulty in getting suppliers to address issues regularly raised regarding the collection and removal of scrap metal and secure the necessary improvements to their service.

FNQROC procurement were initially asked to undertake market research in order to better understand the market and data was gathered following discussions with Council officers, other local government agencies and suppliers in order to identify potential opportunities for improving the current individual arrangements in place. The research identified there were limited suppliers in the region and individual Councils were market-takers, competing with one another for scrap metal collection. As a result, member Councils experienced a poor level of service from suppliers and a lack of certainty over revenue. In addition, research revealed the situation was impacted by the vast fluctuation in mixed ferrous metal, a situation further compounded by the US to AUD exchange rate.

Suppliers were enthusiastic about the possibility of a regional arrangement, suggesting that a supplier-led collection schedule would enable them to realise a number of efficiency gains and economies of scale. It was also suggested that metal prices be linked to an appropriate rise and fall formula, minimising risk to suppliers and in turn providing some transparency in the return to Councils.

Following an initial 'status quo' high level cost analysis, the Project Steering Committee (PSC) set about agreeing the scope and objectives of the project which were agreed as follows:

Scope:

- Effective Collection & Disposal of Ferrous Mixed metals & Used Lead Acid Batteries (ULABs)

Objectives:

- Metal volumes at each transfer station to be maintained to acceptable levels
- Certainty in relation to the volume of metal to be removed and resultant revenue received

It was agreed the project scope would initially exclude non-ferrous metals with the potential for this to be reviewed again at a later stage.

FNQROC conducted extensive external research in order to understand how other local government agencies were approaching the issue. We spoke at length with Netwaste, an organisation comprising of some 28 member Councils which make up a third of NSW, Riverina Eastern ROC comprising of 13 Councils in the Eastern Riverina region of NSW and Midwaste, representing eight Councils in the mid north of NSW. We also spoke with Townsville City Council and Grampians. Each had experienced similar problems to those being experienced by our member Councils and each had employed different strategies with varying success.

The PSC reviewed the various strategic options available presented by FNQROC procurement, ranging from a collective regional arrangement to the outsourcing of transfer station management. The committee indicated a preference for a regional collective arrangement with a supplier-led collection schedule and requested that FNQROC draft appropriate tender documentation for further discussion and agreement.

At the time of writing the finer details of the tender documentation have been agreed with the tender documentation scheduled to be released in October 2014.

It is important to note whilst the focus on FNQROC procurement projects to date have been measured by direct savings, or, as would be the case here, increased revenue, it is anticipated that this particular project will first and foremost deliver returns in terms of improved service and reduced risk to Councils. The secondary benefit in this instance is in relation to revenue raised. This is in keeping with the requirements of the PSC which identified improved service as the main priority for the project.

Asphalt Overlay

Following the success of the Bitumen Reseal project, this year the PSC considered the potential for a similar collective arrangement for Council's Asphalt Overlay programs. The PSC evaluated the options available and in particular whether a collective tender in this instance would be the best option given that at least one member Council had already secured favourable contract terms from a supplier. In this instance it was decided that a collective arrangement would not necessarily be the most favourable option, as in utilising the provisions of the Local Government Regulations 2012, Section 235 (F), member Councils were able to leverage off the existing Council arrangement and negotiate directly with the supplier to obtain improved rates, avoiding the need for a lengthy tender process.

FNQROC will continue to support member Councils by facilitating regular meetings of the PSC which will regularly track progress both in relation to member Councils Bitumen Reseal and Asphalt Overlay programs and facilitate any interventions as required.

Fuel



Another example of the use of the Local Government Regulations, Section 235 this year was a member Council leveraging off an existing arrangement to obtain an improved fuel contract. The Council not only achieved more favourable terms as a result, but also avoided the need for a lengthy and expensive tender.















As Section 235 of the Local Government Regulations is a relatively recent addition, use of it to date has been fairly limited. It has the full support of the Regional Procurement Committee as cross-Council resource sharing in this way saves time and money by removing the need for an often lengthy, expensive and resource heavy tender and evaluation process. The Local Government Association of Queensland (LGAQ) suggests that the cost of an 'average' tender to Councils is in the region of \$15,000 to \$20,000. It is therefore anticipated we will no doubt see more in the way of Councils leveraging off one another's existing arrangements in the future.










As FNQROC Procurement has evolved, it has become evident the indirect benefits may increasingly provide more benefits to the collective. This is in the form of both improved service delivery, certainty in terms of delivery and the benefits of sharing of knowledge and collaboration fostered by the various steering committees facilitated.




During the inception of the procurement program there was an undertaking the position would prove itself sustainable on 15% of direct savings. With just the Liquid Alum, Sodium Hypochlorite and Bitumen programs alone we have achieved this goal. For the 2014/2015 budget, FNQROC has moved from 15% of savings to a flat fee for those Councils which enabled this program. This flat fee is a reduction in costs to Councils as the 15% invoiced for 2013/2014 is above this amount. This will also enable FNQROC to become involved in projects which may not necessarily deliver a direct reduction in costs, but do return significant benefits in the form of improved service, reduced risk, and reduced administration time etc.

2013/2014 OPERATIONAL PLAN

STRATEGIC	
1. Contribute to the financial viability of the position post June 2014 through identified procurement savings.	
2. Contribute to the economic development of the region through increased infrastructure, new suppliers and/or growth of existing suppliers.	

<p>3. Contribute to the resource sharing capacity of member Councils through continues interaction and facilitation of meetings between member Councils, State and Federal government agencies and private industry.</p>	
<p>OPERATIONAL</p>	
<p>4. Meetings as required with the bitumen reseal steering committee, a minimum of five (5) meetings prior to project to review and determine future direction.</p>	
<p>5. Meetings:</p> <ul style="list-style-type: none"> a) Evaluation Committee Meeting/s with tender supplier engagement findings. b) Two (2) contract review panel meetings (Sodium Hypochlorite & Liquid Alum) c) Minimum four (4) Procurement Technical Committee meetings with key presentations to maintain and increase professional knowledge. d) Minimum three (3) Water & Waste Technical Committee meetings. e) Minimum two (2) supplier meetings per regional contract (Sodium Hypochlorite & Liquid Alum) f) Attend annual Northern Local Government Risk Management Focus Group meeting. g) Attendance of five (5) Regional Road Group meetings. 	    <p>QWRAP</p>  <p>Not completed – meeting in Mackay time did not allow</p> 
<p>6. Contract Administration – 2012 involved</p> <ul style="list-style-type: none"> a) Facilitate six (6) regional audits for water treatment chemicals. b) Dispute resolution (delivery, invoicing & storage of product). c) Review price rises and advise member Councils, i.e. CPI, fuel levy increases. d) Maintain and distribute monthly usage amounts benefit to Councils for comparison analysis to previous years and analysis of product benefit analysis. e) Maintain an insurance register (workers compensation, product, public and third party liability insurances). f) Maintain a Contractor Certification Register, ie. Health & Safety, Quality and environmental third party accreditation. 	 <p>Upon review 6 audits not required – testing level reduced to 4.</p>     

<p>7. Facilitation of Presenters to the FNQROC Procurement Committee:</p> <p>a) Identified areas for Procurement presentations 2013/2014 (speakers in 2012 included):</p> <ul style="list-style-type: none"> i. Legal – Contract Management (MacDonnells Law). ii. ACCC. iii. LGM (Local Government Mutual Liability – Update Insurance and Indemnities. iv. CMC – Issues with Procurement v. Qld Government Chief Procurement Office vi. Local Buy. vii. Supplier presentation of Regional Contract Management software system. 	 <p>Not completed. QAO presentation arranged as Deemed more relevant</p>  <p>Not completed. Prevention & Education now disbanded</p>   
<p>8. Distribution of procurement documentation to all members.</p>	
<p>9. Maintain communication and information between the procurement groups, the FNQRRTG Board and the FNQROC Board.</p>	
<p>10. Procurement projects identified by Water and Waste to be researched:</p> <ul style="list-style-type: none"> a. Bio Solids b. Sodium Hydroxide c. Resource sharing of SCADA resources <p>11. Procurement projects identified by FNQRRG TC to be researched:</p> <ul style="list-style-type: none"> a. Bitumen reseal b. Stabilisation c. Asphalt d. Concrete products 	 <p>Bio Solids & SCADA – QWRAP</p> <p>Stabilisation & Concrete Products carried into 14/15</p>
<p>12. Additional procurement projects identified for research:</p> <ul style="list-style-type: none"> a. Herbicide 	 NAMAC
<p>13. Through the FNQROC Procurement Committee and relevant Technical Committees, investigate additional recommended opportunities for</p>	

collaborative procurement (within the FNQROC Guidelines). Recommended additional procurement activities to be tabled at FNQROC.	
14. Preparation of Process Map for Procurement Projects	
15. Continue to encourage additional members to the FNQROC Procurement Committee.	

