



FNQROC ANNUAL REPORT 2014 - 2015

Prepared for the Ordinary Meeting on 12 October 2015

ABSTRACT

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 2014 to 30 June 2015.

Schmidt Teresa

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 2014/2015 financial year period. It has again been a big year with numerous programs being run to support Councils, their staff and ultimately the region. FNQROC has continued to drive its Strategic Plan and those operational activities which Councils told us were important.

FNQROC exists to create a forum to enable elected representatives and Council officers to network for their individual and mutual benefits, and also to facilitate connections with other levels of government.

Regional Organisations will never be resourced to replace individual Councils, nor should they impinge on the integrity of individual Councils. FNQROC continues to work with Federal and State Governments and other peak regional organisations in the region, but maintains the philosophy that Councils retain their autonomy while working collaboratively.

The change in State Government in January 2015 saw a slowing in legislative and policy changes and an opportunity to engage with new members on the issues and proposed solutions. We have met with both sides of politics to discuss key policy issues and frustrations in the region. We are hopeful this will pay dividends over the next financial year.

Strategically, the Northern Australia White Paper has been a focus for the region among all organisations and we look forward to changes to policy and investment in the region in the future.

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. Last financial year we saw \$24 returned for every \$1 invested. This is set to increase for the 2014/15 year. This has been done by way of:

- ✓ Continued and additional regional procurement activities adding an additional \$1.15 million to the already annual savings of over \$1 million per year.
- ✓ A focus on the cost of energy to the region and inclusion of LED's for those street lights maintained by Ergon Energy.
- ✓ Continued dedicated drive for service level agreements with Ergon Energy to compliment the reintroduction of 10% (approximately \$550,000) Alternative Service Charge.
- ✓ Additional funding and subsidies which the region would not have had access to, totalling more than \$150,000 to support training and operational activities.
- ✓ Continuing the Natural Disaster Relief and Recovery Arrangement push for Day Labour. Whilst this is on the table the details are yet to be resolved and this is our next focus.

FNQROC Staff through the Technical Committees have 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 State and Federal staff based outside of the region, to the region, to enable Council staff to understand intent and be proactive with identified issues, changes in legislation and policy.
- ✓ Continue the cross pollination of knowledge and experience between Council staff and Council staff with State Agency staff to engender change.
- ✓ Hold technical Committee meetings which contribute to staff Continuing Professional Development Points
- ✓ Respond to proposed policy and legislation changes through submissions and attendance at round table discussions.
- ✓ Continue our advocacy efforts in relation to NDRRA and continued reduction in funding sources.

- ✓ 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 may quickly rise in importance through changing legislation or economic impacts. 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'. A new process for FNQROC Advocacy was adopted at the FNQROC Board meeting in August 2015.





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
2.2.1. The FN QWRAP 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.	 Ongoing
2.4.2. The FNQROC Board to actively advocate our position should there be a lack of response.	
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 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.	 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.	 Ongoing
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. 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 communicates this process to existing and new regional event coordinators.	 Ongoing
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
- FNQ&TS Regional Development Australia
- 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 Water Quality Management Community Advisory Committee
- Weeds Society Queensland Executive
- Far North Queensland Electricity Users Network (FNQEUN)
- Biosecurity Act Regulations Reference Group
- Panama TR4 Regional Working Group
- Yellow Crazy Ant Reference Group
- National Tropical Weeds Management Committee
- Tropical Weeds Operational Committee
- Natural Resources and Environment Sub – Committee
- WTMA Community Sector Liaison Group
- Biosecurity Regional Working Group – Terrain NRM Plan review
- Biodiversity Regional Working Group – Terrain NRM Plan review
- Far North Queensland Pest Advisory Forum
- Local Authority Waste Management Advisory Council (LAWMAC)
- Inland Queensland Roads Action Plan (IQ-RAP)
- LGAQ Roads & Transport Advisory Group
- IPWEAQ Lower Order Asset Design

FNQROC Submissions

The Productivity Commission review into National Disaster Funding, the Northern Australia White Paper and associated documents, and electricity dominated our submissions this year. 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:

- Northern Australia Green Paper
- Road Alliance Board on the Operational Guidelines Review Discussion Paper
- Productivity Commission Issue Paper re National Disaster Funding
- Strong Choices Investment Program
- Productivity Commission Green Paper re National Disaster Funding
- Australian Energy Regulator issues paper into Qld Electricity distribution regulatory proposals 2015/16 – 2019/20
- Australian Energy Regulator draft determination for Qld Electricity distribution regulatory proposal 2015/16 – 2019/20
- Request to regionally align member councils Drinking Water Quality Management Plan reporting and audit dates,
- Biosecurity Queensland – Biosecurity Capacity Review, and
- Number of submissions supporting Councils funding applications for R4R, Building Stronger Regions and National Stronger Regions Fund etc.

FNQROC Presentations

Presentations made by FNQROC Staff Members

Officer	Name	To:
Darlene Irvine	How we secured faith and funding	Queensland ROC Assembly
Darlene Irvine	Overview of FNQROC	FNQ Regional Managers Coordination Network
Amanda Hancock	Procurement presentation to Indigenous Councils CEO forum	Indigenous Councils CEO Forum
Amanda Hancock	FNQROC Procurement	Cairns, Townsville, Mackay Alliance meeting
Travis Sydes	Values, threats, opportunities. Understanding our natural assets through spatial planning.	Daintree NRM forum
Travis Sydes	Maintaining Rainforest Values (convenors introduction)	National Environmental Research Program (NERP)
Travis Sydes	Pest Adaptation Response Planning – A Practical Application of Species Distribution Science in Forecasting Strategic Planning for Weed Managers.	19 th Australasian Weeds Conference

Travis Sydes	Understanding Our Natural Assets (LG Pest Management and Conservation Planning)	Wet Tropics Water Quality Improvement Planning Workshop
Travis Sydes	Integrated Spatial Planning in the Australian Wet Tropics – An End User Perspective	Association for Tropical Biology and Conservation Annual Meeting

