

2011/12















**TOWNSVILLE CITY COUNCIL** 

# Annual Report



# STRONG RESILIENT FUTURE





Townsville - vibrant, progressive and a great lifestyle. Our mission Working with our community to provide quality services through commitment and leadership. Our guiding principles At Townsville City Council we are committed to making decisions responsibly and acting with integrity, honesty and respect. Our staff are our most valuable asset and we will treat everyone with fairness and equity. We value learning teams and a collaborative approach to deliver the best service for OUT CUSTOMETS. We will work with **OUT COMMUNITY** and business stakeholders to help build a healthy, progressive and prosperous city. We will provide stewardship to maintain, protect and enhance our natural environment. Our Corporate Goals Economic Sustainability A robust, diverse and sustainable economy. Environmental Sustainability Our environment is valued, protected and healthy. Social Sustainability Enhancement of opportunities for social engagement and well-being. Responsible Governance Responsible leadership where decisions are made in a considered and transparent manner. Our Values Service We Commit To Excellence. People We Value Each Other. Integrity We Do The Right Thing. Respect We Learn Through Listening. Enjoyment We Create a Fun Workplace.





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## TOWNSVILLE - VIBRANT, PROGRESSIVE AND A GREAT LIFESTYLE



Townsville is the largest city in Queensland outside of the South East Corner. With a growth rate for the 10 years June 2006 – 2016 of 2.4%, compared to the state average of 1.9%, our city is rated one of the top 10 fastest growing local government areas in Queensland. Townsville offers

exciting and diverse experiences with a mix of reef, outback, rainforest, beautiful beaches and all the benefits of a big city, so it's not hard to see why so many people are attracted to such a spectacular part of Australia.





#### **TOWNSVILLE'S EARLY STAGES**

Traditional owners and custodians, the Bindal and Wulgurukaba people were the first people to have lived in the region we now call Townsville. The Bindal and Wulgurukaba people have lived in this region for many generations and archaeological sites near Townsville have been dated over 10,000 years old.

When Captain James Cook first charted the east coast and claimed the land for Britain, he named Cleveland Bay and Magnetic Island, which are now regarded as significant features of our landscape. Europeans did not settle in the Townsville region until the 1860s when a port was established on Cleveland Bay, which exported beef, and later sugar and gold. The city boomed and in the late 1800s, the Northern Railway was built which facilitated urban expansion.

During World War II, Townsville was established as a large military base for both Australian and American armed forces personnel and has remained a strategic base for the Australian Defence Force.

### THE INDUSTRY SUPPORTING OUR CITY

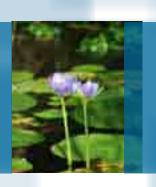
Even from its earliest days, Townsville has been the commercial, industrial and administrative hub of North Queensland. The strategic location of the city, with road, rail, air and sea links attracts industries, investors and new residents to North Queensland, enabling Townsville to become one of the most dynamic and resilient regional cites in Australia. Key industries in the region include public administration, mining and manufacturing, real estate, construction, agriculture and tourism.

Townsville has become an important regional city for state and federal government departments with many branches located within the city. Permanent Australian Defence Forces are located at Lavarack Barracks and at the Royal Australian Air Force (RAAF) Townsville base. Nickel, Zinc and Copper refineries are all based in the city. A multi-cargo port services the heavy industry, supply and agriculture sector. A variety of educational and research facilities are also located in the city.

#### **OUR UNIQUE ENVIRONMENT**

The local government area of Townsville covers an area of 3,736km2 (0.2% of the total area of the State of Queensland), and is located halfway between the tip of Cape York and Brisbane. The city's major river, the Ross River, begins in the foothills of the Hervey and Mount Stuart ranges and flows through to its outlet in Cleveland Bay. The city's skyline is dominated by Castle Hill and Mt Stuart and world heritage listed Magnetic Island lies just 8km offshore.

Townsville is situated in the Burdekin Dry Tropics Region, and has a dry, tropical climate with lower rainfall than elsewhere in the tropics. The region is characterised by diverse landforms and natural environments. This diverse natural habitat









supports a wide range of flora and fauna, including 53 mammal species, around 400 bird species, a large number of reptiles and amphibians including estuarine and freshwater crocodiles and a diverse range of lizard and frog species. Endangered, vulnerable and rare species are also found, including mahogany gliders, dugongs, cassowaries and northern quolls.

### **OUR ENVIABLE LIFESTYLE**

The city is renowned for its easygoing lifestyle, tropical weather and natural surroundings where residents and visitors make the most of the sunny days and outdoor activities.

Outdoor destinations in Townsville include, The Strand, a 2.2km long promenade along the beachfront which attracts thousands of visitors and locals each week. Riverway, located on the Ross River offers two huge swimming lagoons, and extensive parklands which are visited regularly by locals and visitors. Magnetic Island, known locally as "Maggie", offers walking tracks through bushlands with magnificent coastal views, beaches and water sports. Paluma, north of the city, is surrounded by extensive rainforests, swimming holes, camping spots, bushwalking opportunities, wildlife and birdlife.

Townsville also offers educational, arts and cultural destinations with the Perc Tucker Gallery, Townsville Civic Theatre, Riverway Arts Centre and Pinnacles Gallery. The city is home to the acclaimed Reef HQ Aquarium, the national education centre for the Great Barrier Reef Marine Park Authority and the award winning Museum of Tropical North Queensland, a museum of natural history and archaeology.

We love our sport and support three national sporting teams, the North Queensland Cowboys, Townsville Crocodiles and the Townsville Fire. The city also hosts sporting events such as the V8 Supercars Sucrogen Townsville 400, the Australian Offshore Superboat Championships, Magnetic Island Raceweek, Townsville Triathlon Festival and regularly attracts other national and international sporting events.

#### THE PEOPLE THAT MAKE TOWNSVILLE GREAT

In 2012, the population of Townsville surpassed 190,000, with a median age of 34. Although 80.2% of Townsville residents were born in Australia, other common countries of birth include England, New Zealand, Philippines, South Africa and India. Languages spoken at home other than English include Italian, Tagalog, German, Greek and Filipino. Townsville's Aboriginal and Torres Strait Islander residents make up 7.1% of the total population.

We are proud of our diverse cultures. A number of organisations cater for our culturally and linguistically diverse residents including the Cultural Centre Townsville, Townsville Multicultural Support Group, the Townsville Intercultural Centre Ltd and CityLibraries.

Townsville buzzes with excitement when our cultures unite to

celebrate music, food and festivities, with a range of festivals catering for all ages and tastes. Festivals such as the Cultural Fest, Greek Fest, Townsville 400 Festival, Full Noise Festival, Australian Festival of Chamber Music, and the Palmer Street Jazz Festival fill up our social calendars.

### **OUR STRONG, RESILIENT FUTURE**

With steady population growth expected to continue for the foreseeable future, it is imperative that we plan for our future sustainability, liveability and economic prosperity. The values of the city and its residents are increasingly demanding a more strategic approach to the type of economic activity that the city attracts, their location and overall growth management. To ensure Townsville continues to grow in the desired direction of the community, strategic planning is crucial. Activities currently being undertaken include the development of essential infrastructure such as water treatment facilities, the preservation of our city's heritage and strategic land use planning. These activities will assist in ensuring that Townsville remains a strong centre for regional employment and productivity without compromising liveability in our tropical North Queensland lifestyle.

Our vision for the future is to be a well built city, a gateway to Queensland, connecting our residents to their community through an active lifestyle. We aim to be leaders of positive environmental actions, acclaimed for our business entrepreneurship, government enterprise, innovations, technology and cultural stewardship. In terms of lifestyle, we believe Townsville can offer something for everyone!



Townsville buzzes with excitement when our cultures unite to celebrate, music, food and festivities with a range of festivals catering for all ages and tastes.



### **FAST FACTS**





**Population** 

190,000

Population growth rate 2.4%

19.8% Population born

Overseas

Average household **2.6 persons** 

Median age 34

Families **45,319** 

Median weekly household income \$1,381

Median monthly mortgage repayment \$1,860

Median weekly rent payment \$290

Number of rateable **74,594** 

Average general rate \$1,596 p/a

General rate as a percentage of median household income 2.22%

Visitors to the city (domestic and international)

1,084,000

Local government area 3,736 km<sup>2</sup>

Geographical percentage of Queensland 0.2%

Coastline **205.1 km** (mainland and islands)

Mammal species 53

Bird species

400

Libraries 3 + 1 mobile library

Public parks **320** 

Parks with playgrounds and shaded areas **118** 

Footpaths 337KM

Community Halls 12

Salt water enclosures 6

Public swimming pools 12

Gross Regional Product 2010/11

\$13.38 billion

## MESSAGE FROM THE MAYOR



I am pleased to present the Townsville City Council 2011/12 Annual Report, which details our progress over the past 12 months and our challenges and priorities as we move into the future.

Townsville is a great city and continues to grow, offering a lifestyle that's unmatched in regional Australia. This year, I had the privilege of being elected as the first female mayor of this great city, after serving as a councillor since 1997. This is an honour that I do not take lightly and I have committed to work tirelessly to ease the burden on ratepayers during a time when living costs are spiralling.

My vision is for Townsville to become the capital of Northern Australia and to attract people, business and jobs to our city. We need to encourage growth, but not at the cost of our lifestyle. We need to ensure that we support managed growth within the city so that we can keep our future generations here rather than losing them to the southern job market.

It is my commitment to continue to work with the organisation and my fellow councillors to review the operations of council to ensure it operates efficiently while continuing to deliver frontline services to the community. I will stay true to my vision for the city and keep listening to the community. I will provide strong leadership, management, and strategic direction to achieve a high quality administration of this local government as well as to ensure the city remains in a position to deliver its promises.

The theme of this year's annual report is a strong resilient future. I believe we certainly took the first steps to ensuring this future for Townsville during 2011/12 but we still have a tough road ahead.

During the year we have begun reforms to improve our planning processes to make them more flexible, timely and transparent, to enable development and ensure the integrity of our heritage and environment. We are finalising a new city planning scheme, which will support an urban footprint with the capacity for 65,000 new residences.

In addition, we are working with our community partners to promote Townsville and to secure greater investment for our city. We have joined business leaders and other local authorities in pushing for a separate economic zone north of the Tropic of Capricorn to work with governments and investors. Within the city, we have introduced our CBD Incentive Program, which provides concessions on fees and infrastructure charges, along with specialised assistance for new developments.

Looking ahead, we've committed to identify savings in the way we operate, while continuing our capital projects and maintaining our levels of service to the community.

I would like to thank council staff for their dedication and hard work to make this city a better place. I look forward to working with you all in the coming year.



Cr Jenny Hill Mayor of Townsville

## YOUR ELECTED REPRESENTATIVES



In February 2011, council lodged a submission with the Queensland Parliamentary Law, Justice and Safety Committee to reduce the number of elected councillors representing the city from 13, including the Mayor, to 11 including the Mayor.

Council received advice in November 2011 that for the 2012 local government election there would be 10 councillors plus the Mayor and 10 electoral divisions, each represented by an elected councillor.

The Local Government elections, which were conducted by the Electoral Commission Queensland, were delayed by approximately one month. They were held across the state on 28 April 2012. As a result of these elections, the following councillors were elected to represent Townsville. In 2011/12 the Electoral Commission Queensland reviewed the electoral divisions within the Townsville City Council area.



COUNCILLOR JENNY HILL Mayor of Townsville

0418 886 992 mayor@townsville.qld.gov.au

Cr Hill has a Bachelor of Science and a Masters in Public Health and Tropical Medicine and has previously worked in mining laboratories for the Department of Primary Industries, James Cook University, in the Pathology Department of the Townsville Hospital and as a serving officer in the Army Reserve.

Number of terms with council: 5



COUNCILLOR VERN VEITCH
(Division 3) Deputy Mayor
Chair Smart City Sustainable Future Committee

0418 729 496 vern.veitch@townsville.qld.gov.au

A committed environmentalist, Cr Veitch completed a Bachelor of Science in Geography and Biology in 2005, and has spent many years campaigning for sustainable land and waterways management in North Queensland. Cr Veitch has represented the community on numerous environmental committees and boards.

Number of terms with council: 2



COUNCILLOR SUZANNE BLOM (Division 1) Chair Community and Cultural Committee

0427 300 364 suzanne.blom@townsville.qld.gov.au

Cr Blom is well known to the Northern Beaches community through her business interests and involvement in sports administration. Cr Blom has played significant roles as coach and manager of junior soccer teams in Townsville, taking them to representative levels.

Number of terms with council: 2



COUNCILLOR TONY PARSONS (Division 2) Chair Planning and Development Committee

0419 642 265 tony.parsons@townsville.qld.gov.au

Cr Parsons is well known for his past role in sports broadcasting for local radio, having been responsible for the management of the 4TO Cowboys Call Team and Crocs Call Team. Cr Parsons has played touch football at representative level and has also been involved locally in golf, rugby league, cycling and harness racing.

Number of terms with council: 2



COUNCILLOR JENNY LANE (Division 4) Chair Governance and Finance Committee

0417 726 699 jenny.lane@townsville.qld.gov.au

Cr Lane is a Graduate Member of the Australian Institute of Company Directors and holds a Diploma of the International Association of Public Participation. Cr Lane is a board member of Dance North, and a trustee member of the Breakwater Island Casino Community Benefit Fund.

Number of terms with council: 6



COUNCILLOR PAT ERNST (Division 5) Chair Sport Recreation and Parks Committee

0418 279 351 pat.ernst@townsville.qld.gov.au

Cr Ernst started his career as a boilermaker before moving into the sales industry and later building a transport business that he managed for 18 years. Cr Ernst played First Grade Rugby League for Brisbane Souths and Carcassonne France. He also holds a Diploma in Business.

Number of terms with council: 1



From 1 July 2011 until the polls were declared on 10 May 2012, the following councillors were in office.

Mayor: Cr Les Tyrell OAM

**Deputy Mayor:**Cr David Crisafulli
(1 July 2011 – 17 February 2012)
Cr Dale Last

(28 February 2012 – 10 May 2012)

**Councillors:** 

Cr Natalie Marr Cr Jenny Lane Cr Sue Blom Cr Jenny Hill Cr Deanne Bell

Cr Vern Veitch Cr Brian Hewett Cr Ray Gartrell Cr Trevor Roberts Cr Tony Parsons.



## COUNCILLOR TREVOR ROBERTS (Division 6) Chair Infrastructure Committee

0488 426 074 trevor.roberts@townsville.qld.gov.au

Cr Roberts worked for Queensland Rail for 17 years before running a family business and later becoming involved with the media as a basketball commentator, news presenter, sports reporter, breakfast radio announcer and sales executive.

Number of terms with council: 2



## COUNCILLOR GARY EDDIEHAUSEN APM (Division 7) Chair Healthy City Safe City Committee

0418 262 786 gary.eddiehausen@townsville.qld.gov.au

Cr Eddiehausen has extensive policing and disaster management experience, having severed as a police officer since 1973 in many country and metropolitan areas.

Cr Eddiehausen has been awarded an Australia Police Medal and a State Neighbourhood Watch Gold Badge for his many years of support to the Police Force. Number of terms with council: 1



## COUNCILLOR RAY GARTRELL (Division 8) Chair Townsville Waste and Water Committee

0447 185 772 ray.gartrell@townsville.qld.gov.au

Cr Gartrell is well known in local sporting circles, for his prowess on the sporting field and for his role as a coach and sports administrator. Cr Gartrell is a qualified cricket coach and selector for regional teams. He holds qualifications in Human Resource Management and a Master of Business Administration.

Number of terms with council: 2



### COUNCILLOR COLLEEN DOYLE (Division 9)

0418 273 817 colleen.doyle@townsville.qld.gov.au

Cr Doyle has a Bachelor in Community Welfare and over 25 years experience in the area of community services, planning and development. She has extensive knowledge and understanding of the issues facing seniors, people with a disability and issues affecting marginalised groups within the community.

Number of terms with council: 1



### COUNCILLOR LES WALKER (Division 10)

0418 315 705 les.walker2@townsville.qld.gov.au

Cr Walker was born and raised in Townsville. His career has included working on the Burdekin Dam Project, at the Cleveland Youth Detention Centre, the Townsville Correctional Centre and owning and operating several small businesses in Townsville. Cr Walker is a member of the NQ Sports Foundation and is a past champion cyclist.

Number of terms with council: 3

### REPRESENTING **COMMUNITY INTEREST**



Councillors must represent the interests of current and future residents of the local government area. In accordance with the Local Governement Act 2009, all councillors are reponsible for:

- ensuring the council discharges its responsibilities under the Act
- achieving its Corporate and Community Plans.

Councillors are also responsible for providing quality leadership to council and the community, participating in council meetings, policy development and decision making for the benefit of the local government area. Councillors are accountable to the community for the council's performance.

In addition to the responsibilities of all councillors, the mayor is also responsible for:

- leading and managing meetings of council, at which the mayor is the chairperson, including managing the conduct of the participants at the meetings
- proposing the adoption of the council's budget
- liaising with the Chief Executive Officer on behalf of the other councillors
- leading and providing strategic direction to the Chief Executive Officer in order to achieve the high quality administration of the council
- directing the Chief Executive Officer, in accordance with the council's policies
- conducting a performance appraisal of the Chief Executive Officer, at least annually, in the way that is decided by the council
- ensuring that the council promptly provides the Minister with any information requested
- being a member of each standing committee of the council
- representing the council at ceremonial or civic functions.

#### MAKING INFORMED DECISIONS

The most important function of elected members' is their contribution to the decision making process of council. Decisions made by council give direction and authority for the Chief Executive Officer and staff to act upon.

The decision making process is based on a monthly cycle of eight standing committees and an ordinary council meeting. Each of the eight standing committees has a specific area of focus and is responsible for exploring complex issues and making recommendations to council for determination at the ordinary council meeting.

Each committee comprises the Mayor, the Chair of the committee and four additional councillors as members. The Committees and their areas of responsibility are detailed to the right.

### **Corporate Governance and Finance Committee**

- » Knowledge Management
- » Human Resources
- » Communications and Customer Relations.

#### **Infrastructure Committee**

- » Construction and Maintenance » Technical Services

» Corporate Governance

- » Corporate Asset Management » Major Projects.

#### **Planning and Development Committee**

- » Development Assessment
- » Infrastructure Development
- » Strategic Planning
- » Development Governance.

### **Community and Culture Committee**

- » Libraries and Learning
- » Performing Arts
- » Cultural Development
- » Community Grants
- » Visual Arts
- » Community Development
- » Community Events
- » Community Centres.

### **Healthy City / Safe City Committee**

- » Environmental Health Services » Regulatory Services
- » Liquor Licensing
- » Crime Prevention and Public Safety.
- » Disaster Management

### **Smart City / Sustainable City Committee**

- » Climate Change initiatives
- » Water Management Strategies
- » National Greenhouse and
- **Energy Reporting Framework** » Sustainable building, energy
- demand management and eco-efficiency
- » Solar City programs
- » Sustainable Townsville Plan
- » Natural Area Resource Management
- » Pest management strategies.

### **Sport, Recreation and Parks Committee**

- » Community and Sporting **Facilities**
- » Active Communities **Programs**
- » Sport and Recreation Services » Parks Services.

### **Townsville Water and Waste Committee**

- » Utility Services
- » Water Services
- » Wastewater Services
- » Commercial Performance
- » Programs and Technical Support.

# 2011/12 ENTERTAINMENT FOR EVERYONE



### **July 2011**

- » TCC Sports Awards 2011
- » Winter School Holiday Program
- » NAIDOC Luncheon
- » Strength and Conditioning Workshop
- » Townsville 400 Festival

### August 2011

- » Seniors' Picnic in the Park
- » Seniors' Music Day on Maggie
- » Seniors' Awards



### September 2011

- » Pioneers' Party
- » Nashos 6oth Anniversary Celebration
- » Strand Ephemera
- » Great Northern Clean Up
- » Walk to Work Day

### October 2011

- » Tourism Expo
- » Cyclone Sunday
- » Welcoming Babies Ceremony
- » National Nutrition Week



### November 2011

- » Remembrance Day
- » National Recycling Week
- » Creating Inclusive Communities Awards 2011
- » National Skin Cancer Action Week
- » White Ribbon Day
- » Sports Administrators Networking Dinner



### December 2011

- » Summer School Holiday Program
- » Mayor's Christmas Tree Appeal
- » New Year's Eve Celebrations

### January 2012

- » Australia Day Celebrations
- » Welcoming Babies Ceremony
- » Summer School Holiday Program



### February 2012

- » National Serviceman's
- » Sporting Club Governance Workshop

### March 2012

- » Townsville Arts Awards
- » Toad Day Out
- » International Women's Day

### April 2012

- » National Youth Week Celebrations
- » ANZAC Day Services
- » TCC Sports Awards 2012

### May 2012

- » May Month of Learning
- » Battle of the Coral Sea
- » Tourism Expo
- » Heritage Day
- » Focus on Youth Initiatives (Youth in the Spotlight)
- » Domestic and Family Violence Prevention Month

#### **June 2012**

- » Eco Fiesta and Smart Lifestyle Expo
- » Winter School Holiday Program
- » Welcoming Babies Ceremony
- » Arts Matters

### **TOWNSVILLE CITY COUNCIL** ANNUAL REPORT 2011/12

# OUR COMMITMENT TO ACCOUNTABILITY AND TRANSPARENCY

# Council's 2011/12 Annual Report demonstrates our improved approach and commitment to transparent reporting and accountability to the community.

This report provides an overview of our effectiveness in achieving the community vision and organisational goals as outlined in both the Community Plan and the Corporate Plan. It also reflects our commitment to ensuring sustainable development and management of assets, efficient use of resources and the delivery of value for money services to the Townsville community.

This report is intended to provide important information to a broad range of stakeholders, including the residents and ratepayers of Townsville, local businesses, community groups, non-government organisations, potential investors, government departments and agencies.

The objectives of this report include:

- » documenting our performance and celebrating our achievements
- » providing a snapshot of council operations
- » providing an insight into the challenges and opportunities that have influenced our actions and the achievement of goals and community visions
- » demonstrating our commitment to ensure the sustainability of our city into the future
- » detailing our financial results for the year
- » identifying future directions and challenges that lie ahead
- » meeting governance and accountability requirements as well as the statutory requirements to produce an annual report
- » engendering community pride in the city with its great lifestyle
- » communicating to local and extended stakeholders our vibrant city is the place to live, work, visit and invest.

### **GETTING THE MOST FROM THIS REPORT**

This Annual Report is a key reporting tool used to monitor council's performance during 2011/12 in delivering on the Townsville Community Plan 2011-2021 and Townsville City Council's Corporate Plan 2009-2014. For the first time this year, council's Annual Report reports on progress implementing the Community Plan, which was adopted in June 2011. It is the third year of reporting against the Corporate Plan.

As a community, our people, businesses, council and other levels of government deliver on the Community Plan. This report provides information on the progress made in realising the vision detailed in the Community Plan on pages 13-21. The indicators reported here reflect the community as a whole and, in our initial year of reporting provide a baseline for future

comparison. The Community Financial Report, a brief, easy to read financial statement can be found on pages 22-26.

For those requiring more detailed financial information, detailed audited financial statements can be found from page 99.

The main body of this report – from page 27 provides detailed information on the progress made in implementing council's Corporate Plan. The Corporate Plan follows a quadruple bottom line approach with four overarching goals: Economic Sustainability, Environmental Sustainability, Social Sustainability and Responsible Governance. For each of the four goals, key challenges have been identified and our progress made during 2011/12 summarised. Progress is demonstrated using the following symbols:



We are on track to achieve our outcome



We are making good progress



We are not on track but taking corrective action

Each goal comprises a number of outcomes the council is committed to achieve. Under each outcome you will find council's key achievements and results from the Community Attitude Survey undertaken in 2011. Also reported is a suite of indicators which reflect council's progress and the effect of our progress on the community as a whole. These indicators represent a fundamental change in how council assesses its performance against desired outcomes and, in our initial year of reporting, provide a baseline for future comparison.

At the end of each goal a list of key initiatives council will be focusing on during the 2012/13 financial year can be found. These initiatives are included in council's 2012/13 Operational Plan.

The Annual Operations Reports of our commercialised business units, Townsville Water and Townsville Waste, can be found on pages 86-98.

## SHAPING A PLACE TO BE PROUD OF



### **ABOUT THE TOWNSVILLE COMMUNITY PLAN**

The Townsville Community Plan was adopted in June 2011 and outlines the community's vision for the future. The Plan was developed with the community, for the community. More than 7,000 responses from community members, local organisations, business people and government agencies were gathered through the community engagement process.

The Community Plan interacts with other council planning documents, and provides community expectations for the region, community and all levels of government and non-government organisations in future planning for this region's community.

During the engagement process, the key topic shared was the importance of creating Townsville as a 'great place to live and be proud of'.

This formed the basis of the vision: *Leading, creating, connecting: shaping a place to be proud of, Townsville Community Plan 2011-2021.* 

The Community Plan has identified four themes:

#### » Strong, connected community

The Townsville community has a diverse make-up of cultures, community groups and backgrounds which are recognised as key strengths in the community, and these elements need to be embraced and nurtured. It was also identified that a well-connected community builds a strong community.

### » Environmentally sustainable future

Our community values the natural environment of Townsville and recognises it as a key aspect of our lifestyle. Our community wants Townsville to be a leader in environmental sustainability, including embracing the use of renewable energy.

### » Sustained economic growth

The community identified the importance of continuing to build a strong, balanced and sustainable economic base for Townsville. This vision can be achieved by continuing to embrace new technology and providing avenues for skill development and employment opportunity.

#### » Shaping Townsville

The community believes it is important that Townsville is well-designed, taking into account the local climate, while preserving our heritage and traditional characteristics. The community also believes it is important that any planning for the city is done proactively and facilitates lifestyle choices, including transportation, diversity of services and open space facilities.

Each theme within the Community Plan has a number of Guiding Principles. Over the following pages, measures of achievement have been identified for each Guiding Principle, which demonstrate success in delivering that Guiding Principle. As 2011/12 is the first year of implementation of the Community Plan, the measures of achievement identified will form a baseline measure for comparison in future years.



### **SHAPING TOWNSVILLE**



Our city will meet the diverse and changing infrastructure and service needs of the community.

### A VIBRANT, SUSTAINABLE, CONNECTED URBAN FORM

Creating places that provide for a great lifestyle.

Measure of Achievement	2011/12 Result
Population growth in Townsville	2.4% *
Percentage of the community who rated high or medium satisfaction with planning for commercial development	75%
Percentage of the community who rated high or medium satisfaction with planning for residential development	75%
Number of dwellings which can be accommodated within the existing zoned and approved residential land across Townsville city	65,000

<sup>\*</sup>Estimated

### PRESERVE AND ENHANCE TOWNSVILLE'S HERITAGE AND CHARACTER

The traditional character, identity and heritage of the city is retained, enhanced or complemented by development.

Measure of Achievement	2011/12 Result
Number of heritage listed properties within Townsville	1,390
Percentage of the community who rated Flinders Street as high or medium importance	87%
Percentage of the community who rated the Riverway Precinct and Tony Ireland Stadium as high or medium importance	87%
Percentage of the community who rated the Strand as high or medium importance	96%

### A LIVELY, DIVERSE AND CONNECTED CITY CENTRE

Townsville's CBD will be recognised as Townsville's heart, bustling with activity and creativity.

Measure of Achievement	2011/12 Result
Residential population within the Townsville CBD	2,407
Overall office vacancy rates within the Townsville CBD	16.4%

### EFFECTIVE AND ADEQUATE PUBLIC INFRASTRUCTURE

The effective design and timely provision of adequate infrastructure will allow a growing population to enjoy a great lifestyle.

Measure of Achievement	2011/12 Result
Percentage of the community who rated the removal and treatment of waste water from their property as high or medium importance	84%
Percentage of the community who rated the quality and reliability of water supply as high or medium importance	99%
Percentage of the community who rated the condition and safety of local roads as high or medium importance	98%

### **WELL CONNECTED TOWNSVILLE**

The provision of infrastructure such as public transport, roads, walking and bike paths, communications and digital networks that enables access for all in our community.

Measure of Achievement	2011/12 Result
Percentage of the community who rated high or medium satisfaction with bike paths and walking trails	85%
Number of bus stops provided by council within Townsville	987
Percentage of residents commuting less than 20 minutes to work	69%





### BREATHING NEW LIFE INTO THE CBD

Council has introduced an exciting CBD incentives program offering attractive discounts on development fees and infrastructure charges for certain types of development, aimed to stimulate confidence, activity and momentum in the city heart.

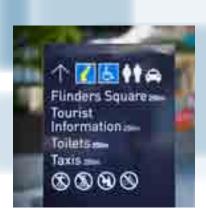
Applicable projects must be located in the CBD and be consistent with the CBD Master Plan. There are specified relevant development types including accommodation, offices, shops, childcare centre, educational establishment, medical centre and car parking. To qualify, project expenditure must exceed \$3 million and the development completed by 20 June 2015.

The incentive program provides the services of a Development Advocate, extended permitted construction hours, council's assistance with site and services access, sundry fee and application charge waiver, concessions on car parking requirements, rates and utilities exemptions, and concessions on infrastructure charges.

The incentive program is an initiative of the Townsville CBD Master Plan 2030, developed by council, Urbis, Cox Rayner and Cardno. The Master Plan aims to capture the existing economic momentum of the region and transform the city centre of Townsville into a world class centre that is both independently successful and that contributes to the overall vitality and sustainability of the North Queensland Region.

Council's target in the CBD Master Plan is to have 30,000 people living and working in the inner-city by 2030. The incentive package assists in creating the right conditions to attract the commercial and residential projects needed to reach that milestone. The lower development costs and faster approval timeframes offered by the package have helped developers to deliver savings.







## Strong, Connected Community



A community that draws on the diversity, skills and expertise of residents to build a community that has pride in its culture and lifestyle.

### STRENGTHEN COMMUNITY COHESION

Becoming a supportive and interconnected community that works together to make people feel comfortable and safe within their street, neighbourhood and the wider community.

Measure of Achievement	2011/12 Result
Number of volunteers within the community	1,437
Number of bookings in council managed community facilities and spaces	52,007
Attendance at events and activities staged in council managed community facilities and spaces	3.03 million*

<sup>\*</sup>Estimated

#### **VALUE THE RICHNESS OF DIVERSITY**

The diversity of cultures and community groups represented within Townsville are embraced so that all community members can become champions of social inclusion.

Measure of Achievement	2011/12 Result
Attendance at council managed community cultural events and activities	121,925*
Number of council facilities accessible to community members with limited mobility, including people with a disability, seniors and parents with strollers	116
Attendance at The Cultural Centre Townsville	2,106
Number of support / service organisations for the Culturally and Linguistically Diverse community	61

<sup>\*</sup>Estimated

### **DEVELOP A VIBRANT ARTS LIFESTYLE**

Embracing the richness and talent of the arts community.

Measure of Achievement	2011/12 Result
Attendance at council operated performance spaces within Townsville	173,317
Attendance at council operated galleries within Townsville	115,335
Number of performing arts organisations within Townsville	142
Number of visual arts organisations within Townsville	33
Number of literary organisations operating within Townsville	9
Percentage of the community who rated high or medium satisfaction with local galleries	82%
Percentage of the community who rated high or medium satisfaction with Townsville Civic Theatre	85%

### **NURTURE AND VALUE FAMILIES**

Providing opportunities to raise children within our unique lifestyle, and providing them with a great place to grow up.

Measure of Achievement	2011/12 Result
Number of child care centres within Townsville	106
Number of participants in citizenship ceremonies run by council	417
Number of participants in the Welcoming Babies ceremonies run by council	318
Number of schools (primary, secondary, tertiary) within Townsville	69
Attendance at school holiday events and activities run by council	6,043
Number of participants in library workshops/events/programs hosted for adult/family/early years	27,436





### HELPING OUR COMMUNITY PREPARE FOR DISASTERS

Council secured funding during the year to increase local awareness and resilience relating to cyclone preparedness, including local indigenous and migrant families through the development of a Cyclone Prepardness DVD.

Each week Townsville's population grows by approximately 100 people. Most of these new families have never been exposed to cyclones, which continue to pose our greatest and most recurrent threat as a community. As a result, new residents are not equipped with the knowledge of how to prepare for a possible cyclone and what to do immediately prior to, during and after a cyclone. On the other hand, many families have lived here all their lives but are very complacent when it comes to cyclone preparedness.

Within the Aboriginal and Torres Strait Islander (ATSI) population, it is not uncommon for many family members to rely on one family member to do the right thing and ensure their cyclone prepardness.

The concept behind the project was to make cyclone preparedness personal by conveying key messages through story telling. Two working groups were established and were influential in preparing the key disaster messages in a context that allowed easy comprehension and cut through to the key target audiences.

Both the ATSI and migrant DVDs tell the story of a prepared family leading up to a cyclone, complemented with interaction from a family that is not prepared. Actors were sourced from the ATSI and migrant community groups from the Townsville region.

The DVDs will be launched in 2012/13 prior to the commencement of cyclone season and distributed via the external organisations who participated in the project, the Townsville Hospital's databases targeting ATSI and migrant groups and at the Cyclone Sunday event. Westpac will also play the DVD in their Townsville branches.

### **DEVELOP A SENSE OF SAFETY**

An environment in which the community feels safe to live, work and play.

Measure of Achievement	2011/12 Result
Number of individual trips using public transport	1.25 million
Percentage of the community who rated community safety programs (e.g. CCTV cameras, security guards) as high or medium importance	97%
Percentage of the community who rated the management of emergency events such as cyclones and floods as high or medium importance	99%
Percentage of the community who rated mosquito control as of high or medium importance	97%
Number of reported offences against persons per 100,000 people	1337.38
Number of reported offences against property per 100,000 people	8240.41

### PROVIDE ACTIVE AND PASSIVE SPORT AND RECREATION OPPORTUNITIES

An environment where there is a choice of active and passive recreational activities that contribute to the health and wellbeing of our city.

Measure of Achievement	2011/12 Result
Number of sporting organisations within Townsville	254
Number of public parks within Townsville	320
Average distance residents have to travel to a park	5km
Area of park and open space per capita	99m2
Number of swimming pools within Townsville	12
Number of lifeguard patrolled beaches within Townsville	5
Percentage of the population who regularly participate in non-organised physical activity	38.5%
Percentage of the population who regularly participate in organised physical activity	12%
Percentage of the population who regularly walk, run, or ride	39%





### **OPEN, HONEST AND ACCOUNTABLE LEADERSHIP**

Inclusive engagement and communication encourages community participation in local decision-making.

Measure of Achievement	2011/12 Result
Number of community engagement activities undertaken by council	65
Number of likes on council's Facebook pages	18,211
Number of visits to council's website	634,912
Number of followers on council's Twitter accounts	3,293
Percentage of the community who rated high or medium satisfaction with consulting and engaging the community	74%



### **KEEPING OUR CITY SAFE**

As part of council's contribution to keeping our city safe, security patrols are contracted at a number of locations throughout the city. In 2011, council introduced an inner city security patrol between midnight and 6am each day. The patrols do not extend into the Flinders Street East Nightclub Precinct, as this area is managed as a Drink Safe Precinct. However, council's contracted patrols cover the surrounding area including the CBD. Council also contracts regular patrols at Riverway, The Strand and many of the city's parks.

Council implemented the Safer Suburbs Program (administered by the Australian Government) during the year, with the aim of reducing crime, and the fear of crime, in the community. Townsville successfully secured funding to establish the following initiatives:

- » Installation of four Closed Circuit Television Cameras within the Riverway Recreation Precinct
- » Additional security guard patrols at key locations during school holiday periods
- » Establishment of youth activities through Uniting Community Care and CityLibraries
- » Queensland Knockouts Indigenous Corporation mobile community patrols.

The funding will allow council to continue these valuable safety initiatives until March 2013.

Following the 2012 local government elections, council adopted a series of committees, including the Healthy and Safe City Committee, which includes in its responsibilities matters relating to crime prevention and public safety. This committee superseded the Community Safety and Health Committee of the previous council.

## ENVIRONMENTALLY SUSTAINABLE FUTURE



Our community recognises and values the natural environment. We acknowledge the need for a more sustainable future and seek to achieve this through solutions that minimise our impact on the environment.

### VALUING OUR NATURAL ENVIRONMENT AND URBAN GREEN SPACES

The Townsville community recognises, protects, retains and enhances the values and condition of the natural environment, urban green spaces and scenic amenity.

Measure of Achievement	2011/12 Result
Number of participants in natural area conservation and restoration activities	4,153
Percentage of the community who rated high or medium satisfaction with the protection of bush land and wildlife	80%
Percentage of the community who rated high or medium satisfaction with council environmental initiatives (e.g. revegetation, city solar)	80%
Area of habitat retention within Townsville	1,603 ha
Number of habitat restoration and community revegetation programs undertaken within Townsville	12

## TAKING RESPONSIBILITY FOR THE HEALTH OF THE LOCAL WATERWAYS, WETLANDS AND MARINE AREAS

The community takes appropriate actions to maintain the values and condition of the local waterways, wetlands and the marine environments.

Measure of Achievement	2011/12 Result
Number of creek watch activities conducted within Townsville	84
Percentage of the community who rated high or medium satisfaction with the protection of beach foreshore	88%
Percentage of the community who rated high or medium satisfaction with the water quality in our waterways	89%

### ADOPTING AN ENVIRONMENTALLY SUSTAINABLE LIFESTYLE AT HOME, WORK AND PLAY

The community understands that our activities have an environmental impact. Individually and collectively, we take responsibility for undertaking appropriate actions at home, work and play to minimise these impacts.

Measure of Achievement	2011/12 Result
Average weight of waste collected per kerbside waste bin serviced	13.97kg/bin
Total weight of recycling sent for processing	15,430 tonnes
Total weight of waste delivered to landfill sites	377,355 tonnes
Percentage of effluent re-used	14%
Percentage of properties choosing Water Watcher water pricing	19%

#### **ENCOURAGING A SUSTAINABLE COMMUNITY**

In a world of competing resources, Townsville has continued to lead the way by fostering and delivering quality environmental services and business development, while balancing care and attention to the environment.

With more people living in cities than ever before, cities are seen as creative opportunities, and we can work hand in hand with local business, government entities, organisations and utilities as well as residents to grow the environmental and sustainability sector.

During 2011/12 council responded to the challenges by implementing a broad range of actions and integrating sustainability initiatives in council, with a focus on energy management, behaviour change and community involvement.

Council's key partnership in this area has remained working in close cooperation and collaboration with Ergon Energy as well as involving commercial sectors, assisting them to explore innovative yet practical ways to reduce energy demand in our cities from our extended and expensive power distribution system.

The Magnetic Island community, in close partnership with Ergon Energy, has achieved a 40% drop in electricity and 25% drop on peak loads, allowing infrastructure to be deferred for up to five years. Building on the Smart Grid, Smart City processes of the previous year, Townsville has become one of the first Energy Sense Communities in regional Queensland.

Other projects have included funding for detailed feasibility of a District Cooling network in the CBD of Townsville, a project that could activate business and reduce electricity costs for building leasees and owners.

## Sustaining Economic Growth



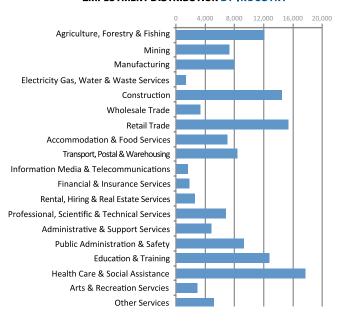
The community recognise that it is fundamental to have a strong and balanced economic growth in order to enhance our city's way of life.

### STRONG AND DIVERSE ECONOMY

The community recognises that sustaining a strong and diverse economy is vital for long term prosperity.

Measure of Achievement	2011/12 Result
Northern Statistical Division Gross Regional Product	\$13.37 billion
Number of building applications approved within the city (residential, commercial and industrial)	4,102
Value of building applications approved within the city (residential, commercial and industrial)	\$578.61 million
International visitation per annum	109,000
Domestic visitation per annum	975,000

### **EMPLOYMENT DISTRIBUTION BY INDUSTRY**



### AN INNOVATIVE AND HIGHLY SKILLED CITY

We will create new skills and business opportunities.

Measure of Achievement	2011/12 Result
Percentage of school leavers continuing on to tertiary education	32.9%
Percentage of school leavers continuing on to vocational education and training	26.5%
Growth in Gross Regional Product	8.6%
Number of research institutions within Townsville	6

### A COMMUNITY THAT BENEFITS FROM TOWNSVILLE'S ECONOMY

We will ensure the benefits of economic growth are shared throughout the community.

Measure of Achievement	2011/12 Result
Gross Regional Product per capita	\$68,017
Median total household income per week	\$1,381
Unemployment rate	6.3%
Employment rate	71%
Labour market distribution by industry	Refer graph to left

### A CITY THAT SUSTAINS AND PROSPERS FROM ITS ENVIRONMENT

The community will partner with business and industry to create a more resource efficient economy that generates new, sustainable development, businesses and jobs.

Measure of Achievement	2011/12 Result
Number of environmental product / services representatives enrolled in the council's Sustainable Network	70
Number of Eco-Tourism Australia Certified businesses based within Townsville	6
Number of Climate Action Certified tourism businesses based within Townsville	2





### **SUPPORTING REGIONAL GROWTH**

The Townsville region is the largest urban centre in northern Australia and continues to experience reasonable growth across diversified industries including minerals processing and mining services, defence, government, tropical research and education. With approximately \$54 billion worth of projects in the development pipeline, capital investment in the region remains strong.

