

# FNQROC Annual Report 2017/18



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 2017 to 30 June 2018

# TABLE OF CONTENTS

## Table of Contents

Chair’s Executive Summary	1
Strategic Highlights	1
Financial Highlights draft done	1
Advocacy Efforts	1
Executive Officer	3
Operating Highlights	3
Staffing	4
FNQROC Strategic Economic Priorities	6
Transport	6
Water and Energy	6
Environment	6
Social Infrastructure	7
Communication	7
Operational Advocacy	8
Training	8
Presentations	8
Presentations made by FNQROC Staff	8
Presentations made to FNQROC Board and Technical Committees	9
Operational Report – Procurement	11
Regional Bitumen Reseal - 2017/2018	11
Regional Water Chemicals	12
Collection & Disposal of Ferrous Metal	13
Collection & Disposal of Used Lead Acid Batteries	14
Removal & Beneficial Reuse of Biosolids	14
Procurement Advisory Committee	15
Regional Contract & Procurement Documentation	15
Operational Report – Strategic Infrastructure Coordinator	17
Regional Road and Transport Group	17
Asset Management	21
Waste Management	23
Water Alliance	24
Operational Report - Natural Asset Management and Sustainability Coordinator	26

# TABLE OF CONTENTS

Natural Asset Management	27
Sustainability	28
Electricity	28
Climate Adaptation	28
Great Barrier Reef and water quality improvement.	29
Operational Report – Regional Project & Office Coordinator	30
Economic Development	30
Cross Region Events	30
Planning	31
Audited Financial Statements 2017/18	32
Contact Information	44
Acronyms Defined	45
Table 1 - Presentations made by FNQROC Staff	8
Table 2 - Presentations made to FNQROC Board and technical committees	9
Table 3 - FNQ RRTG Executive	17
Table 4 - Summary 2017/18 TIDS funding Allocation	20
Figure 1 The cassowary is one the regions’ significant natural assets and is a primary focus of the Animal Management & Wildlife Stewardship Policy Framework.	27

### Vision

- Sustainable Economic Growth and Development for Far North Queensland

### Strategic Economic Priorities

- Develop resilient transport infrastructure and connectivity;
- Provide reliable and affordable water and energy;
- Respect and manage our natural assets and environment;
- Develop equitable social infrastructure;
- Provide equitable communication network.

### Mission

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

# CHAIR'S EXECUTIVE SUMMARY

## Chair's Executive Summary

### Strategic Highlights

In our last annual report I was pleased to present the five Strategic Economic Priorities developed by the thirteen member Mayors and adopted 12 June 2017<sup>1</sup>. These goals and our identified opportunities to work towards these goals were presented to the Premier and Minister for Local Government 13<sup>th</sup> July 2017.

On the 12<sup>th</sup> February 2018 the thirteen member Mayors adopted the FNQROC Strategic Operational Plan. This plan not only has a detailed view of the coming year but also maps out our future vision, some 5 to 10 years out. This plan will be reviewed annually as it must remain current and strategically robust so all member councils can remain fully informed as to future direction.

In March 2018 we had our first regional delegation to Canberra. The objectives of these delegations are to remind Canberra of who we are; we are here and we matter; our region is not only the largest in Northern Australia but also that we are a microcosm of all things Northern Australia. The benefit of these visits for member councils is the building of relationships in Canberra to progress their individual projects which are not necessarily regional in nature.

### Financial Highlights draft done

FNQROC is in a strong financial position with total equity just under \$1.3 million which we will start reinvesting back into the region to work towards achieving our strategic goals. In the coming year we have committed to a Regional Road Investment Strategy and Mobile Communication Black spot assessment.

Our regional procurement program began in 2012/13 with a first year saving of \$127,942.84. Since this time our regional procurement programs have increased year on year. The total saved by participating member councils since inception is \$7,333,647.44.

### Advocacy Efforts

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

- Wet Tropics Plan Review
- Proposed Amendments to telecommunications Power and Immunities
- Vegetation Management and Other Legislation Amendment Bill (including presentation to Parliamentary Committee)
- Safer Waterways Bill
- Transforming Queensland's Recycling and Waste Industry – Directions Paper
- Inquiry into the impacts of invasive plants (weeds) and their control in Queensland

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<sup>1</sup> <http://www.fnqroc.qld.gov.au/about-fnqroc>

# CHAIR'S EXECUTIVE SUMMARY

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 (RUSMIG)
- Wet Tropics Healthy Waterways Partnership
- Weed Society Queensland Executive (President)
- Biosecurity Act Regulations Reference Group (LGAQ/BQ)
- National Tropical Weeds Management Committee
- Natural Resources and Environment Sub – Committee
- LGAQ Roads & Transport Advisory Group
- Siam Weed Management Group
- LGAQ Road and Transport Advisory Group
- Regional Managers Coordination Network
- Panama TR4 Regional Working Group
- Roads and Transport Alliance
- Regional Managers' Coordination Network (Treasurer)
- Wet Tropics Healthy Waterways Technical Working Group
- Queensland Electricity Users Network (QEUN)
- State Oversight Group – Land Protection Fund Co-investment model
- Tropical Weeds Operational Committee
- Local Authority Waste Management Advisory Council (LAWMAC)
- GBR Wetlands Network (DES) – LG representative
- Qld Pest Animal & Weeds Symposium 2019 Organising Committee
- Yellow Crazy Ant Reference Group
- FNQ Trade & Investment Group
- Regulatory Proposal and Tariff Structure Statement working Group (RP-TSS) Energy Queensland

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 to the achievements which I have no doubt will make serve our region well into the future.



