

# BUDGET AND OPERATIONAL PLAN 2019/20

*A smarter, faster, better Council*

Townsville

TOWNSVILLE CITY COUNCIL

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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

I am pleased today to present Townsville City Council's Budget for 2019/20.

This \$838.1m million Budget is the third consecutive balanced Budget to be delivered by this Council, accompanied again by a low increase in general rates at 2% – a result of strong management and organisational reform that has provided financial certainty and a platform for success.

The fourth Budget for this term of Council and one that again demonstrates our commitment to financial stability, job creation and importantly, recovery.

Our promise to the people of Townsville to deliver cost effectiveness and efficiency will again result in a surplus in our operating position in the order of \$0.4 million for the 2019/20 year.

This Council's sound financial position over recent years has allowed us to invest heavily in community infrastructure including the \$55 million utilities upgrades to the CBD, which has boosted business confidence and sparked renewed investment interest in the city.

We are now seeing this interest translate into infrastructure to support projects such as the North Queensland Stadium, and importantly, jobs that positively contribute to our overall economy.

As a Council we have changed the way our procurement process operates, to ensure our local contractors have the best opportunity to secure work, keeping jobs and money in the region.

A clear example of this is the Townsville Water Pipeline Project, where up to 1,000 local jobs have been created since commencement. Additionally, approval for the Lansdown Business Precinct at Woodstock to attract new innovative job creating industries such as the lithium-ion battery plant and Drive-it NQ.

This budget has an allocation of \$409.1 million invested in infrastructure projects across the entire city, translating directly into jobs and community resilience.

This year's rates increase of 2% will equate to an increase of \$0.55 per week extra for general rates and \$0.69 more in utilities for the average household. We will retain the 10% discount for early rates payments which is taken up by over 90% of Townsville ratepayers and equates to \$15.9 million in foregone revenue so we can put money back in the pockets of ratepayers.

Council continues to support the community who were directly impacted by the monsoon event by further extending the 3-month extension for rates payments for the next two six monthly rates notices.

Our recovery activities are focused around four key areas of need — human and social services, the built environment, the natural environment, and economic recovery.

We've been working with a large number of local business and community groups, as well as State and Federal Government departments and agencies, to ensure our community connects with the right services at the right time.



With this budget we are getting on with the job of rebuilding Townsville's built infrastructure and restoring our natural environment, while connecting our community with those who can help them rebuild their lives.

Water is still a major priority for Council and the water re-use scheme will make it cheaper for our schools and sporting complexes by processing treated wastewater, producing high quality recycled water to be used on sporting fields, public spaces and for industrial use.

Water security projects, such as the Townsville Water Pipeline Project, Water Smart Package and Recycled Water Scheme will be delivered through this budget.

Council is working more sustainably and efficiently when it comes to keeping our city green by rolling out the Water Smart Package to re-educate our city on best practise when it comes to using this precious resource. Registrations for the Water Smart Package will open on the 15th of July and we encourage residents to take up this offer.

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.

The 2019/20 Budget is one that my Councillors and I are extremely proud of, and together 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's 2019/20 Budget is a culmination of a collaborative process between Councillors, the senior management team and key departmental officers. This Budget is both practical and financially responsible.

While the Budget is focussed on long-term financial sustainability, it is about maintaining Council's city-wide commitment to the highest possible levels of affordable service delivery, rebuilding our community after the monsoon event, and giving locals the best opportunities in employment and business.

Building on the solid foundation of previous years, this Budget will also ensure Council can continue to appropriately maintain its assets and be well positioned to deliver the necessary future capital works and facilities our community needs and expects.

In bringing down this Budget it is fitting to reflect on the essential and deliberate approaches taken in previous yearly budgets. Those strategies were focussed on organisational reform and operating as a smarter, faster and better Council. The fact that Council again has a balanced Budget and can report a surplus speaks volumes to this as a success.

What is also worth noting is over the last four years Council has allocated in excess of \$1.2bn in vital infrastructure, while continuing to reduce debt. This is remarkable achievement, especially when put in the context of working through the combined challenges and impacts of this year's weather event.

In this Budget Council delivers major job-creating economic development projects, with \$409.1 million to be invested in our capital works plan this financial year.

The Townsville Water Pipeline represents a major component of our infrastructure spend. This project, alongside the Recycled Water Re-use Scheme and Water Smart Package will deliver water security to our community by March 2020.

Projects have ranged from major strategic infrastructure such as Ingham Road & Enterprise Street, Tobruk Pool reconstruction and the Southern Suburbs Rising Main, combined with the delivery of our 2020 projects such as Mount Louisa Open Space Masterplan, Castle Hill Concept Plan and Riverway Splash Water Park.

Our team has done an excellent job in the creation of this Budget and I am confident this year the entire Townsville community will see further economic and community benefits from these major projects.



**Mike Chiodo**  
**Chief Executive Officer**



# TOWNSVILLE CITY COUNCIL 2019/20 BUDGET

## BUILDING FOR OUR FUTURE



**\$838.1m**

### TOTAL BUDGET

Invested in infrastructure and operations.



**\$429.0m**

### OPERATING COSTS

Invested in Council services for the community.



**\$139.9m**

### 3-POINT WATER PROGRAM INVESTMENT

Including the Water Pipeline Project, Water Smart Package and Recycled Water Re-use Scheme



**Extension**

### RATES EXTENSION FOR UNPRECEDENTED MONSOON EVENT

3 months due date extension for ratepayers affected by monsoon event for next two six-monthly rates notices.



**\$15m +**

### DELIVERING ARTS, CULTURE AND EVENTS

Including NAFA, Strand Ephemera, Festival of Stories, Townsville Eats, Library Services, Carols by Candlelight and much more.



**\$5.5m**

### PENSIONER CONCESSIONS

One of the most generous pensioner rate concessions in Queensland with up to \$800 available to eligible pensioners.



**Free**

### PENSIONER PET FEES

Registration for first desexed dog waived and approval fee for up to two desexed and microchipped cats waived.



**\$409.1m**

### INFRASTRUCTURE INVESTMENT

Capital investment in Townsville infrastructure.



**2,831**

### JOBS FORECAST

Through capital investment - ensuring locals have the best opportunity to secure work.



**\$127.8m**

### ROADS, PARKS AND FOOTPATHS

Maintaining and improving roads and footpaths and managing 338 parks.



**\$13.3m**

### COMMUNITY SAFETY

Includes operating CCTV system to provide 24/7 monitoring service and better lighting and footpaths.



**\$4.1m**

### COMMUNITY GRANTS, SPONSORSHIP AND FUNDING AGREEMENTS

Includes new sporting infrastructure grants and other art and cultural grants.



**10%**

### PAYMENT DISCOUNT ON RATES

When rates are paid by the due date.



**2%**

### RATE RISE - CPI 1.8% END DEC 2018

Equates to an increase of \$0.55 per week extra for general rates and \$0.69 more in utilities for the average household.



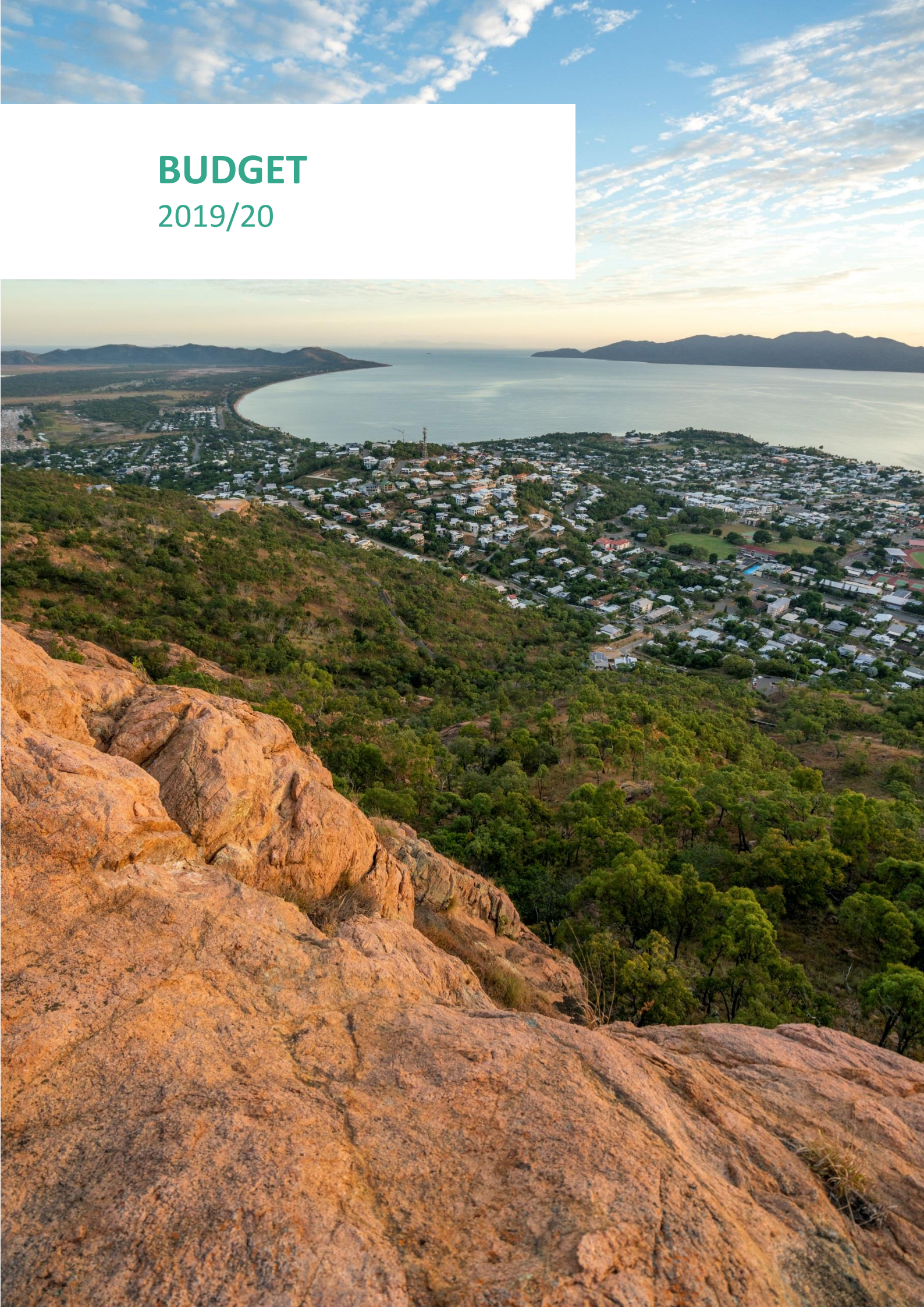
**3rd year**

### CONSECUTIVE BALANCED BUDGET DELIVERED & REDUCING DEBT



# BUDGET

## 2019/20





# Budget 2019/20

## Overview

Council is forecasting an underlying surplus of \$0.4m for the 2019/20 budget year.

The 2019/20 budget has been prepared and presented by the Mayor in accordance with the *Local Government Act 2009*. It is consistent with the Corporate Plan 2020-2024 and the Operational Plan 2019/20.

## Statement of Income and Expenditure

The Statement of Income and Expenditure included at Table 1 is a financial statement that measures Council'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 financial year.

### ► Revenue

Revenue includes rates and utility charges, less discounts and concessions plus Council's fees and charges. Interest received relates to interest on bank balances and interest on overdue rates and utility charges.