REGIONAL INFRASTRUCTURE PROJECT COORDINATOR

FNQ Regional Roads & Transport Group

Membership

- Cairns Regional Council
- Cassowary Coast Regional Council
- Cook Shire Council
- Croydon Shire Council
- Douglas Shire Council (from 1 January 2014)
- Etheridge Shire Council
- Mareeba Shire Council (from 1 January 2014)
- Tablelands Regional Council
- Wujal Wujal Aboriginal Shire Council
- Department of Transport and Main Roads (Far North Region)

Executive

RRTG Chair	Cr Peter Scott (Cook)
RRTG Deputy Chair	Cr Bill Shannon (Cassowary Coast)
RRTG Secretariat	Darlene Irvine (FNQROC)
Technical Committee Chair	David Goodman (Cassowary Coast)
Technical Committee Deputy Chair	Tony Lickiss (Cook)
Technical Coordinator	Scott Britton (FNQROC) – to October 2013 Gerard Read (FNQROC) – from October 2013
RTAPT Representatives	Ross Kirkman (LGAQ) – to April 2014 Scott Britton (LGAQ) – from April 2014 Zac Murphy (TMR) – to April 2014 Michelle Connolly (TMR) – from April 2014 to July 2014 Jo Lencz (TMR) – from July 2014

Summary

2013/14 commenced with a name change from the “Roads Alliance” to the “Roads & Transport Alliance” and from “Regional Roads Group” to “Regional Roads & Transport Group” to reflect the expansion of the Alliance’s scope to incorporate wider transport issues.

Croydon and Etheridge Shire Councils joined FNQRRTG from the North West Queensland RRTG on 1 July 2013 as a result of the Alliance’s RRTG boundary review process which commenced in late 2012. Douglas and Mareeba Shire Councils joined FNQRRTG from 1 January 2014 as a result of

their de-amalgamation from Cairns and Tablelands Regional Councils respectively. In essence FNQRRTG grew from six members to 10 members in the space of six months.

Etheridge Shire Council made application to the Alliance Board in 2014 to return to the NWQRRTG however a final decision has yet to be made on that application.

TIDS FUNDING

Fortunately Transport Infrastructure Development Scheme (TIDS) funding was not affected in 2013/2014 after the budget cuts of late 2012. FNQRRTG's TIDS funding levels were as follows for 2013/2014:

- Roads & Transport Alliance TIDS (RTA TIDS) = \$2,556,385
- Safe School Travel TIDS (SafeST TIDS) = \$181,534
- Regional Safety & Development Program (RSDP) = \$1,399,193
- Aboriginal & Torres Strait Islander TIDS (ATSI TIDS) = \$288,334

2013/14 was the final year of the SafeST TIDS and RSDP programs. RSDP was a one-off four year program from 2010/2011 to 2013/2014 which injected approximately \$100 million into the State's road network. It was administered through the TIDS program along similar program conditions.

RTA TIDS absorbs SafeST TIDS and the former Cycleways TIDS from 2014/15 under a single TIDS allocation to each RRTG across the state. The former Regional Airport Development Scheme (RADS) has been cut to \$0 from \$2.9 million annually state wide, however Regional Airport projects will be eligible for funding from the new single RTA TIDS allocation. ATSI TIDS will remain a separate stand-alone program administered State-wide by the Remote Communities Unit in TMR Far North.

FNQRRTG's RTA TIDS allocation for 2014/15 is \$2,749,046. The Alliance will review the RTA TIDS allocations for RRTGs early in 2014/2015 and it is likely FNQRRTG's allocation will increase by approximately \$200,000 effective 2015/2016, as a result of the two new de-amalgamated Councils.

WORKS PROGRAM

FNQRRTG achieved a 100% expenditure level across each of the TIDS categories for its works program in 2013/14. A summary of the works program and respective TIDS funding allocation is shown below:

RTA TIDS

Cairns - 214/LGSR/23 - Aumuller Street - Intersection improvement (Gatton Street) - \$50,000

Cassowary Coast - 216/LGSR/17 - McGowan Drive, Innisfail - Construct shared footpath - \$137,252

Cook - 220/LGSR/9 - Bloomfield Road - Bikeway / footpath construction (3.45-4.55) - \$190,000

Cook - 220/LGSR/8 - Battlecamp Road - Construct to new sealed two lane standard (25.75-29.75) - \$335,000

Croydon - 221/LGSR/4 - Croydon Richmond Road - Construct to new sealed two lane standard - \$441,000

Douglas - 214/LGSR/5 - Cape Tribulation to Bloomfield Road - Woobadda Creek Crossing - \$286,215

Etheridge - 226/LGSR/4 - Forsayth-Einasleigh Road - Construct to new sealed two lane standard - \$404,000

Mareeba - 264/LGSR/29 - Black Mountain Road - Upgrade Bridge No.4 - \$117,500

Mareeba - 264/LGSR/20 - Bilwon Road - Rehabilitate and widen (Cypress Road north for 1.1km) - \$94,921

Tablelands - 264/LGSR/37 - Gunnawarra Road – Construct to new sealed two lane standard (6.5-7.5) - \$125,000

Tablelands - 264/LGSR/10 - Tully Falls Road - Upgrade Vine Creek Bridge - \$314,497

SafeST TIDS

Cairns - 214/LGSR/29 - Our Lady Help of Christians, Earlville - Construct footpath - \$16,534

Cairns - 214/LGSR/31 - St Francis Xavier School, Manunda - Construct footpath - \$10,000

Cairns - 214/LGSR/32 - Edge Hill State School - Construct footpath - \$45,000

Cairns - 274/LGSR/1 - Parramatta State School - Construct footpath - \$19,500

Cairns - 274/LGSR/2 - Our Lady Help of Christians, Earlville - Construct footpath - \$10,500

Tablelands - 264/LGSR/7 - Malanda State High School - Construct footpath - \$40,000

Tablelands - 264/LGSR/40 - Tolga State School - Construct footpath - \$10,000

Tablelands - 264/LGSR/41 - Yungaburra State School - Crossing / footpath signage & pavement marking - \$30,000

RSDP

Douglas - 214/LGSS/1 - Cape Tribulation to Bloomfield Road - Woobadda Creek Crossing - \$584,353

Mareeba - 264/LGSS/1 - Ootann Road - Seal to provide overtaking opportunity - \$814,840

ATSI TIDS

Douglas - 214/LGSS/1 - Cape Tribulation to Bloomfield Road - Woobadda Creek Crossing - \$288,334

The following should be noted:

- The Woobadda Creek Crossing project received funding from RTA TIDS, RSDP and ATSI TIDS in 2013/2014 and earlier. It also has RTA TIDS funding in 2014/2015 to complete the project. A total of \$2.042 million funding was received.
- The Ootann Road project received a total of \$2m RSDP funding over the 4 years of the program from 2010/2011 to 2013/2014.
- The Aumuller Street project also has RTA TIDS funding of \$316,500 in 2014/2015 and \$583,500 in 2015/2016.
- The McGowan Drive, Innisfail project also received RTA TIDS funding of \$37,748 prior to 2013/2014.

