

Minutes – Livingstone Transfer Committee

Meeting Details

Section: Transfer Committee		Date: 25 September 2013	
Meeting Leader: Graeme Kanofsk/Evan Pardon		Group Name: Transitional Process	
Start Time: 9:00am	Duration: 3.00 hours	Location: Evan's Office	
<input type="checkbox"/> Line Management Agenda issued 2 days prior	<input type="checkbox"/> Business/Operational Agenda issued 2 days prior	<input checked="" type="checkbox"/> Committee Agenda issued 5 days prior	<input type="checkbox"/> Toolbox Agenda issued 2 days prior

Attendance Record

Name	Name	Name
Graeme Kanofski – present	Evan Pardon - present	Lucy Merry (minutes) - present
Alicia Cutler, Michael Clerc & Andy Ireland – present	Tracy Sweeney – present	KPMG – present

Agenda Items

Agenda Item	Minutes
1. Asset allocation of water supply infrastructure and agreements required.	Transfer Committee awaiting further reports. Ongoing
2. Re-opening of previous Yeppoon dog and cat pound	Under investigation by Transfer Manager. Ongoing,
3. Telemetry & SCADA options post de-amalgamation	Transfer Committee awaiting further reports. Ongoing,
4. An update was provided on Information, Communications & Records Management Systems by KPMG consultants.	The KPMG update was formally adopted by the Transfer Committee. The Transfer Committee endorsed the extension of the contract for KPMG to project manage the separation of telemetry service and equipment at an estimated cost of \$85,700 (incl gst).
5. An update was provided on the plan for staff movements by HR.	Transfer Committee accepted the updates from HR Section.
6. An update on current Finance actions was provided.	<p>The Transfer Committee agreed to formally adopt Option 1 for the split of the Federal Assistance Grant, i.e. based on the proportion of the total grant at amalgamation.</p> <p>A submission will be sent to QTC requesting them to review the issues that have been identified with the QTC methodology with view to establishing a fair outcome for both Councils. That subject to QTC maintaining its current position not to review the methodology, the Transfer Committee adopt both the document and methodology as per the submission to QTC attached to these minutes as appendix 1.</p>

Minutes – Livingstone Transfer Committee

<p>7. De-amalgamation Wages Costs and Cost Statement.</p>	<p>The Transfer Committee formally approves the expenditure for de-amalgamation wages of \$32,127.50 for week 06/09/13, \$27,009.38 for week 13/09/13 and \$26,126.73 for week 20/09/13.</p> <p>The Transfer Committee approves the Cost Statement dated 09/09/13 for \$229,383.00 and Statement dated 23/09/13 for \$448,215.00 and for these costs to be charged to the de-amalgamation project and authorises the funds to be drawn down from the working capital account.</p>
<p>8. Local Disaster Management Plan for LSC</p>	<p>The RRC Disaster Management Officer is currently working on splitting the LDMP into one plan for RRC and one for LSC. Transfer Committee awaiting advice from the Department on outstanding legal issues. Ongoing.</p>

Next Meeting: 10 October 2013
 Closed: 12:20pm



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 Graeme Kanofski
 Livingstone Transfer Manager.



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 Evan Pardon
 Rockhampton Regional Council CEO.

28 August 2013

Our Ref: 2114, 10321
Enquiries: Alicia Cutler
Telephone: 1300 22 55 77
Facsimile: 1300 22 55 79

Mr Philip Noble
Chief Executive Officer
Queensland Treasury Corporation
GPO Box 1096
BRISBANE QLD 4001

Dear Mr Noble

BALANCE SHEET ALLOCATION METHODOLOGY - DE-AMALGAMATION OF LIVINGSTONE SHIRE COUNCIL FROM ROCKHAMPTON REGIONAL COUNCIL

The Transfer Committee overseeing the de-amalgamation of the Livingstone Shire Council (LSC) from the Rockhampton Regional Council (RRC) has essentially resolved to follow the QTC Balance Sheet Allocation Methodology provided in Appendix 1 of the *De-amalgamation Transfer Methodology* (DTM) for determining the split of assets and liabilities between the two councils. However, there are a number of issues that have been identified by both councils that require an adjustment or variation to the established opening balances of both LSC and RRC as at 1 July 2012 as well as the QTC Methodology itself.

We respectfully request the assistance of Queensland Treasury Corporation with the following matters:

- 1) The review and confirmation of amendments to the established opening balance sheet positions of Livingstone Shire Council and Rockhampton Regional Council as at 1 July 2012; and
- 2) The review and confirmation of proposed amendments to the Balance Sheet Allocation Methodology (QTC Methodology) provided in Appendix 1 to the *De-amalgamation Transfer Methodology* (DTM).