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 an advanced payment relating to State Waste Levy, 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 relate 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 Council, typically over a financial 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 financial 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.
- ▶ General Rates and Utility Charges Concession Schedule – Appendix 6a
- ▶ Differential Rating Categories 2019/20 – Appendix 7
- ▶ Differential Rates, Limitations on Increases, Minimum General Rates – 2019/20 – Appendix 8
- ▶ Utility Charges – Water 2019/20 – Appendix 9
- ▶ Utility Charges – Sewerage and Trade Waste 2019/20 – Appendix 10
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- ▶ Nelly Bay Harbour Development Operational Plan – Appendix 12
- ▶ Rural Fire Levy 2019/20 – Appendix








## 2019/20 Operating Budget Summary













### 2019/20 Budget Operating Revenue

	General rates	\$173.8m		Interest received	\$5.6m
	Utility charges	\$208.0m		Contributions from developers	\$0.3m
	Less: Discounts & concessions	(\$25.3m)		Grants & subsidies	\$18.6m
	Fees & charges	\$35.6m		Other Revenue	\$12.8m
Total Operating Revenue		\$429.4m			

### 2019/20 Budget Operating Expenses

	Employee costs	\$134.9m		Depreciation & amortisation	\$127.7m
	Materials & services	\$143.3m		Other expenses	\$1.3m
	Finance costs	\$21.7m			
Total Operating Expenses		\$429.0m			
Operating Surplus		\$0.4m			

## 2019/20 Capital Expenditure Budget Summary

2019/20 Budget Capital Works					
	Townsville Water Pipeline	\$117.9m		Southern Suburbs Rising Main	\$24.5m
	Roads & Transport Management	\$89.1m		Tobruk Pool Redevelopment	\$11.3m
	Open Spaces	\$38.7m		Wastewater Pipe Network	\$46.2m
	Buildings and Facilities	\$6.5m		Water Pipe Network	\$26.0m
	Waste Landfill	\$16.0m		Drain & Stormwater Management	\$13.7m
	Information & Communications Technology	\$9.8m		Other Projects	\$9.4m
Total Capital Expenditure		\$409.1m			



**TABLE 1: STATEMENT OF INCOME AND EXPENDITURE**

	2019/20	2020/21	2021/22
	\$'000	\$'000	\$'000
<b>Revenue</b>			
General rates	173,824	179,020	184,518
Utility charges	207,963	216,693	223,326
<i>Water</i>	99,297	104,779	107,974
<i>Wastewater</i>	87,537	90,154	92,922
<i>Refuse and recycling</i>	21,129	21,761	22,429
Discounts and concessions	(25,300)	(26,150)	(26,393)
Fees and charges	35,684	34,594	33,965
Interest received	5,578	3,736	4,401
Contributions from developers	278	283	289
Grants and subsidies	18,564	9,987	10,214
Other revenue	12,799	13,612	14,078
<b>Total revenue</b>	<b>429,390</b>	<b>431,776</b>	<b>444,398</b>
<b>Expenses</b>			
Employee costs	134,940	138,302	141,773
Materials and services	143,293	141,187	144,432
Depreciation and amortisation	127,709	128,184	128,067
Finance costs	21,719	20,311	19,110
Other expenses	1,294	1,171	1,203
<b>Total expenses</b>	<b>428,955</b>	<b>429,155</b>	<b>434,585</b>
<b>Operating surplus/(deficit)</b>	<b>435</b>	<b>2,621</b>	<b>9,814</b>
<b>Operating surplus ratio</b>	<b>0.10%</b>	<b>0.61%</b>	<b>2.21%</b>
<b>Capital income</b>			
Grants, subsidies, contributions and donations	321,830	94,245	78,686
<b>Total capital income and expenses</b>	<b>321,830</b>	<b>94,245</b>	<b>78,686</b>
<b>Net result</b>	<b>322,265</b>	<b>96,866</b>	<b>88,500</b>

**TABLE 2: STATEMENT OF FINANCIAL POSITION**

	2019/20	2020/21	2021/22
	\$'000	\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents	63,644	72,875	76,124
Trade and other receivables	37,687	37,085	38,098
Inventories	1,486	1,486	1,486
Other assets	4,211	4,211	4,211
<b>Total current assets</b>	<b>107,028</b>	<b>115,657</b>	<b>119,919</b>
<b>Non-current assets</b>			
Trade and other receivables	1	1	-
Property, plant and equipment	5,046,503	5,120,325	5,167,904
Intangible assets	6,610	5,227	4,654
Other assets	4,970	4,970	4,970
<b>Total non-current assets</b>	<b>5,058,084</b>	<b>5,130,522</b>	<b>5,177,528</b>
<b>Total assets</b>	<b>5,165,112</b>	<b>5,246,180</b>	<b>5,297,447</b>
<b>Current liabilities</b>			
Trade and other payables	64,942	61,048	62,641
Borrowings	31,990	34,987	37,127
Provisions	27,674	28,108	27,207
Other current liabilities	354	354	354
<b>Total current liabilities</b>	<b>124,959</b>	<b>124,496</b>	<b>127,329</b>
<b>Non-current liabilities</b>			
Borrowings	335,773	325,826	288,699
Provisions	29,674	24,952	12,120
Other non-current liabilities	1,723	1,723	1,723
<b>Total non-current liabilities</b>	<b>367,170</b>	<b>352,501</b>	<b>302,542</b>
<b>Total liabilities</b>	<b>492,129</b>	<b>476,997</b>	<b>429,871</b>
<b>Net community assets</b>	<b>4,672,983</b>	<b>4,769,183</b>	<b>4,867,576</b>
<b>Community equity</b>			
Asset revaluation reserve	752,282	755,616	768,010
Retained surplus	3,920,701	4,013,567	4,099,567
<b>Total community equity</b>	<b>4,672,983</b>	<b>4,773,183</b>	<b>4,874,076</b>



**TABLE 3: STATEMENT OF CASH FLOWS**

	2019/20	2020/21	2021/22
	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>			
Receipts from customers	407,743	425,344	437,992
Payment to suppliers and employees	(297,328)	(291,295)	(299,472)
Interest received	5,578	3,736	4,401
Borrowing costs	(20,832)	(19,294)	(18,093)
<b>Net cash provided by operating activities</b>	<b>95,161</b>	<b>118,490</b>	<b>124,829</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment	(346,252)	(132,288)	(103,419)
Net movement in loans and advances	1	2,335	-
Proceeds from sale of property, plant and equipment	414	2,355	640
	173,282	25,289	16,186
Grants, subsidies, contributions and donations	-	-	-
<b>Net cash used in investing activities</b>	<b>(172,555)</b>	<b>(102,309)</b>	<b>(86,593)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	20,000	25,000	-
Repayment of borrowings	(29,655)	(31,950)	(34,987)
<b>Net cash provided by financing activities</b>	<b>(9,655)</b>	<b>(6,950)</b>	<b>(34,987)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(87,049)</b>	<b>9,231</b>	<b>3,249</b>
Cash at beginning of reporting period	150,693	63,644	72,875
<b>Cash at end of reporting period</b>	<b>63,644</b>	<b>72,875</b>	<b>76,124</b>

**TABLE 4: STATEMENT OF CHANGES IN EQUITY**

	2019/20	2020/21	2021/22
	\$'000	\$'000	\$'000
<b>Asset revaluation reserve</b>			
Opening balance	752,282	752,282	755,616
Increase in asset revaluation reserve	-	3,334	12,394
<b>Closing balance</b>	<b>752,282</b>	<b>755,616</b>	<b>768,010</b>
<b>Retained surplus</b>			
Opening balance	3,694,469	3,920,702	4,017,568
Adjustment on initial application of AASB 15, AASB 1058 and AASB 16	(96,032)		
Net result for the period	322,265	96,866	88,500
<b>Closing balance</b>	<b>3,920,702</b>	<b>4,017,568</b>	<b>4,106,068</b>
<b>Total community equity</b>	<b>4,672,983</b>	<b>4,773,183</b>	<b>4,874,076</b>

**TABLE 5: CHANGE IN RATES AND UTILITIES LEVIED**

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

	18/19 - 19/20	19/20 - 20/21	20/21 - 21/22
Increase in rates and utility charges revenue <b>before discounts and concessions</b> (increases include average growth of 0.94% over the forecast period)	4.50%	3.65%	3.07%
Increase in rates and utility charges revenue <b>after discounts and concessions</b> (increases include average growth of 0.94% over the forecast period)	4.64%	3.67%	3.22%



**TABLE 6: STATEMENT OF BUSINESS ACTIVITIES**

Account classification	Townsville Water 2019/20 \$'000	Townsville Waste 2019/20 \$'000	Performing Arts 2019/20 \$'000
<b>Operating revenue</b>			
Utility charges	201,811	21,293	-
Less discount and concessions	(2,420)	(235)	-
Fees and charges	2,786	23,330	905
Income from investments and financing	966	133	-
National Competition Policy revenue / recovery	4,216	1,549	-
Grants and subsidies	8,225	-	100
Other revenue	11,879	7,700	1,318
<b>Total operating revenue</b>	<b>227,463</b>	<b>53,770</b>	<b>2,323</b>
<b>Operating expenses</b>			
Employee costs	19,800	7,678	3,163
Materials and services	61,297	32,679	6,461
Finance costs	16,495	532	-
Depreciation and amortisation	43,116	3,355	58
National Competition Policy expense / charges	776	380	-
Other expenses	191	15	-
<b>Total operating expenses</b>	<b>141,675</b>	<b>44,638</b>	<b>9,683</b>
<b>Operating surplus / (deficit) before income tax</b>	<b>85,788</b>	<b>9,132</b>	<b>(7,359)</b>
Income tax	25,736	2,740	-
<b>Operating surplus / (deficit)</b>	<b>60,052</b>	<b>6,392</b>	<b>(7,359)</b>
<b>Capital income</b>			
Contributions capital	4,694	-	-
Contributions non-cash capital	23,782	-	-
Grants and subsidies capital	182,716	-	-
<b>Total capital income</b>	<b>211,191</b>	<b>-</b>	<b>-</b>
<b>Net result</b>	<b>271,243</b>	<b>6,392</b>	<b>(7,359)</b>
<b>Capital works</b>			
Capital works	193,763	14,869	-
Restoration and rehabilitation work	-	1,200	-
Donated assets	23,782	-	-
<b>Total capital works</b>	<b>217,545</b>	<b>16,069</b>	<b>-</b>

**TABLE 6: STATEMENT OF BUSINESS ACTIVITIES (continued)**

Account classification	Townsville Water 2019/20 \$'000	Townsville Waste 2019/20 \$'000	Performing Arts 2019/20 \$'000
<b>Operating revenue</b>			
Services provided to local government (LG)	27,525	8,036	-
Services provided to clients other than LG	196,329	44,405	2,323
Community service obligation	3,608	1,330	-
<b>Total operating revenue</b>	<b>227,463</b>	<b>53,770</b>	<b>2,323</b>
<b>Operating expenses</b>	<b>141,675</b>	<b>44,638</b>	<b>9,683</b>
Other capital amounts	211,191	-	-
<b>Net result before tax</b>	<b>296,979</b>	<b>9,132</b>	<b>(7,359)</b>
Income tax	25,736	2,740	-
<b>Net result after tax</b>	<b>271,243</b>	<b>6,392</b>	<b>(7,359)</b>

Community service obligations	Townsville Water 2019/20 \$'000	Townsville Waste 2019/20 \$'000
Concessions on Wastewater Utility Charges	602	-
Concessions on Water Utility Charges	2,998	-
Arcadia Surf Life Saving Club (Sewerage Pump Out)	8	-
Concessions on landfill fees for charity organisations	-	73
Costs of provision of dead animal collection services	-	32
Costs of provision of infirmed services	-	39
Clean-up Australia Day	-	1
Free Dump Weekend November	-	170
Community Clean Up Events	-	15
Stadium Remediation Works	-	1,000
Concessions on Wastewater Utility Charges	602	-
<b>Total community service obligations</b>	<b>3,608</b>	<b>1,330</b>



## 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 from where Council sources its revenue, including how it will apply rates.

All 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 approximates the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their service potential.

