

2019/20

Annual Report



Townsville City Council Annual Report for 2019/20.

Townsville City Council presents the 2019/20 Annual Report which provides a comprehensive account of Council's performance, challenges and achievements for the past financial year (1 July 2019 – 30 June 2020).

This Annual Report is part of Council's commitment to open, transparent and accountable governance. It identifies community service delivery and demonstrates how Council is meeting the strategic objectives set out in the Corporate Plan 2020-2024 and Operational Plan 2019/20.

Council's vision, strategic objectives and strategies further improve services and facilities as described in the Corporate Plan, Operational Plan and Budget, and are reported in this Annual Report.

Acknowledgment of Country

The Townsville City Council acknowledges the Gurambilbarra Wulgurukaba, Bindal, Nywaigi and Gugu Badhun peoples as the Traditional Owners and custodians of Council's Local Government Area and we recognise their connection to land, sea and community. We pay our respects to them, their cultures and to their Elders, past, present and emerging.

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2019/20

Annual
Report

Table of Contents



Mayor and CEO Reports.....6	
Message from the Mayor.....7	
Message from the Acting Chief Executive Officer.....9	

Novel Coronavirus (COVID-19) Pandemic Impact and Recovery11	
--	--

Our City14	
-------------------------	--

Our Council.....15	
Our Annual Report.....18	
Our Elected Representatives.....19	
Divisional Boundaries20	
Councillors: April 2020 - Current..21	



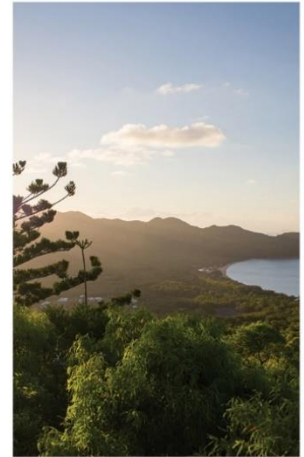
Our People25	
Our Staff Values.....25	
Our Organisational Structure.....26	
Our Workforce Profile.....26	
Our Volunteers.....26	
Our Achievements.....27	
Workplace Health, Safety and Wellbeing.....28	
Training and Development.....29	



Our Community Financial Report30	
Financial Performance.....32	
Financial Position.....34	
Financial Sustainability35	



Our Annual Performance.. 38	
Goal 1: A prosperous city.....40	
Goal 2: A city for people.....43	
Goal 3: A clean and green city.....45	
Goal 4: A smarter, faster, better council.....48	
Looking Forward.....49	
Events 50	



Townsville Water Annual Operations Report.....	54
Townsville Water Fast Facts.....	55
Our Performance.....	56
Our Infrastructure.....	56
Our Environment.....	58
Our Governance.....	58
Major Investments.....	58
Performance Targets.....	59
Community Service Obligations.....	60
Changes to the Annual Performance Plan.....	60

Townsville Waste Annual Operations Report.....	61
Townsville Waste Fast Facts.....	62
Our Performance.....	63
Our Infrastructure.....	64
Our Environment.....	64
Our Governance.....	65
Major Investments.....	65
Performance Targets.....	66
Community Service Obligations.....	67
Changes to the Annual Performance Plan.....	67

Our Governance.....	68
Overview of our Governance Framework.....	69
Disclosure of Governance Performance.....	72
Standing Committees.....	73
Governance of our Councillors.....	75
Senior Management Remuneration.....	80
Public Sector Ethics.....	80
Particular Resolutions.....	81
Administrative Action Complaints.....	81
Right to Information and Information Privacy.....	82
List of Registers.....	83
Our Community Assistance.....	84
Beneficial Enterprises.....	89
National Competition Policy.....	89
Service, Facility or Activity.....	90
Details of Special Rates and Charges.....	90
Summary of Concessions for Rates and Charges.....	91
Number of Invitations to Change Tender.....	91
Report on Internal Audit.....	91

Our Financial Report	95
Financial Statements.....	97
Independent Auditor's Report on the audits of the financial report.....	135
Current Year Financial Sustainability Statement.....	138
Independent Auditor's Report on the current year financial sustainability statement.....	139
Long Term Financial Sustainability Statement for the financial year.....	142
Glossary/Index	143
Glossary.....	144
Index of Reportable Disclosures.....	146

Mayor and Chief Executive Officer Reports



Message from the Mayor

Together with my fellow Councillors and Council's Team, I am pleased to present the Townsville City Council 2019/20 Annual Report. This report underlines Council's ability to manage cost-effective government and deliver core services to our community.

FINANCIAL PERFORMANCE

I'm proud to lead a Council that understands the importance of fiscal responsibility, especially through recent events. The reality is the 2019 flood event and the worldwide COVID-19 pandemic has had a significant compounding impact on the social and economic fabric of our community. Council has worked hard to continue to support local business and the community through these unprecedented times and has implemented various economic relief packages, fee waivers and a new hardship policy. Taking a hit to our main revenue streams, whilst supporting our community and continuing to deliver for our community has had a notable impact on our budget. It is a true credit to the organisation's leadership that despite facing unprecedented challenges and reduced income we have been able to deliver significant support and strong operating results with a small deficit of \$3.6 million. Council is committed to supporting our community as we respond to the rapidly changing environment of the pandemic and its human, social and financial impacts.

DELIVERING ON OUR PROMISES

In the March election the community voted overwhelmingly for the policies and the proven track record that we put forward. It is essential to repay that faith with a continued commitment to serve our community in the best way we can over the next four years, and to ensure we deliver what we have promised.

As a Council we are dedicated to delivering quality infrastructure that will benefit our community into the future, and throughout this financial year we completed, or made major headway in, projects which will form a foundation for future growth both economically and socially. One such project is the completion of Stage 1 of the Haughton Pipeline which generated more than 1,000 jobs throughout construction and will provide long term water security for our region for generations to come.

We have invested heavily in improving our road and pedestrian networks, maintaining our city's drainage and upgrading parks and public facilities. Council made significant headway in delivering the redevelopment of the much loved Tobruk Memorial Baths and invested in reinvigorating popular public spaces such as Palmer Street and the Central Park boardwalk.

The long-awaited completion of the central business district (CBD), Queensland Country Bank Stadium, saw its christening concert with global superstar Sir Elton John and the debut Cowboys home game come to life prior to heavy COVID-19 restrictions coming into play.

Council's commitment to deliver world class events and an Arts and Culture Festival to be proud of was brought to life through the delivery of the North Australian Festival of Arts (NAFA). Over 100,000 people enjoyed 32 days of arts, culture and events. Being able to host world-class events and get behind not just national and international acts, but also support the wonderful local talents we have in our own backyard was essential in the recovery of the 2019 monsoon event, and emphasised the importance of events in a period of social recovery.

CHALLENGES – COVID-19

It is important to note Council's commitment to our own organisation and our people throughout this time. While COVID-19 has impacted arguably every industry and sector, local governments have unfortunately remained exempt from the benefits of the Federal Government's Job Keeper package.

That means as our revenue streams have been hit and new demands for financial support and economic stimulation have emerged, we have had to re-evaluate what we consider essential and non-essential spending. Like every business locally, nationally and globally, Council has done an exceptional job of adapting to the rapidly changing and unpredictable impacts of COVID-19 and how we continue to provide services for our community safely.

BUILDING A RESILIENT CITY

Over the last 12 months our fiscal responsibility enabled Council to assist our community by adjusting how we operate to manage the safety of our staff and community. Council provided a multimillion-dollar package to support the community and stimulate local businesses as we began to feel the effects of COVID-19. The support package consisted of:

- Deferral of rates, utility charges including pedestal charges and Trade Waste licence fees
- Council facilitating the refund of all Civic Theatre show tickets through TicketShop
- Refunds for Council venue bookings in line with cancelled events
- Payment of supplier invoices accelerated to within 14 days
- *Al Fresco Dining and Food Act 2006* fees fixed to \$0
- Temporary Food Stall / Premises fees fixed to \$0
- Refunds granted for Community Centres for cancelled bookings
- Rent relief until 30 June 2020 for commercial leases
- Free parking in the CBD
- Development of works packages

Living in North Queensland we pride ourselves on our resilience, and while COVID-19 continues to have devastating effects, I'm proud to say Council's pandemic plan has allowed us to cater for our community's needs and coordinate and accelerate the health, social and economic recovery of Townsville and the greater North Queensland region.

In collaboration with over 120 stakeholders from across North Queensland, including our five regional mayors, State members of Parliament and the Federal member for Herbert, we have established Taskforce NQ to coordinate and accelerate the health, social and economic recovery of the region. Together we have identified and prioritised potential industry opportunities and projects and have set a clear plan for accelerating growth in the region for the next 10 to 15 years.

Thank you to my fellow Councillors, Council's former CEO - Mike Chiodo, Council Executive and Officers for their hard work. The 2020/21 year will no doubt be another challenging year for Townsville as we battle the ongoing effects of COVID-19, but I assure you we will continue to deliver for our community as we build a resilient city throughout recovery to shape our region's future.



Cr Jenny Hill
Mayor of Townsville



Message from the Acting Chief Executive Officer

The 2019/20 annual report is one that highlights the importance of Council's collaborative focus on building a resilient city, while continuing to deliver the essential services our community expects. We were a community still in the midst of recovery from the impacts of the 2019 monsoonal flood event when we were faced with navigating the social, health and economic impacts of the COVID-19 pandemic.

Yet despite this challenging landscape the 2019/20 year remained one of delivery. We successfully managed and funded major job-creating infrastructure projects, delivering on Council's commitments and continued to effectively operate Council's important essential services. This year Council continued to reach key milestones and complete transformational projects for our city, projects such as:

- Completion of Stage 1 of the Haughton Pipeline, creating over 1,000 jobs throughout construction and benefitting around 200 businesses both directly and indirectly. This is the first milestone which will deliver long-term water security for our community.
- Continued work with our State and Federal counterparts on the delivery of the North Queensland Stadium Precinct through the development of the Waterfront Promenade with the completion of the Central Park boardwalk and Little Fletcher Pedestrian bridge.
- Investment in enhancing our road and pedestrian networks, prioritising our city's drainage, investing in our much-loved public assets such as the redevelopment of Tobruk Memorial Baths as well as upgrading parks and public facilities such as Heatley Park and Joe Kirwan Park.
- Hosting our city's largest ever celebration including HALO Festival of Lights and the North Australian Festival of Arts (NAFA) to support our community's recovery in the wake of the 2019 monsoon event. The significant role world-class arts, culture and events play in the recovery of a community cannot be underestimated, and the success of these events was evident through the large attendances and subsequent community pride.

Becoming a smarter, faster and better Council remains at the forefront of our operations. The introduction of Townsville Dashboards, the Have Your Say Townsville platform, live-streaming of Council meetings and the introduction of E-Petitions all demonstrate our commitment to providing easy to access information and new ways to interact with Council.

In addition, Council's ongoing commitment to supporting our local business community through our procurement process saw the addition of 59 indigenous businesses to our supplier panel. Notably, 87 per cent of these businesses were local suppliers, with the remaining 13 per cent operating a branch in Townsville and employing locals.

2020 was certainly shaping up to be a great year for the city with all the relevant indicators showing positive signs of growth for our community and confidence in our business sector. COVID-19 took us all by surprise and despite its broad reaching social and economic impacts, Council's pandemic plan and business continuity plan allowed the organisation to respond quickly to assist our community with the introduction of Council's COVID-19 support packages while continuing operations in a very different world.

Like the majority of businesses across the globe Council has had to adjust to operating and planning through a period of uncertainty. It has given us the opportunity to revisit how we do what we do and refine our

strategy, all while ensuring our focus remains on the social, health and economic recovery of our community and the adaptability and agility of our organisation.

Council's involvement in Taskforce NQ, a collaboration of over 120 industry and community representatives from throughout the North Queensland region working together to accelerate the recovery of our region. Taskforce NQ was established by Council in partnership with North Queensland Region of Councils (NQROC), to collaborate, advocate and coordinate a plan for the growth of our region and city.

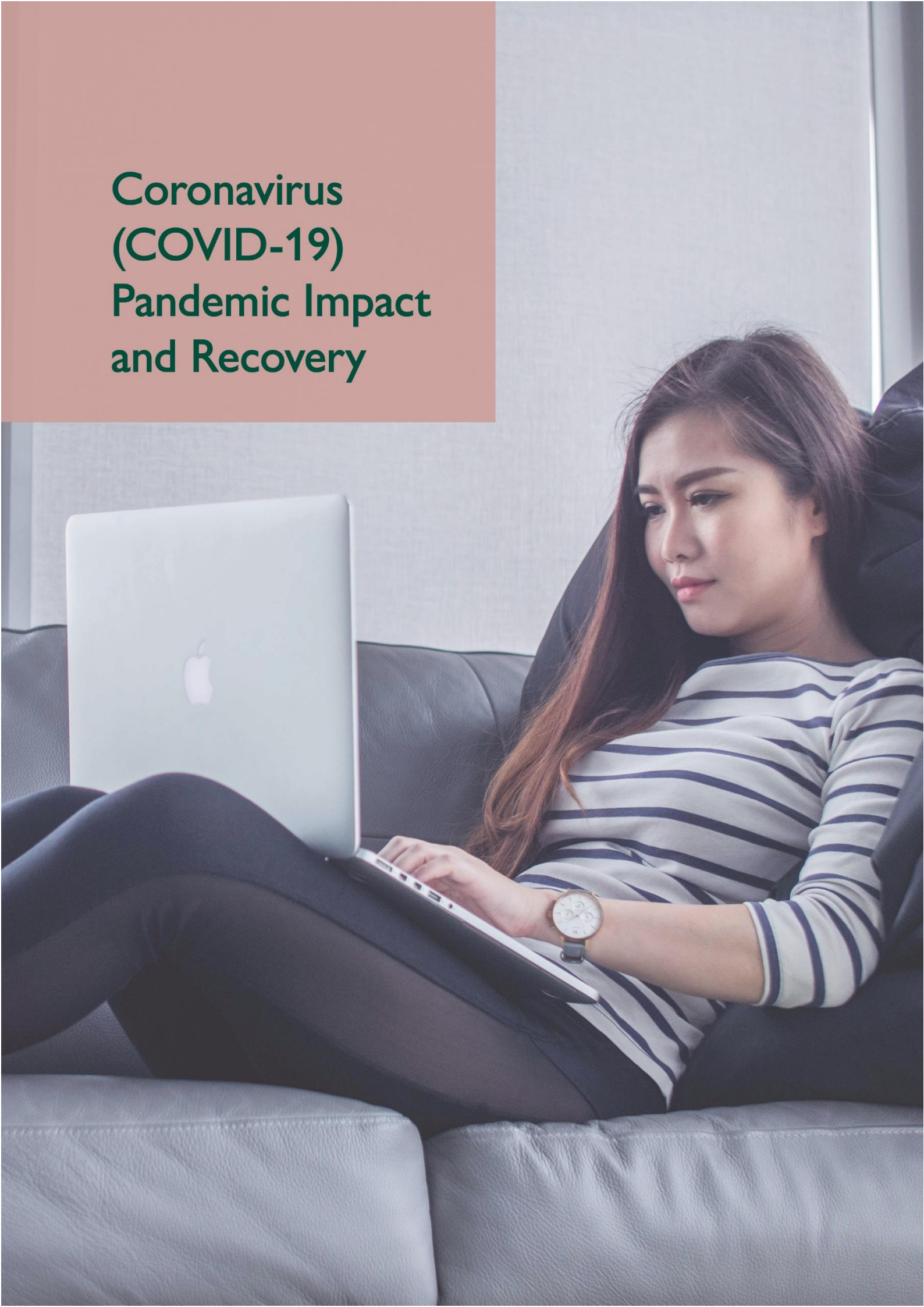
Your team at Townsville City Council has worked incredibly hard during the 2019/20 year, and it is a true credit to their perseverance and determination in what has been another challenging year. I am proud of the grit and determination individuals and teams continue to demonstrate through very trying circumstances. While the impacts of the COVID-19 pandemic will continue for some time yet, Council is well placed to continue delivering the essential services our community expect while creating a foundation for our city to thrive in the future.



