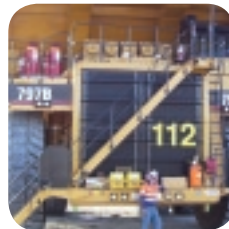


ROCKHAMPTON REGIONAL DEVELOPMENT LIMITED



**ANNUAL
REPORT**
2009-2010

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Statement of Role

As a not-for-profit Australian public company, limited by guarantee, Rockhampton Regional Development Limited (RRD) is a membership-based organisation that receives funding from Rockhampton Regional Council, project-based funding from the Department of Employment, Economic Development and Innovation and other stakeholders.

The mission of RRD is to champion and facilitate regional economic development in the broader Rockhampton Region through strong leadership and business engagement that will grow a diversified, vibrant and innovative economy and high standards of liveability.

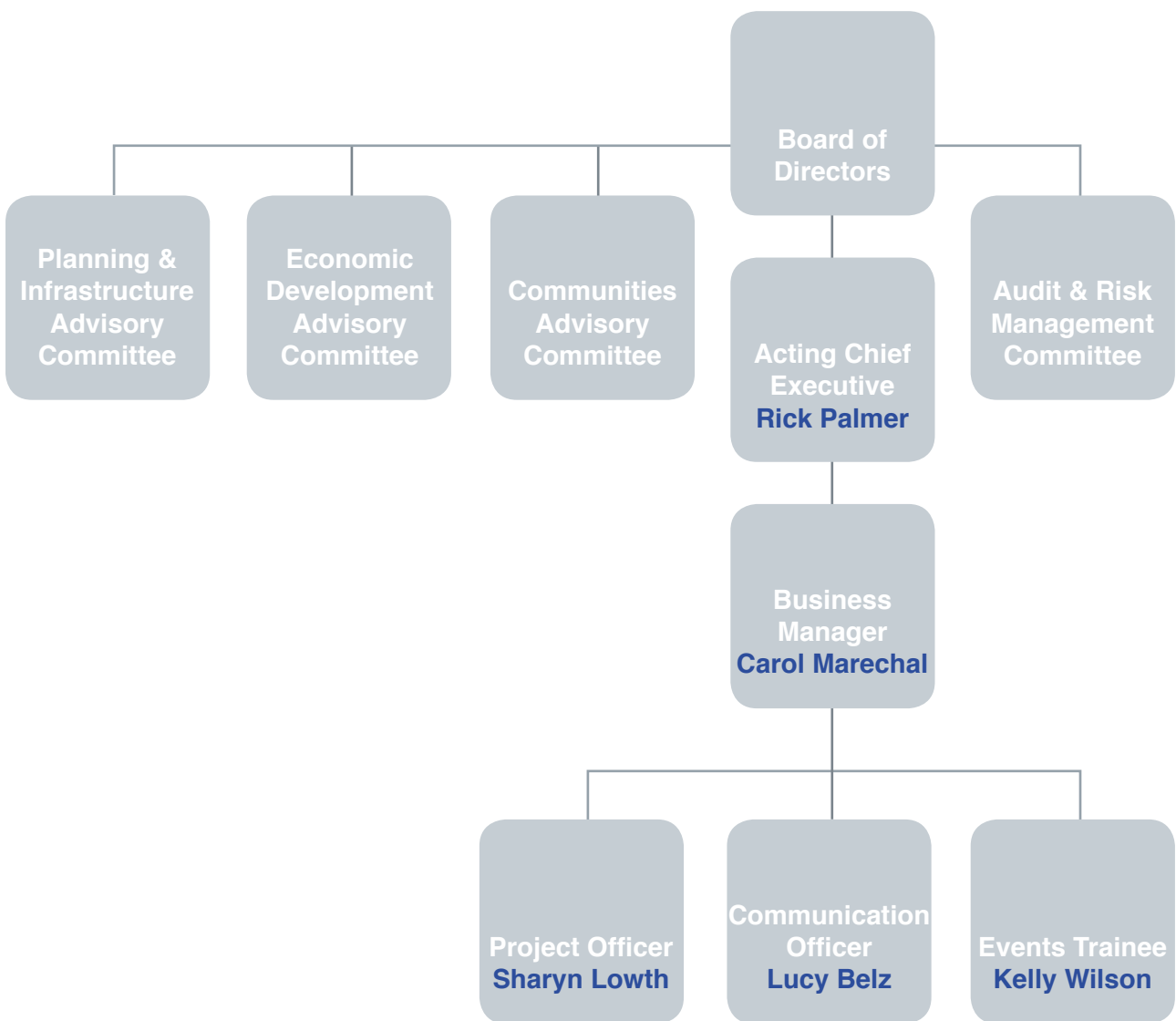


Board of Directors

- **Mr Michael Cranny** – Chair/Director
(Managing Director – Tropical Pines Pty Ltd)
- **Mr Steve McCosker** – Deputy Chair/Director
(Director / Dealer Principal – DC Motors, Rockhampton)
- **Ms Patrice Brown** – Director
(Director – CQ Environmental)
- **Cr Bradley Carter** – Director
(Mayor – Rockhampton Regional Council)
- **Mr Wayne Collins** – Director
(Chief Operating Officer – Stanwell Corporation Limited)
- **Mr Ian Mill** – Director
(Chief Executive Officer – Mercy Health and Aged Care Central Queensland Ltd)
- **Cr Sandra O'Brien** – Director
(Councillor – Rockhampton Regional Council)
- **Mr Graham Scott** – Director
(General Manager – Graham Scott & Associates)
- **Mr Charles Ware** – Director
(Director – Gladstone Ports Corporation Ltd)
- **Prof Scott Bowman** – Director
(Vice-Chancellor and President – CQUniversity Australia)
Commenced 4th September 2009
- **Mr Glen Giles** – Director
(Area Manager Central Queensland – Commonwealth Bank)
Commenced 4th December 2009
- **Mr Geoffrey Higgins** – Director
(Director – Performance People)
Commenced 4th December 2009
- **Mr Gregory Litherland** – Director
(Central Queensland Managing Director – Herron Todd White)
Commenced 4th December 2009
- **Mr Grant Cassidy** – Director
(Chair – Capricorn Tourism and Development Organisation)
Commenced 5th February 2010
- **Mr Steve Leighton** – Director
(General Manager Operations Central – Ergon Energy)
Commenced 5th February 2010
- **Prof John Rickard** – Director