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)**

	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	2028/29 \$'000
<b>Revenue</b>										
General rates	173,824	179,020	184,518	190,561	196,996	203,850	211,150	218,926	227,213	236,044
Utility charges	207,963	216,693	223,326	230,608	238,359	246,610	255,393	264,747	274,709	285,441
<i>Water</i>	99,297	104,779	107,974	111,479	115,207	119,173	123,393	127,885	132,667	137,878
<i>Wastewater</i>	87,537	90,154	92,922	95,966	99,206	102,658	106,334	110,250	114,423	118,871
<i>Refuse &amp; recycling</i>	21,129	21,761	22,429	23,163	23,946	24,779	25,666	26,611	27,619	28,692
Discounts and concessions	(25,300)	(26,150)	(26,393)	(26,643)	(26,902)	(27,172)	(27,451)	(27,742)	(28,042)	(28,353)
Fees and charges	35,684	34,594	33,965	34,523	35,094	35,679	36,278	36,892	37,521	38,165
Interest received	5,578	3,736	4,401	4,458	4,555	4,680	5,104	5,137	4,473	4,855
Contributions from developers	278	283	289	294	300	305	310	315	321	326
Grants and subsidies	18,564	9,987	10,214	10,448	10,688	10,936	11,192	11,455	11,726	12,005
Other revenue	12,799	13,612	14,078	14,549	14,963	15,492	16,058	16,300	16,639	16,958
<b>Total revenue</b>	<b>429,390</b>	<b>431,776</b>	<b>444,398</b>	<b>458,798</b>	<b>474,053</b>	<b>490,380</b>	<b>508,033</b>	<b>526,031</b>	<b>544,560</b>	<b>565,441</b>
<b>Expenses</b>										
Employee costs	134,940	138,302	141,773	145,476	149,276	153,175	157,333	161,603	165,989	170,663
Materials and services	143,293	141,187	144,432	150,459	156,248	162,580	170,332	178,017	186,021	194,305
Depreciation and amortisation	127,709	128,184	128,067	131,494	132,812	134,174	140,819	149,398	155,633	159,000
Finance costs	21,719	20,311	19,110	16,892	14,598	12,823	11,958	10,938	9,310	8,367
Other expenses	1,294	1,171	1,203	1,238	1,275	1,314	1,356	1,401	1,448	1,498
<b>Total expenses</b>	<b>428,955</b>	<b>429,155</b>	<b>434,585</b>	<b>445,560</b>	<b>454,211</b>	<b>464,067</b>	<b>481,799</b>	<b>501,357</b>	<b>518,401</b>	<b>533,833</b>
<b>Operating surplus/(deficit)</b>	<b>435</b>	<b>2,621</b>	<b>9,814</b>	<b>13,238</b>	<b>19,842</b>	<b>26,314</b>	<b>26,234</b>	<b>24,674</b>	<b>26,158</b>	<b>31,608</b>
<b>Operating surplus ratio</b>	<b>0.10%</b>	<b>0.61%</b>	<b>2.21%</b>	<b>2.89%</b>	<b>4.19%</b>	<b>5.37%</b>	<b>5.16%</b>	<b>4.69%</b>	<b>4.80%</b>	<b>5.59%</b>
<b>Capital income</b>										
Grants, subsidies, contributions and donations	321,830	94,245	78,686	138,516	113,156	140,093	210,745	157,123	155,480	163,308
<b>Total capital income and expenses</b>	<b>321,830</b>	<b>94,245</b>	<b>78,686</b>	<b>138,516</b>	<b>113,156</b>	<b>140,093</b>	<b>210,745</b>	<b>157,123</b>	<b>155,480</b>	<b>163,308</b>
<b>Net result</b>	<b>322,265</b>	<b>96,866</b>	<b>88,500</b>	<b>151,754</b>	<b>132,998</b>	<b>166,407</b>	<b>236,979</b>	<b>181,797</b>	<b>181,638</b>	<b>194,916</b>

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

	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	2028/29 \$'000
<b>Current assets</b>										
Cash and cash equivalents	63,644	72,875	76,124	77,717	86,302	107,551	116,621	95,903	97,597	96,240
Trade and other receivables	37,687	37,085	38,098	39,328	40,517	42,017	43,494	45,029	46,542	48,422
Inventories	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486
Other current assets	4,211	4,211	4,211	4,211	4,211	4,211	4,211	4,211	4,211	4,211
<b>Total current assets</b>	<b>107,028</b>	<b>115,657</b>	<b>119,919</b>	<b>122,742</b>	<b>132,515</b>	<b>155,265</b>	<b>165,812</b>	<b>146,629</b>	<b>149,836</b>	<b>150,359</b>
<b>Non-current assets</b>										
Trade and other receivables	1	1	-	-	-	-	-	-	-	-
Property, plant and equipment	5,046,503	5,124,325	5,174,404	5,297,432	5,406,430	5,576,192	5,809,037	5,998,634	6,187,108	6,366,187
Intangible assets	6,610	5,227	4,654	4,591	4,554	4,523	4,492	4,470	4,448	4,426
Other non-current assets	4,970	4,970	4,970	4,970	4,970	4,970	4,970	4,970	4,970	4,970
<b>Total non-current assets</b>	<b>5,058,084</b>	<b>5,134,522</b>	<b>5,184,028</b>	<b>5,306,993</b>	<b>5,415,955</b>	<b>5,585,686</b>	<b>5,818,500</b>	<b>6,008,075</b>	<b>6,196,527</b>	<b>6,375,583</b>
<b>Total assets</b>	<b>5,165,112</b>	<b>5,250,180</b>	<b>5,303,947</b>	<b>5,429,735</b>	<b>5,548,470</b>	<b>5,740,951</b>	<b>5,984,312</b>	<b>6,154,704</b>	<b>6,346,363</b>	<b>6,525,941</b>
<b>Current liabilities</b>										
Trade and other payables	64,942	61,048	62,641	65,340	67,722	70,722	74,081	77,421	80,655	84,500
Borrowings	31,990	34,987	37,127	34,849	26,894	29,226	31,491	28,987	31,367	28,228
Provisions	27,674	28,108	27,207	29,066	32,315	34,617	35,946	37,822	39,100	39,334
Other current liabilities	354	354	354	354	354	354	354	354	354	354
<b>Total current liabilities</b>	<b>124,959</b>	<b>124,496</b>	<b>127,329</b>	<b>129,609</b>	<b>127,284</b>	<b>134,919</b>	<b>141,871</b>	<b>144,583</b>	<b>151,476</b>	<b>152,417</b>
<b>Non-current liabilities</b>										
Borrowings	335,773	325,826	288,699	253,850	226,956	217,762	206,303	177,316	165,980	137,752
Provisions	29,674	24,952	12,120	12,761	20,188	22,994	22,339	23,062	20,870	13,576
Other non-current liabilities	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723
<b>Total non-current liabilities</b>	<b>367,170</b>	<b>352,501</b>	<b>302,542</b>	<b>268,334</b>	<b>248,867</b>	<b>242,479</b>	<b>230,364</b>	<b>202,101</b>	<b>188,573</b>	<b>153,051</b>
<b>Total liabilities</b>	<b>492,129</b>	<b>476,997</b>	<b>429,871</b>	<b>397,943</b>	<b>376,151</b>	<b>377,398</b>	<b>372,236</b>	<b>346,684</b>	<b>340,050</b>	<b>305,468</b>
<b>Net community assets</b>	<b>4,672,983</b>	<b>4,773,183</b>	<b>4,874,076</b>	<b>5,031,792</b>	<b>5,172,319</b>	<b>5,363,553</b>	<b>5,612,076</b>	<b>5,808,020</b>	<b>6,006,314</b>	<b>6,220,473</b>
<b>Community equity</b>										
Asset revaluation reserve	752,282	755,616	768,010	773,972	781,500	806,328	817,871	832,019	848,674	867,917
Retained surplus	3,920,701	4,017,567	4,106,067	4,257,820	4,390,819	4,557,225	4,794,205	4,976,001	5,157,640	5,352,556
<b>Total community equity</b>	<b>4,672,983</b>	<b>4,773,183</b>	<b>4,874,076</b>	<b>5,031,792</b>	<b>5,172,319</b>	<b>5,363,553</b>	<b>5,612,076</b>	<b>5,808,020</b>	<b>6,006,314</b>	<b>6,220,473</b>



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

	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	2028/29 \$'000
<b>Cash flows from operating activities</b>										
Receipts from customers	407,743	425,344	437,992	452,086	467,253	483,108	500,324	518,191	537,363	557,452
Payment to suppliers and employees	(297,328)	(291,295)	(299,472)	(291,968)	(301,704)	(311,387)	(324,878)	(334,931)	(350,944)	(369,442)
Interest received	5,578	3,736	4,401	4,458	4,555	4,680	5,104	5,137	4,473	4,855
Borrowing costs	(20,832)	(19,294)	(18,093)	(15,875)	(13,581)	(11,806)	(10,941)	(9,921)	(8,293)	(7,350)
<b>Net cash provided by operating activities</b>	<b>95,161</b>	<b>118,490</b>	<b>124,829</b>	<b>148,700</b>	<b>156,524</b>	<b>164,597</b>	<b>169,609</b>	<b>178,476</b>	<b>182,600</b>	<b>185,514</b>
<b>Cash flow from investing activities</b>										
Payments for property, plant and equipment	(346,252)	(132,288)	(103,419)	(130,752)	(139,375)	(201,726)	(232,824)	(208,917)	(209,676)	(204,257)
Net movement in loans and advances	1	2,335	-	-	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	414	2,355	640	659	1,011	844	2,203	649	803	1,206
Grants, subsidies, contributions and donations	173,282	25,289	16,186	20,112	25,274	64,397	79,277	40,565	36,923	47,546
<b>Net cash used in investing activities</b>	<b>(172,555)</b>	<b>(102,309)</b>	<b>(86,593)</b>	<b>(109,981)</b>	<b>(113,090)</b>	<b>(136,485)</b>	<b>(151,344)</b>	<b>(167,703)</b>	<b>(171,950)</b>	<b>(155,505)</b>
<b>Cash flows from financing activities</b>										
Proceeds from borrowings	20,000	25,000	-	-	-	20,000	20,000	-	20,000	-
Repayment of borrowings	(29,655)	(31,950)	(34,987)	(37,127)	(34,849)	(26,862)	(29,194)	(31,491)	(28,955)	(31,367)
<b>Net cash provided by financing activities</b>	<b>(9,655)</b>	<b>(6,950)</b>	<b>(34,987)</b>	<b>(37,127)</b>	<b>(34,849)</b>	<b>(6,862)</b>	<b>(9,194)</b>	<b>(31,491)</b>	<b>(8,955)</b>	<b>(31,367)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(87,049)</b>	<b>9,231</b>	<b>3,249</b>	<b>1,592</b>	<b>8,585</b>	<b>21,249</b>	<b>9,070</b>	<b>(20,718)</b>	<b>1,694</b>	<b>(1,358)</b>
Cash at beginning of reporting period	150,693	63,644	72,875	76,124	77,717	86,302	107,551	116,621	95,903	97,597
<b>Cash at end of reporting period</b>	<b>63,644</b>	<b>72,875</b>	<b>76,124</b>	<b>77,717</b>	<b>86,302</b>	<b>107,551</b>	<b>116,621</b>	<b>95,903</b>	<b>97,597</b>	<b>96,240</b>