Presentations made to FNQROC Board and Technical Committees

Organisation	Name	To:
Integran	Infrastructure Charges Reform	Regional Asset Management Group
Queensland Audit Office	Role of QAO in Accountability of Local Government	Regional Procurement Group
MacDonnells Law	Understanding IP and Business Risks	Regional Procurement Group
Local Buy	Welcome to our business	Regional Procurement Group
Positive Ageing Cairns	Steady Steps	FNQROC Board
Terrain NRM	Wet Tropics Region Natural Resource Management Plan	FNQROC Board
Advance Cairns	Regional Investment Strategy	FNQROC Board
Andrew Suddards	Valuation of Flood damaged assets, Asset Management Synergies and integration with Asset Management Plans	Regional Asset Management Group
CSIRO	TRANSIT tool	FNQ Regional Road and Transport TC
Cairns Regional Council	CTM Design and Construct update	FNQ QWRAP
Cairns Regional Council	Road Asset Valuation Presentation	Regional Asset Management Group
Regional Express (REC)	Overview of REX	FNQROC Board
Gulf Savannah Development	Overview of GSD	FNQROC Board
Dept. Infrastructure, LG & Planning	Department update	FNQROC Board
Cumming Economics	FNQ Electricity Users Group overview	FNQROC Board
Advance Cairns	Update	FNQROC Board
RDA FNQ&TS	Update	FNQROC Board
Tablelands Regional Council	Upper Herbert River Catchment	FNQROC Board
RDA FNQ&TS	Kill-a-Watt Tropical Energy Savers Project	FNQROC Board
Positive Ageing Cairns	Steady Steps Program	FNQROC Board
Terrain NRM	Update	FNQROC Board

Advance Cairns	TNQ Regional Investment Strategy	FNQROC Board
Advance Cairns	Update	FNQROC Board
RDA FNQ&TS	Update	FNQROC Board
Ergon Energy	Energy Affordability Changes	FNQROC Board
Leasie Felderhof, Bikelinx	Mountain Biking in FNQ	FNQROC Board

Program Reports

EXECUTIVE OFFICER

Overview of 2014/2015

Staffing:

In 2014/2015 we said goodbye to Daniela Gambotto (Regional Sustainability Coordinator) in August 2014 and while Gerard Read is no longer the coordinator for our Regional Road and Transport Group he is still the Program Coordinator for our Regional Bitumen Reseal program. Daniela's position was not replaced to save our budget and to fund the Regional Mountain Bike Strategy. Travis Sydes has taken on Daniela's portfolio of Street Lighting and Sustainability.

All staff are currently at full capacity with their areas of responsibility.

As at the end of June 2015 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
Gerard Read, Bitumen Program Coordinator	(Consultant)

Summary of 2014/2015

FNQROC Board meeting in Croydon

With such a large region it is important for member Councils to view the region and understand the opportunities and constraints everyone falls under. In October the Board visited Croydon Shire Council for the Board meeting. The time, tour, explanations and networking which occurred over two days is immeasurable for the region.

Regional Development Manual

The Regional Development Manual continues to be 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.

Natural Disaster Relief and Recovery Arrangements

There was a significant review of disaster funding by the Productivity Commission with a number of recommendations of concern to councils. At this stage, the Commonwealth has indicated they will not reduce their financial support however there are a number of proposed changes to how they fund restoration works which are still being finalised.

Queensland Water Regional Alliance Program

The region was able to secure \$50,000 in funding to further work within this program. We have secured the Queensland Water Regulators approval to align reporting dates which will allow councils to further collaborate to expand experience and save on costs. This program also has allowed local specific training over two days on IPWEA's practice note 7.

Planning Reform

With the change in State Government a temporary hold has been placed on the rapid changes to planning in the State. The requirement for Local Government Infrastructure Charges has been extended to 30 June 2018 but a project plan must be in place and be approval from the department.

LGAQ (Tracy Haynes) is a regular participant in our Planning Technical Committee meetings and officers (both Council 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 2015/2016 year will see more planning reform and actions for Councils. At this stage this includes:

- New Planning and Development Act and associated implications to Councils forms, business processes and planning schemes, and
- Significant work to develop Local Government Infrastructure Plans (this will involve Planners, Engineers, Asset Managers and Financial Managers in Councils).

Waste Management

The Regional Waste Management Group (RWMG) and the Department of Environment and Heritage Protection (DEHP) have initiated the regional Waste Options Investigation Project with funding of \$50,000. This project will provide recommendations to the FNQROC Board regarding strategic regional opportunities. This group has also been integral to the development of the regional scrap metal and battery collection tender.

Street Lighting

We have kept the pressure on regarding energy efficient street lighting replacement and were pleased to see the introduction of LED's in Ergon Energy's approved list of infrastructure. We will continue our focus on achieving a customer service level agreement for the Alternate Service Control (ASC) contribution we make.

We will also continue our push and desire for replacement of end of financial life assets with energy efficient options.

Regional Procurement

Regional procurement continues to grow in strength. In the 2014/2015 financial year we saved Councils an additional (on top of existing saving) \$1.5 million across five tenders.

In 2014/15 we continued these projects and added steel and battery collection. We also focussed on new quotes for our bitumen reseal program which saved further funds for Councils.

This is an exceptional result given each of these tenders had limited suppliers.

As at the end of 2014/15 we were investigating bio-solids, line-marking and pump stations.

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

Asset Management

The Regional Asset Management Group continues to identify areas in need of focus. In the 2013/14 year we had financial, engineering and asset managers agree on a useful life and residual value regional benchmark tool. This tool focussed on water, waste water, transport (roads and bridges). Some Councils have commenced using the tool with significant benefits for their financial statements.

Natural Asset Management

The Natural Asset Management Committee continues to drive for additional funds and support for the important role they play in our environment and for agriculture. Of note is the development and delivery of spatially explicit analysis for landscape repair and pest management. We also continue to facilitate the delivery of cross regional programs, projects, biosecurity plans, regional mapping, research and funding.

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 e-format 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 desktop Reckon (formerly Quickbooks) program. This program is updated to the latest version each year.



