

Budget and Operational Plan

2018/19

A Simpler, Faster, Better Council



For further information contact:
Finance Services Team
Townsville City Council
P O Box 1268
Townsville Q 4810
13 48 10

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Figures in tables and generally in the text throughout this document have been rounded. Any discrepancies in tables between totals and sums of components are due to rounding.

Mayor's Message

The 2018-19 budget, while driving job creation and continuing with the delivery of our strong works program, acknowledges our community needs time to get back on its feet.

Council has left no stone unturned in creating a budget that balances the need to give ratepayers a break, while carrying forward the strong momentum of our major projects and capital works.

I am pleased to announce there will only be a 1.9 % increase to general rates and charges to match inflation, which equates to an increase of only \$1.32 each week for the average household.

My team made an election commitment to the people of Townsville to provide strong financial management and reform, and I am proud to say we have once again delivered one of the lowest rates increases in Queensland.

And I am pleased to announce, that through operational reform and cost cutting, we can present the biggest infrastructure spend in Councils history. For the 2018-19 financial year, Council will spend a record \$432.5 million on vital infrastructure projects.

Water security is our top priority, and this budget allocates over \$150 million toward the water pipeline project, which will be completed by December next year.

We are committed to investing in vital infrastructure with \$165 million for capital works projects, creating jobs, developing the Stadium Precinct, and building and improving amenities across the suburbs.

Council will invest \$9 million in upgrading promenades, landscaping, new road design, water and sewer infrastructure in the Stadium Precinct as part of the City Deal between Townsville City Council, the Queensland Government and the Australian Government.

Further funding will go directly into community areas across our suburbs, with \$4.9 million on public swimming pools including a major upgrade of our iconic Tobruk Pool and minor works at Kokoda and Long Tan pools.

Council has listened to business owners in the CBD, and will introduce 15 minute free parking into the city, to help attract customers and stimulate business activity.

This budget retains the 10% discount for early rates payments, which is taken up by over 90% of Townsville ratepayers. This budget will also provide some of the most generous pensioner discounts in Queensland, with eligible homeowners able to receive up to \$800 off their rates bills annually. This concession program for pensioners costs \$5.4 million in foregone revenue.

My Councillors and I are extremely proud of this budget, and we will continue to work hard to create jobs and ensure the prosperity of our city.

Cr Jenny Hill
Mayor of Townsville



CEO Foreword

Townsville City Council continued major organisational reforms throughout 2017-18, with those changes paying major dividends for our community.

Removing red tape and inefficiencies within Council has allowed resources to be redirected back into front-line services and infrastructure delivery.

Council has 100 trainees and apprentices now working for the organisation – the highest level in more than a decade.

We are investing in our people to ensure a better future for our community.

The 2018-19 Budget has a large focus on investing in ensuring our city has a prosperous future.

There are investments in upgrading infrastructure in the Stadium Precinct to help facilitate further developments, which will create more jobs locally.

Council is also investing in the North Queensland Regional Data Centre to ensure technology companies can set up in Townsville.

Another important reform being undertaken by Council is the Open Council initiative, which will improve access to data and information for residents and businesses.

I want to ensure that everything Council does is simpler, faster and better.

A major focus of the 2018-19 Budget is water security. Council has a 3-point \$225 million water security solution guarantee our community has enough water to cater for future growth – and no more Brownsville.

Council's strong financial management has allowed the organisation to proceed with fast-tracking construction of the pipeline, despite the Queensland Government not bringing forward its funding agreement for the project.

While delivering on core services and infrastructure, Council is also looking to the future in the 2018-19 Budget.

Several projects in the Townsville 2020 masterplan – such as the proposed new Lagoon, Riverway Waterpark, Castle Hill Masterplan and Flinders Lane – will all be progressed throughout the financial year.

Council's prudent financial management and planning for the future will begin to take shape in 2018-19 and residents will see more positive changes throughout Townsville.



Adele Young
Chief Executive Officer

A handwritten signature in black ink, reading 'Adele Young', followed by a stylized horizontal line.

BUDGET 2018 / 2019

TOWNSVILLE CITY COUNCIL

DELIVERING ON OUR PROMISES



1.9%

RATES AT CPI & PROMPT PAYMENT DISCOUNTS

Rates paid by the due date will receive a generous 10% discount.



FREE

ANIMAL SHELTER RELEASE FEE ABOLISHED

First release fee of \$169 now abolished for registered dogs and approved cats.



\$41m

PARKS AND OPEN SPACES

Manage 338 parks, equivalent to **3,300** rugby league fields.



ARTS, CULTURE AND COMMUNITY EVENTS

Including V8s, Strand Ephemera, Netball Constellation Cup, PBR Grand Final, Heritage Day, Eco Fiesta, Carols by Candlelight and more!



IMPROVING YOUR PARKING

Free 15 minute parking in the CBD, free two hour parking in December and free Eyre Street parking.



300+

FEES AND CHARGES SIMPLIFIED OR ABOLISHED

Reduced the number of hire fees and related costs.

\$432.5m

RECORD INFRASTRUCTURE SPEND

Record investment in infrastructure creating jobs for Townsville locals



\$159m

WATER PIPELINE FUNDING

Fast tracking Townsville's Water Security solution



\$15.4m

IN PROMPT RATE PAYMENT DISCOUNTS

In savings that are utilised by 90% of ratepayers



1,771km

ROADS

Maintaining and improving our roads. This is enough road to get you to Cairns and back 2.5 times!



\$4.5m

TOBRUK POOL UPGRADE

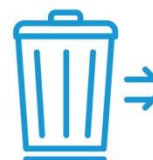
Full refurbishment of the 60 year old buildings, pools and filtration systems.



1,650 tonnes

HARD WASTE

1,650 tonnes collected so far with more to continue in 2018.



\$3.4m

COMMUNITY GRANTS AND SPONSORSHIPS

Includes new sporting infrastructure grant and other arts and cultural grants.



Budget

2018/2019



Budget 2018/19

Overview

Council is forecasting an underlying surplus of \$0.7m for the 2018/19 budget year.

It is noted that the 2018/19 reportable operating result is a deficit of -\$5.7m after accounting for a timing difference associated with State Government Funding. This result follows a forecast surplus of \$11.4m for 2017/18.

The 2018/19 budget has been prepared and presented by the Mayor in accordance with the *Local Government Act 2009*. It is consistent with the Corporate Plan 2014-2019 and the 2018/19 Operational Plan.

Statement of Income and Expenditure

The Statement of Income and Expenditure included at Table 1 is a financial statement that measures the local government's financial performance over a specific accounting period. Financial performance is assessed by giving a summary of how council incurs its revenue and expenditure through both operating and non-operating activities. It also shows the net result incurred over a specific accounting period, typically over a fiscal year.

► Revenue

Revenue includes rates and utility charges, less discounts and concessions plus council's fees and charges. The investment income relates to interest on bank balances and investments.

Government grants and contributions include all monies received from state and federal sources for the purposes of funding the delivery of council's services to ratepayers. This includes the Financial Assistance Grant and other miscellaneous grants.

Other Revenue consists of revenue not separately categorised above. It includes, but is not limited to, revenues such as legal recoveries, bad debt recoveries, private works, and sponsorships.

► Expenses

Expenses includes employee costs, materials and services, depreciation and finance costs.

Employee costs include all labour related expenditure such as wages and salaries and associated allowances, leave entitlements and employer superannuation. It also includes payments for external labour hire where the position or skill cannot be filled by internal staff.

Materials and Services includes but is not limited to, costs relating to council buildings maintenance, employee related costs such as training and uniforms, plant hire, purchasing of equipment, software licences and other IT costs, marketing, repairs and maintenance to council's infrastructure, water transition package, utilities and insurance and donations given to the community.

Depreciation and amortisation is an accounting measure which reflects the consumption of council's infrastructure, property plant and equipment. Finance costs relate to interest and fees on borrowings as well as the valuation of landfill restoration provisions due to discounted cash flow movements (referred to as unwinding of discounts). Other expenses relates mostly to the write off of bad and doubtful debts.

Statement of Financial Position

The Statement of Financial Position included at Table 2 is a financial statement that summarises council's assets, liabilities and equity at a specific point in time. It presents what council owns and owes, as well as the value of community equity utilised by council.

Statement of Cash Flows

The Statement of Cash Flows included at Table 3 is a financial statement that provides an overview of the cash inflows and outflows of the local government, typically over a fiscal year. Townsville City Council maintains a closing cash balance that represents sufficient cash reserves to fund council's day to day operations given peaks and troughs in council's revenue streams. It also enables council to effectively respond to unforeseen events that may occur during the year.

Statement of Changes in Equity

The Statement of Changes in Equity included at Table 4 is a summary of the changes in equity of council that have occurred during a specific accounting period, typically over a fiscal year.

Statement of Business Activities

The Statement of Business Activities included at Table 6 summarises the activities of council to which the competitive code of conduct applies. Council applies full cost pricing to these activities, identifying the cost of community service obligations and eliminating the advantages and disadvantages of public ownership within that activity.








Financial Policies

Council has a range of financial policies that complement the budget, these include:






- ▶ Revenue Statement – Appendix 1
- ▶ Revenue Policy – Appendix 2
- ▶ Debt Policy – Appendix 3
- ▶ Investment Policy – Appendix 4
- ▶ Pensioner Rates Concession Policy – Appendix 5
- ▶ Charitable and Community Organisations Rates and Charges Concession Policy – Appendix 6

2018/19 Operating Budget Summary

2018/19 Budget Operating Revenue

	Rate Charges	\$169.1m		Income from Investments & Financing	\$3.9m
	Utility Charges	\$197.8m		Grants and Subsidies	\$9.6m
	Less: Discounts & Concessions	(\$24.7m)		Other Revenue	\$12.8m
	Fees and Charges	\$21.0m			
Total Operating Revenue		\$389.5m			

2018/19 Budget Operating Expenses

	Employee Costs	\$128.2m		Depreciation and Amortisation	\$119.9m
	Materials and Services	\$118.3m		Other expenses	\$0.8m
	Finance Costs	\$21.6m			
Total Operating Expenses		\$388.8m			

Underlying Operating Surplus \$0.7m

Impact of Federal Grant: \$9.1m Water Transition Package received in 2017/18 to be spent over the next 2 years - \$6.4m

Reportable Operating Deficit -\$5.7m

2018/19 Capital Expenditure Budget Summary












2018/19 Budget Capital Works					
	Haughton Pipeline	\$158.9m		Waste Land Fill	\$10.7m
	CBD Utility Upgrade	\$15.9m		Buildings	\$11.3m
	Cleveland Bay STP	\$17.0m		Information Communications Technology	\$10.5m
	Southern Suburbs Rising Main to Cleveland Bay STP	\$7.3m		Open Spaces	\$7.2m
	Recycled Water Treatment Infrastructure	\$6.8m		Plant & Equipment	\$6.3m
	Road Infrastructure & Renewals	\$73.9m		Storm Water Pipe Network	\$2.5m
	Wastewater Pipe Network	\$26.9m		Donated Assets	\$57.4m
	Water Pipe Network	\$18.8m		Other Projects	\$5.7m
Total Capital Expenditure		\$437.0m			

TABLE 1: STATEMENT OF INCOME AND EXPENDITURE

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Revenue			
General rates	169,075	174,077	182,253
Utility charges	197,753	203,611	209,945
<i>Water</i>	90,796	94,784	98,968
<i>Wastewater</i>	86,386	87,670	89,205
<i>Refuse and Recycling</i>	20,571	21,157	21,772
Discounts and concessions	(24,724)	(24,947)	(17,856)
Fees and charges	21,002	21,479	21,981
Interest received	3,898	5,719	5,558
Contributions from developers	365	374	382
Grants and subsidies	9,565	8,892	9,116
Other revenue	12,557	12,571	13,165
Total revenue	389,490	401,775	424,543
Expenses			
Employee costs	128,225	130,073	133,338
Materials and services	124,713	112,172	123,957
Depreciation and amortisation	119,948	136,488	138,853
Finance costs	21,554	21,891	19,728
Other expenses	784	1,020	1,217
Total expenses	395,224	401,643	417,093
Surplus/(Deficit) before capital income	(5,734)	132	7,451
Operating surplus ratio	-1.47%	0.00%	1.80%
Capital income			
Grants, subsidies, contributions and donations	123,662	191,102	229,321
Capital expense			
Increase in restoration provision	-	4,000	2,500
Total capital income and expenses	123,662	187,102	226,821
Net result	117,928	187,233	234,271

TABLE 2: STATEMENT OF FINANCIAL POSITION

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Current assets			
Cash and cash equivalents	56,700	74,564	89,836
Trade and other receivables	38,438	41,701	41,619
Inventories	4,574	4,574	4,574
Other assets	4,132	4,132	4,132
Total current assets	103,845	124,971	140,161
Non-current assets			
Trade and other receivables	2,337	1	-
Property, plant and equipment	5,059,130	5,198,808	5,333,467
Intangible assets	1,958	169	-
Other assets	6,151	6,151	6,151
Total non-current assets	5,069,576	5,205,129	5,339,618
Total assets	5,173,421	5,330,100	5,479,778
Current liabilities			
Trade and other payables	63,291	60,887	63,883
Borrowings	28,951	32,152	35,113
Provisions	25,540	27,986	28,331
Other current liabilities	565	565	565
Total current liabilities	118,347	121,590	127,892
Non-current liabilities			
Borrowings	318,808	327,196	332,146
Temporary working capital facility	148,567	100,000	-
Provisions	19,626	22,418	13,309
Other non-current liabilities	1,774	1,774	1,774
Total non-current liabilities	488,776	451,388	347,229
Total liabilities	607,123	572,978	475,121
Net community assets	4,566,298	4,757,122	5,004,657
Community equity			
Asset revaluation reserve	758,421	762,012	775,276
Retained surplus	3,807,877	3,995,110	4,229,381
Total community equity	4,566,298	4,757,122	5,004,657

TABLE 3: STATEMENT OF CASH FLOWS

	2018/19	2019/20	2020/21
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Receipts			
Receipts from customers	385,006	394,183	415,748
Payment to suppliers and employees	(251,332)	(242,573)	(264,881)
Interest received	3,898	5,719	5,558
Borrowing costs	(22,468)	(22,805)	(20,642)
Net cash provided by operating activities	115,104	134,525	135,784
Cash flow from investing activities			
Payments for property, plant and equipment	(374,338)	(209,999)	(176,848)
Net movement in loans and advances	1	1	2,336
Proceeds from sale of property, plant and equipment	-	1,679	1,487
Grants, subsidies, contributions and donations	66,199	128,635	144,602
Net cash used in investing activities	(308,138)	(79,684)	(28,423)
Cash flows from financing activities			
Proceeds from borrowings	178,567	140,000	40,000
Repayment of borrowings	(25,594)	(176,978)	(132,089)
Net cash provided by financing activities	152,973	(36,978)	(92,089)
Net increase/(decrease) in cash held	(40,062)	17,863	15,272
Cash at beginning of reporting period	96,762	56,700	74,564
Cash at end of reporting period	56,700	74,564	89,836

TABLE 4: STATEMENT OF CHANGES IN EQUITY

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Asset revaluation reserve			
Opening balance	758,421	758,421	762,012
Increase in asset revaluation reserve	-	3,591	13,264
Closing balance	758,421	762,012	775,276
Retained surplus			
Opening balance	3,689,949	3,807,877	3,995,110
Net result for the period	117,928	187,233	234,271
Closing balance	3,807,877	3,995,110	4,229,381
Total community equity	4,566,298	4,757,122	5,004,657

TABLE 5: CHANGE IN RATES AND UTILITIES LEVIED

Pursuant to Section 169 (6) and (7) of the Local Government Regulation 2012
(notice the below changes do not reflect an adjustment to the rate in a dollar charged this financial year)

	17/18 - 18/19	18/19 - 19/20	19/20 - 20/21
Increase in rates and utility charges revenue before discounts and concessions (increases include average growth of 0.83% over the forecast period)	5.43%	2.96%	3.84%
Increase in rates and utility charges revenue after discounts and concessions (increases include average growth of 0.83% over the forecast period)	5.32%	3.11%	6.12%

TABLE 6: STATEMENT OF BUSINESS ACTIVITIES

Account classification	Townsville Water FY 2018/19 \$'000	Townsville Waste FY 2018/19 \$'000	Performing Arts FY 2018/19 \$'000
Operating revenue			
Utility charges	191,408	20,729	-
Less discount and concessions	(2,420)	(235)	-
Fees and charges	2,771	13,513	627
Income from investments and financing	966	133	-
National Competition Policy revenue / recovery	2,591	810	-
Other revenue	9,659	2,176	927
Total operating revenue	204,976	37,127	1,554
Operating expenses			
Employee costs	20,925	7,057	2,978
Materials and services	52,805	19,440	5,624
Finance costs	16,093	662	-
Depreciation and amortisation	40,313	3,730	65
National Competition Policy expense / charges	769	392	-
Other expenses	10	3	2
Total operating expenses	130,915	31,283	8,669
Operating surplus / (deficit) before income tax and capital items	74,061	5,844	(7,115)
Income tax	18,424	1,593	-
Operating surplus / (deficit) before capital items	55,637	4,251	(7,115)
Capital income			
Contributions capital	14,177	-	-
Contributions non-cash capital	32,205	-	-
Grants and subsidies capital	23,025	-	-
Total capital income	69,406	-	-
Net result	125,043	4,251	(7,115)
Capital works			
Capital works	249,277	10,743	-
Restoration and rehabilitation works	50	4,379	-
Donated assets	32,205	-	-
Total capital works	281,531	15,122	-

TABLE 6: STATEMENT OF BUSINESS ACTIVITIES (continued)

Account classification	Townsville Water FY 2018/19 \$'000	Townsville Waste FY 2018/19 \$'000	Performing Arts FY 2018/19 \$'000
Operating revenue			
Services provided to local government (LG)	25,145	7,496	-
Services provided to clients other than LG	177,792	29,027	1,554
Community service obligation	2,039	603	-
Total operating revenue	204,976	37,127	1,554
Operating expenses	130,915	31,283	8,669
Other capital amounts	69,406	-	-
Net result before tax	143,467	5,844	(7,115)
Income tax	18,424	1,593	-
Net result after tax	125,043	4,251	(7,115)

Community service obligations	Townsville Water FY 2018/19 \$'000	Townsville Waste FY 2018/19 \$'000
Concessions on wastewater utility charges	502	-
Concessions on water utility charges	1,529	-
Arcadia Surf Life Saving Club (Sewerage Pump Out)	8	-
National Recycling Week	-	3
Concessions on landfill fees for charity organisations	-	63
Costs of provision of dead animal collection services	-	32
Costs of provision of infirmed services	-	33
Clean-up Australia Day	-	7
Free dump weekend November	-	155
Community clean up events	-	10
Stadium remediation works	-	300
Total community service obligations	2,039	603

Long Term Financial Forecast

The Long-term Financial Forecast allows council to understand the future financial commitments for infrastructure assets, and to develop strategies that address key strategic issues.

These long term forecasts inform council's approach to service provision and service levels, how council manages its debt and where council sources its revenue from, including how it will apply rates.

All of these factors assist council to understand what its future commitments are in order to prepare the budget.

The following reports are required under section 171 of the Local Government Regulations 2012:

- ▶ Income and Expenditure of council (Table 7: Statement of Income and Expenditure)
- ▶ Value of assets, liabilities and equity of council (Table 8: Statement of Financial Position)

Measures of Financial Sustainability

Measures of Financial Sustainability are required under section 169 of the Local Government Regulation 2012.

Table 11 indicates the relevant measures of financial sustainability as well as identified target ranges as described in the *Financial Management (Sustainability) Guideline 2013*. In addition, it outlines council's performance against each of the measures over the forecast period.

Operating Surplus Ratio

This is an indicator of the extent to which revenues raised cover operational expenses or may be available for capital funding purposes.

A positive ratio indicates that surplus revenue is available. This may be used to support the funding of capital expenditure or used to offset past or future operating deficits. If the surplus is not required for this purpose in a particular year, it can be held to support future capital expenditure funding as a financial asset, used to offset past deficit funding or, used to reduce current debt levels.

Net Financial Liability Ratio

This is an indicator of the extent to which the net financial liabilities of council can be serviced by its operating revenues. A ratio greater than zero (positive) indicates that total financial liabilities exceed assets.

These net financial liabilities must be serviced using available operating revenues. A positive value less than 60 per cent indicates council has the capacity to fund the financial liabilities and appears to have the capacity to increase its loan borrowings if required.

A positive value greater than 60 per cent indicates council has limited capacity to increase its loan borrowings.

Asset Sustainability Ratio

This is an approximation of the extent to which the infrastructure assets managed by council are being replaced as these reach the end of their useful lives.

This ratio indicates whether council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out.