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

	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	2028/29 \$'000
<b>Asset revaluation reserve</b>										
Opening balance	752,282	752,282	755,616	768,010	773,972	781,500	806,328	817,871	832,019	848,674
Increase in asset revaluation reserve	-	3,334	12,394	5,962	7,528	24,827	11,544	14,147	16,655	19,243
<b>Closing balance</b>	<b>752,282</b>	<b>755,616</b>	<b>768,010</b>	<b>773,972</b>	<b>781,500</b>	<b>806,328</b>	<b>817,871</b>	<b>832,019</b>	<b>848,674</b>	<b>867,917</b>
<b>Retained surplus</b>										
Opening balance	3,694,469	3,920,702	4,017,568	4,106,068	4,257,821	4,390,820	4,557,226	4,794,206	4,976,002	5,157,640
Adjustment on initial application of AASB 15, AASB 1058 and AASB 16	(96,032)	-	-	-	-	-	-	-	-	-
Net result for the period	322,265	96,866	88,500	151,754	132,998	166,407	236,979	181,797	181,638	194,916
<b>Closing balance</b>	<b>3,920,702</b>	<b>4,017,568</b>	<b>4,106,068</b>	<b>4,257,821</b>	<b>4,390,820</b>	<b>4,557,226</b>	<b>4,794,206</b>	<b>4,976,002</b>	<b>5,157,640</b>	<b>5,352,556</b>
<b>Total community equity</b>	<b>4,672,983</b>	<b>4,773,183</b>	<b>4,874,076</b>	<b>5,031,792</b>	<b>5,172,319</b>	<b>5,363,553</b>	<b>5,612,076</b>	<b>5,808,020</b>	<b>6,006,314</b>	<b>6,220,473</b>

**TABLE 11: MEASURES OF FINANCIAL SUSTAINABILITY**

	Target Ratio	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Operating surplus ratio</b> (Net operating surplus / Total operating revenue)	<b>0% - 10%</b>	0.1%	0.6%	2.2%	2.9%	4.2%	5.4%	5.2%	4.7%	4.8%	5.6%
<b>Net financial liability ratio</b> (Total liabilities - Current assets) / Total operating revenue	<b>&lt;60%</b>	89.7%	83.7%	69.8%	60.0%	51.4%	45.3%	40.6%	38.0%	34.9%	27.4%
<b>Asset sustainability ratio</b> (Capital expenditure on the replacement of assets (renewals) / Depreciation)	<b>&gt;90%</b>	78.0%	72.1%	67.4%	64.4%	72.9%	90.5%	93.9%	89.2%	80.6%	79.3%



# OPERATIONAL PLAN

2019/20





## Operational Plan 2019/20

Our Operational Plan sets the direction for 2019/20 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 services to the community; delivering on the Corporate Plan 2020-2024, 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 the Local Government Regulation 2012. Legislation requires that the Annual Budget and Operational Plan be consistent.

Council's Operational Plan has been developed in line with the following local government principles prescribed in the *Local Government Act 2009* –

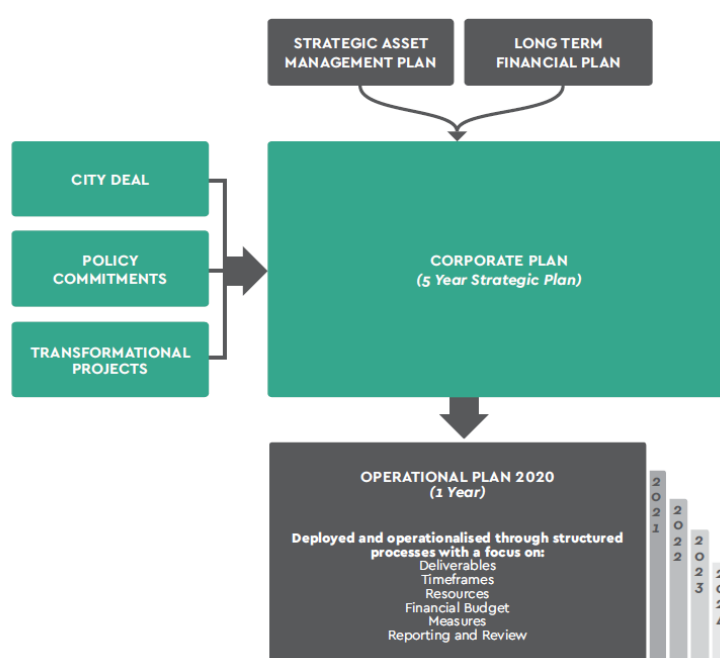
- ▶ Transparent and effective processes and decision making in the public interest
- ▶ Ethical and legal behaviour of Councillors and local government employees
- ▶ Sustainable development and management of assets and infrastructure, and delivery of effective services
- ▶ Good governance of, and by,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

## Strategic Planning Framework

Council's Budget outlines the financial plan to deliver the commitments and initiatives in the Corporate and Operational Plans, as part of Council's Strategic Planning Framework. The Strategic Asset Management Plan and the Long term Financial Plan also form part of Council's Strategic Planning Framework, informing Council's financial sustainability for the next 10 years.

Council's performance metrics for 2019/20 have been developed in alignment with the Operational Plan 2019/20. These metrics reflect the delivery of the Corporate Plan, Policy Commitments, Townsville City Deal, Transformational Projects, key funding requirements and other important organisational priorities. Progress on delivering the Operational Plan 2019/20 will be reported by Council each quarter.

### STRATEGIC PLANNING FRAMEWORK



## Measuring our Performance

Council will assess the achievement of its Operational Plan on a quarterly basis and publish publicly 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.

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

- ▶ Townsville Water and Waste
- ▶ Construction, Maintenance and Operations
- ▶ Infrastructure, Planning, Assets and Fleet
- ▶ Major Projects
- ▶ Environmental Services
- ▶ Community Engagement
- ▶ Planning Services
- ▶ Cultural Services
- ▶ Future Cities
- ▶ People and Culture
- ▶ Procurement
- ▶ Information Technology Services
- ▶ Legal Services
- ▶ Finance Services

These responsible areas deliver a range of services and programs that support or provide services and projects to the community.

## Council Guiding Principles

At Townsville City Council, we are committed to making well informed, transparent and responsible decisions and acting with integrity, honesty and respect. The following principles guide our plans, initiatives and decisions:



### OUR COMMUNITY

Engage with our community to understand their expectations and needs and work in partnership with the community, businesses and stakeholders to build a great city.



### OUR SERVICES

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



### OUR PEOPLE

Value our people and treat everyone with fairness and equity. We value learning and collaboration as the foundation for delivering the best service for our ratepayers and customers.



### OUR STEWARDSHIP

Always act in the public interest as responsible and ethical stewards of the city and the public assets and resources under our control.

## Managing 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 documents state that Council will manage risk by integrating risk management practices into Corporate and Operational Planning.



## Operational Plan Goals and Objectives

The Corporate Plan 2020-2024 and Operational Plan 2019/20 have been developed incorporating the following vision, mission, goals, objectives and deliverables to be delivered by the responsible areas within Council, with progress reported by Council each quarter.

### COUNCIL VISION AND MISSION

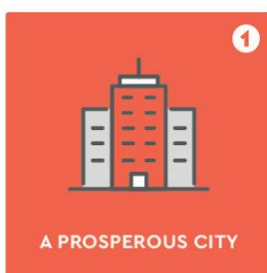
#### OUR VISION:

Townsville, capital of Northern Australia, a city of opportunity and great lifestyle.

#### OUR MISSION:

We are committed to delivering quality services to facilitate sustainable growth through inspired leadership, community engagement and responsible management.





## GOAL 1: A Prosperous City

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

**2019/20 Operating budget \$77.3m**

**2019/20 Capital budget \$12.2m**

### OBJECTIVE 1.1

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

#### DELIVERABLES:

**C** City Deal **P** Policy Commitments **T** Transformational Projects **O** Other Council Priorities

C	P	T	O			
○	✓	✓	○	1.1.01	Promote a single consensus vision for the economic development of Townsville	Future Cities
✓	✓	○	○	1.1.02	Ensure an economic development strategy translates the City vision effectively into actions	Future Cities
○	✓	○	○	1.1.03	Ensure Council's Procurement Policy appropriately maximises support to the local economy	Procurement
✓	○	○	○	1.1.04	Attract and manage appropriate new investors in conjunction with the Queensland Government and other key stakeholders	Future Cities
✓	✓	○	○	1.1.05	Support local businesses to innovate and adapt in key industries	Future Cities
○	✓	○	○	1.1.06	Support local businesses by limiting future rate rises at, or around, Consumer Price Index (CPI)	Finance Services
✓	○	○	○	1.1.07	Maintain strong formal relationships with the Department of Defence and Defence Industries Queensland	Future Cities
○	✓	○	○	1.1.08	Maximise opportunities and local benefits from the Australian Singapore Military Training Initiative	Future Cities
○	✓	○	○	1.1.09	Lead the Townsville and NQ Defence Industries Taskforce to focus on future defence opportunities	Future Cities
✓	✓	○	○	1.1.10	Strengthen relationships and local capabilities to attract visiting international and domestic warships	Future Cities
✓	✓	○	○	1.1.11	Support a smart, data driven decision-making business community	Information Technology Services
✓	✓	○	○	1.1.12	Enable technology that supports a hyper connected and omniscient citizens and workforce	Information Technology Services
✓	○	○	○	1.1.13	Promote the North Queensland Regional Data Centre to become a critical digital hub for the North of Australia	Information Technology Services

### OBJECTIVE 1.2

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

#### DELIVERABLES:

○	✓	○	○	1.2.01	Work with Governments and operators to attract investment opportunities at Townsville access ports	Future Cities
✓	✓	○	○	1.2.02	Work with Townsville Enterprise Limited and key stakeholders to increase Townsville domestic and international flights for tourism and industry development	Future Cities
○	✓	○	○	1.2.03	Manage the Townsville Tourism Policy to focus on increasing regional visitations	Future Cities
○	✓	○	○	1.2.04	Work with Townsville Enterprise Limited, Tourism Queensland and other key stakeholders to promote "Edu-tourism" in the region	Future Cities
✓	○	○	○	1.2.05	Engage with the Cooperative Research Centre (CRC) for Developing Northern Australia to maximise development opportunities	Future Cities

### OBJECTIVE 1.3

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

#### DELIVERABLES:

**C** City Deal    **P** Policy Commitments    **T** Transformational Projects    **O** Other Council Priorities

C	P	T	O			
✓	✓	○	○	<b>1.3.01</b>	Manage the Smart City Strategy to maximise digital connectivity	Future Cities
✓	✓	✓	○	<b>1.3.02</b>	Encourage community engagement through accessible, transparent reporting tools	Community Engagement
○	✓	○	○	<b>1.3.03</b>	Manage urban land supply to meet current and future needs	Planning Services
✓	✓	○	○	<b>1.3.04</b>	Explore innovative public transport solutions	Planning Services
✓	✓	○	○	<b>1.3.05</b>	Ensure the Townsville Regional Integrated Transport Plan meets and adapts to Townsville's growing requirements	Planning Services
✓	✓	○	○	<b>1.3.06</b>	Monitor transport planning through the Townsville Transport Advisory Council	Planning Services
✓	○	○	○	<b>1.3.07</b>	Ensure the Woodstock-Giru Road / Flinders Highway intersection is effectively managed	Future Cities
○	✓	○	○	<b>1.3.08</b>	Deliver affordable water and utilities strategies for residents and businesses of Townsville	Townsville Water and Waste

### OBJECTIVE 1.4

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

#### DELIVERABLES:

✓	○	○	○	<b>1.4.01</b>	Enable the delivery of the North Queensland Stadium	Townsville Water and Waste
✓	○	○	○	<b>1.4.02</b>	Ensure that Entertainment and Exhibition Centre options meet community and industry requirements	Future Cities
✓	○	○	○	<b>1.4.03</b>	Facilitate strategic development of health and knowledge precincts in collaboration with key stakeholders	Future Cities
✓	○	✓	○	<b>1.4.04</b>	Ensure appropriate development mechanisms support investment and research in Townsville	Future Cities
○	✓	✓	○	<b>1.4.05</b>	Engage regularly with major economic development stakeholders, key community organisations and media groups to confirm the direction of the City's economic development	Future Cities



