



FNQROC Annual Report 2012/13

Prepared for the Annual General Meeting on 12 August 2013

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 2012 to 30 June 2013.



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 2012/2013 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.

One of the concerns highlighted in the independent review completed on FNQROC at the end of 2011 was our involvement in procurement, and it was requested that regular reporting occur to the board on this initiative. The task set by the board was to make the position self-sustainable based on 15% of the identified savings. If this wasn't difficult enough, the mandate included a focus on those areas where there were limited suppliers and councils were competing against each other. I am proud to say that this initiative through three tenders has been a resounding success. By working collaboratively we have achieved:

- ✓ 12% per year for three years for Sodium Hypochlorite plus additional storage, quarantining of product and a dedicated accounts officer.
- ✓ 30% per year for three years on Liquid Alum. This tender also helped to grow a local Townsville business to now compete against multinational companies.
- ✓ 19% on our bitumen reseal program. Amongst other things, Council staff members have had to change their business processes and prepare a works plan for early release. The end result is that councils will no longer compete against each other for these contractors, the bulk of the risk has been taken from council and put to the contractor, and weather permitting all councils' bitumen resealing works for the 2013/2014 period will be completed by the end January 2014 (based on the current draft program). This result will be something none of us has seen for a long period of time.

The Regional Procurement Coordinator should be commended for the way he has handled not only this process but also the culture change for councils and their staff.

This is not all we have done. In summary we also have:

- ✓ Adopted a Strategic Plan for the next five years.
- ✓ Provided monthly newsletters to ensure internal and external stakeholders are kept informed of all the activities we undertake.
- ✓ Our Regional Road Group continues to lead the State not only in capacity building activities but also in delivery of works against our funding allocation.
- ✓ Co coordinated with Biosecurity to deliver 'Pest Fest', a three day event for three regions which resulted in more than 120 participants and 60 staff receiving accredited training, all of which was free of charge.
- ✓ Continued the drive on street lighting issues.
- ✓ Agreed on a process for cross-council events which seek sponsorship.
- ✓ Investigated alternative business models to manage our urban water supplies.
- ✓ Undertaken numerous submissions and Expressions of Interest.
- ✓ Represented councils collectively on a number of boards and working groups to advocate our position and our drive our Strategic Directions.
- ✓ Met with other ROC's across the to understand and share our regional priorities.

The Board which comprises the Mayors and CEO's have worked extremely well together and this continues to grow and will benefit our communities now and into the future.

I congratulate both the FNQROC staff members and the 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 CEO's 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 that 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 (i.e. asset renewal gap, devolved responsibilities etc) of the FNQROC Board and Councils individually. This is also a document which can be utilised by our regional peak bodies for their advocacy efforts.	
2.2.1. The Q-WRAP Technical Committee will provide a recommendation to FNQROC on future business model opportunities for further consideration and implementation.	 Commenced
2.3.1. Development of a submission to the Federal and State Governments, with an understanding the FNQROC Board 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.	 Completed September 2012
2.4.1. 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.	 Commenced
2.4.2. 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.	 Actions occurring within the region with LAWMAC informed
2.6.1. That 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: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 Core Operation Activities 2012/2013

Staffing: 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 Procurement Coordinator 1.0 FTE
Frederick Marchant, Acting Regional Planning and Sustainability Coordinator 0.60 FTE
(until May 2013)
Daniella Gambotto, Regional Project Officer 0.40FTE (June 2013)
Gerard Read, Regional Infrastructure Project Coordinator (Consultant)
Scott Britton, Regional Infrastructure Project Coordinator (15 April 2013)

Overview of 2012/2013

FNQROC Strategic Directions 2012 – 2017

The FNQROC Board has endorsed and action has commenced on those areas the Mayors collectively believe are a priority across the FNQROC region.

deChastel Review

An independent review of FNQROC and our activities have identified that on average across the region councils receive \$13.30 per \$1 invested in FNQROC. Our role now is to implement recommendations and deliver strategies to ensure this high level of return on investment is maintained or improved.

Regional Development Manual

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

Tropical Innovation Awards

FNQROC was again a sponsor of the Tropical Innovation Awards. The FNQROC Administration Officer worked closely with the Cairns Regional Council team to manage more than 90 applications from across Australia and overseas.

Integrated Biodiversity Assessment Planning Framework

The Regional Natural Asset Management Coordinator has been working tirelessly on a project many said could not be achieved. In simple terms, he has combined all relevant legislations and spatial data on our landscapes to allow for informed decision making at a property level. This mapping information has been included in the Tablelands Regional Council Planning Scheme and Cairns Regional Council Biodiversity Strategy and new draft Planning Scheme.

This project also informed the environmental assessment component of the Bloomfield Report Study - a Wet Tropics Management Authority requirement prior to considering construction of a crossing at Woobadda Creek.

After all this hard work, Travis Sydes was awarded the LGMA Queensland Excellence Award (Commended) for going 'Above and Beyond'.

This project is ongoing and will continuously adapt as more information comes forward.

Cross Council Events Strategy

The councils have been working collaboratively to get a better return on sponsorship investment for those events which cross council boundaries. This new committee will also assess events and make recommendations with regard to sponsorship and return on investment to the relevant councils for their consideration.

Natural Disaster Relief and Recovery Arrangements

FNQROC has developed an 'issues of concern' document with recommended solutions for both the Federal and State Governments. Two motions were put before the LGAQ annual conference which

was endorsed by councils across Queensland. FNQROC continues to advocate strongly for changes to the Federal Guidelines and the State Government's interpretation of these.

Qld Water Regional Alliance Program

The councils have been working collaboratively to identify alternative business models to manage urban water supplies. This review is now being finalised and will be presented to the FNQROC Board for consideration early in the 2013/2014 financial year.

Street Lighting

We have kept the pressure on regarding energy efficient street lighting replacement through our constant communication with Ergon Energy and the Minister for Mining and Energy. While the goal posts keep changing we are starting to narrow the field in terms of where to put our efforts.

Regional Procurement

We successfully completed joint tenders for Liquid Alum, Sodium Hypochlorite and Bitumen Reseals.

Liquid Alum

On average, the region saved 30% and supported the growth of a local supplier to compete with multinational companies.

Sodium Hypochlorite

On average the region saved 12%. Two councils did not receive direct savings however their cost increase was below the expected CPI increase. Further results included the quarantining of product, increased storage and the employment of a dedicated accounts officer. We also have one council now supplying this product to remote councils which is saving them approximately 50% as well.