TABLE 7: STATEMENT OF INCOME AND EXPENDITURE (LONG-TERM)

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Revenue										
General rates	169,075	174,077	182,253	190,931	197,276	204,034	211,230	218,896	227,063	235,766
Utility charges	197,753	203,611	209,945	217,990	226,586	235,827	245,719	256,312	267,560	279,655
<i>Water</i>	90,796	94,784	98,968	104,122	109,652	115,635	122,064	128,978	136,417	144,497
<i>Wastewater</i>	86,386	87,670	89,205	91,418	93,762	96,253	98,897	101,704	104,584	107,610
<i>Refuse & Recycling</i>	20,571	21,157	21,772	22,450	23,172	23,940	24,758	25,630	26,558	27,547
Discounts and concessions	(24,724)	(24,947)	(17,856)	(18,023)	(18,196)	(18,376)	(18,563)	(18,757)	(18,959)	(19,167)
Fees and charges	21,002	21,479	21,981	22,495	23,022	23,561	24,112	24,678	25,256	25,848
Interest received	3,898	5,719	5,558	6,171	6,007	5,924	6,591	5,735	5,935	6,866
Contributions from developers	365	374	382	390	399	407	416	425	434	444
Grants and subsidies	9,565	8,892	9,116	9,346	9,584	9,828	10,080	10,340	10,607	10,882
Other revenue	12,557	12,571	13,165	13,673	16,349	17,634	19,746	20,779	21,585	22,055
Total revenue	389,490	401,775	424,543	442,973	461,026	478,839	499,333	518,407	539,482	562,349
Expenses										
Employee costs	128,225	130,073	133,338	136,821	140,394	144,061	147,971	151,987	156,112	160,508
Materials and services	124,713	112,172	123,957	129,448	137,728	144,267	150,866	160,277	168,282	177,325
Depreciation and amortisation	119,948	136,488	138,853	146,872	150,431	154,004	157,977	165,573	174,987	181,807
Finance costs	21,554	21,891	19,728	17,664	16,849	15,912	15,361	14,355	13,894	13,430
Other expenses	784	1,020	1,217	1,265	1,304	1,344	1,385	1,430	1,477	1,527
Total expenses	395,224	401,643	417,093	432,070	446,706	459,589	473,560	493,622	514,751	534,597
Surplus/(Deficit) before capital income	(5,734)	132	7,451	10,903	14,320	19,251	25,773	24,786	24,730	27,753
Operating surplus ratio	-1.47%	0.00%	1.80%	2.50%	3.10%	4.00%	5.20%	4.80%	4.60%	4.90%
Capital income										
Grants, subsidies, contributions and donations	123,662	191,102	229,321	84,804	158,621	118,099	164,979	212,266	136,922	132,082
Capital expense										
Increase in restoration provision	-	4,000	2,500	-	-	4,000	2,500	-	-	-
Total capital income and expenses	123,662	187,102	226,821	84,804	158,621	114,099	162,479	212,266	136,922	132,082
Net Result	117,928	187,233	234,271	95,707	172,941	133,350	188,252	237,052	161,652	159,835

TABLE 8: STATEMENT OF FINANCIAL POSITION (LONG-TERM)

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Current assets										
Cash and cash equivalents	56,700	74,564	89,836	90,607	84,591	89,414	90,063	80,112	92,795	101,164
Trade and other receivables	38,438	41,701	41,619	43,378	45,144	46,707	48,759	50,694	52,714	54,731
Inventories	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574
Other current assets	4,132	4,132	4,132	4,132	4,132	4,132	4,132	4,132	4,132	4,132
Total current assets	103,845	124,971	140,161	142,691	138,440	144,827	147,528	139,513	154,214	164,601
Non-current assets										
Trade and other receivables	2,337	1	-	-	-	-	-	-	-	-
Property, plant and equipment	5,059,130	5,198,808	5,333,467	5,445,811	5,638,457	5,811,575	6,008,427	6,284,366	6,458,452	6,626,429
Intangible assets	1,958	169	-	-	-	-	-	-	-	-
Other non-current assets	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151
Total non-current assets	5,069,576	5,205,129	5,339,618	5,451,962	5,644,608	5,817,726	6,014,578	6,290,517	6,464,603	6,632,580
Total assets	5,173,671	5,330,350	5,480,028	5,594,903	5,783,299	5,962,803	6,162,356	6,430,280	6,619,067	6,797,430
Current liabilities										
Trade and other payables	63,291	60,887	63,883	66,408	69,993	72,740	75,938	80,010	83,567	87,313
Borrowings	28,951	32,152	35,113	38,741	37,877	31,488	33,870	37,061	36,227	38,961
Provisions	25,540	27,986	28,331	30,402	32,022	34,693	36,188	38,259	39,879	41,950
Other current liabilities	565	565	565	565	565	565	565	565	565	565
Total current liabilities	118,347	121,590	127,892	136,116	140,457	139,486	146,561	155,895	160,238	168,789
Non-current liabilities										
Borrowings	318,808	327,196	332,146	333,468	335,653	344,228	330,389	333,391	337,227	323,305
Temporary working capital facility	148,567	100,000	-	-	-	-	-	-	-	-
Provisions	19,626	22,418	13,309	13,976	12,092	16,159	18,900	19,567	17,683	18,349
Other non-current liabilities	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774	1,774
Total non-current liabilities	488,776	451,388	347,229	349,217	349,519	362,160	351,064	354,732	356,684	343,428
Total liabilities	607,123	572,978	475,121	485,333	489,976	501,646	497,624	510,626	516,922	512,217
Net community assets	4,566,548	4,757,372	5,004,907	5,109,570	5,293,322	5,461,157	5,664,731	5,919,654	6,102,145	6,285,213
Community equity										
Asset revaluation reserve	758,421	762,012	775,276	784,232	795,043	829,528	844,850	862,722	883,560	906,793
Retained surplus	3,808,127	3,995,360	4,229,631	4,325,338	4,498,279	4,631,629	4,819,881	5,056,932	5,218,585	5,378,420
Total community equity	4,566,548	4,757,372	5,004,907	5,109,570	5,293,322	5,461,157	5,664,731	5,919,654	6,102,145	6,285,213

TABLE 9: STATEMENT OF CASH FLOWS (LONG-TERM)

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Cash flows from operating activities										
Receipts										
Receipts from customers	385,006	394,183	415,748	434,013	451,847	469,129	488,086	507,751	528,063	549,957
Payment to suppliers and employees	(251,332)	(242,573)	(264,881)	(260,329)	(274,127)	(282,178)	(293,239)	(304,798)	(320,447)	(330,704)
Dividend received	-	-	-	-	344	1,126	1,469	1,813	2,250	2,250
Interest received	3,898	5,719	5,558	6,171	6,007	5,924	6,591	5,735	5,935	6,866
Borrowing costs	(22,468)	(22,805)	(20,642)	(18,578)	(17,763)	(16,826)	(16,275)	(15,269)	(14,808)	(14,344)
Net cash provided by operating activities	115,104	134,525	135,784	161,277	166,308	177,175	186,633	195,231	200,993	214,025
Cash flow from investing activities										
Payments for property, plant and equipment	(374,338)	(209,999)	(176,848)	(190,969)	(217,881)	(206,424)	(254,345)	(296,275)	(235,101)	(213,575)
Net movement in loans and advances	1	1	2,336	1	0	0	0	0	0	0
Proceeds from sale of property, plant and equipment	-	1,679	1,487	1,689	1,624	1,705	1,952	1,869	1,979	1,324
Grants, subsidies, contributions and donations	66,199	128,635	144,602	23,824	42,611	30,183	77,866	83,032	41,810	17,783
Net cash used in investing activities	(308,138)	(79,684)	(28,423)	(165,455)	(173,646)	(174,537)	(174,527)	(211,375)	(191,312)	(194,468)
Cash flows from financing activities										
Proceeds from borrowings	178,567	140,000	40,000	40,000	40,000	40,000	20,000	40,000	40,000	25,000
Repayment of borrowings	(25,594)	(176,978)	(132,089)	(35,050)	(38,679)	(37,814)	(31,457)	(33,807)	(36,998)	(36,188)
Net cash provided by financing activities	152,973	(36,978)	(92,089)	4,950	1,321	2,186	(11,457)	6,193	3,002	(11,188)
Net increase/(decrease) in cash held	(40,062)	17,863	15,272	771	(6,016)	4,824	648	(9,950)	12,683	8,369
Cash at beginning of reporting period	96,762	56,700	74,564	89,836	90,607	84,591	89,414	90,063	80,112	92,795
Cash at end of reporting period	56,700	74,564	89,836	90,607	84,591	89,414	90,063	80,112	92,795	101,164

TABLE 10: STATEMENT OF CHANGES IN EQUITY (LONG-TERM)

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Asset revaluation reserve										
Opening balance	758,421	758,421	762,012	775,276	784,232	795,043	829,528	844,850	862,722	883,560
Increase in asset revaluation reserve	0	3,591	13,264	8,956	10,811	34,485	15,322	17,872	20,838	23,233
Closing balance	758,421	762,012	775,276	784,232	795,043	829,528	844,850	862,722	883,560	906,793
Retained surplus										
Opening balance	3,689,949	3,807,877	3,995,110	4,229,381	4,325,088	4,498,029	4,631,379	4,819,631	5,056,682	5,218,335
Net result for the period	118,178	187,233	234,271	95,707	172,941	133,350	188,252	237,052	161,652	159,835
Closing balance	3,807,877	3,995,110	4,229,381	4,325,088	4,498,029	4,631,379	4,819,631	5,056,682	5,218,335	5,378,170
Total community equity	4,566,298	4,757,122	5,004,657	5,109,320	5,293,072	5,460,907	5,664,481	5,919,404	6,101,895	6,284,963

TABLE 11 : MEASURES OF FINANCIAL SUSTAINABILITY

	Target Ratio	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Operating surplus ratio (Net operating surplus / Total operating revenue)	0% - 10%	-1.5%	0.0%	1.8%	2.5%	3.1%	4.0%	5.2%	4.8%	4.6%	4.9%
Net financial liability ratio (Total liabilities - Current assets) / Total operating revenue	<60%	129.2%	110.0%	80.0%	80.0%	80.0%	70.0%	70.0%	70.0%	70.0%	60.0%
Asset sustainability ratio (Capital expenditure on the replacement of assets (renewals) / Depreciation)	>90%	80.0%	50.0%	60.0%	80.0%	50.0%	80.0%	80.0%	90.0%	80.0%	70.0%

Operational Plan

2018/2019



About the Operational Plan

Our Operational Plan and Budget sets the direction for the 2018/19 financial year and identifies how we will measure our performance. The Operational Plan is a one-year plan that details the day to day operations of council to deliver its services to the community; delivering on the Corporate Plan, Council's election commitments and funding requirements. The development of council's Operational Plan is a legislative requirement of the *Local Government Act 2009* and *Local Government Regulation 2012*. Legislation requires that the annual Operational Plan and Budget be consistent.

Council's budget outlines the financial plan to deliver the services and activities in the corporate and operational plans. The budget is also informed by council's long-term asset management plan and the long-term financial plan which guide council's financial sustainability for the next ten years.

Council's Operational Plan and Budget have been developed consistent with the following local government principles prescribed in the *Local Government Act 2009* –

- ▶ Transparent and effective processes and decision making in the public interest
- ▶ Ethical and legal behaviour of councillors and local government employees
- ▶ Sustainable development and management of assets and infrastructure, and delivery of effective services
- ▶ Good governance of, and by, local government
- ▶ Democratic representation, social inclusion and meaningful community engagement.

Aligning the Operational Plan to the Budget

The Operational Plan and Budget are structured in line with the services and projects delivered by council. Over the past two years council has undertaken a significant transformational reform program to deliver a simpler, better and faster council. A new organisation structure has been developed and implemented that has improved the way services are managed and delivered to the community. Council's services and performance metrics for the 2018/19 financial year have been developed in alignment with the 2018/19 Operational Plan. These metrics reflect the delivery of core municipal services, election commitments, the corporate plan, key funding requirements and other important organisational priorities.

Progress on delivering the 2018/19 Operational Plan will be reported by council each quarter in the 2018/19 financial year.

Managing Operational Risks

The operational planning process includes management of council's strategic and operational 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 and is based on International Standard *ISO31000: 2009 - Risk Management*. Both of these documents state that council will manage risk by integrating risk management practices into corporate and operational planning.

Measuring our Performance

Council will assess the achievement of its Operational Plan on a quarterly basis and publish publically available quarterly performance reports. To emphasise the importance of this requirement, council has incorporated performance management and reporting as an essential part of our overall Strategic Planning Framework. Regular reporting provides council with the opportunity to ensure programs are delivered in a timely manner, within allocated resources. It also enables council to be more responsive to significant changes in the operating environment, whether they be social, economic, environmental or internal changes that impact on organisational capacity to deliver our programs.

Council notes that process and control surrounding its performance reporting have been strengthened based on implementing recommendations arising from the 2016 organisational review.

Delivering Services to the Community

Townsville City Council provides a wide range of services to the community. To facilitate the delivery of services, council's organisation structure consists of the following divisions:

- ▶ Infrastructure and Operations
- ▶ Planning and Community Engagement
- ▶ Business Services

Furthermore, the Operational Plan and Budget can also be summarised by the following responsible areas:

- ▶ Townsville Water and Waste
- ▶ Construction, Maintenance and Operations
- ▶ Infrastructure, Planning, Assets and Fleet
- ▶ Future Cities Office
- ▶ Planning Services
- ▶ Community Engagement & Cultural Services
- ▶ People and Culture
- ▶ Procurement
- ▶ Information Technology Services
- ▶ Legal Services
- ▶ Financial Services

These responsible areas have been structured and defined by objectives and performance measures in alignment with recommendations arising from the 2016 organisation review. These responsible areas deliver a range of services and programs that support or provide services and projects to the community.

Performance Plan

TOWNSVILLE WATER

2018/19



Performance Plan – Townsville Water

1.0 Overview of the Business

1.1 Introduction

The intention of this document is to meet the requirements of an Annual Performance Plan as set out in the Local Government Regulation 2012, in addition to providing a framework for the operation of the significant business activity of Townsville Water.

This document sets out the manner in which the business of Townsville Water will be carried out in the 2018/19 financial year, according to commercial principles. This Annual Performance Plan must be considered in conjunction with the unit's operational plan, which is embedded in the Townsville City Council Operational Plan.

1.2 Our Council

Townsville City Council is referred to as the “Capital” of Northern Australia and is the largest tropical city and second largest regional city in Australia. It is the region's main service centre and transport hub, located halfway between the tip of Cape York and Brisbane.

As a major urban coastal city, Townsville's natural landscape is diverse, ranging from cool highland rainforests and the Great Barrier Reef, to the dry open outback, with the Townsville Local Government Area extending over an area of 3,738 square kilometres, from the Paluma Rainforest in the north to the rural areas of Majors Creek and Woodstock in the south, and the grazing area of Hervey Range in the west.

The estimated resident population of Townsville is approximately 193,000 and is projected by the Queensland Treasury to continue to grow at an average rate of 1.9% over the next 25 years, resulting in an expected population of approximately 288,000 by 2036.¹ The mainstays of the local economy include health care and social assistance, public administration and safety, retail trade, education and training, construction, and accommodation and food services.

1.3 Our Business

Townsville Water is a commercial business unit of the Townsville City Council, responsible for supplying potable water, collecting and processing wastewater, and supplying recycled water, within the Townsville local government area.

As a significant business activity of the Townsville City Council, the business was commercialised in 2008, to apply the competitive neutrality principle under the *Local Government Act 2009*.

Townsville Water's business is articulated in our mission and vision statements:

Vision: To be the leading Water Service providers in Northern Australia.

Mission: Water Services that provide Townsville with Health, Amenity and Prosperity.

¹ This information was obtained from the Queensland Government Statistician's Office, Queensland Treasury for the Townsville City Local Government Area on 21 May 2018.
2018/19 Operational Plan and Budget for adoption 26 June 2018

1.4 Our Key Business Metrics

Water Operations

- ▶ Expected provision of in excess of 49,000 mega litres of potable water to over 84,000 customer connections in the Townsville region
- ▶ Management of 3 treatment plants, 27 pump stations, 18 chlorinators, 41 reservoirs/tanks and in excess of 2,500km of water mains
- ▶ Almost \$205 million of capital projects to be planned and delivered

Wastewater Operations

- ▶ Expected provision of wastewater services to over 72,000 customers, including approximately 1,000 trade waste customers
- ▶ Services delivered using close to \$1 billion worth of assets, including 6 sewerage treatment plants, over 180 sewerage pump stations and more than 1,300km of sewer mains
- ▶ Between 16,000 to 20,000 mega litres of sewage is collected and treated per annum with up to 15% of this volume reused (depending on weather conditions)
- ▶ Over \$78 million of capital works to be planned and delivered

1.5 Our Objectives

Townsville Water will focus on a number of key areas in the 2018/19 financial year.

1.5.1 Our Customers

Customer Service Standards

Townsville Water is committed to meeting its quality and service performance targets as outlined in its Customer Service Standards. Townsville Water will continue to report to the community against its key performance targets. During 2018/19, Townsville Water will review its Customer Service Standards in consultation with its customers.

Customer Feedback

Townsville Water will continue to routinely monitor feedback from residents and business to ensure that the services it provides meet the needs of its customers. In 2018/19 it will conduct Voice of the Customer surveys where a selection of customers, who have contacted Townsville Water requesting a service within a given month, are randomly selected and are contacted to participate in a short, over-the-phone survey.

Water Education Programs

Townsville Water will continue to provide community and school education programs in 2018/19, including offering school groups the opportunity to participate in Eco-catchment Education Tours. These tours enable students to follow the water cycle from catchment to reef, and integrate essential infrastructure with the local natural environment. School groups will participate in guided tours of "Learnsapes" such as the Mount Saint John Wastewater Treatment Plant and the Ross River Dam Spillway, where connections are made between the built environment and surrounding natural habitats.

Community members can learn about how to keep their lawns and gardens healthy while using less water through our education campaigns which can be found on council's website. Our initiatives are built on local research and industry experts. Community members can also learn about council's sewerage treatment processes and the many items that, if flushed, can cause blockages and overflows, or are a danger to workers or impact the sewerage treatment process. The aim of the residential wastewater education program is to reduce the costs of managing sewerage and reduce environmental and health impacts from overflows.

Water Restrictions

Level 3 water restrictions were in place from August 2016 until March 2018, which restricted the use of sprinklers, as well as restricted handheld watering to within the hours of 6-7am and 6-7pm on an odds and evens basis.

Following the level of the Ross Dam rising to above 90% in March 2018, council eased water restrictions to Level 2 from 17 March 2018. It remains imperative that Townsville reduces its water use to make the water supply last longer. The level 2 restrictions will encourage sustainable water use and ensure that Townsville maintains water security whilst the delivery of the 1.8 metre diameter Haughton Pipeline project is completed. The construction of the Haughton Pipeline is expected to be completed at the end of 2019.

Water Opt-In Period for Residential Properties

Council offers a choice between the Standard Plan and the Water Watchers Plan for residential properties. During the Opt-in Period, customers can decide which water plan works best for their household. Council sets a Water Opt-In period each year, usually during the month of August, where customers can notify their intention to change water plans.

1.5.2 Our Infrastructure

Asset Management

Townsville Water has extensive and valuable water assets including dams, weirs, treatment plants, pump stations, reservoirs, thousands of kilometres of water and sewer mains, and tens of thousands of water meters. Townsville Water has finalised the development of a risk-based asset management system, and will undertake a number of scheduled maintenance, major and minor capital projects to its infrastructure during 2018/19.

Townsville Water will continue to apply effective control and governance of assets to realise value through managing risk and opportunity, in order to achieve the desired balance of cost, risk and performance. This will assist the business to appropriately prioritise how to allocate time, money and materials focusing on the most critical problems, providing the framework for continuous improvement and to meet organisational objectives, including regulatory compliance. The focus on continuous improvement will increase overall asset effectiveness while lowering life cycle costs.

For 2018/19, Townsville Water will justify asset renewals and proactive maintenance based on risk, cost, condition and utilisation for service delivery, endeavouring to improve its performance during 2018/19 compared to a 2017/18 benchmark.

Council's three point \$225 million Water Security Solution

An intergovernmental taskforce made up of the Townsville City Council, Queensland Government and Federal Government investigated short, medium and long-term solutions to water security for Townsville in 2017 and delivered an interim report to the Prime Minister and Premier of Queensland in June 2017. The Townsville Water Security Taskforce will release its final report in September 2018 which will inform the direction of council moving forward in terms of securing necessary ongoing supply of water.

The interim report has formed the direction of council's three point \$225 million Water Security Solution which includes:

- ▶ The new 1.8 metre diameter Haughton Pipeline
- ▶ A recycled water system for community spaces and industrial use

- ▶ The Community Water Transition Support Package

Haughton Pipeline Duplication

Construction is set to commence in July 2018 for the 36.5km pipeline from the Haughton Pump Station to the Ross River Dam. The new pipeline will be capable of providing 234 ML per day initially, and up to 364ML per day (after the second stage of the project), to ensure water security for Townsville. The installation of the 36.5km pipeline will be divided into four packages to suit local capability and capacity development. The pipeline installation packages are to be tendered in July and August 2018 and awarded in September and October 2018. The new pump station at the Haughton Irrigation channel will be tendered and awarded in late 2018. The majority of the pipeline installation is expected to be completed at the end of 2018/19, with the pump station and power supply well underway. Construction of the pipeline is scheduled to be completed by December 2019.

Cleveland Bay Recycled Water System

The purpose of this project is to recycle treated water from the Cleveland Bay Purification Plant to produce economically viable non-potable water to irrigate parks, golf courses, James Cook University, the New Stadium and large industrial users.

An Expression of Interest for construction of the plant at Cleveland Bay Purification Plant will be released in July 2018 with construction expected to commence in January 2019. Part of this project will be done in conjunction with the Southern Suburbs rising main which is planned at this stage to commence in November 2018. The project is forecast to provide water to the new North Queensland Stadium by the time it is completed in early 2020.

Community Water Transition Support Package

The Townsville Water Security Taskforce recommended the implementation of a wise water use program in Townsville, as part of an overall solution to address Townsville's water security issues. The Community Water Transition Package (the Package) is supported by a \$9.1 million grant from the Queensland Government. The package provides assistance to the community to transition to more efficient outdoor water use practices, applicable for Townsville's dry tropics environment.

It will achieve this by:

- ▶ Fostering the adoption of water efficient behaviours and practices appropriate for Townsville's dry tropical environment across the community;
- ▶ Maximising the awareness and take-up of the agreed interventions across the community;
- ▶ Providing direct or indirect financial support to the community to increase the uptake of water saving methods and devices; and
- ▶ Providing economic opportunities for local business by entering into commercial supply arrangements to deliver products and/or services.

Demand Management

The Townsville City Council Water Demand Management Strategy 2015 – 2025 was adopted by council in July 2015. The Strategy provides the vision and framework for water demand management into the future. Drivers for effective water demand management in Townsville include opportunities for deferral of significant water infrastructure capital investments, which could lead to savings for the Townsville community, improved water security and the ability to cope with drought. In the 2018/19 financial year, Townsville Water will focus on

investigating and implementing Fit for Purpose Water opportunities, and undertaking projects which will meet the objectives of the Strategy and the Townsville Water Security Taskforce.

Digital Utilities of the Future

Townsville Water has embarked down the path of becoming North Queensland's leading Digital Utility. Over the next 5 years, a series of programs will transform the way Townsville Water delivers services to the community. Pilot projects and trials like the Smart Water Metering and Sensor Q – Smart Water Quality Monitoring is currently underway and will continue during the 2018/19 financial year. These trials will help inform the pathway to becoming a more customer focused, safe and efficient Digital Utility of the future.

Shaping a Water Sensitive Townsville

Townsville took steps toward becoming a water sensitive city in the 2017/18 financial year. Council partnered with the *Cooperative Research Centre (CRC) for Water Sensitive Cities* to convene a series of three workshops in Townsville. These workshops were attended by leaders and strategic thinkers from across water, planning, community, urban development and other related sectors and they developed a shared vision and strategic framework for accelerating Townsville's transition towards a water sensitive city. The Water Sensitive Cities approach seeks to optimise the management of all water streams (Potable water, Wastewater, Stormwater and Waterways, Wetlands and Marine areas) through improved strategic planning (infrastructure and land use), development assessment processes, enforcement/compliance, construction and maintenance, asset operations, and enhanced community and stakeholder engagement. Outcomes include reductions in water use, improved water quality, improved liveability and enhanced community engagement and consensus.

The workshop series formed part of a national CRC for Water Sensitive Cities research project that aims to develop and test tools and methodologies grounded in the latest science, policy and practice of strategic transition planning. Townsville City Council is a contributing member of the CRC for Water Sensitive Cities.

Douglas Water Treatment Plant Clarifier

The Douglas Water Treatment Plant will have a number of upgrades over the next few years. A new clarifier will increase the capacity of the treatment plant particularly during events of turbid raw water. This will ensure that Townsville Water can continue to supply water to the community to meet demand, even at times when our water sources are experiencing high turbidity. The design of a clarifier is scheduled to be delivered in the financial year 2018/19 and construction is planned for the 2019/20 financial year. The addition of a new Ultraviolet Treatment system will ensure protection against water borne pathogens such as *Cryptosporidium*. The conversion of the disinfection system from Hypochloride to gas chlorine will help to alleviate problems associated with disinfection by-products such as Trihalomethanes. The UV system and gas chlorine will be delivered in line with the new clarifier.