The Queensland Government has identified Townsville as a potential 'second capital' as a solution to the congestion and population pressures faced by South East Queensland.

For its part, council is committed to enabling economic development and extends a welcome hand to investors. Council is working hand-in-hand with the Queensland and Australian Governments to boost infrastructure spending and to support new and established industries.

With a dedicated Economic Development Unit, council liaises with potential investors to discuss business opportunities and provide assistance on town planning advice.

Council is also a strong supporter of the North Queensland Small Business Development Centre, an incubator for new business. The Centre is a not-for-profit organisation which provides free assistance to small to medium size business on starting-up and running your own business. They also assist new businesses by providing affordable short to mid-term office or workshop space. Services offered by the centre include:

- » Low cost advisory services for new or existing businesses
- » Business incubation
- » Workshops and seminars
- » Conference facilities
- » Networking for home-based businesses
- » Accountant and solicitor consultation, first hour free.







# Understanding our Financial Performance



The Community Financial Report provides an easy to read summary and analysis of our financial statements for the period 1 July 2011 to 30 June 2012. This report enables members of the community, customers, business partners and employees to gain a better understanding of our financial performance and position.

The Community Financial Report is prepared in accordance with *Section 103 of the Local Government (Finance, Plans and Reporting) Regulation 2010.* Council's full Financial Report and accompanying Notes can be found from page 99 onwards.

### **Summary**

In 2011/12, council increased assets and decreased liabilities. Council's total revenue for the financial year was \$410 million. Community equity increased by 26% on the previous year.

#### Assets

Increased from \$3.868 billion to \$4.734 billion.

#### Liabilities

Decreased from \$513 million to \$491 million.

### Rates and utility charges revenue

Cimplified Delegat Charter at a

Net community assets (wealth)

\$275 million (after discount and pensioner remissions).

### **Cash position**

Cash and cash equivalents decreased from \$79 million to \$70 million.

Simplified Balance Sheet as at 30 June 2012	
	\$,000,000
How much council has in the bank	70
How much council owns	4,603
How much people owe council	61
Total assets	4,734
How much council owes suppliers and employees	118
How much council has borrowed	373
Total liabilities	491

The Simplified Balance Sheet shows the worth of the community's assets as at the close of the 2011/12 financial year. This is calculated using the formula:

4,243

#### Total assets - total liabilities = net community wealth

The net community wealth for the financial year ending 30 June 2012 was \$4.243 billion.

#### Simplified Income Statement for the year ended 30 June 2012

	\$,000,000	\$,000,000
Total revenue (money we receive)	410	
Less Expenses		
Discounts and remissions	(29)	
Operating expenses	(360)	
Interest and finance charges	(23)	
Surplus/(deficit) from operations		(2)
Add Capital grants and contributed		113
assets	_	
Less Asset disposals and other net		(8)
capital expenses		
Net result for 2011/12		103

The Simplified Income Statement shows if councils operations were in surplus or deficit during the financial year. This is calculated using the formula:

### Total revenue – total expenses = net result

Council had an operating deficit of \$2 million for the 2011/12 financial year. However, the net result for 2011/12 is a surplus of \$103 million. A positive net result does not necessarily mean there is a surplus of funds that can be used for council operations or future capital expenditure. Some of the net result is made up of items representing funds which have been allocated for a specific purpose or 'in kind' revenue. In 2011/12 these included:

- » \$28 million of infrastructure assets such as roads, parks and drains that developers have contributed to council. The value of these assets has been included as revenue, however it is not cash that can be used for council operations or future capital expenditure
- » \$85 million of contributions by developers to fund future infrastructure associated with new development. Council is restricted by law as to how it may use these funds.





### Where council's money comes from

The Revenue by Category 2011/12 graph below shows the sources of council's \$410 million operating revenue before discounts were given, for the 2011/12 financial year.

Revenue by category	Revenue 2010/11	Percentage	Revenue 2011/12	Percentage
	(\$,000)		(\$,000)	
Water and sewerage utility charges	125,068	32.79%	143,733	35.04%
General rates	140,180	36.75%	145,144	35.38%
Fees and charges	25,829	6.77%	23,814	5.81%
Grants and contributions	52,776	13.84%	58,929	14.37%
Other income	15,318	4.01%	16,990	4.13%
Refuse and recycling utility charges	14,995	3.93%	15,530	3.79%
Interest	7,076	1.86%	5,864	1.43%
Special rates	201	0.05%	188	0.05%

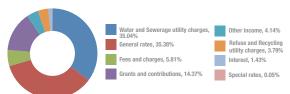
The largest contributions to revenue in 2011/12 were provided by general rates (35.38%), water and sewerage utility charges (35.04%) and grants and contributions (14.37%). Total operating revenue increased by \$29 million since 2010/11.

Council receives around 70% of its revenue from rates and utility charges. However, a number of strategies are used to minimise council's reliance on the general rate to fund operations. Council endeavours to maximise its revenue from sources other than rates by actively pursuing grants and subsidies from the state and federal government and seeking appropriate contributions from the property development industry.

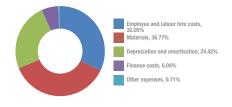
#### Where council's money was spent

The Expenses by Type 2011/12 graph (right) shows the allocation of council's \$383 million operating expenditure including interest and finance costs, for the 2011/12 financial year.

### REVENUE BY CATEGORY 2011/12



### EXPENSES BY TYPE 2011/12



Expenses by type	Expenses 2010/11	Percentage	Expenses 2011/12	Percentage
	(\$,000)		(\$,000)	
Employee and labour hire costs	125,292	34.37%	122,672	32.05%
Materials	128,734	35.31%	140,744	36.77%
Depreciation and amortisation of assets	91,764	25.17%	93,486	24.42%
Finance costs	15,190	4.17%	23,131	6.04%
Other expenses	3,594	0.98%	2,730	0.72%

The primary expenses shown in the graph above for 2011/12 were employee and labour hire costs (32.05%), materials (36.77%) and depreciation and amortisation of assets (24.42%). Total operating expenses increased by \$18 million since 2010/11. Council is actively working to reduce its operating expenditure through identifying efficiencies and ensuring value for money on purchases. Depreciation and amortisation make up a major component of our operating expenses.

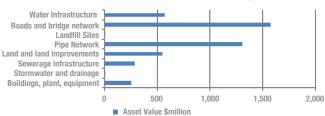
This item represents an allocation of the use or deterioration of the community infrastructure over the expected life of the infrastructure. Council is developing detailed asset management plans for each category of infrastructure to ensure the best value and longest life is achieved for each asset. Council is one of the leaders in local government asset management.



### **Managing community infrastructure**

Infrastructure managed by council, such as water, roads, pipes and buildings that provides benefits directly to the community is known as community infrastructure. The following graph details the \$4.5 billion worth of community infrastructure owned and managed by council.

### **COMMUNITY INFRASTRUCTURE AS AT 30 JUNE 2012**



1,264 7 811 574	1,308 8 1,574 569
7	8
1,264	1,308
523	548
232	290
8	10
259	256
\$,000,000	\$,000,000
Asset Value 2010/11	Asset Value 2011/12
	2010/11 \$,000,000 259



Accounting standards require council to ensure that infrastructure assets are recorded at fair value. To achieve this, council completed a revaluation of certain classes of assets in 2011/12. The revaluation resulted in a net increase in valuation of \$780 million, around 21%. The revaluation also took into account an assessment of the asset's condition and remaining useful life. Increases in valuation will in turn affect the depreciation associated with the asset. Council's progressive asset management approach ensures our assets are optimised and that the community benefits to the greatest value possible.

Investing in community infrastructure	2010/11	2011/12
	\$,000,000	\$,000,000
Government and developer contributions received during the financial year	87	77
Working capital funds used during the financial year	149	96
New loans raised during the financial year	40	-
Total funds invested in community infrastructure during the financial year	276	173







### **Indicators of Financial Sustainability**

Council aims to operate in a manner that ensures it is financially sustainable for both the short and long term. The following table and graphs provide information which can assist in measuring council's performance in achieving its financial management objectives.

The *Local Government Act 2009*, requires councils to report on specific financial sustainability ratios. These ratios use figures from our financial statements to demonstrate the relationships between key numbers and provide a useful snapshot and comparative tool for government organisations.

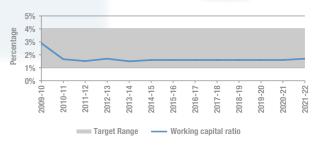
The following table shows actual historical ratio values for the last three financial years. The graphs show the historical actual ratio values for the last three financial years as well as forecast ratios for the next ten years, and is sourced from council's 2012/13 Budget.

The target range for the financial ratio graphs are in accordance with the Department of Local Government and Planning Financial Management (Sustainability) Guideline 2011. There are circumstances specific to council where actual results may vary from the target range.

Historical financial ratios	Actual 2009-10	Actual 2010-11	Actual 2011-12
Interest coverage ratio	3.00%	2.30%	4.53%
Operating surplus ratio	-6.00%	-2.70%	0.00%
Net financial liabilities ratio	83.00%	102.70%	94.00%
Working capital ratio	2.9:1	2.01:1	1.52:1
Asset consumption ratio	67.00%	66.80%	70.00%
Asset sustainability ratio	78.00%	114.00%	82.00%

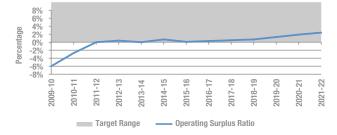


#### **WORKING CAPITAL RATIO**



The working capital ratio measures council's ability to repay its short-term financial obligations (due in the coming 12 months) using short-term assets (cash and other assets that can be converted quickly to cash). In 2011/12, council's short-term assets were 1.5 times the value of its short-term liabilities.

#### **OPERATING SURPLUS RATIO**



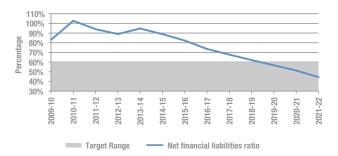
This indicator measures the extent to which revenues raised covers operational expenses only or are available for capital funding purposes.

A positive ratio indicates that rates collected are sufficient to cover operational expenditure and surplus is available to help to fund proposed capital expenditure. Townsville City Council is forecasting a zero or positive ratio for each year of the forecast period.



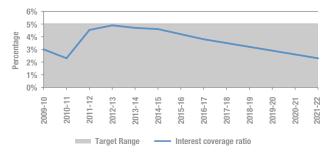


#### **NET FINANCIAL LIABILITIES RATIO**



This ratio is an indicator of the extent to which the net financial liabilities of council can be serviced by its operating revenues. Council has delivered significant community infrastructure since 2008, some of which was funded by debt. This increase in borrowings has impacted this ratio, however when considered with other ratios, council has the capacity to support this level of debt. The use of debt to fund long life community infrastructure is appropriate so that the current community does not pay for more than its fair share of infrastructure. In the context of a household budget, this ratio would indicate whether a homeowner's annual salary plus savings could repay the mortgage and all other debt, assuming no money were spent on anything else during the year.

#### **INTEREST COVERAGE RATIO**



This ratio indicates the extent to which operating revenues are committed to funding interest expense on current loan borrowings and leases. Principal repayments on loans are not operating expenses, and this ratio demonstrates the extent to which operating revenues are being used to meet the financing charges associated with debt servicing obligations. Council is forecast to stay under the upper limit.

#### **ASSET SUSTAINABILITY RATIO**



This ratio is an approximation of the extent to which the infrastructure assets managed by the local government are being replaced as these reach the end of their useful lives. It can assist in identifying the potential decline or improvement in asset condition and standards. This ratio indicates whether a local government is renewing or replacing existing nonfinancial assets at the same rate that its overall stock of assets is wearing out. Natural disaster relief and recovery activities can have a significant impact on this ratio from period to period.

#### **ASSET CONSUMPTION RATIO**



This ratio shows the written-down value of council's depreciable assets relative to their 'as-new' value in current terms. This ratio seeks to highlight the aged condition of a local government's stock of physical assets.

### **CEO REPORT**





The 2011/12 year has certainly been a busy one! The finalisation of some massive infrastructure projects, development of the Townsville Land Use Proposal, changes to our water pricing methodology, a freak tornado, election of a new council and council's new continuous improvement and innovation program all stand out as major events along the road.

We now have a new Mayor and Deputy Mayor and a number of new councillors. Our previous Mayor, Les Tyrell, chose not to run as mayor for another term, after 33 years of service to local government. David Crisafulli, previous Deputy Mayor, resigned prior to the State Election and gained a seat for the electorate of Mundingburra. He has since been appointed as Minister for Local Government.

It is easy for us to be consumed by our daily tasks to the extent we lose the totality of what has been delivered over a full year. It is only when you take stock and reflect on the year's achievements that proper context can be placed on the progress we have made. Throughout 2011/12, the third year of our five year Corporate Plan, council has undertaken a number of initiatives to realise the outcomes identified within the plan and to create a city that has a vibrant, progressive and great lifestyle. When council set the 2011/12 budget there were several objectives, namely:

- » keeping rate rises low
- » public safety and the health and wellbeing of the Townsville community
- » building better local roads
- » ongoing recovery from floods and weather events
- » excellence in community planning
- » maintaining our enviable lifestyle.

This year, council invested heavily in rehabilitating and improving the essential building blocks of the city, our roads, drainage, water and sewerage. We've seen the completion of major projects such as the Wastewater Upgrade Project, with a major upgrade to the Mt St John Wastewater Treatment Plant. The Water Supply Upgrade Project and the Flinders Street Redevelopment Project were also completed and officially opened. These projects have delivered much needed infrastructure for the community and will cater for current and future needs as our city continues to grow.

Council has worked hard to find efficiencies in how we manage our services, infrastructure and expenditure for the benefit of our community. A review of our Parks and Open Space Management was completed resulting in the adoption of recommendations to continue contracting out the maintenance of one of our five sectors and implementing structural changes which will result in the Parks Department sitting within the Infrastructure Services Division.

Council began a major upgrade of its Business Management Systems (BMS) during the year. This upgrade will provide staff with the tools they require to achieve our service and community goals. During 2011/12 significant progress was made in the negotiation

of new Enterprise Bargaining Agreements within council. An agreement with employees covered by the Queensland Local Government Officers Award (primarily indoor workers) was approved by employees on 5 April 2012.

TCC2015 was launched during the year, which promotes a culture of continuous improvement in service delivery and innovation to help shape where we want council to be in the future and guide how we will get there. TCC2015 complements our Corporate and Operational Plans. It inspires us to act constructively, helps drive our values and will see a demonstrated shift in our focus from problem-centric to solution-centric approaches to take action and make progress on even the toughest challenges.

There will be a number of initiatives and projects over the next three years under the TCC2015 banner to help improve how we operate by looking at our systems and procedures and to develop sustainable service delivery improvements to help keep our organisation sustain a surplus budget position. I believe challenges are in reality opportunities, and management will work to ensure council continues to deliver great services, infrastructure and projects for the benefit of our community. It is the council that has the prime role in creating our environment and lifestyle, and as members of staff we can be proud of our achievements in this regard.

I extend my thanks to the Mayor and Councillors, both past and present, my Executive Management Team colleagues and all staff for their efforts in meeting the challenges of the past year. I look forward to continuing to work with you all to create an environment of breakthrough performance to achieve the best outcome for our community.

I welcome feedback from you in respect to our Annual Report or any of the information contained therein.

Ray Burton

Chief Executive Officer

## CELEBRATING OUR ACHIEVEMENTS



Our council received a variety of awards and accolades during 2011/12 in recognition of our efforts to continuously improve the quality of service delivered to our community.

- » Winner of the 2012 Community Partnership Program Excellence Award (populations 50,000 and greater) from the International City/ Country Management Association (ICMA) for the Together Townsville Program
- » Winner of the Urban Renewal Award at the 2011 Urban Development Institute of Australia (UDIA) Queensland Boral Awards for Excellence for the Flinders Street Redevelopment
- » Winner of the Urban Renewal Award at the 2012 Urban Development Institute of Australia (UDIA) National Awards for Excellence for the Flinders Street Redevelopment
- » Winner of the Environmental Economic Innovation Award at the Economic Development Australia 2011 National Awards for Centre for Excellence in Tropical Design and Community Capacity Building Programs
- » Winner of the 2012 Best Tourism and Events Communication Award from Government Communications Australia for the communications for the National Service (NASHOs) 60th Anniversary Celebrations
- » Winner of the 2012 Government Procurement Professionals Award for the Cyclone Yasi and NDRRA reconstruction works
- » Winner of the Best Sporting Venue Award at the 2011 Spinal Injuries Association Inclusive Community Champion Awards for Townsville RSL Stadium
- » Winner of the 2011 Queensland CCF Earth Awards Category Four \$20 million to \$75 million for the North Shore Boulevard
- » Winner of the Award for Excellence in the Great Place Category at the Planning Institute of Australia (PIA) Queensland 2011 Awards for Planning Excellence for the Flinders Street Redevelopment
- » Winner of the 2011 North Queensland Tourism Award for Outstanding Contribution by a Volunteer or Volunteer Group for the Townsville 400 Ambassador Program

- » Winner of the Townsville Region Project of the Year from Engineers Australia – Townsville Local Group 2011 Townsville Excellence Awards for the Water Upgrade Project
- » Highly Commended for the Business/Industry Development Project Award at the Economic Development Australia 2011 National Awards for Economic Development Excellence for the Townsville Local Tourism Expo
- » High Commendation for the Project of the Year at the 2011 Townsville and Regions Engineering and Resources Excellence Awards for the North Shore Boulevard
- » Merit Award for Best Planning Ideas Large, Regional or Urban Project at the 2011 Planning Institute of Australia (PIA) Queensland Awards for Planning Excellence for the Townsville CBD Masterplan
- » Finalist of the Wildcard Award at the 2011 Urban Development Institute of Australia (UDIA) Queensland Boral Awards for Excellence for the Flinders Street Redevelopment
- » Finalist in the Excellence in Teamwork Award at the Local Government Managers Australia Queensland Awards for Excellence 2012 for Operation Restore Townsville
- » Finalist in the Excellence in Collaboration Awards at the 2012 Local Government Managers Australia Queensland Awards for Excellence 2012 for the Together Townsville Program

Individual acknowledgements include:

- » Terry Brown Awarded the Limelight Award at the Townsville City Council Arts Awards 2012
- » Travis Mark Awarded an Excellence Award for his Diploma of Project Management studies
- » Susan Coker Awarded the Alison Wenck Memorial Community Leadership Award from the Townsville Business Women's Network
- » Les Tanna Awarded the Indigenous Trainee of the Year Award and the annual TORGAS Reach for the Stars Awards





## International spotlight shines on Townsville

Council's Together Townsville Program this year achieved its highest accolade, an international award for Program Excellence for Community Partnership by the International City/Country Management Association (ICMA).

The ICMA's Annual Excellence Awards Program recognises creative and professional local government contributions that build sustainable communities to improve people's lives worldwide. An independent Awards Evaluation Panel of 17 United States and international ICMA members selects the award recipients. The Community Partnership

Award recognises programs that demonstrate innovation, excellence, and success in multi-participant programs to improve the quality of life for residents or provide more efficient and effective services.

An Australian first in local government, the Together Townsville program is a shift from 'normal' sponsorship to strategic partnerships between the council, private and community sectors.

Since Together Townsville was launched in August 2008, the program has established partnerships for the delivery of more than 45 initiatives annually, ranging from community events to infrastructure projects, totalling \$3.32 million in cash, in-kind support and donations.

## SERVING OUR COMMUNITY



KEN DIEHM

### Director Commercial Businesses Division



NEIL ALLEN

### **Director Infrastructure Services Division**

### RESPONSIBILITIES

- » Townsville Water
- » Townsville Waste

- » Construction and Maintenance
- » Technical Services
- » Corporate Asset Management
- » Emergency Management

### HIGHLIGHTS FROM 2011/12

- » Landfill gatehouses were upgraded to cater for the introduction of the State Government's Waste Levy
- » Carbon pricing was successfully implemented
- » The Pipeline and Pump Station Renewal Programs were completed
- » The Water and Wastewater Upgrade Projects were completed
- » Project planning and design work for the Southern Suburbs Trunk Sewer was completed
- » The long-term water and waste water pricing structure was reviewed
- Sewage Pump Station regulations (ERA63 (3)) were successfully lobbied against.

- » Townsville RSL Stadium (Murray Sports Complex) was completed
- » Natural Disaster Relief and Recovery Arrangement works were undertaken following Cyclone Yasi
- » Disaster Management Plans and Procedures were activated for the March 2012 rain and tornado event
- » Improvements to the robustness of Capital Expenditure were implemented
- Additional North Queensland Regional Road Group funding was secured
- » Development of TARDIS (a unique user friendly software application for torrent and rainfall distribution imaging).

### **FUTURE CHALLENGES**

- Increased water and wastewater regulation resulting in increased capital and operating costs
- » Managing the Carbon Tax and impact on the Local Government
- » Impact of El Nino on water sales
- » Reduced Infrastructure Charges Revenue due to a recovering economy.
- Reduced Infrastructure charges revenue due to a recovering economy
- » Keeping up with predicting community growth and infrastructure development.

### PRIORITIES FOR 2012/13

- » Implement a gas capture system at Hervey Range Landfill
- » Demolish, rehabilitate and deregister Mt Low, Deeragun, Nelly Bay and Bohle Sewage Treatment Plants
- » Complete Aplins Weir rehabilitation works
- » Develop an inter-laboratory alliance agreement with Cairns and Mackay councils
- » Review 10 Year Capital and Pricing Plans
- » Improve odour control system at Cleveland Bay Treatment Plant
- » Negotiate new Sewage Treatment Plant licence conditions
- » Implement the Drinking Water Quality Management Plan.

- » Commence the Townsville Recreational Boating Park (Stage One) and the Jezzine Barracks Redevelopment
- » Complete the Magnetic Island Walkway (Nelly Bay to Arcadia)
- Install two new rainfall and river gauge monitoring systems
- » Develop and implement Contemporary Graffiti Management and Asbestos Management Plans
- » Deliver the Transport and Stormwater Asset Maintenance Program
- » Deliver 2011 Natural Disaster Relief and Recovery Arrangement works
- » Complete a 10 year planned maintenance schedule for council swimming pools.

Angelo Licciardello held the position of Director Planning and Development until 15 September 2011. Stewart Pentland commenced the position on 17 September 2011.



**GAVIN LYONS** 

### **Director Community and Environment Division**

- » Parks Services
- » Environmental Health Services
- » Community Services
- » Integrated Sustainability Services
- » Library Services
- » An Energy Performance Contract was implemented at council offices
- » Beach Management Plans for selected beaches were implemented
- » An Integrated Carbon Management Framework was developed
- » The Parks and Open Space Management (POSM) Review was completed
- » CityLibraries was awarded Townsville's Digital Hub grant from the Department of Broadband, Communication and the Digital Economy
- » Hosted the IBM Smarter Cities Challenge
- » Development and adoption of Strategic Action Plans.
- » Declining opportunities for external grant funding
- » El Nino impact on maintenance and irrigation practices.



**STEWART PENTLAND** 

### **Director Planning and Development Division**

- » Development Assessment
- » Strategic Planning
- » Development Infrastructure



- » Draft Floodplain and Drainage Codes and Manuals were developed
- » The Horseshoe Bay Drainage Management Plan was completed
- » An online environment for the Development Manual for use by industry professionals was developed
- » An Acquisition Policy was developed and adopted
- » A policy and procedure for Safe Custody of Bank Guarantees was developed
- » The Project Hetura Capacity Building Program continued.
- Changes in state planning policies and other legislation
- » Competing local land use priorities with overarching strategic objectives for the city.

KIM CORRIE

### **Director Corporate Services Division**

- » Knowledge Management
- » Financial Services
- » Human Resources
- » Corporate Governance
- » Corporate Communications
- Customer Services
- » Council hosted the National Serviceman's 6oth Anniversary Celebrations
- » Local laws were reviewed and adopted
- » A Councillor Induction Program was delivered to the elected representatives
- » A Community Attitude Survey was conducted and results reported to council
- » A Health and Well-being Committee was established
- » A Collaborative Workspace Framework was implemented
- » Council received a successful QAO Audit Result
- » Urban aerial photography was updated and available to the public
- » Successful Information Privacy Audit
- » Development of an Information Community Technology Steering Group Strategic Plan.
- Changes to Legislation resulting in increased governance
- » Loss of funding from other levels of government
- » Difficulty attracting and retaining skilled staff and contractors.

- » Develop and implement a council wide Network Demand Management (Energy) Program
- » Demonstrate the use of the national broadband network in providing training and skills
- » Develop a new Library Services Strategic Plan 2013-2017
- » Implement recommendations of the Lifelong Learning Strategic Action Plan
- » Develop a Northern Sport Precinct Masterplan
- » Develop project proposals for a Northern Beaches Community Centre and Stage 2 of the Northern Beaches Leisure Centre
- » Implement the Parks Irrigation Water Conservation Strategy efficiency measures.

- Conduct a review for a Visitor Information Centre and a Motor Sports precinct
- » Complete a Community Infrastructure Study
- » Develop a strategy to ensure the ongoing provision of Townsville Entertainment Centre facilities
- » Develop a Character Precincts Code
- » Complete the CBD Car Parking Strategy
- » Develop the Ross River Floodplain Management Strategy
- » 1st State Interest Check for the new planning scheme
- Develop Waste Management and Acoustic Management Guidelines
- » Develop 'eEnvironment' for the implementation of the new City Plan.

- Revision of the council's Corporate Plan
- Implement the budgeting, asset management and financial components of the Technology One System
- » Develop a Legislative Compliance Program
- » Implement council's Social Media Action Plan and Marketing Communication Strategy
- » Undertake an Organisational Culture Survey
- » Implement a Talent Management, Internal Growth and Succession Planning Strategy
- » Finalise recommendations for Procurement and Contract Management and Debtor Recovery Projects
- » Establishment of a new data link between council sites.

# OUR CONTRIBUTION TO A ROBUST, DIVERSE AND SUSTAINABLE ECONOMY

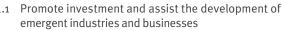
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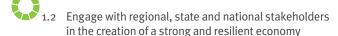
Council is a passionate advocate for our city and engages in a number of activities to promote and assist the development of our regional economy. These activities include high-level inter-governmental relations, policy development, strategic planning for major infrastructure projects and precincts, facilitating development, marketing and capacity building for industry and business at all levels. Council also supports development projects for tourism, retail, business, industry and educational purposes.

### **SUMMARY OF OPERATIONAL PLAN PROGRESS**

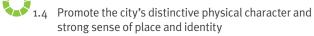
### A robust, prosperous economy which provides opportunities for business and investment











### An integrated approach to long term planning which supports a growing city

1.5 Develop an integrated approach to the long term provision of infrastructure

1.6 Undertake city and regional planning to reflect the aspirations of the community and create an attractive place to live, work and visit

### Infrastructure that meets community needs

1.7 Provide and maintain timely and sustainable infrastructure

1.8 Provide asset management practices which reflect the community's expectations regarding service levels and its ability to pay.

### CHALLENGES FACED DURING 2011/12

- » The stagnant economy has resulted in lowered revenue from infrastructure charges. This in turn has slowed the delivery of new capital infrastructure while the demand for this infrastructure has increased
- » Meeting community expectations and predicting community growth and development in both the residential and commercial sector
- » Coordination of the Natural Disaster Relief and Recovery Arrangements (NDRRA) works program with the Roads and Drainage Capital Works Program and maintenance program
- An increase in donated park assets from new developments resulting in significant increase in open space areas requiring maintenance using existing council resources
- » Managing competing local land use priorities versus overarching strategic objectives for the city.

## A ROBUST, PROSPEROUS ECONOMY WHICH PROVIDES OPPORTUNITIES FOR BUSINESS AND INVESTMENT

Council plays a key role in advocating for the city, and in 2011/12 draft actions identified in the **Townsville Economic Development Strategic Plan 2011–2016** were implemented. This five year plan includes strategies to ensure a strong and resilient future for Townsville and sets out key tasks to support the city's infrastructure and professional skills, and attract new investment and tourism activity. Council also maintains strong collaboration with local, state and national stakeholders to foster a resilient economy, including, state and federal government ministers, Townsville Enterprise Limited, the Port of Townsville, North Queensland Development Alliance, the Mount Isa Townsville Economic Zone and the Cairns Townsville Mackay Water Alliance. In November 2011, a Memorandum of Understanding (MOU) between council and the **Port of Townsville** was ratified and signed. The MOU acknowledges the integral role played by both parties in the city's economic future and the need to work together to ensure the best outcomes for the city. The MOU enables cooperation on community projects including encouraging further use of the port by the Defence Forces and development of the Ross River Boat Ramp facility. A close partnership with the port is vital for the success of major planning initiatives and development of projects such as the CBD Master Plan and the Port Access and Inner Harbour Redevelopment.

The North Queensland Farmers Market commenced operation in June 2012 from a purpose-built facility at Northshore, and are capable of catering for up to 200 producers. Producers from areas surrounding Townsville, Burdekin, Ingham and Charters Towers are able to sell fresh produce direct to the public on the second and fourth Saturday morning of every month. Significant public consultation, including a survey of





6,000 locals indicated strong support for the concept. Over 10,000 people attended the first market.

Council aims to promote the city's distinctive physical character and strong sense of place and identity through the identification and promotion of important **character precincts and heritage buildings.** Townsville has some wonderful heritage such as the Tobrook Pool, the Old Magistrates Court in Sturt Street, the School of the Arts in Stanley Street, and Queens Gardens. These buildings and parks are an inherent part of the look and feel of the city. In 2011/12 a Character Precincts code progressed significantly and some 46 character precincts are now proposed within the draft planning scheme as a 'character residential zone'. These character precincts range from single streets to larger areas of significance, and are areas where a combination of traditional houses, streetscapes and landscapes display a unique residential character. It is difficult to put a value on the importance of preserving these areas.

Restoration work on the historic and well known **Ross River meatworks chimney** was completed during the year. The \$320,000 project, jointly funded by council and the developer, the Lancini Group, included specialist structural work to reinforce the 19th century brick structure. The meatworks chimney represents an important part of Townsville's commercial and social history, and the work ensures the heritage listed structure can be retained alongside the planned residential development on adjoining land.

Council was the principal sponsor of the **North Queensland Economic Development Conference** on 27 October 2011. This event is an initiative of the North Queensland Development Alliance, an alliance of Townsville City, Hinchinbrook, Palm Island, Burdekin and Charters Towers councils. A range of speakers presented issues and topics of relevance to North Queensland (Mackay, Townsville, Cairns, Mount Isa and surrounding shires). Of particular interest was a specially commissioned research report on the Economic Impacts of Closures of the Bruce Highway. This report provided an assessment of the costs of ongoing disruptions to the region from frequent closures of the main regional transport link due to severe weather events including extended wet seasons, floods and natural disasters.

The biannual **Townsville Tourism Expo** was held in October 2011 and May 2012 at The Strand Park. The event, which attracted around 10,000 people, was highly commended in the Business/Industry category of the National Economic Development Awards 2011. The Expo provided an opportunity for local tourism operators to showcase their business and enables the community to showcase the wonderful activities and holiday getaways in Townsville's backyard.

The **Townsville Digital Economy Strategy** is an initiative of council, the Queensland Department of State Development Infrastructure and Planning and Regional Development Australia Townsville and North West Queensland Inc. Development of

the strategy commenced in 2011/12 and aims to maximise the opportunities presented by Townsville's selection as a release site for the National Broadband Network. It also aims to develop a blueprint for the future development of the digital economy of Townsville through to 2016. The strategy will inform and guide government decision-making in relation to planning processes and development functions, and advances in digital infrastructure and the digital economy.

In December 2011, CityLibraries Aitkenvale became the first public library in the country to offer National Broadband Network (NBN) access, providing high speed broadband access for library users. Council was also awarded a Federal Government grant to support the establishment of a digital hub at the library. The digital hub and NBN access provide a competitive advantage for the city in advancing the digital economy. Initiatives to be rolled out over two years include a dedicated trainer to offer a range of programs to enable residents to develop their internet skills, video-conferencing facilities to link groups in Townsville with programs and groups elsewhere, a dedicated space for multi-user Skype facilities via an Internet TV, and TechExpo Days to enable residents to experience iPads, tablet computers, kindles, and other technology.

A funding submission was presented to the State Government for a new **Townsville Entertainment and Convention Centre** to be located at Dean Street South Townsville during 2011/12. This submission was developed in conjunction with the Townsville CBD Taskforce, Townsville Chamber of Commerce and Townsville Enterprise. The Federal Government has matched council's commitment of \$47.67 million in funding. The State Government has committed to a feasibility study into a new combined entertainment and sports stadium centre. Pending the results of the feasibility study, council has opted to fund urgent repairs to the existing entertainment centre which will occur over the next five years.





Council has direct involvement with approximately 80% of Townsville's **major events** as an event sponsor, promoter or primary deliverer of the event. Each year council delivers an event program which includes approximately 22 events such as Carols by Candlelight, New Years Eve Celebrations, Eco Fiesta and Smart Lifestyle Expo, Australia Day, Heritage Day, Welcoming Babies Ceremonies, Toad Day Out, the Townsville 400 Festival and Seniors Week Events. In 2011/12, the events program was extended to include the National Service 60th

Anniversary Celebrations. Unfortunately the annual Carols by Candlelight was cancelled due to bad weather for the second year in a row. Council now has a contingency plan in place for future Carols by Candlelight in the event of inclement weather. Council sponsors and promotes events such as the V8 Supercars Sucrogen Townsville 400, the annual Townsville Xtrata Greek Festival, the Townsville Cultural Fest, Magnetic Island Race Week and the Townsville Eisteddfod.



### NATIONAL SERVICE 60TH ANNIVERSARY CELEBRATIONS

The National Service 60th Anniversary Celebrations were held from 8 to 11 September 2011, to commemorate the 60th anniversary of the National Service schemes of the 1950s to the 1970s. Between 1951 and 1972, a total of 287,000 young Australian men were called up in two separate schemes for compulsory training in the Navy, Army and Air Force. Of these, 212 died on active service in Borneo and Vietnam, while another 1,500 to 2,000 were wounded.

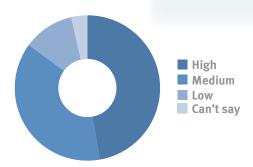
The reunion was Australia's biggest and the only officially recognised commemoration of the anniversary. Around 800 former national servicemen, their partners and friends

from across the country and New Zealand attended the celebrations and commemorations. Townsville staged several events to mark this special occasion, including a meet and greet, a public concert staged at Reid Park, a dinner dance, the National Servicemen's Commemorative Service at Rowes Bay, and a City March through Flinders Street to Anzac Park followed by a Community Farewell barbecue.



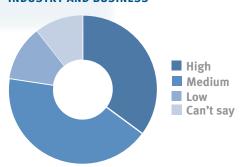
### WHAT YOU TOLD US

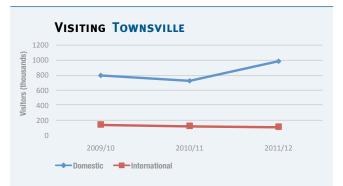
### SATISFACTION WITH PROMOTING THE CITY



Performance Indicator	2011/12
Employment rate	71.4%
Unemployment rate	6.3%
Gross Regional Product	\$13.38 billion
Growth in Gross Regional Product	8.6%
Gross Regional Product per capita	\$68,017
Median total weekly household income	\$1,381
Population growth	2.40%
Number of commercial building applications approved	288
Value of commercial building applications approved	\$237.51 million
Number of new dwelling building applications approved	1,245
Value of new dwelling building applications approved	\$318.47 million
Number of residential unit building	18 applications
applications approved	consisting of 105 units
Value of residential unit building applications approved	\$22.62 million
Percentage of the portfolio of preferred suppliers awarded to local suppliers	75%
Percentage of total council spend allocated locally	53.50%
Number of large passenger vessels visiting the city	6 (2,932 passengers)

### SATISFACTION WITH SUPPORTING LOCAL INDUSTRY AND BUSINESS





The **tourism industry** has suffered due to the flooding and cyclone events experienced in recent years. However, recovery began in the second half of 2011 and continued into the 2012 year. Townsville experienced an annual decrease in international visitors of 1% between the year ending March 2011 and the year ending March 2012. Domestic visitor numbers have increased significantly with an overall 30% increase. Those visiting family and friends have increased by 57%, domestic holiday visitors increased by 31% and business related travel increased by 4%.





Council's Sheree Anderson with a team from Port Moresby

### **BUILDING PAPUA NEW GUINEA FRIENDSHIPS**

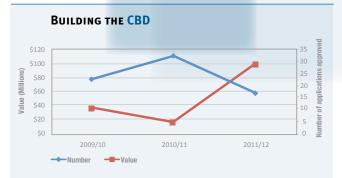
Project Hetura is a capacity building program established in 2002 between Townsville City Council and the National Capital District Commission (NCDC) in Port Moresby, Papua New Guinea. Building on a Sister City relationship that has existed between the two local authorities since 1983, the program is administered by the Commonwealth Local Government Good Practice Scheme and funded by AusAid, with council providing in kind support through the contribution of staff time. The term 'Hetura' comes from the local Motu language in Port Moresby and means friendship or mateship.

Port Moresby is the national capital as well as the administrative and commercial centre of Papua New Guinea. Operating as the local authority, the NCDC has responsibility for urban planning and regulation, roads, waste management and community services. Like many cities in the Pacific Region, urban migration has resulted in a significant increase to the population of Port Moresby, which in turn challenges the ability of the NCDC to govern effectively and ensure necessary service delivery.

The objective of the involvement of the council in Project Hetura is to promote effective, accountable delivery of local government services by the NCDC through a partnership between organisations. Unlike traditional consultancy arrangements, a genuine partnership allows the two entities to jointly evaluate the situation, cooperatively plan the components of each project and work together through difficulties and set-backs. The partnership model promotes the contribution of skills, knowledge and expertise by all participants and is more likely to build sustainable results. Both parties within the partnership benefit greatly from the development of new skills and personal growth associated with the challenges of tackling problems through a different cultural perspective.

Areas of focus during 2011/12 included waste management, environmental health, records management, performance appraisal, communication planning, energy management and sustainable building practices.



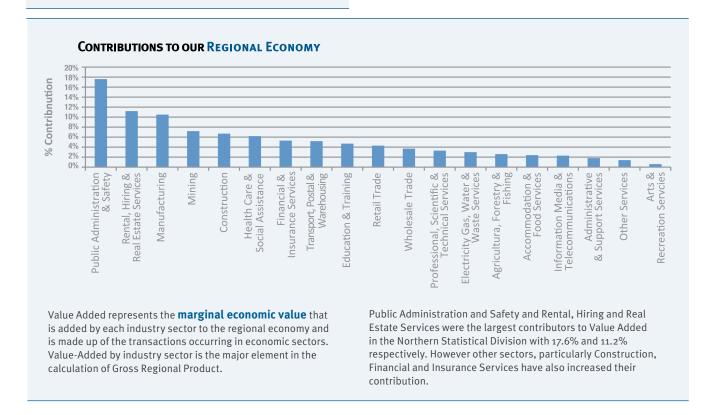


The value of **building applications** within the Townsville City area increased by 505% between 2010/11 and 2011/12. However, the number of building applications has dropped from 32 to 17. This change shows a move away from refurbishment to an increased focus on building multi-storey office complexes within the CBD and may be attributed to the CBD Development Incentive Program. The CBD Development Incentive Program is an initiative of the Townsville CBD Master Plan 2030, developed by council, Urbis, Cox Rayner and Cardno, and provides development incentives to qualifying development projects within the CBD.

## AN INTEGRATED APPROACH TO LONG TERM PLANNING WHICH SUPPORTS A GROWING CITY

The development of the new **Planning Scheme (City Plan)** is well underway, with a number of key milestones achieved. The Townsville Land Use Proposal (TLUP) has been completed. The TLUP is a long-term (25 year) strategic land use planning document, which will inform the strategic framework of the new City Plan. A Draft Strategic Framework has also been completed. Together, they will provide for efficient and more sustainable growth of the city.

Three quarters of the provisions for the new City Plan have been completed, including provisions for zoning, development assessment tables, codes and overlays. Care has been taken to draft the new City Plan to create efficiencies in the development assessment approval timeframes to reduce costs and speed up the process of commencing development. Draft Local Area provisions have also been completed in the new Planning Scheme.







#### A BLUEPRINT FOR TOWNSVILLE'S FUTURE

In 2011, council prepared a strong and clear growth management strategy to guide sustainable development in the city over the next 25 years. Called the Townsville Land Use Proposal (TLUP), it creates a strategic plan based squarely on the community's vision (established by the Townsville Community Plan), and establishes a blueprint to see Townsville evolve from a regional centre to a major Australian city by 2035.

Extensive consultation with key stakeholders occurred throughout the development of the TLUP. Stakeholders included Queensland Government and commonwealth agencies, relevant industry groups, as well as various council departments. Council deliberately established a collaborative process both internally and with the state.

It sought to build a collective understanding of issues and, ultimately, ownership of the strategy for Townsville. The process was aimed at breaking down the silos, both within the council itself and across key external agencies.

The TLUP also underwent public consultation, over and above any requirements of the *Sustainable Planning Act 2009.* Council undertook a number of communication and marketing activities, including workshops with council advisory committees and peak bodies, radio and newspaper advertising, website updates and displays and 'meet the planners' sessions for the wider community at locations throughout the city.