**Cr Tom Gilmore**  
**CHAIR**



# EXECUTIVE OFFICER

## Executive Officer

I'm honoured to continue as the Executive Officer of FNQROC as the Board achieves new levels of advocacy with substantiated evidence. There have been many new challenges set for myself, the team and the Board. The depth and breadth of regional collaboration between member councils is something to be proud of and is as a consequence of the council's willingness and trust to work together and share their failures and successes. 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; we could not do this without the support of member councils and in particular their staff.

## 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):

- ✓ Development of the FNQROC Strategic Operational Plan which links our priorities and the mission of FNQROC over the longer term;
- ✓ Two test delegations; Canberra in March and Brisbane in July.
- ✓ Representing the region in over 25 external groups at the regional, State and Federal level;
- ✓ 6 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 27 external presentations to Technical Committees or FNQROC Board
- ✓ 5 Regional Procurement contracts
- ✓ Over 53 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;
- ✓ 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 2016);
- ✓ Developed and progressed a regional framework for the management and stewardship of wildlife;
- ✓ 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.

## EXECUTIVE OFFICER

I also thought it timely to consider where regional procurement has taken us since inception in 2012/13. The annual regional procurement savings since 2012/13 are as follows:

2012/13	\$127,942.84
2013/14	\$1,254,846.23
2014/15	\$1,105,950.17
2015/16	\$1,529,814.24
2016/17	\$3,315,093.96
2017/18	\$2,598,857.94

Some 2017/18 Regional Procurement quick facts:

- 1,500,000m2 bitumen sprayed over 133 days, our largest bitumen reseal program;
- 2.2million litres of Sodium Hypochlorite;
- 1 million+ litres of Liquid Alum;
- 9,500 tonnes of ferrous scrap metal with a value just under \$900,000;
- 167 tonnes of Used Lead Acid Batteries with a value just under \$90,000;
- 34,000 tonnes of Biosolids collected with 94% beneficially reused.