Statewide Capability Development Fund

The Alliance Board allocates approximately \$600,000 annually in funding for RRTGs' capability development under the State-wide Capability Development Fund (SCDF). SCDF funding is on a competitive bid basis – and generally 50/50 matched. FNQRRTG secured the following funding in 2013/2014 under the SCDF:

- Joint Reseal Program Coordinator (\$37,500), for 2014/2015.
- NAMS.Plus2 Asset Management Training workshops (\$18,000)

Operational

Regular and planned meetings ensure FNQRRTG operations are a “business-as-usual” activity for members and not neglected. The RRTG met five times in 2013/14 in Cairns (3) and Atherton (2).

- The RRTG met five times in 2013/2014 in Cairns (3), Cooktown (1) and Innisfail (1).
- The Technical Committee met six times during 2013/2014 in Cairns (4), Innisfail (1) and Mission Beach (1).
- The Technical Committee meeting held in Mission Beach coincided with the 2014 IPWEAQ North Queensland Branch Conference hosted by Cassowary Coast Regional Council.
- The Roads & Transport Alliance Project Team was represented at all the RRTG and Technical Committee meetings held in 2013/2014 with the exception of one Technical Committee meeting.
- Attendance levels at RRTG and Technical Committee meetings was very good in 2013/2014.
- FNQRRTG was well represented at the State-wide Alliance Technical Forum and the RRTG Assembly, both held in Cairns during October 2013.
- Presentations from industry, other relevant government departments at Technical Committee meetings are quite common. A number were made during 2013/2014.
- All reference documents, forms, policies and factsheets etc. pertaining to the Alliance and FNQRRTG are available on the FNQROC website.

CAPABILITY AGREEMENT & ACTION PLAN

The Capability Agreement & Action Plan (CAAP) sets out an RRTG’s activities and actions required in order to improve its capability under the four key Road Alliance functions plus operational effectiveness. The Alliance Board initiated CAAPs in early 2009 and accordingly FNQ drafted its first CAAP in early 2009. Monitoring of the CAAP is generally undertaken at each RRTG and Technical Committee meeting with a formal review of capability levels undertaken annually. FNQ has gradually improved its capability levels since 2009.

FNQRRTG LRRS Network

The LRRS network expanded by approximately 360km in 2013/2014 due to the incorporation of the Croydon and Etheridge LRRS network. It now totals approximately 1,800km in length, with a slightly longer length of unsealed roads than sealed roads. The LRRS network is reviewed regularly. The North Head – Agate Creek – Cobbold Gorge Road link in Etheridge was added to the LRRS network in 2013/2014. All other Council LRRS network remained unchanged. Should a member wish to add or remove a road from the network, they must provide justification.

The following table identifies our LRRS network as at 30 June 2014:

Road Owner	Road Name	Start Description	End Description
Cairns	Kenny Street	Bunda Street	Sheridan Street
Cairns	Wharf Street	Sheridan Street	Abbott Street
Cairns	Abbott Street	Wharf Street	Florence Street
Cairns	Florence Street	Abbott Street	Sheridan Street
Cairns	Lake Street	Florence Street	Moffat Street
Cairns	Draper Street	Comport Street	Cook Street
Cairns	Cook Street	Draper Street	Aumuller Street
Cairns	Aumuller Street	Tingira Street	Hoare Street
Cairns	Hoare Street	Aumuller Street	Pease Street
Cairns	Airport Avenue	Captain Cook Highway	Ch 0.710
Cairns	Kamerunga Road	Stratford Connection Road	Cairns Western Arterial Road
Cairns	Lake Placid Road	Cairns Western Arterial Road	Valmadre Street
Cairns	Valmadre Street	Lake Placid Road	Barron Gorge Road
Cairns	Barron Gorge Road	Valmadre Street	Barron Gorge Hydro Station
Cairns	Redlynch Intake Road	Kamerunga Road	Crystal Cascades
Cairns	Lake Morris Road	Cairns Western Arterial Road	Copperlode Dam
Cairns	Maitland Road	Bruce Highway	Mt Peter Road
Cairns	Mt Peter Road	Maitland Road	Hussey Road
Cairns	Hussey Road	Mt Peter Road	End of Road
Cairns	Munro Street	Bruce Highway	The Boulders Road
Cairns	The Boulders Road	Munro Street	End of Road
Douglas	Cape Tribulation Road	Mossman - Daintree Road	Cape Tribulation
Douglas	Cape Tribulation to Bloomfield Road	Cape Tribulation	North Bank of Bloomfield River
Douglas	Johnston Road	Mossman - Daintree Road (Front Street, Mossman)	Coral Sea Drive
Douglas	Mossman Gorge Road	Coral Sea Drive	Western end parking area at start of Mossman Gorge access track
Cassowary Coast	Butler Street	Bruce Highway	Morris Street
Cassowary Coast	Morris Street	Butler Street	Bryant Street
Cassowary Coast	Bryant Street	Morris Street	Dean Road
Cassowary Coast	Dean Road	Bruce Highway	Tully Gorge Road/Bryant Street
Cassowary Coast	Tully Gorge Road	Dean Road/Bryant Street	Kareeya Power Station
Cassowary Coast	Upper Murray Road	Bruce Highway	Middle Murray Road
Cassowary Coast	Middle Murray Road	Upper Murray Road	Murray Falls Road
Cassowary Coast	Murray Falls Road	Middle Murray Road	National Park
Cassowary Coast	Kennedy Creek Road	Bruce Highway	Kirrama Range Road
Cassowary Coast	Kirrama Range Road	Kennedy Creek Road	Tablelands/Cassowary Coast Boundary
Cassowary Coast	Aerodrome Road	Innisfail - Japoon Road	Mundoo Road
Cassowary Coast	Mundoo Road	Aerodrome Road	2nd Entrance to Innisfail Airport
Cassowary Coast	Walter Lever Estate Road	Silkwood-Japoon Road (Old Silkwood)	Silkwood-Japoon Road
Cassowary Coast	Grace Street	Fitzgerald Esplanade	Bruce Highway (Edith Street)
Cassowary Coast	Fitzgerald Esplanade	Mourilyan Road & McGowan Drive	Flying Fish Point Road
Cassowary Coast	Flying Fish Point Road	Fitzgerald Esplanade	Bay Road
Cassowary Coast	Mourilyan Road	Fitzgerald Esplanade & McGowan Drive	Bruce Highway
Cassowary Coast	Alexander Drive	Bingil Bay Road	Wylie Road & El Arish-Mission Beach Road
Cassowary Coast	Bingil Bay Road	El Arish - Mission Beach Road	Alexander Drive
Cook	Battlecamp Road	McIvor Road	Lakefield National Park Road
Cook	Bloomfield Road	Cooktown Development Road	Wujal Wujal Boundary
Cook	Hope Street (Grassy Hill)	Baird Road	Lighthouse