The primary objective of this consultation was to encourage early input from the community to assist council in refining the key policy directions for the city and to facilitate a broader understanding and debate around the important factors affecting the city's future.







Townsville is one of the fastest growing areas outside of South East Queensland and has a growth rate of 2.4% compared to the whole of Queensland average of 1.7%. Therefore, council's long term planning must accommodate a rapidly growing city. To help predict population growth and future infrastructure requirements, council maintains a **Growth Model** for the city. The Growth Model identifies the predicted growth in different areas of the community based on the planning scheme and aligns with the Planning and Infrastructure Forecasting Unit population projections. In 2011/12, a review of the Growth Model commenced to align with the new planning scheme. To facilitate a consistent council-wide approach to planning for infrastructure, all planning reports for new capital infrastructure are required to be based on the Growth Model. Additionally, all trunk infrastructure both current and future, is maintained on council's Geographical Information System (GIS). Work began in 2011/12 to ensure this information was up to date in preparation for submission of the new planning scheme for the city in 2012/13.

In 2011/12 **stormwater network infrastructure planning** was undertaken. This included a series of flood studies to provide a guide for the city's development under the new planning scheme. The latest flood modelling techniques were used to map urban flood level constraints for Ross Creek, Deeragun, Lower Bohle, Louisa Creek and Horseshoe Bay. Urban flood level constraints mapping assists long term town planning and development, is important for developing counter-disaster plans, and can pinpoint areas prone to flooding to inform decisions on flood mitigation works within the city. The current flood modelling work done by council has achieved substantial savings through more informed development planning and operational decisions.

The **flood modelling** studies also assisted in the development of a report on potential evacuation routes during extreme weather events and in the development of a Flood Hazard Code. The Evacuation Routes Project was funded by the Natural Disaster Resilience Program (NRDP) and informs council of the most effective evacuation routes from the city in times of natural disaster. The Flood Hazard Code will form part of the new planning scheme and will assist developers in assessing flood impacts.

A **storm tide evacuation** guide was released in October 2011, to assist residents living in low lying coastal suburbs. The booklet was delivered to households in affected suburbs and contained detailed information on predicted storm tide evacuation zones and procedures to help residents better prepare for potential natural disasters.

**Transport Network Infrastructure Planning** during 2011/12 included participation in Super Tuesday, and the development of a road hierarchy for the CBD. Council and the Department of Transport and Main Roads jointly commissioned a count of bike riders on 6 September 2011 as part of Super Tuesday, Australia's largest annual bike survey. Counters, including

volunteers from local bicycle groups, were positioned at more than 40 locations around the city to record bike numbers and movements between 7am and 9am. The count provided council and the Department of Transport and Main Roads with a more accurate picture of the extent of bike usage in the city, including the number of riders and routes used.

**Traffic modelling** undertaken during 2011/12, identified that upgrades previously thought to be required costing \$20 million and \$30 million, can be avoided by undertaking changes to network operations, while providing the community with a desired level of service.

A contract for the study and concept design to flood-proof **Blakeys Crossing** was awarded in June 2012. The State Government has committed \$24 million to the project, which is designed to provide increased protection from lengthy flooding disruptions during the wet season.

Wastewater Infrastructure Planning guides the city's future sewerage collection and treatment needs. Council's sewerage models include the Eastern Sewer Model, Western Sewer Model and Louisa Sewer Model, which have been developed for individual sewerage catchments across the city. These models have enabled council to develop long term infrastructure solutions. In 2011/12, solutions identified include a saving of between \$10 million and \$20 million in the Upper Ross Sewerage Catchment area, and the requirement for additional infrastructure in the Southern Suburbs Sewerage System to ensure it functions to an appropriate standard.

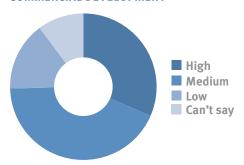
**Water Supply Infrastructure Planning** guides the city's future water supply needs. In 2011/12, an Integrated Water Supply Strategy was developed and presented to the council. This strategy identifies issues and opportunities for the city's long term water supply security. Several substantial changes to the planned capital upgrades and operations of the water supply system were identified during the development of this strategy that are estimated to save tens of millions of dollars in the long term.





#### WHAT YOU TOLD US

## SATISFACTION WITH PLANNING FOR COMMERCIAL DEVELOPMENT



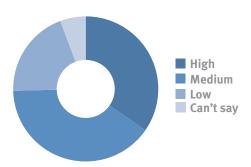
Performance Indicator	2011/12
Number of dwellings which can be accommodated within the existing zoned and approved residential land across Townsville city	65,000
Percentage of the community reporting medium or high satisfaction with bike paths and walking trails	84.9%
Percentage of residents commuting less than 20 minutes to work	69.15%
Percentage of the population residing within 400m of a bus stop	90%
Number of connections to the water supply	77,910
Number of properties connected to sewage	67,440
Percentage of households receiving a minimum	100%
of 220kpa water pressure	
Percentage of treated sewerage effluent meeting licence levels	93.87%

## INFRASTRUCTURE THAT MEETS COMMUNITY NEEDS

Providing infrastructure to meet the needs of the community is an important function of council. In 2011/12 major infrastructure projects finalised included the Flinders Street Redevelopment, Townsville RSL Stadium, Wastewater Upgrade Project and the Water Supply Upgrade Project.

The \$56 million **Flinders Street Redevelopment** project was completed in 2011 and the official opening held on 13 August 2011. Flinders Street has been transformed into a distinctive and accessible precinct that draws upon the heritage and environmental values of the area. The renovation of Flinders Street East has recaptured its outstanding historic character, and the renovation of adjoining upper Stokes Street, with increased parking, taxi ranks and new landscaping, has

## SATISFACTION WITH PLANNING FOR RESIDENTIAL DEVELOPMENT



improved accessibility. The once tired pedestrian mall has been transformed into a dynamic and fresh precinct, growing its reputation as a centre for fashion, food and atmosphere and includes cafes, an alfresco atmosphere and energy efficient pavilion in Flinders Square.

The \$10.8 million upgrade of the **Murray Sports Complex** grounds and facilities was completed in 2011, with an official opening ceremony held in December 2011. The redevelopment aimed to meet the current and future needs of various sporting groups through sports field rehabilitation, irrigation, lighting and amenities upgrades. More car parks as well as improved road and pathway networks were constructed to help cope with the increased usage of the precinct. The complex provides a location for the community to enjoy a range of sports including basketball, BMX, cricket, cycling, darts, hockey and equestrian sports.

The upgrade of the Mt St John Wastewater Treatment Plant into the region's second biggest treatment facility ensures the treatment plant can service an estimated population of 106,000 from the northern and western areas of the city. The previous plant was capable of servicing an estimated population of 45,000 and was fast running out of capacity. The new plant and network of diversion pipelines and pump stations replaced the older plant, as well as outdated facilities at Deeragun, Bohle and Mount Low. Demolition of the Mount Low, Bohle and Deeragun wastewater treatment plants, and the old Mount St John Wastewater Treatment Plant, has been completed. Rehabilitation works have been undertaken to ensure the old sites are suitable for alternative future uses. The new centralised system has provided much needed infrastructure to cater for the growing population and the ability to meet the stricter effluent disposal standards of the Environmental Protection Agency (EPA). It has also provided positive environmental outcomes, such as eliminating the need to discharge effluent into Black River and Saunders Creek, and reduced the quantity of nutrients entering the Bohle River.







#### WASTEWATER UPGRADE POSITIONS TOWNSVILLE FOR THE FUTURE

The Wastewater Upgrade Project was completed at a total cost of \$179.4 million, \$10 million under budget.

The project team successfully achieved project completion within time and under budget, after facing many challenges including tight time schedules, extended wet seasons, tropical cyclones and the vast geographical spread of project sites.

The environmental benefits of the project have created a positive legacy that will benefit generations to come. The elimination of discharges into Black River and Saunders Creek and the removal of treatment plants and related discharges from the Mount Low, Bohle and Deeragun communities are examples of the positive environmental outcomes of WUP.

Council's Wastewater Operation's team was integrated into the overall project team to ensure the treatment plant infrastructure was easy to operate. The new infrastructure provides redundancy, flexibility and the operability required by council's wastewater operations to produce effluent quality that consistently meets required environmental standards. The project team has recently won a number of awards and received high commendations from industry organisations such as Engineers Australia Townsville Region and Queensland, Institute of Public Works Engineering Australia Queensland, Australian Institute of Project Management Queensland and Institute of Public Administration Australia Queensland.





The Water Supply Upgrade Project is an ongoing project that will span 20 years, to ensure the water supply needs of our growing population are met. The project includes the construction of a 40 megalitre per day water treatment plant north of Rollingstone at Kinduro. This treatment plant will supply the expanding northern suburbs and beach communities with water from Crystal Creek and Lake Paluma. A major upgrade to the city's biggest water treatment facility, the Douglas Water Treatment Plant is also underway to further boost quality and production.

Council has completed the next phase of the Picnic Bay and Nelly Bay Sewerage Upgrade Project, reducing the potential for groundwater contamination and increasing the availability of recycled water for Magnetic Island's public places. Construction started in September 2011, and progress has continued on schedule with the connection of the remaining properties from the previous Picnic Bay stage being a high priority for the project team. Sewer lines, manholes and house connections have been completed along a number of streets during 2011/12 with a total of 189 properties from Picnic Bay and Nelly Bay being connected.

Ross Dam serves as the city's primary water storage facility. In January 2012, reinforcement of the rock protection on the upstream face of the Ross Dam embankment was completed. Around 2,500 cubic metres of replacement rock was placed against the upstream slope of the embankment to reinforce a section of rock protection that was damaged by wave action during Cyclone Yasi.

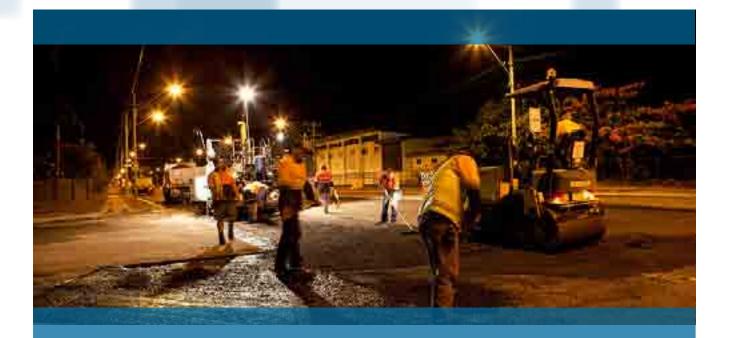
The **Pipeline Renewal Program** was completed in accordance with the planned program. In 2011/12, a total of 9,126 meters of sewer pipe was relined at a cost of \$1.375 million. This program is a part of council's asset maintenance program and extends the life of our current sewage pipe network.

Council has commissioned a survey of the city's **road network** for future maintenance and reconstruction works. The survey, which is conducted every three years, commenced in March 2012 and included the majority of the city's sealed road network, including Magnetic Island and rural areas. A vehicle specially equipped with a sophisticated laser scanner that measures detailed information on road surface conditions, the only high tech survey vehicle of its type in Australia, was used to undertake the survey. The pain-staking road survey records detailed information on the extent of pavement failures, surface problems, pavement cracking and pavement rutting. Council will use the information to prioritise works in construction and maintenance programs over future years.

The Natural Disaster Relief and Recovery Arrangements (NDRRA) program combined with council's capital road works is the biggest restoration of roads the city has ever received. NDRRA, is a joint Commonwealth/State program that provides funding assistance to disaster affected Local Governments. As part of the NDRRA, rebuilding works are being undertaken across Townsville due to the severe weather events experienced during the last few years. These events caused \$150 million worth of damage to our local roads, affecting over 1,000 streets across the city. The entire NDRRA program is required to be completed within two financial years.







#### FIXING POTHOLES IN THE RAIN

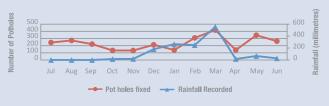
Patching potholes during the wet season is only a temporary measure – it can be a bit like trying to paint your roof in the rain. With the amount of moisture build up in the road pavement during the wet season, it is difficult to ensure the patching mix will adhere to the existing road pavement. The earlier council crews get to a pothole during the wet season, the better chance it has of staying fixed.

There is a seasonal fluctuation in the number of potholes that council has to repair. During the wet season, the road pavement becomes saturated and is more susceptible to damage. Therefore, you will see many more potholes when it is raining or just after a rain period. During these wet periods, council diverts its resources from other works to ensure we get as many potholes fixed as quickly as possible.

The following chart shows the number of potholes repaired by council crews each month and the corresponding rainfall. Pothole numbers on this chart reflect the number of potholes reported or identified through pre-defined inspections, not those identified and repaired by pothole crews on

maintenance routes. This means that the actual number of potholes repaired is higher than the numbers represented in this chart. The chart shows the annual increase in pothole repairs between January and April. In March 2012 alone, 418 potholes were repaired. This figure includes the additional resources allocated as part of the disaster recovery response to the tornado which ripped through Townsville suburbs bringing with it 556mm of rain.

#### FIXING POTHOLES IN THE RAIN







Council controls 1,482km of sealed roads and in the 2011/12 budget, \$44.5 million was allocated for road works. Approximately 1.6% of council controlled roads were reconstructed and 4.5% were resealed or overlayed as a result of the ongoing maintenance programs. These road works included the reconstruction of 116 streets and roads, re-seals and overlays on 79 streets, completion of works on the Mt Low Parkway, widening of the road from Liberty Rise to Dalrymple Road and intersection works, and the construction of a new bridge over Birthday Creek on Paluma Dam Road.

Construction on the improved **Mount Low Parkway** was completed in February 2012. The project was finished on time and within the \$11.5 million budget. The upgrade of the 4.2km section between the Bruce Highway and Lionel Turner Drive included realigning and widening the road with sealed shoulders, reconstructing intersections, formalising a footpath on the eastern side of the road and upgrading bus stops and driveway crossings.

An \$8 million project was undertaken during 2011/12 which included the installation of street lighting and widening of an 800m section of **Dalrymple Road** to four lanes between the Kern Brothers Drive and Golf Links Drive/Liberty Drive. Traffic signals were installed at the two intersections and earthworks were undertaken to upgrade the nearby Kern Drain. Council received \$200,000 in Black Spot funding from the Federal Government as a contribution towards the work at the Kern Brothers Drive intersection and is in a joint funding arrangement with Parkside Developments for the Golf Links Drive extension and intersection. The upgrade ensures Dalrymple Road has the capacity to cater for future residential growth within the area.

Section 118 of the Local Government (Finance, Plans and Reporting) Regulation 2010 requires council to include a note in its Annual Report regarding land that is a reserve under the Land Act 1994 and roads that the local government does not own.

Townsville City Council controls:

- » 1,482km of sealed roads and 183km of unsealed roads
- » 132km of roads the council does not own (Main Roads)
- » 4,766.16ha of land that is a reserve under the *Land Act 1994*.

The city's **parks** are an important community asset. Works undertaken to the city's parks during 2011/12 include the installation of a playground, off leash dog enclosure at Thuringowa Park, turf protection works at Reid Park and a new entry statement on the Bruce Highway for Paluma. Other major capital works include the completion of Apex Park at the Riverway Upper Ross Community Hub, an upgrade to the Water Park on The Strand to improve water quality, upgrades to playground equipment at Framara Park and bank stabilisation works at Riverway. Fitness equipment at Charles Moroney Park was renewed, as were the playgrounds at Kilcora Park, Sargent Park, McKimmin Park, Salisbury Park and Sister Kenny Park.

The installation of the water balance tank to improve water quality at The **Strand Water Park** was completed before the start of summer to minimise disruption to the park's operation. The new balance tank is vital for ensuring constant healthy water quality for users of the facility and is the first major upgrade of the water park since The Strand opened in 2000.

**Riverway** is a popular area used by the community for walking, biking and boating. Unfortunately the full force of the river when in flood and the recreational use of the waterway has a detrimental impact on the banks on both sides of the Ross River. During 2011/12, council began a staged process of stabilising the bank with river rocks. The soft rock wall is two to three metres deep and will help to keep the wash from eroding the soft mud bank of the river any further.

The construction contract for the **Jezzine Barracks** redevelopment was awarded in May 2012, with the project expected to be delivered by December 2013. Council is managing the \$40 million redevelopment with funding assistance from the State and Federal Governments. The project will start with demolition works leading to an extensive program to redevelop the site including major landscaping and interpretive works.

Construction on the 710 metre **Nelly Bay to Arcadia Bay pedestrian link** began in May 2012. The \$5.29 million project is a joint initiative between council and the Federal Government and will include an elevated walkway leading to a large viewing platform near Geoffrey Bay. The project is expected to be completed in January 2013.

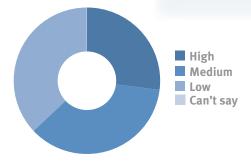
A contract was awarded in 2011/12 for the \$3.85 million rehabilitation project of **Aplins Weir.** The weir was constructed in 1928 and last upgraded in 1956. The planned upgrades will improve the strength and stability of the structure, by reinforcing the weir's foundations, and bring it in line with modern engineering standards. The project is expected to be completed in 2012/13.

The demolition of **Panorama House** was completed in March 2012. The work followed a condition report tabled after Cyclone Yasi, recommending the demolition of the building because of its unsafe condition. Council investigated a number of alternatives. However, it was estimated to cost in excess of \$1 million to make the building usable. Originally built in 1968, the building contained asbestos and required specialist removal crews to remove and transport the waste. Public input was sought for the future of the site and funding has been sought from the State Government for an exercise and observation platform as part of the Castle Hill Community Recreation Project.

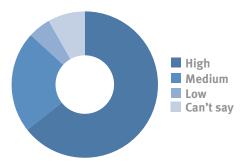
It is important that council provides **asset management** practices that reflect our community's expectations regarding service levels and ability to pay. Council used the Community Attitude Survey to determine the level of importance and satisfaction placed on the delivery of services by the community. This information has informed the development of the Asset Management Strategy 2011-2012.

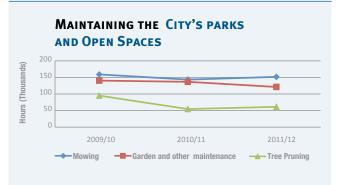


## WHAT YOU TOLD US SATISFACTION WITH CONDITION AND SAFETY OF LOCAL ROADS



## SATISFACTION WITH REPAIRS AND MAINTENANCE OF WATER AND SEWAGE SERVICES





The decrease in parks maintenance over the past two years is due to the diversion of staff away from their regular duties, to post disaster clean-up activities. This diversion has had a significant impact on the regular scheduled maintenance regime for parks and open spaces.

Performance Indicator	2011/12
Total length of council managed kerb and channel within the city	1,813km
Total length of council managed footpaths on road reserves within the city	337km
Total length of council managed sealed urban roads	1,076km
Total length of council managed unsealed urban roads	10km
Total length of council managed sealed rural roads	406km
Total length of council managed unsealed rural roads	173km
Percentage of council managed sealed roads reconstructed	1.60%
Total length of council managed rural roads resealed	48km
Total length of council managed urban roads resealed	19km
Total number of council managed bridges (vehicular and footbridges) within Townsville	138
Total length of culverts within the city	58km
Total length of stormwater pipes within the city	598km
Number of service requests received through the Customer Service Centre	57,623
Percentage of service requests for water responded to in four hours	100%
Number of locations with public amenities maintained by council	53
Number of property connection sewer breaks and chokes	178
Number of property connection sewer breaks and chokes per 1000 properties	2.726
Number of wastewater blockages attended	375
Number of wastewater overflows attended	30
Number of water meters replaced as a part of councils water meter replacement program	7,694
Number wastewater manholes repaired	243









Smoke testing assists council to locate illegal connections of down pipes to the sewer system and defects in house drains and council's sewers. These defects are then addressed to reduce the amount of inflow and infiltration of stormwater and groundwater into the sewerage system. In turn, this reduces the volume of wastewater that needs to be pumped and treated and wet weather overflows. The impact on the natural environment and risk to public health are also reduced.

Smoke testing cannot be effectively conducted during wet conditions. Over the past couple of years, Townsville has experienced extreme wet seasons and as a result it can be seen that smoke testing has reduced.

## LOOKING FORWARD WE WILL...

- » Conduct a review for a Visitor Information Centre and a Motor Sports precinct
- » Deliver the bi-annual North Queensland Tourism Expo
- » Complete a Community Infrastructure Study to inform council's long term Capital Works Program and Priority Infrastructure Plan
- » Detailed planning of the Ross Creek (inner city) Promenade Walkways
- Commence the Townsville Recreational Boating Park (Stage One)
- » Complete 50% of the Jezzine Barracks Redevelopment site
- » Complete the Magnetic Island Walkway (Nelly Bay to Arcadia)
- Complete upgrades to Aplins Weir
- » Adoption of City Plan
- » Complete NDRRA works.





# OUR CONTRIBUTION TO A VALUED, PROTECTED AND HEALTHY ENVIRONMENT



Townsville's natural and built environments are important to the future prosperity of the city and its community. Sustainable use of the environment can be achieved by responsible environmental planning strategies. This sustainability requires acknowledgment of international and national standards for integrated environmental management.

#### **SUMMARY OF OPERATIONAL PLAN PROGRESS**

Effective management and protection of our natural and built environment through sustainable growth and development



2.1 Provide strategic and integrated planning and policy development to sustain our environment



2.2 Effective management, protection and conservation of our natural environment



2.3 Preserve and protect places of natural and heritage significance

#### **Demonstrated environmental leadership**



2.4 Develop and implement an Integrated Water Management Strategy



2.5 Develop and implement innovative waste management and recycling strategies



2.6 Minimise greenhouse gas emissions from council's infrastructure, operations and services through sustainable energy practices



2.7 Partner with community and industry stakeholders to develop and promote environmental protection and sustainability initiatives



2.8 Develop and implement environmental compliance programs and promote community awareness

### Climatic effects on our community, natural and built environment are minimised



2.9 Mitigate and communicate the risks and effects of climate change

#### **CHALLENGES FACED DURING 2011/12**

- » Increased complexity of legislative environment and regulatory requirements, drinking water quality management practices and recycled water management plans
- » Operational impacts of prolonged or unseasonable wet weather
- » Lack of landfill space on Magnetic Island
- » Compliance with environmental licence conditions
- » Natural disasters
- » Carbon Tax implementation
- » Waste Levy implementation
- » Continuing to enable efficiencies in irrigation water conservation.

## Effective management and protection of our natural and built environment through sustainable growth and development

Council this year continued to implement an **Integrated Environmental Management System** which incorporated the provision of emergency response coordination for environmental incidents, lakes management, greenhouse gas emission reporting, training and the development of the Environment Policy. The Integrated Environmental Management System provides a framework to identify how council may be interacting with the environment and to investigate whether these interactions are causing a positive or negative impact. The framework integrates across all council's programs and policies.

Council's **Environmental Policy** was adopted in October 2011 and commits council to minimising the environmental impacts associated with its operations. The policy commits council to:

- » encourage the Townsville community to adopt a culture of environmental responsibility
- » work in partnership with the community and industry stakeholders to promote environmental awareness, protection and sustainability
- » encourage all staff to adopt a culture of environmental responsibility
- » comply with the environmental legislation, regulations and other permit and licence requirements relevant to its operations and strive to achieve best practice
- » strive to help control the release of pollutants in order to reduce adverse environmental impacts
- » continue to review policies and procedures to maintain and improve environmental management practices.



- » promote the efficient use of resources by applying the principles of waste reduction, reuse, recycling and recovery
- » work to reduce greenhouse gas emissions associated with its operations
- » encourage sustainable design and practices related to building, infrastructure and maintenance projects
- » strive to improve council's water consumption and endeavour to reduce the impact of wastewater discharge and run off
- » consider ecological sustainability principles in its strategic land use, infrastructure, and development planning
- » work to manage and protect natural environments under council care
- » apply the contracting principle of environmental protection when purchasing goods and services.



#### **CREATING A SMARTER CITY**

In November 2008, IBM began exploring how the planet was becoming 'smarter'. Intelligence was being integrated into the systems and processes that made the world work – computers, cars, appliances, roadways and power grids. By creating more instrumented, interconnected and intelligent systems, residents and policymakers could harvest new trends and insights from data, providing the basis for more informed decisions. A Smarter City uses technology to transform its core systems and optimise finite resources.

In early 2011, Townsville was pleased to be selected as one of just 24 cities world wide to receive a grant of approximately \$400,000 worth of in-kind expertise and technology from IBM as part of their Smarter Cities Challenge. The Smarter Cities Challenge is designed to address the wide range of financial and infrastructure challenges facing cities today. In July 2011, council hosted a team of IBM experts, who worked with the Townsville community for a three week period.

#### Their report concluded that:

Townsville has the challenges, the vision and the will to become a model of sustainability for Australia and around the world. Bringing leaders, open data, and guidance together with expanding digital connectivity will accelerate the progress toward a sustainable community. Townsville's

quality of life and city spirit for teamwork, combined with innovation and collaboration, can extend their portfolio of projects to become a model for sustainable cities around the world.

The three key projects identified that link with the IBM Smarter Cities Challenge project include:

- Build on council's partnership with Ergon Energy, the Solar Cities consortium, and local/regional sustainability businesses and community/education networks and the highly successful Townsville Network Demand Management Pilot
- 2. Enhance opportunities ensuing from the National Broadband Network trial and new Smart Grid energy projects in Townsville
- 3. Continue to develop and apply Townsville's expertise in behaviour change methodologies such as Community Based Social Marketing and Thematic Communication by exploring smart technology information sharing, learning and social media networking.



Council also undertook workshops to help develop projects for **Energy Sense Communities**, a new Ergon Energy program. This project integrates a range of new and existing energy demand management initiatives in Townsville and pilot innovations in smart grid, smart assets and smart communities. This project follows on from the earlier Smart Grid, Smart City Commonwealth funding bid.

Council has outlaid support for the Ergon Energy Townsville CBD District Cooling Project by facilitating workshops to build capacity and instigate actions in the community. The project plans to centralise chilled water storage for air-conditioners in Townsville's CBD. The State Government's Office of Clean Energy has provided \$1.7 million to advance the project. The funding will go towards designing the system, securing participants and engaging the private sector to manage and operate the system.

During the year, council conducted two pilot programs as part of the **Dry Tropics Water Smart - Residential Outdoor Water Conservation Program** (an initiative of council and the Queensland Government). Council conducted trials during the year to investigate ways of assisting residents to reduce their outdoor water use, while also ensuring healthy and resilient gardens and lawns in Townsville. Two of these trials were:

- » Rain-Switch Pilot: this trial provided a rain-switch to residents (60 households) with automatic watering systems, which automatically switch off irrigation systems after rainfall. Invitations to participate were offered to residents who consumed more than 772kL/yr.
- » Sprinkler Swap Pilot: this trial was part of the annual Ecofiesta and Smart Lifestyle Expo and offered residents the chance to swap older inefficient water sprinklers with a more efficient and Townsville appropriate device free of charge.

Council developed an **Oak Valley Nature Refuge Plan** during the year, focused on habitat quality and abundance of Blackthroated Finches. This plan will guide a major project to be implemented in 2012/13 in partnership with Powerlink. During the development of the plan, baseline habitat quality and abundance surveys for Black-throated Finches were undertaken and Black-throated Finch Habitat Management Guidelines were developed.

A 75 hectare wetlands habitat at Rowes Bay can now be explored thanks to the installation of a low-impact boardwalk during the year. **The Rowes Bay Wetland Reserve** at Pallarenda is one of the best examples of Townsville's freshwater/ marine based wetland. The area is used by a number of local schools for environmental education and is just one element in council's 'master plan' for Rowes Bay, which will see it become the Environmental Education and Learnscape Centre for the region with a focus on schools and environmental industry or 'green economy' capacity building. The boardwalk has improved safety and accessibility to the site and will have lasting benefits for visitors wanting to learn from the

unique environment. Sustainable House Day and other open day activities were held at the Rowes Bay Sustainable Retrofit House or 'Caretakers Cottage' and the water use demonstration garden.

Council partnered with Ergon Energy to trial an **electric vehicle charging station** on The Strand during the year. The trial is designed to assess the impact of electric vehicles on the electricity grid and evaluate the social advantages of using non-fossil fuel powered transport. Data will be collected and analysed from the trial and will look at energy use and efficiency of electric cars getting around Townsville, and possibly even the need and location of other sites around the city.

Council has committed to an ongoing beach monitoring and **sand re-nourishment project** to assist in the continued rehabilitation and maintenance of beaches along Rowes Bay to Pallarenda. This year, extensive modifications were made to the trial of geotextile sand bag training walls at Mundy Creek in Rowes Bay to improve their effectiveness in maintaining a stable beach either side of Mundy Creek and preventing sand from accumulating and blocking the creek. Approximately 1,000 tonnes of sand was moved from this area and spread along Rowes Bay beach.

The Strand also underwent major works from September to December 2011, with \$3 million worth of **foreshore protection** works being undertaken to repair damage done by Cyclone Yasi. The project involved the delivery of 26,000 cubic metres of materials and the redistribution of an additional 10,000 cubic metres of sand that had been shifted between headlands by cyclonic waves. The Strand beach slope acts as the city's first line of defence against cyclones and the repair, which was funded under the Natural Disaster Relief and Recovery Arrangement, was vital to ensure an optimum level of protection for the North Ward area.

During the year, council finalised and distributed the **Water Sensitive Urban Design Guidelines** for the Dry Tropics (Townsville) to the development industry and conducted awareness training sessions. Water Sensitive Urban Design is an internationally recognised concept that offers an alternative to traditional development practices. Water Sensitive Urban Design is a holistic approach to the planning and design of urban development that aims to minimise negative impacts on the natural water cycle and protect the health of aquatic ecosystems. It promotes the integration of stormwater, water supply and sewage management at the development scale.

A massive **re-greening program** was commenced during 2011/12 to replace more than 10,000 trees destroyed across the city as a result of Cyclone Yasi. Council staff undertook the arduous task of cataloguing the extent of the tree damage as part of rigorous guidelines set by the State and Federal Governments in order to access funding for the replanting under the Natural Disaster Relief and Recovery scheme.



Council worked to clear the wetland at the eastern end of Blakeys Crossing, after a **fish kill** in October 2011 that resulted in the death of about 2,000 fish, mostly Tilapia. The kill is thought to have been caused by low oxygen levels in upstream stormwater drains being flushed downstream during a prior rain period. Council officers monitored the site for one week after the kill to ensure no more fish died as a result of the flush.

In April 2012, council responded to a blue green **Anabaena algae** outbreak at the Lakes system. Council activated its management plan for Lakes algal blooms which included the installation of an aeration pump to raise depleted oxygen levels and signage with health warnings. Outbreaks of algae are common following hot conditions combined with high levels of stormwater run-off, but if left untreated, lower dissolved oxygen levels in the water increases the possibility of a fish kill. Staff carried out regular water testing and monitoring until the outbreak was resolved.

During 2011/12, council planned and delivered the **Pump Station Renewals Program.** As part of the program, council identified approximately 25 sewerage pump stations that required some form of renewal, based on their condition and remaining useful life. The program included the replacement of pumps, switchboards and other integral parts, and upgrades to the functionality of pump stations.

The program is an ongoing, yearly program, which operates to ensure the assets of the business are prolonged for future use and that council sewerage pump stations can be safely operated for the benefit of the community. The renewal program ensures pump stations are operating at optimum levels, reducing the chance of overflows and in turn protecting the environment.

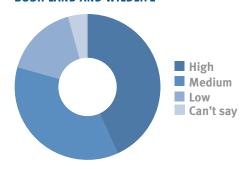
This year, council approved Cockle Bay as the location for a proposed new **Magnetic Island Waste Transfer Station** and green waste processing site, subject to State and Federal Government approvals. The site, which is close to the island's sewerage plant, will facilitate the transportation of waste from the island to the mainland commencing in about two years time when the current Picnic Bay landfill runs out of capacity.

The decision was made after consulting the community on three options, including Picnic Bay and Nelly Bay. Results of the consultation showed residents evenly divided over a location for the facility. However, the decision was made to locate the transfer station on the site near the sewerage plant in Cockle Bay, which will have a far greater community benefit when taking into account noise and dust considerations and the impact on property values.

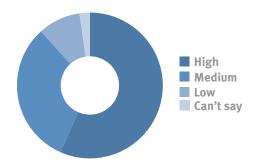
Heritage protection is an important function of council. Often, parks and roads within the city are named after Townsville 'Pioneers', locally based people who made a significant contribution to the city. During the year, council finalised a project to produce 80 pioneer biographies. These biographies will provide council with an internal reference that will enable park and road names to be suitably chosen, based on pioneers who may have had a significant link to that specific area.

#### WHAT YOU TOLD US

### SATISFACTION WITH PROTECTION OF BUSH LAND AND WILDLIFE



## SATISFACTION WITH PROTECTION OF OUR BEACH FORESHORE



Performance Indicator	2011/12
Number of habitat restoration and community revegetation programs undertaken	12
Area of park and open space per capita	99m2
Number of participants in tree planting activities	491
Number of participants successfully completing erosion and sediment control training	37
Number of school groups attending sustainability education activities	99
Number of tree planting days held	7
Number of trees planted in restoration programs	5,130
Number of heritage listed properties	1,390
Number of properties on the National Trust Register	92





#### **DEMONSTRATED ENVIRONMENTAL LEADERSHIP**

In December 2011, council adopted a Drinking Water Quality Policy. This policy commits council to promoting and protecting public health by managing its water supply to provide safe, high-quality drinking water. In addition, council has been working closely with the Office of the Water Supply Regulator in developing a **Drinking Water Quality Management Plan.** The primary purpose of the management plan is to protect public health through the identification and minimisation of any public health risks associated with the drinking water. Historically, council has achieved success in providing high quality drinking water to its customers. Therefore, the primary focus of the Drinking Water Quality Management Plan is to enhance the management of council's systems to acceptable industry standards in line with the requirements set by the Department of Energy and Water Supply and Queensland Health.

Council invests in the management of our local waterways and is a **Creek to Coral** partner and a Reef Guardian Council. The Creek to Coral program aims to maintain and enhance healthy waterways within the coastal dry tropics of the Townsville region. Council's program focuses on Total Water Cycle Management and the provision of community education and involvement.

The **Reef Guardian Council program** is an initiative of the Great Barrier Reef Marine Park Authority, involving the coastal councils of the Great Barrier Reef region. The program aims to protect and conserve the Great Barrier Reef for future generations by encouraging, promoting and recognising improved environmental practices. The program recognises local government actions across water management, waste management, land management, climate change and community engagement.

During the year, council developed a strategic vision for the **Greater Town Common**, including Louisa Creek, Rowes Bay Sustainability Centre and Wetlands, the Town Common wetlands and Many Peaks through a community based workshop led by Conservation Volunteers Australia and facilitated by council. The vision and draft master plan were presented to council in November 2011.

Education plays a large role in council's contribution towards environmental sustainability. During the year, council implemented a number of **community based education programs.** Over 1,600 school students participated in environmental tours, 30 schools were involved in environmental sustainability activities and seven educational booklets were produced exploring the topics of water conservation and recycling.

Council hosted the **Eco Fiesta and Smart Lifestyle Expo** weekend in June 2012, attracting approximately 12,000 visitors. The expo included exhibits showcasing green

technologies, conservation projects, animal and plant care, gardening, lifestyle and household environmental products.

Townsville's **Pest Management Plan** provides strategic direction for the management of pest plants and pest animals in the Townsville Local Government Area. During the year, priority targets within the plan were met including baiting and trapping programs and other pest plant management activities.

An extensive collaborative **baiting program** was undertaken with several hundred landholders, rural residents and other agencies. Concurrently, an extensive trapping program helped significantly and success was achieved in reducing localised wild dog numbers. In February 2012, priority wild dog trapping was carried out on Castle Hill in response to reports of aggressive wild dogs. Pest plant management activities are carried out on a risk based approach and additionally, assistance is provided to landholders through the development of individual Property Pest Management Plans.

Council's innovative **Energy Transformation Townsville Project** secured \$813,000 in funding from the Commonwealth Government's Community Energy Efficiency Program last year and will target big reductions in the council's power use. The project has a total cost of \$1.62 million and will be funded on a dollar-for-dollar basis with the council. The project, which will commence implemention during 2012/13, will target annual energy savings of 854,263 kWh through energy conservation measures at council buildings and facilities, development of a council wide energy management system, and the retrofitting of suitable outdoor public lighting with LED lights. The project also includes research and educational programs to promote better energy use in the Townsville community.

Council continued to promote and implement the **Citysolar** initiative throughout the year. Citysolar works within the community to assist in the delivery of innovative projects that showcase renewable energy generation and help empower people to think differently about, and conserve energy. Council implemented a **solar demonstration site** at the RSL Stadium, touted as the largest solar power system in North Queensland. The \$2 million rooftop solar farm, while owned by Ergon Energy, is a demonstration partnership project with council. The system consists of 1,800 solar panels, and provides two-thirds of the stadium's energy requirements, equivalent to the daily energy requirements of around 75 homes. The facility will provide a large scale community solar power station within the urban environment.





During the year, council implemented the **Cool Roofs Pilot Program** under the Citysolar program. Cool Roofs is an industry and council collaboration to increase the uptake of retro-fit cool roof coatings in Townsville. A community bulk buy pilot scheme was established between a consortium of Townsville based cool roof businesses that offered a minimum 15% discount to a pool of residents willing to upgrade. A cool roof helps to improve the energy efficiency of a home and to save residents money on their electricity bills and energy consumption. In 2012/13, the full program will become available to the whole community.

Council increased its focus on the recovery of resources from landfills over the past year, with all **landfill sites** now having designated **Resource Recovery** Areas established. The quantity of resources recovered increased significantly, from 15.8% in December 2011 to 24% in June 2012. In addition, over 2,000 tonnes of glass were sent from the kerbside recycling stream for further processing.

Council was required to implement the compulsory **State Government Waste Levy** by 1 December 2011. The levy applies to all commercial waste but does not affect household collections or residents dumping domestic waste. Introduction of the levy required council to upgrade all of the city's gatehouses, train waste services staff in the process and implement a system to record mixed levyable loads.

It was estimated that council would pass on approximately \$2.7 million to the State Government each year under the levy. However, the State Government went on to repeal this levy as of 30 June 2012. The repeal meant that the waste levy amount per tonne has been reduced to nil. However, all of the recordkeeping requirements that came with the introduction of the Waste Levy remain, so the systems put in place at the time of introduction, for example to track waste delivered to sites and within sites, will continue to be implemented.

Council promoted a number of environmental initiatives throughout the year including the **Great Northern Clean Up** and National Recycling Week. The Great Northern Clean Up is the North's own version of Clean-up Australia Day, coordinated by the council before the wet season each year. Last year's clean up targeted the city's waterways. Twenty-two clean up sites were registered with council, including the council's public clean-up site at the Barnacle Street boat ramp.

To celebrate **National Recycling Week** (7-13November), council hosts a recycling art competition, where school students design a picture around the theme of minimising waste.

In all, a record 200 entries from six local schools were received. The three winners each received a cash prize for their school and their artworks displayed in large graphics on a waste collection truck over the next 12 months. The winners were:

1st - Class 7a, Hermit Park State School 2nd - Amy Biros, Holy Spirit School 3rd - Yr 3WP, Oonoonba State School

Council regularly holds **Community Tree Planting** events across the city. All the preparation work, including hole digging, is completed by council before the community is invited to help plant trees and enjoy a free barbecue. During the year, Community Tree Plantings were held at The Strand, Wulguru, Pallarenda, Upper Marabou and Riverside. Council supplied native plants for approved community plantings in council esplanades to facilitate sand build up and foreshore recovery in several coastal communities.

Council also supported the Planet Ark Schools Tree Day with 20 participating schools receiving an information kit, fertiliser and native plants to plant on their school grounds.







#### COUNCIL'S COOL NEW DATA CENTRE

Data centres world wide are a huge consumer of electricity. The Information Communication Technology sector is estimated to be responsible for around 2% of world wide greenhouse emissions, of which 14% is generated by data centres.

Council hosts two data centres, one at its Walker Street Administration Building and one at its Thuringowa Drive Administration Building. Ageing power and cooling infrastructure in the Walker Street data centre was at capacity and unable to grow further to meet council's future computing demands. Due to the layout of the room and lack of insulation on the walls and ceiling, the data centre cooling units were only just coping with the heat load being generated by the equipment in the room. The units were running 2.75 times harder than they needed to, just to keep up with the room's environment! The units cooled the entire room, so hot and cold air were mixing and effectively reducing the efficiency of the cooling, resulting in increased electricity consumption.

As a solution, council replaced the old racks with a 'hot aisle' containment solution plus new backup battery, power and cooling infrastructure, providing redundancy and resiliency that didn't exist in the past. To further enhance efficiency, the walls and ceiling of the data centre were lined

with a fire retardant version of insulating material, similar to that found in cold rooms. Two water chilled cooling units were installed and the electrical capacity was increased, future proofing capacity growth. A roof and door were installed over the area and now hot air is contained. The cooling units are part of the rows and only have to cope with hot air that's in that area.

Council had an opportunity to test the improvements in their very first week of operation. During this test, power to the data centre was cut off for a period of 40 minutes, during which time council didn't lose any systems and the temperature stayed below 30°c. In a similar previous incident, staff had just enough time to quickly shut down all systems, and even then the temperature within the data centre quickly reached the high 30s.