(Vice-Chancellor and President – CQUniversity Australia)
Resigned 31st July 2009
- **Mr Andrew Beaumont** – Director
(Acton Property Corporation Pty Ltd)
Resigned 23rd October, 2009
- **Mr David French** – Director
(Managing Director – Capricorn Investment Partners Limited)
Resigned 23rd October 2009
- **Mr Collin Slattery** – Director
(Operations Manager Queensland – Joy Mining Machinery)
Resigned 23rd October 2009
- **Mr Peter Billing** – Director
(General Manager Operations Central – Ergon Energy)
Resigned 5th February 2010
- **Mr Paul Walmsley** – Director
(Regional Director – Department of Primary Industries and Fisheries)
Resigned 24th March 2010



Rockhampton Regional Development Team





Chair's Report

The year under review has been in dispersed with challenges, achievements and new directions. Rockhampton Regional Development started the year with the Global Financial Crisis in full swing and business at a very low point. Governments of the world were guaranteeing banks in a variety of ways to keep the financial system functioning.

Our team functioned well during the end of the boom but as the GFC hit harder it became obvious a change was required and we needed a bigger, stronger and more vibrant organisation to deal with what the future was presenting. RRD was under a fair bit of pressure from a few fronts; questionable continuation of funding, the federal government's direction and creation of the Regional Development Associations, along with a lack of clarity between Capricorn Tourism and RRD over responsibilities and abilities to effect improvements in the region. As a result of these challenges, with the encouragement of our Mayor and a very receptive Tourist organisation, the possibility of merger became a reality and Capricorn Tourism and Economic Development Limited (CTDEL) came into effect on the 1st of July 2010.

Rockhampton Regional Development notes its respect and gratitude to Grant Cassidy and the board of Capricorn Tourism for their very willing and able leadership and cooperation to help bring this merger to fruition. I should also like to note the support and effort the Rockhampton Regional Development Board extended in this endeavour, and also to the interim formation team of Grant Cassidy, Mick Cranny, Ian Mill, Michelle Comley, with the assistance of Charles Ware, Mary Carroll and Rick Palmer.