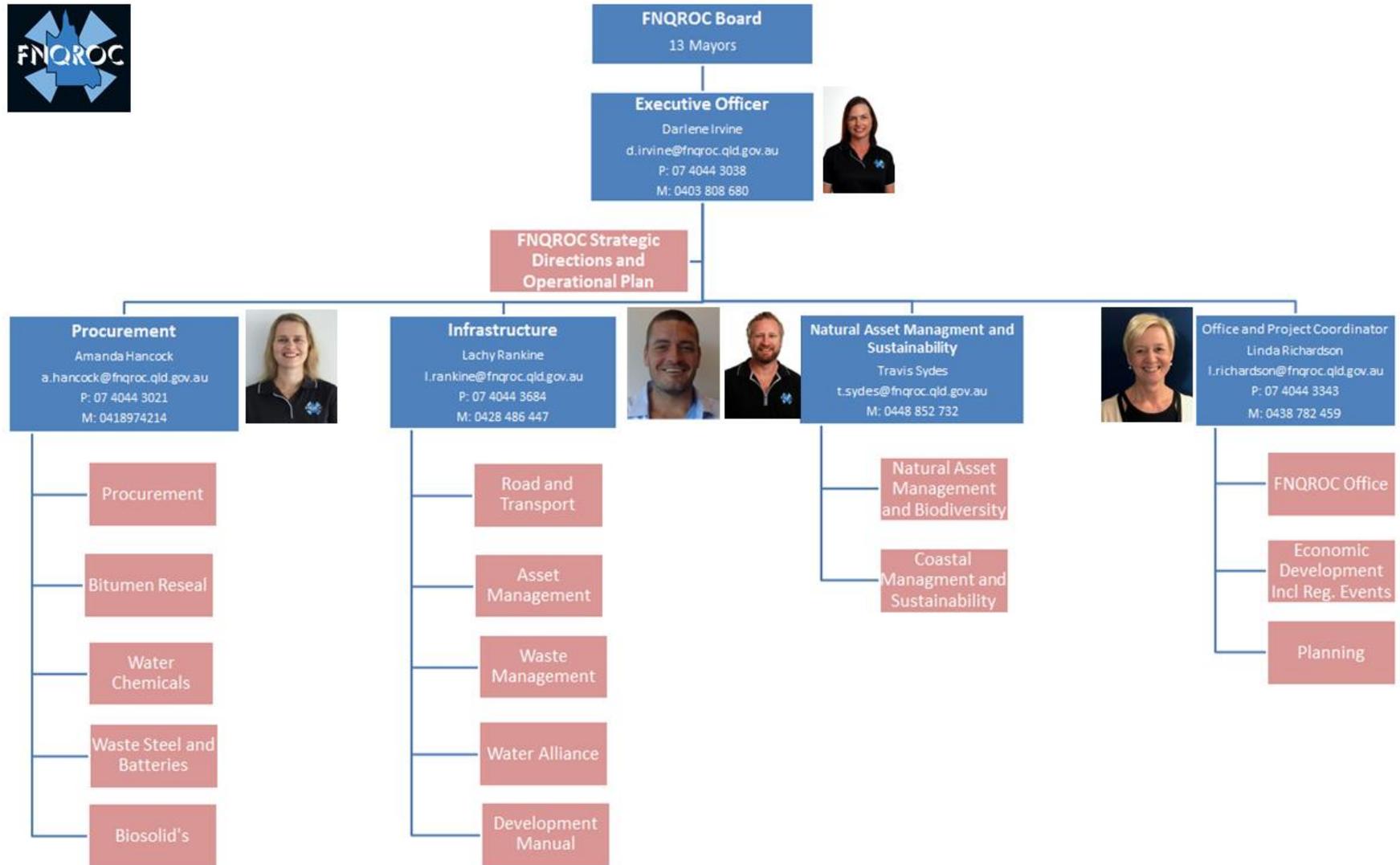
### Staffing

This year we lost Teresa Schmidt to Cairns Regional Council. Teresa made a significant improvement to our business processes and procedures which will set us up well into the future.

We welcomed Linda Richardson to the team early July 2018, she successfully found her feet immediately and has been instrumental in our 2018/19 delegations from day 1.

# EXECUTIVE OFFICER

## FNQROC Organisational Chart - 2018



## FNQROC Strategic Economic Priorities

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](http://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. 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.

# OPERATIONAL ADVOCACY

## Operational Advocacy

### Training

FNQROC arranged the following training

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

### Presentations / Representation

#### Presentations/Representation made by FNQROC Staff

Table 1 - Presentations made by FNQROC Staff

Officer	Name	Presented 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 Department of State Development, Cairns
Amanda Hancock	Small Business Expo (Panel Member)	Industry via Cairns Chamber of Commerce
Amanda Hancock	Tender for Local Government Business	Industry via Department of State Development, Cairns
Amanda Hancock	Procurement Taskforce (Attendee)	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	Presented 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

## Operational Report – Procurement

### Program Introduction

The Procurement Coordinator role has now been in place for over 7 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.

### 2017/2018 Review:

2017/2018 was another busy year for FNQROC procurement.

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.

### Regional Bitumen Reseal - 2017/2018

Participating Council	Contract Commencement	Contract Terms	Expiry Date	Supplier
Cairns Cassowary Cook Douglas Hinchinbrook Mareeba Tablelands	1 July 2017	Program delivery	30 June 2018	FGF Bitumen Pty Ltd

# OPERATIONAL REPORT – PROCUREMENT

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.

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

The 2017/2018 program was the largest to date with seven Councils participating and over 1,500,000m<sup>2</sup> of bitumen sprayed over 133 days. The rates tendered per m<sup>2</sup> continues to be extremely competitive when compared with previous individual Council rates.

## 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. New three and a half year contracts with a further option to extend the contracts by an additional two x twelve months were established in June 2017.

## Sodium Hypochlorite

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

Whilst not originally party to the arrangement, following discussions with the supplier, Carpentaria Shire Council, Croydon Shire Council, Etheridge Shire Council and Yarrabah Aboriginal Shire Council have all recently been added to the arrangement. Both Hope Vale Aboriginal Shire Council and Wujal Wujal Aboriginal Shire Council are supplied by Cook Shire Council.

## OPERATIONAL REPORT – PROCUREMENT

The supplier has recently invested significantly in our region with the opening of a new depot in Cairns in July 2018 considerably increasing their capacity to supply the growing demands of the Far North.

Councils were supplied with just under 2.2million litres of Sodium Hypochlorite in this first year of the contract.

### 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 were supplied with just over 1 million litres of Liquid Alum.

### Collection & Disposal of Ferrous Metal

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

This arrangement first commenced in May 2015 for twelve months and following its success was extended for a further twelve months. New three and a half year contracts with a further option to extend the contracts by an additional two x twelve months were established in June 2017.

The 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 2017/2018 participating Councils generated over 9,500 tonnes of ferrous scrap metal and

# OPERATIONAL REPORT – PROCUREMENT

received over just under \$900k in payment with Council benefitting from an improved price per tonne under the new contracts.

These contracts now include Etheridge Shire Council and Hope Vale Aboriginal Shire Council and negotiations are underway to secure a collection service for both Carpentaria Shire Council and in turn Burke Shire Council given its relative proximity. 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.

## Collection & Disposal of Used Lead Acid Batteries

Participating Council	Contract Commencement	Contract Terms	Expiry Date	Supplier
<b>Cairns Cook Douglas Mareeba Wujal Wujal</b>	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 2017/2018 participating Councils received just under \$90k in payment for 167 tonnes of Used Lead Acid Batteries.

## Removal & Beneficial Reuse of Biosolids

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

This was 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. The collective arrangement focuses on streamlined pricing and on ensuring consistent contract terms are provided across the region in order to achieve efficiency benefits to both supplier and Councils alike. The contracts have now been in place for twelve months and just over 34,000 tonnes of biosolids have

# OPERATIONAL REPORT – PROCUREMENT

been collected with 94% being beneficially reused, we continue to work with Councils and the supplier to further increase this figure.