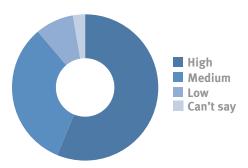
This project proved to be a great investment environmentally by greatly reducing the efficiency and power consumption of the data centre, but also improved the council's resilience in the case of an unexpected power outage.





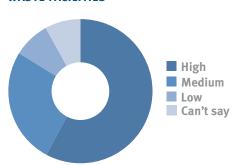
#### WHAT YOU TOLD US

## SATISFACTION WITH WATER QUALITY IN OUR WATERWAYS



Performance Indicator	2011/12
Total value of grants received for environmental programs	\$868,453
The number of school education programs conducted in accordance with the approved schedule	40
Number of waste non-compliance notices issued to the regulator	6
Number of wastewater non-compliance notices issued to the regulator	69
Percentage of green waste recycled or reused by council	58-60%
Volume of segregated green waste collected and or received	57,863m3
Average percentage of contaminated recycling collected	10.7%
Weight of recycling sent for processing	15,430 T
Volume of residential and non-trade waste sewage collected	17,124 ML
Volume of trade waste sewage collected	2,754 ML
Percentage of effluent re-used	14.16%
Percentage of biosolids that are beneficially re-used	100%
Percentage of properties choosing Water Watcher water pricing	19%
Volume of water supplied to councils parks and open spaces	4,001 ML

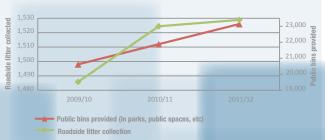
## SATISFACTION WITH MANAGEMENT OF WASTE FACILITIES





The collection of kerbside general refuse and recycling has increased slightly, in line with population growth. However, the total weight of waste delivered to landfill sites per annum has reduced significantly. This can be attributed to council's increased focus on the recovery of resources (including the introduction of a Resource Recovery Areas at all landfills), resulting in less waste going to landfill.

#### **KEEPING OUR CITY CLEAN**



The number of bins located in council parks has increased steadily over the past three years. This is the result of public feedback and a focus on waste management needs whenever new parks are developed or existing parks refurbished. The distance of roadside litter collection conducted has increased significantly in response to feedback received in the council's most recent Community Attitude Survey. Council has allocated a permanent crew of roadside litter collection staff who target known problem areas.





## CLIMATIC EFFECTS ON OUR COMMUNITY, NATURAL AND BUILT ENVIRONMENT ARE MINIMISED

Council has been working with the Department of Environment and Heritage Protection and Local Government Association of Queensland on a federally funded pilot study examining appropriate responses to increased **coastal hazards** as a result of climate change. A component of the study is developing a **Coastal Hazard Adaptation Strategy** for the Townsville Local Government Area. The adaptation strategy seeks to identify the most appropriate measures for responding to long term increases in coastal hazards with consideration of economic, social and environmental issues. Developing the adaptation strategy has involved:

- » updating storm tide modelling to account for projected increases in mean sea level and cyclone strength
- » assessing areas vulnerable to sea-level rise, storm tide and erosion
- » identifying adaptation options including defending from the hazards, accommodating the hazards or retreating from the hazards
- » evaluating preferred adaptation options using a multicriteria analysis and cost-benefit analysis.

While the Coastal Hazard Adaptation Strategy Study is ongoing, findings from study have been used to inform the new planning scheme. By adequately accounting for projected increases to coastal hazards, the land use planning for future areas will maintain community safety and reduce the need for additional resources to respond to climate change.

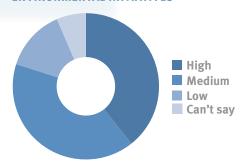
An Integrated Carbon Management Framework has been developed through consultation and involvement from departments across the council. The framework is an integrated strategy for management of carbon and the impacts of the carbon price mechanism across all council operations. A key process in this framework is the establishment of procedures and structured approach to identifying, recording, collating and reporting council's total greenhouse gas emissions equivalents.

The framework will also investigate opportunities to set reduction objectives, develop strategies to avoid producing emissions, reduce emissions, switch to less carbon intensive fuels or materials, sequester carbon, assess and offset.

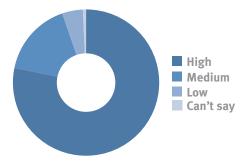
Running in tandem with, and forming part of the Integrated Carbon Management Framework, is the **National Greenhouse and Energy Reporting.** This process specifically looks at greenhouse gas emission equivalents required for various legislative and voluntary reporting processes.

#### WHAT YOU TOLD US

## SATISFACTION WITH COUNCIL ENVIRONMENTAL INITIATIVES



### SATISFACTION WITH QUALITY AND RELIABILITY OF WATER SUPPLY



# LOOKING FORWARD WE WILL...

- Implement the Eco-City vision and action plans
- » Develop a kerbside waste minimisation education program
- » Develop and implement an internal Network Demand Management (Energy) Program across council
- » Implement the first stage of the City Solar community based social marketing trial
- » Deregister Mt Low, Deeragun, Nelly Bay and Bohle treatment plant sites through demolition and rehabilitation.

# ENHANCING OPPORTUNITIES FOR SOCIAL ENGAGEMENT AND WELL-BEING



The continuing rapid growth of Townsville, places increasing demands not only on our transport and infrastructure, but also our communication and social networks. As our population grows, the city faces challenges around social change, transient workforces and affordable housing. It is important that these challenges are taken into consideration when planning for human services such as families, community support, cultural development, recreation and public safety, and their associated infrastructure.

#### **SUMMARY OF OUR PROGRESS 2011/12:**

#### A safe and healthy community



3.1 Improve the safety and well-being of the community through the management of public health risks



3.2 Plan for and provide active and healthy lifestyle opportunities



3.3 Coordinate council's response to natural disasters to minimise the effects on the community

#### A cohesive and self reliant community



3.4 Foster the development of the city as a learning community



3.5 Encourage and facilitate the participation and integration of residents into the community



3.6 Strengthen community networks to collaboratively deliver community services

#### A community with access to services and facilities



3.7 Plan for community facilities and services to meet the community's current and future needs



3.8 Provide community services and facilities to meet the needs of the community



3.9 Provide community support services to meet the needs of the community

#### A creative community



3.10 Facilitate and showcase artistic learning and expression through performances, exhibitions, activities and programs



3.11 Support community participation in cultural activities, programs and events

#### CHALLENGES FACED DURING 2011/12

- » Constant changes in the e-book publishing and licensing market
- » Storm damage at the Aitkenvale Library and Worinda Occasional Childcare Centre
- » Delivery of disaster recovery activity in response to the wet weather event in Vincent area in March
- » Review and changes regarding local government responsibilities for disaster events resulting from Queensland Flood Commission Inquiry
- » Continual rain events creating increased mosquito breeding
- » Community sentiment regarding water billing and the community's perception of council and its ability to deliver services and facilities
- » Increasing expectations by public and sponsors of community events.

#### A SAFE AND HEALTHY COMMUNITY

Council owns and operates 165 **closed circuit television** cameras throughout the city. The council regularly receives requests for footage from the Queensland Police Services to aid with investigations. Council contracted almost 39,000 hours of **security patrols** during 2011/12, an increase of 28% over the previous year. These patrols are part of council's contribution to keeping our city safe. In 2011, council introduced an inner city security patrol between midnight and 6am each day. Council also contracts patrols at Riverway, The Strand and the city's parks.

Council has introduced a **Rural Addressing Project** to improve the safety of residents in outlying areas of the city including Rollingstone, Hervey Range, Bluewater and Black River. The initiative will make properties easer to identify, especially to emergency services and service providers. Many rural properties share an address or lot number and require 'local knowledge' to identify. Council has been working with the Rollingstone and District Lions Club and Bluewater Rural Fire Service to identify and signpost those properties, in accordance with the national addressing standards. This important community initiative has the potential to save lives in urgent situations, with emergency services quickly able to locate residences.



Council moved to adopt uniform **school zone times** across the city to eliminate confusion for motorists and improve safety for students during the year. Council applied to the Department of Transport and Main Roads to adopt the times of 8am-9am and 2:30pm-3:30pm in school zones city-wide, except where a school needs extended operating hours, such as a split-campus school.

The move followed a Queensland Government directive to standardise school zone times in South East Queensland and a council survey of the needs of 46 local schools with school zones. Valued at more than \$155,000, the project has brought greater consistency to speed zones and helps keep the city's school students safe.

Council has a requirement to manage **community compliance** with **legislation and local laws**. Council received 15,708 requests for service during the year relating to animals, building activities, licensed premises and public health related issues. Significant decreases were seen in the number of requests received relating to parking (69% decrease in requests) and general information (49% decrease in requests). This can be attributed to a procedural change whereby faulty parking meter requests were sent directly to council's meter technicians for attention, resulting in improved response times and a decrease in the amount of time parking machines were out of order.

There was an increase in the number of requests relating to dogs (13%) and cats (560%). The increase in requests relating to cats can be attributed to new laws introduced by the State Government in March 2011, which require all domestic cats to be registered. This has resulted in approximately 4,300 cats being registered in Townsville as at the end of the financial year.

In February 2012, council ran a media campaign to address the growing number of **dog attacks** being reported and place the onus back onto pet owners to take responsibility for their animals. The campaign received significant media attention due to its graphic nature and the seriousness of the situation in the local community. The campaign was complemented by a school education program on responsible pet ownership. During 2011/12, 585 dog attacks were reported within

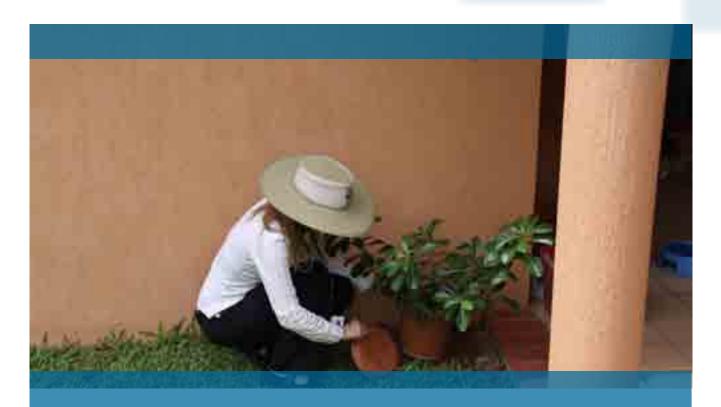
the city, a figure it is hoped will decrease over the coming year as awareness increases.

During the year, council also responded to **Aedes albopictus** (Asian tiger mosquito) incursion at the Townsville Port. In response, traps were set up around the port perimeter and closest residential area to monitor any Aedes albopictus movements. The port area was systematically treated and all potential breeding sites were identified and destroyed. At no point did any traps pick up Aedes albopictus.

Weather conditions in 2011/12 were particularly conducive to **mosquito breeding** and as a result, council increased its treatment of tidal and wetland areas to over 3,000ha. These areas are typically a breeding ground for the Saltmarsh mosquito, (Aedes vigilax) a carrier of the Ross River Virus. Townsville also experienced an outbreak of Dengue Fever in June in the suburb of Heatley. This prompted an increased inspection and education program by council in conjunction with the State Government. Council runs an educational program around mosquito disease prevention from approximately November to March each year.







### **DEALING WITH DENGUE**

Council was involved in an intense dengue response program during the winter months of June and July 2012 due to a puzzling dengue outbreak that occurred in the suburb of Heatley. This outbreak was highly unusual as dengue has not been known to transmit in winter, or in the Heatley area. The risk of the virus occurring over winter, when mosquito numbers normally reduce, was of real concern as it could lead to a large scale dengue outbreak over the summer period.

In partnership with the Townsville Public Health Unit, council had a dedicated team of three people who inspected 543 homes and properties in the Heatley area over a 13 day period. The team's work identified some alarming results. Out of the 543 properties inspected, 68 properties were breeding mosquitoes, of which a massive 65% were breeding the Ades Aegypti mosquito (the mosquito that transmits the dengue virus).

During the response program 90 water/mosquito larvae samples were collected and 74 properties were treated with an insect growth regulator. Action was taken to ensure any non-compliances were rectified at the time of inspection. Fortunately, no new dengue notifications were received following the program implementation.





Council implemented a number of initiatives from its **Sunsafety Program** this year, including involvement in National Skin Cancer Action Week, which was held from 20 - 26 November 2011. During the week, sunscreen and more than 600 Sunsafety branded hats were distributed at the Cotters Markets. Council also produced 15 and 30 second television commercials that were used during National Skin Cancer Action Week and at the Townsville 400 V8 Supercar event. Sunsafety representatives attended the Townsville 400 event and provided spray on sunscreen to patrons as they entered the venue as well as shade marquees for volunteers at the event.

Council also provided all local schools that have swimming pools with a UV indicator sign and sunscreen dispensers and targeted Townsville's fishing and outdoor enthusiasts with a Sunsafety Pledge Campaign.

Townsville was selected to take part in a national pilot program aimed at encouraging more children to walk and cycle to school during the year. The **Healthy Active School Travel project** promotes good health and exercise for primary school kids, starting with walking or riding to school. Under the project, council is developing active school travel strategies to look at different ways to make walking or riding to school fun, accessible and healthy. There is also a safety benefit of the program. With the number of children travelling to school by car reducing, traffic congestion around schools should lessen.

Council continued its implementation of the **Active Townsville Program**, which is designed to encourage the community to be more physically active. Active Townsville promotes the physical activity opportunities Townsville offers as well as providing supportive environments for people to get involved in physical activity. One of the key outcomes delivered under this program during 2011/12 was the successful Active and Healthy Seniors Program. The Active and Healthy Seniors Program offers eight weeks of fun, friendly and low cost physical activity and recreation classes to promote and encourage active and healthy lifestyles for the over 50s of Townsville. The type of activities on offer include water aerobics, yoga, line dancing, Tai Chi, golf, circuit classes, body balance and Zumba. During the year, over 380 seniors participated in the program.

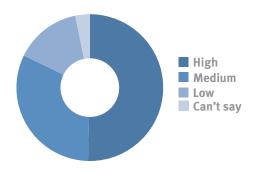
Other outcomes delivered under the Active Townsville Program during the year included the installation of an outdoor fitness circuit at Soroptimist Park, a drawing competition for kids showcasing Townville's physical activity opportunities and a free swim day at the Northern Beaches Leisure Centre, Kokoda, Tobruk and Long Tan pools in December 2011.

Council provided over 5,000 students from seven local schools with a nutritious breakfast as part of the **School Breakfast Program.** The program is designed to assist primary schools to supply a healthy breakfast to students who regularly come to school without the most important meal of the day. It enables schools to create an environment where students can learn life-long skills such as food hygiene, food preparation and social interaction.

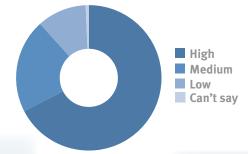
On 20 March 2012, the suburbs of Annandale, Aitkenvale, Gulliver and Vincent were affected by a severe weather event dubbed the **'Vincent Tornado'**. The tornado left some 356 homes damaged along with community facilities and infrastructure. In response, council assisted with the operation of a recovery centre from 21 to 30 March and has developed a one-year Community Recovery Plan in conjunction with community organisations and state agencies to assist the community regain social, economic, environmental, and physical well-being after the disaster event.

#### WHAT YOU TOLD US

## SATISFACTION WITH MOSQUITO CONTROL



#### SATISFACTION WITH MANAGEMENT OF EMERGENCY EVENTS SUCH AS CYCLONES AND FLOODS





Performance Indicator	2011/12
Number of sporting organisations within Townsville	254
Percentage of the population who regularly participate in organised physical activity	12%
Percentage of the population who regularly walk, run or ride	38.5%
Cost of removing graffiti	\$83,000
Number of neighbourhood watch groups within Townsville	22
Percentage of the community reporting medium or high satisfaction with the availability of street lighting	83.2%
Number of parks with lighting	100
Number of public space facilities covered by CCTV	165
Number of requests received from local police for CCTV footage	137
Number of requests received from local police for CCTV footage supplied	63
Percentage of the community reporting medium or high satisfaction with animal control	74.8%
Percentage of the community reporting medium or high satisfaction with food safety in local eateries	87.8%
Average number of days without water production	0
Number of suburbs/areas on boil water alerts during the year	0
Volume of green waste collected post disaster incident	5,203.8m <sup>3</sup>

#### 

The number of SES volunteers fell by 10 during 2010/11 and increased again in 2011/12 possibly due to recent disaster events such as Cyclone Yasi and the tornado. However Townsville SES has maintained approximately 200 trained members in recent years. The number of community disaster preparedness education presentations and displays has increased in 2011/12 in response to Cyclone Yasi and the tornado. These events, presentations and displays assist with ensuring the community is prepared for potential future disaster events.

#### A COHESIVE AND SELF RELIANT COMMUNITY

Council has a suite of 11 Strategic Action Plans, which focus on issues of concern to the community and help deliver on the intent of the Community Plan.

The first 10 of the **Strategic Action Plans**, which cover a three year period from 2011 to 2014, were adopted by council in July 2011 and commenced implementation during 2011/12. The Lifelong Learning Strategic Action Plan covers a two-year period from 2012 – 2014, was developed throughout 2011/12 and will commence implementation in 2012/13. The plans include:

- » Aboriginal and Torres Strait Islander Strategic Action Plan
- » Arts and Culture Strategic Action Plan
- » Community Safety Strategic Action Plan
- » Disability Inclusion Strategic Action Plan
- » Families Strategic Action Plan
- » Lifelong Learning Strategic Action Plan
- » Multicultural Strategic Action Plan
- » Seniors Strategic Action Plan
- » Sport and Recreation Strategic Action Plan
- » Women's Strategic Action Plan
- » Youth Strategic Action Plan

The Lifelong Learning Strategic Action Plan 2012-2014 recognises the importance of learning to develop a strong, vibrant and economically sustainable community. It identifies four priority areas of programs and participation, access and equity, partnerships and networks, and advocacy.

Support for Townsville's Aboriginal and Torres Strait Islander (ATSI) community is a priority for council. During the year, council maintained it's Elders Yarnin Circle program, which is aimed at reducing social isolation. Once a fortnight, elders get together over a morning tea to do activities and hear from guest speakers on programs and issues relevant to senior citizens. Council also hosts two ATSI Sports Carnivals each year, one for seniors and one for juniors. The events encourage participation with one another and encourage participation in mainstream sports. In addition, council works with various community organisations to help manage cultural events such as National Aborigines and Islanders Day Observance Committee (NAIDOC) Week, Mabo Day, Sorry Day, Coming of the Light and Reconciliation Week. At the 2011 Elders NAIDOC Luncheon, council's Chief Executive Officer signed a Statement of Commitment to have a Reconciliation Action Plan in place by December 2012. As a result, consultation has been held and a working group established for development of the Reconciliation Action Plan.

Council implemented a number of youth specific initiatives during the year, including the popular **School Holiday Program.** The program is held during the June/July and December/





January holiday periods and provides a safe, affordable and rewarding recreation program that is diverse, inclusive and educational. The program connects youth with local leisure and skill development options and promotes self development, empowerment and fun.

Youth in the Spotlight was held in May 2012 to celebrate and promote the positive contributions of youth in the community. The event comprised performance, artwork and presentations by young people and a keynote address from the United Nations Youth President. Council supported National Youth Week in conjunction with local community organisations.

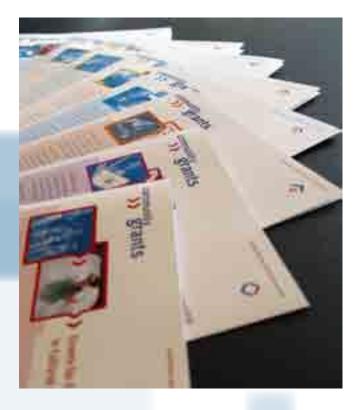
A number of multicultural and women's events were supoprted by council during the year including Harmony Week, Refugee Week, Cooking Up Diversity and Domestic and Family Violence Prevention Month. Council also updated its Accessing Townsville Guide and Senior's Guide to Council.

**Graffiti management** is another significant focus for council. During the year, council developed and adopted a Public Graffiti Management Policy that guides council's response to reporting and removing graffiti in public places, and the development of preventative strategies to discourage graffiti throughout the city. During the year, 86% of reported graffiti was removed within the desired timeframe, which is determined by the nature of the graffiti.

The **Together Townsville** partnership program celebrated its 5th Anniversary this year. The program aims to build long-term, strategic partnerships with corporate and community organisations to sponsor community initiatives. Throughout the year, the program retained 90% of partners and achieved over 90% partner satisfaction. Over 45 community initiatives are supported annually, including the Student Enterprise Challenge, the Rowes Bay Wetlands Project, the Summer Reading Program, a Youth Loud Lounge, the Farmers Markets and Cyclone Sunday. A full list of sponsors is available at Appendix E. The program this year won an international award for Program Excellence in Community Partnership, was runner up in the Local Government Management Association Awards and has received several expressions of interest from other Australian local governments.

Section 117 (a) of the Local Government (Finance, Plans and Reporting) Regulation 2010 requires council to report its expenditure on grants to the community. Council supports the community through the distribution of funds and waived hire fees. During 2011/12 council distributed \$1,812,022 in cash contributions through the Community Grants and Sponsorships Scheme. In addition, a further \$489,182 was provided in waived hire fees.

Grant	\$
Grants for Excellence in Sports	24,800
Grants for Excellence in Cultural Development	1,900
Regional Arts Development Fund (RADF) Grants	77,450
Community Organisations Grants Program	39,709
Partnerships and Sponsorships Program	1,605,305
Community Micro-Grants	19,179
Community Heritage Grants	10,259
Community Halls Maintenance Grants	24,000
Mayor's Community Assistance Fund	9,420
Value of waived hire fees approved through community grants program	489,182
Total value of cash and waived hire fees distributed through the community grants program	\$2,301,204





Community Grants Distributed By Target Gro	oup		
	\$ Approved (ex GST)	%	Total number approved
Cultural/Arts	444,317	24.52%	49
Sport & Recreation	494,956	27.32%	151
General Community/Family	765,021	42.22%	90
Youth	53,505	2.95%	12
Environment	15,050	0.83%	5
Seniors	18,710	1.03%	9
Indigenous	20,463	1.13%	7
Total	\$1,812,022	100.00%	323

Community Grants Distributed By Purpose			
	\$ Approved (ex GST)	%	Total number approved
Career	10,255	0.57%	9
Festivals/Events	610,629	33.7%	77
Infrastructure	177,765	9.81%	16
Operations	877,822	48.44%	42
Workshops, publications, exhibitions, attendance at events	135,550	7.48%	179
Total	\$1,812,022	100.00%	323









#### **VOLUNTEERS SHARING INFORMATION WITH THE COMMUNITY**

The Community Information Centre Townsville Inc (CIC) is a not-for-profit community organisation funded primarily by the Townsville City Council. During 2011/12 the CIC received \$80,000 towards operational costs through the council's Community Grants and Sponsorships Scheme.

The Centre was established in 1976 as a volunteer organisation and has since continued to provide information to residents, a wide range of community groups and government departments. The CIC provides a comprehensive information and referral service. The service is free (except for select publications), confidential and available to any member of the community.

The type of requests received by the CIC are many and varied. They cover a diversity of issues, including employment services, tenancy rights, family and individual crisis referral, recreational activities, disability access and services, and new residents information.

In 2011/12:

- » an average of 32 hours was spent each week providing face-to-face, telephone and online information
- » over 7,100 direct requests for information were answered
- » the CIC's web-based information received over 11,000 views
- » 90% of walk-in clients were Townsville residents (estimate).

The CIC is supported by a team of dedicated volunteers who work the equivalent hours to 3.5 full-time staff members, which is valued at approximately \$145,000 annually.





Section 117 (b) of the Local Government (Finance, Plans and Reporting) Regulation 2010 requires council to detail the recipients of all funding provided through councillor discretionary funds. The Mayor of the City of Townsville was allocated \$10,000 discretionary funds in the 2011/12 budget. No other councillors had discretionary funding allowances. Expenditure of \$9,220 was distributed during the year, as outlined below:

Grant Recipient	Purpose of Funding	\$
Association of Independent Retirees	Postage costs for organisation's monthly newsletter to members	350
Cowboys Support Team	2011 fundraising initiative for the Cowboys Scholarship Fund	300
Cranbrook State School	Purchase of a plaque to commemorate 30th Anniversary of school	50
Currajong Neighbourhood Watch	Annual Community Day	500
Good Beginnings Australia	End of year celebrations for clientele	180
Hermit Park State School	Hire of sound and lighting equipment for the Hermit Park/Hyde Park/ Pimlico Community Carols event	250
Aitkenvale Uniting Church	'Trekking the Larapinta Trail' raising money to support school chaplaincy	200
Immune Deficiencies Foundation	Eight Townsville youths' tickets to the Circus Quirkus performance	400
International Women's Day Breakfast Committee	UN Women National Committee Australia to sponsor two students to attend the International Women's Day Breakfast	80
Neighbourhood Watch Mundingburra/Aitkenvale	Community bike engraving day	200
North Queensland Historical Re-enactment Society	Acquiring one of the P1 huts in the new Jezzine Barracks refurbishment area	500
Patriots Tour of Duty	Motorcycle Charity Ride to raise funds for the Leukaemia Foundation	150
Pimlico State High School	School Sailing Team for the 2012 North Queensland Regional Team Sailing Competition	500
Royal Australian Regiment Association NQ	National Memorial Walk fundraiser and supporting NQ members RAR Association services	300
Ryan Catholic College	'Council Award' recognising Year 12 Students demonstrating activities in the community	50
Seaview Range Sports Committee	Purchase of ribbons and medallions to schools participating in the Seaview Range Sports Day	200
Soroptimist International Club of Townsville	Two Somalian High School students from refugee families to integrate into the community through a local soccer competition	550
St Margaret Marys School	School's Dux Award 2011	100
The Cure Starts Now, Australia	Cure Starts Now Australia - fundraiser for cure for paediatric brain cancer	500
Totally and Permanently Disabled Ex-Servicepersons Association (Townsville)	TPI HELP NET Dinner	500
Townsville and Thuringowa Country Music Association	Social Day and membership drive	200
Townsville Castle Hill Lions Club	Purchase of new shirts for club members to coincide with the club's 50th anniversary in 2012	500
Townsville Castle Hill Touch Association	Purchase of trophies for annual 'Player of the Year' Awards for the club (2011)	500
Townsville Castle Hill Touch Association	Purchase of trophies for annual 'Player of the Year' Awards for the club (2012)	500
Townsville Community Broadcasting	Mayor's Monthly Interview on Sundown on the last Thursday of each Month	500
Townsville Eisteddfod Inc.	Trophies for the 'Stage Band' 18 years and under group award	50
Townsville Greek Orthodox Community	Debutante Ball event	110
Townsville Hospital Foundation	International Nurse's Day & International Day of Midwife events at the Townsville Hospital	200
Townsville PCYC - Daniel Morcombe Foundation	PCYC hosting an educational initiative on 'Child Safety'	500
Variety Queensland Inc	Six Townsville tickets to the Children's Movie Spectacular	300
TOTAL (ex GST)		\$9,220



**Section 119 (f) of the Local Government (Finance, Plans and Reporting) Regulation 2010,** council is required to provide a summary of all concessions for rates and charges granted during the year.

Rate Concessions Granted in 2011/12		
Remission Type	Number of Properties	\$
General Rate Remissions	224	947,490.37
Refuse Remissions	3	4,021.80
Sewerage Remissions	299	878,030.49
Water Remissions	472	2,784,410.84
Pensioner Remissions	8011	4,810,761.79
Total		\$9,424,715.29



#### A Helping Hand with Homework

The Multicultural Project aims to develop English literacy and build community capacity to understand and appreciate the multicultural community. As part of this project, council provides a Homework Mentoring Program designed to develop the skills of young people from culturally and linguistically diverse backgrounds. Students broaden their knowledge of English through assistance from volunteers with homework and fun social activities.

"I did an oral presentation today and the teacher said that it was excellent" Voleak.

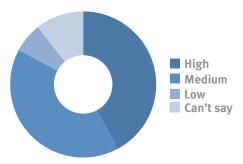
Voleak had only been living in Townsville for 10 months. She had studied English in her home country of Cambodia for two years before coming to Australia but could only read and write, not speak English. Her teacher said that it was amazing for her to have done such an excellent oral presentation after only 10 months in Australia and that her presentation was the best in her class.

Voleak said the Homework Mentoring Program volunteers know how to explain what her assessments are about. They break down the assessment into small tasks and explain very clearly what it is about. She has grown in confidence and also improved her social skills. She has built strong relationships with the volunteers and other students.



#### WHAT YOU TOLD US

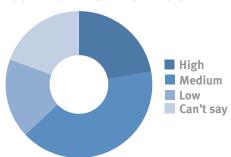
## SATISFACTION WITH COUNCIL'S SUPPORT FOR LOCAL COMMUNITY AND SPORTING GROUPS



Performance Indicator	2011/12
Number of support and/or service organisations for the Culturally And Linguistically Diverse (CALD) community	61
Number of volunteers within the community	1,437
Attendance at events and activities staged in council managed community facilities and spaces	3.03 million*
Attendance at council Community Cultural Events and Activities	121,925*
Number of participants in council run citizenship ceremonies	417
Number of participants in councils Welcoming Babies ceremonies	318
Attendance at councils school holiday events and activities	6,043
Number of schools (primary, secondary, tertiary) within Townsville	69
Number of participants in councils library workshops/events/programs hosted for adult/family/early years	27,436
Number of library loans per capita	5.3
Number of registered library members	103,842
Percentage of population registered as library members	59.20%
Number of internet bookings at council libraries	72,679
Number of participants in computer literacy courses at council libraries	1,039
adult/family/early years  Number of library loans per capita  Number of registered library members  Percentage of population registered as library members  Number of internet bookings at council libraries  Number of participants in computer	103,842 59.20% 72,679

<sup>\*</sup>Estimated

## SATISFACTION WITH PROVISION OF YOUTH FACILITIES AND SERVICES



#### STRENGTHENING COMMUNITY PARTNERSHIPS

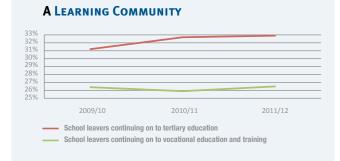


It can be seen that the total value of incoming sponsorship through the Together Townsville program has reduced. However, more importantly, the number of initiatives sponsored through the program has continued to increase. This steady increase in the number of initiatives sponsored demonstrates the sustainability of the Together Townsville program, despite the impact of the current local economic climate which has resulted in a reduced capacity for sponsors to support the program financially. These results are supported by a retention rate of sponsors of 85% and sponsor satisfaction rate of 90%.



# \$2.3 \$2.2 \$2.1 \$2.0 \$1.9 \$1.8 Cash and waived hire fees distributed through the Community Grants Program Cash component of community grants distributed

The value of cash and waived hire fees distributed to the community through the Community Grants Program has increased steadily over the past three years. It can be seen that the cash component has decreased and the waived hire fees has increased. This is the result of council gradually reducing cash funding amounts to organisations that have received funds for a number of years, in order to develop their own financial sustainability. The result also demonstrates the coordinated approach council has adopted in reporting of waived hire fees under the grants program.



The percentage of school leavers continuing on to tertiary education, vocational education or training has increased slightly over the past few years. The most common fields of study being entered into include health, engineering and related technologies, society and culture and management and commerce. Three quarters of students in post school education or training remained in the North Queensland region.

## A COMMUNITY WITH ACCESS TO SERVICES AND FACILITIES

This year, council undertook a **Parks and Open Space Management (POSM) Review** to critically evaluate council's
15 year practice of using a private contractor to service one of
its five parks' sectors. The review looked at the most efficient
operational model and recommended an external contractor
be maintained to service Sector Two. The council found that
contracting out one section of the parks maintenance operations
played an important role in driving on-going efficiencies in
council's parks maintenance. In the past, this program helped to
keep council competitive with the private sector.

The popular **Rowes Bay foreshore park** network, including Soroptimist and People's Place Parks were earmarked to receive a facelift during the year. Many of the park's original facilities and public artworks dated back to the late 1980s and early 1990s. Wear and tear, coupled with damaging cyclones and storms, meant some elements were in need of restoration or replacement, including the children's adventure playground.

A public consultation day was held in October to seek resident's views on the parks most important elements. As a result, a staged masterplan was developed for the area, with the first stage including an upgrade of the playground area and installation of new fitness equipment in Soroptimist Park commencing in June 2012.

Council also concluded stage three of the **Riverway Upper Ross Community Hub** (RURCH) redevelopment, with major features including a jetty and pontoon, parkour activities (active zone for free running), picnic and barbecue facilities, amenities building, carpark, pathways and landscaping.

The council provides a number of **community support services** including the Vincent Family Worker, School Therapy Service, Inclusion Support Agency, Early Years Information Service and Worinda Occasional Care. Satisfaction with these services remained high throughout the year with a minimum 91% client satisfaction recorded against all of these services as at the end of the year.

Worinda Occasional Childcare Centre sustained significant damage as a result of the March 'Vincent Tornado' and as a result was closed until 28 May. Damage sustained included the roof, fences, trees, play equipment, shade sails, broken glass and internal water damage.

Council's three library branches contribute significantly to the provision of services and facilities to the community. Over 50% of the Townsville population has membership to **CityLibraries** and 99% customer satisfaction was recorded at the end of the financial year.

The library's biggest event for the year was the celebration of the **May Month of Learning**, designed to highlight the importance of learning to personal development and community well-being. More than 90 events were hosted





as part of the month, including a short story competition, storytelling, public workshops and school-based activities with authors, artists and computer literacy workshops.

The libraries also launched the **YourTutor Lifelong Learning Program.** The program provides free online one-on-one support for local job seekers, mature age students and householders available weekdays from 6pm to 10pm. The service connects adults to qualified tutors for individual conversations about job applications and resumes, speeches and public speaking, grammar, punctuation, online search and library skills, and writing skills at work.

A collection of downloadable **e-audio books** was also introduced, with members now having access to more than 800 titles for pre-schoolers to adults including international bestsellers, biographies and lifestyle titles. The e-audio books can be downloaded for later listening on iPods or MP3s and are aimed at re-engaging residents with storytelling.

Council owns a number of **aquatic**, **sporting and community facilities** that provide the community with opportunities to

engage in a variety of social and recreational activities. Following the completion of the Kokoda Memorial Pool redevelopment in April 2011, attendance at council's four public aquatic centres rose to almost 250,000, up by almost 100,000 on the previous year. The centres, which are leased by private operators, were only closed for short periods for maintenance during the year.

The **Townsville RSL Stadium**, located in the Murray Sports Precinct, was officially opened in July 2011. The multi-purpose arena features an international standard wooden sports floor, function rooms, a public gym, offices and tiered seating on either side of the court to cater for 2,000 people.

The **Kalynda Chase Regional Tennis Centre** was officially opened in July 2011, adding to the city's selection of sporting facilities. The 10 court regional centre has been designed to the Davis Cup standard and will host local, regional and higher level matches. The project was jointly funded by council, Tennis Queensland and the Queensland Government as part of the Regional Partnerships Program.



#### **CONNECTING THE COMMUNITY WITH QUEENSLAND AUTHORS**

The Queensland Week Townsville Literary Festival was a week-long celebration of Queensland writers and literature held in a variety of venues throughout the city during June 2012. The festival provided the opportunity for local and regional communities to engage with recognised Queensland writers through workshops, author talks and lectures. It included a half-day Authors on The Strand event and engagement with visiting authors at local schools, libraries and galleries.

The project was successful in raising community awareness of Queensland authors and the value of reading and writing.

It encouraged social inclusion and community participation and engagement, and contributed to the state-wide celebration of Queensland Week.

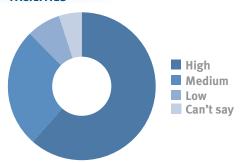
The Authors on The Strand event was an innovative way of promoting Queensland authors and their work. The activity was very popular and provided an opportunity for community members to engage one-on-one with an author about their work.



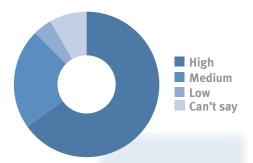
Performance Indicator	2011/12
Attendance at the Cultural Centre Townsville	2,106
Number of bookings in councils community facilities and spaces	52,007
Number of facilities accessible to community members with limited mobility, including people with a disability, seniors and parents with strollers	116
Number of lifeguard patrolled beaches within the city	5
Number of council owned and maintained public parks	320
Number of council maintained playgrounds with shaded areas	118
Number of public basketball courts	63
Number of public BBQs provided by council	120
Number of public buildings maintained by council	19
Number of non-residential swimming pools within the city	12
Number of community centres maintained by council	8
Number of community halls	12
Number of community leases maintained by council	143
Number of licences maintained by council	65
Total number of places in aged care facilities	1,043
Total number of child care centres within Townsville	106
Number of individual trips using public transport	1.25 million
Number of trips subsidised under the Pensioner Transport Subsidy Scheme	327,040

#### WHAT YOU TOLD US

## SATISFACTION WITH PUBLIC SWIMMING FACILITIES



#### SATISFACTION WITH LIBRARIES







#### A CREATIVE COMMUNITY

In 2011/12, **Perc Tucker Regional Gallery** celebrated its 30th anniversary, and Pinnacles Gallery celebrated its 15th anniversary. The galleries successfully delivered 65 exhibitions and held 469 public programs. Council's Gallery Services demonstrated their commitment to the learning and engagement opportunities available, particularly to the region's youth, with a number of programs supported including the Artist-in-Schools program. This program offers artists the opportunity to work with students and teachers within the school environment to develop an exhibition. The students involved got to view their works in the Perc Tucker Regional Gallery and got an official exhibition opening and guided tour of the gallery.

During the year, council also introduced a **Townsville Artist Markets** as a regular event at the Riverway complex. The event provides a vehicle for local arts and crafts people to promote and sell their works at no cost and has proven to be extremely popular. During the markets the gallery also provides free hands-on workshops for the kids and the young at heart.

Council's Perc Tucker Gallery hosted the biennial **Xstrata Percival Portrait Award** in May 2012. The Awards are a North

Queensland portrait competition, promoting Townsville's
identity. The Award, which offers \$40,000 in prize money, this
year featured almost 200 works, with artists from all states
and territories of Australia and one from Russia. Over 15,000
people visit the exhibition during tis display period. Melbourne
artist Kevin Lincoln won the major prize with his entry titled Self
Portrait.

Council's two **performance centres**, the Riverway Arts Centre and the Townsville Civic Theatre, implemented a number of changes during the year to increase the variety of shows and attendance, while also improving efficiencies. A program review was undertaken to reinvigorate the Riverway Arts Centre performance schedule. This review resulted in changes to the way some shows were sourced and the programming of more shows into the Riverway Arts Centre.

Performing Arts staff also worked in collaboration with local arts groups to help produce local work. During the year the council auspiced a performance produced by a local dance company, Dancenorth, and entered an agreement with the Music Centre to use the Townsville Civic Theatre C2 Space as their primary performance space.

The **Townsville Civic Theatre** hosted its most successful Festival of One Act Plays in June 2012. This festival provides amateur actors and directors with an opportunity to produce quality theatre for the enjoyment of local residents. Over 40% more entries were received than in 2011, and as a result there are now plans for a Short and Sweet film festival in Townsville and the establishment of a Crash Test Drama Program by members of the community.

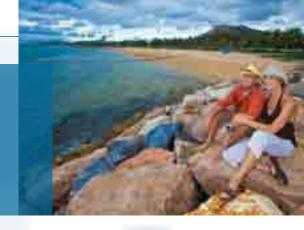
The **Riverway Performance Space** has also become the venue for Permaculture Townsville to host films of social and environmental importance on a monthly basis. During the year, the Public Entertainment Programme was also created to add a variety of artistic experiences for patrons in the CBD and Riverway precinct, including choirs, interactive children's performance, brass bands and many others. Council also formalised a busking permit for performances within the CBD (excluding Flinders Street East), The Strand, Riverway and the Picnic Bay Mall to give amateur musicians the opportunity to perform for the enjoyment of locals.

Each year, council hosts the **Townsville Arts Awards**, which recognise outstanding contributions made to the city's vibrant cultural life. The awards are designed to bring attention to the creativity, events, productions and people responsible for giving Townsville the name that it has as a producer of excellence in arts and culture in northern Australia. The Award's ten categories include Visual Arts Exhibition, Visual Arts Individual, Dance, Music, The Jean- Pierre Voos Theatre Award, Writing, Film and Multi-Media, Event/Festival, Production of the Year and Limelight.



Xstrata's Mark Roberts and the exhibition judge Barry Pearce stand with Kevin Lincoln's Xstrata Percival Portrait Award winning work self portrait.







#### **Interactive Outdoor Exhibition**

The biennial Strand Ephemera was hosted in September 2011 and featured 36 contemporary artworks by local and national artists along the 2km Strand waterfront. An estimated 70,000 people visited the site during the 11 day event, including 31 school groups and over 1,000 students.

A live performance element was added to the event this year, with Strand Live. This project incorporated scheduled performances by local musicians and a series of 'live art' activities interacting with audience members. Twice daily

drop-in artist workshops were also on offer as an important means of extending the involvement of the community, allowing them a greater appreciation of artist skills.

