

TOWNSVILLE CITY COUNCIL
2010/11 BUDGET

Bringing the Balance Back



10/11



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1 COUNCILLORS & CHIEF EXECUTIVE OFFICER

MAYOR

Les TYRELL

DEPUTY MAYOR

David CRISAFULLI

COUNCILLORS

Deanne BELL

Suzanne BLOM

Ray GARTRELL

Brian HEWETT

Jenny HILL

Jenny LANE

Dale LAST

Natalie MARR

Tony PARSONS

Trevor ROBERTS

Vern VEITCH

CHIEF EXECUTIVE OFFICER

Ray BURTON



2 BUDGET STATEMENTS

Statement of Income and Expenditure

For the year ended 30 June 2011

	Budget 2010/11
	\$'000
Revenue	
General Rates	137,555
Utility Charges	151,754
Less Discounts and Remissions	(28,507)
Fees and Charges	31,946
Income from Investments and Financing	3,583
Contributions and Donations	420
Grants and Subsidies	17,895
Other	12,150
Total Revenue	326,796
Less Expenses	
Employee and Contract Labour Costs	121,849
Materials and Services	104,133
Depreciation & Amortisation	88,438
Finance Costs	16,475
Other	3,496
Total Expenses	334,391
Surplus/(Deficit) before capital income	(7,595)
Capital Income	
Contributions, Grants, Subsidies and Donations	168,724
Gain / (Loss) on sale of Capital Assets	(1,785)
Total Capital Income	166,939
Increase/(Decrease) in Operating Capability	159,344

Balance Sheet

As at 30 June 2011

	Budget 2010/11 \$'000
Current Assets	
Cash Assets	98,435
Receivables	24,794
Inventories	2,046
Prepayments	412
Other Current Assets	178
Total Current Assets	<u>125,865</u>
Non Current Assets	
Investments	-
Other	1,381
Property, Plant and Equipment	3,875,422
Total Non-Current Assets	<u>3,876,803</u>
Total Assets	<u><u>4,002,668</u></u>
Current Liabilities	
Payables	13,011
Interest Bearing Liabilities	19,905
Provisions	976
Other	3,169
Total Current Liabilities	<u>37,061</u>
Non-Current Liabilities	
Payables	18,071
Interest Bearing Liabilities	382,274
Provisions	6,844
Total Non-Current Liabilities	<u>407,189</u>
Total Liabilities	<u><u>444,250</u></u>
Net Community Assets	<u><u>3,558,418</u></u>
Community Equity	
Asset revaluation reserve	283,990
Retained surplus	3,221,665
Other Reserves	52,763
Total Community Equity	<u><u>3,558,418</u></u>

Statement of Cash Flows

For the year ended 30 June 2011

	Budget 2010/11 \$'000
Cash Flow from Operating Activities	
Receipts	
Net Rates, Utility, Fees & Charges	320,534
Interest Received	3,583
Payments	
Materials and Services and Employee Costs	(233,253)
Finance Costs	(23,063)
Other	(2,838)
Net Cash Provided by Operating Activities	64,963
Cash Flow from Investing Activities	
Payments for Property, Plant & Equipment	(336,561)
Subsidies, Donations and Contributions for capital expenditure	147,027
Proceeds from sale of Property, Plant & Equipment	3,906
Other	-
Net Cash Used in Investing Activities	(185,628)
Cash Flows from Financial Activities	
Proceeds from Borrowings	50,000
Repayment of Borrowings	(18,061)
Net Cash Provided by Financing Activities	31,939
Net Increase/ (Decrease) in Cash Held	(88,726)
Cash at Beginning of Reporting Period	187,161
Cash at End of Reporting Period	98,435

Changes in Equity

	Total \$'000	Retained Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance at 30 June 2010	3,399,074	3,064,292	283,990	50,793
Net Result for the Period	159,344	159,343	-	-
Transfer to Capital and Reserves	-	(17,563)	-	17,563
Transfer from Capital to Reserves	-	15,593	-	(15,593)
Asset revaluation adjustment	-	-	-	-
Balance at 30 June 2011	3,558,418	3,221,665	283,990	52,763
Budget - Forecast				
Net Result for the Period	111,920	111,920	-	-
Transfer to Capital and Reserves	-	-	-	-
Transfer from Capital to Reserves	-	-	-	-
Asset revaluation adjustment	208,011	-	208,011	-
Balance at 30 June 2012	3,878,349	3,333,585	492,001	52,763
Net Result for the Period	101,164	101,164	-	-
Transfer to Capital and Reserves	-	-	-	-
Transfer from Capital and Reserves	-	-	-	-
Asset revaluation adjustment	214,130	-	214,130	-
Balance at 30 June 2013	4,193,643	3,434,749	706,131	52,763
Net Result for the Period	82,219	82,219	-	-
Transfer to Capital and Reserves	-	-	-	-
Transfer from Capital and Reserves	-	-	-	-
Asset revaluation adjustment	219,173	-	219,173	-
Balance at 30 June 2014	4,495,035	3,516,968	925,304	52,763
Net Result for the Period	84,458	84,458	-	-
Transfer to Capital and Reserves	-	-	-	-
Transfer from Capital and Reserves	-	-	-	-
Asset revaluation adjustment	223,107	-	223,107	-
Balance at 30 June 2015	4,802,600	3,601,426	1,148,411	52,763

Key Financial Ratios

	Target Ratio	Budget 2010/11
Sustainability Ratios		
Working Capital Ratio (Current Assets / Current Liabilities)	1:1.00	1:3.3
Operating Surplus Ratio (Net Operating Surplus / Total Operating Revenue) (%)	0.0% - 15%	(2.3%)
Net Financial Asset / Liability Ratio ((Total Liabilities – Current Assets) / Total Operating Revenue) (%)	60.0%	97.4%
Interest Coverage Ratio (Net Interest Expense / Total Operating Revenue) (%)	0.0% - 10%	3.9%
Asset Sustainability Ratio (Capital Expenditure on the Replacement of Assets (renewal) / Depreciation Expense) (%)	90.0%	107.0%
Asset Consumption Ratio (Written Down Value of Infrastructure Assets / Gross Current Replacement Cost of Infrastructure Assets) (%)	40% - 80%	64.1%

Statement of Income and Expenditure - Forecast

For the years ended 30 June

	Budget Forecast			
	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000
Revenue				
General Rates	148,826	161,764	173,084	185,542
Utility Charges	163,041	171,521	180,442	189,827
Less Discounts and Remissions	(30,742)	(32,945)	(34,995)	(37,217)
Fees and Charges	33,543	35,220	36,981	38,461
Income from Investments and Financing	3,793	4,086	4,505	5,647
Contributions and Donations	378	340	307	276
Grants and Subsidies	13,374	13,909	14,465	15,044
Other	12,757	13,395	14,065	14,768
Total Revenue	344,970	367,290	388,854	412,348
Less Expenses				
Employee and Contract Labour Costs	127,226	132,315	137,608	142,059
Materials and Services	96,144	99,692	101,451	105,353
Depreciation and Amortisation	94,960	105,051	116,442	128,680
Finance Costs	25,117	25,163	24,909	24,396
Other	4,095	4,155	4,217	4,281
Total Expenses	347,542	366,376	384,627	404,769
Surplus/(Deficit) before capital income	(2,572)	914	4,227	7,579
Capital Income				
Contributions, Grants, Subsidies and Donations	114,492	100,250	77,992	76,879
Gain/(loss) on sale of Capital Assets	-	-	-	-
Total Capital Income	114,492	100,250	77,992	76,879
Increase/(Decrease) in Operating Capability	111,920	101,164	82,219	84,458