The Beneficial Use Approval framework under the Waste Reduction and Recycling Act was replaced by the End of Waste Framework in 2016. FNQROC has been liaising with LGAQ who is representing local government on the Technical Advisory Panel recommending requirements for reuse as part of the End of Waste code.

## Procurement Advisory Committee

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

The Procurement Advisory Committee is focused on working towards the delivery of the relevant objectives set out in the Strategic Operational plan. The plan identifies a number of issues or opportunities where with a coordinated approach there is the prospect of achieving many more outcomes for communities by realising the economic, environmental and social benefits of procurement. The focus for this year has been on the development of regionally consistent contract and procurement documentation which is the first of five projects intended minimise procurement risk and maximise efficiency for both Councils and industry.

## Regional Contract & Procurement Documentation

This project will result in councils having access to a full suite of documents designed for use by individual councils with consistent terms, providing benefit for both suppliers and councils. All FNQROC member councils elected to participate in the arrangement with the exception of Carpentaria Shire Council as they are already involved in a similar arrangement via the North West Queensland Regional Road & Transport Group (NWQRRTG).

An application for funding to the Statewide Capability Development Funding (SCDF) was successful with a 50% contribution over 2 years.

The first contract suite, Construct Only (Standard Risk) is made up of the following documents:

- Contract incl. Administration Notices
- Request for Tender – Long & Short Form
- Specification
- Response Schedules
- Letters of Acceptance
- Letters to unsuccessful tenderer

# OPERATIONAL REPORT – PROCUREMENT

The documents were developed with significant input from Cairns Regional Council who kindly agreed to act as lead Council, working with the solicitor to develop the documents to an agreed final draft ahead of circulation to all Councils for feedback.

The first contract suite will be released in October followed by introductory training sessions to all councils followed by more in-depth training for project engineers. The next documents to be produced are as follows:

- Design & Construct (Standard Risk)
- Supply of Goods & Services
- Project Management & Design Consultancy

# 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

<b>RRTG Chair</b>	Cr Peter Scott (Cook)
<b>RRTG Deputy Chair</b>	Cr Tom Gilmore (Mareeba Shire Council)
<b>Technical Committee Chair</b>	Ashley Greenwood (Tablelands)
<b>Technical Committee Deputy Chair</b>	Michael Ringer (Cairns)
<b>Technical Coordinator</b>	Lachlan Rankine
<b>RTAPT Representatives</b>	Arron Hieatt (LGAQ) / Scott Brittan (LGAQ) and Jo Lencz (TMR)

#### Summary

The 2017/18 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 \$12,237,196.

As a result of delays to Beef Road Funding, and two large projects achieving significant savings during Q3, the program required the redistribution of approximately \$1.013m of TIDS allocation (\$2.026m project cost). Alternative projects were bought forward, and completed, however, due to subsequent under-expenditure during late Q4, and subsequent limitations of respective council capital works budgets, an under-expenditure of approximately 5% occurred. Through thirty projects, the FNQ RRTG expended 95% of the 2017/18 TIDS program budget. Measures to prevent any further underspends in future were presented at the RRTG Meeting of the 13 August 2018.

# 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.

During the 2017/2018 financial year, the group resolved to allow the opportunity for programmed maintenance of gravel re-sheets to be eligible under TIDS, provided the works progress the road toward the vision standard outlined in the Statement of Intent. Total portfolio of programmed maintenance works within the TIDS budget capped at 20% of annual TIDS budget

## Operational

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

- The FNQRRTG met five (5) times in 2017/18:
  - Cairns (4)
  - Ingham (1)
- The FNQ RRTG TC met six(6) times in 2017/18:
  - Cairns (6)
- Received instrument of approvals for funding packages on Ootan Road – Progressive Sealing (Almaden to Kennedy Highway (Gunawarra) Package One (\$664,000) and Two(\$4,100,000 ), and Richmond- Croydon Road for Package One(\$3,200,000) and Package Two(\$960,000)
- Developed the Specification for the Regional Roads Investment Strategy, for commencement in the 18/19 financial year.
- Funding applied for, and received for a Regional set of Contract and Procurement Documents. Project is ongoing, and expected to be completed in the 18/19 financial year
- Numerous letters of support written for funding applications
- Developed and Completed replacement Project Prioritisation Tool
- Provided submissions on the National Freight Supply Chain scoping paper

# OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

- Provided submissions on the review of the Roads and Transport Alliance Memorandum of Understanding
- Worked with the National Heavy Vehicle Regulator regarding the implementation the National Access Permit Portal and the Chain of Responsibility Laws
- Completed the Local Road of Regional Significance review/relevance matrix;
- 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 had minor amendments during the year, primarily the replacement of Hope Street, Cooktown, with Charlotte Street, Cooktown to better reflect the eight criteria of a LRRS road.

# OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

## Works Program

A summary of the 2017/18 TIDS funding allocation is shown below:

**Table 4 - Summary 2017/18 TIDS funding Allocation**

Road Authority	Road Name	work type	Total Cost(\$)	2017-2018	2018-2019
Mareeba Shire Council	Oak Forest Road	Widen existing pavement	\$590,000	\$295,000	
Mareeba Shire Council	Leadingham Creek Road	Upgrade Bridge	\$600,000	\$300,000	
Tablelands Regional Council	Tully Falls Road	Upgrade Bridge	\$600,000	\$300,000	
Tablelands Regional Council	Tully Falls Road	Upgrade Bridge	\$700,000	\$350,000	
Tablelands Regional Council	Sluice Creek Road	replace bridge	\$873,052	\$66,000	
Tablelands Regional Council	Danbulla Forest Drive	Replace bridge	\$1,429,000	\$51,000	
Cassowary Coast Regional Council	Flying Fish Point Road	Replace Culvert	\$45,000	\$22,500	
Cairns Regional Council	Kenny Street	Footpath construction	\$150,000	\$69,411	
Cairns Regional Council	Cook Street	Rehab and overlay 2 sections	\$1,052,720	\$526,360	
Cook Shire Council	Battlecamp Road	Replace 3 culverts	\$360,000	\$180,000	
Tablelands Regional Council	Cashmere - Kirrama Road	Upgrade Bridge	\$230,000	\$115,000	
Cassowary Coast Regional Council	Alexander Drive	Replace 3 Culverts	\$835,000	\$417,500	
Tablelands Regional Council	Gunnawarra Road	Upgrade Bridge	\$817,000	\$208,500	\$200,000
Croydon Shire Council	Croydon - Richmond Road	Upgrade Floodway	\$45,000	\$22,500	
Cook Shire Council	Lakefield National Park Road	Replace Bridge with Culvert	\$230,000	\$115,000	
Cassowary Coast Regional Council	Bingil Bay Road	Replace 5 culverts	\$180,000	\$90,000	
Tablelands Regional Council	Cashmere - Kirrama Road	Replace bridge and approaches	\$1,000,000	\$238,000	
Etheridge Shire Council	Georgetown - Forsyth Rd	Construct to new sealed 2 lanes	\$3,771,574	\$142,241	
Cook Shire Council	Angus Gully Road	Replace culvert	\$220,000	\$110,000	
Cassowary Coast Regional Council	Bingil Bay Road	Reconstruct Pavement	\$250,000	\$125,000	

# OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

Cairns Regional Council	Munro Street	Replace Culvert	\$450,000	\$150,000	\$75,000
Cook Shire Council	Charlotte St/Webber Esplanade	Construct to seal standard	\$140,000	\$70,000	
Cairns Regional Council	Redlynch Intake Road	Widen and seal and guardrails	\$590,000	\$145,000	\$150,000
Cairns Regional Council	Lake Street	Widen and seal	\$225,000	\$112,500	
Croydon Shire Council	Croydon - Richmond Road	Construct to new sealed 2 lanes	\$698,000	\$349,000	
Cook Shire Council	Cameron Creek Road	Replace culvert	\$300,000	\$150,000	
Tablelands Regional Council	Carrington Rd	Construct to seal standard	\$200,000	\$100,000	
Mareeba Shire Council	Sutherland Street	School Safety Upgrades	\$87,000	\$43,500	
Wujal Wujal Aboriginal Shire Council	various	annual allocation	\$146,365	\$29,273	\$29,273
Mareeba Shire Council	Chewko Road	Rehab, Widen and Seal	\$650,000	\$350,000	
Cassowary Coast Regional Council	Tully Gorge Road	Widen and Seal	\$810,000	\$405,000	
FNQRRTG	management	Capability and development	\$714,330	\$142,866	\$142,866

## 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;

# OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

- 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)
  - changes in asset utilization as a result of above;
  - Climatic events;
  - Increasing Asset Base, and
  - Diminishing funding assistance

## Operational

The Regional Asset Management Group (RAMG) held two meetings during the 2017/18 financial year, within those meetings the have developed the following focus areas:

- Development of data analytics project to better inform decision making around:
  - Traditional Asset Management
    - Existing Asset Depreciation/Utilisation/Renewal &/or disposal
    - Tracking and management of existing assets
  - Future Assets:
    - More accurate planning of future road and community service infrastructure assets
- Development of a regional benchmark on the assessment of building condition;
- Development of an open discussion forum to facilitate knowledge and idea sharing;
- Development of a regional revaluation calendar to provide better opportunities for joint procurement, resource planning and development of improved regional knowledge and approach to revaluations, also providing support for:
  - Third party audits/negotiations with consultants
  - Improved staff knowledge bases through training opportunities
  - Unit rate methodologies and benchmarking
  - Regional benchmarking, networking and professional development
  - Third party audits/negotiations with consultants
  - Levels of Service, acceptable levels of risk and
  - Maintaining the Useful life data base.

# OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

## 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.

In light of the premature State Government revision of their Queensland Waste Avoidance and Resource Productivity Strategy (2014-2024), and the subsequent release of the new direction paper '*Transforming Queensland's Recycling and Waste Industry*', The RWMG provided a submission to the directions paper.