Eber Butron
Acting Chief Executive Officer



Coronavirus (COVID-19) Pandemic Impact and Recovery



The community's economic and social recovery from the pandemic has been a significant focus for Council in the last half of the 2019/20 financial year and will continue to be over the coming years.

Council's preparedness for COVID-19 was demonstrated in early February when Council activated both its Pandemic Plan and Business Continuity Plan. In March, the Townsville Local Disaster Management Group moved to 'Alert' in a proactive step to ensure community wide preparation for any potential impact from COVID-19. The decision to move to 'Alert' was made after the State Disaster Coordination Centre moved to 'Stand Up'.

At the same time, Council began work to understand the broader economic and social impacts that the pandemic may have on the city, the people and the economy.

ECONOMIC IMPACT

Townsville is a regional hub and an administrative centre with direct economic and social linkages to northern and western Queensland. The city has strong international trade ties and is significantly impacted by conditions within its area of influence. The Australian Government adopted an approach of "Economic Hibernation" designed to keep businesses and households viable during the pandemic. Based on the government's economic hibernation response, it is estimated that Townsville's economic impact will trend above the 10% estimated by Treasury due to our current unemployment rate being higher than the state and national average. Industries that are most heavily impacted and potentially requiring assistance include:

- Retail trade
- Accommodation and hospitality services
- Entertainment and lifestyle industries

SOCIAL IMPACT

Significant events like a pandemic have the ability to shift the social fabric of our cities and communities. These changes include self-isolation and quarantine instructions, such as being prohibited from attending popular social recreational events, physical connection with family and friends, and physically disconnected working arrangements. These necessary restrictions implemented across the country and Queensland to protect our health are expected to have significant long-term social impacts. The ongoing impacts of COVID-19 have already reshaped how our society functions by creating a 'new' normal. Council plays an important role in adjusting the city for this 'new' normal to ensure our continued growth through advocacy, leadership and delivery of functions, services and infrastructure to benefit our city and community and achieve positive social outcomes. Council is undertaking a Social Impact Study using data from an online survey to continually track how the community is being impacted by COVID-19. The results will provide a further series of actions for Council's consideration during and post the pandemic to address mental and physical health, social connections and the promotion of our city.

RECOVERY

As a proactive measure to stimulate the local economy and support the community, Council provided a multimillion-dollar package to support locals and businesses feeling the effects of COVID-19 in the early stages of the pandemic.

The support package consisted of:

- Deferral of rates, utility charges including pedestal charges, and Trade Waste licence fees
- Council facilitating the refund of all Civic Theatre show tickets through TicketShop
- Refunds for Council venue bookings in line with cancelled events

- Payment of supplier invoices accelerated to within 14 days
- *Al Fresco Dining and Food Act 2006* fees fixed to \$0
- Temporary Food Stall / Premises fees fixed to \$0
- Refunds granted for Community Centres for cancelled bookings
- Rent relief until June 30 for commercial leases
- Free parking in the CBD
- Development of works packages

Council's COVID-19 helpline was also established to assist residents to navigate through the large amount of information available from all levels of government and acted as a central point of truth the community could access easily.

On 24 April 2020, to further support the region, Taskforce NQ was formed to coordinate and accelerate the health, social and economic recovery of the greater North Queensland region from the impacts of the COVID-19 pandemic. Coordinated by Council and led by a Steering Committee consisting of the Chair of the North Queensland Regional Organisation of Councils (NQROC), State and Federal Members of Parliament, and Chaired by the Mayor of Townsville. Taskforce NQ links Queensland and Australian Government taskforces and agencies. Taskforce NQ consists of over 120 community, business and government contributors. The taskforce has identified over 100 innovative projects across the region that have the potential to support ongoing growth, jobs and social improvements for years to come. If supported by the Queensland Government and the Australian Government these projects can be accelerated, delivering long-term security for the region.

Taskforce NQ includes the following committees and groups:

- North Queensland COVID-19 Steering Committee
- Business Advisory Group (BAG)
- North Queensland Recovery Acceleration Projects Committee (NQRAP) and working groups:
 - Arts, sports and events
 - Defence industries
 - Education, skills and workforce
 - Health and TropiQ
 - Infrastructure and transport
 - Major regional projects
 - Primary industries and manufacturing
 - Small business, employment and entrepreneurial support
 - Social
 - Tourism, hospitality and accommodation

Our City



OUR COMMUNITY



Population of
195,032



Projected
population by 2041
282,281



Average age of
population
34 years



Population
born overseas
13.7%



Indigenous
population
7.0%



Number of
families
47,645



Residents who
volunteer
18.4%

OUR ECONOMY



Gross Regional Product
\$11,738m



Residents working
in Townsville
100,125



Total value of tourism
and hospitality sales
\$1,217m



Number of
Local Businesses
11,945



Visitors to the city
each year
1,424,000

LIVING IN TOWNSVILLE

Providing a laid back tropical lifestyle that is complemented by capital city comforts, no other Australian city boasts the resilience, diversity, lifestyle and economic potential that the Townsville North Queensland Region enjoys.

Known as the second Capital of Queensland, Townsville offers a dynamic lifestyle coupled with strong economic prosperity. Townsville is a thriving precinct with access to a variety of world class education facilities, leading edge health care, affordable housing, unique retailing, spectacular events and entertainment, dining precincts and a wide range of outdoor recreation options. With over 300 days of sunshine each year, Townsville's lifestyle is second to none.

Outside the southeast corner, Townsville is the largest city in regional Queensland. Our current official population count is 195,032 persons (source: <https://profile.id.com.au/townsville>). Townsville is also Australia's largest garrison city.

Townsville's traditional owners and custodians are the Gurambilbarra Wulgurukaba, Bindal, Nywaigi and Gugu Badhun peoples who were the first people to have lived in the Townsville region.



Our Council

About Townsville City Council

Servicing the community at a local level, Council is part of your everyday life. The water you drink, the rubbish you dispose of, the parks you play in and the roads and pathways you travel on.

Our Vision

Townsville, Capital of Northern Australia; the city with opportunity and great lifestyle.

Our Mission

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

Council provides and maintains community infrastructure assets including bridges, drainage, roads, community facilities, sporting venues and more. Council looks after the health and wellbeing of the community through public health initiatives such as mosquito and pest control, as well as animal management. Recreational facilities, events and a wide range of environmentally sustainability activities are also delivered.

To maintain all these services and facilities for the community, Council proudly employs 1,668 community members.

Council will continue to plan and deliver services and projects that help make Townsville a great place to live and do business.

Townsville

OUR CITY FEATURES



1,824 km
of roads



4
Libraries



80,201
Rateable Properties



543 km
of footpaths



12
Community Centres



130
Parks with playgrounds
and shaded areas



2
Art Galleries



503
CCTV Security
Cameras



1
Major Performing
Arts Venue



5
Public swimming
pools



Our Annual Report

Townsville City Council presents the 2019/20 Annual Report which provides a comprehensive account of Council's performance for the past financial year (1 July 2019 – 30 June 2020).

This Annual Report is part of Council's commitment to open, transparent and accountable governance. It identifies community service delivery and demonstrates how Council is meeting the strategic objectives set out in the Corporate Plan 2020-2024 and Operational Plan 2019/20.

Council measures its performance in terms of progress made in implementing our Corporate Plan 2020-2024.

In accordance with the *Local Government Act 2009*, Council has established commercial business units for its significant water and waste business activities.

Strategic Planning

The Annual Report provides information about our Council and more specifically in delivering our:

- Corporate Plan 2020-2024
- Operational Plan 2019/20, Townsville Water and Townsville Waste Performance Plans

Council reports its performance by publishing:

- Quarterly Performance Reports
- Annual Report
- Townsville Dashboards

Council's vision, strategic objectives and strategies further improve services and facilities. These strategies and plans include:

- Townsville City Plan – sets the direction for development and growth over the next 25 years.
- Townsville City Deal – a 15-year commitment between the Australian Government, Queensland Government and the Townsville City Council to work together to plan and deliver transformative outcomes for Townsville and its residents.
- Corporate Plan 2020-2024 – outlines our shared vision for Townsville and the key issues and priorities for Council over the next five years and beyond.
- Budget and Operational Plan 2020/21 – Council's annual plan allocating resources to deliver specific projects, activities and events in pursuit of the Corporate Plan.
- Strategic Asset Management Plan 2020/21 – articulates the Asset Management System Model, Asset Management Framework and Asset Management Capability Delivery Model for Council.





Our Elected Representatives

The 2020 local government elections were held on 28 March, 2020. The new Council was sworn in on Friday 17 April, 2020 and a special meeting of Full Council was held on Friday 24 April, 2020. As part of this election, Councillor Jenny Hill was elected as Mayor. At this meeting Council endorsed seven (7) Standing Committees and resolved to appoint Councillor Mark Molachino as Deputy Mayor.

Councillors are our elected representatives. They represent the current and future interest of the residents of Townsville through participation in Council meetings, policy development and decision making.

For electoral purposes Townsville City Council is divided into 10 electoral divisions. The Local Government Change Commission reviewed the divisional boundaries in 2019 and changes were made to ensure even distribution of enrolled voters. The boundary changes went into effect for the March 2020 election.

Townsville's 10 divisions include the city's centre and suburbs, Magnetic Island, communities of Alligator Creek,

Woodstock, and Reid River to the south and Northern Beaches and Paluma communities to the north.

Induction sessions were provided to all Councillors giving them the opportunity to understand their role and responsibilities and to develop the skills and knowledge to perform their job in the best interest of the community. The Department of Local Government, Racing and Multicultural Affairs also delivered a session on the system of local government and the roles and responsibilities of Councillors.

Councillors will continue to be provided with professional development opportunities during their term.

DIVISIONAL BOUNDARIES

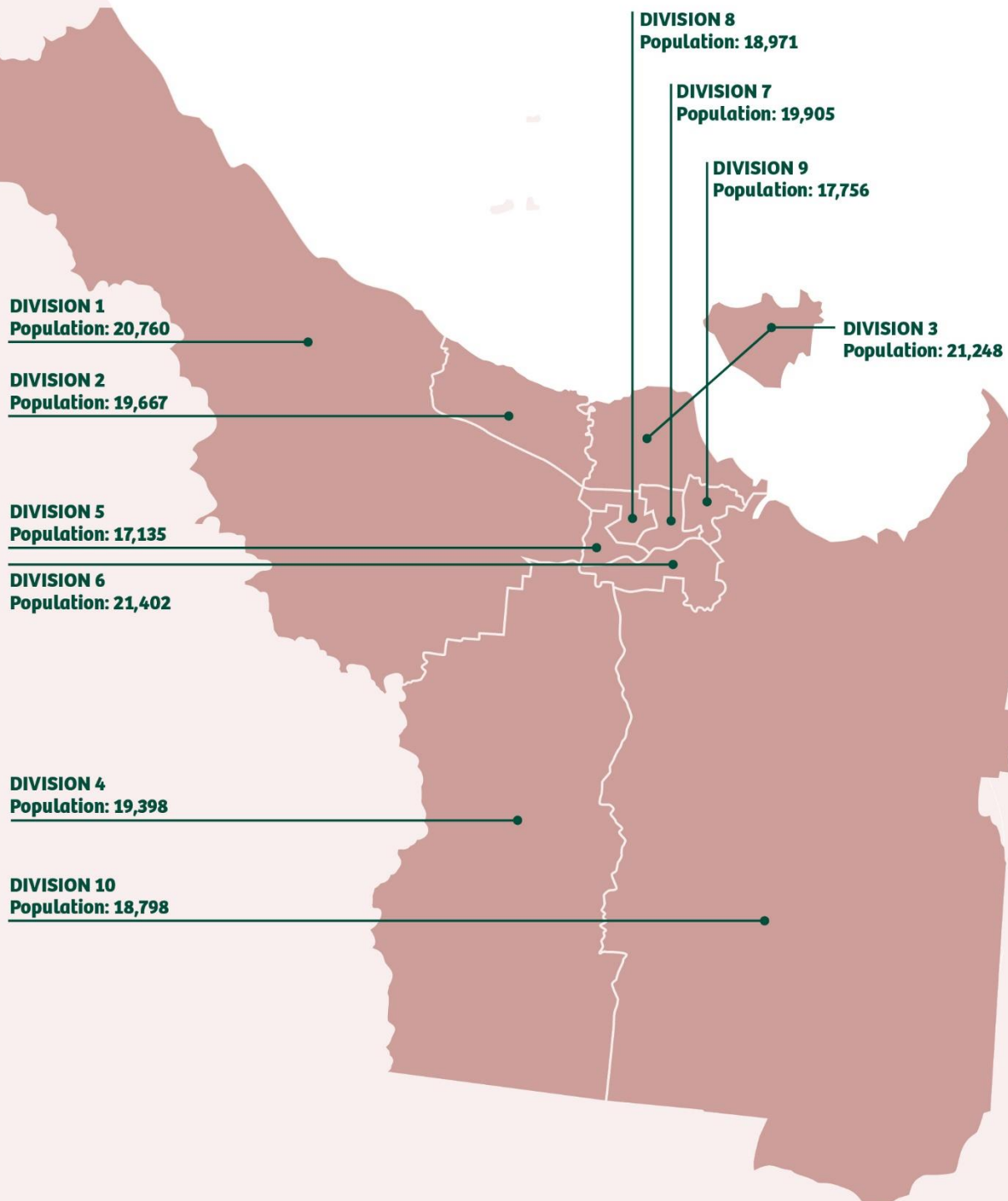


Diagram 1 - Map of Townsville's Local Government Area with Electorate Divisions and the Australian Bureau of Statistics official 2019 Estimated Resident Population

COUNCILLORS: APRIL 2020 - CURRENT



Cr Jenny Hill (Mayor)

Term of Office: 7 (non-consecutive)

P. 0434 818 321

E. Mayor@townsville.qld.gov.au

Profile: Councillor Hill has over 20 years' experience as a scientist with mining companies, the Department of Primary Industries, James Cook University and Townsville Hospital. She has over 20 years' service in local government and in 2012 was elected as Townsville's first female Mayor.