Balance Sheet - Forecast

As at 30 June

	Budget Forecast			
	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000
Current Assets				
Cash Assets	101,412	108,750	115,580	134,606
Receivables	26,173	27,862	29,484	31,199
Inventories	2,046	2,046	2,046	2,046
Prepayments	428	444	461	479
Other Current Assets	257	341	430	525
Total Current Assets	<u>130,316</u>	<u>139,443</u>	<u>148,001</u>	<u>168,855</u>
Non-Current Assets				
Investments	-	-	-	-
Other	1,381	1,381	1,381	1,381
Property Plant and Equipment	4,192,965	4,497,539	4,783,451	5,048,622
Total Non-Current Assets	<u>4,194,346</u>	<u>4,498,920</u>	<u>4,784,832</u>	<u>5,050,003</u>
Total Assets	<u>4,324,662</u>	<u>4,638,363</u>	<u>4,932,833</u>	<u>5,218,858</u>
Current Liabilities				
Payables	12,841	13,303	13,535	14,043
Interest Bearing Liabilities	21,238	23,383	23,324	23,479
Provisions	1,015	1,056	1,098	1,142
Other	3,291	3,418	3,550	3,686
Total Current Liabilities	<u>38,385</u>	<u>41,160</u>	<u>41,507</u>	<u>42,350</u>
Non-Current Liabilities				
Payables	18,784	19,526	20,297	21,098
Interest Bearing Liabilities	382,036	376,652	368,328	344,849
Provisions	7,108	7,382	7,666	7,961
Total Non-Current Liabilities	<u>407,928</u>	<u>403,560</u>	<u>396,291</u>	<u>373,908</u>
Total Liabilities	<u>446,313</u>	<u>444,720</u>	<u>437,798</u>	<u>416,258</u>
Net Community Assets	<u>3,878,349</u>	<u>4,193,643</u>	<u>4,495,035</u>	<u>4,802,600</u>
Community Equity				
Asset revaluation reserve	492,001	706,131	925,304	1,148,411
Retained surplus	3,333,585	3,434,749	3,516,968	3,601,426
Other Reserves	52,763	52,763	52,763	52,763
Total Community Equity	<u>3,878,349</u>	<u>4,193,643</u>	<u>4,495,035</u>	<u>4,802,600</u>

Statement Cash Flows - Forecast

For the years ended 30 June

	Budget Forecast			
	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000
Cash Flows From Operating Activities				
Receipts				
Net Rates, Utility, Fees and Charges	339,799	361,515	382,728	404,987
Interest Received	3,793	4,086	4,505	5,647
Payments				
Materials and Services and Employee Costs	(226,618)	(234,643)	(241,945)	(250,043)
Finance Costs	(25,069)	(25,113)	(24,858)	(24,344)
Other	(16)	(16)	(17)	(18)
Net Cash Provided by Operating Activities	<u>91,889</u>	<u>105,829</u>	<u>120,413</u>	<u>136,229</u>
Cash Flow From Investing Activities				
Payment for Property, Plant & Equipment	(184,007)	(173,437)	(159,610)	(145,641)
Subsidies, donations and contributions for new capital expenditure	92,805	76,991	53,219	50,574
Proceeds from sale of Property, Plant & Equipment	1,200	1,200	1,200	1,200
Other	(5)	(7)	(9)	(12)
Net Cash Used in Investing Activities	<u>(90,007)</u>	<u>(95,253)</u>	<u>(105,200)</u>	<u>(93,879)</u>
Cash Flow from Financing Activities				
Proceeds from Borrowings	21,000	18,000	15,000	-
Repayment of Borrowings	(19,905)	(21,238)	(23,383)	(23,324)
Net Cash Provided by Financing Activities	<u>1,095</u>	<u>(3,238)</u>	<u>(8,383)</u>	<u>(23,324)</u>
Net Increase/(Decrease) in Cash held	2,977	7,338	6,830	19,026
Cash at Beginning of Reporting Period	98,435	101,412	108,750	115,580
Cash at End of Reporting Period	<u>101,412</u>	<u>108,750</u>	<u>115,580</u>	<u>134,606</u>

Key Financial Ratios - Forecast

Sustainability Ratios	Target	Budget Forecast			
	Ratio	2011/12	2012/13	2013/14	2014/15
Working Capital Ratio (Current Assets / Current Liabilities)	1:1.00	1:3.3	1:3.3	1:3.5	1:3.9
Operating Surplus Ratio (Net Operating Surplus / Total Operating Revenue) (%)	0.0% - 15%	(0.7%)	0.2%	1.1%	1.8%
Net Financial Asset / Liability Ratio ((Total Liabilities – Current Assets) / Total Operating Revenue) (%)	60.0%	91.6%	83.1%	74.5%	60.0%
Interest Coverage Ratio (Net Interest Expense / Total Operating Revenue) (%)	0.0% - 10%	6.2%	5.7%	5.2%	4.5%
Asset Sustainability Ratio (Capital Expenditure on the Replacement of Assets (renewal) / Depreciation Expense) (%)	90.0%	97.2%	91.0%	90.1%	91.2%
Asset Consumption Ratio (Written Down Value of Infrastructure Assets / Gross Current Replacement Cost of Infrastructure Assets) (%)	40% - 80%	61.5%	59.0%	56.6%	54.3%

Council Business Activities – 2010/11

	Townsville Water	Townsville Waste	Construction & Maintenance	Nursery	Fleet & Property Management	Performing Arts	Off Street Parking
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating Revenue							
Rates & Utility Charges	143,974	15,011	301	-	-	-	-
Less Discounts & Remissions	(3,700)	-	(25)	-	-	-	-
Fees & Charges	9,318	7,489	1,950	-	16,100	705	1,015
Income from Investments & Financing	583	86	192	-	107	-	-
Contributions - Recurrent	-	-	417	-	-	-	-
Subsidies & Grants - Recurrent	239	-	9,917	-	-	-	-
Corporate Overhead Recovery	-	-	-	-	-	-	-
Community Service Obligation	13,834	1,162	-	-	-	-	-
Competitive Neutrality Receipt	544	174	386	-	-	-	-
Taxes Received from Business Units	-	-	-	-	-	-	-
Other Revenue	3,295	2,116	15,861	1,228	24,747	1,398	599
Total Operating Revenue	168,086	26,037	29,000	1,228	40,955	2,103	1,614
Operating Expense							
Employee & Contract Labour Costs	17,692	6,352	5,745	346	6,581	1,533	860
Materials and Services	38,257	12,738	46,008	191	19,965	3,979	160
Bulk Water Expense	866	89	-	-	412	-	-
Finance	10,567	3	277	-	352	-	-
Depreciation and Amortisation	35,051	702	27,678	29	9,847	381	3
Community Service Obligation	-	-	-	-	-	-	-
Competitive Neutrality Expense	-	-	-	-	-	-	-
Taxes other than Income Tax	916	15	53	1	63	7	5
Other Expenses	11	2	-	614	150	283	-
Total Operating Expenses	103,361	19,899	79,761	1,181	37,370	6,183	1,028
Operating Surplus/(Deficit) before Capital Items	64,725	6,138	(50,761)	47	3,585	(4,080)	586
Other Capital Amounts							
Contributions - Capital	21,100	-	16,683	-	-	-	-
Grants & Subsidies - Capital	69,541	-	7,703	-	-	-	-
Contributed Assets	6,387	-	15,300	-	-	-	-
Profit/Loss on Sale of Assets	(2)	-	-	-	(398)	-	-
Revaluation Reserve Retired	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Total Other Capital Amounts	97,026	-	39,686	-	(398)	-	-
Increase/(Decrease) in Operating Capability before Tax	161,751	6,138	(11,075)	47	3,187	(4,080)	586
Income Tax	10,138	1,179	-	-	-	-	-
Increase/(Decrease) in Operating Capability after Tax	151,614	4,958	(11,075)	47	3,187	(4,080)	586

Business Activity Statement – 2010/11

	Townsville Water	Townsville Waste	Construction & Maintenance	Nursery	Fleet & Property Management	Performing Arts	Off Street Parking
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating Revenue							
Services provided to Local Government	23,870	2,609	14,890	411	40,877	-	144
Services provided to clients other than Local Government	144,216	23,428	14,110	817	78	2,103	1,470
Community Service Obligation	13,834	1,162	-	-	-	-	-
Total Operating Revenue	168,086	26,037	29,000	1,228	40,955	2,103	1,614
Operating Expense	103,361	19,899	79,761	1,181	37,370	6,183	1,028
Other Capital Amounts	97,026	-	39,686	-	(398)	-	-
Increase/(Decrease) in Operating Capability before Tax	161,751	6,138	(11,075)	47	3,187	(4,080)	586
Income Tax	10,138	1,179	-	-	-	-	-
Increase/(Decrease) in Operating Capability after Tax	151,614	4,958	(11,075)	47	3,187	(4,080)	586