It was noted however, that as directions paper has not yet hypothecated, submissions were made to State Government by FNQROC on behalf of member councils, detailing concerns related to the methodology and manner in which the state proposes to implement the above changes (principally a waste levy). On the principal level, in moving towards these goals, the RWMG seek to develop in:

- Reducing regional waste streams;
- Increasing regional recycling and reuse;
- Maintain existing and further develop Joint Procurement and Resource Sharing (JPRS) collaboration;
- Promote 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 REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

## Operational

- The Regional Waste Management Group (RWMG) held three meetings in 2017/18 with the Department of Environment and Heritage Protection (DEHP).
- Made submissions regarding the State Government policy direction paper *'Transforming Queensland's Recycling and Waste Industry'*, on principle, implementation and detail of the waste levy, and other policy changes.
- Held strategic review of the outcomes of and recommendations of the Regional Waste Management Prioritisation & Resource Recovery Options Report. This project was 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. Once complete, the RWMG considered the findings and have nominated areas of further development.
- Maintained open communication with the broader Local Authorities Waste Management Advisory (LAWMAC - nineteen North Queensland Local Government Councils) group.
- Considered impacts and opportunities of the Container Refund Scheme
- Considered the impacts of the Plastic Bag Ban
- Acknowledged that there are two main issues facing the region in 10 years:
  - Infrastructure, and
  - Legislation
- Developed and distributed a set of regionally consistent waste data definitions.

## Water Alliance

### Program Introduction

At FNQROC Board meeting of the 7<sup>th</sup> August, 2017, and subsequent to further negotiation requested by the board, FNQROC resolved to participate in QWRAP. The advisory group managing this participation was the FNQ Regional Water Alliance.

The objectives of the FNQ Water Alliance are 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.

# OPERATIONAL REPORT – STRATEGIC INFRASTRUCTURE COORDINATOR

## Operational:

On an operational level, throughout the 2017/2018 year, the following operational activities occurred:

- a. Held three (3) water meetings, with an additional two (2) western council forums, discussing regional water issues.
- b. The Alliance identified a number of collective projects during a project Prioritisation workshop held Friday 7 October 2017. These were subsequently reviewed, and updated at the meeting of the 16<sup>th</sup> February 2018. Updated projects and focus have been incorporated into the 2016-2019 works plan. These projects are currently being workshopped.
- c. Councils have undertaken a regional Contract and Procurement Documentation Project. The result of undertaking this project regionally is a significant reduction of the costs to individual councils, providing better value for money. Additionally, the result of providing consistent documentation within the region provides significant efficiency improvement to both the industry, and the local government (in addition to the patent reduction in risk to the Local Government)
- d. Supported the ongoing joint procurement for water chemicals (see procurement report) servicing 7 councils;
- e. Supported the Regional tender for removal and beneficial reuse of Biosolids (see procurement report);
- f. Considered, and subsequent inclusion of the CTM Code for inclusion within the FNQROC Development Manual;
- g. Supported the development of a licencing subcommittee to work with the Department of Environment of Heritage and Protection (EHP) and the Department of Energy and Water Supply (DEWS).

# OPERATIONAL REPORT - NATURAL ASSET MANAGEMENT AND SUSTAINABILITY COORDINATOR

## Operational Report - Natural Asset Management and Sustainability Coordinator

### 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 galvanized 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 determined 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. In response to the growing demands on councils in a range of operational spaces beyond pest management, the role has also engaged with local governments' interests and the broader sustainability aspects of councils in the electricity market, climate adaptation and GBR/water quality agenda.

### Program Introduction

The natural asset management and sustainability role represents the interests of Local Government across operations related to the natural environment including biosecurity (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 program communications using GIS across the other technical portfolios of FNQROC.

The Natural Asset Management Advisory Committee (NAMAC) guides the majority of 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

## Natural Asset Management

The committee meets quarterly on a rotational basis. 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). Our regional subcommittee is represented by FNQROC at the State Oversight Group (SOG). The primary role of the SOG is to assist in the development and determination of investment of the Land Protection Fund in biosecurity research statewide. Local governments contribute around \$2.2m annually into the fund which



compliments the states direct investment of around \$4m. Overall the FNQROC subcommittee councils (excluding Croydon, Etheridge and Carpentaria which lie in the NW grouping) contribute just over \$250,000 to the fund annually so it is of crucial importance that we collaborate to ensure councils and communities are receiving value for money via targeted and required R&D.

**Figure 1 The cassowary is one the regions' significant natural assets and is a primary focus of the Animal Management & Wildlife Stewardship Policy Framework.**

## Key Activities

During the 2017/18 year a primary focus has been the revision of our Regional Pest Management Strategy. The strategy has evolved to reflect the collaborative work of the NAMAC to become a Natural Asset Management focused framework which considers the drivers of biosecurity, community, economy and natural systems simultaneously.

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 framework was adopted by the FNQROC Board in November 2017 and the first stages of implementation are underway. In the short term the framework will assist to bring customer service and local laws officers and managers together to map collaborative projects and share processes, tools and approaches which align with the policy goals.

# 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.

## Sustainability

### Electricity

We have continued our participation and communication in the state wide advocacy group Queensland Electricity Users Network (QEUN) which has continued briefings with local stakeholders, MP's and utilities to put forward the case for real reductions in electricity pricing for regional Queensland.

FNQROC have also contributed to the *Regulatory Proposal and Tariff Structure Statement Working Group* hosted by Energy Queensland (the merged entity of Energex and Ergon Electricity).