As a result of these challenges the new organisation has moved its head office to the first floor of the Channel 7 building. Mary Carroll is the CEO of CTEDL and an Economic Development Manager, Neil Lethlean, joined the team on 5th July 2010.

I record my thanks and appreciation to Gary Kerr our former Chief Executive, who was in the role for approximately eighteen months. I also sincerely thank Rockhampton Regional Council for allowing the secondment of Rick Palmer to the position of Acting Chief Executive of RRD from April until June. Rick's experience in the economic development arena along with his efforts in assisting the merger process was truly appreciated.

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Chair's Report cont'd

The Board of CTEDL will be Grant Cassidy (Chair), Mayor Brad Carter (Rockhampton Regional Council), Mayor Peter Maguire (Central Highlands Regional Council), Professor Scott Bowman (CQUniversity Australia Vice-Chancellor), Steve McCosker, Patrice Brown, Michelle Comley, Scott McCartney and Mick Cranny.

Some of the achievements of RRD over the past year have been a bronze award at Pilsen in the Czech Republic for our effort in the 2009 International Awards for Liveable Communities. This is a worldwide event sponsored by the United Nations, held annually, and is an attempt to improve liveability. It is judged by an international panel against a fixed set of criteria. Rockhampton's entry was one of three from Australia to make the finals; MOU's with CQUniversity and Gladstone Area Promotion and Development Limited to do cooperative work, assistance provided in conjunction with other stakeholders to win the Innovative Regions Funding (\$10M) for Central Queensland; funding agreements with Rockhampton Regional Council and State Government; support for seven day trading to complement CQUniversity's community survey and report. Perhaps the biggest result was the State Government's announcement of \$10M to fund access to the Gracemere Industrial Corridor, after Community Cabinet deputations in May.

RRD has also attracted skilled staff to the region, from Johannesburg, South Africa and New Zealand, by participating in Expos in those countries. We also conducted the 14th annual Business Excellence Awards and congratulate the overall winner, Benevolent Aged Care. Sincere thanks to Ergon Energy, our major sponsor for the past eleven years as well as Geoff Higgins of Performance People, Julie Tanner of Tanner Consulting and our judging panel.

RRD also conducted project work for the Department of Employment, Economic Development and Innovation including reports on Building Business Capacity, CQ Carbon Networks + Climate Smart Business Cluster, Study Rockhampton, Supply Chain Gap Analysis, Supply CQ project. The organisation redesigned its CQ Jobs network site, participated in QREX as well as Country and Regional Living expos and provided quarterly Business Sentiment Surveys for members.

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Chair's Report cont'd

Members of the Board and staff provided facilitation, help and advice to a wide range of investors both within the region and possible new investors to it. The advisory committees again worked well as workshops and incubation areas for members, investors, new ideas, and opportunities for information sharing and problem solving. My appreciation and thanks to chairpersons and members for their efforts and successes.

RRD continued to host the popular and well attended Mayoral breakfasts and re-introduced the Chairman's lunches, at which our guests of honour were economist Savanth Sebastian, Commonwealth Bank, and Kieran Perkins, world champion 1500 metre swimmer and Olympic gold medallist. We also acknowledge the sponsorship support of QantasLink and Commonwealth Bank.

This is the final report for RRD in its current form and I offer my thanks to our Board for their comments, their gift of time and quality input. I also thank all RRD members who gave of their time and expertise when asked, and of course to our staff who have coped with rapid change. Their dedication is much appreciated.

On behalf of members I welcome the new organisation, Capricorn Tourism and Economic Development Limited, and look forward to being a lively part of the Region's future.



Mick Cranny
Chair
Rockhampton Regional Development



Communities Advisory Committee Chair's Report

This committee was established under the direction of Rockhampton Regional Development with the main focus being to work with the Community and Local Authorities to improve lifestyle and enhance liveability within the region.

The Communities Advisory Committee has continued the work commenced during the previous twelve months building on the many initiatives believed to be essential in making our region a great place to live.

The greatest achievement to date would have to be the success and award received at the 2009 International Awards for Liveable Communities. With little time, enormous energy and many attributes to showcase we were able to convince a panel of international judges that the Rockhampton Region has lots to offer. The award recognises the Region's social, environmental, cultural and economical benefits to its residents. Congratulations must go to all who were involved in developing the submission and those charged with the responsibility to deliver our message to the judging panel.

