

FNQROC Annual Report 2016/17



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 2016 to 30 June 2017

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FNQROC's Vision

Sustainable economic growth and development for Far North Queensland.

FNQROC's Mission

Advocate on behalf of, and foster cooperation and resource sharing between FNQROC members.

FNQROC Goals

1. Develop resilient transport infrastructure and connectivity;
2. Provide reliable and affordable water and energy;
3. Respect and manage our natural assets and environment;
4. Develop equitable social infrastructure;
5. Provide equitable communication network.

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.

CHAIR'S EXECUTIVE SUMMARY

Chair's Executive Summary

Strategic Highlights

In our last Annual report we closed out the 2012-17 Strategic Directions Plan with all identified priorities met or ongoing as part of our business.

We welcomed Carpentaria and Hope Vale as member councils which not only provides strength to our advocacy efforts but also increases our depth of knowledge of the region.

I'm extremely pleased to present within this annual report the 2017-21 Strategic Goals developed by the thirteen member Mayors and adopted 12 June 2017. These goals and our identified opportunities to work towards these goals were presented to the Premier and Minister for Local Government 13th July 2017.



CHAIR'S EXECUTIVE SUMMARY

Financial Highlights

FNQROC is in a strong financial position with total equity exceeding \$1.1mil which we will start reinvesting back into the region to work towards achieving our strategic goals. Return on Investment to member councils exceeds \$15 per \$1 invested (on average across the region).

Advocacy Efforts

On behalf of member councils FNQROC lodged the following submissions which are linked to our strategic goals:

- LGAQ/TMR Cost Sharing Arrangements
- Federal pre budget submission
- State pre budget submission
- Inquiry into the impacts of invasive plants (weeds) and their control in Queensland
- Federal Review into the Petroleum Resource Rent Tax
- Event Traffic Marshals Discussion Paper
- Draft Queensland's Protected Area Strategy
- Part A and B Far North Queensland Regional Transport Plan
- Queensland Parliamentary inquiry into Financial Sustainability of Local Government
- Wet Tropics Management Plan review
- Amendments to telecommunication powers and immunities

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

- LGAQ Policy Executive
- Regional Development Australia FNQ&TS
- Inland Queensland Roads Action Plan (IQ-RAP)
- Reef Urban Stormwater Management Implementation Group
- Wet Tropics Healthy Waterways Partnership
- Weed Society Queensland Executive (President)
- Biosecurity Act Regulations Reference Group (LGAQ/BQ)
- National Tropical Weeds Management Committee
- Advance Cairns
- Roads and Transport Alliance
- Regional Managers' Coordination Network (Treasurer)
- Wet Tropics Healthy Waterways Technical Working Group
- Far North Queensland Electricity Users Network (FNQEUN)
- State Oversight Group – Land Protection Fund Co-investment model
- Tropical Weeds Operational Committee
- Local Authority Waste Management Advisory Council (LAWMAC)

CHAIR'S EXECUTIVE SUMMARY

- Natural Resources and Environment Sub – Committee
- LGAQ Roads & Transport Advisory Group
- Siam Weed Management Group
- Panama TR4 Regional Working Group
- CoastAdapt Tool Implementation Partnership (NCCARF)
- Qld Pest Weed Symposium (17th) Organising Committee (Chair)
- Yellow Crazy Ant Reference Group

Operating Highlights

The Technical Committees under the auspice of FNQROC have focused their attention on sharing knowledge and experience, delivering on the Strategic Directions, regional procurement opportunities and responding to changing State and Federal policies and directions. This has been done by way of (but not limited to):

- ✓ Representing the region in over 23 external groups at the regional, State and federal level;
- ✓ 11 significant submissions on discussion papers, legislation and funding. This does not include the day to day submissions made on concept ideas or draft documents for the State or LGAQ;
- ✓ Over 32 external presentations to Technical Committees or FNQROC Board
- ✓ Regional Procurement contracts for:
 - Sodium Hypochlorite & Liquid Alum
 - Bitumen Reseal
 - Line Marking
 - Scrap Metal & Used Lead Acid Batteries
 - Asphalt Overlay
 - Bio solids
- ✓ Over 45 regional meetings bringing key external parties to the region, developing projects/programs to support councils and sharing knowledge and expertise;
- ✓ Managing \$5.7mil in Transport Infrastructure Development Scheme funding across the region;
- ✓ Completed investigations into Regional Waste Management Prioritisation and Resource Recovery Options;
- ✓ Collected a wide variety of opportunities and issues from member council staff which FNQROC could consider.
- ✓ Considered the difficulty of understanding our regional infrastructure funding gap and identified actions being undertaken to close this gap,

CHAIR'S EXECUTIVE SUMMARY

- ✓ Coordinated the auditing of 11 member council drinking water quality management plans to identify common areas of improvement;
- ✓ Continued our partnering with National Climate Change Adaptation Research Facility;
- ✓ Revision and implementation of Local Areas Pest Management plans in line with the Biosecurity Act (enacted July 2016y);
- ✓ Commenced development of a regional policy approach for the management and stewardship of wildlife;
- ✓ Supported member councils to re-engage in the climate adaptation planning and response the QCoast2100;
- ✓ Enabled regional economic data through a joint contract with Economy i.d; and
- ✓ Continued review of our policies to ensure they remain relevant and current.

Finally, I would like to thank member Councils, Mayors, council staff and FNQROC staff for their involvement and support past, present and future to make FNQROC the organisation it is and will be in the future. I look forward to the next year and the achievements I no doubt we will make as a region.



Cr Tom Gilmore
CHAIR



Executive Officer

Year in review and looking forward

I'm honoured to be the Executive Officer of FNQROC. The depth and breadth of regional collaboration between member councils is something to be proud of and is as a consequence of the councils willingness and trust to work together and share their failures and successes. Without this, we as a small team would not be able to deliver on the Board priorities.

Through our submissions, presentations, technical meetings and representation on external committee's FNQROC staff have tried to ensure our issues and innovative solutions are being heard. For such a small team I believe we punch well above our weight; again, we could not do this without the support of member councils.

In 2016/17 we completed those items member councils deemed important to them which became our Strategic Directions Plan 2012-17. I and the team are excited to support the Board in the execution of our adopted 5 strategic goals.

With thirteen member councils, we had to relook at how we deliver operational service to ensure we maintain our return on investment to member councils. As a result we have (operationally) split the region into two; Western Councils and Eastern Councils. Whilst not strictly western and eastern it is a start to focusing in on operational issues affecting like councils. This new program is due to commence in November 2017 with the first western forum to be held over 2 days. All member councils are invited to participate.