2014/2015 Operational Plan

STRATEGIC		
1. Continue to deliver the FNQROC Strategic Directions through advocacy efforts and FNQROC Technical Committees		
2. Progression of the QWRAP recommendations		
3. Continued advocacy for reforms to NDRRA as per our submission in 2012		
4. Energy security		
5. FNQROC submissions on State and Federal policy		
6. Contribute to regional collective efforts with FNQ&TS RDA, Advance Cairns, Terrain NRM etc		
OPERATIONAL		
7. Management of day to day operations of FNQROC		
8. 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		
9. Continue to represent FNQROC and the region on external groups to further our strategic direction		
10. Coordinate Regional Planning meetings		
11. (Dependant on funding from DSDIP) implement business awareness program (initiatives to make businesses bike friendly) across the region in preparation for the upcoming mountain bike championships.	Change made to this – not our role. Commenced Regional MTB Strategy instead.	
12. Finalise Event Guidelines for Councils.		
13. Attend a minimum of three (3) regional meetings per year to share information, provide key presentations on topics of concern, issue or strategic direction (particularly of the State).		

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 Roads and Transport 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.

For the 2014/15 financial year the decision was made that the five base procurement Councils (Cairns, Cassowary, Cook, Douglas, Mareeba and Tablelands) would contribute a flat \$25,000 annually; this amount being less than the 15% of identified savings per Council. The remaining member Councils would contribute 20% of their savings.

The FNQROC mandate for procurement 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.

As FNQROC procurement has evolved it has become evident that indirect benefits also provide significant benefits to the collective. The following additional operating guidelines were therefore added in 2015:

- Where there is an opportunity for improved service delivery, and/or
- Where member Council would benefit from the sharing of knowledge and collaboration.

In 2015, Douglas, Hinchinbrook and Mareeba Shire Councils were added as signatories of the Procurement Memorandum of Agreement and Etheridge Shire Council were removed.

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

2014/2015 Review:

Amanda Hancock joined the team at the end of January 2014, taking over from Steven Cosatto as Regional Procurement Coordinator.

Liquid Alum

The FNQ collective has continued to deliver significant returns to the region over the period. The 2014/2015 financial year represented the third year of a three year contract with the option to extend for a further two x 12 month periods. Following a contract review and positive feedback from participating Councils, the supplier was invited to provide pricing for a 12 month extension which was considered to be very competitive. The contract was subsequently extended for a further 12 months with the exception of Cairns Regional Council which extended the contract for three months pending the outcome of the Local Buy Chemical Supply Request for Tender.

Sodium Hypochlorite

As with Liquid Alum, the 2014/2015 financial year represented the third year of a three year contract with the option to extend for a further two x 12 month periods. Again, following a contract review and positive feedback from participating Councils, the supplier was invited to provide pricing for a 12 month extension. This was again considered to be very competitive and

the contract was also extended for a further twelve months with the exception of Cairns Regional Council which extended the contract for three months pending the outcome of the Local Buy Chemical Supply Request for Tender.

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

Bitumen Reseal

Councils all undertake an annual bitumen reseal program in order to maintain its road network to a suitable standard. It was identified that efficiencies could be achieved if Councils established a collective procurement arrangement for bitumen resealing and on 1 July 2013 a 12 month contract for the supply and delivery of bitumen reseals across the FNQROC region commenced. The arrangement delivered the following benefits to Councils:

- A comprehensive program of work which was considered achievable by all participating Councils and addressed the region's annual reseal requirements.
- An estimated annual average saving of between 18%-19%.
- A commitment from the contractor to ensure works are completed to agreed timeframes.
- The establishment of a working relationship which prioritises Council requirements ensuring improved efficiencies.

Following the success of the first year, participating Councils unanimously agreed to exercise the option to extend the contract for a further 12 months for the 2014/2015 reseal program. Lessons learnt from the first year were applied, particularly in relation to the programming of works, with traditionally wetter areas scheduled for completion ahead of the wet season. In addition, the contract wording was amended, aligning Performance Bonds to the completion of each individual Council program deadline dates as opposed to the completion of the overall program, providing individual Councils with better protection in the event of unauthorised delays. The overall 2014/2015 reseal program was concluded on the 21 May 2015, two months ahead of the 2013/2014 program.

Participating Councils expressed a desire to seek a similar arrangement for the 2015/2016 bitumen resealing works. A detailed supplier briefing was held where feedback was sought to further develop and improve the arrangement and a request for quote was released April 2015. Following detailed evaluation the successful supplier was appointed with the contract commencing on 1 July 2015. Works in relation to the 2015/16 bitumen reseal are progressing well and are expected to be completed well-ahead of Council requirements.

Regional Scrap Metal

In November 2014, FNQROC invited suppliers to tender for the collection and removal of ferrous scrap metal and/or used lead acid batteries across the FNQROC region. The tender was divided into two separable portions, enabling individual Councils and supplier to participate in either one or both separable portions of the contract.

Separable Portion 1 – Ferrous Scrap Metal

Separable Portion 2 – Used Lead Acid Batteries

Suppliers were also asked to supply information for a Register of Pre-Qualified Suppliers (ROPS) for waste collection and removal services.

The tender was released in response to issues raised by the Regional Waste Management Group regarding the level of service being provided by existing suppliers and concerns regarding the accumulation of metal stockpiles across the risk, a particular risk during cyclone season.

Following extensive research involving member Councils, waste groups and suppliers, a collective tender was developed, based on a supplier-led collection schedule and pricing linked to metal markets. A very positive response from the market was received and following detailed

evaluation the successful contractor was appointed with the contract commencing on 1 May 2015. The contract term is for one year with the option to extend for a further 12 months.

Whilst the benefit of this arrangement was initial thought to be in the main limited to improved service and reduced risk to Councils; Councils have also significantly benefitted from an increase in revenue, at a time when ferrous metal prices are the lowest they have been in five years.

This project has been hailed as quite a success and paves the way to future collective waste management opportunities, with FNQROC being invited to present at the Waste Management Association of Australia's annual conference as a plenary speaker.

New Projects

As well as maintaining ongoing contracts administration in relation to the existing regional contracts, there has also been a continued focus on the investigation of new procurement arrangements which could benefit from a collective approach. At the time of writing opportunities being investigated include the efficient reuse of bio-solids, line marking and pump suppliers.

