

a vibrant

progressive

2012/13

diverse

sustainable

TOWNSVILLE CITY COUNCIL

# Annual Report

2012/13



liveable

future



Annual Report

2012 / 13

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 **our customers**. We will work with **our 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 wellbeing. **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.



### 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](http://www.townsville.qld.gov.au)

Email: [enquiries@townsville.qld.gov.au](mailto: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, council continues not to print copies of the Annual Report. The report is available online at [www.townsville.qld.gov.au](http://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


### Stakeholders

Council would like to acknowledge **our Stakeholders**

- » Community, including visitors
- » Community Groups
- » Local Service providers
- » State and Federal Government
- » Other Local Governments
- » Businesses and Investors
- » Non-Governmental Organisations
- » Professional Organisations including Industry

# Our year in review

The Annual Report measures council’s performance against what we said we would do in our 2009-2014 Corporate Plan. The Corporate Plan sets the vision for Townsville as well as the outcomes and strategies. Council’s Operational Plan and Budget 2012/13 provides the financial framework and activities delivering the services that the community enjoys and expects from council. Throughout the Annual Report we refer to our quadruple bottom line, reporting against our four goals. Under each goal are the outcomes that are used to measure council’s performance over the five year period. The table below summarises council’s performance in 2012/13 against those four goals. A more detailed report of the goals and outcomes starts on page 41.

Goal	Economic Sustainability	Environmental Sustainability
Outcome	<ul style="list-style-type: none"><li>» A robust, prosperous economy which provides opportunities for business and investment</li><li>» An integrated approach to long term planning which supports a growing city</li><li>» Infrastructure that meets community needs</li></ul>	<ul style="list-style-type: none"><li>» Effective management and protection of our natural and built environment through sustainable growth and development</li><li>» Demonstrated environmental leadership</li><li>» Climate effects on our community, natural and built environment are minimised</li></ul>
Our major achievements during 2012/13	<ul style="list-style-type: none"><li>» Investigations commenced into finding a suitable location for a Motor Sports precinct</li><li>» Laboratory Services developed a strategy to expand their external customer market share</li><li>» Our Draft Planning Scheme was sent to the State Government for State interest check</li><li>» Magnetic Island walkway was completed</li><li>» Asset renewal planning tool implemented for Townsville Water and Waste</li><li>» Integrated Regional Water Supply Strategy was finalised</li><li>» Interim report for the proposed new Sports Stadium and Events Facility was developed</li></ul> 	<ul style="list-style-type: none"><li>» Townsville Smarter Water Pilot was introduced</li><li>» Integrated Energy / Carbon Management Framework commenced</li><li>» Recycling Education Program was delivered</li><li>» Network Demand Management (Energy) Program developed and implemented across council</li><li>» Shoreline Erosion Management Planning complete for Cungulla</li><li>» Cultural Heritage Planning Scheme Policy developed</li><li>» Draft Geoffrey and Alma Bay Catchment Strategy produced</li></ul> 



## Social Sustainability

- » A safe and healthy community
  - » A cohesive and self-reliant community
  - » A community with access to services and facilities
  - » A creative community
- 
- » Illegal Dumping Strategy developed
  - » Townsville Sports Awards and Townville Arts Awards hosted
  - » E-books were introduced to the library lending collection
  - » Aplins Weir rehabilitation works completed
  - » Six sport and recreation community group workshops were hosted
  - » Emergency Response test exercise was undertaken
  - » Rainfall and river monitoring gauges were installed at Cambridge Park and Upper Stuart Creek



## Governance

- » Transparent and accountable local government
  - » Implement robust risk management strategies
  - » A competent, productive and contributing workforce
  - » Excellence in customer service delivery and organisational management
- 
- » Combined Operational Plan and Budget was implemented for the first time
  - » Information Privacy Audit was undertaken
  - » Public website visitation increased by 27%
  - » Arrangements made with Burdekin and Hinchinbrook Councils to undertake legal work on their behalf
  - » Spatial 3D Modelling and Visualisation Strategy developed
  - » Implementation of Marketing Communications Strategy
  - » Implementation of the Finance Enterprise and Asset Management System
  - » Launch of TCC2015 Cultural Program



# A Snapshot of our Outputs

## Economic Sustainability

### Key Outputs Delivered 2012/13 result

Total length of council controlled sealed roads	1,506km
Total length of council controlled pathways	337km
Total length of stormwater pipes	668km
Number of new dwelling/unit complex applications approved	1,244
Total value of new dwelling/unit complex applications approved	\$334.7m
Number of new commercial building applications approved	355
Value of new commercial building applications	\$270.8m
Total value of all building applications approved	\$680.5m
The total volume of metered and estimated nonmetered potable urban water supplied	46105ML

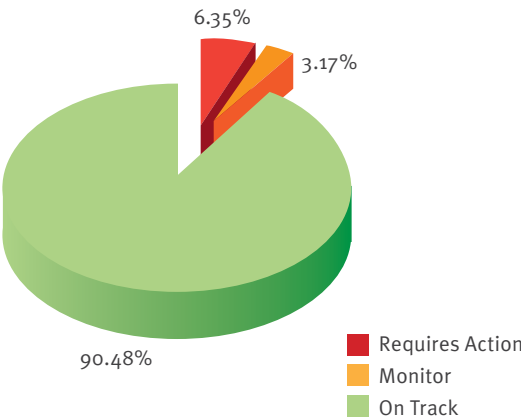
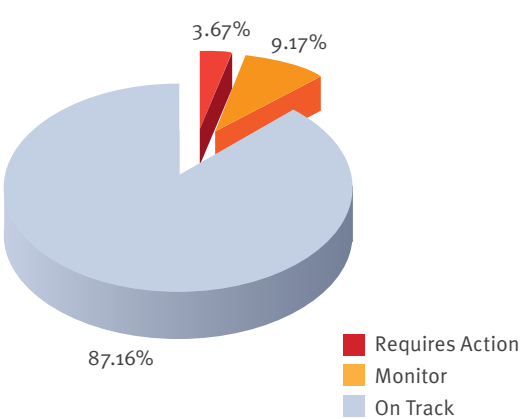
## Environmental Sustainability

### Key Outputs Delivered 2012/13 result

Percent of total effluent recycled	15.10%
Total number of kerbside general refuse bins collected	3,281,249
Total number of kerbside recycling bins collected	1,219,090
Number of free tipping vouchers redeemed	102,695
Resources diverted from landfill	34.68%
Number of free native plants given away to the community	6,793
Number of community Landcare sites supported	13
Coastcare and catchment management groups supported	13
Schools involved in council's environmentally or sustainability activities	27

The graphs indicate the results or outcomes of activities from the operational plan that council was:

- » On track to achieve our outcome
- » Making good progress
- » Taking corrective action



## Social Sustainability

### Key Outputs Delivered 2012/13 result

Total attendance at council run events *	106,530
Public attendance at The Strand precinct *	1.22 m
Number of individual library items loaned	1 m
Number of Internet bookings through council's libraries	72,679
Total attendance at council galleries *	96,730
Total attendance at the Townsville Civic Theatre/Riverway Arts Centre*	110,006
Total attendance at the Reid Park Pit Complex (excl. Townsville 400) *	18,302
Total attendance at Tony Ireland Stadium *	196,073
Total attendance at council owned pools *	245,255
Attendance at council parklands for formal ceremonies and events *	280,555
Attendance at council's community centres *	110,488
Total number of bus passes used for the pensioner Transport Subsidy Scheme	347,377
Total value of cash and waived hire fees distributed through the community grants program	\$2.3 m

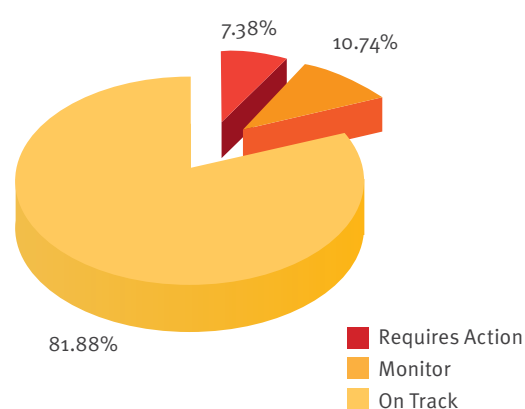
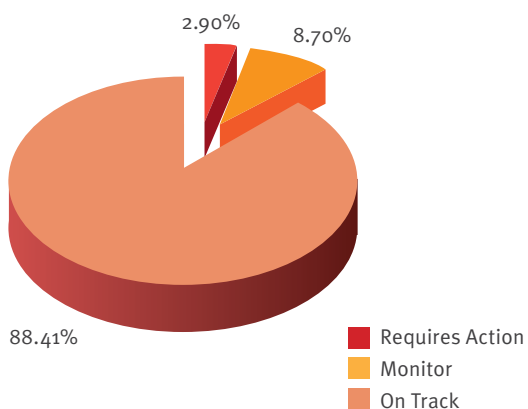
\*Estimate based on staff calculations

## Responsible Governance

### Key Outputs Delivered 2012/13 result

Number of customers served in person at council's Customer Service Centres *	71,980
Number of unique visits to council's website	806,379
Number of Right to Information and Information Privacy requests received by council	71
Number of staff employed by the council	1,691
Percentage of customers rating their initial customer contact with council's Customer Service Centre as good or excellent	94.46%
Number of Ordinary and Standing Committee Meetings held	104

\*Estimate based on staff calculations



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# Townsville

a vibrant, sustainable future



# Welcome

## Welcome to our Annual Report

We welcome you to the Townsville City Council Annual Report for the 2012/13 financial year. The report includes performance against our Community and Corporate Plans and meets our statutory reporting requirements as well as presenting council's audited financial statements.



## Our commitment to transparency and accountability

Council is committed to transparent reporting and accountability to the community. The Annual Report and Community Report Card are the primary means of advising our community regarding council's performance on the previous financial year against our four goals.

Council's 2012/13 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 2012/13 in delivering on the Townsville Community Plan 2011-2021 and Townsville City Council's *Corporate Plan 2009-2014*.

As a community, our people, businesses, council and other levels of government deliver on the Community Plan. This report is divided into four main sections:

- » An overview of council's planning, management and performance,
- » Our goals and achievements, inclusive of Water and Waste Reports,
- » Our financial performance (detailed financial information, detailed audited financial statements can be found from page 115.
- » Our statutory information.

This report provides information on the progress made in realising the vision detailed in the Community Plan on pages 30-39. The indicators reported here reflect the community as a whole. The Community Financial Report, a brief, easy to read financial statement can be found on pages 9-13.

The main body of this report – from page 41 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. Against each goal, key challenges faced in the delivery of the goal have been identified and our progress summarised during 2012/13. Progress is depicted using the following symbols:



We are on track to achieve our outcome



We are making good progress



Taking corrective action

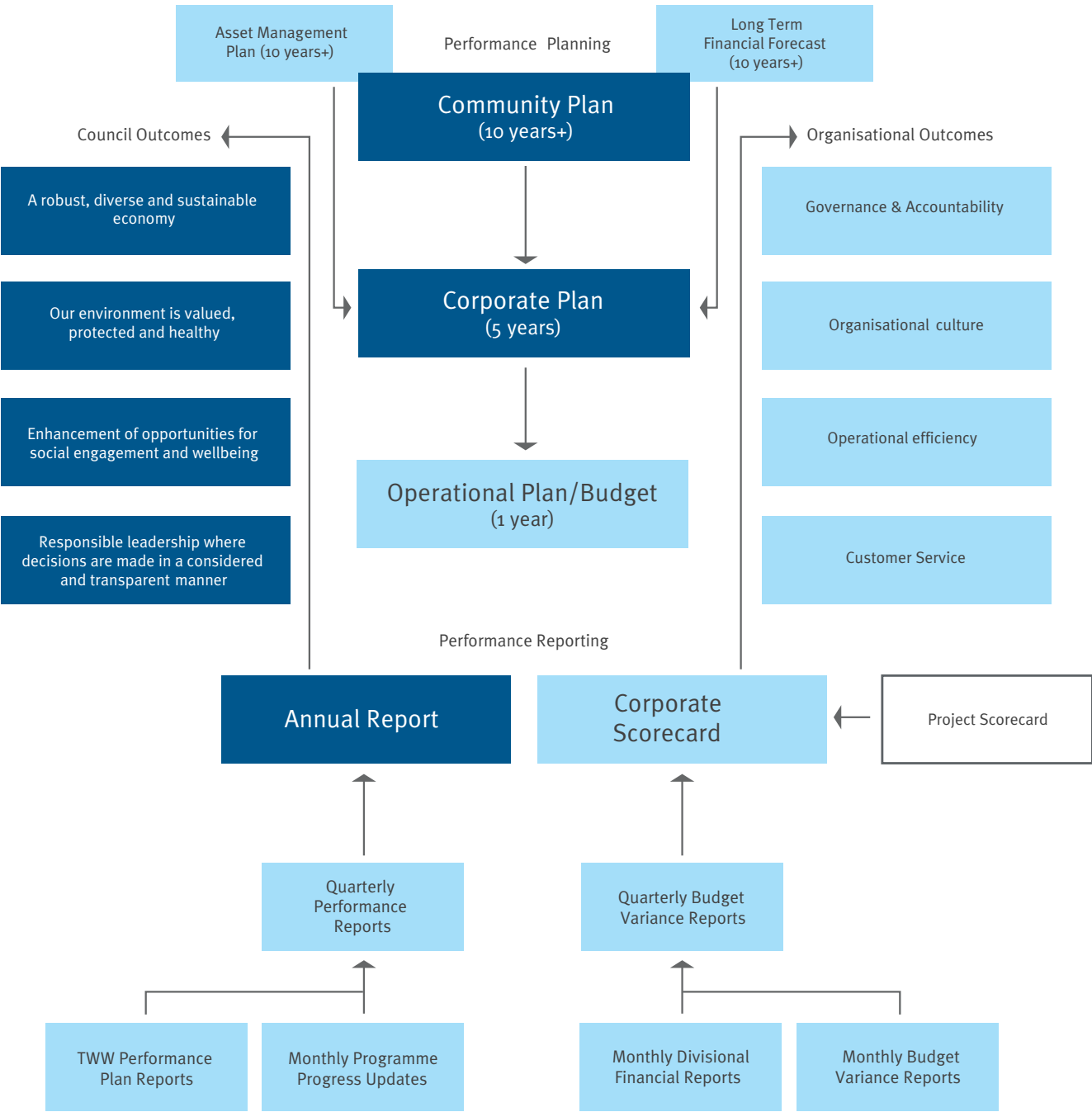
Each goal comprises a number of outcomes the council is striving to achieve. Under each outcome you will find council's key achievements and a comparison of results from the Community Attitude Survey undertaken in 2011 and again in 2013. Also reported is a suite of indicators which reflect council's progress and the effect of our progress on the community as a whole.

At the end of each goal a list of key projects council will be focusing on during the 2013/14 financial year can be found. These projects are included in council's 2013/14 Operational Plan.

The Annual Operations Reports of our commercialised business units, Townsville Water and Townsville Waste, can be found on pages 83-96.

Council’s Planning, Performance and Reporting Processes

The following diagram represents council’s key performance planning and performance reporting framework and how they contribute to council’s desired outcomes.





Population: **184,526**



Population growth rate: **2.4\***

POPULATION BORN OVERSEAS: **19.8%\***

Median age: **33\***

Average household: **2.6 PERSONS\***

Number of families: **45,319\*** Median weekly household income: **\$1,381\***

Median monthly mortgage repayment: **\$1,860\***

Median weekly rent payment: **\$290\***



Number of Rateable properties: **74,594**

Average residential general rate: **\$1,526.29 p/a**

Average residential land valuation: **\$161,068**

General rate as a percentage of median household income: **2.22%**

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

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

GEOGRAPHICAL PERCENTAGE OF QUEENSLAND: **0.2%** Number of mammal species: **53**

Number of bird species: **400**

Number of libraries: **3 + 1 mobile library**

Public parks: **330** Parks with playgrounds and shaded areas: **133**

Footpaths: **337km**

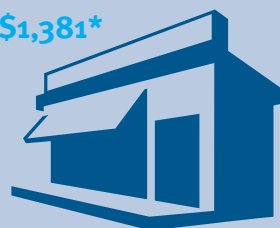
Community Halls: **12**

Salt water enclosures: **6**

Public swimming pools: **12**

Gross Regional Product 2010/11: **\$13.37 billion**

Visitors to the city (domestic and international): **1,023,000**



# A message from the Mayor



This Annual Report marks the first full year of the current council term which commenced in May 2012. During the 2012/13 financial year council has delivered significant achievements and contributed to improving the quality of life for Townsville residents.

In my first year as Mayor I have worked with the community, council and my fellow councillors to deliver on the outcomes of the Corporate Plan.

The theme of this year's annual report is Shaping a Vibrant, Sustainable Future.

I believe we have taken the first steps to shaping a vibrant sustainable future for Townsville but acknowledge we still have a long road ahead.

## Highlights

Our 10 year capital works programme has been finalised as we continue to take a responsible approach to economic management to deliver a high standard of services to the community.

It is exciting to see the old army barracks transforming into a community recreation area. Jezzine Barracks is really starting to take shape and you can now get a feel for how the area is going to look when it's complete in 2014.

The first meeting of the Inclusive Community Advisory Committee was held in February 2013 and has been well received by the members and the community. This group of 35 community representatives is an amalgamation of the previous six advisory committees, namely: women, families, Indigenous people, community safety, people with disabilities, and seniors. The Inclusive Community Advisory Committee has an interest in promoting and encouraging an inclusive community and advocating for equity of access.

We were fortunate not to experience any natural disasters this financial year with a dryer than normal wet season. In the 2012/13 financial year we continued our work to rebuild roads that were damaged over the past three wet seasons.

The new CBD Master Plan vision was released with a focus on revitalising the CBD as the premier business and investment district of northern Australia; creating a safe, unique and comfortable tropical city environment all year round and

enhancing the city's natural resources and great historical architecture. In creating a future CBD of more than 30,000 people over the next 20 years, this plan will help to do justice to the character and history of our city heart.

The much anticipated walkway, Gabul Way, connecting Nelly and Geoffrey Bays has been completed and is proving popular with Magnetic Island residents and visitors. The 710m elevated walkway complements the Island's existing 25km walking track network and provides spectacular views over the Coral Sea.

## Looking ahead

We will complete works with \$2.5 million in State funding for the planning and conceptual designs for the flood proofing of Blakeys Crossing.

Our new City Plan has been released for public consultation and is a culmination of research, investigation and planning to support an urban footprint with the capacity for 65,000 new residences.

We will continue with tighter financial management measures to target spending where it is most needed to minimise the impacts on ratepayers.

I look forward to continuing to work with my fellow councillors, the executive management team and staff to realise our vision for Townsville to be vibrant, progressive with a great lifestyle.

**Councillor Jenny Hill**  
**Mayor**

# A message from the CEO

Annual Report



Our Annual Report 2012/13 serves as a reflection on the previous year's delivery of services, our achievements, performance and challenges. It marks the fourth year of our five year Corporate Plan and is the first full year of our 2012 newly elected council.

I am very pleased that our audited financial statements show a surplus of \$1.523 million for the 2012/13 financial year. This is a very good result given that Council handled \$508 million in revenue and managed \$4.8 billion in assets over the year. This is the first surplus of any Townsville Council for the past 13 years and is a major achievement given the projections of our financial position at the time of amalgamation when a \$56 million operating deficit was identified.

We have continued to keep rate rises low, improve public safety and the health and wellbeing of the Townsville community, build better local roads and maintain our enviable lifestyle.

## Highlights

Council has invested in a new Financial and Enterprise Asset Management system to streamline and integrate council's budgeting, finance, supply chain and enterprise wide asset management business systems and processes. It has proven to be a challenging time for our staff but together we achieved the 1 July deadline to roll out the new system. We also delivered a fully integrated Operational Plan and Budget to council through the development of the Corporate Performance Management system. The CPM and FEAM provide council with increased performance planning and management functionality and further improves council's accountability and transparency.

Our establishment remains steady with over 1,600 employees. We farewelled our long standing Director of Townsville Water and Waste in April 2013, Mr Ken Diehm who has taken up the role of Chief Executive Officer at Geraldton Shire Council in Western Australia. We held a number of award ceremonies over the last twelve months including our Employee Long Service Award in November 2012 with 129 council staff recognised with a combined service totalling 2,100 years. We also recognised staff in our inaugural Smart Service - Service Excellence Awards with ten awards presented on the evening.

After four consecutive years of declared natural disasters we are now nearing completion of the required recovery works. Over \$110 million of Natural Disaster Recovery and Relief funding has been spent primarily on our roads over the past two years and the staff involved are to be congratulated on their efforts in this area.

The culture of an organisation plays a significant role in the success, effectiveness and efficiency in everything we do. Since council's amalgamation in 2008, the organisation has been in a state of constant transformation. Initially, it was simply about how the three organisations practically came together to operate as one. Through the process of constant change we are now a mature organisation respected by our community for the quality of our services.

## Looking ahead

As we head into the new financial year our executive management team have committed to a new strategic document – TCC2015 Our Priorities. This document lists the transformational and enabling projects to be achieved by our organisation by the end of 2015 to help achieve our continuous improvement goals to build further on the pride we have in our organisation and the services it provides.

I take this opportunity to thank the Mayor and Councillors, my Executive Management Team and all employees for their efforts in meeting the challenges of the past year. I look forward to continuing to work with you as we unleash our potential to be Valued, Proud and Innovative through the delivery of quality services that make Townsville such a great place to live

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



**Ray Burton**  
Chief Executive Officer

# Townsville - A Strategic Location

Townsville is a coastal city located centrally of North Queensland, about 1300km north of Brisbane and 350km south of Cairns, one of Australia’s most significant and rapidly growing economic zones. Industry diversity, government investment and major transport infrastructure underpin Townsville’s role as the commercial and services hub for North Queensland’s minerals, agriculture, tourism and tropical sciences sectors.

- Population centres of > 250,000 people
- Population centres of 100,000 - 250,000 people
- Population centre of < 100,000 people
- ✈ Airport
- ⚓ Trading Port



The Local Government Area (LGA) of Townsville encompasses the city’s urban centre and suburbs, together with Magnetic Island and surrounding rural areas. Council is responsible for 10 Divisions, with Councillors committed to deliver democratic governance. A map outlining these divisional boundaries can be found on council’s website.

Division 1:	Paluma, Crystal Creek, Mutarnee, Rollingstone, Balgal Beach, Clemant, Toomulla, Bluewater Toolakea, Saunders Beach, Yabulu, Beach Holm, Bushland Beach, Mount Low, Burdell, Black River, Lynam, Hervey Range, Blue Hills
Division 2:	Deeragun, Jensen, Rangewood, Alice River, Bohle Plains, Shaw, Cosgrove, Mount Louisa
Division 3:	Shelly Beach, Florence Bay, Horseshoe Bay, West Point, Picnic Bay, Nelly Bay, Arcadia, Pallarenda, Town Common, Rowes Bay, Garbutt, Mount St John, Bohle
Division 4:	Gumlow, Condon, Rasmussen, Kelso, Pinnacles, Granite Vale
Division 5:	Kirwan, Cranbrook
Division 6:	Thuringowa Central, Douglas, Annandale, Murray
Division 7:	Heatley, Kirwan, Cranbrook
Division 8:	Currajong, Vincent, Gulliver, Mundingburra
Division 9:	West End, Pimlico, Hermit Park, Rosslea
Division 10:	Railway Estate, Oonoonba, Idalia, Cluden, Stuart, Wulguru, Roseneath, Mount Stuart, Julago, Oak Valley, Ross River, Brookhill, Nome, Alligator Creek, Cape Cleveland, Cungulla, Mount Elliot, Toonpan, Barringha, Majors Creek, Woodstock, Calcium, Reid River



# Community Financial Report

Annual Report

## What is the Community Financial Report?

The Community Financial Report is produced as part of council's Annual Report to enable members of the community, customers, business partners and employees to gain a better understanding of our financial performance and position over the last financial year.

The report uses plain language and pictorial aids such as graphs and tables to give all interested readers and stakeholders an easy to follow summary of the financial statements.

The Community Financial Report is prepared in accordance with Section 179 of the *Local Government Regulation 2012*. Council's full Financial Report and accompanying notes can be found from page 115.

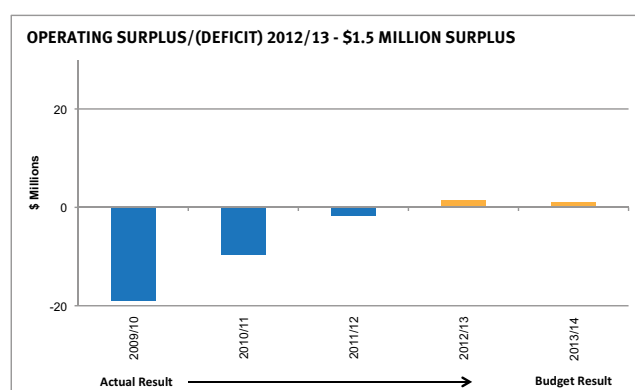
## Understanding our Financial Performance (Statement of Comprehensive Income)

The Statement of Comprehensive Income measures how council performed in relation to income and expenditure during the financial year.

### Operating Surplus/(deficit)

Operating revenue - Operating expenses = Surplus/(Deficit)

Council achieved an operating surplus of \$1.5 million in 2012/13. This is the first operating surplus of any Townsville Council for the past 13 years. A surplus means council is able to meet its obligations through its normal course of business without need for borrowings.

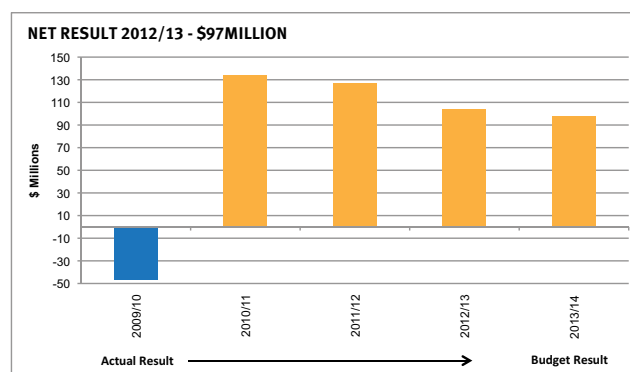


### Net Result

(Operating + Capital revenue) - (Operating + Capital expenses)  
= Net result

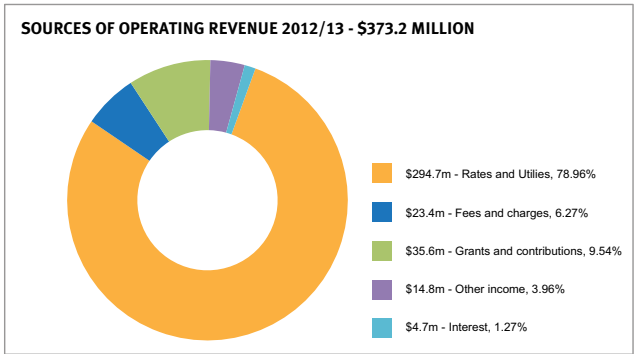
Council's net result for 2012/13 was \$97 million, this result as opposed to the operating surplus, includes the following major items:

- » \$51 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.
- » \$83 million of contributions by developers and Government grants to fund infrastructure. Council is restricted by law as to how it may use these funds.
- » \$39 million loss on disposal of assets, the majority of this balance relates to non-cash adjustments where existing assets are replaced with new assets.





**Sourcing Our Revenue:**  
*Where our money comes from*  
*(Statement of Comprehensive Income)*

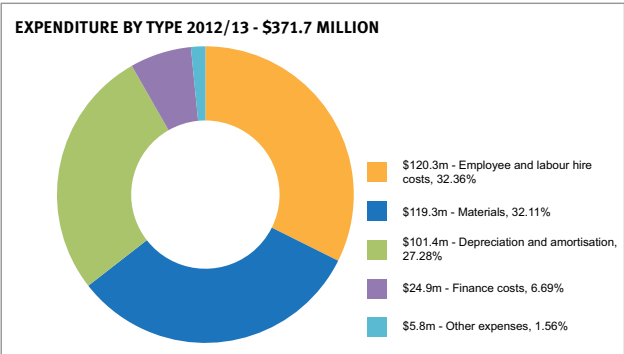


Total operating income this year was \$373 million, this result was \$8 million lower than the 2011/12 financial year.

Rates and utilities continue to be the major source of income equating to \$295 million or 79% of total revenue. 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. Grants and contributions totalled \$36 million in 2012/13.



**Identifying Our Expenses:**  
*Where our money goes*  
*(Statement of Comprehensive Income)*

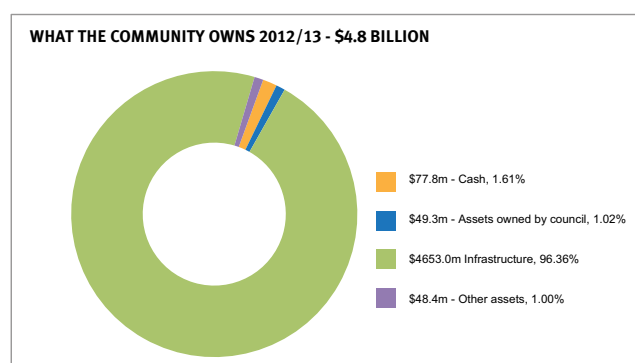


Our operating expenses for the 2012/13 financial year totalled \$372 million, a decrease of \$11 million from 2011/12.

The primary expenses shown in the graph above were employee and labour hire costs 33%, materials 32% and depreciation and amortisation of assets 28%.

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.

## Assets: What the community owns (Statement of Financial Position)



The value of councils assets have increased from \$4.734 billion to \$4.829 billion in 2012/13.

Infrastructure is the council's largest group of assets and includes water, roads, pipes and buildings that provide benefits directly to the community, this is known as community infrastructure. A further breakdown of the types of infrastructure council manages is detailed below.

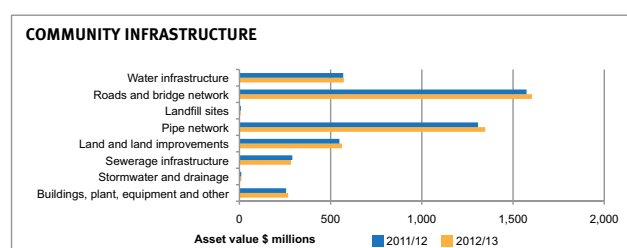
Council has also increased its cash holdings in 2012/13 from \$70 million to \$78 million.

Assets owed to council reflects outstanding rates, fees and charges payable at 30 June 2013.

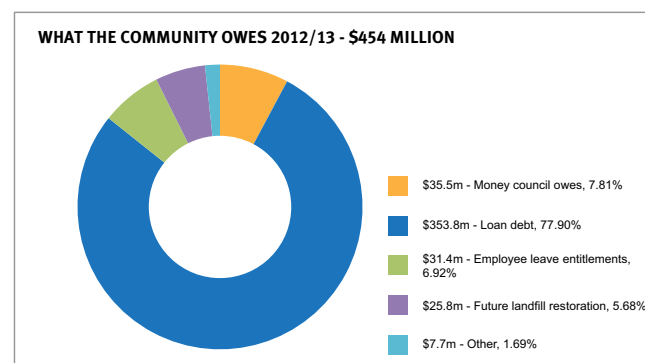
Other assets includes council's \$25.6 million investment in the Townsville Entertainment and Convention Centre.

## Managing community infrastructure

The following graph details the \$4.6 billion worth of community infrastructure owned and managed by council.



## Liabilities: What the community owes (Statement of Financial Position)



Liabilities or amounts owing by council decreased in 2012/13 from \$491 million to \$454 million.

The largest debt we owe at 30 June 2013 was to Queensland Treasury Corporation (QTC). QTC is the State Government-owned lending agency from which most local governments and state authorities borrow to finance their large-scale infrastructure projects. At the end of the financial year, we owed QTC a total of \$353.8 million, a reduction of nearly \$20 million from the previous year.

Money council owes includes payment of goods received and services rendered that remain unpaid at 30 June 2013.

## Investing in community infrastructure

Funding Year	2011/12 \$ million	2012/13 \$ million
Government and developer contributions received during the financial year	77	83
Working capital funds used during the financial year	96	66
New loans raised during the financial year	-	-
<b>Total funds invested in community infrastructure during the financial year</b>	<b>173</b>	<b>150</b>



Financial sustainability indicators

In a period of continued growth, responsible financial management is crucial for council to ensure it is financially sustainable for the short, medium and long term. As part of our financial strategy council is committed to addressing key issues around service, managing debt levels and asset management.

The Community Financial Report contains three measures of financial sustainability used to demonstrate council is operating in a prudent financial manner whilst maintaining its financial management objectives.

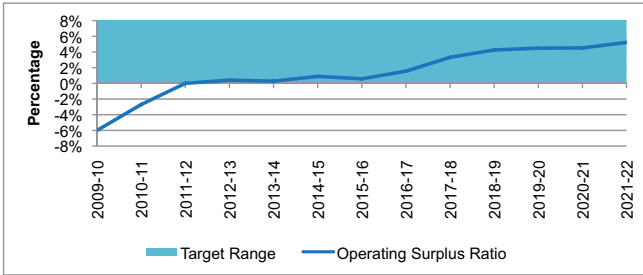
The following table shows actual historical ratio values for the last two financial years. The graphs show the historical actual ratio values for the last four financial years as well as forecast ratios for the next nine years.

The target range for the financial ratio graphs are in accordance with the Department of Local Government, Community Recovery and Resilience Financial Management (Sustainability) Guideline 2013. There are circumstances specific to council where actual results may vary from the target range.

Financial Ratios	Target Range	Actual 2011-12	Actual 2012-13
Operating surplus ratio	Between 0 and 10%	0.0%	0.4%
Net financial liabilities ratio	Not greater than 60%	94.0%	86.8%
Asset sustainability ratio	Greater than 90%	82.0%	89.9%

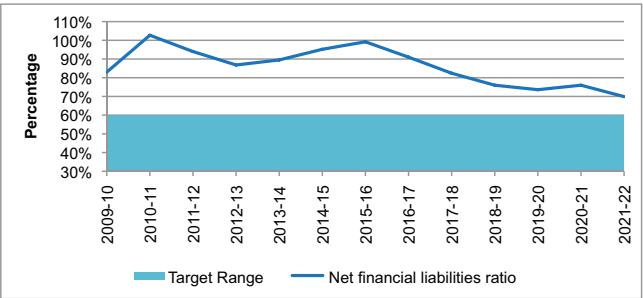
Operating surplus ratio

Council’s positive ratio in 2012/13 indicates council has achieved an operating surplus with recurring operating revenue exceeding recurring operating expenses. This facilitates utilising operating surpluses to help fund capital expenditure thus placing less reliance on borrowings. The flow on effects of reduced borrowings is reduced levels of associated interest expense. Council is committed to achieving strong operating surplus ratios into the future to ensure long-term financial sustainability.



Net financial liabilities ratio

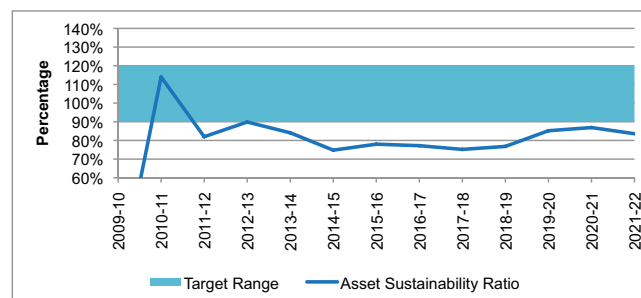
This ratio is an indicator of the extent to which the net financial liabilities of council can be serviced by its operating revenues. Council has delivered significant community infrastructure since 2008, some of which was funded by debt. The repayment of nearly \$20 million of debt in 2012/13 has positively impacted this ratio. Whilst this result is still above the recommended target 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.





### 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 non-financial 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.



Whilst this result is below the recommended target of 90%, council believes that its replacement assets are being renewed at an appropriate time.





# Our major projects at a glance

## Jezzine Barracks Redevelopment

The redevelopment of the Jezzine Barracks site saw demolition works completed in 2012/2013. Road and car parks, paving, stormwater, sewer and water, electrical distribution, irrigation, soft landscaping, broad walk and pathways were all underway, with the project 60% complete at June 2013, surpassing the target of 50% complete.



## Magnetic Island Walkway

The Magnetic Island Walkway - Nelly Bay to Geoffrey Bay was completed during the year. Sunday 3 March 2013 saw hundreds of people head to Geoffrey Bay to celebrate the official opening of the 710m Gabul Way, Magnetic Island's newest scenic walkway. The occasion marked the end of a 15 year campaign from the Magnetic Island Community to improve the safety of pedestrians as they move between Nelly and Geoffrey Bays.

## Mount Low and Douglas Reservoirs

Work was well underway on a 41 mega litre twin for Townsville's biggest reservoir on the hill slopes of Douglas, with a completion date in 2013/14. The new facility will be built alongside the existing reservoir, with the same storage capacity, equivalent to over 16 Olympic size pools. Construction of the \$9.7 million, 6 ML reservoir at Mt Low, was also completed during the year.



Douglas Reservoir

## Aplins Weir

A \$3.2 million construction project was undertaken during the year to improve the strength and stability of one of the most popular recreational structures across the Ross River. This major structural upgrade of the 150m long Aplins Weir, which links the riverside suburbs of Mundingburra and Annandale, ensured the 84-year-old concrete structure met modern engineering standards and provided the community with enjoyment for decades into the future.

## Finance Enterprise and Asset Management (FEAM)

A massive internal programme was undertaken during the year to replace a range of standalone financial systems and disparate work practices, with streamlined and integrated budgeting, finance, supply chain, and enterprise works and asset management business systems and processes.

## Corporate Performance Management (CPM)

A Corporate Performance Management System was implemented in conjunction with FEAM to help manage council's corporate planning and performance. The CPM is being used to manage council's Corporate and Operational Plans and produce monthly, quarterly and annual reports on council's progress and performance in delivering those plans.

## Spatial 3D Modelling and Visualisation Strategy

A Spatial 3D Modelling and Visualisation Strategy which provides a roadmap and vision for the implementation of spatial 3D modelling and visualisation services and technology within council was developed. The creation of Virtual Townsville provides a virtual 3D map of Townsville and is a first for regional Queensland.



# A vibrant, progressive and a great lifestyle

## Annual Report

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 cities 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 located in the city.

### Our unique environment

The local government area of Townsville covers an area of 3,736km<sup>2</sup> (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.



*Mahogany glider*



*Cassowary*



### 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 2.2 km 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 JCU Townsville housing teaching and research facilities. The Perc Tucker Gallery, Townsville Civic Theatre, Riverway Arts Centre and Pinnacles Gallery committed to promoting and developing the visual arts of this region. 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, archaeology and history.

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 Supercars Townsville 400, the Australian Offshore Superboat Championships, Magnetic Island Raceweek, Townsville Triathlon Festival and regularly attracts national and international sporting events.

### The people that make Townsville great

In 2012 the population of Townsville surpassed 184,000, with a median age of 33. 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.

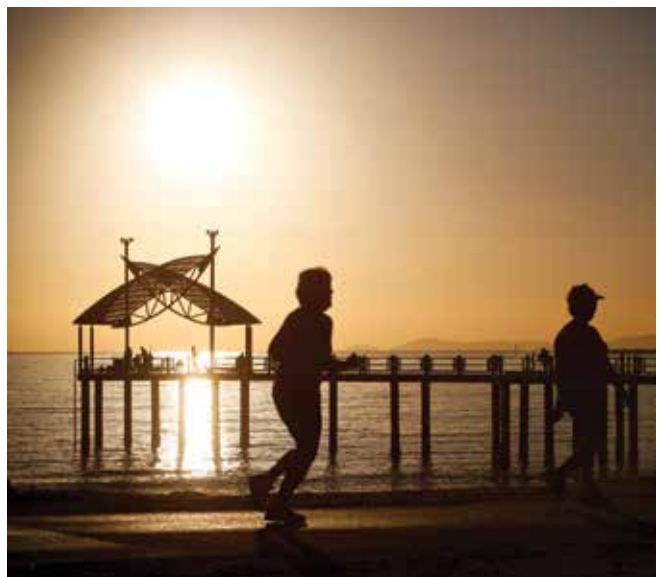
We are proud of our diverse cultures. A number of organisations cater for our culturally and linguistically diverse residents including the Cultural Centre Townsville, Townsville Multicultural Support Group, the Townsville Intercultural Centre Ltd and CityLibraries.

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!





# 2012/13 Entertainment for everyone

## Annual Report



2012

### July 2012

- › Townsville 400 Festival - Super Welcome to Townsville & McDonalds Dance Expo
- › NAIDOC Luncheon
- › Winter School Holiday Program
- › Family Fun Day
- › National Diabetes Week
- › 2 RAR Parade

### Aug 2012

- › Vietnam Veteran's Day
- › Townsville Running Festival
- › Seniors' Picnic in the Park
- › Senior's Awards
- › NQCorporate Carnival
- › Senior's Music Day on Magnetic Island

### Sept 2012

- › National Walk to Work Day
- › Pioneer's Party

### Oct 2012

- › Tourism Expo
- › National Nutrition Week
- › Welcoming Babies Ceremony

### Nov 2012

- › Cyclone Sunday
- › Remembrance Day - Townsville City
- › Women's Expo
- › White Ribbon Day
- › Creating Inclusive Communities Awards
- › Remembrance Day - Kirwan

### Dec 2012

- › Carols by Candlelight
- › Summer Schools Holiday Program
- › Expression Art Workshops
- › New Year's Eve Celebrations

### Jan 2013

- › Summer Schools Holiday Program
- › Welcoming Babies Ceremony
- › Australia Day

### Feb 2013

- › National Servicemen's Day

### March 2013

- › Toad Day Out
- › School Holiday Program

### April 2013

- › National Youth Week
- › North Queensland Arts Awards
- › Townsville City Anzac Day
- › Kirwan Anzac Day
- › Heritage Festival

### May 2013

- › Battle of Coral Sea
- › May Month of Learning
- › Tourism Expo
- › Heart Week (Heart Foundation)
- › Australia's Biggest Morning Tea (Cancer Council)
- › Townsville Sports Awards
- › Domestic and Family Violence Prevention Month
- › Heritage Day

### June 2013

- › Townsville Eco Fiesta & Smart Lifestyle Expo
- › Focus on Youth Initiatives (Youth in the Spotlight)
- › Expressional Art Workshops
- › Welcoming Babies Ceremony
- › Integration Program
- › MABO Day
- › Aboriginal and Torres Strait Islander Sports Carnival
- › Arts Festival
- › Neighbour to Neighbour Program

2013

# City Governance


Councillors are your elected representatives. Their role is to represent the current and future interests of the residents of Townsville. Councillors oversee the performance of council against the corporate and community plans and provide high quality leadership to council and the community. They participate in council meetings, policy development and decision making for the benefit of Townsville and are held accountable to the community for council’s overall 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.