The energy space remains very active with the determination of the next 5 year regulatory period underway at the State level at the same time as the negotiation through COAG and Federal Parliament for the passage of the National Energy Guarantee (NEG). We live in hope that the much welcomed findings of the ACCC *Retail Electricity Pricing Inquiry* can have some influence on asserting downward pressure on electricity bills.

### Climate Adaptation

During 2017/18 FNQ councils have continued working in the climate adaptation planning and responding space particularly in the state governments QCoast2100 program. *Coastal Hazard Adaptation Strategies* (CHAS) are under development in Carpentaria, Cook, Douglas, Cairns, Cassowary Coast, Hinchinbrook, Wujal Wujal and Yarrabah. FNQROC will continue to support individual councils in their projects and will be ready to facilitate regional collaboration on key deliverables as the need arises.

FNQROC has participated in sector workshops to development response plans as part of the rollout of the Queensland Climate Adaptation Strategy (Q-CAS). Both highlight the importance of environmental stewardship in the face of a changing climate. The *Queensland Tourism Climate Change Response Plan* which was released in 2018; and the *Biodiversity and Ecosystems Climate Change Response Plan* which

# OPERATIONAL REPORT - NATURAL ASSET MANAGEMENT AND SUSTAINABILITY COORDINATOR

is currently in development, identify the risks and help prioritise the adaptation activities, emerging opportunities and partnerships required in our response. These sector plans complement the existing plans for the agricultural sector and Local Government programs already in place (QCoast2100 & Queensland Climate Resilient Councils (Q-CRC).

The NCCARF and CoastAdapt projects have wound down but we will continue to liaise with councils from around the country through the partnership as well as provide training in the use of CoastAdapt to member councils.

At a regional scale we have incorporated the principle of climate ready as a foundation of our recently developed Natural Asset Management Strategic Framework where it will be essential criteria in the design of projects to ensure they are as future-proof as we can make them. FNQROC also participated in the initial planning stage of the Climate Change Adaptation Plan for the Wet Tropics WHA led by Wet Tropics Management Authority (WTMA). Western and areas of the tablelands shires have just emerged from a series of years of persistent drought conditions. In many instances the drought broke with heavy and localised rainfall which did little to recharge natural systems and led to infrastructure damage. It will be useful to see what opportunities for alignment exist between the responses and adaptation strategies in the terrestrial environment with those of the reef and our coastal communities going forward.

## Great Barrier Reef and Water Quality Improvement

Reef health and water quality continue to be high on the agenda with a range of projects and initiatives either in place or in development. The *Wet Tropics Healthy Waterways Partnership* has grown to see all of our Wet Tropics coastal councils signed up as partners. The first formal report card (for the 2015/16 reporting period) was well received and we look forward to the next instalment. Through our work in the Technical Working Group, FNQROC have been able to see the inclusion of a linkage to our LG Biosecurity plans in the report card through the development of a water-way health indicator reporting on priority weeds in our rivers and wetlands.

The Wet Tropics Major Integrated Project (MIP) has progressed to implementation in the Tully and Johnstone catchments and the success of the approach is being emulated in a proposal to the Commonwealth looking at securing of funding for a Local Government MIP. The proposal aims to build on the considerable investment councils already make into reef health with a series of 3 LG specific investments.

# OPERATIONAL REPORT – REGIONAL PROJECT & OFFICE COORDINATOR

## Operational Report – Regional Project & Office Coordinator

### Economic Development

The FNQROC Economic Development Advisory Committee met four (4) times throughout the 2017/18 financial year. 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.

A regional agreement through FNQROC was arranged with ten (10) of the member Councils agreeing to participate in a proposal from .id. 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). Training in the use of the tools was a focus this year.

FNQROC also coordinated participation from the region at the Northern Australia Investment Forum held in Cairns 19 – 21<sup>st</sup> November. It was a collaborative effort involving FNQROC, Cairns Regional Council and Advance Cairns showcasing investment opportunities in the region.

We have also focused our efforts to better understand and align our efforts with TTNQ and Trade and Invest Queensland (TIQ).

### 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 February 2018 to review events to be held this year which crosses council boundaries or had the potential to clash with each other. 5 events were discussed; Commonwealth Games events, Queen's baton Relay, Reef to Reef, Targa Tropics, and Tour of the Tropics.

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

# OPERATIONAL REPORT – REGIONAL PROJECT & OFFICE COORDINATOR

## Planning

The FNQROC Planning Advisory Committee met four (4) times throughout the 2017/18 financial year. 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 online accommodation booking platforms such as Airbnb and Stayz, community access to school sporting/open space facilities, project opportunities to access Innovation and Improvement fund, Poultry Farming Regulatory Reform Proposal, impacts of the container refund scheme, Local Government Infrastructure Plan, and planning scheme drafting and options to include the FNQROC Development Manual in a consistent way.