Cook	Lakefield National Park Road	Peninsula Developmental Road	Marina Plains Road
Croydon	Nelia Bundah Road	Croydon/McKinlay Boundary	Croydon - Richmond Road
Croydon	Croydon - Richmond Road	Gulf Developmental Road (92B)	Richmond/Croydon Boundary
Douglas	Cape Tribulation Road	Mossman - Daintree Road	Cape Tribulation
Douglas	Cape Tribulation to Bloomfield Road	Cape Tribulation	North Bank of Bloomfield River
Douglas	Johnston Road	Mossman - Daintree Road (Front Street, Mossman)	Coral Sea Drive
Douglas	Mossman Gorge Road	Coral Sea Drive	Western end parking area at start of Mossman Gorge access track
Etheridge	Forsayth - Einasleigh Road	Gregory Developmental Road (98D)	Forsayth Road (6704)
Etheridge	Undara Road	Gulf Developmental Road (92C)	End of Road
Etheridge	North Head Road	Forsayth Road (6704)	Agate Creek Road
Etheridge	Agate Creek Road	North Head Road	Cobbold Gorge Road
Etheridge	Cobbold Gorge Road	Agate Creek Road	Cobbold Gorge
Mareeba	Ootann Road	Burke Developmental Road	Kennedy Highway
Mareeba	Black Mountain Road	Kennedy Highway	Euluma Creek Road
Mareeba	Chettle Road	Mareeba-Dimbulah Road	Springmount Road
Mareeba	Euluma Creek Road	Mossman-Mt Molloy Road	Mossman-Mt Molloy Rd
Mareeba	Henry Hannam Drive	Kennedy Highway	Cobra Road & Emerald Falls Road
Mareeba	Leadingham Creek Road	Mareeba-Dimbulah Road	Wolfram Road
Mareeba	Mount Mulligan Road	Leadingham Creek Road	Mt Mulligan Township
Mareeba	Myola Road	Kennedy Highway	Oakforest Road & Barnwell Road
Mareeba	North Walsh Road	Mareeba-Dimbulah Road	Bower Road & Kimalo Road
Mareeba	Pickford Road	Peninsula.Developmental Road	Mareeba Wetlands
Mareeba	Springmount Road	Mareeba-Dimbulah Road	Hansen Road (Granite Creek)
Mareeba	Chewko Road	Rankin Street	Hansen Road
Tablelands	Boar Pocket Road	Gillies Highway	Danbulla Forest Drive
Tablelands	Curtain Fig Tree Road	Gillies Highway	Atherton-Malanda Road
Tablelands	Danbulla Forest Drive	Tinaroo Falls Dam Road	Boar Pocket Road
Tablelands	East Barron Road	Malanda - Atherton Road	Kennedy Highway
Tablelands	Grove Street	Gillies Highway	Kennedy Highway
Tablelands	Hansen Road	Kennedy Highway	Springmount Road (Granite Creek)
Tablelands	Hastie Road	Kennedy Highway	Atherton-Herberton Road
Tablelands	Lawson Street	Tolga-Kairi Road	Kennedy Highway
Tablelands	Marks Lane	Malanda - Atherton Road	Tinaroo Falls Dam Road
Tablelands	Tolga-Kairi Road	Kennedy Highway	Tinaroo Falls Dam Road
Tablelands	Wongabel Road	Herberton Road	Kennedy Highway
Tablelands	Brooks Road	Palmerston Highway	Junction Road
Tablelands	Junction Road	Palmerston Highway	Brooks Road
Tablelands	Lake Eacham Road	Lake Barrine Road	Lake Eacham
Tablelands	Theresa Creek Road	Palmerston Highway	Palmerston Highway
Tablelands	Cashmere-Kirrama Road	Gunnawarra, Wairuna Rd intersection 51.9 km from Kennedy Hwy	Gunnawarra, Wairuna Rd intersection 51.9 km from Kennedy Hwy
Tablelands	Glendinning Road	Kennedy Highway	Kennedy Highway & Palmerston Highway
Tablelands	Gunnawarra Road	Kennedy Highway	Cashmere/ Wairuna Intersection
Tablelands	Monument Street	Tumoulin Road	Kidner's Quarry
Tablelands	Silver Valley Road	Kennedy Highway	Herberton-Petford Road
Tablelands	Sluice Creek Road	Kennedy Highway	East Evelyn Road
Tablelands	Tully Falls Road	Kennedy Highway	Koombooloomba Dam
TMR	Palmerston Highway	Millaa Millaa - Malanda Road	Kennedy Highway
TMR	Kennedy Highway	Malanda - Atherton Road	East Evelyn Road
TMR	Silkwood - Japoon Road (Section 1)	Bruce Highway	Walter Lever Estate Road
TMR	Silkwood - Japoon Road	Walter Lever Estate Road	Cane Rail Xing

	(Section 2)		(Japoonvale)
TMR	Innisfail - Japoon Road (Section 1)	Bruce Highway	Henderson Drive
TMR	Innisfail - Japoon Road (Section 2)	South Johnstone Road	Cane Rail Xing (Japoonvale)
TMR	Malanda - Lake Barrine Road	Malanda - Atherton Road	Gillies Highway
TMR	Malanda - Upper Barron Road	Malanda - Atherton Road	Kennedy Highway
TMR	Mossman - Daintree Road	Captain Cook Highway	Baileys Creek Road (Daintree Ferry Access)
TMR	Atherton - Herberton Road	Kennedy Highway	Longlands Gap - Herberton Road
TMR	Longlands Gap - Herberton Road	Kennedy Highway	Atherton - Herberton Road
TMR	Davidson Road	Bruce Highway	Davidson Creek Bridge
TMR	Tinaroo Falls Dam Road	Gillies Highway	Russell Street
TMR	Port Douglas Road	Captain Cook Highway	Wharf Street
TMR	Shipton's Flat Road	Cooktown Development Road	Bloomfield Road
TMR	Tumoulin Road	Kennedy Highway (Mareeba - Ravenshoe)	Kennedy Highway (Ravenshoe - Mt Garnet)
TMR	Herberton - Petford Road	Atherton - Herberton Road	Burke Developmental Road
TMR	El Arish - Mission Beach Road	Tully - Mission Beach Road	Wylie Road & Alexander Drive
TMR	Tully - Hull Road	Bruce Highway	Tully Heads Road
TMR	South Mission Beach Road	Tully - Mission Beach Road	Kennedy Esplanade
TMR	Gregory Developmental Road (The Lynd - Quartz Blow Creek)	Kennedy Developmental Road (99A)	Gulf Developmental Road (92C)
TMR	Forsayth Road	Forsayth - Einasleigh Road	Gulf Developmental Road (92B/92C)

ASSET MANAGEMENT

During the 1950's Councils received a significant portion of their long term infrastructure. The intent was to provide employment and drive economic growth. The funding for this infrastructure came from Federal and State Governments funded by the taxpayer. Historically Councils have been able to utilise various funding options from the State and Federal governments to assist them in filling the funding gap to maintain and renew their assets. We are now seeing a steady decline in this funding leaving the burden to maintain, renew and grow infrastructure to the ratepayer. This is an unfair burden on Councils; particularly regional, rural and remote.

The simplest evidence that I can provide showing Councils current difficulties with long term financial sustainability and Asset Management (AM) is through the table below:

2011-12	Revenue Share	Expenditure Share	Value of Asset Base
Commonwealth	81.35%	68.49%	10.03%
State	15.27%	25.98%	57.56%
Local Government	3.38%	5.53%	32.41%

* Source: ABS Taxation Revenue 2011-12, cat no. 5506.0 and ABS Government Finance Statistics 2011-12, cat no. 5512

In addition to this, there have been significant reductions in funding options:

- **State:** Over the period since 2002/2003 State Government funding has effectively been halved from levels averaging approximately \$480 million between 2002/2003 and 2009/2010, to approximately \$225 million in 2013/2014. (Source: LGAQ)
- **Federal:** Roads to Recovery (while very much appreciated) has not seen an increase since the program commenced and Financial Assistance Grants (FAGs) have now been frozen for three (3) years.

As Councils mature with Asset Management the true depth of the issue is becoming apparent. This maturity has come through time, experience and legislation/policy. The Federal and State Governments have agreed (through Council of Australian Governments - COAG) on an Asset Management Framework. More and more we are seeing that appropriate asset management will be a requirement for State and Federal funding. As an example:

- The *Local Government Act 2009*, legislated the requirement for Councils to adopt Long Term Asset Management Plans and Long Term Financial Plans (which must be integrated),
- NDRRA (and QRA) requiring asset data prior and event, after an event and after restoration, and
- Recent legislation changes to the *Sustainability Act* requiring the development of Local Government Infrastructure Plans (LGIP) by 30 June 2016. These LGIP's rely on Asset Management Plans and their integration in Long Term Financial Sustainability Plans. Without these plans, Councils cannot levy infrastructure charges for trunk infrastructure post 1 July 2016.