More information on councillor’s participation in meetings, remuneration and overseas travel can be found in our statutory information section on page 99.



**COUNCILLOR JENNY HILL**

*Mayor of Townsville*

*The Mayor serves as a member on all of Council’s Standing Committees*

0418 886 992	mayor@townsville.qld.gov.au
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Bachelor of Science

Master in Public Health and Tropical Medicine

Cr Hill 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**

*Deputy Mayor (Division 3)*

*Chair Smart City Sustainable Future Committee*

*Member of Townsville Waste and Water, Planning and Development, Community and Cultural Committees*

0418 729 496	vern.veitch@townsville.qld.gov.au
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Bachelor of Science in Geography and Botany

CA committed environmentalist, Cr Veitch has spent many years campaigning for sustainable land and waterways management in North Queensland. Since becoming a councillor, he has championed energy efficiency in addition to his general representation of residents. 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****Member of Infrastructure, Healthy and Safe City and Governance and Finance Committees**

0427 300 364	suzanne.blom@townsville.qld.gov.au
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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****Member of Infrastructure, Townsville Water and Waste, and Sports Recreation and Parks Committees**

0419 642 265	tony.parsons@townsville.qld.gov.au
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Cr Parsons is the Chair of the V8 Supercars Committee and council's representative on the Mount Isa to Townsville Economic Zone Committee. Prior to being elected to council, Cr Parsons had a small business and also worked as a sports broadcaster. Cr Parsons is still active in local sport through his involvement with the Sharks Touch Football Club, both coaching and playing.

Number of terms with council: 2

**COUNCILLOR JENNY LANE****Division 4****Chair Governance and Finance Committee****Member of Smart City Sustainable Future, Healthy and Safe City Committees**

0417 726 699	jenny.lane@townsville.qld.gov.au
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Diploma of the Australian Institute of Company Directors

Diploma of the International Association of Public Participation

Cr Lane has been a resident of the area since 1980 and served with the former Thuringowa Council before amalgamation. Cr Lane is a board member of Dance North and is 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****Member of Townsville Water and Waste, Planning and Development and Governance and Finance Committees**

0418 279 351	pat.ernst@townsville.qld.gov.au
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Diploma in Business

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.

Number of terms with council: 1



## COUNCILLOR TREVOR ROBERTS

### Division 6

#### Chair Infrastructure Committee

#### Member of Community and Cultural, Smart City Sustainable Future and Healthy and Safe City Committees

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

Diploma of the Australian Institute of Company Directors

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 RAY GARTRELL

### Division 8

#### Chair Townsville Waste and Water Committee

#### Member of Infrastructure, Planning and Development, and Sports Recreation and Parks Committees

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

Bachelor Human Resource Management

Master of Business Administration

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.

Number of terms with council: 2

## COUNCILLOR LES WALKER

### Division 10

#### Member of Infrastructure, Townsville Water and Waste, Planning and Development, Smart City Sustainable Future and Sports, Recreation and Parks Committees

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

Diploma of Correctional Administration

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 (non-consecutive)



## COUNCILLOR GARY EDDIEHAUSEN APM

### Division 7

#### Chair Healthy City Safe City Committee

#### Member of Community and Cultural, Sports Recreation and Parks, and Governance and Finance Committees

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

Cr Eddiehausen has extensive policing and disaster management experience, having served 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 COLLEEN DOYLE

### Division 9

#### Chair Inclusive Communities Advisory and Sister Cities Advisory Committees

#### Member of Community and Cultural, Smart City Sustainable Future, Healthy and Safe City and Governance and Finance Committees

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

Bachelor in Community Welfare

Cr Doyle has 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



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.

Council applies the following guiding principles when making decisions.

- (a) transparent and effective processes, and decision-making in the public interest
- (b) sustainable development and management of assets and infrastructure, and delivery of effective services
- (c) democratic representation, social inclusion and meaningful community engagement
- (d) good governance of, and by, local government
- (e) ethical and legal behaviour of councillors and local government employees.

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 below.

The **Corporate Governance and Finance Committee** is responsible for considering matters relating to Knowledge Management, Finance, Human Resources, Corporate Governance, and Communications and Customer Relations.

The **Infrastructure Committee** is responsible for considering matters relating to Construction and Maintenance, Technical Services, Corporate Asset Management and Major Projects.

The **Planning and Development Committee** is responsible for considering matters relating to Development Assessment, Infrastructure Development, Strategic Planning and Development Governance.

The **Community and Culture Committee** is responsible for considering matters relating to Libraries and Learning, Visual Arts, Performing Arts, Community Development, Cultural Development, Community Events, Community Grants and Community Centres.

The **Healthy City / Safe City Committee** is responsible for considering matters relating to environmental health services, crime prevention and public safety, regulatory services, liquor licensing and disaster management.

The **Smart City / Sustainable City Committee** is responsible for considering matters relating to climate change initiatives, sustainable building, energy demand management and eco-efficiency, Solar City programs, Sustainable Townsville Plan, National Greenhouse and Energy Reporting Framework, Natural Area Resource Management, Water Management strategies and Pest Management strategies.

The **Sport, Recreation and Parks Committee** is responsible for considering matters relating to Parks Services, Sport and Recreation Services, Community and Sporting Facilities and Active Communities Programs.

The **Townsville Water and Waste Committee** is responsible for considering matters relating to Utility Services, Water Services, Wastewater Services, Commercial Performance and Programs, and Technical Support.

All meetings are governed by the council's Code of Meeting Practice, Local Government Act, 2009 and Local Government Regulations 2012. In January 2013 the Code of Meeting Practice was revised together with all the Terms of Reference for the eight Standing Committees following changes to the Local Government Act and Regulations.

The community can participate in council's decision-making processes in a variety of ways for example:

- » making submissions on development applications and other key planning documents as advertised
- » submitting a petition on a matter of concern for council's consideration
- » requesting a deputation to address council on a matter
- » contacting their Divisional councillor
- » provide feedback through council surveys
- » attend council workshops and public meetings.

Council welcomes the community to have its say and in 2013/14 a Community Engagement Strategy will be adopted and implemented.

## Openness and transparency

In the interests of openness and transparency all councillors are required to lodge a statement of interest on council's public website. In addition any conflict of interest relating to a council decision is recorded in the minutes of meetings.

All meetings of council and its standing committees are open to the public unless closed in accordance with Section 72 of the Local Government Regulations 2012. Once the deliberations are concluded in closed session, the meeting is re-opened to the public for the motion to be put to council for decision for the public record.

# Our Executive Team

## RAY BURTON

### *Chief Executive Officer*

Master Business Administration  
Graduate Diploma Local Government  
Diploma Australian Institute Company Directors  
Diploma of Business (Accounting)  
Diploma of Business (Local Government)  
Fellow Local Government Managers Australia  
Fellow Australian Institute of Company Directors  
Member International City Managers Association

Ray took up the position as CEO at Townsville City Council in August 2008. Prior to this, Ray held a number of executive positions in regional Councils in Victoria and Queensland as CEO at Bendigo and Pine Rivers Councils and a total 37 years' experience at executive level in local government. Ray's commitment is to lead an efficient organisation providing quality services, and advancing the local government industry.

## KIM CORRIE

### *Director Corporate Services*

Bachelor Business (Accounting)  
Master of Business (Corporate Governance and Human Resource Management)  
Diploma Australian Institute Company Directors  
Master of Business Leadership  
Graduate Certificate in Organisational Change

Kim started her career in finance before taking local government positions across New South Wales, the Northern Territory and Queensland. Kim commenced as Director for Thuringowa City Council prior to amalgamation in 2007. She is a results oriented person who enjoys the diversity and challenges of local government and contributing to community outcomes.

## GAVIN LYONS

### *Director Community and Environment*

Diploma in Public Health  
Diploma Australian Institute of Company Directors

Gavin started his career in 1974 with Townsville City Council working in various roles and then in 1993 took up a management position with Thuringowa City Council where he advanced to Director in 2000 until amalgamation in 2008. Gavin has also significant experience in Disaster Management and enjoys the challenge of the diverse services provided through his Division.

## NEIL ALLEN

### *Director Infrastructure Services*

Bachelor Engineering  
Master Business Administration  
Diploma Technology  
Diploma Management  
Register Professional Engineer of Queensland  
Fellow Institute of Public Works Engineering Australasia

Neil commenced with Townsville City Council in May 2007. Neil has a wealth of experience in Local Government after working for over 30 years in the sector, holding Directorate positions within a number of councils. His predominant skills and experience lie in senior management, project management, floodplain management, organisational change and team building.

## STEWART PENTLAND

### *Director Planning and Development*

Bachelor of Built Environment (Urban & Regional Planning)

Stewart commenced as Director in September 2011. Prior to working for council, Stewart spent his entire career in private sector construction and development consultancy roles. As a consequence, Stewart has a strong commercial focus, understanding project delivery from conception to completion and has a particular interest in regulatory reform and evolving the Local Government customer service model.

## KEN DIEHM

### *Director Townsville Water and Waste*

Bachelor of Commerce  
Master Business Administration  
Master Conflict and Dispute Resolution  
Diploma Australian Institute Company Directors

Ken started his career with council, holding a number of senior accounting positions before starting his own business as a consultant specialising in National Competition Policy reform. Ken then held positions as CEO of the Willows Sports Complex Joint Board and the CEO of NQ Water before re-joining council following the amalgamation in 2008 as Director of Townsville Water and Waste.

\*Ken concluded his role as Director on 5 April 2013. Keith Parsons was appointed the position from 1 July 2013.







## Our organisational highlights, challenges and priorities



**Ken Diehm**

**Director Commercial Businesses Division**



**Neil Allen**

**Director Infrastructure Services Division**

### Responsibilities

- » Townsville Water
- » Townsville Waste

- » Maintenance Services
- » Engineering Services
- » Property Management
- » Business and Financial Support

### Highlights from 2012/13

- » Construction of Mt Low Reservoir
- » Pipeline and Pump Station Renewal Programs were completed
- » Successful regional negotiation of a Code of Environmental Compliance for ERA63(3)
- » Successful renegotiation of environmental licences for Cleveland Bay Purification Plant and Mt Saint John Treatment Plant
- » Finalisation of the Integrated Regional Water Supply Strategy for the Townsville region
- » Installation of gas flaring system at Stuart Landfill to reduce emissions
- » Implementation of drop zones for e-waste recycling
- » Certification of new analytical method developed by Laboratory for Methyl Isoborneol and Geosamin Inwater
- » Smart Water Meter Pilot undertaken

- » Commenced the Townsville Recreational Boating Park (Stage One) and the Jezzine Barracks Redevelopment
- » Completed the Magnetic Island Walkway (Nelly Bay to Arcadia)
- » Installed two new rainfall and river gauge monitoring systems
- » Developed and implemented Contemporary Graffiti Management and Asbestos Management Plans
- » Delivered the Transport and Stormwater Asset Maintenance Program
- » Delivered 2012 Natural Disaster Relief and Recovery Arrangement works
- » Completed a 10 year planned maintenance schedule for council swimming pool

### Future Challenges

- » Changing regulatory framework for water service providers
- » Uncertainty about the future of the Carbon Tax
- » Difficulty attracting and retaining skilled staff and contractors

- » Reduced Infrastructure Charges Revenue due to a recovering economy
- » Keeping up with predicting community growth and infrastructure development

### Priorities for 2013/14

- » Capping works to be undertaken at Hervey Range and Jensen Landfills in preparation for installation of gas flaring systems
- » Complete construction of Douglas 1B Water Storage Reservoir
- » Update odour control system and rehabilitate assets at Cleveland Bay Purification Plant
- » Cleveland Bay Purification Plant capacity upgrade
- » Development of a Waste Reduction and Recycling Plan
- » Working with State government to develop industry-led Waste Strategy for Queensland
- » Development of maintenance strategy for Townsville Water and Waste's assets

- » Townsville Entertainment Convention Centre Maintenance
- » Complete integration of new Departments and Sections in Division
- » North Queensland Regional Roads Group
- » Jezzine Barracks Redevelopment (Completion 2014)
- » Support for the V8 Supercars Townsville 400 event
- » Blakeys Crossing Upgrade under Construction
- » Captains Creek Pathway – Stage 2 Completed
- » Townsville Recreational Boating Park – Stage 1 completed
- » Dalrymple Road Bridge – Design completed



**Gavin Lyons**

**Director Community and Environment Division**

- » Emergency Management
- » Environmental Health Services
- » Community Services
- » Integrated Sustainability Services
- » Library Services



**Stewart Pentland**

**Director Planning and Development Division**

- » Development Assessment
- » Strategic Planning
- » Development Governance



**Kim Corrie**

**Director Corporate Services Division**

- » Knowledge Management
- » Communications and Customer Relations
- » Financial Services
- » Human Resources – People Performance
- » Corporate Governance
- » Corporate Asset Management
- » Strategic Operational Projects

- » Network Demand Management (Energy) Program developed and implemented across council
- » Annual renourishment program at Rowes Bay completed
- » Shoreline Erosion Management Planning complete for Cungulla
- » Dry Tropics Water Smart program implemented
- » Townsville Sports Awards and Townsville Arts Awards hosted
- » E-books were introduced to the library lending collection
- » Visual Arts Strategy adopted
- » Community Strategic Action plans implemented
- » Council Events program delivered

- » Coordination of acquisition for the former TAFE site and QR North Yards sites
- » Launch of the Plan Right initiative
- » Planning Scheme submitted to the State Government for 1st State Interest check
- » Concept for Illich Park developed
- » Finalisation of the Ross River Flood study
- » CBD master plan adopted
- » Adoption of Economic Development Plan
- » Alignment of 10 year financial plan and 10 year CAPEX
- » Identification of a site for a motor sports precinct

- » Successful QAO Audit Result
- » Operating surplus achieved for the first time in over 10 years
- » Successful implementation of the Finance Enterprise and Assets Management and Corporate Performance Management applications
- » Implementation of a revised 10 year financial plan model
- » Conducted a strategic review of procurement with Council
- » Enterprise Agreements for Council staff approved
- » Drug and Alcohol policy adopted by Council
- » Bronze Award received for council's 2011/12 Annual Report
- » Implementation of the Strategic Marketing and Communications Tool and Social Media Action Plan

- » Declining opportunities for external grant funding
- » Managing community expectations in regard to available Council grant funding

- » Evolving legislative framework – (Infrastructure Charges Framework, Single State Planning policy, Single Assessment Referral Agency)
- » Maintaining and enhancing customer expectations whilst undertaking significant reform and change

- » Growing demand for Information and Technology services
- » Loss of funding from other levels of government.
- » Difficulty attracting and retaining skilled staff and contractors
- » Aging Workforce

- » Implementation of a Smart Buildings Trail
- » Implementation of an Enterprise Wide Energy Management System
- » Implementation of Radio Frequency Identification (RDIF) implementation tagging for the Library collection
- » Development of a visitation and usage analysis plan for Libraries
- » Development of an area Pest Management Plan
- » Rowes Bay Sand Renourishment program
- » Completion of the outdoor LED lighting retrofit project

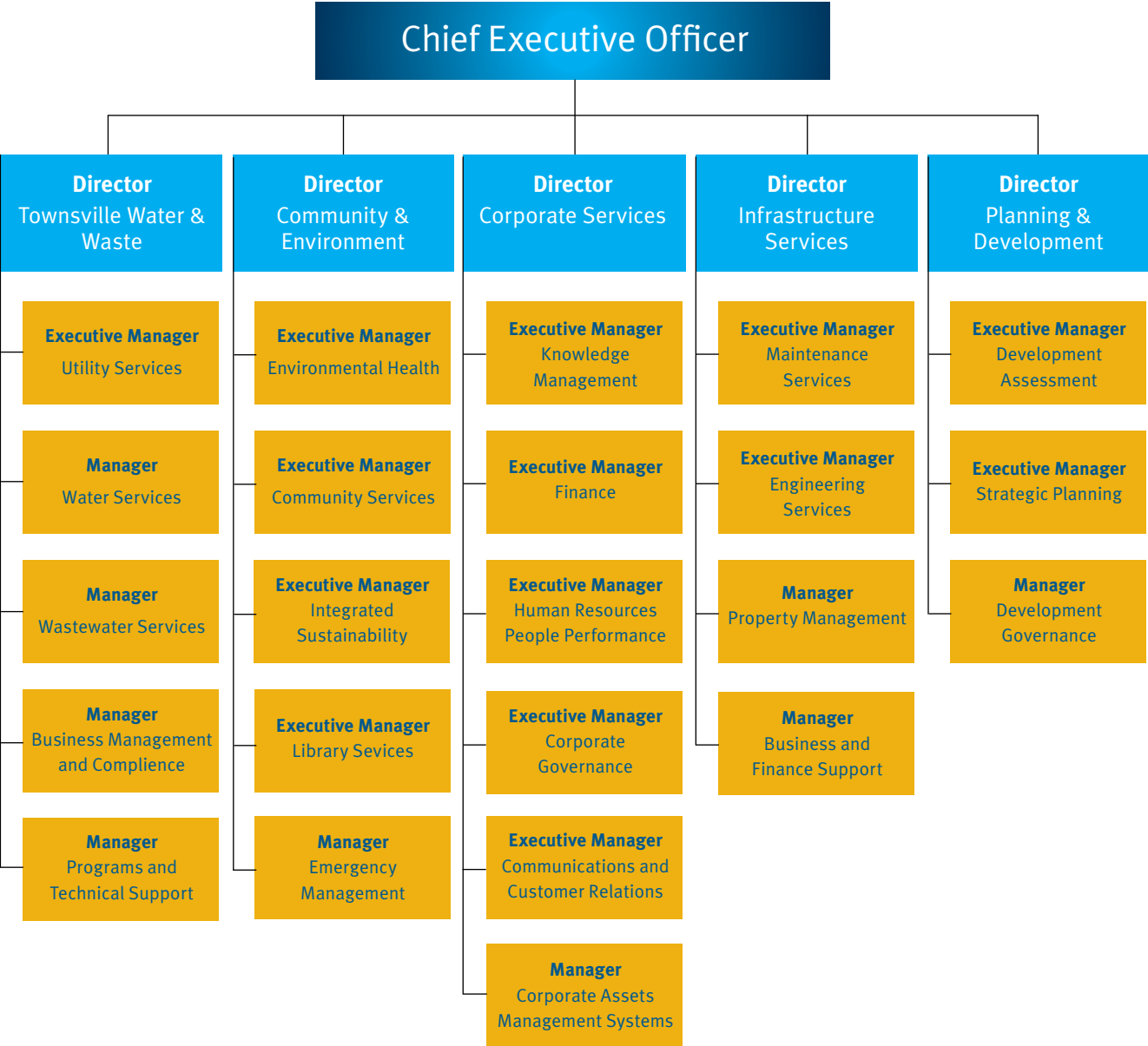
- » New Planning Scheme including PIPs adopted
- » Complete Development Manual
- » Fee review program (FRAP)
- » Engage in “Concept to Construction” program
- » Ross Creek promenade pathway planning completed
- » Place making pop-ups delivered
- » Townsville Urban design philosophy delivered
- » Centres Design Manual delivered
- » CBD Stadium business case completed
- » Development of an ongoing flood model management framework
- » Ensure priorities for grant funded projects are agreed and identified in CAPEX

- » Development of council's Corporate Plan 2014 – 2019
- » Develop and deliver the MiTownsville initiative
- » Implementation of mobility products and services to increase the efficiency of council's mobile workforce
- » Review of Smart Service Program
- » Implementation of the Information Management Steering Group
- » Development of a Legislative Compliance Program
- » Undertake an Organisational Culture Survey
- » Development of a Workforce Planning Strategy

# Our Services



Townsville City Council provides a wide range of services to the community. To facilitate the delivery of services, the council’s organisational structure consists of the following Divisions and Departments.



During the year, council undertook a piece of work to categorise all of the various activities it undertakes into a hierarchy of services as outlined below. There are eight core services, comprised of 34 services. This service structure was established in order to present the work of council to the community in language that is understood by and meaningful to them.

This services structure will feature in our Operational Plan and Budget 2013/14.

## Community & Culture

- » Cemeteries
- » Community & Cultural Services
- » Community Support Programme
- » Emergency Management
- » Enforcement/Compliance
- » Events
- » Facilities
- » Galleries
- » Libraries
- » Sport & Recreation

## Enabling Services

- » Asset Management
- » Buildings & Facilities Management
- » Business Management
- » Communication and Customer Relations
- » Corporate Research
- » Financial Management
- » Fleet Management
- » Governance
- » Information Communication Technology
- » Laboratory Services
- » People
- » Trade Services

## Environmental & Sustainability

- » Environmental & Natural Resource Management
- » Environmental & Sustainability Services
- » Sustainability Services

## Public Infrastructure

- » Coastal Facilities
- » Drain & Stormwater Management
- » Open Space Management
- » Roads & Transport Management

## Solid Waste Management

- » Solid Waste Business Management & Strategy
- » Solid Waste Collection & Recycling
- » Solid Waste Treatment & Disposal

## Waste Water Services

- » Waste Water Supply

## Planning & Development

- » Urban Planning/Built Environment

## Water Services

- » Water Supply

# Celebrating our achievements

Our council received a variety of awards and accolades during 2012/13 in recognition of our efforts to continuously improve the quality of service delivered to our community.

1. Winner of LGMA QLD Awards for Excellence 2013 - recognising outstanding achievement in Queensland local government - Sustainability CBD Development Incentives Program (and won the collaboration category for the Council's Water Alliance with Cairns and Mackay)
2. Winner of 2013 Annual QLD Civil Construction Industry Awards in the category of "Outstanding Commitment to Training and Skill Development – Employer"
3. National Local Government Award for Regional Collaboration – Citysolar partnership program (Townsville Queensland Solar City)
4. Townsville Airport North Queensland Tourism Awards for Festival & Events – Strand Ephemera 2011 (Perc Tucker)
5. IPWEAQ Engineering Excellence Overall Winner 2012 for Flinders Street Redevelopment
6. Winner of AustStab Excellence in Recycling in Stabilised Pavements in Local Government for 2013
7. Townsville City Council with IBM won Smart Infrastructure Project award at 2013 National Infrastructure Awards for the IBM Townsville Smart Water Pilot

8. Winner of Customer Service Institute of Australia (CSIA) Service Excellence Awards. Council won the award for Queensland Local Government Service Excellence as well as Service Excellence in a Contact Centre for Queensland. On a national level, Townsville City Council was highly commended in the category of Local Government.

9. Australian Reporting Award 2013 (ARA) – Bronze Winner for Council's Awards Report 2011/12

## Individual Acknowledgements Include:

1. **Tamara Cusack** – sole recipient for Queensland for a Foundation Grant from the Institute of Public Works Engineering Australasia - international study tour of Europe and America with the theme "Best Practice, Innovation and Sustainability"
2. **Ray Burton** – Winner of Public Sector Professional of the Year
3. **Natalie Mudd** – regional finalist in the young manager's category for the AIM Awards



*Susan Gheller and Adam Bury receive two Service Excellence Awards*



*Ray Burton won Public Sector Professional of the Year*



# Celebrating Community Achievements

## Annual Report

Council greatly appreciates and values the work done outside council by some individuals or organisations and we recognise their hard work in the community by form of awards.

Award Ceremony	Award Type	2013 Winner
Australia Day	Citizen of the Year	Chris Mills
	Young Citizen of the Year	Mikkayla McLeod
	Community Event of the Year	Carmichael Motors Mercedes-Benz Townsville Fashion Festival
	Senior Sports Award	Nathan Burgers
	Junior Sports Award	Rebecca Church
	Sports Administrator Award	Greg Huppatz
	Cultural Award	Aiden Barker
	Achievement Award / Spirit of Townsville Award	Jason Roberts
Arts Awards	Visual Arts Exhibition Award	Break A Leg
	Visual Arts Individual Award	Sue Tilley
	Writing Award	Lindsay Simpson and Victoria Kuttainen
	Film and Multimedia Award	Bjarne Ohlin
	Dance Award	Cabaret Lumiere - La Luna Youth Arts
	Technical Award	Thomas Hall
	Music Award	Neil Smith
	Event/Festival of the Year	The Spindle Sideshow
	Jean-Pierre Voos Theatre Award	Terri Brabon and Brendan O'Connor
	Regional Arts Development Fund Award	Spinal Injuries Association
	Outstanding Performance of the Year	Kevin Wright
	Limelight Award	Terry Brown
	Production of the Year	Barrier Reef Orchestra & Kodaly Music Education Institute of Australia (Townsville Chapter)
Sports Awards	Volunteer Sportsperson of the Year	Jodie Buswell (BMX)
	Sports Team of the Year	Aus 26 Sailing Team Michael Guinea and Viv Haydon
	Junior Sportsperson of the Year	Katie Hudson (Field Archery)
	Senior Sportsperson of the Year	Rhys Dearness (Indoor Cricket)
	Veteran Sportsperson of the Year	Eric Christie (Fullbore Target Rifle Shooting)
Seniors' Awards	Female Senior of the Year	Muriel Jones
	Male Senior of the Year	Bernard Smith
Environmental Excellence and Sustainability Awards	Sustainability in Business	Horan and Bird
	Individual Initiative	Terry Gehringer
	Neighbourhood/Local Resident	Christine Dalliston
	Community Group	Coastal Dry Tropics Landcare Inc.
	Junior Schools	Belgian Garden State School
	Senior Schools, TAFE, University	Townsville Flexible Learning Centre

# Our Community Plan Report



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, which resulted in the plan's development.

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 consists of four Themes

### » 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. 2012/13 is the second year the Community Plan has been in place and the measures of achievement tracked. We can now start to compare the data and trends identified.

### » Strong, connected community

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.

# Our performance shaping Townsville

Annual Report

*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	2012/13 Result
Population growth in Townsville	2.4% ^	2.4% ^
Percentage of the community who rated high or medium satisfaction with planning for commercial development	75%	78%
Percentage of the community who rated high or medium satisfaction with planning for residential development	75%	76%
Number of dwellings which can be accommodated within the existing zoned and approved residential land across Townsville city.	65,000	65,000

^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	2012/13 Result
Number of heritage listed properties within Townsville	1,390	321
Percentage of the community who rated Flinders Street as of high or medium importance	87%	80%
Percentage of the community who rated the Riverway Precinct and Tony Ireland Stadium as of high or medium importance	87%	90%
Percentage of the community who rated the Strand as of high or medium importance	96%	98%

## ***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	2012/13 Result
Residential population within the Townsville CBD	2,407	3,729
Overall office vacancy rates within the Townsville CBD	16.4%	21%



**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	2012/13 Result
Percentage of the community who rated the removal and treatment of waste water from their property as high or medium importance	84%	80%
Percentage of the community who rated the quality and reliability of water supply as high or medium importance	99%	100%
Percentage of the community who rated high or medium satisfaction with the condition and safety of local roads	98%	77%

**Well connected Townsville**

The provision of infrastructure such as public transport, roads, walking and bike paths, communications and digital networks that

Measure of Achievement	2011/12 Result	2012/13 Result
Percentage of the community who rated high or medium satisfaction with bike paths and walking trails	85%	85%
Number of bus stops provided by council within Townsville	987	986
Percentage of residents commuting less than 20 minutes to work	69%	69%*

\*Data not produced in 2012/13; figure represents last data available.





# Our Performance making a Strong, Connected Community

Annual Report

*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	2012/13 Result
Number of volunteers within the community	1,437	4,320
Number of bookings in council managed community facilities and spaces per annum	52,007	60,434
Attendance at events and activities staged in council managed community facilities and spaces	3,031,527 <sup>^</sup>	2,765,785 <sup>^</sup>

<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	2012/13 Result
Attendance at council managed community cultural events and activities	121,925 <sup>^</sup>	124,364 <sup>^</sup>
Number of council facilities accessible to community members with limited mobility, including people with a disability, seniors and parents with strollers	116	132
Attendance at The Cultural Centre Townsville	2,106	2,943
Number of support / service organisations for the Culturally and Linguistically Diverse community	61	72

<sup>^</sup>Estimated





### *Develop a vibrant arts lifestyle*

Embracing the richness and talent of the arts community.

Measure of Achievement	2011/12 Result	2012/13 Result
Attendance at council operated performance spaces within Townsville	173,317	110,006
Attendance at council operated galleries within Townsville	115,335	96,730
Number of performing arts organisations within Townsville	142	149
Number of visual arts organisations within Townsville	33	39
Number of literary organisations operating within Townsville	9	9
Percentage of the community who rated high or medium satisfaction with local galleries	82%	83%

### *Develop a sense of safety*

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

Measure of Achievement	2011/12 Result	2012/13 Result
Number of individual trips using public transport	1,253,475	1,374,340
Percentage of the community who rated community safety programs (e.g. CCTV cameras, security guards) as of high or medium importance	76%	98%
Percentage of the community who rated the management of emergency events such as cyclones and floods as of high or medium importance	88%	100%
Percentage of the community who rated mosquito control as of high or medium importance	82%	96%
Number of reported offences against persons per 100,000 people	1.3	1.3
Number of reported offences against property per 100,000 people	7.1	8.3



## 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	2012/13 Result
Number of sporting organisations within Townsville	254	259
Number of public parks within Townsville	320	330
Average distance residents have to travel to a park	5km	5km
Area of park and open space per capita	130m <sup>2</sup>	130m <sup>2</sup>
Number of public swimming pools within Townsville	12	12
Number of lifeguard patrolled beaches within Townsville	5	5
Percentage of the population who regularly participate in non-organised physical activity	38.5%	38.5%*
Percentage of the population who regularly participate in organised physical activity	12%	12%*
Percentage of the population who regularly walk, run, or ride	39%	39%*

\*Data not produced in 2012/13; figure represents last data available.

## Open, honest and accountable leadership

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

Measure of Achievement	2011/12 Result	2012/13 Result
Number of community engagement activities undertaken by council per annum	65	81
Number of likes on council's Facebook pages as at the end of the financial year	18,211	22,122
Number of visits to council's website per annum	634,912	806,379
Number of followers on council's twitter accounts as at the end of the financial year	3,293	5,064
Percentage of the community who rated high or medium satisfaction with consulting and engaging the community	74%	76%

# Our performance creating an 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	2012/13 Result
Number of participants in natural area conservation and restoration activities	4,153	650
Percentage of the community who rated high or medium satisfaction with the protection of bush land and wildlife	80%	88%
Percentage of the community who rated high or medium satisfaction with council environmental initiatives (e.g. revegetation, city solar)	80%	87%
Area of habitat retention within Townsville	33%	33%
Number of habitat restoration and community revegetation programs undertaken within Townsville	12	8

## **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	2012/13 Result
Number of creek watch activities conducted per annum within Townsville	84	124
Percentage of the community who rated high or medium satisfaction with the protection of beach foreshore	88%	90%
Percentage of the community who rated high or medium satisfaction with the water quality in our waterways	89%	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	2012/13 Result
Average weight of waste collected per kerbside waste bin serviced	13.97kg/bin	16.65kg/bin
Total weight of recycling sent for processing per annum	15,430 tonnes	12,252.5 tonnes
Total weight of waste delivered to landfill sites per annum	377,355 tonnes	340,794 tonnes
Percentage of effluent re-used per annum	14%	15%
Percentage of properties choosing Water Watcher water pricing	19%	19%



# Our performance 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	2012/13 Result
Gross Regional Product	\$13.38 billion	\$13.38 billion
Number of building applications approved within the city (residential, commercial and industrial)	4,102	3,853
Value of building applications approved within the city (residential, commercial and industrial)	\$664,964,203	\$682,452,407
International visitation per annum	109,000	112,000
Domestic visitation per annum	975,000	911,000

## **An innovative and highly skilled city**

We will create new skills and business opportunities.

Measure of Achievement	2011/12 Result	2012/13 Result
Percentage of school leavers continuing on to tertiary education	32.9%	32.4%
Percentage of school leavers continuing on to vocational education and training	26.5%	24.7%
Growth in Gross Regional Product	8.6%	8.6%
Number of research institutions within Townsville	6 <sup>^</sup>	6 <sup>^</sup>

<sup>^</sup> AIMS, CSIRO, JCU, Reef & Rainforest Research Centre Ltd, the Australian Tropical Sciences and Innovation Precinct and GBRMPA

### A community that benefits from Townsville's economy

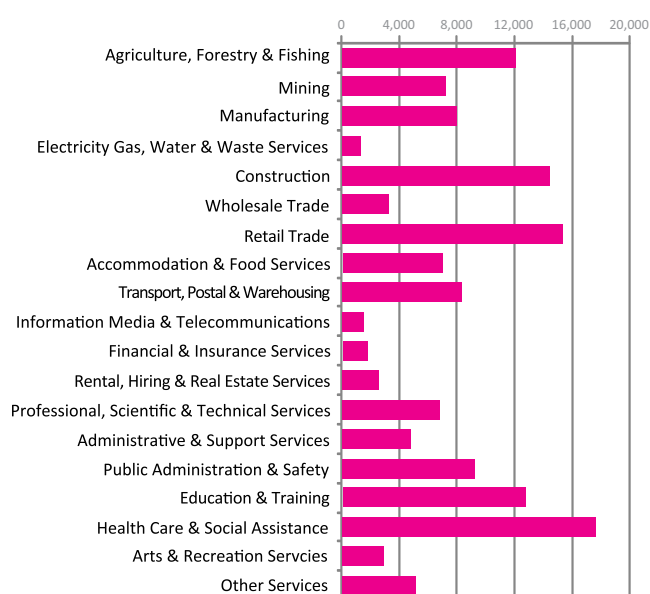
We will ensure the benefits of economic growth are shared throughout the community.

Measure of Achievement	2011/12 Result	2012/13 Result
Gross Regional Product per capita	\$68,017	\$69,600
Median total household income per week	\$1,381	\$1,381*
Unemployment rate	6.3%	4.7%
Employment rate	71%	69.6%
Labour market distribution by industry	Refer graph below	Refer graph below

\*Data not produced in 2012/13; figure represents last data available.



#### EMPLOYMENT DISTRIBUTION BY INDUSTRY



### A city that sustains and prospers from its environment

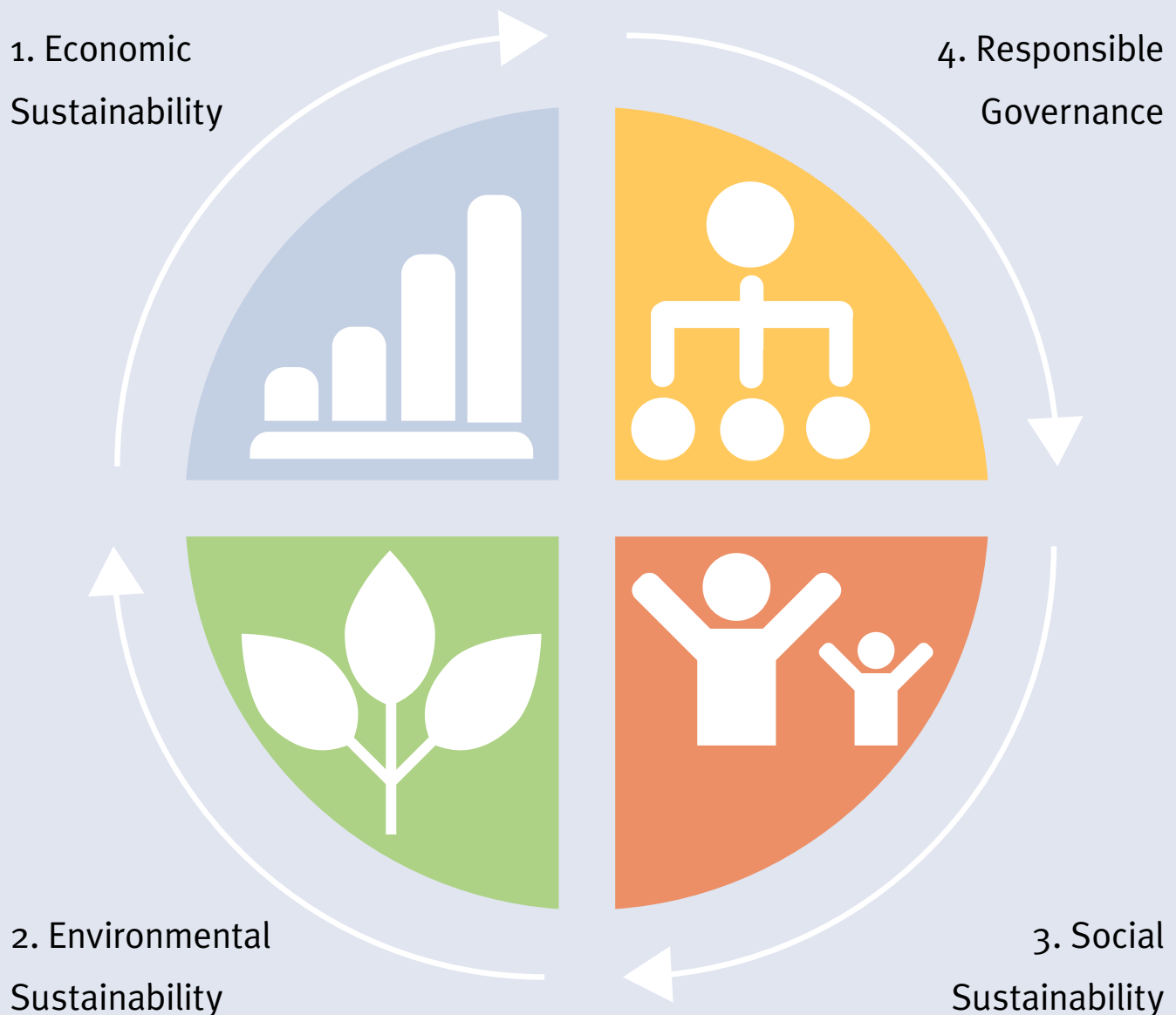
The community will partner with business and industry to create a more resource efficient economy that generates new, sustainable development, businesses and jobs.

Measure of Achievement	2011/12 Result	2012/13 Result
Number of environmental product / services representatives enrolled in the council's Sustainable Network	70	80
Number of Eco-Tourism Australia Certified businesses based within Townsville	6	8
Number of Climate Action Certified tourism businesses based within Townsville	2	3

# Delivering on the outcomes of our Corporate Plan

The Corporate Plan 2009-2014 will end on 30 June 2014. The development of a new Corporate Plan will commence late in 2013. Council has adopted the quadruple bottom line approach as a reporting format to demonstrate how council is delivering a quality lifestyle for Townsville now and into the future.

The following four sections demonstrates council's performance against each of its goals. Each section includes a summary and detailed account of council's performance, the challenges faced during 2012/13 and looking forward. Where possible we have included statistical and graphical representation of data and the results of our Community Attitude Survey 2011 and 2013.