ANALYSIS

In the development of the information provided for the QTC review, there was a lot of information that could not be sourced in the required time frame. Since that time and the enactment of the LGDIR, it has been identified that there is information that requires amendment, which will impact upon the opening balance sheet positions of RRC and LSC as originally published in the Boundaries Commissioners' de-amalgamation report. A significant portion of this information is also required for

disclosure in Rockhampton Regional Council's Financial Report for the year ended 30 June 2013.

The updated information includes:

- A more accurate assessment and division of capital expenditure based upon location;
- A more accurate division of developer contributions received;
- A more accurate split of receipts and expenditure for the 2011/12 year; and
- A more accurate split as at 30 June 2012 of all Balance Sheet items.

We ask that Queensland Treasury review our new inputs and independently recalculate cash and debt for the 30 June 2012 as well as endorse the changes to the balance sheet at 30 June 2012.

We also have considered a number of key issues which the QTC Balance sheet allocation methodology does not provide for and we request QTC's comment / approval of our proposals to overcome the perceived shortcomings.

A practical solution to debtors and creditors

In looking forward to 31 December 2013 and in particular the impact upon our suppliers and customers, we have discussed that it may be more appropriate for RRC to be responsible for payment of all creditors balances as at 31 December 2013 and RRC to also recover all sundry debtors balances as at 31 December 2013 (i.e. no creditor balances and sundry debtor balances will transfer to LSC on 1 January 2014). In practical terms, suppliers and customers will have received an order or invoice with RRC's details and be expecting payment from or to RRC to finalise the transaction. To allow this more practical approach to debtors and creditors, we are proposing that any debtors/creditors that are kept with Rockhampton should be adjusted against RRC's and LSC's opening cash balances.

Shared Capital Expenditure

Within the allocation of capital expenditure based upon geographical location, there was a substantial portion of purchases for mobile fleet, CIT equipment, and software development. For the purposes of the QTC analysis, this expenditure was allocated to each council based upon proportion of population, as was the proceeds of fleet sales. The Transfer Committee is currently allocating plant and equipment to each council based upon operational needs and it is expected that a split will be established for RRC's Financial Report as at 30 June 2013. It is proposed to make an adjustment to cash as at 31 December 2013 (if considered material) based upon the following formulae:

- Opening balance (WDV) of plant and equipment and intangibles transferred from LSC as at 14 March 2008
 - Plus - LSC allocation of the increase to the WDV of plant and equipment and intangibles from 14 March 2008 to 31 December 2013 (based on proportion of population)
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- Less – the WDV of plant and equipment and intangibles transferred to LSC as at 31 December 2013

Essentially, if the value of plant and equipment and intangibles transferred to LSC is more (or less) than what was provided for by the payments for plant and the receipts from sale of plant through the allocation of cash flows (which are based on proportion of population), then RRC (or LSC) will be compensated by an adjustment to cash.

Other amendments proposed to the Balance Sheet Allocation Methodology are as follows:

Debt - The only amendments to QTC's methodology are that redemptions for 1 July 2013 to 31 December 2013 will be allocated in proportion to the value of borrowings held by each council.

The working capital facility established to fund de-amalgamation costs will transfer to LSC.

Receivables – for Other Receivables it is proposed that these be allocated to RRC and that LSC will be compensated for any decrease in future cash inflows, by an increase to the cash amount allocated to LSC. The reasons for this proposed methodology are:

- Individual debtor accounts within 'Other receivables' may not be readily identifiable as belonging to 'RRC' or 'LSC';
- Customers will have already been issued with an invoice under RRC including payment instructions to RRC and to change the payee to LSC will potentially inconvenience the customer;
- Negates the need to transfer individual debtor accounts to LSC.

Inventory – It is proposed to simplify QTC's methodology by allocating inventory to each council based on the physical location of the inventory as 31 December 2013. In other words, inventory located within LSC boundaries as at 31 December 2013 will be allocated to LSC. Procurement and Logistics Managers have advised that stores located within LSC boundaries hold all the necessary inventory for Council's operations within the LSC area (for e.g. issues from stores located within Rockhampton are not required to support Council's operations at Yeppoon). Therefore the inventory values of stores located within the new LSC area confirmed by stock take as at 31 December 2013 (or close thereto) will be allocated to LSC.