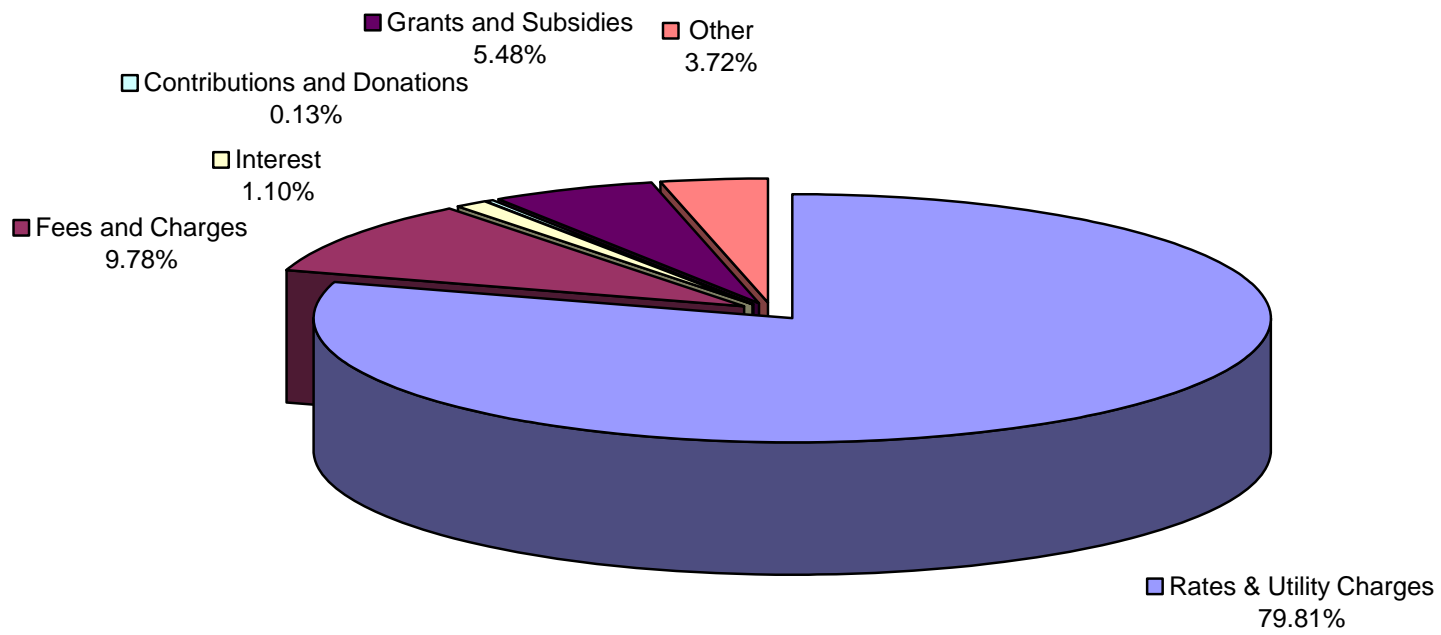
Community Service Obligations - 2010/11

	Townsville Water	Townsville Waste
	\$000	\$000
Water - Discounts and Remissions	7,417	-
Wastewater - Discounts and Remissions	6,417	-
Public Place Waste	-	214
Speak Up Advertising	-	1
Public Place Bin Delivery	-	11
Litter Collection - roads	-	935
Total Community Service Obligations	13,834	1,162

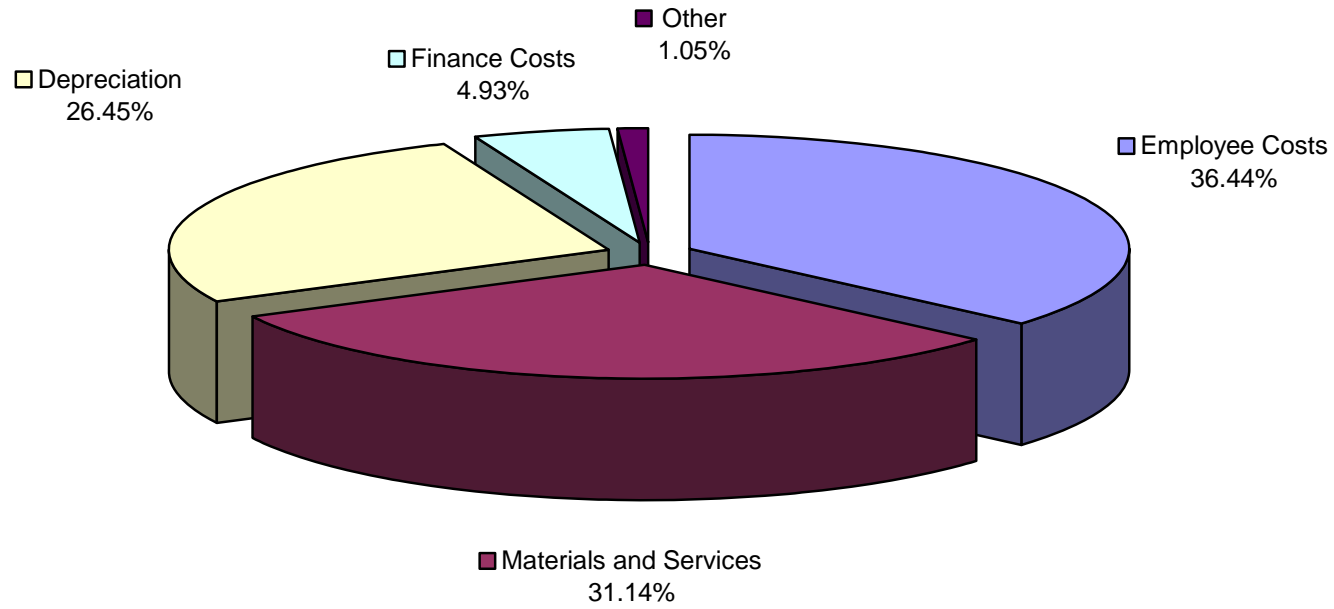
3 GRAPHIC REPRESENTATIONS



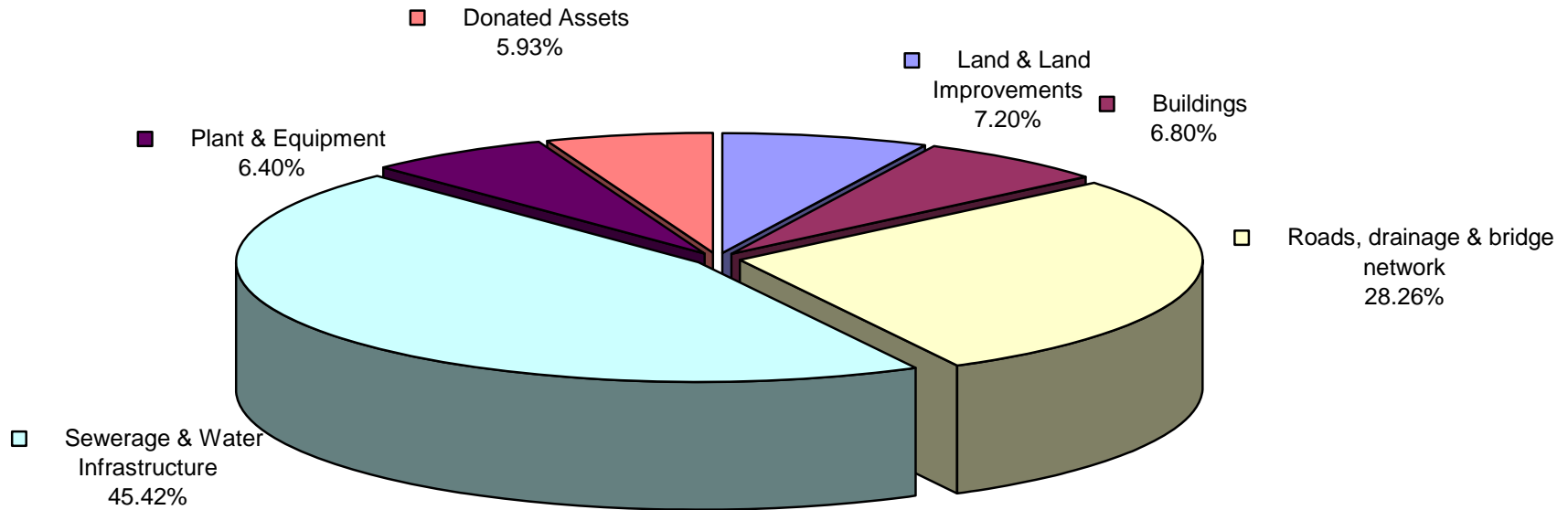
2010/11 Operating Revenue



2010/11 Operating Expenses



2010/11 Capital Works





4 MANAGEMENT REPORTS

Divisional Budget
for the year ended 30 June 2011 (unconsolidated)