## 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, resilient, safe and healthy community.

**2019/20 Operating budget \$193.3m**

**2019/20 Capital budget \$117.3m**

### OBJECTIVE 2.1

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

#### DELIVERABLES:

**C** City Deal    **P** Policy Commitments    **T** Transformational Projects    **O** Other Council Priorities

C	P	T	O			
○	✓	○	○	2.1.01	Improve Council services' responsiveness to meet community expectations	Community Engagement
○	✓	○	○	2.1.02	Improve the efficiency and effectiveness of Council's current level core services and programs to achieve savings	Community Engagement
○	✓	○	○	2.1.03	Maintain a dedicated pool of funding for local sporting clubs	Community Engagement
✓	✓	○	○	2.1.04	Ensure effective and safe public transport stops, including bus, taxi rank and organised ride share facilities	Planning Services
○	✓	○	○	2.1.05	Manage suburb-based, structured Local Suburb Improvement Plans focused on key infrastructure elements	Infrastructure, Planning, Assets and Fleet
○	✓	○	○	2.1.06	Ensure the Capital Plan provides infrastructure to support the city's economy and growth	Infrastructure, Planning, Assets and Fleet
○	○	✓	✓	2.1.07	Maximise building utilisation through the Long-term Facilities Strategy	Infrastructure, Planning, Assets and Fleet
○	○	○	✓	2.1.08	Provide Council buildings that are safe, smart, accessible, secure, fit-for-purpose and sustainable	Infrastructure, Planning, Assets and Fleet
○	○	○	✓	2.1.09	Ensure Council's asset management activities are appropriate and best practice	Infrastructure, Planning, Assets and Fleet
○	○	○	✓	2.1.10	Maintain Transport Infrastructure and essential public assets in accordance with Maintenance Plans, best practice standards and meeting community needs	Construction, Maintenance and Operations

### OBJECTIVE 2.2

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

#### DELIVERABLES:

○	✓	○	○	2.2.01	Engage with sporting associations to attract sports tourism to Townsville	Future Cities
○	✓	○	○	2.2.02	Implement the T2020 projects to continue improving the unique Townsville lifestyle for locals	Future Cities
○	✓	○	○	2.2.03	Ensure sustainable development and access to natural areas for recreational use	Future Cities
○	✓	○	○	2.2.04	Ensure the city's bike network improves to appropriately address the needs of the road cycling groups	Future Cities
○	✓	○	○	2.2.05	Expand support for mountain biking, including infrastructure and events, creating opportunity for an eco-tourism niche in North Queensland	Future Cities
○	✓	○	○	2.2.06	Optimise sustainable utilisation of natural attractions (including the Ross River Dam)	Planning Services
○	✓	○	○	2.2.07	Create opportunities for recreational fishing whilst enhancing the ecological balance of the river	Community Engagement
○	✓	○	○	2.2.08	Support local motor sport precincts	Future Cities



	8		
○ ● ○ ○	2.2.0	Support clubs to develop sporting facilities	Community Engagement
	9		

### 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:

C City Deal
 P Policy Commitments
 T Transformational Projects
 O Other Council Priorities

C	P	T			
O					
○ ● ○ ○	2.3.01	Ensure the Aboriginal and Torres Strait Islander Reconciliation Action Plan remains appropriate and effective		Future Cities	
○ ● ○ ○	2.3.02	Ensure the Major Events Strategy is effective		Community Engagement	
○ ● ○ ○	2.3.03	Ensure the Free Events Program appropriately meets community expectations		Community Engagement	
○ ● ○ ○	2.3.04	Manage a relevant and appropriate Townsville Festival		Community Engagement	
○ ● ○ ○	2.3.05	Collaborate with Townsville Enterprise Limited on strategic Event Partnerships		Future Cities	
○ ● ○ ○	2.3.06	Promote Townsville as a major centre for state and national sporting events and festivals		Community Engagement	
○ ● ○ ○	2.3.07	Increase the vibrancy of the CBD to attract investment to grow the local economy		Future Cities	
○ ● ○ ○	2.3.08	Ensure Community Event Plans supports seniors in social settings		Community Engagement	
○ ● ○ ●	2.3.09	Ensure the Arts Strategy for the Visual and Performing Arts meets community and key stakeholder requirements		Cultural Services	
○ ○ ○ ●	2.3.10	Access Regional Arts Development Funds to build the capacity of the local arts sector		Cultural Services	
○ ● ○ ●	2.3.11	Build capacity of local visual and performing artists to showcase their creativity in Council's Galleries, Theatres and community spaces		Cultural Services	
○ ○ ○ ●	2.3.12	Deliver Library and Lifelong Learning Strategies through engagement with community and key stakeholders		Cultural Services	

### OBJECTIVE 2.4

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

#### DELIVERABLES:

○ ○ ● ○	2.4.01	Ensure ratepayers are effectively informed of Council core services	Community Engagement
○ ● ○ ○	2.4.02	Embed the Whole of Community Safety Plan into all Council functions	Community Engagement
○ ● ○ ○	2.4.03	Enhance community safety, health and wellbeing	Future Cities
○ ● ○ ○	2.4.04	Embed Crime Prevention Through Environmental Design (CPTED) principles into all Council activities and regulations	Community Engagement
○ ○ ○ ●	2.4.05	Ensure the Townsville Resilience Framework is effective and efficient	Infrastructure, Planning, Assets and Fleet
○ ○ ○ ●	2.4.06	Position Townsville as a Centre of Excellence in Disaster Management	Infrastructure, Planning, Assets and Fleet
○ ● ○ ○	2.4.07	Ensure responsible pet ownership and animal management	Planning Services
○ ● ○ ○	2.4.08	Enable technology that supports a safer, more informed and involved community	Information Technology Services
● ● ○ ○	2.4.09	Ensure Cyber Security posture of Council and the digital services it provides or enables remain current and effective	Information Technology Services
○ ● ○ ○	2.4.10	Utilise the Defence Community Accord to encourage support for the Australian Defence Force (ADF), ADF families and veterans in the community	Future Cities



### 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.

**2019/20 Operating budget \$204.1m**

**2019/20 Capital budget \$273.8m**

#### 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:

**C** City Deal    **P** Policy Commitments    **T** Transformational Projects    **O** Other Council Priorities

C	P	T	O	
○	✓	○	○	<b>3.1.01</b> Ensure Open Spaces, Parks, Natural Environment Assets, Coastal Assets, and Recreational and Sporting Facilities are maintained in accordance with best practice standards, meeting community needs
				Construction, Maintenance and Operations
○	✓	○	✓	<b>3.1.02</b> Champion sustainable solutions, environmental systems and innovative technologies, which encourage resilience
				Environmental Services

#### OBJECTIVE 3.2

Develop and implement long term waste and water security solutions that are socially, financially and environmentally sound.

#### DELIVERABLES:

✓	✓	○	○	<b>3.2.01</b> Drive the development of an intergovernmental taskforce to investigate short, medium and long term water solutions for Townsville	Planning Services
✓	○	○	○	<b>3.2.02</b> Ensure the 3-Point Water Security Solution projects remain effective	Townsville Water and Waste
○	✓	○	○	<b>3.2.03</b> Encourage innovative and efficient water usage	Townsville Water and Waste
○	✓	○	○	<b>3.2.04</b> Manage our water using Internet of Things (IOT) technology	Townsville Water and Waste
○	✓	○	○	<b>3.2.05</b> Ensure effective education of the community in sustainable water use	Townsville Water and Waste
○	✓	○	○	<b>3.2.06</b> Support businesses in effectively managing their water usage	Townsville Water and Waste
○	✓	○	○	<b>3.2.07</b> Encourage waste minimisation and recycling education in the community	Townsville Water and Waste
○	✓	○	○	<b>3.2.08</b> Support the sustainable long term waste management strategy for the region including investigating the viability of energy from waste options	Townsville Water and Waste
○	✓	○	○	<b>3.2.09</b> Ensure the hard rubbish collection strategy is effective and appropriate	Townsville Water and Waste



## GOAL 4: A Smarter, Faster, Better Council

*Ensure the Townsville City Council remains a smarter, faster and better Council that is easy to work with and for, and gains community trust by being transparent and managing its resources well.*

**2019/20 Operating budget \$58.1m**

**2019/20 Capital budget \$5.8m**

### OBJECTIVE 4.1

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

#### DELIVERABLES:

**C** City Deal    **P** Policy Commitments    **T** Transformational Projects    **O** Other Council Priorities

C	P	T	O			
○	○	✓	○	4.1.01	Maintain currency in understanding ratepayer requirements	Community Engagement
○	○	✓	○	4.1.02	Ensure the Council Customer Strategy for services and facilities remains effective and responsive	Community Engagement
○	○	✓	○	4.1.03	Ensure Council services remain effective and efficient in adding value to the community	Community Engagement
○	○	✓	○	4.1.04	Consistently enact the 'One Council', customer facing approach	Community Engagement
○	○	✓	○	4.1.05	Enable "Made for Me" Service Delivery that provides digital services anywhere, anytime, anyway	Information Technology Services

### OBJECTIVE 4.2

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

#### DELIVERABLES:

○	✓	○	○	4.2.01	Monitor the Comprehensive Outreach Program for effectiveness	Community Engagement
○	○	✓	○	4.2.02	Ensure the Corporate Plan remains current	Finance Services
○	○	✓	○	4.2.03	Effectively communicate Council plans, priorities and results to key stakeholders, ratepayers and the broader community	Community Engagement

### OBJECTIVE 4.3

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

#### DELIVERABLES:

○	○	✓	○	4.3.01	Align local strategic partnerships to ensure they support the achievement of Council priorities	Future Cities
○	○	✓	○	4.3.02	Ensure Council's procurement activities are best practice	Procurement
○	○	✓	○	4.3.03	Ensure the fleet strategy meets Council's business needs in comparison with like industry benchmarking	Infrastructure, Planning, Assets and Fleet
○	○	○	✓	4.3.04	Identify opportunities to dispose of non-essential land and building assets	Infrastructure, Planning, Assets and Fleet

#### OBJECTIVE 4.4

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

##### DELIVERABLES:

**C** City Deal    **P** Policy Commitments    **T** Transformational Projects    **O** Other Council Priorities

C	P	T	O			
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	4.4.01	Ensure Council leaders skills and practices remain current and in accordance with the Council Leadership Development Plan	People and Culture
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	4.4.02	Leverage leadership capability to maintain an innovative, collaborative and transparent organisational culture	People and Culture
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	4.4.03	Invest in high organisational performance and development to ensure delivery of community outcomes	People and Culture
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	4.4.04	Ensure Council's Occupational Health and Safety Management System complies with Australian Standards and supports self-insurance	People and Culture
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	4.4.05	Ensure the Integrated Safety Management System is effectively employed	People and Culture
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	4.4.06	Ensure staff are initially and consistently integrated into Council culture, operations and our community	People and Culture
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	4.4.07	Invest in the mental health and resilience of our people to build a more resilient Council	People and Culture

#### OBJECTIVE 4.5

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

##### DELIVERABLES:

<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	4.5.01	Limit rates growth at, or around, Consumer Price index (CPI)	Finance Services
<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	4.5.02	Provide flexibility for residents experiencing financial hardship through appropriate rebates	Finance Services
<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	4.5.03	Ensure adherence to the Finance and Investment Strategy	Finance Services
<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	4.5.04	Ensure borrowing supports long-life essential infrastructure	Finance Services
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	4.5.05	Ensure effective and efficient customer-focused internal systems	Finance Services
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	4.5.06	Support an iterative and integrated application of Enterprise Wide Risk Management Framework that effectively informs the risk management process	Legal Services
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	4.5.07	Maintain a robust budgeting and reporting framework to ensure informed and sustainable decision making	Finance Services
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	4.5.08	Ensure effective policies, systems, and processes are monitored to maintain the integrity of public funds expenditure	Finance Services
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	4.5.09	Ensure open and transparent Council processes that deliver best value customer service internally and externally	Legal Services





# PERFORMANCE PLAN TOWNSVILLE WATER

2019/20



# Performance Plan – Townsville Water 2019/20

## 1.0 Overview of the Business

### 1.1 Introduction

This is an annual Performance Plan as set out as required under the Local Government Regulation 2012, and provides 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 2019/20, 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 2019/20.