# Goal 1: Economic Sustainability

# 1

Annual Report

## Our contribution to a robust, diverse and sustainable economy

Council is a passionate advocate for the 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 and 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 Performance

- » Commenced investigations into finding a location for a Motor Sports precinct
- » Laboratory Services developed a strategy to expand their external customer market share
- » Conducted the North Queensland Tourism Expo
- » Developed a Character Precinct Code
- » Completed the Community Infrastructure Study
- » Developed an Administration and Operational Facilities Master Plan
- » Urban Flood Level Constraints Map for City was developed
- » Draft Floodplain and Drainage Codes and Manuals were developed
- » Draft Planning Scheme sent to State Government for state interest check
- » Magnetic Island walkway completed
- » Asset renewal planning tool implemented for Townsville Water and Waste
- » Integrated Regional Water Supply Strategy finalised
- » Interim report for the proposed new Sports Stadium and Events Facility developed



We are on track to achieve our outcome



We are making good progress



We are not on track but taking corrective action

### Challenges faced during 2012/13:



- » An increase in donated park assets from new developments resulting in significant increase in open space areas requiring maintenance using existing council resources
- » Meeting community expectations and predicting community growth and development in both the residential and commercial sector
- » Increases in electricity costs, carbon tax and insurance premiums
- » A \$4.6 million increase in council's depreciation of assets
- » Delayed projects e.g. Townsville Recreational Boating Park due to Land Tenure matters
- » Loss of funding for apprentices and trainees through the State Government's decision to discontinue the First Start Program

### Summary of Operational Plan Progress



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

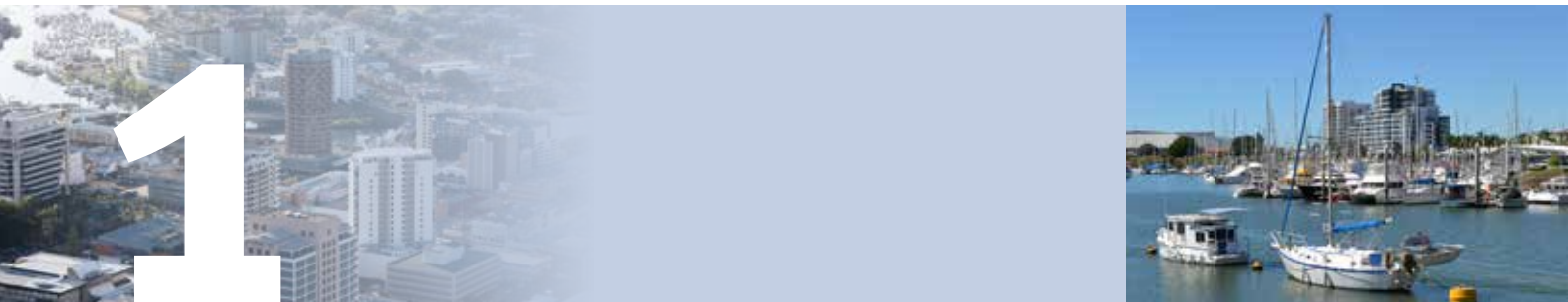
-  1.1 Promote investment and assist the development of emergent industries and businesses
-  1.2 Engage with regional, state and national stakeholders in the creation of a strong and resilient economy
-  1.3 Increase the city's profile through marketing initiatives, the delivery of festivals and events and support for other community based activities
-  1.4 Promote the city's distinctive physical character and strong sense of place and identity

#### 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



### Looking forward to 2013/14 we will: >>

- » Plan and deliver 36 special events in accordance with council's Event Program
- » Conduct a Business Connect event
- » Develop a Roads and Transport Service Delivery Management Plan and Renewal Strategy
- » Develop a council Vacant Land Management Plan
- » Adopt a new City Plan
- » Adopt an Economic Development Plan
- » Develop a Flood Model Management Framework
- » Commence construction on Blakey's Crossing
- » Develop an Open Space Service Delivery Management Plan
- » Host the North Queensland Tourism Expo
- » Host Mayor's Business Forum

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

Council this year hosted the **North Queensland Tourism Expo**. This home grown tourism venture featured almost 30 regional attractions including Townsville Military Tours, provided visitors with a rare insight into the city's military heritage with a personalised tour of museums and monuments and the retelling of stories of soldiers from the Boer War to Afghanistan. These educational, informative tours told the amazing history, highlighting the depth of military story in Townsville. The Tourism Expo was also a great opportunity for local tourism operators to promote their attractions not only to visitors but to local residents.

**The Digital Economy Strategy** was adopted during the year and is an initiative of council, the Queensland Department of State Development Infrastructure and Planning and Regional Development Australia Townsville and North West Queensland Inc. Townsville was selected as a National Broadband Network (NBN) first and second release site, with planning for close to half of Townsville premises to have access to NBN connection by the end of 2013. Townsville's selection provides the city with a network advantage over other Australian cities and will enable connection to a super-fast broadband network to remain competitive in a global economy. It is anticipated that as a result of the NBN council will collaborate with other regional councils to develop online shared service delivery to improve the level of service to ratepayers.



A marketing plan and collateral package targeted specifically at increasing council's **Laboratory Services'** external market share was developed and implemented during the year. The marketing strategy, together with the development by the Laboratory of new testing methodologies, has allowed Laboratory Services to extend its market share into new areas of testing such as microbiological and organics analysis.

Council's **Draft City Plan** has been under development for the past three years and in April 2013 was signed off and sent to State Government for state interest check. The City Plan will be the first, single planning scheme to guide development for the amalgamated Townsville and Thuringowa areas. It will replace the Townsville City Plan 2005 and City of Thuringowa Planning Scheme 2003.

The Plan is a legal document prepared by council under the Sustainable Planning Act 2009. It guides and regulates the development of land in the local government area. The priority for the Draft City Plan is to provide a balanced and sustainable approach to meeting the city's growth, while avoiding the potential pitfalls and high costs to ratepayers of urban sprawl and ad-hoc development. On track for adoption in 2014, the City Plan will be in place for 10 years.

As part of the development of the new City Plan, a number of significant bodies of work were carried out including the **Priority Infrastructure Plan (PIP)**. The PIP is the part of the planning scheme which outlines a local government's plan for the provision of trunk infrastructure to service urban development in a coordinated, efficient and orderly way. The PIP contains assumptions about the projected population, housing and employment growth of the city for the next 15 years. It documents the desired standards of service and demand for infrastructure.

Trunk infrastructure is 'higher order' network development infrastructure. Development infrastructure is basically, land and/or works for water cycle management (including water supply, sewage and drainage), transport, parks and land for community facilities.

District parks, sub-arterial roads, sewerage pump stations and water supply reservoirs are all examples of trunk infrastructure.

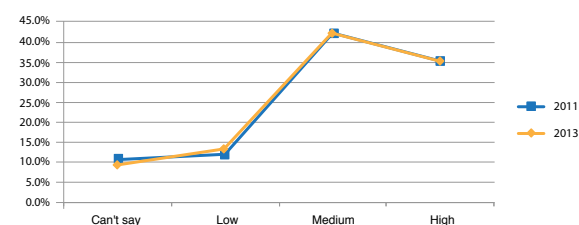
As part of the Draft City Plan, a number of policies were developed including:

- » Character residential planning scheme policy
- » Cultural heritage planning scheme policy
- » Development manual planning scheme policy
- » Economic impact assessment planning scheme policy
- » Emerging community planning scheme policy

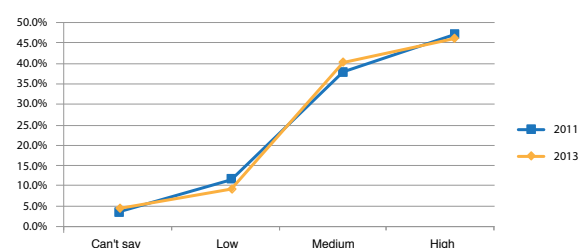
- » Flood hazard planning scheme policy
- » Mitigating bushfire hazard planning scheme policy
- » Natural assets planning scheme policy
- » Parking rates planning scheme policy

## What you told us

SATISFACTION WITH SUPPORTING LOCAL INDUSTRY AND BUSINESS

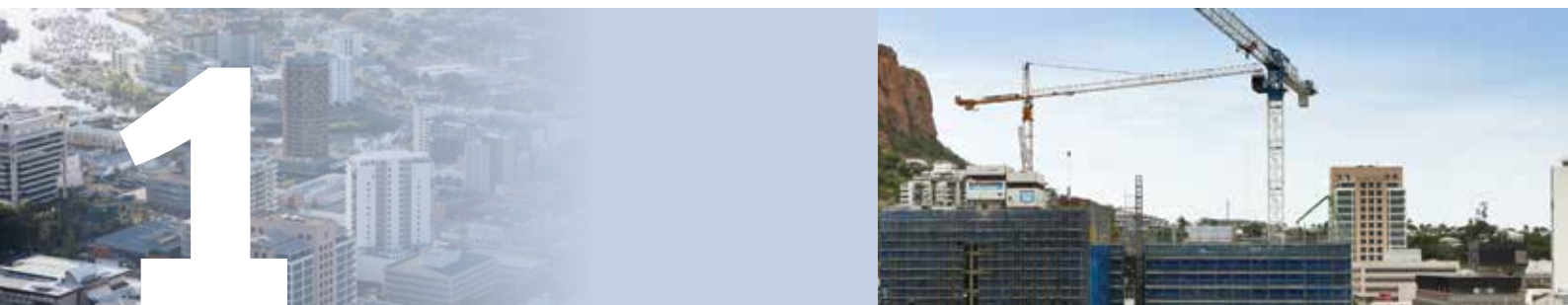


SATISFACTION WITH PROMOTING THE CITY



Performance Indicator	2011/12	2012/13
Employment rate	71.4%	69.6%
Unemployment rate	6.3%	4.7%
Gross Regional Product	\$13.38 billion	\$13.38 billion*
Growth in Gross Regional Product	8.6%	8.6%*
Gross Regional Product per capita	\$68,017	\$69,600*
Median total household income (\$/weekly)	\$1,381	\$1,381*
Population growth	2.4%	2.4%*
Number of commercial building applications approved per annum	293	356
Value of commercial building applications approved per annum	\$241,093,107	\$270,832,812
Number of new dwelling building applications approved per annum	1,288	1,248
Value of new dwelling building applications approved per annum	\$347,455,333	\$336,005,096
Number of residential unit building applications approved per annum	18 applications consisting of 105 units	29 applications consisting of 241 units
Value of residential unit building applications approved per annum	\$22,624,889	\$42,030,145
Percentage of the portfolio of preferred suppliers awarded to local suppliers	75%	72%
Percentage of total council spend allocated locally	53.50%	49%
Number of large passenger vessels visiting the city per annum	6 (2,932 passengers)	3 (1,206 passengers)

\*Data not produced in 2012/13; figure represents last data available.



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

The **Jezzine Barracks** is a public asset and a major heritage and community site within the city. The redevelopment of the site has included demolition works completed in 2012/2013. Road and car parks, paving, stormwater, sewer and water, electrical distribution, soft landscaping and irrigation, boardwalk and pathways were all underway, with the project 60% complete at June 2013, surpassing the target of 50% complete.

The redevelopment is the most exciting public recreational project in Townsville since the Strand and Riverway developments and will transform the site into a world-class addition to the internationally acclaimed Strand. Completion of the \$40 million redevelopment is anticipated in March 2014. The project is a partnership between council (\$10 million), the Queensland State Government (\$10 million) and the Commonwealth Government (\$20 million).

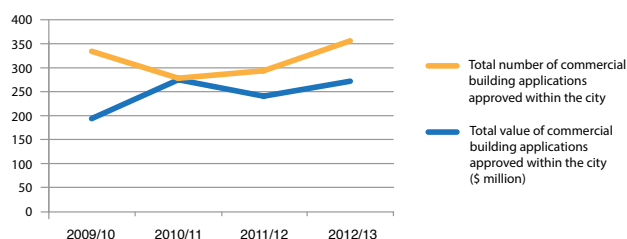
Councils' commitment to lead the city to a strong, resilient future continued as was evidenced by **The Townsville Shines campaign** which was a great success, reaching more than 240,000 Twitter users over a nine day campaign. The Townsville Shines hash tag appeared in Twitter feeds almost 1 million times and peaked in the lead up to the Sucrogen Townsville 400. Council also viewed the campaign as an innovative way to promote Townsville during the city's peak tourist period.

This was the first time council implemented a marketing campaign solely using social media. The campaign included 10 events over 10 days from flash mobs, to shopping centre and event appearances. The aim of the campaign was to reach as many visitors as possible to encourage them to consider Townsville as a possibility for their next holiday, investment or maybe even a lifestyle change.

Townsville's growing reputation as a **major education destination** was acknowledged with a civic welcome for international students at council's Mayoral Reception Room. Council acknowledges that the number of international students is now over 2,000. Up to 100 students studying at James Cook University, Barrier Reef TAFE, the English Language Centre, the Australian Agricultural College, and a number of the city's private and government schools attended. Townsville's enviable northern lifestyle and renowned educational and research institutions has made the city an ideal destination for international students. Townsville is a perfect place to study and to enjoy the Australian experience. International students now contribute an estimated \$60 million to the local economy each year.

**Commercial building applications** increased in number and value this financial year, to levels greater than have been seen in the past four financial years. 356 commercial applications were received, with a total value of \$270.8 million. Applications for residential dwelling and unit complexes decreased slightly this year but are still significantly improved from the low experienced in 2010/11.

BUILDING APPLICATIONS



Council gave preliminary approval for a conceptual master plan for the **redevelopment of Calvary Temple Christian College** for its Mount Louisa campus. Council approved a recommendation for a material change of use for the proposed master plan to guide the expansion of the college from 600 students to 1,700 students over the next 11 years.

This will provide the planning framework to guide the on-going development of the church and school operations over the next decade to meet increased demand for **education** in the city. The preliminary approval of the master plan provides certainty to Calvary Temple and the broader community that council supports the future development of the area. It is council's desire to see the school expand to meet the demand for education facilities in the area and the development of a comprehensive master plan is an important first step.

Council completed the second Phase of the Capacity Building Program, **Project Hetura**, which is a celebration of mateship and working together. For over 10 years, council has participated in the capacity building program with the National Capital District Commission in Port Moresby, Papua New Guinea. The program is administered by the Commonwealth Local Government Good Practice Forum (CLGF) through the Good Practice Scheme, with all travel and accommodation funded by AusAid.

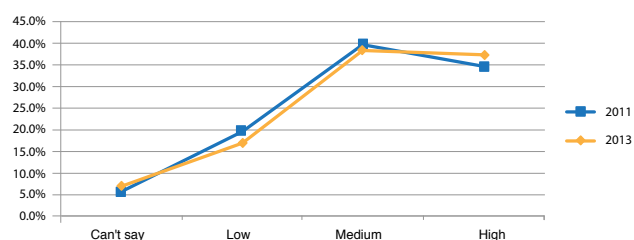


Like many cities in the Pacific Region, urban migration has resulted in a significant increase to the population of Port Moresby, which in turn challenges to the ability of the NCDC to govern effectively and ensure necessary service delivery. Drawing on the skills and expertise of council staff, Project Hetura has, over the years, assisted in the areas of IT, planning and development, governance, human resources and communication, sustainable practices and waste management. Council has been recognised by the PNG Federal Government, the Governor and City Manager of the NCDC for the positive impact of the project on service delivery.

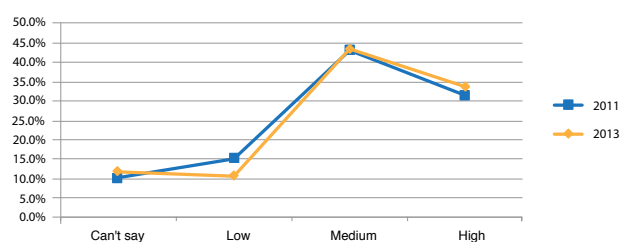
Funding for a third phase of Project Hetura is currently under consideration by AusAid and the PNG Government. Despite the suspension of activities while a new funding proposal is being developed, council will retain linkages with Port Moresby and PNG through the relationships that have been developed and through the Sister City Program.

### What you told us

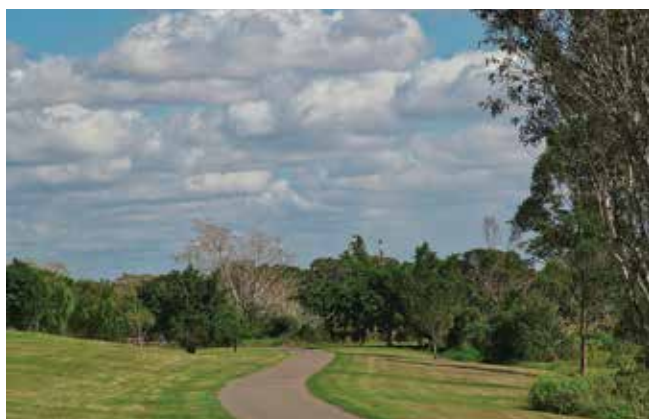
SATISFACTION WITH PLANNING FOR RESIDENTIAL DEVELOPMENT



SATISFACTION WITH PLANNING FOR COMMERCIAL DEVELOPMENT



Performance Indicator	2011/12	2012/13
Number of dwellings which can be accommodated within the existing zoned and approved residential land across Townsville city	65,000	65,000
Percentage of the community reporting medium or high satisfaction with bike paths and walking trails	84.9%	85.3%
Percentage of residents commuting less than 20 minutes to work	69.15%	69%
Percentage of the population residing within 400m of a bus stop	90%	90%
Number of connections to the water supply	77,910	80,652
Number of properties connected to sewage	67,440	68,444
Percentage of households receiving a minimum of 220kpa water pressure	100%	100%
Percentage of treated sewerage effluent meeting licence levels	93.87%	94.1%





## Infrastructure that meets community needs

'Townsville is open for business', this is the message council promoted to investors throughout the year. During the year, **incentives to attract new projects** and investment in the city were introduced as part of a key package of support for economic growth and jobs. Council recognised that businesses were doing it tough and needed real support to encourage and attract sustainable investment to the city.

As a result, council cut processing times for development approvals, and provided incentives through reduced fees and charges to attract investment to the CBD. These incentives attracted proposals for eight new projects, three of which have already started.

Council granted a 100 per cent waiver of the infrastructure charges for a cinema complex, restaurant and cafe associated with the Central Village development in Flinders Street West. The council agreed to a submission to double the 50% discount on charges through the CBD Development Incentives Scheme at a full value of \$712,135 to enable the project to be financially viable.

Council developed an interim report for the proposed new sports stadium and events facilities as part of the proposed **Townsville CBD Master Plan**. The future sports stadium, entertainment precinct, new breakwater marina and waterside boardwalk with links across Ross Creek are an exciting vision for the Townsville CBD revitalisation.

Council provided the final seal of approval in April 2013, commencing the process for the State Government interest review to be completed. Council engaged with various stakeholders and has been liaising with developers on opportunities for hotels, residential, retail and commercial projects.

Council achieved its target of reviewing a location for a **Motor Sports Precinct**, with Bidwill Road, Calcium (former CSIRO Landsborough Station) in the city's west identified as the best option for a potential home for motorsports. This has been a major breakthrough in establishing a driver education and motor sports precinct in Townsville. Up until now the proposal had not progressed because of the lack of a suitable site.

Council ensured workers, shoppers and tourists continued to have convenient bus options in the CBD by providing a city loop and Dean Street car park **bus shuttle service**. Council is committed to the services, some of which were provided as part of the Red Bus circuit, which the State Government and Transit Australia Group replaced.

The **Magnetic Island Walkway - Nelly Bay to Geoffrey Bay** has been completed. Sunday 3 March 2013 saw hundreds of people head to Geoffrey Bay to celebrate the official opening of the 710m Gabul Way, Magnetic Island's newest scenic walkway. The occasion marked the end of a 15 year campaign from the Magnetic Island Community to improve the safety of pedestrians as they move between Nelly and Geoffrey Bays.

Council worked closely with Optus this year to improve the services provided to residents in the Jensen area. Council gave approval for a new Optus phone tower to improve **Jensen's mobile telephone reception coverage** to be installed on a section of land within the Jensen Landfill and Transfer Station.

Council completed a significant program of **NDRRA** works right across the city during the year. The works were systematically completed by contractors on a priority basis. In July, council undertook the reconstruction of a section of Charles Street in Kirwan as part of the extensive disaster recovery works on Townsville's roads. This fixed a particularly bad stretch of road that required full reconstruction. In addition to this, council continued its citywide roads rebuild, with \$34 million invested over and above the \$70 million in Federal disaster recovery funding for repair works for damage sustained in 2011's big wet.

The busy access road of **William Angliss Drive** in Annandale received a major rebuild during the year, with the intersections at Glendale Drive and MacArthur Drives renewed. The works included reconstruction and re-laying of asphalt to improve the driving surface of approximately 610m of the road. This project was crucial as William Angliss Drive is an important arterial road that carries a considerable amount of traffic in and out of Annandale every day.

The total length of **council controlled sealed roads and stormwater pipes** has increased by 26km and 12km respectively since last year. This is an expected annual occurrence as new housing developments are completed and the road and stormwater infrastructure is handed over to council to maintain. Council previously managed pathways in parks and road reserves separately, however a review of infrastructure services has seen these merge and our management of them begin to change.

There have been decreases in the figures for the percentage of sealed roads resealed and overlayed, and the percentage of sealed roads reconstructed during the year. However, the figures below do not include reseat and reconstruction works completed as part of the Natural Disaster Recovery Relief Arrangement, which is a significant body of work.

	2009/10	2010/11	2011/12	2012/13
Total length of council controlled sealed roads within the city	1,403km	1,457km	1,480km	1,506km
Percentage of council controlled sealed roads resealed and overlaid	3.9%	2.8%	4.1%	3.2%
Percentage of council controlled sealed roads reconstructed	0.8%	1.0%	1.6%	0.6%
Total length of council controlled pathways within the city	313km	322km	337km	337km
Total length of stormwater pipes within the city	574km	627km	656km	668km

Work was underway on a 41 mega litre twin for **Townsville's biggest reservoir** on the hill slopes of Douglas, with a completion date in 2013/14. The new facility is being built alongside the existing reservoir, with the same storage capacity, equivalent to over 16 Olympic size pools. Construction of the \$9.7 million facility and a new 6 mega litre reservoir at Mt Low, which was completed during the year, were part of the council's integrated water strategy and will provide the city with a maximum combined storage of 250 mega litres of drinking water in 33 reservoirs. Reinforcing the importance of asset planning, renewals and maintenance to provide cost effective water and waste water services, led council to finalise the Integrated Regional Water Supply Strategy and the implementation of the Asset Planning Renewal tool.

A \$3.2 million construction project was undertaken at **Aplins Weir** to improve the strength and stability of one of the most popular recreational structures across the Ross River. The major structural upgrade of the 150m long Aplins Weir, which links the riverside suburbs of Mundingburra and Annandale, ensured the 84-year-old concrete structure met modern engineering standards and will provide the community with enjoyment for decades into the future.

**Jensen's Landfill** had maintenance works carried out during the year, which included the enclosure of the outside platform of the gatehouse, installation of new flooring and workstations and exterior paint work. The redevelopment was essential to ensure the safety of council's staff working at the facility, to improve the structure and extend the life of the facility.

Cyclone Yasi and flooding experienced during the past couple of wet seasons really put the **city's drainage system** to the test and it has performed well! Townsville's location on a flood plain means we cannot be completely flood proof but council's ongoing programs each year ensures that the drainage system is providing a high level of protection for residents from flooding.

During the year, an urban flood level constraints map for the city was developed and draft flood plain and drainage codes and manuals were also developed. Council committed to investing \$12 million in drainage works, which included:

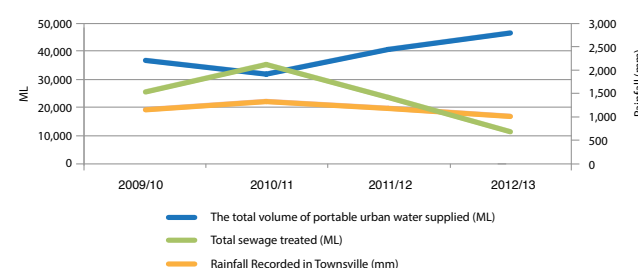
- » \$4.4 million on upgrades to underground stormwater drains in locations including Belgian Gardens, West End, South Townsville, Railway Estate, Annandale, Kirwan and Hermit Park
- » \$7.27 million to replace kerb and channel in 36 streets
- » \$123,000 refurbishing for flood mitigation pump stations
- » \$36,000 tidal gates refurbishment
- » \$95,000 minor drainage works to improve or rectify existing minor local drainage issues.

Council has also facilitated work on 20 **sewerage pump stations** around the city in an effort to improve operations and reduce overflows. The upgrades included new pumps, installation of back-up power and remote operational ability.

Townsville's water usage can be directly linked to the regional rainfall received, as a large portion of water supplied is consumed for outdoor activities. 2012/13 was a particularly dry year for Townsville, which explains the high volume of potable water supplied and the lower volume of sewage treated (as a result of reduced stormwater runoff requiring treatment).

Recycled water use has risen again this year, with over 15 per cent of all treated effluent being reused. All recycled water is treated to tertiary level or above and used on site at council's water treatment plants or for irrigation purposes at a number of golf courses and by commercial enterprises.

WATER CONSUMPTION AND SEWAGE TREATMENT







Townsville's population is expected to grow from the current 184,000 to up to 300,000 by 2032. A key factor in servicing such growth is ensuring the security of the water supply system by managing the infrastructure on a long term basis. An **Integrated Water Supply Strategy (IWSS)** was finalised during the year to assess the future water supply and the infrastructure requirements to best meet the growing needs of the city.

The IWSS is based on meeting a defined Level of Service for Townsville's bulk water supply system. The targets used within the IWSS are as follows:

- » Level 3 Restrictions are not to occur more frequently than 1 in 10 year time period, for a duration of no longer than 2 months
- » Level 4 restrictions are not to occur more frequently than 1 in 25 year time period, for a duration of no longer than 4 months.

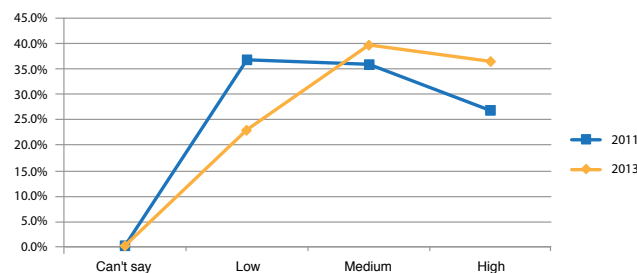
The IWSS identifies a preferred infrastructure strategy with actions ranging from immediate implementation to 15+ year implementation.

- » Houghton pumping is triggered when the capacity of the Ross River Dam reaches 10% levels (required immediately).
- » Installation of a clarifier at Douglas Water Treatment Plant to ensure the treatment capacity of the plant can be maintained during periods of high turbidity within the Ross River Dam (required within next 5 years).
- » A second Houghton Pipeline and pump station upgrade to enable a pumped capacity of 190ML/day to the Ross River Dam catchment (required in approximately 8-10 years).
- » Installation of Toonpan Treatment Plant in 3 stages with capacities of 40ML/day, 40ML/day and 50ML/day respectively (required beyond 10 to 15 years).

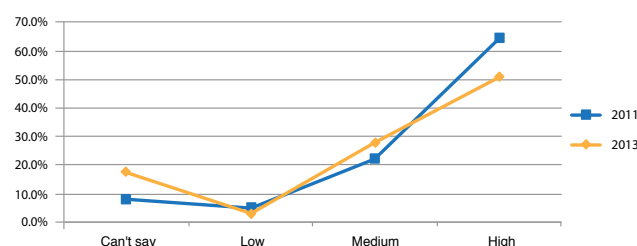


## What you told us

SATISFACTION WITH CONDITION AND SAFETY OF LOCAL ROADS



SATISFACTION WITH REPAIRS AND MAINTENANCE OF WATER AND SEWAGE SERVICES





# Economic Sustainability

Annual Report

Performance Indicator	2011/12	2012/13
Total length of council managed kerb and channel within the city	1,813km	1,850km
Total length of council managed footpaths on road reserves within the city	337km	337km
Total length of council managed sealed urban roads	1,076km	1,099km
Total length of council managed unsealed urban roads	10km	10km
Total length of council managed sealed rural roads	406km	407km
Total length of council managed unsealed rural roads	170km	173km
Percentage of council managed sealed roads reconstructed	1.60%	0.6%
Total length of council managed rural roads resealed	48km	22km
Total length of council managed urban roads resealed	19km	27km
Total number of council managed bridges (vehicular and footbridges) within Townsville	138	138
Total length of culverts within the city	58km	60km
Total length of stormwater pipes within the city	598km	668km
Number of service requests received through the Customer Service Centre per annum	57,623	49,722
Percentage of service requests for water responded to in (4) hours	100%	100%
Number of locations with public amenities maintained by council	53	53
Number of property connection sewer breaks and chokes	178	209
Number of property connection sewer breaks and chokes per 1000 properties	2.726	3.05
Number of wastewater blockages attended	375	466
Number of wastewater overflows attended	30	26
Number of water meters replaced as a part of council's water meter replacement program per annum	7,694	6,051
Number of wastewater manholes repaired per annum	243	221



# Goal 2: Environmental Sustainability

## 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 Performance

- » Townsville Smarter Water Pilot was introduced
- » Integrated Energy / Carbon Management Framework drafted
- » Recycling Education Program was delivered
- » Licences approved for Mt St John and Cleveland Bay Sewage Treatment Plants
- » Network Demand Management (Energy) Program developed and implemented across council
- » Annual renourishment program at Rowes Bay completed
- » Shoreline Erosion Management Planning complete for Cungulla
- » Cultural Heritage Planning Scheme Policy developed
- » Draft Geoffrey and Alma Bay Catchment Strategy produced
- » Dry Tropics Water Smart implemented

### Challenges faced during 2012/13:

- » Increased legislative requirements around climate change and community expectations and values regarding environmental sustainability
- » Declining opportunities for external grant funding
- » Resources diverted to FEAM has impacted progress on some projects, coming up with revised completion dates

## 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

### Looking forward: in 2013/14 we will:

- » Develop cross-council environmental incident reporting strategy
- » Implement council's Carbon and Energy Management Framework
- » Implement Smart Building Trial
- » Implement enterprise-wide Energy Management System
- » Utilise the Flinders Street East Car Park as a 'pop up' urban space
- » Develop Ross Creek Promenade Urban Design and Activation Strategy
- » Prepare an Urban Design Philosophy for Townsville
- » Develop a Centres Design Manual
- » Develop Waste Reduction and Recycling Plan

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

Long term data indicates that Townsville residents are amongst the **highest water users** in our region and across Australia. Currently the 5-year average consumption in Townsville is 464 kL per annum or approximately 800 litres per connection per day. Townsville's climate contributes significantly to this consumption profile with around 300 days of sunshine per year, a high evapo-transpiration rate and an extended dry period between April and November. Our climate, combined with a requirement to maintain lush green looking gardens means that Townsville residents use more water for garden irrigation purposes than many other areas. In fact more than 70% of total household usage in Townsville occurs outside. Seasonality, climatic variability over seasons and climate change over a longer period will all affect the water availability and demand year by year.

Council has developed an **Integrated Bulk Water Model (IBWM)** to help predict future infrastructure augmentation to meet certain demand profiles based on operational conditions. The model includes treatment plants, pumping stations, and pipelines to major reservoirs, but excludes reticulation assets as they are not expected to be impacted by demand fluctuations. The model optimises an infrastructure solution by triggering (or deferring/bringing forward) certain infrastructure according to the least-cost option on a dollars per mega litre (\$/ML) basis.

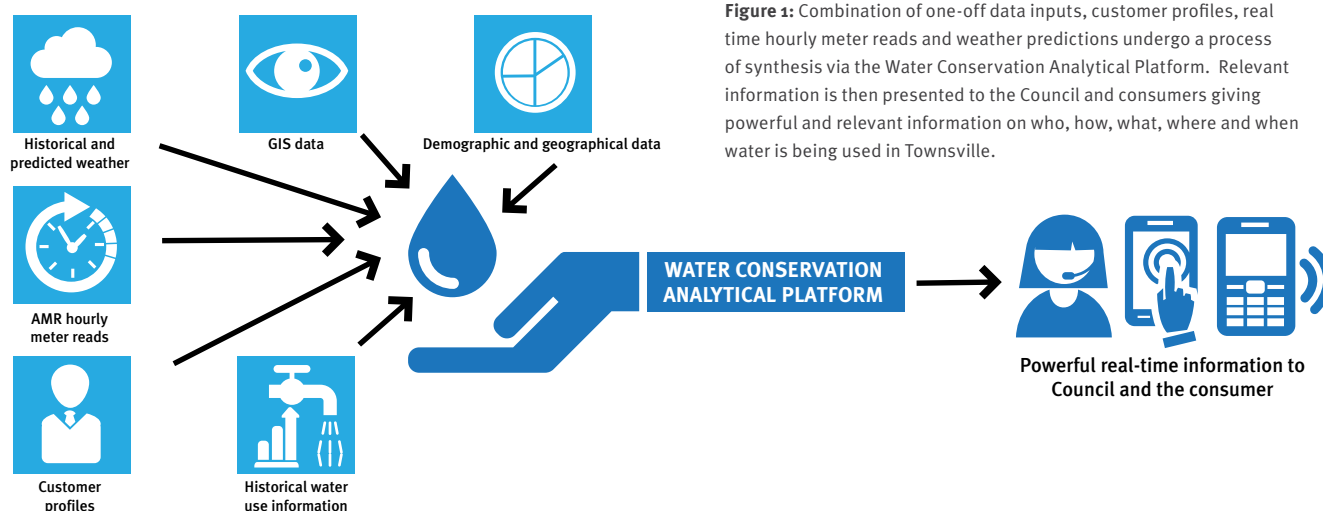
Through its **Dry Tropics Water Smart Program**, council undertook a series of pilot programs focused on water conservation. Townsville Council, together with IBM this year

took out the prestigious Smart Infrastructure Project award at the 2013 National Infrastructure Awards for the **IBM Townsville Smart Water Pilot**. The award recognised the planning and infrastructure required to initiate a smart technology trial such as this.

The project delivers near real-time information about daily water use to the city council and trial participants via a web based portal. The aim of the project is to drive water conservation by empowering residents with smart technology to assist with positive behavioural change.

The technology comprises automated meter reading (AMR) devices supplied by Taggle, which collects and transmits hourly meter reads of water consumption. This data is analysed by an advanced data analytics platform supplied by IBM and useful information is then displayed on a web based portal to the trial participants. This technology allows residents to monitor their water usage, and assists them in identifying hidden leaks, plan their garden watering requirements and to make informed decisions to reduce their water use. The trial installed 289 devices across the suburbs of Bushland Beach and Aitkenvale, and subsequently in suburbs adjacent to Castle Hill. The trial continues until the end of December 2013.

The Taggle system is a low cost AMR technology that significantly changes the economics of large scale AMR deployment and operation. The AMR hourly meter reads can be combined with predictive weather, community demographics, household characteristics, GIS data and historical water use information (Figure 1) to enable significant savings to council and the consumer through interpretation using a *Water Conservation Analytical Platform*.



**Figure 1:** Combination of one-off data inputs, customer profiles, real time hourly meter reads and weather predictions undergo a process of synthesis via the Water Conservation Analytical Platform. Relevant information is then presented to the Council and consumers giving powerful and relevant information on who, how, what, where and when water is being used in Townsville.





Council this year developed and implemented an internal **Network Demand Management (Energy) Program**, with works completed throughout the year including:

- » Tony Ireland Stadium Solar and Energy Storage
- » Wind Turbine replacement at Rowes Bay
- » Halogen testing for replacement
- » Aitkenvale Library Energy Recovery Units
- » Building Management Systems upgrades.

The Network Demand Management Program concluded in June 2013, however some aspects will continue under the **Energy Transformation Townsville project**. This \$1.62 million project, which has a target of achieving energy savings of 854,263 kWh through energy conservation measures at council buildings and facilities commenced during the year. The project also included development of a council wide energy management system and the retrofitting of suitable outdoor public lighting with LED lights and research and educational programs to promote better energy use in the Townsville community.

The final stage of a conservation project to protect a turtle nesting area and reduce the risk of beach erosion in **Geoffrey Bay**, on Magnetic Island, was completed this year. Bollards were installed to restrict vehicle access to the beach to protect the turtle nesting habitat.

Previous works on the Geoffrey Bay project included natural area maintenance of the bay's vine thicket, community workshops, and the development and installation of interpretive signage.

**Sick and injured turtles** on Magnetic Island now have a new seaside hospital to recover in after council committed land for a temporary facility. The Magnetic Island Network for Turtles (MINT) has access to a 1250 square metre section of securely fenced land and a small building near council's decommissioned Horseshoe Bay Waste Water Treatment Plant providing a closer location to sea water. The new location in Horseshoe Bay allows the group to pump water from the ocean making it much easier to provide fresh sea water to the turtles rather than having to transport sea water via truck.

Council this year jumped on board a new national program, which allows residents to recycle their **e-waste** free of charge at e-waste Drop Zones located at the Jensen, Stuart and Hervey Range Waste Facilities.

The National Television and Computer Product Stewardship Scheme is a national program established last year by the

Federal Government to increase the recycling of television and electronic waste. E-waste is Australia's fastest growing type of waste with many items ending up in landfill.

The Drop Zones provide a free recycling service for old or unwanted televisions, computers and computer products, such as printers, keyboards and mice, regardless of their age or brand. The aim of the Scheme is to ensure 90% of materials used to make those products are recovered and recycled.

In the three months following the program's introduction until the end of the financial year over 23 tonnes of e-waste has been recycled.

Townsville celebrated Recycling Week in November with the launch of **supersized 360 litre recycling bins**. Moving to a weekly kerbside recycling collection was deemed not viable for council currently; however, with the manufacture of the new larger bins, council has made them available to residents who would like to use them. Residents wishing to take up the offer of a larger recycling bin are required to pay a \$25 bin exchange fee and an additional \$20 recycling charge per year.

An audit of the council's kerbside collections in 2010 showed that 27% was potentially recyclable material. Recycling is the answer to reducing the amount of waste being buried at our tips and the larger bins can help facilitate that for those families who find they have a large portion of recyclable materials.

Council together with the CBD Taskforce called on the Queensland Government during the year to give the local community first option to acquire **State owned heritage sites** up for sale. Council sought exclusive dealing periods to investigate the viability of purchasing or utilising the TAFE College and the railway heritage buildings in Flinders St West, which it proceeded to do so in early 2013/14.

Council made the move in order to avoid a 'fire sale' of important sites in the city that would lead to them sitting vacant for long periods as happened to the heritage listed hospital building. Council has also requested the Government provide early advice and the first option on any other State assets intended for sale in Townsville.

**Townsville Heritage Day** celebrated its 10th birthday this year by introducing horse drawn carriage rides through the CBD. The popular free, family event was held on 16 May and celebrated the history of Townsville with tours, displays, entertainment and antique appraisals.



Residents of Cungulla and Giru are set to benefit from works to the **Giru Water Treatment Facility** to upgrade to the 20-year-old plant to allow for remote monitoring of its operations. The upgrade has brought the plant up to a higher standard of operation and included a full electrical upgrade.

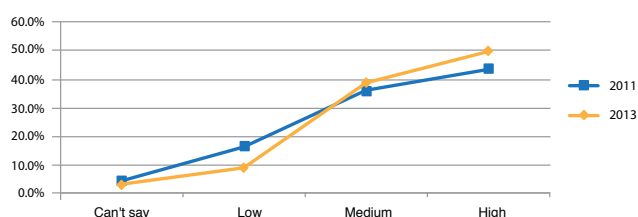
The upgrade will provide council with far more visibility of the plant, which provides 2.6 mega litres per day to residents in the area. The upgrade is particularly critical during the wet season when access to the plant can be difficult due to flooding.

A **smoke testing** inspection program of council's sewer system was undertaken throughout the suburbs of Aitkenvale, Mundingburra, Rosslea, Pimlico and Hermit Park over a three month period to identify illegal connections to the network. 3104 properties were inspected as part of this year's program, with 24 illegal connections identified and 13 illegal connections repaired.

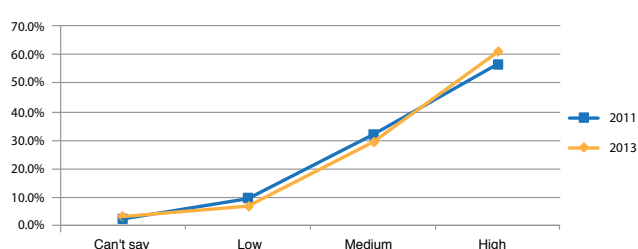
Illegal connections to the sewerage network can cause significant demand on the network and can result in sewerage overflows during heavy rain periods. Council identifies illegal connections to the system by pumping smoke through the sewer and investigating each property in the program area to monitor the release of smoke.

### What you told us

SATISFACTION WITH PROTECTION OF BUSH LAND AND WILDLIFE



SATISFACTION WITH PROTECTION OF OUR BEACH FORESHORE



Performance Indicator	2011/12	2012/13
Number of habitat restoration and community revegetation programs undertaken	12	8
Area of park and open space per capita	130m <sup>2</sup>	130m <sup>2</sup>
Number of participants in tree planting activities	491	230
Number of participants successfully completing erosion and sediment control training	37	25
Number of school groups attending sustainability education activities	99	42
Number of tree planting days held	7	6
Number of trees planted in restoration programs	5,130	1,982
Number of heritage listed properties	1,390	321
Number of properties on the National Trust Register	92	85



## Demonstrated environmental leadership

Council undertook an extensive five-week **wild dog trapping and baiting program** during the year to control wild dog numbers in the city's urban and rural areas. The campaign ran from early May when wild dogs breed and are more active, increasing the success of the campaign.

The campaign spread from Alligator Creek in the south through to the Northern Beaches and included partnerships with landholders and neighbouring councils. The city's iconic Castle Hill also featured strongly in the trapping campaign, following reports of pet attacks and disturbances.

The aim of council's wild dog campaign is to reduce the incidences of conflict between wild dogs and the community. Wild dogs can do a lot of damage to stock, poultry and other domesticated animals and when they move from bushland into the fringes of residential areas they can pose a serious risk to pets and public safety.

Spot trappings were also conducted throughout the year in response to threats to the community, particularly in the areas of Kelso, Rasmussen, Bohle Plains, Bushland Beach, Brookhill, Alligator Creek and Nome. The council funded wild dog trapping operations resulted in 131 animals caught in the 2012/13 financial year. This work is conducted to reduce populations so that wild dog interactions with the public are minimised.

Council this year launched a response to eradicate the exotic **Pond Apple Weed** in the Northern Beaches wetlands. The weed first appeared in the Bushland Beach wetlands six years ago and was successfully controlled. The area has been monitored annually since. The new infestation was discovered by council officers in early 2013 and a quick response implemented to eradicate the infestation.

The Pond Apple can cause environmental degradation and eliminates food plants, breeding sites and shelter for native animals and insects. It is also known to threaten fish habitats, restrict livestock access to water, block farm drains, muddy creeks and wipe out whole ecosystems. It is one of Australia's most environmentally damaging weeds because it can invade and destroy undisturbed ecosystems.

The Pond Apple can reach 12-15 metres tall and has tennis-ball sized fruit that look like Custard apples; it prefers swamplands, both fresh and brackish.

Council commenced landfill **gas capture and flaring** at the Stuart Waste Facility this year in an effort to reduce greenhouse gasses and council's carbon liability. Works were undertaken during the year to prepare for the installation of gas capture and flaring systems at Hervey Range and Jensen Waste Facilities in the coming financial years.