For those that may be unaware there is a newly released statutory guideline 2013/14, "A guideline for the preparation of Local Government Infrastructure Plan (LGIP)" under the *Sustainable Planning Act 2009* (SPA). Under the SPA any local government that wishes to levy infrastructure charges or impose conditions about trunk infrastructure from 1 July 2016, will not be able to do so unless their planning schemes includes an LGIP which was in place by 30 June 2016 and complies with the requirements of this guideline. Some key points raised with regard to asset management include:

- Within the guidelines, reference is made to 2.4 Financial Sustainability and local government infrastructure plans. Ultimately, a local government must be able to demonstrate how it will fund the trunk infrastructure identified in its LGIP. To demonstrate this, a local government's LGIP should align with its Asset Management Plans (AMP's) and the long term financial forecast.
- The LGIP template includes a requirement for Councils to identify their desired standards of service for Water supply, sewerage, stormwater, transport and public parks and land for community facilities as well as a schedule of works
- Schedule of works model and in particular the considerations for review of the value of future trunk infrastructure – direct costs, indirect costs, margin and project owner costs. Project owner costs also have margins associated which you need to be between.
- Item 46 "Is there alignment of the scope, estimated cost and planned timing of proposed trunk capital works and the relevant inputs of the Long Term Asset Management Plans (LTAMP) and LTFF? If not, what is the process underway to achieve this. This last section does give Councils some breathing space however the integration of these plans is now more prominent.

The Queensland Audit Office (QAO) advised at this year's Local Government "Tropical" Workshop in Cairns that they will also gradually begin to focus on LG Long Term Financial Sustainability (LTFS) and a significant part of that will be that link to how Council manage their assets.

These changes to the AM landscape (financial, operational and legislated) combined with the continued devolution of responsibility to local government with little or no resource support has had a cumulative effect on Councils (and subsequently the rate payer) long term financial sustainability, Councils will again have to do more with less.

AM has been the elephant in the room for Councils, for many reasons due to a variety of opinions and methods regarding best practice progress laborious. In many instances there is disagreement between

the Asset Owner, the Asset Manager and Finance who at times all have a different opinions on how an assets should be costed, valued, depreciated or when and if they should be replaced/sold.

With all of this information in mind, we have gone to some basic asset management fundamentals. In 2013/2014 the focus of the Regional Asset Management Group (RAMG) has been the development of a Regional Benchmarking Tool that currently has the collective useful lives and residual values of Transport and Water Assets of member Councils. Useful lives and residual values between Councils vary and we worked to interrogate these variances. This work has a direct impact on depreciation and asset maintenance and renewal. This tool is not intended to replace current data simply to provide benchmarking information from across the region for Council's to utilise for their own decision making purposes. We have and will continue to review our data against State agency data such as the recently released Road Asset Valuation (RAV) Toolbox and we will be requesting the QAO to also review our process and results to ensure Councils can be confident in using the tool.

The Regional Benchmarking Tool has allowed the RAMG to input additional data which they believe reflects the financial reality on the ground. RAMG members are currently reviewing/testing the Regional Benchmarking Tool information to understand the financial impact upon individual Councils.

It is acknowledged by all that this project is long term and continues to evolve as Councils gain more confidence in the data they collect and use. Understanding of the issues surrounding financial statements and the effects of depreciation is important as it links to Council's capacity to raise revenue to meet the increasing infrastructure funding gap. Understanding the Infrastructure Funding gap is a priority of the FNQROC Board, and this information is needed to drive the regional agenda.

Regional Waste Management Group (RWMG)

With Council de-amalgamations and the numerous new Council officers involved I believe it appropriate that I provide some background to the catalyst regarding the formation of the Regional Waste Management Group (RWMG). This also will highlight where this group fits between the activities of the greater Local Authority Waste Management Advisory Committee LAWMAC group and individual member Council projects. (*LAWMAC is a 'not for profit' group comprising members from the North Queensland Local Government area from Cook Shire in the north to Mackay in the south and extending inland to Mount Isa, Burke and Cloncurry shires.*)

In October 2012 the then General Manager of Cairns Water (*Bruce Gardiner*) provided a presentation to the FNQROC Board titled "Regional Recycling Opportunities". The presentation provided an overview of recycling in Cairns, projected growth, increasing costs (landfill/transport), estimated regional volumes, the increasing public awareness and the benefits of a regional approach.

From that meeting the FNQROC Board recommended that a Technical Committee be convened to further investigate the possibility and options of regional waste solutions.

Through FNQROC Scott Britton established the Regional Waste Management Group which held meetings in May and July 2013. At the July meeting the group decided its inaugural project would be to review member Councils scrap metal arrangements and identify collective opportunities to assist in the management of their scrap metal stockpiles. Council's ability to manage their scrap metal stockpiles has been affected by issues such as a downward spiralling global market price, differing levels of service, the loss of a national contractor from the region and of course risk management during cyclonic events.

Unfortunately with Scott's departure in October 2013 and Council de-amalgamations the group and the Scrap Metal project treaded water until FNQROC was able to appoint a Regional Procurement Coordinator (Amanda Hancock) thereby enabling me to step into the Regional Infrastructure Coordinator role in February 2014. We reignited the collective scrap metal project by conducting Early Contractor Involvement (ECI) interviews and provided that information at the RWMG's third meeting in March 2014 (see regional procurement in this document).

Local governments in general are finding it increasingly difficult to efficiently and effectively fulfil their waste management responsibilities for a variety of reasons:

- Queensland Local Government’s lack of available options regarding State funding and resource sharing programs that other states enjoy;
- Councils individually not having the sufficient scale or resources to meet the escalating associated transport costs of waste management (disposal and/or recycling);
- The regions natural assets; Wet Tropics and Great Barrier Reef, placing additional requirements on our Waste Management Strategies, ie. costs which other Local Government’s do not encounter;
- There is also a growing importance to educate the community (including Council) regarding the risks, costs and benefits of waste management with factually accurate, relevant and accessible data, this is requiring additional resources and an evolving cultural change.




The group has acknowledged the need to act regionally and to think long term. An example of why a long term view is required is the kerbside collection arrangement; for industry to consider investment into an area, industry would prefer a seven year arrangement as this is the expected life span of the trucks used. Naturally Councils would also achieve economies of scale should we utilise our collective quantities, however we first need to align our current arrangements.


















Areas that the RWMG have currently identified as potential projects include:




- Collective Scrap Metal arrangement;
- Regional Waste Reduction and Recycling strategy/action plan;
- Resource sharing – Material Recovery Facilities/Transfer Stations/weighbridges;
- Information sharing;
- Alignment of arrangements for future economies of scale.

When you consider the investment required by Councils and private industry, there is no quick fix to Councils Waste Management issues and there will be additional challengers ahead when Queensland aligns itself with the levies that are being currently charged in other states for waste disposal. The RWMG has only had four meetings (two since de-amalgamations) and I have been encouraged to see the group gaining significant traction and a willingness to collaborate and share information. It is evident a need exists for this regional group with many tangible benefits for the region and I look forward to providing regular updates during 2014/2015.