	Corporate Services	Planning & Economic Development	Community & Environment	Commercial Businesses	Infrastructure Services
	\$000	\$000	\$000	\$000	\$000
Operating Revenue					
Rates & Utility Charges	138,199	-	-	158,984	301
Less Discounts & Remissions	(24,783)	-	-	(3,700)	(25)
Fees & Charges	1,716	5,862	5,523	16,865	18,050
Income from Investments & Financing	4,101	-	-	669	300
Contributions - Recurrent	-	-	-	-	417
Subsidies & Grants - Recurrent	3,645	13	3,926	239	10,072
Corporate Overhead Recovery	34,722	-	-	-	440
Community Service Obligation	-	30	-	14,995	-
Competitive Neutrality Receipt	-	-	-	794	386
Taxes Received from Business Units	-	-	-	-	-
Other Revenue	6,614	1,973	6,906	8,256	49,059
Total Operating Revenue	164,215	7,878	16,355	197,102	79,001
Operating Expense					
Employee & Contract Labour Costs	28,646	11,809	34,649	26,440	18,626
Materials and Services	28,826	8,758	57,770	51,905	71,327
Bulk Water Expense	-	-	6,503	955	412
Finance Costs	6,261	16	459	10,569	629
Depreciation and Amortisation	1,774	8	13,378	35,752	37,525
Community Service Obligation	15,025	-	-	-	-
Competitive Neutrality Expense	1,180	-	-	-	-
Taxes other than Income Tax	318	74	177	955	244
Other Expenses	53	4	1,025	13	153
Total Operating Expenses	82,083	20,669	113,962	126,590	128,916
Operating Surplus/(Deficit) before Capital Items	82,133	(12,791)	(97,607)	70,512	(49,915)
Other Capital Amounts					
Contributions - Capital	-	-	750	21,100	16,683
Grants & Subsidies - Capital	-	-	4,904	69,541	34,050
Contributed Assets	-	-	10	6,387	15,300
Profit/Loss on Sale of Assets	(1,385)	-	-	(2)	(398)
Revaluation Reserve Retired	-	-	-	-	-
Land Held for Resale	-	-	-	-	-
Total Other Capital Amounts	(1,385)	-	5,664	97,026	65,635
Increase/(Decrease) in Operating Capability before Tax	80,748	(12,791)	(91,943)	167,538	15,720
Income Tax	(11,390)	-	-	11,317	-
Increase/(Decrease) in Operating Capability after Tax	92,137	(12,791)	(91,943)	156,221	15,720

Division / Department Budget

for the year ending 30 June 2011 (Unconsolidated)

Division Department	Operating Revenue \$000's	Operating Expenditure \$000's	Capital Revenue \$000's	Capital Expenditure \$000's
Corporate Services	164,215	82,083	(1,385)	7,632
Finance	130,483	35,660	-	295
Corporate Governance	3,793	10,379	(1,400)	100
Human Resources	6,160	6,509	-	48
Knowledge Management	16,431	19,881	15	7,189
Corporate Communications	3,016	3,087	-	-
Events & Protocol	210	1,731	-	-
Customer Services	4,123	4,837	-	-
Planning & Economic Development	7,878	20,669	-	75
Development Assessment	2,274	3,765	-	-
Strategic Planning	1,877	7,801	-	-
Development Governance	413	3,757	-	75
Infrastructure Development	3,315	5,346	-	-
Community & Environment	16,355	113,962	5,664	14,359
Divisional Support	-	1,609	-	-
Community Services	6,598	30,920	-	180
Library Services	826	8,434	-	85
Parks Services	2,342	55,134	5,664	13,095
Integrated Sustainability	1,555	7,219	-	1,000
Environmental Health Services	5,034	10,645	-	-
Commercial Businesses	197,102	126,590	97,026	164,681
Townsville Water	168,086	103,361	97,026	158,749
Commercial Performance	1,957	2,158	-	-
Strategy & Governance	1,022	1,173	-	-
Townsville Waste	26,037	19,899	-	5,933
Infrastructure Services	79,001	128,916	65,635	149,821
Fleet & Property Management	40,955	37,370	(398)	17,867
Construction & Maintenance	29,000	79,761	39,686	57,120
Technical Services	3,102	8,392	-	74
Major Projects	5,504	1,516	26,347	74,759
Executive Department	-	1,383	-	-
Corporate Asset Management Systems	440	494	-	-

Capital Works by Department – 2010/11

Division Department	Land \$000	Buildings \$000	Drainage Infrastructure \$000	Water Infrastructure \$000	Sewerage Infrastructure \$000	Road Pavements \$000	Office Equipment and Furniture \$000	Equipment IT \$000	Plant & Equipment \$000	Cultural Assets \$000	Land Improvements \$000	Total \$000
Corporate Services												
Finance	-	225	-	-	-	-	-	-	70	-	-	295
Corporate Governance	-	-	-	-	-	-	100	-	-	-	-	100
Human Resources	-	-	-	-	-	-	48	-	-	-	-	48
Knowledge Management	-	-	-	-	-	-	-	7,029	-	-	160	7,189
Corporate Communications	-	-	-	-	-	-	-	-	-	-	-	-
Events & Protocol	-	-	-	-	-	-	-	-	-	-	-	-
Customer Service	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	225	-	-	-	-	148	7,029	70	-	160	7,632
Planning & Economic Development												
Development Assessment	-	-	-	-	-	-	-	-	-	-	-	-
Strategic Planning	-	-	-	-	-	-	-	-	-	-	-	-
Development Governance	-	-	-	-	-	-	75	-	-	-	-	75
Infrastructure Development	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	75	-	-	-	-	75
Community & Environment												
Divisional Support	-	362	-	-	-	-	85	10	910	20	12,973	14,359
Community Services	-	-	-	-	-	-	-	-	160	20	-	180
Library Services	-	-	-	-	-	-	85	-	-	-	-	85
Parks Services	-	112	-	-	-	-	-	10	-	-	12,973	13,095
Integrated Sustainability	-	250	-	-	-	-	-	-	750	-	-	1,000
Environmental Health Services	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	362	-	-	-	-	85	10	910	20	12,973	14,359
Commercial Businesses												
Townsville Water	-	-	-	34,806	123,888	-	-	-	55	-	-	158,749
Commercial Performance	-	-	-	-	-	-	-	-	-	-	-	-
Strategy & Governance	-	-	-	-	-	-	-	-	-	-	-	-
Townsville Waste	-	3,750	-	-	-	-	-	-	333	-	1,850	5,933
Total	-	3,750	-	34,806	123,888	-	-	-	387	-	1,850	164,681
Infrastructure Services												
Fleet & Property Management	-	2,681	-	-	-	300	-	-	14,601	-	285	17,867
Construction & Maintenance	-	3,144	7,939	-	-	38,747	-	-	-	-	7,290	57,120
Technical Services	-	-	-	-	-	-	31	-	43	-	-	74
Major Projects	-	14,699	-	-	-	56,326	-	-	-	-	3,735	74,759
Executive Department	-	-	-	-	-	-	-	-	-	-	-	-
Corp Asset Mgmt & Systems	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	20,524	7,939	-	-	95,373	31	-	14,644	-	11,310	149,821
Total all Departments	-	24,861	7,939	34,806	123,888	95,373	339	7,039	16,011	20	26,292	336,569





5 REVENUE STATEMENT

REVENUE STATEMENT >>

1. LEGISLATIVE REQUIREMENT >>

Under Section 518 (1) and Section 520A of the *Local Government Act 1993*, the Budget developed for its operating fund must specify the local government's Revenue Statement.