The Stuart site was completed in August, with significant work required to profile the landfill at the required height and install the system. The system captures methane gas emissions from the site and converts it into carbon dioxide. Similar profiling and capping works will be undertaken to the Jensen and Hervey Range sites during 2013/2014 to prepare for installation of the systems.

Methane is a greenhouse gas that is generated as the waste at the landfill decomposes and has a global warming potential twenty one times that of carbon dioxide. The system allows a large percentage of the methane gas generated from the site to be captured and turned into carbon dioxide through an enclosed combustion process.

The reduction of emissions captured by the system is expected to reduce council's carbon emissions liability by up to an estimated 40%.

All **green waste** disposed of at council's landfills is reused by the council. The green waste is mulched and beneficially reused on landfill sites for on-site landscaping purposes or to maintain the landfill cell.

Council teamed up with local company Horan & Bird to send a clean, green message around Australia and overseas during the Townsville 400 V8 Supercars week. A 10.5 kW **solar system was installed on the roof of the Reid Park** pit lane building in the shape of a huge TSV in time for the big race in July.

The solar system was installed as a way of off-setting the V8 Supercar event, and that of the complex that is utilised year-round and promoting the city's green credentials.

It is estimated that 28 V8 Supercars racing over 400km generate 1 tonne of Co<sub>2</sub>. The solar panel system installed at Reid Park will generate 15,000 kW of power a year - saving the equivalent of 9 tonnes of Co<sub>2</sub> and generate savings estimated at \$4,000 a year.

Council devoted nearly \$1.2 million to improve **water efficiency** through irrigation renewals, water saving initiatives and expansion and renewal of the city's telemetry irrigation system during the year. The project will:

- » improve water efficiency, reduce maintenance time and provide remote flow monitoring and fault reporting
- » improve water efficiencies across multiple sites and reduce reactive maintenance requirements
- » involve research and development to develop solutions and specifications that are purpose built for council's network/requirements
- » involve asset reviews and plans at suitable sites including Riverway
- » deliver solutions that improve water conservation, reduce annual water usage costs, reduce maintenance, improve landscape presentation, and reduce public complaints.

Council was also one of ten councils awarded for its innovative and collaborative work at the National Awards for Local Government winning the Regional Collaborations category for its **CitySolar program**. The City Solar program is based on community interaction which encourages the entire community to build a sustainable city. By actively engaging with the community, council is aiming to ensure all parties are working towards a community goal, in this case building a smart and sustainable city for the future. Council has created successful partnerships with Ergon Energy, IBM and James Cook University as well as other Townsville businesses and groups.

Council took out two state environmental awards at the Local Government Managers Australia Awards in April, including Sustainability Project for the **CBD Incentives Scheme**, and the Collaboration category for the council's **Water Alliance** with Cairns and Mackay councils.

March was a big month for environmental sustainability in Townsville, with two of the city's biggest sustainability events held in the one weekend. Mayor, Jenny Hill, jumped in the deep end at Reef HQ with ocean predators in support of **Earth Hour**. Cr Hill said if she could come face-to-face with sharks in support of Earth Hour then Townsville residents could take one small step and turn off their lights for an hour.

In support of Earth Hour, council turned off the floodlights that illuminate the Saint on the face of our city landmark, Castle Hill. All non-essential lights were also turned off at council's administration buildings.

While the lights were out, residents were encouraged to get outside and catch toads by torchlight to take along to the **Toad Day Out** event the following day. Toad Day Out has successfully been held for the past 5 years, with residents encouraged to help reduce the pest's numbers by catching and delivering them to council for humane euthanasia. A total of 280kg of toads were delivered to the toad day out event.

Year	Registrations	Total Weight Toads (KG)	Heaviest Single Toad (KG)
2013	46	280	0.41
2012	47	209	0.45
2011	44	615	0.40
2010	85	395	0.32

**Pest management** practices in Townsville are under review to look at ways of better targeting weeds and feral animals. Pest weeds and animals are a major problem in Townsville and throughout the State. Presently council's pest control is part of an integrated approach to natural resources management and resources are directed on a priority basis.

Council also supported a recommendation to double its pest management scheme to offer subsidies of \$1,600 per year for properties over 250 hectares. Landholders with approved pest management plans can apply for the subsidy from council to help with the costs of the treatment of their properties to control pests.

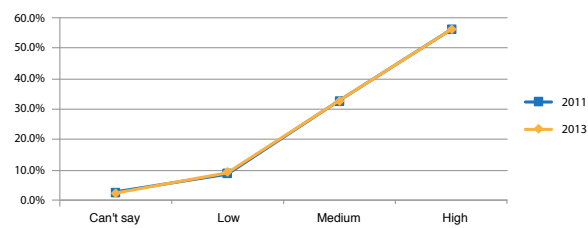
Council worked with Queensland Police throughout the year to crackdown on the illegal use of **vehicles on beaches** in residential areas of the city to protect public safety and prevent damage to natural areas. Council supported police law enforcement on council owned and controlled areas through which riders of motorbikes and quad bikes are accessing beaches. The call came following ongoing public complaints about illegal vehicle use in beach areas, particularly the northern beaches area.

While controlling vehicles on beaches is not a council responsibility, council has taken steps to assist the police to tackle the problem through the provision of detailed mapping of coastal land and by enforcing State laws on public land under council's control.

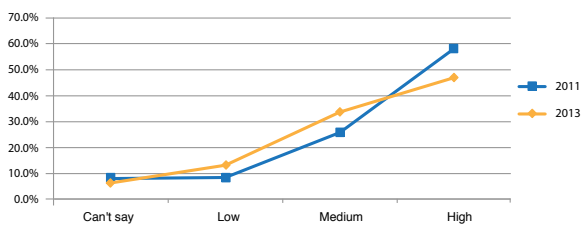


What you told us

SATISFACTION WITH WATER QUALITY IN OUR WATER WAYS



SATISFACTION WITH MANAGEMENT OF WASTE FACILITIES



Performance Indicator	2011/12	2012/13
Total value of grants received for environmental programs	\$868,453	\$521,264
The number of school education programs conducted in accordance with the approved schedule	40	24
Number of waste non-compliance notices issued to the regulator per annum	6	3
Number of wastewater non-compliance notices issued to the regulator per annum	69	31
Percentage of green waste recycled or reused by council	58-60%	100%
Volume of segregated green waste collected and or received per annum	14,292 tonnes	17,612 tonnes
Average percentage of contaminated recycling collected per annum	10.7%	9.08%
Weight of recycling sent for processing per annum	12,881 tonnes	12,252.5 tonnes
Volume of residential and non-trade waste sewage collected per annum	17,124 ML	15,487 ML
Volume of trade waste sewage collected per annum	2,754 ML	1,701 ML
Percentage of effluent re-used	14.16%	15.12%
Percentage of biosolids that are beneficially re-used	100%	100%
Percentage of properties choosing Water Watcher water pricing	19%	19%
Volume of water supplied to councils parks and open spaces per annum	4,001 ML	4,744 ML

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

During the year, council’s **Energy and Carbon Management Group** was formed and a draft Integrated Energy/Carbon Management Framework prepared. The framework was established to identify, record, collate and report council’s greenhouse gas emission equivalents from waste, waste water treatment, electricity and fleet fuel use, in order to meet council’s legal obligations under the National Greenhouse and Energy Reporting System and to assist with council’s energy/ carbon management.

As part of this process, council assessed its legislative responsibility under National Greenhouse Energy Reporting and established a governance and financial framework to ensure compliance with the relevant legislation, including

a carbon accounting and payment framework. Cost saving opportunities for council in relation to energy use and carbon management were then identified and prioritised for implementation.





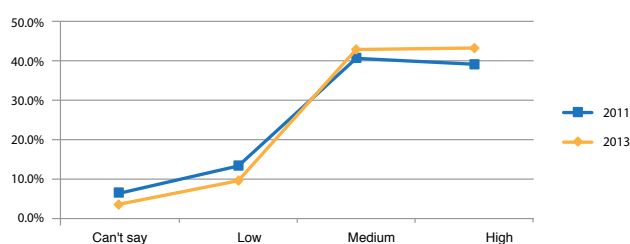
As part of the Integrated Energy/Carbon Management Framework, a **GHG Emissions Mitigation and Energy Conservation Action Plan** has been developed.

The action plan includes strategies to reduce council's energy consumption and greenhouse gas emissions for implementation, mitigating the direct and indirect cost impacts of the Carbon Price Mechanism. The plan then details existing or future action council can undertake to:

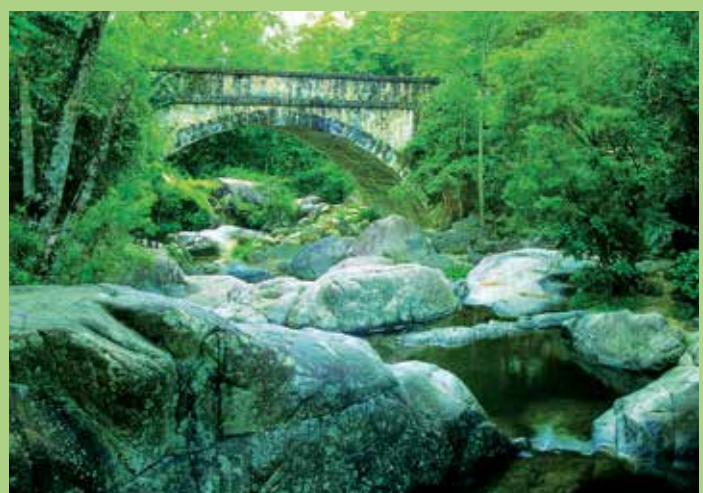
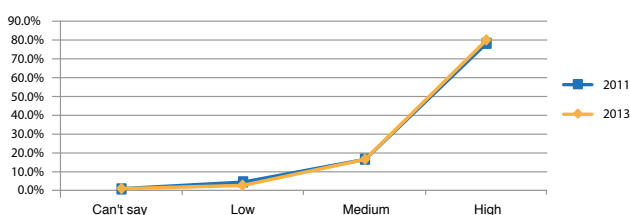
1. measure energy consumption and GHG emissions
2. establish targets for strategies identified in the 'Action Plan'
3. reduce energy use associated with Council buildings
4. reduce energy use associated with public, (outdoor) lighting
5. reduce energy use associated with water consumption
6. reduce direct GHG emissions from waste
7. reduce direct GHG emissions from fuel consumption
8. reduce direct GHG emissions from wastewater treatment processes
9. implement behaviour change actions for reducing energy use in Council and providing leadership to the community on energy management
10. offset council's GHG emissions through accredited Green Power and Offsets.

## What you told us

**SATISFACTION WITH COUNCIL ENVIRONMENTAL INITIATIVES**



**SATISFACTION WITH QUALITY AND RELIABILITY OF WATER SUPPLY**



# Goal 3: Social Sustainability

3

## Enhancing opportunities for social engagement and wellbeing.

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.

Council continues to be proud of its ability to work with stakeholders across the city to achieve its goals in social sustainability.

### Summary of Performance

- » Illegal Dumping Strategy developed
- » Townsville Sports Awards and Townville Arts Awards hosted
- » E-books were introduced to the library lending collection
- » Aplins Weir rehabilitation works completed
- » Six sport and recreation community group workshops were hosted
- » Emergency Response test exercise was undertaken
- » Rainfall and river monitoring gauges were installed at Cambridge Park and Upper Stuart Creek
- » Inclusive Communities Advisory Committee formed

### Challenges faced during 2012/13:

- » Declining opportunities for external grant funding
- » Resources redirected to other projects e.g. Security Review & FEAM
- » Maintaining ongoing commitment from the State Government to assist removing public drunkenness from council parks

## Summary of our progress 2012/13

### A safe and healthy community

- ▲ 3.1 Improve the safety and wellbeing 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



### Looking forward: in 2013/14 we will:

- » Develop a visitation and usage plan for the Libraries
- » Investigate options for the Cungulla Water Treatment Plan Replacement
- » Develop a master Planning Report for open space irrigation options
- » Complete construction of Douglas Reservoir 1B
- » Deliver Odour Extraction and Treatment Facility at the Cleveland Bay Purification Plant
- » Design upgrade for the Cleveland Bay Sewage Treatment Plant
- » Review the Railway Estate Community Garden
- » Host Strand Ephemera
- » Develop a screen printing studio at Pinnacles Gallery
- » Develop a Graffiti Management Plan
- » Complete works at Jezzine Barracks
- » Implement Radio Frequency Identification tagging for the Library collection
- » Secure hand over of land for the Townsville Recreational Boating Park

### A safe and healthy community

Council has a fleet of 24 **refuse collection vehicles** which work seven days per week, even on public holidays. We operate four landfill sites and four waste transfer stations.

In 2012/13 council provided general refuse services to 71,665 households, and recycling services to 70,377 households. Approximately 92% of domestic refuse and 70% of domestic recycling bins are presented for kerbside collection each week.

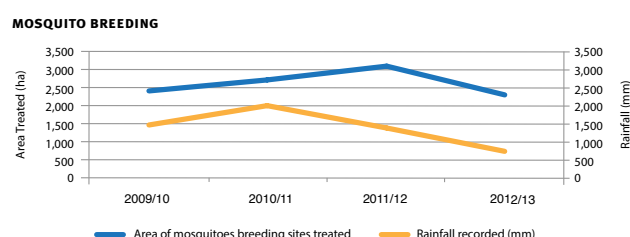
Council finalised its **Litter and Illegal Dumping Management Plan** in May this year. This plan streamlines the way in which council takes action against people who litter and illegally dump materials and to improve communication between the various departments who deal with the issue. Improvements will lead to enhanced enforcement and action against offenders and a decrease in costs to council for the clean-up of littered and dumped materials.

Littering and illegally dumping causes environmental harm, damage to council infrastructure, reduces property values and destroys visual amenity. It can be a risk to human health through uncontrolled fires, needle-stick injuries, vermin harbourage and also provides an ideal breeding ground for mosquitos. Litter and illegal dumping is also a significant economic burden to council.

Council this year commenced investigating options to improve the **Paluma water quality** to meet the requirements of the State water regulator. There are 25 permanent residents and an additional 47 holiday homes at Paluma which have always received water from a creek that is treated with chlorine.

Council's Drinking Water Quality Management Plan identified inconsistencies in the water supply. While the water supply is mostly compliant with standards, at different times throughout the year it can contain higher levels of contaminants. Council has investigated a range of options for Paluma and will discuss these with the regulator and residents to determine the best approach.

Each year, council conducts **mosquito treatments** to help reduce the mosquito population and the risk of disease outbreak. Townsville experienced a significantly dry wet season in 2012/13, with only 682mm recorded, compared to 1519mm, 2121mm and 1400mm for the years 2009/10 – 2011/12 respectively. This resulted in a reduced amount of land requiring treatment to prevent mosquito breeding.







Townsville's furry friends had their own special event when council hosted its second annual **Pet Expo**. As well as a great family event the expo provided pet owners an opportunity to microchip their cats and dogs for a significantly reduced rate of \$25 per animal as well as offering discounts on registration.

Laws that were introduced in 2010 required all puppies and kittens, as well as any dog or cat being sold or given away, to be microchipped so the event provided a great opportunity to do that at a great price. About 175 animals were microchipped at the event.

Council again hosted the popular **Cyclone Sunday** event in November to mark the start of the cyclone season. Cyclone Sunday has become a signature event in the city and attracted an estimated crowd of 5,000 people. Townsville's last local community wide disaster event, Cyclone Yasi, was nearly 3 years ago. With many residents new to the area since this disaster, promotion is required to ensure community preparedness for the 2013/14 season.

Cyclone Sunday provides a reminder to residents to prepare their homes and business because the threat of cyclone is very real in North Queensland. The event is also a chance for residents, particularly people new to the area, to meet emergency services staff and talk about how to prepare now for the upcoming storm and cyclone season. ABC local radio broadcast live from the event and consequently won a national Local Radio Award for Community Event of the Year.

Council also rolled out important summer messages in the suburb shopping centres, with staff providing information from the council's **Living in the North Campaign**. The campaign includes important advice on disaster preparedness, dengue, flooding, SES, sun safety, stinger safety and water safety.

New technology has been placed in several parks throughout Townsville to record **wind speeds during tropical cyclones**. The devices, known as relocatable anemometers, are used for research in the tornado regions of the United States to better understand the vulnerability of housing and the effectiveness of building regulations. Previously authorities have had to rely on estimates of wind speeds through numerical models, and analysing damage to street signs. The relocatable anemometers are easily deployed in the 48 hours before a cyclone makes landfall to make data instantly available to various authorities via the 3G network. It can also be used in evaluating our building codes at a later date.

A detailed **tsunami evacuation** guide was sent to residents in low lying coastal suburbs of Townsville during September as part of the city's on-going disaster management planning. The Townsville Local Disaster Management Group has developed the brochure and is delivering the guide to heighten the ability of residents to prepare and respond to a tsunami emergency. More research has shown that Townsville's level of risk has been downgraded from high to moderate, but events in other countries over recent years have shown the devastation that a tsunami can cause to unprepared coastal communities.





Council marked a year of recovery since the 2012 tornado with the final of five free **Recovery Zone Fun Days** for residents affected by the freak weather event. The fun day featured a free sausage sizzle, animal farm, jumping castle and rides, face painting and displays by local community groups. The day was part of the Vincent Disaster Recovery Plan which had been activated after the storm event. As well as focusing on structural and economic recovery goals, council aimed to maintain a level of emotional and social support for residents.

**Stinger nets** stayed in place off Townsville's beaches for an extended period this year. With stingers still found up until May in waters off the city, with nets removed in early June. Stinger nets are located on the Strand (two), Pallarenda, Balgal Beach, Horseshoe Bay and Picnic Bay. Council funds the installation of the six stinger nets to ensure that locals and visitors can take full advantage of the city's great beaches.

Council's three CityLibrary branches held free **hearing screening** sessions in March thanks to a partnership with Australian Hearing. The program, which particularly targeted seniors, provided residents with the opportunity to call into the library and participate in a quick test to check their hearing health. One in six Australians suffers from hearing loss, with 60% of Australians over 60 experiencing some form of hearing loss.

New **school zone** signs were installed at five local schools in June following an investigation into all Townsville school zones after the Queensland Government made changes to the legislation last year.

The changes to the school zones will improve the safety of students and families in these areas particularly at those schools where you have children crossing the road throughout the day. The new school zones were implemented at Bohlevale State School, Northern Beaches High School, Ryan Catholic College, Cathedral School and Townsville Grammar Senior School.

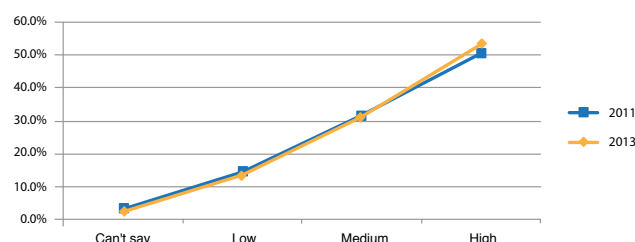
Students at five local primary schools celebrated the launch of the Australian Government's **Healthy and Active School Travel (HAST) program** as part of the National Ride2School day initiative in March. The program promotes healthy lifestyles by encouraging children to combine travel and exercise. It aims to reduce traffic congestion by promoting alternative travel options and is beneficial to the environment through the promotion of sustainable modes of transport.

The HAST program aims to encourage primary school aged students to actively travel to and from school, including walking, cycling, scooting, carpooling or via public transport. Research shows that children who adopt healthy and active behaviours benefit from better concentration levels at school, improved sleep patterns, healthy weight management, stronger bones and muscles and enhanced social skills.

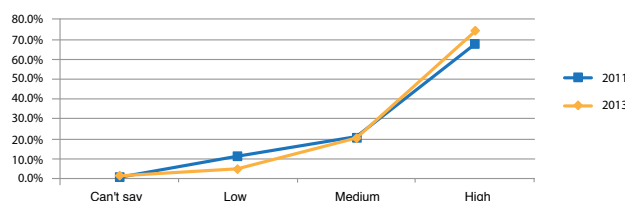
**Tony Ireland Stadium** at Riverway will continue to be used as an entertainment venue after council approved its use in accordance with noise regulations from the Environmental Protection Act. An investigation was carried out following a petition from local residents requesting amplified music be restricted after 9pm. Currently the Environmental Protection Agency allows amplified events to be held until 10pm. The stadium has hosted four outdoor music events since it opened five years ago. Part of council's recommendation was that music events be restricted to a maximum of four per year.

## What you told us

SATISFACTION WITH MOSQUITO CONTROL



SATISFACTION WITH MANAGEMENT OF EMERGENCY EVENTS SUCH AS CYCLONES AND FLOODS





Performance Indicator	2011/12	2012/13
Number of sporting organisations within Townsville	254	259
Percentage of the population who regularly participate in organised physical activity	12%	12%*
Percentage of the population who regularly walk, run or ride	39%	39%*
Cost of removing graffiti per annum	\$83,000	\$67,803
Number of neighbourhood watch groups within Townsville	22	11
Percentage of the community reporting medium or high satisfaction with the availability of street lighting	83.2%	78%
Number of parks with lighting	100	110
Number of public space facilities covered by CCTV	165	181
Number of requests received from local police for CCTV footage	137	83
Number of requests received from local police for CCTV footage supplied	63	54
Percentage of the community reporting medium or high satisfaction with animal control	74.8%	80.5%
Percentage of the community reporting medium or high satisfaction with food safety in local eateries	87.8%	91.7%
Average number of days without water production	0	0
Number of suburbs/areas on boil water alerts during the year	0	0
Volume of green waste collected post disaster incident	5,203.8m <sup>3</sup>	0

\*Data not produced in 2012/13; figure represents last data available.

## A cohesive and self reliant community

Council's libraries are about to get even more high-tech with a shift to **radio frequency identification** for borrowed items. Micro-chipping has far greater applications than just keeping track of dogs and cats. The library carried out an investigation last year that found the right system can also provide major benefits for the management of the thousands of items in our libraries. Council called for expressions of interest during the year and will implement during 2013/14.

Council's **Flinders Street CityLibraries** branch underwent an exciting makeover that saw it come in line with other branches and meet the needs of the growing inner city during the year. The mammoth task involved relocating 49,000 items in order to provide a more user-friendly layout.

The items are now sorted according to genre which was found to be a popular layout at both the Aitkenvale and Thuringowa CityLibrary branches. Since moving to this layout library staff have noticed an increase in borrowings due to visitors now being able to find resources on a particular topic in one location rather than having them spread across the library.

Townsville children joined with more than 350,000 others nation-wide in May for the annual **National Simultaneous Storytime**. The national event, in its thirteenth year, saw

children across the country sit down and read *The Wrong Book* by Nick Bland at exactly the same time. Storytime is one of the most popular events at council's CityLibraries branches allowing children to learn about different topics through stories and rhymes. The National Simultaneous Storytime is an initiative of the Australian Library and Information Association and aims to promote the value of reading, literacy and fun of books as well as Australian writers and publishers.

Townsville City Council invited television personality and true blue Aussie battler Outback Matty to take part in cooking demonstrations and youth development workshops as part of its **May Month of Learning** program. After being given the chance to work at Jamie Oliver's Melbourne restaurant Fifteen and completing his studies he landed a position at Melbourne's French restaurant Vue de Monde before travelling to Japan to help launch a restaurant with Olympian Steven Bradbury. Matty said he wants to be a beacon of hope for troubled youths by inspiring them, educating them and challenging them to achieve great things so they too can turn their own lives around.

The May Month of Learning, hosted by CityLibraries included over 70 events and activities, from cupcake decorating to dental health awareness, with most sessions free of charge. The month long celebration is about offering learning opportunities to the community to add to or increase their

skills and knowledge base. Other popular events included computer and Internet classes, wine tasting, Drypoint Etching classes, and a presentation about sustainability in Cuba.

Residents in Townsville's outlying areas now have a brand new community hub on wheels, with the delivery of a new mobile library to replace the previous 15-year-old library van. The new **mobile library** provides more space for visitors and makes it easy and comfortable to use. A new feature of the mobile library is free access to the Internet. The mobile library is an important service that provides access to books, DVDs, audiobooks and magazines for people who are unable to visit one of the three library branches.

The **Early Years information Service** moved to a new home at the Aitkenvale library this year in order to help it reach a broader section of the community. The relocation of the service enables staff to extend existing services and deliver outreach programs in surrounding areas including Aitkenvale, which has a large number of new migrants and refugees settling in the area.

Townsville's most inspiring and influential women were recognised at council's first **Women's Expo** in November. Included in the event was the Active Women in Townsville Hall of Fame, coordinated by the Zonta Club of Townsville Metro. The aim of the Hall of Fame was to recognise women who have excelled in their chosen field, have made a difference through volunteering, are inspirational role models or who have made contributions to our community or economy.

The contribution of Townsville's young people was highlighted in June when council hosted the FYI (Focus on Youth Initiatives) **Youth in the Spotlight** event. The event brings together young people, community service organisations and businesses to celebrate and showcase the great work that is being achieved by young people, highlight community initiatives and to develop connections across the community.

**National Youth Week (NYW)** was launched in Townsville with an Epic Event, featuring a mechanical bull, laser skirmish, rock and velcro walls, DJ, skate and scooter jam and a free BBQ. This year's NYW theme was Be active, Be Happy, Be You and offered young people aged 12-25 the chance to showcase their talents, contributions and achievements to promote a positive image of youth today.

National Youth Week is the largest celebration of young people in Australia, with thousands of youth aged 12-25 involved. Council this year partnered with 15 service providers to

provide access to a broad range of free recreational activities throughout the week including, Youthfest, Indigenous Art Workshops, Rock Out at the Rock Wall and Rainbow Fair Day among others.

For the third year, council supported the **Student Enterprise Challenge**, which saw 100 high school students come together to workshop marketing plans to sell the unsellable. The Challenge aims to give young adults a head start on their careers while working on real-life projects to raise funds for local charities. The students had to come up with a marketing plan to sell items including an Xbox for senior citizens, floaties for adults, scooters for dogs and a granny trolley for teenagers.

Council joined forces with IN-Step to deliver the two-day program **LOVE BITES**, which aimed to educate students on the importance of respectful relationships and reduce the incidence of relationship violence in the community. Students from Shalom Christian College and Kirwan State High School took part in the program, with topics including texting sexual materials, bullying, domestic violence, sexual harassment and assault and consensual relationships.

A component of the program was for the students to develop art that aims to re-enforce their learning's in the program. Participants developed radio advertisements, personal artworks and aerosol art which was aired and displayed as part of Domestic and Family Violence Prevention Month during May.

**Active and Healthy Seniors** returned again this year, encouraging seniors to get physical and partake in the low cost program to improve their fitness and lifestyle. The program, which was held from September to November and April to June 2013, provides eight weeks of fun and fitness for local seniors with activities including, Zumba Gold, yoga, tai chi, gentle gym, aqua aerobics, aqua Zumba, fit and flex and a walking group.

Council this year shortlisted eight preferred contractors to provide **lawn mowing services** to the city's residents in desperate need and without the capability or support to cut their own lawns. Eligible residents, who meet very specific criteria will receive 15 \$20 vouchers per year. The program replaces the city's previous service which operated until the end of the 2011/12 year, with funding support from council, the Home and Community Care Program and Home Assist Secure Program. Following the cessation of that partnership council was determined to continue the service, which is now fully funded by council.



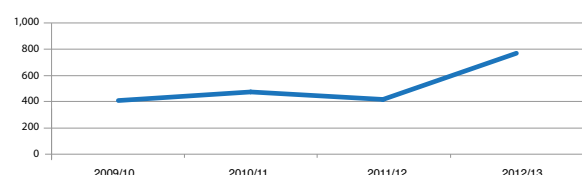
The **Magnetic Island Men's Shed** now has an actual shed after council gave the group access to a 6x6 metre shed in Horseshoe Bay that is no longer required by council. The group previously met in the Magnetic Island Recreation Centre building adjacent but were seeking a secure location to store its tools and equipment. The Men's Shed Association initiative provides health, wellbeing and social support to many of Townsville's male residents.

Council approved \$105,000 over the next three years to help **Food Relief NQ** provide hampers and supplies to local welfare agencies to assist local people in need. Council had supported the organisation to the sum of \$300,000 over the past nine years on a year-by-year basis but committed to the three-year agreement in order to assure them of council's future support and to help them plan into the years ahead. Food Relief NQ provides food hampers and bulk supplies to 45 local welfare organisations.

Townsville residents will continue to enjoy heavily subsidised admission to the city's **Museum of Tropical Queensland** through a new funding agreement with council. The funding partnership will provide school groups with free entry to educational programs, half price general admission for Townsville residents and will underwrite the cost of the museum's school holiday activity programs.

Every year, council welcomes hundreds of Townsville residents as new Australian citizens. Citizenship Ceremonies are held every month throughout the year to present certificates and gift packs to formally welcome new citizens. 2012/13 saw the number of citizens welcomed almost double to 771 people.

**PARTICIPANTS IN COUNCIL RUN CITIZENSHIP CEREMONIES**



Council's **Together Townsville** program maintained 43 initiatives for sponsorship throughout the year, with 92% external satisfaction with the program and 85% internal satisfaction. Some highlights of the program for the year included the Riversafe Project, Horan & Bird Solar Panels at Reid Park Pit building, the NQ Arts Awards and Carols by Candlelight. The program has been impacted by the challenging economic conditions which have been felt across various business industry sectors over the last financial

year, resulting in a trend of long term partners and sponsors maintaining participation in the program but at a lower level of investment. Considering these conditions the participation and interest in the program remains steady with an increasing trend for providing in-kind support for various community initiatives.

The **Riversafe Project** is a joint initiative between Queensland Police Service and Townsville City Council through the Together Townsville program. The three-year project aims to improve community safety to deter and prevent crime, and increase public awareness. The project primarily focuses on bikeways and parklands bordering the length of Ross River, primarily in the area of the Ring Road Overpass, Douglas to Nathan Street and Aitkenvale.

The initial activity for this project involved the installation of signs along Ross River, which occurred this year. Future activities involve the investigation of issues such as graffiti, replacement cost, security cameras, duress alarms and implementation of the best identified options.

During 2012/13, council provided a total of 354 **grants** totalling \$1,928,590. The total value of community assistance provided by council to the local community totalled \$12,670,238.

Council distributed funding through 10 funding programs including:

- » Partnerships & Sponsorships Program (Community, Sport & Rec, Culture, Youth)
- » Festivals & Events Program
- » Community Micro-Grants Program
- » Mayors Community Assistance Fund
- » Community Heritage Grants Program
- » Community Halls Maintenance Grants
- » Theodore Kuchar Scholarship (partnerships with A.F.C.M)
- » Grants for Excellence in Cultural Development
- » Regional Arts Development Fund (R.A.D.F)
- » Grants for Excellence in Sport



# Social Sustainability

## Annual Report

Funding Year	Applications Received	Applications Approved	Success Rate (%)
2008/2009	645	420	65.11%
2009/2010	608	397	65.29%
2010/2011	503	339	67.39%
2011/2012	483	323	66.87%
2012/2013	455	354	77.80%

It is believed application numbers have decreased due to improved processes and communication between council staff and the community on what is/isn't eligible, therefore resulting in the increased success rate presented.

As well as funding approved through the Community Grants & Sponsorship Scheme, council provides community assistance in the form of in-kind support, subsidies, concessions, waived venue/park hire fees and discounts and the gifting of assets. The total value of community assistance provided by council in 2012/2013 is detailed below.

Council Activity	Value of Support
Operational discounts and in-kind support (approved under Manager delegation in Community Services Dept, business Support, Performing Arts, Galleries and Sport & Recreation)	\$547,516
Community Grants & Sponsorships waivers (approved through Community Grants Program)	\$365,858
Cowboys Jersey Program (value of signed jerseys gifted to community organisations to be used for fundraising ventures)	\$10,000
Community Photocopying Program (service provided to community organisations through Thuringowa Library)	\$4,000
Water & Wastewater Concessions (available for general utility charges where land use is considered to contribute to the social, cultural, economic or sporting welfare of the community)	\$3,370,974
Pensioner Concessions on Rates and Charges (concession offered to approved pensioners equivalent to 85% of the general rate, up to a maximum of \$800 per annum)	\$5,068,073
Not-for-Profit Concessions on General Rates	1,299,988
Charitable Group Disposal at TCC Landfills	\$66,138.95
Total \$ Grants Approved (Funding approved through Community Grants & Sponsorships Scheme)	\$1,928,590
Value of Gifted Assets (value of assets gifted to community organisations via the community grants process)	\$9,100
<b>TOTAL</b>	<b>\$12,670,238</b>

In 2012/2013, the largest value of investment went to General Community/Family based projects, activities and programs, followed by Sport and Recreation, and Arts and Cultural projects.

Examples of significant funding approved during the year include:

*(Amounts represent cash contributions only)*

**\$150,000** – NQ Cowboys – operational support for community activities

**\$140,000** – Museum of Tropical Queensland Community Pass and Programs

**\$95,000** – Community Information Centre – operational support

**\$83,800** – Rotary Club of Thuringowa (Cotters and Strand night markets)

**\$80,000** – Australian Festival of Chamber Music

**\$80,000** – Cultural Fest

**\$50,000** – Townsville Crocodiles – community programs

**\$50,000** – Stable on The Strand, delivery of 2011 Stable on the Strand

**\$40,000** – Full Throttle Theatre Company – operational funding

**\$37,000** – NQ Sports Foundation annual levy

**\$35,000** – Dancenorth – operational funding

**\$35,000** – Food Relief NQ – operational support

**\$30,000** – Greek Festival

**\$30,000** – La Luna Youth Arts – operational support

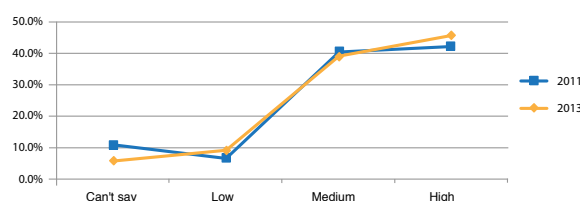
**\$25,000** – Townsville Fashion Festival

**\$20,000** – 2012 Northern Beaches Festival

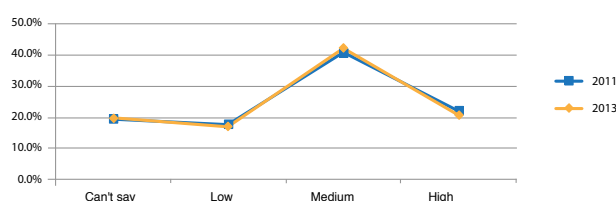


## What you told us

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



**SATISFACTION WITH PROVISION OF YOUTH FACILITIES AND SERVICES**



Performance Indicator	2011/12	2012/13
Number of support and/or service organisations for the Culturally And Linguistically Diverse (CALD) community	60	60
Number of volunteers within the community	1,437 ^	4,320^
Attendance at events and activities staged in council managed community facilities and spaces	3,031,527^	2,765,785^
Attendance at council Community Cultural Events and Activities	121,925^	124,364^
Number of participants in council run citizenship ceremonies	417	771
Number of participants in council's Welcoming Babies ceremonies	318	360
Attendance at council's school holiday events and activities	6,043	8,415
Number of schools (primary, secondary, tertiary) within Townsville	69	75
Number of participants in councils library workshops/events/programs hosted for adult/family/early years	27,436	25,384
Number of library loans per capita	5.3	4.9
Number of registered library members	103,842	111,175
Percentage of the population registered as library members	59.20%	63.30%
Number of internet bookings at council libraries	72,679	73,254
Number of participants in computer literacy courses at council libraries	1,039	1,035

^Estimate

## A community with access to services and facilities

Four Australian legends, including three Townsville men, have been commemorated with **parks named** in their honour at a new residential development in Oonoonba. The developers of the new parks applied to council and were approved to name the parks Rawdon Middleton Memorial Park, William Thomas Memorial Park, Robert Thomas Memorial Park and Wes Barrett Memorial Park. The Thomas brothers are prominent in Townsville's horse racing history, while Barrett was Townsville's longest service Police Officer and Middleton was enlisted with the RAAF 149 Squadron and was awarded a Victoria Cross.

Another Townsville local was honoured with the naming of a new park in Rasmussen. The park which is in Stage One of the Defence Housing Australia development was approved to be named after the late Earnest Jeffery Caddies. Caddies served in Malaya in 1940 where he was captured at age 21 and imprisoned in the infamous Changi Jail. He was remembered for entertaining prisoners with his ukulele which is now on display at the Australian War Memorial in Canberra.

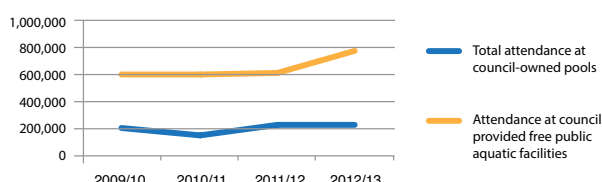
There are some brand new adventures to be had at **Soroptimist Park** on the Rowes Bay foreshores, with the installation of a new 'play ship' as part of the completion of the area's masterplan. Council developed the masterplan for the revitalisation project after consultation with the local

community and Soroptimist International Townsville Club to ensure the park remains a valuable area of the city. The masterplan included the installation of the fitness equipment to encourage adult exercise and support active lifestyles and an adventure playground suitable for children with a disability.

Townsville's **public pools** have remained popular, with 245,000 people dropping in for a dip in 2012/13. The following graph demonstrates a steep drop and a large increase in attendance on either side of the 2010/11 financial year. Reasons for this include the refurbishment of Long Tan and Tobruk pools and the complete redevelopment of Kokoda, which was completed in April 2011.

Council also offers a range of free public aquatic facilities to the community, including the Riverway Lagoons, Strand Rockpool and Water Park and lifeguarded public beaches. The numbers attending these free aquatic facilities (calculated by lifeguard estimates) has been increasing consistently over the past four years, with a steep increase seen in 2012/13, highlighting not only the need but also the popularity of these facilities amongst locals and tourists alike.

**ATTENDANCE AT POOLS AND FREE AQUATIC FACILITIES**



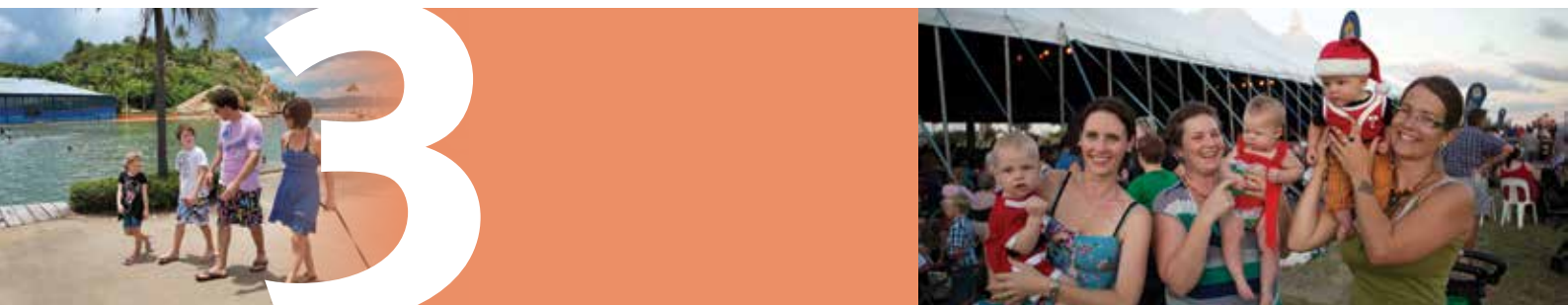
Council this year supported **PT in the Park**, a 12-week trial of low cost community fitness sessions in suburban parks. PT in the Park is a great opportunity to involve residents of all ages who may not normally have access to fitness activities to participate in fun sessions that will benefit their health and wellbeing. Council supported the initiative by waiving hire fees for the parks and the instructors provided the first four weeks free, with the remainder of the trial costing only \$7.50 per person per session.

Council this year welcomed a commitment from State Government agencies to tackle **public drunkenness** in the city's parks. The council convened a meeting in October with major stakeholders and it was agreed by all parties that there was a need to reinstate many of the measures that worked on similar problems in the city's CBD a few years ago. As a result, police presence was increased, council increased security patrols, any alcohol found in the parks was emptied and rubbish and camp items were cleaned daily.

Two non-government organisations were secured to provide support to the **elderly and people with disabilities**. Council has previously delivered home services on behalf of the state and federal governments but made a decision last year to transition the programs to specialised service providers within the community.

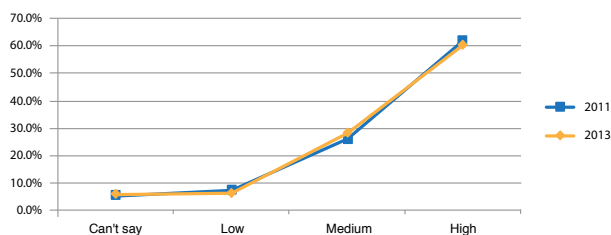
The state funded Queensland Community Care Services Program will be provided locally by Life Tec Queensland and the Queensland Home Assist Secure Program by Blue Care. The programs are essential in the community to assist those in need and council was confident the specialised community based organisations selected to deliver these services would do so to the same high standard council had done for many years. The Federal Government was still to finalise its procurement process to secure a provider for its Commonwealth Home and Community Care (HACC) Program, which council will continue to deliver for an agreed timeframe to ensure these services remain available for our community.

Council this year endorsed a **Reconciliation Action Plan** for the city. The plan was developed after extensive consultation with Indigenous staff and stakeholders and has been approved by Reconciliation Australia. The plan encompasses the entire city and will identify priority areas and involve Aboriginal and Torres Strait Islander people in the planning and provision of council services. Council has been working to improve outcomes for Indigenous people since the 1970s and took a big step in the 1980s when it became the first council in Queensland to employ a dedicated ATSI liaison officer.