The Communities Advisory Committee continues to work in areas where we believe improvement will enhance liveability thereby encouraging business and individuals to relocate to this great area.

The focus for the past twelve months has been:

- Understanding cultural diversity and efforts to settle international arrivals to the area.
- Understanding law and order issues impacting on communities.
- The need for the collection of data and statistics to inform decisions on resource allocation.
- The need for a positive image from local press.

The committee was fortunate during the year to have presentations from a number of community groups and Rockhampton Regional Council to inform and focus committee work.

I would like to thank fellow committee members for all their work during the year.



Ian Mill

Chair, Communities Advisory Committee
Rockhampton Regional Development



Economic Development Advisory Committee Chair's Report

The need for serviced industrial land was a continual focus for the Economic Development Advisory Committee during 2009-10.

This interest finally resulted in the announcement by the Queensland Government in its budget of \$50 million over two years to provide safe access into the eastern end of the Gracemere-Stanwell Industrial Corridor.

This should enable private developers to create serviced industrial land in the corridor. As well, the Department of Infrastructure & Planning is looking at developing an industrial estate in a longer term.

Chair Glen Giles and Ray Conder met with the Minister for Transport Rachel Nolan at the Queensland Community Cabinet meeting at Emu Park on 28 May and outlined to her the need for improved transport links between Rockhampton and Gladstone.

In discussing its 2010 priorities, the committee identified the additional strong areas of the Rockhampton economy:

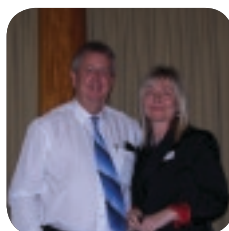
- Retail
- Education
- Health

The committee resolved to organise a retail workshop to look at ways in which the sector may be advanced.

The advisory committee is keen to take advantage of the memorandum of understanding with Gladstone Area Promotion & Development Limited to examine projects such as the Xstrata's Balaclava Island Export Coal Terminal beside Port Alma. This project can strengthen the links between the two regions.

The committee expressed an interest to contribute to RRD's Strategic Economic Development Plan. Development of this strategy was curtailed by the organisation's merger with Capricorn Tourism to create Capricorn Tourism & Economic Development Limited.

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Economic Development Advisory Committee Chair's Report cont'd

Other presentations were made to the advisory committee by:

- Simon Irwin on CQUniversity's Rockhampton Campus Advisory Committee;
- Denham Whitham of Rockhampton Tourist and Business Information on regional events;
- Geoff Lee on the need for welcome packs;
- Ray Conder on the CQ NRL Bid; and
- Gary Wood on CQIT's Diploma of Business

The final committee meeting in June was a combined advisory committee meeting with the Planning & Infrastructure Advisory Committee.

The advisory committee was initially chaired this year by David French. These responsibilities were later shared by Paul Walmsley, who resigned after the creation of the Department of Employment, Economic Development & Innovation as a result of his having a conflict of interest, and Glen Giles.



Glen Giles

Chair, Economic Development Advisory Committee
Rockhampton Regional Development



Planning & Infrastructure Advisory Committee Chair's Report

The Planning & Infrastructure Committee continued with enthusiasm and determination this year, with our breakfast meetings providing the opportunity for members to be informed about legislative changes, planning and industrial land issues and major projects in the region.

Major Achievements:

- Contributed to securing committed funding for roads and intersections to enhance access to industrial land in the Gracemere-Stanwell Corridor, through workshops with key decision makers in the region and a deputation to community cabinet;
- Prepared a deputation to community cabinet on the Iconic Places legislation and the need to repeal;
- Brought together Rockhampton Regional Council and Busby Group and other interested parties to workshop issues around planning and development for industrial land;
- Created opportunities for a range of stakeholders in government and the private sector to meet and discuss issues and opportunities in planning and infrastructure;
- Influenced the inclusion of rail in the scope of the current Department of Main Roads Rockhampton Floodplain Bypass Study; and
- Hosted various information sessions on legislative changes including the Sustainable Planning Act.