Qualifications:

- Bachelor of Science
- Master of Public Health and Tropical Medicine including studies in management, economics and accounting
- Member of Australian Institute of Company Directors



**Cr Mark Molachino
(Deputy Mayor)**

Division 4

Term of Office: 2

P. 0439 849 856

E. Mark.Molachino@townsville.qld.gov.au

Profile: Councillor Molachino was born and raised in Ingham and has worked in the sugar, aviation, mining and construction industries as well as serving 18 years in the Australian Defence Force. He is passionate about creating opportunities that allow families to remain in our great city.

Qualifications:

- Graduate of the Australian Institute of Company Directors course
- Diploma of Workplace Health and Safety
- Diploma of Project Management
- Diploma of Vocational Education
- Diploma of Training Design and Development



Cr Margie Ryder

Division 1

Term of Office: 5 (non-consecutive

- includes 3 terms at McKinley Shire Council)

P. 0439 915 033

E. Margie.Ryder@townsville.qld.gov.au

Profile: Councillor Ryder served as a Councillor for the Julia Creek / McKinley Shire Council for 10 years. Councillor Ryder's work in events and tourism has been recognised nationally. She is an experienced business owner and understands the importance of creating more jobs for locals; and looking after volunteer community organisations and their grassroots volunteers.

Qualifications:

- Diploma of Frontline Management



Cr Sue Blom

Division 2

Term of Office: 3 (non-consecutive)

P. 0435 260 342

E. Sue.Blom@townsville.qld.gov.au

Profile: Councillor Blom has worked and lived in the Northern Beaches of Townsville since 1976. She served two terms as a Councillor with Townsville City Council from 2008 until 2016, representing the then Division 1 area of the Northern Beaches of Townsville.

Qualifications:

- Trade Certificate in Hairdressing
- Small business owner



Cr Ann-Maree Greaney

Division 3

Term of Office: 2

P. 0448 378 111

E. Ann-Maree.Greaney@townsville.qld.gov.au

Profile: Councillor Greaney is a long-term resident and previously worked for the National Rugby League in Sydney, Tec-NQ, Marketing Manager for the Townsville Hospital Foundation and as Townsville City Council Special Events and Protocol Officer. Councillor Greaney also sits on the Board of the Cowboys Leagues Club.

Qualifications:

- Member of Australian Institute of Company Directors
- Diploma of Education
- Executive Certificate in Event Management



Cr Russ Cook

Division 5

Term of Office: 2

P. 0439 866 640

E. Russ.Cook@townsville.qld.gov.au

Profile: Councillor Cook was born in Townsville and has spent most of his life here, only moving away due to deployments or postings with the Australian Defence Force and Queensland Police Service. Councillor Cook has been a franchise owner and owned and operated a range of businesses.

Qualifications:

- Diploma of Arts (Psychology)
- Diploma of Business Management
- Diploma of Public Safety (Policing)



Cr Suzy Batkovic

Division 6

Term of Office: 1

P. 0434 939 419

E. Suzy.Batkovic@townsville.qld.gov.au

Profile: Prior to being elected, Councillor Batkovic was a professional athlete, playing basketball for 23 years in the USA, Europe and Australia. Playing professional sport taught Councillor Batkovic about teamwork, leadership, compassion and the importance of listening, how to fight for what is right and, most importantly, what it takes to work together to achieve positive outcomes.



Cr Kurt Rehbein

Division 7

Term of Office: 2

P. 0439 847 860

E. Kurt.Rehbein@townsville.qld.gov.au

Profile: Prior to being elected to Council, Councillor Rehbein worked as a cabinetmaker, RAAF military Dog Handler and as a fire fighter. He wants to help drive Townsville's economy through planning and teamwork, while focusing on keeping rates affordable and supporting local businesses and community groups.

Qualifications:

- Trade Certificate in Cabinetmaking
- Certificate III in Dog Handling and Military Operations
- Diploma in Fire and Rescue Operations and Public Safety



Cr Maurie Soars

Division 8

Term of Office: 2

P. 0439 849 622

E. Maurie.Soars@townsville.qld.gov.au

Profile: Councillor Soars has lived in Townsville with his family for over 30 years. He successfully operated his own businesses and managed branches for several national and international companies over the 30 years. Outside of business he is focused on sport and raising funds for various charities and supporting volunteers across Townsville.

Qualifications:

- Diploma of Business Management
- Qualified Motor Mechanic and Rigger
- Director of several organisations



Cr Liam Mooney

Division 9

Term of Office: 1

P. 0434 925 510

E. Liam.Mooney@townsville.qld.gov.au

Profile: Councillor Mooney is a born and bred Townsville local. He has represented Townsville and North Queensland in a wide variety of fields, from music, to performing arts, to soccer and swimming. Councillor Mooney has over 15 years' experience in the events and entertainment industry.



Cr Les Walker

Division 10

Term of Office: 5 (non-consecutive)

P. 0418 315 705

E. Cr.Les.Walker@townsville.qld.gov.au

Profile: Councillor Walker was born and raised in Townsville and has 16 years' experience as a city Councillor. His career has included working on the Burdekin Dam Project, at Townsville Correctional Centre and the Cleveland Youth Detention Centre, and owning and operating several small businesses in Townsville.

Qualifications:

- Diploma in Management

Councillors:

July 2019 – March 2020

Mayor of Townsville

Cr Jenny Hill

**Deputy Mayor of Townsville
(Division 10)**

Cr Les Walker

Division 1

Cr Margie Ryder

Division 2

Cr Paul Jacob

Division 3

Cr Ann-Maree Greaney

Division 4

Cr Mark Molachino

Division 5

Cr Russ Cook

Division 6

Cr Verena Coombe

Division 7

Cr Kurt Rehbein

Division 8

Cr Maurie Soars

Division 9

Cr Colleen Doyle

Our People

Our Staff Values

Service – We commit to excellence

- Deliver quality service
- Take follow-up action
- Be proud of what we do

People – We value each other

- Safety first
- Work as a team
- Develop our people

Integrity – We do the right thing

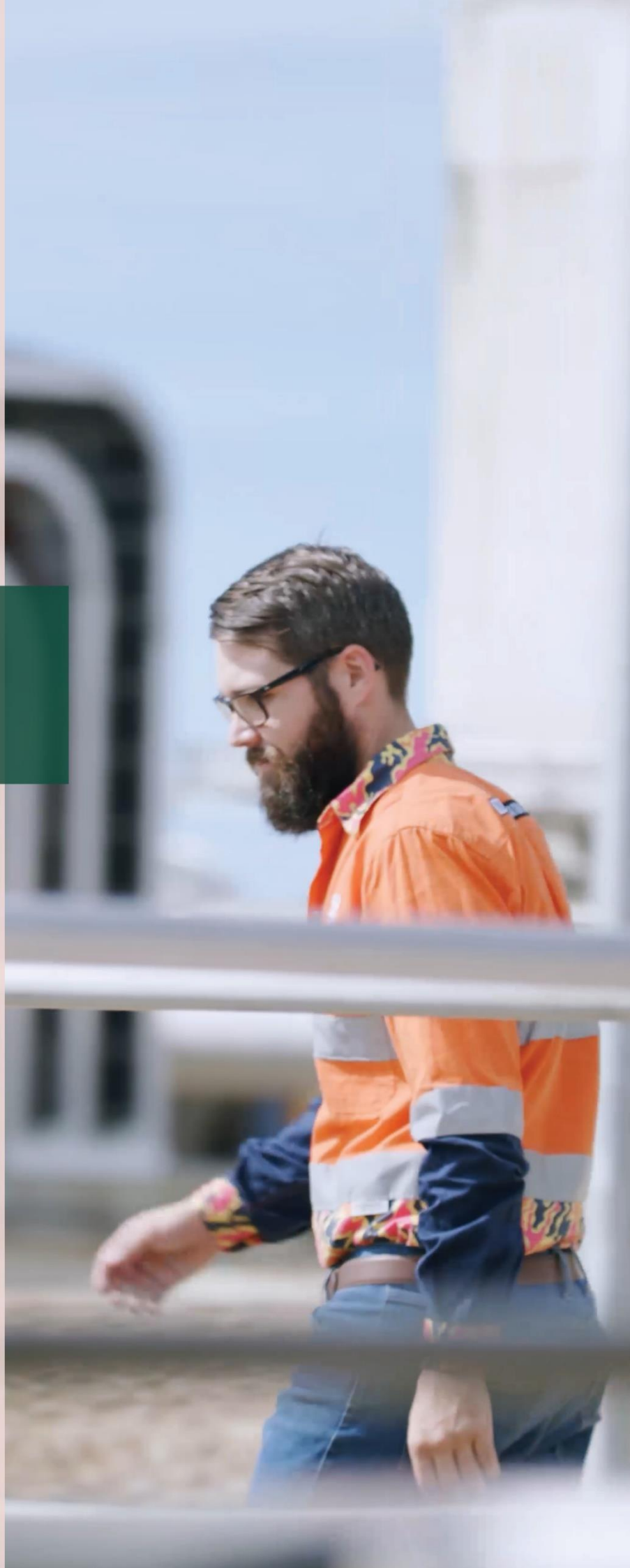
- Be fair and consistent
- Make ethical decisions
- Be transparent and accountable

Respect – We learn through listening

- Listen with an open mind
- Be honest
- Show courtesy and understanding

Enjoyment – We create a fun workplace

- Show optimism
- Adopt a can-do attitude
- Share achievements and celebrate success

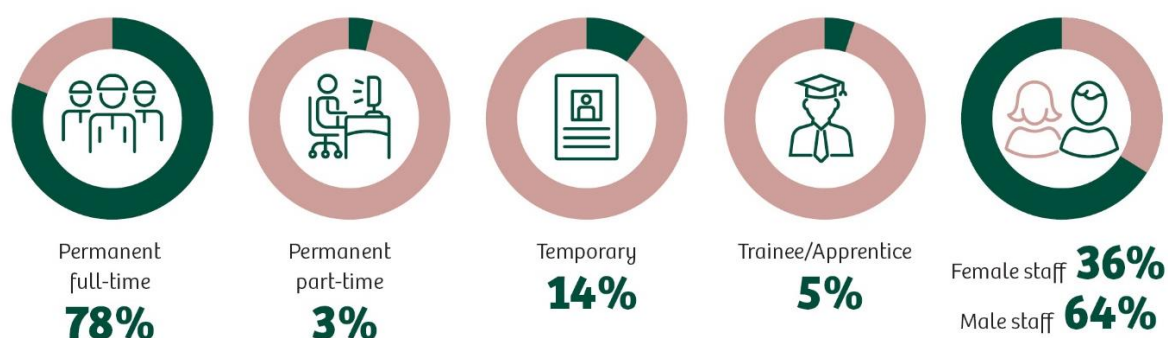


Our Organisational Structure



Our Workforce Profile

EMPLOYMENT STATUS 2019/20



Our Volunteers

Volunteers assist Council in delivering services, protecting the environment and hosting events. Council acknowledges the wonderful contribution volunteers make to our community. This financial year Council has had 56 volunteers with 11 of these volunteers continuing into the new year.

Council manages a number of services that involve community volunteers. During the year, volunteers assisted in the following areas of Council:

- Cultural Services
- Community Engagement
- Townsville Water and Waste
- Planning
- Environmental Services
- Infrastructure Planning, Assets and Fleet
- Parks, Open Spaces and Environment
- Information Technology Services

Council would like to thank all the volunteers within our community; those involved with sporting, social and service clubs, community events, environmental initiatives and much more. Volunteers are an integral part of our community fabric and without them our community would not be the same. Council's Volunteers Policy can be found on our website.

Our Achievements

Council has been recognised for outstanding contribution to our community. These awards were state and nationally recognised.

Council Awards

Sustainability Projects

Infrastructure Project Innovation Award (servicing under 250,000 end users)

Awarded for: Townsville CBD Utilities Upgrade
Awarded by: Australian Water Association
Awarded to: BMD Constructions, together with Townsville City Council and GHD
Date Awarded: 13 September 2019

Crisis Communication

Crisis Management Campaign - National Golden Target Award 2019

Awarded for: Are you Disaster Ready? Campaign
Awarded by: Public Relations Institute of Australia (PRIA)
Awarded to: Townsville City Council
Date Awarded: 13 November 2019

Best Collaboration Campaign - Award for Excellence

Awarded for: Are you Disaster Ready? Campaign
Awarded by: Local Government Managers Australia (LGMA)
Awarded to: Townsville City Council
Date Awarded: 17 October 2019

Risk Management

Risk Management Award of Excellence

Awarded for: Our initiative Enterprise Risk Management (ERM) system implementation and alignment with ISO31000:2018
Awarded by: Local Government Mutual Services (LGMS)
Awarded to: Townsville City Council
Date Awarded: 15 October 2019

Service Excellence

National Award of 2019 Service Champion

Awarded for: Service Excellence in a Small Contact Centre
Awarded by: Customer Service Institute of Australia Awards
Awarded to: Information Technology Service Desk
Date Awarded: 24 October 2019

Individual Staff Awards

Long Service Awards

Council recognises staff commitment to the organisation through the presentation of Long Service Awards for employees who have achieved 10 years of service or more in five-year increments. In 2019, Council congratulated 127 staff with a total of 2,185 combined years of service.

Service Category	Total Number of Recipients	Average Age of Recipients	Male Recipients	Female Recipients
10 years	55	48	29	26
15 years	27	50	14	13
20 years	16	51	9	7
25 years	14	55	8	6
30 years	6	57	5	1
35 years	2	57	2	-
40 years	4	56	3	1
45 years	3	62	3	-
Total	127	55	73	54

Table 1 - Council employees' years of service



Andrew Haden, 45 Years' Service



Neil Robb, 45 Years' Service



Vic De Guara, 45 Years' Service

Workplace Health, Safety and Wellbeing

Council takes the health, safety and wellbeing of its employees very seriously and is committed to preventing work-related injuries and ill-health. This commitment includes ensuring a safe and healthy work environment, physically and psychologically. Council acknowledges that our employees are our most valuable asset and their wellbeing will continue to be our focus.

During the impacts of COVID-19, the safety of our staff and community remained the priority of Council. Council continues to do an exceptional job of adapting to the rapidly changing environment and has been flexible in responding quickly to ensure we continue to provide services for our community safety. Council has been operating under COVID-19 restrictions since March and we continue to take the

advice of Government and Health authorities, adjusting how we operate to manage the safety of our staff and community.

In response of COVID-19, Council adapted its workforce to operate under new conditions. Safety measures introduced included:

- Physical distancing
- Working from home
- Separating work teams and work locations
- Increased hygiene and occupancy restrictions in mobile fleet
- Identifying vulnerable staff and mitigating risks
- Increased PPE
- Flexible work arrangements
- Introduced pandemic response leave entitlements

Council continuously updates its corporate safety procedures. Council is continuing to invest in our safety system and procedures to ensure that everyone goes home safely. Council acknowledges and thrives on diversity, and consultation with all our people is an essential element of our safety focus.

As part of Council's wellness strategy, the Employee Assistance Program remains a key focus. These included employee assist, family assist, money assist, legal assist, career assist, nutrition and lifestyle assist and manager assist.

