



# **SPECIAL COUNCIL**

## **PUBLIC MINUTES**

**FRIDAY 31 MAY 2013 AT 12.30PM**

**Council Members >>**

The Mayor, Councillor Jenny Hill  
Councillor Suzanne Blom  
Councillor Colleen Doyle  
Councillor Gary Eddiehausen APM  
Councillor Pat Ernst  
Councillor Ray Gartrell  
Councillor Jenny Lane  
Councillor Anthony Parsons  
Councillor Trevor Roberts  
Councillor Vern Veitch  
Councillor Les Walker

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## Goals and Strategies of Townsville City Council >>

### Corporate Plan >>

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#### Goal 1 - Economic Sustainability. A robust, diverse and sustainable economy

The outcomes we want to achieve:

**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.

#### Goal 2 - Environmental Sustainability. Our environment is valued, protected and healthy

The outcomes we want to achieve:

**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 the 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.

#### Goal 3 - Social Sustainability - Enhancement of opportunities for social engagement and wellbeing

The outcomes we want to achieve:

**A safe and healthy community.**

- 3.1 Improve the safety and well-being of the community through the management of public health risks.
- 3.2 Plan for and provide active and healthy lifestyle opportunities.
- 3.3 Coordinate council's response to natural disasters to minimise the effects on the community.

**A cohesive and self reliant community.**

- 3.4 Foster the development of the city as a learning community.
- 3.5 Encourage and facilitate the participation and integration of residents into the community.
- 3.6 Strengthen community networks to collaboratively deliver community services.

**A community with access to services and facilities.**

- 3.7 Plan for community facilities and services to meet the community's current and future needs.
- 3.8 Provide community services and facilities to meet the needs of the community.
- 3.9 Provide community support services to meet the needs of the community.

**A creative community.**

- 3.10 Facilitate and showcase artistic learning and expression through performances, exhibitions, activities and programs.
- 3.11 Support community participation in cultural activities, programs and events.

#### Goal 4 - Responsible Governance - Responsible leadership where decisions are made in a considered and transparent manner

The outcomes we want to achieve:

**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 that 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 well-being.
- 4.5 Implement human resource strategies to become an employer of choice.
- 4.6 Foster diversity, merit and equity, reward and recognition in the workplace.

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

- 4.7 Provide responsive and efficient systems to enable the delivery of council services.
- 4.8 Establish and manage long term financial planning to ensure the future sustainability of council.

# MINUTES

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<b>REPORT</b>	<b>COUNCIL MEETING</b>
<b>DATE</b>	<b>Friday 31 May 2013 at 12.30pm</b>
<b>ITEMS</b>	<b>1 TO 1</b>
<b>PRESENT</b>	The Mayor, Councillor J Hill, Chair Councillor V Veitch Councillor S Blom Councillor C Doyle Councillor G Eddiehausen APM Councillor R Gartrell Councillor J Lane Councillor A Parsons Councillor T Roberts Councillor L Walker Councillor P Ernst

### **Opening of Meeting and Announcement of Visitors**

The Mayor, Councillor J Hill opened the meeting at 12.30pm.

### **Apologies and Leave of Absence**

There were no apologies or leave of absences.

### **Mayor's Presentation**

The following is the Mayor's presentation speech in respect to presentation of the Draft 2013/14 Budget:

"Councillors, I would like to talk briefly about the process for the budget this year.

Last year we had a farcical situation where two budgets were presented to council on the same day.

This followed a budget process where a lot of decisions were made in workshops without public discussion.

I want a more open and transparent process and I think the community does too.

Changes to the Local Government Act, now allows mayors to prepare and present the budget to council.

The budget can then sit on the table for the scrutiny and discussion of all councillors for a minimum of two weeks before coming back to council for debate and a vote.

This will encourage a much more open discussion and a higher level of accountability for all councillors.

In developing the budget, councillors were asked to feed in their priorities for the budget and I have included the feedback and suggestions wherever possible within this year's tight financial constraints.

## **Introduction**

Councillors today I rise in this chamber to table the City Budget for the 2013/14 financial year for your consideration.

Through careful and disciplined planning and considerable work from senior staff I present a focused budget that funds our priorities and tightens spending in a difficult economic climate.

I believe the proposed budget succeeds in balancing the competing needs for a responsible approach to economic management and our commitment to provide **important infrastructure** and a **high standard of services to the community**.