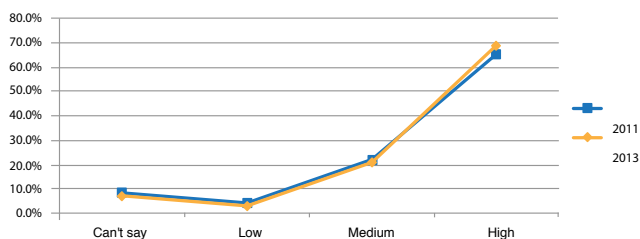


## What you told us

SATISFACTION WITH PUBLIC SWIMMING FACILITIES



SATISFACTION WITH LIBRARIES



Performance Indicator	2011/12	2012/13
Attendance at the Cultural Centre Townsville	2,106	2,943
Number of bookings in council managed community facilities and spaces per annum	52,007	60,434
Number of facilities accessible to community members with limited mobility, including people with a disability, seniors and parents with strollers	116	132
Number of lifeguard patrolled beaches within the city	5	5
Number of council owned and maintained public parks	320	330
Number of council maintained playgrounds with shaded areas	118	133
Number of public basketball courts	63	60
Number of public BBQs provided by council	120	130
Number of public buildings maintained by council	19	19
Number of non-residential swimming pools within the city	12	12
Number of community centres maintained by council	8	8
Number of community halls	12	12
Number of community leases maintained by council	143	140
Number of community licences maintained by council	65	65
Total number of places in aged care facilities	1,043	1,072
Total number of child care centres within Townsville	106	116
Number of individual trips using public transport	1,253,475	1,374,340
Number of trips subsidised under the Pensioner Transport Subsidy Scheme	327,040	347,377



### A creative community

As part of its commitment to the **performing arts**, council launched its *Experience it Live!* theatre season for 2013. The theatre season included a program of nine headline acts including comedy, opera, dance and drama, supported by a children's theatre program, morning melodies and local productions.

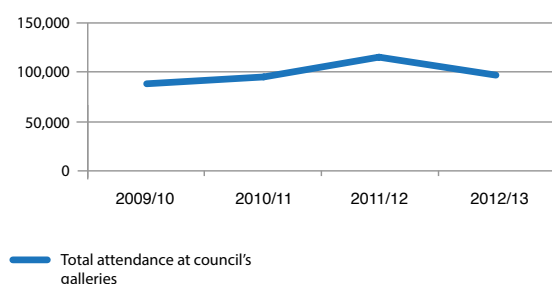
Council was pleased to secure some of the country's best productions as part of the theatre season, ensuring the Townsville community have access to live theatre which is always a unique experience.

In addition to the council's theatre program, a number of touring artists also 'hire' council's two performing arts facilities, the Townsville Civic Theatre and Riverway Arts Centre, to showcase their performances.

Townsville has a vibrant and active arts community, and this is reflected in council's commitment to the arts. Council owns and operates two **regional galleries**, Perc Tucker Regional Gallery in the city's CBD, and Pinnacles Gallery located within the Riverway Arts Centre.

In 2012/13 gallery attendance numbers were down on 2011/12. This is predominately due to the Xstrata Percival Portrait Award 2012 exhibition. The Percival Portrait Award is held every two years and in 2012 entries were exhibited in the Perc Tucker Gallery between 4 May and 1 July. As the prestige of the award increases, entries and attendance numbers also steadily increase and in 2012 record numbers submitted entries and attended the exhibition. The Percival Portrait Award is due to be held again in 2014.

#### TOTAL ATTENDANCE AT COUNCIL'S GALLERIES



Gallery Services this year developed and implemented a nationally unique and innovative **Visual Arts Strategy**, breaking Gallery Services into six core themes. The Strategy is innovative within the national network of regional galleries, and seeks to step away from antiquated gallery models in favour of a new approach. The six themes of core service level delivery are defined within the Visual Arts Strategy as:

- » Exhibitions
- » Collections Management
- » Art in Public Spaces
- » Creative Classrooms
- » Creative Communities
- » Creative Spaces

Combined, these core themes and their various sub-programs will greatly enhance Gallery Services' capacity to deliver quality product and engagement opportunities to the Townsville region and will embed Townsville's venues as leading arts institutions that are respectful of, and central to, the community and its varied cultures and subcultures.

During the year, Gallery Services successfully delivered 71 **exhibitions** across its two premier venues, Perc Tucker Regional Gallery and Pinnacles Gallery. Exhibition highlights for 2012/13 included a major touring exhibition from the Australian War Memorial, *Perspectives*, the implementation of Gallery Services' Guest Curator Series, and the hugely successful 2013 Children's Exhibition *VRROOOM*, which forged links with local schools, the V8 Supercars, Sucrogen Townsville 400, and specifically Team Erebus.

A host of **education and public programs** were also developed and presented to complement major exhibitions. These activities enjoyed high participation rates, and were successful in engaging both students and the broader community with exhibition content for both their enjoyment and education.

In addition, council's Gallery Services have secured approval and funding to digitise all 2700+ works in the **City of Townsville Art Collection**, increasing access to this invaluable cultural asset of the region for the education and enjoyment of Townsville residents.



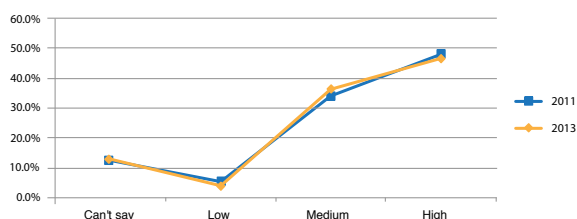
The inaugural **Townsville Fashion Festival** was a great success, with an astounding calibre of designers, models and industry professionals involved in the event. The festival was a great opportunity to showcase the talent in Townsville and demonstrate the growing fashion industry in the city. Council showed its support for the festival by sponsoring the Alfresco Fashion on Flinders parade.

Townsville's **inner-city water reservoir** has been brought back to life with the completion of works and reinstalment of the CBD's popular tropical mural. The giant green tree frog has been repositioned above Walker Street and is a prominent feature of the tropical mural painted on the inner-city water reservoir. The reservoir mural was originally installed 13 years ago to prevent graffiti attacks.

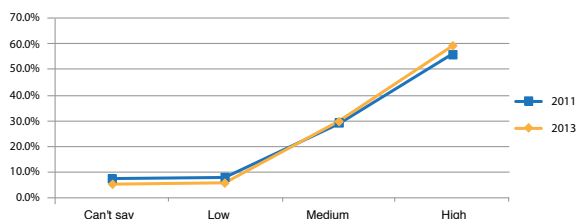
The mural was installed in 1999 to brighten up what would have been a white reservoir on the city's most prominent hill. It is also topped with an anti-graffiti seal coat which makes it easier to remove graffiti and people are less inclined to vandalise the artwork. After more than 10 years the mural was faded so the work to be undertaken provided a great opportunity to refresh the mural and restore it to its former glory. The facility has undergone maintenance work to repair areas of rust and reapply a protective coating to the 20 year-old facility.

## What you told us

SATISFACTION WITH LOCAL GALLERIES



SATISFACTION WITH TOWNSVILLE CIVIC THEATRE



Performance Indicator	2011/12	2012/13
Number of performing arts events facilitated by council	51	41
Number of visual arts exhibitions facilitated by council	65	71
Number of literary organisations within Townsville	9	9
Number of performing arts organisations within Townsville	142	149
Number of visual arts organisations within Townsville	33	39
Attendance at Perc Tucker Gallery	76,437	49,503
Attendance at Pinnacles Gallery	38,898	47,227
Attendance at the Riverway Arts Centre performance space	48,137	23,451
Attendance at the Townsville Civic Theatre	125,180	86,555
Number of volunteer hours contributed to council's galleries	3,397	2,781
Number of council run library workshops, events or programs hosted for adult, family and early years	1,111	1,173

# Goal 4: Responsible Governance

Annual Report

## 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.

### Key Achievements during 2012/13:




- » Combined Operational Plan and Budget was delivered within statutory timeframes
- » Information Privacy Audit was completed
- » Public website visitation increased by 27%
- » Arrangements made with Burdekin and Hinchinbrook Shire Councils to undertake legal work on their behalf
- » Spatial 3D Modelling and Visualisation Strategy developed
- » Cultural Change programme 'TCC2015' introduced
- » Financial and Enterprise Asset Management System (FEAM) implemented
- » Certification of 'Trades Employees' and 'Field and Other' Enterprise Bargaining Agreements

### Challenges faced during 2012/13:




- » Increasing operational costs across all areas of council
- » Delayed/postponed projects or activities until the introduction of Financial and Enterprise Asset Management (FEAM) system to allow adequate resourcing and efficiency
- » An increase in 'under excess' insurance claims, which resulted in a greater cost to council
- » Limited human and financial resources to meet growing community expectations
- » Staying abreast of the increasing complexity of legislation impacting local government and maintaining effective governance frameworks is an ongoing challenge

## Summary of Operational Plan Progress



### 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
-  4.3 Encourage community participation and ensure the community is informed and educated about matters that impact their lives

### A competent, productive and contributing workforce

-  4.4 Foster a culture of employee health, safety and wellbeing
-  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

### Looking forward to 2013/14 we will:

- » Develop and implement FEAM Benefits Realisation Plan
- » Develop and adopt council's Corporate Plan 2014 - 2019
- » Adopt and implement council's Drug and Alcohol Policy
- » Conduct an organisational cultural survey
- » Conduct an organisational staff health questionnaire
- » Implement e-Property (Phase 1)
- » Conduct a survey on council brand awareness and reputation
- » Deliver results of the Community Attitude Survey
- » Implement MiTownsville programme
- » Develop a strategy to improve invoice processing within council

# 4

## Transparent and accountable local government

A culture of **innovation and technology** is promoted and embraced at council. Continuous improvement to information systems has enabled council to enhance business processes enabling resources to be effectively managed and directed towards achieving services expected by the community.

2012/2013 saw council provide responsive and efficient systems to enable the delivery of council services. One of the standout results was the implementation of the **Financial and Enterprise Asset Management System (FEAM)**, which was a significant financial investment on behalf of council to replace a range of standalone financial systems and disparate work practices. FEAM provides streamlined and integrated budgeting, finance, supply chain, and enterprise wide asset management business systems and processes. A project management team, comprising representatives from across the organisation, was formed to manage the planning, engagement and implementation of the project.

FEAM provides a platform for improving future operational productivity. The system has the ability to integrate customer service and works management functions and better align community service levels and cost with community expectations and priorities.

The implementation of the **Corporate Performance Management System (CPM)** to help manage council's corporate planning and performance was another key achievement during the year. The Performance Planning module of the CPM integrates with FEAM and provides council with increased performance planning and management functionality and audit capabilities.

CPM is being used to manage council's Corporate and Operational Plans and produce monthly, quarterly and annual reports on council's progress and performance in delivering those plans. The CPM has given council the opportunity to link the Operational Plan and Budget at programme level for the first time, providing greater transparency and accountability. In the long term, the CPM will incorporate risk management and provide customised management reports to individual departments. The CPM will assist in the reduction of work duplication and has the potential to access all council systems to automatically gather performance related data.

New technologies are changing the way we communicate with the community. Council has recently developed a **Spatial 3D Modelling and Visualisation Strategy** which provides a roadmap and vision for the implementation of spatial 3D

modelling and visualisation services and technology within council. The Strategy has been developed in collaboration with many council departments and identifies a diverse range of business requirements including strategic and infrastructure planning, development assessment, asset management, disaster management and environmental modelling and simulation.

Geospatial Solutions has implemented the Spatial 3D Modelling and Visualisation Strategy for the New Townsville Planning Scheme Public Notification, where this innovative spatial technology has been utilised to assist with community consultation in neighbourhoods proposed for higher residential density and increased height provisions. The technology has enabled the community to gain an enhanced understanding of the New Townsville Planning Scheme through the provision of spatial 3D visualisation.

The creation of **Virtual Townsville** provides a virtual 3D map of Townsville and is a first for regional Queensland. It provides a foundation 3D model for further implementation of spatial 3D modelling, simulation and visualisation within our dynamic urban environment, enabling improved and informed decision-making and planning. Virtual Townsville expands the range of value-adding services offered by council to the community, and demonstrates a commitment to deliver service excellence enabled by innovative technology.





A comprehensive **Rates Modelling Application** was implemented by council during the year. Council is working with the program designers to enable council to populate and test the application to accommodate council's rating methodologies. In the long run, the Rates Modelling Application will enable council to:

- » conduct property valuation analysis allowing council to understand the underlying movements in valuations after each property revaluation.
- » review unlimited rate model options and provides an easy way to determine the best rating options for council
- » provide an understanding of where the 'hot' spots are so that council can focus on those areas
- » make informed decisions on rebates, discounts, pensioners and charges
- » provide powerful analytical functionality that enables drill down to individual property assessment level.

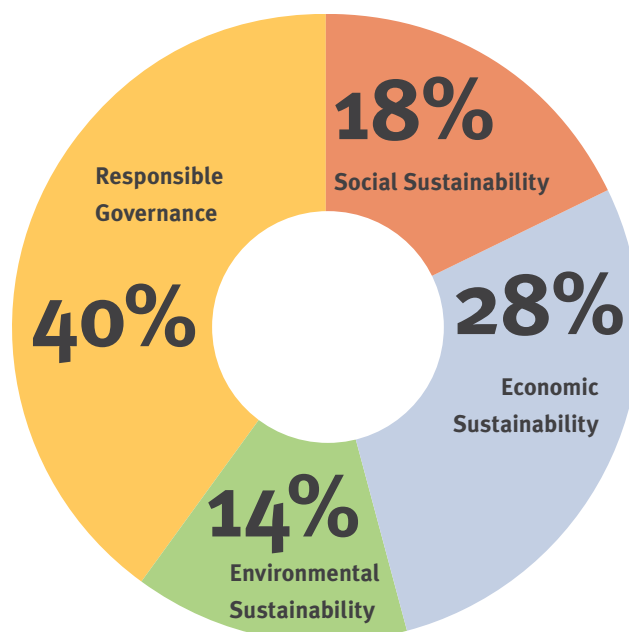
The implementation of council's **Corporate Governance Framework** provided the basis for ensuring that strategic planning, compliance with all legislation, policies, codes of practice and standards are adhered to. Council's formalised Governance Framework was adopted in August 2012 and outlines council's practices to ensure best practice democratic local government.

Effective **Risk management** is crucial for council to ensure responsive and efficient systems are in place to protect council from adverse risks. Council's commitment to risk management is outlined in the Enterprise Wide Risk Management Policy and Enterprise Wide Risk Management Strategic Framework and Process. Council's strategic and operational risk profiles are monitored on an ongoing basis by both the council and its Audit Committee.

A comprehensive review of council's operational and strategic risk was facilitated by Corporate Governance and all risk management plans for each department reviewed and updated. A consolidated risk management plan was completed in March 2013 that will inform council's internal audit program. Council is currently in the process of implementing a business continuity program to ensure organisational resilience in the event of an unexpected disruption to operations.

A total of 86 risks were identified in the consolidated risk management plan. The following pie chart shows the percentage of risk within each goal of the Corporate Plan.

**Risk by Corporate Goal**

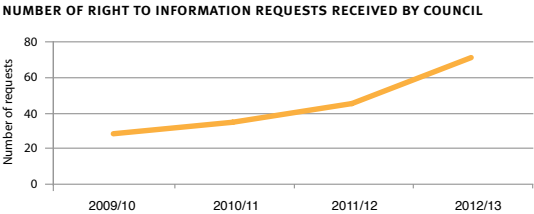


Council's Internal Audit function is managed and maintained focusing on risk priority areas to enable council to identify areas of improvements. Council's **insurance** program is also actively managed to mitigate risks and reduce financial burden. While there was a significant reduction in the number of individual of claims lodged, there was an increase of over \$300,000 in insurance premiums experienced in 2012/13. This can be attributed to an increase in the number and value of assets insured, lower volume but higher value of claims made, combined with the effect of recent disaster events in the region.

Council experienced a record number of **Right to Information** applications over the 2012/13 financial year. There was an increase in the number of applications received from the media with a total of 20 received compared to four received the year before. The increase in applications could be attributed to an increase in awareness of both staff and members of the public and the quick link provided on council's website which allow easy access to Right to Information Applications.

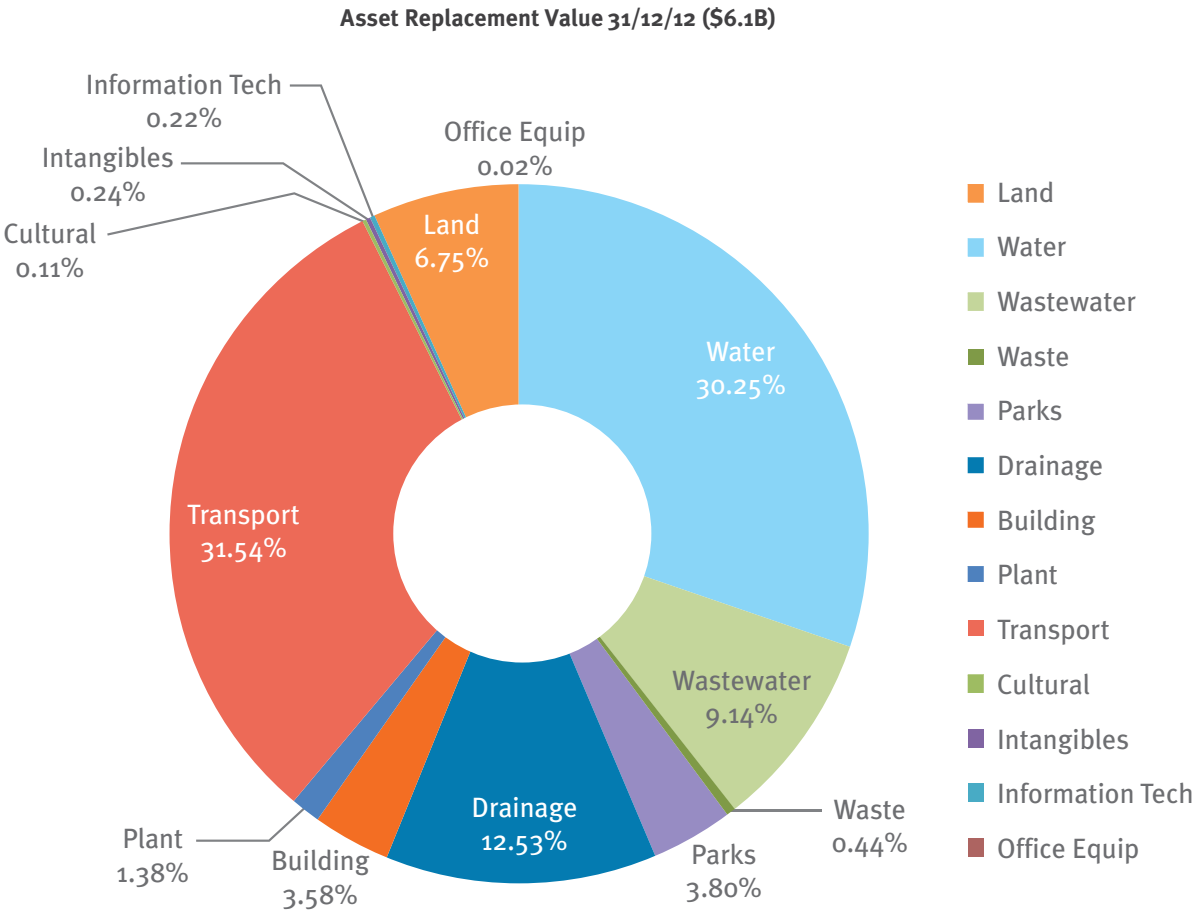


The Office of Information requires all public sector agencies to conduct a self-assessed electronic audit on an annual basis. Council completed the audit to report in the third quarter of the 2012/13 financial year. The audit reports on our performance under the *Right to Information Act 2009* and *Information Privacy Act 2009* and assists council in monitoring the progress of our systems, policies and procedures to maximise disclosure and inform applicants of their rights under the Act. Overall council complies with the requirements of the Right to Information and Information Privacy Acts.



Council is committed to ensuring its **Asset Management** practices provide agreed levels of services and council remains sustainable in the long term. An increase in asset depreciation is a big challenge which council is currently addressing through its Renewal Asset Program. Improvements will be introduced in future asset planning in order to accommodate the level of growth, as the city’s infrastructure will not only need to be maintained but also developed in line with growth.

Infrastructure managed by council, such as water, roads, pipes and buildings that provide benefits directly to the community are known as community infrastructure. The following graph details the \$6.1 billion worth of community infrastructure owned and managed by council.



# Responsible Governance

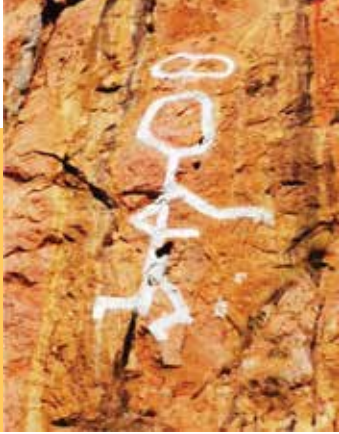
## Annual Report

Asset valuing and condition assessment is undertaken on a regular basis by council. The table below outlines the current value of council assets and the value to replace these assets as at the end of 2012.

<b>WATER</b>		Replacement Value \$1.8 b Current Value \$ 1.1 b	<b>DRAINAGE</b>		Replacement Value \$769 m Current Value \$533 m
<b>WASTEWATER</b>		Replacement Value \$561 m Current Value \$437 m	<b>BUILDING</b>		Replacement Value \$220 m Current Value \$175 m
<b>TRANSPORT</b>		Replacement Value \$1.9 b Current Value \$1.5 b	<b>PLANT</b>		Replacement Value \$84 m Current Value \$53 m
<b>PARKS</b>		Replacement Value \$233 m Current Value \$126 m	<b>WASTE</b>		Replacement Value \$27 m Current Value \$6 m

Council committed to delivering a significant number of Asset Management projects in 2012/13 as outlined below.

Major projects commenced 2012/13 (over \$1 million)	Value
Aplins Weir	\$9.75 million
Douglas Reservoir 1B	\$6 million
Stuart Landfill - Capping Area 1	\$4.73 million
Bolger Bay pipeline replacement	\$2.93 million
Shared Pathway Network Program - Magnetic Island Walkway	\$2.49 million
Soroptimist & Peoples Place Parks	\$2.29 million
Mt Low 2 Reservoir	\$2 million
Stuart Drive Mains Augmentation	\$1.98 million
Tobruk Pool	\$1.72 million
Magnetic Island Transfer Station	\$1 million



Council this year took steps to protect the **Castle Hill Saint** from a trademark application that could deny the rest of the community the right to use the figure. The Saint perched high up on Castle Hill has been the subject of considerable controversy since it was painted on the hill under darkness by James Cook University students on St Patrick’s Day in 1962.

Council voted to object to the application, which if successful would have given the trademark owner exclusive use of the Castle Hill Saint in a number of business areas. The Castle Hill Saint has evoked controversy over the years regarding whether it’s considered an icon or graffiti. Regardless, council decided that the ownership of the Saint should be protected and remain with the community, allowing anyone to use the figure for promotional purposes.

Councillors this year voted against making a submission to the State’s independent **Local Government Remuneration and Disciplinary Tribunal** supporting an upgrade of the pay scale category for the city’s councillors. While the council did not make a submission on the category review, it suggested to the Tribunal that its annual recommendations on remuneration be determined on a fiscal year rather than a calendar year to bring them into line with local government budgeting. The council approved the Tribunal’s report which recommended remuneration for Townsville councillors rise 2.5%.

Townsville **Waste Charges** rated well in a benchmarking report produced during the year. The report showed that Townsville’s residential waste charge of \$224 was the lowest when benchmarked with 15 other local governments. Commercial land fill charges also ranked the cheapest with an \$84.00 price per tonne for disposal of general mixed waste the second lowest of the councils compared.

Council’s **Acceptable Request Guidelines** were adopted in December to manage interaction between councillors and staff following amendments to the Local Government Act.

Requests for advice or information under the Guidelines must comply with the principles of the Local Government Act which guide decision making by councillors and council staff.

Council this year commenced the process to amend the **Local Law No. 4 (Local Government Controlled Areas, Facilities and Roads) 2011** to improve the council’s regulation of recreational use of Black Weir and the city’s other popular water bodies.

The change comes following the development of a management plan for Black Weir, which outlined guidelines

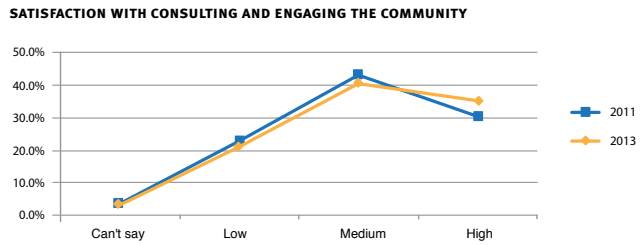
to provide fair and safe access to the river in the Black Weir section. The amendment to the local laws provides council with the regulatory means to ensure everyone is doing the right thing.

Council this year saw an increase in the number of **Administrative Action Complaints** received. An Administrative Action Complaint is a complaint about an administrative action of council. The increase experienced was due to a request from the Ombudsman to record in council’s Annual Report all Administrative and Minor Complaints as classified by council’s Complaints Policy. More information about Administrative Action Complaints can be found in the Statutory Information section of this report.

Council has continued to encourage **community participation** to ensure the community is informed and educated about matters that impact their lives. In 2012/13 council reviewed and further developed its Community Engagement Framework. The Community Engagement Framework has been developed to provide a platform for Townsville City Council to strengthen relationships with the community through effective and transparent engagement. The Framework aims to foster consistency across the organisation in relation to when and how community engagement is undertaken.

Consequently, 2012/13 saw council’s community engagements activities increase by 25%. However, no significant change has been identified in relation to community satisfaction with consultation and engagement (see below).

What you told us





Performance Indicator	2011/12	2012/13
Number of Administrative Complaints per annum	29	70
Number of community engagement activities undertaken by council per annum	65	81
Number of Advisory Committee Meetings held per annum	13	4
Number of open space design consultation meetings held by council per annum	9	4
Availability of council's business systems and hardware	99.6%	95.7%
Number of new / replacement water meters captured as assets in the GIS system	8,560	7,784
Number of assets in new subdivisions captured in GIS system	56	37
Percentage of council Operational Plan activities not completed and carried over to the next financial year	4.0%	3.8%
Actual costs for all insurance claims per annum	\$269,648.12	\$315,329.63
Insurance premiums paid by council per annum	\$2,215,647	\$2,542,792
Total number of insurance claims	502	395
Number of public interest disclosures received	0	3
Matters referred to the CMC by council per annum	8	11
Matters referred by the Ombudsman to council for internal review	1	7

### A competent, productive and contributing workforce

Our staff are our most valuable asset, hence the need for council to continue cherishing a culture of employee health, safety and wellbeing.

Council reviewed and contracted a new **Employees Assistance Provider** (EAP) which is a free, confidential and **voluntary** counselling service for all employees and their immediate family members.

Council has continued to provide full-time and part-time employees with a **variety of benefits** in addition to salary, superannuation, annual leave and long service leave entitlements, many of which are extended to fixed-term and temporary employees. Some benefits cannot be extended to employees on short term or temporary contracts due to the nature of the benefit.

Sample of benefits being enjoyed by staff include: paid and unpaid parental leave, access to **salary packaging**, access to flexible working, access to rostered days off, access to discounted health and fitness membership, discounts at local retailers, training and development opportunities (includes accredited qualifications, non-accredited programs and professional development opportunities), access to retirement transitioning.

Council also implemented a salary packaging **employee benefits program** giving employees an opportunity to salary package a range of approved benefits each Fringe Benefits Tax (FBT) year, including:

- » Novated Motor Vehicle Leases
- » Disability or income protection insurance
- » Financial advice fees
- » Airline lounge memberships
- » Briefcases, Calculators, Tools of Trade and Protective Clothing
- » Self education expenses
- » Portable electronic devices
- » Relocation expenses
- » Home office expenses



**Council training** was delivered according to schedule throughout the year, with 6,226 training events attended by staff, including trainee and apprentice qualifications. Of the apprentices and trainees who were to complete their qualifications in the 2012/13 financial year, 13% did not complete due to contract cancellation, 87% completed as planned and out the 87%, 22% completed ahead of their schedule completion dates. Council also provides study assistance to eligible employees wanting to undertake further education. The number of council staff utilising study assistance has dropped slightly from 333 in 2011/12 to 307 in 2012/13. This decline has been attributed to the increased utilisation of the Achievement Planning process in assisting supervisors to better assess study needs for current and future roles. The high level of engagement of staff in the FEAM project could also have contributed to the slight decline.

An **Online Training System** was implemented to meet the needs of staff. Launched in conjunction with FEAM, the online system allows staff to view training demonstrations from their personal computer whenever they require, reducing the need for face-to-face training and phone support.

**Achievement Planning** is council's employee performance management program. It identifies leadership qualities, recognises great performance, builds positive working relationships, manages underperformance and aims for continuous improvement, ultimately helping council achieve its desired culture of a more collaborative, forward-focused, solution-orientated organisation.

Staff and management discuss goals and objectives including any learning and development needs that they want to achieve in the annual cycle. Open discussions and reviews are held during the year. 209 (14%) employees completed their Achievement Plan during 2012/13.

Council committed to the introduction of **non-invasive drug and alcohol testing** to further safeguard the health and safety of workers, particularly in high-risk areas, and the public from the consequences of drug or alcohol abuse. It is anticipated that the Drug and Alcohol Policy will minimise undesirable outcomes of alcohol and drug use such as absenteeism, low productivity and workplace aggression or bullying. Implementation of the policy, which applies to all council employees and contractors, will occur during 2013/14.

Council's **Employee Loyalty Program** offers employees discounts for everything from movie tickets to massages, food, fishing tackle, holiday units, hairdressers, tune-ups and tyres. The program is available to all council employees and is

reviewed every year to ensure the business offers are of value. Participating businesses offer discounts to council staff on a voluntary basis.

Each year Townsville City Council is approached by a number of organisations such as schools, universities, job find agencies, community bodies and return to work co-ordinators to host **work experience** participants. Participants are generally placed within council primarily to observe and learn – not to undertake activities which require extensive training or experience. During 2012/13, 53 work experience participants were hosted by council.

Council's Health and Well Being Committee continued to promote a **health and wellbeing calendar of events** to encourage staff to achieve a beneficial level of health and fitness.

The health and wellbeing of the workforce is of paramount importance to council. It means promoting a healthy and active lifestyle, and encouraging people to achieve a level of health and fitness that will lead to a more productive home and work life, reducing levels of illness and injury.

During 2012/13, 471 staff participated in council's Fitness Passport programme. The **Fitness Passport** provides employees and their family members with discounted access to a variety of gyms and public pools, providing an opportunity to improve general health, fitness and wellbeing. This passport is open to permanent Townsville City Council employees (part-time, full-time and casuals) along with trainees, apprentices, cadets and temporary staff.



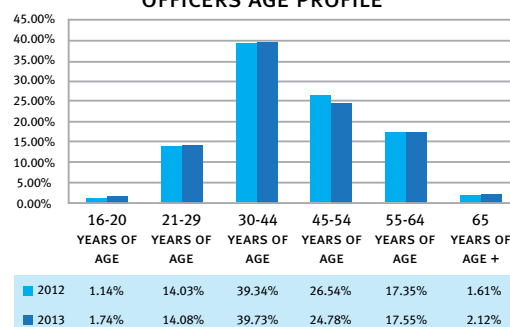
Similar to many Australian employers, council is experiencing the effects of an aging population, and this is reflected in our **workforce profile**. Council's workforce consists of approximately 39% female staff and 61% male staff with 28% of council's outdoor workforce and 20% of council's indoor workforce being 55 years of age or older and 31% and 24% respectively being 45 to 55 years of age.

Council has a number of strategies in place to address this issue now and in the future.

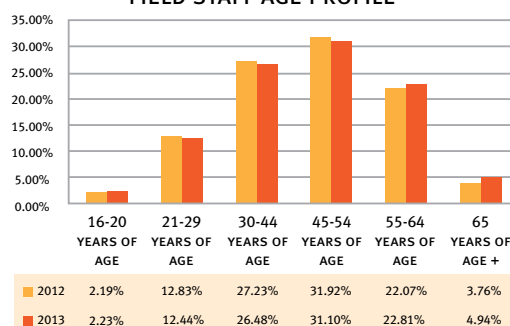
These include:

- » trainee and apprentice program
- » study assistance, leadership and other training and development programs
- » continual improvement of work practices to eliminate age and physical ability as a boundary
- » health and wellbeing programs
- » flexible work options
- » strategic workforce planning
- » relationship building with secondary schools, colleges and universities
- » sourcing suitable labour externally where appropriate.

**OFFICERS AGE PROFILE**



**FIELD STAFF AGE PROFILE**



Council's **Long Service Awards** were held in November 2012, with 129 council staff being recognised.

Service Category	Total Number of Recipients	Average Age of Recipient	Male Recipients	Female Recipients
10 years	61	46	44	17
15 years	17	50	10	7
20 years	22	50	13	9
25 years	17	51	13	4
30 years	5	55	5	0
35 years	4	58	3	1
40 years	1	57	1	0
45 years	2	64	1	1
TOTAL	129	n/a	90	39



## 4

Council continued to strive for the **prevention of time lost through injuries** by eliminating hazards in the workplace. The number of lost time injuries (LTI) increased from 41 in 2011/12 to 59 in 2012/13. However, days lost to injury has decreased from 2,180 days in 2011/12 to 1,824 days in 2012/13.

Lost time injury frequency rate has increased from 16.08% from the last financial year to 23.41% in 2012/2013. However, the average LTI duration has decreased from 59 days in 2011/12 to 31 days in 2012/2013. The average cost of Workers Compensation per full-time employee has decreased from \$988 in 2011/12 to \$966 in 2012/13.

During the year, council launched the cultural change programme 'TCC2015'. TCC2015 is about promoting behaviours

which will result in a culture of continuous improvement and innovation to help shape and guide council's future. The aim of the program is to make a difference in the Townsville community by ensuring:

- » we spend our money wisely
- » we deliver a quality product
- » we do the right thing
- » our community is happy
- » our staff are motivated and committed.

Projects commenced under the TCC2015 program include the FEAM Programme, Parks Services to Infrastructure Services Transition Review, Staff Reward and Recognition Program and the marketing Communications Framework.

Performance Indicator	2011/12	2012/13
Number of part time staff at council	92	101
Ratio of male to female staff at council	3:2	3:2
Total number of staff employed by council	1,702	1,664
Average cost of Workers Compensation per FTE per annum	\$987.57	\$965.95
Average Lost Time Incident duration	59.24 days	30.91 days
Lost Time Injury Frequency Rate	16.08%	23.41%
Number of Lost Time Days per annum	2,429	1,824
Number of Lost Time Incidents per annum	41	59
Average workforce length of service	9.24 years	8.63 years
Number of council staff utilising study assistance per annum	333	307
Unplanned Turnover Rate – Field Staff	3.53%	5.3%
Unplanned Turnover Rate – Officers	5.52%	7.6%
Number of days from recruitment requisition to making employment offer	44.8	31.6
Percentage of recruitment assignments completed within the target timeframe	75.10%	77.26%
Percentage of payroll adjustments made per annum	1%	1%
Percentage of council staff enrolled in policy training who have passed	88%	82%
Employees other than the CEO, the Directors and the Executive Managers, that are covered by collective bargaining agreements. (Clause 5 of the Officers EBA)	-	100%
The interests of all of employees (inclusive of the CEO, Directors and the Executive Managers) that are represented on Safety Committees	-	100%

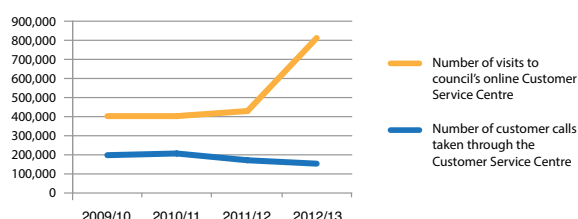
- First year to be reported on



### Excellence in customer service delivery and organisational management

An increasing number of 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 physical Customer Service Centres recorded during the year. Visits to council's Online Customer Service Centre ([www.townsville.qld.gov.au](http://www.townsville.qld.gov.au)) almost doubled in the past financial year with 806,379 hits for the year. In addition, many more customers made use of council's increasing content on social media networks including six Facebook pages and four Twitter accounts. In-person visits and phone calls to the Customer Service Centres remains on the decline, reflecting our customers' changing communication preferences.

CONTACTING COUNCIL



In line with this trend, council upgraded its online Customer Service Centre, to ensure the community was well informed on matters affecting them. In the past year public website visitations have increased by 27% with unique page views up 19%. These dramatic increases are all despite the absence of any natural disaster or heavy rain events which are proven to drive up website hits, demonstrating our customers' changing communication habits.

During the year council was requested to consider the provision of **Legal Services** to neighbouring councils. Arrangements have been made with Burdekin and Hinchinbrook Shire Councils to undertake legal work on their behalf in 2013/14. This service provides these smaller councils with a specialist, affordable legal option, allowing them to act on breaches of Local Laws and pursue outstanding debtors in turn recovering funds that they otherwise may not have been able to.

Council has three **mapping services** (MOSAIC) available to the public, two via subscription and one free community version. The free version provides the community with a selection of mapping service including Community Services, Historical Townsville and Property Services. In 2012/13 the number of public MOSAIC transactions more than doubled. This can likely be attributed to an upgrade which occurred in December 2011. The upgrade changed the methodology for capturing transactions and in addition, a number of additional free mapping services were made available, which increased usage.

Council approved an **organisational restructure** during the year that will better coordinate maintenance services and deliver savings of up to \$2 million a year. Parks, Construction and Maintenance, and Technical Services departments have been combined into two departments, those being Maintenance Services and Engineering Services. This move brought all of the city's outdoor maintenance activities under the one area. In addition, the Emergency Management and Corporate Asset Management departments transferred from Infrastructure Services Division to Community and Environment and Corporate Services Divisions respectively. The identified savings from the restructure includes the non-replacement of vacant positions and two vacant management positions no longer required.

Townsville City Council closed its **Wellington and Mount St John wholesale nursery operations**, with an estimated saving of around \$200,000 a year as a result. As demand for council's own greening programs and new developments dropped significantly it was established that there were other suppliers in the market who could adequately fill council's demand much more competitively than maintaining an internal nursery. As a result, two permanent nursery staff members were offered redeployment elsewhere within council in the city's botanical gardens.



## 4

Performance Indicator	2011/12	2012/13
Number of visits to council's website per annum	634,912	806,379
Annual growth in unique visits to council's website	7.5%	27%
Percentage availability of council's exchange services (email) during business hours	98.80%	98.1%
Percentage availability of council's public website	99.91%	99.84%
Number of likes on council's Facebook pages	18,211	22,122
Number of followers on council's twitter accounts as at the end of the financial year	3,293	5,064
Number of times per annum members of the community accessed free mapping products provided by council	908,444	1,972,389
Number of transactions for external Mosaic usage per annum	1,671,254	3,267,240
Number of customer calls taken through the Customer Service Centre per annum	175,695	154,165
Number of customer requests for service per annum	57,623	54,784
Number of payments processed and receipts issued to customers per annum	48,211	47,987
Number of customer calls taken through council's after hours call centre per annum	11,998	14,399
Percentage of incoming council correspondence processed within required timeframes	80%	95%
Percentage of customers rating the service provide by the Customer Service Centre as being excellent or very good	93.01%	94.46%
Percentage of customers rating their initial customer contact with council as good or excellent	93.82%	94.46%
Percentage of residential bins missed on their scheduled day of collection	0.33%	0.14%
Percentage of residential plumbing and drainage permits issued within 10 day timeframe	76.59%	77.87%
Total rateable properties within Townsville	73,395	74,594
Residential properties as a percentage of total rate base	92.85%	92.93%
Rateable residential properties within Townsville	68,148	69,322
Average residential land valuation	\$158,825	\$161,068
Average residential general rate	\$1,596.19	\$1,526.29
Average residential general rate as a percentage of annual median household income	2.22%	2.13%

# Townsville Water

## Annual Operations Report 2012/13

Annual Report







## 1. Purpose of this Report

The *Local Government Regulation 2012* requires that Townsville City 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 2012/2013 financial year, as measured against its annual performance plan.

## 2. 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 Townsville Water and Waste division of council. It employs over 270 staff from the Townsville community and has a combined annual operating and capital budget of over \$160 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 73,000 water service connections in the Townsville region, supplying more than 46,000 mega litres of potable water and collecting more than 16,000 mega litres of sewage.

The operations of Townsville Water includes the management and running of two major water storages, three water treatment plants, six sewage treatment plants, 37 water reservoirs, 19 water pumping stations, over 180 sewage pump stations, over 2,500 kilometres of water mains, and over 1,280 kilometres of sewer mains.

## 3. Our Performance

Townsville Water's operation and performance in the 2012/2013 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 the 2.4% growth that was projected by Queensland Treasury. The unexpectedly lower growth rate for the region impacted upon the business unit's operations, affecting its financial position at the end of the financial year. During the year, Townsville Water developed its

budget for the 2013/2014 financial year, consistent with actual population growth during the financial year.