In addition S56 of the *Local Government Finance Standard 2005* requires this statement to include:

- (a) an outline and explanation of the revenue raising measures adopted, including, an outline and explanation of—
 - (i) the rates and charges to be made and levied in the financial year; and
 - (ii) the rebates and concessions to be granted in the financial year;
- (b) whether the local government has made a resolution limiting the increases in rates and charges;
- (c) the extent to which physical and social infrastructure costs for new development are to be funded by charges for the development;
- (d) whether the operating capability of the local government is to be maintained, increased or decreased and, if it is to be increased or decreased, the extent to which it is to be increased or decreased;
- (e) whether depreciation and other non-cash expenses are to be fully funded.

Accordingly, this statement sets out Council's position on these matters.

2. GENERAL OVERVIEW >>

It is not intended that this Revenue Statement reproduce all related policies. Related policies will be referred to where appropriate and will take precedence should clarification be required.

Council's Revenue Policy is based on equity and efficiency, and acknowledges that a combination of the capacity-to-pay principle and the benefit principle is the most equitable and rational basis for local government revenue raising.

Council's revenue raising approach can be summarised as: - user charges where it is practicable and a rate on the unimproved value of the land where they are not.

Council appreciates that while the relevant legislation in regard to rating on land valuations has its shortcomings; it is accepted as the best alternative available. Council accepts inequities will still exist in any rating system and quite often attempts to patch up inequities may lead to greater inequities. The unimproved capital value of land is used as the proxy for the land owners capacity to pay. Council accepts that valuations reflect commercial opportunities that can be obtained from the land, and that if land is not being used for that purpose, then they may not accurately reflect the owner's capacity-to-pay.

Council recognises there can be different abilities to pay for business, commercial or income producing land holdings and therefore accepts the principle that owners of these lands will generally be capable of meeting a higher burden of the rate revenue than owners of domestic land.

Council is mindful of the fact that some sections of the Community will create additional costs or that particular costs of Council will increase the economic viability of certain lands and accordingly such benefits may be reflected in Council charges register against those land owners.

3. GENERAL RATES >>

To determine differential rating categories Council will principally use the Land Use Codes determined by the Department of Natural Resources and Mines to classify land within Townsville City Council boundaries and will also have regard to precincts or zones identified in the relevant current planning scheme, where it deems it appropriate.

Council considers these criteria as appropriate to differentiate land uses and the respective owner's capacity to contribute to council's general rate requirements.

Council will use the following categories of differential rates for 2010/11:

<i>Category</i>	<i>Description</i>
1	Residential Owner Occupied
2	Residential Non-Owner Occupied
3	Commercial
4	Warehouse, Bulk Stores
5	General Light Industry
6	Drive-in Shopping Centres (small)
7	Agriculture and Grazing
8	Land not otherwise defined
9	Multi-unit Dwellings
10	Shopping Centre > 40,000 sqm
11	Shopping Centres >20,000sqm and less than 40,001 sqm
12	Shopping Centres <20,000 sqm
13	Retail Warehouse >40,000 sqm
14	Retail Warehouse <40,001 sqm
15	Outdoor Sales Areas
16	CBD Residential Owner Occupied
17	CBD Residential Non-Owner Occupied
18	CBD Commercial
19	CBD Warehouse Bulk Store
20	CBD Light Industry
21	CBD Multi-unit Dwelling
22	CBD Other

4. NELLY BAY HARBOUR DEVELOPMENT – SPECIAL RATE >>

The special rates levied are applied to maintaining water quality in the canals, dredging the canals, maintaining the rock walls around the canal area and maintaining the sediment basin up Gustav Creek.

5. RURAL FIRE BRIGADES - SPECIAL CHARGE >>

The special rate is levied on each rating assessment number in the Rate Book covering rateable lands serviced by the Black River and Districts, Bluewater, Bluewater Estates, Crystal Creek, Paluma, Purno, Rangewood, Rollingstone, Rupertswood, Saunders Beach, Toolakea, Clevedon, Horseshoe Bay, Lime Hills Elliott, Majors Creek, Nome, Oak Valley Reid River and West Point Rural Fire Brigades for the purposes of providing these voluntary service brigades with the financial resources to acquire and maintain fire-fighting equipment; and to qualify for State subsidies.

6. OAK VALLEY WATER SUPPLY CONTRIBUTION - SPECIAL CHARGE>>

Owners of property in the Oak Valley water supply contribution benefited area are required to pay back a capital contribution of \$7,155.00 per property over a ten (10) year interest free period for a connection to the Mt Jack pipeline. First instalment period started on 01 January 2004.

7. BLACK RIVER RURAL WATER SUPPLY SCHEME - SPECIAL RATE >>

- (a) Because of the prolonged period of drought, Council found it necessary to extend water supplies to more rural properties. Land owners in the Black River area have been given the opportunity to participate in a Rural Water Supply Scheme to ensure the availability of a suitable domestic water supply
- (b) Property owners have been given an option of making up-front Capital contributions to the scheme or to pay special rates to cover headworks and the capital cost of the works. These payments are additional to the annual water charges payable by all water users.

8. RURAL WATER SUPPLY SCHEMES >>

Council has resolved that because of the nature of the scheme the annual water charges will only apply to clients of the Jensen, Hencamp Creek and Black River Rural Water Supplies once water has been connected to individual properties. This is a departure from the policy of Council that all properties capable of being connected to a water supply shall pay the uniform water rate as from the water main becoming serviceable.

9. JULAGO AND ALLIGATOR CREEK WATER SUPPLY SCHEME >>

Owners of properties in the Julago and Alligator Creek Water Supply Scheme (JACWSS) benefited area are required to pay back a capital contribution of \$10,500.00 per lot over a ten (10) year, interest free period for a connection to the Bruce Highway main. Half yearly instalments, First instalment period started on 01 July 2008.

10. WATER UTILITY CHARGES >>

It is the Policy of Council that the Water utility charges are assessed as nearly as possible on a user pays basis.

Council is currently making significant investment in Water and Wastewater infrastructure and consequently reviewing Water and Wastewater pricing using a best practice methodology, as required by State and Federal agencies and conditions of subsidies,.

Non-residential water, including commercial, industrial and government agencies will be charged using a consumption based charge applied to all consumption.

Residential water will be charged using a two-part tariff which includes a fixed service charge and a consumption based charge applied to all consumption.

Residential vacant land (unconnected) water charges are charged as a fixed access charge per allotment to obtain a contribution from vacant land property owners towards the cost of water infrastructure available for connection.

11. WASTEWATER UTILITY CHARGES >>

It is the Policy of Council that the Wastewater utility charges are assessed as nearly as possible on a user pays basis.

Differential annual charges are levied on each of the following categories of occupied premises:

Residential ; and
Non-Residential.

Higher charges in the Non-Residential category reflect the greater demands on infrastructure in the high-density accommodation and commercial areas.

A single charge will apply for each single occupancy premises such as a dwelling house, home unit, flat.

An additional wastewater charge is levied on commercial properties in respect of Liquid Trade Waste in accordance with Council's Trade Waste Policy.

Wastewater charges on unoccupied developed residential lots and subdivisional lots are charged at a fixed annual charge per lot to reflect their potential to be connected to the sewerage system.

Undeveloped commercial and industrial land attracts a wastewater charge based on a fixed charge per allotment. These charges reflect the potential for these lots to be connected to the sewerage system.

Residential premises (rateable lands) in declared sewerage areas are levied the annual residential charge. This charge is considered equitable, and acts as an incentive for property owners to connect their premises to the sewerage system.

12. REFUSE RECYCLING AND CLEANSING UTILITY CHARGES >>

For Residential properties a Combined Refuse and Cleansing utility charge is applied on the basis of one charge for each service provided.