We live in uncertain times, when governments at both state and federal level are cutting back dramatically, and in the case of Queensland making massive cuts in expenditure and government jobs.

Already we have seen announcements in past weeks of decisions that will add further financial pressure on households and indeed on the council.

That's why it is especially important for this council to run a tighter ship.

## **Tough economic conditions**

Framing this year's budget has been made difficult by a range of financial pressures including:

- \$5 million increase in depreciation
- a \$2.2 million jump in electricity and insurances  
(including \$1.8 million jump in electricity costs)
- higher costs for goods and services
- A payment to the Townville port authority of \$4.8 million for a State owned and operated facility.
- And lower than forecast growth to help service the city's the council's on-going financial obligations in servicing the city's \$360 million debt.

This year alone the council will incur \$42 million in interest and loan payments.

The simple reality is the growth forecasts of between 2.4% and 2.7%, when the previous council borrowed hundreds of millions of dollars for infrastructure works, were actually well under 2% and hence revenue from new development has been down accordingly.

We now know the ABS figures used to forecast growth were completely wrong. **Townsville's expected population of 200,000 by April this year is in fact 185,000.**

This slower rate of growth has placed more pressure on current ratepayers to foot the cost of servicing the debt and the impact of this has been around \$5 million on the council's bottom line.

In my first budget last year I ensured council budgeted for a more realistic 1.9% in revenue growth and reined in spending accordingly to balance the books.

This year's budget continues that same responsible approach with a 1.7% setting to ensure we are in a more sustainable financial position.

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

### **Cutting the coat to fit the cloth**

In spite of these tough economic conditions, the budget I propose will reduce the city debt by a further \$19 million to keep the council on the path of responsible financial management.

The council is on target to achieve a surplus for 2012/13.

We need to maintain a strong control on spending over the longer term for when we will need to borrow again to fund essential capital works to support the city's development.

The 2013/14 budget I present includes:

- no new borrowings again
- reducing the debt by \$19 million for the second year running down to around \$335 million to free up almost \$1.8 million in interest payments to help fund front line services
- and a projected surplus of \$721,000
- No efficiency target

There are real tangible savings achieved in this budget, no inbuilt efficiency target that may or may not be achievable during the year.

There are further savings that could be made if councillors would support a review of management structure which I pushed for last year.

The ruler has gone over expenditure in every department of council to find savings and best target funding.

We have to **cut the coat to fit the cloth**.

This has meant the **deferral of non-essential projects and programs such as \$500,000 for a website upgrade and \$16 million for acquisition of new office accommodation for staff.**

Bringing parks services and Infrastructure maintenance under the one roof is expected to deliver \$0.5 million in efficiencies.

We will further ease pressure on rates by making a \$4.8 million payment to the Port of Townsville for a new road for contribution to the Cruise Ship Terminal over two years rather the one.

The \$5 million commitment I secured from the Federal Treasurer for the urgent repairs on the Townsville Entertainment and Convention Centre will also spare the council from the cost of works that must be undertaken this year to keep the facility operating.

### **Rates – overall**

For 2013/14 the budget includes a general rate increase of 3.9%. This is a \$1.11 a week rise on the most commonly valued property of \$160,000.

Utilities charges for water and sewerage will rise in line with pricing schedules approved by councillors last year to meet the costs of operating the new Mt St John Waste Water Treatment Plant and Northern Water Treatment Plant.

Water and sewerage charges will rise by around 4.8% and 8% respectively.

The **standard water plan of 772kl rises from \$681 to \$714.** The excess water charge is 2.74 kl.

The **fixed service charge for the Water Watcher scheme goes up from \$310 to \$325 with the price per kilolitre up from \$1.24 to \$1.30.**

**Waste charges will rise from \$224 to \$239 and includes \$8 a household to deliver on my election commitment to the residents of Townsville for a bulk kerbside rubbish collection.**

I realise we are in a **difficult budget environment** and for that reason the collection will be carried out across the city over two years rather than one.

Townsville's waste charges will remain among the cheapest in Queensland and I urge you to support this initiative which I believe is an important in cyclone preparation and reducing the problem of illegal dumping.

Overall, with all utility charges for water, sewerage and waste collections, the rise will be **5.3% or \$3.15 a week.**

To assist with rates relief, the council will also continue its 15% discount on early payment of general rates and the generous concessions for pensioners.

Pensioners will receive concessions of 85% on general rates or up to \$800 a year to assist them to stay in their own homes, a total commitment of \$5.14 million in this budget.