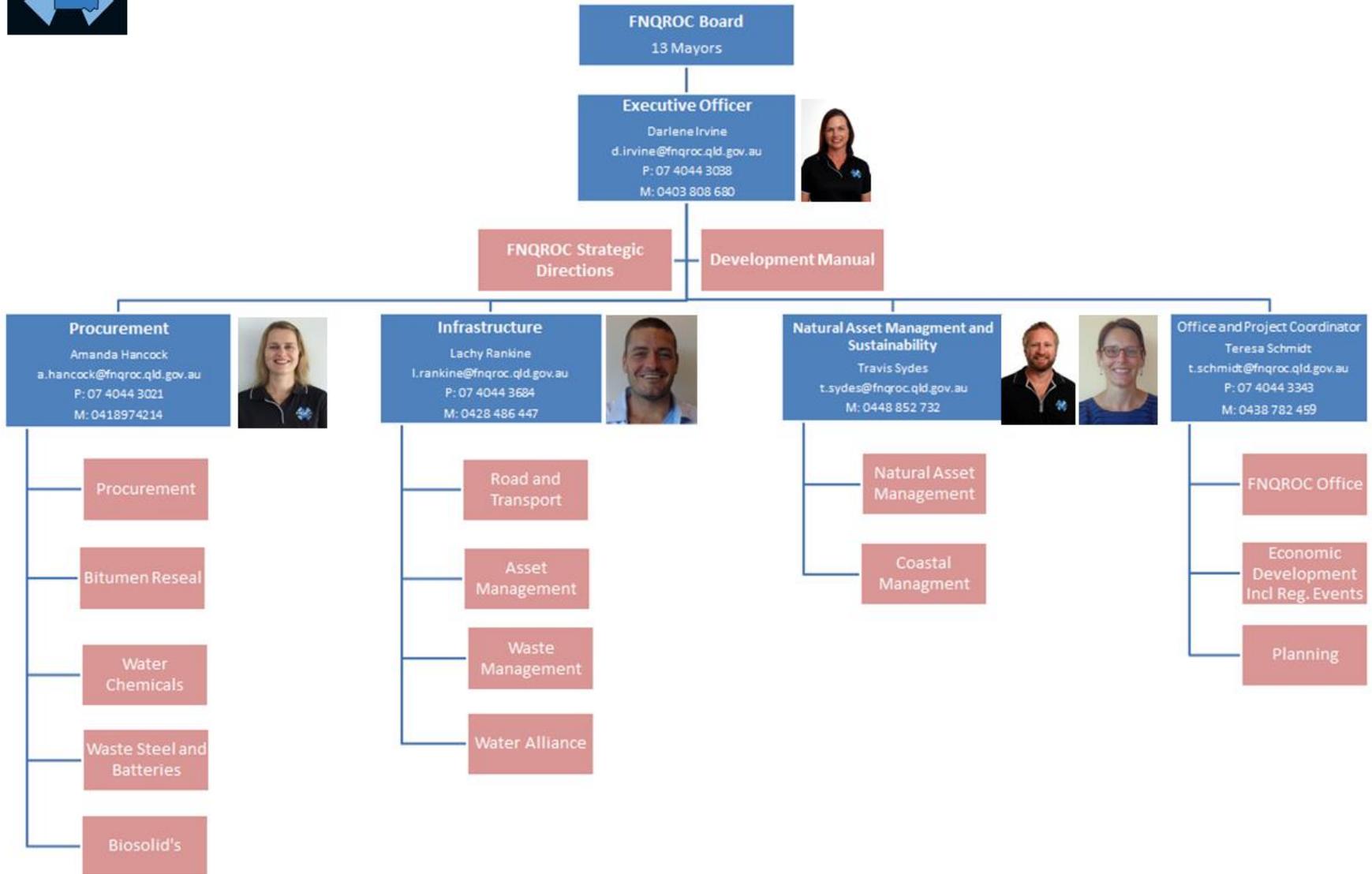
Staffing

In 2016/17 we said goodbye to Steve Cosatto (December 2016) and welcomed Lachlan Rankine (July 2017) as the Strategic Infrastructure Coordinator.

We now have a team with expertise in Biosecurity, Planning, Engineering and Procurement who work together and have an understanding of impacts across all these portfolios.



FNQROC Organisational Chart - 2017



FNQROC Strategic Goals

The thirteen Councils in Far North Queensland see an opportunity to capitalise on the Federal and State Governments focus on northern Australia and in particular northern Queensland. Our emphasis is on utilising existing assets, identifying our gaps and working collaboratively to support sustainable economic growth and development for Far North Queensland.

The full transcript of the FNQROC 5 strategic goals can be found on the FNQROC website: www.fnqroc.qld.gov.au

Transport

History tells us that investment in transport infrastructure is a vital precursor to the economic growth and development of a region and the nation. Until this investment is made the FNQ region will fail to deliver on its vast potential. Resilient transport infrastructure to ensure connectivity across the region is essential; the current situation however is far from satisfactory and the state of the roads and ports is an inhibitor to further exploit the vast untapped potential that FNQ offers.

Water and Energy

Reliable and affordable water and energy is also essential for the FNQ region if it is to have sustainable economic growth and development. COAG policies including Northern Australia White Paper, Regionalisation, Asian Market Access and Indigenous Advancement have identified the strategic importance of FNQ to economic and social development. FNQ has seasonal over and under water supply, bulk storage and control via new and enlarged dams is a key solution and offers the collateral benefits of hydroelectric power, tourism and lifestyle opportunities.

Environment

Our region's world renowned natural assets, natural resources and environment are key factors in the economic success of the region. The region includes two World Heritage listed areas, the rainforests of the Wet Tropics and the reefs and waters of the Great Barrier Reef (GBR). To the west we have the Gulf Rivers Strategic Environment areas.

The economic success of our natural assets is evidenced by the growth in our largest industry, tourism, which is valued at over \$3.1 billion dollars. This is in addition to the contributions from the region's growing global reputation in primary industries, education, health, marine and aviation.

By deploying a combination of strategies to protect natural assets the region will be able to prosper and grow.

Social Infrastructure

There is universal agreement that strong, resilient and healthy individuals, families and community play a vital role in building the ongoing prosperity, wellbeing and economic development of a region.

FNQROC STRATEGIC GOALS

It has been demonstrated that long term economic growth in the regions occurs through investment in human capital development.

Communication

An equitable communication network for the region is essential if FNQ is to have sustainable growth and development. The size of FNQ means we are reliant on our communication networks whether this is mobile, broadband, fixed Wi-Fi or satellite. To be competitive in current marketplaces (national and international) and drive increased productivity and access to greater economic opportunities through a global marketplace our communication network is essential. FNQ has vast untapped potential for the development of an array of 'Agri Business', tropical expertise and tourism products which can be exported from the region. An equitable communication network will also support efficient and effective employment, government service delivery, education, health, workplace health and safety and social wellbeing.