### Infrastructure

#### *Smart Water Meter Pilot*

During the financial year, Townsville Water rolled out the installation of automated meter reading systems to more than 200 houses in the Aitkenvale and Bushland Beach areas as part of the Townsville Smart Water Pilot Program. The trial will test the collection, analysis and use of real-time water usage information, which is expected to lead to better water conservation and network maintenance programs. The water usage information can be used by customers to understand their water consumption, and can also be used by Townsville Water to identify underground water leaks in water pipe networks. This innovative project has been recognised at the 2013 National Infrastructure Awards, winning a Smart Infrastructure Project award.

#### *Renegotiation of Sewerage Treatment Plant Licences*

Townsville Water successfully negotiated with the Department of Environment and Heritage Protection (DEHP) throughout the year to develop a standard licence template for Biological Nutrient Removal treatment plants in Townsville which more realistically reflects the achievable environmental targets for the plants. The standard licence template has been applied to the Cleveland Bay Purification Plant and the Mount Saint John Sewage Treatment Plant, with the licences for those plants being approved by DEHP. In the 2013/2014 financial year, licences will be finalised for the Horseshoe Bay Treatment Plant and Magnetic Island Water Recycling Plant.

#### *Cleveland Bay Purification Plant Upgrade*

During the financial year, Townsville Water undertook the first stage of planning for the capacity upgrade required for Cleveland Bay Purification Plant. Although planning halted temporarily with the renegotiation of the environmental licence for the Plant, in May 2013 the licence for the Plant was finalised, and Townsville Water has now begun to undertake the second phase of planning for the upgrade of the plant, based upon the new licence parameters.

#### *Cleveland Bay Odour Control Facility and Remediation Works*

Townsville Water has finalised the negotiation and design of the Water Matters Alliance upgrade of the odour extraction and control system at the Cleveland Bay Purification Plant. Works will be undertaken at the Plant in the 2013/2014 financial year to upgrade the odour control system. The upgrade will eliminate safety and odour issues arising from high concentrations of hydrogen sulphide at the plant, and rehabilitate assets that have been affected.



### ***Mt Low and Douglas 1B Water Storage Reservoirs***

In order to ensure continuity of supply of potable water to the Townsville community, council undertook the construction of two new water storage reservoirs at Mt Low and Douglas during the financial year. The construction of the Mt Low reservoir was completed in June 2013, increasing Townsville's water storage capacity by a further 6 mega litres. The completion of the new Douglas 1B reservoir is expected in October 2013.

### ***Wulguru Water Storage Reservoir Repairs***

To combat deterioration of the Wulguru water storage reservoir over time, Townsville Water commenced repairs during the financial year. The repairs were undertaken to ensure the structural integrity and safety of the reservoir, including replacement of the roof structure and repair of damage caused by Cyclone Yasi. The works are expected to be completed early in the 2013/2014 financial year.

### ***Ross Dam 5-Year Inspection***

Townsville Water undertook its scheduled 5-yearly inspection of the Ross Dam during the financial year, as required by the Dam's Safety Licence. The inspection covered all aspects of the Dam, including structural components, systems, processes and procedures. The results of the inspection will be used by Townsville Water as a tool to determine capital works and renewals programs for the Dam, and any operational or other improvements that should be made. The inspection was carried out by Sunwater in two separate stages, and the final report will be available in the 2013/2014 financial year.

### ***Bolger Bay Water Pipeline Replacement Stage 2***

To ensure the safe and reliable delivery of water to Magnetic Island, Townsville Water has undertaken the second stage of the Bolger Bay pipeline replacement program. The project includes the replacement of over 1500 metres of buried pipe, which transports fresh water from the mainland to the Island and is integral to the delivery of potable water to Magnetic Island. The completion of the replacement works is expected in 2013.

## **Regulation of the Water Industry**

### ***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 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. Throughout the financial year, Townsville Water have complied with reporting obligations under the management plan and are working towards addressing improvement items in the plan.

### ***Water Service Provider Regulatory Simplification***

The Queensland Government have communicated their intention to reform the regulation of the water and sewerage industry, to reduce red tape and promote transparency and accountability for customers of water and sewerage services. The reforms will remove the current requirements to keep management plans under the *Water Supply (Safety & Reliability) Act 2008*. Instead, water service providers must participate in annual performance reporting on key performance indicators. The Queensland Government has committed to engaging with the water and sewerage industry on the reforms, which will be in the 2013/2014. Townsville Water has nominated a representative to be involved in consultation.

### ***Recycled Water Management Plan Exemptions***

To comply with its obligations under the *Water Supply (Safety and Reliability) Act 2008*, Townsville Water has commenced preparation of Recycled Water Management Plan exemption applications for each of its recycled water schemes. To complete the exemption applications, Townsville Water will negotiate recycled water use agreements with its recycled water customers before exemption applications are due for submission to the Regulator in the 2013/2014 financial year.

### ***Environmentally Relevant Activities – Large Sewage Pumping Stations***

In 2009, the environmental conditions of licence for the Environmentally Relevant Activity of sewerage treatment were amended, placing more onerous obligations upon Townsville Water in relation to its large sewerage pump stations. Townsville Water joined with other similarly affected local government sewerage service providers and industry to negotiate a code of environmental compliance with the Department of Environment and Heritage Protection. In November 2012, a Code of Environmental Compliance commenced for the operation of sewage pumping stations with a total design capacity of over 40kL an hour. The formation of the code was well received by sewerage service providers like Townsville Water as the code provides more realistic

environmental conditions to be met by providers in relation to the operation of large sewage pump stations. Townsville Water has commenced taking steps to comply with the code, with all relevant pump stations required to be compliant by mid-November 2013. To ensure compliance, Townsville Water will review their catchment management plans, and the environmental aspects and impacts of each pump station.

### Environmental Management

#### ***Carbon Pricing Mechanism***

In November 2011, the Federal Government passed the Clean Energy Legislative Package, including the *Clean Energy Act 2011* which sets up the structure for a carbon pricing mechanism to put a price tag on carbon pollution. The carbon pricing mechanism requires entities that emit greenhouse gases after 1 July 2012 to relinquish an eligible emissions unit for each tonne of greenhouse gas emitted within the financial year, provided that the emissions from the facility meet a threshold amount of emissions.

Townsville Water has monitored its greenhouse gas emissions from sewage treatment operations during the financial year, to determine that emissions from each separate wastewater treatment plant, when taken separately, do not currently reach the threshold for reporting and surrendering carbon units under the scheme.

Nevertheless, Townsville Water is committed to reducing its carbon footprint and has begun formulating a greenhouse gas mitigation strategy to combat energy use and emissions generated as part of the biological nutrient removal process.

#### ***Environmental Management Systems***

Townsville Water has maintained accreditation with the principles of International Standard *ISO14001 – Environmental Management Systems* during the year, placing a high importance on controlling the impacts of its activities and services on the environment.

### Governance

#### ***Integrated Regional Water Supply Strategy***

The Integrated Water Supply Strategy for the Townsville region was finalised during the financial year, to assess the future water supply and the infrastructure requirements to best meet the growing needs of the city over a 50-year horizon. The strategy considers infrastructure from source supply down to a treatment level and considers both operational and infrastructure solutions to meet the growing supply needs for the city.

#### ***Business Management Systems***

In the lead up to the end of the 2012/2013 financial year, Townsville Water worked heavily with numerous areas of council to prepare for the introduction of new council-wide business management systems to streamline budgeting, finance, supply chain management, and enterprise works and asset management functions across the organisation. The new business systems will improve future operational productivity, the integration of customer service and works management functions, and achieve a better alignment of community service levels and costs to community expectations and priorities.

#### ***Quality Management Systems***

Townsville Water has maintained its accreditation against the principles of International Standard *ISO9001 - Quality Management Systems* during the financial year. It will continue to develop and maintain systems and processes that support quality assurance of its services.

#### ***Laboratory Services***

Townsville Laboratory Services has developed a new analytical method for the analysis of Methyl Isoborneol and Geosmin Inwater by Gas Chromatography - Mass Spectrometry. This is a powerful tool for assessing water quality in terms of volatile off-flavour organic compounds. With this capability and the recent inclusion of this method in the laboratory's National Association of Testing Authorities (NATA) scope of accreditation, the laboratory has increased its service standards for Townsville Water with decreased turn-around time and cost.

#### ***Regional Collaboration***

Townsville Water has joined with the water directorates of the Cairns and Mackay Regional Councils, under the banner of the CTM Alliance, to work together to engage with the State and other stakeholders about reform and to develop strategies to assist in the direction, structure and scope of water reform in North Queensland. Acting as a united voice for North Queensland, the CTM Alliance worked together with other regional water service providers and State government agencies to develop standard licensing conditions for sewage treatment plants. The three water service providers have developed a communication tool to facilitate the sharing of information, ideas and documentation between all levels of staff within the councils. This includes information and resource sharing in the areas of asset management, strategy and governance, quality, operations, environment, regulatory compliance and benchmarking. The sharing of this information is expected to lead to more efficient and high quality services provided to the Townsville community. Townsville Water,

together with the other Alliance councils, was recognised at the LGMA Queensland Awards for Excellence during the financial year for their efforts in collaboration.

## **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 and consulting are able to offer more attractive salary arrangements. Townsville Water is continuing to evaluate its current approaches to attracting and retaining staff. During the financial year, Townsville Water established a Professional Development Program with Engineers Australia to promote itself as an employer of choice.

## **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 internally reviewed during the financial year to ensure that the quality and service reliability targets for water and wastewater services are acceptable to the business.

### **Customer Attitude Survey**

Townsville Water has participated in the formation of council's Customer Attitude Survey that will be carried out early in the 2013/2014 financial year. The Customer Attitude Survey is a community-wide survey undertaken every two years by council to determine the satisfaction levels and expectations about the delivery of council services, including water and wastewater services. The information will be analysed to give Townsville Water guidance on areas where improvement can be made.

### **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 in order to facilitate the timely development of Townsville's CBD in order to stimulate growth necessary for Townsville's future development. This program continued during the 2012/2013 financial year. 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.



## 4. Major Investments

A number of investments were proposed for the 2012/2013 financial year. During the year, Townsville Water invested in the below major projects.

Project	Proposed Investment	Actual Investment	Commentary
Douglas Reservoir 1B	\$7,000,000	\$7,545,529	Due to weather and design issues, completion has been delayed until October 2013.
Water Pipes Replacement	\$4,400,000	\$4,335,988	To ensure the efficient, safe delivery of water to the Townsville community, a total of \$4,335,988 was invested in the Water Pipes Replacement Program.
Sewer Pipe Rehabilitation	\$4,000,000	\$2,053,178	The majority of renewals were completed. However, some works have been delayed until 2013/2014 due to unavailability of the contractor or the condition of the pipeline preventing completion of the chosen renewal method.
ULDA Trunk Reticulation Main	\$3,300,000	Nil	This developer-driven project was not undertaken during the 2012/2013 financial year. Its commencement is not within the control of Townsville Water.
Southern Suburbs Trunk Sewer	\$2,500,000	\$783,950	This project has been delayed, to be completed in the 2013/2014 financial year. The chosen method of construction of the sewer was revisited due to environmental and other factors.
Trility Renewals (All Sites Except Toonpan)	\$2,300,000	\$2,351,664	A total of \$2,351,664 was invested in this renewal program, to ensure that Douglas and Northern Water Treatment Plants are operating safely and efficiently.
Mt Low Reservoir	\$2,000,000	\$2,520,421	Final completion of the construction of Mt Low Reservoir was reached in May 2013.
Wastewater Treatment Plant Renewals / Upgrades	\$2,000,000	\$875,021	Owing mainly to delays in the obtaining of required permits, only about 40% of the wastewater treatment plant renewals were able to be completed during the financial year, with remaining works to be undertaken in the 2013/2014 financial year.
Stuart Drive Mains Augmentation	\$1,900,000	\$106,430	Design works were undertaken. However, a contract for construction is not expected to be awarded until early in the 2013/2014 financial year, due to delays encountered in negotiations with the Department of Transport and Main Roads.
Pump Station Renewals / Upgrades	\$1,800,000	\$1,452,434	Wastewater pump station renewals have been completed in accordance with the approved programs.
Aplins Weir Refurbishment	\$4,200,000	\$3,554,167	The Aplins Weir Refurbishment was completed in December 2012.
Changes To The Ross Dam Gate Operations	\$160,000	N/A	Changes to the Ross Dam Gate Operations were implemented in the 2012/2013 financial year.
Implementation Of The Drinking Water Management Plan	\$247,000	N/A	The reporting obligations of the Drinking Water Quality Management Plan were complied with during the financial year, and Townsville Water began working towards addressing improvement items.
CBPP Upgrade Study	\$500,000	\$569,134	Cleveland Bay Purification Plant Upgrade Studies were undertaken throughout the financial year to prepare for the design of the capacity upgrade. Further studies will be undertaken in the 2013/2014 financial year.



## 5. Performance Targets

### Economic Sustainability

Performance Measure	Description	Target	Timing	Result	Comments
Revenue – Budget to Actual	Comparison of actual revenue received with the budgeted revenue	Within 5% of revised budget	Monthly	2.17% above revised budget	Actual revenue was higher than budgeted revenue.
Operating Cost – Budget to Actual	Comparison of the actual operating cost with the budgeted operating cost	0 to 5% under revised budget	Monthly	3.23% under revised budget	On target.
Capex – Budget to Actual	Comparison of the actual capital expenditure with the budgeted capital expenditure	0 to 5% under revised budget	Monthly	21.33% under revised budget	Infrastructure projects postponed to the 2013/2014 financial year include the UDLA Trunk Reticulation Main, Southern Suburbs Trunk Sewer, Stuart Drive Mains Augmentation and Sewer Pipe Rehabilitation projects.
Net Operating Result – Budget to Actual	Comparison of the actual Net Operating Result with the budgeted Net Operating Result	Within 5% of revised budget	Monthly	0.01% above revised budget	On target.
10 Year Price Path	Approved price path derived from QTC model	Information only	Yearly	Complete	Approved in 2012/2013.
Return on assets	Net income / NBV of non-current assets	8.79%	Yearly	10.76%	Return on net assets is higher than targeted as a result of higher than expected revenue.
Asset Renewal	Rehabilitation capital works / Depreciation charges	Minimum 90%	Yearly	28%	78% of asset renewals have been delivered in line with the capital budget for the 2012/2013 financial year.
Interest coverage ratio	Total operating revenue / Net interest expense	Original target not measureable	Yearly	6.67 times	Townsville Water is able to service its debt.
Average consumption of assets	Weighted average measure of consumption of non-current assets	Info only	Yearly	39%	On average, assets are 39% through their useful life.

### Social Responsibility

Performance Measure	Description	Target	Timing	Result	Comments
Customer Satisfaction	Total % of results of “good” and “excellent” recorded by the Customer Service Department monthly survey	85%	Monthly	87.85%	On target. An average of 27 customers are contacted each month to provide feedback on issues they reported or services that they requested.
Drinking Water Quality Compliance	% of all test results taken in the month indicating the absence of e-coli	99%	Monthly	99.99%	99.99% of all test results taken in the month indicated the absence of e-coli.



## Environmental Sustainability

Performance Measure	Description	Target	Timing	Result	Comments
Non Compliance Notices	Number of Non Compliance notices issued to DEHP	Five	Monthly	37	2011/2012 result, due to drier climatic conditions and upgrades to monitoring systems at some sewage pump stations.

## Responsible Governance

Performance Measure	Description	Target	Timing	Result	Comments
Safety Incidents	Total number of safety incidents reported	Zero	Monthly	89	The 2012/2013 result of 89 safety incidents is an improvement on the 116 incidents reported in the 2011/2012 financial year.
No. of Process Improvements outstanding	Total number of outstanding Process Improvements at the end of the month	Less than 130	Monthly	90	On target.
% of Safety Inspections undertaken	Total % of Safety Inspections undertaken in the required month	90%	Monthly	60%	This is an improvement on 2011/2012 result of 35%. Townsville Water will continue to strive for improvement in this area.
Employee Absenteeism	Percentage of absenteeism hours compared with ordinary hours	Comparison purposes only	Monthly	4.44%	

## 6. 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 Regulation 2012* 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 2012/2013 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; and, approved transitional sewerage price plans. This included a total remitted amount of \$3,375,915 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, Townsville Water also funded the following community service obligations during the financial year, at a cost of \$106,190:

Description of Community Service Obligation	Value \$
CBD Incentives Program	\$44,186
Pumping of sewerage - Magnetic Island Surf Lifesaving Club	\$12,000
Sewerage Connection Rebate for Owner Occupied Magnetic Island Properties	\$50,004

## 7. Changes to the Annual Performance Plan

The *Local Government Regulation 2012* 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.

On 28 May 2013, council approved minor changes to Townsville Water's Annual Performance Plan. The changes amended the description of two of Townsville Water's key performance measures, but did not substantially change the nature of the performance measures. These administrative changes did not impact on Townsville Water's financial position, operating surplus or deficit, or prospects.

# Townsville Waste Services

## Annual Operations Report 2012/13

Annual Report







## 1. Purpose of this Report

The *Local Government Regulation 2012* requires that Townsville City 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 2012/2013 financial year, as measured against its annual performance plan.

## 2. 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 Townsville Water and Waste division of council. It employs over 60 staff from the Townsville community and has a combined annual operating and capital budget of over \$21 million.

Townsville Waste Services strives to be 'Australia's best waste managers'. Its mission is to deliver excellence in customer service, environmental management and efficient operations while maximising financial returns to council. It currently collects over 90,000 residential waste and recycling bins per week and over 10,000 commercial waste and recycling bins per week. It currently operates and manages 4 landfills and 4 transfer stations which cumulatively receive more than 270,000 visits each year from customers.

## 3. Our Performance

Townsville Waste Services' operation and performance in the 2012/2013 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 the 2.4% growth that was projected by Queensland Treasury. The unexpectedly lower growth rate for the region impacted upon the business unit's operations, affecting its financial position at the end of the financial year. During the year, Townsville Waste Services developed its budget for the 2013/2014 financial year, consistent with actual population growth during the financial year.

## Queensland Waste Reduction and Recycling Strategy 2010-2020

In 2010, the Queensland Government formed the *Queensland Waste Reduction and Recycling Strategy 2010-2020* (the Waste Strategy), and introduced the *Queensland Waste Reduction and Recycling Act 2011* (the Waste Act). The Waste Strategy was aimed at driving significant improvement in waste and resource management to reduce waste generation and disposal. This included introducing the industry waste levy, as a price signal, to change disposal behaviour.

Following the change in State Government at the 2012 election, the newly formed Government repealed the waste levy at the beginning of the 2012/2013 financial year. Even though the levy component was repealed, Townsville Waste Services still remain liable to undertake in-depth reporting about waste disposal and recycling under the legislation. Townsville Waste Services undertook the reporting requirements throughout the financial year.

As a result of the removal of the waste levy, the Government's Waste Strategy has been left virtually unfunded. The Government announced that it is reviewing the Waste Strategy to develop a new, industry-led waste strategy. Townsville Waste Services is working with the State Government to develop the strategy, through participation on several working groups.

## Waste Reduction and Recycling Plan

The introduction of the *Waste Reduction and Recycling Act 2011* brought with it the requirement for Townsville Waste Services to prepare a Waste Reduction and Recycling Plan to address all aspects of waste management within the local government area. Although this report was originally due to be completed in the 2012/2013 financial year, this date has been postponed until the State Government has finished development of a new waste strategy. It is expected that the Waste Reduction and Recycling Plan will be completed during the 2013/2014 financial year.

## Infrastructure

### Magnetic Island Waste Transfer Facility

During the financial year, Townsville Waste Services continued to develop its vision for a Waste Transfer Station at Magnetic Island. The construction of the proposed Waste Transfer Station at the Island will ensure that Townsville Waste Services can continue to provide high quality, environmentally sound, waste disposal services to the area. Townsville Waste Services have moved forward with obtaining the necessary development and government approvals for the transfer station, conducting further technical investigations



and beginning the preliminary design of the transfer station. Construction has been tentatively planned to commence in the 2015/2016 financial year.

## Environmental Management

### **Carbon Tax**

The Carbon Pricing Mechanism, introduced by the *Clean Energy Act 2011*, commenced on 1 July 2012. Townsville Waste Services has determined that it will not have a tax liability for the 2012/2013 financial year, but it does expect to be liable in the following financial year. During the year, Townsville Waste Services developed a framework for capture and dissemination of its emissions data in order to ensure accurate calculation of emissions and future tax liabilities, and to ensure compliance with reporting requirements. The business unit has realigned the price of its services to ensure that it can meet its liability under the carbon pricing mechanism, while still maintaining the same level of service to the community.

Townsville Waste Services has developed a Greenhouse Gas Emissions Reduction Strategy, to explore avenues for reducing council's carbon footprint through reduction of emissions from landfill operations.

### **Gas Recovery**

As part of its efforts to reduce its carbon footprint and its future carbon tax liability, Townsville Waste Services has installed a gas flaring system at its Stuart Landfill site. The gas flaring 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.

During the financial year, contracts were established for the installation of systems at the Hervey Range and Jensen Landfill sites also. Capping works must be undertaken during the 2013/2014 financial year at Hervey Range and Jensen Landfills before the installation of the gas flaring systems can be progressed any further at those sites. It is expected that electrical connections will be established to the proposed flare locations at the two sites sometime in 2013/2014.

### **E-Waste Recycling**

Working with the administrators of the National Television and Computer Recycling Scheme, Townsville Waste Services has established drop-off points at its waste disposal sites for collection of waste televisions, computers, printers and computer products, and has entered into an agreement to transport the e-waste to processing sites. From April 2012, one

hundred percent of the e-waste products collected at waste disposal sites has been recycled locally.

### **Recycling Education Program**

Recycling education programs were delivered at Townsville schools and community events during the year to educate residents about recycling participation.

## Governance

### **Business Management Systems**

In the lead up to the end of the 2012/2013 financial year, Townsville Waste worked heavily with numerous areas of council to prepare for the introduction of new council-wide business management systems to streamline budgeting, finance, supply chain management, and enterprise works and asset management functions across the organisation. The new business systems will improve future operational productivity, the integration of customer service and works management functions, and achieve a better alignment of community service levels and costs to community expectations and priorities.

## Customers

### **Customer Service**

Townsville Waste Services has developed a Customer Service Standard 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 Customer Service Standard has 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**

In the 2012/2013 financial year, Townsville Waste Services developed landfill and collection pricing for customers to reflect full cost pricing principles and to accord with legislative changes associated with the carbon pricing mechanism. In the 2013/2014 financial year, it will review pricing models throughout the year, to ensure that it adapts to any further changes in law, in relation to the carbon pricing mechanism or otherwise.

### **Customer Attitude Survey**

Townsville Waste Services have participated in the formation of council's Customer Attitude Survey that will be carried out early in the 2013/2014 financial year. The Customer Attitude Survey is a community-wide survey undertaken every two years by council to determine the satisfaction levels and

expectations about the delivery of council services, including waste and recycling services. The information will be analysed to give Townsville Waste Services guidance on areas where improvement can be made.

#### **360 Litre Recycling Bin Services**

To increase recycling within the Townsville community and provide product options, council is now offering residents a choice of a larger 360 litre recycling bin for their fortnightly kerbside recycling collection. Customers starting a new waste and recycling collection service have the choice of upgrading to the 360 litre recycling bin.

#### **Directions given by the Local Government**

In June 2013, direction was given to Townsville Waste Services, in conjunction with the approval of the budget for 2013/2014, to increase the number of vouchers for domestic waste disposal at council's landfill sites from six to seven vouchers. The increase in vouchers will be implemented from the start of the 2014 calendar year.

Council also directed Townsville Waste Services to provide a three-day free access weekend to all waste disposal sites in the lead up to the cyclone season, to encourage property owners to clean up their property prior to the cyclone season.

## **4. Major Investments**

A number of investments were proposed for the 2012/2013 financial year. During the year, Townsville Waste Services invested in the below major projects.

Project	Proposed Investment	Actual Investment	Commentary
Development of a Regional Solid Waste Management Strategy	\$100,000	Nil	This project is on hold until the Queensland Government completes their review of the Queensland Waste Strategy. It is expected that the Queensland Waste Strategy and the Regional Solid Waste Management Strategy will be delivered in the 2013/2014 financial year.
Scoping works to be carried out for the capping of Majors Creek landfill	\$770,000	Nil	This project was deferred until the 2013/2014 financial year, to enable prerequisite investigations to be carried out.
Hervey Range Waste Management Facility upgrade	\$14,000	\$6,552	Minor works carried out to upgrade the transfer station. The remainder of the project has been carried over to the 2013/2014 financial year.
Jensen Waste Management Facility upgrade	\$25,000	\$16,663	Minor works carried out to upgrade the transfer station. The remainder of the project has been carried over to the 2013/2014 financial year.
Bulk bins renewal program	\$102,100	\$103,750	This project was split between bulk bins renewal and transfer station bins renewal.
Stuart landfill gas recovery project	Nil	\$39,305	Gas flaring commenced by September 2013. Expenditure related to unforeseen costs involved with electrical connection.
Scoping works for additional cell construction & leachate pond, collection and delivery pipe at Hervey Range Landfill	\$159,000	\$98,665	All works were completed during the 2012/2013 financial year.
Implementation of carbon tax review	\$50,000	Nil	This was removed from the budget part way through the financial year, due to uncertainty about the future of the carbon pricing mechanism.
Batter capping at Hervey Range Landfill	\$61,000	Nil	This project was deferred until the 2013/2014 financial year, to align with other upgrades to Hervey Range Landfill.
Capping area 1 of Stuart Landfill	\$4,730,000	Nil	The capping works have carried over to the 2013/2014 financial year.

## 5. Performance Targets

### Economic Sustainability

Performance Measure	Description	Target	Timing	Result	Comments
Revenue – Budget to Actual	Comparing the actual revenue received each month with the budget revenue	Within 5% of revised budget	Monthly	8.75% under revised budget	Lower than forecast tonnages of waste received at landfill sites contributed to this result.
Operating Cost – Budget to Actual	Comparing the actual operating cost each month with the budget operating cost	0 to 5% under revised budget	Monthly	0.53% under revised budget	On target.
Capex – Budget to Actual	Comparing the actual capital expenditure with the budget capital expenditure	0 to 5% under revised budget	Monthly	44.63% under revised budget	Upgrade works to Hervey Range and Jensen waste management facilities were deferred until the 2013/2014 financial year.
Net Operating Result – Budget to Actual	Comparing the actual net operating result with the budget net operating result	Within 5% of revised budget	Monthly	5.52% under revised budget	Slightly under target.

### Environmental Sustainability

Performance Measure	Description	Target	Timing	Result	Comments
Non-Compliance Notices	Non-compliance notices issued to DEHP	Zero	Monthly	3	All 3 non-compliance notices related to minor landfill or mulch fires.
Percentage of Waste Diverted	Total percentage of waste that is intercepted at the tip and diverted to be reused	70%	Monthly	34.32%	Reduced tonnages delivered to landfill sites and competing market opportunities for waste streams have contributed to low diversion results. TWS' diversion target has been reviewed to set a more realistic target moving forward.

### Social Responsibility

Performance Measure	Description	Target	Timing	Result	Comments
Total Collections	Total percentage of services rendered on the scheduled collection day in a month	99.95%	Monthly	99.86%	The majority of missed bins were collected within 24 hours as per the Customer Service Standard. Some vehicle failures and changes to collection runs have contributed to this lower than expected result.
Customer Satisfaction – Waste	Total percentage of results of “good” and “excellent” recorded by the Customer Service Department monthly survey	85%	Monthly	80.46%	Waste Services strives to exceed all customer expectations and delivered services which were rated by 91% of customers as being satisfactory or above.

## Responsible Governance

Performance Measure	Description	Target	Timing	Result	Comments
Safety Incidents	Total number of safety incidents reported	Zero	Monthly	105	This is in comparison to 93 safety incidents reported for the 2011/2012 financial year.
No. of Process Improvements Outstanding	Total number of outstanding process improvements at the end of the month	30	Monthly	27	On target.
Percentage of Safety Inspections Undertaken	Total percentage of safety inspections undertaken in the required month	90%	Monthly	63.83%	This is an improvement on 2011/2012 result. Townsville Waste Services will continue to strive for improvement in this area.
Employee Absenteeism	Percentage of absenteeism hours compared with ordinary hours	Comparison purposes only	Monthly	4.45%	
Annual Dividend	Required payment to council from the operation of the TWS business unit	+5 to -5% of revised budget	Annual	19.86%	The annual dividend paid to council for the 2012/13 financial year was \$9,430,116, compared to a budgeted \$11,765,303

## 6. Community Service Obligations

Townsville Waste Services were required to carry out a number of community service obligations for the financial year. A community service obligation is defined in the *Local Government Regulation 2012* 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.

change the nature of the performance measures. These administrative changes did not impact on Townsville Waste Services' financial position, operating surplus or deficit, or prospects.

In the 2012/2013 financial year, TWS carried out and funded public place waste and recycling collection services, and public place bin delivery services, at a cost of \$394,841.

Description of Community Service Obligation	Value \$
Public Place Waste and Recycling Collection	\$353,345
Public Place Bin Delivery	\$41,496

## 7. Changes to the Annual Performance Plan

The *Local Government Regulation 2012* 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.

On 28 May 2013, council approved minor changes to Townsville Waste Services' Annual Performance Plan. The changes amended the description of two of Townsville Waste Services' key performance measures, but did not substantially



**Section 190 (h) of the Local Government Regulation 2012**, requires council to include a report on the internal audit for the year.

Chartered Accountants	1
Certified Internal Auditors	1
Certification in Risk Management Assurance	1

### Why do we have Internal Audit?

Council is committed to its corporate goal of responsible governance and has determined that an Internal Audit function is required to assist in supporting this commitment. Council has maintained an Internal Audit function for over twenty years and is supportive of changes to the *Local Government Act and Regulations in 2009 and 2010* which placed greater focus on Internal Auditing in Local Government and makes provision for council to include in its Annual Report a report on the Internal Audit for the financial year.

### Internal Audit for the year 2012/13

The Internal Audit function is a team of two full-time staff consisting of:

- » Manager Internal Audit
- » Internal Auditor

Internal Audit staffing has remained stable for the last four years with no staff turnover.

### Professional Standards

Council's Internal Audit function complies with State Government legislative requirements as well as meeting the professional standards of the Institute of Internal Auditors. The Institutes standards require an External Quality Assessment of Internal Audit activities at least every five years. Council has complied with the requirement to undertake an External Quality Assessment from its mandatory inception in 2006/07 with the latest assessment being completed in April 2013.

Council's Internal Audit staff are required to undertake training activities in alignment with professional membership requirements and as part of the annual Internal Audit plan which is approved and monitored by the council's Audit Committee. The Internal Audit function is staffed by specialists with the following professional affiliations and qualifications.

*External Affiliations and qualifications of the Internal Audit team:*

Member of Institute of Internal Auditors (Aust)	2
Member of the Institute of Chartered Accountants	1
Member of CPA Australia	1

### 2012/13 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 Enterprise Wide Risk Management Plan. The council's Audit Committee reviews, approves and then monitors performance against this plan at quarterly meetings. For the year ended 30 June 2013, Internal Audit activity consisted of 310 days resulting in the completion of seven reviews across various departments of council in accordance with the Internal Audit Plan. These reviews included:

- » Corporate Workplace Health and Safety
- » Revenue – fees and charges
- » Corporate Project Management
- » Human Resources – policy, procedures and governance
- » Developer Contributions – project implementation reviews
- » Disaster Management Readiness
- » Finance Enterprise Asset Management system implementation status

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.

Monitoring of Accountability and Performance

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. Internal Audit attends quarterly Audit Committee meetings of council and provides reports on completed elements of the approved Internal Audit plan and analysis of performance. Reporting includes:

- » full copies of reports completed during the quarter
- » the status of each project within the approved Internal Audit Plan
- » any proposed amendments to the annual Internal Audit Plan for review and approval of the Committee
- » analysis of management’s implementation of prior audit recommendations
- » analysis of resource allocations including training, planning, administration and Audit Committee support functions
- » details of Internal Audit activities not requiring separate reporting to the Committee
- » proposed updates to key documents including the Internal Audit Policy, Charter and Manual
- » interaction with council’s external auditors.

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 council departments 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 which has been approved by the council’s Audit Committee.

Audit Committee Report

The Audit Committee provides an independent forum where representatives of council, independent specialists and management work together to fulfill specific governance responsibilities as set out in its Terms of Reference.

Membership of the Internal Audit Committee consists of one independent Chair, the Mayor and a Councillor. Overall the Committee’s role is to monitor and review:

- (1) the integrity of financial documents
- (2) the internal audit function

- (3) the effectiveness and objectivity of the internal auditors
- (4) the effectiveness, independence and objectivity of external auditors.

Membership for the reporting period was:

Name	Role
Ms Carolyn Eagle	Chair and Independent Member
Councillor Jenny Hill	Mayor
Councillor Jenny Lane	Councillor

The Internal Audit Committee meets on a quarterly basis and during the reporting period.

The Audit Committee considered reports relating to:

Financial Management	Financial Compliance and Internal Controls
	Financial Statements
Risk	Business Continuity
	Enterprise Risk Management Framework
Governance	Legal & Legislative Matters
	Key policy reviews
	Fraud Management
	Insurance
Internal Audit	Progress Reports of Internal Audit Archives
External Audit	Management Reports
	Performance Audits

The Internal Audit Committee monitored progress around a number of issues in 2012/13, including:

- » cash handling
- » inventory
- » data migration
- » debtor systems
- » procurement
- » payroll
- » animal management
- » cemetery management
- » laboratory
- » developer contributions
- » disaster management

External audit

Council is audited externally each year by the Queensland Audit Office (or its appointed contractors). During the 2012/13 financial year the annual external audit of Council’s financial statements was conducted by PricewaterhouseCoopers.

**Section 190 (e) of the Local Government Regulation 2012**, requires council to report the number of invitations to change tenders during the financial year. During 2012/13, council invited five changes to tenders throughout the year.

**Section 190 (f) of the Local Government Regulation 2012**, 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

**Section 186 (a-c) of the Local Government Regulation 2012**, 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.

**Section 185 of the Local Government Regulation 2012**, requires council to include copies of the resolutions made during the year in relation to **councillor remuneration and expense reimbursement**. No amendments were made to the Councillor Expenses Reimbursement Policy during the 2012/13 financial year.

**Section 188 (1) of the Local Government Regulation 2012**, 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.

**Sections 23 of the Public Sector Ethics Act 1994**, requires 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 May 2013 and is scheduled for its next review in May 2015. 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. During 2012/13, six senior executive staff were contracted in the following remuneration brackets:

- » Five senior contract employees with a total remuneration package in the range of \$240,000 to \$310,000
- » One senior contract employee with a total remuneration package in the range of \$335,000 to \$395,000.

**Section 187 (1-2) of the Local Government Regulation 2012**, 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. Council's complaints management procedure classifies administrative action complaints as matters requiring an internal review and minor complaints as a dissatisfaction with council's services. All other matters are considered to be either service requests or complaints against staff, councillors or relating to competitive neutrality. The policy ensures the transparent, effective and timely resolution of complaints.

In 2012/13 financial year the Queensland Ombudsman conducted an audit of council's complaints management system. The audit recommended that council classify all administrative action and minor complaints as complaints reportable under Section 187 of the *Local Government Act*. As a result the number of complaints reported in the annual report has increased significantly. A number of recommendations were made by the Queensland Ombudsman to improve council's complaints management system and these improvements are being implemented and some will require changes to our electronic complaints registration system.

Council's electronic database for complaints has now been operating over three years. A comparison of data from the 2010/11 to 2012/13 financial years is shown in the table below.

Administrative Action Complaints	2010/11	2011/12	2012/13
Complaints made to council	12	27	70
Complaints resolved under the complaints management process	12	27	70
Complaints not resolved under the complaints management process	0	0	0
Complaints not yet resolved in 2011/12	0	0	0

**Section 186 of the Local Government Regulation 2012**, requires that council's Annual Report contain the number of orders or recommendations made by the **Regional Conduct Review Panel** or the Mayor 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 2012/13 financial year there have been no orders or recommendations made and no complaints received in relation to councillors.

## Index of legislative requirements

The following tables outlines council's legislative requirements disclosed within this Annual Report.

<b>Local Government Act 2009</b>		
Section	Title	Pages
45	Identifying significant business activities	83-96
46	Assessing public benefit	n/a
201	Annual report must detail remuneration	99
206(2)	Valuation of non-current physical assets	Financial statements
<b>Local Government Regulation 2012</b>		
Section	Title	Pages
182	Preparation of annual report	n/a
183	Financial statements	Financial Statements
184	Community financial report	9
185	Particular resolutions	99
186	Councillors	99, 100
187	Administrative action complaints	99
188	Overseas travel	99
189	Expenditure on grants to community organisations	64
190	Other contents	41-82, 65, 83-96, 99
<b>Public Sector Ethics Act 1994</b>		
Section	Title	Pages
23	Reporting	99



## 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
- » 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 and Disciplinary 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 section 12 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.

**Reasonable** – What would be perceived as prudent, responsible and acceptable to the community. What the community would expect in terms of limits and council being able to demonstrate that there is no excessive use or abuse of public funds.

### 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.

## Expense Categories

### 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 State Government and the Australian Institute of Company Directors Diploma Course 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-leased 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-leased 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 kilometre 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
- » 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, associated with official business, when:

- » the councillor incurs the cost personally
- » the meal was not provided within the registration costs of the approved activity/event/travel
- » 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.