Council continues to offer Fitness Passport to its employees and their immediate families. Fitness Passport includes 36 local providers that cover a variety of gyms, swimming pools, yoga, health centres and cycle centres. Fitness Passport members can access onsite yoga classes on selected days.

Training and Development

Council offers a range of professional development and training opportunities to ensure staff have the required skills and knowledge to deliver quality services to our community.

In 2019/20 Council welcomed 22 new Apprentice and Trainee across 13 disciplines. Council also provided the opportunity for two existing apprentices to complete a fifth-year dual trade in Electrical and Instrumentation. The intake saw Council's total numbers for Apprentices and Trainees reach 76 in 2019/20, with an additional 41 Work Skills Trainees completing Certificate I in Conservation and Land Management, Construction and Business.

Council prides itself on the entry level opportunities it provides to our community and was proud to pilot the Choice Pathways program in partnership with the Department of Employment, Small Business and Training. Choice Pathways is a program for Aboriginal and Torres Strait Islander high school students to obtain a Certificate qualification while completing their senior years of schooling and gain workplace experience.

The dedication Council makes to training and developing our Apprentices and Trainees was recognised by both the TAFE Excellence Awards and the Queensland Training Awards.

- 2019 TAFE Excellence Awards winner Clancy Garwood, Ian Payne Automotive Apprentice of the Year
- 2019 Queensland Training Awards (Regional Finals):
 - Mela Nuggin, winner Aboriginal and Torres Strait Islander Student of the Year
 - Jenna Maskell, finalist Bob Marshman Trainee of the Year
 - Townsville City Council, finalist Large Employer of the Year
- 2019 Queensland Training Awards (State Finals):
 - Mela Nuggin, finalist Aboriginal and Torres Strait Islander Student of the Year.

Our Community Financial Report

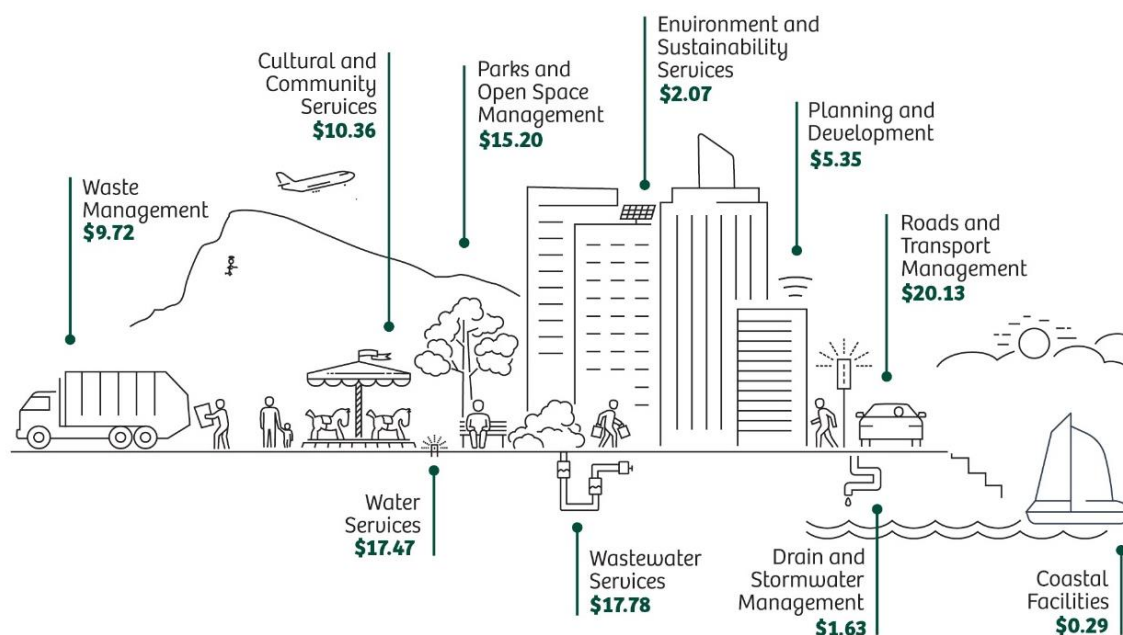


This report is provided to give community members, customers, business partners and employees a better understanding of Council's financial performance. The information presents a summary of the 2019/20 financial results in a simple format. More detailed information can be found in the Financial Report from page 95.

Where your rates and utility charges go – for every \$100

Council invests your rates and utility charges directly back into our community.

Every \$100 can be divided into the following infrastructure and service costs:



Strong Credit Rating

has been maintained as **Sound** with a neutral outlook



\$5.4 billion

total **Community Assets**



\$307.3 million

spent on **capital investment** including \$78.4 million on renewals of city infrastructure



\$350.1 million

raised in rates and utility charges



\$86.9 million

increase in **community equity**



\$594.2 million
Liabilities



\$423.3 million

spent on providing services and **support to the community**



\$634.7 million
Total Revenue

Financial Performance

Council strives to be sustainably fiscal and represent ratepayers concentrating on essential services including roads, community facilities, waste and water.

This financial performance report summarises Council's position at 30 June 2020.

The **Statement of Comprehensive Income** is a summary of Council's financial performance for the year listing all income earned and expenses incurred in delivering Council's services.

Recurrent revenue and expenses are also known as operating revenue and expenses. Operating expenses do not include capital purchases for the renewal or upgrade of Council assets. Operating expenses do include depreciation and amortisation which is an allocation of the asset across its expected life.

This statement is **prepared on an accrual basis** and includes both cash and non-cash items. The key figure to assess Council's performance is the **operating surplus or deficit** which is recurrent revenue minus recurrent expenses.

Operating Result

Townsville has faced back to back unprecedented challenges with the 2019 monsoon event followed by the human, social and economic impacts of COVID-19. Despite these challenges Council has continued to support the community while keeping rates increases low.

It has been a tough 12-months with budgeted operating revenue taking a \$10.9 million hit due to lost income from low growth, COVID-19 support packages, and reduced water consumption charges. Strong financial management has enabled Council to record a small operating deficit of \$3.6 million in 2019/20.

Net Result

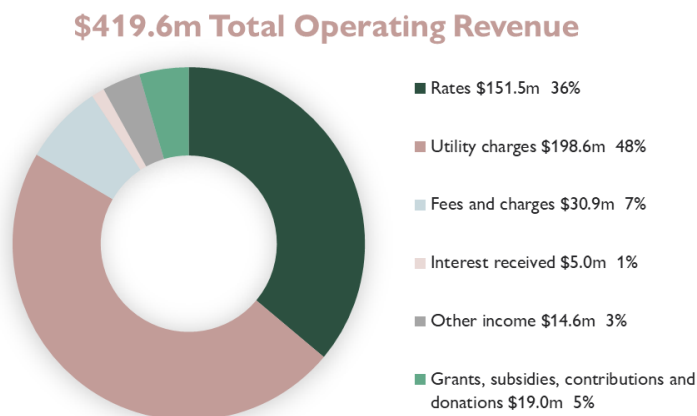
Council achieved a net result of \$195.7 million. This result is largely driven by revenue received for the construction of assets. The net result also shows some expenditure that does not contribute towards the daily operation of the city. This includes the decommissioning of assets which does not need to be funded by revenue.

REVENUE – Where money came from

Revenue comes in from rates and utility charges on residential properties, business and industrial properties, fees and charges from Council running its operations, state and federal government grants, developer and other contributions, and interest.

Rates and utilities continue to be the major source of income for the delivery of Council services and infrastructure to our community. Council continues to focus on long-term planning and ongoing renewal and maintenance of infrastructure to keep average rates increases to a minimum.

Total operating revenue increased by 4% from last year largely due to a 2% Consumer Price Index (CPI) increase in rates and utility charges, growth in rateable properties and service connection, and increased fees and charges collected for the State Waste Levy.

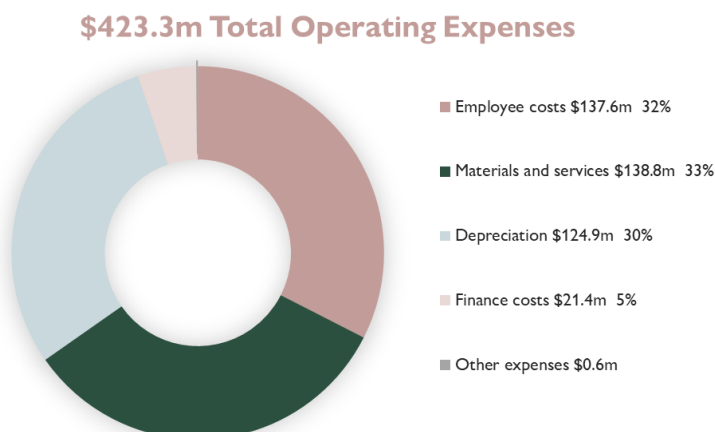


EXPENSES – Where our money was spent

Expenses go out for employee costs, materials, utilities, services, depreciation and financing costs to deliver community services. The following information covers operational spending only because capital spending is added to the value of assets when incurred.

Depreciation and amortisation represents an allocation of the use or wear and tear over the expected life of the asset. Council has detailed Asset Management Plans (AMPs) to ensure the best value and longest life is achieved for each asset.

Total operating expenses have increased by 5% from last year due to one-off costs associated with the unprecedented monsoon, community events including NAFA, Halo and Townsville Eats, State Waste Levy expenditure, and increased depreciation on assets capitalised during the year.



Financial Position

The **Statement of Financial Position** is a snapshot of Council's financial position including assets and liabilities at 30 June 2020.

Assets that Council owns can be used to provide services or sold to earn income, including physical property and cash.

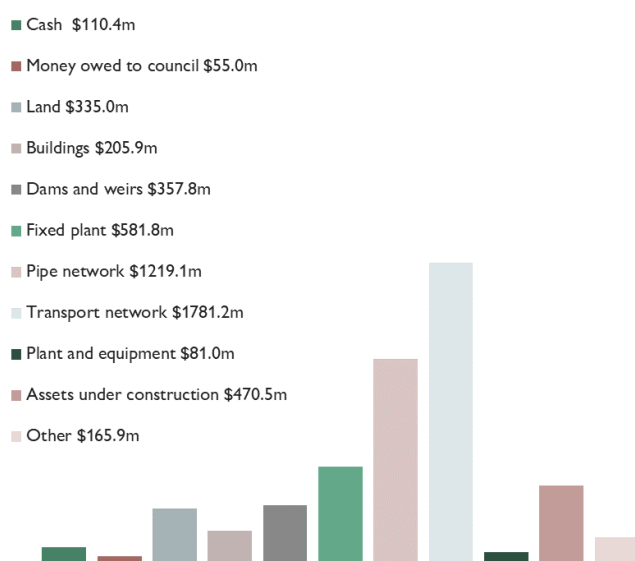
Liabilities are amounts of money that Council owes to others, including money borrowed from Queensland Treasury Corporation and unpaid bills. Assets and liabilities are separated into **current and non-current**.

ASSETS – What the Community Owns

Council's largest investment is infrastructure and includes roads, pipes and buildings that benefit our community. The value of Council's total assets has increased from the prior year by \$144.0 million. The main movements included:

- \$226.6 million – increase in property, plant and equipment consistent with Council's capital program deliverables including the Haughton Pipeline.
- \$12.7 million – increase as right to use assets are now recorded on Council's balance sheet due to new accounting standards. This includes leased property and equipment.
- \$118.3 million – decrease in cash holdings from the prior year in which Council received fast tracked funding to deliver Haughton Pipeline.

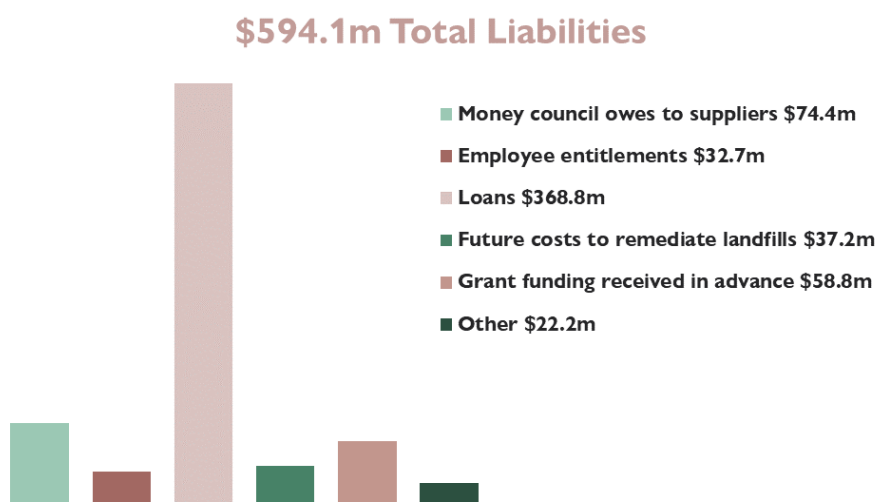
\$5.4b Total Assets



LIABILITIES – What the Community Owes

Council's liabilities include borrowings (loans), amounts owed to suppliers, amounts owed for employee entitlements and provisions for future landfill capping. The largest debt owed at 30 June 2020 was to Queensland Treasury Corporation (QTC). QTC is the Queensland Government owned lending agency.

The value of Council's liabilities have increased by \$57.1m this year due to a change in accounting standards. Grant moneys received are now recorded as a liability rather than revenue until the associated works are complete (please refer to Note 8 of Our Financial Report for further details). This change came into effect this year with new accounting standards.



Community Equity

The **Statement of Changes in Equity** measures the change in what the community owns less what the community owes.

Cashflows

The **Statement of Cash Flows** show where Council's cash has come from and where it was spent as well as the change in Council's bank balance during the year and the final balance at 30 June, 2020.

Financial Sustainability

The Local Government Regulation 2012 requires all Queensland councils to report on three specific financial sustainability ratios:

- Operating Surplus Ratio
- Asset Sustainability Ratio
- Net Financial Liabilities Ratio

The results of these ratios, calculated in accordance with the Financial Management (Sustainability) Guidelines 2013 are shown in the Current Year and Long Term Financial Sustainability Statements that follow the Financial Report. The graphs below show historical ratio values for the current and last three financial years as well as forecast ratios for the next three years.