2013/2014 OPERATIONAL PLAN

STRATEGIC	
<p>1. Commence development of a regional document which clearly articulates our funding renewal gap in the next five, 10 and 20 years and can be used as a technical document to substantiate advocacy efforts of the FNQROC Board and Councils individually.</p> <p style="padding-left: 40px;">a. Review depreciation vs. Renewal and Capital expenditure</p> <p>These actions will give us a ‘helicopter’ view of the funding gaps at a regional level.</p>	
<p>2. Support Regional Procurement Coordinator to progress regional procurement initiatives as identified in the Alternative Business Models study stage 1.</p>	
<p>3. Support and facilitate the progression of works required to enable the construction of Woobadda Creek Crossing (Cook, Cairns, Wujal Wujal and WTMA).</p>	

4. Continue development of a unit rate and methodology consistent guidelines.	
5. Update the Regional Asset Management Strategy.	
OPERATIONAL	
6. Minimum six (6) FNQRRG Technical Committee meetings.	
7. Minimum 4 (four) FNQRRG Board meetings following the FNQROC meeting.	
8. One (1) Regional Technical Tour.	
9. All Road Alliance documentation to be distributed to all members.	
10. Information session and training (as needed) on the Road Alliance for all new Committee and Sub Committee members.	
11. Annual review of the Local Roads of Regional Significance (LRRS) program.	
12. Review and update Statements of Intent for each LRRS.	
13. Review and moderate projects submitted in the prioritisation tool.	
14. Monthly review and update of ALL Transport and Main Roads (TMR) funded projects.	
15. Maintain communication and information between the region and the Road Alliance Board and Road Alliance Project Team.	
16. Coordinate review and communiqué regarding NetRISK and road crash data analysis by Councils.	
17. Review Alternative Business Models study for roads.	Not completed
18. Undertake annual review and editing of Regional Development Manual.	
19. Conduct minimum of three (3) industry workshops on the proposed changes to the Regional Development Manual	 Only two required
20. Review assumptions and improvement projects within asset management plans to identify similarities that we can focus on, and	Not completed
21. Through the Roads Alliance Board apply for subsidy to run NAMS plus 2 training in Cairns.	
Additional activities (not in operational plan)	
Four (4) meetings Asset Management Group	
Asset Management Regional Benchmark Tool	

RAV toolbox training applied for 50% funding (Attended by 16 Council officers from across the region)	
Four Meetings of Regional Waste Management Group	
Conducted Early Contractor Involvement interview for potential regional scrap metal arrangement. - Benchmarked across Qld LG's, NSW LG's and VIC LG's	

REGIONAL PROJECT OFFICER

Program Introduction

The Sustainability agenda has been running for some time with FNQROC. Sustainability crept into the spotlight late in 2008 when the region's Councils signed up to the ICLEI Cities for Climate Protection Program. In 2009, funding for the CCP Program discontinued. It was decided at this point that the regional CCP forum should continue but under the banner of Sustainability – as the agenda had by now expanded beyond Climate Change alone.

Due to current political agendas, financial resources and strategic direction of the board, focus on this portfolio and this position has changed. The focus is principally on street lighting now and in fact the technical group has been renamed the FNQROC Street Lighting Group to reduce confusion amongst our members. The key areas of concern centre around; the establishment of a Service Level Agreement between Councils and Ergon Energy, and; the replacement of out of date infrastructure with more energy efficient solutions.

By comparison, Cross Council Events is a new portfolio which has really only taken off at the start of 2013. This Technical Committee was formed at the request of the FNQROC Board to develop a collaborative solution to those events which cross local government boundaries. The Board expressed a desire to be proactive in responding to event organisers. The Regional Events Group has gone from strength to strength in the past 12 months and has made some great progress in regards to establishing a more cohesive approach to cross Council events in the FNQ region.

STREET LIGHTING

The Street Lighting technical group has continued its push over the past 12 months for more transparency in relation to service provision, and the replacement of out of date, non-energy efficient street lighting that continues to cost Councils significant sums of money every year (End of financial life Mercury Vapours (only) are estimated to cost Councils an additional \$250,000 per year across the region).

In preparation for the partial reinstatement of the Alternative Control Service (ACS) charge on 1 July 2014, FNQROC has been pushing for the development of a Service Level Agreement (SLA) with Ergon Energy. For the last two years, the ACS has been covered by the Queensland State Government. FNQROC member Councils have been spared the estimated \$5.5 million in ACS charges over this time. However, with 10% of that figure (i.e. \$550,000 region wide) now being passed back through to Councils, we have been heavily pushing for the development of a SLA which will ensure reporting requirements and service delivery obligations are in place.

We meet with key Ergon Energy staff on a regular basis to keep abreast of this matter, and have provided an issues paper to feed into the development of the SLA. To date we are yet to see any draft however August 2014 should see this materialise. We will keep up the pressure for increased

accountability through an SLA which will identify specific deliverables and hold Ergon Energy accountable to us as paying customers.

In addition to liaising directly with Ergon Energy, we have fed into the Australian Energy Regulator Distribution Reset process, which also addresses the issue of public lighting. With the deadline for submissions to the AER being October 2014, and the need for energy suppliers to demonstrate their customer engagement efforts, we expect the SLA will be wrapped up in the first half of the 2014/2015 financial year.

Meanwhile, LGAQ is continuing negotiations with the Department of Energy and Water Supply to map out a price path for the reinstatement of the remaining 90% of the ACS in coming years. We will continue to liaise with LGAQ on this matter.

As a flow on from all the above, the replacement of energy inefficient, high maintenance street lighting has continued to be a priority for the region. These out of date luminaires are costing the region \$250,000 annually (by comparison if all out of date Mercury Vapours luminaires are replaced with Compact Fluorescent Lights). We hope the SLA will go some way to addressing replacement cycles of luminaires and the incorporation of energy efficient lighting technology as they become available.

FNQROC has and will also continue to liaise with Ergon Energy on a regular basis in relation to tariffs. This will ensure that Councils are always utilising the most cost effective tariffs for their top end energy use facilities.






CROSS COUNCIL EVENTS

Following the development of the Terms of Reference for the Regional Events group in 2013/14, this year we have focussed on advancing the activities of the group.

The stumbling block was always to find a trigger that would enable the group to come together and discuss sponsorship options for cross regional events. Under the Local Government Act, each Council has its own grants policy. This was identified as the best place for the insertion of wording that would trigger a response for sponsorship across more than two local government boundaries.

Another key issue which had been highlighted through this group was the need to benchmark standards for events in the FNQ region. We wanted to confirm a certain level of service across the region in relation to events and thus ensure participants have an overall positive experience during their stay in FNQ. As such, a set of Best Practice Guidelines has been developed as a reference for both event organisers and Council event officers.

And finally, the Regional Events Group has been offering its services to event organisers to assist in the design of upcoming events. Organisers are able to gain the benefit of having all Councils in the room at one time to discuss the design and planning of an event. More importantly, from a local government perspective, it allows Councils the opportunity to be proactive, have input into the design/route to link to local activities/charities and better negotiate a return on investment for cross regional sponsorship requests. We will continue to provide assistance to event organisers and meet with the Technical Committee on an as needs basis.

STRATEGIC	
1. Development of a submission to the Federal and State Governments and Ergon Energy to resolve the issues surrounding the CEEP funding, regulations and Ergon Energy implementation. FNQROC Board to actively advocate our position should there be a lack of response.	 Ongoing
2. Continue the push to Ergon Energy, State and Federal agencies for amendments to regulations inhibiting our ability to replace existing and new luminaires with energy efficient luminaires.	 Ongoing
OPERATIONAL	
3. A minimum of 3 meetings a year for sharing of information, resources and technical experience.	 Ongoing
4. Progress implementation of the Regional Greenhouse Gas Mitigation Strategy (RGGMS).	 Ongoing
5. Identify and apply for funding which will implement the RGGMS and local strategies with a particular focus on street lighting.	Not yet started
6. Advocate to LGAQ and ALGA to prepare research, advice and training on the implications for Local Governments on carbon pricing.	 Ongoing

NATURAL ASSET MANAGEMENT

Program Introduction

The Natural Asset Management program has continued as a co-funded arrangement between Terrain NRM and FNQROC although there have been some fundamental changes to the way this is delivered. The role of Natural Asset Management Coordinator is a full time position hosted by Cairns Regional Council human resources with office space and facilities provided by Tablelands Regional Council.

The role represents the interests of Local Government across operations related to the natural environment including invasive plants and animals, landscape repair and restoration and biodiversity conservation/planning. The role of the coordinator is one of representation, advocacy, strategic planning, facilitation, and communication. Delivering partnerships and collaborations which add value and creates efficiencies to Local Government operations in managing natural assets are key deliverables.

The Natural Asset Management Advisory Committee (NAMAC) guides the technical aspects of the role. The NAMAC consists of representatives from member Councils Terrain NRM and DAFF and so reflects the memorandum of understanding entered into by the State Government (DAFF), Natural Resource Management groups (RGC) and Local Government (LGAQ) at a regional level. The committee meets quarterly on a rotational basis hosted by each Local Government in turn.