Minor Achievements:

- Contributed to the Rockhampton Regional Council's Towards 2050 Plan;
- Provided an opportunity for the Department of Infrastructure to present on their current Land Availability Study;
- Gave a voice to RRD/CTEDL members involved in planning and infrastructure and other business sectors;
- Provided an opportunity to learn about the Rockhampton Region town planning scheme and related legislation;
- Provided feedback to AECOM on the Rockhampton Floodplain Bypass Study;
- Met jointly with the Economic Development Advisory Committee to discuss matters of mutual interest; and
- Provided regular updates on the Great Keppel Island development and its challenges through the federal approval process.



Patrice Brown

Chair, Planning and Infrastructure Advisory Committee
Rockhampton Regional Development

Chief Executive's Report

The year's major achievement has been the merger of Rockhampton Regional Development with Capricorn Tourism to form Capricorn Tourism & Economic Development Ltd, which started operations on 1 July 2010.

Better use of resources should enable the new organisation to achieve critical mass and the capacity to operate effectively in the complimentary areas of economic development and tourism.

With RRD chairman Mick Cranny, deputy chair Steve McCosker, Planning & Infrastructure Advisory Committee chair Patrice Brown, Rockhampton Regional Council Mayor Cr Brad Cater and CQ University Vice-Chancellor Prof Scott Bowman filling places on the CTEDL Board, there should be equal consideration of both sets of issues.

The later appointment by CTEDL of the experienced Neil Lethlean as its Economic Development Manager should emphasise the importance the new organisation places on both areas of its responsibilities

The continued operation during 2009-2010 of RRD's three advisory committees, Planning & Infrastructure, Economic Development and Communities, was another highlight which gave members the chance to contribute directly to the workshopping of a number of ideas and concepts.

Members of the Planning & Infrastructure Advisory Committee were responsible for the development of the submission to the Queensland Community Cabinet about access to the Gracemere-Stanwell Industrial Corridor which supported a similar submission made by Rockhampton Regional Council. These linked with a third submission made by Gracemere industrial land holders and resulted in the Queensland Government allocating \$10 million in 2010-11 and a further \$40 million in 2011-12 to provide safe and effective access.

Likewise, the Communities Advisory Committee was responsible for the initial submission of an entry from the Rockhampton Region in the 2009 International Awards for Liveable Communities. The final submission, which was a joint effort between RRD and Rockhampton Regional Council, saw the region receive a bronze award in the annual awards in Pilsen, Czech Republic.

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Chief Executive's Report cont'd

RRD joined with the Central Queensland Area Consultative Committee and other stakeholders to develop an application to the Enterprise Connect Division of the Department of Innovation, Industry, Science and Research for an innovative regions centre to be located in Rockhampton to service Central Queensland. The application was successful and resulted in Ian Ogden being appointed as the Region's Innovative Regions Facilitator.

RRD entered into three important memorandums of understanding during 2009-10. The first was an amalgamation precursor with Capricorn Tourism, while the second was to undertake a number of projects with CQUniversity. The final MOU centred on working with Gladstone Area Promotion & Development Ltd to further projects which are beneficial to both regions.

RRD worked hard at strengthening relationships with Rockhampton Regional Council and this resulted in:

- 12 month funding agreement with Rockhampton Regional Council
- Input into the Rockhampton Regional Council Whole of Region Plan / Towards 2050

Another close association continued with the Department of Employment, Economic Development & Innovation under which RRD continued to undertake projects under the Queensland Regional Development Initiative.

In 2010 the organisation was registered for funding under the later version of the QRDI program and submitted a project proposal for the next two years.

In conjunction with the 2009 Rockhampton Regional Development and Ergon Energy Business Excellence Awards, RRD rebranded its external image. This proved to be a success both for the organisation as well as the awards.

RRD played an important part in helping the National Retailers Association successfully present its case for the introduction of seven day trading in Rockhampton.



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Chief Executive's Report cont'd

Other projects in which RRD was involved in 2009-10 included:

- Participation in the Mayoral Planning Industry Reference Group
- Assistance to Tower Holdings regarding Great Keppel Island
- WorkingIn "Opportunities Australia" Expo (Johannesburg, SA) – Accelerated Skills Attraction Program
- Participation in the CQLGA "Leading the Way" Conference in Dysart
- CQ Carbon Network + ClimateSmart Business Cluster
- Study Rockhampton (Education industry cluster)
- Supply Chain Gap Analysis and Supply CQ project
- Country and Regional Living Expo, Brisbane
- Continuation of the Quarterly Business Sentiment Surveys
- Major Projects Status Reports (part of Building Business Capacity and Employment)
- Rockhampton Innovative Networking Group (RING) with Chamber of Commerce & Industry, Queensland

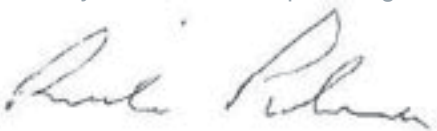
I would like to pay tribute to the work done by former Chief Executive Gary Kerr. He worked hard at attaining the goals which the Board set and the vast majority of these goals were achieved while he was at the helm.