PP&E – A variation proposed to QTC's methodology is that where land in another local government area was held under a predecessor council's ownership prior to amalgamation, the allocation of this land will be determined by the transfer committee.

Intangible assets – The only intangible assets held by RRC are assets created from the establishment of information / business systems at RRC following amalgamation. As LSC will duplicate these systems, it is considered that LSC will benefit from the work / processes to establish the systems at RRC and

should therefore be allocated a proportion of the related intangible assets, based on proportion of population.

Capital Works in Progress - Capital expenditure incurred to facilitate de-amalgamation will be allocated to LSC.

Trade and other payables - it is proposed that trade and other payables be allocated to RRC and that RRC will be compensated for any increase in future cash outflows, by an increase to the cash amount allocated to RRC. The reasons for this proposed methodology are:

- Individual creditor invoices within payables may not be readily identifiable as belonging to 'RRC' or 'LSC';
- Suppliers will have already issued an invoice to RRC, (based on a purchase order from RRC) and be expecting payment from RRC. To change the payer to LSC will potentially inconvenience the supplier;
- Negates the need to transfer individual creditor accounts to LSC.

Employee provisions - no variation to QTC methodology (except for a typographical correction relating to the year – change 1 January 2013 to 1 January 2014)

The proposed amendments to the BSAM are documented in Appendix 1, together with QTC's original BSAM for comparison purposes. To enable ease of comparison, where QTC's original methodology has been removed from the proposed methodology, this text has been 'struck through'. Where new text has been added, this is in **red font**.

SUMMARY

The amendments proposed to QTC's Balance sheet allocation methodology have been compiled to provide a customised methodology for the de-amalgamation of LSC and RRC.

The allocation of cash under the QTC methodology relies on the opening balance sheets of RRC and LSC as at 1 July 2012 compiled by QTC as a component of the de-amalgamation analysis of RRC. However, the opening balance sheets need to be amended to include updated information to provide the most accurate balance sheet position from which to reconstruct cash flows from 1 July 2012 onwards.

We seek the assistance of QTC to:

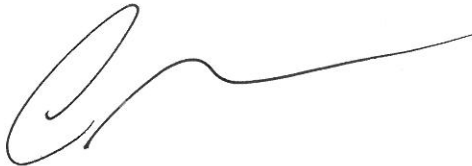
- 1) Review and confirm the amendments to the opening balance sheet positions of Livingstone Shire Council and Rockhampton Regional Council as at 1 July 2012; and

Please confirm that you are willing to assist with this review and provide your assessment. Further to your advice confirming same, we will then arrange to provide updated QTC models and any required supporting information for review.

- 2) Review and confirm the proposed amendments to the Balance Sheet Allocation Methodology (QTC Methodology) as per Appendix 1 attached to this correspondence.

Please provide comment as to the suitability of this methodology to the de-amalgamation of Livingstone Shire Council and Rockhampton Regional Council, and any related issues noted.

Please don't hesitate to contact Alicia Cutler on 4936 8319 should you require any other information or clarification regarding these requests.