For Non-Residential premises, separate charges will apply on the basis of:

- Refuse Collection charge based upon each refuse collection service
- Recycling Collection charge based upon each recycling collection service

All additional or special refuse services are charged on a user pays basis per service.

13. CONCESSIONS AND REMISSIONS>>

Council is of the opinion that certain groups within the Community face difficulty in meeting rate commitments. The process of identifying who should receive concessions is difficult as Council sees the option of researching a person's financial capacity to pay rates as being an invasion of privacy, albeit for the person's benefit.

Council considers it a far fairer and consistent approach to expect all property owners to meet their rates bill and where difficulty to pay is perceived to exist, then the person concerned may be granted time to pay provided a suitable payment plan can be agreed.

Pensioner Remissions >>

Council accepts however that certain types of pensioners have contributed rates over a period of time and should be afforded a remission where their ability to pay is restricted by fixed income.

Council has adopted a Pensioner Remissions Policy that grants certain pensioners a discount of 85% of the general rate, with a maximum limit as resolved as part of Council's annual budget. A pro-rata remission applies when they receive a part pension. Council's Pensioner Remission Policy outlined the details of eligibility and application of this remission.

Utility Charges Remissions>>

Various remissions have been established to provide relief for certain customer groups such as sporting, charitable, welfare, non-profit organisations, schools and aged persons homes in recognition of Council's community services obligations to those organisations which operate for the general benefit of the community with limited financial resources.

14. PROMPT PAYMENT DISCOUNT >>

Council acknowledges that the failure to pay rates can increase the level of future rate increases and accordingly as an inducement to pay rates on time, a prompt payment discount of 15% is offered on certain rates and charges.

15. INTEREST CHARGES ON OVERDUE RATES >>

Unpaid rates are considered overdue, and therefore recoverable by Council, on expiry of the designated due date on the notice.

Interest will be charged on overdue rates from thirty (30) days after the discount date of each charge until the date of payment.

Interest will also be charged from the first day of the new financial year, on Approved Pensioner rates, charges and fire levies, which are in arrears as at 30 June of the previous financial year.

16. PAYMENT PLAN AND PAYMENT IN ADVANCE >>

Council allows advance payments by payment card, payroll deductions, direct debits or other similar arrangements. Payments in advance will not accrue interest.

Payment plans may be accepted under some circumstances where ratepayers are having financial difficulty. For such payment plans to be accepted, ratepayers must contact the Townsville City Council, Customer Service Centre on (07) 4727 9000 to make an agreed payment plan. All payment plans will be confirmed in writing. Payment plans will be charged interest on all overdue rates and charges.

17. RECOVERY ACTION >>

Council accepts that there will always be individuals who are unable to pay their rates when due. Council's Financial Services Department will adhere to a policy of following up outstanding rates and make every effort to agree a suitable payment plan to have the overdue amounts paid within a reasonable timeframe.

Failure to respond to correspondence relating to overdue rates or failure to reach agreement on a payment plan may result in the use of legal action to recover the overdue rates, if the amount exceeds \$500.

If the overdue rates remain unpaid for a period of 3 years for residential properties and 1 year for vacant land or commercial properties Council may seek to proceed with the sale of the land in accordance with *Part 7, Division 3 of the Local Government Act 1993*.

Council's Pensioner Remissions Policy provides exemptions to this recovery action for Approved Pensioners.

18. MISCELLANEOUS FEES AND CHARGES >>

It is the intention of Council that, where possible, services provided by Council are fully cost recovered; however, consideration may be given where appropriate to the broad community impact certain fees and charges may have.

Council's adopted Fees and Charges include a mixture of regulatory and user pays fees. The regulatory charges are identified as such in Council's Fees and Charges Schedule and have been determined with reference to the relevant legislation and where appropriate recover the cost of performing the function.

Council's Fees and Charges Register contains full details of fees and charges adopted by Council for the 2010/11 financial year, and is available on Council's website.

19. FUNDING OF DEPRECIATION AND NON-CASH EXPENSES>>

Depreciation and non-cash expenses represent the consumption or decline in value of Council's assets for the financial year. Depreciation for 2010/11 is \$88.4M.

To ensure intergenerational equity for ratepayers and the maintenance of Council's equity, it is Council's intention to recover all of its operational expenses, including depreciation, through its operating revenue sources.

20. OPERATING CAPABILITY>>

Council's Budgeted Statement of Income and Expenditure sets out Council's budgeted increase in operating capability of \$159.3M for 2010/11. This includes a \$7.6M operating deficit. Council recognises this as an improvement on the operating result from 2009/10 and this Budget demonstrates a commitment to continued responsible fiscal management and elimination of the operating deficit by 2012/13.

21. DEVELOPMENT FUNDING OF INFRASTRUCTURE COSTS>>

It is Council's intention to have the costs of infrastructure for new developments funded by development charges.

The funding of infrastructure costs by developers are authorised by the Integrated Planning Act 1997 as amended and is incorporated into the planning scheme policies for the former City Councils of Thuringowa and Townsville. In time, these policies will be replaced by priority infrastructure plans as they are introduced.

Council has resolved to provide a range of discounts on road infrastructure contributions for various development types which are approved and paid in full before the 30 June 2011, subject to that development meeting particular criteria of consistency with planning assumptions.



6 FINANCIAL POLICIES 2010/11

Revenue Policy

POLICY

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REVENUE POLICY >>

1. POLICY STATEMENT >>

The purpose of this revenue policy is to set out the principles used by Council in 2010/2011 for the making, levying, recovery and concessions for rates and utility charges and the setting of miscellaneous fees and charges.

2. PRINCIPLES >>

The Council will be guided by the principle of “user pays” in the making of rates and utility charges so as to minimise the impact of rating on the efficiency of the local economy, however the Council will depart from that approach when it is in the community interest to do so.

3. SCOPE >>

This policy applies to all personnel that are involved in the making, levying, recovery and concessions for rates and utility charges and the setting of miscellaneous fees and charges for the council.

4. RESPONSIBILITY >>

The Chief Executive Officer, Directors, Executive Managers, Managers and Financial Services Department are responsible for ensuring that this policy is understood and adhered to by all personnel.

5. DEFINITIONS >>

All definitions are as per *The Local Government Act 1993* and *The Local Government Finance Standard 1995*.

6. POLICY >>

6.1 Principles used for the making of rates and utility charges

In general Council will be guided by the principle of user pays in the making of rates and utility charges so as to minimise the impact of rating on the efficiency of the local economy, however the Council will depart from that approach when it is in the community interest to do so.

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Council will also have regard to the principles of:

- Transparency in the making of rates and utility charges;
- Having in place a rating regime that is simple and inexpensive to administer;
- Equity by taking account of the different levels of capacity to pay within the local community; and
- Flexibility to take account of changes in the local economy.

6.2 Principles used for the levying of rates and utility charges

In levying rates and utility charges Council will apply the principles of Transparency and Equity by:

- clearly setting out the Council's charging processes and each ratepayer's responsibility under the rating system;
- making the levying system simple and inexpensive to administer;
- timing the levying of rates and utility charges to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy; and
- making available flexible payment arrangements for ratepayers with a lower capacity to pay.

6.3 Principles used for the recovery of rates and utility charges

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers. In doing so it will be guided by the principles of Transparency and Equity by:

- making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations;
- making the processes used to recover outstanding rates and utility charges clear, simple to administer and cost effective;
- considering the capacity to pay in determining appropriate arrangements for different sectors of the community;
- having regard to providing the same treatment for ratepayers with similar circumstances, and
- flexibly responding where necessary to changes in the local economy.

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6.4 Concessions for rates and utility charges

In considering the application of concessions, Council will be guided by the principles of Transparency and Equity by:

- having regard to the different levels of capacity to pay within the local community;
- applying the same treatment to ratepayers with similar circumstances;
- making clear the requirements necessary to receive concessions, and
- flexibly responding to local economic issues.

Consideration may be given by Council to granting a class concession in the event all or part of the local government area is declared a natural disaster area by the State Government.