#### 6.4.7 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. Council will assist with the following within the allocated annual budget:

- » A maximum of four councillor newsletters made available to constituents either electronically and/or as a bulk mail out (or combination of both).
- » 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 Regulations 2012*

*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



### International Travel Register

Name	Position	Dates of Travel	Destination	Purpose	Cost	Further information
Susan Gheller	Manager Development Governance	24 – 26 July 2012	Port Moresby, Papua New Guinea	Project Hetura	\$0	Sponsored in full by Aus Aid as part of the Commonwealth Local Government Good practice Scheme
Gavin Hammond	Executive Manager Environmental Health	20 – 25 August 2012				
Sheree Anderson	Policy Officer	20 – 25 August 2012				
Greg Bruce	Executive Manager ISS	20 – 25 August 2012				
Rob Smith	Manager Regulatory Services	10 – 15 September 2012				
Gwen Casey	Team Leader Community Development	10 – 15 September 2012				
Alan Polley	Acting Coordinator Community Sport and Recreation	10 – 15 September 2012				
Kelly Edwards	Divisional Advisor	10 – 15 September 2012				
Deanne Forrestal	Divisional Advisor	10 – 15 September 2012				
Mark Robinson	Carbon Cycle Team Leader	10 – 15 September 2012				
Greg Bruce	Executive Manager ISS	10 – 15 September 2012				
Susan Gheller	Manager Development Governance	10 – 15 September 2012				
Greg Bruce	Executive Manager ISS	11 – 22 November 2012	Palisades, New York, City of Dubuque Iowa	IBM Smarter Cities Challenge Summit	\$5,218	
Cr Jenny Hill	Mayor of Townsville	11 – 22 November 2012	Palisades, New York, City of Dubuque Iowa	BM Smarter Cities Challenge Summit	\$4,645	
Alison Miles	Information Services Librarian	24 November – 2 December 2012	Auckland, New Zealand	I QPLA Research Scholarship & Study Visit	\$0	Sponsored in full by Queensland Public Libraries Association
Susan Gheller	Acting Executive Manager Communications and Customer Relations	4 – 9 November 2012	Honiara, Solomon Islands	2012 Pacific Local Government Forum	\$0	Sponsored in full by Aus Aid as part of the Commonwealth Local Government Good practice Scheme
Matthew McCarthy	Manager Townsville Waste Services	21 – 25 May 2013	Port Moresby, Papua New Guinea	National Capital District Commission - Waste Management Policy consultation workshop	\$0	Sponsored in full by the National Capital District Commission
Melissa McKeown	Manager Environmental Health	16 – 22 June 2013	Denpasar, Indonesia	Environmental Health and Disaster Management Course	\$2,801	

# Appendix C

## Council Registers

Approvals for a Statutory Body	Register of Regulated Infrastructure Charges
Approved Codes of Practice	Register of Regulatory Fees
Assets	Register of Resolutions about Land Liable to Flooding made under the Building Act 1975
Authorised Persons	Registration Certificates
Beneficial Enterprises	Reports (adding, changing or cancelling a development condition under s.73C(1)(g)(ii))
Candidates for Election	Results of Monitoring Programs
Cat and Dog Registry	Roads Map
Common Seal Register	Standard Environmental Conditions
Cost-recovery Fees	Surrenders of Registration Certificates
Development Approvals and Registrations	Testable Backflow Prevention Devices
Direction Notices	Transitional Environmental Programs
Employee Register	Vegetation Protection Register
Environmental Impact Statements	Voluntary Workers
Environmental Authorities	
Environmental Management Plans	
Environmental Management Register	
Environmental Management Systems	
Environmental Protection Orders	
Environmental Reports	
Environmentally Relevant Activities - Development Approvals	
Land Record	
Monitoring Programs of a Development Approval	
Natural Hazard Management Areas (Flood)	
On site Sewerage and Greywater Use Facilities	
Other Documents or Information Prescribed Under Regulation	
Record of Rateable Parcels of Land	
Register of Accreditations, Complaints etc (NCP)	
Register of Buildings - Development Approval	
Register of Contact with Lobbyists	
Register of Delegations	
Register of Development Applications	
Register of Enterprises	
Register of Exemptions Granted under the Building Act 1975	
Register of Impounded Animals	
Register of Infrastructure Agreements	
Register of Infrastructure Charges	
Register of Interests - Councillors	
Register of Local and Subordinate Local Laws	
Register of Master Plan Applications	
Register of Notices Given	
Register of Pre-Qualified Suppliers	

### Councillor Meeting Attendance Record 2012/13

	STANDING COMMITTEE MEMBERSHIP	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
<b>ANNUAL TOTAL</b>	<b>Total number of meetings</b>	<b>12</b>	<b>14</b>	<b>9</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>9</b>	<b>9</b>	<b>7</b>	<b>11</b>
J HILL	The Mayor serves as a member on all of council's Standing Committees	11	13	5	3	6	2	1	1	3	4
V VEITCH	Chair of Smart City Sustainable Future, Member of Townsville Water and Waste, Planning and Development, Community and Cultural Committees	12	14		10	10	11	9			3
S BLOM	Chair of Community and Cultural, Member of Infrastructure, Healthy and Safe City and Governance and Finance Committees	11	14	9			11			7	10
C DOYLE	Member of Community and Cultural, Smart City Sustainable Future, Healthy and Safe City and Governance and Finance Committees	11	14				11	9		7	10
G EDDIEHAUSEN	Chair of Healthy and Safe City, Member of Community and Cultural, Sports Recreation and Parks, and Governance and Finance Committees	11	12				9		8	7	9
P ERNST	Chair of Sports Recreation and Parks, Member of Townsville Water and Waste, Planning and Development and Governance and Finance Committees	11	11		10	10			8		10
R GARTRELL	Chair of Townsville Water and Waste, Member of Infrastructure, Planning and Development, and Sports Recreation and Parks Committees	11	14	6	10	7			7		
J LANE	Chair of Governance and Finance, Member of Smart City Sustainable Future, Healthy and Safe City Committees	12	14					9		6	11
A PARSONS	Chair of Planning and Development, Member of Infrastructure, Townsville Water and Waste, and Sports Recreation and Parks Committees	12	13	8	11	11					
T ROBERTS	Chair of Infrastructure, Member of Community and Cultural, Smart City Sustainable Future and Healthy and Safe City Committees	12	14	9			10	9	7	5	
L WALKER	Member of Infrastructure, Townsville Water and Waste, Planning and Development, Smart City Sustainable Future and Sports, Recreation and Parks Committees	11	14	9	10	11		7	8		

### Councillor Expenses

Councillor	Conferences (Registration Fees)	Travel and Accommodation	Sub Total	Hospitality (Entertainment)	Hospitality (Meals)	Sub Total	Total
J L Hill	\$5,955.95	\$9,775.31	\$15,731.26	\$972.30	\$351.96	\$1,324.26	\$17,055.52
V M Veitch	\$540.90	\$2,756.51	\$3,297.41	\$0.00	\$13.00	\$13.00	\$3,310.41
S J Blom	\$1,145.36	\$1,026.29	\$2,171.65	\$78.85	\$0.00	\$78.85	\$2,250.50
C D Doyle	\$2,376.09	\$2,942.97	\$5,319.06	\$78.65	\$0.00	\$78.65	\$5,397.71
G Eddiehausen	\$2,631.22	\$3,158.48	\$5,789.70	\$174.09	\$223.95	\$398.04	\$6,187.74
P T Ernst	\$1,840.90	\$2,477.27	\$4,318.17	\$242.29	\$223.4	\$465.69	\$4,783.86
R A Gartrell	\$1,963.15	\$277.73	\$2,240.88	\$133.20	\$118.18	\$251.38	\$2,492.26
J Lane	\$977.27	\$619.80	\$1,597.07	\$0.00	\$0.00	\$0.00	\$1,597.07
A J Parsons	\$1,299.51	\$2,680.86	\$3,980.37	\$78.66	\$91.26	\$169.92	\$4,150.29
T J Roberts	\$1,277.27	\$1,890.21	\$3,167.48	\$78.65	\$0.00	\$78.65	\$3,246.13
L A Walker	\$427.27	\$1,280.34	\$1,707.61	\$319.57	\$27.18	\$346.75	\$2,054.36
<b>TOTAL FOR ALL COUNCILLORS</b>	<b>\$20,434.89</b>	<b>\$28,885.77</b>	<b>\$49,320.66</b>	<b>\$2,156.26</b>	<b>\$1,048.93</b>	<b>\$3,205.19</b>	<b>\$52,525.85</b>

Councillor Remuneration				
SURNAME	GIVEN NAMES	TOTAL SALARY	TOTAL SUPER	TOTAL
BLOM	SUZANNE JUNE	\$90,227.31	\$10,827.22	\$101,054.53
GARTRELL	RAYMOND ALBERT	\$90,227.31	\$10,827.22	\$101,054.53
HILL	JENNIFER LORRAINE	\$152,691.96	\$18,323.04	\$171,015.00
LANE	JENNIFER	\$90,227.31	\$10,827.22	\$101,054.53
PARSONS	ANTHONY JOSEPH	\$ 90,227.31	\$10,827.22	\$101,054.53
VEITCH	VERNON MAXWELL	\$104,108.63	\$12,343.24	\$116,451.87
ROBERTS	TREVOR JOHN	\$90,227.31	\$10,827.22	\$101,054.53
WALKER	LESLIE ALEXANDER	\$ 93,950.25	\$8,120.35	\$102,070.60
EDDIEHAUSEN	GARY NOEL	\$ 90,227.31	\$8,120.35	\$98,347.66
ERNST	PATRICK THOMAS JOHN	\$90,227.31	\$10,827.22	\$101,054.53
DOYLE	COLLEEN DELL	\$90,227.31	\$10,827.22	\$101,054.53
		<b>\$1,072,569.32</b>	<b>\$122,697.52</b>	<b>\$1,195,266.84</b>



### Funding approved through Mayor's Community Assistance Fund 2012/13:

AFL Townsville	Support of AFL Masters National Carnival October 2012	\$500
AFL Townsville Umpires Association	Assist with trophy costs for annual awards event in September 2012	\$400
Alice River Scout Group	Donation to assist with members to attend the Australian Scout Jamboree in Jan 2013	\$200
Army Rugby League	Donation towards gear for upcoming curtain-raising game at Dairy Farmers Stadium	\$100
Bouncers Basketball Club	Assist with trophy costs for annual awards event in November 2012	\$500
Cowboys Supporters Team Inc	Donation towards fundraising for 2013	\$300
Deaf Sports and Recreation Queensland	Deaf Youth and Children's Camp 2013	\$120
Filipino Australian Affiliation of NQ Inc	Purchase of four(4) tickets to Charity Fundraiser and Induction Ball on 16 February 2013	\$200
Good Beginnings Australia	Donation to Children's End of Year Celebration	\$180
Immune Deficiencies Foundation	Circus Quirkus - special needs children and their families	\$440
JCU School of Creative Arts	Donation toward Graduate Exhibition at Perc Tucker Regional Gallery 30/11/12	\$250
Lions Club of City of Townsville	World Festival of Magic Children's Festival	\$250
Murra Innovations	Graduation Event for students	\$150
Northern Body Corporate Management	To assist Army Rugby League purchase new set of playing and training gear	\$100
Queensland Blue Light Association	At risk teenagers for the Youth Development Camp	\$150
Queensland PCYC Townsville	"Time 4 Kids" PCYC fundraising event on 6 April 2013	\$200
Queensland Youth Services Inc.	Sponsorship of 1 person at NQ Live and Learn Forum - Guest Speakers Father Chris Riley and Tania Major	\$180
Rasmussen State School	Donation towards time capsule	\$50
Returned Services League - Magnetic Island	Support for community program - Know the Score: How to beat Diabetes	\$150
Ryan Catholic College	TCC Award for Year 12 Presentation Night	\$50
St Anthonys College	Donation towards fundraising for student resources at the Quiz Night 25/5	\$100
St Margaret Mary's College	Dux Award	\$100
St Margaret Mary's College	Donation towards the Golden Anniversary magazine	\$200
Steve Price	Donation towards Pricey's Charity Recipe Book	\$500
Suburban Parks Cricket Club Inc	Donation towards fundraising for new Club equipment	\$250
The Pyjama Foundation	Long Road Community Event - Breakfast for participants 24 March 13	\$300
The Royal Australian Regiment Association Inc.	Donation towards Annual Fundraising Dinner on 23 February 2013	\$400
Townsville Chinese Club Inc	Chinese New Year Fundraising Dinner - purchase of 2 tickets for Mayor's attendance	\$100
Townsville Church of Christ	Christmas party for the Happy Frogs, children with severe disabilities, group	\$200
Townsville Fire Pty Ltd	Donation towards the Townsville Fire Grand Final trip to Bendigo	\$1,000
Townsville Football Inc.	Assist with purchase of trophies and medals for Annual Filippo Mele Carnival 29/6 - 4/7	\$300
Townsville Marksmen Rifle Club	2013 Annual Queens Birthday Competition	\$200
Townsville Picnic Bay Junior Lifesaving Club	Donation to send juniors to Championships in Hervey Bay in March 2013	\$200
Townsville State High School	Donation towards a book voucher for outstanding academic performance - Awards Evening 8 November 2012	\$50
Triple t Community Radio	30th Birthday Celebrations	\$150
Upper Ross Men's Shed	Donation to assist with purchase of materials to make toys for the Mayor's Christmas Appeal	\$200
Variety Queensland Inc	2013 Children's Movie Spectacular Townsville in June	\$300
Warren Skimmings	Donation towards repainting of trailer for advertising of Townsville City - 2012 Australian Hillclimb Championships	\$300
White Ribbon Day (Mark Lance)	Assist with registration for White Ribbon Conference	\$400
Wildcatz Junior Indoor Cricket Team	Donation toward Sportsmanship Award for the team	\$200

# Appendix F

## Together Townsville

Council's Together Townsville program continues to achieve strong ties with the corporate and community sectors to deliver important community initiatives that contributes to our city's vibrant lifestyle.

### Together Townsville Initiatives 2012/2013

#### **For our Youth**

- » Library initiatives such as Preps At the Library, Let's Read program, Summer Reading Program, Youth Loud Lounge
- » Student Enterprise Challenge

#### **For our Senior Citizens**

- » Seniors Picnic in the Park
- » Pioneers Party (for the over 70s)
- » Seniors Music Day on Maggie
- » Seniors Guide to Council handbook
- » Morning Melodies

#### **For our Lifestyle and Sports**

- » School Breakfast Program
- » Annual Sports Awards
- » Australia Day Fun Run and Breakfast

#### **For our environment**

- » Ecofiesta and Smart Lifestyle Expo (environmental event)
- » Borrow Pits Learnscapes Project
- » Graphic Arts Contest - Waste minimisation and recycling (for schools)
- » Rowes Bay Wetlands Project
- » National Tree Day & Schools Tree Day
- » Environmental Awards
- » Solar Panels at Reid Park

#### **For our Arts and Culture**

- » Creative Generations
- » North Queensland Arts Awards

#### **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
- » Freemasons Park at Pallarenda

#### **For our Families, Community and Businesses**

- » Welcoming Babies Ceremony
- » Carols by Candlelight

- » New Year's Eve celebrations
- » Heritage Day
- » Townsville 400 Festival (V8s)
- » McDonald's Dance Expo
- » Mayor's Christmas Tree Appeal
- » Emergency Management: Cyclone Sunday Event
- » NQLGAQ
- » International Women's Day

#### **Our Partners and Sponsors**

BHP Billiton Cannington  
 Clean It NQ  
 Jupiters Townsville  
 Lancini Property & Development  
 Origin Energy  
 Queensland Nickel Pty Ltd  
 Horan and Bird  
 Tony Ireland Townsville  
 Townsville Bulletin  
 Townsville RSL  
 Walters SUPA IGA  
 Ferry Property  
 Freemasons  
 RACQ  
 North Shore by Stockland  
 Westpac  
 Willows Shopping Centre  
 Coca-Cola Amatil  
 Lions Club of Thuringowa Northern Beaches  
 Powerlink  
 Southern Cross Austereo  
 Townsville Airport  
 TP Human Capital  
 Wilson Ryan Grose Lawyers  
 Australian Hearing  
 Bunnings  
 Castletown Shoppingworld  
 Cox Rayner Architects  
 Honeycombes  
 Lions Club of Townsville Northern Suburbs  
 Lions Club of Castle Hill  
 Mike Carney Toyota  
 Queensland Country Credit Union  
 Sealink  
 WIN Television  
 Humes-Holcim  
 Preston Law  
 Paradise Outdoor Advertising

### Global Reporting Initiative (GRI)

#### Reading this Index

The Global Reporting Initiative (GRI) is a non-profit Organisation that works towards a sustainable global economy by providing sustainability reporting guidance. The Framework enables organisations to measure and report their economic, environmental, social and governance performance. The GRI Index is included in this Annual Report as a list of indicators that demonstrates Townsville City Council's sustainability practices, each indicator with a page reference to demonstrate where in the report the relevant data can be located. Some GRI Indicators are not relevant to our Organisation as this is a framework used by organisations of all sizes and sectors. This is council's first year to take up the challenge to use the GRI framework of which we endeavour to continue using as sustainability issues are of great importance to us and the community. The Implementation of Corporate Performance Management System (CPM) will enable council to report more on performance against additional indicators in future years.

#### GRI Application Levels

Application Levels show the extent to which GRI's Framework has been applied in a sustainability report. They communicate which disclosure items from the Sustainability Reporting Guidelines or Sector Supplements have been addressed. A report's Application Level is self-declared by the reporting organisation. There are three Application Levels: A, B and C. When a '+' is added to the Application Level it shows that a report has been externally assured. Application Level A represents the largest number of GRI disclosure items that can be addressed in a report, and Level C the smallest. This Report meets the requirement of Application Level C. GRI reporting is according to G3 (2006) or G3.1 (2011) Guidelines (reporting on a minimum of 10 Indicators) which is still acceptable until 2015 or the recently introduces G4 Guidelines. Townsville City Council has adopted the use of Version G3.1 of the framework.

Report Application Level		C	C+	B	B+	A	A
Standard Disclosures	Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	
	Disclosures on Management Approach OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***		Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	
		<p>* Sector supplement in final version</p> <p>** Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines</p> <p>*** Performance Indicators may be selected from any finalized Sector Supplement but 14 of the 20 must be from the original GRI Guidelines</p>					

## GRI content table

Profile Disclosure	Disclosure	Cross reference/ comment
<b>1</b>	<b>Strategy and Analysis</b>	
1.1	Statement from the most senior decision-maker of the organisation.	6-7
<b>2</b>	<b>Organisational Profile</b>	
2.1	Name of the organisation.	throughout this report
2.2	Primary brands, products, and/or services.	27
2.3	Operational structure.	26
2.4	Location of organisation's headquarters.	ii,8
2.5	Number of countries where the organisation operates.	8
2.6	Nature of ownership and legal form.	4,24,18-22
2.7	Markets served.	8
2.8	Scale of the reporting organisation.	4,27,74-75
2.9	Significant changes during the reporting period.	81,112
2.10	Awards received in the reporting period.	28
<b>3</b>	<b>Report Parameter</b>	
3.1	Reporting period.	i
3.2	Date of most recent previous report.	Annual Report 2011/12
3.3	Reporting cycle.	i
3.4	Contact point for questions regarding the report or its contents.	ii
3.5	Process for defining report content.	2-3
3.6	Boundary of the report.	8
3.7	Limitations on the scope or boundary of the report.	3
3.9	Data measurement techniques.	ii, throughout this report
3.10	Explanation of the effect of any re-statements of information provided in earlier reports.	No effects of restatements
3.11	Significant changes from previous reporting periods.	No significant changes
3.12	Table identifying the location of the Standard Disclosures in the report.	113-115
<b>4</b>	<b>Governance, Commitments, and Engagement</b>	
<b>4.1</b>	<b>Governance structure.</b>	4,21
4.2	Chair of the highest governance body is also an executive officer.	The Mayor is not an Executive Officer
4.3	Unitary board structure	Not relevant to TCC
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	4,19-21
4.5	Compensation and performance.	99
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	21,97
4.7	Selection process for the highest governance body.	18-20
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	i,99
4.9	Management of performance.	2,4



**GRI content table**

Profile Disclosure	Disclosure	Cross reference/ comment
4.10	Performance evaluation.	Performance against Corporate plan throughout this report
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	73,97-98
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	30-39,86
4.14	List of stakeholder groups engaged by the organisation.	ii
4.15	Basis for identification and selection of stakeholders with whom to engage.	ii,76
4.16	Approaches to stakeholder engagement.	76
4.17	Key topics and concerns that have been raised through stakeholder engagement.	14,30-40,88,94
<b>Performance Indicators</b>		
<b>Performance Indicators - Economic</b>		
EC1	Direct economic value generated and distributed.	Financial report
EC2	Financial Implications and other risks and opportunities for the organisation's activities due to climate change.	56-57
EC3	Coverage of the organisation's defined benefit plan obligations.	Financial report
EC4	Significant financial assistance received from government.	Financial report
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	111
<b>Performance Indicators - Environmental</b>		
EN2	Percentage of materials used that are recycled.	95
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	56-57
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	56-57
EN8	Total water withdrawal by source.	47
EN10	Percentage and total volume of water recycled and reused.	56
EN13	Habitats protected or restored	53
EN 18	Initiatives to reduce greenhouse gas emissions.	56-57
EN22	Total weight of waste by type and disposal method.	56
EN23	Total number and volume of significant spills.	49
EN24	Weight of treated waste.	56
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	56-57

**GRI content table**

Profile	Disclosure	Cross reference/ comment
Disclosure		
<b>Performance Indicators - Social: Labour</b>		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	79-80
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	77
LA4	Percentage of employees covered by collective bargaining agreements.	80
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	80
LA7	Rates of injury and lost days	80
LA12	Percentage of employees receiving regular performance and career development reviews	78
<b>Performance Indicators - Social: Human Rights</b>		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	TCC does not engage in forced or compulsory labor
<b>Performance Indicators - Social: Community</b>		
So1	Managing impacts on Communities	Throughout this report
<b>Performance Indicators - Social: Society</b>		
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	TCC does not receive funds from political parties
<b>Performance Indicators - Social: Responsibility</b>		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement.	74
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Throughout this report

# Appendix H

Annual Report

## TOWNSVILLE CITY COUNCIL

ABN: 44 741 992 072



# Financial Report For The Year Ended 30 June 2013

## **TOWNSVILLE CITY COUNCIL**

ABN: 44 741 992 072

### **General Purpose Financial Report For The Year Ended 30 June 2013**

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Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
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### **Financial Sustainability Report For The Year Ended 30 June 2013**

<b>TABLE OF CONTENTS</b>	<b>Page</b>
Current Year Financial Sustainability Report	36
Long Term Financial Sustainability Report	37
Independent Auditor's Report	38



TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072  
MANAGEMENT CERTIFICATION

These general purpose financial statements have been prepared pursuant to Section 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 33, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

Mayor



Dated this

26<sup>th</sup> day of OCTOBER 2013

Chief Executive Officer



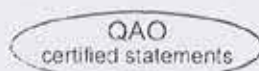
Dated this

28<sup>th</sup> day of October 2013

**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$000	2012 \$000
<b>Revenue</b>	2	373,222	381,068
Other income	2	134,962	116,220
<b>Total revenue</b>		<u>508,184</u>	<u>497,288</u>
Labour costs		(120,290)	(122,672)
Materials and services used		(119,338)	(140,744)
Finance costs	3	(24,880)	(23,131)
Depreciation and amortisation expense	3	(101,390)	(93,486)
Impairment of property, plant and equipment	3	-	(328)
Other expenses	3	(41,680)	(13,015)
Share of net profit/(loss) of joint venture	10(a)	(3,286)	(431)
<b>Total expenses</b>		<u>(410,864)</u>	<u>(393,807)</u>
<b>Net result for the year</b>		<u>97,320</u>	<u>103,481</u>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to net result</b>			
Net gain on revaluation of property, plant and equipment		33,989	784,704
<b>Other comprehensive income for the year</b>		<u>33,989</u>	<u>784,704</u>
<b>Total comprehensive income for the year</b>		<u>131,309</u>	<u>888,185</u>

The accompanying notes form part of these financial statements.



**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013**

	Note	2013 \$000	2012 \$000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	77,810	69,661
Trade and other receivables	6	46,725	56,953
Inventories	7	1,605	2,324
Other assets	13	3,327	915
Assets classified as held for sale	8	718	3,624
<b>TOTAL CURRENT ASSETS</b>		<b>130,185</b>	<b>133,477</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	2,585	3,243
Investments accounted for using the equity method	9	25,625	28,911
Property, plant and equipment	11	4,652,803	4,563,164
Intangible assets	12	12,256	5,081
Other non-current assets	13	105	8
Assets classified as held for sale	8	4,995	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,698,369</b>	<b>4,600,407</b>
<b>TOTAL ASSETS</b>		<b>4,828,554</b>	<b>4,733,884</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	35,462	50,561
Borrowings	16	19,983	18,803
Provisions	17	35,549	22,440
Other current liabilities	15	995	2,234
<b>TOTAL CURRENT LIABILITIES</b>		<b>91,989</b>	<b>94,038</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	14	-	2,000
Borrowings	16	333,842	353,835
Provisions	17	28,357	40,954
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>362,199</b>	<b>396,789</b>
<b>TOTAL LIABILITIES</b>		<b>454,188</b>	<b>490,827</b>
<b>NET ASSETS</b>		<b>4,374,366</b>	<b>4,243,057</b>
<b>EQUITY</b>			
Reserves	18	983,845	979,295
Retained earnings		3,390,521	3,263,762
<b>TOTAL EQUITY</b>		<b>4,374,366</b>	<b>4,243,057</b>

The accompanying notes form part of these financial statements.

QAO  
certified statements

**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013**

	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
	\$000	\$000	\$000	\$000
<b>Balance at 01 July 2011</b>	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
<b>Total comprehensive income for the year</b>	<b>103,481</b>	<b>784,704</b>	<b>-</b>	<b>888,185</b>
Transfers to retained earnings from general reserves	924	-	(924)	-
<b>Balance as at 30 June 2012</b>	<b>3,263,762</b>	<b>949,856</b>	<b>29,439</b>	<b>4,243,057</b>
<b>Balance at 01 July 2012</b>	<b>3,263,762</b>	<b>949,856</b>	<b>29,439</b>	<b>4,243,057</b>
Net result for the year	97,320	-	-	97,320
Other comprehensive income for the year	-	33,989	-	33,989
<b>Total comprehensive income for the year</b>	<b>97,320</b>	<b>33,989</b>	<b>-</b>	<b>131,309</b>
Transfers to retained earnings from general reserves	29,439	-	(29,439)	-
<b>Balance at 30 June 2013</b>	<b>3,390,521</b>	<b>983,845</b>	<b>-</b>	<b>4,374,366</b>

The accompanying notes form part of these financial statements.

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**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$000	2012 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	402,712	420,028
Payments to suppliers and employees	(284,745)	(295,377)
Interest received	3,148	4,308
Finance costs	(23,656)	(24,652)
Net cash provided by/(used in) operating activities	22    97,459	104,307
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	3,922	183
Proceeds from loans to community organisations	11	12
Proceeds from cash contributions for constructing assets	83,316	76,916
Purchase of property, plant and equipment	(149,560)	(173,079)
Purchase of intangible assets	(8,186)	(182)
Net cash provided by/(used in) investing activities	(70,497)	(96,150)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(18,813)	(17,780)
Net cash provided by/(used in) financing activities	(18,813)	(17,780)
Net increase/(decrease) in cash held	8,149	(9,623)
Cash and cash equivalents at beginning of financial year	59,661	79,284
Cash and cash equivalents at end of financial year	5    77,810	69,661

The accompanying notes form part of these financial statements.



TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

**Note 1 Summary of Significant Accounting Policies**

**(a) Basis of Preparation**

These general purpose financial statements are for the period 1 July 2012 to 30 June 2013 and have 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 Regulation 2012.

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 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 testing.

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.

**(b) 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 2015
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 126 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
AASB 1055 Budgetary Reporting	1 July 2014
2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)	1 January 2015
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	1 January 2015
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 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014
AASB 2012-4 Amendments to Australian Accounting Standards - Government Loans [AASB 1]	1 January 2013
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8]	1 January 2013
AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures	1 January 2013
AASB 2012-9 Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	1 January 2013
AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements]	1 January 2013
	1 July 2014

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**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**Fair Value**

AASB 13 applies to reporting periods beginning on or after 1 January 2013 and will therefore be applied by Council in the 2013-14 reporting period. This standard is not required to be applied retrospectively; therefore there is no impact from the application of AASB 13 to values or other disclosures in the 2012-13 financial statements.

The standard sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Council's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The key changes will relate to the level of disclosures required.

Council has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, the necessary changes will be implemented. While the Council is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, and at this stage, no consequential material impacts are expected for the Council's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. The recognised fair values will be classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements.

Level 1 - Fair values that reflect the unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 - Fair values that are based on inputs other than quoted prices that are directly or indirectly observable for the asset or liability

Level 3 - Fair values that are derived from data not observable in a market

To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside the Council, the amount of information to be disclosed will be relatively greater.

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 will adopt each of the above pronouncements in the reporting period prescribed.

**(c) Rounding of Amounts**

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

**(d) Comparative Figures**

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.

**(e) 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 8;
- Measurement and recognition of provisions. Refer to Note 17; and
- Measurement and recognition of revenue arising from non-reciprocal transfers of assets. Refer Note 2.

**(f) 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 equivalent 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.

**(g) 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.





TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

(h) Carbon Pricing

The emissions profile of Council's landfill facilities is further dependent on the following factors:

- Number of years of operation;
- Climatic conditions;
- Waste input composition; and
- Landfill management practice including compaction rations, leachate management, interim cover & final cover present.
- Mitigation activities including gas capture & flaring

The price/tonne of emissions, after the initial fixed price period has expired, is currently unknown and reliance is placed on the carbon price scenarios included in the Commonwealth Treasury modelling of core policy released July 2011 "Strong growth, low pollution modelling a carbon price" in estimating Council's future liability

(i) 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 letting/engagement 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.

Where grants, subsidies and contributions are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council currently receives contributions for the maintenance of state controlled roads. These funds are held as an unearned revenue liability until projects are evaluated and approved by the relevant fundy body.

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.

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 in the Statement of Comprehensive Income.

(j) 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.

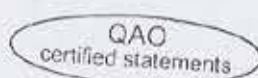
In recording and reporting lease arrangements as lessor, Council records in the statement of financial position the lease premiums related to the asset and records as revenue in the current period the amount of the lease premium which is regarded as having been earned in the current period based on the pattern of benefits received by the lessee.

The Council has no finance leases in this reporting period.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position, when applicable.

External restrictions have been placed on council's cash and cash equivalents, held as a result of non-reciprocal unspent grants and contributions. These restrictions are disclosed in Note 5.





**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**(l) Receivables**

Trade receivables are recognised at the 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. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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 2013.

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 Regulation 2012, 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.

**(m) 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 material, 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**

At 30 June 2013 Council no longer holds food and beverage stock and ceased to recognise nursery stock as finished goods. Due to the closure of its nursery operations \$164,451 of nursery stock was transferred to raw materials.

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. 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.

**(n) 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.

**(o) Interests in Joint Ventures**

The Council's interest in the joint venture has been recognised by including its share of any assets, liabilities, revenue and expenses of the joint venture within the relevant items reported in the Statement of Comprehensive Income and Statement of Financial Position. Information about the joint venture is set out in Note 10.

**(p) 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.

**TOWNSVILLE CITY COUNCIL ABN: 44 741 952 672**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

The measurement bases 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
Wastewater	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 Regulation 2012. 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 Regulation 2012 and Council Policy. In the intervening years, Council internally assesses through physical inspection the condition of infrastructure assets on a sample basis and as part of the maintenance process. The inspection results are considered in combination with external indices from a range of sources including the Australian Bureau of Statistics, the Bureau of Resources and Energy Economics, plus data provided by Queensland Treasury and where appropriate internally sourced capital cost data. Indices are viewed over a 5 year cycle and short term fluctuations are discounted in determining the appropriate index to be applied. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years when an external revaluation is not performed.

Valuations of non-current assets which were current as at 30 June 2013 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 (AAPV) (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 balance date.

Land assets were not subject to independent revaluation in the financial year ended 30 June 2013.

Management's assessment of land values at 30 June 2013 applied the percentage change of 2013 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 was adjusted by the comparison of sales proceeds of Council property compared to existing fair value. This 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 2013.

**(ii) Buildings**

Buildings, including fixed plant, fixtures and fittings, were valued as at 31 March 2006 at their respective depreciated replacement cost determined by independent valuations performed by Paul Ellis (AAPV) (registered Valuer No. 2242) and Bill Crothers (AAPV) (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 2013.

Management's assessment of building values at 30 June 2013 applied the 2013 General Construction Industry and Non Residential Building Construction Queensland indices supplied by the Australian Bureau of Statistics. Those were determined by management to be the most appropriate indices. This index was modified by the comparison of sales proceeds of Council buildings to fair value and also by comparison with values generally in the commercial property sector. This 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 2013.

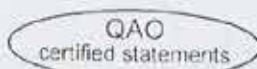
**(iii) Landfills**

Landfill assets are valued at 30 June 2013 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. Provision estimates are prepared using three different landfill capping methodologies and the method chosen is the one selected by engineering staff as being the most effective in meeting landfill licence conditions.

Management has determined that this method accurately reflects fair value for these assets at 30 June 2013.





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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

(iv) 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 (AAPV) (Registered Valuer No. 2242) and Bill Crothers (AAPV) (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 2013.

Management's assessment of land improvement asset values at 30 June 2013 applied 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 the resulting index was modified by internal Council data on replacement costs. This 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 2013.

(v) 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 2013.

Management's assessment of road and bridge network asset values at 30 June 2013 applied the 2012 Queensland Department of Transport and Main Roads road construction rate increase data and the 2013 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 the resulting index was modified by internal Council data on replacement costs, including NDRRA road reconstruction works. The 2012 Queensland DTMR rates were largely incorporated into cost data at the last revaluation and 2013 financial year data is not yet available. This has resulted in no restatement of the carrying values of road and bridge network assets being necessary. Management determined that existing carrying values materially reflect fair value as at 30 June 2013.

(vi) Water assets

Water assets excluding pipelines were valued as at 31 March 2009 at their respective depreciated replacement cost determined by independent valuations performed by Paul Ellis (AAPV) (Registered Valuer No. 2242) and Bill Crothers (AAPV) (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 2013.

Management's assessment of water asset values at 30 June 2013 applied the 2013 General Construction Industry (ABS A2333712W) and Non Residential Building Construction Queensland (ABS A2333721X) indices supplied by the Australian Bureau of Statistics, plus construction cost trends provided by the Australian Bureau of Resources and Energy Economics, modified by internal Council cost data. These were determined by management to be the most appropriate indices and data, resulting 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 2013.

(vii) Pipe network assets

Pipe network assets were valued as at 28 Feb 2013 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 contractors above to materially reflect fair value as at 30 June 2013.

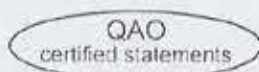
Pipe network assets acquired during the financial year ended 30 June 2013 are recognised at cost less depreciation and were not revalued. Management has determined that this method accurately reflects fair value for these assets at 30 June 2013.

(viii) Wastewater assets

Wastewater assets excluding pipelines were valued as at 31 March 2009 at their respective depreciated replacement cost determined by independent valuations performed by Paul Ellis (AAPV) (Registered Valuer No. 2242) and Bill Crothers (AAPV) (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. Wastewater assets were not subject to independent revaluation in the financial year ended 30 June 2013.

Management's assessment of wastewater asset values at 30 June 2013 applied the 2013 General Construction Industry (ABS A2333712W) and Non Residential Building Construction Queensland (ABS A2333721X) indices supplied by the Australian Bureau of Statistics, plus construction cost trends provided by the Australian Bureau of Resources and Energy Economics, modified by internal Council cost data. These were determined by management to be the most appropriate indices and data, resulting 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 2013.



**TOWNSVILLE CITY COUNCIL, ABN: 44 741 992 072**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**(ix) 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 (AAPV) (registered Valuer No. 2242) and Bill Crothers (AAPV) (Registered Valuer No. 1942) of Ruxton 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 2013.

Management's assessment of drainage asset values at 30 June 2013 applied the 2013 General Construction industry (ABS A233712W) and Non Residential Building Construction Queensland (ABS A233721X) indices supplied by the Australian Bureau of Statistics, plus construction cost trends provided by the Australian Bureau of Resources and Energy Economics, modified by internal Council cost data. These were determined by management to be the most appropriate indices and data, resulting 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 2013.

**(x) Other assets**

Other assets were valued as at 30 June 2011 at their respective depreciated replacement cost determined by independent valuations performed by Ms Bettina MacAuley of MacAuley Partners (specialising in personal assets, fine art and antiques). 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 2012/13 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.

**Deed of Settlement in Trust Lands**

Under a Deed of Settlement in Trust dated 23rd July 2009, the Council is Trustee of the Jazzine Land Trust comprising certain land titles known as Jazzine Barracks. The Council has not recognised this land as an asset. Under the terms of the Trust, Council has control over the improvements on the site and accordingly the improvements are recognised as assets 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 - 150 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 - 80 years
Wastewater	5 - 60 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.





**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**(q) Borrowings and Borrowing Costs**

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost.

In accordance with the Local Government Regulation 2012 council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

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.

**(r) Impairment of Current and Non-Current Assets**

All current and 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.

**(s) 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 and is recognised as an expense in the statement of financial performance. Amortisation is calculated 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.

**(t) Trade and Other Payables**

Accounts payable have been recognised as a liability for the year ended 30 June 2013 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.

**(u) 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 expenditures 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.



TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

(v) Employee Benefits

(i) Short term obligations  
Liabilities for wages and salaries, non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as provisions.

(ii) Other long-term employee benefit obligations  
The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. AASB101(69)(d) The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(w) 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**  
On 25 June 2013, council passed a resolution to close all existing reserves and transfer balances to retained earnings.

For comparative purposes the former reserves operated as follows:

**Constrained works reserve**  
This reserve was previously credited with all grants, subsidies and contributions of monetary revenue received during the reported period and constrained for the purpose of funding specific capital expenditures. When the expenditure was incurred on specified capital assets the equivalent funds were transferred to retained earnings. The balance reported represented funds not yet expended and retained until expended for the intended purpose.

**Asset replacement reserve**  
This reserve was created for replacement of Council's property, plant and equipment assets.

**Recurrent reserve**  
Amounts previously reported in this reserve corresponded to the allocation of sufficient funds to enable future expenditure on the purpose for which the funds were received.

**Other reserves**  
These reserves were created to contribute to the future replacement of Council's general infrastructure.

(A) 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.



TOWNSVILLE CITY COUNCIL ABN: 44 741 992 972  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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 sales 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.

#### (y) 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.

#### (z) Change in Comparatives

The comparatives in the Statement of Cashflows have been amended to reflect Goods and Services Tax cashflows on a gross basis where previously these cashflows were recognised on a net basis. There is no change in the net cash from operating activities.

The changes to the 2011-12 comparative figures in the 2012-13 financial year Statement of Cashflows are:

- Receipts from customers increased by \$33,526,000 to \$420,028,000
- Payments to suppliers and employees increased by \$33,526,000 to \$295,377,000





**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 672**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**Note 2 Revenue and Other Income**

	Note	2013 \$000	2012 \$000
Rates and Utilities Revenue			
- General rates		151,532	145,144
- Special rates		176	180
- Refuse and recycling utility charges		17,767	15,530
- Water and wastewater utility charges		154,498	143,733
- Less discounts		(19,680)	(18,710)
- Less pensioner and other remissions		(9,590)	(10,414)
Total Rates and Utilities Revenue		294,683	275,471
Other Revenue			
- Interest received	2(a)	4,741	5,864
- Regulatory fees and charges		10,513	10,268
- Commercial fees and charges		12,899	13,540
- Contributions received for operating purposes		1,941	1,964
- Subsidies and grants received for operating purposes		33,673	56,965
- Other		14,762	16,390
Total Other Revenue		78,529	105,997
Total Revenue		373,212	381,468
Other income			
- Contributions received for capital purposes		46,430	25,834
- Subsidies and grants received for capital purposes		36,880	59,670
- Fair value gain on contributions of assets		51,380	27,915
- Impairment losses on property, plant and equipment reversed		266	2,801
Total Other income		134,956	116,220
Total Revenue and Other income		508,168	497,688
(a) Interest revenue from:			
- financial institutions		3,225	4,303
- other persons		1,516	1,561
Total interest revenue		4,741	5,864

**Note 3 Expenses**

		2013 \$000	2012 \$000
Expenses			
Depreciation			
- Buildings		6,586	6,190
- Plant and equipment		15,270	14,858
- Landfill		1,659	1,975
- Land improvements		10,667	15,240
- Road and bridge network		23,529	12,761
- Water		8,949	10,058
- Pipe network		22,591	20,266
- Wastewater		10,894	11,043
- Drainage		235	209
Total depreciation expense		100,379	92,600
Amortisation			
- Software assets		1,011	686
Total amortisation expense		1,011	686
Interest expense on financial liabilities not at fair value			
- Interest and finance charges on loans from financial institutions		23,727	21,092
- Unwinding of discounted provisions		1,153	2,039
Total interest expense		24,880	23,131
Other expenses			
- Impairment charge - trade receivables		89	462
- Net loss on disposal of property, plant and equipment		39,166	10,285
- Inventory fair value write-down		377	45
- Other expenses		2,048	2,233
Total other expense		41,680	13,015
Impairment losses:			
- property, plant and equipment	11(e)	-	323
Rental expense on operating leases			
- minimum lease payments		58	57

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**TOWNSVILLE CITY COUNCIL, ABN: 44 741 962 072**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

(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 2013 includes the effect of the following declared disaster events that have impacted the Townsville local government area during the last 4 years.

Event	Year
Heavy Rainfall and Flooding, Northern & PNG	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.

	2013 \$000	2012 \$000
<b>Recovery of expenditure incurred for NDRRA purposes:</b>		
Grant funding received for operating expenditure incurred for NDRRA purposes	21,856	41,558
Grant funding received for capital expenditure incurred for NDRRA purposes	22,527	29,911
<b>Total grant revenue received for recovery of capital and operating expenditure</b>	<b>44,383</b>	<b>71,469</b>
<b>Expenditure for costs incurred for NDRRA purposes:</b>		
Operating expenditure incurred for NDRRA purposes	21,402	37,706
Capital expenditure incurred for NDRRA purposes	27,719	18,453
<b>Total expenditure incurred for NDRRA purposes</b>	<b>49,121</b>	<b>56,159</b>
Total grant funding due to Council for NDRRA purposes and recognised as a receivable as at balance date	-	21,909
Total expenditure by Council for NDRRA purposes recognised as a payable as at balance date	4,054	6,118

**Note 4 Auditors' Remuneration**

	2013 \$000	2012 \$000
Remuneration of the auditor of the Council for: - auditing the financial report	302	292

**Note 5 Cash and Cash Equivalents**

	Note	2013 \$000	2012 \$000
Cash at bank and in hand		491	1,611
Short-term bank deposits - at call		69,810	67,550
Short-term bank deposits - held to maturity		10,500	500
	24	<b>77,810</b>	<b>69,661</b>

(a) **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	77,810	69,661
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(b) **Cash not available for general use**

Council cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. These include:

Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent contributions, government grants and subsidies	9,077	8,891
Total unspent restricted cash	<b>9,077</b>	<b>8,891</b>

(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.

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TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

**Note 6 Trade and Other Receivables**

	Note	2013 \$000	2012 \$000
<b>CURRENT</b>			
Trade receivables - rates and utilities		14,803	14,998
Allowance for impairment of receivables - rates and utilities	6a(i)	(77)	(287)
Trade receivables - fees and charges		9,086	8,529
Allowance for impairment of receivables - fees and charges	6a(ii)	(584)	(686)
		<u>23,028</u>	<u>20,953</u>
Other receivables - term receivables		5	11
Other receivables - other debtors and accrued revenue		23,505	35,973
Accrued interest		93	16
Total current trade and other receivables		<u>46,728</u>	<u>56,953</u>
<b>NON-CURRENT</b>			
Trade receivables - rates and utilities		2,526	3,175
Other receivables - term receivables		58	68
Total non-current trade and other receivables		<u>2,585</u>	<u>3,243</u>

**(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.

	Opening Balance 01 July 2012 \$000	Charge for the Year \$000	Amounts Written Off \$000	Unused amount reversed \$000	Closing Balance 30 June 2013 \$000
(i) Current trade receivables - rates and utilities	287	47	(249)	(8)	77
(ii) Current trade receivables - fees and charges	656	347	(112)	(337)	584
	<u>973</u>	<u>394</u>	<u>(361)</u>	<u>(345)</u>	<u>661</u>

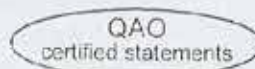
	Opening Balance 01 July 2011 \$000	Charge for the Year \$000	Amounts Written Off \$000	Unused amount reversed \$000	Closing Balance 30 June 2012 \$000
(i) Current trade receivables - rates and utilities	143	152	-	(6)	287
(ii) Current trade receivables - fees and charges	2,450	385	(1,951)	(196)	686
	<u>2,593</u>	<u>537</u>	<u>(1,951)</u>	<u>(206)</u>	<u>973</u>

**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 8. 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.



TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Gross Amount Consolidated Balances	Past due and impaired Consolidated Balances	Within initial trade terms Consolidated Balances	Past due but not impaired (days overdue)			
				<30 Consolidated Balances	31-60 Consolidated Balances	61-90 Consolidated Balances	>90 Consolidated Balances
<b>2013</b>							
Trade receivables	26,215	(661)	8,441	319	569	796	15,429
Other receivables - Term	68	-	68	-	-	-	-
Other receivables - Other	23,668	-	23,668	-	-	-	-
<b>Total</b>	<b>49,951</b>	<b>(661)</b>	<b>32,177</b>	<b>319</b>	<b>569</b>	<b>796</b>	<b>15,429</b>

	Gross Amount Consolidated Balances	Past due and impaired Consolidated Balances	Within initial trade terms Consolidated Balances	Past due but not impaired (days overdue)			
				<30 Consolidated Balances	31-60 Consolidated Balances	61-90 Consolidated Balances	>90 Consolidated Balances
<b>2012</b>							
Trade receivables	25,101	(973)	8,219	709	348	956	15,893
Other receivables - Term	79	-	79	-	-	-	-
Other receivables - Other	35,589	-	35,589	-	-	-	-
<b>Total</b>	<b>61,169</b>	<b>(973)</b>	<b>42,287</b>	<b>709</b>	<b>348</b>	<b>956</b>	<b>15,893</b>

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	2013 \$000	2012 \$000
Trade and other receivables			
- Total Current		48,725	56,653
- Total Non-Current		2,585	3,243
Financial assets	24	<u>49,310</u>	<u>60,196</u>

**Note 7 Inventories**

	2013 \$000	2012 \$000
<b>CURRENT</b>		
Raw materials and stores	1,605	1,372
Finished goods	-	952
	<u>1,605</u>	<u>2,324</u>

Write downs of inventories to net realisable value recognised as an expense during the year ended 30 June 2013 amounted to \$371,000 (2012: \$0). The expense has been included in 'Other expenses' in the Statement of Comprehensive Income. This write down was a result of the closure of nursery operations.