Bitumen Reseal Tender

The big win for the region was the Bitumen Reseal Tender which was assessed in June 2013. The minimum saved on direct costs was 8% with the average being 19%. The indirect benefits are intangible as this new arrangement also transfers risk and liability from member councils to the supplier, allowing councils to focus on their core activities, saving council's time (the supplier is responsible for aligning ordering of product/services) and ensuring annual programs are delivered efficiently.

I am especially pleased with the maturity of the project steering committee which listened to the market regarding the inclusion of the DTMR rise and fall clause. The project steering committee has agreed to share this risk on a prorata basis across all councils should the need arise.

Mr Steven Cosatto also received the 2013 Local Buy Procurement Professional Award.

Asset Management

Asset Management after a gap period has regained effort with the recent appointment of a full time, Cairns-based Regional Infrastructure Project Coordinator. The focus is to develop a 'helicopter view' of our infrastructure gap which will take some time as councils continue to progress with development of their asset management plans.

Furthermore, the issues in relation to depreciation and factors associated to it are also being investigated to identify possible solutions which will be raised at the first Regional Roundtable with the Minister for Local Government in August 2013.

eNewsletters

Each month the Administration Officer does an excellent job in collating updates for our monthly newsletters. 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.

FNQROC Representation

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

- LGAQ Policy Executive
- Advance Cairns
- Regional Managers' Coordination Network (Treasurer)
- QLD ROC collective (through assemblies)
- 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
- Northern Queensland Pest Fish Advisory Group
- 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:

FNQROC lodged the following submissions:

- Submissions regarding NDRRA to Federal and State Governments
- Motions regarding NDRRA to the LGAQ Annual Conference
- Funding for FNQROC Procurement Coordinator
- First draft of Single State Planning Policy
- Second draft of Single State Planning Policy
- Siam Weed Eradication Program
- A submission to Federal and State Governments regarding regulations affecting replacement of street light luminaires
- Five expressions of interest to the State Government's Regional Round Table:
 1. NDRRA and QRA implementation
 2. Collective Procurement
 3. Creating a World Class Mountain Bike Destination in Tropical North Queensland
 4. Building Capacity of ROC's (allowing us to focus on issues related to council sustainability)

5. Alternative mechanisms to support invasive species management

- Biodiversity Fund – Currently in second round expression of interest. Value \$2.7 million over 4 years.
- Contribution and inclusion of Local Government elements (pest management, catchment repair, river improvement/restoration) in Caring for our Country Rivers to Reef Proposal.

FNQROC Presentations

Presentations made by FNQROC Staff Members

Officer	Name	To:
Darlene Irvine	“Strategic Directions Workshop – Priorities from Technical Committees”	FNQROC Board
Steven Cosatto	“Procurement”	RRG Technical Committee
Steven Cosatto	“Procurement Update”	FNQROC Board
Darlene Irvine	“FNQRRG Procurement Review”	Road Alliance Technical Chairs Forum
Steven Cosatto	“Procurement”	IPWEAQ North Qld Branch
Travis Sydes	“Alternative Economic Strategies for Natural Asset Management”	Tablelands Regional Council
Darlene Irvine	“Patience + Persistence + Planning = Collaboration in FNQ”	LG Strategic Alliance Showcase
Travis Sydes	Cape York/FNQ Gamba Grass Management Plan & other LG Pest Management Planning Initiatives	<ol style="list-style-type: none"> 1. QPWS Northern Region Pest Planning Workshop 2. QPWS Wet Tropics Regional Pest Planning Workshop
Travis Sydes	Cape York / FNQ Gamba Grass Management Plan	<ol style="list-style-type: none"> 1. Cape York Peninsula Pest Management Advisory Group 2. Pest Fest 2013 3. Technical Working Group 4. National Gamba Grass Taskforce
Travis Sydes	FNQROC/LG Biodiversity Planning Initiatives	<ol style="list-style-type: none"> 1. Cassowary Recovery Team 2. Hinchinbrook NRM Forum
Travis Sydes	IBAPF Planning Overview	CRC Planners
Travis Sydes	Pest Assessment Prioritisation and Planning Framework	<ol style="list-style-type: none"> 1. TRC Pest Management Advisory Committee 2. HSC Pest Management Advisory Group 3. CCRC Natural Asset Management Advisory Committee 4. Australian Weeds Conference

Presentations made to FNQROC Board and Technical Committees

Organisation	Name	To:
deChastel & Assoc.	“Strategic Workshop”	FNQROC Board
Office of Economic and Statistical Research (OESR)	“Understanding Census Counts and ERP”	FNQROC Board
Cassowary Coast Regional Council	“Disaster Risk Reduction & Resilience System”	FNQROC Board
Dept. State Development Infrastructure and Planning	“Changes and Priorities for new Government”	Planners Technical Committee
P&E Law	“Drafting Conditions of Approval”	Planners Technical Committee
MacDonnells Law	Valuable non-current asset contracts – Leases v Management Agreements and Permits	Procurement Technical Committee
Jim Martin	“Comparison of the VIC and TAS water Reform”	FNQROC Board
Local Buy	“Regional Procurement”	Procurement Technical Committee
MacDonnells Law	“Procurement Challenges”	Procurement Technical Committee
RDA FNQ&TS	“River Trusts”	FNQROC Board
Jeff Roorda & Assoc.	“Asset Management”	Regional Asset Management Committee
Cairns Regional Council	“Tropical Innovation Awards”	FNQROC Board
Advance Cairns	“Update”	FNQROC Board
Cairns Regional Council	“Regional Recycling”	FNQROC Board
Dept. State Development Infrastructure and Planning	“Planning Reform Seminar”	Planners Tech. Com.
AEC Group	“QWRAP progress”	FNQROC Board
Economic Development Qld	“General Overview”	FNQROC Board
Crime and Misconduct Commission	“Review of ICAC Investigation”	Procurement Technical Committee
MacDonnells Law	“Local Government Contracting and Deamalgamation”	Procurement Technical Committee
Jardine Lloyd and Thompson	“Risk”	Procurement Technical Committee
Ipro Solutions	“Centralised Contract Administration software”	Procurement Technical Committee

Coordinator Reports

FNQROC Procurement

Program Introduction

The role of Procurement Coordinator within FNQROC was established in July 2010 and was filled in February 2011. This program is jointly funded by the Roads Alliance Board and member councils.

Councils are (in many instances):

- Under continual pressure to do more with less.
- Competing against each other (and state government agencies) for product/services - driving costs up and pushing out delivery timelines.
- Provided with substandard service due to a lack of suppliers in the region. This could be due to volumes, contract terms or number of suppliers in the region.

The FNQROC Board saw an opportunity to work collaboratively to minimise these risks and requested the program to further scope this initiative to identify and provide technical advice on progression forward (with an emphasis on “low hanging fruit”) and what are the inhibitors for joint purchasing/contracts/resource sharing.