6.5 Setting of Miscellaneous fees and charges

In setting miscellaneous fees and charges, Council will apply the following guidelines:

- Fees associated with regulatory services will be set at no more than the full cost of providing the service or taking the action for which the fee is charged. Council may choose to subsidise the fee from other sources (eg: general rate revenue)
- Charges for commercial services will be set to recover the full cost of providing the service and, if provided by a Business of Council, may include a component for return on Council's investment.

7. LEGAL PARAMETERS >>

The Local Government Act 1993

The Local Government Finance Standard 1995

8. ASSOCIATED DOCUMENTS >>

Revenue Statement

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Pensioner Remission Policy



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RATES - PENSIONER REMISSIONS >>

1. POLICY STATEMENT >>

The Council desires to assist pensioner property owners to remain in their own homes, by giving rate relief to ratepayers who are in receipt of a pension payment from Centrelink or the Department of Veterans' Affairs.

2. PRINCIPLES >>

To provide a rate remission to approved pensioners.

3. SCOPE >>

All staff involved in administering the pensioner remission for rates.

4. RESPONSIBILITY >>

Executive Manager Finance

Revenue Co-ordinator

5. DEFINITIONS >>

“Approved Pensioner”

- Is and remains the holder of a Queensland “Pensioner Concessions Card” issued by Centrelink or Department of Veterans’ Affairs or a Queensland “Repatriation Health Card – For all Conditions” (Gold Card) issued by Department of Veterans’ Affairs; and
- The owner or life tenant (either jointly or solely) of the property which is his/her principal place of residence; and
- Either solely or jointly with a co-owner, legally responsible for the payment of rates and charges for the specified property as defined in council’s pensioner policy.

“Owner” - As defined under Section 4 of the *Local Government Act 1993*.

“Spouse” - A person's partner in marriage or a de facto relationship as recognised by the *Acts Interpretation Act 1954* S. 32DA (1) and (5)(a).

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"Pension" - A pension, allowance or benefit paid under a Law of the Commonwealth or State as prescribed by Local Government Regulation 2005.

6. POLICY >>

Council will assess applicants for the pensioner remissions in a fair and equitable manner using the process which will address the following sections.

6.1 The Remission

The amount of the pensioner remission is determined by the proportion of a full pension that the ratepayer receives.

If the ratepayer receives a full pension, the ratepayer will qualify for a remission of 85% of the general rates levied, to a maximum remission of \$800.00 per annum.

If the ratepayer receives a part-pension, then the rate remission they will receive from the Council will be an equivalent proportion of the maximum (85% or \$800 whichever is less) remission.

In those instances where a pensioner receives an Australian qualifying supplementary pension payment in addition to a like qualifying foreign pension payment, the remission of General Rates will be assessed according to the total amount of \$ Australian being received, after converting the foreign pension payment to \$ Australian at the current conversion rate applicable at the date of remission application, and adding same to the \$ Australian qualifying supplementary pension payment being received. All such annual applications must be confirmed, by written advice, by Centrelink. No pensioner's remission of General Rates is applicable in instances where only a foreign pension payment is being received.

6.2 Ownership

In cases of co-ownership, the Pensioner Remissions will apply only to the approved pensioner's proportionate share of the gross rates and charges. For the purposes of determining proportionate share, the Townsville City Council has regard to conveyancing practice that requires the nature and extent of co-ownership to be recorded on the Transfer (Form 1) lodged in the Titles Office and the Property Transfer Information (Form 24) forwarded to Council for change of ownership and rates purposes.

The above method of determining an approved pensioner's proportionate share shall apply except where the co-owners are:

- an approved pensioner and a bank, other financial institution, or government department where the latter holds joint title for debt security purposes and has no responsibility for rates, charges or other costs of maintaining the property. In this situation, the tenure is to be treated as sole ownership and the pensioner remissions approved in full;

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- an approved pensioner where his/her spouse does not also reside at the property. In these circumstances it must be established that the approved pensioner is wholly responsible for the payment of all rates and charges levied in respect of the property. The approved pensioner's responsibility for payment of all rates and charges in this circumstance must be established to the satisfaction of the Townsville City Council by sighting and placing on file a copy of a Court Order or statutory declaration completed by the applicant. In this situation, the proportionate share is to be treated as sole ownership and the pensioner remissions approved in full.

Under no circumstances is a pensioner to be regarded as an owner or co-owner unless:

- his/her name appears as such on the Certificate of Title of the property; or
- it can be clearly established that the title to the property is held in the name of a bank, other financial institution or government department for debt security reasons and the pensioner has not been relieved of the responsibility to pay all rates and charges levied in respect of the property.

The criteria for determining eligible life tenants will be that:

- the property in respect of which the rates are levied must be the principal place of residence of the pensioner and the pensioner must actually reside on the property (ie a life tenant cannot reside in a nursing home and claim the pensioner remissions as may occur with ordinary home ownership); and
- the pensioner must not have a major interest in any other residential property; and
- the life tenancy must be created by a valid Will which applies to the property in question, or by a Supreme or Family Court Order; and
- there must be no provision in the Will or Court Order which would relieve the life tenant of the obligation to pay the rates and charges levied in respect of the property.

For the purpose of determining whether an approved pensioner's residence constitutes his/her principal place of residence, of which there can be one only and which must be located in Townsville, Townsville City Council will give due consideration to the applicant's replies/documentation of the following questions or matters:

- i. the State Electoral Roll on which the pensioner is enrolled and the address shown thereon;
- ii. the Branch and State where his/her Centrelink or Department of Veterans' Affairs file is held;
- iii. the State and the address shown on his/her Pensioner Remission Card;
- iv. whether or not the residence to which the application refers is rented or how otherwise occupied during his/her absences;
- v. whether or not he/she receives any pensioner rating remissions on other property/s in Australia and if so the type and level of remission/s being received;

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- vi. if a holder, the State and address shown on his/her Driver's Licence.

The words 'principal' and 'residence' are to be given their normal meaning. The principal place of residence must be located in Townsville City Council area. Under no circumstances is an approved pensioner to receive a pensioner remission in respect of the same period for more than one property that is his/her principal place of residence, within or outside the Townsville City Council area.

6.3 Tenancies

With the exception of life tenancies as described in Section 2, tenancies of any other sort (including life-time leases) are not regarded as the type of tenure that would entitle the pensioner to the pensioner remissions even though he/she might be responsible for payment of rates and charges. Strict adherence to this principle is important to avoid breaking into areas which are, or are very close to, normal lease or rental.

6.4 Residential Requirements

Where a pensioner, for reasons of ill health or infirmity (eg poor health, feeble in body or health, physically weak, especially through age) resides some or all of the time in alternative accommodation such as a nursing home or similar type accommodation (where personal care is available on site and provided as required) or with family or friends, the residence may be regarded as the 'principal place of residence' if it is not occupied on a paid tenancy basis during the absence of the approved pensioner owner/s. The Townsville City Council must be satisfied that the residence is not occupied on a paid tenancy basis and that the approved pensioner owner/s is/are solely responsible for the payment of rates and charges levied in respect of the said property.

In cases where a pensioner owns a multi-unit property, commercial property or a rural property which produces significant income and which is his/her principal place of residence, the applicant will qualify provided he/she qualifies in all other respects. The provision of the maximum pensioner remission has been included to prevent unduly large payments in such cases.

6.5 Trusteeships

In the case of property held in trusteeship the applicant, in order to be considered for eligibility, must be considered by the Townsville City Council to have legal responsibility for payment of all rates and charges levied in respect of the property, regardless of whether the applicant is the trustee or the beneficiary of the trust.

6.6 Lapsed Pensioner Remission

Pensioner remission is only allowed for the financial year if the rates and charges are paid in full by 31 May of that financial year. Townsville City Council will reverse the pensioner remission allowed after 31 May if rates and charges for the current financial year are in arrears.

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For the purposes of this policy, the approved pensioner's, pensioner remission on rates only applies to the property while the pensioner satisfies the eligibility criteria. That is, the pensioner remission on rates continues only while the approved pensioner is alive and retains ownership of the property. Upon the approved pensioner's death or in the event of the sale of the property the pensioner remission ceases from the date of death or sale, unless the person who inherits or purchases the property applies for and satisfies the pensioner remission eligibility requirements.