Figure 1 FNQROC Board Strategic Planning Workshop

OPERATIONAL ADVOCACY

Operational Advocacy

Training

FNQROC arranged the following training

- Restricted Access Vehicle Route Assessment tool
- Traffic Management Design
- Heavy Vehicle Portal Workshop

Presentations

Presentations made by FNQROC Staff

Table 1 - Presentations made by FNQROC Staff

Officer	Name	To:
Travis Sydes	Wet Tropic invasive aquatic weeds index – Wet Tropics Healthy Waterways Report Card	Wet Tropics Healthy Waterways Partnership – Technical Working Group
Travis Sydes	CoastAdapt: perspectives from northern Australia	CoastAdapt national round-up, Melbourne, NCCARF
Amanda Hancock	Tendering for Government Business	Industry via Dept of State Development, Cairns
Amanda Hancock	Small Business Expo	Industry via Cairns Chamber of Commerce
Amanda Hancock	Tender for Local Government Business	Industry via Dept of State Development, Cairns
Amanda Hancock	Procurement Taskforce	Industry via Cairns Chamber of Commerce

OPERATIONAL ADVOCACY

Presentations made to FNQROC Board and Technical Committees

Table 2 - Presentations made to FNQROC Board and technical committees

Organisation	Name	To:
United Nations Office for Disaster Risk Reduction	Support from FNQROC for proposed Global Education Training Institute initiative	Board
Wet Tropics Healthy Waterways Partnership	Wet Tropics Healthy Waterways Partnership	Board
Advance Cairns	Update	Board
RDA FNQ & TS	Update	Board
Cairns Regional Council	Shooting for the Stars - Gary Everson	Regional Asset Management Group (Meeting No. 30)
LGAQ	Better Councils Better Communities	Regional Asset Management Group (Meeting No. 30)
Cairns Regional Council	Presentation for IPWEANQ Conference - 17-19 August 2016 - Cairns Transport Revaluation	Regional Asset Management Group (Meeting No. 30)
TTNQ, Queensland Tourism Industry Council (QTIC)	Tourism industry transformation agenda	Board
Bill Shannon, Chair Northern Australia Infrastructure Facility	Northern Australia Infrastructure Facility update	Board
Greg Tonner, CEO Cowboys	Values of the North Qld Cowboys	FNQROC Board
Australian Business Register	Use of ABR data for Economic Development and Planning	Economic Development Group
Cairns Regional Council	Asset Management Strategy - 2016/26	Regional Asset Management Group
Allison Anderson (CQU)	Tourism Planning workshop	Planners Group meeting
Department of Agriculture and Fisheries	Update on the Biosecurity Act	FNQROC Board

OPERATIONAL ADVOCACY

The Office of the Information Commissioner	Update	FNQROC Board
Telstra	Telstra Digital Inclusion initiatives and partnership opportunities	FNQROC Board
RDA FNQ & TS	Role of QRA, NDRRA and assistance to Local Governments	FNQROC Board
NHVR	MoA - Improving the Safety and Productivity of Queensland's Local Road Freight Network	RRTG TC
NHVR	Road Manager Portal	RRTG TC
Arcadis - Dominic Schliebs	Regional Waste Options Investigation	FNQROC Board
Bob Abbot	The Five P's	FNQROC Board
TTNQ	Destination Tourism Plan	Economic Development Group
.id - informed Decision	Economic and population forecasting	Economic Development Group
Minister Mark Furner	Update	Board - Strategic Plan workshop
LGAQ - Tony Goode	Industrial relations	FNQROC Board
Department of Transport and Main Roads - Jennifer Damon	Far North Regional Transport Plan Update	FNQROC Board
CR Alan Wilson on behalf of LAWMAC	Landfill Ashes	FNQROC Board
The Hon. Warren Entsch	Update	FNQROC Board
FNQROC – Regional Procurement	17/18 Regional Bitumen Reseal	FNQROC Board
.id - the population experts	Jim Myhill	FNQROC Board
Wet Tropics Management Authority	Scott Buchanan	FNQROC Board
LGAQ re QWRAP	Simone Talbot & Arron Hieatt	FNQROC Board

Operational Report – Procurement

Program Introduction

The Procurement Coordinator role has now been in place for over 6 years and is funded by the contributions of member Councils made on the following basis:

Cairns, Cassowary, Cook, Douglas, Mareeba and Tableland contribute \$25,000 annually; this amount being less than previously identified savings per Council. The remaining Councils contribute 20% of savings made through their involvement in FNQROC procurement activities.

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
- Where products or services could be scheduled to provide an improved service delivery
- Where member Councils would benefit from the sharing of knowledge and collaboration

2016/2017 Review:

2016/2017 was the busiest year yet for FNQROC procurement with new arrangements identified, developed and brought to market for the first time and the renewal of existing contracts with a number of new Councils coming on board.

Collective arrangements enable participating member Councils to achieve economies of scale on pricing and eliminate risk for individual Councils competing against one another for limited supplier resources. In a number of arrangements they also involve a commitment from the supplier to ensure works are completed to agreed timeframes.

Whilst there are a number of Councils involved in the collective procurement arrangement, each Council forms a Contract with the supplier. The delivery of the contract is administered by FNQROC.

OPERATIONAL REPORT – PROCUREMENT

Regional Bitumen Reseal - 2016/2017

Participating Council	Contract Commencement	Contract Terms	Expiry Date	Supplier
Cairns Cassowary Cook Douglas Mareeba Tablelands Yarrabah	1 July 2016	Program delivery	30 June 2017	Fulton Hogan Industries Pty Ltd

Councils undertake an annual bitumen reseal program in order to maintain their road networks. The first collective procurement arrangement for bitumen resealing was established in 2013 and since then this flagship arrangement has continued to deliver year on year benefits with not only extremely competitive rates but delivery of an achievable works program. This arrangement included post-reseal road line marking for the first time this year. This ensures that roads are marked as soon as is reasonably practical following reseals, increasing safety and reducing risk to Councils.

Councils involved in this arrangement also benefit from the appointment of a qualified and experienced Program Coordinator to oversee delivery of the program.

The 2016/2017 program was the largest to date with seven Councils participating and 1,800,00m² of bitumen sprayed over 120 days. The rate per m² continues to be extremely competitive when compared with previous individual Council rates.

Register of Prequalified Suppliers – Bitumen & Asphalt Services

Participating Council	Contract Commencement	Contract Terms	Expiry Date	Suppliers
Cairns Cassowary Cook Douglas Mareeba Tablelands Yarrabah	1 July 2016	2 years + 12 months	30 June 2018	ASPIC Boral Asphalt FGF Fulton Hogan Koppens PNQ SPA Sunstate

OPERATIONAL REPORT – PROCUREMENT

At the same time as releasing a Request for Tender for the Regional Bitumen Reseal, we also took the opportunity to establish a Register of Prequalified suppliers for the provision of other bitumen and asphalt resurfacing works. The use of a register increases efficiency when engaging suppliers through the use of prequalified resources.

Regional Asphalt Overlay 2016/2017

Participating Council	Contract Commencement	Contract Terms	Expiry Date	Supplier
Cassowary Douglas Mareeba Tablelands	27 March 2017	Program delivery	30 June 2017	Boral Resource Pty Ltd

Following the same principals as the Regional Bitumen Reseal, quotes were also sought via the Register of Prequalified Suppliers for the first time this year for the delivery of participating Councils Asphalt Overlay programs which has been successfully completed.