2013/2014 Review:

One year on from initial arrangements we have been able to review existing regional contracts in place.

The FNQROC procurement 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.

(With reference to Report B35 – FNQROC Budget and Operations 14 February 2011 it was identified that the goal was to make regional procurement self-funded and to do this, member councils would contribute 15% of identified savings through regional procurement to FNQROC. Procurement MOA Refer Doc #3307126)

A cost analysis for procurement projects to date for liquid alum and sodium hypochlorite, (arrangements in existence 12 months), and bitumen resealing (estimated based on preliminary program) shows a regional saving of \$1,013,741. The council share of this saving is shown below:

✓ Cairns Regional Council	19%
✓ Cassowary Coast Regional Council	26%
✓ Cook Shire Council	30%
✓ Tablelands Regional Council	25%

NB: Regional savings

1. Liquid Alum 30% on 2011/2012 pricing (Confirmed)
2. Sodium Hypo 12% on 2011/2012 pricing (Confirmed)
3. Bitumen Reseal (**Estimated**) 19% on 2012/2013 pricing (full evaluation July 2014)

Whilst initial focus and the success of the projects have been measured by the direct savings generated by the collective, it has become evident that the indirect savings/benefits to councils and the market have added additional weight to the collective benefit. “It isn’t all about the price” has been very relevant to the collective projects thus far. The underlying theme in all steering committee goals has been for the process to achieve “supplier commitment to deliver the agreed product”.

To summarise and prioritise the objectives of the project steering committee's to date they would be:

1. commitment to deliver;
2. improved levels of service;
3. provision of economies of scale to the market to achieve best value.
4. transferral of risk and responsibility from council to supplier.

While it is a simple process to identify the direct savings the collective achieves it is difficult to cost the indirect benefits. To date, these include:

- **Liquid Alum:**

Bay Chemicals was selected as the preferred supplier for the region. Given they were a local company there was some trepidation when compared to the national and multi-nationals. Through the tender development and arrangement which began in May 2012 it was identified that Orica (an existing supplier) had been sub-contracting to Bay Chemicals.

The selection of the Townsville company has meant:

- The FNQ arrangement is their business base and as such service levels have been excellent.
- Initial concerns regarding the company maintaining product quality were addressed with:
 - a supplier agreed compensation clause dependant on audits. Three independent audits conducted during the year has shown the product is to required standards, (*Audit cost of \$650 is shared amongst councils*)
 - member councils achieving greater levels of product testing at minimal cost and with shared results.
- Reduction in regional “red tape”
 - all contract administration i.e. insurances, accreditations, CPI adjustments are through FNQROC which is then distributed to councils.
 - standardised regional invoicing
 - one tender required not four
- Sharing of Resources – eg. regional product auditing (sharing of results), transfer of product performance information, supplier information, incident/compliance registers.

- **Sodium Hypochlorite:**

The combined FNQ collective amounted to only 3% of the state turnover for either supplier. Service levels to individual councils were regarded as poor. During periods of high usage councils were competing against each other and the higher priced private market (pool shops etc.) for product. The supplier engagement process was used to highlight council's areas of concern:

- Inadequate storage capacity in region
- Poor invoicing
- At times poor level of service to council depots

Suppliers advised the offer of a three year collective arrangement to the market would enable them to move forward with surety and since June 2012 have:

- Exited the private chlorine market i.e. solely focus on supply to councils
- Contracted a second freight company to increase deliveries from Brisbane
- Appointed a FNQ accounts manager
- Doubled their regional storage capacity in Townsville with a commitment to increase their Cairns storage within 12 months.

An individual council audit found substandard product, with the initial standard company response being “it must be an issue with your storage”. FNQROC requested member councils conduct collective audits, and these audits identified batch failure. The collective results when presented to the supplier achieved credits for substandard product to CRC and CCRC. This would not have been achieved in the past.

Also to note, this year (2012/2013) the collective did not pay any additional transport charges.

- **Bitumen Resealing:**

Regardless of whether Councils had a contract or preferred supplier arrangements each struggled to complete their annual programs due to a number of issues. However, in the main it was competition between councils and the Department of Transport and Main Roads (TMR). This competition for suppliers and resources made the organisation and completion of council programs problematic and drawn out.

Through the process the Project Steering Committee (PSC) undertook an early supplier engagement strategy to inform the market of council’s intent and seek feedback on where we could improve to gain efficiencies.

The Suppliers informed us (which we included in the tender) it would be favourable if we had:

- Regional alignment of local government work standards, specifications and testing requirements to the Department of Transport and Main Roads technical standards.
- Regional alignment of safety, quality and environment requirements.
- Earlier than usual release of indicative work programs (allowing supplier organisation of resources).
- Simplification of the tendering processes.
- Inclusion of DTMR’s Rise and Fall clause in the arrangement.

The PSC also decided to utilise the bitumen reseal tender invitation to request suitable suppliers supply information to be used for a Register of Pre-qualified Suppliers (ROPS) for road construction and maintenance services. This achieved a further reduction in regional “red tape” and provides councils the opportunity to scope works with organisations which do not have a footprint in the region.

In summary, the results of the process include:

- FNQ received nine responses overall for the ROPS and six conforming tenders for the bitumen reseal. Previously all councils had only received a maximum of two conforming tenders. The quantities attracted Townsville suppliers, who advised that previously individual council quantities were insufficient for them to mobilise.
- Development of an additional local supplier.
- All councils received a reduction in direct costs.
- Through regional performance bonds, the provision of indicative works and the tender requirement for the supplier to provide an indicative program, the collective is confident of program completion.
- Agreement by member councils to share on a pro rata basis any rise and fall in bitumen.
- significant transfer of risk and responsibility from councils to supplier in the areas of:
 - councils engaging a Principal contractor instead of being the Principal contractor to manage and maintain the program. This arrangement provides councils with an additional layer of separation in the event of liability ie property damage.
 - management and delivery of suitable aggregate to maintain program continuity and quality, and






- traffic control. This arrangement provides councils with an additional layer of separation in the event of liability i.e. traffic accident/personal injury.









Indirect benefits are traditionally difficult to identify particularly when a council acts as the Principal Contractor. The independent component rates appear competitive however there are additional costs associated with staff across a number of positions working to pull these components together. There is also the risk/liability which a council acting as the Principal Contractor will carry such as safety, quality, environment and traffic. This project has enabled us to quantify the value of this risk (for bitumen reseal only) as 10% of an annual program.

We have estimated savings to the region in the order of 19% with many of the councils on closer inspection advising that this could be an underestimate.