I would also like to thank Chairman Mick Cranny for his ready and valuable assistance. Organisational mergers are always difficult for members and staff. Mick's level head ensured RRD was not decimated in either area and entered the amalgamation with an engaged membership and capable staff.

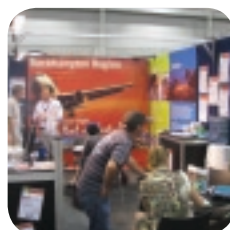
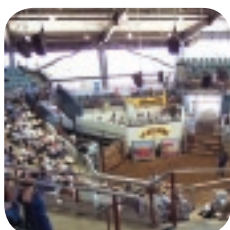
Once again I enjoyed my interaction with the Board members whose collective capacities ensured RRD was well placed to take part in the amalgamation with Capricorn Tourism.

My final thanks is to the RRD staff for their constant help and support. My task of overseeing an organisation undertaking a merger was made far easier by the way in which they faced the challenge.

I would like to wish the new organisation all the best with its twin responsibilities of promoting economic development and tourism. While each area will have its fair share of challenges, their successful addressing holds the key to the Rockhampton Region's future.



Rick Palmer
Acting Chief Executive
Rockhampton Regional Development



Key Achievements for 2009-2010

A number of transformations took place within Rockhampton Regional Development during 2009/2010, including the departure of valued staff members and directors. Although RRD secured a twelve month funding agreement with the Rockhampton Regional Council, changes to the Queensland Regional Development Initiative (QRDI) policies affected the long term financial position of the organisation.

Prior to the changes, RRD performed strongly in the areas of business and industry support and community development, as well as membership and marketing.

The five year strategic plan adopted by the Board in 2009 focussed the activities of RRD to deliver outcomes to the Board that aligned with the objectives of the plan:

- Grow the capabilities and capacity of the organisation through long term funding commitments and increasing membership.
- Influence policy development at all levels of government and build commitment to, and be an outstanding advocate for, the Rockhampton Region.
- Maximise the engagement and collaboration of all key stakeholders in project management and implementation through relationship building and communication.
- Investigate, identify and pursue economic growth and diversification through business innovation, growth and investment opportunities throughout the Rockhampton Region.
- Raise the awareness at local, regional, national and global levels of the competitive advantages of living, working and investing in the Rockhampton Region.
- Provide a range of consultancy and project management services that contribute to the economic development liveability standards of the Rockhampton Region.

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Key Achievements for 2009-2010 cont'd

A number of projects were completed during the year that lay a solid platform for pursuing these economic development opportunities, including the Building Business Capacity and Employment Project and the Central Queensland Carbon Network and ClimateSmart Business Cluster.

Key achievements for the 2009-2010 year are listed under the strategic objectives:

Grow the capabilities and capacity of the organisation through long term funding commitments and increasing membership

RRD secured funding from the Rockhampton Regional Council for the 2009-2010 financial year. Funding through the Department of Employment, Economic Development and Innovation (DEEDI) under the Queensland Regional Development Initiative (QRDI) ceased in April 2010. Applications are underway to receive project funding through QRDI in the 2010-2011 financial year.

Three Memorandums of Understanding were signed by RRD, with CQUniversity Australia, Gladstone Area Promotion and Development, and Capricorn Tourism. These MOUs enabled RRD to share resources and information, leading to a better understanding of the Rockhampton Region's potential for future investors.

Membership numbers have been steady at 103 with the introduction of new membership levels and benefits in July 2009. One of the new benefits for members was the Members Area on the website. This coincided with the launch of the rebranded Rockhampton Regional Development website.