Regional Water Chemicals

As part of its ongoing water treatment operations, Councils require various water chemicals for use at their water treatment plants, waste water treatment plants, reservoirs, sewerage pumping stations and swimming pools. The contracts for the supply and delivery of the two largest use chemicals Sodium Hypochlorite (chlorine) and Liquid Alum, have been made under a collective procurement arrangement since 2012 and these were the very first contracts for FNQROC procurement.

The original contract terms were for three years with the option to extend by a further two x twelve month periods being exercised by all Councils. Hoping to build on the success of these contracts, a Request for Tender was released for the supply and delivery of Sodium Hypochlorite and Liquid Alum together with an additional four chemicals most commonly in use across the region. The Request for Tender was divided into six separable portions, enabling individual Councils and suppliers to participate in either one, some, or all separable portions of the contract.

Whilst a number of submissions were received in relation to the additional four chemicals, unfortunately none were deemed suitable for award on a regional collective basis due to significant variances in delivery requirements and usage across Councils. However, contracts for the Supply & Delivery of Sodium Hypochlorite and Liquid Alum were established with supply and delivery commencing in June 2017.

OPERATIONAL REPORT – PROCUREMENT

Sodium Hypochlorite

Participating Council	Contract Commencement	Contract Terms	Expiry Date	Supplier
Cairns Cassowary Cook Douglas Hinchinbrook Mareeba Tablelands	1 June 2017	3.5 years + 12 months + 12 months	30 November 2020	Ionics Australasia t/a Elite Chemicals

We are pleased to confirm that Hinchinbrook Shire Council joined the arrangement for the first time this year. The seven Councils now involved in this arrangement are expected to use 2.6 Mega litres of Sodium Hypochlorite in the forthcoming contract year with the annual combined regional spend expected to be in the region of \$1m.

Liquid Alum

Participating Council	Contract Commencement	Contract Terms	Expiry Date	Supplier
Cairns Cassowary Cook Douglas Mareeba Tablelands	1 June 2017	3.5 years + 12 months + 12 months	30 November 2020	Cleveland Bay Chemicals

Councils under this arrangement are expected to use in the region of 1.1 Mega litres of Liquid Alum in the forthcoming contract year with a combined regionally spend of over \$500k.

OPERATIONAL REPORT – PROCUREMENT

Collection & Disposal of Ferrous Metal

Participating Council	Contract Commencement	Contract Terms	Expiry Date	Supplier
Cairns				
Cassowary				
Cook				
Croydon				
Douglas		3.5 years + 12		
Etheridge	1 June 2017	months + 12	30 November	Sims Metal
Hope Vale		months	2020	Management Pty
Mareeba				Ltd
Tablelands				
Wujal Wujal				
Yarrabah				

This arrangement first commenced in May 2015 for twelve months and following its success was extended for a further twelve months. A Request for Tender was released at the end of 2016 for a new three year arrangement with additional options to extend by a further two x twelve months.

This intent of this contract is that ferrous metal and Used Lead Acid Battery (see below) stockpiles are managed at acceptable levels and Councils receive a fair and certain value for the materials. The arrangement is based on a supplier led collection schedule and pricing linked to metal markets. As a region, in 2016/2017 participating Councils generated almost 11,500 tonnes of ferrous scrap metal and received over \$650,000 in payment. It is also pleasing to be able to report that the price per tonne agreed for the current contract has increased.

We are pleased to welcome Etheridge Shire Council and Hope Vale Aboriginal Shire Council for the first time to the new arrangement this year. We are also arranging for Carpentaria Shire Council to be added so they can also take advantage of this great arrangement. Traditionally, smaller Councils and certainly the Western Councils have not received revenue for scrap metal and have generally struggled to secure a reliable collection service.

OPERATIONAL REPORT – PROCUREMENT

Collection & Disposal of Used Lead Acid Batteries

Participating Council	Contract Commencement	Contract Terms	Expiry Date	Supplier
Cairns Cook Douglas Mareeba Wujal Wujal	1 June 2017	3.5 years + 12 months + 12 months	30 November 2020	Sims Metal Management Pty Ltd

This arrangement is a separable portion of the Ferrous Metal arrangement and again is based on a supplier led collection arrangement and pricing linked to lead market prices. In 2016/2017 participating Councils received over \$100k in payment for just less than 200 tonnes of Used Lead Acid Batteries.

Removal & Beneficial Reuse of Biosolids

Participating Council	Contract Commencement	Contract Terms	Expiry Date	Supplier
Cairns Cassowary Cook Douglas Mareeba Tablelands Yarrabah	1 July 2017	3 years + 12 months + 12 months	30 June 2020	Arkwood (Gloucester) Pty Ltd

This is a new FNQROC arrangement for 2017. Biosolids are treated sewerage sludges and the major by-product of the waste water treatment process. When treated and managed appropriately they can be beneficially used for a number of purposes. Many member Councils Waste Water treatment plants produce biosolids that meet the stabilisation criteria required for beneficial reuse and with just one supplier actively working in the region it was hoped that a collective arrangement would encourage additional suppliers into the region and increase farms licenced for reuse.

Whilst a number of submissions were received, the most competitive tender was from the supplier already working with Councils individually. We therefore focused on negotiating streamlined pricing and ensure consistent contract terms are provided across the region and it is hoped that this in itself will provide efficiency benefits to both supplier and Councils alike.

OPERATIONAL REPORT – PROCUREMENT

Participating Councils produce in the region of 700 wet tonnes of biosolids every month that will be collected and beneficially reused under this arrangement. In addition, sludge stored in lagoons in Cairns and Yarrabah also needs to be regularly removed, treated and disposed.

Since the contract commenced we have already seen the approval of 2 additional farms in the region for use by the supplier.

Procurement Advisory Committee

The Procurement Advisory Committee is in place to improve efficiency and effectiveness of procurement service delivery to Far North Queensland communities by:

- Sharing information about programs and projects in participating local government to ensure timely awareness of emerging issues and opportunities;
- Advise and lead the FNQROC on policy and procedures;
- Enhancing management and operational capacity of local governments;
- Promoting and supporting professional development among staff.

The Procurement Advisory Committee has been focused mainly on contributing to the discussion paper during the development of the Strategic Operational plan during this year. It identified a number of either issues or opportunities where with a coordinated approach to procurement, there is the prospect of achieving many more outcomes for communities by realising the economic, environmental and social benefits of procurement. The focus for the coming year, as directed by the Board will therefore be on the development of a business case which considers the issues surrounding below-tender value procurement.

FNQROC Procurement also attended both the LGMA Conference and Government Procurement & Fleet Conference providing updates to Councils via the monthly newsletter as well as representing the region at procurement events held by the Cairns Chamber of Commerce. FNQROC Procurement continues to be a regular presenter at the Tendering for Government Business workshops run by the Department of State Development.

OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

Operational Report – Strategic Infrastructure Coordinator

Regional Road and Transport Group

Membership

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

Table 3 - FNQ RRTG Executive

RRTG Chair	Cr Peter Scott (Cook)
RRTG Deputy Chair	Cr Tom Gilmore (Mareeba Shire Council)
RRTG Secretariat	Darlene Irvine (FNQROC)
Technical Committee Chair	Ashley Greenwood (Tablelands)
Technical Committee Deputy Chair	Michael Ringer (Cairns)
Technical Coordinator	Steve Cosatto (to December 2016)
RTAPT Representatives	Arron Hieatt (LGAQ) and Jo Lencz (TMR)

Summary

The 2016/17 TIDS budget was \$5,791,150 (inclusive of the annual allocations of \$29,273 and \$47,217 to Wujal Wujal and Yarrabah respectively). The co-contribution amount to this was \$7,515,579.

Through the last minute support of councils and TMR the FNQ RRTG again delivered 100% of our 2016/17 program involving twenty-one projects.

OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

TIDS funding

Under the ‘one bucket’ scheme, Transport Infrastructure Development Scheme (TIDS) covers:

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

The FNQ RRTG Board has an established policy that TIDS funding not be applied to airports and marine facilities. They have also applied the maximum amount of 20% of funding to non LRRS.

Operational

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

- The FNQRRTG met four (4) times in 2016/17:
 - Cairns (3)
 - Cooktown (1)
- The FNQ RRTG TC met five times in 2016/17:
 - Cairns (4)
 - Cooktown (1)
- Continued to assist with the Beef Roads submission for Croydon, Mareeba and Tablelands Councils;
- Numerous letters of support written for funding applications;
- Attempted to delve further into legislative changes to Traffic Management Plans and traffic guidance systems;
- Updated nearly all Statements of Intent for LRRS;
- Investigate replacement options for the Project Prioritisation Tool which will no longer be maintained by the Road and Transport Alliance;
- Attended workshops and provided submissions on the Regional Transport Plan technical working documents;
- Worked with the National Heavy Vehicle Regulator;
- We’re in the process of reconsidering what a Local Road of Regional Significance should look like; and

OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

- Reviewed the Capability Agreement & Action Plan (CAAP) which sets out the RRTG’s activities and actions required in order to improve its capability under the four key Road Alliance functions plus operational effectiveness.

All reference documents, forms, policies and factsheets etc. pertaining to the Alliance and FNQRRTG are available on the FNQROC website (<http://www.fnqroc.qld.gov.au/regional-programs/fnq-regional-road-group>)

FNQRRTG LRRS Network

The LRRS network has included Tyrconnell Road and Bower Road remained the same since 2013/2014, however with the inclusion of Yarrabah and Wujul Wujal priority roads it now totals approximately 2,000km in length, with a slightly longer length of unsealed roads than sealed roads.



Figure 2 Snake Ck - Original Timber Girder Bridge



Figure 3 Snake Ck, Completed Culvert Upgrade

OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

Works Program

A summary of the 2016/17 TIDS funding allocation is shown below:

Table 4 - Summary 2016/17 TIDS funding Allocation

Road Authority	Road Name	work type	Project Cost(\$)	2016-2017	2017-2018
Etheridge Shire Council	Georgetown - Forsyth Rd	Construct to new sealed 2 lanes	\$3,771,574	\$1,093,476	
Cassowary Coast Regional Council	East Feluga Road	Widen existing pavement	\$1,283,035	\$641,517	
Tablelands Regional Council	Danbulla Forest Drive	Replace bridge	\$1,500,000	\$621,459	\$128,541
Tablelands Regional Council	Sluice Creek Road	replace bridge	\$975,990	\$370,526	\$117,469
Croydon Shire Council	Croydon - Richmond Road	Construct to new sealed 2 lanes	\$698,000	\$349,000	
Mareeba Shire Council	Myola Road	Construct to new sealed 2 lanes	\$682,572	\$341,286	
Cook Shire Council	Railway Avenue	Construct to new sealed 2 lanes	\$640,000	\$320,000	
Mareeba Shire Council	Springmount Road	Construct to new sealed 2 lanes	\$530,000	\$265,000	
Douglas Shire Council	Cape Tribulation to Bloomfield Road	construct to seal standard	\$510,000	\$255,000	
Tablelands Regional Council	Gunnawarra Road	Construct to new sealed 2 lanes	\$414,900	\$207,450	
Cook Shire Council	Lakefield National Park Road	Construct to new sealed 2 lanes	\$410,000	\$205,000	
Cook Shire Council	Lakefield National Park Road	Construct to new sealed 2 lanes	\$410,000	\$205,000	
Yarrabah Aboriginal Shire Council	Back Beach Road	construct to seal standard	\$616,000	\$175,412	
Tablelands Regional Council	Cashmere - Kirrama Road	Replace bridge and approaches	\$1,000,000	\$168,439	\$331,561
Tablelands Regional Council	Cashmere-Kirrama Road	Replace Bridge	\$199,712	\$99,856	
Cairns Regional Council	Mount Peter Road	Road widening and ped bridge	\$197,070	\$98,535	
Cassowary Coast Regional Council	Bryant Street	Structural rehabilitation	\$150,000	\$75,000	
Cassowary Coast Regional Council	Flying Fish Point Road	Replace Culvert	\$145,000	\$72,500	
Mareeba Shire Council	Euluma Creek Road	Install Floodway	\$160,000	\$32,000	
Croydon Shire Council	Croydon - Richmond Road	Upgrade Floodway	\$45,000	\$22,500	
FNQRRTG	management	Capability and development	\$714,330	\$142,866	\$142,866
Wujal Wujal Aboriginal Shire Council	various	annual allocation	\$146,365	\$29,273	\$29,273

OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

Asset Management

Program Introduction

Councils control and manage infrastructure assets that are largely unique to the public sector. These infrastructure assets include roads, bridges, footpaths, water reticulation and sewerage assets, which generally have very long useful lives and can only be used for providing local government services. In the region, our road assets total approximately \$4billion and our water assets approximately \$2billion. The costs associated with the maintenance, depreciation and replacement of these assets form a material part of Council's annual expenditure and long term financial forecasts.

The principal document for the FNQ Regional Asset Management Group (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.

Objectives of the RAMG are to share knowledge and experience held within the region to enable councils to enhance their Asset Management capabilities which further assists councils with their:

- Asset management framework and processes;
- Long Term Financial Sustainability;
- meeting regulatory requirements;
- Key challenges, summarised as (but not limited to):
 - The financial pressure of increasing costs and increasing expectations balanced against the communities capacity to pay;
 - Identification of asset risk exposure to an acceptable level;
 - External factors such as population change (positive and negative);
 - Climatic events;
 - Increasing Asset Base, and
 - Diminishing funding assistance

Operational

The Regional Asset Management Group (RAMG) held three meetings during the 2016/17 financial year, within those meetings the group discussed/had presentations on:

- LGAQ's Better Councils, Better communities Performance benchmarking;
- Performance reporting – methodologies behind performance reporting
- Forecasting options available to the region

OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

- Unit rate methodologies
- Regional benchmarking, networking and professional development
- Third party audits/negotiations with consultants
- Levels of Service, acceptable levels of risk
- Regional framework for ‘whole of service’ service levels.
- Maintaining the Useful life data base; and
- Developed a response to the FNQROC board regarding understanding our infrastructure funding gap.