In the case where the property is sold, normal conveyancing practice will apply, that is, an adjustment (based on the pensioner remission entitlement at the time of sale and normal rate charges thereafter) will be made at settlement in favour of the purchaser if rates are in arrears, or in favour of the vendor if the rates are pre-paid beyond the settlement period.

6.7 Ancillary Benefits

In respect of the rates payable on approved pensioner properties:

- i. the pensioner shall be entitled to the same percentage of discount on the gross rates and charges generally allowed for the year in question to all ratepayers if the rates and charges levied for the half year are paid in full by the due date shown on the rate notice;
- ii. compound interest at the rate of 11% per annum will be charged from the 1 July on rates, charges and fire levies which are in arrears at the end of the financial year;
- iii. where a pensioner is in arrears of rates in a particular year and further rates are levied for the year in question, the remission or, as the case may be, a pro rata remission will be available to the pensioner in relation to such further rates levied in the year in question;
- iv. the rates owing on an approved pensioner's property on which Council has allowed pensioner remissions will be permitted to accumulate until -
 - (a) the death of the pensioner; or
 - (b) the property in respect of which the rates have been levied is sold or otherwise disposed of by the pensioner; or
 - (c) application to subdivide the land is made to the Council.

The above accumulated provisions apply only to the pensioner-owner's share of the rates outstanding.

The Council reserves the right to recover outstanding rates for the non-pensioner owner's share;

The Council reserves the right to recover any pensioner outstanding rates where the independent market valuation of the property is less than the amount of outstanding rates;

- v. whilst rates are permitted to accumulate under the last preceding rule, the Council will not press the pensioner for payment of arrears of rates and will not take recovery action against the pensioner.

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6.8 Administration

Late applications

Townsville City Council is prepared to accept late applications in cases where the applicant met all the eligibility requirements at the commencement of the rating period but had not applied at that time. Where late applications are accepted, the pensioner remission is to be provided for the current rating period only and not applied retrospectively to previous rating periods.

Confirmation of Eligibility

An application/registration need only be sought from pensioners either:

- when applying for the pensioner remission for the first time; or
- when the Townsville City Council needs to re-establish eligibility (eg after having a qualifying remission card re-granted, changing the address of the principal place of residence, etc).

Initial or Re-established Eligibility

Administrative expedience requires that an applicant's initial or re-established eligibility be determined on the basis of whether the eligibility criteria (as defined within this policy) are satisfied by the applicant's circumstances on the day on which the application is made. A pensioner desiring to avail himself/herself of the payments of this policy shall:

- at the time of registration the property to which the pensioner remission is being applied must not have outstanding rates and charges prior to the current rating period;
- application for registration shall be made on the prescribed form and shall be supported by a statement from Centrelink or the Department of Veterans' Affairs containing details of the type and amount of pension received along with a photocopy of both sides of the applicant's current qualifying remission card;
- in cases where interstate pensioners move permanently to Queensland, Centrelink and the Department of Veterans' Affairs may not immediately issue a Queensland card. In the interim, an application may be accepted provided that the Townsville City Council is satisfied that the pensioner's permanent place of residence is now located in Queensland. For example, proof of residence could be met by the pensioner providing a letter of confirmation of payment from Centrelink or the Department of Veterans' Affairs listing the address of the property on which the pensioner remission is being claimed;
- the Council reserves the right to reject any such application for registration.

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Continuing Eligibility

Townsville City Council will verify continuing eligibility on at least an annual basis either:

- by verification with the relevant Commonwealth agency (Centrelink or Department of Veterans' Affairs) either by computer data matching; or
- by obtaining from the approved pensioner written verification from the relevant Commonwealth agency.
Any application previously approved by either Council which is not contained in this policy will continue to apply for the approved property

Pro-Rata Calculations

Pensioner remissions will be calculated on a pro-rata basis from the date of an approved pensioner acquiring approved pensioner status, or up to and including (in the case of sale), or following (in the case of purchase) the date upon which that property was sold or purchased by an approved pensioner as evidenced by the Property Transfer Information (Form 24) or by official advice forwarded to Townsville City Council regarding change of ownership.

Notwithstanding the provisions outlined above, where the sole registered owner dies and is, at the time of death, an approved pensioner in receipt of the pensioner remission:

- the surviving spouse will be entitled to the pensioner remission on a pro-rata basis from the date of his/her spouse's death, providing that:
 - (a) he/she is an approved and eligible pensioner at the time of his/her spouse's death; and
 - (b) the title has been or will be recorded with the surviving spouse as the registered owner; and
 - (c) the Townsville City Council is satisfied that the transmission of the title occurs within a reasonable time. The surviving spouse is to be encouraged to expedite the transfer of the property's title.

7. LEGAL PARAMETERS >>

Local Government Act 1993

8. ASSOCIATED DOCUMENTS >>

Pensioner Application Form

Pensioner Information Handout

Revenue Policy

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Borrowings Policy

POLICY

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BORROWINGS POLICY >>

1. POLICY STATEMENT >>

Townsville City Council will utilise a debt management strategy based on sound financial management guidelines.

2. PRINCIPLES >>

The purposes of establishing an annual debt policy are to:

- provide a comprehensive view of the city's long-term debt position;
- increase awareness of issues concerning debt;
- enhance understanding between Councillors, community groups and Council staff by documenting policies;
- demonstrate to lending institutions that Council adopts a disciplined approach to borrowing.

3. SCOPE >>

This policy applies to all Councillors and Council staff.

4. RESPONSIBILITY >>

The Chief Executive Officer, Directors, Executive Managers, Managers and the Internal Audit Unit are responsible for ensuring that this policy is understood and adhered to by all personnel.

5. DEFINITIONS >>

All definitions are as per the Local Government Act 1993 and the Local Government Finance Standard 2005.

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6. POLICY >>

- Council will not use long-term debt to finance operating activities or recurrent expenditure.
- Council recognises and accepts that infrastructure demands placed upon the Council can often only be met through borrowings, but will always be mindful of the additional cost incurred by the community when assets are acquired through borrowings, which increases the cost of providing capital infrastructure.
- Council will endeavour to fund all capital renewal projects from operating cash flows and borrow only for new and upgrade capital projects.
- Where borrowing is constrained, borrowings for infrastructure that provides a return on capital will take precedence over borrowings for other assets.
- When Council finances capital projects through borrowings, it will repay the loans in a term not exceeding the life of those assets and in accordance with Queensland Treasury Corporation's borrowing guidelines.
- Council will maintain close scrutiny of its level of debt to ensure its relevant financial sustainability indicators will not exceed the minimum limits recommended by the Queensland Treasury Corporation.
- Council will use as its basis for determining funding options the detailed capital works and asset acquisition programs for the next five years, together with the 10 year financial model, .
- The Council will follow a policy of full debt disclosure in all relevant financial reports.
- Pursuant to s8 of the Local Government Finance Standard 2005, details of the planned borrowings for the budget year and the following four (4) financial years will be presented at Council's annual budget meeting. The details will include the planned borrowings for each year, the purpose of the borrowings and the term of repayment of existing and planned borrowings.

7. LEGAL PARAMETERS >>

The Local Government Act 1993
The Local Government Finance Standard 2005

8. ASSOCIATED DOCUMENTS >>

Revenue Statement
Revenue Policy

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7 PLANNED BORROWINGS



Planned borrowings for the next five financial years are as follows:

Year and Purpose of Borrowing	Amount 000's	Term
Year ended 30/6/2011 <ul style="list-style-type: none"> New Infrastructure Assets 	\$50,000	20 Years
Year ended 30/6/2012 <ul style="list-style-type: none"> New Infrastructure Assets 	\$21,000	20 Years
Year ended 30/6/2013 <ul style="list-style-type: none"> New Infrastructure Assets 	\$18,000	20 Years
Year ended 30/6/2014 <ul style="list-style-type: none"> New Infrastructure Assets 	\$15,000	20 Years
Year ended 30/6/2015 <ul style="list-style-type: none"> Currently no planned borrowings 	nil	

The amount projected to be outstanding at 30 June 2011 is \$402.179m repayment term of new loans is 20 years with existing loans having repayment terms between 2 and 18 years.

Anticipated loan repayments for the year ended 30 June 2011 is \$18.061m.