As a collective, we also have secured a 50% subsidy from the Roads Alliance Board for a Regional Program Coordinator to assist councils in the delivery of the program. The remaining 50% will be funded by FNQROC.

2012/2013 Operational Plan

1. Continuation of Technical Committees: FNQROC Procurement, Water and Waste Chemical Treatment procurement.	
2. Establishment of Regional Procurement Committee (to include State Government bodies e.g. Road Tek, DTMR, QGCPO and Local Buy).	Uncertainty with regard to State agencies has prevented this progressing.
3. Meetings: a. Evaluation Committee Meeting for each tender release b. Two (2) contract review panel meetings per regional contract c. Minimum four (4) Procurement Technical Committee meetings at each Council. d. Minimum three (3) Water and Waste Technical Committee meetings. e. Minimum two (2) supplier meetings per regional contract f. Attend annual Northern LG Risk Management Focus Group Meeting g. Attendance of Road Regional Group meetings h. Road Regional Group Technical Committee meetings	
4. Quality Assurance: a. Facilitate two (2) audits per Council per contract for chemicals	
5. Facilitation of Presenters to the FNQROC Procurement Committee: a. Identified areas for Procurement Presentations 2012: i. Legal – Contract Management ii. Qld Audit Office – Issues with Procurement iii. LGM (Local Government Mutual Liability) – Update Insurance and Indemnities iv. CMC – Issues with Procurement v. Qld Government Chief Procurement Office vi. Local Buy	
6. Facilitation of regional tour to new Cassowary Coast Water and Waste treatment Plant (Coquette Point).	

7.	Distribution of all Procurement documentation to all members.	
8.	Development of FNQROC Procurement Policy and information sessions provided to members.	
9.	Establish and maintain Contract Administration documentation for new contracts. Documentation to include but not be limited to Incident Register, Insurance Register, Contractor Certification Register.	
10.	Maintain communication and information between the Procurement groups, the RRG and Board.	
11.	Utilise FNQROC website: <ul style="list-style-type: none"> a. To create and maintain an information and central data pool b. Establish and administer an FNQROC Procurement data base and forum c. Advisory function for State government bodies and suppliers wishing to engage the region. d. Collate and store information on: <ul style="list-style-type: none"> i. identified cost savings, ii. market research, and iii. supplier research 	
12.	Identified procurement projects for research <ul style="list-style-type: none"> a. EOI Sludge b. Herbicide c. Signage for RRG projects d. Guard rails e. Culverts (possibly only 2 suppliers) f. Bitumen resealing g. Stabilisation h. Bitumen (facility possibly already available through Local Buy) i. Asphalt 	
13.	Through the FNQROC Procurement Committee and relevant technical committees, investigate additional recommended opportunities for collaborative procurement (within the FNQROC Guidelines). Recommended additional procurement activities to be tabled at FNQROC.	
14.	Preparation of Process Map for Procurement Projects	Drafted
15.	Continue to encourage additional members to the FNQROC Procurement Committee.	

Regional Infrastructure Project Coordinator

FNQ Regional Road Group

Membership

- Cairns Regional Council
- Cassowary Coast Regional Council
- Cook Shire Council
- Tablelands Regional Council
- Wujal Wujal Aboriginal Shire Council
- Department of Transport and Main Roads (Far North Region)

Executive

RRG Chair	Cr Peter Scott (Cook)
RRG Deputy Chair	Cr Bill Shannon (Cassowary Coast)
RRG Secretariat	Darlene Irvine (FNQROC)
Technical Committee Chair	David Goodman (Cassowary Coast)
Technical Committee Deputy Chair	Steve Verity (TRC) from 13 July 2012 Brett Martin (DTMR) from 14 November 2012
Technical Coordinator	Gerard Read (FNQROC)
RAPT Representatives	Ross Kirman (LGAQ) Bettina Cruise (TMR) to September 2012 Michelle Connolly (TMR) September 2012 – June 2013 Zac Murphy (TMR) from June 2013

Summary

2012/13 commenced as “routine” but unfolded as anything but, with major developments and change as the year progressed.

TIDS funding

The most significant impact came in late 2012 when the Transport Infrastructure Development Scheme (TIDS) funding was reduced statewide by 37% effective immediately. The quantum of the reduction varied across RRGs and the FNQRRG RA TIDS budget was reduced from:

- \$3.493m to \$2.224m (36%) in 2012/13.
- SafeST TIDS funding for the region was also reduced from \$347,590 to \$182,177 (46%) in 2012/13.
- The region did not receive any Cycleways TIDS allocation in 2012/13, therefore nothing was reduced.

This meant a committed works program had to be revised mid-year which could have been a difficult and testing process. It is a great credit to the maturity and regional focus of the RRG and TC that this process was completed quickly, efficiently and with limited angst.

Linked to the TIDS funding reductions was the fact no funding carryovers would be permitted in future – if funding was not legitimately claimed by 30 June it would be lost.

The FNQRRG fully completed its 2012/13 works program and also completed approximately \$1m of its 2013/14 and 2014/15 works program which is a tremendous result. Furthermore, the FNQRRG also assisted the Gladstone RRG and NWQRRG with funding transfers between 2012/13 and 2013/14

for \$289,000 and \$300,000 respectively when these RRGs were unable to fully complete their 2012/13 works programs.

At the RRG Assembly the TMR Director-General advised that TIDS funding may return to their “pre-cut” levels once the State Government has its budget back in surplus. FNQRRG, Councils and LGAQ have and will continue to strongly lobby for this to occur as soon as possible.

Boundary Review

The RAB commenced a review of RRG boundaries in late 2012. This has resulted in Etheridge and Croydon Shire Councils joining FNQRRG from NWQRRG from 2013/14. Wujal Wujal reaffirmed its commitment to FNQRRG as part of this process.

The Council de-amalgamation referendum held in March 2013 has also had an impact on FNQRRG. The new Douglas and Mareeba Shire Councils will likely join FNQRRG when they are established on 1 January 2014.

TIDS ‘one bucket’

The Roads Alliance Board (RAB) also has released its proposed TIDS “One Bucket” Funding Model in 2012/13. The FNQRRG provided significant input initially and at the statewide workshop held on Tuesday 23 April 2013 in Brisbane. The policy will come into effect in 2014/15. Essentially:

- SafeST and Cycleways TIDS categories will be merged into a single allocation each year. Regional Airport projects will be eligible for funding from this single TIDS allocation – however the former RADS funding (Regional Airport Development Scheme, formerly \$2.9m) has been cut to \$0.
- ATSI TIDS, SCDF and Special TIDS are not included in the single allocation.
- RRGs will have the autonomy to prioritise and allocate the single allocation.
- The forward works program will reduce from 5 years to 4 years.
- “Regional Road Groups” will become known as “Regional Road and Transport Groups (RRTG)”.
- RRGs will be able to allocate up to 2.5% of TIDS towards capability development unmatched, however every dollar >2.5% will need to be matched on a 50/50 basis.
- Cycleways standards will not be incorporated in the RAB Operational guidelines.
- A protocol will be established regarding reallocation between RRGs.
- The TIDS policy and RAB Operational guidelines will be amended accordingly to reflect the changes.