### 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 194,000 and is projected by the Queensland Treasury to continue to grow at an average rate of 1.6% over the next 25 years, resulting in an expected population of approximately 282,000 by 2041.<sup>1</sup> 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.

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<sup>1</sup> This information was obtained from the Queensland Government Statistician's Office, Queensland Treasury for the Townsville City Local Government Area on 20 November 2018.

## 1.4 Our Key Business Metrics

### *Water Operations*

- ▶ Expected provision of in excess of 51,000 mega litres of potable water to over 83,000 customer connections in the Townsville region
- ▶ Management of 2 dams, 3 weirs, 4 treatment plants, 25 pump stations, 33 reservoirs and in excess of 2,500km of water mains
- ▶ Over \$143 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 wastewater treatment plants, over 195 waste water pump stations and more than 1,500km of sewer mains
- ▶ Between 16,000 to 20,000 mega litres of wastewater is collected and treated per annum with up to 15% of this volume reused (depending on weather conditions)
- ▶ Over \$70 million of capital works to be planned and delivered

## 1.5 Our Objectives

Townsville Water will focus on a number of key areas in 2019/20.

### 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 2019/20, 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 2019/20 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 2019/20, 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***

Following the unprecedented monsoonal event in February and the subsequent replenishment of the water catchments and storages, Council removed the water restrictions that were in place and transitioned into Temporary Water Conservation Measures until the 3-point Water Security plan has been implemented.

### ***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 major and minor capital projects and a number of scheduled maintenance projects to its infrastructure during 2019/20 as part of the current practice in place.

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 2019/20, Townsville Water will justify asset renewals and proactive maintenance based on risk, cost, and performance for service delivery, endeavouring to improve its performance during 2019/20 compared to a 2018/19 benchmark.

### ***Council's 3-point \$225 million Water Security Solution***

Under the Townsville City Deal, 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. It delivered its final report in September 2018 which outlined a series of recommendations which are now being implemented by Council, under its 3-point \$225 million Water Security Solution which includes:

- ▶ The new 1.8 metre diameter Haughton Pipeline
- ▶ A recycled water scheme for community spaces and industrial use
- ▶ The Water Smart Package

### ***Recycled Water Re-Use Scheme***

The purpose of this project is to recycle water from the Cleveland Bay Purification Plant to produce economically viable non-potable water to irrigate parks, open spaces, sporting grounds, the new North Queensland Stadium, James Cook University, and large industrial users. The scheme will provide up to 15ML per day of A+ quality recycled water through a 24km network of pipe to end users. A recycled water facility will be built at Cleveland Bay by Clean-Teq under a Build, Own, Operate Transfer contract for 25 years. The plant will commence construction on site in August 2019 and is expected to be complete by January 2020. The 24km of pipework to provide the recycled water to end users will be constructed through six separate construction packages, two of which are being done in conjunction with the Southern Suburbs Rising Main. The majority of the pipework will be complete by the end of June 2020. The project is forecast to provide water to the new North Queensland Stadium by the time it is completed in early 2020, with the whole project complete by the end of the 2020 calendar year.

### ***Water Smart 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 Water Smart Package (the Package) is supported by a \$9.1 million grant from the Queensland Government. The Package will launch on 15 July 2019. 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.

### ***Haughton Pipeline Duplication***

Design and construction commenced in 2018 on the 36.5km duplicate pipeline from the Haughton Irrigation Channel 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 was divided into four tender packages to suit local capability and capacity development. The pipeline installation contracts were commenced in November 2018 (Packages 3 & 4) and May 2019 (Packages 1 & 2) with completion dates of January 2020. The new pump station and two long lead supply contracts for the new pump station are currently being tendered. The majority of the pipeline installation is expected to be completed in the dry season of 2019 with completion of the new pump station scheduled for February 2020 and overall commissioning and project completion by March 2020.

### ***Demand Management and Water Security***

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 future drought.

In late 2018 the Townsville Water Security Taskforce delivered the final report and recommended a 3-point plan to secure Townsville's water supply into the future. Council has adopted this plan and is actively implementing the recommendations.

Throughout 2019/20, Townsville Water will continue to deliver the Houghton Pipeline upgrade, the fit for purpose water re-use scheme and commence the roll out of the Smart Water Package.

### ***Digital Utilities of the Future***

Townsville Water is advancing down the path of becoming North Queensland's leading digital utility. Over the next 4 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 other technology trials, including remote pressure sensors, ultrasonic level sensors and high resolution weather information are currently underway and will continue during 2019/20. These trials will help inform the pathway to becoming a more customer focused, safe, environmentally responsible and efficient digital utility of the future.

### ***Shaping a Water Sensitive Townsville***

Townsville continued its transition to a water sensitive city in 2018/19. Council hosted a Cooperative Research Centre (CRC) for Water Sensitive Cities National Roadshow event in Townsville. The event showcased emerging tools, products and methodologies that are applicable to Townsville's dry tropical climate and context. Several staff attended and presented at the 4<sup>th</sup> National Water Sensitive Cities Conference in Brisbane in March 2019. In addition Council staff worked with CRC for Water Sensitive Cities staff to develop a project to explore enhanced planning and collaborative governance processes to help achieve Water Sensitive Townsville outcomes. This project will be implemented in 2019/20.

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), infrastructure planning, asset management planning, 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. Townsville City Council is a contributing member of the CRC for Water Sensitive Cities.

### ***Douglas Water Treatment Plant Upgrades***

The Douglas Water Treatment Plant (DWTP) 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 completed in 2019/20 and construction is planned to commence in 2020/21 and carry through to 2021/22. The addition of a new ultraviolet treatment system will ensure protection against water borne pathogens such as cryptosporidium and is required to ensure that we meet the new Health Based Targets for drinking water supplies. The conversion of the disinfection system from hypochlorite to gas chlorine will help to alleviate problems associated with disinfection by-products such as trihalomethanes. The UV system and gas chlorine conversion are planned to be delivered over 2019/20 and 2020/21. Plans are also in place to install a treatment system for algae growth in our drinking water supplies. Algae has been an increasing problem for Townsville and can create taste and odor problems but can also become toxic, endangering our drinking water supplies. The design for the treatment system is being delivered in 2019/20 and is scheduled for construction to take place in 2019/20. We are planning to install a new fluoride dosing system over 2019/20 and 2020/21.



### ***Water Treatment and Bulk Supply Renewals***

Townsville Water will invest approximately \$2.8 million in 2019/20 into renewal 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 2019/20, with approximately \$6.0 million allocated to replace priority pipes and services to ensure that Townsville Water can provide a sufficient, safe and reliable water supply to its customers into the future.

### ***North Queensland Stadium Utilities Upgrade Project***

The water, sewer and pump station works for the North Queensland Stadium will be completed during 2019/20, with finalisation of all works due to be completed in early 2020, ahead of the Stadium opening in time for commencement of the NRL 2020 season.

### ***Cleveland Bay Purification Plant Capacity Upgrade***

Townsville Water's capacity upgrade of the Cleveland Bay Purification Plant commenced in June 2017 and is scheduled for completion in the first quarter of 2019/20. A new membrane filtration system, additional emergency generator and outfall pipeline have been installed and commissioned to increase the plants hydraulic capacity and are now fully operational. Following construction completion, expected in July 2019, full plant performance trials will be undertaken.

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.

### ***Southern Suburbs Rising Main***

The Southern Suburbs Rising Main (SSRM) is to be delivered in 2019/20 as part of an overall scheme, initiated by Townsville Water, to alleviate pressure on the existing sewerage infrastructure and increase the capacity of the network in order to cater for future urban growth in the southern suburbs of Townsville.

### ***Manhole Rehabilitation***

Townsville Water will carry out its annual Manhole Rehabilitation program in 2019/20. Funds of \$1.2 million have been allocated to rehabilitate manholes of priority.

## **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. 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 2019/20 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 2019/20 as a temporary measure while the Cleveland Bay plant undergoes an upgrade to bring its performance in line with its licence conditions. 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 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 long term ecological risk to the receiving environment. In 2019/20, 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 2019/20. 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 2019/20 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 2019, reporting on its performance in 2018/19, 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 water 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 (DWQMP) during 2019/20 to ensure the safe and effective management of its drinking water supply.

The DWQMP was reviewed in April 2019 to reflect significant changes to the water treatment processes for the Paluma Township Water Supply Scheme and to update the Townsville and Giru Water Supply Schemes. An audit of the plan will occur in August 2020.

Townsville Water will submit to the Office of the Water Supply Regulator the Annual Report to confirm compliance with the DWQMP for the 2018/19 year by December 2019. The Annual Report will be made available to the public through 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 3 ENVIRONMENTAL SUSTAINABILITY

Performance Measure	Description	Target
Customer Satisfaction	Percentage 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%
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 2019/20

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 2019/20:

Category	Water Remission As a % of Non-Residential Volumetric Charge	Sewerage Remission as a % of the Non-Residential Charge
Commercial irrigation	15% (\$100,000 per annum cap)	n/a
Caravan parks	30% (\$100,000 per annum cap)	30%
Retirement/lifestyle villages	55% (\$100,000 per annum cap)	Nil
Boarding and lodging houses	20% (\$100,000 per annum cap)	20%
Charitable and non-profit aged care facilities	55% (\$100,000 per annum cap)	Nil
Churches, church halls, clubhouses and halls - Charitable and non-profit organisations	55% (\$100,000 per annum cap)	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% (\$100,000 per annum cap)	Nil
Approved transitional sewerage price plans	n/a	62%

The following works are to be completed by Townsville Water as community service obligations in 2019/20:

Category	Value \$
Arcadia Surf Life Saving Club (Sewerage Pump Out)	\$8,000

### **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 2019/20 will be approximately \$3,608,295.

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 annual pricing, Townsville Water utilises a pricing model purpose-built by the Queensland Treasury Corporation (QTC) to assist Townsville Water to comply with the pricing provisions set of the Local Government Act for significant business activities. 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 Council's 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 2019/20

Project/Initiative	Capital/ Operating	Delivered By	Cost \$
<b>Water:</b>			
Water Reticulation	Capital	30 June 2020	\$131,262,480
Bulk Water Distribution	Capital	30 June 2020	\$9,576,604
Water Developer Delivered Assets	Capital	30 June 2020	\$2,277,600
Water Treatment	Capital	30 June 2020	\$2,047,100
<b>Wastewater:</b>			
Wastewater Collection	Capital	30 June 2020	\$38,010,500
Wastewater Developer Delivered Assets	Capital	30 June 2020	\$15,596,670
Wastewater Treatment	Capital	30 June 2020	\$15,938,030

### 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 4 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 SERVICES 2019/20



# Performance Plan – Townsville Waste Services 2019/20

## 1.0 Overview of the Business

### 1.1 Introduction

This is an annual Performance Plan as set out as required under the Local Government Regulation 2012, and provides 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 2019/20, 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 1.6% each year over the next 25 years, resulting in an expected population of approximately 282,000 by 2041.<sup>2</sup> 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.

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<sup>2</sup> This information was obtained from the Queensland Government Statistician's Office, Queensland Treasury and Trade for the Townsville City Local Government Area on 20 November 2018.



## 1.4 Our Key Business Metrics<sup>3</sup>

### ***Domestic Waste and Recycling***

- ▶ 110,000 domestic waste and recycling services provided per week

### ***Commercial Waste and Recycling***

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

### ***Waste Disposal***

- ▶ 1 landfill site
- ▶ 5 waste transfer stations
- ▶ Around 300,000 total customer visits per annum
- ▶ Around 320,000 tonnes per annum received at landfills
- ▶ Around 150,000 tonnes per annum diverted from landfill
- ▶ Around 170,000 tonnes per annum landfilled

## 1.5 Our Objectives

Townsville Waste Services will focus on a number of key areas in 2019/20.