In addition the pensioner transport subsidy scheme of \$350,000 will continue and \$131,000 has been set aside for the Seniors Program in 2013/14.

#### **Supporting jobs and planning for the future**

This budget is also about supporting local jobs and planning our city's future.

The total budget for 2013/14 is \$554.2 million.

The council spends \$ 200 million locally to directly assist local economic activity via capital and maintenance programs.

Over 1690 local residents perform full time, part time and casual work for council including 38 apprentices and 31 trainees. This injects over **\$140 million to the local economy.**

The budget also includes investment in future planning and economic development in the city.

The council is in the final phase of developing the first single planning scheme for the former Townsville and Thuringowa council areas.

A total of \$200,000 has been allocated for the City Plan's development and this will include city wide consultation of 60 days with residents to ensure it reflects the views and values of the community.

The planning scheme represents a major investment in Townsville's future to secure planning and development outcomes that will boost our economy and protect our lifestyle.

As part of our promotion of Townsville as a place to invest and live, \$719,000 in general funding has been earmarked to support Townsville Enterprise Ltd this year.

This is a **reduction in general funding of \$70,000 as a result of the austerity measures in this budget, but a further \$25,000 in special project funding will be provided to TEL to lobby for the new entertainment and stadium precinct.**

#### **Building the basics**

Townsville will maintain a major focus on rehabilitating and improving the basic building blocks of the city with a \$180 million capital works program.

This program includes major works on roads, drainage, water and sewerage, waste facilities and parks to support a progressive city.



## **Local roads and transport**

Roads and transport will again be a major focus with \$30 million in capital works for reconstruction and resurfacing of 114 streets in the city.

An additional \$3.5 million will be spent to replace 10km of kerb and channel in 14 streets.

Another \$15 million from the Federal Natural Disaster Relief and Recovery Arrangements will finalise a two-year rebuild of the road network following the destructive wet seasons from 2010-12.

These works are on top of the more than \$100 million in NDRRA funding and \$80 million in council capital works pumped into the road work over the past two financial years.

The budget this year also sets aside \$7 million in stormwater and drainage projects

## **Water and waste water**

Renewing and rehabilitating water and waste water mains, pump stations, reservoirs and treatment plants will continue this year.

A total of \$18.1 million is in the budget for water projects.

This includes:

- \$9.82 million for new and replacement water mains;
- \$1.5 million will also be spent on upgrades at the Houghton and Douglas water treatment plants
- \$900,000 for design and start of work on a new 22megalitre reservoir at Mount Louisa;
- \$880,000 refurbishment of reservoirs;
- \$1.3 million for valve automation on the Mt Spec pipeline, and \$900,000 for work to upgrade mains on Magnetic Island.

Sewerage infrastructure is also a high priority with a focus on the Cleveland Bay Purification plant.

The budget includes \$5.4 million for upgrades to the plant's existing facilities.

I am also pleased to report that a new environmental licence for the plant has reduced the **potential for future capital costs to the facility.**

This means the necessary work for increasing the capacity of the plant may be much lower than early estimates of \$60 million or more.

This year \$1.5 million has been allocated for design work on the upgrade.

The budget also includes \$5.2 million for construction and rehabilitation of sewers and \$1.8 million for pump station upgrades.

This, Cr Roberts, will include stage 2 of the new southern sewer to relive issues in our suburbs south of the river.

## **Cleaner greener Townsville**

In keeping with the budget's main thrust of investing in community building services, maintenance is a priority.

This is an area of priority for council in the coming year with a \$46.5 million combined maintenance services budget.

All of council's key maintenance activities will come under the one roof with the merger of Parks Services with council's maintenance services division.

This will provide a better use of resources for mowing and cleaning of parks, medians and road verges, pot hole repairs, clearing of drains and maintaining bridges.

The budget allocation also includes \$9 million for pot hole repairs and \$5 million for stormwater drain maintenance.

In 2013/14 the first year of the merger of maintenance services is expected to achieve \$1million in savings and 2014/15 the potential of \$2million.

Councillors, a number of you have said you would like to see council's parks effort beefed up and I'm pleased to say \$500,000 of those efficiencies will be directed into boosting funding for mowing and weeding.

Our 330 parks and large number of public areas are at the centre of our great outdoor lifestyle and keeping them in good shape is extremely important to the civic pride.

I'm delighted that with funding from the NDRRA the council will be planting 10,000 trees across the city to replace plants lost in Cyclone Yasi.