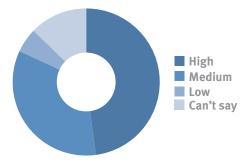
Strand Ephemera, was first held in 2001 and is Townsville's premiere outdoor sculpture festival. The festival, which is organised by Perc Tucker Regional Gallery, attracts significant support from the private and corporate sector and gains significant media coverage.



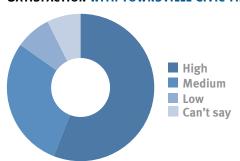


#### WHAT YOU TOLD US

#### SATISFACTION WITH LOCAL GALLERIES



#### **SATISFACTION WITH TOWNSVILLE CIVIC THEATRE**



Number of performing arts events	011/12
facilitated by council	197
Number of visual arts exhibitions facilitated by council	65
Number of literary organisations within Townsville	9
Number of performing arts organisations within Townsville	142
Number of visual arts organisations within Townsville	33
Attendance at Perc Tucker Gallery	76,437
Attendance at Pinnacles Gallery	38,898
Attendance at the Riverway Arts Centre performance space	48,137
Attendance at the Townsville Civic 1 Theatre	25,180
Number of volunteer hours contributed to councils galleries	3,397
Number of council run library workshops, events or programs hosted for adult, family and early years	1,111

## LOOKING FORWARD WE WILL...

- » Develop a Contemporary Graffiti Management Plan
- Install two new rainfall and river gauge monitoring systems
- » Demonstrate the use of the national broadband network to special needs groups
- » Develop a Northern Sport Precinct Masterplan
- » Develop a new Library Services Strategic Plan 2013-2017
- » Complete the Aplins Weir rehabilitation works
- » Implement recommendations of the lifelong Learning Strategy Action Plan
- Develop project proposals for a Northern Beaches Community Centre and Stage Two of the Northern Beaches Leisure Centre.



## PROVIDING RESPONSIBLE LEADERSHIP FOR THE COMMUNITY

For council, governance involves open and transparent adherence to legislation, policies, processes and practices to ensure effective direction setting, decision-making, management and control to achieve organisational objectives.

#### **SUMMARY OF OUR PROGRESS 2011/12**

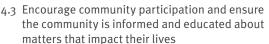
#### Transparent and accountable local government



4.1 Develop and implement council's Corporate Governance Framework to ensure strategic planning, compliance with all legislation, policies, codes of practice and standards



4.2 Implement robust risk management strategies



#### A competent, productive and contributing workforce



4.4 Foster a culture of employee health, safety and well-being



4.5 Implement human resource strategies to become an employer of choice



4.6 Foster diversity, merit and equity, reward and recognition in the workplace

## **Excellence in customer service delivery and organisational management**



4.7 Provide responsive and efficient systems to enable the delivery of council services



4.8 Establish and manage long term financial planning to ensure the future sustainability of council

#### **CHALLENGES FACED DURING 2011/12**

- » Ability to attract qualified and experienced professional staff
- » Ongoing review and changes to the Local Government Act 2009 and associated Regulations, Right to Information and Information Privacy Legislation and State Planning Policies and legislation
- » Increased rigor in external audit due to more stringent requirements of auditing standards
- » Increasing demands and complexity of the regulatory reporting environment and obligations for commercial business units
- » Removal of the waste levy submission requirements and alignment with the Queensland Waste Strategy
- » Introduction of the carbon tax measures
- » Changes to the utility pricing methodology
- » Increasing operational costs across all areas
- » Increasing customer demand for online services
- » Requirements under the Work Health Safety legislation
- » Increasing demand for mobile technology within the workforce.

## TRANSPARENT AND ACCOUNTABLE LOCAL GOVERNMENT

During the year, council developed a **Corporate Governance Framework** designed to ensure compliance with legislation and best practice democratic local government. The Framework is not a policy or statement of intent, but rather a document which outlines council's governance policies and practices. It provides readers with an overview of the governance program that has been put in place in order to assist elected members, management and employees in meeting their governance responsibilities. There are numerous benefits to be derived from the Framework. These include:

- Quality decision making founded on adequate, timely and relevant information disclosure
- 2. Assurance of desired outcomes or results
- 3. Effective management of risk and opportunities
- Effective and widespread stakeholder commitment and support for good corporate governance
- 5. The system of corporate governance is streamlined and flexible to meet emerging demands or needs
- 6. Strong ethical, performance and values-based culture
- 7. Transparency and disclosure.





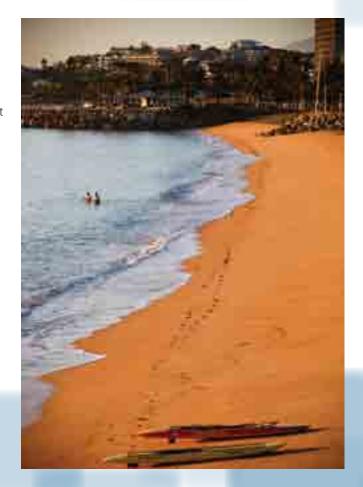
Council's **corporate planning program** progressed to plan throughout the year with the council's Operational Plan and Quarterly Performance Reports all adopted on schedule. A review of the council's Corporate Plan was deferred to the beginning of the 2012/13 financial year, due to the postponement of the local government elections and the subsequent requirements of councillor time involved in budget preparations.

Council this year developed a **Marketing Communication Strategy** to improve the accountability and transparency of council's marketing activities. The recent Community Attitude Survey revealed that council needed to improve communication strategies to inform, consult and engage with residents. A strategy has been developed for implementation in the 2012/13 year which is aimed at improving the efficiency, penetration and planning of marketing activities to achieve organisational alignment and prioritisation of marketing activities.

Council's engagement with the community is a key initiative for council. Council is committed to receiving community feedback to assist in its decision making processes and, during the financial year, undertook a review of its **Community Engagement Strategy.** Some of the council's key engagements throughout the year included consultation on the redevelopment of Soroptimist Park, the Garbutt Skate Park, the development of the new City Plan and a Disaster Management DVD for Culturally and Linguistically Diverse (CALD) communities.

Council's Integrated Sustainability Services (ISS) Department is one of the organisation's most consistent engagers with the community. ISS uses a **Collective Social Learning** and innovative communications approach to engage with residents, encouraging the sharing of knowledge and transfer of learning. This allows residents to make their own decisions and willingly change behaviour in line with the future they desire and overall sustainability of the community.

In July 2011, ISS hosted an **IBM Smarter Cities Challenge**, which saw a team of IBM experts work with the Townsville community for a three week period to uncover smarter ways to use energy and water by integrating smart technologies, fast broadband, social media and networks and innovative behaviour change practices. A series of Collective Social Learning workshops, Eco-City Tours and Experiential Learnings led to IBM presenting findings and recommendations which would support sustainable growth, better delivery of council services, more effective community engagement and improved efficiencies city-wide.









#### **HEARING OUR COMMUNITY**

During 2011/12, council conducted its biennial Community Attitude Survey. The research was compiled from a random survey conducted in July 2011 of 1,003 households in suburbs across the city. The survey asked residents for their rating of importance and satisfaction with a number of council services. The survey provided council with valuable feedback to stay in touch with the views and expectations of the community and assisted in the delivery of services and facilities, and the handling of emergency events.

This year's survey was slightly different to research conducted in previous years, with a greater emphasis being placed on assessing the council's performance and finding out from residents what they thought council was doing right and areas where we needed to improve. The survey showed community approval of the council's overall performance was slightly better than comparable councils in the state.

Results found 87.76% of residents surveyed gave the council a pass mark or better, with 12% expressing some level of dissatisfaction.

The study also identified 13 key areas of significant importance to the community. These were roads, information on water pricing charges, community safety, consultation with the community, attracting new businesses and supporting local companies, better planning, protection of bushland and wildlife, roadside litter, street lighting, construction and maintenance of drains, environmental initiatives and better information on services and facilities.

A full report of results is available on the council's website and a selection has been included throughout this annual report.



Section 119 of the Local Government (Finance, Plans and Reporting) Regulation 2010, requires council to include a report on the internal audit for the year.

Council has an Internal Audit Team of two full time staff consisting of

- » Manager Internal Audit
- » Internal Auditor

There was no audit staff turnover for the 2011/2 financial year.

The Manager Internal Audit is responsible to the Chief Executive Officer and council's Audit Committee, and is independent of other officers and departments within council. The Manager Internal Audit is responsible for the Internal Audit Unit and specifically assists in ensuring council's corporate goal of 'Responsible Governance' is achieved.

The Internal Audit Unit undertakes assurance services in accordance with international standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. Assurance services include operational, financial and compliance assurance, involving all of council and covering regulatory requirements, policy and procedures, efficiency and effectiveness of processes and operational performance to assist council in the management of risk. Internal Audit operates in accordance with the Internal Audit Charter that has been approved by the council's Audit Committee.

#### 2011/12 Internal Audit Plan

The Internal Audit Unit applies a risk-based approach to its planning and activities. An annual Internal Audit Plan is prepared based on council's risk management plan. The council's Audit Committee reviews, approves and then monitors performance against this plan. For the year ended 30 June 2012, Internal Audit completed six reviews across various departments of council in accordance with the Internal Audit Plan. These reviews included:

- » Local Government Regulations requirements
- » Environmental management of council activities
- » Procurement (tendering and quotation processes)
- » Revenue (rates systems)
- » Laboratory operations
- » Developer contributions projects

The role, scope and purpose of the Internal Audit Unit is understood and supported by the organisation. The Internal Audit Unit works collaboratively with management to recommend improvements to systems, processes, work practices, compliance and business effectiveness, remaining independent and objective in the fulfilment of its duties.

#### **Audit Committee**

The Townsville City Council **Audit Committee** provides an independent forum where representatives of council, independent specialists and management work together to

contribute to achieving the goals of the organisation. The Audit Committee operates under Terms of Reference which have been adopted by the council. Each year the Committee undertakes a self assessment to ensure all the functions and business of the committee is being dealt with in an efficient and effective manner and undertakes a review of its Terms of Reference.

The Audit Committee is an advisory body only and keeps council informed of its activities. It plays a key role in assisting council to fulfil its governance and oversight responsibilities in relation to a number of areas including financial reporting, internal control systems, risk management, legal and regulatory compliance and audit functions.

The main objectives of the Audit Committee are to:

- » monitor and review the:
  - (1) integrity of financial documents
  - (2) internal audit function
  - (3) effectiveness and objectivity of the internal auditors
  - (4) effectiveness, independence and objectivity of external auditors.
- » make recommendations to council about any matters that the Audit Committee considers need action or improvement.

The membership of the committee comprises two councillors and an external member, who is also the Independent Chair of the Committee. The Chief Executive Officer, Executive Manager Corporate Governance and the Manager of Internal Audit are invitees to all meetings.

#### Meeting our legislative requirements

Section 119 (d) of the Local Government (Finance, Plans and Reporting) Regulation 2010, requires council to report the number of invitations to change tenders during the financial year. During 2011/12, council did not invite any changes to tenders.

**Section 119 (e) of the Local Government (Finance, Plans and Reporting) Regulation 2010,** requires council to report a list of registers kept and open to public inspection. A full list of these registers can be found at Appendix C. Council also makes available a wealth of information via its Publication Scheme on the website.

Section 119(1)(i) of the Local Government (Finance, Plans and Reporting) Regulation 2010, requires that council's Annual Report contain details of any levied special rates or charges for the financial year. During the year, council levied the Nelly Bay Harbour Development special rate of 0.82 cents in the dollar on the averaged rateable value of the land applies to identified properties.





Section 114 of the Local Government (Finance, Plans and Reporting) Regulation 2010, requires that council include details of the remuneration and superannuation paid to, the expenses incurred by, and number of meetings attended by each councillor. These details can be found at Appendix D. A full copy of the council's Councillor Expenses Reimbursement Policy, which was adopted by council on 28 September 2010, can be found at Appendix A.

Councillor remuneration is determined by the State Government Remuneration and Discipline Tribunal by 1 December each year. The remuneration applies to the next calendar year and is provided as a percentage of the State Government Members of the Legislative Assembly salary.

In 2011, the Tribunal decided to discontinue its previous practice of setting remuneration ranges for each level of councillor in each category of Local Government and, instead moved to a single rate for Mayors, Deputy Mayors and Councillors in each category.

Council is also required to adopt the expenses it will reimburse to councillors and the facilities they will be provided with in order to fulfil their duties.

**Section 113 of the Local Government (Finance, Plans and Reporting) Regulation 2010,** requires council to include copies of the resolutions made during the year in relation to councillor remuneration and expense reimbursement.

On 15 December 2011, council resolved:

That council, pursuant to **section 42(5) of the Local Government (Operations) Regulations 2010** and in accordance with the Local Government Remuneration and Discipline Tribunal Report 2011, adopt the following Remuneration Schedule for the purpose of providing payment of remuneration to Councillors effective from 1 January 2012.

#### **Remuneration of councillors**

Remuneration for Townsville City Council Elected Members for a Category 6 council shall be:

Remuneration determined (Reference Rate of \$137,149)

	% of MP's salary	\$ pa
Mayor	110	150,864
Deputy Mayor	75	102,862
Councillor	65	89,147

The remuneration fixed above will be all inclusive and no additional remuneration will be payable for:

- » performing higher duties
- » annual leave, sick leave or special leave (i.e. bereavement leave)
- » any other benefits otherwise applicable to officers under the Local Government Officers Award
- » taking responsibility as Chair of a standing committee.

The remuneration fixed above will be effective from 1 January 2012 until such time as council resolves otherwise.

No amendments were made to the Councillor Expenses Reimbursement Policy during the 2011/12 financial year.

**Section 116 of the Local Government (Finance, Plans and Reporting) Regulation 2010,** requires council to detail the particulars of any overseas travel made by councillors or employees. Details of all **overseas travel** undertaken can be found at Appendix B.

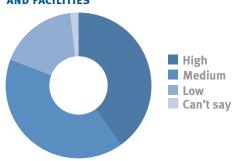




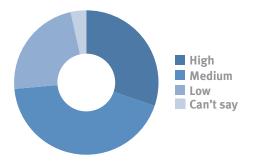
Performance Indicator	2011/12
Number of community engagement activities undertaken by council	65
Number of Administrative Reviews	29
Number of Advisory Committee Meetings held	13
Number of open space design consultation meetings held by council	9
Number of visits to council's website	634,912
Number of unique visits to council's website	431,478
Annual growth in unique visits to council's website	7.5%
Percentage availability of council's exchange services (email) during business hours	98.80%
Percentage availability of council's public website	99.91%
Number of likes on council's Facebook pages	18,211
Number of unique Facebook interactions on council's Facebook pages	9,360
Total number of Facebook interactions on council's Facebook pages	222,013
Number of followers on council's twitter accounts as at the end of the financial year.	3,293
Number of times members of the community accessed free mapping products provided by council	908,444
Number of transactions for external Mosaic usage	1.67 million
Number of public interest disclosures submitted	0
Matters referred to the CMC by council	8
Matters referred by the Ombudsman to council	1

#### WHAT YOU TOLD US

## SATISFACTION WITH INFORMING THE COMMUNITY ABOUT COUNCIL'S SERVICES AND FACILITIES



### SATISFACTION WITH CONSULTING AND ENGAGING THE COMMUNITY





Visits to council's Online Customer Service Centre (www.townsville. qld.gov.au) increased by 30,000 to 431,478 hits during 2011/12. This reflects the community's growing utilisation of online services and increased availability of information and services via the council's website.

The number of Right to Information applications increased steadily over the past three years, following the introduction of new Right to Information legislation in 2009. This can be attributed to an increase in the type of information that can now be obtained under the legislation and improved awareness by the community of their ability to access this information.





## A COMPETENT, PRODUCTIVE AND CONTRIBUTING WORKFORCE

Council's **Staff Health and Well-being Committee** was established during the year. The purpose of the committee is to promote a healthy and active lifestyle, and encourage staff to achieve a level of health and fitness that will lead to a more productive home and work life. The Staff Health and Well-being Committee will be used as a consultative forum to discuss, foster and promote health and well-being programs and policies in the workplace, and involve staff at different levels in the planning, provision and evaluation of staff health and well-being initiatives.

Council also investigated and established the need for a **Work Health and Safety Steering Committee** during the year, which has been endorsed for implementation at the start of the 2012/13 year. This committee was introduced as an improvement strategy for safety culture and performance across the council. It will be responsible for work health and safety strategic direction and to lead behavioural change to achieve an outcome of zero harm to staff.

In addition, council conducted six safety systems compliance audits throughout the year. Council implemented 85% of recommendations identified in the **Safety Audit Action Plan** throughout the year. The single most significant action arising out of the safety audit was the development and implementation of a **Workplace Health and Safety Annual Plan.** At the end of the financial year, this plan was well underway, with templates and guidelines developed, accepted and endorsed, and the council staff generally made aware of the requirement to develop and implement plans specific for their particular workplace.

Council has committed to developing a program for promotion of **careers in council** to educational institutions. During 2011/12, council connected to local networks including training organisations, employment services and schools, providing tools and information for students regarding work experience and career choices, and delivering career focused presentations. Council also worked with James Cook University's Faculty of Law, Business and Creative Arts on a Work Integrated Learning (WIL) program partnership. A draft project brief has been developed, with program design to be completed for the 2014 academic year. Council has also developed its Leadership Capability Framework

Mandatory and complementary **training** is available for council's general workforce on a regular basis, with new courses introduced to cater for changing staff requirements. Council staff also participated in the Local Government Association of Queensland Propeller, Rural and State Management Challenges and the Springboard for Women Program. Council's Corporate Induction was also reviewed and revised during the year.

which provides leadership and mentoring sessions for staff.

Council progressed its **Enterprise Bargaining Agreements** during the year. An agreement covering employees covered by the Queensland Local Government Officers Award (primarily indoor workers) was approved by employees on 5 April 2012. The council submitted a Field, Trades and Other Employees certified agreement to employees for approval in June, however the agreement was not approved. Council subsequently prepared a certified agreement for trades based employees and a separate agreement for field and other employees which will be finalised in 2012/13.

Council's **employee long service awards** were held in October 2011, with 124 council staff recognised, having a combined service totalling 2,300 years.

Long Service Awards	
Years	Number of Staff
45	1
40	1
_35	13
30	8
25	12
20	17
15	31
10	41



Leisha Anderson congratulated by family on her 20 years service with council

During 2011/12, council introduced the cultural change and continuous improvement initiative, **TCC2015**. The ethos for TCC2015 is 'Valued, Proud, Innovative – Unleashing our Potential'. The program is aimed at council staff and leadership of all levels, and promoting behaviours that result in a culture of continuous improvement and innovation. TCC2015 complements council's Corporate and Operational Plans. It aims to inspire staff to act constructively, helps drive council's values and shift focus to be solution-centric as opposed to problem-centric.





**Section 119 (h) of the Government (Finance, Plans and Reporting) Regulation 2010** requires that council include a statement about the local government's activities during the year to implement its plan for equal opportunity in employment.

During the year, council continued its commitment to the BARK (Brother's Act of Random Kindness) program, focused on increasing employment opportunities for indigenous people within the community. Mandatory training for all new employees was also conducted regarding equal employment opportunities, anti-harassment, anti-discrimination and workplace violence. Council also developed specific training on the obligations and expectations of supervisors which is included in the new supervisor training program. In addition, a draft **Diversity in Employment Strategy** has been prepared, incorporating specific initiatives to target under represented groups in employment.

**Sections K, L and M of the Public Sector Ethics Act 1994** require council to report on actions taken during the year in relation to the **Code of Conduct** and compliance with the Act.

Council has a formal Code of Conduct for staff which incorporates the ethics principles and obligations under the *Public Sector Ethics Act 1994*. The current version of the Code of Conduct for Staff was last reviewed in February 2011 and is scheduled for its next review in February 2013. Mandatory induction training for all new employees includes a detailed session on the requirements and obligations of all staff under the Code of Conduct, corporate values, diversity and equality, equal employment opportunity, anti-harassment, anti-discrimination and workplace violence.

Council uses PolicyPoint as a compliance tool for all policies, including the Code of Conduct, Diversity and Equality, Equal Employment Opportunity, Anti-Discrimination, Workplace Violence and Anti-Harassment Policies. This tool is used to provide refresher sessions to staff of our policies and records completion of a series of multi choice questions related to the policies.

Toolbox talks are available on the Code of Conduct as requested and council also delivered specialised ethics training to selected groups across the council during the year.

**Section 201 of the Local Government Act 2009** requires council to record the total remuneration packages paid to senior contract employees during the financial year. Council emplyoys:

- » Five senior contract employees with a total remuneration package in the range of \$235,000 to \$295,000
- » One senior contract employee with a total remuneration package in the range of \$330,000 to \$370,000.

Performance Indicator	2011/12
Number of part time staff at council	92
Ratio of male to female staff at council	3:2
Total number of staff employed by council	1,702
Average cost of Workers Compensation per FTE	\$654.94
Average Lost Time Incident duration	15.91 days
Lost Time Injury Frequency Rate	44.24%
Number of Lost Time Days	2,179.65
Number of Lost Time Incidents	137
Average workforce length of service	9.24 yrs
Number of council staff utilising study assistance	333
Unplanned Turnover Rate – Field Staff	3.53%
Unplanned Turnover Rate – Officers	5.52%







Similar to many Australian employers, council is experiencing the effects of an aging population, and this is reflected in our workforce profile. Council's workforce consists of approximately 40% female staff and 60% male staff with 17.86% of the entire workforce being 56 years of age or older and 27.91% being 45 to 55 years of age. Council has a number of strategies in place to address this issue now and in the future, to ensure that we are able to continue to provide quality and timely services to the community. These include:

- » A strong trainee and apprentice program where many younger employees are recruited for traineeships each year leading to certificate qualification outcomes
- » Studies assistance, leadership and other training and development programs to increase and sustain the skills of our emerging talent
- » Continually improved work practices including tools to eliminate age as a limiting factor for work with greater physical requirements
- » Health and wellbeing programs to improve the health and capabilities of our workforce
- » Flexible work options to facilitate capable older workers to stay in their jobs or mentor younger workers as well as to provide for persons with family responsibilities to balance work and family responsibilities
- » Strategic workforce planning to identify high risk occupations and put in place plans to mitigate risk in these occupations
- » Relationship building with secondary schools, colleges and universities to share knowledge of our requirements so that they can assist in producing sufficient numbers of graduates interested in employment at council
- » Sourcing suitable labour.



The reporting of incidents and near misses has been heavily promoted over the last two years and, as a consequence, the number of incident reports submitted has increased significantly. This reporting has potentially assisted with the reduction of the number of medically treated injuries. Implementing corrective actions has many benefits including improving the level of safety for council workers and improved productivity through the reduction of lost time injuries.

## EXCELLENCE IN CUSTOMER SERVICE DELIVERY AND ORGANISATIONAL MANAGEMENT

An increasing number of council's customers are taking advantage of the services and flexibility offered by council's **Online Customer Service Centre**, with less in person visits to council's two Customer Service Centres recorded during

Visits to council's Online Customer Service Centre (www.townsville.qld.gov.au) increased by 30,000 to 431,478 hits for the year. In addition, many more customers made use of council's increasing content on its social media outlets, including six Facebook pages and four Twitter accounts.

While in person visits to Customer Service Centres decreasing by almost 17,000, satisfaction with council's Customer Service Centre jumped to 94%.

Council's **Customer Service Charter** and **Service Standards** for the Customer Service Centre and Townsville Water and Waste can be found on council's website.







#### **CLIVE IMPROVES CUSTOMER EXPERIENCES**

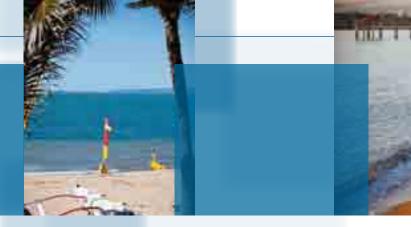
Council has a strong emphasis on customer service. Council's Customer Service Centre is designed to answer the majority of queries at the first point of contact, whether it is via phone or in person at one of the two centres. This requires staff who work in customer service to have a comprehensive understanding of the vast array of council services and access to information and documentation related to those services.

During the year, council determined that if it was to improve a customer's experience when contacting council, it would need to implement an improved Knowledge Delivery System, that customer service staff could refer to for assistance when handling customer enquiries. The existing system was not intuitive, user-friendly or easy to maintain.

As a solution, council introduced an interactive knowledge bank that contains a directory of information, can distribute urgent messages, document procedures, measure compliance, identify training requirements and quiz knowledge. The new system was aptly named CLIVE (standing for Customers Live) via a competition that was run amongst the customer service team.

Since the introduction of CLIVE, numerous service and training efficiencies have been experienced, including reductions in the average handling time of calls, the error rate in raising service requests and the duration of training for customer service staff. An additional advantage is that the system can be accessed from anywhere with an internet connection, which will be especially beneficial in case of a natural disaster.

CLIVE has been so successful for the council's customer service team that in August 2012 the Project was awarded '2012 Most Innovative Project in a Government Contact Centre' at the National Government Contact Centre Excellence Awards.



#### **Council's Strategic Recordkeeping Implementation Plan**

(SRIP) provides the strategic direction for improving council's recordkeeping to meet business and compliance requirements. During 2011/12, council developed and implemented the Operational Recordkeeping Implementation Plan. This project involved the development of a toolkit and associated training materials and delivery across the organisation.

During the year, council resolved to adopt a council-wide **Lease Register**, as previously there was no coordinated approach to the leasing of council owned or Trustee Land, and no ability to report effectively on the management of leases.

A working group was established to oversee the design, integration and implementation of the Register. The Register went live in November 2011, using an existing business management system at no additional cost to council. Since the initial launch of the Register, the process from start to finish has improved allowing council a more proactive rather than reactive approach to lease management.

Council is committed to the ongoing use of **demographic** and statistical information as the basis for evidence-based decision making in order to achieve better outcomes, transparency and accountability for the community. Statistics provide council with objective, numerical data about the community including the distribution and growth of the population, social and economic characteristics, and health and well-being.

For a number of years, council has been working to increase the availability and usability of statistical information within the organisation, and educate and encourage its use in informed planning and decision making. Easy access to key Townsville statistics has been provided to staff and councillors, and to members of the public, through the council's Intranet and public website.

Prior to the **2011 Census**, council worked with the Australian Bureau of Statistics (ABS) to provide input on strategies to increase the participation rate of the Townsville community in the census. Key council staff also provided extensive feedback on the new Statistical Geography Standard (changes to geographic boundaries reported by the ABS) to ensure that boundaries for the collection and dissemination of data would reflect Townsville's information needs.

Council has also mapped selected demographic and socioeconomic data from the Census and other information sources into council's Geographic Information System (GIS) system. This allows staff to access, map, visualise and analyse population and housing characteristics across the city and suburbs to support council planning, projects and programs. Key statistical users within council are also involved in networks to support knowledge sharing with internal and external stakeholders, including the Population Working Group, Townsville Statistical Liaison Officer Network and other regional initiatives such as IBM Smarter Cities and the Tropical Data Hub. Council liaises with the Office of Economic and Statistical Research to provide quality data and analysis for complex council projects and, commencing in 2012/13, will provide periodic information sessions and training workshops

in conjunction with the Australian Bureau of Statistics and

Office of Economic and Statistical Research.





#### PLANNING EFFECTIVELY FOR THE COMMUNITY

Council has recently developed a Demographic and Socioeconomic Modelling Strategy to increase awareness and understanding of demographic information at council, increase access to and use of demographic information by council and ensure everyone within the organisation is using the same data to inform planning.

A key output of the Modelling Strategy will be leveraging council's Geographical Information System (GIS) to combine census and other external socioeconomic data with council's internal datasets to address business problems and opportunities. For example, the information available will allow for:

- » An update of the demographic information in the Townsville Local Disaster Management Plan, to identify neighbourhoods most at risk and in need of assistance in the case of an emergency
- » A Walkability Case Study to be conducted in three identified areas within the city to inform community, social and town planning
- » Demographic profiling of library members and nonmembers to analyse and improve membership uptake of this council service
- » Solar Potential Mapping (i.e. white roofs) to identify geographic areas with higher potential for uptake of the Solar Cities initiative.

Section 115 of the Local Government (Finance, Plans and Reporting) Regulation 2010 requires that council include a statement about the local government's commitment to dealing fairly with administrative action complaints and how the local government has implemented its complaints management process. This includes an assessment of the local government's performance in resolving complaints under the process.

Council has a **Complaints Management Policy** to deal with Administrative Action Complaints. The policy ensures the transparent, effective and timely resolution of complaints.

The *Local Government Act 2009* required council to adopt a complaints management process that effectively manages complaints from their receipt to their resolution. Over the last twelve months this process has been implemented for all complaints regarding council services, administrative actions, competitive neutrality, the conduct and performance of Councillors, and the conduct and performance of staff. It is designed to ensure that all complaints are managed in a transparent manner and ensures effective and timely resolution.

From 1 July 2011, council maintained a register of complaints (in an electronic database) to monitor the effectiveness of the complaints management process, to implement process improvements and to analyse and respond to trends into the future. A review of the system will take place in 2012/13 and may be subject to audit by the Queensland Ombudsman.

The data below shows an increase in the number of administrative complaints made to council. The increase is likely due to an improved data collection system introduced towards the end of 2011.

The following report for the 2011/12 financial year is in accordance with the provisions of the administrative action complaints process as outlined in *Section 268 of the Local Government Act 2009*.

Administrative Action Complaints	2010/11	2011/12
Complaints made to council	12	27
Complaints resolved under the	12	27
complaints management process		
Complaints not resolved under the	0	0
complaints management process		
Complaints not yet resolved in 2011/12	0	0

Section 114 of the Local Government (Finance, Plans and Reporting) Regulation 2010, requires that council's Annual Report contain the number of orders or recommendations made by the Regional Conduct Review Panel in relation to councillor misconduct or inappropriate conduct. Council must also provide a report on the complaints it has received and dealt with for the financial year in relation to councillors.





For the 2011/12 financial year there have been no orders or recommendations made. Two complaints were received in relation to councillors. Both complaints were dealt with by the Chief Executive Officer under *Section 177(8)* of the Local Government Act 2009 and considered to be frivolous and vexatious under *Section 177(4)* of the Local Government Act 2009.

There are no outstanding complaints from 2011/12 relating to Councillor conduct.

**Section 119(1)(j) of the Local Government (Finance, Plans and Reporting) Regulation 2010,** requires that council's Annual Report contain details of any investigation notices for competitive neutrality complaints. Council received no competitive neutrality complaints during the year.

Performance Indicator	2011/12
Number of customer calls taken through the Customer Service Centre	175,695
Number of customer requests for service	57,623
Number of payments processed and receipts issued to customers	48,211
Number of customer calls taken through council's after hours call centre	11,998
Percentage of incoming council correspondence processed within required timeframes	80%
Percentage of customers rating the service provided by the Customer Service Centre as being Excellent or Very Good	93.01%
Percentage of customers rating their initial customer contact with council as good or excellent	93.82%
Percentage of residential bins missed on their scheduled day of collection	0.33%
Percentage of residential plumbing and drainage permits issued within 10 day timeframe	76.59%
Number of days from recruitment requisition to making employment offer	44.8
Percentage of recruitment assignments completed within the target timeframe	75.10%
Percentage of new starters who have attended an induction within four weeks of their start date	95.03%
Percentage of payroll adjustments made	1%
Percentage of council staff enrolled in policy training who have passed	88%
Availability of councils business systems and hardware	99.60%
Number and type of process improvements made as a part of Smart Service	118
Number of new / replacement water meters captured as assets in the GIS system	8,560



Customer satisfaction with council service and organisational compliance with phone answering standards have both increased slightly over the past three years. Council has continued to work on strategies to improve and enhance service provision and delivery experience.

Compliments have increased considerably and this is likely the result of a change to the way customer compliments are captured within council's systems. Compliments are now captured and recorded centrally which is likely the reason for the sharp increase. A more indicative result will come in future years as compliments are collected using this same system.

## LOOKING FORWARD WE WILL...

- Deliver training sessions on Corporate Governance to the organisation
- » Implement the Fraud and Corruption Prevention Plan
- » Develop a Waste Reduction and Recycling Management Plan
- » Develop a council-wide Learning Strategy
- » Implement the Library Collection Management Plan
- » Establish a new data link (optical fibre) between two existing major council sites
- » Implement the budgeting, asset management and financial components of the Technology One System
- » Develop a Legislative Compliance Program.

# TOWNSVILLE WATER ANNUAL OPERATIONS REPORT 2011/12







#### PURPOSE OF THIS REPORT

The Local Government (Beneficial Enterprises and Business Activities) Regulation 2010 requires that council must include in its annual report an annual operations report for each commercial business unit.

This report is designed to provide an overview of the operations and performance of Townsville Water for the 2011/12 financial year, as measured against its annual performance plan.

#### **TOWNSVILLE WATER**

Townsville Water is a Type 1 Significant Business that provides water and wastewater services to the Townsville community, including the supply of potable water, the collection and processing of wastewater and the supply of recycled water.

The business unit sits within the Commercial Businesses division of council. It employs over 270 staff from the Townsville community and has a combined annual operating and capital budget of over \$159 million.

Townsville Water strives to be recognised as a sustainable, innovative and customer focused business providing quality water products. Its mission is to provide safe, reliable, value for money water services for the Townsville community. It currently provides over 65,000 water service connections in the Townsville region, supplying more than 40,000 mega litres of potable water and collecting more than 19,000 mega litres of sewage.

The operations of Townsville Water includes the management and running of 2 major water storages, 3 water treatment plants, 9 wastewater treatment plants, 37 water reservoirs, 19 water pumping stations, 178 sewerage pump stations, over 2,400km of water mains, and over 1,250km of sewer mains.

#### **OUR PERFORMANCE**

Townsville Water's operation and performance in the 2011/12 financial year was shaped by a number of factors.

#### **Regional Growth**

The actual growth of the Townsville region for the financial year was not as significant as was projected by the Department of Infrastructure and Planning. As there is a direct link between the growth of the region and the revenue of council, the unexpectedly lower growth rate for the region impacted upon the business unit's operations, affecting the business unit's financial position at the end of the financial year.

#### **Environmental Management and Legislation**

#### **Drinking Water Quality Management Plan**

To meet its obligations under the *Water Supply (Safety and Reliability) Act 2008*, Townsville Water has developed a Drinking Water Quality Management Plan and has obtained approval of the management plan from the Water Supply Regulator. The primary purpose of the management plan is to protect public health through the identification and minimisation of any public health risks associated with the drinking water.

Historically, Townsville Water has generally achieved success in providing high quality drinking water to its customers. As such, the focus of the management plan is to enhance the management of Townsville Water's systems to acceptable industry standards in line with the requirements set by the Queensland Department of Environment and Heritage Protection and the Queensland Department of Health.

#### Carbon Pricing Mechanism

In anticipation of the commencement of the Carbon Pricing Mechanism (CPM) at the start of the 2012/13 financial year, Townsville Water was required to begin investigating whether it would become liable under the scheme. The investigations included an in-depth look into the measurement of greenhouse gas emissions from council's wastewater treatment plants to determine whether such emissions would trigger liability of Townsville Water, requiring it to purchase carbon units on an annual basis. It was determined that the direct emissions from wastewater treatment plants would not trigger a carbon tax liability in the 2012/13 financial year.

The investigations also looked at the impact on the business of CPM-related price increases for fuel, electricity and other carbon-intensive goods passed on via the supply chain. Townsville Water's preparations have allowed the business to be ready for the commencement of the first year of the CPM.

#### **Workforce Management and Skilling**

Townsville Water continues to encounter difficulties in hiring and retaining skilled water operators, trades and professional staff. This is principally so in the engineering field where prominent industries such as mining are able to offer more attractive salary arrangements. Townsville Water is continuing to evaluate its current approaches to attracting and retaining staff.



#### **Customers**

#### **Customer Service**

Townsville Water maintains a Customer Service Standard (CSS) in accordance with the requirements of the *Water Supply* (*Safety and Reliability*) *Act 2008*. The standard sets out the service standards that Townsville Water aims to achieve and which it will report on annually to the Water Supply Regulator. The CSS was reviewed in the financial year to ensure the quality and service reliability targets for water and wastewater services are acceptable.

#### **Water Pricing**

In order to comply with a federal funding agreement for the Wastewater Upgrade Project, Townsville Water commissioned an assessment report on the cost effectiveness of two-part tariffs for residential water customers. The council engaged with the community regarding the results of the report and, based on the community's response, determined to continue the current water pricing arrangements which allow residents the option between a two-part tariff and a standard allocation.

#### **Directions Given by the Council**

In April 2011, the council directed Townsville Water to adopt the CBD Incentives Program which includes facilitative, financial and regulatory incentives as part of a plan to facilitate the timely development of Townsville's CBD so as to stimulate growth necessary for Townsville's future development. As part of the incentives for development, council agreed to provide a waiver of water meter and service connection fees for qualifying projects within the CBD and provide utility charge exemptions or concessions for qualifying projects during periods of construction. These community service obligations included projects initiated, approved or constructed in the 2011/12 financial year.









#### **MAJOR INVESTMENTS**

A number of investments were proposed for the 2011/12 financial year. During the year, Townsville Water invested in the below major projects.

Project	Proposed Investment \$	Actual Investment \$	Commentary
Wastewater Upgrade Project	23,760,490	20,510,114	Numerous projects completed to improve the wastewater system
Water Pipes Replacement	4,150,000	4,777,730	To ensure the efficient, safe delivery of water to the Townsville community
Sewer Pipe Rehabilitation	4,000,000	4,931,460	To ensure that the sewer system remains operational and effective
Southern Suburbs Trunk Sewer	1,800,000	113,140	Project planning and design completed and the tendering process commenced
Stuart Drive Water Main	2,000,000	3,970	Design works completed with the construction phase due to commence in the 2012/13 financial year
Construction of Douglas Reservoir 1B	6,000,000	483,800	Expected completion date extended. The tendering process commenced, with some works planned for in the 2012/13 financial year
Construction of Mount Low 2 Reservoir	500,000	37,470	Planning and design completed. The tendering process and the completion of works scheduled for the 2012/13 financial year
Sewerage Pump Station Renewals	1,635,000	1,017,680	Completed
Bolger Bay Pipeline Replacement	1,500,000	-	Preliminary planning and design completed. Construction planned for 2012/13 financial year



#### **PERFORMANCE TARGETS**

Economic Sustainability			
Performance Measure	Target	Result	Comments
Revenue - Budget to Actual	o - 5% < revised budget	On target	On target
Operating Cost - Budget to Actual	o - 5% < revised budget	2.43% > revised budget	Higher than budgeted depreciation expenses
Capex - Budget to Actual	o - 5% < revised budget	13.54% < revised budget	Infrastructure projects postponed to the 2012/13 financial year include the construction of the Mount Low and Douglas reservoirs, and Southern Suburbs Trunk Sewer
Net Operating Result - Budget to Actual	o - 5% < revised budget	3% < revised budget	Higher than budgeted depreciation expenses
10 Year Price Path	Information only	Complete	Approved in 2012/13
Return on Assets (Net income / Net book value of non-current assets)	8.79%	9.74%	Slightly above target
Asset Renewal (Depreciation charges / rehabilitation capital works)	>90%	51.98%	Asset renewals are lower than depreciation for the year. May reflect the age of assets. Prolonged results of this level may indicate reduced asset service levels
Interest Coverage Ratio	Original target not measureable	5.57 times	Townsville Water's is able to service its debt
Average Consumption of Assets	Information only	34.60%	On average assets are 34.6% through their useful life

Note: At the date of preparation of this Report, the financial records of the business unit were not audited

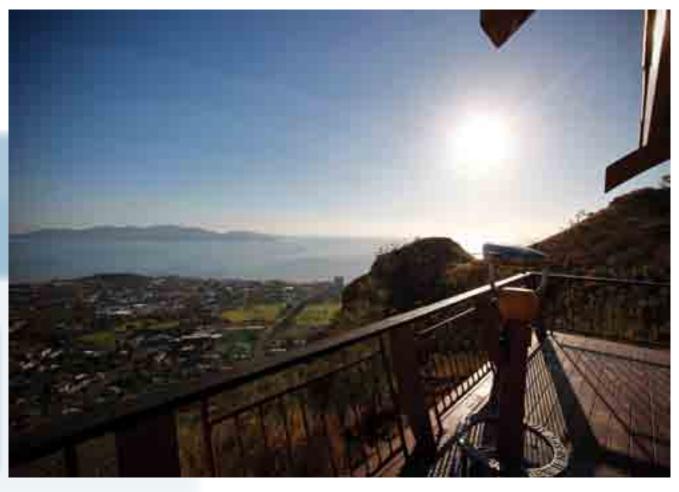
Environmental Sustainability			
Performance Measure	Target	Result	Comments
Number of non compliance notices issued to DERM	0	69	Majority of notices issued for wastewater spills/ overflows as a result of a severe wet weather event in March 2012
Percentage compliance with IROL	95%	100%	All material activities were compliant throughout the year





Social Sustainability			
Performance Measure	Target	Result	Comments
Percentage of customers rating service quality as "good" or "excellent"	85%	85%	An average of 25 customers contacted each month to provide feedback on issues they reported or services they requested
Drinking Water Quality Compliance	99%	99.97%	Percentage of all test results taken in the month indicating the absence of e-coli

Responsible governance			
Performance Measure	Target	Result	Comments
Number of lost time injuries	0	11	
Number of process improvements outstanding	30	40	Staff continue to strive for improvement in this area
Percentage of planned safety inspections undertaken	80%	35%	Safety inspection schedule being reviewed to update sites and ensure relevant and timely scheduled inspections
Employee absenteeism	8 days	8.75 days	





#### **COMMUNITY SERVICE OBLIGATIONS**

Townsville Water was required to carry out a number of community service obligations for the financial year. A community service obligation is defined in the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010* as an obligation the local government imposes on a business entity to do something that is not in the commercial interests of the business entity to do. For example, give a price concession to a particular group of customers, such as pensioners.