Whilst this report focuses on the 2019/20 financial results, the current year ratios should not be viewed in isolation. It is important to consider the long-term financial objectives of Council and other measures that reflect Council's commitment to operating in a prudent manner while maintaining its financial management objectives including:

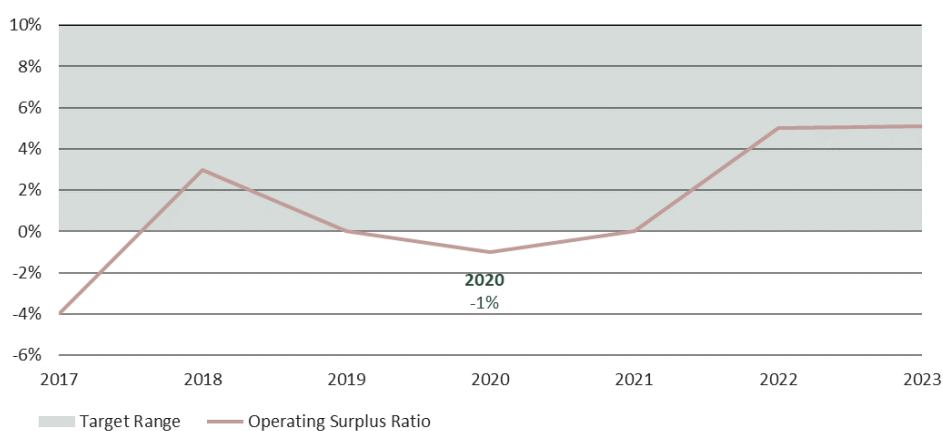
- the maturity of Council's asset management functions
- the level of debt compared to the size and value of long-life income producing assets; and
- Council's ability to maintain adequate service levels.

In May 2020 Council finalised its 2019 credit review with Queensland Treasury Corporation (QTC) and received a rating of *Sound with a neutral Outlook*.

QTC Noted: "The rating is reflective of TCC's robust operating model, with an increasing ratepayer base and high Council controlled revenue, which results in a high level of financial flexibility. TCC is expected to generate improved operating results with adequate debt servicing capacity over the forecast period."

Operating Surplus Ratio

The operating surplus ratio indicates Council's ability to fund ongoing operations long-term. A ratio of -1% in 2019/20 indicates costs incurred by Council were greater than total revenue received. This result was due to challenges resulting from the unprecedented monsoon event and economic impacts of COVID-19. Council has committed to supporting our community during the global pandemic and recognises it will be challenging into future financial years, however Council has a positive long-term financial forecast.

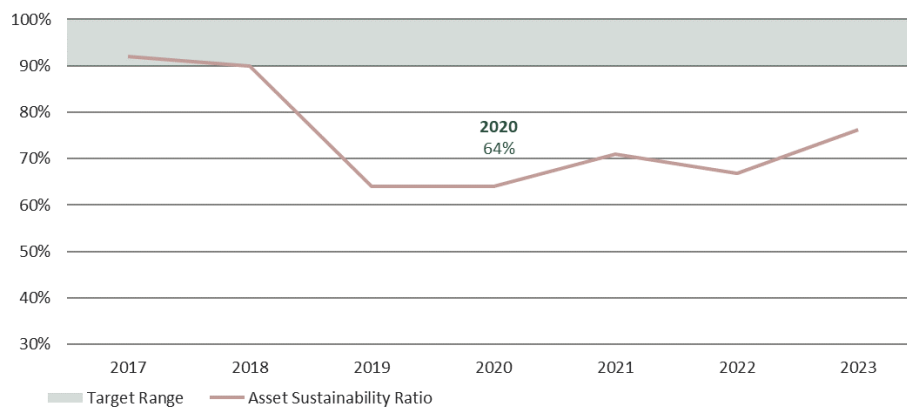


Asset Sustainability Ratio

The asset sustainability ratio approximates the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives. It can assist in identifying the potential decline or improvement in asset condition and standards.

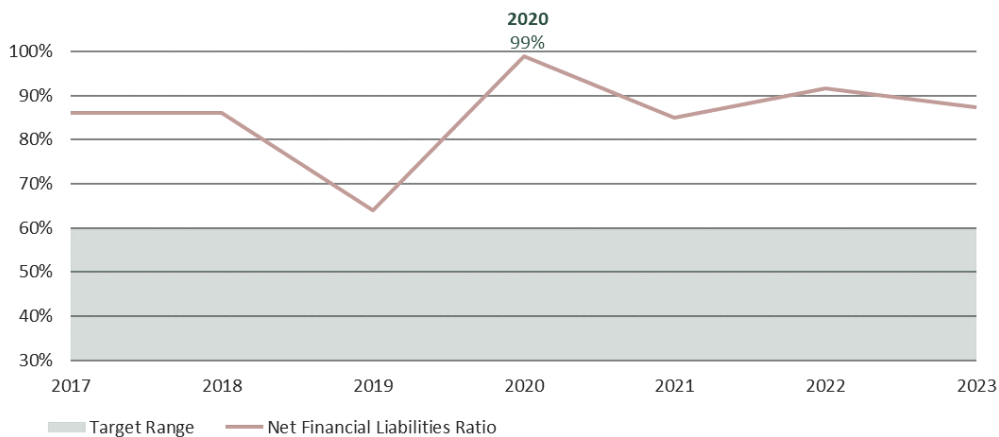
Council recognises that whilst this ratio is outside the target range, detailed Asset Management Plans (AMPs) are prepared on an annual basis for a 10-year period. These AMPs specify how much should be spent on proposed maintenance, renewal, and replacement of our assets rather than relying on accounting depreciation.

Council has invested in undertaking condition assessment of assets to undertake evidence based remaining life assessment and renewal forecast. Council is also in the process of implementing asset prediction tools to predict the degradation of assets into the future. Council's 2020/21 capital plan includes renewal of existing assets to further improve the asset sustainability ratio.



Net Financial Liabilities Ratio

This ratio indicates Council's ability to repay its liabilities and debt with its revenue and cash holdings. Whilst this ratio is outside the target range, it does not reflect the significant asset base supporting Council. Council's liabilities make up 11% of Council's total assets and operating revenue covers 71% of total liabilities.



A close-up photograph of two young women smiling and looking towards the right. The woman in the foreground has blonde hair and is wearing a gold hoop earring. The woman behind her has dark hair and is wearing sunglasses. They are outdoors, with a bright, hazy sunset or sunrise in the background.

Our Annual Performance

OUR GUIDING PRINCIPLES

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 community, businesses and stakeholders to build a great city.



Our People

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



Our Services

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



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.

Council's Vision, Mission, Goals, Objectives and Deliverables are published in our Corporate Plan 2020-2024 and form the framework of Council's PerformancePLUS system. This system is a tool designed to consolidate all of Council's plans and streamline performance management and reporting processes. The system enables Council to display organisational performance metrics and data for the use of the community. Council's four goals are:



A PROSPEROUS CITY

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



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.



A CLEAN AND GREEN CITY

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



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.

Goal One: A prosperous city

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

Corporate Plan Objectives

- 1.1 Support local businesses, major industries, local innovations and employment growth
- 1.2 Activate economic and geographic strengths and market Townsville as a vibrant and smart destination for commerce, education, research, tourism, entertainment and lifestyle
- 1.3 Plan, support, provide and advocate for infrastructure and investment that supports innovation, residential and economic growth
- 1.4 Maximise opportunities for economic growth by building and maintaining effective partnerships.



Achievements and Highlights

- \$24.0 million partnership with the Queensland Government to deliver the Queensland Country Bank Stadium and public infrastructure (total \$45.0 million).
- \$1 million upgrade of the Geaney Lane and Deeragun Road intersection, funded by the Australian Government's Black Spot program.
- Completion of the new \$3.4 million Central Park boardwalk.
- \$1.9 million Palmer Street Stage 2 upgrade.
- \$1.5 million Ogden Street upgrade (Works4Queensland project funded by the Queensland Government).
- \$3.2 million Heatley Park upgrade (Works4Queensland project funded by the Queensland Government).
- Council adopted the major planning scheme amendment for the creation of the Lansdown Eco-Industrial Precinct and DriveIT NQ Motor Sport Precinct.
- Council trialled a hot mix asphalt (HMA) with a recycled glass component on the Bonnet Road pathway project at Mount Low.
- 86% of Council's expenditure was with local businesses.
- 59 Indigenous businesses were added to Council's panel of suppliers.
- Spend with Indigenous suppliers increased to \$1.6 million.
- Implementation of the Development Incentives Package 2019-2021 to support new development in the CBD, attracting jobs and innovative developments.
- Council introduced a new Alfresco Dining Application Form to provide a quick, easy and free process for Townsville's food and beverage businesses to extend their footprint.
- New event parking regulations came into effect for the on-street parking in the streets surrounding Queensland Country Bank Stadium.
- Free two-hour parking was offered in the CBD from 1 December to 1 January. Additionally, Council extended this into July, to further support inner city businesses impacted by COVID-19.

Townsville City Deal

The City Deal is a 15-year commitment between the Australian Government, Queensland Government and the Townsville City Council to work together to plan and deliver transformative outcomes for Townsville and its residents.

The Townsville City Deal incorporates a commitment to enhance liveability, support long-term growth of local businesses and revitalise development. The City Deal commitments that were completed during the 2019/20 financial year included:

- Completion and opening of the Queensland Country Bank Stadium, hosting Sir Elton John in Concert on 29 February 2020 and hosting the stadium's first NRL game on 13 March 2020.
- Finalisation of a business case assessment for Stage 2 of the Haughton Pipeline and confirmation of full funding for construction to deliver a continuous water supply pipeline, in conjunction with Stage 1, from the Burdekin River to the Ross River Dam.
- Commencement of the Port of Townsville Channel Upgrade project, with over 600,000 tonnes of rock delivered to build the seawall for land reclamation.
- Opening of the Townsville City Bus Hub, coinciding with the introduction of a new network-wide bus timetable to encourage more people to use public transport and travel to the CBD.

The three year review of the City Deal is now underway with results expected to be published in late 2020.



Goal Two: 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.

Corporate Plan Objectives

- 2.1 Provide services and local infrastructure that meet community expectations, support growth, build resilience and provide for the needs of our community
- 2.2 Improve the liveability of Townsville and encourage active and healthy lifestyles by providing accessible public facilities, community infrastructure and creating placemaking activities
- 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
- 2.4 Enhance community knowledge of, and access to, Council services to improve community wellbeing, resilience, health and safety.

Achievements and Highlights

- Over 100,000 people gathered to witness international and local acts at the Northern Fringe Festival alongside the North Australian Festival of Arts (NAFA) held in July 2019.
- Strand Ephemera, the North's Sculpture Festival, staged over 10 days and nights from Friday 26 July - Sunday 4 August 2019.
- Council adopted the Townsville Event Strategy 2020-2025 in January 2020. Securing events will provide significant economic, social and community development opportunities for Townsville.
- Perc Tucker Regional Gallery held major exhibitions including Connie Hoedt: *Microcosm to Delft Blue*, Glen O'Malley: *What is a Dream?* Ken Done: *Paintings you probably haven't seen* and Jim Paterson: *I'm Neither Here nor There*.
- HALO, an immersive sound and light experience was held over 17 nights in July 2019.
- Aitkenvale Library refurbishment was completed adding sound and video recording booths to the facility.
- The fifth Get Active Expo was held at Townsville Stadium building community awareness around sport, recreation, health and fitness opportunities.
- Through the Community Safety Plan, Council achieved the following:
 - Installation of 94 new CCTV cameras across 16 sites, totalling 503 throughout Townsville.
 - Commissioning of a new CCTV Analytics capability for use in 2020/21.
 - The Community Response Vehicle was deployed 1,086 times by the CCTV Monitoring Room for antisocial behaviour and threats to infrastructure.
 - Total number of patrols completed by Community Response Vehicle to Council Infrastructure (buildings and parklands) for 2019/20 was 16,569.
- Neighbourhood activation projects included Neighbour Day and Christmas Together initiatives.
- Council provided capacity building support and mentoring to over 150 community organisations and over 200 sporting clubs.
- Council provided leadership and co-facilitation of four recovery task groups after the 2019 unprecedented monsoon event and the formation of the TaskforceNQ for COVID-19 recovery
- Liveability Strategy 2020-2024 was endorsed to strengthen Townsville's liveability.
- Townsville City's Mobility Map provides 'effort required' rating information for people to determine their preferred journey and navigation around our CBD and inner-city surrounds.
- The annual road condition assessment in 2019 ranked the Townsville road network between fair to good condition. Based on the percentage of cracking, the network is considered excellent with more than 95% of the roads with cracking area less than 35%.
- The footpath network condition assessment conducted in 2019 ranked the Townsville footpath network as good overall. The assessment concluded that around 85% of the concrete surface with stepping in low severity (less than 10mm) and 40% of the asphalt surface with less than 3mm cracking width.
- Approximately \$750,000 in savings related to potential asset failures by continuously undertaking condition assessment on critical water and wastewater assets. Council utilises modern and sophisticated condition assessment techniques, including Vibration Analysis, Oil Analysis, and Ultra Sonic Non-Destruction Testing.
- Approximately \$1 million savings in reactive maintenance costs by carrying out an asset optimisation exercise for mechanical and electrical assets. The optimisation exercise appropriately balances risk, cost and performance.



Goal Three: A clean and green city

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

Corporate Plan Objectives

- 3.1 Plan, design and deliver sustainable development and support this by actively managing the natural environment and increasing green infrastructure, at a city, suburb and place level
- 3.2 Develop and implement long term waste and water security solutions that are socially, financially and environmentally sound.

Achievements and Highlights

- Stage 1 of the Haughton Pipeline Duplication was completed. The Queensland Government provided \$225 million to partner with Council to provide water security in Townsville.
- The outcomes of the condition assessment of Townsville's open space assets demonstrated the quality of the spaces for community enjoyment, with the majority falling under the highest condition rating.
- New stormwater and drainage works have been installed in Rendle and Richard Streets with reconstruction of roads.
- The Illich Park Stage 2 project has seen additional flood mitigation incorporated into the park, along with an improvement to the recreational and sporting amenity. This \$6 million upgrade is delivered in partnership with the Australian Government's Department of Infrastructure, Transport, Cities and Regional Development's Community Development Grants Program.
- Installation of a new sensory playground at Aplins Weir Rotary Park, designed to help develop children's senses and cater to kids of all abilities.
- Major upgrade to Joe Kirwan Park, which now includes a new playground, basketball courts and fitness equipment (Works4Queensland project funded by the Queensland Government).
- Council completed the \$400k Nelly Bay walkway renewal (Works4Queensland project funded by the Queensland Government).
- The Hervey Range Resource Recovery Centre and adjoining on-site sale shed opened to the public in February 2020.
- Installation of 20 litter baskets in stormwater pits in the CBD to stop the flow of rubbish into the ocean.
- Completion of beach erosion management at Nelly Bay Groyne.
- Council became the first Council in Australia to use the environmentally friendly bituminous geomembrane, to construct a final cap at the Hervey Range landfill site.
- Council completed a pilot program targeting illegal dumping funded by the Queensland Government.
- Council developed a sustainable system for Tropicalised Environmental and Innovative Technology Solutions. These include:
 - Sustainable energy efficient LED coloured lighting in the CBD
 - LED Street lights
 - Developing and implementing low cost environmental sensors
 - Solar powered aeration systems in environmental waterways.
- Council has established the use of Aerial Reconnaissance Monitoring (drones) to gather important environmental data and information. This includes:
 - Mapping riverbank erosion and impacts caused by the monsoon
 - 296kms aerial-based (drones) environmental reconnaissance assessments of riverbanks and coastlines.
- Key coastal strategies and achievements include:
 - Establishing the Rowes Bay Foreshore Reserve for environmental purposes
 - Horseshoe Bay Shoreline Erosion Management Plan adopted by Council
 - Stormwater Management Study developed to enhance and improve current management practices that support this tourism hub of Magnetic Island.