Linked to the TIDS “One Bucket” Funding Model, the RAB commenced a review of the TIDS distribution to RRGs in 2012/13, to also come into effect for 2014/15. FNQRRG has provided input into the methodology.

Operational

Regular and planned meetings ensure FNQ operations are a “business-as-usual” activity for members and not neglected. This has been a significant cultural shift during the life of the FNQRRG.

- The RRG met five times in 2012/13 in Cairns (3) and Atherton (2).
- The RRG TC met six times during 2012/13 in Cairns (3), Atherton (2) and Cooktown (1).
- The RRG TC meeting held in Cooktown coincided with the 2013 IPWEAQ North Queensland Branch Conference hosted by Cook Shire Council.
- The RRG TC attempts to carry out one annual inspection of a portion of its LRRS network and projects.

- An inspection of several LRRS and projects was undertaken during travel to Cooktown for the RRG TC meeting as follows:
 - Cairns’ Barron Gorge Road rock fall structure project (completed)
 - Cairns’ Redlynch Intake Road major culvert project (in progress)
 - Cairns’ Cooper Creek bridge project on the Cape Tribulation Road (completed)
 - Cairns’ “Switchback” project on the Cape Tribulation-Bloomfield Road (completed)
 - Woobadda Creek & Bloomfield River on the Cape Tribulation-Bloomfield Road (future projects)
 - Cook’s Jones Creek bridge project on the Bloomfield Road (completed)
- The RAPT were represented at all the RRG and TC meetings held in 2012/13 with the exception of one TC meeting which focussed specifically on works program revision.
- Presentations from industry, other relevant government departments at TC meetings are quite common.
- FNQRRG is considered one of the leading and progressive RRGs in the state.
- All reference documents, forms, policies and factsheets etc. pertaining to the RAB and FNQRRG are available on the FNQROC website.

LRRS Network

The LRRS network totals approximately 1,440km in length, with an approximate 50/50 split between sealed and unsealed roads and is reviewed regularly – generally every two years as a minimum. The LRRS network was not reviewed in 2012/13 and is due for review in 2013/14. Should a member wish to add or remove a road from the network, they must provide justification.

Regional Safety & Development Program

In 2010, the RAB released an extra \$120m in funding over 4 years (2010/11 – 2013/14) under the Regional Safety Development Program (RSDP). The RSDP was primarily focussed at the areas of the state that were facing significant infrastructure (generally roads and bridges) pressure due to the rapid resources boom.

RSDP funding was on a competitive bid basis – and 50/50 matched. FNQ secured \$2.9m funding through RSDP for the following two significant projects:

- Construction of a crossing at Woobadda Creek on the Cape Tribulation-Bloomfield Road (\$0.9m). This was a 100% contribution from RSDP. Exhaustive planning and public consultation, in conjunction with WTMA, for the Woobadda Creek project was completed in 2012/13 and the project will be constructed in the first half of 2013/14.
- Sealing of sections of Ootann Road. (\$2m). The Ootann Road project was completed in 2012/13.

Statewide Capability Development Fund

The RAB allocates approximately \$600,000 annually in funding for RRGs’ capability development under the Statewide Capability Development Fund. SCDF funding is on a competitive bid basis – and generally 50/50 matched. FNQRRG secured a number of projects in 2012/13 under the SCDF:

- Regional Procurement Coordinator for a further 2 years (\$138,000), for 2012/13 and 2013/14.
- Bridge Asset Management Software and Training (\$28,000 – 2/3 funding), undertaken in February/March 2013.
- Road Safety Audit Training (\$13,000), held in Cairns in November 2012.
- Joint Reseal Contract Superintendent (\$27,500), for 2013/14.

- RRG TC members also undertook NetRISK and Road Safety Risk Manager training in Cairns in September 2012 which was fully funded by the RAB from SCDF.
- FNQRRG also submitted an application in 2012/13 for SCDF funding to develop an Alternative Timber Bridge Inspection and Maintenance Manual which was unsuccessful.

Capability Agreement & Action Plan

The Capability Agreement & Action Plan (CAAP) sets out an RRG's activities and actions required in order to improve its capability under the 4 key Road Alliance functions plus operational effectiveness. The RAB initiated CAAPs in early 2009 and accordingly FNQ drafted its first CAAP in early 2009. A progress review of the CAAP is generally undertaken at each RRG and TC meeting. The capability levels are assessed annually and the CAAP is redrafted annually. FNQ has gradually improved its capability levels since 2009.

FNQ LRRS Network

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
Cairns	Cape Tribulation Road	Mossman - Daintree Road	Cape Tribulation
Cairns	Cape Tribulation to Bloomfield Road	Cape Tribulation	North Bank of Bloomfield River
Cairns	Johnston Road	Mossman - Daintree Road (Front Street, Mossman)	Coral Sea Drive
Cairns	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	Mclvor 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
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
Tablelands	Ootann Road	Burke Developmental Road	Kennedy Highway
Tablelands	Black Mountain Road	Kennedy Highway	Euluma Creek Road
Tablelands	Chettle Road	Mareeba-Dimbulah Road	Springmount Road
Tablelands	Euluma Creek Road	Mossman-Mt Molloy Road	Mossman-Mt Molloy Rd
Tablelands	Henry Hannam Drive	Kennedy Highway	Cobra Road & Emerald Falls Road
Tablelands	Leadingham Creek Road	Mareeba-Dimbulah Road	Wolfram Road
Tablelands	Mount Mulligan Road	Leadingham Creek Road	Mt Mulligan Township
Tablelands	Myola Road	Kennedy Highway	Oakforest Road & Barnwell Road
Tablelands	North Walsh Road	Mareeba-Dimbulah Road	Bower Road & Kimalo Road
Tablelands	Pickford Road	Peninsula.Developmental Road	Mareeba Wetlands
Tablelands	Springmount Road	Mareeba-Dimbulah Road	Hansen Road (Granite Creek)
Tablelands	Chewko Road	Rankin Street	Hansen Road
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 (Section 2)	Walter Lever Estate Road	Cane Rail Xing (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

Asset Management

Over the past year progression on Asset Management activities have stalled. This is due in part to a lack of resources in FNQROC to drive this agenda and in part with Councils still progressing and improving their Asset Management plans. This information is needed to drive the regional agenda. Asset Management or understanding our Infrastructure Funding gap is a priority of the FNQROC board. To meet this priority, we have employed a full time Regional Infrastructure Project Coordinator to dedicate (in part) to Asset Management. A review of councils asset management plans has commenced. We have also commenced a review and understanding of issues surrounding financial statements and depreciation. This is important as it links to councils capacity to raise revenue to meet the infrastructure funding gap.