In the 2011/12 financial year, Townsville Water funded a number of price concessions for particular classes of activities on the basis of their contribution to the social and cultural welfare of the community. The price concessions were applied to:

- » commercial irrigation activities
- » caravan parks
- » retirement/lifestyle villages
- » boarding and lodging houses
- » charitable and non-profit aged care facilities
- » schools and educational institutions
- » churches, church halls
- » clubhouses and halls charitable and non-profit organisations
- » sporting field irrigation
- » public sporting fields
- » war graves
- » approved transitional sewerage price plans.

This included a total remitted amount of \$3,327,000 for water and wastewater remissions for charity and not-for-profit organisations approved by council during the financial year. In addition to the abovementioned price concessions,

In addition to the abovementioned price concessions, Townsville Water also funded the following community service obligations during the financial year:

Community Service Obligation	\$
CBD Incentive Scheme	13,000
Pumping of sewerage - Magnetic Island Surf Lifesaving Club	12,000
Sewerage Connection Rebate for owner occupied Magnetic Island properties	50,000
Total	\$75,000

#### **CHANGES TO THE ANNUAL PERFORMANCE PLAN**

The *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010* allows local government to amend its annual performance plan for a commercial business unit, at any time before the end of the financial year for which it is prepared. Any changes must be documented in this annual operations report.

No changes have been made to the annual performance plan throughout the financial year.

# TOWNSVILLE WASTE SERVICES ANNUAL OPERATIONS REPORT 2011/12





#### **PURPOSE OF THIS REPORT**

The Local Government (Beneficial Enterprises and Business Activities) Regulation 2010 requires that council must include in its annual report an annual operations report for each commercial business unit.

This report is designed to provide an overview of the operations and performance of Townsville Waste Services for the 2011/12 financial year, as measured against its annual performance plan.

#### **TOWNSVILLE WASTE SERVICES**

Townsville Waste Services is a Type 2 Significant Business that provides solid waste management services to the Townsville community through waste collection, transportation, management, disposal and recycling.

The business unit sits within the Commercial Businesses division of council. It employs over 80 staff from the Townsville community and has a combined annual operating and capital budget of over \$20 million.

Townsville Waste Services strives to be Australia's best waste manager. Its mission is to deliver excellence in customer service, environmental management and efficient operations while maximising financial returns to council. It currently collects over 100,000 residential waste and recycling bins per week and over 10,000 commercial waste and recycling bins per week. It operates and manages four landfills and four transfer stations which cumulatively receive more than 275,000 visits each year from customers.

#### **OUR PERFORMANCE**

Townsville Waste Services' operation and performance in the 2011/12 financial year was shaped by a number of factors.

#### **Regional Growth**

The actual growth of the Townsville region for the financial year was not as significant as was projected by the Department of Infrastructure and Planning. As there is a direct link between the growth of the region and the revenue of council, the unexpectedly lower growth rate for the region impacted upon the business unit's operations, affecting the business unit's financial position at the end of the financial year.

#### Queensland Waste Reduction and Recycling Act 2011

The *Queensland Waste Reduction and Recycling Act 2011* (the Waste Act) was introduced by the Queensland Government in October 2011 and commenced as law on 1 December 2011. Underpinned by the Queensland Waste Reduction and Recycling Strategy 2010-2020 (the Waste Strategy), the Waste Act is just one part of a wider government strategy to drive significant improvement in waste and resource management to reduce waste generation and disposal.

The major impact of the Waste Act was the introduction of an industry waste levy on commercial and industrial waste, with each tonne of waste disposed of to landfill attracting the levy. It was intended the levy would fund programs to assist local government, business and industry to establish better resource recovery programs and improve overall waste management activities.

Townsville Waste Services carried out significant preparations prior to the commencement of the levy, including financial and price modelling to incorporate its estimated levy liability, implementation of business management systems to comply with reporting obligations, upgrading infrastructure and training operators as necessary.

The levy brought with it extensive reporting obligations, including monthly submissions of data recording all waste delivered to Townsville Waste Services levyable waste disposal sites and waste that was landfilled, together with the levyable amounts collected for remission to the State. The Department of Environment and Resource Management conducted an audit of Townsville Waste Services operations in June 2012, confirming compliance with its levy obligations.

Following the 2012 State Government election, the government committed to repealing the industry waste levy by 1 July 2012, reducing the levy amount to nil from this date. While the repeal abolished the requirement of Townsville Waste Services to collect and remit the levy after 30 June 2012, it did not relieve Townsville Waste Services of its reporting obligations under the Waste Act. In the lead up to the end of the 2011/12 financial year, Townsville Waste Services was required to change its practices to prepare for the repeal of the waste levy.

The repeal of the waste levy will leave the Queensland Government's Waste Strategy virtually unfunded in the short term and accordingly, Townsville Waste Services will no longer benefit from funding that was promised as part of the strategy (from the implementation of the levy), to establish better resource recovery and waste management strategies in Queensland.

#### **Carbon Tax**

In late 2011, the commencement of a carbon price was announced, to commence on 1 July 2012. Townsville Waste Services carried out extensive investigations into its potential liability under the Carbon Pricing Mechanism (CPM) and determined that the emissions from its landfill operations will result in liability under the scheme. The business unit has realigned the price for its services to ensure it can meet its liability under the CPM, while still maintaining the same level of service to the community.



#### **Gas Recovery**

In order to reduce the environmental impact of its landfill operations, Townsville Waste Services have negotiated the installation of a gas flaring system at its Stuart Landfill site. Preliminary investigations are being undertaken to determine whether the technology could also be used at the Hervey Range Landfill site.

The system captures and burns landfill gas generated by organic matter breaking down in the landfill. This is designed to reduce the potent greenhouse gas methane to a less potent form and therefore reduce the overall emissions from the landfill.

At the end of the financial year, the installation was in progress and due to be completed and tested for capacity in the 2012/13 financial year.

#### **Customers**

#### **Customer Service**

Townsville Waste Services has developed a Customer Service Standard (CSS) to set out the rights and obligations of Townsville Waste Services and its customers and provide quality and service reliability targets for its services. The CSS have been distributed to all customers of the business and Townsville Waste Services will continue to promote and measure its performance against its service standards in the future.

#### **Pricing**

Townsville Waste Services developed landfill and collection pricing for customers to reflect full cost pricing principles and in accordance with legislative changes associated with the industry waste levy.

#### **Vehicle Management System**

Townsville Waste Services was required to undertake further development of its vehicle management system during the financial year to enhance its collection services. The development included the implementation of systems and procedures to ensure that the full advantages of the technology are being realised within the business unit. The program included the training of relevant staff within the business unit. The developments will streamline the management of the collection services of the business.

#### **MAJOR INVESTMENTS**

A number of investments were proposed for the 2011/12 financial year. During the year, Townsville Waste Services invested in the below major projects.

Project	Proposed Investment \$	Actual Investment \$	Commentary
Magnetic Island Waste Management	1,100,004	257,490	Some planning and approval works completed. Project has been deferred until 2014
New Waste Cell at Hervey Range Landfill	100,000	59,640	Works are due to be completed in the 2012/13 financial year
Maintain cell at Jensen Landfill	75,000	8,400	Project completed. The project scope changed requiring less significant works
Capping – Majors Creek Landfill	250,000	1,860	Some assessment works were completed. Project deferred until 2012/13 financial year
Renewal/New Bulk Bins/ Transfer Bins/Roll-On Roll-Off Bins	150,000	96,980	New bins were purchased or existing bins rehabilitated when requried to ensure required service levels are achieved





#### **PERFORMANCE TARGETS**

Economic Sustainability			
Performance Measure	Target	Result	Comments
Revenue - Budget to Actual	o - 5% < revised budget	o.92% < revised budget	Lower than forecast quantity of waste received at landfills
Operating Cost - Budget to Actual	o - 5% < revised budget	15.51% > revised budget	Greater than budgeted operating costs for landfills, required stormwater control works and greater than budgeted depreciation due to closure costs of landfills and payroll tax
Capex - Budget to Actual	o - 5% < revised budget	42.51% < revised budget	Landfill cell and leachate pond construction deferred. Completion planned for the 2012/13 financial year
Net Operating Result - Budget to Actual	o - 5% < revised budget	43.18% > revised budget	
Annual Dividend Payment	Original target not measurable	All dividends paid to TCC	

 $Note: At \ the \ date \ of \ preparation \ of \ this \ Report, \ the \ financial \ records \ of \ the \ business \ unit \ were \ not \ audited$ 

Environmental Sustainability			
Performance Measure	Target	Result	Comments
Number of non compliance notices issued to DERM	0	6	The majority of notices resulted from minor landfill fires that were quickly extinguished
Percentage of waste diverted	60%	47%	The improved waste movement recording system, implemented in December 2011, will provide better insight into diversion targets and enable more accurate tracking of waste diversion

Social Sustainability			
Performance Measure	Target	Result	Comments
Total missed collections	0.05%	0.33%	Industrial action and severe weather events had some minor impact
Percentage of customers rating service quality as "good" or "excellent"	85%	83%	An average of 25 customers contacted each month to provide feedback on issues they reported or services they requested



Responsible Governance			
Performance Measure	Target	Result	Comments
Number of lost time injuries	0	10	
Number of process improvements outstanding	30	8	Recording process improvements commenced this year
Percentage of planned safety inspections undertaken	80%	39%	Safety inspection schedule was finalised in December 2011
Employee absenteeism	8 days	10.86 days	







#### **COMMUNITY SERVICE OBLIGATIONS**

Townsville Waste Services was required to carry out a number of community service obligations for the financial year. A community service obligation is defined in the *Local Government (Beneficial Enterprises and Business Activities)*Regulation 2010 as an obligation the local government imposes on a business entity to do something that is not in the commercial interests of the business entity to do. For example, give a price concession to a particular group of customers, such as pensioners.

In the 2011/12 financial year, Townsville Waste Services carried out and funded public place waste and recycling collection services, public place bin delivery services, road litter collection services for the Townsville area, and landfill disposal fees and costs of wheelie bin replacement due to the Tornado natural disaster event.

Community Service Obligation	\$
Public Place Waste and Recycling Collection	223,000
Public Place Bin Delivery	11,000
Litter Collection - Roads	976,000
Replacement of Wheelie Bins due to Tornado event (Natural Disaster)	7,000
Waiver of Landfill Disposal Fees	71,000
for waste caused by Tornado event	
(Natural Disaster)	
Total	\$1,288,000

#### **CHANGES TO THE ANNUAL PLAN**

The *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010* allows local government to amend its annual performance plan for a commercial business unit, at any time before the end of the financial year for which it is prepared. Any changes must be documented in this annual operations report.

No changes have been made to the annual performance plan throughout the financial year.

## **FINANCIALS**



# INDEX OF FINANCIAL STATEMENTS



#### **TOWNSVILLE CITY COUNCIL**

ABN: 44 741 992 072

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#### **MANAGEMENT CERTIFICATION**

These general purpose financial statements have been prepared pursuant to Section 102 of the *Local Government* (*Finance, Plans and Reporting*) *Regulation 2010* (the Regulation) and other prescribed requirements.

In accordance with Section 161 of the Regulation we certify that these general purpose financial statements:

- (i) have been prepared in accordance with the relevant accounting documents; and
- (ii) accurately reflect the local government's financial performance and position for the financial year.

In addition we certify that, in our opinion:

- (i) the prescribed requirements of the *Local Government Act 2009* and associated Regulations for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board); and
- (iii) the general purpose financial statements present a true and fair view of the Council's financial position as at 30 June 2012 and of its financial performance and cash flows for the financial year ended on that date.

Vern Veitch

**Acting Mayor** 

Dated this 19th day of November 2012

**Ray Burton** 

Chief Executive Officer

Dated this 19th day of November 2012



#### **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012	2011*
		\$000	\$000
Revenue	2	381,068	354,593
Other income	2	116,220	147,628
Total revenue		497,288	502,221
Labour costs		(122,672)	(125,292)
Materials and services used		(140,744)	(128,734)
Finance costs	3	(23,131)	(15,190)
Depreciation and amortisation expense	3	(93,486)	(91,764)
Impairment of property, plant and equipment	3	(328)	(2,200)
Other expenses	3	(13,015)	(5,963)
Share of net profit/(loss) of joint venture		(431)	(610)
Total expenses		(393,807)	(369,753)
Net result for the year		103,481	132,468
Other comprehensive income:			
Net gain on revaluation of property, plant and equipment		784,704	63,800
Share of other comprehensive income of joint ventures		-	2,394
Other comprehensive income for the year		784,704	66,194
Total comprehensive income for the year		888,185	198,662

 $<sup>{}^{\</sup>star}$ See Note 25 for details regarding the retrospective restatement of comparative figures.

The accompanying notes form part of these financial statements.



#### **STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012**

	Note	2012	2011*	1 July 2010*
		\$000	\$000	\$000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5	69,661	79,284	183,379
Trade and other receivables	6	56,953	56,055	26,818
Inventories	7	2,324	2,331	2,255
Other assets	13	915	1,832	1,639
		129,853	139,502	214,09
Assets classified as held for sale	8	3,624	9,360	9,230
TOTAL CURRENT ASSETS		133,477	148,862	223,32
NON-CURRENT ASSETS				
Trade and other receivables	6	3,243	5,766	6,18
Investments accounted for using the equity method	9	28,911	29,342	27,559
Property, plant and equipment	11	4,563,164	3,678,357	3,378,133
Intangible assets	12	5,081	5,584	5,40
Other non-current assets	13	8	20	39:
TOTAL NON-CURRENT ASSETS		4,600,407	3,719,069	3,417,674
TOTAL ASSETS		4,733,884	3,867,931	3,640,995
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	14	58,654	66,365	54,697
Borrowings	16	18,803	17,769	17,79
Provisions	17	8,317	3,491	3,323
Other current liabilities	15	2,234	2,242	1,958
TOTAL CURRENT ASSETS		88,008	89,867	77,77
NON-CURRENT LIABILITIES				
Trade and other payables	14	2,000	4,000	6,000
Borrowings	16	353,835	372,649	353,81
Provisions	17	46,984	46,543	47,197
TOTAL NON-CURRENT LIABILITIES		402,819	423,192	407,012
TOTAL LIABILITIES		490,827	513,059	484,78
NET ASSETS		4,243,057	3,354,872	3,156,210
EQUITY				
Reserves	18	979,295	195,515	146,80
Retained earnings		3,263,762	3,159,357	3,009,409
TOTAL EQUITY	<u> </u>	4,243,057	3,354,872	3,156,210

<sup>\*</sup>See Note 25 for details regarding the retrospective restatement of comparative figures.

The accompanying notes form part of these financial statements.



### **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
		\$000	\$000	\$000	\$000
Balance at 1 July 2010 as reported in the 30 June 2011 financial statements		3,009,409	111,543	47,843	3,168,795
Adjustment on correction of error and change in accounting policy	25	-	(12,585)	-	(12,585)
Restated total equity at 1 July 2010		3,009,409	98,958	47,843	3,156,210
Net result for the year		126,619	-		126,619
Other comprehensive income for the year		-	66,194		66,194
Total comprehensive income for the year as reported in the 30 June 2011 financial statements		126,619	66,194	-	192,813
Adjustment on correction of error and change in accounting policy	25	5,849	-	-	5,849
Restated total comprehensive income for the year		132,468	66,194	-	198,662
Transfers to retained earnings from general reserves		17,480	-	(17,480)	-
Restated total equity as at 30 June 2011		3,159,357	165,152	30,363	3,354,872
Balance at 1 July 2011		3,159,357	165,152	30,363	3,354,872
Net result for the year		103,481	-		103,481
Other comprehensive income for the year		-	784,704	-	784,704
Transfers to retained earnings from general reserves		924	-	(924)	-
Balance at 30 June 2012		3,263,762	949,856	29,439	4,243,057



#### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		386,501	335,106
Payments to suppliers and employees		(261,850)	(267,523)
Interest received		4,308	6,610
Finance costs		(24,652)	(23,688)
Net cash provided by/(used in) operating activities	22	104,307	50,505
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		183	5,936
Proceeds from loans to community organisations		12	9
Proceeds from cash contributions for constructing assets		76,916	77,470
Purchase of property, plant and equipment		(173,079)	(256,062)
Purchase of intangible assets		(182)	(761)
Net cash provided by/(used in) investing activities		(96,150)	(173,408)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	40,000
Repayment of borrowings		(17,780)	(21,192)
Net cash provided by/(used in) financing activities		(17,780)	18,808
Net increase/(decrease) in cash held		(9,623)	(104,095)
Cash and cash equivalents at beginning of financial year	5	79,284	183,379
Cash and cash equivalents at end of financial year	5	69,661	79,284

The accompanying notes form part of these financial statements.





#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

This financial report includes the financial statements and notes of Townsville City Council.

#### Note 1 Summary of Significant Accounting Policies

#### **Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the *Local Government Act 2009* and the *Local Government (Finance, Plans and Reporting) Regulation 2010*.

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impact is in the following accounting treatments:

- the offsetting of revaluation and impairment gains and losses within a class of assets;
- the timing of the recognition of non-reciprocal grant revenue; and
- the value in use of an asset is equal to the depreciated replacement cost when determining the recoverable amount of an asset for the purposes of impairment.

The financial report has been prepared on an accruals basis and is based on historical costs, modified by the measurement at fair value of selected assets and liabilities, where applicable.

The Council uses the Australian Dollar as its functional currency and its presentation currency.

The Townsville City Council is constituted under the Queensland Local Government Act 2009 and is domiciled in Australia.

 $The financial \ report \ was \ authorised \ for \ issue \ on \ the \ date \ the \ management \ certificate \ is \ signed.$ 

#### (a) New Accounting Standards for application in future periods

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

#### **Accounting Standard or Interpretation**

#### Effective for annual report periods beginning on or after:

AASB 9 Financial Instruments (December 2009)	1 January 2013
AASB 10 Consolidated Financial Statements	1 January 2013
AASB 11 Joint Arrangements	1 January 2013
AASB 12 Disclosure of interests in other entities	1 January 2013
AASB 13 Fair Value Measurement	1 January 2013
AASB 119 Employee benefits (completely replaces existing standard)	1 January 2013
AASB 128 Investments in Associates and Joint Ventures (replaces the existing standard)	1 January 2013
AASB 1053 Application of Tiers of Australian Accounting Standards	1 July 2013
2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)	1 January 2013
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	1 January 2013
AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters	1 January 2013
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	1 January 2013
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13	1 January 2013
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	1 January 2013
AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20 (AASB 1)	1 January 2013
	6. 1 1

Management have yet to assess the impact that AASB *9 Financial Instruments* and 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* is likely to have on the financial statements of Council as it is anticipated that further amendments will occur. Council does not expect to implement the amendments prior to the adoption date of 1 January 2013.

The reported results and position of the Council will not change on adoption of the other pronouncements as they do not result in any changes to the Council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Council does not intend to adopt any of these pronouncements before their effective dates.

The Council does not anticipate early adoption of any of the above pronouncements.





#### (b) Rounding of Amounts

The amounts included in the financial report have been rounded to the nearest \$1,000.

#### (c) Comparative Figures

The Council decided in the current financial year to change the classification of some of its receipts from customers in the Statement of Cash flows from the classification of Cash flows from Operating Activities, to Cash flows from Investing Activities. These receipts have been disclosed as proceeds from cash contributions for constructing assets and are incorporated in the classification of Cash flows from Investing Activities.

Council believes that this will provide more relevant information to its stakeholders as it is more in line with common practice in local government. The comparative information has been reclassified accordingly.

Where the Council has retrospectively applied an accounting policy or made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed. For details regarding the restatement of comparative figures, refer to Note 25.

#### (d) Critical Accounting Estimates and Judgements

The preparation of financial statements to conform with Australian equivalents of International Financial Reporting Standards (AIFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

The estimates and assumptions that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the following:

- Fair value assessments of property, plant and equipment assets. Refer to Note 11;
- Estimated useful life assessments of property, plant and equipment assets. Refer to Note 25 (b);
- Impairment of property, plant and equipment assets. Refer to Note 11;
- Impairment of trade and other receivables. Refer to Note 6; and
- Measurement and recognition of provisions. Refer to Note 17.

#### (e) Taxes

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax (GST).

The commercial businesses of the Council pay an income tax equivalent to the Council in accordance with the requirements of the *Local Government Act 2009* .

Where a commercial business of the Council is subject to the tax equivalents regime, the income tax expense is calculated on the operating surplus adjusted for permanent differences between taxable and accounting income. These transactions are eliminated upon consolidation of the commercial business units.

The Council pays payroll tax to the Queensland Government on certain activities.

#### (f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office, is shown as an asset or liability respectively in the statement of financial position.

#### (g) Revenue and Other Income

#### Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds. Where rate monies are received prior to the commencement of the rating period, the amount is recognised as revenue in the period in which they are received.

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. An equivalent amount is placed in general reserves until the funds are expended. Unspent non-reciprocal capital grants are placed in the Constrained Works Reserve.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

Revenue from the sale of goods is recognised at the point of sale as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.



Rental revenue from property is recognised as income on a periodic straight line basis over the lease term.

Interest received from term deposits is accrued over the term of the investment.

#### Other Income

Council receives cash contributions from property developers to construct assets such as roads and footpaths and to connect new property developments to water and sewerage networks in the local government area. Where agreements between Council and the developers relating to these contributions are determined to fall within the scope of AASB Interpretation 18 Transfers of Assets from Customers these contributions are recognised as revenue when the related service obligations are fulfilled.

The Council may also receive cash contributions towards the cost of constructing existing and proposed water supply and sewerage headworks in accordance with Council's planning scheme policies. Cash contributions in relation to water supply and sewerage headworks are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with these contributions. Consequently, these cash contributions are recognised as income when received in accordance with AASB 1004 Contributions.

AASB Interpretation 18 has been applied prospectively from 1 July 2009. All cash contributions were recognised as revenue on receipt prior to 1 July 2009.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the Council obtains control of the assets and becomes liable for any ongoing maintenance. All non-cash contributions are recognised at the fair value of the contribution received.

Grants and subsidies that meet the recognition criteria as Revenue above, but are received for the purpose of constructing assets, are treated as Other Income.

#### (h) Leases

Leases of plant and equipment under which Council assumes substantially all the risks and benefits of ownership are classified as finance leases and amortised on a straight line basis over the term of the lease or where it is likely Council will obtain ownership of the asset, over the life of the asset. Other leases are classified as operating leases.

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis of allocation is more representative of the pattern of benefits to be derived from the leased property.

In recording and reporting lease arrangements as lessor, Council records in the statement of financial position the lease premiums related to the asset and records as revenue in the current period the amount of the lease premium which is regarded as having been earned in the current period based on the pattern of benefits received by the lessee.

The Council has no finance leases in this reporting period.

#### (i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, cash deposits held to maturity and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position, when applicable.

#### (j) Receivables

Trade receivables are recognised at the fair value of amounts due at the time of sale or service delivery. Trade receivables are generally settled within 30 days from invoice date. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The collectability of receivables is assessed on an ongoing basis. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor such as bankruptcy, liquidation or receivership along with any legal action taken on default or delinquency in payments are considered indicators that the trade receivable is impaired. In addition, an impairment loss will be recognised on those receivables over which Council no longer has control. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

The amount of the impairment loss is recognised in the net result within other expenses. When a trade receivable for which an allowance for impairment loss had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other revenue in profit or loss. All known bad debts were written off at 30 June 2012.

If required the Council has the power to sell an owner's property to recover certain outstanding rate receivables, in accordance with the *Local Government Act 2009*. The Council does not recognise any impairment on these particular rate receivables. However, in recognition of the 3 year period that must lapse prior to collection being pursued via sale of the property, in accordance with the *Local Government (Finance, Plans and Reporting) Regulation 2010*, these receivables are presented as non-current receivables. Additionally, it is Council's policy not to pursue overdue rate receivables from eligible pensioners and therefore any overdue rate receivables to be collected from these customers are presented as non-current receivables.

Other Term receivables, such as loans and advances, are recognised in the same way as other receivables. Terms are usually a maximum of five years with interest charged at commercial rates. Security is not normally obtained.

Other receivables includes accrued income and revenue not yet invoiced, along with miscellaneous non-trade debtors such as amounts related to GST receivable



### (k) Inventories

#### (i) Inventory held for consumption

#### Raw materials and stores

Raw materials and stores are valued at the lower of cost and net realisable value and include, where applicable, direct natural, direct labour, and an appropriate portion of variable and fixed overheads. The cost of significant categories of inventory are based on weighted average cost.

Inventories held for distribution are:

- goods to be supplied at no or nominal charge; or
- goods to be used for the provision of services at no or nominal charge.

These goods are valued at the lower of cost and replacement cost.

#### (ii) Inventory held for sale

### Finished goods

Finished goods includes food and beverage products directly purchased and held for resale and nursery stock that is either purchased directly or grown for resale. Food and beverage stock is valued at the lower of cost and net realisable value. Nursery stock is valued at net realisable value in accordance with AASB 102 Inventories. Costs of purchased inventory are determined after deducting rebates and discounts. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### Land developed and held for sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs, and holding charges incurred after development is completed, are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

### (I) Assets held for sale

Items of property, plant and equipment are reclassified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and where sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as, financial assets and investment property that are carried at fair value, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

## (m) Interests in Joint Ventures

The Council's interest in the joint venture is recognised in the statement of comprehensive income and statement of financial position using the equity method, in accordance with AASB 131 Interests in Joint Ventures.

# (n) Property, Plant and Equipment

# Recognition and measurement

The cost method of accounting is used for the initial recognition of all property, plant and equipment assets. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including all costs incurred in preparing the assets ready for use or for restoring the asset at the end of its life to meet specific obligations.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised when the Council obtains control of the assets and becomes liable for any ongoing maintenance. All non-cash contributions are recognised at the fair value of the contribution received.

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Items of Land with a total value less than \$1 and all other property, plant and equipment with a total value of less than \$5,000, are treated as an expense in the period of acquisition. All other items of property, plant and equipment are recognised as assets.





The measurement basis used for determining the gross carrying amount of each class of property, plant and equipment assets are:

Class of Property, Plant and Equipment	Basis of Measurement
Land	Fair Value
Buildings	Fair Value
Plant and equipment	Cost
Landfills	Fair Value
Land improvements	Fair Value
Road and bridge network	Fair Value
Water	Fair Value
Pipe network	Fair Value
Sewerage	Fair Value
Drainage	Fair Value
Other assets	Fair Value

#### Revaluation

Land, Buildings, Infrastructure and Other assets are measured at fair value, in accordance with AASB116 Property, Plant and Equipment and the *Local Government (Finance, Plans and Reporting) Regulation 2010.* All other non-current assets, principally plant and equipment, are measured at cost. Where there is no active market, assets will be valued at their depreciated replacement cost. Where assets are not required, and intended to be disposed of fair value is the anticipated net sale proceeds. Assets recently purchased are shown in the financial statements at their historical cost less accumulated depreciation. Assets within each class of property, plant and equipment carried at fair value are revalued as necessary, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date.

Revaluations are undertaken in accordance with AASB 116 Property, Plant and Equipment, Local Government (Finance, Plans and Reporting) 2010 and Council Policy.

Valuations of non-current assets which were current as at 30 June 2012 were determined on the following basis:-

# (i) Land

Land assets were valued as at 31 March 2009 on a fair value basis (market value) through valuations performed by Paul Ellis (AAPI) (registered Valuer No. 2242) of Rushton Assetval Pty Ltd.

Since that valuation, the class as a whole has been assessed annually by management to determine whether the assets' carrying values materially differ from fair value as at 30 June each year. Land assets were not subject to independent revaluation in the financial year ended 30 June 2012.

Management's assessment of land values at 30 June 2012 referenced the 2012 annual land valuations for Townsville supplied by the Queensland Department of Environment and Resource Management. This was determined by management to be the most appropriate index and resulted in no restatement of the carrying values of land assets being necessary. Management determined that existing carrying values materially reflect fair value as at 30 June 2012.

# (ii) Buildings

Buildings, including fixed plant, fixtures and fittings, were valued as at 31 March 2009 at their respective depreciated replacement cost determined by independent valuations performed by Paul Ellis (AAPI) (registered Valuer No. 2242) and Bill Crothers (AAPI) (Registered Valuer No. 1942) of Rushton Assetval Pty Ltd. Where a market value existed, this was used to determine fair value.

Since that valuation, the class as a whole has been assessed annually by management to determine whether the assets' carrying values materially differ from fair value as at 30 June each year. Building assets were not subject to independent revaluation in the financial year ended 30 June 2012.

Management's assessment of building values at 30 June 2012 referenced the 2012 General Construction Industry and Non Residential Building Construction Queensland indices supplied by the Australian Bureau of Statistics. These were determined by management to be the most appropriate indices and resulted in no restatement of the carrying values of building assets being necessary. Management determined that existing carrying values materially reflect fair value as at 30 June 2012.

## (iii) Plant and equipment

The Council has determined that individual items of plant and equipment with a cost in excess of \$1,000,000 are of high value to the local government. There are no items which meet this criteria.

The Council's plant & equipment assets are valued at historical cost as per the provisions in AASB 116 Property, Plant and Equipment.



#### (iv) Landfills

Landfill assets are valued at 30 June 2012 by creating a complementary asset equivalent to the future provision for restoration of the landfill sites and depreciating the cost over the effective life of the asset.

The valuation process was performed as follows:

- Commissioning of a report on values and timing by external consultants Aecom on the anticipated life of the landfills and estimated costs to
  restore the sites to comply with existing licence and environmental requirements.
- Management assessing the report for completeness and accuracy and making amendments based on existing Council policies, expenditure data and future capital expenditure forecasts.

Management has determined that this method accurately reflects fair value for these assets at 30 June 2012.

#### (v) Land improvements

Land Improvements were valued as at 31 March 2009 at their respective depreciated replacement cost determined by independent valuations performed by Paul Ellis (AAPI) (registered Valuer No. 2242) and Bill Crothers (AAPI) (Registered Valuer No. 1942) of Rushton Assetval Pty Ltd. Where a market value existed, this was used to determine fair value.

Since that valuation, the class as a whole has been assessed annually by management to determine whether the assets' carrying values materially differ from fair value as at 30 June each year. Land improvement assets were not subject to independent revaluation in the financial year ended 30 June 2012.

Management's assessment of land improvement asset values at 30 June 2012 referenced the 2012 General Construction Industry (ABS A2333712W) and Non Residential Building Construction Queensland (ABS A2333721X) indices supplied by the Australian Bureau of Statistics. These were determined by management to be the most appropriate indices and resulted in no restatement of the carrying values of land improvement assets being necessary. Management determined that existing carrying values materially reflect fair value as at 30 June 2012.

## (vi) Road and bridge network

Roads and Bridges were valued as at 30 June 2012 at their respective depreciated replacement cost determined by independent valuations performed by G. Jordan BE (Civil), MBA, RPEQ and CPEng (Registered Valuer No. 3305) of Lemmah Pty Ltd.

Management has determined that this method accurately reflects fair value for these assets at 30 June 2012.

### (vii) Water assets

Water assets were valued as at 31 March 2009 at their respective depreciated replacement cost determined by independent valuations performed by Paul Ellis (AAPI) (registered Valuer No. 2242) and Bill Crothers (AAPI) (Registered Valuer No. 1942) of Rushton Assetval Pty Ltd. Where a market value existed, this was used to determine fair value.

Since that valuation, the class as a whole has been assessed annually by management to determine whether the assets' carrying values materially differ from fair value as at 30 June each year. Water assets were not subject to independent revaluation in the financial year ended 30 June 2012

Management's assessment of water asset values at 30 June 2012 referenced the 2012 General Construction Industry (ABS A2333712W) and Non Residential Building Construction Queensland (ABS A2333721X) indices supplied by the Australian Bureau of Statistics. These were determined by management to be the most appropriate indices and resulted in no restatement of the carrying values of water assets being necessary. Management determined that existing carrying values materially reflect fair value as at 30 June 2012.

### (viii) Pipe network assets

Pipe network assets were valued as at 30 June 2012 at their respective depreciated replacement costs by qualified council staff and external valuers, taking into account any expired portion of their useful lives.

The valuation process was performed as follows:

- Stormwater pipe network assets were revalued at their depreciated replacement cost based on assessments performed by G. Jordan BE (Civil), MBA, RPEQ and CPEng (Registered Valuer No. 3305) of Lemmah Pty Ltd. The process incorporates a review of unit rates for stormwater drainage with the valuer referring to the rates applied by other Councils utilising a 'first principles' model approach, consultant model rates and consultant greenfield contract rates.
- Water and Wastewater pipe network assets were revalued at their depreciated replacement cost based on assessments performed by
   J. Ballard BE(Hons), MEnvSc, RPEQ and CPEng and S. Singh MBA, RPEQ. The process incorporates the determination of unit rates by reference to data contained in Rawlinsons Australian Construction Handbook plus an assessment of Council's internal and external costings.
- These valuations were determined by the Council employees above to materially reflect fair value as at 30 June 2012.

Pipe network assets acquired during the financial year ended 30 June 2012 are recognised at cost less depreciation and were not revalued. Management has determined that this method accurately reflects fair value for these assets at 30 June 2012.

# (ix) Sewerage Assets

Sewerage assets excluding pipelines were valued as at 31 March 2009 at their respective depreciated replacement cost determined by independent valuations performed by Paul Ellis (AAPI) (registered Valuer No. 2242) and Bill Crothers (AAPI) (Registered Valuer No. 1942) of Rushton Assetval Pty Ltd.



Since that valuation, the class as a whole has been assessed annually by management to determine whether the assets' carrying values materially differ from fair value as at 30 June each year. Sewerage assets were not subject to independent revaluation in the financial year ended 30 June 2012.

Management's assessment of sewerage asset values at 30 June 2012 referenced the 2012 General Construction Industry (ABS A2333712W) and Non Residential Building Construction Queensland (ABS A2333721X) indices supplied by the Australian Bureau of Statistics. These were determined by management to be the most appropriate indices and resulted in no restatement of the carrying values of sewerage assets being necessary. Management determined that existing carrying values materially reflect fair value as at 30 June 2012.

### (x) Drainage Assets

Drains excluding pipelines were valued as at 31 March 2009 at their respective depreciated replacement cost determined by independent valuations performed by Paul Ellis (AAPI) (registered Valuer No. 2242) and Bill Crothers (AAPI) (Registered Valuer No. 1942) of Rushton Assetval Pty Ltd.

Since that valuation, the class as a whole has been assessed annually by management to determine whether the assets' carrying values materially differ from fair value as at 30 June each year. Drain assets were not subject to independent revaluation in the financial year ended 30 June 2012.

Management's assessment of drain asset values at 30 June 2012 referenced the 2012 General Construction Industry (ABS A2333712W) and Non Residential Building Construction Queensland (ABS A2333721X) indices supplied by the Australian Bureau of Statistics. These were determined by management to be the most appropriate indices and resulted in no restatement of the carrying values of drainage assets being necessary. Management determined that existing carrying values materially reflect fair value as at 30 June 2012.

#### (xi) Other assets

Other assets were valued as at 30 June 2010 at their respective depreciated replacement cost determined by independent valuations performed by Ms Bettina MacAuley of MacAuley Partners. Where a market value existed, this was used to determine fair value.

Since that valuation, the class as a whole has been assessed annually by management to determine that the assets' carrying values did not materially differ from fair value as at 30 June each year.

No indices have been used to determine the appropriate carrying value as there is no publicly referenced index deemed appropriate by management for the purpose. Management has assessed that the reported carrying values represent fair value at balance date.

Any other assets purchased during the 2011/12 financial year have been recognised at cost, which has been determined by management to equate to fair value.

# Land under roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. The Townsville City Council does not have any such land holdings.

Land under the road network within the Council area that has been dedicated and opened for public use under the Land Act 1994 or the Land Title Act 1994 is not controlled by Council but is controlled by the state pursuant to the relevant legislation, therefore, this land is not recognised in these financial statements.

## Depreciation

Property, plant and equipment assets, with the exception of Land, having a limited useful life, are systematically depreciated over their useful lives as follows:

Class of Property, Plant and Equipment	Useful Life
Buildings	15 - 130 years
Plant and equipment	3 - 40 years
Landfills	4 - 42 years
Land improvements	10 - 100 years
Road and bridge network	10 - 150 years
Water	10 - 150 years
Pipe network	25 - 8o years
Sewerage	5 - 6o years
Drainage	25 - 100 years
Other	20 - 100 years

Depreciation is recognised as an expense in the statement of financial performance on a straight line basis over the estimated useful lives of each property, plant and equipment asset.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives





distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council. Where expenditure extends the life of an asset, the expenditure is capitalised and the asset's life is revised.

#### **Assets under construction**

Wage and materials expenditure incurred for the acquisition or construction of assets is treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

The costs of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour and other costs directly attributable to bring the asset to the location and condition for it to operate in the manner intended.

#### Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal and when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying value of the property, plant and equipment, and is recognised net, within either other income or other expenses in the statement of financial performance where appropriate.

### (o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale (qualifying assets), are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

## (p) Impairment of Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs of disposal and its value in use. The value in use of an asset is equal to the depreciated replacement cost.

An impairment loss is recognised immediately in the statement of comprehensive income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus.

# (q) Intangibles

### Software assets

Software assets are recognised as intangible assets, where their cost exceeds \$5,000. Expenditure on internally generated intangible assets is recognised from the date of the approval by the Council of a capital expenditure authorisation for the acquisition or development of the asset. This approval is taken to indicate that the project meets the criteria for recognition under AASB 138 Intangible Assets.

Expenditure on software assets, up to the decision to generate the asset in a particular form, are research costs and are expensed. It has been determined that there is not an active market for any of Council's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is based on the cost of a software asset less its residual value. Amortisation is recognised as an expense in the statement of financial performance on a straight-line basis over the estimated useful lives of software assets, from the date that they are available for use. The estimated useful lives for software assets are between 3 and 10 years. Council does not hold any intangible assets with infinite lives.

Amortisation methods, useful lives and residual values are reviewed each reporting date and adjusted if appropriate.

## (r) Trade and Other Payables

Accounts payable have been recognised as a liability for the year ended 30 June 2012 at the time when the amount owed can be measured reliably and when it is probable the account will be paid. This is at the time of the goods being received or the service being performed. The amount recognised for each creditor is based on purchase or contract costs. The amounts are unsecured and are normally settled within 30 working days.

# (s) Provisions

Provisions are recognised when the Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.



#### **Restoration liabilities**

A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable the Council will be liable, or required, to incur costs on the cessation of use of the facility. The provision represents the present value of the anticipated future costs associated with the closure of the landfill sites, decontamination and monitoring of historical residues and leaching on these sites.

The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

The provision is measured at the expected cost of the work required, discounted to current day values using market yields on Commonwealth Government bonds with terms to maturity that match the expected timing of cashflows. Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

#### (t) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on Commonwealth Government bonds with terms to maturity that match the expected timing of cashflows.

#### (u) Reserves

#### **Asset Revaluation Surplus**

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

# **General Reserves**

These reserves represent wealth which is accumulated within Council to meet specific anticipated future needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

### i) Constrained works reserve

This reserve is credited with all grants, subsidies and contributions of monetary revenue received during the reported period and constrained for the purpose of funding specific capital expenditure. As the expenditure is incurred on specified capital assets the equivalent funds are transferred to Retained earnings. The balance reported represents funds not yet expended and retained until expended for the intended purpose.

# ii) Asset replacement reserve

 $This \ reserve \ was \ created \ for \ replacement \ of \ Council's \ property, \ plant \ and \ equipment \ assets.$ 

## iii) Recurrent reserve

This reserve is created to ensure sufficient funds are available to enable future expenditure on the purpose for which the funds were received.

### iv) Other reserves

These reserves are created to contribute to the future replacement of Council's general infrastructure.

### (v) Financial Instruments

Townsville City Council has categorised the financial assets and financial liabilities held at balance date as follows:

Financial Assets	Categorisation
Cash	Financial assets available for sale (at cost)
Receivables	Loans and receivables (at amortised cost)
Financial Liabilities	Categorisation
Payables	Financial liability (at cost)
Borrowings	Financial liability (at amortised cost)

 $Financial\ assets\ and\ financial\ liabilities\ are\ presented\ separately,\ offsetting\ has\ not\ been\ applied.$ 

The fair value of financial assets and liabilities must be estimated in a way that permits it to be compared with its carrying amount. Disclosure of fair value is not presented when the carrying amount is a reasonable approximation of fair value.

The fair value of financial instruments is determined as follows:

 The fair values of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.



- The fair values of borrowings, as disclosed in the notes to the accounts, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if the Council repaid it in full at balance date. As it is the intention of the Council to hold its borrowings for their full term, no adjustment provision is made in these accounts. Refer to Note 16.
- The fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists, or is determined
  by discounting expected future cash flows by the current interest rate for financial assets and liabilities with similar risk profiles.
- The fair value of trade receivables and payables is assumed to approximate their nominal value less estimated credit adjustments.
- The fair value of prepayments is represented by the book value as the period of time to consumption is short and there are no rates involved in the calculation, therefore they are not disclosed separately.
- Available for sale financial assets are measured at cost as fair value cannot be reliably measured, therefore no fair value is disclosed.