Water Treatment and Bulk Supply Renewals

Townsville Water will invest approximately \$3.2 million in the 2018/19 financial year into renewals projects for critical water supply infrastructure including dams, weirs, water treatment plants, reservoirs and pump stations.

Water Pipes and Services Replacement Program

Townsville Water will carry out its annual Water Pipes and Services Replacement programs in 2018/19, with approximately \$5.7 million allocated to replace pipes and services of priority to ensure that Townsville Water can provide a sufficient, safe and reliable water supply to its customers into the future.

CBD and North Queensland Stadium Utilities Upgrade Projects

Works will continue on the CBD Utilities Upgrade Project in the 2018/19 financial year. The purpose of the project is to upgrade the water and sewer networks in the CBD. This includes the replacement of aged cast iron water mains in the CBD area, and the upgrade of the Strand sewer pressure main and various other sewer upgrades. The works will address water quality and pressure issues due to age and under capacity of water mains and sewerage infrastructure servicing the CBD and will ensure that council is able to meet the future demands on the water and wastewater network in the City centre.

In 2018/19, the program of works will include the construction of water mains and sewerage rising mains along The Strand, and the continuation of the upgrade to water reticulation mains in the outer CBD.

Water upgrade works will continue from Flinders Street to Ingham Road to connect the CBD to the proposed Echlin Street Reservoir and to the North Queensland Stadium across Little Fletcher Street Bridge. The CBD utilities upgrade is expected to be completed by 30 June 2019. The water, sewer and pump station works for the North Queensland Stadium are to commence in July 2018 and will be completed during the first half of 2018/19 financial year. This will allow the Stadium to be completed in early 2020 in time for the start of the NRL season that year.

Cleveland Bay Purification Plant Capacity Upgrade

Townsville Water will continue to progress the capacity upgrade of the Cleveland Bay Purification Plant in the 2018/19 financial year to ensure compliance with its environmental licence. Construction commenced on site in June 2017. Works will continue throughout the 2018/19 financial year. The new outfall is expected to be completed by October 2018 and completion of the upgrade by December 2019.

In August 2015, the Queensland Department of State Development advised council of a funding approval of \$20 million under the Royalties for Regions Strategic Projects Fund, to assist with the capacity upgrade which will cost \$65 million.

Castellana Street Parkland Pump Station (L1C) and Rising Main

Construction of a new pump station L1C located on parkland off Castellana Street, Cranbrook. The pump station will cater for future development in the area and overcome capacity issues within the catchment at times of peak flow. After extended community engagement, the construction of the works is expected to start in July 2018. Works are due for completion in late 2018.

Southern Suburbs Rising Main

In the 2018/19 financial year, works will commence on the construction of a sewer rising main from Annandale to Cleveland Bay Treatment Plant. The duplicate rising main will relieve capacity pressures on the existing sewerage network, and increase the capacity of the network in order to cater for future urban growth in the southern suburbs of Townsville. The works are scheduled to be delivered over two financial years.

Sewer Pipe Relining and Manhole Rehabilitation

Townsville Water will carry out its annual Sewer Pipe Relining and Manhole Rehabilitation programs in 2018/19. Funds of \$2 million have been allocated to line pipes and rehabilitate manholes of priority to lengthen the life of assets in order to ensure that Townsville Water can continue to collect and transport wastewater safely and efficiently into the future.

1.5.3 Our Environmental Management

Addressing environmental impacts is a key driver for Townsville Water. There are environmental implications of sourcing, storing and supplying water, as well as from the collection, treatment and disposal of wastewater,

and the supply of recycled water. To ensure sound environmental management, Townsville Water maintains an Environmental Management System in accordance with the International Standard *ISO14001 – Environmental Management Systems*, and is accredited in this respect.

Licensing of Water and Sewage Treatment Activities

The water and wastewater treatment and sewage reticulation operations carried out by Townsville Water have the potential to impact on the environment and accordingly, Townsville Water must be licensed under the *Environmental Protection Act 1994* to conduct its water treatment and wastewater operations.

Townsville Water will monitor and measure its compliance against its licence conditions during the financial year and will ensure that all routine and event-specific reporting requirements are met, including preparing annual returns for its environmental licences where required by licence conditions.

Townsville Water will maintain a Transitional Environmental Program for its Cleveland Bay Purification Plant during the financial year, as a temporary measure while the Cleveland Bay plant undergoes an upgrade to bring its performance in line with its licence requirements. This will ensure that Townsville Water minimises any environmental harm and complies with the *Environmental Protection Act 1994*.

Assessment of the Ecological Risk of Emerging Contaminants Released from the Cleveland Bay Purification Plant

Research has commenced for effluent sampling to identify new and emerging contaminants being discharged from Cleveland Bay Purification Plant. This includes but is not limited to heavy metals, various organics (hydrocarbons, pharmaceuticals, poly-aromatics and personal care products), nanomaterials and micro-plastics. The purpose of this project is to identify and prioritise emerging contaminants based on estimation of the current and longer term ecological risk to the receiving environment. In 2018/19, the program of works will include proposal development, literature review, sampling methodology, experimental design and contaminant targeting. This project is expected to take a maximum of 6 years from commencement.

Increased Focus on Compliance

There is expected to be a heightened focus by the Queensland Department of Environment and Science on inspection performance monitoring for water service providers during the financial year. In recent years, the Department has shifted its Regulatory focus for assessment and compliance functions from setting and applying standards, to monitoring and responding to performance. As a result, there will be an increased focus for the foreseeable future on compliance, to ensure that possible harms to the environment from sewage treatment and collection activities are mitigated. Townsville Water is likely to see the impact of this focus on their operations during the financial year with increased presence and scrutiny by the Department.

1.5.4 Our Governance

As a commercial business unit and water service provider, Townsville Water is subject to specific governance requirements under the *Local Government Act 2009* and the *Water Supply (Safety and Reliability) Act 2008*.

Financial Sustainability

Townsville Water is responsible for directly providing essential water and wastewater utility services to the Townsville community. To enable the provision of these services, Townsville Water owns, operates and

maintains a significant asset base which requires substantial investment and continued expenditure to maintain and renew assets over the course of their respective useful lives.

To ensure financial sustainability, long term financial and asset management planning is in place to ensure Townsville Water can continue to provide the desired level of water and wastewater services to the Townsville community now and into the future.

In conjunction with the Financial Services department of council, Townsville Water will develop a commercial business specific capital structure and dividend policy in order to clearly define expectations about the financial structure of Townsville Water and the expected return to the business unit's shareholder i.e. council.

Quality Assurance

To ensure quality services are provided, Townsville Water will continue to develop and maintain systems and processes that support quality assurance in relation to its services. In this respect, Townsville Water will carry out the necessary steps in order to maintain its quality management system and its certification with International Standard *ISO9001 – Quality management systems*.

Water Service Provider Regulatory Framework

As a supplier of water and sewerage services, Townsville Water is required to be registered as a service provider under the *Water Supply (Safety and Reliability) Act 2008* (the Water Supply Act). Townsville Water must adhere to the regulatory framework provided by the Water Supply Act, which is designed to ensure the reliability and safety of the water supply it provides.

Performance Reporting

Townsville Water will undertake performance reporting by 1 October 2018, reporting on its performance in 2017/18, as required by the Water Supply Act. This will include reporting against performance measures related to a number of aspects including infrastructure, financial sustainability, customer service, water security and availability. The performance reporting by water service providers allows the Department of Natural Resources, Mines and Energy to monitor performance of water and sewerage service providers, and to promote transparency and accountability for customers of water and sewerage services through the publication of the performance results. Townsville Water will publish its performance results on council's website.

Drinking Water Quality Management Plan

Townsville Water will maintain and comply with its Drinking Water Quality Management Plan during the 2018/19 financial year to ensure the effective management of its drinking water supply.

The Drinking Water Quality Management Plan will be reviewed in April 2019 to reflect significant changes to the water treatment processes for the Paluma Township Water Supply Scheme. In April 2018, a new water treatment facility was completed for the Paluma Township Water Supply Scheme.

By December 2018, Townsville Water will deliver to the Regulator, an annual report about compliance with its Drinking Water Quality Management Plan during the 2017/18 financial year. The report will be made available on council's website.

2.0 Our Performance Targets

GOAL 1 ECONOMIC SUSTAINABILITY		
Performance Measure	Description	Target
Revenue – Budget to Actual	Comparison of the actual revenue received with the budgeted revenue	Within 5% of revised budget
Operating Expenditure – Budget to Actual	Comparison of the actual operating expenditure with the budgeted operating expenditure	Within 5% of revised budget
Capital Expenditure – Budget to Actual	Comparison of the actual capital expenditure with the budgeted capital expenditure	Within 5% of revised budget
Net Operating Result – Budget to Actual	Comparison of the actual net operating result with the budgeted net operating result	Within 5% of revised budget
5 Year Price Path	Approved price path derived from QTC model	Information only
Return on Assets	Net income / NBV of non-current assets	Within 5% of revised budget
Asset Renewal	Rehabilitation capital works / Depreciation charges	Minimum 90%
Interest Coverage Ratio	Total operating revenue / Net interest expense	Information only
Asset Consumption Ratio	Weighted average measure of consumption of non-current assets	Information only
Debt to Equity Ratio	The portion of debt compared to the business' equity	<0.5
Annual Dividend	The portion of earnings distributed to council (our shareholder) from the operation of the Townsville Water commercial business unit	>90% of budgeted amount

GOAL 2 SOCIAL RESPONSIBILITY		
Performance Measure	Description	Target
Customer Satisfaction	Percentage of results of “good” and “excellent” recorded by the Customer Service Department quarterly survey	90%
Drinking Water Quality Compliance	Percentage of compliance with all drinking water quality requirements in accordance with Townsville Water’s Drinking Water Quality Management Plan	100%

GOAL 3 ENVIRONMENTAL SUSTAINABILITY		
Performance Measure	Description	Target
Penalty Infringement Notices or Legal Action for Non-Compliance	Number of penalty infringement notices issued or instances of legal action initiated by the Regulator for non-compliance with respect to sewerage treatment or reticulation activities	Zero
Dry Weather Sewerage Releases	Number of dry weather sewerage overflows, bypasses or releases to environment that were not caused by a third party or natural phenomenon	Zero

GOAL 4 RESPONSIBLE GOVERNANCE		
Performance Measure	Description	Target
Reduction in Lost Time Injuries	Percentage reduction in the number of Lost Time Injuries recorded, compared with the previous financial year	20%

3.0 Our Community Service Obligations

Community service obligations are defined under 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.”

An example of a community service obligation is where the local government gives a price concession to a particular group of customers, such as pensioners, seniors or students.

3.1 Nature and Extent of Community Service Obligations for 2018/19

The following price concessions will be available to particular customers on water and wastewater charges in recognition of the activity's contribution to the social and cultural welfare of the community during the 2018/19 financial year:

Category	Water Remission As a % of Non-Residential Volumetric Charge	Sewerage Remission as a % of the Non-Residential Charge
Commercial Irrigation	15%	n/a
Caravan Parks	30%	30%
Retirement/lifestyle villages	55%	Nil
Boarding and lodging houses	20%	20%
Charitable and non-profit aged care facilities	55%	Nil
Churches, church halls, clubhouses and halls - Charitable and non-profit organisations	15%	15%
Sporting field irrigation - restricted public access (not including schools, tertiary institutions and other educational facilities)	73% (\$100,000 per annum cap)	Nil
Sporting field - no public access restrictions (not including schools, tertiary institutions and other educational facilities)	95% (\$100,000 per annum cap)	Nil
War Graves	5%	Nil
Approved transitional sewerage price plans	n/a	62%

The following works are to be completed by Townsville Water as community service obligations in 2018/19:

Category	Value \$
Arcadia Surf Life Saving Club (Sewerage Pump Out)	\$11,600

3.2 Cost of and Funding for Community Service Obligations

The community service obligations listed in Section 3.1 are funded by Townsville City Council. It is anticipated that the cost of these identified community service obligations for 2018/19 will be approximately \$2,039,000.

Additional community service obligations may be identified during the financial year. All community service obligations must be described and costed in council's Annual Report.

4.0 Our Capital Structure, Investment and Borrowing

4.1 Our Notional Capital Structure

The notional capital structure for Townsville Water is 50% debt / 50% equity for pricing purposes. The capital structure and the anticipated rate of return to Townsville City Council as dividends are determined by council.

The capital structure will be reviewed annually, taking into consideration the financial performance, financial risk and sustainability of the business over the short and long term and may result in changes to forecasted debt levels and future capital structures.

4.2 Our Pricing

As a significant business activity of the Townsville City Council, Townsville Water applies the competitive neutrality principle to ensure that as a monopoly water service provider, it does not enjoy a net advantage over competitors only because it is a public sector entity. Townsville Water applies the competitive neutrality principle by charging for goods or services at the full cost of providing its services.

When developing its pricing annually, Townsville Water utilises a pricing model built by Queensland Treasury Corporation. The pricing model has been purpose-built by the Queensland Treasury Corporation to assist Townsville Water to comply with the pricing provisions set out in the Local Government Act for significant business activities and the Local Government Regulations. Using the model, Townsville Water identifies its total expenses, and the revenue that it should collect in order to fully recover its total expenses while achieving a rate of return for council as its sole shareholder. The rate of return is determined by the model to enable future capital investment.

As part of the modelling, the expected expenses and resulting required revenue are projected for a 5 year period into the future. The resulting required revenue is divided across the forecasted user base, to determine the prices for each of its services. Prices are modelled for the current year as well as 4 years into the future to enable council to understand the impact over a 5 year price path.

Townsville Water charges differential prices to suit its diverse economic environment which covers a range of users from industrial, commercial and residential sectors and has conducted an assessment into the cost effectiveness of two-part tariffs in line with applicable requirements. For its residential customers, Townsville Water has developed different pricing options for customers to select from: the Standard Plan and the Water Watcher Plan. These pricing options provide the opportunity for customers to choose an arrangement which suits them best based on aspects such as their expected water consumption, and a choice from a fixed or a variable charge. The existence of a Water Plan with a fixed nature is also beneficial to Townsville Water as it ensures a stable revenue stream to enable council to invest in the growing city's needs.

This approach to our charges is also consistent with our Revenue Policy in Appendix [2] and the principles outlined in the local government legislation.

4.3 Our Dividend Policy

All dividends arising out of Townsville Water operations will be returned to Townsville City Council. Annually, as part of budget processes, a determination will be made regarding the treatment of surpluses, where consideration will be given to maximising investment and/or the distribution of residual funds.

4.4 Our Proposed Major Investments 2018/19

Project/Initiative	Capital/ Operating	Completion Date	Cost \$
Water:			
Haughton Pipeline Duplication to RRD (Approvals & Purchases Year 3)	Capital	30 June 2019	\$158,900,000
CBD Utility Upgrade Project W&S Works (Construction/Implementation - Year 3)	Capital	30 June 2019	\$17,500,000
Smart Meters	Capital	30 June 2019	\$6,000,000
City Deals Stadium Upgrade Project - TWW Stadium Scope (package c)	Capital	30 June 2019	\$5,000,000
Water Pipes Replacement - DN200 & Smaller for Water Operations Minor Works	Capital	30 June 2019	\$3,554,794
Water Services Replacement	Capital	30 June 2019	\$2,236,200
Other reservoir renewals (including cathodic protection)	Capital	30 June 2019	\$1,943,200
Trility renewals (all sites except Toonpan)	Capital	30 June 2019	\$1,751,000
Other dams and weirs renewals	Capital	30 June 2019	\$1,289,280
Elliot Springs water trunk mains (DN450/375 Eastern Area Trunk Main) (Construction/Implementation)	Capital	30 June 2019	\$900,000
Turner Land (Mt Low Parkway) DN250/375 WM - Along NSB (Construction/Implementation)	Capital	30 June 2019	\$610,000
Water Meter Replacement	Capital	30 June 2019	\$600,219
DWTP - Clarifier Construction (Design/Development)	Capital	30 June 2019	\$500,000
Wastewater:			
Cleveland Bay STP Performance Rectification - Construction Year 2	Capital	30 June 2019	\$17,030,000
PS ES1 Elliot Springs & DN300/375 Rising Main to CBPP (Construction/Implementation)	Capital	30 June 2019	\$12,700,000
Southern Suburbs completion of RM to Cleveland Bay STP construction Year 1	Capital	30 June 2019	\$7,625,000
CBPP Effluent Re-Use Treatment System (Construction/Implementation) Year 1	Capital	30 June 2019	\$7,500,000
CBPP Effluent Re-Use Network (Construction/Implementation) Year 1	Capital	30 June 2019	\$7,500,000
DN375 diversion RM around Townsville Hospital Site (Construction/Implementation)	Capital	30 June 2019	\$2,000,000
PS L1C (Cranbrook) & DN200 Rising Main (Construction/Implementation)	Capital	30 June 2019	\$2,000,000
City Deals Stadium Upgrade Project - TWW Stadium Scope (Pump Station ps24 and RM)	Capital	30 June 2019	\$1,800,000
PS K21 - Stage 2 rising main redirection (Construction/Implementation)	Capital	30 June 2019	\$1,700,000
PS 7A Replacement PS (+ gravity sewer upgrades) (Construction/Implementation) Year 1	Capital	30 June 2019	\$1,200,000
Sewer - Manholes	Capital	30 June 2019	\$1,075,403
Other pressure mains	Capital	30 June 2019	\$1,020,430
Sewer Pipe Rehabilitation	Capital	30 June 2019	\$1,002,369

4.5 Our Outstanding and Proposed Borrowings

Townsville City Council will operate a Central Treasury function. It will provide working capital as required, as well as providing loans through Queensland Treasury Corporation.

5.0 Our Customer Service

Townsville Water uses a variety of methods to evaluate customer needs and analyse customer satisfaction, including but not limited to:

- ▶ monthly customer satisfaction surveys;
- ▶ councillor requests;
- ▶ customer feedback; and
- ▶ benchmarking against other water service providers in regional Queensland.

Townsville Water recognises that customers are entitled to be guaranteed of a certain level of service and has developed a Customer Service Standard to meet its obligations under the *Water Supply (Safety and Reliability) Act 2008*. The Customer Service Standard sets out service standard performance targets which are based on an assessment of the levels of service that can be realistically achieved and consistently maintained, taking into account data collection and reporting systems, infrastructure standards, and operating systems.

Reporting is undertaken on a quarterly basis to measure Townsville Water's performance against the quality and service reliability targets through its Customer Service Standard Report Card, which is available to the public on council's website. Annual reporting to the Office of the Water Supply Regulator is undertaken annually to meet the requirements of the *Water Supply (Safety and Reliability) Act 2008*.

6.0 Delegations

Townsville City Council's delegated authorities relevant to Townsville Water are made in accordance with the requirements of the *Local Government Act 2009*. Delegated authorities are recorded in Townsville City Council's Register of Delegations and each relevant Instrument of Delegation.

7.0 Reporting to Townsville City Council

Townsville Water reports against the financial and non-financial targets contained in this Performance Plan through a number of different mechanisms:

- ▶ On a quarterly basis, Townsville Water reports to council's Townsville Water and Waste standing committee.
- ▶ On a quarterly basis, Townsville Water reports to the community, via council's Quarterly Performance Reports, about the performance targets that are included in its Operational Plan.
- ▶ On a quarterly basis, Townsville Water reports to the community about its performance against its Customer Service Standard performance targets.
- ▶ Townsville Water publishes an Annual Operations Report for the Townsville City Council on its performance against the Performance Plan. This report will be complete within four calendar months from the end of the financial year.

The business will prepare all management plans as required by Townsville City Council, which shall include, but is not limited to, an Operational Plan, Business Plan, Asset Management Plan, and Emergency Response Plan.

8.0 Review and Amendment of the Annual Performance Plan

The Local Government Regulation 2012 allows for an Annual Performance Plan to be amended at any time before the end of the financial year for which it is prepared.

Performance Plan

Townsville Waste

2018/19



Performance Plan – Townsville Waste Services

1.0 Overview of the Business

1.1 Introduction

The intention of this document is to meet the requirements of an Annual Performance Plan as set out in the Local Government Regulation 2012, in addition to providing a framework for the operation of the significant business activity of Townsville Waste Services.

This document sets out the manner in which the business of Townsville Waste Services will be carried out in the 2018/19 financial year, according to commercial principles. This Annual Performance Plan must be considered in conjunction with the unit's operational plan, which is embedded in the Townsville City Council Operational Plan.

1.2 Our Council

Townsville City Council is referred to as the “Capital” of Northern Australia and is the largest tropical city and second largest regional city in Australia. It is the region's main service centre and transport hub, located about halfway between the tip of Cape York and Brisbane.

As a major urban coastal city, Townsville's natural landscape is diverse, ranging from cool highland rainforests and the Great Barrier Reef, to the dry open outback, with the Townsville Local Government Area extending over an area of 3,738 square kilometres, from the Paluma Rainforest in the north to the rural areas of Majors Creek and Woodstock in the south, and the grazing area of Hervey Range in the west.

The estimated resident population of Townsville is approximately 193,000 and is projected by the Queensland Treasury to continue to grow at an average rate of 1.9% each year over the next 25 years, resulting in an expected population of approximately 288,000 by 2036.² The mainstays of the local economy include health care and social assistance, public administration and safety, retail trade, construction, education and training, and manufacturing.

1.3 Our Business

Townsville Waste Services is a commercial business unit of the Townsville City Council, responsible for the collection and processing of solid waste and recyclables.

As a significant business activity of the Townsville City Council, the business was commercialised in 2008, to apply the competitive neutrality principle under the *Local Government Act 2009*.

Townsville Waste Services' business is articulated in its vision and mission statements:

Vision: To be the leading Waste Service providers in Northern Australia.

Mission: Waste Services that provide Townsville with Health, Amenity and Prosperity.

Townsville Waste Services actively competes in the commercial waste collection sector, providing services to a range of business types and sizes, and pursuing long term contractual arrangements with large-scale customers.

1.4 Our Key Business Metrics³

Domestic Waste and Recycling

- ▶ 79,000 domestic waste services provided per week
- ▶ 38,500 domestic recycling services provided per week

² This information was obtained from the Queensland Government Statistician's Office, Queensland Treasury and Trade for the Townsville City Local Government Area on 21 May 2018.

³ Based upon our expected operations at 30 June 2018.

Commercial Waste and Recycling

- ▶ 579 bulk bins in service
- ▶ 175 bulk bins emptied per day
- ▶ 305 public bins emptied per day

Waste Disposal

- ▶ Two landfill sites
- ▶ Six waste transfer stations
- ▶ Around 300,000 total customer visits per annum
- ▶ Around 300,000 tonnes per annum received at landfills
- ▶ Around 150,000 tonnes per annum diverted from disposal
- ▶ Around 170,000 tonnes per annum landfilled

1.5 Our Objectives

Townsville Waste Services will focus on a number of key areas in the 2018/19 financial year.

1.5.1 Our Customers

Customer Service Standard

Townsville Waste Services is committed to meeting its quality and service performance targets as outlined in its Customer Service Standards. We will continue to report to the community against its key performance targets during 2018/19. During 2018/19, Townsville Waste Services will review its Customer Service Standards in consultation with its customers.