There is a two pronged approach going forward on a regional level:

1. Strategic

- Review Asset Management Plans and 10 years works programs against QTC financial models. (This may concern some individuals however the information will be high level and regional – not locally identified)
- Review depreciation vs. Renewal and Capital expenditure








These actions will give us a ‘helicopter’ view of the funding gaps at a regional level.











2. Operational support

- Review assumptions and improvement projects within asset management plans to identify similarities that we can focus on, and
- Through the Roads Alliance Board apply for subsidy to run NAMS plus 2 training in Cairns.

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.

2012/2013 Operational Plan

1.	One (1) Regional Technical Tour.	
2.	Information session and training (as needed) on the Road Alliance for all new Committee and Sub Committee members.	
3.	Review Local Roads of Regional Significance (LRRS) annually.	
4.	Review and update Statements of Intent for each LRRS.	
5.	Review and moderate projects submitted in the prioritisation tool.	
6.	Monthly review and update of ALL Transport and Main Roads (TMR) funded projects.	
7.	Maintain communication and information between the region and the Road Alliance Board and Road Alliance Project Team.	

8.	Coordinate review and communiqué regarding NetRISK and road crash data analysis by Councils.	
9.	Review stage 2 of Alternative Business Models pilot study.	
10.	Support Regional Procurement Coordinator to progress regional procurement initiatives as identified in the Alternative Business Models study stage 1.	
11.	Support and facilitate the progression of works required to enable the construction of Woobadda Creek Crossing (Cook, Cairns, Wujal Wujal and WTMA).	
12.	Undertake annual review and editing of Regional Development Manual.	
13.	Conduct minimum of three (3) industry workshops on the proposed changes to the Regional Development Manual.	
14.	Facilitate the inclusion of Water Sensitive Urban Design within the Regional Development Manual.	
15.	Continue to share Asset Management experiences between Councils such as impacts of Cyclone Yasi on valuations, level of service versus budget tools, etc.	
16.	Continued cross-pollination of information from planning, sustainability, natural asset, strategic portfolios.	
17.	Continue development of a unit rate and methodology consistent guidelines.	stalled
18.	Update the Regional Asset Management Strategy.	

Regional Project Officer (including Planning and Sustainability)

Program Introduction

Both the Planning and Sustainability agendas have been running for some time with FNQROC. Planning has long been an area of interest, but really hit the radar of FNQROC back in 2006 with the inception of the FNQ Regional Plan. This was when the FNQROC Planners Group met for the first time and has continued to meet on a regular basis since.

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 these portfolios and this position has changed.

Planning

During the year we had the great pleasure of welcoming Lauren Stiles to the FNQROC team. Lauren came as a casualty of the State position cuts for 10 weeks. During this time, on behalf of member councils she:

- ✓ Provided significant feedback on a number of draft guidelines from the State and in particular the draft Terrain Cassowary guideline for Planners,
- ✓ Undertook some significant review of Standard Conditions for the development of a template for Development Assessment Planners. For this purpose, we 'lent' Lauren to Cairns Regional Council to assist them with their work which would then be released to councils within the region.
- ✓ Arranged a number of presentations to the technical committee relating to current issues.

In November, Lauren secure employment with Cairns Regional Council.

Since November, we have seen significant planning reform; amongst them are the Single State Planning Policy and State Assessment and Referral Agency. FNQROC has provided submissions to all draft consultation documents.

Due to funding cuts, unless additional funding is found, the Planning Technical Committee will not have a dedicated resource in 2013/2014. The technical committee believes there remains a benefit in meeting regularly (particularly with the information which is garnered from the LGAQ representative and Department of State Development Infrastructure and Planning), and will continue to do so with limited support into the future.

It is envisaged in the 2013/2014 year we will also see significant reform of the Sustainable Planning Act and Infrastructure Charges. While there has been no dedicated resource to this committee we will continue to be involved in these proposed changes as they come through.

Sustainability

Over the past year, the sustainability committee has driven the push for energy efficient street lighting in this region. This action is part of the regions Greenhouse Gas Mitigation Strategy. FNQROC has lobbied the State and Federal Ministers regarding the legislative constraints to streetlight replacement and have endeavoured to work with Ergon Energy as well. We now have all councils audit data and have spatially analysed this information. Attention has now changed to those mercury vapour

luminaires which are approaching or past their 20 year life. Of these, we have approximately 4,500 to work with. We have estimated the cost to councils (comparing end of life mercury vapours to an Ergon approved energy efficient luminaire) to be in the order of \$250,000 across the region. Councils were considering those discrete clusters with aged mercury vapours to put forward to test LED's with Ergon Energy however Ergon have recently pulled out of this offer.

We are also aware that Service Level Agreements (between Councils and Ergon) are out of date or non-existent. We will be working with a dedicated street lighting committee to develop a regional service level agreement with Ergon Energy going into the future.

Many of the additional actions within the Greenhouse Gas Mitigation strategy are now being fulfilled by other technical committees i.e. Regional Waste Investigations, Biodiversity, Carbon offset etc. As a result of this and funding cuts, again the resource allocation has had to be removed. The sustainability committee has requested they still meet 6monthly to share information, experiences and receive relevant presentations.

Street Lighting









As identified above, a new Street Lighting Technical Committee has been formed to drive the replacement of aged infrastructure within the region and develop a Regional Service Level Agreement with Ergon Energy.

Cross Council Events

Councils identified a concern with events which crossed council boundaries. This concern arose from the feeling they were being coerced into sponsoring these events because a neighbouring council had committed. Many of these requests were also 'urgent' in nature. As a result the Board requested this be investigated in how we could manage the issue. We have:

- ✓ we have collated and reviewed these events
- ✓ developed a terms of reference and business process for these events

Early in the 2013/2014 period we will dedicate our focus on when these events seek sponsorship and review the terms of sponsorship to ensure councils collectively improve their return on investment. It is envisaged that this group will be able to provide a joint recommendation to all councils involved which includes return on investment to the region (and locally) for the event and return on investment for the collective sponsorship. (Note: Return on investment to the region is reliant on the Local Government Economic Development Group progressing with its economic assessment tool.). We will also be investigating the need for a regional template 'Sponsorship Policy' which could be localised for councils individually.