The first part of re-introducing the greening of Townsville, a project that the community is crying out for.

This will help to restore a lot of the great work that was done during the famed greening campaigns by the previous Townsville City Councils that helped shrug off the label Brownsville.

### **Sustainability and environment**

The council will also continue to work with community and government groups to protect Townsville's environment with more than \$3million in programs.

These programs include \$1 million to reduce electricity costs through the introduction of sustainable energy use across council, \$1.2 million for management of the city's natural resources, \$330,000 for Creek to Coral partnerships with community groups, \$220,000 for coastal management and \$162,000 for land protection.

### **Waste**

The waste we generate is a significant environmental concern and the council must continue to meet the challenge of tackling this issue.

The budget includes \$13.2 million in capital works for a range of works to ensure our landfills are meeting environmental standards.

This includes capping of completed landfill areas, installation of gas flares at the Hervey Range and Jensen landfills, and upgrades at the Stuart, Jensen and Hervey Range facilities.

Councillors, funding the operations of our landfills continues to struggle with sharp drops in revenue.

The fact is the volume of waste per month coming through the front gate has plummeted from 42,000 tonnes in 2009/10 to 15,000 tonnes this year. The cost of running these sites has increased.

Less commercial waste is coming to the city's landfills because of either better reuse, or alternative dumping arrangements at other regional landfills which are not subject to the carbon tax.

To address an almost \$2.5 million shortfall, the council has reluctantly approved an increase of commercial and domestic dumping fees. We will also review operations at our landfill facilities to reduce costs.

Fees for a standard car will rise by \$1 from \$8 to \$9 and a ute or trailer by \$2 from \$16 to \$18. These include a component for the carbon tax.

Under this budget council will continue to supply six free dump vouchers per year.

Should there be a change of government federally later this year and changes to the carbon tax, the council will review these fees again to assess cost impacts.

The rise in illegal dumping is a concern and councillors, and underlines the need for a bulk waste collection.

A total of \$6.75 million will go towards kerbside domestic waste and recycling collections across the city.

### **Safer streets and suburbs**

A big part of our great lifestyle is providing a safe environment for our residents.

Each year the council dedicates significant resources to security patrols and CCTV surveillance to protect public safety in high profile areas of the city.

The budget includes \$1.7 million for security.

Cr Eddinghasen has given me advice on this matter and this budget will include a review of security and surveillance arrangements, with a focus on the CCTV network.

I believe that this review will allow council to better use our CCTV network with a focus on cutting our security cost in future budgets.

The budget also includes \$766,000 for lifeguards on Townsville's beaches, \$356,000 for stinger nets and \$866,000 for aerial mosquito spraying.

The council also understands the need to provide a safe transport infrastructure.

Pedestrian safety will also be improved with \$727,000 for renewals of footpaths, including \$349,000 for works on Fulham road from Hugh St to Diprose St, and \$277,000 for Hugh St from Fulham Rd to Diprose St.

Traffic signals will be upgraded at the Hugh Street/Bayswater Rd intersection at a cost of \$1.5 million, \$200,000 will be invested in improved signage, and \$150,000 on school zones, \$250,000 on general traffic improvements and pedestrian facilities.

### **Vibrant and diverse community**

The budget provides wide ranging support for community groups, our seniors, youth and families.

This year \$1.87 million has been allocated to Community Grants Scheme to provide support to the city's sporting and cultural groups who play such an important role in the city's lifestyle.

The program provides grants for groups, events, activities and services throughout the city.

The city will also continue our support for the city's seniors with the general rates concession, and \$350,000 for the Pensioner Transport Subsidy Scheme which provides discounts of up to 80 per cent on the normal fare on the city's buses and ferries.

Council's mowing service will also continue to assist the elderly and people with disabilities that have no assistance around the house.

Programs for families with funding for National Youth Week, School Holiday Program, Townsville Women's Expo, Integration Care Program, Healthy Active School travel, Regional Schools Therapy Service, Worinda Occasional Care Centre will continue.

The city's libraries will also offer valued services to the residents of all ages with \$1.1 million in programs and activities and \$900,000 for the further development of a digital collection.

Funding will also continue for mobile library services which reach members of our community who are unable to come to the libraries and others who live in more remote areas of the city.

### **Big year of events and festivals**

**Events and Festivals are a big part of the lifestyle in Townsville** and are important in building our community spirit and pride.

The city will stage a big year of events and festivals in 2013/14.