Customer Feedback

Townsville Waste Services will continue to routinely monitor feedback from residents and business to ensure that the services it provides meet the needs of its customers. In 2018/19 it will conduct Voice of the Customer surveys where a selection of customers, who have contacted Townsville Water requesting a service within a given month, are randomly selected and are contacted to participate in a short, over-the-phone survey.

Kerbside Hard Waste Collection Service

In 2018/19, Townsville Waste will complete the delivery of the first round of a Kerbside Hard Waste Collection service, providing one scheduled collection of large household items from each residential property in the City. Following the completion of the first round of the delivery of the service, a review will be conducted to investigate the options for delivery methods for the Kerbside Hard Waste Collection service moving forward.

Free Dumping Weekends at Disposal Sites

To encourage property owners to clean up their property prior to the cyclone season, council will provide to the community a free dumping weekend at all waste disposal sites. This date is yet to be determined.

1.5.2 Our Infrastructure

Asset Management

In 2018/19, Townsville Waste Services will continue to focus on the development of a risk-based asset management system, and will undertake a number of planned capital upgrades and renewals to its infrastructure.

Townsville Waste Services will continue applying effective control and governance of assets to realise value through managing risk and opportunity, in order to achieve the desired balance of cost, risk and performance. This will assist the business to appropriately prioritise how to allocate time, money and materials focusing on the most critical problems, providing the framework for continuous improvement and to meet organisational objectives, including regulatory compliance. The focus on continuous improvement will increase overall asset effectiveness while lowering life cycle costs.

Hervey Range Resource Recovery Centre

Townsville Waste Services will construct a resource recovery centre at the Hervey Range Waste Facility in 2018/19 to maximise waste recovery and diversion. As a result this will reduce waste to landfill, preserve resources, reduce the cost of transporting waste and preserve the natural environment. Project planning has commenced and it is anticipated that construction will begin in the third quarter of the financial year. Completion is scheduled for the end of the financial year.

Picnic Bay Landfill Rehabilitation

After the closure of the Picnic Bay Landfill in 2016, Townsville Waste Services began rehabilitating the site in accordance with licence requirements. Construction of the final capping works is currently under way. The capping is an important final step to ensure the coverage of the waste is sealed in order to protect the surrounding natural environment for the future. Completion of the capping works is scheduled by the end of December 2018.

Magnetic Island Waste Facility Reuse Improvements

In order to continue to minimise waste on Magnetic Island and reduce transport costs of waste to the mainland, Townsville Waste Services is establishing improved reuse facilities at the Magnetic Island Waste Facility. In the 2018/19 financial year, Townsville Waste Services will construct a Reuse Shed designed to operate as a Buy Back shop, which will increase the amount of waste items diverted from the transfer station for reuse.

1.5.3 Our Environmental Management

Addressing environmental impacts is a key driver for Townsville Waste Services. There are environmental impacts of storing, transporting and disposing of waste by landfilling. In recent years, regulations covering environmental aspects of waste operations have increased significantly, which in turn impact on the cost of delivering services. To ensure sound environmental performance, Townsville Waste Services will continue to operate its environmental management system and embrace the principles of International Standard *ISO14001 – Environmental management systems*.

Licensing of Waste Storage and Disposal Activities

The waste storage and disposal operations carried out have the potential to impact on the environment and accordingly, the business must be licensed under the *Environmental Protection Act 1994* to conduct its operations.

Townsville Waste Services will renew its licences for 2018/19 and will monitor and measure its compliance against its licence conditions, ensuring that all routine and event-specific reporting requirements are met for the financial year.

Initiatives to Reduce Greenhouse Gas Emissions from Landfills

To reduce the environmental impact of landfill operations, gas flaring systems have been in operation at the Stuart Landfill facility and Hervey Range Landfill facility since 2012 and 2016 respectively. Council utilises gas flaring technology to reduce the impact of methane by converting it to a less potent form of gas, carbon dioxide. This reduces the overall emissions from landfill.

Following capping of the Jensen Landfill site, Townsville Waste Services will establish a gas flaring system at its Jensen Landfill as well.

E-Waste Recycling

Townsville Waste Services will continue its E-Waste Recycling Program in the 2018/19 financial year, working with industry partners under the National Television and Computer Recycling Scheme. It will continue to maintain drop-off points at its waste disposal sites for collection of waste televisions, computers, printers and computer products.

Reducing Plastic Pollution

The Queensland Government is developing a plastic pollution reduction plan which includes banning plastic shopping bags and introducing a container refund scheme for beverage containers. These initiatives are designed to reduce litter and increase recycling, and Townsville Waste Services will work with the Queensland Government to play a part in the grass roots implementation of these schemes.

Recycling Education Program

Townsville Waste Services will continue to promote and educate the community about recycling during the financial year. Recycling education programs will be delivered at community events to educate residents, local industries and businesses about waste minimisation through recycling.

Townsville Waste Services will work in partnership with its recycling service provider, neighbouring councils and the Department of Environment and Science to enhance its recycling education program to build upon current recycling rates and outcomes.

1.5.4 Our Governance

As a commercial business unit and waste service provider, Townsville Waste Services is subject to specific governance requirements under the *Local Government Act 2009* and the *Waste Reduction and Recycling Act 2011*.

Queensland Government's New Waste Strategy

In March 2018, the Queensland Government announced a new waste strategy for Queensland. The new resource recovery, recycling and waste management strategy will be underpinned by a waste disposal levy that will incorporate measures to avoid costs for households. To help develop the new strategy, the Government has formed a Recycling and Waste Management Stakeholder Advisory Group who will provide strategic advice and help to shape the new strategy and levy design. Townsville Waste Services will be represented through the Local Government Association of Queensland and may participate in Technical Working Groups aimed at providing practical and operational advice to the Advisory Group.

North Queensland Regional Waste Reduction and Recycling Plan 2014 - 2024

Townsville Waste Services will continue to focus on regional collaboration with its North Queensland counterparts in 2018/19. North Queensland has vast rural areas and 80% of the population is concentrated in Townsville which means effective waste management is challenging. The population of the North Queensland Region is predicted to grow by over 20% from around 250,000 to 300,000 people by 2024. Generally speaking, the region is a long way from markets for recyclable materials and associated waste management infrastructure, in comparison to metropolitan areas in South East Queensland. However, these challenges also present opportunities to look at innovative, tailored regional solutions for waste management, which avoid unnecessary consumption of resources and manage waste as close to the source as possible.

In 2014, Townsville Waste Services collaborated with other regional North Queensland councils including the Burdekin Shire Council, the Hinchinbrook Shire Council and the Charters Towers Regional

Council to develop a Regional Waste Reduction and Recycling Plan. The Plan sets a vision for waste management in North Queensland over ten years. It addresses the requirements of the *Queensland Waste Reduction and Recycling Act 2011*, as well as providing a framework to realise opportunities for efficiencies and cost savings across the region.

Together with the other North Queensland councils, Townsville Waste Services intends to review its Waste Reduction and Recycling Plan in 2018/19, following the establishment of the Queensland Government's new waste strategy.

Participation in Waste Committees and Forums

Townsville Waste Services will continue to actively participate in the Local Authority Waste Management Advisory Committee in 2018/19, as well as in relevant Waste Management Association of Australia forums. Such advisory groups and forums bring together elected members, local government staff and industry representatives to collectively approach waste management issues and trends.

Quality Assurance

To ensure quality services are provided, Townsville Waste Services will continue to embrace the principles of quality assurance and will develop their methods and practices further, in accordance with the best practice principles embodied in International Standard *ISO9001 – Quality management systems*.

Financial Sustainability

Townsville Waste Services is responsible for directly providing waste utility services to the Townsville community. To enable the provision of these services, Townsville Waste Services owns, operates and maintains a significant asset base which requires substantial investment and continued expenditure to maintain and renew assets over the course of their respective useful lives.

To ensure financial sustainability, long term financial and asset management planning is in place to ensure Townsville Waste Services can continue to provide the desired level of waste services to the Townsville community now and into the future.

In conjunction with the Finance Services department of council, Townsville Waste Services will develop a commercial business specific capital structure and dividend policy in order to clearly define expectations about the financial structure of Townsville Waste Services and the expected return to the business unit's shareholder i.e. council.

GOAL 1 ECONOMIC SUSTAINABILITY

Performance Measure	Description	Target
Revenue – Budget to Actual	Comparison of the actual revenue received with the budgeted revenue	Within 5% of revised budget
Operating Expenditure – Budget to Actual	Comparison of the actual operating expenditure with the budgeted operating expenditure	Within 5% of revised budget
Capital Expenditure – Budget to Actual	Comparison of the actual capital expenditure with the budgeted capital expenditure	Within 5% of revised budget
Net Operating Result – Budget to Actual	Comparison of the actual net operating result with the budgeted net operating result	Within 5% of revised budget
Debt to Equity Ratio	The portion of debt compared to the business' equity	<0.5
Annual Dividend	The portion of earnings distributed to council (our shareholder) from the operation of the Townsville Waste Services commercial business unit	>90% of budgeted amount

GOAL 2 SOCIAL RESPONSIBILITY

Performance Measure	Description	Target
Customer Satisfaction with Response to Waste Services Requests	Percentage of results of “good” and “excellent” recorded by the Customer Service Department monthly survey	90%
Collection Performance	Less than 1 per 1000 missed kerbside waste and recycling services	<1

GOAL 3 ENVIRONMENTAL SUSTAINABILITY		
Performance Measure	Description	Target
Penalty Infringement Notices or Legal Action for Non-Compliance	Number of penalty infringement notices issued or instances of legal action initiated by the Regulator for non-compliance	Zero
Environmental Incidents reported to Department of Environment and Science	Number of incidents, which exceed the acceptable limit, that were required to be reported to the Department of Environment and Science.	Zero
Rate of Diversion of Waste from Landfills	Divert 40% of waste from landfills for recycling or beneficial reuse on site.	40%

GOAL 4 RESPONSIBLE GOVERNANCE		
Performance Measure	Description	Target
Reduction in Lost Time Injuries	Percentage reduction in the number of Lost Time Injuries recorded, compared with the previous financial year	Zero

3.0 Our Community Service Obligations

Community service obligations are defined under 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.”

An example of a community service obligation is where the local government gives a price concession to a particular group of customers, such as pensioners, seniors or students.

3.1 Nature and Extent of Community Service Obligations for 2018/19

The following works will be completed by Townsville Waste Services as community service obligations in 2018/19 -

Category	Value \$
National Recycling Week	\$4,500
Charity Dumping Fees	\$62,560
Dead Animals	\$31,926
Infirm Services	\$32,600
Clean Up Australia Day	\$6,800
Free Dump Weekends	\$155,000
Community Clean Up Events	\$10,000
Stadium Remediation Works	\$300,000
TOTAL	\$603,386

3.2 Cost of and Funding for Community Service Obligations

The community service obligations listed in 3.1 above are funded explicitly by Townsville City Council. It is anticipated that the cost of these identified community service obligations for 2018/19 will be approximately \$603,386.

Additional community service obligations may be identified during the financial year, particularly in the instance of natural disasters. All community service obligations must be described and costed in council's Annual Report.

4.0 Our Capital Structure, Investments and Borrowing

4.1 Our Notional Capital Structure

The notional capital structure for Townsville Waste Services is 50% debt / 50% equity for pricing purposes. The capital structure and the anticipated rates of return to Townsville City Council as dividends are determined by council.

The capital structure will be reviewed annually, taking into consideration the financial performance, financial risk and sustainability of the business over the short and long term and may result in changes to forecasted debt levels and future capital structures.

4.2 Our Pricing

As a significant business activity of the Townsville City Council, Townsville Waste applies the competitive neutrality principle to ensure that as a monopoly waste service provider, it does not enjoy a net advantage over competitors only because it is a public sector entity. Townsville Waste applies the competitive neutrality principle by charging for goods or services at the full cost of providing its services.

When developing its pricing annually, Townsville Waste utilises a pricing model that aligns with the pricing provisions set out in the Local Government Act for significant business activities and the Local Government Regulations. Using the model, Townsville Waste identifies its total expenses, and the revenue that it should collect in order to fully recover its total expenses while achieving a rate of return for council as its sole shareholder. The rate of return is determined by the model to enable future capital investment.

As part of the modelling, the expected expenses and resulting required revenue are projected for a 5 year period into the future. The resulting required revenue is divided across the forecasted user base, to determine the prices for each of its services. Prices are modelled for the current year as well as 4 years into the future to enable council to understand the impact over a 5 year price path.

4.3 Our Dividend Policy

All dividends arising out of Townsville Waste Services' operations will be returned to Townsville City Council. Annually, as part of budget processes, a determination will be made regarding the treatment of surpluses, where consideration will be given to maximising investment and/or the distribution of residual funds.

4.4 Our Proposed Major Investments 2018/19

Initiative/Project	Capital/ Operating	Completion Date	Net Cost \$
Hervey Range Landfill - Front End Resource Recovery Facility Stage 3 (Resale area) (Construction/Implementation)	Capital	30 June 2019	\$4,470,000
Picnic Bay Landfill Capping (Construction / Implementation) Year 2	Capital	30 June 2019	\$4,020,000
Hervey Range Landfill - Front End Resource Recovery Facility Stages 1 and 2 (gatehouse and drive through FERR shed) (Construction/Implementation) Year 2	Capital	30 June 2019	\$3,065,000
Stuart Landfill - Cell Construction - Cell 2C Liner (Construction/Implementation) Year 1	Capital	30 June 2019	\$2,700,000
Leachate Collection and Extraction ST and JN (Construction) - Year 2	Capital	30 June 2019	\$1,000,000
Improvements to Stuart Stormwater / Leachate Management for Greenwaste Pad	Capital	30 June 2019	\$300,000
Closed Landfill Rehabilitation (Majors/Toomulla) - Capping (Construction / Implementation)	Capital	30 June 2019	\$150,000
Jensen Landfill - Rehabilitation Construction of Final Capping (Design Development)	Capital	30 June 2019	\$150,000
Leachate Treatment and Disposal - ST, JN and HR (Planning/Initiation)	Capital	30 June 2019	\$100,000

4.5 Our Outstanding and Proposed Borrowings

Townsville City Council will operate a central treasury function. It will provide working capital as required, as well as providing loans through Queensland Treasury Corporation.

5.0 Our Customer Service

Townsville Waste Services uses a variety of methods to evaluate customer needs and analyse customer satisfaction, including but not limited to:

- ▶ monthly customer satisfaction surveys
- ▶ councillor requests
- ▶ customer feedback; and
- ▶ benchmarking against other waste service providers in regional Queensland.

Townsville Waste Services recognises that customers are entitled to be guaranteed of a certain level of service and has developed a Customer Service Standard. The service standards are based on an assessment of the levels of service that can be realistically achieved and consistently maintained, taking into account data collection and reporting systems, infrastructure standards, and operating systems.

Reporting is undertaken on a quarterly basis to measure Townsville Waste Services' performance against the quality and service reliability targets through its Customer Service Standard Report Card, which is available to the public on council's website.

6.0 Delegations

Townsville City Council's delegated authorities relevant to Townsville Waste Services are made in accordance with the requirements of the *Local Government Act 2009*. Delegated authorities are recorded in council's Register of Delegations and each relevant Instrument of Delegation.

7.0 Reporting to Townsville City Council

Townsville Waste Services reports against the financial and non-financial targets contained in this Performance Plan through a number of different mechanisms:

- ▶ On a quarterly basis, Townsville Waste Services reports to council's Townsville Water and Waste standing committee.
- ▶ On a quarterly basis, Townsville Waste Services reports to the community, via council's Quarterly Performance Reports, about the performance targets that are included in its Operational Plan.
- ▶ On a quarterly basis, Townsville Waste Services reports to the community about its performance against its Customer Service Standard performance targets.
- ▶ Townsville Waste Services publishes an Annual Operations Report for the Townsville City Council on its performance against the Performance Plan. This report will be complete within four calendar months from the end of the financial year.

The business will prepare all management plans as required by Townsville City Council, which shall include, but is not limited to, an Operational Plan, Business Plan, Asset Management Plan, and Emergency Response Plan.

8.0 Review and Amendment of the Annual Performance Plan

The Local Government Regulation 2012 allows for an Annual Performance Plan to be amended at any time before the end of the financial year for which it is prepared.

Operational Plan Goals and Objectives

To deliver on Council's election commitments, the 2015-2019 Corporate Plan and other significant agreements such as the Future Cities Deal, the 2018/19 Operational Plan has been developed incorporating these requirements.

The corporate plan requirements are defined by:

- ▶ Goals
- ▶ Objectives
- ▶ Deliverables

These requirements are to be delivered by responsible areas within council. In each quarter of the 2018/19 Financial Year council will report on the progress of achieving these requirements.



RESPONSIBLE AREA DEFINITIONS			
Townsville Water and Waste	TWW	People and Culture	P&C
Construction, Maintenance and Operations	CMO	Procurement	P
Infrastructure, Planning, Assets and Fleet	IPAF	Legal Services	LS
Future Cities	FC	Information Technology Services	ITS
Planning Services	PS	Finance Services	FS
Community Engagement and Cultural Services	CECS		



Goal 1

A Prosperous City

Deliver a strong and innovative economy for Townsville with sustainable growth and support for local jobs and businesses.

OBJECTIVE 1.1

Support local businesses, major industries, local innovation and employment growth.

	Deliverables	Responsible Area
1.1.1 Economic Development	Establish a single agreed vision for the economic development of Townsville that unites business, community, industry and government.	FC
	Translate the vision into an economic development strategy and an agreed set of actions to be implemented for the city and region.	FC
1.1.2 Local Businesses	Implement a Buy Townsville policy to support local businesses and employers.	P / FC
	Implement a Local Business policy to make it easier to establish and operate businesses in Townsville.	P / FC
1.1.3 Defence Support	Defence Hub: strengthen formal consultation between representatives of the Department of Defence and Defence Industries Queensland. Appoint a Townsville Defence Liaison Officer to assist in this area.	FC
	Advocate nationally for the expansion of local investment in defence and associated support industries.	FC
	Establish a Defence Community Accord to encourage support for the Australian Defence Force (ADF), families and veterans in the community.	FC
	Form a Defence Community Panel to give the wider defence community greater input into council.	FC
	Strengthen international connections to attract more visits by United States Navy ships.	FC
1.1.4 New Industries	Work with the Queensland Government on investment attraction, market engagement and coordinate case management for potential investors in Townsville.	FC
	Support local businesses to adapt to new and growing industries in the health, disability, medical and digital sectors.	FC
1.1.5 Fair Rates Plan	Support local businesses by limiting rates growth to zero in the first year (2016/17) and limit all future rate rises at or around Consumer Price Index (CPI).	FS

OBJECTIVE 1.2

Promote our economic and geographic strengths and market Townsville as a vibrant destination for commerce, education, research, tourism, entertainment and lifestyle.

	Deliverables	Responsible Area
1.2.1 Townsville Airport	Work with the Australian Government and the airport operator to attract new investment opportunities at Townsville airport.	FC
	Work with industry and Townsville Enterprise Limited and other key stakeholders to increase domestic and international flights through Townsville supporting local tourism and industry development.	FC
1.2.2 Tourism Policy	Implement a Tourism policy that increases visitations and focuses on our outdoor lifestyle to increase promotion of the region.	FC
	Promote "Edu tourism" through Townsville Enterprise Limited and work with Tourism Queensland to establish a pilot program in the region.	FC
1.2.3 Research	Collaborate with the Board of the Cooperative Research Centre (CRC) for Developing Northern Australia as it selects a location for its headquarters.	FC

OBJECTIVE 1.3

Plan, support, provide and advocate for infrastructure and investment that supports innovation, residential and economic growth.

	Deliverables	Responsible Area
1.3.1 Smart City Strategy	Plan, conduct and implement a Smart City Strategy to maximise the use of digital connectivity.	ITS
	Develop a City Dashboard to drive community engagement through continuous reporting on targets and goals.	ITS
	Deploy Internet of Things communications infrastructure across the city to radically improve service delivery and grow smart business opportunities.	ITS
	Attract a modern and significant data centre to Townsville as part of the state funded disaster recovery centre.	ITS
1.3.2 Planning and Development	Improve council's planning and development processes to remain at the leading edge of development innovation and practice.	PS
	Implement an independent review of urban land supply to ensure adequate supply to meet current and future needs.	PS
	Work with developers to find innovative ways to deliver and finance infrastructure for public benefit .	PS
1.3.3 Public Transport Priorities	Work with the Queensland Government to analyse and determine appropriate routes and trials for innovative public transport solutions.	PS
	Create a new Townsville Regional Integrated Transport Plan to address challenges as Townsville grows, including a new CBD transport hub.	PS
	Form a Townsville Transport Advisory Council to coordinate transport planning.	PS
1.3.4 Infrastructure Planning and Delivery	Woodstock-Giru Road / Flinders Highway – deliver the masterplan to inform the consideration of the upgrade to the intersection.	PS
	Plan and deliver high priority capital projects to provide the infrastructure needed to support the city's economy and growth.	IPAF
1.3.5 Affordable Utilities	Develop and implement strategies to deliver affordable water and utilities for residents and businesses in the city.	TWW

OBJECTIVE 1.4

Maximise opportunities for economic growth by building and maintaining effective partnerships.

	Deliverables	Responsible Area
1.4.1 Deliver North Queensland Stadium	Construct enabling infrastructure, upgrade relevant public spaces and work cooperatively with the Queensland and Australian Governments to enable them to deliver the North Queensland Stadium by early 2020 .	TWW / IPAF
1.4.2 Townsville Entertainment and Convention Centre	Establish a taskforce to refine a business case, to maximise economic potential and identify available financing and funding options and land for the Entertainment and Convention Centre .	FC
1.4.3 Health Knowledge Development Strategy	Facilitate strategic development of health and knowledge precincts and associated infrastructure in collaboration with Economic Development Queensland	FC
1.4.4 Townsville Development Corporation	Establish the Townsville Development Corporation to lead investment and market research to attract developers and businesses.	FC
1.4.5 Local Partnerships	Convene a Townsville Economic Round Table with major economic development stakeholders and key community organisations and media groups to discuss the direction of the city's economic development.	FC



Goal 2

A City for People

Enhance people's experience of Townsville as a liveable and vibrant city by providing services that support the growth of an inclusive, knowledgeable, active, safe and healthy community.

OBJECTIVE 2.1

Provide services and local infrastructure that meet community expectations, support growth and provide for the needs of our community.

	Deliverables	Responsible Area
2.1.1 Core Services and Programs	Improve the responsiveness of services to meet the expectations of the community by streamlining service delivery, reducing red tape and waste.	CECS / FC
	Improve the efficiency and effectiveness of council's core services and programs to achieve savings without reducing service levels to the community.	CECS
2.1.2 Improving Local Infrastructure	Establish a dedicated pool of additional funding for local sporting clubs to fund community infrastructure.	CECS
	Develop additional skate parks in the inner city and the north shore.	IPAF
	Implement a program to improve facilities at bus stops and taxi ranks , ensuring they operate effectively and safely.	IPAF
2.1.3 Infrastructure Maintenance	Based on a structured audit program, develop and implement Local Suburb Improvement Plans focused on key infrastructure elements in each suburb.	IPAF
	Implement Quick Response Maintenance teams to address issues as they arise, improving the overall life of council assets.	CMO / TWW

OBJECTIVE 2.2

Improve the liveability of Townsville and encourage active and healthy lifestyles by providing accessible public facilities and community infrastructure.