Evan Pardon
Chief Executive Officer
Rockhampton Regional Council



Graeme Kanofski
Transfer Manager
Livingstone Shire Council

Appendix 1 — Balance sheet allocation methodology

QTC Methodology			QTC Methodology (including proposed amendments)	
The following table sets out the proposed balance sheet allocation methodology, prepared by QTC, that may be used to determine the separation of balance sheet items between the continuing and new councils based on the 1 July 2012 opening balance position prepared by QTC and published with the Queensland Boundaries Commissioner's Report. The sum of the balance sheets for the new council and continuing council must equal the balance sheet used for statutory reporting purposes by the existing council as at 30 June 2013 and 31 December 2013.			The following table sets out the proposed balance sheet allocation methodology, prepared by QTC, (with amendments proposed by the RRC / LSC transfer committee and to be confirmed by QTC) that may be used to determine the separation of balance sheet items between the continuing and new councils based on the 4 July 2012 opening balance position prepared by QTC and published with the Queensland Boundaries Commissioner's Report amended opening balance sheet position as at 1 July 2012 (amended opening balance sheets as at 1 July 2012 to be confirmed by QTC). The sum of the balance sheets for the new council and continuing council must equal the balance sheet used for statutory reporting purposes by the existing council as at 30 June 2013 and 31 December 2013.	
Item	As at 30 June 2013	As at 31 December 2013	As at 30 June 2013	As at 31 December 2013
Cash and cash equivalents	Council to use the opening balance sheet identified as at 1 July 2012 and reconstruct the cash flows that would have occurred for the new council and the continuing council over the period from 1 July 2012 to 30 June 2013. The cash flow reconstruction should take into account movements in all cash flow items including but not limited to accounts receivable/payable, grants, debt draw downs, repayments and interest payments.	Council to use the opening balance sheet identified as at 30 June 2013 and reconstruct the cash flows that would have occurred for the new council and the continuing council over the period from 31 December 2013. The cash flow reconstruction should take into account movements in all cash flow items including accounts receivable/payable, grants, debt draw downs, repayments and interest payments.	Council to use the amended* opening balance sheet identified as at 1 July 2012, and reconstruct the cash flows that would have occurred for the new council and the continuing council over the period from 1 July 2012 to 30 June 2013. The cash flow reconstruction should take into account movements in all cash flow items including but not limited to accounts receivable/payable, grants, debt draw downs, repayments and interest payments. *Amended opening balance sheet to be confirmed by QTC.	Council to use the opening balance sheet identified as at 30 June 2013 and reconstruct the cash flows that would have occurred for the new council and the continuing council over the period from 31 December 2013. The cash flow reconstruction should take into account movements in all cash flow items including accounts receivable/payable, grants, debt draw downs, repayments and interest payments. Cash will then be adjusted for the receivables and trade payables to be retained by RRC. Cash may also be adjusted depending on the final allocations of plant and equipment and intangibles between RRC and LSC, after allowing for the cash flows allocated to each council for the purchase of new assets and the sale of assets.
Debt	Based on the opening balance of debt for the new council and the continuing council as at 30 June 2012. - plus new borrowings in proportion to the value of capital expenditure made by the existing council in the new council and continuing council geographical area (unless more accurate detail known) - less redemptions made by the existing council in proportion to the value of borrowings held by the new council and continuing council (unless more accurate detail known) over the period from amalgamation on 1 July 2012 to 30 June 2013.	Based on the opening balance of debt for the new council and continuing council as at 30 June 2013, - plus new borrowings made by the existing council on behalf of the new council and continuing council - less redemptions made by the existing council on behalf of the new council and continuing council over the period from 30 June 2013 to 31 December 2013.	Based on the amended* opening balance of debt for the new council and the continuing council as at 30 June 2012, - plus new borrowings in proportion to the value of capital expenditure made by the existing council in the new council and continuing council geographical area (unless more accurate detail known) - less redemptions made by the existing council in proportion to the value of borrowings held by the new council and continuing council (unless more accurate detail known) over the period from amalgamation on 1 July 2012 to 30 June 2013. *Amended opening balance of debt to be confirmed by QTC.	Based on the opening balance of debt for the new council and continuing council as at 30 June 2013, - plus new borrowings made by the existing council on behalf of the new council and continuing council less redemptions made by the existing council on behalf of the new council and continuing council - less redemptions made by the existing council in proportion to the value of borrowings held by the new council and continuing council (unless more accurate detail known) over the period from 30 June 1 July 2013 to 31 December 2013. The Working Capital Facility established to fund de-amalgamation costs will transfer to LSC.
Receivables	Based on the actual contribution to receivables by the new council and continuing council as at 30 June 2013 (i.e., allocated in accordance with the underlying transaction).	Based on the balance of receivables as at 31 December 2013 for the new council and continuing council.	Based on the actual contribution to receivables by the new council and continuing council as at 30 June 2013 (i.e., allocated in accordance with the underlying transaction).	Rates Receivables - Based on the balance of receivables as at 31 December 2013 for the new council and continuing council. Other Receivables - to be allocated to RRC. LSC will be compensated by an increase in cash.
Land held for development	Based on where the land is located as at 30 June 2013. The new council and continuing council should receive land held for development in their geographical areas.	Based on the location of the land or other assets assumed as at 30 June 2013, adjusted for any agreed movements in land or other assets to 31 December 2013.	Based on where the land is located as at 30 June 2013. The new council and continuing council should receive land held for development in their geographical areas.	Based on the location of the land or other assets assumed as at 30 June 2013, adjusted for any agreed movements in land or other assets to 31 December 2013.
Inventory	Inventory which relates to specific plant and machinery, infrastructure or work in progress should go to the new council or continuing council where the specific plant and machinery, infrastructure or work in progress is allocated. Residual inventory should be based on the percentage of inventory contributed by the new council and continuing council at amalgamation.	Based on the allocation of inventory as at 30 June 2013, adjusted for movements related to the new council and continuing council operations to 31 December 2013. Inventory which relates to specific plant and machinery, infrastructure or work in progress should go to the new council or continuing council where the specific plant and machinery, infrastructure or work in progress is allocated. Residual inventory should be based on the percentage of inventory contributed by the new council and continuing council at amalgamation.	Inventory which relates to specific plant and machinery, infrastructure or work in progress should go to the new council or continuing council where the specific plant and machinery, infrastructure or work in progress is allocated. Residual inventory should be based on the percentage of inventory contributed by the new council and continuing council at amalgamation. Based on the physical location of inventory as at 30 June 2013. The new council and continuing council should receive inventory in their geographical areas.	Based on the allocation of inventory as at 30 June 2013, adjusted for movements related to the new council and continuing council operations to 31 December 2013. Inventory which relates to specific plant and machinery, infrastructure or work in progress should go to the new council or continuing council where the specific plant and machinery, infrastructure or work in progress is allocated. Residual inventory should be based on the percentage of inventory contributed by the new council and continuing council at amalgamation. Based on the physical location of inventory as at 31 December 2013. The new council and continuing council should receive inventory in their geographical areas.