Planning	
1. Continue to provide key presentations at each meeting to address issues, concerns and or strategic directions.	
2. Engage LGAQ to attend regional meetings.	
3. Incorporate and develop Development Assessment (DA) Planners regional meetings (initially include in Strategic Planners and then have break-away meeting).	Did not occur due to resources however work on Standard Condition templates for DA planners will assist.
4. Every second meeting to have a speaker targeting the mixed group (DA and Strategic).	Did not occur due to Significant Planning reform activities.
5. Further develop the Integrated Biodiversity Planning Assessment Framework (IBAPF) with Planners and Regional Natural Asset Management Coordinator.	
6. Liaise with Regional Infrastructure Project Coordinator on Infrastructure Projects and the associated planning impacts.	
Sustainability	
1. Progress implementation of the Regional Greenhouse Gas Mitigation Strategy (RGGMS).	
2. Identify and apply for funding which will implement the RGGMS and local strategies with a particular focus on street lighting.	Due to State and Federal legislative constraints this was not possible. Focus changed to advocacy and audit for aged infrastructure.
3. Advocate to LGAQ and ALGA to prepare research, advice and training on the implications for Local Governments on carbon pricing.	
4. Continued cross-pollination of information from planning, infrastructure, natural asset and strategic portfolios.	
5. Identify opportunities to develop a Regional Sustainability Portal as a means of enhancing regional connectivity in this arena.	

Natural Asset Management

Program Introduction

The Natural Asset Management program is a co-funded arrangement between Terrain NRM and FNQROC. 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. The role of the coordinator is one of representation, advocacy, strategic planning, facilitation, 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 (two per council), 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.

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 1km grid pest mapping
- Deliver the Regional Pest Management Strategy and assist in the delivery 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 Plan 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 mil in additional funds over the last 3 years and lodged submission for an additional \$2.7 mil. 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.







Future Initiatives

Into the 2013/14 year the day to day operations of the natural assets role will need to respond to a rapidly changing legislative and policy landscape. Outside of engaging in these essential reactive responses the maintenance and delivery of real capacity and legacy programs has emerged as a high priority.

Several key themes around regional determination and direction, integrated planning, and opportunities resulting from innovative practice are very much at the fore. Much of this will be realised by the convergence of several years of planning initiatives, consultation and capacity building in projects such as the review of the Regional NRM plan, Biodiversity Offsets and Carbon driven investment. 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.

12/13 Operational Plan

1. Two (2) regional resource sharing task force operations.	There have been no regional task forces hosted during this period. A series of smaller local stakeholder taskforce operations have targeted Siam weed, Stevia, Hiptage and Paper Mulberry
2. Revision of Weed Spread Prevention Strategy and Disaster Management Code of Practice.	
3. Implementation of Natural Asset Management planning framework in participating member Councils.	
4. Co-facilitation and support of the FNQ Pest Advisory Forum.	
5. Implementation of the Interactive Biodiversity Assessment and Planning Framework.	
6. Regional representation on the Executive of the Queensland Weeds Society and participation on relevant state and national conferences.	
7. Regional representation on the National Tropical Weeds Management Committee.	
8. Regional representation on the Far North Queensland Pest Fish Advisory Group.	QLD State government cuts have meant this Advisory Group has not met in 2012/13
9. Continue collaboration with individual natural asset and biodiversity conservation initiatives with member Councils.	

10.	Continue collaboration with Cape York Weeds and Feral Animals Program and Cape York Peninsula Pest Management Advisory Group.	
11.	Continue development of the tri-region (Cape York, Northern Gulf, and Wet Tropics) NRM/Governance Alliance concept.	
12.	Continue research liaison and promotion of regional projects in peer reviewed journals with key agencies (CSIRO, JCU, DEEDI) and provide representation on relevant advisory groups (NERP, RIRDC).	
13.	Continue representation on the Community Sector Liaison Group (WTMA).	
14.	Continue development of Regional Connectivity Blueprint (Terrain NRM, WTMA, QPW, and FNQROC).	
15.	Maintain and promote Regional Pest Mapping Project (FNQROC/CSIRO/Terrain NRM).	
16.	Support individual members in development, adoption and maintenance of Pest Management Plans and maintain schedules and content of the Pest Assessment, Prioritisation and Planning Framework.	
17.	Finalise guidelines for FNQROC Natural Asset Planning Framework.	
18.	Establish regional requirements and priorities for alternatives economic strategies for resourcing natural asset management programs within member Councils.	

Unaudited Financials 2012/2013

Profit and Loss

Ordinary Income/Expense

Income

FNQROC

Advance Cairns annual contrib.	120,000.00
Annual Contribution	273,180.00
Miscellaneous	
Staff Christmas Party	<u>177.27</u>
Total Miscellaneous	177.27

Regional Procurement Group

Regional Bitumen Reseal Project	1,504.15
Regional Purchasing Contributio	
Liquid Alum 15% savings	20,539.00
Sodium Hypochlorite 15% savings	<u>8,978.00</u>
Total Regional Purchasing Contributio	29,517.00

Regional Procurement Group - Other 138,823.00¹

Total Regional Procurement Group 169,844.15

Regional Sustainability Group 7,001.00²

Short Term Projects

QWrap Project	114,000.00 ³
Tropical Innovation Awards	<u>175.87</u>

Total Short Term Projects 114,175.87

FNQROC - Other 19,100.00

Total FNQROC 703,478.29

Natural Asset Management⁴

Environmental Report & Maps	3,719.62
Gamba Grass Project	28,352.39
Natural Asset Management - Other	<u>80,305.18</u>

Total Natural Asset Management 112,377.19

Regional Infrastructure Project

Annual 3% contribution	135,929.19 ^{5,6}
Funding/Subsidies	87,000.00
National Heavy Vehicle Workshop	147.45
Regional Infrastructure Project - Other	<u>40,800.00</u>