### 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 2019/20. During 2019/20, 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 2019/20 it will conduct Voice of the Customer surveys where a selection of customers, who have contacted Townsville Waste 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 2019/20, Townsville Waste Services will complete the delivery of a Kerbside Hard Waste Collection service, providing one scheduled collection of large household items from each residential property in the city.

#### ***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.

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<sup>3</sup> Based upon our expected operations at 30 June 2019.

### **1.5.2 Our Infrastructure**

#### ***Asset Management***

In 2019/20, 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 is constructing a resource recovery centre at the Hervey Range Waste Facility 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. Construction started in 2018/19 and is expected to be completed in October 2019.

#### ***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. This will include 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. Construction of the shed is expected to be completed by June 2019 with further fit out being provided in 2019/20.

### **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. Accordingly, the business must be licensed under the *Environmental Protection Act 1994* to conduct its operations.

Townsville Waste Services will renew its licences for 2019/20 and will monitor and measure its compliance against its licence conditions, ensuring that all routine and event-specific reporting requirements are met.

### ***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.

### ***E-Waste Recycling***

Townsville Waste Services will continue its E-Waste Recycling Program in 2019/20, 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. Townsville Waste Services will work with the Queensland Government to play a part in the grass roots implementation of these schemes. Council will also seek to remove single use plastic from its venues and events.

### ***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 Waste Strategy***

Townsville Waste Services will continue to focus on regional collaboration with its North Queensland counterparts in 2019/20. North Queensland has vast rural areas and 80% of the population is concentrated in Townsville, which means effective waste management is challenging. 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.

Townsville Waste Services is collaborating with other regional North Queensland councils including the Burdekin Shire Council, the Hinchinbrook Shire Council and the Charters Towers Regional Council and Palm Island Council to develop a regional waste strategy. The strategy will align where possible with the Queensland Government's new waste strategy and prioritise reducing the impact of waste on the environment; support moving towards a circular economy; and support jobs in recycling and resource recovery.

### ***Participation in Waste Committees and Forums***

Townsville Waste Services will continue to actively participate in the Local Authority Waste Management Advisory Committee in 2019/20, 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

## 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
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**

<b>Performance Measure</b>	<b>Description</b>	<b>Target</b>
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**

<b>Performance Measure</b>	<b>Description</b>	<b>Target</b>
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 2019/20

The following works will be completed by Townsville Waste Services as community service obligations in 2019/20:

Category	Value \$
Charity dumping fees	\$72,680
Dead animals	\$31,926
Infirm services	\$39,100
Clean Up Australia Day	\$1,000
Free dump weekends	\$170,000
Community clean up events	\$15,000
Stadium remediation works	\$1,000,000
<b>TOTAL</b>	<b>\$1,329,706</b>

#### 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 2019/20 will be approximately \$1,329,706.

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. 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 2019/20

Initiative/Project	Capital/ Operating	Delivered By	Net Cost \$
Resource Recovery & Waste Disposal	Capital	30 June 2020	\$15,753,500
Waste Management	Capital	30 June 2020	\$270,000

#### 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.



# SUPPORTING DOCUMENTS

2019/20





## Appendix 1 – Revenue Statement 2019/20

### Overview

This revenue statement explains the revenue raising measures adopted in Council's 2019/20 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 primary 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 2019/20 as stated and described in Appendix 7 – *Differential Rating Categories 2019/20*;
- 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 2019/20*;
- 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 2019/20*.

### **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 2019 will not exceed the amount of general rates levied for the property for the previous financial year (year ending 30 June 2019) 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 2019, 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 2019/20, 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 2019/20, on vacant land purchased during 2018/19, the owner will be eligible for capping from 1 July 2020.

### **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 2019/20 is detailed in Appendix 12 – *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 Appendix 13 - *Rural Fire Levy 2019/20*. 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 into 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 2019/20*, and the utility charges for this activity are detailed in Appendix 9 – *Utility Charges – Water 2019/20*.

### **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 sewerage 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 2019/20* and the utility charges for this activity are detailed in Appendix 10 – *Utility Charges – Sewerage and Trade Waste 2019/20*.

### **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.

The Queensland Government has developed a new resource, recovery and waste strategy to help reduce the disposal of waste to landfill, increase recycling rates and recover valuable resources. The focus of the strategy is the Queensland Government Waste Levy, which comes into effect 1 July 2019.

In order to ensure there will be no direct impact on household, the State Government is providing Council with an annual payment to offset the cost of the Queensland Government Waste Levy on households.

The Queensland Government Waste Levy will be payable on the disposal of commercially generated waste.

### **Local 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 green waste 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 2019/20*, and the utility charges for this activity are detailed in Appendix 11 – *Utility Charges – Waste Management and Recycling 2019/20*.

### **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 to rate payers who 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 2020.

### **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 9.83% per year in accordance with section 133 of the Local Government Regulation 2012.

Interest, at the rate of 9.83% 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 (e.g. 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 2019/20 and is available on Council's website.

## Appendix 2 – Revenue Policy

### 1.0 Policy Statement

In 2019/20 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 2019/20 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:

- ▶ have regard to its long term financial forecast when setting rates and charges;
- ▶ 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.
- ▶ 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
- ▶ 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 landowners 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. 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 Department of Local Government, Racing and Multicultural Affairs.

- ▶ Pursuant to section 192 of the Local Government Regulation 2012, details of the planned borrowings for the budget year and the following 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 30/6/2020 - New and upgrade Infrastructure Assets	\$20,000
Year ended 30/6/2021 - New and upgrade Infrastructure Assets	\$25,000
Year ended 30/6/2022 - New and upgrade Infrastructure Assets	-
Year ended 30/6/2023 - New and upgrade Infrastructure Assets	-
Year ended 30/6/2024 - New and upgrade Infrastructure Assets	-
Year ended 30/6/2025 - New and upgrade Infrastructure Assets	\$20,000
Year ended 30/6/2026 - New and upgrade Infrastructure Assets	\$20,000
Year ended 30/6/2027 - New and upgrade Infrastructure Assets	-
Year ended 30/6/2028 - New and upgrade Infrastructure Assets	\$20,000
Year ended 30/6/2029 - New and upgrade Infrastructure Assets	-

Repayment term of new loans is up to 20 years with existing loans at 30 June 2019 having repayment terms between 5 and 20 years. The amount projected to be outstanding at 30 June 2020 is \$367.7 million.

Anticipated loan principal repayments for the year ended 30 June 2020 is \$29.7 million.

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

The primary asset within the Water Security Program is the construction of the Houghton Pipeline.

The facility is \$200 million and is available for use until 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 and 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 Bloomberg Bank Bill Index.
- ▶ **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 Executive 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

Financial Services 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 9.83% 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 Financial Services, 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 (e.g. 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 if 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

Financial Services and 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 Financial Services 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 Financial Services. Financial Services 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 Local Government Regulation 2012. <ul style="list-style-type: none"> <li>• S.120(1)(b)(i) – <i>land owned by not-for-profit entity</i> - for owned land</li> <li>• 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 landowners</li> </ul>	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 Local Government Regulation 2012. <ul style="list-style-type: none"> <li>• S.120(1)(b)(i) – <i>land owned by not-for-profit entity</i> - for owned land</li> <li>• 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 landowners</li> </ul>	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 Local Government Regulation 2012. <ul style="list-style-type: none"> <li>• S.120(1)(b)(i) – <i>land owned by not-for-profit entity</i> - for owned land</li> <li>• 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 landowners</li> </ul>	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

CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS FOR GRANTING CONCESSION	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
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 Local Government Regulation 2012. <ul style="list-style-type: none"> <li>S.120(1)(b)(i) – <i>land owned by not-for-profit entity</i> - for owned land</li> <li>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 landowners</li> </ul>	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 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.	73% Volumetric Water Charges up to a \$100,000 per annum cap.	36% Volumetric Water Charges up to a \$100,000 per annum cap.
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.	Concession granted by Council resolution under Local Government Regulation 2012. <ul style="list-style-type: none"> <li>S.120(1)(b)(i) – <i>land owned by not-for-profit entity</i> - for owned land</li> <li>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 landowners</li> </ul>	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.  The land must not be commercially leased to any other entity.  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.	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	Land used by a Church or Religious entity and is being used for one or more of the following purposes; a) religious purposes including public worship, b) the provision of education, health or community services, c) the administration of the religious entity d) housing incidental to any of the above purposes	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 Local Government Regulation 2012, S.73(a)(i) – <i>used for religious purposes</i> .  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> .	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 education facilities are not eligible for utility concessions under this category.  Concessions for Utility Charges for Sports field Irrigation are set out elsewhere in this policy.	General Rates Exempt  15% Sewerage Charges  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)
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 Local Government Regulation 2012 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 Council resolution under the Local Government Regulation 2012, S.120(1)(a) – <i>land owned by not-for-profit</i>; or</p> <p>S.120(1)(c) – <i>Payment will cause hardship to the Landowner</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>	General Rates Exempt (No utility concessions)	N/A (No utility concessions)
War Graves	Land is owned or leased (registered lease with DNRM) and is being used for historic purposes.	<p>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 Local Government Regulation 2012 S.73(e) – <i>cemetery</i>.</p> <p>Concession granted by Council resolution under Local Government Regulation 2012.</p> <p>S.120(1)(e) – <i>preservation of cultural, historic or heritage land</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>	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.	<p>Land is being used to preserve and maintain land of historic and heritage significance to the Council area and a concession is granted by</p> <p>Council resolution under the Local Government Regulation 2012.</p> <p>S.120(1)(e) – <i>preservation of cultural, historic or heritage land</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>	100% General Rates	N/A

CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS FOR GRANTING CONCESSION	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
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 Local Government Regulation 2012. 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.  30% Sewerage Charges	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 Local Government Regulation 2012. 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
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 Local Government Regulation 2012. 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



CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS FOR GRANTING CONCESSION	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
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.	<p>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>,</p> <p>Concession granted by Council resolution under the Local Government Regulation 2012:</p> <p>S.120(1)(e) – <i>preservation of cultural, historic or heritage land</i>; or</p> <p>S.120(1)(d) – <i>encourage economic development</i>; or</p> <p>S.120(1)(c) – <i>Payment will cause hardship to the Landowner</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>General Rates Exempt</p> <p>73% Volumetric Water Charges up to a \$100,000 per annum cap.</p> <p>62% Sewerage Charges</p>	<p>General Rates Exempt</p> <p>36% Volumetric Water Charges up to a \$100,000 per annum cap.</p> <p>31% Sewerage Charges</p>
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.	<p>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.</p> <p>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:</p> <p>(a) 90 days after that land has been reconfigured to create a new lot from that land; or</p> <p>(b) that land has been reconfigured to create a new lot and that lot is sold.</p> <p>Concession granted by Council resolution under the Local Government Regulation 2012, S.120(1)(d) – <i>to encourage economic development</i>.</p>	N/A	<p>100% General Rates</p> <p>100% Water Service Charges</p> <p>100% Sewerage Charges</p>	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 Monsoon Relief 2019/20	Applicable to ratepayers directly affected by the 2019 Monsoon Event.	Concession granted by Council resolution under the Local Government Regulation 2012, S.120(1)(c) <i>payment of rates or charges will cause hardship.</i>	The ratepayer must provide sufficient evidence of inundation of any building on their properties, including the ground floor of any high-set building	Refer Monsoon Rates Relief 2019/10	N/A
Water supplied for irrigation purposes	Land is being used for Commercial and Industrial purposes.	Subject to the application and installation of a separate irrigation water meter and reticulation system.  The number of irrigation meters allowed must not exceed the number of commercial meters.  Concession granted by Council resolution under the Local Government Regulation 2012, S.120(1)(d) – <i>to encourage economic development.</i>	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 Local Government Regulation 2012, 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 2019/20