Procurement Committee


Whilst the majority of the procurement projects undertaken are identified via the various technical committees, the Procurement Committee meets quarterly to further identify potential regional opportunities. Facilitated by FNQROC procurement, the Procurement Committee reviews the status of ongoing initiatives, share best practice and the meetings provide an opportunity to facilitate presentations and training as needs are identified. A procurement portal has been developed hosted by the FNQROC website allowing the Procurement Committee to share best practice, documents, templates and news.














More recently we have also been engaging with the Procurement Transformation Division (PTD) of State Government (formally QGCPO). PTD is currently the centre-led function for Queensland Government Procurement and it is focused on improving procurement practice in collaboration with other Queensland Government agencies. It lists its priorities as follows:




- ✓ Building capability
- ✓ Sector collaboration
- ✓ Category management
- ✓ Quality data
- ✓ Effective and efficient procurement practice

Going forward we will be exploring where we could benefit from collaborating with PTD for the benefit of our Councils.

2014/2015 OPERATIONAL PLAN

STRATEGIC		
1.	Contribute to the financial viability of the position through identified procurement savings.	
2.	Contribute to the economic development of the region through increased infrastructure, new suppliers and/or the growth of existing suppliers.	
3.	Contribute to the resource sharing capacity of member Councils through continued interaction and facilitation of meetings between member Councils, State and Federal government agencies and	

private industry.	
OPERATIONAL	
4. Meetings as required with the Bitumen reseal and asphalt steering committee.	
5. Meetings: <ul style="list-style-type: none"> a. Evaluation Committee Meeting/s for tender supplier engagement findings. b. Two (2) contract review panel meetings (Sodium Hypochlorite and Liquid Alum). c. Minimum four (4) Procurement Technical Committee meetings with key presentations to maintain and increase professional knowledge. d. Minimum three (3) Water and Waste Technical Committee meetings. e. Minimum two (2) supplier meetings per regional contract (Sodium Hypochlorite and Liquid Alum) f. Attend annual Northern Local Government Risk Management Focus Group Meeting. g. Attendance at FNQ Regional Road and Transport Group meetings. 	    QWRAP No longer running 
6. Contract Administration for regional procurement tenders: <ul style="list-style-type: none"> a. Facilitate regional audits for water treatment chemicals. b. Dispute resolution (delivery, invoicing, and storage of product). c. Review price rises and advise member Councils, ie. 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 and safety, quality and environmental third party accreditation. 	Not requested      
7. Facilitation of Presenters to the FNQROC Procurement Committee: <ul style="list-style-type: none"> a. Identified areas for Procurement presentations 2014/2015: <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. Local Buy. vi. Supplier presentation of Regional Contract Management software system. 	

8.	Distribution of all procurement documentation to all members.	
9.	Maintain communication and information between the procurement groups, the FNQRRG Board and the FNQROC Board.	
10.	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.	

FNQ REGIONAL ROADS & TRANSPORT GROUP

Membership

- Cairns Regional Council
- Cassowary Coast Regional Council
- Cook Shire Council
- Croydon Shire Council
- Douglas Shire Council
- Etheridge Shire Council
- Mareeba Shire Council
- Tablelands Regional Council
- Wujal Wujal Aboriginal Shire Council
- Yarrabah 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 until March 2015) Ashley Greenwood (Tablelands from March 2015)
Technical Coordinator	Gerard Read (FNQROC) – to February 2015 Steve Cosatto (FNQROC) – from February 2015
RTAPT Representatives	Scott Britton (LGAQ) - to June 2015 and Arron Hieatt from June 2015 Jo Lencz (TMR)

Summary

Yarrabah Aboriginal Shire Council was officially welcomed into the FNQ RRTG in March 2015. Whilst Wujal Wujal has been a member for a number of years there had never been a funding allocation made available to them. This year, the Roads Alliance Board allocated \$29,273 (Wujal Wujal) and \$47,217 (Yarrabah) per annum for these Councils from the Aboriginal and Torres Strait Island Transport Infrastructure Development Scheme (ATSI TIDS).

The FNQ RRTG again delivered 100% of our 2014/15 program. Despite assurances it would be delivered by Christmas, inevitably we took it to the line at 30 June 2015.

TIDS funding

FNQ RRTG's Roads and Transport Alliance Transport Infrastructure Development Scheme (RTA TIDS) funding levels were increased to \$2,749,046 (from \$2,442,549) as a result of additional Councils added in 2013/14.

Under the 'one bucket' scheme, RTA TIDS covers:

- Local Roads of Regional Significance (LRRS)
- Non LRRS
- Safe School Travel TIDS
- Cycleways and
- Other transport infrastructure such as regional airports and jetties.

On 15 July 2015 we were advised that our funding had increased to \$5,791,150 effective for the 2015/16 and 2016/17 financial years. This is a significant and welcome increase in funding.



Works Program

FNQ RRTG achieved a 100% expenditure level across each of the TIDS categories for its works program in 2014/15. A summary of the TIDS funding allocation is shown below:

Cairns	Aumuller Street	Gatton Street intersection improvement	437,194
Cassowary Coast	Walter Lever Estate Road	Structural rehabilitation Schrock's Bridge	257,396
Cook	Hope Street	Bikeway / Footpath construction Seagrem -Walker Street	245,000
Croydon	Croydon Richmond Road	Construct to new 2 lane sealed standard	300,000
Douglas	Cape Tribulation to Bloomfield Road	Construct bridge and approaches - Woobadda Creek	842,538
Etheridge	Forsayth-Einasleigh Road	Construct to new sealed 2 lane standard (64.2-66.2)	343,300
Mareeba	Anzac Avenue, Mareeba	Shoulder widening and line marking (Hastings Drive to Feretti Close)	60,741
Mareeba	Black Mountain Road	Upgrade bridge (Bridge No.6,)	123,768
Mareeba	Black Mountain Road	Upgrade bridge (Flaggy Creek)	155,000
Tablelands	Tully Falls Road	Upgrade bridge (Lawyer Ck)	437,000
Total			\$3,201,937

State-wide Capability Development Fund

The Roads 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. FNQ RRTG secured the following funding in 2014/2015 under the SCDF:

- Joint Reseal Program Coordinator (\$37,200)
- Asset Management LGAQ Diploma (\$25,600)
- Road Asset Valuation Project (RAVP) workshop (\$1,375)

Operational

Regular and planned meetings ensure FNQRRTG operations are a “business-as-usual” activity for members and not neglected.