Loans payable are measured at amortised cost using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

Gains and losses on the early redemption of borrowings are recorded in the statement of comprehensive income as finance costs.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

#### Financial risk management

The Council minimises its exposure to financial risk in the following ways:

- Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia and are for a period of less than one year; and
- Council does not invest in derivatives or other investments of a speculative nature.

When the Council borrows, it borrows from the Queensland Treasury Corporation. Borrowing by the Council is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act* 1982.

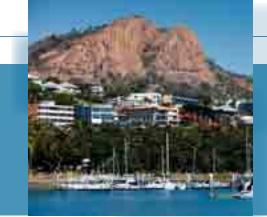
Details of financial instruments and the associated risks are shown at Note 24.

# Impairment

At each reporting date, the Council assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

# (w) Change in Accounting Policy, Accounting Estimates and Correction of Errors

Under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, where there are material adjustments to the measurement of opening assets and liabilities as a consequence of changes in accounting policies, accounting estimates or corrections of error, these have been disclosed in Note 25.



# Note 2 Revenue and Other Income

Note	2012	2011
	\$000	\$000
Revenue		
Rates and Utilities Revenue		
— General rates	145,144	140,180
— Special rates	188	201
- Refuse and recycling utility charges	15,530	14,995
— Water and wastewater utility charges	143,733	125,068
— Less discounts	(18,710)	(18,689)
— Less pensioner and other concessions	(10,414)	(8,161)
Total Rates and Utilities Revenue	275,471	253,594
Other Revenue		
- Interest received 2(a)	5,864	7,076
— Regulatory fees and charges	10,268	10,793
— Commercial fees and charges	13,546	15,036
— Contributions received for operating purposes	1,964	2,284
— Subsidies and grants received for operating purposes	56,965	50,492
— Other	16,990	15,318
Total Other Revenue	105,597	100,999
Total Revenue	381,068	354,593
Other Income		
— Contributions received for capital purposes	25,834	16,176
— Subsidies and grants received for capital purposes	59,670	79,050
— Fair value gain on contributions of assets	27,915	52,402
— Impairment losses on property, plant and equipment reversed	2,801	-
Total Other Income	116,220	147,628
Total Revenue and Other income	497,288	502,221
(a) Interest revenue from:		
— financial institutions	4,303	6,038
— other persons	1,561	1,038
Total interest revenue	5,864	7,076



# **Note 3 Expenses**

	2012	2011
Expenses	\$000	\$000
Depreciation		
— Buildings	6,190	4,839
— Plant and equipment	14,958	9,291
— Landfill	1,975	685
— Land improvements	15,340	15,088
<ul> <li>Road and bridge network assets</li> </ul>	12,761	20,594
— Water assets	10,058	6,848
— Pipe network assets	20,266	25,050
— Sewerage assets	11,043	8,718
— Drainage assets	209	66
— Other assets	-	4
Total depreciation expense	92,800	91,183
Amortisation		
— Software assets	686	581
Total amortisation expense	686	581
Interest expense on financial liabilities not at fair value		
Interest and finance charges on loans from financial institutions	21,092	13,851
Unwinding of discounted provisions	2,039	1,339
Total interest expense	23,131	15,190
Other expenses		
— Impairment charge - trade receivables	452	2,090
Net loss on disposal of property, plant and equipment	10,285	2,368
— Write-off of obsolete stock	45	84
— Other expenses	2,233	1,421
Total other expenses	13,015	5,963
Impairment losses		
— property, plant and equipment	328	2,200
Rental expense on operating leases		
— minimum lease payments	57	36



# (a) Significant Revenue and Expenses

The Queensland Government provides financial assistance to disaster affected communities in Queensland through the Natural Disaster Relief and Recovery Arrangements program (NDRRA), jointly funded by the Australian Government. The funding is available subject to strict guidelines and only for declared disaster events.

The Council's net result for the financial year ended 30 June 2012 includes the effect of the following declared disaster events that have impacted the Townsville local government area during the last 3 years.

Event	Year
Heavy Rainfall and Flooding, Northern & FNQ	2012
Tropical Cyclone Yasi	2011
Monsoon Flooding	2010
Tropical Cyclone Olga	2010
Tropical Cyclone Neville	2010
Tropical Cyclone Ului	2010
Tropical Cyclone Paul	2010

The following significant revenue and expense items related to NDRRA events, included in the net result, are relevant in explaining the financial performance of Council for the period.

	2012	2011
	\$000	\$000
Recovery of expenditure incurred for NDRRA purposes:		
Grant funding received for operating expenditure incurred for NDRRA purposes	41,558	33,092
Grant funding received for capital expenditure incurred for NDRRA purposes	29,911	901
Total grant revenue received for recovery of capital and operating expenditure	71,469	33,993
Expenditure for costs incurred for NDRRA purposes:		
Operating expenditure incurred for NDRRA purposes	37,706	36,369
Capital expenditure incurred for NDRRA purposes	18,453	6,321
Total expenditure incurred for NDRRA purposes	56,159	42,690
Total grant funding due to Council for NDRRA purposes and recognised as a Receivable as at balance date.	21,909	9,209
Total expenditure by Council for NDRRA purposes recognised as a Payable as at balance date.	6,118	-

# **Note 4 Auditors' Remuneration**

	2012	2011
	\$000	\$000
Remuneration of the auditor of the Council for:		
— auditing the financial report	292	357





# **Note 5 Cash and Cash Equivalents**

	Note	2012	2011
		\$000	\$000
Cash at bank and in hand		1,611	302
Short-term bank deposits - at call		67,550	78,482
Short-term bank deposits - held to maturity		500	500
	24	69,661	79,284
Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		69,661	79,284
		69,661	79,284
Cash not available for general use			
Externally imposed expenditure restrictions at the reporting date relate to the			
following cash assets:			
Unspent contributions, government grants and subsidies	18b(i)	8,891	10,201
		8,891	10,201
	Short-term bank deposits - at call Short-term bank deposits - held to maturity  Reconciliation of cash Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows: Cash and cash equivalents  Cash not available for general use Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:	Cash at bank and in hand Short-term bank deposits - at call Short-term bank deposits - held to maturity  24  Reconciliation of cash Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows: Cash and cash equivalents  Cash not available for general use Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:	Cash at bank and in hand Short-term bank deposits - at call Short-term bank deposits - held to maturity 500  Reconciliation of cash Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:  Cash and cash equivalents 69,661  Cash not available for general use Externally imposed expenditure restrictions at the reporting date relate to the following cash assets: Unspent contributions, government grants and subsidies 18b(i) 8,891

# (c) Risk exposure

The Council's exposure to interest rate risk is discussed in Note 24. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

# **Note 6 Trade and Other Receivables**

	Note	2012	2011
		\$000	\$000
CURRENT			
Trade receivables - rates and utilities		14,998	12,300
Allowance for impairment of receivables - rates and utilities	6a(i)	(287)	(143)
Trade receivables - fees and charges		6,928	20,969
Allowance for impairment of receivables - fees and charges	6a(ii)	(686)	(2,450)
		20,953	30,676
Other receivables - Term receivables		11	14
Other receivables - Other debtors and accrued revenue		35,973	25,344
Accrued interest		16	21
Total current trade and other receivables		56,953	56,055
		2012	2011
		\$000	\$000
NON-CURRENT			
Trade receivables - rates and utilities		3,175	5,689
		3,175	5,689
Other receivables - Term receivables		68	77
Total non-current trade and other receivables		3,243	5,766



### (a) Allowance For Impairment of Receivables

Current trade and other receivables, excluding other term receivables, are non-interest bearing loans and generally on 30 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. An allowance for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in other expenses.

Movement in the allowance for impairment of receivables is as follows:

	Opening Balance 1 July 2011	Charge for the Year	Amounts Written Off	Unused amount	Closing Balance 30 June 2012
	\$000	\$000	\$000	\$000	\$000
(i) Current trade receivables - rates and utilities	143	152	-	(8)	287
(ii) Current trade receivables - fees and charges	2,450	385	(1,951)	(198)	686
	2,593	537	(1,951)	(206)	973

	Opening Balance 1 July 2010	Charge for the Year	Amounts Written Off	Unused amount	Closing Balance 30 June 2011
	\$000	\$000	\$000	\$000	\$000
(i) Current trade receivables - rates and utilities	-	143	-	-	143
(ii) Current trade receivables - fees and charges	749	1,946	(47)	(198)	2,450
	749	2,089	(47)	(198)	2,593

# Credit risk - Trade and Other Receivables

The Council has no significant concentration of credit risk with respect to any single counterparty or entity of counterparties other than those receivables specifically provided for and mentioned within Note 6. The class of assets described as trade and other receivables is considered to be the main source of credit risk to the entity.

The following table details the Council's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the entity and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Council.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Doct due o		Within initial	Past due but not impaired				
	Gross Amount	Past due and impaired	trade terms	<b>&lt;</b> 30	31-60	61-90	<b>&gt;</b> 90	
2012	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Trade receivables	25,101	(973)	6,219	709	346	956	15,898	
Other receivables - Term	79	-	79	-	-	-	-	
Other receivables - Other	35,989	-	35,989	-	-	-	-	
Total	61,169	(973)	42,287	709	346	956	15,898	



		Past due and Within initial impaired trade terms (30			Past due but not impaired					
	Gross Amount			₹30	31-60	61-90	<b>&gt;</b> 90			
2011	\$000	\$000	\$000	\$000	\$000	\$000	\$000			
Trade receivables	38,958	(2,593)	13,284	4,159	5,347	4,116	9,459			
Other receivables - Term	91	-	91	-	-	-	-			
Other receivables - Other	25,365	-	25,365	-	-	-	-			
Total	64,414	(2,593)	38,740	4,159	5,347	4,116	9,459			

The Council does not hold any financial assets with terms that have been renegotiated, which would otherwise be past due or impaired.

### (b) Financial Assets classified as loans and receivables

	Note	2012	2011
		\$000	\$000
Trade and other Receivables			
— Total Current		56,953	56,055
— Total Non-Current		3,243	5,766
Financial Assets	24	60,196	61,821

# **Note 7 Inventories**

	2012	2011
	\$000	\$000
CURRENT		
Raw materials and stores	1,372	1,439
Finished goods	952	892
	2,324	2,331

# Note 8 Assets Classified as Held for Sale

	2012	2011
	\$000	\$000
Non-current assets held for sale:		
Land	3,624	9,360
	3,624	9,360

Review of land held for sale disclosed that only certain portions of the original \$9,360,000 were being sold, totalling \$3,624,191 book value. The remainder has been reclassified as an asset. Future use of this land is part of a planned review of land that is not currently used for existing Council operations or public use. Until the review is complete the remainder of the original land held for sale will be recorded as an asset.

# Note 9 Investments Accounted for using the Equity Method

	Note	2012	2011
		\$000	\$000
Interests in joint venture	10	28,911	29,342
		28,911	29,342



### Note 10 Joint Venture

# **Interest in Joint Ventures**

A joint venture partnership exists between the Perpetual Trustees Queensland Limited as trustee of the Breakwater Island Trust, and the Townsville City Council. The joint venture parties are associated in an unincorporated joint venture known as the Townsville Breakwater Entertainment Centre Joint Venture. The purpose of the joint venture is to design, develop, construct, commission, operate and own the Entertainment Centre.

Townsville City Council has a 79.8% interest in the Townsville Breakwater Entertainment Centre Joint Venture, whose principal activities are the provision of a venture and ancillary services for the conduct of conventions, exhibitions, sports and entertainment events. Unless otherwise agreed in writing between the joint venturers, the joint venture is limited to the purposes and activities specified in the *Townsville Breakwater Entertainment Centre Act* 1991.

The joint venture has entered into an agreement with the then Trustee of Breakwater Island Trust and Breakwater Island Limited for the management of the Townsville Entertainment & Convention Centre. Pursuant to the terms of the Management Agreement, Breakwater Island Trust will indemnify the joint venture from any amount by which defined costs exceed operating revenue. Defined costs exclude general rates and land tax, replacement of fixed assets and major repairs. Breakwater Island Trust is entitled to repayment of any indemnity paid in any previous year out of net operating surpluses of the Entertainment Centre.

The Townsville Breakwater Entertainment Centre joint venture is not considered a controlled entity because, in accordance with the Townsville Breakwater Entertainment Centre Act 1991, all decisions of the Management Committee governing the operations of the joint venture require a unanimous decision, except for decisions relating to the giving of notices to the operator about audit qualifications relating to the joint venture financial statements, or in the case of a default event, decisions to give to the defaulting party notice of intention to terminate the agreement.

At the time of preparation of this report, the audited financial statements for the year ended 30 June 2012 of the joint venture were not available. The joint venture's last audited financial statements were for the year ended 30 June 2011. The Council's share of the net assets employed in the joint venture is:

	2012	2011
	\$000	\$000
CURRENT ASSETS		
Cash and cash equivalents	688	453
Trade and other receivables	12	87
Inventories	26	27
Other assets	4	4
Total current assets	730	571
NON-CURRENT ASSETS		
Property, plant and equipment	28,720	29,317
Total non-current assets	28,720	29,317
CURRENT LIABILITIES		
Trade and other payables	510	522
Total current liabilities	510	522
NON-CURRENT LIABILITIES		
Provisions	29	24
Total non-current liabilities	29	24
Net interest in joint venture	28,911	29,342



# Note 11 Property, Plant and Equipment

	2012	2011
	\$000	\$000
LAND AND BUILDINGS		
Land		
— At valuation	411,591	406,299
	411,591	406,299
Buildings		
— At valuation	220,221	216,098
Less accumulated depreciation	(41,982)	(36,220)
Less accumulated impairment losses	(253)	(217)
	177,986	179,661
PLANT AND EQUIPMENT		
Plant and equipment		
— At cost	121,248	110,824
Less accumulated depreciation	(49,214)	(37,071)
Less accumulated impairment losses	-	(98)
	72,034	73,655
INFRASTRUCTURE ASSETS		
Landfill		
— At valuation	27,967	24,625
Less accumulated depreciation	(20,000)	(17,363)
·	7,967	7,262
Land improvements		
— At valuation	238,767	255,510
Less accumulated depreciation	(102,210)	(133,717)
Less accumulated impairment losses	(139)	(4,792)
	136,418	117,001
Road and bridge network assets		
— At valuation	1,990,542	1,181,275
Less accumulated depreciation	(416,831)	(369,276)
Less accumulated impairment losses	-	(1,448)
	1,573,711	810,551
Water assets		
— At valuation	765,983	763,321
Less accumulated depreciation	(197,004)	(188,135)
Less accumulated impairment losses	(197,004)	(1,604)
	568,979	573,582



Pipe network assets		
— At valuation	2,121,562	2,022,296
Less accumulated depreciation	(813,385)	(757,601)
	1,308,177	1,264,695
Sewerage assets		
— At valuation	371,606	322,270
Less accumulated depreciation	(81,186)	(90,241)
Less accumulated impairment losses	-	-
	290,420	232,029
Drainage assets		
— At valuation	11,142	9,472
Less accumulated depreciation	(1,323)	(1,203)
	9,819	8,269
OTHER ASSETS		
Other assets		
— At valuation	6,590	5,933
Less accumulated depreciation	(528)	(528)
Less accumulated impairment losses	-	(52)
	6,062	5,353
Total Property, Plant and Equipment	4,563,164	3,678,357
Total Froperty, Frant and Equipment	4,503,104	5,0/0,35/

# (a) Fair Value

The classes of assets above, excluding plant and equipment, are all shown at fair value. Assets within these classes are assessed annually to ensure carrying values reflect fair value. Where carrying values materially vary from fair value a revaluation is undertaken. Council policy is to revalue all assets every 5 years via independent valuation. Refer to Note 1(n). Assets under construction included in the above balances are assessed at balance date to ensure their cost approximates fair value.

# (b) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment, including assets under construction, between the beginning and the end of the current financial period.

	Land	Buildings	Plant and Equipment	Landfill	Land Improvements	Road and bridge network
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2010	405,605	160,457	63,648	4,301	104,219	753,538
Additions	768	24,807	22,979	3,654	32,740	76,505
Disposals	-	(1,155)	(3,682)	(8)	(1,463)	(491)
Assets classified as held for sale	(130)	-	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-	-	
Depreciation expense	-	(4,839)	(9,388)	(685)	(15,313)	(20,594)
Impairment loss - revaluation surplus (charged)	-	-	-	-	(4,792)	-
Impairment loss - net result (charged)	-	(217)	-	-	-	(1,448)
Impairment loss - revaluation surplus (reversed)	-	-	-	-	1,532	-
Impairment loss - net result (reversed)	-	-	98	-	-	971
Capitalised finance costs	56	608	-	-	78	2,070
Balance at 30 June 2011	406,299	179,661	73,655	7,262	117,001	810,551



Additions	226	5,093	14,707	2,680	30,203	56,075
Disposals	(670)	(614)	(1,295)	-	(174)	(61)
Assets classified as held for sale	5,736	-	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-	-	718,161
Depreciation expense	-	(6,190)	(14,958)	(1,975)	(15,340)	(12,761)
Impairment loss - revaluation surplus (charged)	-	-	-	-	(64)	-
Impairment loss - net result (charged)	-	(253)	(75)	-	-	-
Impairment loss - revaluation surplus (reversed)	-	-	-	-	4,792	-
Impairment loss - net result (reversed)	-	217	-	-	-	1,448
Capitalised finance costs		72	-	-	-	298
Balance at 30 June 2012	411,591	177,986	72,034	7,967	136,418	1,573,711

	Water assets	Pipe network assets	Sewerage assets	Drainage assets	Other assets	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2010	563,087	1,122,870	194,733	390	5,295	3,378,143
Additions	14,290	99,126	45,636	7,775	114	328,394
Disposals	(1,463)	-	(5)	(37)	-	(8,304)
Assets classified as held for sale	-	-	-	-	-	(130)
Revaluation increments/(decrements)	-	65,382	-	-	-	65,382
Depreciation expense	(6,848)	(24,728)	(8,718)	(66)	(4)	(91,183)
Impairment loss - revaluation surplus (charged)	-		-	-	(52)	(4,844)
Impairment loss - net result (charged)	(1,604)	-	-	-	-	(3,269)
Impairment loss - revaluation surplus (reversed)	1,347		383	-	-	3,262
Impairment loss - net result (reversed)	-	-	-	-	-	1,069
Capitalised finance costs	4,773	2,045	-	207	-	9,837
Balance at 30 June 2011	573,582	1,264,695	232,029	8,269	5,353	3,678,357
Additions	566	2,079	76,994	1,759	657	191,039
Disposals	-	(94)	(7,560)	-	-	(10,468)
Assets classified as held for sale	-	-	-	-	-	5,736
Revaluation increments/(decrements)	-	61,763	-	-	-	779,924
Depreciation expense	(10,058)	(20,266)	(11,043)	(209)	-	(92,800)
Impairment loss - revaluation surplus (charged)	-		-	-	-	(64)
Impairment loss - net result (charged)	-	-	-	-	-	(328)
Impairment loss - revaluation surplus (reversed)	-	-	-	-	52	4,844
Impairment loss - net result (reversed)	1,604	-	-	-	-	3,269
Capitalised finance costs	3,285	-	-	-	-	3,655
Balance at 30 June 2012	568,979	1,308,177	290,420	9,819	6,062	4,563,164



# (c) Capitalised Finance Costs

	2012	2011
	\$000	\$000
Finance costs incurred on qualifying assets	3,738	10,657
Less: Investment revenue earned on borrowed funds	(83)	(820)
Finance costs capitalised	3,655	9,837
Capitalisation rate used in the allocation of finance costs	6.15%	6.30%

# (d) Carrying Amount of Property, Plant and Equipment in the Course of Construction

2012	Opening Balance 1 July 2011	Assets constructed during the period	Assets placed in service during the period	Closing Balance 30 June 2012
	\$000	\$000	\$000	\$000
Class of assets in the course of construction				
Land	450	662	(456)	656
Buildings	22,189	2,651	(24,087)	753
Plant and Equipment	3,298	12,030	(10,483)	4,845
Landfills	1,704	655	(1,703)	656
Land Improvements	6,527	1,881	(4,066)	4,342
Road and Bridge Network	33,787	77,162	(90,871)	20,078
Water Assets	6,116	15,470	(12,534)	9,052
Pipe Network Assets	91,829	14,769	(91,829)	14,769
Sewerage Assets	90,795	24,798	(102,280)	13,313
Drainage Assets	3,390	2,916	(5,921)	385
Other Assets	-	39	(39)	-
	260,085	153,033	(344,269)	68,849

2011	Opening Balance 1 July 2010	Assets constructed during the period	Assets placed in service during the period	Closing Balance 30 June 2011
	\$000	\$000	\$000	\$000
Class of assets in the course of construction				
Land	186	812	(548)	450
Buildings	19,997	19,113	(16,921)	22,189
Plant and Equipment	1,841	19,290	(17,833)	3,298
Landfills	492	1,729	(517)	1,704
Land Improvements	7,590	12,697	(13,760)	6,527
Road and Bridge Network	62,268	100,205	(128,686)	33,787
Water Assets	65,762	6,747	(66,393)	6,116
Pipe Network Assets	60,092	68,562	(36,825)	91,829
Sewerage Assets	52,731	41,367	(3,303)	90,795
Drainage Assets	2,236	3,837	(2,683)	3,390
Other Assets	14	19	(33)	-
	273,209	274,378	(287,502)	260,085



### (e) Impairment losses

The total impairment loss recognised in the statement of comprehensive income during the year amounted to \$327,637 and is presented within the net result of the year as impairment of property, plant and equipment. The reversal of impairment losses charged to the net result of \$3,269,145 and to other comprehensive income of \$4,843,909 in the prior year, have been reversed to Other income and the Asset revaluation surplus respectively. In addition, the impairment loss includes the diminution of value that would have occurred if the impaired assets at 30 June 2011 had been depreciated during the period they were impaired, until they were either disposed of or the underlying impairment condition was removed.

# Note 12 Intangible Assets

	2012	2011
	\$000	\$000
Software assets		
Cost	14,708	14,515
Accumulated amortisation	(9,627)	(8,931)
Total software assets	5,081	5,584

	Software assets \$000
Year ended 30 June 2012	
Balance at the beginning of year	5,584
Additions	183
Disposals	-
Amortisation charge	(686)
Closing value at 30 June 2012	5,081
Year ended 30 June 2011	
Balance at the beginning of year	5,405
Additions	777
Disposals	(17)
Amortisation charge	(581)
Closing value at 30 June 2011	5,584

Intangible assets have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the statement of comprehensive income.

# Note 13 Other Assets

	2012	2011
	\$000	\$000
CURRENT		
Prepayments	915	1,832
	915	1,832
NON-CURRENT		
Prepayments	8	20
	8	20
·	 	·



# Note 14 Trade and Other Payables

Note	2012	2011
	\$000	\$000
CURRENT		
Unsecured liabilities		
Trade payables	25,166	27,405
Sundry payables and accrued expenses	33,488	38,960
	58,654	66,365
NON-CURRENT		
Unsecured liabilities		
Sundry payables and accrued expenses	2,000	4,000
	2,000	4,000
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
— Total Current	58,654	66,365
— Total Non-Current	2,000	4,000
	60,654	70,365
Less annual leave entitlements	(8,093)	(8,093)
Financial liabilities as trade and other payables 24	52,561	62,272

# **Note 15 Other Current Liabilities**

	2012	2011
	\$000	\$000
Unearned revenue	2,234	2,242
	2,234	2,242

# Note 16 Borrowings

Note	2012	2011
	\$000	\$000
CURRENT		
Unsecured liabilities		
Loans	18,803	17,769
Total current borrowings	18,803	17,769
NON-CURRENT		
Unsecured liabilities		
Loans	353,835	372,649
Total non-current borrowings	353,835	372,649
Total borrowings 24	372,638	390,418



### (a) Loans

The total loan facility has been provided to a limit of \$382,637,780. The amount unused at the reporting date was \$10,000,000. The loans are unsecured and are all in Australian dollar denominated amounts. Borrowings have been recognised as a liability for the year ended 30 June 2012 at their carrying value.

The fair value of \$419,152,346 represents the value of the loan if Council repaid the loan as at 30 June 2012. As it is the intention of Council to hold the loan for its term, no provision is required to be made in these accounts.

The interest rates of borrowings range from 5.72% to 8.83% for book value rates. Based on the current level of repayment of the book value debt, the expected term of non-current debt varies from 2 to 19 years.

# (b) Undrawn borrowing facilities

Unrestricted access was available at balance date to undrawn facilities listed below:

	2012	
	2012	2011
	\$000	\$000
Bank overdraft facility	500	500
Credit card facility	1,462	1,401
Loan facility	10,000	10,000
	11,962	11,901



# Note 17 Provisions

	2012	2011
	\$000	\$000
CURRENT		
Self Insurance		
Opening balance at beginning of year	650	1,104
Additional provisions raised during year	576	1,090
Amounts used	(98)	(1,596)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	19	52
Balance at end of the year	1,147	650
Landfill Restorations		
Opening balance at beginning of year	250	-
Additional provisions raised during year	5,268	250
Balance at end of the year	5,518	250
Long-term Employee Benefits		
Opening balance at beginning of year	1,166	1,182
Additional provisions raised during year		1,750
Amounts used	(2,053)	(1,822)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	35	56
Balance at end of the year	1,299	1,166
	-,-,,	-,
Other		
Opening balance at beginning of year	1,425	1,037
Additional provisions raised during year	353	645
Amounts used	(699)	(257)
Unused amounts reversed	(726)	-
Balance at end of the year	353	1,425
NON-CURRENT		
Self Insurance		
Opening balance at beginning of year	2,495	2,589
Additional provisions raised during year	24	-
Unused amounts reversed		(216)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	74	122
Balance at end of the year	2,593	2,495
Landfill Restorations		
Opening balance at beginning of year	22,672	23,103
Additional provisions raised during year	724	-
Amounts used	-	(900)
Unused amounts reversed	(2,831)	-
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	1,197	469
Balance at end of the year	21,762	22,672





Long-term Employee Benefits		
Opening balance at beginning of year	19,260	18,773
Additional provisions raised during year	456	(87)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	574	574
Balance at end of the year	20,290	19,260
Other		
Opening balance at beginning of year	2,116	2,732
Additional provisions raised during year	83	-
Unused amounts reversed	-	(682)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	140	66
Balance at end of the year	2,339	2,116

# **Analysis of Total Provisions**

	2012	2011
	\$000	\$000
Current	8,317	3,491
Non-current	46,984	46,543
	55,301	50,034

### **Provision for Self Insurance**

A provision of \$3,740,000 has been recognised, for self-insured risks relating to workers' compensation claims, based on independent actuarial advice of the estimated liability.

# **Provision for Landfill Restoration**

A provision of \$27,280,212 has been recognised as the present value of the estimated cost of restoring Council's landfill sites to a useable state at the end of their useful life. The total projected cost is \$27,574,250 for the landfill sites. These costs are expected to be incurred between 2012 to 2030.

## **Provision for Long-term Employee Benefits**

A provision of \$21,589,432 has been recognised for employee entitlements relating to long service leave and annual leave, where the Council does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. In calculating the present value of future cash flows in respect of these leave entitlements, the probability of leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1(t) to this report.

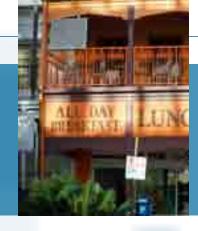
# **Provision for Other Long-term Liabilities**

A provision of \$2,692,000 has been recognised as the present value of the estimated maintenance and operating costs relating to certain areas of which Council is responsible for the Nelly Bay Harbour. The Council has a present obligation to incur these costs due to the issuing of special rate levies billed to the residents of the precinct. These levies are specifically received for the purposes of funding these costs.



# Note 18 Reserves

Reserves	2012	2011	
	\$000	\$000	
Asset Revaluation surplus			
- property, plant and equipment	947,462	162,758	
- joint venture	2,394	2,394	
General reserves			
- constrained works reserve	8,891	10,201	
- asset replacement reserve	1,987	2,780	
- constrained recurrent reserve	5,131	3,952	
- other reserves	13,430	13,430	
	979,295	195,515	
Movements:			
(a) Asset Revaluation surplus			
Movements in the revaluation surplus were as follows:			
At the beginning of the reporting period	165,152	98,958	
Revaluation - property, plant and equipment	779,924	65,382	
Net impairment loss - property, plant and equipment	4,780	(1,582)	
Revaluation - joint venture	-	2,394	
At the end of the reporting period	949,856	165,152	
(b) General reserves			
Movements in the general reserves were as follows:			
(i) Constrained works reserve			
At the beginning of the reporting period	10,201	23,710	
Transfers to retained earnings for capital expenditure during the period	(1,727)	(15,824)	
Transfers from retained earnings for future capital expenditure	417	2,315	
At the end of the reporting period	8,891	10,201	
(ii) Asset replacement reserve			
At the beginning of the reporting period	2,780	4,322	
Transfers to retained earnings for capital expenditure during the period	(1,007)	(1,906)	
Transfers from retained earnings for future capital expenditure	214	364	
At the end of the reporting period	1,987	2,780	
(iii) Constrained recurrent reserve			
At the beginning of the reporting period	3,952	6,381	
Transfers to retained earnings for specific expenditure during the period	(2,212)	(7,141)	
Transfers from retained earnings for future operating expenditure	3,391	4,712	
At the end of the reporting period	5,131	3,952	
· -·		2.73	
(iv) Other reserves			
At the beginning of the reporting period	13,430	13,430	
Transfers to retained earnings for specific expenditure during the period	-	-	
Transfers from retained earnings for future operating expenditure	-	-	
At the end of the reporting period	13,430	13,430	



# **Note 19 Commitments for Expenditure**

	2012	2011
	\$000	\$000
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements	3,667	4,210
Payable — minimum lease payments		
— not later than 12 months	641	643
— between 12 months and 5 years	2,429	2,419
— greater than 5 years	597	1,148
	3,667	4,210
(b) Capital Expenditure Commitments		
Capital expenditure commitments contracted for:		
Jezzine Barracks Redevelopment	33,963	-
Water Treatment Plant Refurbishment	25,789	43,023
NDRRA Project Management Services	16,200	-
FEAM Systems Upgrade	8,300	-
Magnetic Island Walkway	3,509	-
Aplin Weir Rehabilitation Project	3,019	-
Waste Water Upgrade Program	432	13,229
Mt Low Parkway Improvement	237	10,499
Townsville International Sports Centre	160	903
Flinders Mall Redevelopment	96	9,272
Sewer Pipe Rehabilitation	77	1,000
RURCH Project	47	2,294
North Shore Boulevard	40	835
Cement Stabilisation Ross River Road to Fulham Road	1	1,049
Magnetic Island Distribution Mains	-	1,479
Mt Louisa Reservoir	-	1,016
Other	2,159	7,130
	94,029	91,729
Payable:		
— not later than 12 months	54,652	51,190
— between 12 months and 5 years	22,073	10,135
— greater than 5 years	17,304	30,404
	94,029	91,729



	2012	2011
	\$000	\$000
(c) Other Expenditure Commitments		
Other expenditure commitments contracted for:		
Water Treatment Plant Maintenance Services	112,333	123,719
NDRRA Project Management Services	44,925	-
Parks Maintenance Services	10,921	-
FEAM Systems Upgrade	1,287	-
Cleaning Services	4,088	5,843
Environmental Services	3,686	9,019
Other Maintenance Services	972	6,414
Security Services	805	1,375
Road Network Maintenance Services	780	14,374
Records Management and Storage	600	-
Sponsorships and Community Contributions	231	2,041
Lifeguard Services	866	1,975
	181,494	164,760
Payable:		
— not later than 12 months	67,722	28,036
— between 12 months and 5 years	45,902	49,258
— greater than 5 years	67,870	87,466
	181,494	164,760

# **Note 20 Contingencies**

# (a) Contingent Assets

Estimates of the potential financial effect of contingent assets that may become receivable:

### Claims

The Queensland Government provides financial assistance to disaster affected communities in Queensland through the Natural Disaster Relief and Recovery Arrangements program (NDRRA), jointly funded by the Australian Government. The claims for available funding are subject to strict guidelines and only for declared disaster events.

The Council is currently still assessing the full impact of the 2010, 2011 and 2012 declared disaster events on local infrastructure and significant expenditure relating to disaster relief and recovery activities will continue well beyond 30 June 2012. As a result, the recovery of this future expenditure, via claims for NDRRA funding, have not been recognised as a receivable as at 30 June 2012, due to the fact the receipt of the funding is dependent on Council incurring the expenditure related to disaster relief and recovery activities and the outcome of the NDRRA claim process. The Council estimates funding to be received in future years under the NDRRA program for the 2010, 2011 and 2012 disaster events could be between \$83 million and \$101 million.

# (b) Contingent Liabilities

 $Estimates\ of\ the\ potential\ financial\ effect\ of\ contingent\ liabilities\ that\ may\ become\ payable:$ 

	2012	2011
	\$000	\$000
Guarantees		
Bank guarantees associated with sponsorship	-	1,000
Workers compensation self-insurance guarantees	5,802	5,802
	5,802	6,802



State WorkCover authorities require guarantees against workers' compensation self-insurance liabilities. The guarantee is based on independent actuarial advice of the estimated liability. Guarantees held at each balance date do not always equal the liability at these dates due to delays in issuing the guarantees. An actuarial assessment of the Council workers compensation claims liability performed on 19 July 2012 has estimated the required self-insurance guarantee be \$5,000,000. As at the date of this report, Council is in the process of arranging the required decrease in the bank guarantee. A provision of \$3,740,000 has been recognised, for self- insured risks relating to the workers' compensation claims at balance date. Refer to Note 17.

#### Claims

The Council is a member of the local government mutual self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated loss will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

At the time of preparation of this report, the financial statements for 30 June 2012 of LGM Queensland were not available. As at 30 June 2011 the financial statements reported an accumulated surplus of \$15,881,102 and it was not anticipated any liability would arise.

### **Note 21 Operating Functions**

#### **Function Information**

## Identification of reportable functions

The Council has identified its operating functions based on the internal reports that are reviewed and used by executive management in assessing performance and in determining the allocation of resources.

The Council is primarily managed on the basis of product and service offerings since the diversification of Council's operations inherently have different risk profiles and performance assessment criteria. Operating functions are therefore determined on the same basis.

Reportable functions disclosed are based on aggregating operating functions where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- » the products sold and/or services provided by the segment;
- » the manufacturing process;
- » the type or class of customer for the products or service;
- » the distribution method: and
- » any external regulatory requirements.

## Types of products and services by

(i) Townsville Water

Includes operation, construction and maintenance of Council's water storage, treatment, distribution and reticulation systems and Council's wastewater disposal and treatment systems.

(ii Townsville Waste

Includes refuse collection and disposal, and landfill operations and management.

(iii) Community and Environment Services

Includes community services, libraries, art galleries, civic theatre, cultural, recreational facilities, health, parks, environment planning, and parking regulation.

(iv) Planning and Development Services

 $Includes\ town\ planning,\ development\ assessment,\ economic\ development\ and\ special\ projects.$ 

(v) Infrastructure Services

Includes roads, drainage, infrastructure planning and investigations, urban redevelopment, fleet services and corporate asset management.

(vi) Corporate Services

Includes human resources, payroll, knowledge management, corporate communications, legal services, corporate governance, customer service and finance.

# Basis of accounting for purposes of reporting by operating functions

# (a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Chief Executive Officer as the chief decision maker with respect to operating functions are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Council.

# (b) Function assets

Where an asset is used across multiple functions, the asset is allocated to the function that receives the majority of economic value from that asset. In the majority of instances, function assets are clearly identifiable on the basis of their nature and physical location.



# (i) Function performance

	Townsville Water	Townsville Waste	Community and Environment Services	Infrastructure Services	Planning and Development Services	Corporate Services	Total
30 June 2012	\$000	\$000	\$000	\$000	\$000	\$000	\$000
REVENUE							
Grant revenue	15,248	33	10,897	83,716	159	6,582	116,635
Other revenue	170,562	25,571	10,536	37,737	6,822	129,425	380,653
Total function revenue	185,810	25,604	21,433	121,453	6,981	136,007	497,288
Total expenditure	97,501	20,830	112,901	106,409	19,193	36,973	393,807
Function net result	88,309	4,774	(91,468)	15,044	(12,212)	99,034	103,481
Total function assets	1,682,976	15,364	254,637	2,624,159	1,429	155,319	4,733,884

	Townsville Water	Townsville Waste	Community and Environment Services	Infrastructure Services	Planning and Development Services	Corporate Services	Total
30 June 2011	\$000	\$000	\$000	\$000	\$000	\$000	\$000
REVENUE							
Grant revenue	45,629	33	30,322	47,681	96	5,781	129,542
Other revenue	162,566	22,688	14,694	39,112	7,183	126,436	372,679
Total function revenue	208,195	22,721	45,016	86,793	7,279	132,217	502,221
Total expenditure	79,545	16,941	140,202	76,439	19,081	37,545	369,753
Function net result	128,650	5,780	(95,186)	10,354	(11,802)	94,672	132,468
Total function assets	1,643,065	14,520	260,970	1,790,235	2,477	156,664	3,867,931

# Note 22 Cash Flow Information

	2012	2011
	\$000	\$000
Reconciliation of Cash Flows from Operating activities with Net result for the year		
Net result for the year	103,481	132,468
Depreciation	92,801	91,183
Amortisation	685	581
Net impairment loss on property, plant and equipment	(2,473)	2,200
Net loss on sale of non-current assets	10,285	2,368
Contributions, subsidies and grants received for constructing assets	(85,504)	(95,226)
Fair value gain on contributions of assets	(27,915)	(52,402)
Share of joint venture entity net profit after income tax and dividends	431	610
Capitalisation of borrowing costs	(3,655)	(9,837)
Changes in operating assets and liabilities:		
(Increase)/decrease in trade and term receivables	10,201	(11,071)
(Increase)/decrease in inventories	7	(75)
(Increase)/decrease in other assets	929	176
Increase/(decrease) in trade payables and accruals	5,043	(10,449)
Increase/(decrease) in provisions	(1)	(305)
Increase/(decrease) in other liabilities	(8)	284
Cash flows from operating activities	104,307	50,505



# Note 23 Events After the Reporting Period

In 2011 the Australian Government introduced a Clean Energy Legislation package. One aspect of this legislation package, which will impact upon council directly and indirectly, is the introduction of a pricing mechanism for greenhouse gas emissions in the Australian economy.

The pricing mechanism commences on 1 July 2012 and sets a fixed price path for the first three years (\$23 per tonne of Co2-equivalent emissions adjusted in real terms by 2.5 percent per annum) before moving to a flexible price mechanism from 1 July 2015. It proposes a framework for setting a cap on greenhouse gas emissions by capping the number of carbon units available once the flexible price period commences, which can be adjusted over time to ensure that the government's reduction targets are met.

As the Council is listed as one of Australia's Top 500 carbon emitters as a result of its landfill operations, carbon pricing will have a direct impact on the Council which is estimated to be approximately 0.9% or \$1.5 million of operating budget.

Indirectly, the Council expects increased costs arising from the carbon pricing mechanism. The most significant of these will be electricity and fuel. Commonwealth Treasury modelling published in July 2011 in the document 'Strong growth, low pollution modelling a carbon price' indicates that carbon pricing is expected to increase electricity prices by 10% within 5 years from 1 July 2012 and increase other costs by 0.7% on inflation. In addition fuel tax credits will be progressively reduced over the initial fixed price period.

Council is progressing with strategies to manage and mitigate its carbon emissions and the financial impact of carbon pricing on the community.

# Note 24 Financial Risk Management

The Council's financial instruments consist mainly of deposits with financial institutions, local money market instruments, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:-

	Note	2012 \$000	2011 \$000
Financial Assets			
Cash and cash equivalents		69,661	79,284
Loans and receivables	5 6(b)	60,196	61,821
Total Financial Assets		129,857	141,105
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	14	52,561	62,272
— Borrowings	16	372,638	390,418
Total Financial Liabilities		425,199	452,690

# Financial Risk Management Policies

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Council.

# Specific Financial Risk Exposures and Management

The Council uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk, aging analysis in the case of credit risk and maturity analysis in respect of liquidity risk.

### (a) Credit risk

Credit risk exposure refers to the situation where the Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

In the case of rates receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of these debts.

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other receivables.

### Credit Risk Exposures

The Council is exposed to credit risk through its investments with the Queensland Treasury Corporation (QTC) and deposits held with commercial banks. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. These deposits are bearing a floating interest rate of 4.04% as at 30 June 2012.

Other investments are held with highly rated and regulated financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote. All investments are in domestic currency denomination.



The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

No collateral is held as security relating to the financial assets held by the Council.

The following table represents the Council's maximum exposure to credit risk:

	Note	2012	2011
		\$000	\$000
Cash and cash equivalents			
- AA Rated		69,118	78,728
- Non Rated		543	556
	5	69,661	79,284
Receivables			
- Trade receivables - rates		17,886	17,846
- Trade receivables - fees and charges		6,242	18,519
- Term receivables		79	91
- Other receivables		35,989	25,365
		60,196	61,821

# (b) Liquidity risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities. The Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from the QTC for capital works.

The Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 16.

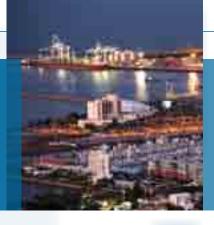
The following table sets out the liquidity risk of financial liabilities held by the Council in a format consistent with what might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date:

# Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Financial Assets - cash flows realisable								
Cash and cash equivalents	69,661	79,284	-	-	-	-	69,661	79,284
Trade, term and other receivables	56,953	56,055	3,243	5,766	-	-	60,196	61,821
Total anticipated inflows	126,614	135,339	3,243	5,766	-	-	129,857	141,105

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Financial Liabilities - due for payment								
Bank overdrafts and loans	42,398	42,417	158,132	163,111	383,393	424,278	583,923	629,806
Trade and other payables (excluding annual leave)	50,561	58,272	2,000	4,000		-	52,561	62,272
Total contractual outflows	92,959	100,689	160,132	167,111	383,393	424,278	636,484	692,078
Less bank overdrafts	-	-	-	-	-	-	-	-
Total expected outflows	92,959	100,689	160,132	167,111	383,393	424,278	636,484	692,078
Net (outflow) / inflow on financial instruments	33,655	34,650	(156,889)	(161,345)	(383,393)	(424,278)	(506,627)	(550,973)





### (c) Market Risk

#### i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows. The Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation. The entity is also exposed to earnings volatility on floating rate instruments.

The Council does not undertake any hedging of interest rate risk.

### Sensitivity Analysis

The following table illustrates sensitivities to Council's exposure to changes in interest rates. The table indicates the impact on how net result and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2012	Net result \$000	Equity \$000
% in interest rates ar ended 30 June 2011	(3,019)	(3,019)
Year ended 30 June 2011	Net result \$000	Equity \$000
+ 1% in interest rates	(3,092)	(3,092)

# Note 25 Correction of error, revision of estimates and changes in accounting policy

# (a) Correction of prior period errors and changes in accounting policy

	Restatement (i)	Restatement (ii)	Restatement (iii)	Total
	\$000	\$000	\$000	\$000
Statement of comprehensive income (extract)				
Revenue	6,181	-	-	6,181
Depreciation and amortisation expense	(332)	-	-	(332)
Net result for the year	5,849	-	-	5,849
Statement of financial position (extract)				
Property, plant and equipment	5,849	(7,435)	(5,150)	(6,736)
Net assets	5,849	(7,435)	(5,150)	(6,736)
Reserves	-	(7,435)	(5,150)	(12,585)
Retained earnings	5,849	-	-	5,849
Equity	5,849	(7,435)	(5,150)	(6,736)

# (i) Correction of error to the fair value of assets either not recorded or recorded at nominal values.

An ongoing stocktake of fixed assets has identified assets where the carrying value is not recorded in the financial statements. These have now been adjusted and the value has been credited to retained earnings. The bulk of this value relates to assets in Parks of new developments which were not valued separately at amalgamation of the two former Councils.

(ii) Correction of error to the value ascribed to the pipe networks in previous valuations in 2009 – 2011.

Council revalues the pipe networks every year. The revaluation process for this financial year included reconciling the information on the GIS system for stormwater assets to the data on the Financial Asset Register. It was found that a portion of 3 stormwater pipe network assets had been valued between 2008-11 with an incorrect length. Adjustments have been made to the carrying value of the pipe network assets concerned.





(iii) Change in accounting policy applied to the grouping of assets within asset classes and changes to the use of the revaluation model for ongoing measurement of assets within property, plant and equipment.

The Council has elected to change its accounting policy relating to the grouping of property, plant and equipment assets into certain asset classes. This change in policy was adopted as Council considered that the existing classes of property, plant and equipment assets did not appropriately reflect these individual assets' nature and use in Council's operations or their most appropriate measurement basis. A review of the assets within the existing classes of Land improvements, Road and bridge network assets and Drainage assets was conducted, resulting in the following changes:

Assets	ts Prior Class		sets Prior Class Current Class		Prior Basis of Measurement	Current Basis of Measurement	2012 \$000
Helipads and Boat Ramps	Road and bridge network	Land improvements	Fair Value	Fair Value	2,336		
Play Equipment and Irrigation	Land improvements	Plant and equipment	Fair Value	Cost	15,254		
Stormwater Pipes	Drainage	Pipe network	Fair Value	Fair Value	7,357		

The change to the basis of measurement for Play equipment and Irrigation assets resulted in a reduction in the Asset revaluation surplus of \$5,149,817 and a corresponding decrease in the carrying value of Property, plant and equipment.

The changes in accounting policy have been applied, and the errors have been corrected, by restating each of the affected financial statement line items for the prior periods as follows:

	2011	Increase/ (Decrease)	2011 (Restated)
	\$000	\$000	\$000
Statement of comprehensive income (extract)			
Other income	141,447	6,181	147,628
Depreciation and amortisation expense	(91,432)	(332)	(91,764)
Net result for the year	50,015	5,849	55,864

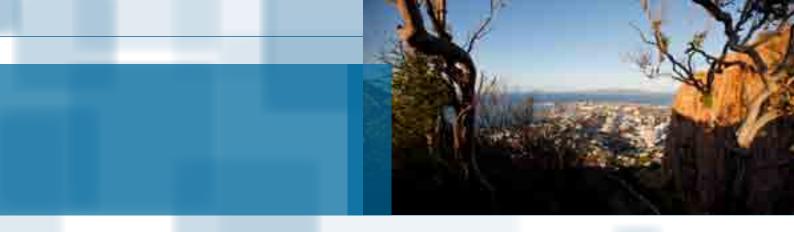
	30 June 2011	Increase/ (Decrease)	30 June 2010 (Restated)	30 June 2010	Net result Increase/ (Decrease)	1 July 2010 (Restated)
	\$000	\$000	\$000	\$000	\$000	\$000
Statement of financial position (extract)						
Property, plant and equipment	3,685,092	(6,736)	3,678,357	3,390,718	(12,585)	3,378,133
Net assets	3,685,092	(6,736)	3,678,357	3,390,718	(12,585)	3,378,133
Reserves	208,100	(12,585)	195,515	159,386	(12,585)	146,801
Retained earnings	3,153,508	5,849	3,159,357	3,009,409	-	3,009,409
Equity	3,361,608	(6,736)	3,354,872	3,168,795	(12,585)	3,156,210

# (b) Revision of residual values and useful lives of property, plant and equipment

During the year the residual values and estimated useful lives of certain items of property, plant and equipment were revised. The Council has applied changes in residual values to Pipe Network assets using an industry standard formula based on the cost and usage of pipe-relining technology. Similar assumptions and relevant methodology has also been applied to road pavements resulting in updates to previously estimated residual amounts. The effect of the new methodology will increase the estimated residual value of Road network pavement assets. These changes in estimates impact upon the depreciable amounts of assets within these specific asset classes

Assuming the assets are held to the end of their estimated useful lives it has been management's assessment that the net effect of the revisions will result in a change in the depreciation expense for current and future years by the following amounts:

Year ending 30 June	\$000
2012	(13,775)
2013-2016	(24,753)
2017-2021	(16,227)
2022+	48,802



# NOTE DISCLOSURES FOR LOCAL GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE 2012

The following additional information is required by the *Local Government Act 2009* and the *Local Government (Finance, Plans and Reporting)*Regulation 2010, in respect of local government entities only.

# **Note 26 Superannuation**

The Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 Employee Benefits.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has two elements referred to as the Defined Benefits Fund (DBF) and the Accumulation Benefits Fund (ABF). The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

The DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2011 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2009. The actuary indicated that:

"the DBF is in a very modest financial position with regard to the net asset coverage of vested liabilities. Investment returns will be volatile under the required investment strategy, particularly over short periods. The DBF therefore needs sufficient reserves to be able to withstand a reasonable range of such influences. Because the DBF is now running down and cash flows are negative, the VBI (vested benefit index) should not be allowed whenever possible to retreat below 100%. Once below 100%, benefits drawn reduce the available assets for remaining members and hence the net asset coverage of vested benefits declines further. In order to withstand a one in ten 'low return' outcome, the DBF would need reserves of the order of 8% to 10% having regard to the investment strategy adopted. Given the current position of the DBF, such reserve can essentially only eventuate from either excess investment returns over salary increases or additional employer contributions".

Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. Under the *Local Government Act 2009* the trustee of the scheme has the power to levy additional contributions on Councils which have employees in the DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

	2012	2011
	\$000	\$000
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	12,454	12,417

### **Note 27 Trust Funds**

	2012	2011
	\$000	\$000
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	2,318	2,953
Townsville City Council Mayor's Christmas Tree Appeal	7	15
Townsville City Council V8 Supercars	2	2
	2,327	2,970

The Townsville City Council performs only a custodial role in respect of these funds.



# **Note 28 National Competition Policy**

### **Definitions of activities**

Before the end of each financial year, the Minister must decide for the financial year, the expenditure amounts (the "threshold amounts") for identifying a "significant business activity" that should be a type 1 or 2 business activity.

A significant business activity where the threshold expenditure has been set by the Minister for the 2012 financial year is as follows:

Type 1	(a) for water and sewerage combined activities - \$39.4 million
	(b) for other activities - \$23.6 million
Type 2	(a) for water and sewerage combined activities - \$11.8 million
	(b) for other activities - \$7.9 million

Council has resolved to commercialise the following activities which fall into the expenditure guidelines above:

Type 1 -	Water and Sewerage Services (Townsville Water)
Type 2 -	Cleansing Services (Townsville Waste)

# **Type 3** - "business activities" of a local government are divided into two categories:

- (a) Business activities trading in goods and services to clients in competition with the private sector, or the submission of a Excluded activities are roads business activity, library services, or an activity or part thereof prescribed by legislation.
- (b) Roads business activities the construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement; or submission of a competitive tender for construction or road maintenance on local government roads which the local government has put out to tender, or called for by another local government.

Local government may elect to apply a Code of Competitive Conduct (CCC) to their identified type 3(a) business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is mandatory. For the purposes of full cost pricing, costs have been allocated to activities on the basis of direct costs incurred by the activity, while indirect costs have been appropriated on the basis of a model agreed by Council. The allocation basis will be reviewed annually.

Council has resolved in relation to the activities listed below, to implement the following reforms:-

## **Business activities**

Activity	Reform
Townsville Water	Code of Competitive Conduct (CCC)
Townsville Waste Services	Code of Competitive Conduct (CCC)
Performing Arts	Code of Competitive Conduct (CCC)
Fleet & Property Services	Code of Competitive Conduct (CCC)
Nursery	Code of Competitive Conduct (CCC)
Off Street Parking	Code of Competitive Conduct (CCC)
Construction & Maintenance	Code of Competitive Conduct (CCC)





Functions		or services led to:	Community Service Obligations	Total Revenue	Less: Expenses	Operating Surplus / (Deficit)	Net Capital Income	Less: Tax Equivalent Expense	Net result for the year
	Council	External							
	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000
Townsville Water	12,872	142,563	3,400	158,835	98,832	60,003	33,122	15,825	77,300
Townsville Waste Services	2,721	25,565	1,288	29,574	25,143	4,431	33	2,524	1,940
Performing Arts	51	1,753	-	1,804	5,668	(3,864)	47	-	(3,817)
Fleet & Property Services	20,387	508	-	20,895	21,981	(1,086)	(1,114)	-	(2,200)
Nursery	206	669	-	875	1,144	(269)	-	-	(269)
Off Street Parking	162	2,388	-	2,550	2,073	477	-	-	477
Construction & Maintenance	33,018	47,889	-	80,907	128,742	(47,835)	72,220	-	24,385
Total	69,417	221,335	4,688	295,440	283,583	11,857	104,308	18,349	97,816

# Community service obligations (CSO)

The CSO value is determined by Council and represents an activity's cost(s) which would not be incurred if the activity's primary objective were to make a profit. Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by Council.

The information detailed in this note is limited to those activities that are considered to have significant dealings or the potential for significant dealings with the private sector.

Activities	CSO Description	2012
Type 1 and 2 activities		\$000
Townsville Water	Consessions & Other Community Services	3,400
Townsville Waste	Concessions & Other Community Services	1,288



# INDEPENDENT AUDITOR'S REPORT

To the Mayor of the Townsville City Council

## Report on the Financial Report

I have audited the accompanying financial report of the Townsville City Council, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Acting Mayor and the Chief Executive Officer.

The Council's Responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government (Finance, Plans and Reporting) Regulation 2010*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

# Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.





#### Independence

The Auditor-General Act 2009 promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

#### Opinion

In accordance with s.40 of the Auditor-General Act 2009 -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the Townsville City Council for the financial year 1 July 2011 to 30 June 2012 and of the financial position as at the end of that year.

#### Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Townsville City Council for the year ended 30 June 2012. Where the financial report is included on the Townsville City Council's website the Council is responsible for the integrity of the Townsville City Council's website and I have not been engaged to report on the integrity of the Townsville City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

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2 0 NOV 2012 AUDIT OFFICE

M R HYMAN CA as Delegate of the Auditor-General of Queensland

Queensland Audit Office Brisbane

# APPENDICES AND INDEXES



### **APPENDICES**





### APPENDIX A: Councillor Expenses Reimbursement Policy

#### 1. Policy Statement

To provide guidance for reimbursement of reasonable expenses incurred by councillors in discharging their duties and responsibilities.

#### 2. Principles

This policy ensures that the council's reimbursement of expenses incurred by councillors is consistent with the local government principles and financial sustainability criteria as defined in the *Local Government Act 2009*.

In addition the principles that underpin this policy are:

- » the use of public monies in the public interest by responsible budgeting and accounting;
- » fair and reasonable allocation of council resources (allowances, facilities and other benefits) to enable all councillors to conduct the duties of their office;
- » transparent decision-making by public disclosure of policy and resolutions; and
- » accountability for expenditure and use of facilities through full justification and acquittal.

Councillors should not be financially disadvantaged when carrying out their roles, and should be fairly and reasonably compensated in accordance with statutory requirements and community expectations.

Councillors should not receive a private benefit through their role as a councillor and as such this policy provides for actual reimbursement of legitimate expenses and full disclosure through appropriate accountability requirements.

#### 3. Scope

This policy applies to all councillors for the reimbursement of expenses incurred, or to be incurred, by them in undertaking their responsibilities.

This policy does not provide for salaries or other forms of councillor remuneration. Councillor remuneration is determined annually by the Local Government Remuneration Tribunal.

#### 4. Responsibility

The Chief Executive Officer is responsible for ensuring this policy is understood and adhered to by all councillors and relevant staff.

#### 5. Definitions

**Council business** - means the official business of a councillor as generally described in Chapter 2, Part 1 of the *Local Government Act* **2009.** Council business should result in a benefit being achieved either for the local government and/or the local government area.

\*\* Participating in a community group event or being a representative on a board not associated with council is not regarded as council business.

**Entertainment and hospitality** – means the cost to council of providing entertainment or hospitality as outlined in council's Entertainment and Hospitality Expenditure Policy.

**Professional development** – includes study tours, attendance at industry workshops, courses, seminars and conferences that improves councillors' skills and knowledge relevant to their responsibilities as councillor.

**Training** – any facilitated learning activity which is considered by council to be a requirement for councillors to discharge their duties and responsibilities as councillors.

**Budget allocation** – the budget allocation for councillor expenditure will form part of the Corporate Governance department's budget. Council will approve the upper limit of funding of all forms of professional development, training and representation of council and attendance at other forms of conferences, workshops and the like in its annual budget or as determined by resolution from time to time.

#### 6. Policy

The council will reimburse councillors for expenses as set out in this policy. Any expenses not provided for by this policy will not be reimbursed without express approval from the Chief Executive Officer.

When considering an application for approval of any matter related to this policy, the council or the Chief Executive Officer must have regard to any relevant budget allocation.

#### 6.1 Council business

The council will reimburse expenses incurred in undertaking council business which includes:

- » Preparing, attending and participating in council meetings, committee meetings, workshops, strategic briefings, deputations and inspections;
- » Attending civic functions or civic events to perform official duties or as an official council representative;
- » Attending public/community meetings, presentation dinners and annual general meetings where invited as a councillor;
- » Attending a community event where a formal invitation has been received:
- For the Mayor or a councillor attending on behalf of the Mayor, representing council at ordinary meetings, annual general meetings, annual or bi-annual conferences of the North Queensland Local Government Association branch (NQLGA), Local Government Association of Queensland (LGAQ) and Australian Local Government Association (ALGA) are considered council business. The reasonable expenses incurred by any other councillor attending these events will be reimbursed only if the councillor's attendance has been approved by the council.

#### 6.2 Professional development

The council will reimburse expenses incurred for council approved professional development.

Council will endeavour to ensure all councillors have equal opportunity to attend conferences, seminars, courses and workshops within the available budget. A register of councillor attendance and



expenditure at professional development events will be developed and made available to councillors.

A budget for councillors professional development expenditure will be approved on an annual basis as part of budget deliberations.

#### 6.3 Training

Attendance at the following annual training programs will be approved as part of the annual budget: councillor induction and orientation programs, the annual Governance for Elected Members (GEM) program facilitated by the LGAQ, programs facilitated by the Department of Infrastructure and Planning and the Australian Institute of Company Directors Diploma Course tailored for local government and held in Townsville are considered requirements for councillors. Councillors' individual training budgets will not be debited for these expenses.

Any additional training programs other than those listed above will require approval from the council or Chief Executive Officer.

#### 6.4 Travel Expenses

The council will reimburse local, interstate and overseas travel expenses (e.g. flights, car, accommodation, meals) deemed necessary for undertaking council business and approved professional development. Travel expenses will be debited against the individual councillor's budget allocation.

Councillors must travel via the most direct route, using the most economical and efficient mode of transport. The amount of the reimbursement will be the actual amount expended by the councillor.

NOTE: Any fines incurred while travelling in council-owned vehicles, privately owned vehicles or rental vehicles when attending to council business will be the responsibility of the councillor incurring the fine.

#### 6.4.1 Flight bookings

All councillor travel approved by council will be booked and paid for by council. Economy class is to be used where possible although council may approve business class in certain circumstances.

Airline tickets are not transferable and can only be procured for the councillor's travel on council business. They cannot be used to offset other unapproved expenses (e.g. cost of partner accompanying the councillor).

### 6.4.2 Travel transfer costs – Cabcharge, Public Transport tickets (rail, ferry, bus)

Councillors will be provided with Cabcharge cards for use where they are required to travel by taxi to undertake duties relating to the business of council.

Any other travel transfer expenses (e.g. trains, buses and ferry fares) associated with travel will be reimbursed on production of original receipts.

#### 6.4.3 Hire Cars

The requirement for a hire car should be identified at the time of seeking council approval for travel. Any subsequent need for a hire car must be approved by the Chief Executive Officer.

#### 6.4.4 Private vehicle usage

When a councillor has decided to not receive a council vehicle under the Councillor Facilities Policy, payment for use of the councillor's private vehicle on council business will be reimbursed to the councillor on a kilometer rate as set out in the Australian Taxation Office allowable deductions for motor vehicles.

A councillor's private vehicle usage will be reimbursed by council if the claim for mileage is substantiated with log book details, and:

- » the travel is within the Townsville local government area and was for council purposes; or
- w the travel has been approved by the council and the total travel claim does not exceed the cost of the same travel using economy flights plus the cost of taxi transfers. (If the claim does exceed those flight and taxi costs, then the reimbursement will be limited to the value of the flight and taxi costs).

#### 6.4.5 Accommodation

All councillor accommodation for council business will be booked and paid for by council.

Accommodation should be selected that provides:

- » council with the best price value; and
- » convenient to the conference/meeting.

When attending conferences, councillors must take advantage of (any cost savings available from) any package provided by conference organisers and, therefore, stay in the recommended accommodation unless prior approval has been granted by council.

Council may approve alternative accommodation arrangements taking into account the total costs, location, value for money, convenience and traveller safety.

In determining accommodation locations and standards for all councillors, every effort will be made to minimise the total cost associated with attendance at the event. Travel time to the event, taxi costs, convenience and hotel services will be considered when booking accommodation. When practical and available, accommodation will be arranged within close proximity to the event venue.

One night's accommodation prior to the event will only be approved where travel to the event on the day of commencement is not practical.

All expenses incurred at the accommodation venue other than accommodation and meals must be settled at the time of departure. It is the councillor's responsibility to seek reimbursement of legitimate expenses upon return. Reimbursement must be sought using a travel expenses claim form and will not be approved without original receipts.



#### 6.4.6 Meals

Councillors will be reimbursed for the actual cost of meals when:

- » the councillor incurs the cost personally;
- » the meal was not provided within the registration costs of the approved activity/event/travel; and
- » the councillor can produce original documents sufficient to verify the actual meal cost

If a councillor cannot produce a receipt for a meal they have purchased then a statutory declaration must be completed to claim the reimbursement.

No alcohol will be paid for by council.

#### 6.4. Incidental expenses

Councillors will be reimbursed for incidental items necessary for travel e.g. newspapers, magazines, and snacks including tea, coffee and drinks

Incidental expenses will be reimbursed to councillors after the event on receipt of original receipts.

#### 6.4.8 Travel Insurance

Council has travel insurance arrangements in place that cover all councillors on authorised council business, conferences and courses etc. Full policy details can be obtained from the Corporate Governance Department.

#### 7. Hospitality Expenses

Councillors will be reimbursed hospitality expenses deemed necessary in the conduct of council business and in accordance with the allocated annual budget.

All claims for entertainment and hospitality expenses reimbursement (including partners) must be in accordance with council's Entertainment and Hospitality Expenditure Policy.

#### 8. Media Expenses

Media expenses will be reimbursed when the purpose of the media is for the provision of information or education in the public interest. Media expenses reimbursed include:

- $\ensuremath{\text{\textit{w}}}$  A maximum of four bulk letters and mail outs to constituents in the councillor's nominated area; and
- » A maximum of four notices in school newsletters or other approved publications advising constituents of their local representative.

All media must comply with council's Advertising and Media Relations policies.

#### 9. Accountability

Council is accountable to the community in regards to compliance with this policy.

Details are reported in council's Annual Report and will include:

- » the provision of copies of council resolutions resolving to reimburse expenses to councillors;
- » a copy of this policy
- » the amount of expenses (including travel, professional development, advertising and hospitality) incurred by each individual councillor
- » details of any overseas travel including councillor names, destination, purpose and all associated costs.

All claims for expenses reimbursement will only be processed using council's approved claim forms with original receipts attached. No claims will be processed through council's petty cash system.

A quarterly report will be provided to councillors detailing expenses in each of the categories that have been reimbursed.

#### 10. LEGAL PARAMETERS

Local Government Act 2009

Local Government (Operations) Regulation 2010

Local Government (Finance, Plans and Reporting) Regulation 2010 Income Tax Assessment Act 1997

#### 11. ASSOCIATED DOCUMENTS

Corporate Plan 2009-2014

Advertising Spending Policy

Community Engagement Policy

Entertainment and Hospitality Expenditure Policy

Motor Vehicle Policy

Councillor Facilities Policy

Taxation Rulings issued by the Australian Taxation Office

Travel Policy - Council Officers

Travel Procedures – Council Officers

Expense Claim Reconciliation Form

FBT Record Keeping and Reporting Guidelines



#### **APPENDIX B: OVERSEAS TRAVEL**

Mama	Docition	Dates of Traval	Destination	Durmaga	Coatt	Cammant
Name	Position	Dates of Travel	Destination	Purpose	Cost \$ (to council)	Comment
Greg Bruce	Executive Manager, Integrated Sustainability Services	17/9/11 – 23/10/11	Dubuque, Washington DC and Milwaukee	Attendance at LGMA Climate Change Fellowship	0	Costs were sponsored by the US Government State Department
Joe Cullen	Project Officer, Program & Project Management	4/10/11 – 14/10/11	Romanshorn & Davos, Switzerland	Attendance at the Geobrugg Jubilee Annual Meeting	428	Two nights accommodation was paid for by council. Th remainder was sponsored be Geobrugg
Susan Gheller	Manager, Development Governance	23/10/11 - 27/10/11	Port Moresby, Papua New Guinea	Management Visit as part of Project Hetura	0	Commonwealth Local Government Good practice Scheme sponsored by AusAid
Gavin Hammond	Executive Manager, Environmental Health	23/10/11 – 27/10/11	Port Moresby, Papua New Guinea	Management Visit as part of Project Hetura	0	Commonwealth Local Government Good practice Scheme sponsored by AusAid
Ronald Degenhart	Coordinator Landscape and Open Space, Infrastructure Development	15/11/11 – 20/11/11	Dunedin, New Zealand	Attendance at New Zealand Recreation Association Conference	0	Attendance as a member of the National Board of Parks and Leisure Australia and representative of Townsvill City Council.
Matthew McCarthy	Manager Townsville Waste Services	27/2/121 – 3/3/12	Port Moresby, Papua New Guinea	Management Visit as part of Project Hetura	0	Commonwealth Local Government Good practice Scheme sponsored by AusA
Gavin Hammond	Executive Manager, Environmental Health	27/2/121 – 3/3/12	Port Moresby, Papua New Guinea	Management Visit as part of Project Hetura	0	Commonwealth Local Government Good practice Scheme sponsored by AusA
Susan Gheller	Manager, Development Governance	30/4/12 – 5/5/12	Port Moresby, Papua New Guinea	Management Visit as part of Project Hetura	0	Commonwealth Local Government Good practice Scheme sponsored by AusA
Robert Smith	Manager, Regulatory Services	30/4/12 – 5/5/12	Port Moresby, Papua New Guinea	Management Visit as part of Project Hetura	0	Commonwealth Local Government Good practice Scheme sponsored by AusAid
Matthew McCarthy	Manager Townsville Waste Services	30/4/12 - 5/5/12	Port Moresby, Papua New Guinea	Management Visit as part of Project Hetura	0	Commonwealth Local Government Good practice Scheme sponsored by AusA
Alan Polley	Acting Coordinator Community Sport & Recreation	30/4/12 - 5/5/12	Port Moresby, Papua New Guinea	Management Visit as part of Project Hetura	0	Commonwealth Local Government Good practice Scheme sponsored by AusA
Gwen Casey	Team Leader - Community Development	30/4/12 - 5/5/12	Port Moresby, Papua New Guinea	Management Visit as part of Project Hetura	0	Commonwealth Local Government Good practice Scheme sponsored by AusA
Sheree Anderson	Policy Officer Development Governance	30/4/12 – 5/5/12	Port Moresby, Papua New Guinea	Management Visit as part of Project Hetura	0	Commonwealth Local Government Good practice Scheme sponsored by AusA
Greg Bruce	Executive Manager, Integrated Sustainability Services	30/4/12 – 5/5/12	Port Moresby, Papua New Guinea	Management Visit as part of Project Hetura	0	Commonwealth Local Government Good practice Scheme sponsored by Aus <i>A</i>
Graham Anderson	Manager Infrastructure Planning	27/5/12 – 13/6/12	Finland/Sweden/ Estonia	Overseas Study Tour to attend the 2012 International Federation Municipal Engineering conference and visit Espoo, Vantaa & Helsinki Councils.	0	Costs sponsored by the Institute of Public Works Engineers Australia (IPWE) and self-funded.



#### **APPENDIX C: REGISTERS**

- » Environmental Impact Statements
- » Environmentally Relevant Activities Development Approvals
- » Environmental Authorities
- » Development Approvals and Registration
- » Environmental Management Plans
- » Environmental Management Register
- » Environmental Reports
- » Monitoring Programs of a Development Approval
- » Results of Monitoring Programs
- » Transitional Environmental Programs
- » Environmental Protection Orders
- » Authorised Persons
- » Approved Codes of Practice
- » Standard Environmental Conditions
- » Register of Infrastructure Charges
- » Register of Regulated Infrastructure Charges
- » Register of Resolutions about Land Liable to Flooding made under the Building Act 1975
- » Register of Exemptions Granted under the Building Act 1975
- » Register of Master Plan Applications
- » Register of Development Applications
- » Register of Interests Councillors
- » Register of Delegations
- » Register of Enterprises
- » Register of Accreditations, Complaints etc (National Competition Policy)
- » Register of Local and Subordinate Local Laws
- » Register of Roads and Road Map
- » Record of Rateable Parcels of Land
- » Register of Regulatory Fees
- » Register of Impounded Animals
- » Register of Mayor's Directions to the Chief Executive Officer
- » Vegetation Protection Register
- » Cat and Dog Registry
- » Register of Contact with Lobbyists



#### **APPENDIX D: Councillor Remuneration Expenses and Meeting Attendance**

#### **Councillor Remuneration and Superannuation**

Councillor	Salary \$	Amalgamation Loading \$	Superannuation \$	Total \$
Cr Les Tyrell	126,620	3,290	15,194	145,104
Cr David Crisafulli	65,180	2,099	5,866	73,145
Cr Deanne Bell	77,404	2,092	9,288	88,784
Cr Sue Blom	77,404	2,092	9,288	88,784
Cr Ray Gartrell	77,404	2,092	9,288	88,784
Cr Brian Hewett	78,775	2,092	9,453	90,320
Cr Jenny Hill	77,404	2,092	9,288	88,784
Cr Jenny Lane	78,775	2,092	9,453	90,320
Cr Dale Last	81,571	2,092	9,788	93,451
Cr Natalie Marr	78,775	2,092	9,453	90,320
Cr Tony Parsons	77,404	2,092	9,288	88,784
Cr Trevor Roberts	77,404	2,092	9,288	88,784
Cr Vern Veitch	78,775	2,092	9,453	90,320

<sup>\*</sup> Please note, the Deputy Mayor Cr David Crisafulli resigned from office as of 17 February 2012. Cr Dale Last was elected to the role of Deputy Mayor on 28 February 2012. A replacement councillor was not elected due to the pending local government elections.

Councillor Expenses: 1 July 2011 – 10 Ma	ay 2012		
Councillor	Conferences and Travel	Hospitality\$	Total \$
Cr Les Tyrell	2,104.00	875.63	2,979.63
Cr David Crisafulli	2,939.95	153.82	3,093.77
Cr Deanne Bell	2,339.83	-	2,339.83
Cr Sue Blom	-	135.22	135.22
Cr Ray Gartrell	-	-	-
Cr Brian Hewett	564.73	180.68	745.41
Cr Jenny Hill	-	71.59	71.59
Cr Jenny Lane	-	-	-
Cr Dale Last	3,395.04	-	3,395.04
Cr Natalie Marr	-	63.64	63.64
Cr Tony Parsons	-	-	-
Cr Trevor Roberts	443.90	63.64	507.54
Cr Vern Veitch	1,913.11	-	1,913.11

<sup>\*</sup> Please note, the Deputy Mayor Cr David Crisafulli resigned from office as of 17 February 2012. Cr Dale Last was elected to the role of Deputy Mayor on 28 February 2012. A replacement councillor was not elected due to the pending local government elections.



Councillor Remuneration an	d Superannuation: 11 May 20	12 – 30 June 2012		
Councillor	Salary \$	Amalgamation Loading \$	Superannuation \$	Total \$
Cr Jenny Hill	19,148	-	2,298	21,446
Cr Les Walker	11,315	-	1,018	12,333
Cr Sue Blom	11,315	-	1,358	12,673
Cr Ray Gartrell	11,315	-	1,358	12,673
Cr Jenny Lane	11,315	-	1,358	12,673
Cr Pat Ernst	11,315	-	1,018	12,333
Cr Colleen Doyle	11,315	-	1,358	12,673
Cr Tony Parsons	11,315	-	1,358	12,673
Cr Trevor Roberts	11,315	-	1,358	12,673
Cr Vern Veitch	13,056	-	1,567	14,623
Cr Gary Eddiehausen	11,315	-	1,018	12,333

Councillor Expenses: 11 May 2012 – 30 June 2012								
Councillor	Conferences and Travel	Hospitality	Total					
Cr Jenny Hill	580.64	481.82	1,062.46					
Cr Les Walker	-	-	-					
Cr Sue Blom	27.27	-	27.27					
Cr Ray Gartrell	-		-					
Cr Jenny Lane			-					
Cr Pat Ernst			-					
Cr Colleen Doyle		50.00	50.00					
Cr Tony Parsons			-					
Cr Trevor Roberts			-					
Cr Vern Veitch								
Cr Gary Eddiehausen								



#### **Councillor Meeting Attendance:**

Standing Committee Membership July: 2011 – April 2012

	Ordinary Council	Special Council	Infrastructure Committee	Commercial Businesses Committee	Planning & Economic Development Committee	Lifestyle &Community Development Committee	Environment & Sustainability Committee	Community Safety & Health Committee	Coprporate Governance Committee
L TYRELL Chair of the Commercial Businesses Committee and serves as an ex-ficio member on all other Council Standing Committees	10	2	8	8	6	5	5	4	6
D CRISAFULLI Chair Planning and Economic Development, Member Corporate Governance and Infrastructure Standing Committees	7	3	7	-	7	-	-	-	6
<b>D BELL</b> Member Infrastructure, Lifestyle and Community Development and Corporate Governance Standing Committees	10	2	8	-	-	7	-	-	7
<b>S BLOM</b> Member Lifestyle and Community Development, Community Safety and Health and Environment and Sustainability Standing Committees	10	4	-	-	-	8	7	8	-
R GARTRELL Member Commercial Businesses, Planning and Economic Development, Corporate Governance and Environment and Sustainability Standing Committees	9	4	-	8	8	-	6	-	7
B HEWETT Chair Infrastructure, Member Commercial Businesses, Planning and Economic Development and Community Safety and Health Standing Committees	9	4	9	9	9	-	-	9	-
J HILL Member Infrastructure, Corporate Governance and Environment and Sustainability Standing Committees	9	3	9	-	-	-	7	-	7
J LANE Chair Lifestyle and Community Development, Member Planning and Economic Development, and Community Safety and Health Standing Committees	10	4	-	-	9	9	-	9	-
D LAST Chair Community Safety and Health Committee, Member Infrastructure, Commercial Businesses and Lifestyle and Community Development Standing Committees	10	4	9	9	-	9	-	9	-
N MARR Chair Corporate Governance, Member Commercial Businesses, Lifestyle and Community Development and Community Safety and Health Standing Committees	10	4	-	9	-	9	-	8	9
A PARSONS Member Commercial Businesses, Planning and Economic Development, Lifestyle and Community Development and Environment and Sustainability Standing Committees	10	4	-	9	9	9	8	-	-
<b>T ROBERTS</b> Member Infrastructure, Environment and Sustainability and Corporate Governance Standing Committees	10	4	8	-	-	-	7	-	9
V VEITCH Chair Environment and Sustainability, Member Commercial Businesses, Planning and Economic Development and Community Safety and Health Standing Committees	10	3	-	9	9	-	8	9	-



Ctandina	Camanittaa	Membership:	11011+0	1
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	Ordinary Council	Special Council	Infrastructure Committee	Townsville Water And Waste Committee	Planning & Development Committee	Community & Cultural Committee	Smart City Sustainable Future Committee	Sports Recreation & Parks Committee	Healthy & Safe City Committee	Governance& Finance Committee
J HILL Member of all Standing Committees	1	5	0	1	1	1	1	0	0	1
<b>V VEITCH</b> Chair of Smart City Sustainable Future, Member of Townsville Waste and Water, Planning and Development, Community and Cultural Committees	1	5	-	1	1	1	1	-	-	-
<b>S BLOM</b> Chair of Community and Cultural, Member of Infrastructure, Healthy and Safe City and Governance and Finance Committees	1	5	1	-	-	1		-	1	1
C DOYLE Member of Community and Cultural, Smart City Sustainable Future, Healthy and Safe City and Governance and Finance Committees	1	5	-	-	-	1	1	-	1	1
<b>G EDDIEHAUSEN</b> Chair of Healthy and Safe City, Member of Community and Cultural, Sports Recreation and Parks, and Governance and Finance Committees	1	5	-	-	-	1	-	1	1	1
P ERNST Chair of Sports Recreation and Parks, Member of Townsville Water and Waste, Planning and Development and Governance and Finance Committees	1	5	-	1	1			1		1
R GARTRELL Chair of Townsville Water and Waste, Member of Infrastructure, Planning and Development, and Sports Recreation and Parks Committees	1	5	1	1	1	-		1	-	-
<b>J LANE</b> Chair of Governance and Finance, Member of Smart City Sustainable Future, Healthy and Safe City Committees	1	5	-	-	-		1	-	1	1
<b>A PARSONS</b> Chair of Planning and Development, Member of Infrastructure, Townsville Water and Waste, and Sports Recreation and Parks Committees	1	5	1	1	1			1	-	-
<b>T ROBERTS</b> Chair of Infrastructure, Member of Community and Cultural, Smart City Sustainable Future and Healthy and Safe City Committees	1	3	1	-	-	1	1	-	1	-
L WALKER Member of Infrastructure, Townsville Water and Waste, Planning and Development, Smart City Sustainable Future and Sports, Recreation and Parks Committees	1	5	1	1	1		1	0		-



### APPENDIX E: TOGETHER TOWNSVILLE

Since the launch of the Together Townsville program in August 2008, council has been able to secure support for numerous council initiatives (average of 40 initiatives per year). To showcase the extent of the strength of the partnerships, the following are some of the initiatives partnered with the community and corporate sectors through the Together Townsville program.

#### For our Youth

- » Library initiatives such as Preps At the Library, Let's Read program, Summer Reading Program, Youth Loud Lounge
- » Student Enterprise Challenge
- » National Youth Week celebration, e.g. Battle of the Bands

#### For our Senior Citizens

- » Seniors Picnic in the Park
- » Pioneers Party (for the over 70s)
- » Active and Healthy Seniors
- » Seniors Guide to Council handbook
- » Morning Melodies

#### For our Lifestyle and Sports

- » Sunsafety Program
- » Active Townsville Program
- » School Breakfast Program
- » Annual Sports Awards
- » Australia Day Fun Run and Breakfast

#### For our Environment

- » Ecofiesta and Smart Lifestyle Expo (environmental event)
- » Borrow Pits Learnscape Project
- » Waste minimization and recycling competition (for schools)
- » Rowes Bay Wetlands Project
- » National Tree Day and Schools National Tree Day
- » Environmental Awards

#### For our Arts and Culture

- » Strand Ephemera
- » Creative Generations
- » Various Art Gallery exhibitions
- » Arts Awards
- » Percival Portrait Award

#### For our Facilities

- » Naming rights to the 10,000-capacity AFL and cricket stadium, Tony Ireland Stadium
- » Learning Space at CityLibrary
- » Naming rights to the multi-purpose built stadium, Townsville RSL Stadium
- » All Abilities Playground
- » Freemasons Park at Pallarenda
- » Bus Stop upgrades disability access
- » Park BBQ

### For our Families, Community and Businesses

- » Welcoming Babies Ceremony
- » Carols by Candlelight
- » New Year's Eve celebrations
- » Townsville markets Strand Night Market and Cotters Market
- » Heritage Day
- » Family fun day events
- » Townsville 400 Festival (V8s)
- » NASHOS (National Servicemen's Association) – 6oth Anniversary Celebration
- » Mayor's Christmas Tree Appeal
- » Emergency Management: Cyclone Sunday Event
- » Farmers Market
- » CBD Celebrates
- Tree revegetation (after Cyclone Yasi)

2011/12 Partners and Sponsors

BHP Billiton Cannington

Tony Ireland

Townsville RSL

Townsville Bulletin

Lancini Group of Companies

Walters SUPA IGA

Clean It NQ

Jupiters Townsville

Origin Energy

RACQ

Amcal Bamford Lane

McDonald's Townsville

Suncorp Lend Lease

Spotless

TP Human Capital

Queensland Nickel

Willows Shopping Centre

Ferry Property

Noth Shore by Stockland

Westpac

Wilson Ryan Grose Lawyers

On Q Communications

Coca-Cola Amatil

Freemason NQ

Café Bambini Powerlink

Thuringowa Northern Beaches Lions Club

Queensland Country Credit Union

Lions Club Castle Hill

Lions Club Northern Suburbs

Townsville Airport

Australian Hearing

Cox Rayner Architects

Bunnings

Trility

Ergon Energy

Solar City

Castletown Shoppingworld

WIN Television

Mike Carney Toyota

Horan & Bird

**Gough Plastics** 

Watpac

Honeycombes

Sealink.

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### **CONTACT US**



This document contains important information about the Townsville City Council and Townsville City. If you would like further assistance or information on a service or council facility, please contact us via one of the following:

**Telephone:** 1300 878 001

Post: PO Box 1268, Townsville QLD 4810

Web www.townsville.qld.gov.au

Email: enquiries@townsville.qld.gov.au

In Person: 103 Walker Street, City OR 86 Thuringowa Drive,

Thuringowa Central

As part of council's commitment to environmental sustainability, this year no printed copies of the Annual Report have been procured. The report is available online at www.townsville.qld.gov.au and may be downloaded at any of council's library branches.

#### **Acknowledgements**

Council would like to acknowledge the following organisations which have assisted in the provision of statistical information which is presented throughout this report.

Australian Bureau of Statistics

**Australian Sports Commission** 

Bureau of Meteorology

Compelling Economics REMPLAN

Department of Training, Education and Employment

Eco Tourism Australia

Herron Todd White

Office of Economic and Statistical Research

Port of Townsville

**Queensland Police** 

Sealink

**State Emergency Services** 

Sunbus

The Cultural Centre Townsville

Tourism Queensland

Townsville Airports Limited

Townsville Enterprise Limited

Volunteering North Queensland