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 primary 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)	Land Use	Criteria by which land is assigned to a DGR Category												
		Additional Criteria												
Category 1 Residential Principal 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"><li>▶ 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.</li><li>▶ 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.</li><li>▶ 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:</li></ul> <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/</td></tr><tr><td>Rural Residential</td><td>Conservation</td></tr><tr><td></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/	Rural Residential	Conservation		Rural
Low Density Residential	Medium Density Residential													
High Density Residential	Character Residential													
Sport and Recreation	Emerging Community													
Open Space	Environmental Management/													
Rural Residential	Conservation													
	Rural													
Category 2 Residential Non-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"><li>▶ 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.</li><li>▶ 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:</li></ul> <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/</td></tr><tr><td>Rural Residential</td><td>Conservation</td></tr><tr><td></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/	Rural Residential	Conservation		Rural
Low Density Residential	Medium Density Residential													
High Density Residential	Character Residential													
Sport and Recreation	Emerging Community													
Open Space	Environmental Management/													
Rural Residential	Conservation													
	Rural													

Differential General Rating Category (DGR Category)	Criteria by which land is assigned to a DGR Category													
	Land Use	Additional Criteria												
<b>Category 3</b> 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"><li>▶ 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.</li><li>▶ 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:</li></ul> <table><tr><td>Low Impact Industry</td><td>Medium Impact Industry</td></tr><tr><td>High Impact Industry</td><td>Community Facilities</td></tr><tr><td>Local Centre</td><td>District Centre</td></tr><tr><td>Major Centre</td><td>Neighbourhood Centre</td></tr><tr><td>Principal Centre (CBD)</td><td>Specialised Centre</td></tr><tr><td>Special Purpose</td><td>Mixed Use</td></tr></table>	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
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													
<b>Category 4</b> Warehouse, bulk stores	28, 29, 30, 31, 32, 33, 34.	The land is not within the Inner-city Rating Area.												
<b>Category 5</b> Industry	35, 36, 37, 39, 40.	The land is not within the Inner-city Rating Area.												
<b>Category 6</b> Drive In Shopping Centres	16.	Drive-in shopping centre not categorised as Categories 10, 11 or 12.												
<b>Category 7</b> 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.													
<b>Category 8</b> 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"><li>▶ 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.</li></ul>												
<b>Category 9</b> 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.												
<b>Category 10</b> 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.												
<b>Category 11</b> 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.												
<b>Category 12</b>	16.	Drive in shopping centre in which the anchor tenants include a												

Differential General Rating Category (DGR Category)	Land Use	Criteria by which land is assigned to a DGR Category Additional Criteria
Shopping Centres < 20,000 m <sup>2</sup>		major department store and a large grocery supermarket and the centre has a gross floor area of less than 20,000 m <sup>2</sup> .
<b>Category 13</b> Retail Warehouse > 40,000 m <sup>2</sup>	23.	The land is not within the Inner-city Rating Area and the centre has a gross floor area greater than 40,000m <sup>2</sup>
<b>Category 14</b> Retail Warehouse < 40,000 m <sup>2</sup>	23.	The land is not within the Inner-city Rating Area and the centre has a gross floor area less than 40,000 m <sup>2</sup> .
<b>Category 15</b> 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 by which land is assigned to a DGR Category													
	Land Use	Additional Criteria												
<b>Category 16</b> 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"><li>▶ 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.</li><li>▶ 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.</li><li>▶ 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:</li></ul> <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/</td></tr><tr><td>Rural Residential</td><td>Conservation</td></tr><tr><td></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/	Rural Residential	Conservation		Rural
Low Density Residential	Medium Density Residential													
High Density Residential	Character Residential													
Sport and Recreation	Emerging Community													
Open Space	Environmental Management/													
Rural Residential	Conservation													
	Rural													
<b>Category 17</b> 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"><li>▶ 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.</li><li>▶ 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:</li></ul> <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/</td></tr><tr><td>Rural Residential</td><td>Conservation</td></tr><tr><td></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/	Rural Residential	Conservation		Rural
Low Density Residential	Medium Density Residential													
High Density Residential	Character Residential													
Sport and Recreation	Emerging Community													
Open Space	Environmental Management/													
Rural Residential	Conservation													
	Rural													
<b>Category 18</b> 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"><li>▶ 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.</li><li>▶ 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:</li></ul> <table><tr><td>Low Impact Industry</td><td>Medium Impact Industry</td></tr><tr><td>High Impact Industry</td><td>Community Facilities</td></tr><tr><td>Local Centre</td><td>District Centre</td></tr><tr><td>Major Centre</td><td>Neighbourhood Centre</td></tr><tr><td>Principal Centre (CBD)</td><td>Specialised Centre</td></tr><tr><td>Special Purpose</td><td>Mixed Use</td></tr></table>	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
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													
<b>Category 19</b> Inner City Warehouse, Bulk stores	28, 29, 30, 31, 32, 33, 34.	The land is within the Inner-city Rating Area.												
<b>Category 20</b> Inner City Industry	35, 36, 37, 39, 40.	The land is within the Inner-city Rating Area.												

Rateable Category	Criteria by which land is assigned to a DGR Category	
	Land Use	Additional Criteria
<b>Category 21</b> 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"> <li>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.</li> </ul>
<b>Category 22</b> 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.
<b>Category 23</b> 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.
<b>Category 24</b> 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.
<b>Category 25</b> 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.
<b>Category 26</b> 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.
<b>Category 27</b> 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.
<b>Category 28</b> 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.

Rateable Category	Criteria by which land is assigned to a DGR Category	
	Land Use	Additional Criteria
<b>Category 29</b> 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.
<b>Category 30</b> Inner City Multi-unit dwellings Between 50 to 69 units	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 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.
<b>Category 31</b> 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 – 2019/20

Category	Description	Rate-in-\$	Minimum	Limitation (cap)
1	Residential - Principal Place of Residence	0.010121	\$1,103	30%
2	Residential - Non-Principal Place of Residence	0.011783	\$1,129	No limit
3	Commercial	0.019444	\$1,390	No limit
4	Warehouse, Bulk Stores	0.019127	\$1,390	No limit
5	General Light Industry	0.019530	\$1,390	No limit
6	Drive-in Shopping Centres (small)	0.018630	\$1,390	No limit
7	Agriculture and Grazing	0.011466	\$1,390	No limit
8	Multi-unit Dwellings < 20 units	0.013238	\$1,390	No limit
9	Land not otherwise defined	0.019186	\$1,390	No limit
10	Shopping Centre >40,000 sqm	0.034420	\$776,825	No limit
11	Shopping Centres > 20,000 sqm and <40,000 sqm	0.021364	\$656,966	No limit
12	Shopping Centres <20,000 sqm	0.0332	\$361,783	No limit
13	Retail Warehouse >40,000 sqm	0.026663	\$159,477	No limit
14	Retail Warehouse <40,000 sqm	0.024649	\$1,448	No limit
15	Outdoor Sales Areas	0.020864	\$1,329	No limit
16	Inner City Residential - Principal Place of Residence	0.012215	\$1,182	30%
17	Inner City Residential - Non-Principal Place of Residence	0.015866	\$1,268	No limit
18	Inner City Commercial	0.037642	\$1,413	No limit
19	Inner City Warehouse, Bulk Stores	0.037736	\$1,413	No limit
20	Inner City Light Industry	0.031532	\$1,413	No limit
21	Inner City Multi-unit Dwelling < 20 units	0.020062	\$1,413	No limit
22	Special Development > 10 ha	0.035265	\$19,459	No limit
23	Inner City Other	0.037641	\$1,413	No limit
24	Multi-Unit Dwellings >19 and < 30 units	0.013238	\$22,868	No limit
25	Multi-Unit Dwellings > 29 and < 50 units	0.013238	\$34,303	No limit
26	Multi-Unit Dwellings > 49 and < 70 units	0.013238	\$57,272	No limit
27	Multi-Unit Dwellings > 69 units	0.013238	\$80,341	No limit
28	Inner City Multi-Unit Dwellings >19 and < 30 units	0.020062	\$25,676	No limit
29	Inner City Multi-Unit Dwellings > 29 and < 50 units	0.020062	\$38,616	No limit
30	Inner City Multi-Unit Dwellings > 49 and < 70 units	0.020062	\$64,393	No limit
31	Inner City Multi-Unit Dwellings > 69 units	0.020062	\$90,069	No limit

## Appendix 9 – Utility Charges – Water 2019/20

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 \$784 per year; and
- ▶ An excess water charge of \$3.00 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 \$358 per year; and
- ▶ The residential consumption charge will be \$1.43 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 into 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 \$372 per year; and
- ▶ The consumption charge will be \$2.93 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 \$2.93 per kL will apply.

### **Bulk Water**

There is no fixed charge for bulk water supply. Bulk water consumed will be charged at \$2.33 per kL.

### **Non-Potable Supply**

There is no fixed charge for a non-potable water supply. Non-potable water consumed will be charged at \$2.33 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 \$0.54 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 2019/20

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 \$806 per year. Each dwelling, home unit, flat or lot is a separate sewerage service.

The sewerage utility charge for each undeveloped residential lot is \$724 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 \$945 per pedestal, per year.

The sewerage utility charge for each undeveloped non-residential lot is \$851 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 \$597 per lot applies.

### Trade Waste Charges

Liquid trade waste charges will be:

- 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;
- A volume charge for the trade waste discharge; and
- 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	\$1,359
2	\$724
3	\$527
4	\$285
5	\$187
6	\$89

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

Discharge Category	Volume Charge (\$/kL)
Category 1.1	\$2.07
Category 1.2	\$1.83
Category 1.3	\$1.69
Category 1.4	\$1.47
Category 1.5	\$2.07

Discharge Category	Volume Charge (\$/kL)	Pollutant Charges		
		Chemical Oxygen Demand (COD) (kg)	Suspended Solids (kg)	SO4
Category 2.0	\$2.23	\$1.19	\$1.12	\$0.64

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 2019/20

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	\$206
240L waste and 360L recycle wheelie bin	\$233
140L waste and 240L recycle wheelie bin	\$198
140L waste and 360L recycle wheelie bin	\$224

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	\$144
Additional permanent 140L waste wheelie bin	\$136

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	\$59
Additional permanent 360L recycle wheelie bin	\$86

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	\$147
140L waste wheelie bin	\$139

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.

#### **Local Waste Management Levy**

A fixed annual Waste Management Levy of \$41.00 will be charged for the provision of one hard rubbish collection per eligible property and access to free green waste 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.

With the introduction of the Queensland Governments Waste Levy, from 1 July 2019 all non-residential disposed waste will incur a Waste Levy Service Fee.

Council imposes an annual fixed charge for each non-residential waste collection service:

Description	Annual Charge	Queensland Government Waste Levy Service Fee	Annual Charge
Waste 140L wheelie bin	\$177	\$54.60	\$231.60
Waste 240L wheelie bin	\$185	\$93.60	\$278.60
Recycling 240L wheelie bin	\$90	-	\$90
Recycling 360L wheelie bin	\$135	-	\$135

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 2019/20, 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 2019/20 for the Nelly Bay Harbour.

2019/20 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 may including –
  - Bed levelling and dredging to remove sediment from the harbour
  - Survey of new bed level; and
  - Dispersal costs

## Appendix 13 – Rural Fire Levy 2019/20

Rural Fire Brigade Area	Annual Charge per Property
Black River and Districts	\$35.00
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	\$25.00
Oak Valley	\$20.00
Paluma	\$35.00
Purono Park	\$15.00
Rangewood	\$55.00
Reid River	\$25.00
Rollingstone	\$50.00
Rupertswood	\$40.00
Saunders Beach	\$30.00
Toolakea	\$0.00
West Point	\$30.00