- The RRTG met four times in 2014/2015 in Cairns (3), Atherton (1).
- The Technical Committee met six times during 2014-2015 in Cairns (3), Mareeba (1) and Mossman (1) Yarrabah (1)
- The Roads & Transport Alliance Project Team was represented at all the RRTG and Technical Committee meetings held in 2014-2015
- 2014/15 saw an increased focus on:
 - Yarrabah and Wujal Wujal Aboriginal Shire Councils,
 - Far North Qld transport routes, evidenced particularly by the Northern Australia Development White Paper, Beef Roads and IQ-RAP. The FNQ RRTG TC requested a briefing from CSIRO on its Transport Network Strategic Investment Tool (TRANSIT) which was well-received and has initiated further discussions between FNQ RRTG TC, TMR, LGAQ and CSIRO Planning.
- All reference documents, forms, policies and factsheets etc. pertaining to the Alliance and FNQRRTG are available on the FNQROC website.
- 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. 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. [2014/15 Capability and Action Plan](#)

FNQRRTG LRRS Network

The LRRS network has remained the same since 2013/2014, however with the inclusion of Yarrabah and Wujal Wujal priority roads it now totals approximately 1980km in length, with a slightly longer length of unsealed roads than sealed roads.

The Pine Creek Road, Work Shop Road and Back Beach Roads were added as the priority roads for Yarrabah and Wujal Wujal Bypass Road and China Camp Roads were added as the priority roads for Wujal Wujal. All other Councils' LRRS components have remained unchanged.

The following table link identifies our LRRS network as at 30 June 2015: [FNQ RRTG LRRS](#)



ASSET MANAGEMENT

Program Introduction

The principal document for the FNQ Regional Asset Management Group (FNQ RAMG) since 2007 has been the FNQ Regional Asset Management Strategy (Infrastructure Asset Management and Service Delivery). This document was last reviewed by the FNQROC Board in March 2010.

This strategy aims to provide a strategic asset management framework which will guide the planning, construction, maintenance, and operation of infrastructure essential to deliver the vision of the Councils and communities of the Far North Queensland region. This is consistent with, and supports the development of a whole of Government approach to strategic asset management.

Objectives for this regional strategy are to develop a long term approach to service planning and delivery at a Council and Regional Level.

As Councils mature with Asset Management the challenges of long term financial sustainability are becoming apparent. The Federal and State Governments have agreed (through Council of Australian Governments - COAG) on an Asset Management Framework.

Responsible asset management is fast becoming 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),
- National Disaster Relief and Recovery Arrangements (NDRRA) and Qld Reconstruction Authority (QRA) require asset data prior to an event, after an event and after restoration, and
- Recent legislation changes to the *Sustainable Planning Act 2009* require the development of Local Government Infrastructure Plans (LGIP) by 30 June 2016 (or June 2018 with approval). These LGIPs rely on Asset Management Plans and their integration in Long Term Financial Sustainability Plans.

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

- *State:* Since 2002/03, State Government funding has effectively been halved, from levels averaging approximately \$480 million between 2002/03 and 2009/10, to approximately \$225 million in 2013/14. (Source: LGAQ). The years 2015/16 and 2016/17 will see road funding increased by \$60 million.
- *Federal:* Roads to Recovery (R2R), while very much appreciated, has not seen an increase since the program commenced. Financial Assistance Grants (FAGs) have now been frozen for three years. The years 2015/16 and 2016/17 will see a doubling of R2R funding for Councils.

Operational

- The Regional Asset Management Group (RAMG) held four meetings during the 2014/15 financial year.
- A benchmarking project was developed by the RAMG to compare useful life and residual values being used by all Councils within the FNQROC region.
 - The Benchmarking Tool includes asset categories such as:
 - Water
 - Waste water
 - Transport (roads and bridges) and

- Third party valuation and condition assessment dates (for collaboration opportunities)
- The engineers and accountants involved with the RAMG workshopped the benchmarked data to produce a list of recommended useful life and residual values for Councils to use throughout the region. The project provided the RAMG with the opportunity to discuss each Council's methodologies relating to asset renewal, rehabilitation and maintenance which are used in calculation of the useful lives and residual values.
- The benchmarked values have been used by member Councils to:
 - Justify their own data and or methodologies to third parties.
 - Provide reasoning to amend existing depreciation rates.
- RAMG workshopped a range of Regional Transport Asset unit rates, including Townsville, Mackay, Cairns Councils and the Road Asset Valuation Tool.
- FNQROC through the FNQ RRTG secured 50% funding (\$25,600) for 15 staff from member Councils to undertake the Diploma of Local Government Administration (Asset Management).

The course specifically focussed on providing LG officers with the ability to provide Councils with improved:

- Decision making about infrastructure;
- Asset Management Plans and consequent long-term financial plans;
- Risk management processes and reduced exposure for Councils;
- Maintenance and capital works prioritisation.

RAMG plans to:

- Review the FNQ Regional Asset Management Strategy (Infrastructure Asset Management and Service Delivery).
- Investigate options for Mobility Applications to assist Councils' with data collection and processing.
- Ensure data relevance within Asset Management Benchmarking Tool through continual review.
- Liaise with FNQROC and TCs (RRTG, Water and Waste) to identify areas of synergy and opportunities for resource sharing.

REGIONAL WASTE MANAGEMENT GROUP (RWMG)

Program Introduction

In October 2012 the then General Manager of Cairns Water 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 re-convened to further investigate the possibility of and options for regional waste solutions.

Operational

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

- Queensland Local Governments' lack of available options regarding state funding and resource sharing programs compared to those enjoyed by other states;
- Councils individually do not have the sufficient scale or resources to meet the escalating associated transport costs of waste management (disposal and/or recycling);
- The region's natural assets; Wet Tropics and Great Barrier Reef, place additional requirements on our Waste Management Strategies, i.e. costs which other Local Governments do not encounter;
- The 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 requires additional resources and an evolving cultural change.

The Regional Waste Management Group (RWMG) held four meetings in 2014/15 with the Department of Environment and Heritage Protection (DEHP), LGAQ and Department of LG also in attendance.