Waste Management

Program Introduction

Far North Queensland faces a unique set of challenges in delivering cost effective and sustainable waste services. Considering the region’s two World Heritage listed areas (Wet Tropics and the Great Barrier Reef) those challenges can vary significantly from one council to the next.

All councils in the region struggle with issues such as access to secondary markets, transport costs, and the increasing costs and difficulties in developing new waste infrastructure. This all impacts on council’s ability to achieve strategic ambitions and deliver and operate viable networks of resource recovery facilities.

The Regional Waste Management Group (RWMG) comprising of members of FNQROC was first established in 2004 to undertake a regional Waste Management Strategy (excluding Cairns, Douglas and Mareeba). It was re-established in 2013 to consider opportunities in terms of regional waste management and resource recovery solutions. Members have worked together in a cooperative, coordinated and proactive manner, engaging with the State and other stakeholders concerning development of the waste industry in Far North Queensland.

The RWMG supports the vision and key principles of the Queensland Waste Avoidance and Resource Productivity Strategy (2014-2024). Most notably that ‘Queensland will become a national leader in avoiding unnecessary consumption and waste generation by adopting innovative resource recovery approaches, and managing all products and materials as valuable and finite resources’.

The objectives of the RWMG are to identify opportunities for:

- Reducing regional waste streams
- Increasing regional recycling and reuse

OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

- Maintain existing and further develop Joint Procurement and Resource Sharing (JPRS) collaboration
- Promoting the region through regional advocacy and inter-government relations with State and Federal agencies with roles in waste and waste regulation.
- Provide a forum for members to be aware of new technology and techniques

General meetings are held quarterly. Representatives from the Department of Environment and Heritage Protection regularly attend the regional meetings.

Operational

- The Regional Waste Management Group (RWMG) held five meetings in 2016/17 with the Department of Environment and Heritage Protection (DEHP).
- Maintained open communication with the broader Local Authorities Waste Management Advisory (LAWMAC - nineteen North Queensland Local Government Councils) group.
- Considered the implications of the Biosecurity Act 2014 and particularly Tramp Ant through Green waste management.
- Considered impacts and opportunities of the Container Refund Scheme
- Acknowledged that there are two main issues facing the region in 10 years:
 - Infrastructure, and
 - Legislative
- Working on developing a regionally consistent waste data definitions
- Arcadis report completed investigations into Regional Waste Management Prioritisation and resource recovery options

The focus for the RWMG has been the Regional Waste Options Investigation Project. This project is a partnership effort between the RWMG and the Department of Environment and Heritage Protection (DEHP) and investigated options and opportunities within the region's waste streams. The RWMG secured funding (\$50,000) and technical support from DEHP.

The report was presented to the FNQROC Board 13 February 2017 with short term recommendations recommended for further development. The report:

- A. Provided recommendations to the FNQROC Board regarding strategic regional opportunities
- B. Supported 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.

OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

Water Alliance

Program Introduction

In December 2011 LGAQ made a request to FNQROC to participate in a review of institutional arrangements for water service provision with in principle support provided. In December 2012, FNQROC resolved to undertake a study into institutional arrangements and consider continued involvement in QWRAP. In February 2014 the FNQROC Board considered a report by AEC Consultants ‘*Investigating Potential Collaborative Mechanisms for FNQ Urban Water Services*’. The FNQROC Board resolved:

“That FNQROC:

- 1. Notes the conclusion of the first stage of QWRAP investigations;*
- 2. Continues with the status quo and continue the collaborative effort to improve the four areas of:*
 - Strategic Asset Management,*
 - Regional Demand and Supply Assessment,*
 - Legislative Requirements (DWQMS and EMS), and*
 - Full Price Costing,**within a three year timeframe,*
- 3. Seeks additional funding to resource a technical committee to improve these key areas within the QWRAP.”*

Operational:

The objectives of the FNQ Water Alliance is to:

- a. Share information about programs and projects in participating water businesses to ensure timely awareness of emerging issues and opportunities;
- b. Identify, create and pursue opportunities for cross local government (and other agencies and industry) alignment and coordination in service delivery;
- c. Enhance management and operational capacity and capability of water services;
- d. Promote and support professional development among staff within the region, and
- e. Provide advice to the FNQROC Board on policy and procedures for urban water services.

Over the past year we have:

- i. Held five (5) meetings
- ii. Identified a number of opportunities for FNQROC Board consideration

OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

- iii. Coordinated the auditing of 11 member council drinking water quality management plans (saving councils approx. 30% on costs) and allowing the region to identify common areas of improvement;
- iv. Supported the renewed and new tender for 7 water chemicals (see procurement report);
- v. Supported the Regional tender for removal and beneficial reuse of Biosolids (see procurement report);
- vi. Considered the inclusion of the CTM Code for inclusion within the FNQROC Development Manual;
- vii. Supported the development of a licencing subcommittee to work with EHP.

OPERATIONAL REPORT - NATURAL ASSET MANAGEMENT AND SUSTAINABILITY COORDINATOR

Operational Report - Natural Asset Management and Sustainability Coordinator

Natural Asset Management

Background

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 have 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.

Program Introduction

The role of Natural Asset Management & Sustainability Coordinator is a full time position hosted by Cairns Regional Council 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 pests and weeds; water quality and GBR; landscape repair and restoration; biodiversity conservation/planning and climate adaptation. 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 role also incorporates spatial planning, modeling and program communications using GIS across other the technical portfolios of FNQROC.

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 QDAF and so reflects the memorandum of understanding entered into by the State Government (DAF), Natural Resource Management groups (RGC) and Local Government (LGAQ) at a regional level.

OPERATIONAL REPORT - NATURAL ASSET MANAGEMENT AND SUSTAINABILITY COORDINATOR

The committee meets quarterly on a rotational basis hosted by each Local Government in turn. The primary legislative driver of the role is the Queensland Biosecurity Act 2014, but elements of the Queensland Nature Conservation Act, Commonwealth Environmental Protection Biodiversity Conservation (EPBC) Act and other also define the roles and responsibilities of councils the role supports. The NAMAC is one of Queensland's 12 regional subcommittees which develop priorities and guide the delivery of the Land Protection Fund Co-investment model (formerly referred to as precept payments).



Figure 4 NAMAC meeting in Mareeba 24 November 2016

Key Activities

During the 2016/17 year a primary focus has been the revision and implementation of Local Area Pest Management Plans in line with the Biosecurity Act 2014 (enacted July 2016). The priorities determined in these planning are used in guiding the implementation of the Land Protection Fund Co-investment Model. The updated model will replace the land protection precept payment made by councils under the Land Protection Act 2002 and the new process allows for a stronger participation of LG's in determining focal areas for investment

In 2016/17 the region embarked on the development of a regional policy approach for the management and stewardship of wildlife in response, in part, to increasing incidents between domestic animals and wildlife. The policy also aims to incorporate approaches to managing wildlife/human issues for species where conflicts occur.