**Note 8 Non-Current Assets Classified as Held for Sale**

	2013 \$000	2012 \$000
Non-current assets held for sale:		
Land and Buildings		
Current - expected to be sold within 12 months	718	3,824
Non-current - expected to be sold after 12 months	4,995	-
	<u>5,713</u>	<u>3,824</u>

A review of assets held for sale disclosed land and buildings that will be or have been sold in the 2014 financial year with a total of \$718,000 (2012: \$3,824,000). Future use of the remaining land held for sale does not include Council operations or public use. The land is available for sale but a transaction is not expected within 12 months but is anticipated within 5 years.

**Note 9 Investments Accounted for using the Equity Method**

	Note	2013 \$000	2012 \$000
Interests in joint venture	10	25,625	28,911
		<u>25,625</u>	<u>28,911</u>

**Note 10 Joint Venture**

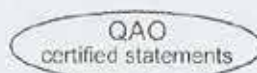
**(a) Interest in Joint Ventures**

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 venue 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.



**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

Council was advised during the year that the value of the Building (recorded under Property, Plant and Equipment) in the 2012 financial statements had been revised. This was as a result of a reduction made to the remaining useful life of the building. Council has recognised a loss of \$3,266,000 in period ended 30 June 2013 year in the statement of Comprehensive Income of which \$1,329,000 relates to the prior year.

(b) Share of the Net Assets Employed in the Joint Venture	2013 \$000	2012 \$000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	395	680
Trade and other receivables	13	12
Inventories	27	26
Other assets	-	4
Total current assets	<u>435</u>	<u>730</u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	25,576	26,720
Total non-current assets	<u>25,576</u>	<u>26,720</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	355	510
Total current liabilities	<u>355</u>	<u>510</u>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	31	29
Total non-current liabilities	<u>31</u>	<u>29</u>
Net interest in joint venture	<u>25,625</u>	<u>28,911</u>

**Note 11 Property, Plant and Equipment**

	2013 \$000	2012 \$000
<b>LAND AND BUILDINGS</b>		
Land		
— At valuation	406,410	411,591
	<u>406,410</u>	<u>411,591</u>
Buildings		
— At valuation	228,620	220,221
Less accumulated depreciation	(40,998)	(41,992)
Less accumulated impairment losses	(62)	(253)
	<u>187,570</u>	<u>177,986</u>
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
— At cost	131,842	121,248
Less accumulated depreciation	(52,270)	(49,214)
Less accumulated impairment losses	(84)	-
	<u>79,508</u>	<u>72,034</u>
<b>INFRASTRUCTURE ASSETS</b>		
Landfill		
— At valuation	27,987	27,987
Less accumulated depreciation	(21,018)	(20,000)
	<u>6,969</u>	<u>7,987</u>
Land improvements		
— At valuation	205,831	238,787
Less accumulated depreciation	(112,382)	(102,216)
Less accumulated impairment losses	-	(136)
	<u>153,449</u>	<u>136,418</u>
Road and bridge network assets		
— At valuation	2,008,156	1,990,542
Less accumulated depreciation	(404,537)	(416,831)
Less accumulated impairment losses	-	-
	<u>1,603,621</u>	<u>1,573,711</u>
Water assets		
— At valuation	776,367	765,983
Less accumulated depreciation	(204,124)	(197,064)
Less accumulated impairment losses	-	-
	<u>572,243</u>	<u>568,919</u>
Pipe network assets		
— At valuation	2,209,991	2,121,562
Less accumulated depreciation	(881,768)	(812,385)
	<u>1,347,923</u>	<u>1,309,177</u>
Wastewater assets		
— At valuation	372,903	371,606
Less accumulated depreciation	(86,929)	(81,166)
Less accumulated impairment losses	(1,506)	-
	<u>284,468</u>	<u>290,440</u>

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**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$000	2012 \$000
Drainage assets		
— At valuation	12,079	11,142
Less accumulated depreciation	(1,547)	(1,323)
	<u>10,532</u>	<u>9,819</u>
<b>OTHER ASSETS</b>		
Other assets		
— At valuation	6,849	6,590
Less accumulated depreciation	(528)	(528)
Less accumulated impairment losses	-	-
	<u>6,321</u>	<u>6,062</u>
Total Property, Plant and Equipment	<u>4,652,803</u>	<u>4,563,164</u>

**(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(p). 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 \$000	Buildings \$000	Plant and Equipment \$000	Landfill \$000	Land Improvements \$000	Road and bridge network \$000
<b>Balance at 01 July 2011</b>	406,209	179,961	73,855	7,262	117,001	810,551
Additions	220	5,093	14,707	2,680	30,203	56,075
Disposals	(670)	(814)	(1,255)	-	(174)	(51)
Assets classified as held for sale	5,736	-	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-	-	718,161
Depreciation expense	-	(6,150)	(14,958)	(1,975)	(15,340)	(12,781)
Impairment loss - revaluation surplus (charged)	-	-	-	-	(64)	-
Impairment loss - net result (charged)	-	(253)	(75)	-	-	-
Impairment loss - revaluation surplus (reversed)	-	-	-	-	4,782	-
Impairment loss - net result (reversed)	-	217	-	-	-	1,448
Capitalised finance costs	-	22	-	-	-	298
<b>Balance at 30 June 2012</b>	411,591	177,966	72,034	7,967	136,418	1,573,711
Additions	-	5,125	27,110	-	26,303	84,946
Disposals	(1,142)	(1,249)	(4,441)	-	(605)	(31,508)
Assets classified as held for sale	(2,030)	(59)	-	-	-	-
Revaluation	-	-	-	641	-	-
Depreciation expense	-	(6,588)	(15,269)	(1,859)	(10,667)	(23,528)
Impairment loss - revaluation surplus (charged)	-	-	-	-	-	-
Impairment loss - net result (charged)	-	-	-	-	-	-
Impairment loss - revaluation surplus (reversed)	-	-	-	-	-	-
Impairment loss - net result (reversed)	-	192	74	-	-	-
Transfers Between Classes	-	6,162	-	-	-	-
Capitalised finance costs	-	-	-	-	-	-
<b>Balance at 30 June 2013</b>	408,419	181,870	79,509	6,949	153,440	1,600,321

	Water \$000	Pipe network \$000	Wastewater \$000	Drainage \$000	Other \$000	Total \$000
<b>Balance at 01 July 2011</b>	573,532	1,264,695	232,029	8,209	5,353	3,078,357
Additions	568	2,079	76,994	1,759	657	191,039
Disposals	-	(94)	(7,590)	-	-	(10,469)
Assets classified as held for sale	-	-	-	-	-	5,736
Revaluation increments/(decrements)	-	61,763	-	-	-	779,924
Depreciation expense	(10,048)	(20,266)	(11,043)	(200)	-	(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)	1,504	-	-	-	-	3,269
Capitalised finance costs	3,285	-	-	-	-	3,655
<b>Balance at 30 June 2012</b>	568,979	1,308,177	290,420	9,819	6,062	4,563,164
Additions	14,173	27,481	12,736	949	59	200,940
Disposals	(1,955)	-	(2,184)	-	-	(43,088)
Assets classified as held for sale	-	-	-	-	-	(2,089)
Revaluation increments/(decrements)	-	34,856	-	-	-	35,467
Depreciation expense	(8,949)	(22,591)	(10,894)	(235)	-	(100,379)
Impairment loss - revaluation surplus (charged)	-	-	(1,508)	-	-	(1,508)
Impairment loss - net result (charged)	-	-	-	-	-	-
Impairment loss - revaluation surplus (reversed)	-	-	-	-	-	-
Impairment loss - net result (reversed)	-	-	-	-	-	206
Transfers Between Classes	-	-	(6,162)	-	-	-
Capitalised finance costs	-	-	-	-	-	-
<b>Balance at 30 June 2013</b>	572,243	1,347,923	282,466	10,532	6,121	4,652,603

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Additions Comprise:

	Land \$000	Buildings \$000	Plant and Equipment \$000	Landfill \$000	Land Improvements \$000	Road and bridge network \$000
Renewals	-	3,101	9,233	-	3,671	47,592
Other	-	2,024	17,877	-	21,632	37,354
<b>Total</b>	-	<b>5,125</b>	<b>27,110</b>	-	<b>25,303</b>	<b>84,946</b>

	Water \$000	Pipe network \$000	Wastewater \$000	Drainage \$000	Other \$000	Total \$000
Renewals	3,408	15,499	5,078	641	-	90,211
Other	10,765	10,992	8,718	308	59	110,729
<b>Total</b>	<b>14,173</b>	<b>27,491</b>	<b>12,796</b>	<b>949</b>	<b>59</b>	<b>200,940</b>

	2013 \$000	2012 \$000
(c) Capitalised Finance Costs		
Finance costs incurred on qualifying assets	-	3,735
Less: Investment revenue earned on borrowed funds	-	(83)
Finance costs capitalised	-	3,655
Capitalisation rate used in the allocation of finance costs	0.00%	6.15%

(d) Carrying Amount of Property, Plant and Equipment in the Course of Construction

2013	Opening Balance 01 July 2012	Assets constructed during the period	Assets placed in service during the period	Closing Balance 30 June 2013
<b>Class of assets in the course of construction</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Land	656	495	(495)	656
Buildings	753	5,038	(4,319)	1,472
Plant and Equipment	4,845	13,853	(16,508)	3,190
Landfills	656	1,398	-	2,052
Land Improvements	4,342	30,445	(9,661)	25,126
Road and Bridge Network	20,078	53,199	(52,759)	20,518
Water	9,052	14,178	(3,901)	19,329
Pipe Network	14,769	17,555	(20,868)	11,458
Wastewater	13,313	14,338	(20,661)	6,970
Drainage	385	1,125	(1,103)	407
Other	-	3	(3)	-
	<b>66,649</b>	<b>151,635</b>	<b>(128,290)</b>	<b>91,138</b>

2012	Opening Balance 01 July 2011	Assets constructed during the period	Assets placed in service during the period	Closing Balance 30 June 2012
<b>Class of assets in the course of construction</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Land	450	682	(455)	656
Buildings	22,189	2,851	(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	(4,068)	4,342
Road and Bridge Network	33,787	77,162	(90,871)	20,078
Water	8,118	15,470	(12,534)	9,052
Pipe Network	91,823	14,768	(91,829)	14,769
Wastewater	90,793	24,798	(102,280)	13,313
Drainage	3,300	2,916	(5,921)	385
Other	-	39	(39)	-
	<b>260,085</b>	<b>153,033</b>	<b>(244,299)</b>	<b>68,849</b>

(e) Impairment losses

The total impairment loss recognised in the statement of comprehensive income during the year amounted to \$0 (2012: \$328,000) and is presented within the net result of the year as impairment of property, plant and equipment. An impairment loss of \$1,506,000 (2012: \$84,000) on Wastewater assets has been recognised and charged against Revaluation Reserve during the year. The reversal of impairment losses charged to the net result of \$266,000 (2012: \$3,269,000) has been reversed to Other income. In addition, the impairment loss includes the diminution of value that would have occurred if the impaired assets at 30 June 2013 had been depreciated during the period they were impaired, until they were either disposed of or the underlying impairment condition was removed.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

**Note 12 Intangible Assets**

	2013 \$000	2012 \$000
Software assets		
Cost	22,763	14,708
Accumulated amortisation	(10,507)	(9,527)
Total software assets	<u>12,256</u>	<u>5,081</u>
		<b>Software assets \$000</b>
<b>Year ended 30 June 2013</b>		
Balance at the beginning of year		5,081
Additions		8,160
Disposals		-
Amortisation charge		(1,011)
Closing value at 30 June 2013		<u>12,256</u>
<b>Year ended 30 June 2012</b>		
Balance at the beginning of year		5,584
Additions		183
Disposals		-
Amortisation charge		(606)
Closing value at 30 June 2012		<u>5,061</u>

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**

	2013 \$000	2012 \$000
<b>CURRENT</b>		
Prepayments	<u>3,327</u>	<u>915</u>
	<u>3,327</u>	<u>915</u>
<b>NON-CURRENT</b>		
Prepayments	<u>105</u>	<u>6</u>
	<u>105</u>	<u>8</u>

**Note 14 Trade and Other Payables**

	2013 \$000	2012 \$000
<b>CURRENT</b>		
Unsecured liabilities		
Trade payables	18,275	25,166
Sundry payables and accrued expenses	<u>17,187</u>	<u>25,305</u>
	<u>35,462</u>	<u>50,561</u>
<b>NON-CURRENT</b>		
Unsecured liabilities		
Sundry payables and accrued expenses	<u>-</u>	<u>2,000</u>
	<u>-</u>	<u>2,000</u>
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
— Total Current	35,462	50,561
— Total Non-current	<u>-</u>	<u>2,000</u>
Financial liabilities as trade and other payables	<u>35,462</u>	<u>52,561</u>

**Note 15 Other Current Liabilities**

	2013 \$000	2012 \$000
Unearned revenue	<u>995</u>	<u>2,234</u>
	<u>995</u>	<u>2,234</u>

**Note 16 Borrowings**

	2013 \$000	2012 \$000
<b>CURRENT</b>		
Unsecured liabilities		
Loans	19,863	18,803
Total current borrowings	<u>19,863</u>	<u>18,803</u>
<b>NON-CURRENT</b>		
Unsecured liabilities		
Loans	<u>335,842</u>	<u>353,835</u>
Total non-current borrowings	<u>335,842</u>	<u>353,835</u>
Total borrowings	<u>355,825</u>	<u>372,638</u>

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**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**(a) Loans**

The total loan facility has been provided to a limit of \$363,825,301. The amount unused at the reporting date was \$10,000,000. The loans are unsecured and are all in Australian dollar denominated amounts with interest being expensed as it accrues. Borrowings have been recognised as a liability for the year ended 30 June 2013 at their carrying value. No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government.

The fair value of \$393,472,685 represents the value of the loan if Council repaid the loan as at 30 June 2013. 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 5.84% to 8.41% 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 1 to 18 years.

Principal and interest repayments are made quarterly. There have been no defaults or breaches of the loan agreement during the period.

**(b) Undrawn borrowing facilities**

	2013 \$000	2012 \$000
Unrestricted access was available at balance date to undrawn facilities listed below:		
Bank overdraft facility	500	500
Credit card facility	2,000	1,462
Loan facility	10,000	10,000
	<u>12,500</u>	<u>11,962</u>

**Note 17 Provisions**

	2013 \$000	2012 \$000
<b>CURRENT</b>		
Self Insurance	1,065	1,147
Landfill Restoration	17,354	5,518
Employee Benefits	16,713	15,422
Other	417	353
	<u>35,549</u>	<u>22,440</u>
<b>NON-CURRENT</b>		
Self Insurance	3,045	2,593
Landfill Restoration	8,451	21,782
Employee Benefits	14,710	14,290
Other	2,141	2,339
	<u>28,357</u>	<u>40,994</u>

**(a) Provision for Self Insurance**

A provision of \$4,110,000 has been recognised, for self-insured risks relating to workers' compensation claims, based on independent actuarial advice of the estimated liability.

**(b) Provision for Landfill Restoration**

A provision of \$25,815,880 has been recognised as the present value of the estimated cost of restoring Council's landfill sites to the condition required by the licence at the end of their useful life. The total estimated cost at 30 June 2013 is \$27,994,700 for the landfill sites. These costs are expected to be incurred between 2013 and 2047. Three alternative capping methods were costed and the method which best meets licence conditions in the most effective manner was selected.

**(c) Provision for Employee Benefits**

A provision of \$31,423,031 has been recognised for employee entitlements relating to annual leave and long service 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(v) to this report.

**(d) Provision for Other Long-term Liabilities**

A provision of \$2,558,000 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.

**(e) Movements in provisions**

Movements in each class of provision during the financial year, other than employee benefits are set out below:

	Self Insurance \$000	Landfill Restoration \$000	Employee Benefits \$000	Other \$000	Total \$000
Opening balance at beginning of year	3,740	27,280	29,682	2,892	63,594
Additional provisions raised during year	815	-	14,442	-	15,257
Amounts used	(541)	(607)	(13,069)	(22)	(14,269)
Unused amounts reversed	-	(1,356)	-	(234)	(1,630)
Unwinding of discount	96	537	364	122	1,153
Balance at end of the year	<u>4,110</u>	<u>25,815</u>	<u>31,423</u>	<u>2,558</u>	<u>63,906</u>

**(f) Amounts not expected to be settled within the next 12 months**

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. For annual leave the entire amount of the provision of \$15,168,430 (2012 - \$14,122,739) is presented as current, since council does not have an unconditional right to defer settlement for any of those obligations. However, based on past experience, council does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	2013 \$000	2012 \$000
Current leave obligations expected to be settled after 12 months	<u>6,030</u>	<u>6,029</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

**Note 18 Reserves**

	2013 \$000	2012 \$000
<b>Reserves</b>		
Council's cash and cash equivalents are subject to a number of external restrictions that limit the amount that is available for discretionary or future use. In prior years Council accounted for these restrictions using a system of reserves.		
On 25 June 2013, Council passed a resolution to close all existing reserves and transfer balances to retained earnings.		
Asset Revaluation surplus		
- property, plant and equipment	981,451	947,462
- joint venture	2,394	2,394
General reserves		
- constrained works reserve	-	8,891
- asset replacement reserve	-	1,987
- constrained recurrent reserve	-	5,131
- other reserves	-	13,430
	<u>983,845</u>	<u>979,265</u>
<b>Movements:</b>		
(a) Asset Revaluation surplus		
Movements in the revaluation surplus were as follows:		
At the beginning of the reporting period	949,853	165,152
Revaluation - property, plant and equipment	35,497	779,324
Net impairment loss - property, plant and equipment	(1,505)	4,780
At the end of the reporting period	<u>983,845</u>	<u>949,856</u>
(b) General reserves		
Movements in the general reserves were as follows:		
(i) Constrained works reserve		
At the beginning of the reporting period	8,891	10,201
Transfers to retained earnings for capital expenditure during the period	494	(1,727)
Transfers from retained earnings for future capital expenditure	(308)	417
Transfers to retained earnings due to closure of the reserve	(3,077)	-
At the end of the reporting period	<u>-</u>	<u>8,891</u>
(ii) Asset replacement reserve		
At the beginning of the reporting period	1,987	2,780
Transfers to retained earnings for capital expenditure during the period	417	(1,007)
Transfers from retained earnings for future capital expenditure	(261)	214
Transfers to retained earnings due to closure of the reserve	(2,143)	-
At the end of the reporting period	<u>-</u>	<u>1,987</u>
(iii) Constrained recurrent reserve		
At the beginning of the reporting period	5,131	3,902
Transfers to retained earnings for specific expenditure during the period	5,382	(2,212)
Transfers from retained earnings for future operating expenditure	(3,142)	3,391
Transfers to retained earnings due to closure of the reserve	(7,371)	-
At the end of the reporting period	<u>-</u>	<u>5,131</u>
(iv) Other reserves		
At the beginning of the reporting period	13,430	13,430
Transfers to retained earnings due to closure of the reserve	(13,430)	-
At the end of the reporting period	<u>-</u>	<u>13,430</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

**Note 19 Commitments for Expenditure**

	2013 \$000	2012 \$000
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements	3,111	3,667
Payable — minimum lease:		
- not later than 12 months	660	641
- between 12 months and 5 years	2,440	2,429
- greater than 5 years	11	597
	3,111	3,667
<b>(b) Capital Expenditure</b>		
Capital expenditure commitments contracted for:		
Jezzine Barracks Redevelopment	10,116	33,663
Water Treatment Plant Refurbishment	36,640	25,780
NDRRA Project Management Services	-	16,200
FEAM Systems Upgrade	225	8,300
Magnetic Island Walkway	-	3,509
Apilin Weir Rehabilitation Project	5	3,019
Waste Water Upgrade Program	-	432
Mt Low Parkway Improvement	-	237
Townsville International Sports Centre	33	180
Flinders Mill Redevelopment	-	96
Sewer Pipe Rehabilitation	931	77
RURCH Project	-	47
North Shore Boulevard	-	40
Cement Stabilisation Ross River Road to Fyham Road	-	1
Townsville Recreational Boating	533	-
Douglas Reservoir	2,159	-
Stuart Landfill Capping	3,979	-
Dairymple Road Bridge	746	-
Other	2,477	2,159
	59,163	94,029
Payable:		
- not later than 12 months	23,055	54,852
- between 12 months and 5 years	8,396	22,073
- greater than 5 years	20,712	17,304
	59,163	94,029
<b>(c) Other Expenditure Commitments</b>		
Other expenditure commitments contracted for:		
Water Treatment Plant Maintenance Services	2,260	112,333
NDRRA Project Management Services	49,218	44,925
Parks Maintenance Services	9,334	10,921
FEAM Systems Upgrade	-	1,287
Cleaning Services	2,012	4,068
Environmental Services	1,200	3,866
Other Maintenance Services	1,053	972
Security Services	601	805
Road Network Maintenance Services	600	760
Records Management and Storage	210	600
Cash Carry Services	120	-
Sponsorships and Community Contributions	231	231
Lifeguard Services	2,152	868
Port of Townsville Limited	2,420	-
	71,611	181,494
Payable:		
- not later than 12 months	65,435	67,722
- between 12 months and 5 years	6,009	45,902
- greater than 5 years	87	67,870
	71,611	181,494

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**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 completing works relating to the 2011 and 2012 declared disaster events on local infrastructure. Significant expenditure relating to disaster relief and recovery activities will continue beyond 30 June 2013. 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 2013, as the receipt of 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 2012 and 2013 disaster events is approximately \$38,000,000.

**(b) Contingent Liabilities**

Estimates of the potential financial effect of contingent liabilities that may become payable:

	2013 \$000	2012 \$000
<b>Guarantees</b>		
Workers compensation self-insurance guarantees	5,602	5,602
	<u>5,602</u>	<u>5,602</u>

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 17 July 2013 has estimated the required self-insurance guarantee to 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 \$4,110,000 (2012: \$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 2013 of LGM Queensland were not available. As at 30 June 2012 the financial statements reported an accumulated surplus of \$14,174,000 and it was not anticipated any liability would arise.

A potential liability exists for sewerage rebates payable to Magnetic Island residents. This liability stands to be approximately \$153,000 and is dependant on owners/occupiers connecting to Council sewerage infrastructure and applying to Council for the rebate in the designated timeframe.

**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, integrated sustainability services 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, parks and corporate asset management.
- (vi) **Corporate Services**  
Includes human resources, payroll, knowledge management, corporate communications, legal services, corporate governance, customer service and finance.





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**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 \$000	Townsville Waste \$000	Community and Environment Services \$000	Infrastructure Services \$000	Planning and Development Services \$000	Corporate Services \$000	Total \$000
<b>30 June 2013</b>							
<b>REVENUE</b>							
Grant revenue	5,874	-	2,477	57,486	88	4,534	70,559
Other revenue	174,960	26,984	21,434	73,862	7,447	132,886	437,625
<b>Total function revenue</b>	<b>180,834</b>	<b>26,984</b>	<b>23,911</b>	<b>131,348</b>	<b>7,535</b>	<b>137,422</b>	<b>508,104</b>
Total expenditure	94,115	17,025	112,451	138,953	18,208	32,112	410,864
<b>Function net result</b>	<b>86,719</b>	<b>9,959</b>	<b>(88,540)</b>	<b>(7,605)</b>	<b>(10,673)</b>	<b>105,310</b>	<b>97,240</b>
<b>Total function assets</b>	<b>1,706,166</b>	<b>15,312</b>	<b>258,802</b>	<b>2,677,418</b>	<b>1,640</b>	<b>169,215</b>	<b>4,828,555</b>
<b>30 June 2012</b>							
<b>REVENUE</b>							
Grant revenue	15,248	33	10,397	83,716	159	6,582	116,635
Other revenue	170,562	25,571	10,536	37,737	6,622	129,425	380,653
<b>Total function revenue</b>	<b>185,810</b>	<b>25,604</b>	<b>21,433</b>	<b>121,453</b>	<b>6,781</b>	<b>136,007</b>	<b>497,288</b>
Total expenditure	97,501	20,830	112,901	106,409	19,193	36,973	393,607
<b>Function net result</b>	<b>88,309</b>	<b>4,774</b>	<b>(91,468)</b>	<b>15,044</b>	<b>(12,412)</b>	<b>99,034</b>	<b>103,681</b>
<b>Total function assets</b>	<b>1,582,976</b>	<b>15,364</b>	<b>254,537</b>	<b>2,624,150</b>	<b>1,429</b>	<b>156,310</b>	<b>4,753,884</b>

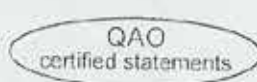
**Note 22 Cash Flow Information**

	2013 \$000	2012 \$000
<b>Reconciliation of Cash Flows from Operating activities with Net result for the year</b>		
Net result for the year	97,320	103,481
Depreciation	100,379	92,800
Amortisation	1,011	686
Net impairment loss on property, plant and equipment	(266)	(2,473)
Net loss on sale of non-current assets	39,168	10,285
Contributions, subsidies and grants received for constructing assets	(63,316)	(65,504)
Fair value gain on contributions of assets	(51,390)	(27,915)
Share of joint venture entity net profit after income tax and dividends	3,286	431
Capitalisation of borrowing costs	-	(3,655)
Changes in operating assets and liabilities:		
(increase)/decrease in trade and term receivables	10,796	10,201
(increase)/decrease in inventories	719	7
(increase)/decrease in other assets	(2,609)	929
(increase)/decrease in trade payables and accruals	(17,010)	5,043
(increase)/decrease in provisions	512	(1)
(increase)/decrease in other liabilities	(1,239)	(8)
<b>Cash flows from operating activities</b>	<b>57,459</b>	<b>104,307</b>

**Note 23 Events After the Reporting Period**

On 13 August 2013, Council entered into arrangements with the State of Queensland and College of Nations Limited ("YWAM") for the purchase and immediate sale and lease of land and building assets associated with the former TAFE site situated at the corner of Walker and Stanley Streets, Townsville. The acquisition and associated arrangements are expected to deliver a significant contribution to the redevelopment of the central business district. The financial effects of these transactions have not been brought to account at 30 June 2013.

- (i) Purchase consideration  
 The Council entered into an agreement with the State of Queensland (represented by Department of Education, Training and Employment) to purchase Lot 5 on plan T118604, with settlement occurring on 13 August 2013 for consideration of \$5,800,000.
- On 13 August 2013, Council effected changes to the site to create a Lot 4 on plan T118604 which represented 4,476m<sup>2</sup> of the original 13,302m<sup>2</sup>. The new Lot 4 is currently being used principally for car parking.
- (ii) Lease arrangements  
 On 13 August 2013, an Agreement for Lease was effected between Council (as lessor) and YWAM (as lessee) to lease Lot 5 on terms of \$1.00 per annum for a period of forty years with an option to extend this lease for an additional thirty years.
- Upon the commencement of the lease, ownership of the structures and other assets on the premises will vest in YWAM.
- (iii) Gain on Sale  
 On 13 August 2013, YWAM entered into a contract to acquire the new lot 4. The consideration for the sale was YWAM's entry into the leasing arrangement for Lot 5 on Plan T118604 under an arrangement where in addition to lease rental and all outgoing, YWAM pays to the Council all of the Council's costs of acquiring Lot 5 from the State of Queensland (more than \$5,600,000) over the first 84 months of the lease term. The new lot 4 has an assessed value of \$2,000,000.





**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**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	2013 \$000	2012 \$000
<b>Financial Assets</b>			
Cash and cash equivalents	5	77,810	60,661
Loans and receivables	6(b)	49,310	60,196
<b>Total Financial Assets</b>		<u>127,120</u>	<u>120,857</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
— Trade and other payables	14	35,462	52,561
— Borrowings	16	353,625	372,638
<b>Total Financial Liabilities</b>		<u>389,087</u>	<u>425,199</u>

**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 3.54% as at 30 June 2013.

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	2013 \$000	2012 \$000
<b>Cash and cash equivalents</b>			
- AA+ Rated		72,266	60,118
- A+ Rated		2,000	-
- A- Rated		3,000	-
- Non Rated		544	543
	5	<u>77,810</u>	<u>60,661</u>
<b>Receivables</b>			
- Trade receivables - rates		17,052	17,886
- Trade receivables - fees and charges		8,502	6,242
- Term receivables		66	78
- Other receivables		23,688	35,969
		<u>49,310</u>	<u>60,196</u>

**(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:



TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000
<b>Financial Assets - cash flows realisable</b>								
Cash and cash equivalents	77,810	69,981	-	-	-	-	77,810	69,981
Trade, term and other receivables	45,725	56,953	2,585	3,243	-	-	49,310	60,196
Total anticipated inflows	124,535	126,934	2,585	3,243	-	-	127,120	126,857
	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000
<b>Financial Liabilities - due for payment</b>								
Bank overdrafts and loans	42,396	42,398	153,109	158,132	350,179	363,393	545,586	583,923
Trade and other payables	35,462	50,561	-	2,020	-	-	35,462	52,561
Total contractual outflows	77,858	92,959	153,109	160,152	350,179	363,393	581,148	636,484
Less bank overdrafts	-	-	-	-	-	-	-	-
Total expected outflows	77,858	92,959	153,109	160,152	350,179	363,393	581,148	636,484
Net (outflow) / inflow on financial instruments	46,675	33,975	(150,524)	(156,889)	(350,179)	(363,393)	(454,028)	(509,627)

(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.

(ii) **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.

	Net result Consolidated Balances	Equity Consolidated Balances
+ 1% in interest rates	(2,826)	(2,826)
	Net result Consolidated Balances	Equity Consolidated Balances
+ 1% in interest rates	(3,019)	(3,019)

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TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

**Note 25 Correction of error, revision of estimates and changes in accounting policy**

**(a) Changes in accounting policy**

	2012 \$'000	Increase/ (Decrease) \$'000	2012 (Restated) \$'000
<b>Statement for financial position (extract)</b>			
Current trade and other payables	58,654	(8,093)	50,561
Current provisions	8,317	14,123	22,440
Non-current provisions	46,584	(5,030)	40,954
<b>Net assets</b>	<b>113,955</b>	<b>-</b>	<b>113,955</b>

*Change in accounting policy applied to treatment of annual leave*

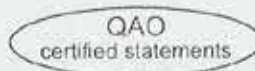
The Council has elected to change its accounting policy relating to the treatment of annual leave. Council does not have unconditional right to defer settlement of annual leave liabilities for at least 12 months. As a result, the non-current portion of the liability is still discounted, but is classified as current. The total annual leave liability has been recorded as a current provision with disclosure of how much of the current liability is not expected to be taken in within 12 months.

**(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 applied increases to the residual values of Pipe Network wastewater assets using an industry standard formula based on the cost and usage of pipe-relining technology. Asset lives were reviewed, particularly for major water and wastewater plants, fleet and roads where natural disaster remediation has taken place. The general effect was to increase the asset lives. These changes in estimate 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
2013	(5,259)
2014	(7,117)
2015-2017	(21,015)
2018-2022	(20,166)
2023 +	(2,048)



**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**NOTE DISCLOSURES FOR LOCAL GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE 2013**

**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 2012 (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 2012. The actuary indicated that:

*"The DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."*

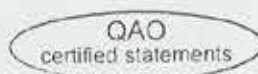
Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. Under the *Local Government Act 2009* the trustee of the scheme has the power 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.

	2013 \$000	2012 \$000
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	12,699	12,454

**Note 27 Trust funds**

	2013 \$000	2012 \$000
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	2,061	2,318
Townsville City Council Mayor's Christmas Tree Appeal	22	7
Townsville City Council V8 Supercars	-	2
	<u>2,083</u>	<u>2,327</u>

The Townsville City Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.





**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**NOTE DISCLOSURES FOR LOCAL GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE 2013**

**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 2013 financial year is as follows:

<b>Type 1</b>	(a) for water and sewerage combined activities - \$42.64 million (b) for other activities - \$25.54 million
<b>Type 2</b>	(a) for water and sewerage combined activities - \$12.77 million (b) for other activities - \$8.55 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" to which the code of competitive conduct is applied are:

Performing Arts  
Fleet and Property Services  
Nursery  
Off Street Parking  
Construction and Maintenance

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 following activity statements are for for activities subject to the competitive code of conduct:

Functions	Revenue for services provided 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							
	2013 \$000	2013 \$000	2013 \$000	2013 \$000	2013 \$000	2013 \$000	2013 \$000	2013 \$000	2013 \$000
Townsville Water	16,645	153,903	2,522	169,070	102,152	66,918	21,210	18,369	67,715
Townsville Waste	3,168	26,982	1,258	28,892	20,720	8,172	-	2,578	5,494
Performing Arts	166	1,655	-	1,821	7,856	(6,035)	(5)	-	(5,039)
Fleet & Property Services	18,802	182	-	18,983	23,152	(4,169)	(2,918)	-	(7,087)
Nursery	229	716	-	945	1,902	(958)	(344)	-	(1,301)
Off Street Parking	163	2,788	-	2,951	3,260	(309)	-	-	(339)
Construction & Maintenance	31,273	34,471	-	65,745	130,764	(65,019)	75,497	-	10,458
<b>Total</b>	<b>70,446</b>	<b>220,697</b>	<b>3,780</b>	<b>287,364</b>	<b>289,857</b>	<b>(2,493)</b>	<b>93,440</b>	<b>22,047</b>	<b>68,901</b>

**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	2013 \$000
<b>Type 1 and 2 activities</b>		
Townsville Water	Concessions & Other Community Services	2,522
Townsville Waste	Concessions & Other Community Services	1,258

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Townsville City Council

### Report on the Financial Report

I have audited the accompanying financial report of Townsville City Council, which comprises the statement of financial position as at 30 June 2013, 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 Mayor and 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 Regulation 2012*, 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.

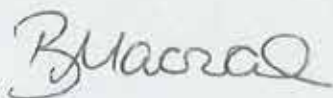
### *Opinion*

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 Townsville City Council for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

### **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



B MACRAE FCPA  
as Delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane

**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072**  
**CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**Measures of Financial sustainability**

Council's performance at 30 June 2013 against key financial ratios and targets:

	Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
How the measure is calculated	Net result (excluding capital items) divided by total operating revenue (excluding capital)	Capital expenditure on the replacement of assets (renewals) divided by depreciation	Total liabilities less current assets divided by total operating revenue (excluding capital items)
Target	Between 0% and 10%	greater than 90%	not greater than 60%
Actual	0%	90%	87%

**Note 1 Basis of Preparation**

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2013.

\* Operating surplus ratio has been calculated from the Statement of Comprehensive Income, with details on capital revenue and capital expenditure to be excluded derived from note 2 and 3 respectively. Workings as follows:

$$\frac{(\text{Net result } \$97,320,000 - \text{Other income } \$134,962,000 (\text{note 2}) + \text{Net loss on disposal } \$39,166,000 (\text{note 3}) + \text{Impairment loss } \$0 (\text{note 3}))}{\text{Revenue } \$373,222,000}$$

**CERTIFICATE OF ACCURACY**  
**FOR THE YEAR ENDED 30 JUNE 2013**

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation). In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayor

Dated this



28<sup>th</sup> day of OCTOBER 2013

Chief Executive Officer

Dated this



28<sup>th</sup> day of October 2013

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Townsville City Council

### Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Townsville City Council for the year ended 30 June 2013, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

#### *The Council's Responsibility for the Current-Year Financial Sustainability Statement*

The Council is responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the *Local Government Regulation 2012*. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the current-year financial sustainability statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement 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 Council's internal control. 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 statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

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.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Townsville City Council, for the year ended 30 June 2013, has been accurately calculated.

### *Emphasis of Matter – Basis of Accounting*

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

### **Other Matters - Electronic Presentation of the Audited Statement**

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



B MACRAE FCPA  
as Delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane

**TOWNSVILLE CITY COUNCIL ABN: 44 741 992 072  
LONG TERM FINANCIAL SUSTAINABILITY STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2013**

**Measures of Financial sustainability**

	Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
How the measure is calculated	Net result divided by total operating revenue	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	Total liabilities less current assets divided by total operating revenue
Target	Between 0% and 10%	greater than 90%	not greater than 60%
Projected for the years ended			
30-Jun-13	0%	90%	87%
30-Jun-14	0%	84%	90%
30-Jun-15	1%	75%	95%
30-Jun-16	1%	78%	99%
30-Jun-17	2%	77%	91%
30-Jun-18	3%	75%	82%
30-Jun-19	4%	77%	76%
30-Jun-20	4%	85%	74%
30-Jun-21	5%	87%	76%
30-Jun-22	5%	84%	70%

**Financial Management Strategy**

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

**CERTIFICATE OF ACCURACY  
FOR THE LONG TERM FINANCIAL SUSTAINABILITY STATEMENT PREPARED AS AT 30 JUNE 2013**

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation). In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Mayor



Dated this

28<sup>th</sup> day of OCTOBER 2013

Chief Executive Officer



Dated this

28<sup>th</sup> day of October 2013



# Glossary

## GLOSSARY

Accrual Accounting	The accounting basis that brings items to account as they are earned or incurred (and not as cash received or paid) and recognises them in financial statements for the related accounting period.
Annual Budget	A statutory requirement outlining the financial estimates to deliver the Corporate Business Plan.
Annual Financial statements	The Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement prepared in accordance with Australian Accounting Standards together with the notes and certification statements.
Asset	Resources controlled by an entity, the value of which can be reliably measured and from which future economic benefits are expected to flow to the entity.
Australian Accounting Standards	Accounting Standards issued by the Australian Accounting Standards Board that are equivalent to standards issued by the International Accounting Standards Board. These standards are binding on Queensland Councils and all other bodies established pursuant to the Local Government Act.
Balance sheet	A quantitative summary of council's financial position at 30 June, including assets, liabilities and net equity.
Cash flow statement	Reports all cash movements during the financial year. Cash movements consist of cash inflows (receipts/proceeds) less cash outflows (payments).
Community	A group of people living in the same locality and under the same government. Can be extended to include those who visit, work or recreate within the locality.
Community Engagement	The process of working collaboratively with and through groups of people affiliated by geographical proximity, special interest, or similar situations, to address issues affecting the wellbeing of those people. The levels of engagement are informed, consult, involve, collaborate and empower.
Community Plan	Council's 10 Year strategic document identifying community needs articulating council's and the community's long term vision, aspirations and priorities for the city.
Community Report Card	A snapshot of what we've delivered and gives you some basic facts and figures to help understand the overall performance.
Corporate Plan	Council's principal long term planning document which identifies the issues and priorities for council over the next five years and beyond and which other council plans, strategies, policies and processes are created.
Councillors	Elected representatives of council who serve a four year term.
Depreciation	The value of the assets of a council consumed and systematically allocated as an expense to a particular reporting period.
Global Initiative Reporting (GRI)	Not- for- Profit organisation that produces sustainability reporting standard guidance for all organisations.
Goal	Desired result or achievement toward which effort using strategies and resources is directed.
Governance	The process by which decisions are taken and implemented, organisations are controlled and managed to achieve their objectives, and the process by which organisations are directed, reviewed and held to account.



**GLOSSARY**

Income statement	Identifies all revenues earned and expenses incurred during the financial year.
Indicators	Indicators define what will be measured to show we are meeting our objectives.
Local Government Act	The principal legislation which provides the legal framework for Queensland's local government sector.
Local Laws	Those laws under the jurisdiction of the council and enforced by council and/or Police.
Operational Plan	A document with a one-year outlook, which outlines the key activities to be undertaken to achieve the desired outcomes set out in the Corporate Plan. This is a legislative requirement.
Outcome	The effect, end result, consequence following strategies, policies, services or activities used.
Performance Monitoring	Continuous or periodic quantitative assessments of the actual performance compared with specific objectives, targets and standards.
Risk Management	The process of identifying, evaluating and controlling risk via the method outlined in the Principles and Guidelines AS/NZS ISO 31000:2009, Standards Australia.
Statement of Cash flows	A financial statement showing the inflows and outflows of cash and cash equivalents of an organisation during a reporting period. Cash flows are classified as Operating, Investing and/or Financing activities.
Statement of Changes in Equity	A financial statement included in the Annual Financial Statements that shows changes in an organisation's equity between two reporting dates and reflects the increase or decrease in net assets during the period.
Statement of Comprehensive income	A financial statement included in the Annual Financial Statements that shows all revenue and operating expenses in the reporting period. It highlights the operating surplus/deficit result, being the extent to which revenue is sufficient or insufficient to fund the cost of services.
Statement of Financial Position	A financial statement showing the Assets, Liabilities and Equity of an organisation at the end of a reporting period (30 June).
Vision	A statement that embraces the desired future the organisation is working towards.

TOWNSVILLE CITY COUNCIL

# Annual Report

2012/13