The RWMG and the Department of Environment and Heritage Protection (DEHP) have initiated the Regional Waste Options Investigation Project - a regional project to investigate options and opportunities within the region's waste streams. The RWMG secured funding (\$50,000) and technical support from DEHP.

Project objectives are:

- A. Provide recommendations to the FNQROC Board regarding strategic regional opportunities such as:
 - i. Regional policy development,
 - ii. Integrated approach to the long term provision of regional infrastructure,
 - iii. Commercial waste industry operations, including opportunities to provide regional or sub-regional services, and
 - iv. Long-term financial sustainability of waste management practices and assets.
- B. Increase the capacity of local government to contribute to regional economic development by:
 - i. Supporting existing viable businesses,
 - ii. Providing waste management information to industry to enable informed decision making on commercial opportunities, and
 - iii. Investigating potential markets for regional waste products and facilitate access to commercially viable markets, both within the region and externally.
- C. Support member Councils to achieve outcomes required in:
 - i. The Waste Reduction and Recycling Act 2011,
 - ii. The objectives within the State Government 2014-2024 Year Waste Strategy, and
 - iii. Their own Waste and Recycling Plans.

The RWMG has:

- Developed a collective regional scrap metal collection arrangement.
- Developed a Regional Waste Summary document containing data referencing members' infrastructure, contractual arrangements, external drivers, strategies and policies.
- Toured Cairns Material Recycling Facility.
- Toured Mareeba Transfer Station and Landfill.
- Toured Springmount Landfill.

Program Introduction

In December 2011 LGAQ made a request to FNQROC to participate in a review of institutional arrangements for water service provision. In February 2014 the FNQROC Board considered a report by AEC Consultants '*Investigating Potential Collaborative Mechanisms for FNQ Urban Water Services*'. As a result of this report, the Board requested that within a three year timeframe the FNQ WRAP group would;

- Seek additional funding to resource a technical committee,
- Continue the collaborative effort to improve these key areas within the QWRAP:
 1. Strategic Asset Management,
 2. Regional Demand and Supply Assessment,
 3. Legislative Requirements (DWQMS and EMS), and
 4. Full Price Costing,

Operational















The Far North Queensland Water Regional Alliance Program (FN QWRAP) group:

- Held three meetings in 2014/15. Attending these meetings is also a representative from Queensland Water Directorate, LGAQ, Queensland Water Regulator and Etheridge Shire Council.
- Secured \$50,000 funding through Department of Energy and Water Supply (DEWS) via LGAQ.
- In consultation with the Institute of Public Works Engineering Australasia developed a specific two day Practice Note 7 workshop for Water and Waste Condition Assessment and Asset Performance.
- Successfully submitted a proposal to the Queensland Water Regulator requesting the alignment of the region's Drinking Water Quality Management Plan's reporting dates. The alignment of the dates is intended to assist with the streamlining of drinking water quality management in the region and to provide member Councils with the opportunity to investigate opportunities for collaboration.

The submission process also identified the opportunity for the Regulator to rationalise the number of representatives to assist in delivering a consistent message across the region.

- Maintained open communication with the Cairns Townsville Mackay Water Alliance to identify any Design and Construction Code alignment opportunities.

2014/2015 OPERATIONAL PLAN

STRATEGIC		
1. Continue operational activities to realise the Strategic Direction related to infrastructure.		
OPERATIONAL		
1. Support the Regional Procurement Coordinator to progress regional procurement initiatives as identified in stage one of the Alternative Business Models.		
2. Update the Regional Asset Management Strategy.		
3. Coordinate a minimum of six (6) Technical Committee meetings.		
4. Coordinate and facilitate the FNQRRTG Board meetings.		
5. Undertake one (1) regional technical tour.		
6. Distribute Roads Alliance Board documentation to all members.		
7. Provide information sessions and training (as needed) on the Roads Alliance Board for all new Committee and Sub Committee members.		
8. Review the Local Roads of Regional Significance (LRRS) program each year		
9. Review and update Statements of Intent for each LRRS.		
10. Review and moderate projects submitted in the prioritisation tool.		
11. Review and update of ALL Transport and Main Roads (TMR) funded projects each month.		
12. Maintain communication and information between the region and the Roads Alliance Board and Roads and Transport Alliance Project Team.		
13. Coordinate review and communiqué regarding NetRISK and road crash data analysis by Councils.		NetRISK no longer supported.
14. Review Alternative Business Models study for roads.		
15. Conduct industry workshops on the proposed changes to the Regional Development Manual.		Under Executive Officer

NATURAL ASSET MANAGEMENT

Program Introduction

The Natural Asset Management program is for the first time being fully funded by 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/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 DAF 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;
- Facilitate and advise on the planning and delivery of Regional Taskforce operations conducted under the Resource Sharing in Joint Operations (Natural Asset Management) MOU.
- Guide, advise, facilitate and communicate regional directions and partnerships in the delivery of Local government pest management, landscape repair and water quality improvement;
- 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;
- Facilitate and assist in the ongoing development and delivery of Local Government Area Pest Management/Biosecurity Plans;
- Support and assist in the delivery of Local Government Pest Management/Natural Asset Management Advisory Committees.

Benefits to Councils:

- Direct consultation, representation and advocacy with key state departments (e.g. DAF) 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
- 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

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.

2014/15 Operational Plan

STRATEGIC	
1. Continued implementation of the FNQROC Strategic Direction related to environment through: <ul style="list-style-type: none"> a. Publishing and formalising the methods and processes developed/used in prioritisation and spatial planning processes across the region. b. Integrate and cross-link Local Government planning into multiple planning processes and platforms – Water Quality Improvement Plan, NRM plan and other regional land-use and conservation planning initiatives. c. Utilise learnings in planning in Local Government Natural Asset Management Plans including incorporation of an economic and other cost: benefit analysis in project/program/work plan development. d. Progress regional partnerships in technology and innovation in natural asset management (including research adoption, unmanned aerial vehicles, interactive planning/visualisation technologies). 	   
OPERATIONAL	
2. Reinvigorate NAMAC and promote regional partnerships, collaboration and participation in the visioning and delivery of agreed/strategic regional outcomes.	
3. Build GIS accessibility and capacity in core FNQROC staff.	
4. Work with Terrain on the WQIP and Regional NRM Plan.	
5. Scope, develop and implement emerging invasive plants and animals management strategy.	
6. Coordinate and facilitate the Natural Asset Management Advisory Committee meetings.	