Prepayments	Based on balance of prepayments as at 30 June 2013 attributable to the new council and continuing council (i.e., allocated in accordance with the underlying transaction).	Based on the balance of prepayments as at 31 December 2013 for the new council and continuing council.	Based on balance of prepayments as at 30 June 2013 attributable to the new council and continuing council (i.e., allocated in accordance with the underlying transaction).	Based on the balance of prepayments as at 31 December 2013 for the new council and continuing council (i.e., allocated in accordance with the underlying transaction).
PP&E	Based on the physical location of the PP&E as at 30 June 2013. The new council and continuing council should receive PP&E in their geographical areas. Where there is uncertainty / disagreement, the allocation should be based on the balance of PP&E held as at 30 June 2012.	Based on the physical location of PP&E assumed as at 30 June 2013, adjusted for any agreed movements in PP&E to 31 December 2013. The new council and continuing council should receive all PP&E required in their geographical area.	Based on the physical location of the PP&E as at 30 June 2013. The new council and continuing council should receive PP&E in their geographical areas, subject to adjustments approved by the transfer committee for land under predecessor council's ownership (e.g. land owned by former RCC in LSC area or vice versa). Where there is uncertainty / disagreement, the allocation should be based on the balance of PP&E held as at 30 June 2012. For mobile plant and IT assets, an assumed percentage will most likely be applied as the allocation of these asset classes is unlikely to be finalised at the time of 30 June 2013 reporting.	Based on the physical location of PP&E assumed as at 30 June 2013, adjusted for any agreed movements in PP&E to 31 December 2013. The new council and continuing council should receive all PP&E required in their geographical area, subject to adjustments approved by the transfer committee for land under predecessor council's ownership (e.g. land owned by former RCC in LSC area or vice versa). Where there is uncertainty / disagreement (potentially mobile plant and IT assets), the allocation will be determined by the transfer committee.
Intangible assets	Based on the physical location of the assets to which the intangible asset relates as at 30 June 2013.	Based on the balance of intangible assets as at 30 June 2013, adjusted for any movements in intangible assets to 31 December 2013.	Based on the physical location of the assets to which the intangible asset relates as at 30 June 2013. Allocated based on the proportion of population between the new council and the continuing council.	Based on the balance of intangible assets as at 30 June 2013, adjusted for any movements in intangible assets to 31 December 2013. Allocated based on the proportion of population between the new council and the continuing council.
Capital works in progress	Based on the physical location of the capital works in progress as at 30 June 2013. The new council and continuing council should receive all capital works in progress in their geographical area.	Based on the balance of capital works in progress as at 30 June 2013, adjusted for any movements in capital works in progress to 31 December 2013. The new council and continuing council should receive all capital works in progress in their geographical area.	Based on the physical location of the capital works in progress as at 30 June 2013. The new council and continuing council should receive all capital works in progress in their geographical area.	Based on the balance of capital works in progress as at 30 June 2013, adjusted for any movements in capital works in progress to 31 December 2013. Based on the physical location of the capital works in progress as at 31 December 2013. The new council and continuing council should receive all capital works in progress in their geographical area. Where there is uncertainty / disagreement (potentially mobile plant and IT assets), the allocation will be determined by the transfer committee. Capital works in progress to facilitate de-amalgamation will be allocated to LSC.
Trade and other payables	Based on the actual contribution to trade and other payables by the new council and continuing council as at 30 June 2013 (i.e., allocated in accordance with the underlying transaction).	Based on the balance of trade and other payables as at 31 December 2013 for the new council and continuing council.	Based on the actual contribution to trade and other payables by the new council and continuing council as at 30 June 2013 (i.e., allocated in accordance with the underlying transaction).	Based on the balance of trade and other payables as at 31 December 2013 for the new council and continuing council. Trade and other payables to be allocated to RRC. RRC will be compensated by an increase to cash.
Employee provisions	Based on the provisions attaching to the staff that are expected to reside with the new council and continuing council on 1 January 2013. If this is not known with certainty, then based on the percentage of staff numbers expected to transfer to the new council and continuing council on de-amalgamation. These provisions will not be cash backed.	Based on the provisions attaching to the staff that will reside with the new council and continuing council on 1 January 2013. These provisions will not be cash backed.	Based on the provisions attaching to the staff that are expected to reside with the new council and continuing council on 1 January 2013 2014 . If this is not known with certainty, then based on the percentage of staff numbers expected to transfer to the new council and continuing council on de-amalgamation. These provisions will not be cash backed.	Based on the provisions attaching to the staff that will reside with the new council and continuing council on 1 January 2013 2014 . These provisions will not be cash backed.
Other provisions	Based on balance of other provisions as at 30 June 2013 attributable to the new council and continuing council (i.e., allocated in accordance with the underlying transaction). These provisions will not be cash backed.	Based on balance of other provisions as at 31 December 2013 attributable to the new council and continuing council (i.e., allocated in accordance with the underlying transaction). These provisions will not be cash backed.	Based on balance of other provisions as at 30 June 2013 attributable to the new council and continuing council (i.e., allocated in accordance with the underlying transaction). These provisions will not be cash backed.	Based on balance of other provisions as at 31 December 2013 attributable to the new council and continuing council (i.e., allocated in accordance with the underlying transaction). These provisions will not be cash backed.
Other assets and liabilities	Based on balance of other assets and liabilities as at 30 June 2013 attributable to the new council and continuing council (i.e., allocated in accordance with the underlying transaction).	Based on balance of other assets and liabilities as at 31 December 2013 attributable to the new council and continuing council (i.e., allocated in accordance with the underlying transaction).	Based on balance of other assets and liabilities as at 30 June 2013 attributable to the new council and continuing council (i.e., allocated in accordance with the underlying transaction).	Based on balance of other assets and liabilities as at 31 December 2013 attributable to the new council and continuing council (i.e., allocated in accordance with the underlying transaction).