Biannually the NAMAC coincides with the FNQ Pest Advisory Forum (FNQPAF) which communicates the latest in management, science and policy to the NAMAC and the community.

Key Activities to be undertaken:

- Core representative group for regional Natural Asset Management and Natural Resource Management business;
- Guide, advise, facilitate and communicate regional directions and partnerships in the delivery of Local government pest management and landscape repair;
- Facilitate a specialist advisory group to guide regional partnerships, coordination and co-investment in vertebrate pest management
- Facilitate a specialist advisory group to guide regional investment and resourcing of technical, planning and policy direction in landscape repair and resilience;
- Development and delivery of spatially explicit resource allocation and cost benefit analysis for landscape repair and pest management;
- Seek and foster research (State, Federal and University) and NRM investment and alignment with Local Government priorities and operations;
- Ongoing delivery and development of the regional mapping project and data share agreement including pest mapping and planning
- Deliver the Regional Pest Management Strategy and assist in the delivery and promotion of Local Government annual implementation/action plans.
- Facilitate delivery of cross regional programs and projects on joint issues in regard to pest animals and weeds.

Benefits to Councils:

- Direct consultation, representation and advocacy with key state departments (e.g. DAFF) in regard to the implementation of relevant legislation partnerships and programs;
- Provision of a single point of contact for regional consultation, negotiation, and representation and two way communication with key stakeholders and partners from NGO, state and national partners and stakeholders;
- Direct representation on relevant National, State and regional committees and advisory panels
- Ownership and authorship of key strategic planning documents and strategies to ensure local representation and interpretation of state and national legislation and policy. e.g. – dedicated species plans for Pond Apple and Gamba grass;
- Supporting deliver of bi-annual taskforce operations ‘on ground’. Taskforce operations enable significant management projects to be undertaken with a collaborative regional skill set and network.
- The provision of a collective voice for the technical and operational expertise within the region adds weight to communication to state and national bodies and ensures local issues are represented and tabled;
- FNQROC has a Regional Pest Management Strategy and supporting schedules which guide the delivery of Local Area Pest Management Plans. The schedules are regularly reviewed and Councils receive direct assistance in the facilitation and preparation of their plans ;
- Sharing of resources, knowledge and expertise across the region reduces duplication of effort and advances positive technical, operational and planning outcomes;
- Direct liaison and partnerships with Natural Resource Management Groups on practical and strategic planning projects. Opportunities to collaborate and guide strategies within NRM planning significantly increases regional collaboration and reduces duplication of effort and resources;

- Support and development of submissions for State and Federal funding programs. FNQROC is working collaboratively to identify and prioritise agreed strategic areas within the region to focus our attentions for competitive funding grants and future environmental offsets; and
- Through collaborative work, FNQROC has assisted to secure over \$1 million in additional funds over the last 4 years and lodged submission for an additional \$2.7 million. These resources assist maintain local government capacity by funding on ground works, partnerships, strategic planning and regional asset procurement.
- Strategic support for focal issues. Many long standing issues for local governments benefit from assistance from an external but aligned 'third party' to mediate facilitate and develop solutions. Key projects like the Bloomfield Valley Horse Management Program and Cape York/Far North Queensland Gamba Grass Management Plan are examples of successful collaborations with local government interests at their core.

Progress to date

The natural asset management coordination role evolved out of the regional pest management officer position which was initiated in the region in 2005. During the tenure of the pest management officer key regional initiatives such as the Weed Spread Prevention Strategy, mobile wash down units and regional communication tools were developed. Importantly during the transition to amalgamated Councils the role built on and galvanised the regional partnerships that continue to this day. As a result of the 2009 revision of the Regional Pest Management Strategy the then FNQ Pest Management Advisory Committee decreed to become the FNQ Natural Asset Management Committee in order to reflect the dual role of local government management natural area units in both pest management as well as landscape restoration. Natural asset management is a dynamic and rapidly evolving arena and incorporates a range of key legislative and community deliverables for local government. FNQROC and partners has an established reputation for innovation and progressive planning in this space which will assist local government to remain engaged to make the best advantage of the continually changing management landscape.

Current projects

The natural asset management coordinator role leads or supports many projects and initiatives across the region as well as representing interests within local, regional, state and national advisory structures. The key projects and advisory structures are summarised below. A more detailed snapshot of an individual group of projects is provided in the project profile.

In line with these changing demands the aspects of the role which relate to the partnership with Terrain NRM have transitioned from a program to a project focus. The key contractual deliverables within this has resulted in FNQROC providing support to the delivery of spatial planning components of the Draft Wet Tropics Strategic Offset Investment Areas (complete); Systems Repair (Wet Tropics Water Quality Improvement Plan- in review) and the Wet Tropics Natural Resource Management Plan (in review).

Future Initiatives












Following several years of restructure and review across all levels of government the 2014/2015 year necessitates the day to day operations of the natural assets role return its focus to the core operations of local governments. This will primarily be delivered by re-investing the lessons learned in spatial and strategic planning of the past four years back into a comprehensive natural assets planning framework specific to Councils requirements.







An ongoing engagement in a rapidly evolving policy space will also continue to be a focus as fundamental review and implementation of State and Federal biosecurity and biodiversity policies are undertaken.

Ongoing development of key themes and opportunities around regional determination and direction, integrated planning, and innovative practice/planning will be very much at the fore. In this new integrated planning space we will be looking to develop new partnerships and engage more closely

with innovators and researchers to create alternative resourcing models and embrace new technologies and approaches to old problems.

2013/14 OPERATIONAL PLAN

STRATEGIC	
1. The Natural Asset Management Advisory Committee (NAMAC) to make recommendation on the changes required within current Federal and State Legislation (procedures and policy) to facilitate local management of environmental areas rather than exclusion or complex approval processes.	
2. The NAMAC to put forward a proposal to Federal and State Governments which identifies proposed solutions to: <ul style="list-style-type: none"> a. Long term funding sources/opportunities/economic models, b. Environmental restoration post a natural event, and c. The region's abilities to take advantage of the carbon market. 	
3. Implementation of natural asset management planning framework in participating member Councils.	 Ongoing
4. Implementation of the Interactive Biodiversity Assessment and Planning Framework.	 Ongoing
5. Establish regional requirements and priorities for alternatives economic strategies for resourcing natural asset management programs within member Councils.	 Ongoing
OPERATIONAL	
6. Minimum of four (4) Natural Asset Management Advisory Committee meetings.	
7. Minimum two (2) Technical Committee meetings of the Regional Vertebrate Pest Working Group, Regional Landscape Repair and Resilience Working Group, and the Pond Apple Working Group	Not yet started – national programs disbanded
8. Two (2) regional resource sharing task force operations.	
9. Revision of Weed Spread Prevention Strategy and Disaster Management Code of Practice.	
10. Co-facilitation and support of the FNQ Pest Advisory Forum.	
11. Continue collaboration and cross-pollination with Asset Management, Planning and Sustainability portfolios.	
12. Regional representation on the Executive of the Queensland Weeds Society and participation on relevant State and national conferences.	