7.	Assist, facilitate and attend two (2) regional resource sharing task force operations.	
8.	Continue collaboration and cross-pollination with Asset Management, Planning and Sustainability portfolios.	
9.	Regional representation on the Executive of the Queensland Weeds Society and participation on relevant State and national conferences.	
10.	Regional representation on the National Tropical Weeds Management Committee.	
11.	Regional representation on the Far North Queensland Pest Fish Advisory Group.	 This group has been 'parked'
12.	Regional representation on the National Gamba Grass Taskforce.	 This group has been 'parked'
13.	Continue collaboration with individual natural asset and biodiversity conservation initiatives with member Councils.	
14.	Continue collaboration with adjoining NRM regions and pest management advisory groups.	
15.	Support Regional Procurement Coordinator to progress regional procurement initiatives.	 Ongoing

STREET LIGHTING AND SUSTAINABILITY

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 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.

Street Lighting and electricity pricing




We have continued our participation in the FNQ Electricity Users Network (FNQEUN) which have met with local MP's as well as Treasurer to put forward the case for real reductions in electricity pricing for regional Queensland. During the year we also made submissions to the draft determination of the revenue cap for Ergon Energy passed down by Australian Energy Regulator (AER) and made specific comment on the components of the proposal which relate to street lighting.

Going into 2015-16 we will continue to support the FNQEUN while we maintain a primary focus on the transition to LED lighting technology. This will involve establishing and responding to the opportunities attached to the Commonwealths Emissions Reduction Fund through the relevant technical committees.

In addition to the below endorsed operational plan we have also provided submissions and feedback on the regulatory period electricity pricing, metering, tariff structure and adoption of new technologies to Australian Energy Regulator and Ergon Energy.

We have also scoped and in future will support councils in the development of programs and opportunities in the Emission Reduction Fund (ERF)

2014/15 Operational Plan

OPERATIONAL	
1. Develop a submission to the Federal and State Governments and Ergon Energy to resolve the issues surrounding the CEEP funding, regulations and Ergon Energy implementation.	
2. Continue the push to Ergon Energy, State and Federal agencies for amendments to regulations inhibiting our ability to replace existing and new luminaries with energy efficient luminaires.	
3. Coordinate and facilitate regional updates to Councils, seek feedback, sharing of information, resources and technical experience.	

AUDITED FINANCIALS STATEMENTS 2014/2015

**FAR NORTH QUEENSLAND REGIONAL ORGANISATION OF COUNCILS
ABN 52 034 736 962**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
INCOME		
Annual administration contributions	379,934	307,931
Projects -		
Regional natural assets management	27,843	99,018
Regional infrastructure projects	175,286	222,086
Regional asset management	52,600	-
Regional procurement group	203,123	168,708
Advance Cairns steering group	75,000	120,000
Short term projects	64,000	-
Regional waste management	30,000	-
Miscellaneous revenue	9,425	1,419
Interest income	8,498	11,570
TOTAL INCOME	1,025,709	930,732
EXPENSES		
Annual administration expenses	260,489	242,369
Projects -		
Regional natural assets management	132,417	113,536
Regional infrastructure projects	159,579	137,980
Regional sustainability	14,438	43,799
Regional procurement group	159,799	146,446
Regional asset group	51,959	30,109
NERP Program	0	13,551
Advance Cairns steering group	75,000	120,000
Minor projects	26,830	55,679
TOTAL EXPENSES	880,511	903,469
OPERATING SURPLUS / (DEFICIT)	145,198	27,263
Other comprehensive income	-	-
TOTAL COMPREHENSIVE SURPLUS / (DEFICIT) FOR THE YEAR	145,198	27,263

The accompanying notes form part of this financial statement.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	850,348	499,216
Trade and other receivables	5	37,897	182,384
TOTAL CURRENT ASSETS		888,245	681,600
TOTAL ASSETS		888,245	681,600
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	121,821	68,993
Provision for long service leave		36,987	37,561
TOTAL CURRENT LIABILITIES		158,808	106,554
NON-CURRENT LIABILITIES			
Trade and other payables	6	24,012	23,326
Provision for long service leave		39,965	31,458
TOTAL NON-CURRENT LIABILITIES		63,977	54,784
TOTAL LIABILITIES		222,785	161,338
NET ASSETS		665,460	520,262
EQUITY			
Retained surplus		665,460	520,262
TOTAL EQUITY		665,460	520,262

The accompanying notes form part of this financial statement.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
RETAINED SURPLUS			
Balance at the beginning of the year		520,262	492,999
Total comprehensive income for the year		145,198	27,263
BALANCE AT THE END OF THE YEAR		665,460	520,262

The accompanying notes form part of this financial statement.

STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,264,269	978,141
Payments to suppliers and employees		(921,635)	(1,079,154)
Interest received		8,498	11,570
NET CASH PROVIDED BY OPERATING ACTIVITIES	7	351,132	(89,443)
NET INCREASE/(DECREASE) IN CASH HELD		351,132	(89,443)
Cash and cash equivalents at the beginning of the financial year		499,216	588,659
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4	850,348	499,216

The accompanying notes form part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1. REPORTING ENTITY CONCEPT

Far North Queensland Regional Organisation of Councils (the Association) is an unincorporated body domiciled in Australia. The Association is primarily involved in facilitating and co-ordinating member council's development for the benefit of Far North Queensland communities and businesses.

Members of the Association for the 2015 financial year were as follows:

- Cairns Regional Council
- Cassowary Coast Regional Council
- Cook Shire Council
- Croydon Shire Council
- Tablelands Regional Council
- Wujal Wujal Aboriginal Shire Council
- Hinchinbrook Shire Council
- Yarrabah Aboriginal Shire Council
- Etheridge Shire Council (observer)

Under the Association's charter, each member council shall nominate a representative to attend meetings of the Association. These representatives are referred to in this financial report as 'the Board'.

In the opinion of the Board, the Association is not a reporting entity. The financial statements of the Association have been drawn up as a special purpose financial report for distribution to the members, and for the purpose of fulfilling the requirements of the Association's charter.