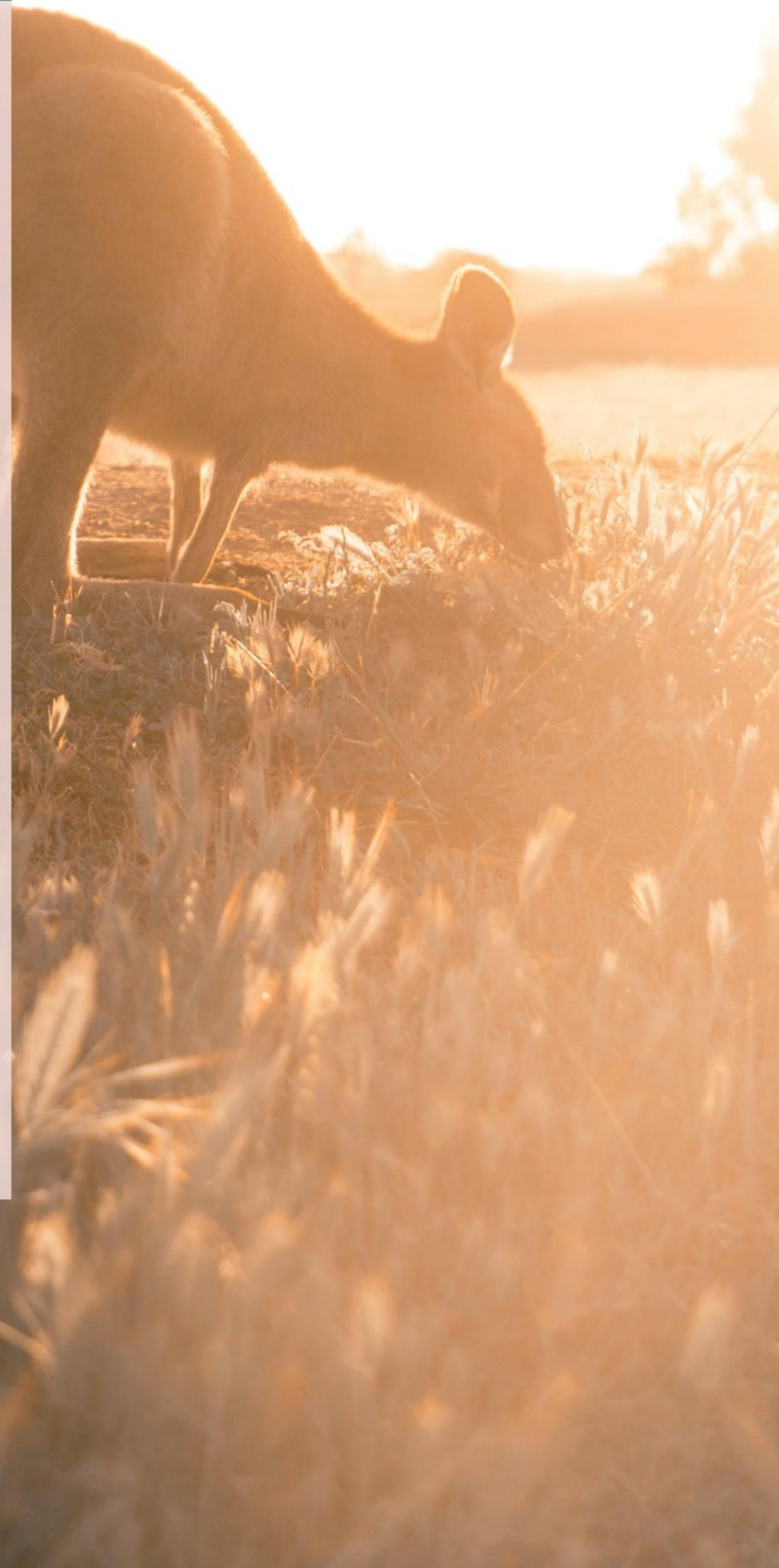
- Natural Environment Recovery and Resilience achievements include:
 - Assessed flood damaged environments and developed a Recovery and Resilience Framework for city-wide ecological restoration
 - Undertook Riparian Reconnaissance project with funding from the Queensland Government across all creeks and rivers of Townsville
 - Council received \$8.2 million in Disaster Relief Funding for Natural Environment Recovery for local riverbank and coastal restoration. Restoration works have commenced and will continue over 2020/21
 - Council developed a Natural Environment Recovery and Resilience Plan that delivers local environmental restoration and recovery activities.

Goal Four: 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.

Corporate Plan Objectives

- 4.1 Provide customer-focused services that enhance the customer experience and meet the expectations of our community in a dynamic and adaptive manner
- 4.2 Ensure that Council's plans, services, decisions and priorities reflect the needs and expectations of the community
- 4.3 Ensure that public funds are expended efficiently, and that Council expenditure represents value for money while supporting the local economy
- 4.4 Be a valued and committed employer who provides a productive, inclusive and respectful environment for staff and the community
- 4.5 Improve financial sustainability and provide value and accountability to the community for the expenditure of public funds.



Achievements and Highlights

- The Townsville Funding Finder webpage was successfully launched.
- The e-petitions platform was successfully launched.
- Council's Laboratory received National Association of Testing Authorities (NATA) accreditation for testing of Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) in water and wastewater.
- Council launched the live streaming and bookmark post meeting review of Council Meeting recordings and papers.
- Finalisation of the rates categorisation review to provide consistency across the whole of the city.
- Implementation of 14-day payment terms to help improve cashflow into small business that may be experiencing hardship due to the pandemic.
- Council has developed new models to improve data processing, including Geographic Information System (GIS) based models for the mapping of new water meters.
- Automation of asset management water services data, saving approximately 65% of data entry time.
- Council successfully completed 94% of spatial enquiries through Geo Processing to influence business outcomes.
- New models developed for inspection and maintenance of pipe assets resulting in a reduction in water service failures and failures of water mains.
- Council reviewed its critical spares listing for water and wastewater assets, to further ensure business continuity of water and wastewater services including minimising environmental breaches and optimising preventive maintenance schedules.

Looking Forward

Council plans for future projects, events and partnerships, for more information please refer to our Budget and Operational Plan 2020/21 and Corporate Plan 2020-2024 available on the Council [website](#).

Events



A snapshot of what's been happening in Townsville

July 2019

- Northern Fringe Festival and North Australian Festival of Arts (NAFA)
- Festival of Stories
- Supercruise Parade and Watpac Townsville 400 Supercars
- Townsville Comedy Gala
- Strand Ephemera 2019
- Inaugural HALO™ – A sound and light show created especially for Townsville

September 2019

- Get Active Outdoors Day
- Townsville Eats – Country Western
- Community Planting Day
- Rowes Bay Open House Day

November 2019

- Disaster Ready Day
- Remembrance Day 2019

August 2019

- Townsville Running Festival
- Townsville Eats – Asian Fusion
- Magnetic Island Race Week
- The African Festival

October 2019

- Townsville hosts the International Cities, Town Centres and Communities Conference
- Garage Sale Trail Event
- Mentally Healthy City Wellness Expo
- National Water Week
- Reopening of the Civic Theatre
- Official opening of Joe Kirwan Park
- Official opening of Aplins Weir Rotary Park
- The Strand's 20th Birthday / 106.3 Fire in the Sky Event
- Townsville Eats – Thriller

December 2019

- Launch of Townsville City Council's 25 Days of Discounts initiative
- Carols by Candlelight
- Townsville Eats – Christmas in the City
- Stable on the Strand
- New Year's Eve Beach Party



January 2020

- Get Active Expo
- Chinese New Year – Year of the Rat Celebration
- Australia Day Ceremony
- Great Australian Bites

March 2020

- Neighbour Day

All events held from March 2020 adhered to state health standards for COVID

May 2020

- Townsville lights up purple for domestic violence awareness
- National Volunteers Week (18-24 May) and NQ Volunteer of the Year Awards
- National Reconciliation Week
- Percival's Portrait Painting and Photographic Awards

February 2020

- World Wetlands Day
- Official Opening of the Queensland Country Bank Stadium
- New Queens Garden Aviary opened

April 2020

- ANZAC Day Services 2020 (Live Broadcast)
- TNQ7 Film Archive Project: Reflections

June 2020

- Townsville lights up green to celebrate the city's parks

Events Postponed due to the COVID-19 pandemic:

- North Australian Festival of Arts (NAFA) and Northern Fringe Festival 2020 - rescheduled to 18 September – 25 October 2020.
- HALO 2020 - rescheduled to August 2021.
- Townsville Eats - postponed and will be reviewed in 2021/22 financial year.
- Recycling Open Day - rescheduled to November 2020.
- Entrepreneur in Residence at Townsville CityLibraries - rescheduled to August and September 2020.
- Spirit of Reconciliation Employee Event "National Reconciliation Week" - rescheduled to 9 November 2020.
- NAIDOC Week - rescheduled to 8 to 15 November 2020.
- Mother's Day Memorial - rescheduled to 8 May 2021.
- Neighbour Day - rescheduled to 28 March 2021.
- EcoFiesta - rescheduled to 2022.



Online engagement platform – Have Your Say Townsville

An important trend being embraced by Council is people's growing preference for online information and engagement, which has been further exacerbated following the global pandemic. Online engagement and social media offer the potential to reach many more people quickly, efficiently and safely. Council has invested additional resources in those techniques and is encouraging more people to register with the Have Your Say Townsville [online platform](#), which was launched by the Community Engagement Division in September 2019.

Over coming years Council's engagement portal, Have Your Say Townsville, will become Council's main channel for disseminating detailed information on current issues and decision-making processes, and for receiving feedback submissions from individuals and interest groups. The following highlights the results of Have Your Say Townsville for the 2019/20 financial year:

Have Your Say Townsville Highlights	Number of Visitors
Total Visits	23,008
Maximum Visitors Per Day	979
New Registrations	2,237
Engaged Visitors	1,711
Informed Visitors	7,752
Aware Visitors	16,636
Top Projects	Aware Visitors
Recreational Vehicle (RV) Strategy	2,109
Ross River Dam – Commercial and Recreational Use	1,698
Riverway Splash Water Park	1,267
Mount Louisa Open Space Early Works Plan	1,267
Sturt Street and Fletcher Street Intersection Upgrade	912
Wordsworth Park Upgrade	888
Walker Street Castle Hill Connection	821
Botanic Gardens Masterplan – Round 1	692



Townsville Dashboards

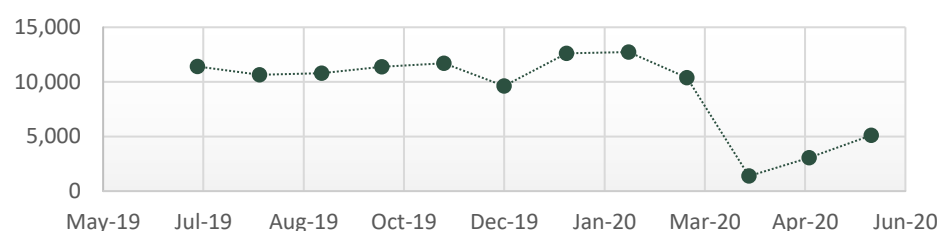
Townsville City Council is committed to transparent, responsible and open disclosure of information to the community.

During 2019/20 Council developed and started implementing the Townsville Dashboards Community Engagement Plan to promote awareness of Townsville Dashboards. This was progressing well and had translated into increased utilisation of Townsville Dashboards, however COVID-19 restrictions have limited utilisation in the last quarter. The number of open datasets available for download has increased to 54 datasets representing a broad range of service delivery functions.

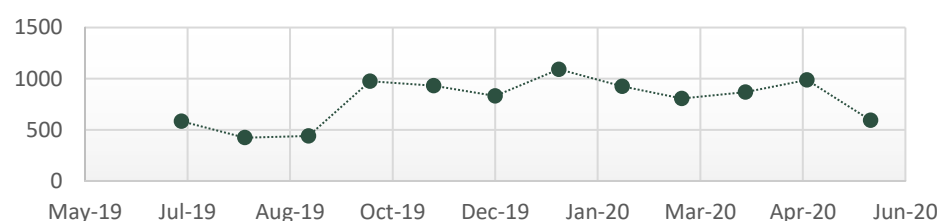
The community has undertaken **110,831** page views and downloaded the 54 available open datasets from the Open Data Portal on **9,456** occasions.

Access Townsville Dashboards at dashboards.townsville.qld.gov.au

Page Views



Downloads





Townsville Water Annual Operations Report

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

Vision

*To be the leading Water
Service provider in
Northern Australia.*

Mission

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

Purpose of this report

This Operations Report is designed to provide an overview of the operations and performance of Townsville Water for the 2019/20 financial year, as measured against its Annual Performance Plan.

The Local Government Regulation 2012 requires that Townsville City Council must include an Annual Operations Report for each commercial business unit in the Council's Annual Report.

TOWNSVILLE WATER

Fast Facts

Townsville Water is a significant business activity of the Townsville City Council, providing water and wastewater services to the Townsville community. It supplies potable water, collects and treats wastewater, and supplies recycled water.



Townsville Water and Wastewater

- Combined operating and capital expenditure of over \$269.5 million



Water

- Treated 42,000 megalitres of safe, high-quality potable water
- Supplied water to 81,000 service connections in the Townsville region



Wastewater

- Treated 16,967 megalitres of wastewater
- Serviced 75,000 residential, commercial and industrial properties
- Serviced 1,000 trade waste customers



Assets

- Manages assets valued at approximately \$1.6 billion
- Operates 2 major water storages
- 4 water treatment plants
- 6 wastewater treatment plants
- 41 water reservoirs
- 23 water pumping stations
- 20 chlorinators
- 191 sewage pump stations
- 2,652 kilometres of water mains
- 1,364 kilometres of sewer mains



Our Performance

Townsville Water's performance in the 2019/20 financial year focused on several key areas.

Customer Service Standards

During 2019/20 Townsville Water reviewed the Customer Service Standards currently in place and found that Townsville Water maintains Customer Service Standards in accordance with the requirements of the *Water Supply (Safety and Reliability) Act 2008*.

Townsville Water's Customer Service Standards articulates measurable goals which Townsville Water aims to achieve, and which are reported on annually to the Water Supply Regulator. Every quarter the business also reports to the community against their progress towards achieving annual key performance targets set within the Customer Service Standards.

Education Programs

During 2019/20 Townsville Water engaged approximately 1,641 school students across various eco-catchment tours and classroom visits.

The new Water Demonstration Garden at Anderson Gardens was 75% complete at the end of June 2020. The garden will feature various water saving ideas for residents to adapt to their own gardens.

Townsville Water continues to work on curriculum linked education resources and various fact sheets for schools and early learning centres. It has also produced online virtual tours to support the continued learning of students and schools during the COVID-19 pandemic.

Water Restrictions

During 2019/20 Townsville Water implemented new water conservation measures. These measures allow the Townsville community to help ensure the city's water security strategy is met. These measures allow residents to utilise the odds and evens water system which is designed to minimise the impact on the city's water network. Council understands how important our water is and is striving to preserve this precious resource whilst providing the essential service to the community.