	Deliverables	Responsible Area
2.2.1 Supporting Sporting Clubs	Develop a new master plan for the Murray Sports precinct with a focus on improving access and family friendly facilities as well as giving local sporting clubs control over their assets.	CE / IPAF
	Reform the Murray Users Group to get all groups working together in a coordinated fashion, and reducing costs by sharing resources.	CECS
	Engage with sporting associations to develop a plan to attract sports tourism to Townsville.	FC
2.2.2 Hills Use	Consult with the community to develop sustainable master plans for Castle Hill, Mount Louisa, Mount Low and Mount Stuart.	FC
	Develop, seek funding for, and implement specific plans for these assets that encourage greater use, promote health and fitness and attract new visitors.	IPAF / FC
2.2.3 Bike Friendly	Work with road cycling groups to continue to improve the city's bike network.	FC
	Expand support for mountain biking , including infrastructure and events creating opportunity for this as an eco-tourism niche in North Queensland.	FC
2.2.4 Waterways	Develop a plan that considers opening the Ross River dam to commercial and improved recreational activities.	PS
	Partner with the State Member for Thuringowa to clear weeds in Ross River, allowing safe public access.	CMO
	Restock the dam and weirs to create opportunities for recreational fishing.	FC
2.2.5 Motor Sport Precinct	Work with motor sporting groups to gain funding for Drive IT NQ motor sport precinct.	FC
2.2.6 Parks Gardens and Sports	Work with the Upper Ross Rams and Ross River Crocs Clubs to seek funding to develop a joint facility and upgrade the fields.	CECS

OBJECTIVE 2.3

Improve the vibrancy of Townsville by supporting the community's access to, and participation in, a range of artistic, cultural and entertainment activities.

	Deliverables	Responsible Area
2.3.1 Events and Culture Policy	Continue to respect and acknowledge Aboriginal and Torres Strait Islander culture through implementation of the Reconciliation Action Plan .	CECS
	Develop and implement a major events strategy that expands the number of large scale, high profile events for the city.	CECS
	Work with community groups to encourage performance and creative arts at The Strand, Riverway and Magnetic Island .	CECS
	Work with community groups to expand the number, variety and sustainability of free events in parks .	CECS
	Establish a Townsville Festival as an annual event to develop an extended multi-focus festival of the arts.	CECS
	Lobby for a state volunteer conference and target strategic event partnerships with Townsville Enterprise Limited.	CECS
	Examine the feasibility of creating a partnership with a university to bring a Music and Performing Arts School to the city.	CECS
	Work with the Queensland Government to promote Townsville as a major centre for state and national sporting events and festivals .	CECS
2.3.2 Vibrant CBD	Support increased development and investment in the CBD to increase vibrancy and grow the local economy.	PS / FC
2.3.3 Support for Pensioners	Retain the pensioner rebate and provide additional flexibility for those that are experiencing financial hardship.	FS
	Continue to support community events that bring seniors together in social settings.	CECS

OBJECTIVE 2.4

Enhance community knowledge of, and access to, council services to improve community wellbeing, health and safety.

	Deliverables	Responsible Area
2.4.1 Access to Services	Enhance the community's knowledge of, and access to, council's services by communicating our core services to our ratepayers.	CECS
2.4.2 City Safe Plan	Work in partnership with lead agencies, community groups, local businesses, and local residents to develop a Whole of Community Safety Plan .	FC
	Reinstate a City Safe Officer to implement a range of actions to increase community safety and wellbeing.	FC
	Embed Crime Prevention Through Environmental Design (CPTED) principles into all council activities and regulations and promote these principles in the community.	IPAF / FC / PS
2.4.3 Animal Management	Improve animal management in the city by delivering new dog off-leash parks requiring future master planned developments to include dog parks.	PS
	Ensure that all dog parks are regularly maintained to the highest standard.	CMO



Goal 3

A Clean and Green City

Create a sustainable future for Townsville through the protection, maintenance and enhancement of our unique, natural and built environment.

OBJECTIVE 3.1

Plan, design and deliver sustainable development and support this by actively managing the natural environment and increasing green infrastructure, at city, suburb and place level.

	Deliverables	Responsible Area
3.1.1 Clean and Green Parks	Develop and implement new policies and procedures for improving park maintenance .	CMO
	Develop new parks and green public spaces.	IPAF
	Reintroduce the "Greening Townsville" program for our city.	CMO
3.1.2 Solar City	Work with companies to bring forward Solar Farm projects by ensuring that the site selection is appropriate and the community is consulted.	PS / FC
	Establish a dedicated Solar City Taskforce to develop deliverable solar solutions.	FC
3.1.3 Protecting the Environment	Manage energy costs and boost energy productivity. Work with the Clean Energy Finance Corporation (CEFC) to investigate financial opportunities to roll out commercial building energy upgrade programs throughout the city.	FC
	Preserve our natural environment through active management, education and compliance activities	FC
	Champion and implement environmental solutions and renewable alternatives , and encourage behaviour change.	FC

OBJECTIVE 3.2

Develop and implement long term solutions for the management of water and waste that are socially, financially and environmentally sound.

	Deliverables	Responsible Area
3.2.1 Sustainable Water Management	Townsville water security, supply and use strategy. Drive the development of an intergovernmental taskforce to investigate short, medium and long-term solutions to water security for Townsville, considering investment in water supply infrastructure and management of demand.	PS / TWW / FC
	Encourage smarter use of water and improve the efficiency of water usage.	TWW
	Implement water demand strategies to ensure the city has adequate water during an extended drought.	TWW
	Manage our water better by reducing leaks in council assets and people's properties , using Internet of Things (IOT) technology to assist in leak detection.	TWW
	Commit additional resources to water education and work to educate the community about sustainable water use, including deploying water wise household devices .	TWW / FC
	Work with businesses to assist them in effectively managing their water usage.	TWW
3.2.2 Sustainable Waste Management	Work with other councils to develop and implement a sustainable long term waste management strategy for the region.	TWW
	Implement a hard rubbish collection service .	TWW
	Implement free dumping for green waste and recyclable materials taken to landfill sites.	TWW
	Form an advisory group to develop and implement strategies to minimise the amount of commercial residual waste going to landfill by maximising beneficial reuse and recycling prior to disposal.	TWW
	Introduce a transfer station and mini Materials Recovery Facility at the Magnetic Island dump.	TWW



Goal 4

A Simpler, Faster, Better Council

Transform the Townsville City Council into a simpler, faster and better council that is easy to work with, and for, and gains community trust by being transparent and managing its resources well.

OBJECTIVE 4.1

Provide customer-focused services that meet the expectations of our community in a dynamic and adaptive manner.

	Deliverables	Responsible Area
4.1.1 Customer Analytics	Develop and implement a framework, tools and systems to increase the council's understanding of ratepayer needs .	CECS
4.1.2 Customer Strategy	Develop and implement a customer strategy to improve customer service quality and responsiveness to all people who use council's services and facilities.	CECS
4.1.3 Assess Service Provision	Implement an assessment of all of council services to ensure that they are efficient and are adding significant value to the community.	CECS
4.1.4 Mobility and Customer Facing Systems	Improve front line service delivery and responsiveness by deploying mobile technology and solutions .	ITS
	Improve customer experience by integrating customer facing systems ensuring a 'one council' approach.	ITS

OBJECTIVE 4.2

Ensure that council's plans, services, decisions and priorities reflect the needs and expectations of the community.

	Deliverables	Responsible Area
4.2.1 Community Engagement	Engage in community conversations through a more comprehensive outreach program , including holding meetings in local suburbs at least twice a year.	CECS
	Actively monitor the needs of the community and adjust services and programs to meet community needs and expectations as required.	CMO
4.2.2 Clarity and Purpose	Review and align the Corporate Plan ensuring it reflects council's vision, commitments and priorities as it relates to community needs and expectations.	LS
4.2.3 Communication	Improve the communication of council plans, priorities and results to key stakeholders, ratepayers and the broader community.	CECS
4.2.4 Council Analytics	Engage in the use of 'big data analytics' to understand council inputs, outputs, outcomes and impacts on the community , allowing for the responsive adjustment of strategies and programs as required.	ITS

OBJECTIVE 4.3

Be a valued and committed employer who provides a productive, inclusive and respectful environment for staff and the community.

	Deliverables	Responsible Area
4.3.1 Leadership Development	Invest in the development of our leaders, supporting them to engage and lead their teams to successfully deliver on council's priorities, drive sustainable cultural change and improve performance.	P&C
4.3.2 Culture Change	Leverage the leadership capability to develop a constructive organisational culture focused on the achievement of outcomes through innovation, collaboration and transparency.	P&C
4.3.3 Performance Focused Culture	Invest in the development of a high performance organisation to ensure the council can deliver outcomes that support the Townsville community.	P&C
4.3.4 Structural Change	Refine the council structure to remove excessive management resources and overheads.	P&C
	Increase the alignment and effective management of services, functions and operations to improve efficiencies.	P&C
4.3.5 Improved Governance	Maintain the productive working relationship between council and its administration based on trust, openness and transparency.	P&C

OBJECTIVE 4.4

Improve financial sustainability and provide value and accountability to the community for the expenditure of public funds.

	Deliverables	Responsible Area
4.4.1 Financial Management	Limit rates growth to zero in the first year (2016/17) and limit all future rates rises at, or around, CPI.	FS
	Work with the Queensland Treasury Corporation to agree and implement a debt reduction plan to restructure debt and align it with council cash flow cycles.	FS
	Operate within our means by limiting borrowing to revenue generating and financially sustainable activities.	FS
4.4.2 Efficient Back Office Services	Reduce expenditure on back office support services , improving system and process efficiency, and allowing for the reduction of red tape and redirection of resources into customer services and front line operations.	FS / ITS
4.4.3 Progress and Performance Reporting	Drive an increased focus on organisational performance through the implementation of a new organisational scorecard , creating increased transparency and accountability.	ITS
4.4.4 Zero Base Budget	Implement zero base budgeting to reduce waste, as well as identifying and leveraging efficiencies , ensuring that council's priorities are properly funded.	FS
4.4.5 Risk Management	Improve the organisation's capability to proactively identify and effectively manage key organisational risks – strategic and operational.	LS
4.4.6 Business Assurance	Ensure that effective policies, systems, and processes are in place and monitored to maintain the integrity of public funds expenditure.	FS / LS
4.4.7 Activity Management and Benefits Realisation	Implement reporting systems to improve the council's ability to oversee and report on progress against strategies, plans and investments through the publication of a city and council scorecard .	ITS

OBJECTIVE 4.5

Ensure that public funds are expended efficiently and that council expenditure represents value for money whilst supporting the local economy.

	Deliverables	Responsible Area
4.5.1 Local Partnerships	Develop and/or realign local strategic partnerships to ensure they support the achievement of council priorities.	FC
4.5.2 Procurement Management	Align the procurement practices across the organisation ensuring expenditure represents value for money and public funds are being administered efficiently and responsibly.	P
4.5.3 Credit Card Usage	Ensure that credit card expenditure represents value for money and that probity requirements are consistently maintained.	P
4.5.4 Labour Hire	Ensure that expenditure on external labour hire and consultants represents value for money. Establish a balance between permanent staff and temporary labour that retains core knowledge, skills and talent.	P&C
4.5.5 Fleet Management	Ensure that the vehicle fleet and associated expenditure reflects the genuine needs of council , demonstrating that public funds are being managed responsibly.	IPAF
4.5.6 Asset Utilisation	Improve the utilisation of major plant and equipment items to generate savings that can be invested in other council priorities.	IPAF
	Improve net revenue from council assets to increase funding available for council's priorities.	IPAF

Supporting Documents

2018/2019



Appendix 1 – Revenue Statement 2018/19

Overview

This revenue statement explains the revenue raising measures adopted in council's 2018/19 budget.

Applicability

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

Making and Levying of General Rates Rationale

General rates are for services, facilities and activities that are supplied or undertaken for the benefit of the community in general (rather than a particular person). Council is required to raise an appropriate amount of revenue to maintain assets and provide services to the region as a whole.

Under State legislation, land valuation is used as the basis for levying general rates in Queensland. The general rate could be determined by dividing the income needed from general rates by the rateable valuation of lands; however that would be inequitable because of the considerable diversity in the Townsville region in terms of land use and location, land values, access to, and actual and potential demands for, services and facilities. To provide a more equitable and reasonable basis for its revenue raising, council has adopted a general rating system that takes into account a combination of specific user charges, separate charges, special rates and charges and differential general rates.

In summary, rates and charges are determined after consideration of:

- i) council's legislative obligations;
- ii) the needs and expectations of the general community;
- iii) the expected cost of providing services; and
- iv) equity – that is, ensuring the fair and consistent approach of lawful rating and charging principles, taking account of all relevant considerations, and disregarding irrelevancies such as the perceived personal wealth of individual ratepayers or ratepayer classes.

Differential General Rating

Council levies differential general rates, which means the amount of general rates payable for any property depends upon:

- ▶ the land's unimproved capital or site value as advised by the Department of Natural Resources Mines and Energy (DNRME); and
- ▶ the Differential General Rating Category that council gives to the land.

All land within Townsville is given a Differential General Rating Category based upon the Land Use Code assigned by DNRME and the additional criteria of:

- ▶ the City Plan (that is, the current Townsville City Council Planning Scheme);
- ▶ the location of the land, including whether the land is within the Inner City Rating Area shown on council's Inner City Rating Area Plan;
- ▶ the availability of services to the land;
- ▶ whether the land is occupied as a principal place of residence; and
- ▶ whether any attribute of the land (including the status of the land under the Planning Scheme) is likely to contribute to increased costs for council, whether at the land or elsewhere.

Pursuant to Chapter 4 of the Local Government Regulation 2012, council has decided that:

- a) there will be 31 categories of rateable land for 2018/19 as stated and described in Appendix 7 – *Differential Rating Categories 2018/19*;
- b) the description of each of the rating categories of rateable land in the local government area is set out in Appendix 7 – *Differential Rating Categories 2018/19*;
- c) the rates and charges to be levied for each of the 31 differential general rating categories are detailed in Appendix 8 – *Differential Rates, Limitations on Increases, Minimum General Rate 2018/19*.

Rateable Value of Land

To determine the rateable value of land, council uses the unimproved capital or site valuation as advised by the Department of Natural Resources, Mines and Energy. The last valuation of the city was carried out on 1 October 2016 with the valuation being applied from 1 July 2017.

Limitation of Increase in Rates

Council applies capping to all owner-occupied residential lands which ensures that lands categorised as Category 1 and Category 16 as at 1 July 2018 will not exceed the amount of general rates levied for the property for the previous financial year (year ending 30 June 2018) plus a percentage increase resolved by council.

The differential general rate for eligible land will not exceed the higher of:

- ▶ the relevant minimum rate for the property; or
- ▶ the amount of general rates levied for the property for the year ending 30 June 2018, plus an increase of 30%.

This is subject to a minimum rate for each category and the following conditions:

- a) Capping will apply only to general rates;
- b) Capping will apply only to category 1 land and category 16 land;
- c) Capping is not available retrospectively and will only apply from the beginning of a financial year;
- d) If ownership of the land to which capping applies is transferred in the period after 1 July of any year, then capping will cease to apply for the following year. (*For example: if rates-capped land is sold during 2018/19, capping will not apply in 2019/20 but will apply in 2020/21 (unless the land is sold again after 1 July 2019.)*); and
- e) If a dwelling is completed during 2018/19, on vacant land purchased during 2017/18, the owner will be eligible for capping from 1 July 2019.

Nelly Bay Harbour Development Special Rate

The Nelly Bay Harbour Development Special Rate levy is applied to maintaining water quality in the canals, dredging the canals, maintaining the rock walls around the canal area and maintaining the sediment basin in Gustav Creek. The Operational Plan for the Nelly Bay Harbour Development Special Rate for 2018/19 is detailed in the Attachment – *Nelly Bay Harbour Development Operational Plan*.

Rural Fire Brigades Special Charge

The Rural Fire Brigade Special Charge is levied on rateable lands serviced by the rural fire brigades detailed in the Attachment *Rural Fire Levy 2018/19*. The funds raised from this charge are provided to the voluntary rural fire services so they can acquire and maintain fire-fighting equipment; provide training to volunteers and to enable them to operate throughout the rural areas of the region.

The overall plan for the Rural Fire Brigades Special Charge is to provide financial assistance to the brigades to enable provision of a rural fire service in each area on an ongoing basis. The amount of the charge is based upon the 3-year budget for each brigade that has been provided to council by the Queensland Fire and Rescue Service.

The annual implementation plan is to remit to the respective brigades the levy collected, twice a year.

Rural Water Supply Schemes

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

A network contribution may be payable prior to a water connection being made.

Commercial Business Activity - Water Utility Charges

Council conducts water services as a business activity on a commercial basis. The utility charges and other fees and charges for this business activity are set in accordance with full cost recovery principles outlined in the Local Government Regulation 2012.

Non-residential water customers, including commercial, industrial and government agencies will be levied a fixed charge together with a consumption-based charge.

Townsville City Council offers residential customers a choice between the Standard Plan and the Water Watchers Plan.

Standard Plan customers will be charged for a fixed allocation of water, plus a charge for any consumption in excess of the allocation. Water Watchers Plan residential consumers will be charged a two-part tariff which includes a fixed service charge and consumption based charge. All developed and undeveloped residential properties within the water supply area connected to the water supply are placed on the Standard Plan. Residential property owners can opt in to the Water Watchers Plan by application.

All undeveloped residential land within the water supply area not connected to the water supply is placed on the Water Watchers Plan.

Undeveloped residential and undeveloped non-residential land in a declared water service area will incur an undeveloped land charge as a contribution towards the cost of water infrastructure available for connection.

The fees charged for the Water Services Activity are detailed in council's *Schedule of Rates and Charges 2018/19*, and the utility charges for this activity are detailed in the Attachment – *Utility Charges – Water 2018/19*.

Commercial Business Activity – Sewerage and Trade Waste Utility Charges

Council conducts wastewater (sewerage) services as a business activity on a commercial basis. The utility charges and other fees and charges for this business activity are set in accordance with full cost recovery principles outlined in the Local Government Regulation 2012.

A fixed service charge will be levied for each dwelling, home unit, flat or lot.

Non-residential wastewater customers, including commercial, industrial and government agencies will be levied a fixed service charge per pedestal.

An additional wastewater charge is levied on applicable non-residential customers in respect of liquid trade waste in accordance with council's Trade Waste Policy.

Undeveloped residential and undeveloped non-residential land in the declared sewer service area will incur an undeveloped land charge per lot as a contribution towards the cost of wastewater infrastructure available for connection.

Where a property is in a declared sewer area but is not connected to a sewer that property will be levied sewerage utility charges as if it were connected. This acts as an incentive for property owners to connect their premises to the sewerage system.

The fees charged for the wastewater activity are detailed in council's *Schedule of Rates and Charges 2018/19*, and the utility charges for this activity are detailed in the Attachment – *Utility Charges – Sewerage and Trade Waste 2018/19*.

Commercial Business Activity – Waste Management and Recycling Utility Charges

Council conducts the waste management and recycling services as a business activity on a commercial basis. The utility charges and other fees and charges for this business activity are set in accordance with full cost recovery principles outlined in the Local Government Regulation 2012.

Residential properties will be levied per dwelling, home unit or flat for a combined waste and recycling service for domestic waste disposal at council's landfill sites.

For non-residential premises, separate charges will apply on the basis of:

- ▶ waste collection charge based upon each waste collection service provided
- ▶ recycling collection charge based upon each recycling collection service provided
- ▶ all additional or special waste services are charged on a user-pays basis per service provided.

Waste Management Levy

A fixed annual Waste Management Levy will be charged for the provision of one hard rubbish collection per eligible property and access to free greenwaste disposal at council's waste facilities.

The levy will apply to each dwelling, home unit or flat which is:

- ▶ classified as Category 1, 2, 8, 16, 17, 21 and 24 to 31 for rating purposes; and
- ▶ is inside or outside the defined waste collection area.

The Levy does not apply to undeveloped land.

The fees charged for the waste management and recycling activities are detailed in council's *Schedule of Rates and Charges 2018/19*, and the utility charges for this activity are detailed in the Attachment – *Utility Charges – Waste Management and Recycling 2018/19*.

Pensioner Rates Concessions

Council has adopted a Pensioner Rates Concession Policy in accordance with section 120(1)(a) of the Local Government Regulation 2012 that grants certain pensioners who own and occupy their property as their principal place of residence, a concession of 85% of the general rate, with a maximum limit as resolved as part of council's annual budget. A pro-rata concession applies when they receive a part pension. Council's Pensioner Rates Concession Policy outlines the details of eligibility and application of this concession. Any pensioner concession allowed in the financial year will be reversed if rates and charges due for the financial year are not paid in full by 31st May 2019.

General Rates and Utility Charges Concessions

Concessions for general rates, water and sewerage charges as set out in council's Concessions Policy will be granted to certain organisations and ratepayers that satisfy council that they meet the eligibility criteria

set out in Part 10 of Chapter 4 of the Local Government Regulation 2012. Concessions will not be considered for undeveloped land.

Prompt Payment Discount

Council acknowledges that the failure to pay rates when due can increase the level of future rate increases and offers a prompt payment discount of 10% on certain rates and charges when full payment of all rates and charges, including any arrears, is received by the due date.

Interest Charges on Overdue Rates

Unpaid rates are considered overdue after midnight on the designated due date on the notice. Interest will be charged on overdue rates from 30 days after the designated due date of each charge until the date of payment, at the rate of 11% per year in accordance with section 133 of the Local Government Regulation 2012.

Interest, at the rate of 11% per year, will also be charged from the first day of the new financial year, on approved Pensioner rates, charges and fire levies, which are in arrears as at 30 June of the previous financial year.

Cost-Recovery and Other Fees and Charges

In setting cost-recovery and other fees and charges, council will apply the following criteria:

- ▶ regulatory fees will be set at no more than the full cost of providing the service or taking the action for which the fee is charged. Council may choose to subsidise the fee from other sources (eg: general rate revenue) when council considers that it would not be reasonable to charge the full cost.
- ▶ charges for commercial services will be set to recover the full cost of providing the service and, if provided by a business of council, may include a component for return on capital.

Council's adopted fees and charges include a mixture of cost recovery and commercial user-pays fees. The cost-recovery (regulatory) charges are identified as such in council's Fees and Charges Schedule. Council's Fees and Charges Register contains full details of fees and charges adopted by council for the 2018/19 financial year and is available on council's website.

Appendix 2 – Revenue Policy

1.0 Policy Statement

In 2018/19 council will levy rates and charges in compliance with this policy.

2.0 Principles

Council makes decisions about levying rates and charges consistently with the *local government principles*:

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

3.0 Scope

The Revenue Policy demonstrates the principles that council intends to apply in the preparation and adoption of the 2018/19 budget. This policy identifies the principles council intends to apply for:

- ▶ The making and levying of rates and charges;
- ▶ Granting concessions for rates and charges;
- ▶ Recovering overdue rates and charges; and
- ▶ Setting of cost-recovery fees and methods.