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 2017/18

## Audited Financial Statements 2017/18

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

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

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# AUDITED FINANCIAL STATEMENTS 2017/18

## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>CONTINUING OPERATIONS</b>		
<b>REVENUE</b>		
Annual administration contributions	458,163	432,268
Projects - Regional natural assets management	0	14,814
Regional infrastructure projects	297,388	292,565
Regional asset management	0	0
Regional procurement group	155,088	152,736
Short term projects	45,000	107,177
Regional waste management	0	10,000
Miscellaneous revenue	815	1,230
Interest income	4,187	5,385
<b>TOTAL REVENUE</b>	<b>960,641</b>	<b>1,016,175</b>
<b>EXPENSES</b>		
Annual administration expenses	308,487	295,710
Projects - Regional natural assets management	127,884	117,525
Regional infrastructure projects	108,326	54,185
Regional planning/economic development	48,581	43,118
Regional procurement group	141,441	190,969
Regional asset group	91	245
Minor projects	69,869	140,187
<b>TOTAL EXPENSES</b>	<b>804,679</b>	<b>841,938</b>
<b>OPERATING PROFIT</b>	<b>155,962</b>	<b>174,237</b>
Profit before tax from continuing operations	155,962	174,237
Profit for the year from continuing operations	155,962	174,237
<b>PROFIT FOR THE YEAR</b>	<b>155,962</b>	<b>174,237</b>

The accompanying notes form part of this financial statement.

# AUDITED FINANCIAL STATEMENTS 2017/18

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,423,940	1,320,810
Trade and other receivables	5	58,106	(4,529)
<b>TOTAL CURRENT ASSETS</b>		<u>1,482,046</u>	<u>1,316,281</u>
<b>TOTAL ASSETS</b>		<b><u>1,482,046</u></b>	<b><u>1,316,281</u></b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	104,108	100,552
Provision for long service leave		7,514	6,841
<b>TOTAL CURRENT LIABILITIES</b>		<u>111,622</u>	<u>107,393</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	6	1,080	6,385
Provision for long service leave		78,294	67,416
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>79,374</u>	<u>73,801</u>
<b>TOTAL LIABILITIES</b>		<b><u>190,996</u></b>	<b><u>181,194</u></b>
<b>NET ASSETS</b>		<b><u>1,291,050</u></b>	<b><u>1,135,087</u></b>
<b>EQUITY</b>			
Retained surplus		<u>1,291,050</u>	<u>1,135,087</u>
<b>TOTAL EQUITY</b>		<b><u>1,291,050</u></b>	<b><u>1,135,087</u></b>

The accompanying notes form part of this financial statement.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Balance as at 1 July		1,135,087	960,850
Profit for the period		155,962	174,237
<b>BALANCE AS AT 30 JUNE</b>		<b>1,291,050</b>	<b>1,135,087</b>

The accompanying notes form part of this financial statement.

# AUDITED FINANCIAL STATEMENTS 2017/18

## STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		989,884	1,151,093
Payments to suppliers and employees		(890,941)	(948,884)
Interest received		4,187	5,385
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>7</b>	<b>103,130</b>	<b>207,594</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>103,130</b>	<b>207,594</b>
Cash and cash equivalents at the beginning of the financial year		<b>1,320,810</b>	<b>1,113,216</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>4</b>	<b>1,423,940</b>	<b>1,320,810</b>

The accompanying notes form part of this financial statement.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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### 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 2018 financial year were as follows:

- Cairns Regional Council
- Cassowary Coast Regional Council
- Carpentaria Shire 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. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Directors' have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of members. These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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### **Basis of Preparation**

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

### **New and amended standards adopted by the Association**

The Association has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 July 2017. None of the amendments have had a significant impact on the Association.

### **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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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### 3. SIGNIFICANT ACCOUNTING POLICIES

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.

#### **(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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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### 3. SIGNIFICANT ACCOUNTING POLICIES

#### **(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.

#### **(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 measured reliably.

#### **(9) Finance income**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### (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.

#### (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 2018 that have not been applied in preparing these financial statements. None of these is expected to have a significant impact on the financial statements.

	2018 \$	2017 \$
<b>4. CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		
Cash at bank	1,423,940	1,320,810
	<b>1,423,940</b>	<b>1,320,810</b>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	52,819	(10,150)
GST refunds	4,373	4,812
Accrued income	914	810
	<b>58,106</b>	<b>(4,528)</b>
<b>6. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Credit card liability	6,708	9,309
Trade creditors	49,889	17,785
Accrued expenses	3,300	36,763
GST Payable	0	0
Annual leave payable	44,211	36,695
	<b>104,108</b>	<b>100,552</b>
<b>Non-current</b>		
Annual leave payable	1,080	6,385
	<b>1,080</b>	<b>6,385</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 7. STATEMENT OF CASH FLOWS

#### Reconciliation of profit before tax to net cash flows from operating activities

	2018 \$	2017 \$
Profit / (Loss) before tax	155,962	174,237
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	62,635	38,553
Increase/(decrease) in creditors and accrued expenses	(1,748)	4,156
Increase/(decrease) in provisions	11,551	(9,352)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>103,130</b>	<b>207,594</b>

### 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	44,211	36,695
Provision for long service leave	7,514	6,841
	<b>51,725</b>	<b>43,536</b>

##### Non-current

Annual leave payable	1,080	6,385
Provision for long service leave	78,294	67,416
	<b>79,374</b>	<b>73,801</b>

#### Included in Statement of Comprehensive Income

Salaries and wages expenses	535,445	535,445
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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 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



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# 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
DEWS	Dept. Energy and Water Supply
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

## ACRONYMS DEFINED

QAO	Qld Audit Office
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