Our Infrastructure

Asset Management

Townsville Water continued to apply effective control and governance of assets to realise value through managing risk and opportunity which helped achieve the desired balance of cost, risk, and performance. This assisted the business to appropriately prioritise how to allocate time, money and material by focusing on the most critical problems and providing the framework for continuous improvement, meeting organisational objectives and regulatory compliance. The focus on continuous improvement increases overall asset effectiveness while lowering life cycle costs.

The Three-Point Water Security Solution

1. Townsville Water Pipeline Project

Work continued through the year on Stage 1 of the Haughton Pipeline, with the final pipe laid in the ground in May 2019. Three local contractors installed 2,763 individual lengths of 1.8 metre diameter pipe spanning 33 kilometres between the Haughton pump station and Ross River Dam. The Stage 1 works involved more than 1,000 workers, logging more than 500,000 work hours. Building the pipeline involved around 200 businesses, with the project being a strong boost to the local economy.

A further section of the pipeline construction, Stage 1.1, commenced in April 2020, with work extending the pipeline a further 330 metres under the Haughton River. This work is due for completion by the end of 2020. An additional tender for a further 3.3 kilometres of pipeline will soon be awarded for completion in the 2020/21 financial year ahead of commencement of Stage 2 pipeline construction works in 2021. The Haughton Pipeline Stage 1 works have been supported by a \$225 million investment from the Queensland Government, which has been vital in improving water security for the city as well as creating jobs and providing economic benefits flowing to the community.

2. Recycled Water Re-Use Scheme

The purpose of this project is to recycle treated wastewater to produce high quality recycled water, and to irrigate parks, golf courses, James Cook University, the new Queensland Country Bank Stadium and large industrial users. The Recycled Water Re-use Scheme is an important part of Council's commitment to deliver its three-point water security solution. The project intends to use high-quality treated wastewater from the Cleveland Bay Purification Plant and transport through a new network of pipes to irrigate and beautify some of Townsville's large commercial properties, schools, sporting fields and community parklands in the southern suburbs of the city.

During the year, Council installed the vast majority of the recycled water scheme pipeline in the suburbs of Idalia, Annandale, Oonoonba, Rosslea and Mundingburra to coincide with the southern suburbs rising main, as well as the section leading up to the new Queensland Country Bank Stadium. The works were done concurrently to minimise ongoing disturbance to the community and consolidate the construction impact timeframe upon other infrastructure.

3. Water Smart Package

The \$10 million Water Smart Package provided renters, homeowners and body corporates in Townsville with vouchers and rebates for water-saving products and efficient watering systems. The package opened in July 2019 and was fully subscribed by November 2019 with more than 22,000 properties registering. This program is to continue over the first half of the 2020/21 financial year.

Water Smart distribution to community organisations and sporting clubs, saw 58 organisations receive water smart products, including 182 cubic metres of mulch, 94 lawn care packs, and 56 tap timers.

The package was funded by the Queensland Government and supported by 10 local businesses.

The program sought to assist the community to transition to a reduced level of water usage that is more appropriate for Townsville's dry tropics environment by:

- advocating water efficient behaviours across the community.
- promoting the rebate and garden support packages across the community, including reaching those who qualify as low-income households.

- developing a no cash outlay ordering system to allow low income Townsville households to participate and access water savings methods and devices; and
- providing economic opportunities for local businesses to deliver products and/or services.

More than 164,000 products and services were ordered including 90,000 native water wise plants, 16,600 tap timers, 21,000 low flow sprinklers, and over 28,500 cubic metres of mulch was delivered to more than 9,500 households. Delivery of the Water Smart Package provided over \$8 million of direct economic stimulus and created more than 100 jobs in Townsville. Smart water meter data showed that at the end of the 2019/20 financial year, the households on a standard Council water use plan had achieved a 20% reduction on their water use as a result of the Water Smart Package.

Our Environment

Licensing of Water and Sewage Treatment Activities

Townsville Water monitored and measured its compliance against its licence conditions during the 2019/20 financial year and ensured that all routine and event-specific reporting requirements were met, including preparing annual returns for its environmental licenses where required by licence conditions.

Our Governance

Performance Reporting

Townsville Water delivered its performance report on 1 October 2019 and published its results to the community before the end of December 2019. Reporting on the 2019/20 year will take place in October 2020.

Major Investments

During 2019/20, Townsville Water invested in the below water and wastewater infrastructure.

Service Category	Mid-Year Review Budget	Actual Investment
Water reticulation	11,878,060	7,786,174
Bulk water distribution	124,239,585	96,467,580
Water treatment	1,342,290	4,543,779
Wastewater collection	37,064,417	30,208,188
Wastewater management and support	1,868,945	163,756
Wastewater treatment	22,533,030	13,834,385
Total	198,926,327	153,003,862

Table 2 - Townsville Water Major Investments

Performance Targets

In the 2019/20 financial year, Townsville Water measured its performance against the below performance indicators as outlined in its Annual Performance Plan.

● Draft
 ● Not started
 ● On Track
 ● Behind
 ● Overdue
 ● Complete
 → Direct Alignment
 ⇨ Indirect Alignment

Performance Target	Definition	Current Performance
G1 Economic Responsibility: 01 Revenue – Budget to Actual within 5% of adopted budget: 5% Variance to 5% Variance	Total Operating Revenue	1.7 / 5% Variance
G1 Economic Responsibility: 02 Capital Expenditure – Budget to Actual Target: within 5% of the adopted budget: 5% Variance	Total Capital Works	20.7 / 5% Variance
G1 Economic Responsibility: 03 Operating Expenditure – Budget to Actual within 5% of the adopted budget: 5% Variance to 5% Variance	Total Operating Expenses	1.1 / 5% Variance
G1 Economic Responsibility: 04 Net Operating Result – Budget to Actual Target: Within 5% of the adopted budget: 5% Variance to 5% Variance	Surplus / (Deficit) Before Capital	9.8 / 5% Variance
G1 Economic Responsibility: 05 Debt to Equity Ratio, report annually. Target: <0.5: 1 Report(s)		1 / 1 Report(s)
G1 Economic Responsibility: 06 Annual Dividend Ratio Information. Report Annually: 1 Report(s)	Annual report for 2018/19 completed upon finalisation of QAO Audit.	1 / 1 Report(s)
G1 Economic Responsibility: 07 Return on Assets - Target: Within 5% of the revised budget: 5% Variance to 5% Variance	Net income / NBV of non-current assets	5 / 5% Variance
G1 Economic Responsibility: 08 Interest Coverage Ratio: 1 Report(s)	Total Operating Revenue / Net interest expense Target = Information Only	0 / 1 Report(s)
G1 Economic Responsibility: 09 Asset Consumption Ratio: 1 Report(s)	Weighted average measure of consumption of non-current assets Target = Information Only	1 / 1 Report(s)
G2 Social Responsibility: 01 Customer Satisfaction recorded by the Customer Service Department survey: 90% to 90%	Percentage of results of "good" and "excellent" recorded by the Customer Service Department monthly survey.	90 / 90%
G3 Environmental Sustainability: 01 Penalty Infringement Notices or Legal Action for Non-Compliance 0 Report(s)	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.	0 / 0 Report(s)
G3 Environmental Sustainability: 02 Drinking Water Quality Compliance - drinking water quality compliance measure: 100% to 100%	Percentage of compliance with all drinking water quality requirements in accordance with Townsville Water's Drinking Water Quality Management Plan. Australian Drinking Water Quality Guidelines; Department of Health Regulations (including Standards of Service Requirements).	99.3 / 100%
G3 Environmental Sustainability: 03 Meet All License & Regulatory Requirements for the transportation, Treatment & Disposal of Wastewater: 100% to 100%	Department of Environment & Science license requirements; Regulatory requirements from Great Barrier Marine Park Authority (GBRMPA), Queensland National Parks, & Department of Natural Resources, Mining & Energy.	100 / 100%
G4 Responsible Governance: 01 Reduction in Lost Time Injuries: 20%	Percentage reduction in the number of Lost Time Injuries recorded, compared with the previous financial year.	70 / 20%

Community Service Obligations

Category	Budgeted Value (\$)	Actual Value (\$)
Arcadia Surf Life Saving Club (sewerage pump out)	8,000	3,500
Price concessions – water and wastewater charges in recognition of an activity's contribution to the social and cultural welfare of the community	2,419,785	See detail below
Commercial irrigation	See above total	144,038
Caravan parks	See above total	232,590
Retirement/lifestyle villages	See above total	238,129
Boarding and lodging houses	See above total	126,565
Charitable and non-profit aged care facilities	See above total	512,356
Churches, church halls, clubhouses and halls – charitable and non-profit organisations	See above total	636,139
Sporting field irrigation – restricted public access (not including schools, tertiary institutions and other educational facilities)	See above total	1,138,832
Sporting field irrigation – no public access restrictions (not including schools, tertiary institutions and other educational facilities)	See above total	7,632
War graves	See above total	1,849
Water leakage concession	See above total	182,801
Water haem dialysis concession	See above total	1,930
Monsoon rebate	See above total	9,374
Water charge remission	See above total	4,401
Sewerage charge remission	See above total	9,168
Total	2,427,785	3,249,304

Table 3 - Townsville Water Community Service Obligations

Changes to the Annual Performance Plan

No changes were made during the financial year.



Townsville Waste Annual Operations Report

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

Vision

*To be the leading Waste
Service provider in
Northern Australia.*

Mission

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

Purpose of this report

This Operations Report is designed to provide an overview of the operations and performance of Townsville Waste Services for the 2019/20 financial year, as measured against its Annual Performance Plan.

The Local Government Regulation 2012 requires that Townsville City Council must include an Annual Operations Report for each commercial business unit in the Council's Annual Report.

TOWNSVILLE WASTE

Fast Facts

Townsville Waste is a significant business activity of the Townsville City Council, providing solid waste management services to the Townsville community through waste collection, transportation, recycling and disposal.



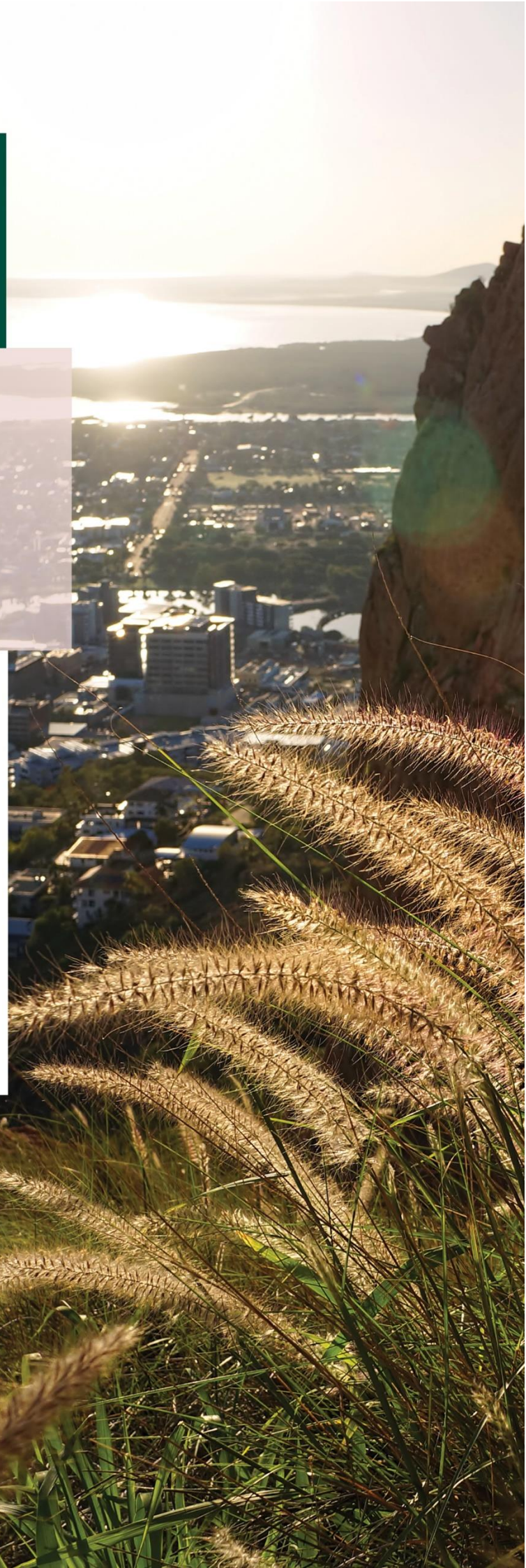
Townsville Waste Services

- Combined operating and capital expenditure of over \$66.6 million
- Provided 80,426 domestic waste services per week and 78,708 recycling services per fortnight
- Serviced 1,190 bulk bins per week



Our Landfill Sites and Transfer Stations

- 1 active landfill site
- 5 waste transfer stations
- 289,942 customer visits
- Received 345,136 tonnes for processing



Our Performance

Townsville Waste Services' performance in the 2019/20 financial year focused on several key areas.

Customer Service Standards

Townsville Waste Services maintains Customer Service Standards to set out the rights and obligations of Townsville Waste Services and its customers and provides quality and reliability targets for its services. The business reports to the community on a quarterly basis against its progress towards achieving the annual key performance targets as part of their Customer Service Standards.

Free Tipping of Green Waste and Recyclables

In the 2019/20 financial year 21,426 tonnes of domestic green waste was received at disposal sites representing a 695 tonne increase on the previous financial year. In addition, 4,482 tonnes of recyclables were dropped off at waste facilities by residents free of charge.

Free Tipping Weekend

Council held a free tipping weekend in October 2019. This event provided an opportunity for residents to clean up their properties prior to cyclone season. More than 7,329 visits were made to our waste facilities over the event which resulted in more than 1,548 tonnes of waste disposed.

Hard Kerbside Collection

2018 kerbside collection



2,804

tonnes of waste



37%

of eligible properties participating



26,142

participating properties

2019 kerbside collection



2,890

tonnes of waste



34%

of eligible properties participating



24,445

participating properties

North Queensland Waste and Resource Recovery Strategy 2020 - 2030

The North Queensland Regional Organisation of Councils (NQROC) represents five member Councils, those being, Burdekin Shire Council, Charters Towers Regional Council, Palm Island Aboriginal Shire Council, Hinchinbrook Shire Council and Townsville City Council. NQROC collaborated to develop a long-term strategy that identifies a more rigorous view required of the region's 'waste' streams and opportunities they present to reduce, reuse, repair, recycle and otherwise recover. It supports the development of a circular economy that creates jobs, reduces pressure on landfill and the environment, and works towards the state and national 2050 waste targets.

Our Infrastructure

Landfills Optimisation

Council completed construction of the Hervey Range Resource Recovery Centre in 2019/20. This facility funnels all site patrons through a mandatory resource recovery tunnel prior to accessing the transfer station for disposal of the remaining items which are not able to be recycled, reprocessed, or re-sold in the adjoining on-site sale shed. Completion of this project increases Council's ability to divert waste from landfill and also improves the customer experience.