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Key Achievements for 2009-2010 cont'd

A number of events and information sessions were conducted during the year, including:

Date	Event	Attendance
August 2009	Major Projects – Defining the Future	173
September 2009	Rockhampton Innovative Networking Group Evening	89
October 2009	Carbon Pollution Reduction Scheme Information Session	11
November 2009	Chairman's Lunch with Kieran Perkins	32
December 2009	Members Meet and Greet	25
	Rockhampton Innovative Networking Group Evening	103
February 2010	ecoBiz Information Session	29
	Rockhampton Carbon Forum	45
	Emerald Carbon Forum	18
March 2010	Breakfast with Mayor Brad Carter – Rockhampton	94
	Breakfast with Mayor Brad Carter – Yeppoon	47
	Rockhampton Innovative Networking Group Evening	88
April 2010	Lunch with Savanth Sebastian	38
May 2010	Tony Mooney Information Session – Lunch	28
	Tony Mooney Information Session – Evening	22
June 2010	Rockhampton Innovative Networking Group Evening	68

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Key Achievements for 2009-2010 cont'd

Influence policy development at all levels of government and build commitment to, and be an outstanding advocate for, the Rockhampton Region

Three delegations from the Rockhampton Regional Development Advisory Committees had an audience with a number of Ministers of the Queensland Government during the Community Cabinet meeting in Emu Park. Topics covered with the Ministers were the need for transit links between Rockhampton and the Gladstone region, the identification of possible industrial land and the development of serviced industrial land and a review of the Capricorn Coast Iconic Places Legislation.

RRD staff and directors have also been involved in the development and review of the Rockhampton Regional Council's Towards 2050 report and the Rockhampton Regional Strategic Economic Development Plan.

Maximise the engagement and collaboration of all key stakeholders in project management and implementation through relationship building and communication

The Business Sentiment Surveys that commenced in February 2009 have continued to yield good results. The quarterly survey takes a snapshot of the confidence levels of the Rockhampton Region business community to help gauge where the focus of future projects will lie.

The 2009 Business Excellence Awards culminated with a Gala Awards Dinner at Capricorn Resort Yeppoon, with the Outstanding Business of the Year Award presented to Benevolent Aged Care. Planning for the 2010 Business Excellence Awards is underway. Ergon Energy has signed on as naming rights sponsor for the Awards for the twelfth year.

RRD representatives also sat on the Mayoral Planning Industry Reference Group and the steering committee for the Central Queensland Local Government Association (CQLGA) "Leading the Way" Conference, held in Dysart.

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Key Achievements for 2009-2010 cont'd

Investigate, identify and pursue economic growth and diversification through business innovation, growth and investment opportunities throughout the Rockhampton Region

A number of potential business and employment opportunities were identified in the Building Business Capacity and Employment Project. Monthly updates were released on the progress of the \$100 billion worth of major projects in the Central Queensland area.

The Central Queensland Carbon Forum helped investigate and pursue energy efficient business opportunities for participating businesses, with a view to preparing for the Carbon Pollution Reduction Scheme.

RRD was also involved in the Queensland Government's Innovative Regions program, a Mining and Mineral Processing Supply Chain Gap Analysis and the Fitzroy Industry and Agricultural Initiative (FAI).

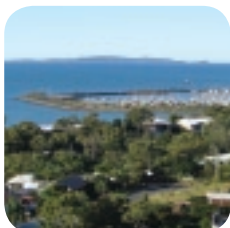
Raise the awareness at local, regional, national and global levels of the competitive advantages of living, working and investing in the Rockhampton Region

The biggest accolade for the region for the year was a Bronze award at the 2009 International Awards for Liveable Communities, held in Pilsen, Czech Republic. This entry started as a suggestion from RRD's Communities Advisory Committee, with contributions from RRD, Rockhampton Regional Council, CQUniversity Australia and many other organisations.

Rockhampton Regional Development travelled to Johannesburg, South Africa, to participate in the WorkingIn "Opportunities Australia" Expo as part of the Accelerated Skills Attraction Program (ASAP).

This expo generated a number of leads for potential employees and coincided with the relaunch of the CQ Jobs website. The new look website aligned skill categories with the Australian Standard Classification of Occupations (ASCO) codes to better match jobseekers and employers.

The new system was also used to capture jobseekers at the 2009 Country & Regional Living Expo in Brisbane, where the Rockhampton Region stand was awarded the Best Exhibit for Communities of more than 20,000 people.