Into 2017/18 works will continue on these projects while integrating other planning processes from the sustainability (climate change adaptation/ coastal planning) with water quality and natural resource management planning. Decision support and communication enablers will play an important role in this process as will the 5 year review of the Regional Pest Management Strategy scheduled for late 2017.

OPERATIONAL REPORT - NATURAL ASSET MANAGEMENT AND SUSTAINABILITY COORDINATOR

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.

Electricity

We have continued our participation and communication in the FNQ Electricity Users Network (FNQEUN) which has now evolved into a state wide advocacy group (Queensland Electricity Users Network- QEUN) which has continued briefings with MP's and utilities to put forward the case for real reductions in electricity pricing for regional Queensland.

Going into 2016-17 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.

Climate Change Adaptation

During 2016/17 FNQ councils have re-engaged in the climate adaptation planning and responding space; two key programs have enabled this.

The first is the state governments QCoast2100 program, which is delivered by the LGAQ, has released funding for Queensland coastal councils to scope and prepare Coastal Hazard Adaptation Strategies. The program will run over 3 years and is designed to assist councils deliver the required planning tools in modular approach at their own pace. To date submissions have been accepted and projects are underway from individual councils to development Coastal Hazard Adaptation Strategies are underway in Cook, Douglas, Cairns, Cassowary Coast and Hinchinbrook with submissions from Wujal Wujal and Yarrabah being processed. FNQROC will continue to support individual councils in their projects and will be ready to facilitate regional collaboration on key deliverables if the need arises.

The second is phase two of the NCCARF (National Climate Change Adaptation Research Facility) which is focused on the synthesis of science outcomes from the first program into end user products for implementation, policy development, planning and communication. The FNQROC has partnered with

OPERATIONAL REPORT - NATURAL ASSET MANAGEMENT AND SUSTAINABILITY COORDINATOR

the program over the past 12 months to explore the considerations of climate change on development in Northern Australia; and the CoastAdapt Tool Implementation Partnership are assisting in the development of planning and communication tools which best support councils needs in the space into the future. The NCCARF and CoastAdapt program have come to an end but we will continue to liaise with councils from around the country through the partnerships as well as provide training in the use of CoastAdapt to member councils.

OPERATIONAL REPORT – REGIONAL PROJECT & OFFICE COORDINATOR

Operational Report – Regional Project & Office Coordinator

Economic Development

The FNQROC Economic Development Advisory Committee met three (3) times throughout 2016/17 financial year. The planned fourth meeting was cancelled due to low attendance numbers. Of the meetings held they were relatively well attended through representations from member Council's, Department of State Development, Tourism Tropical North Queensland (TTNQ) and RDA FNQ&TS.

The primary purpose of the group is to provide a forum where the officers can discuss issues and share information about programs and projects in participating councils and to ensure the timely awareness of emerging issues and opportunities.

The group has two Council officers on the LGAQ Economic Development Advisory Committee providing the opportunity for the group to be aware of and contribute to policy development through LGAQ.

In October 2016 a presentation to the group by the Australian Business Register was arranged to demonstrate the capabilities of the ABR Explorer to access data to support Council activities across areas such as compliance, planning and economic development, service delivery and disaster response and recovery.

The Board identified the need as its meeting held in August 2016 and the Strategic Planning Workshop held in March 2017 to have access to economic and demographic data to support FNQROC advocacy efforts. Presentations by consultants from .id were provided to the Economic Development Advisory Committee and the Board. A regional agreement through FNQROC was arranged with ten (10) of the member Councils agreeing to participate. The online community profile and economic profile tools provide reporting at the individual Council level for the ten (10) Councils as well as reporting for the FNQROC region as a whole (13 Councils). Rollout of training in the use of the tools will be a focus for the coming year.

Cross Region Events

This group meets on an as needs basis and meetings are triggered by the implementation of the FNQROC Policy No. 7 – Funding of Cross Regional Events. This policy was re-adopted by the Board at its meeting in August 2016.

The group convened in July 2016 to discuss opportunities for a more coordinated approach to sponsorship for the Croc Trophy event which is currently held across four of the member Councils.

OPERATIONAL REPORT – REGIONAL PROJECT & OFFICE COORDINATOR

To support the group in sharing information on events a restricted access portal on the FNQROC website has been established.

Planning

The FNQROC Planning Advisory Committee met three (3) times throughout 2016/17 financial year. The planned fourth meeting was cancelled due to low attendance numbers. Of the meetings held they were relatively well attended through representations from member Council's, Department of Infrastructure, Local Government and Planning (DILGP) and the Local Government Association of Queensland (LGAQ).

The primary purpose of the group is to provide a forum where the officers can discuss issues around planning legislation and state government policies, share information and resources amongst the group and ensure the timely awareness of emerging issues and opportunities.

The key focus of discussions at the meetings was to ensure the dissemination and sharing of information around the planning reform with the commencement of the new Planning Act in July 2017. Other areas of discussion for the group were around issues such as high referral agency fees for development applications and online accommodation booking platforms such as Airbnb and Stayz. A presentation on Tourism Planning was provided in November 2016 by Allison Anderson from CQ University.

The group has one Council officer on the LGAQ Planning and Development Advisory Committee providing the opportunity for the group to be aware of and contribute to policy development through LGAQ.

AUDITED FINANCIAL STATEMENTS 2016/17

Audited Financial Statements 2016/17

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
INCOME		
Annual administration contributions	432,268	447,893
Projects -		
Regional natural assets management	14,814	5,592
Regional infrastructure projects	292,565	366,475
Regional asset management	0	0
Regional procurement group	152,735	152,429
Short term projects	107,177	37,500
Regional waste management	10,000	10,000
Miscellaneous revenue	1,350	20,185
Interest income	5,385	4,661
TOTAL INCOME	1,016,295	1,044,735
EXPENSES		
Annual administration expenses	269,204	269,016
Projects -		
Regional natural assets management	117,525	130,188
Regional infrastructure projects	54,185	164,956
Regional sustainability	43,118	27,073
Regional procurement group	190,969	156,894
Regional asset group	244	489
Minor projects	139,813	729
TOTAL EXPENSES	842,058	749,345
OPERATING SURPLUS / (DEFICIT)	174,237	295,390
Other comprehensive income	-	-
TOTAL COMPREHENSIVE SURPLUS / (DEFICIT) FOR THE YEAR	174,237	295,390

The accompanying notes form part of this financial statement.

AUDITED FINANCIAL STATEMENTS 2016/17

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,320,810	1,113,216
Trade and other receivables	5	(4,529)	34,025
TOTAL CURRENT ASSETS		1,316,281	1,147,241
TOTAL ASSETS		1,316,281	1,147,241
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	100,552	98,902
Provision for long service leave		6,841	8,089
TOTAL CURRENT LIABILITIES		107,393	106,991
NON-CURRENT LIABILITIES			
Trade and other payables	6	6,385	3,880
Provision for long service leave		67,416	75,520
TOTAL NON-CURRENT LIABILITIES		73,801	79,400
TOTAL LIABILITIES		181,194	186,391
NET ASSETS		1,135,087	960,850
EQUITY			
Retained surplus		1,135,087	960,850
TOTAL EQUITY		1,135,087	960,850

The accompanying notes form part of this financial statement.

STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
RETAINED SURPLUS			
Balance at the beginning of the year		960,850	665,460
Total comprehensive income for the year		174,237	295,390
BALANCE AT THE END OF THE YEAR		<u>1,135,087</u>	<u>960,850</u>

The accompanying notes form part of this financial statement.

STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,151,093	1,143,292
Payments to suppliers and employees		(948,884)	(885,085)
Interest received		5,385	4,661
NET CASH PROVIDED BY OPERATING ACTIVITIES	7	<u>207,594</u>	<u>262,868</u>
NET INCREASE/(DECREASE) IN CASH HELD		207,594	262,868
Cash and cash equivalents at the beginning of the financial year		<u>1,113,216</u>	<u>850,348</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4	<u>1,320,810</u>	<u>1,113,216</u>

The accompanying notes form part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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 2017 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
- Hope Vale Aboriginal Shire Council
- Mareeba Shire Council
- Douglas Shire Council

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 2017

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 2017

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 2017

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 2017 that have not been applied in preparing these financial statements. None of these is expected to have a significant impact on the financial statements.

	2017 \$	2016 \$
4. CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		
Cash at bank	1,320,810	1,113,216
	<u>1,320,810</u>	<u>1,113,216</u>
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	(10,150)	32,606
GST refunds	(4,812)	-
Accrued income	810	1,419
	<u>(4,528)</u>	<u>34,025</u>
6. TRADE AND OTHER PAYABLES		
Current		
Credit card liability	9,309	5,397
Trade creditors	17,785	2,760
Accrued expenses	36,763	39,299
GST Payable	0	1,514
Annual leave payable	36,695	49,932
	<u>100,552</u>	<u>98,902</u>
Non-current		
Annual leave payable	6,385	3,880
	<u>6,385</u>	<u>3,880</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

7. STATEMENT OF CASH FLOWS

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

	2017 \$	2016 \$
Net surplus/(deficit)	174,237	295,390
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	38,553	3,872
Increase/(decrease) in creditors and accrued expenses	4,156	(43,051)
Increase/(decrease) in provisions	(9,352)	6,657
NET CASH PROVIDED BY OPERATING ACTIVITIES	207,594	262,868

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	36,695	49,391
Provision for long service leave	6,841	8,089
	43,536	58,021

Non-current

Annual leave payable	6,305	3,880
Provision for long service leave	67,416	75,520
	73,801	79,400

Included in Statement of Comprehensive Income

Salaries and wages expenses	535,445	515,185
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BOARD CERTIFICATE OF FAR NORTH QUEENSLAND REGIONAL ORGANISATION OF COUNCILS

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 2017 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 T Gilmore (Chairperson)

D Irvine (Secretary and Executive Officer)

Dated:

INDEPENDENT AUDIT REPORT

CONTACT INFORMATION

Contact Information



Far North Queensland Regional Organisation of
Councils
PO Box 359, CAIRNS QLD 4870
Tel 07 4044 3343
www.fnqroc.qld.gov.au

DARLENE IRVINE
EXECUTIVE OFFICER



Tel 07 4044 3038

Email

d.irvine@fnqroc.qld.gov.au

TERESA SCHMIDT
PROJECT COORDINATOR



Tel 07 4044 3343

Email

t.schmidt@fnqroc.qld.gov.au

TRAVIS SYDES
NATURAL ASSET MANAGEMENT
AND SUSTAINABILITY
COORDINATOR



Tel 07 4089 2454

Email

t.sydes@fnqroc.qld.gov.au

LACHLAN RANKINE
STRATEGIC INFRASTRUCTURE
PROJECT COORDINATOR



Tel 07 4044 3684

Email

l.rankine@fnqroc.qld.gov.au

AMANDA HANCOCK
PROCUREMENT COORDINATOR



Tel 07 4044 3021

Email

a.hancock@fnqroc.qld.gov.au

ACRONYMS DEFINED

Acronyms Defined

AASB	Australian Accounting Standards Board
BQ	Biosecurity Queensland
CAAP	Capability Agreement and Action Plan
CEEP	Customer Energy Efficiency Program
CEO's	Chief Executive Officer (member Councils)
CPI	Consumer Price Index
CRC	Cairns Regional Council
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAFF	Department of Agriculture, Fisheries and Forestry
DDG	Deputy Director General
DEHP	Dept. Environment and Heritage Protection
DILGP	Dept. Infrastructure, Local Government and Planning
DWQMS	Drinking Water Quality Management Strategy
ED	Executive Director
EMQ	Emergency Management Queensland
EMS	Emergency Management Strategy
FNQ EUN	Far North Queensland Energy Users Network
FNQROC	Far North Queensland Regional Organisation of Councils
FNQ RRTG	Far North Queensland Regional Road and Transport Group
FNQ RRTG TC	Far North Queensland Regional Road and Transport Group Technical Committee
FNQWRAP	Far North Queensland Water Regional Alliance Program – Now FNQ Water Alliance
GIS	Geographic Information System
IPWEAQ	Institute of Public Works Engineering Australasia (Qld)
IQRAP	Inland Queensland Road Action Plan
LAWMAC	Local Authority Waste Management Advisory Committee
LED	Light-emitting diode
LGAQ	Local Government Association of Queensland
LRRS	Local Roads of Regional Significance
MOU	Memorandum of Understanding
MP	Member of Parliament
NAMAC	Natural Asset Management Advisory Committee
NCCARF	National Climate Change Adaptation Research Facility
NDRRA	Natural Disaster Relief and Recovery Arrangements
NESP	National Environmental Science Program
NGO	Non-Government Organisation
NRM	Natural Resource Management
PMAC	Pest Management Advisory Committee
PPT	Project Prioritisation Tool
QAO	Qld Audit Office

ACRONYMS DEFINED

QEUN	Qld Energy Users Network
QPWS	Qld Parks and Wildlife Service
QRA	Qld Reconstruction Authority
QTRIP	Qld Transport and Roads Investment Program
RAMG	Regional Asset Management Group
RAV	Restricted Access Vehicle
RDA FNQ&TS	Regional Development Australia Far North Queensland and Torres
RGC	Resource Management Groups Collective
RWMG	Regional Waste Management Group
Safe ST	Safe School Travel
SCDF	State-wide Capability Development Fund
SEQ	South East Queensland
TIDS	Transport Infrastructure Development Scheme
TMR	Transport and Main Roads
TNQ	Tropic North Queensland
TNQ REP	Tropical North Queensland Regional Economic Plan
TTNQ	Tourism Tropical North Queensland
ULAB	Used Lead Acid Batteries
WTMA	Wet Tropics Management Authority