This Policy also addresses:

- ▶ The purpose for concessions; and
- ▶ Infrastructure charges for council.

4.0 Responsibility

Councillors, the Chief Executive Officer and the Financial Services Section are responsible for ensuring that this policy is understood and followed.

5.0 Definitions

All definitions are as per the *Local Government Act 2009* and the Local Government Regulation 2012.

6.0 Policy

6.1 Principles used for the levying of rates and charges

When levying rates and charges council will seek to achieve financial sustainability while minimising the impact of council rates and charges upon the community, and distributing the burden of payments equitably across the community having regard to the consumers of each service, the benefit to the community, and to all factors that contribute to council's costs.

Council accepts that land valuations are generally an appropriate basis to achieve the equitable imposition of general rates, with differential rating categories determined by land use, ownership, location, availability of services, consumption of and demand for services, and whether any attribute of the land (including the status of the land under the Planning Scheme) gives rise to, or is likely to give rise to, increased costs for council, whether at that land or elsewhere.

When levying the rates and charges, council will:

1. have regard to its long-term financial forecast when setting rates and charges;
2. seek to minimise the revenue required to be raised from rates and charges by:
 - ▶ Maximising income from available grants and subsidies; and
 - ▶ Imposing cost-recovery fees in respect of services and activities for which it believes cost-recovery is appropriate.
3. have regard to the prevailing local economic conditions, and when possible, limit increases to at or around CPI in an attempt to avoid significant price escalation in any one year; and
4. offer an early payment discount to provide an incentive for the timely payment of rates and charges.

Council will levy special rates and charges to minimise the extent to which the general community subsidises the unique costs arising from the provision of local government benefits or services to particular land.

6.2 Principles used for recovering overdue rates and charges

Council will exercise its rate recovery powers in order to reduce the overall rate burden upon ratepayers while:

- ▶ making clear the obligations of ratepayers and the process used by council in assisting them to meet their financial obligations;
- ▶ making the processes used to recover outstanding rates and utility charges clear, simple to administer and cost effective;
- ▶ considering the capacity to pay in determining appropriate payment plans for different sectors of the community;
- ▶ endeavouring to treat ratepayers with similar circumstances in a consistent way; and
- ▶ flexibly responding when necessary to changes in the local economy.

6.3 Principles used for granting concessions for rates and charges

Council will support desirable community objectives by providing concessions for certain categories of land owners and in respect of properties used for certain purposes when those concessions:

- ▶ reduce the financial burden of rates and charges payable by pensioners;
- ▶ support the community activities of not-for-profit organisations to encourage the economic or development of all or part of the local government area; or
- ▶ support entities that provide assistance or encouragement for arts or cultural development; and
- ▶ encourage the preservation, restoration or maintenance of land that is of cultural, environmental, historic, heritage or scientific significance to the local government area.

6.4 Setting of cost-recovery fees

Council considers that in almost all instances it is appropriate and in the community's interest to apply full cost recovery to its water, sewerage, and refuse and recycling utility charges, which includes obtaining a return on capital for assets used in the delivery of these services. In accordance with Section 97 of the *Local Government Act 2009*, cost-recovery fees will also be set for other services and activities for which council believes it is appropriate. A return on capital will only be charged where permissible under the *Local Government Act 2009* or *Local Government Regulation 2012*. By imposing charges that accurately reflect the full cost of the provision of services; council will promote efficiency in both provision and use of the services.

Council may choose to subsidise the charges from other sources (e.g. general rate revenue) when council believes that is in the community's interest.

6.5 Funding of new development

To the fullest extent permissible by law, council will fund the physical and social costs of any new development by levying charges upon that development. Council considers that the current law strikes a reasonable balance between minimising costs for new developments and managing the burden of new developments upon existing ratepayers. In particular council considers that this approach promotes efficiency and competition between developers, and achieves development at the least overall cost to the community.

Council may choose to subsidise from other sources (e.g. general rate revenue) the charges payable for the development when council believes that is in the community's interest.

7.0 Legal Parameters

- ▶ Local Government Act 2009
- ▶ Local Government Regulation 2012

8.0 Associated Documents

- ▶ Charitable and Community Organisations Rates and Charges Concessions Policy
- ▶ Pensioner Rate Concessions Policy
- ▶ Rate Discount Policy
- ▶ Revenue Statement
- ▶ Debt Recovery Policy

Appendix 3 – Debt Policy

1.0 Policy Statement

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

2.0 Principles

The purposes of establishing an annual debt policy are to:

- ▶ comply with legislative requirements;
- ▶ establish when borrowings will be made by council and for what purpose;
- ▶ provide a view of the city's long-term debt requirements;
- ▶ demonstrate to lending institutions that council adopts a disciplined approach to borrowing.

3.0 Scope

This policy applies to all councillors and council staff.

4.0 Responsibility

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

5.0 Definitions

All definitions are as per the *Local Government Act 2009* and the Local Government Regulation 2012.

6.0 Policy

- ▶ Council may meet long-term debt requirements by first using any surplus cash and investments currently available (even if these are surplus only for a short term) before undertaking a new borrowing. This is the case even if using existing funds only defers the need to borrow for a short period of time.
- ▶ Council will not use long-term debt to finance operating activities or recurrent expenditure. A working capital facility or overdraft may be utilised to help fund short term cash flow requirements that may arise from time to time.
- ▶ Council recognises and accepts that infrastructure demands placed upon council can often only be met through borrowings, but will always be mindful of the additional cost incurred by the community when assets are acquired through borrowings, which increases the cost of providing capital infrastructure.
- ▶ Council will endeavour to fund all capital renewal projects from operating cash flows and borrow only for new and upgrade capital projects.
- ▶ Where borrowing is constrained, borrowings for infrastructure that provides a return on capital will take precedence over borrowings for other assets.
- ▶ When council finances capital projects through borrowings, it will repay the loans in a term not exceeding the life of those assets and in accordance with Queensland Treasury Corporation's borrowing guidelines.
- ▶ Council will maintain close scrutiny of its level of debt to ensure its relevant financial sustainability indicators will not exceed the minimum limits recommended by the Queensland Treasury Corporation.
- ▶ Council will use as its basis for determining funding options the detailed capital works and asset acquisition programs for the next five years, together with the 10 year financial model.
- ▶ The amount of new debt to be borrowed in a year must be approved as part of the annual budget process, excluding working capital and bank overdraft facilities which are used revolving line of credit facility. New borrowing applications must also be approved by the Department of Infrastructure, Local Government and Planning.

- ▶ Pursuant to section 192 of the Local Government Regulation 2012, details of the planned borrowings for the budget year and the following nine (9) financial years will be presented at council's annual budget meeting. The details will include the planned borrowings for each year, the purpose of the borrowings and the term of repayment of existing and planned borrowings.

Planned borrowings are as follows:

Year and Purpose of Borrowing	Amount '000s
Year ended 30/6/2019 - New and upgrade Infrastructure Assets	\$30,000
Year ended 30/6/2020 - New and upgrade Infrastructure Assets	\$40,000
Year ended 30/6/2021 - New and upgrade Infrastructure Assets	\$40,000
Year ended 30/6/2022 - New and upgrade Infrastructure Assets	\$40,000
Year ended 30/6/2023 - New and upgrade Infrastructure Assets	\$40,000
Year ended 30/6/2024 - New and upgrade Infrastructure Assets	\$40,000
Year ended 30/6/2025 - New and upgrade Infrastructure Assets	\$20,000
Year ended 30/6/2026 - New and upgrade Infrastructure Assets	\$40,000
Year ended 30/6/2027 - New and upgrade Infrastructure Assets	\$40,000
Year ended 30/6/2028 - New and upgrade Infrastructure Assets	\$25,000

Repayment term of new loans is up to 20 years with existing loans having repayment terms between 5 and 19 years. The amount projected to be outstanding at 30 June 2019 is \$347.8 million.

Anticipated loan principal repayments for the year ended 30 June 2019 is \$25.6 million.

A temporary working capital facility has been established for the Water Security Program specifically to manage a timing difference between capital payments associated with construction milestones and capital receipts associated with State Government funding.

The primary asset within the Water Security Program is the construction of the Haughton Pipeline. Council has committed to construct the pipeline over a 2 year period with State Government funding over 4 years.

The facility is \$200 million and will be fully repaid by 31 July 2021.

7.0 Legal Parameters

- ▶ Local Government Act 2009
- ▶ Local Government Regulation 2012
- ▶ Statutory Bodies Financial Arrangements Act 1982

8.0 Associated Documents

- ▶ Adopted Budget
- ▶ 10 year capital works plans
- ▶ Long term financial plans
- ▶ Revenue Statement
- ▶ Revenue Policy
- ▶ Treasury Management Administrative Directive

Appendix 4 – Investment Policy

1.0 Policy Statement

Council will manage its investments on a corporate basis and in a centralised manner in accordance with council's Treasury Management Administrative Directive.

2.0 Principles

This policy identifies council's overall financial risk philosophy and objectives.

3.0 Scope

This policy applies to all staff that are responsible for transactions which may affect council's investment accounts.

4.0 Responsibility

The Chief Executive Officer, Chief Financial Officer and Team Manager Financial Services are responsible for ensuring this policy is understood and adhered to by staff.

5.0 Definitions

- ▶ **At call** – an investment that can be redeemed and the moneys invested can be retrieved by the investor from the financial institution within 30 days without penalty.
- ▶ **Counterparty** – a legal and financial term that refers to the other individual or institution to an agreement or contract.
- ▶ **Credit risk** – the risk of loss due to the failure of the counterparty of an investment to meet its financial obligations in a timely manner.
- ▶ **Financial institution** – an authorised deposit-taking institution within the meaning of the *Banking Act 1959* (Cwlth).
- ▶ **Interest rate risk** – is the risk of a change in the market value of the investment portfolio, which arises due to a change in interest rates.
- ▶ **Investment Portfolio** – a collection of short, medium and long term cash deposit investment accounts.
- ▶ **Liquidity risk** – the risk that council will have insufficient cash available to meet its working capital needs.
- ▶ **Market Average Rate of Return** – for performance purposes, the investment portfolio will be compared to the UBS Australia Bank Bill Index over a rolling one-year period.
- ▶ **Transaction risk** – the risk of a direct or indirect loss resulting from inadequate or failed internal processes, people or systems.
- ▶ **Preservation of Capital** – An investment strategy with the primary goal of preventing losses in an investment's total value. In modern portfolio theory terms, it refers to a guaranteed investment of principal, which would provide a return of at least inflation.
- ▶ **Responsible officer** – council officers who are responsible for activity directly related to the transfers of cash between council's investment accounts e.g. Finance Officers.

6.0 Policy

Council's investment portfolio will be managed centrally on a corporate basis and a conservative investment approach will be applied.

Council will:

- ▶ Endeavour to preserve capital through the effective management of the investment portfolios exposure to credit risk, interest rate risk, liquidity risk and transaction risk.
- ▶ Maintain sufficient liquidity of its investment portfolio to meet all reasonably anticipated cash flow requirements, as and when they fall due; and
- ▶ Maintain an investment portfolio which is expected to achieve a market average rate of return.

6.1 Reporting and Performance Measurement

Reporting will be undertaken on a monthly basis reviewing all investment related exposures, specifically detailing information on the investment portfolio in terms of interest rate, counterparty percentage exposure and year to date running yield.

Regular cash management reports (weekly) will be prepared by the Financial Reporting and Budgets Team.

6.2 Documentation and Approval

Any transaction occurring between council's transactional bank account and at call cash deposit accounts will require approval from an authorised account signatory.

Any transactions occurring between council's at call cash deposit accounts and cash deposit accounts, with a term to maturity of one month or more, will require approval from the Chief Financial Officer.

Each transaction will require written confirmation by the approved financial institution. Council will maintain the necessary documents related to all transactions with approved financial institutions.

7.0 Legal Parameters

- ▶ Statutory Bodies Financial Arrangement Act 1982
- ▶ Statutory Bodies Arrangements Regulations 2007
- ▶ Local Government Regulation 2012
- ▶ Banking Act 1959 (Cwlth)

8.0 Associated Documents

- ▶ List of Authorised Deposit-taking Institutions (<http://www.apra.gov.au/adi>)
- ▶ Treasury Management Administrative Directive

Appendix 5 – Pensioner Rates Concession Policy

1.0 Policy Statement

Council will provide rates concession to assist approved pensioner ratepayers.

2.0 Principles

Pensioners occupying their own homes should be supported.

3.0 Scope

This policy applies to the levying of rates upon residential properties of approved pensioners.

4.0 Responsibility

The Chief Financial Officer is responsible for ensuring this policy is understood and followed by all staff involved in administering pensioner rates concessions.

5.0 Definitions

Approved Pensioner is a person who:

- ▶ is and remains throughout the rating period, the holder of a Queensland “Pensioner Concession Card” issued by Centrelink or Department of Veterans’ Affairs Health Card (All Conditions within Australia) or Department of Veterans’ Affairs Health Card (Totally and Permanently Incapacitated); and
- ▶ is the owner or life tenant (either jointly or solely) of the property which is his/her principal place of residence; and
- ▶ is either solely or jointly with a co-owner, legally responsible for the payment of rates and charges for the specified property as defined in this policy.

Owner - as defined in the *Local Government Act 2009*.

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

Pension - a pension, allowance or benefit paid under a law of the Commonwealth or State.

6.0 Policy

Council will provide rates concessions to approved pensioners as follows:

6.1 The Rates Concession

The maximum pensioner rates concession available is \$800.00 per year.

The amount of pensioner rates concession available to each approved pensioner will be calculated by reference to the proportion of a full pension that the ratepayer receives. That is, if an approved pensioner ratepayer receives:

- a) a full pension, they will qualify for the maximum pensioner rates concession;
- b) a part-pension, they will qualify for a pro rata portion of the maximum pensioner rates concession equivalent to the percentage of a full pension that they receive in the form of a part-pension, excluding any additional benefit or allowance;
- c) an allowance or benefit (other than under MRCA) and not a pension or part-pension, they will qualify for a pro rata portion of the maximum pensioner rates concession equivalent to the percentage of a full pension that they receive in the form the additional benefit or allowance;
- d) A payment under the MRCA, then:
 - they will qualify for a pro rata portion of the maximum pensioner rates concession calculated by reference to their assessed impairment points as advised by DVA, on

- the basis of 60 impairment points being equivalent to 75% of a qualifying pension and 80 impairment points being equivalent to 100% of a qualifying pension; and
 - if they also receive a qualifying pension, then the pensioner rates concession will be calculated by adding the MRCA-based concession to the pension-based concession, (up to 100% of the maximum pensioner rates concession).
- e) if an approved pensioner ratepayer receives an Australian qualifying supplementary pension payment in addition to a qualifying foreign pension payment, the concession of general rates will be assessed according to the total amount of Australian dollars being received, after converting the foreign pension payment to the Australian dollar at the current conversion rate applicable at the date of concession application, and adding that to the Australian dollar qualifying supplementary pension payment being received.

No pensioner rates concession is applicable where only a foreign pension payment is being received.

All annual applications must be confirmed by written advice by the Department of Human Services.

6.2 Ownership

In cases of co-ownership, the pensioner rates concession will apply only to the approved pensioner's proportionate share of the general rates as recorded on the title for the property as registered at the Titles Office and advised to council on the Property Transfer Information (Form 24) for change of ownership and rates purposes.

This method of determining an approved pensioner's proportionate share will apply except when the co-owners are:

- ▶ an approved pensioner and a bank, other financial institution, or government department where the latter holds joint title for debt security purposes and has no responsibility for rates, charges or other costs of maintaining the property. In this situation, the tenure is to be treated as sole ownership and the pensioner rates concession processed as if the pensioner were the sole owner;
- ▶ an approved pensioner and his/her spouse, but the spouse does not reside at the property. In these circumstances it must be established that the approved pensioner is wholly responsible for the payment of all rates and charges levied in respect of the property. The approved pensioner's responsibility for payment of all rates and charges in this circumstance must be established to the satisfaction of Townsville City Council by sighting and placing on file a copy of a Court Order or statutory declaration completed by the applicant. In this situation, the tenure is to be treated as sole ownership and the pensioner rates concession processed as if the pensioner were the sole owner.

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

- ▶ he or she is listed by name as an owner on the registered Title for the property; or
- ▶ it can be clearly established that the title to the property is held in the name of a bank, other financial institution or government department for debt security reasons and the pensioner has not been relieved of the responsibility to pay all rates and charges levied in respect of the property; or
- ▶ the pensioner is eligible as a life tenant to receive the pensioner rates concession as set out in the next part of this policy.

The criteria for determining eligible life tenants will be that:

- ▶ the pensioner must not have a major ownership interest in any other residential property (in Townsville or elsewhere); and
- ▶ the life tenancy must be created by a valid Will which applies to the property in question, or by a Supreme or Family Court Order; and
- ▶ there must be no provision in the Will or Court Order which would relieve the life tenant of the obligation to pay the rates and charges levied in respect of the property.

6.3 Tenancies

With the exception of life tenancies as described in Clause 6.2 of this policy, tenancies of any other sort (including life-time leases) are not regarded as the type of tenure that would entitle the pensioner to the pensioner rates concession even though he/she might be responsible for payment of rates and charges. Strict adherence to this principle is important to avoid breaking into areas which are, or are very close to, normal lease or rental.

6.4 Residential Requirements

The pensioner rates concession is available only in respect of rates levied on an approved pensioner's principal place of residence located in Townsville, and while the pensioner is actually residing on the property.

For the purpose of determining whether an approved pensioner's residence constitutes his/her principal place of residence Townsville City Council will give consideration to the following:

- i. the address shown on any driver's licence held by the pensioner;
- ii. the address of the pensioner as recorded on any State Electoral Roll;
- iii. the Branch and State where his/her Department of Human Services or Department of Veterans' Affairs file is held;
- iv. the State and the address shown on his/her Pensioner Concession Card;
- v. whether or not the residence to which the application refers is rented or how otherwise occupied during his/her absences;
- vi. whether or not he/she receives any pensioner rating concessions on other property/s in Australia and if so the type and level of concessions being received.

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

When a pensioner, for reasons of ill health or infirmity does not permanently reside in the principal place of residence but instead resides in a nursing home or similar type accommodation where personal care is available on site and provided as required, or with family or friends, a pensioner rates concession may be allowed in respect of the pensioner's principal place of residence if it is not occupied on a paid tenancy basis during the absence of the approved pensioner owner/s. The pensioner must satisfy Townsville City Council that the residence is not occupied on a paid tenancy basis and that the approved pensioner, as property owner, is responsible for the payment of rates and charges levied in respect of the property.

In cases where a pensioner owns a multi-unit property, commercial property or a rural property which is his/her principal place of residence, the pensioner rates concession may be applied to that property. The provision of the maximum pensioner rates concession has been included to prevent unduly large concessions being granted in such cases.

Notwithstanding these ownership requirements, when the sole registered owner dies and is, at the time of death, an approved pensioner in receipt of the pensioner rates concession, the surviving spouse will be entitled to the pensioner rates concession on a pro-rata basis from the date of his/her spouse's death, provided that:

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

6.5 Trusteeships

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

6.6 Withdrawal or Cessation of Pensioner Rates Concession

Pensioner rates concessions will only be allowed if the rates and charges for the period to which the concession relates are paid in full by 31 May of each financial year. Townsville City Council will reverse the pensioner rates concession for the current financial year if rates remain outstanding after 31 May.

If rates, charges and fire levies are in arrears as at 30 June, compound interest at the rate of 11% per year will apply from 1 July.

Pension concessions will cease when:

- ▶ approved pensioners no longer meet the required eligibility criteria
- ▶ on the date of death of the approved pensioner
- ▶ on the date that the approved pensioner's property is sold

Upon the sale of the property, it is the pensioner's responsibility to ensure that usual conveyancing practice is applied and an adjustment (based on the pensioner concession entitlement at the time of sale and normal rate charges thereafter) made at settlement. Council will not make refunds or allow further concessions as a consequence of this adjustment not being performed.

6.7 Administration

Unless otherwise provided under this policy, pensioner rates concessions will apply only to rates actually levied subsequently to the application being received by council.

Late applications

Townsville City Council may accept late applications when the applicant met all the eligibility requirements at the commencement of the rating period but had not applied at that time. When a late application is accepted, the pensioner rates concession will apply to the rates levied in the rating period in which the application was received and future rates periods only.

A concession will not be applied retrospectively to previous rating periods other than in exceptional circumstances, in which case a concession may be applied to the immediately prior rates period. The applicant must make a written request advising the reason for the late application. Applicants may be required to obtain payment details and documentation from the Department of Human Services or the Department of Veteran Affairs to support their application. The application will be reviewed by the Chief Financial Officer or delegated officer, who will decide if backdating to the maximum period will apply.

Confirmation of Eligibility

An application is required:

- ▶ when applying for the pensioner rates concession for the first time; or
- ▶ when Townsville City Council needs to re-establish eligibility (eg: after having a qualifying pension or concession card re-granted, changing the address of the principal place of residence, etc.)
- ▶ or as instructed by relevant Commonwealth Agency (the Department of Human Services or The Department of Veterans' Affairs).

Initial or Re-established Eligibility

Council will only allow a pensioner rates concession when there are no rates arrears on the property as at the date the application is received.

Application for the pensioner rates concession must be made on the prescribed form and be supported by a statement from the Department of Human Services or the Department of Veterans' Affairs containing details of the type and amount of pension received along with a copy of both sides of the applicant's current qualifying pension or concession card.

When interstate pensioners move permanently to Queensland, the Department of Human Services and the Department of Veterans' Affairs may not immediately issue a Queensland card. In the interim, an application may be accepted provided that Townsville City Council is satisfied that the pensioner's permanent place of residence is now located in Townsville. For example, proof of residence could be met by the pensioner providing a letter of confirmation of payment from the Department of Human Services or the Department of Veterans' Affairs listing the address of the property on which the pensioner concession is being claimed.

Continuing Eligibility

Townsville City Council will verify continuing eligibility for the pensioner rates concession on at least an annual basis by obtaining from the pensioner:

- ▶ authority for council to verify with the relevant Commonwealth Agency (the Department of Human Services or Department of Veterans' Affairs) either by electronic data matching; or
- ▶ authority for council to use the Department of Human Services Confirmation eServices (online enquiry) to perform a Department of Human Services/Department of Veteran's Affairs enquiry to confirm eligibility and status of your current concession; or
- ▶ a copy of a written verification from the relevant Commonwealth agency.

If council is unable to confirm continuing eligibility, the pensioner rates concession will cease and the pensioner will have to re-apply if they wish to receive the concession.

Pro-Rata Calculations

When pensioner concessions applies to rates on a property during only part of a rating period – such as upon the death of a pensioner or the purchase or the sale of the property – council will calculate rates having regard to the dates of change evidenced by the Property Transfer Information (Form 24) or other official advice forwarded to Townsville City Council regarding change of ownership.