2. BASIS OF PREPARATION

This special purpose financial report has been prepared in accordance with the recognition and measurement aspects of all applicable Australian Accounting Standards (AASBs) (including interpretations) adopted by the Australian Accounting Standards board (AASB). The financial report of the Association does not comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

These financial statements comply with disclosure requirements of the relevant AASBs except the disclosure requirement of the following pronouncements having a material effect:

AASB 7	Financial Instruments: Disclosure
AASB 117	Leases
AASB 124	Related Party Disclosures
AASB 132	Financial Instruments: Presentation
AASB 137	Provisions, Contingent Liabilities and Contingent Assets

The Financial statements were approved by the Board on the date shown on the certificate of Far North Queensland Regional Organisation of Councils.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

2. BASIS OF PREPARATION

Functional and presentation currency

The financial statements are presented in Australia dollars, which is the Association's functional currency.

Use of estimates and judgements

The preparation of financial statements in conformity with AASBs require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Board is not aware of any critical judgements having been made in applying accounting policies that might have significant effect on the amounts recognised in the financial statements, nor of any assumptions and estimation uncertainties that might have significant risk of resulting in a material adjustment within the next financial year.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(1) Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivate financial instruments are measure at amortised cost.

A financial instrument is recognised if the Association becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Association's contractual rights to the cash flow from the financial assets expire or if the Association transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Association commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Association's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits with a term of less than three months.

The Association holds no derivative financial instruments.

Compound financial instruments

The Association has not issued any compound financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

3. SIGNIFICANT ACCOUNTING POLICIES

(2) Leased assets

Leases in terms of which the Association assumes substantially all the risk and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Association's Statement of Financial Position.

(3) Impairment

Financial assets

A financial asset is assessed at each reporting period date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in financial costs and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income.

(4) Salaries and wages

The Association's employees are employed by the Cairns Regional Council, a member council. These services are on charged to the Association at cost. In addition, the Association makes allowance for any annual leave and long service leave accruing in respect of these officers. The Cairns Regional Council provides estimates of these liability amounts each month.

(5) Provisions

A provision is recognised if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

3. SIGNIFICANT ACCOUNTING POLICIES

(6) Revenue

Services

Revenue from services rendered is recognised in income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(7) Government grants

Grants received

Grants in respect of operating expenses (operating or revenue grants) are accounted for depending on whether they are reciprocal or non-reciprocal.

Non-reciprocal grants received

Grants where the Association receives assets or services, or has liabilities extinguished without directly giving approximate equal value in exchange to the other party are considered a non-reciprocal transfer. Non-reciprocal transfers are brought to account as revenue in the year in which they are received.

Reciprocal grants received

Grants where the Association receives assets or services, or has liabilities extinguished and gives approximately equal value in exchange to the other party are considered a reciprocal transfer. Reciprocal transfers are initially brought to account as revenue in the year in which they are received. The transfers are only recognised as revenue once the performance obligations relating to the funds have been transferred.

(8) Contributions

Contributions of assets, including the right to receive cash or other forms of assets without directly giving approximately equal value to the other party or parties to the transfer, are recognised as revenue at fair value when the Association obtains control of the contributions or the right to receive the contribution. It is probable that the economic benefits comprising the contribution will flow to the Association and the amount of the contribution can be measure reliably.

(9) Finance income

Interest income is recognised as it accrues, using the effective interest method.

(10) Income tax

The Association is a not-for-profit organisation and the Board is of the opinion that, under Division 50 of the Income Tax Assessment Act 1997, it is exempt from income tax.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

3. SIGNIFICANT ACCOUNTING POLICIES

(11) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the ATO is included as a current asset or current liability in the statement of financial position.

(12) New standards and interpretations not yet adopted

There are a number of standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015 that have not been applied in preparing these financial statements. None of these is expected to have a significant impact on the financial statements.

	2015	2014
	\$	\$
4. CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		
Cash at bank	850,348	499,216
	850,348	499,216
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	36,432	48,162
GST refunds	5	12,497
Accrued income	1,460	121,725
	37,897	182,384
6. TRADE AND OTHER PAYABLES		
Current		
Credit card liability	9,960	5,307
Trade creditors	38,447	0
Accrued expenses	25,172	15,197
Annual leave payable	48,242	48,489
	121,821	68,993
Non-current		
Annual leave payable	24,012	23,326
	24,012	23,326

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

7. STATEMENT OF CASH FLOWS

**Reconciliation of net surplus/(deficit) for the year
to net cash flows from operating activities**

	2015	2014
	\$	\$
Net surplus/(deficit)	145,198	27,263
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	144,487	(129,695)
Increase/(decrease) in creditors and accrued expenses	53,514	(12,497)
Increase/(decrease) in provisions	7,933	25,487
NET CASH PROVIDED BY OPERATING ACTIVITIES	351,132	(89,443)

8. EMPLOYEE BENEFITS

The Association has no employees but it utilises the services of employees through the Cairns Regional Council, a member council. The Association reimburses Cairns Regional Council for all costs incurred for salary and wages expenses relating to these employees. Furthermore, the Association makes allowances for any annual leave and long service leave accruing in respect of these employees.

Included in Statement of Financial Position

Current

Annual leave payable	48,242	48,488
Provision for long service leave	36,986	37,561
Cash and cash equivalents per statement of cash flows	85,228	86,049

Non-current

Annual leave payable	24,012	23,326
Provision for long service leave	39,965	31,458
Cash and cash equivalents per statement of cash flows	63,977	54,784

Included in Statement of Comprehensive Income

Salaries and wages expenses	479,051	505,158
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BOARD CERTIFICATE OF FAR NORTH QUEENSLAND REGIONAL ORGANISATION OF COUNCILS

We, the Board, certify that in our opinion:

- (a) the Association is not a reporting entity;
- (b) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (c) the financial statements and notes, as set out on pages 3 to 12 present fairly the Association's financial position as at 30 June 2015 and its performance for the year ended on that date, in accordance with the basis of accounting described in Note 2 to the financial statements.

Councillor W Shannon (Chairperson)

D Irvine (Secretary and Executive Officer)

Dated :