13. Regional representation on the National Tropical Weeds Management Committee.	
14. Regional representation on the Far North Queensland Pest Fish Advisory Group.	
15. Regional representation on the National Gamba Grass Taskforce	
16. Continue collaboration with individual natural asset and biodiversity conservation initiatives with member Councils.	
17. Continue collaboration with Cape York Weeds and Feral Animals Program and Cape York Peninsula Pest Management Advisory Group.	
18. Support Regional Procurement Coordinator to progress regional procurement initiatives.	Not yet commenced
19. Continue development of the tri-region (Cape York, Northern Gulf, and Wet Tropics) NRM/Governance Alliance concept	 Ongoing

UNAUDITED FINANCIALS 2013/2014

PROFIT AND LOSS

	Jul 2013 - Jun 2014
Ordinary Income/Expense	
Income	
Digital Enterprise Program (reimbursement)	577.80
FNQROC	
Advance Cairns annual contrib.	120,000.00
Annual Contribution	307,931.00
Miscellaneous	
Staff Christmas Party	336.80
Total Miscellaneous	336.80
Regional Procurement Group	
Regional Bitumen Reseal Project	
Bitumen Reseal 15% savings	111,445.80
Regional Bitumen Reseal Project - Other	27,500.00
Total Regional Bitumen Reseal Project	138,945.80
Regional Purchasing Contributio	
Liquid Alum 15% savings	18,231.00
Sodium Hypochlorite 15% savings	11,531.00
Total Regional Purchasing Contributio	29,762.00
Total Regional Procurement Group	168,707.80
Reimbursement travel expenses	504.55
Total FNQROC	597,480.15
Natural Asset Management	
Gamba Grass Project	9,017.83
Natural Asset Management - Other	90,000.00
Total Natural Asset Management	99,017.83
Regional Infrastructure Project	
Annual 4% contribution	129,863.72
Funding/Subsidies	92,222.51
Total Regional Infrastructure Project	222,086.23
Total Income	919,162.01
Expense	
Audit & Accounting Fees	3,150.00
Bank Service Charges	280.00
Digital Enterprise Program Exp	
Miscellaneous	577.80
Total Digital Enterprise Program Exp	577.80
FNQROC Expenses	
Annual Subscriptions	486.36
Chairs Honorarium	6,000.00

External Meeting Expenses	
Registration Fees Etc	827.74
Travel, Accom & Meals	4,763.90
External Meeting Expenses - Other	<u>75.35</u>
Total External Meeting Expenses	5,666.99
Internal Meeting Expenses	
Conference Call Meetings	639.60
Meeting Refreshments/Catering	<u>2,586.98</u>
Total Internal Meeting Expenses	3,226.58
Miscellaneous	
	937.35
Mobile Phone Expenses	1,527.10
Payroll Expenses	
On Costs - Annual Leave	16,284.04
On Costs - Long Service Leave	9,203.44
Salaries	180,987.42
Payroll Expenses - Other	<u>90.90</u>
Total Payroll Expenses	206,565.80
Short Term Projects	
Advance Cairns	120,000.00
NBN Project Expenses	21.59
Q-Wrap	<u>55,657.28</u>
Total Short Term Projects	175,678.87
Stationery & Office Expenses	
Website	874.49
Stationery & Office Expenses - Other	<u>3,191.05</u>
Total Stationery & Office Expenses	4,065.54
Training	
	177.27
Uniforms	137.91
Vehicle Expenses	<u>7,036.41</u>
Total FNQROC Expenses	411,506.18
Reg Infrastructure Projects	
Consultancy Expenses	38,775.00
Cross Reg Mountain Bike Project	2,312.84
External Meetings	
Registration Fees Etc	1,710.73
Travel, Accom & Meals	<u>2,883.61</u>
Total External Meetings	4,594.34
Funding/Subsidies	
RAVT Training 2014	<u>2,997.09</u>
Total Funding/Subsidies	2,997.09
Internal Meeting Expenses	
Meeting Refreshments/Catering	<u>1,651.19</u>
Total Internal Meeting Expenses	1,651.19
Miscellaneous	
	664.16
Mobile Phone Expenses	898.05

Regional Waste Management Group	262.73
Salaries	81,187.71
Stationery & Office Expenses	77.27
Vehicle Share Expenses	2,140.76
WSUD Project Expenses	<u>2,419.31</u>
Total Reg Infrastructure Projects	137,980.45
Reg Natural Asset Management	
External Meetings	
Registration Fees Etc	1,290.91
Travel, Accom & Meals	<u>2,074.99</u>
Total External Meetings	3,365.90
Gamba Grass Project	8,858.83
Internal Meeting Expenses	
Meeting Refreshments/Catering	<u>914.67</u>
Total Internal Meeting Expenses	914.67
Mobile Phone Expenses	1,080.78
NERP Program	13,550.72
Salaries	82,584.92
Stationery & Office Expenses	198.04
Subscription/membership fees	22.73
Vehicle mileage (staff)	5,251.97
Vehicle Share Expenses	10,472.72
WQIP Project	<u>785.72</u>
Total Reg Natural Asset Management	127,087.00
Reg Planner/Sustain/SLighting	
External Meetings	
Regn Fees Etc	45.45
Travel, Accom & Meals	<u>718.58</u>
Total External Meetings	764.03
Internal Meeting Expenses	
Conference Call Meetings	64.90
Meeting Refreshments/Catering	<u>822.73</u>
Total Internal Meeting Expenses	887.63
Mobile Phone Expenses	942.92
Salaries	<u>41,204.18</u>
Total Reg Planner/Sustain/SLighting	43,798.76
Regional Asset Management	
External Meetings	
Registration Fees Etc	272.73
Travel, Accom & Meals	<u>8.00</u>
Total External Meetings	280.73
Internal Meeting Expenses	
Meeting Refreshments/Catering	<u>590.64</u>
Total Internal Meeting Expenses	590.64
NAMS.Plus	<u>29,237.55</u>

Total Regional Asset Management	30,108.92	
Regional Development Manual		
Internal Meeting Expenses		
Meeting Refreshments/Catering	466.91	
Total Internal Meeting Expenses	466.91	
Stationery & Office Expenses	2,067.57	
Total Regional Development Manual	2,534.48	
Regional Procurement		
Bitumen Reseal Project		
Project Coordinator Fees	41,700.00	
Bitumen Reseal Project - Other	7,381.88	
Total Bitumen Reseal Project	49,081.88	
External Meeting Expenses		
Travel, Accom & Meals	159.04	
Total External Meeting Expenses	159.04	
Internal Meeting Expenses		
Meeting Refreshments/Catering	375.81	
Total Internal Meeting Expenses	375.81	
Miscellaneous	38.10	
Mobile Phone Expenses	890.79	
Salaries	93,616.14	
Stationery & Office Expenses	1,440.00	
Training	221.55	
Waste Metal Recycling	622.45	
Total Regional Procurement	146,445.76	
Total Expense		<u>903,469.35</u>
Net Ordinary Income		15,692.66
Other Income/Expense		
Other Income		
Interest Income	11,569.99	
Total Other Income	11,569.99	
Net Other Income		<u>11,569.99</u>
Net Income		<u><u>27,262.65</u></u>

Notes:

This net income represents a clawback of 2012/2013 \$30,508 loss due to TIDS funding cuts.

BALANCE SHEET

	<u>Jun 30, 2014</u>
ASSETS	
Current Assets	
Chequing/Savings	
Cheque Account	11,663.16
V2 Account	<u>487,552.38</u>
Total Chequing/Savings	499,215.54
Accounts Receivable	
Accounts Receivable	<u>48,162.00</u>
Total Accounts Receivable	48,162.00
Other Current Assets	
Accrued Interest Receivable	2,676.58
Accrued Revenue	<u>119,048.80</u>
Total Other Current Assets	121,725.38
Total Current Assets	<u>669,102.92</u>
TOTAL ASSETS	<u>669,102.92</u>
LIABILITIES	
Current Liabilities	
Credit Cards	
ANZ One Credit Card	<u>5,307.44</u>
Total Credit Cards	5,307.44
Other Current Liabilities	
Accrued Expenses	15,197.96
Payroll Liabilities	
AL Payable Current	48,487.50
AL Payable Non Current	23,326.00
LSL Payable Current	37,561.36
LSL Payable Non-Current	<u>31,458.00</u>
Total Payroll Liabilities	140,832.86
Tax Payable	<u>-12,496.71</u>
Total Other Current Liabilities	143,534.11
Total Current Liabilities	<u>148,841.55</u>
TOTAL LIABILITIES	<u>148,841.55</u>
NET ASSETS	<u>520,261.37</u>
EQUITY	
Opening Bal Equity	293,928.07
Retained Earnings	199,070.65
Net Income	<u>27,262.65</u>
TOTAL EQUITY	<u>520,261.37</u>