7.0 Legal Parameters

- ▶ Local Government Act 2009
- ▶ Local Government Regulation 2012

8.0 Associated Documents

- ▶ Pensioner Rates Concession Application Form
- ▶ Revenue Policy
- ▶ Rate Discount Policy
- ▶ Debt Recovery Policy

Appendix 6 – Charitable and Community Organisations Rates and Charges Concession Policy

1.0 Policy Statement

Townsville City Council will allow a concession of rates and utility charges to not-for-profit charitable groups in recognition of the contribution their activities make to the community, and will allow certain other targeted concessions where the granting of the concession encourages:

- ▶ economic development of all or part of the Townsville local government area; or
- ▶ the preservation, restoration and maintenance of land that is of cultural, environmental, historical, heritage or scientific significance to Townsville.

2.0 Principles

Council's power to provide targeted concessions will be used when the concessions benefit the community, either directly by encouraging certain activities, or indirectly by supporting not-for-profit charitable groups the activities of which benefit the community.

3.0 Scope

This Policy applies to all concessions for rates and charges that council has power to make under Part 10 of Chapter 4 of the Local Government Regulation 2012 other than concessions granted to pensioners (which are dealt with in a separate Pensioner Rates Concession Policy).

4.0 Responsibility

The Chief Financial Officer and General Manager Townsville Water and Waste are responsible for this policy.

5.0 Definitions

Words in this policy have the same meaning as those words in the *Local Government Act 2009* and the Local Government Regulation 2012.

In addition, the following definitions apply:

- a) Not-for-profit:
 - ▶ The organisation is incorporated under Queensland's Associations Incorporations Act 1981 and listed as a non-profit community organisation, as determined by the Australian Taxation Office (ATO);
 - ▶ There is no profit or gain by individual members of the group;
 - ▶ Its constitution or governing documents prevent it from distributing profits or assets for the benefit of particular persons, both while it is operating and on winding up;
 - ▶ Whilst a surplus or revenue can be made, all profits must be used to carry out the purpose and functions of the organisation.
- b) "charitable purposes" means that the land is used on a not-for-profit basis for purposes relating to:
 - i. Education; or
 - ii. Assistance to the ill or infirm; or
 - iii. Assistance to the poor; or
 - iv. Other purposes of benefit to the community generally.

6.0 Policy

Townsville City Council will allow a concession of rates, and utility charges to eligible groups and organisations in recognition of their activities and contribution to the community, and to encourage:

- ▶ economic development of all or part of the Townsville local government area; or
- ▶ the preservation, restoration and maintenance of land that is of cultural, environmental, historical, heritage or scientific significance to Townsville.

6.1 Application

Applications for concession must:

- ▶ be lodged in writing on the prescribed form, addressed to the Chief Executive Officer; and
- ▶ include a copy of the Constitution or Memorandum and Articles of Association of the organisation which must clearly detail that the organisation is not-for-profit; and
- ▶ if available, include any other supporting documentation such as a Taxation Exemption certificate that confirms that the organisation is not-for-profit; and
- ▶ identify the principal use of the land for which the concession is being requested.

Council will decide about the application within 45 days of receipt of the application. Additional evidence to support the application may be requested in some circumstances. Decisions regarding the outcome of the application will be advised to the owner in writing.

6.2 Effective Date

The concession will commence from the beginning of the current half-year rating period in which the application is received and will apply to rates and charges included on the current half-year rate notice issued or, on a pro-rata basis from the date from which the eligible activity commenced. The concession will not be applied retrospectively to rates and charges included in rate notices issued previously.

6.3 Eligibility

To be eligible for a concession the land against which the rates and charges have been levied must be:

- ▶ owned by an entity whose objects do not include making a profit, and that does not hold a gaming licence at the premises for greater than 25 gaming machines; and
- ▶ must be solely used for a purpose detailed in the constitution or memorandum and articles of association of the entity, and which meets a definition in Council's Concessions Schedule.

Other entities will be eligible for concessions when the entity satisfies council that it meets a definition in Council's Concessions Schedule.

6.4 Transparency

The approved concession will be displayed on rate notices issued to the owner of the land. A listing of owners receiving a concession detailing the value of the concession will be presented to council as part of the annual budget process.

Council will maintain a Concessions Schedule. The schedule will include concessional categories, description of purpose and the percentage of concession granted. It will also note that some land is exempt from rating, but may be eligible for a concession of charges.

The schedule will be reviewed and updated periodically by the Chief Financial Officer and will be adopted by council each year at the budget meeting.

The Concessions Schedule may be amended at any time during a financial year by council resolution.

6.5 Dispute

Any dispute regarding a decision to not grant a concession must be lodged in writing addressed to the Chief Executive Officer within 14 days of the date of notification of the decision, and must include all reasons relied upon to dispute the decision. All disputed decisions will be reviewed by the Chief Financial Officer. The Chief

Financial Officer's decision regarding the dispute will be advised to the applicant in writing within 45 days from the date of receipt of the objection.

7.0 Legal Parameters

- ▶ Local Government Act 2009
- ▶ Local Government Regulation 2012

8.0 Associated Documents

- ▶ Concessions Schedule
- ▶ Application Form for General Rates and Utility Charges Concession

Appendix 6a – General Rates and Utility Charges Concession Schedule

Notes:

1. Premises licensed for more than 25 gaming machines are not eligible.
2. If more than one Category may apply to a property, then concessions will be provided only for the most specifically applicable Category. For example, concessions are provided consistently to all schools regardless of whether or not the school is owned by a church or other religious entity.
3. Utility Concessions will not be granted to State or Commonwealth owned and operated establishments.

CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS FOR GRANTING CONCESSION	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
Not-for-profit and charitable organisations	Land is owned or leased (registered lease with DNRM) by a not-for-profit and charitable organisation and is being used to provide benefit to the community.	Concession granted by council resolution under <i>Local Government Regulation 2012</i> . <ul style="list-style-type: none"> • S.120(1)(b)(i) – <i>land owned by not-for-profit entity</i> - for owned land • S.120(1)(c) – <i>Payment will cause hardship to the Landowner</i> for leased land, so as to treat not-for-profit lessees equitably with not-for-profit land-owners 	The land must not be used for any other purpose. The land must not be commercially leased to any other entity. Concessions for Utility Charges for Sports field Irrigation are set out elsewhere in this policy	100% General Rates	50% General Rates
Clubhouses and halls for not-for-profit and charitable organisations	Land is owned or leased (registered lease with DNRM) by an entity whose objects do not include making a profit and is being used for clubhouse purposes.	Concession granted by council resolution under <i>Local Government Regulation 2012</i> . <ul style="list-style-type: none"> • S.120(1)(b)(i) – <i>land owned by not-for-profit entity</i> - for owned land • S.120(1)(c) – <i>Payment will cause hardship to the Landowner</i> for leased land, so as to treat not-for-profit lessees equitably with not-for-profit land-owners 	The land must be used only for not-for-profit or charitable purposes. The land must not be commercially leased to any other entity. Concessions for Utility Charges for Sports field Irrigation are set out elsewhere in this policy	100% General Rates 73% Volumetric Water Charges up to a \$100,000 per annum cap.	50% General Rates 36% Volumetric Water Charges up to a \$100,000 per annum cap.
Not-for-profit and charitable aged care facilities	Land is owned or leased (registered lease with DNRM) by an entity whose objects do not include making a profit and the land is being used for the care of the aged.	Concession granted by council resolution under <i>Local Government Regulation 2012</i> . <ul style="list-style-type: none"> • S.120(1)(b)(i) – <i>land owned by not-for-profit entity</i> - for owned land • S.120(1)(c) – <i>Payment will cause hardship to the Landowner</i> for leased land, so as to treat not-for-profit lessees equitably with not-for-profit land-owners 	The land must not be used for any other purpose. The land must not be commercially leased to any other entity.	100% General Rates 55% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A
Sports field irrigation – restricted public access	Land is owned or leased (registered lease with DNRM) by a not-for-profit and charitable organisation and is being used for sports purposes.	Concession granted by council resolution under <i>Local Government Regulation 2012</i> . <ul style="list-style-type: none"> • S.120(1)(b)(i) – <i>land owned by not-for-profit entity</i> - for owned land • S.120(1)(c) – <i>Payment will cause hardship</i> 	The land must not be used for any other purpose. The land must not be commercially leased to any other entity. Schools, tertiary institutions and other higher	73% Volumetric Water Charges up to a \$100,000 per annum cap.	36% Volumetric Water Charges up to a \$100,000 per annum cap.

CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS FOR GRANTING CONCESSION	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
		<i>to the Landowner for leased land, so as to treat not-for-profit lessees equitably with not-for-profit land-owners</i>	education facilities – whether owned by a church or religious entity, or by the State or Commonwealth - are not eligible for utility concessions under this category.		
Sports field irrigation – no restriction of public access	Land is owned or leased (registered lease with DNRM) by a not-for-profit and charitable organisation and is being used for sports purposes.	<p>Concession granted by council resolution under <i>Local Government Regulation 2012</i>.</p> <ul style="list-style-type: none"> S.120(1)(b)(i) – <i>land owned by not-for-profit entity</i> - for owned land S.120(1)(c) – <i>Payment will cause hardship to the Landowner</i> for leased land, so as to treat not-for-profit lessees equitably with not-for-profit land-owners 	<p>An approved water efficiency management plan must be in place to be eligible for this benefit. If a plan is not in place the concession would be the same as for restricted public access grounds.</p> <p>The land must not be commercially leased to any other entity.</p> <p>Schools, tertiary institutions and other higher education facilities – whether owned by a church or religious entity, or by the State or Commonwealth - are not eligible for utility concessions under this category.</p>	95% Volumetric Water Charges up to a \$100,000 per annum cap.	45% Volumetric Water Charges up to a \$100,000 per annum cap.
Churches and church halls	<p>Land used by a Church or Religious entity and is being used for one or more of the following purposes;</p> <p>a) religious purposes including public worship,</p> <p>b) the provision of education, health or community services,</p> <p>c) the administration of the religious entity</p> <p>d) housing incidental to any of the above purposes</p>	<p>If the land is owned by a religious entity the land is exempt from General rates under the <i>Local Government Act 2009</i> Section 93(3)(j)(ii) and the <i>LG Regulations 2012</i>, S.73(a)(i) – <i>used for religious purposes</i>.</p> <p>Utilities concession granted by council resolution under <i>Local Government Regulation 2012</i> S.120(1)(b)(i) – <i>land owned by not-for-profit</i>.</p>	<p>The land must not be used for any other purpose.</p> <p>The land must not be commercially leased to any other entity.</p> <p>Schools, tertiary institutions and other higher education facilities are not eligible for utility concessions under this category.</p> <p>Concessions for Utility Charges for Sports field Irrigation are set out elsewhere in this policy.</p>	<p>General Rates Exempt</p> <p>15% Sewerage Charges</p> <p>55% Volumetric Water Charges up to a \$100,000 per annum cap.</p>	N/A
Schools and educational institutions including not-for-profit day care facilities and kindergartens	Land is being used for childcare and/or educational purposes.	<p>If the land is owned by a religious entity and used for educational purposes, the land is exempt from General rates under the <i>Local Government Act 2009</i> Section 93(3)(j)(ii) and the <i>LG Regulations 2012</i> S.73(a)(ii) – <i>provision of education</i>.</p> <p>State schools are exempt from General rates under the <i>Local Government Act 2009</i> S.93(3)(b) – <i>land occupied by State</i>.</p> <p>Not-for-profit organisations that are not religious entities the concession is granted by</p>	<p>The land must not be used for any other purpose.</p> <p>The land must not be commercially leased to any other entity.</p>	General Rates Exempt (No utility concessions)	N/A (No utility concessions)

CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS FOR GRANTING CONCESSION	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
		council resolution under the <i>LG Regulations 2012</i> , S.120(1)(a) – <i>land owned by not-for-profit</i> ; or S.120(1)(c) – <i>Payment will cause hardship to the Landowner.</i>			
War Graves	Land is owned or leased (registered lease with DNRM) and is being used for historic purposes.	Land is exempt from General rates under the <i>Local Government Act 2009</i> S.93(3)(j)(ii) - <i>exempted by regulation</i> and <i>LG Regulations 2012</i> S.73(e) – <i>cemetery</i> . Concession granted by council resolution under <i>Local Government Regulation 2012</i> . S.120(1)(e) – <i>preservation of cultural, historic or heritage land.</i>	The land must not be used for any other purpose. The land must not be commercially leased to any other entity.	General Rates Exempt 5% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A
Historic Society	Land is owned or leased (registered lease with DNRM) and is being used to preserve and maintain the historic and heritage significance to the council area.	Land is being used to preserve and maintain land of historic and heritage significance to the council area and a concession is granted by Council resolution under the <i>Local Government Regulation 2012</i> . S.120(1)(e) – <i>preservation of cultural, historic or heritage land.</i>	The land must not be used for any other purpose. The land must not be commercially leased to any other entity.	100% General Rates	N/A
Caravan Parks	Land is used for the purpose of a Caravan Park.	Use of land is considered by council to benefit the community in the promotion of tourism to the area and a concession is granted by council resolution under the <i>Local Government Regulation 2012</i> . S.120(1)(d) – <i>encourage economic development</i>	The land must not be used for any other purpose. The land must not be commercially leased to any other entity (does not apply to council-owned caravan parks).	30% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A
Retirement / Lifestyle Villages	Land is being used as a retirement village catering for the aged.	Use of land is considered by council to benefit the aged in the city in providing a comfortable lifestyle in retirement, and a concession is granted by council resolution under the <i>Local Government Regulation 2012</i> . S.120(1)(a) – <i>land occupied by pensioner</i> or S.120(1)(c) – <i>hardship</i>	The land must not be used for any other purpose	55% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A

CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS FOR GRANTING CONCESSION	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
Boarding and lodging houses	Land is being used for the provision of reasonably priced accommodation.	Council considers that the land is being used to provide for the benefit of less privileged in the community, and a concession is granted by council resolution under the <i>Local Government Regulation 2012</i> . S.120(1)(a) – <i>land occupied by pensioner</i> or S.120(1)(c) – <i>hardship</i>	The land must not be used for any other purpose.	20% Volumetric Water Charges up to a \$100,000 per annum cap. 20% Sewerage Charges	N/A
Showgrounds / Horseracing	Land is owned or leased (registered lease with DNRM) by a not-for-profit and charitable organisation and is being used primarily for showgrounds or horseracing purposes.	General Rate Exemption in accordance with the <i>Local Government Act 2009</i> , S.93(3)(h) – <i>land used primarily for showgrounds or horseracing and exempted by local government resolution</i> , Concession granted by council resolution under the <i>Local Government Regulation 2012</i> : S.120(1)(e) – <i>preservation of cultural, historic or heritage land</i> : or S.120(1)(d) – <i>encourage economic development</i> ; or S.120(1)(c) – <i>Payment will cause hardship to the Landowner</i>	The land must not be used for any other purpose. The land must not be commercially leased to any other entity.	General Rates Exempt 73% Volumetric Water Charges up to a \$100,000 per annum cap. 62% Sewerage Charges	General Rates Exempt 36% Volumetric Water Charges up to a \$100,000 per annum cap. 31% Sewerage Charges
Special consideration for sale of council owned lands	Lands included in Riverside Ridge subdivision while it is held in the name of Riverside Ridge (Qld) Pty Limited.	All lands in the subdivision in the name of Riverside Ridge (Qld) Pty Limited have been granted the concession as part of the sale contract negotiated at the time of the sale of council owned land. Council Resolution 20/09/2005 authorised that a concession of the general rates, vacant land water service charges and vacant land sewerage service charges will apply in accordance with the specific contract terms and for a period of and until the earlier of: (a) 90 days after that land has been reconfigured to create a new lot from that land; or (b) that land has been reconfigured to create a new lot and that lot is sold. Concession granted by council resolution under the <i>Local Government Regulation 2012</i> , S.120(1)(d) – <i>to encourage economic development</i> .	N/A	100% General Rates 100% Water Service Charges 100% Sewerage Charges	N/A

CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS FOR GRANTING CONCESSION	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
Special consideration for applications made under the <i>Jobs and Investment Package 2015-2018</i>	Applicable lands under the Jobs and Investment Package 2015-2018 Geographic boundaries for this program are available from Planning and Economic Development.	<p>Lands under approved developments that are included in the defined area as determined by the <i>Jobs and Investment Package 2015-2018</i> as adopted by council.</p> <p>Concession granted by council resolution under the <i>Local Government Regulation 2012</i>, S.120(1)(d) – <i>to encourage economic development</i>.</p> <p>Applications for a concession are made through Planning.</p>	N/A	Refer to Jobs and Investment Package 2015-2018	N/A
Water supplied for irrigation purposes	Land is being used for Commercial and Industrial purposes.	<p>Subject to the application and installation of a separate irrigation water meter and reticulation system.</p> <p>The number of irrigation meters allowed must not exceed the number of commercial meters.</p> <p>Concession granted by council resolution under the <i>Local Government Regulation 2012</i>, S.120(1)(d) – <i>to encourage economic development</i>.</p>	The land must be used for commercial and industrial purposes only.	15% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A
Water supplied for irrigation purposes	Land is being developed, however a portion is retained as open space and irrigated in preparation for donating to council.	Concession granted by council resolution under the <i>Local Government Regulation 2012</i> , S.120(1)(d) – <i>to encourage economic development</i> .	The land must be under development and a concession may be applied to the land parcel that will be donated to council as open space.	15% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A

Appendix 7 – Differential Rating Categories 2018/19

Council levies differential general rates, which means the amount of general rates payable for any property depends upon:

- ▶ the land's unimproved capital or site value as advised by the Department of Natural Resources Mines and Energy (DNRME); and
- ▶ the Differential General Rating Category that the council gives to the land.

All land within Townsville is given a Differential General Rating Category based upon the Land Use Code assigned by DNRME and the additional criteria of:

- ▶ the City Plan (that is, the current Townsville City Council Planning Scheme);
- ▶ the location of the land, including whether the land is within the Inner City Rating Area shown on the Council's Inner City Rating Area Plan;
- ▶ the availability of services to the land;
- ▶ whether the land is occupied as a principal place of residence; and

whether any attribute of the land (including the status of the land under the Planning Scheme) is likely to contribute to increased costs for the council, whether at the land or elsewhere.

Differential General Rating Category (DGR Category)	Criteria by which land is assigned to a DGR Category											
	Land Use	Additional Criteria										
Category 1 Residential PPRPrincipal Place of Residence	1, 2, 4, 5, 6, 8, 9, 94.	<p>The land is not within the Inner City Rating Area and is used by the owner as their principal place of residence, further:</p> <ul style="list-style-type: none">▶ Land Use Code 8 and 9 land is classed as DGR Category 1 when it is a lot on a building units plan or group titles plan registered under the Body Corporate and Community Management Act and the primary use of that lot is for a residential purpose.▶ Land Use Code 1, 4 and 94 land is classed as DGR Category 1 when it is a residential lot under a residential development application, the certificate of classification has been issued and council is awaiting land use code information from DNRME that the land has a residential occupied status.▶ Land Use Code 1, 4, 6, and 94 land is classed as DGR Category 1 when it is within any of the following zone codes within the Townsville City Plan: <table><tr><td>Low Density Residential</td><td>Medium Density Residential</td></tr><tr><td>High Density Residential</td><td>Character Residential</td></tr><tr><td>Sport and Recreation</td><td>Emerging Community</td></tr><tr><td>Open Space</td><td>Environmental Management/Conservation</td></tr><tr><td>Rural Residential</td><td>Rural</td></tr></table>	Low Density Residential	Medium Density Residential	High Density Residential	Character Residential	Sport and Recreation	Emerging Community	Open Space	Environmental Management/Conservation	Rural Residential	Rural
Low Density Residential	Medium Density Residential											
High Density Residential	Character Residential											
Sport and Recreation	Emerging Community											
Open Space	Environmental Management/Conservation											
Rural Residential	Rural											
Category 2 Residential NPPRNon Principal Place of Residence	1, 2, 4, 5, 6, 8, 9, 72, 94.	<p>The land is not within the Inner City Rating Area and is not used by the owner as their principal place of residence, further:</p> <ul style="list-style-type: none">▶ Land Use Code 8 and 9 land is classed as DGR Category 2 when it is a lot on a building units plan or group titles plan registered under the Body Corporate and Community Management Act and the primary use of that lot is for a residential purpose.▶ Land Use Code 1, 4, 6, 72 and 94 land is classed as DGR Category 2 when it is within any of the following zone codes within the Townsville City Plan: <table><tr><td>Low Density Residential</td><td>Medium Density Residential</td></tr><tr><td>High Density Residential</td><td>Character Residential</td></tr><tr><td>Sport and Recreation</td><td>Emerging Community</td></tr><tr><td>Open Space</td><td>Environmental Management/Conservation</td></tr><tr><td>Rural Residential</td><td>Rural</td></tr></table>	Low Density Residential	Medium Density Residential	High Density Residential	Character Residential	Sport and Recreation	Emerging Community	Open Space	Environmental Management/Conservation	Rural Residential	Rural
Low Density Residential	Medium Density Residential											
High Density Residential	Character Residential											
Sport and Recreation	Emerging Community											
Open Space	Environmental Management/Conservation											
Rural Residential	Rural											

Differential General Rating Category (DGR Category)	Criteria by which land is assigned to a DGR Category	
	Land Use	Additional Criteria
Category 3 Commercial	1, 4, 6, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 22, 25, 26, 27, 38, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 55, 56, 57, 58, 72, 91, 92, 94, 95, 96, 97, 99.	<p>The land is not within the Inner City Rating Area, further:</p> <ul style="list-style-type: none"> ▶ Land Use Code 8 and 9 land is classed as DGR Category 3 when it is a lot on a building units plan or group titles plan registered under the Body Corporate and Community Management Act and the primary use of that lot is for a non-residential purpose. ▶ Land Use Code 1, 4, 6, 72 and 94 land is classed as DGR Category 3 when it is within any of with the following zone codes within the Townsville City Plan: <ul style="list-style-type: none"> Low Impact Industry Medium Impact Industry High Impact Industry Community Facilities Local Centre District Centre Major Centre Neighbourhood Centre Principal Centre (CBD) Specialised Centre Special Purpose Mixed Use
Category 4 Warehouse, bulk stores	28, 29, 30, 31, 32, 33, 34.	The land is not within the Inner City Rating Area.
Category 5 Industry	35, 36, 37, 39, 40.	The land is not within the Inner City Rating Area.
Category 6 Drive In Shopping Centres	16.	Drive-in shopping centre not categorised as Categories 10, 11 or 12.
Category 7 Agriculture and Grazing	60, 61, 64, 65, 66, 67, 68, 69, 70, 71, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 93.	
Category 8 Multi-Unit Dwelling < 20 units	3, 3/98, 7, 21.	<p>The land is not within the Inner City Rating Area, further:</p> <ul style="list-style-type: none"> ▶ Land Use Code 3 and 3/98 land is classed as DGR Category 8 when it is a multi-unit dwelling (flats or units) and comprised of no more than 19 individual residential accommodation units, not registered on a building units plan or group titles plan under the Body Corporate and Community Management Act and that lot is for a residential purpose.
Category 9 Land not otherwise defined		The land is not within the Inner City Rating Area and is not included in DGR categories 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 22, 24, 25, 26 or 27.
Category 10 Shopping Centres > 40,000 m2	16.	Drive in shopping centre in which the anchor tenants include a major department store and a large grocery supermarket and the centre has a gross floor area greater than 40,000 m2.
Category 11 Shopping Centres between 20,000 and 40,000 m2	16.	Drive in shopping centre in which the anchor tenants include a major department store and a large grocery supermarket and the centre has a gross floor area greater than 20,000 m2 but less than 40,000 m2.
Category 12 Shopping Centres < 20,000 m2	16.	Drive in shopping centre in which the anchor tenants include a major department store and a large grocery supermarket and the centre has a gross floor area of less than 20,000 m2.
Category 13 Retail Warehouse > 40,000 m2	23.	The land is not within the Inner City Rating Area and the centre has a gross floor area greater than 40,000m2

Differential General Rating Category (DGR Category)	Criteria by which land is assigned to a DGR Category	
	Land Use	Additional Criteria
Category 14 Retail Warehouse < 40,000 m ²	23.	The land is not within the Inner City Rating Area and the centre has a gross floor area less than 40,000 m ² .
Category 15 Outdoor Sales Area	24.	The land is not within the Inner City Rating Area.