Total Regional Infrastructure Project 263,876.64

Total Income 1,079,732.12

Expense

Audit & Accounting Fees 3,800.00

Bank Service Charges	275.00
FNQROC Expenses	
Annual Subscriptions	468.18
Chairs Honorarium	4,138.98
External Meeting Expenses	
Registration Fees Etc	1,968.18
Travel, Accom & Meals	<u>5,571.72</u>
Total External Meeting Expenses	7,539.90
Internal Meeting Expenses	
Conference Call Meetings	565.40
Meeting Refreshments/Catering	2,542.86
Internal Meeting Expenses - Other	<u>1,015.00</u>
Total Internal Meeting Expenses	4,123.26
Miscellaneous	
Staff Christmas Party	618.63
Miscellaneous - Other	<u>0.00</u>
Total Miscellaneous	618.63
Mobile Phone Expenses	1,240.72
Payroll Expenses	
On Costs - Annual Leave	8,475.93
On Costs - Long Service Leave	11,411.32
Salaries	<u>172,279.79</u>
Total Payroll Expenses	192,167.04
Short Term Projects	
Advance Cairns	120,245.64
Q-Wrap	40,753.44
Reg Mountain Bike Master Plan	77.64
Regional Events Strategy	385.82
Regional Recycling	119.27
Strategic Directions Workshop	3,022.53
Tropical Innovation Awards	<u>5,345.74</u>
Total Short Term Projects	169,950.08
Stationery & Office Expenses	
Website	609.09
Stationery & Office Expenses - Other	<u>4,798.82</u>
Total Stationery & Office Expenses	5,407.91
Uniforms	137.72
Vehicle Expenses	<u>6,212.97</u>
Total FNQROC Expenses	392,005.39
Reg Infrastructure Projects	
Austbridge software program	40,800.00
Consultancy Expenses	81,982.46
External Meetings	

Registration Fees Etc	557.27
Travel, Accom & Meals	<u>3,697.13</u>
Total External Meetings	4,254.40
Internal Meeting Expenses	
Internal Meeting Miscellaneous	10.91
Meeting Refreshments/Catering	<u>1,589.45</u>
Total Internal Meeting Expenses	1,600.36
Miscellaneous	837.09
Mobile Phone Expenses	155.14
Salaries	21,290.80
Stationery & Office Expenses	223.56
Training	<u>1,800.00</u>
Total Reg Infrastructure Projects	152,943.81
Reg Natural Asset Management	
Asian Pacific Weed Conference	655.78
External Meetings	
Registration Fees Etc	750.00
Travel, Accom & Meals	1.42
External Meetings - Other	<u>-179.00</u>
Total External Meetings	572.42
Gamba Grass Project	28,841.62
Internal Meeting Expenses	
Meeting Refreshments/Catering	<u>154.09</u>
Total Internal Meeting Expenses	154.09
Miscellaneous	10.91
Mobile Phone Expenses	1,102.61
NERP Program	10,684.28
PAF Website Admin Fees	2,690.00
Pest Fest 2013 Expenses	1,423.83
Pond Apple/Hymenachne Project	549.57
Salaries	65,741.45
Stationery & Office Expenses	123.30
Terrain - WWASC/WoNS Project	518.86
Vehicle mileage (staff)	2,820.93
Vehicle Share Expenses	12,057.85
WWASC Horse Management Program	<u>475.98</u>
Total Reg Natural Asset Management	128,423.48
Reg Planning & Sustainability	
External Meetings	
Conference calls	<u>305.25</u>
Total External Meetings	305.25
Internal Meeting Expenses	
Conference Call Meetings	493.90

Meeting Refreshments/Catering	769.90
Total Internal Meeting Expenses	<u>1,263.80</u>
Mobile Phone Expenses	995.88
Salaries	<u>51,414.86</u>
Total Reg Planning & Sustainability	53,979.79
Regional Asset Management	
External Meetings	
Travel, Accom & Meals	<u>142.27</u>
Total External Meetings	142.27
Internal Meeting Expenses	
Meeting Refreshments/Catering	<u>280.68</u>
Total Internal Meeting Expenses	<u>280.68</u>
Total Regional Asset Management	422.95
Regional Development Manual	
External Meetings	
Travel, Accom & Meals	<u>372.89</u>
Total External Meetings	372.89
Internal Meeting Expenses	
Conference Call Meetings	116.60
Meeting Refreshments/Catering	<u>334.94</u>
Total Internal Meeting Expenses	451.54
Stationery & Office Expenses	<u>14.45</u>
Total Regional Development Manual	838.88
Regional Procurement	
Bitumen Reseal Project	4,789.29
External Meeting Expenses	
Travel, Accom & Meals	<u>644.68</u>
Total External Meeting Expenses	644.68
External Meetings	
Registration Fees Etc	50.00
Travel, Accom & Meals	<u>437.24</u>
Total External Meetings	487.24
Internal Meeting Expenses	
Conference Call Meetings	197.05
Meeting Refreshments/Catering	<u>526.47</u>
Total Internal Meeting Expenses	723.52
Miscellaneous	46.14
Mobile Phone Expenses	936.41

Salaries	89,026.54
Stationery & Office Expenses	1,519.76
Training	<u>613.63</u>
Total Regional Procurement	<u>98,787.21</u>
Total Expense	<u>831,476.51</u>
Net Ordinary Income	248,255.61
Other Income/Expense	
Other Income	
Interest Income	<u>9,813.51</u>
Total Other Income	<u>9,813.51</u>
Net Other Income	<u>9,813.51</u>
Net Income	<u><u>258,069.12</u></u>

Note, the Net income is overstated due to:

1. Includes 2013/2014 Subsidy contribution	\$69,000
2. Street Lighting unexpended	\$7,000
3. QWRAP unexpended	\$73,247
4. NERP funding received 2012 unexpended	\$13,735
5. LRRS 2013/2014 & 2014/2015 projects completed early	\$65,404
6. Outstanding Credits to councils due to RRG fund cut	\$30,508
TOTAL	\$258,894

Balance Sheet

ASSETS

Current Assets

Chequing/Savings

Cheque Account 27,547.73

V2 Account 561,104.62

Total Chequing/Savings 588,652.35

Accounts Receivable

Accounts Receivable 26,794.58

Total Accounts Receivable 26,794.58

Other Current Assets

Accrued Interest Receivable 2,652.18

Accrued Revenue 6,829.00

Total Other Current Assets 9,481.18

Total Current Assets 624,928.11

TOTAL ASSETS 624,928.11

LIABILITIES

Current Liabilities

Credit Cards

ANZ One Credit Card 3,773.29

Total Credit Cards 3,773.29

Other Current Liabilities

Accrued Expenses 12,816.54

Payroll Liabilities

AL Payable Current 41,666.46

AL Payable Non Current 13,863.00

LSL Payable Current 33,404.92

LSL Payable Non-Current 26,411.00

Total Payroll Liabilities 115,345.38

Tax Payable 0.33

Total Other Current Liabilities 128,162.25

Total Current Liabilities 131,935.54

TOTAL LIABILITIES 131,935.54

NET ASSETS 492,992.57

EQUITY

Opening Bal Equity 293,928.07

Retained Earnings -59,004.62

Net Income 258,069.12

TOTAL EQUITY 492,992.57