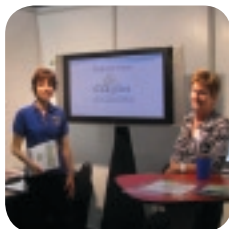
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Key Achievements for 2009-2010 cont'd

Provide a range of consultancy and project management services that contribute to the economic development liveability standards of the Rockhampton Region

Rockhampton Regional Development provided a range of project consultancy and management services for a number of Departments of the Queensland Government, including the Department of Employment, Economic Development and Innovation.

RRD also assisted Tower Holdings with their development plans for Great Keppel Island and was an advocate for seven day trading in Rockhampton.



Plans For The Future

An extraordinary general meeting was held on 25th March 2010 in response to the Board's unanimous vote to merge with Capricorn Tourism and Development Organisation.

This extraordinary general meeting voted unanimously to support the merger between the two organisations, to create a new entity.

Rockhampton Regional Development Limited ceased trading on 30th June 2010 and merged with Capricorn Tourism to form Capricorn Tourism and Economic Development Limited (CTEDL).

Planning for economic development projects is currently underway by CTEDL staff.



Corporate Governance

Audit and Risk Management Report

The committee met 4 times during the past year. In addition to regular review of the periodic accounts of the organisation, the principle matters focussed on by the committee included:

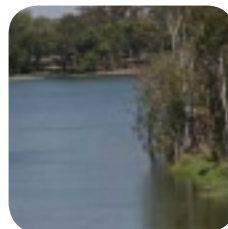
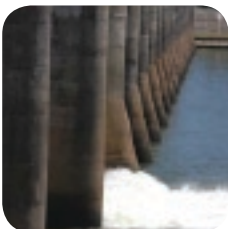
- Improvements to internal financial reporting;
- Enhancements to both internal and external organisational performance reporting; and
- Revenue risk management.

The professional input of all members is greatly appreciated and contributed to the effective operation of the committee. Particular thanks are extended to Mr Tony Edwards of Evans Edwards and Associates for his expert advice and contribution.

Committee members:

- Wayne Collins (Chairman)
- Ian Mill
- Tony Edwards
- Peter Billing (part year)
- Wayne Litherland (part year)

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Corporate Governance cont'd

Secretary's Report

RRD had relevant and suitable policies and procedures in place for the past year to ensure effective administration systems. All corporate governance requirements were met by the organisation and best practice was supported by all team members.

The Board continued to maintain;

- A combined Audit and Risk Management Committee to assess the financial position and liaise with the appointed auditor to ensure compliance;
- Minutes of all meetings for the Board of Directors, sub-committees, special interest groups and project groups.

During the past year the Board had a detailed Profit and Loss Report provided for each meeting with satisfactory comments for any major anomalies.

All relevant accounting standards were maintained by RRD throughout the year and the appropriate reports and returns have been presented to the Australian Securities and Investment Commission (ASIC) and the Australian Taxation Office, in line with legal requirements.

The Organisation has maintained banking records and co-signatures on accounts in a proper fashion, in line with the RRD Constitution.

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Corporate Governance cont'd

Internal Control Framework

While acknowledging responsibility for the overall internal control framework, the Board recognises that there is no cost-effective internal control system that will preclude all errors and irregularities.

We seek to provide as accurate information as possible based in written procedures, policies and guidelines and through an organisational structure that provides appropriate division of responsibility and accountability as well as the appropriate selection and training of personnel.

Ethical Standards

It is an expectation that all directors, senior executives, employees and contractors act lawfully and in a professional manner with integrity and objectivity in their business dealings.

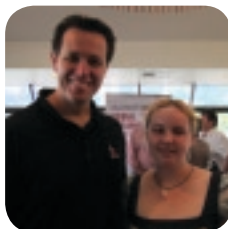
This applies to all interactions with members, suppliers, advisors, regulators, media, the community and each other. It is expected that personnel strive at all times to enhance the reputation and performance of RRD.

Reporting to Applicable Authorities

RRD reports its state of affairs and operations to relevant authorities in accordance with funding agreements and the Corporations Act.

Information was communicated with the Department of Employment, Economic Development and Innovation every six months and annually to the Rockhampton Regional Council. Formal reporting to ASIC is carried out in accordance with the Corporations Act.

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