This year-round calendar of events includes commemorations and celebrations, and provides support for other feature events that together entertain tens of thousands of residents and visitors to the city.

Council events during the year include the Carols By Candlelight, Australia Day, News Year's celebrations, Anzac Day, Remembrance Day, Ecofiesta and smart lifestyle expo, Heritage Day, Seniors Picnic In the Park, Pioneers Party, arts and sports awards, youth week and welcoming babies.

Council will also continue to stage monthly citizenship ceremonies and provide support for significant events such as the Townsville Festival of Chamber Music, Culturefest and Greekfest through the Grants and Sponsorship Program.

I'm also pleased that \$60,000 in funding has been included in the budget to develop a recreational plan for our much loved icon, Castle Hill.

It has been great to see the growing number of people using Castle Hill for fitness and recreation.

But this added use places pressure on the hill's natural environment and facilities.

The rec plan will engage hill users and the broader community to determine a direction for the management of the hill and the provision of future facilities.

This planning should extend in time to other locations in the city where recreational use can be encouraged.

### **Conclusion**

I entered this council as a mayor with a debt which was nearly \$400 million, today our debt will drop to below \$340 million by the end of June 2014.

The servicing of that debt, \$42 million a year equates to approximately \$555 for every ratepayer in this city. **This debt our debt** has been identified as a risk to our financial sustainability.

While previous councils overestimated our growth the fact remains less people are now paying more in their rates to pay our debt.

Times are hard for local government. State Government has reduced its grant and support funding over the last two years and this has had a detrimental impact on the bottom line.

But there are many positives in the budget I table today and I want to acknowledge the hard work of our executive staff in helping to frame this document.

We will improve our services in our parks with an extra \$500mil towards mowing and weeding.

There is \$60,000 available for another dog off leash area.

We will begin major community consultation to develop a Castle Hill recreational plan, a process I would like to duplicate at Mt Louisa, Mt Low and Mt Stuart over the next few years.

We have continued with a capital program of nearly \$200 Million that includes State Government support for the \$24 million construction of Blakely Crossing.

I would like to thank all the councillors for working with Paul Travis and providing us with your comments and wish list for this budget.

Comments from many of you included:

*Major infrastructure replacement and long term infrastructure replacement strategy* **Delivered.**

*Keeping rate rise to a minimum* **Delivered**

*Parks need to increase services or reorganise services to lift the city. Parks look tired.* **Delivered**

*Balanced Budget*

**Delivered**

We will continue on our road renewal, kerb and channelling, sewer relines and with your support provide a bulk kerbside collection.

We will continue to deliver to our community clubs and see the festivals that bring our city to life.

While we are in tough and uncertain times, this budget lays a platform of responsible financial management for the future.

Councillors I present the budget for your consideration."

## Officers Reports

### Corporate Services

#### 1 Finance - Proposed Budget 2013/14

##### REPORT TO COUNCIL

**Authorised by** Director Corporate Services  
**Department** Finance  
**Date** 31 May 2013

##### Executive Summary

Council will be receiving the proposed 2013/14 Budget as prepared and presented by the Mayor, Councillor J Hill in accordance with Section 12(4)(b) of the *Local Government Act 2009*. Section 107A of the *Local Government Act 2009* requires the Mayor to give a copy of the budget, as proposed to be presented to the local government, to each Councillor, at least two weeks before the council is to consider adopting the budget, which is planned for Friday 28 June 2013.

Pursuant to Section 169 of the *Local Government Regulation 2012*, the proposed 2013/14 Budget is presented in a number of documents tabled at the meeting. Further meetings have been scheduled for Councillors to consider the budget and additional supporting documentation to assist Councillors to understand the proposed budget was also provided at this meeting.

##### Council Decision

**It was MOVED by The Mayor, Councillor J Hill, SECONDED by Councillor L Walker:**

"that Councillors receive the proposed 2013/14 Budget as presented in the following documents:

- Financial Statements 2013/14, 2014/15 and 2015/16;
- Council Business Activities 2013/14;
- Long-Term Financial Plan;
- Financial Sustainability Measures;
- Revenue Policy 2013/14; and
- Revenue Statement 2013/14."

**CARRIED UNANIMOUSLY**

**Close of Meeting**

The Chair, The Mayor, Councillor J Hill declared the meeting closed at 1.07pm.

**CONFIRMED this**

**day of**

**2013**

**MAYOR**

**CHIEF EXECUTIVE OFFICER**