10 September 2013



Mr Evan Pardon
Chief Executive Officer
Rockhampton Regional Council
232 Bolsover Street,
ROCKHAMPTON Qld 4700

Mr Graeme Kanofski
Transfer Manager
Livingstone Shire Council
232 Bolsover Street,
ROCKHAMPTON Qld 4700

Dear Mr Pardon and Mr Kanofski

Thank you for your letter dated 28 August 2013 seeking Queensland Treasury Corporation's (QTC) assistance in reviewing and confirming amendments to the opening balance sheet position and allocation methodology for the de-amalgamation of Livingstone Shire Council (LSC) from Rockhampton Regional Council (RRC).

I understand that you have had a discussion with Michelle McMullan from my office who has advised that QTC is not able to assist Council in this instance. QTC is comfortable with the methodology it applied to determine the proposed opening balance sheet for RRC and LSC and unfortunately does not have resources available at present to review alternative methodological treatments.

QTC understands that the *Local Government (De-amalgamation Implementation) Regulation 2013* permits the Transfer Committee to agree the opening balance sheet position and allocation methodology to be used in the actual de-amalgamation transaction and is under no obligation to adopt the indicative opening balance sheet determined by QTC as at 1 July 2012.

We look forward to further opportunities to assist both Councils in the future and to continue to develop the collaborative relationship that exists between our organisations.

If you require any further assistance, please don't hesitate to contact Jan Xanthopoulos on 07 3842 4757.

Sincerely

Philip Noble
Chief Executive

ROCKHAMPTON REGIONAL COUNCIL	
File No: <u>10725</u>	Doc No: _____
Links: _____	
Action Officer: <u>PARDON E^{CO} - KANOFSKI C^{OO}</u>	
13 SEP 2013	
Task to: <u>227 CEO/DPA</u> 2. <u>MITCHELL K</u>	
3. _____	4. _____
QDAN: _____	v: _____ Ref: _____
Box No: _____	Yrs: <u>PERM</u>