Categories 16, 17, 18, 19, 20, 21, 23 and 28 to 31 are all those lands within the area described in the Inner City Rating Area shaded in green in the following map (Figure 1):



Figure 1 – Inner City Rating Area

Rateable Category	Criteria	
	Land Use	Additional Criteria
Category 16 Inner City Residential Principal Place of Residence	1, 2, 4, 5, 6, 8, 9.	<p>The land is within the Inner City Rating Area, further:</p> <ul style="list-style-type: none"> ▶ Land Use Code 8 and 9 land is classed as DGR Category 16 when it is a lot on a building units plan or group titles plan registered under the Body Corporate and Community Management Act and the primary use of that lot is for a residential purpose. ▶ Land Use Code 1 and 4 land is classed as DGR Category 16 when it is a residential lot under a residential development application, the certificate of classification has been issued and council is awaiting land use code information from DNRME that the land has a residential occupied status. ▶ Land Use Code 1, 4, and 6 land is classed as DGR Category 16 when it is within any of the following zone codes within the Townsville City Plan: <ul style="list-style-type: none"> Low Density Residential High Density Residential Sport and Recreation Open Space Rural Residential Medium Density Residential Character Residential Emerging Community Environmental Management/Conservation Rural
Category 17 Inner City Residential Non Principal Place of Residence	1, 2, 4, 5, 6, 8, 9, 72.	<p>The land is within the Inner City Rating Area and is not used by the owner as their principal place of residence, further:</p> <ul style="list-style-type: none"> ▶ Land Use Code 8 and 9 land is classed as DGR Category DGR Category 17 when it is a lot on a building units plan or group titles plan registered under the Body Corporate and Community Management Act and the primary use of that lot is for a residential purpose. ▶ Land Use Code 1, 4, 6, and 72 land is classed as DGR Category 17 when it is within any of the following zone codes within the Townsville City Plan: <ul style="list-style-type: none"> Low Density Residential High Density Residential Sport and Recreation Open Space Rural Residential Medium Density Residential Character Residential Emerging Community Environmental Management/Conservation Rural
Category 18 Inner City Commercial	1, 4, 6, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 38, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 55, 56, 57, 58, 72, 91, 92, 96, 97, 99.	<p>The land is within the Inner City Rating Area, further:</p> <ul style="list-style-type: none"> ▶ Land Use Code 8 and 9 land is classed as DGR Category 18 when it is a lot on a building units plan or group titles plan registered under the Body Corporate and Community Management Act and the primary use of that lot is for a non-residential purpose. ▶ Land Use Code 1, 4, 6, and 72 land is classed as DGR Category 18 when it is within any of with the following zone codes within the Townsville City Plan: <ul style="list-style-type: none"> Low Impact Industry High Impact Industry Local Centre Major Centre Principal Centre (CBD) Special Purpose Medium Impact Industry Community Facilities District Centre Neighbourhood Centre Specialised Centre Mixed Use
Category 19 Inner City Warehouse, Bulk stores	28, 29, 30, 31, 32, 33, 34.	The land is within the Inner City Rating Area.
Category 20 Inner City	35, 36, 37, 39, 40.	The land is within the Inner City Rating Area.

Rateable Category	Criteria	
	Land Use	Additional Criteria
Industry		
Category 21 Inner City Multi-unit dwelling < 20 units	3, 3/98, 7, 21.	The land is within the Inner City Rating Area, further: <ul style="list-style-type: none"> Land Use Code 3 and 3/98 land is classed as DGR Category 21 when it is a multi-unit dwelling (flats or units) and comprised of no more than 19 individual residential accommodation units, not registered on a building units plan or group titles plan under the Body Corporate and Community Management Act and that lot is for a residential purpose.
Category 22 Special Development - TSDA and Elliot Springs > 10 ha	1, 4, 5, 18, 35, 37, 65, 66.	The land parcels are greater than 10 hectares in area and are wholly within the Townsville State Development Area or the Elliot Springs master planned community.
Category 23 Inner City Other		The land is within the Inner City Rating Area and is not included in DGR categories 16, 17, 18, 19, 20, 21, 28, 29, 30 or 31.
Category 24 Multi-unit dwellings between 20 to 29 units	3.	The land is not within the Inner City Rating Area and has upon it a large multi-unit dwelling complex comprised of 20 to 29 individual residential accommodation units, not registered on a building units plan or group titles plan under the Body Corporate and Community Management Act which are primarily used for a residential purpose.
Category 25 Multi-unit dwellings between 30 to 49 units	3.	The land is not within the Inner City Rating Area and has upon it a large multi-unit dwelling complex comprised of 30 to 49 individual residential accommodation units, not registered on a building units plan or group titles plan under the Body Corporate and Community Management Act which are primarily used for a residential purpose.
Category 26 Multi-unit dwellings between 50 to 69 units	3.	The land is not within the Inner City Rating Area and has upon it a large multi-unit dwelling complex comprised of 50 to 69 individual residential accommodation units, not registered on a building units plan or group titles plan under the Body Corporate and Community Management Act which are primarily used for a residential purpose.
Category 27 Multi-unit dwellings > 69 units	3.	The land is not within the Inner City Rating Area and has upon it a large multi-unit dwelling complex comprised of 70 or more individual residential accommodation units, not registered on a building units plan or group titles plan under the Body Corporate and Community Management Act which are primarily used for a residential purpose.
Category 28 Inner City Multi-unit dwellings between 20 to 29 units	3.	The land is within the Inner City Rating Area and has upon it a large multi-unit dwelling complex comprised of 20 to 29 individual residential accommodation units, not registered on a building units plan or group titles plan under the Body Corporate and Community Management Act which are primarily used for a residential purpose.
Category 29 Inner City Multi-unit dwellings between 30 to 49 units	3.	The land is within the Inner City Rating Area and has upon it a large multi-unit dwelling complex comprised of 30 to 49 individual residential accommodation units, not registered on a building units plan or group titles plan under the Body Corporate and Community Management Act which are primarily used for a residential purpose.
Category 30 Inner City	3.	The land is within the Inner City Rating Area and has upon it a large multi-unit dwelling complex comprised of 50 to 69

Rateable Category	Criteria	
	Land Use	Additional Criteria
Multi-unit dwellings Between 50 to 69 units		individual residential accommodation units, not registered on a building units plan or group titles plan under the Body Corporate and Community Management Act which are primarily used for a residential purpose.
Category 31 Inner City Multi-unit dwellings > 69 units	3.	The land is within the Inner City Rating Area and has upon it a large multi-unit dwelling complex comprised of 70 or more individual residential accommodation units, not registered on a building units plan or group titles plan under the Body Corporate and Community Management Act which are primarily used for a residential purpose.

Appendix 8 – Differential Rates, Limitations on Increases, Minimum General Rate – 2018/19

Category	Description	Rate-in-\$	Minimum	Limitation (cap)
1	Residential - Principal Place of Residence	0.009923	\$1,081	30%
2	Residential - Non Principal Place of Residence	0.011552	\$1,107	No limit
3	Commercial	0.019063	\$1,363	No limit
4	Warehouse, Bulk Stores	0.018752	\$1,363	No limit
5	General Light Industry	0.019147	\$1,363	No limit
6	Drive-in Shopping Centres (small)	0.018265	\$1,363	No limit
7	Agriculture and Grazing	0.011241	\$1,363	No limit
8	Multi-unit Dwellings < 20 units	0.012978	\$1,363	No limit
9	Land not otherwise defined	0.01881	\$1,363	No limit
10	Shopping Centre >40,000 sqm	0.033745	\$761,593	No limit
11	Shopping Centres > 20,000 sqm and <40,000 sqm	0.020945	\$644,084	No limit
12	Shopping Centres <20,000 sqm	0.032549	\$354,689	No limit
13	Retail Warehouse >40,000 sqm	0.02614	\$156,350	No limit
14	Retail Warehouse <40,000 sqm	0.024166	\$1,420	No limit
15	Outdoor Sales Areas	0.020455	\$1,303	No limit
16	Inner City Residential - Principal Place of Residence	0.011975	\$1,159	30%
17	Inner City Residential - Non Principal Place of Residence	0.015555	\$1,243	No limit
18	Inner City Commercial	0.036904	\$1,385	No limit
19	Inner City Warehouse, Bulk Stores	0.036996	\$1,385	No limit
20	Inner City Light Industry	0.030914	\$1,385	No limit
21	Inner City Multi-unit Dwelling < 20 units	0.019669	\$1,385	No limit
22	Special Development > 10 ha	0.034574	\$19,077	No limit
23	Inner City Other	0.036903	\$1,385	No limit
24	Multi-Unit Dwellings >19 and < 30 units	0.012978	\$22,420	No limit
25	Multi-Unit Dwellings > 29 and < 50 units	0.012978	\$33,630	No limit
26	Multi-Unit Dwellings > 49 and < 70 units	0.012978	\$56,149	No limit
27	Multi-Unit Dwellings > 69 units	0.012978	\$78,766	No limit
28	Inner City Multi-Unit Dwellings >19 and < 30 units	0.019669	\$25,173	No limit
29	Inner City Multi-Unit Dwellings > 29 and < 50 units	0.019669	\$37,859	No limit
30	Inner City Multi-Unit Dwellings > 49 and < 70 units	0.019669	\$63,130	No limit
31	Inner City Multi-Unit Dwellings > 69 units	0.019669	\$88,303	No limit

Appendix 9 – Utility Charges – Water 2018/19

Townsville City Council, trading as Townsville Water, is a registered water service provider under the *Water Supply (Safety and Reliability) Act 2008*. It supplies potable and non-potable water to properties within the Townsville local government area.

The declared water area is the area to which council is able to offer a potable water service to properties. Not all properties within the local government area will have access to a potable water service.

Residential

Residential properties are:

- ▶ those properties categorised as Category 1, 2, 8, 16, 17, 21 and 24 to 31 for rating purposes, unless the property has been approved for a non-residential use
- ▶ those properties not categorised because they are exempt from general rates that are used for residential purposes.

When charging for the supply and consumption of water at a residential property, Townsville City Council offers a choice between (1) a Standard Plan water billing option and (2) a Water Watchers Plan water billing option.

Standard Plan

For each dwelling, home unit, flat or lot:

- ▶ The fixed annual charge for access to the water service and an allocation of up to 772 kL of water will be \$769 per year; and
- ▶ An excess water charge of \$2.94 per kL will apply for all consumption over the allowance of 772 kL during the consumption year.

Water Watchers Plan

For each dwelling, home unit, flat or lot, including undeveloped residential land:

- ▶ The fixed annual access residential water service charge will be \$351 per year; and
- ▶ The residential consumption charge will be \$1.41 per kL of water used during the consumption year.

All developed and undeveloped residential properties that are within the declared water supply area and that are connected to the water supply are placed on the Standard Plan. Residential property owners can opt in to the Water Watchers Plan by application.

All undeveloped residential properties that are within the declared water supply area but not connected to the water supply are placed on the Water Watchers Plan.

Election of Water Billing Option

When applying for a water meter to be connected to a residential property, the property owner or their agent may choose the water billing option that will apply to the property by completing an Authorisation for Residential Water Pricing Plan form. The Standard Plan will be applied if the property owner or their agent does not indicate a preference at the time of applying for a water meter to be connected.

A residential property owner can change the water billing option for their property during a Water Opt-in period each year. Only the body corporate / managing agent can change the billing method for residential properties with shared water meters – eg: units, duplexes. All multiple dwellings / units connected to the same meter/s must be on the same plan.

Upon being notified that a residential property has been purchased, council will send a letter to the owner giving them an option to change their water billing option. The owner has four weeks from the date of the letter to make an election to change their water billing option. The change will be effective from the next scheduled meter read.

Non-residential

When charging for the supply and consumption of water at a non-residential property, for each lot including undeveloped land:

- ▶ The fixed annual access water service charge will be \$365 per year; and
- ▶ The consumption charge will be \$2.87 per kL of water used during the consumption year.

Commencement Date for Charges

For land within the declared water supply area:

- ▶ Fixed charges will apply from the date of registration of the land;
- ▶ Additional fixed charges will apply from the date the water meter is connected and will be based upon the proposed development of the land as set out in the Building/Development Application; and Water consumption charges will apply from the date the water meter is connected.

Additional Connections

It is council's preference that only one connection be made to each property. Additional connections will only be granted at council's discretion and additional charges may apply for each additional connection.

Metered Standpipes

A hire fee and bond deposit will apply for standpipes at the rate detailed in council's Fees and Charges Register. For water consumed, a charge of \$2.87 per kL will apply.

Bulk Water

There is no fixed charge for bulk water supply. Bulk water consumed will be charged at \$2.28 per kL.

Non-Potable Supply

There is no fixed charge for a non-potable water supply. Non-potable water consumed will be charged at \$2.28 per kL.

Non-Contributing Consumers

Where the applicable contribution to council's Water Supply, under council's Planning Policies, has not been received, a surcharge of \$0.52 per kL on the actual consumption from council's Water Supply Scheme will apply. The surcharge will be added to the Water Watchers Plan charge or the Standard Plan charge.

Water Restrictions

Use of water is subject to water restrictions which may apply during the financial year. See council's website for further information.

Reading of Water Meters and Notification of High Usage

Water meters are read by council four times per year. As a courtesy to residential water users, high usage alert letters are issued after the property's quarterly read when usage exceeds 2.5 kL per day. It is the owner's responsibility to monitor and manage water consumption at the property.

Appendix 10 – Utility Charges – Sewerage and Trade Waste 2018/19

Townsville City Council, trading as Townsville Water, is a registered water service provider under the *Water Supply (Safety and Reliability) Act 2008*. Council collects and treats sewage and trade waste from properties within the Townsville local government area, and supplies recycled water for irrigation purposes only.

The declared sewer area is the area to which council is able to offer a sewerage service to properties. Not all properties within the local government area will have access to a sewerage service.

Residential

Residential properties are:

- ▶ those properties categorised as Category 1, 2, 8, 16, 17, 21 and 24 to 31 for rating purposes, unless the property has been approved for a non-residential use
- ▶ those properties not categorised because they are exempt from general rates that are used for residential purposes.

The sewerage utility charge for residential properties is \$790 per year. Each dwelling, home unit, flat or lot is a separate sewerage service.

The sewerage utility charge for each undeveloped residential lot is \$710 per year.

For the purpose of sewerage charges only, aged care facilities and retirement and/or lifestyle villages/communities will be levied at the residential sewerage utility charge per pedestal.

Non-Residential

The sewerage utility charge for each non-residential customer is \$926 per pedestal, per year.

The sewerage utility charge for each undeveloped non-residential lot is \$834 per year.

Where a separate habitation space on a non-residential property is occupied as a principal place of residence, the owner may request that the pedestals within that space be charged at the residential sewerage utility charge. If approved, the change will commence from the financial year in which the application is received, unless council decides it should apply from a later date.

Unconnected Premises

A sewerage utility charge applies to each property in a declared sewer area that is not connected to the sewerage service. The charge will be at the residential or non-residential rate depending upon use of the property.

Commencement Date for Charges

Sewerage charges will be imposed from the earlier of:

- ▶ the date of inspection of the installation of sewerage pedestals by council's Hydraulic Services section; or
- ▶ the date of the final inspection certificate and/or certification of classification.

Undeveloped land sewerage charges will apply from the date of registration of the land where the land is within the declared sewer area.

Properties outside the Declared Sewer Area

Council may provide services outside the declared sewer area upon application. The decision as to whether services will be supplied is entirely at councils' discretion. Individual charging arrangements will apply to each service.

Sewerage Infrastructure Alternative Access Fee

Where the applicable contribution to council's Sewer Network, under council's Planning Policies, has not been received, an additional surcharge of \$585 per lot applies.

Trade Waste Charges

Liquid trade waste charges will be:

- a) An annual access fee for each liquid trade waste approval each year. The amount of the annual access fee will be dependent on the risk rating of the approval holder;
- b) A volume charge for the trade waste discharge; and
- c) A pollutant charge may apply to liquid trade waste approval holders in discharge category 2.0.

Charges will apply for liquid trade waste discharge in accordance with council's Trade Waste Policy and Liquid.

Trade Waste Management Plan and will be effective from the date the trade waste approval is issued.

The annual access fee will apply based on the risk rating of the approval holder as set out in the table below:

Risk Rating	Annual Access Fee
1	\$1,332
2	\$710
3	\$517
4	\$279
5	\$183
6	\$87

The trade waste volume discharged to sewer will be levied in accordance with the table below:

Discharge Category	Volume Charge (\$/kL)
Category 1.1	\$2.03
Category 1.2	\$1.79
Category 1.3	\$1.66
Category 1.4	\$1.44
Category 1.5	\$2.03

Discharge Category	Volume Charge (\$/kL)	Pollutant Charges		
		Chemical Oxygen Demand (COD) (kg)	Suspended Solids (Kg)	SO4
Category 2.0	\$2.19	\$1.17	\$1.10	\$0.63

Note: Trade Waste discharge volume = (Water consumption – Allowances) x discharge factor.

Allowance Type	Allowance Volume	Measure
Pedestal	60kL	Per pedestal

Commencement Date for Trade Waste Charges

Trade Waste charges will be effective from the date of issue of a trade waste discharge approval.

Appendix 11 - Utility Charges – Waste Management and Recycling 2018/19

Townsville City Council provides waste collection and disposal services to properties within the Townsville local government area.

The defined waste collection area is the area to which council routinely provides waste collection services. Council provides waste collection services outside of the defined collection area by special arrangement.

Residential

Residential properties are:

- ▶ those categorised as Category 1, 2, 8, 16, 17, 21 and 24 to 31 for rating purposes, unless the property has been approved for a non-residential use
- ▶ those properties not categorised because they are exempt from general rates that are used for residential purposes.

Wheelie Bin Service Charge

Council imposes an annual fixed charge for each residential dwelling, home unit or flat within the defined waste collection area for the collection of one waste bin per week and one recycling bin per fortnight:

Description	Annual Charge
240L waste and 240L recycle wheelie bin	\$202
240L waste and 360L recycle wheelie bin	\$228
140L waste and 240L recycle wheelie bin	\$194
140L waste and 360L recycle wheelie bin	\$220

Additional waste collection services can be requested. One waste collection service is one waste bin collected per week.

Description	Annual Charge
Additional permanent 240L waste wheelie bin	\$141
Additional permanent 140L waste wheelie bin	\$133

Additional recycling collection services can be requested. One recycling collection service is one recycling bin collected per fortnight.

Description	Annual Charge
Additional permanent 240L recycle wheelie bin	\$58
Additional permanent 360L recycle wheelie bin	\$84

Council imposes an annual fixed charge for each residential dwelling, home unit or flat within the Paluma area, and for waste collection services that council provides outside the defined waste collection area. One waste collection service is one waste bin collected per week. This service will be provided at council's absolute discretion.

Defined Paluma Area and Non-Defined Areas	Annual Charge
240L waste wheelie bin	\$144
140L waste wheelie bin	\$136

Council may choose to supply a bulk bin to a customer instead of a wheelie bin where multiple collections are required each week.

Commencement Date for Full Charges

Developed properties within the defined waste collection area will be charged waste and recycling collection charges from the earlier of:

- ▶ the date collection services are requested or commenced; or
- ▶ the date of the final inspection certificate.

Waste Management Levy

A fixed annual Waste Management Levy of \$40.00 will be charged for the provision of one hard rubbish collection per eligible property and access to free greenwaste disposal at council's waste facilities.

The levy will apply to each dwelling, home unit or flat which is:

- ▶ classified as Category 1, 2, 8, 16, 17, 21 and 24 to 31 for rating purposes; and
- ▶ is inside or outside the defined waste collection area.

The levy does not apply to undeveloped land.

Non-Residential

Non-residential waste collections services within the defined waste collection area are provided upon request. Council imposes an annual fixed charge for each non-residential waste collection service:

Description	Annual Charge
Waste 140L wheelie bin	\$174
Waste 240L wheelie bin	\$182
Recycling 240L wheelie bin	\$88
Recycling 360L wheelie bin	\$132

The waste service charge is for one waste bin collection per week.

The recycling service charge is for one recycling bin collection per fortnight.

Council can supply a range of container sizes to meet specific waste management needs. Prices are available on application.

Appendix 12 – Nelly Bay Harbour Development Operational Plan

Council plans to levy a special rate on identified properties in the Nelly Bay Harbour Development in 2018/19, pursuant to section 94 of the Local Government Regulation 2012.

The Annual Operational Plan detailed in this report sets out the actions and processes to be carried out in 2018/19 for the Nelly Bay Harbour.

2018/19 Annual Operational Plan for Nelly Bay Harbour is as follows:

Gross Pollutant Traps

- ▶ Pre and post wet season inspections
- ▶ Pre and post wet season pollutant removal and
- ▶ Disposal and barge costs

Rock Revetment Walls

- ▶ Annual inspection and condition rating

Gustav Creek

- ▶ Annual inspections of sediment loading (during the wet season)
- ▶ Extraction of sediment out of sediment basin and
- ▶ Implementation of Gustav Creek Management Plan – extract sediment loading to reduce future dredging requirements

Canals

- ▶ Water quality monitoring/floating booms where required
- ▶ Dredging activities including –
 - Bed levelling and dredging to remove sediment from the harbour
 - Survey of new bed level; and
 - Dispersal costs

Appendix 13 – Rural Fire Levy 2018/19

Rural Fire Brigade Area	Annual Charge per Property
Black River and Districts	\$45.00
Bluewater	\$55.00
Bluewater Estate	\$35.00
Clevedon	\$40.00
Crystal Creek	\$20.00
Cungulla	\$40.00
Horseshoe Bay	\$30.00
Lime Hills-Elliott	\$30.00
Majors Creek	\$0.00
Oak Valley	\$0.00
Paluma	\$35.00
Purono Park	\$15.00
Rangewood	\$55.00
Reid River	\$0.00
Rollingstone	\$50.00
Rupertswood	\$40.00
Saunders Beach	\$30.00
Toolakea	\$0.00
West Point	\$30.00