Further key capital projects included construction of Cell 2C and first part of construction of Cell 3A at the Stuart Landfill to allow for ongoing regulatory compliant landfilling for the Townsville Local Government Area; procurement of a new leachate pond at Stuart to provide increased leachate storing and evaporation capacity; construction of the Magnetic Island Reuse Shed which will provide a resale outlet on the island for high quality recovered items diverted from landfill; and commencement of final capping of the Hervey Range Landfill in compliance with our environmental rehabilitation requirement.

Our Environment

Licensing of Waste Storage and Disposal Activities

Townsville Waste Services renewed its licenses for 2019/20 and successfully monitored and measured its compliance against its license conditions, ensuring that all routine and event-specific reporting requirements were met for the financial year.

Initiatives to Reduce Greenhouse Gas Emissions from Landfills

To reduce the environmental impact of landfill operations, gas flaring systems are in operation at the Stuart Landfill facility and Hervey Range Landfill Facility. These systems have demonstrated a significant reduction in emissions with the Stuart and Hervey Range facilities flaring 2,099,079 and 1,746,457 cubic metres respectively in the financial year.

E-Waste Recycling

In the 2019/20 financial year, Council collected over 166 tonnes of electronic waste that was locally processed for recycling.

Reducing Plastic Pollution - Recycling Education

Townsville City Council supported Plastic Free Townsville, a program funded by the Queensland Government and implemented by Boomerang Alliance in 2019/20. The program launched in January 2020 and currently 15 local food retailers have joined the program and pledged to going plastic free. Between March and 31 August 2020, the Plastic Free Townsville coordinator has already helped member food retailers eliminate 68,056 pieces of plastic from landfill. Concurrently, Council is developing a plastic free events policy and is reviewing its venue catering contracts with the view to reduce our reliance on plastic products as well.

Recycling Education

Waste and recycling face-to-face engagements continued during 2019/20 with the number of community members engaged increasing to 1,565 as compared to 1,392 in 2018/19. This can be explained by an increased Council commitment to the waste education function. This increase was achieved despite COVID-19 restrictions affecting the ability to conduct face-to-face education for the last quarter of 2019/20. Face-to-face waste education activities included weekend and weekday library workshops, school and early learning centre talks, presenting to community groups, holding education stalls, guest speaking at public events and a weekend Open Day at the recycling facility.

During the 2019 National Recycling Week, Council directly engaged with hundreds of residents of all ages to raise awareness and improve the understanding of the recycling process in Townsville. Council's Recycling Educator conducted various events and activities throughout the week, including the creation of brand new and very well received education resources, internal staff talks and the Open Day at the recycling facility.

Education activities conducted during National Recycling Week included the following:

- Recycling Right talks for approximately 40 TAFE students and 50 Council staff. 110 Saint Anthony's students and staff were also engaged during the launch of new recycling resources with TV and print media present
- 55 Currajong State School students and staff participated in a recycling plant tour
- 130 members of the Townsville community attended the Recycling Open Day

Finally, four virtual tours were produced in 2019/20 providing a unique and 'virtual' insight into the operations of Council's landfills, transfer stations and the education centre at the Materials Recycling Facility.

Our Governance

Performance Reporting

Townsville Waste delivered its annual waste survey through the required Queensland Waste Data System (QWDS) on 31 August 2019. The survey data captures information about waste generation, resource recovery, treatment and disposal.

Major Investments

During 2019/20, Townsville Waste Services invested in the below waste infrastructure.

Service Category	Proposed Investment	Mid-Year Review Budget	Actual Investment
Resource Recovery and Waste Disposal	15,753,500	15,692,910	8,697,470
Waste Management	270,000	-	-
Total	16,023,500	15,692,910	8,697,470

Table 4 - Townsville Waste Services Major Investments

Performance Targets

In the 2019/20 financial year, Townsville Waste Services measured its performance against the below performance indicators as outlined in its Annual Performance Plan.

● Draft
 ● Not started
 ● On Track
 ● Behind
 ● Overdue
 ● Complete
 → Direct Alignment
 → Indirect Alignment

Performance Target	Definition	Current Performance
G1 Economic Responsibility: 01 Revenue – Budget to Actual within 5% of adopted budget: 5% Variance to 5% Variance	Total Operating Revenue	16.8 / 5% Variance
G1 Economic Responsibility: 02 Capital Expenditure – Budget to Actual Target: within 5% of the adopted budget: 5% Variance to 5% Variance	Total Capital Works	44.7 / 5% Variance
G1 Economic Responsibility: 03 Operating Expenditure – Budget to Actual within 5% of the adopted budget: 5% Variance to 5% Variance	Total Operating Expenses	9.1 / 5% Variance
G1 Economic Responsibility: 04 Net Operating Result – Budget to Actual Target: Within 5% of the adopted budget: 5% Variance to 5% Variance	Surplus / (Deficit) Before Capital	36 / 5% Variance
G1 Economic Responsibility: 05 Debt to Equity Ratio, report annually. Target: <0.5: 1 Report(s)	Annual report for 2018/19 completed upon finalisation of QAO Audit.	1 / 1 Report(s)
G1 Economic Responsibility: 06 Annual Dividend Ratio Information, report annually (2018/19 Report): 1 Report(s)	Annual report for 2018/19 completed upon finalisation of QAO Audit.	1 / 1 Report(s)
G2 Social Responsibility: 01 Customer Satisfaction with Response to Waste Services Requests: 80% to 90%	Percentage of results of “good” and “excellent” recorded by the Customer Service Department monthly survey. Target: 0.9.	90 / 90%
G2 Social Responsibility: 02 Collection Performance - Less than 1 missed bin per 1000 services.: 1 Missed Bin(s) to 1 Missed Bin(s)	Less than 1 per 1000 missed kerbside waste and recycling services- Target <1	0.33 / 1 Missed Bin(s)
G3 Environmental Sustainability: 01 Penalty Infringement Notices or Legal Action for Non-Compliance - Tracked Quarterly (Cumulative) 0 Notice(s)	Number of penalty infringement notices issued or instances of legal action initiated by the Regulator for non-compliance. Target: Zero.	0 / 0 Notice(s)
G3 Environmental Sustainability: 02 Environmental Incidents reported to Department of Environment and Science 0 Event(s)	The number of incidents, which exceed the acceptable limit, that was required to be reported to the Department of Environment and Science.	7 / 0 Event(s)
G3 Environmental Sustainability: 03 Rate of Diversion of Waste from Landfills - Target Divert 40%: 40% to 40%	Target is to divert 40% of waste from landfills for recycling or beneficial reuse on site	41 / 40%
G4 Responsible Governance: 01 Reduction in Lost Time Injuries: 20%	Percentage reduction in the number of Lost Time Injuries recorded, compared with the previous financial year	75 / 20%

Community Service Obligations

Category	Budgeted Value (\$)	Actual Value (\$)
Charity dumping fees	72,680	72,684
Dead animals	31,926	31,932
Infirm services	39,100	39,096
Clean up Australia Day	1,000	-
Free dump weekends	170,000	145,713
Community clean up events	15,000	15,000
Stadium remediation works	1,000,000	3,349,012
Total	1,329,706	3,653,437

Table 5 - Townsville Waste Services Community Service Obligations

Changes to the Annual Performance Plan

No changes were made during the financial year.

Our Governance



Overview of our Governance Framework

Townsville City Council continues to be a responsible, open and transparent local government operating in accordance with the Queensland *Local Government Act 2009*, the Local Government Regulation 2012 and related legislation. Council is committed to high standards of corporate governance and accountability and seeks continuous improvement.

In line with the principles of the *Local Government Act 2009*, responsible governance is important to Council because:

- it underpins the confidence that the community has in Council and our services
- it affects the quality of our outputs
- it is a value adding activity
- it ensures that Council meets its legislative responsibilities
- it is a strong reminder that Council is ultimately accountable to the community.

Council has in place a Corporate Governance Framework to ensure compliance with legislation and best practice. The framework was reviewed during the year. This framework can be found on our website.

For Council to demonstrate good governance, there needs to be a clear understanding about responsibilities and accountabilities. This framework sets out the roles of elected members and administration in representing the interests of current and future residents of Townsville.

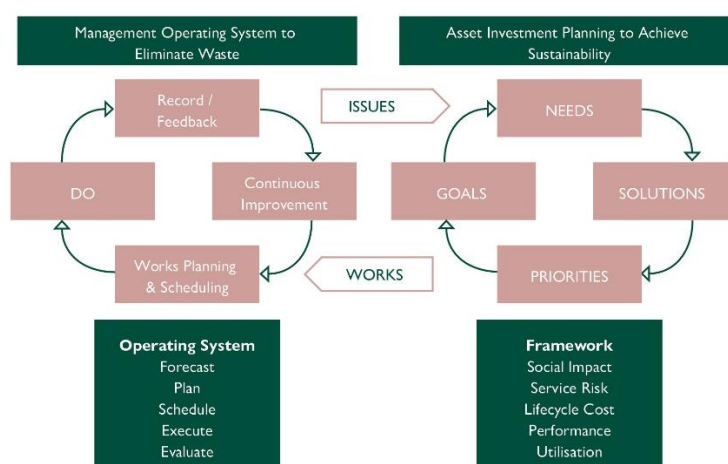
Over and above ensuring ethical informed decisions are made, and resources are effectively managed during 2019/20, Council demonstrated good governance during COVID-19. Response plans and sub-plans were swiftly activated, and risk response strategies came into play. Council's commitment to "Building for our Future" will continue into the new financial year, to help our community recover from COVID-19.

Asset Management Framework

Council has a responsibility to effectively and efficiently manage the services provided, by its assets, to its community. The Asset Management Framework schematically presents the Asset Investment Planning and Works Delivery with Continuous Improvement focus, derived from the Lean Six Sigma concept. The framework focuses on two pillars:

- A management operating system for asset works delivery to eliminate waste; and
- Asset investment planning to achieve sustainability.

This focus has been mapped in the following diagram:



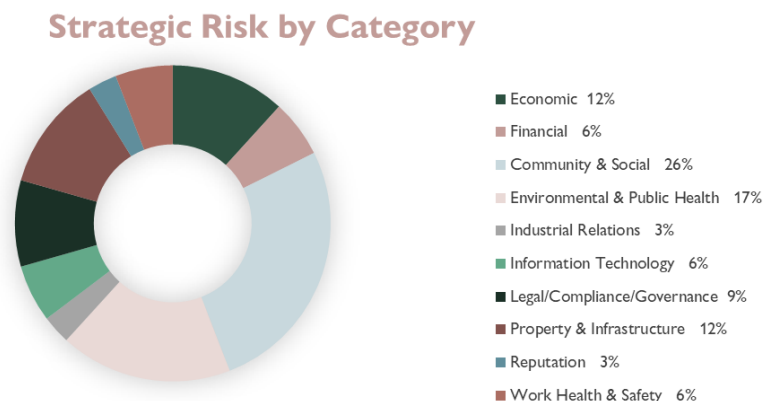
Enterprise Wide Risk Management Framework

Council's risk management approach is based on the International ISO 31000:2018 Risk Management Guidelines. The Enterprise Wide Risk Management Framework was reviewed during the year. Throughout 2019/20, Council continued to assess risk for any decision proposals, keeping any new and emerging risks on the radar. Quarterly risk reports were presented to the Audit Committee based on the following assessments.

Strategic Risk Assessment

During 2019/20, Council completed the scheduled annual strategic risk review, allowing Council to prioritise and minimise risk as required. The strategic risk assessment identifies the strategic risks against implementation of the Corporate Plan 2020-2024. The 2019/20 Risk Management Plan includes a range of mitigation strategies designed to manage or reduce risk to an acceptable level, while utilising existing opportunities to achieve the outcomes of the Corporate Plan.

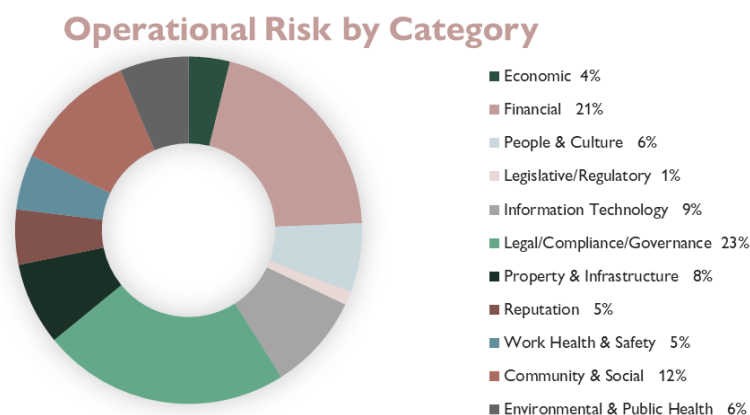
The following graph shows a breakdown of strategic risk by category.



Operational Risk Assessment

Quarterly operational risk assessments were completed for all Council sections during the year. Improved integration of risk management and reporting has been achieved, utilising the JRS Risk Management System. The consolidated list of risks informed the Internal Audit planning process, supporting the Audit Committee function of monitoring Council's performance against high risk areas.

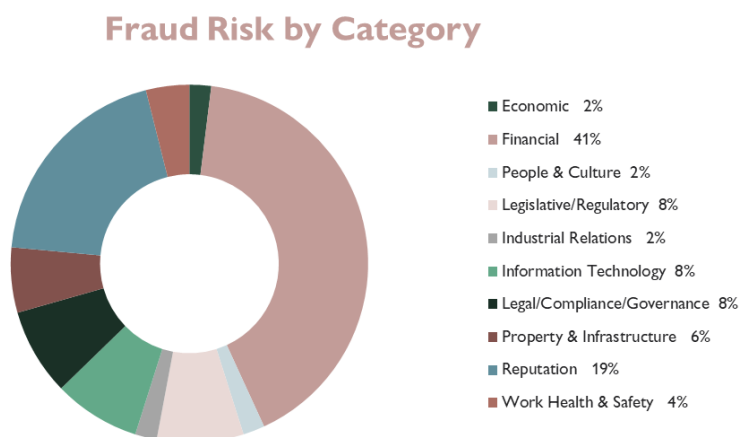
The following graph shows a breakdown of operational risk by category.



Fraud Risk Assessment

A comprehensive fraud risk assessment was completed in consultation with key stakeholders across the organisation. Council benchmarked management of fraud against its Queensland Audit Office (QAO) fraud self-assessment tool aimed at identifying areas where Council can improve its fraud controls. The Fraud Management Framework has been reviewed.

The following graph shows a breakdown of fraud risk by category.



Compliance Risk

To identify and reduce the risk of non-compliance to key compliance areas of legislative obligations, Council continued to provide the Local Government Association of Queensland (LGAQ) compliance tool across the business. This ensures Council is in-line with legislation changes and remedies any breach that may occur and serves to raise awareness among staff of the extensive range of legislative obligations of Council.

Business Continuity Risk

Continuing and making the business of Council more resilient was a priority during the pandemic. The Business Continuity Framework, Policy, Council's Business Continuity Plan, and related sub-plans were reviewed as scheduled and were also refreshed in-line with COVID-19. Council was able to rapidly respond to the pandemic, while keeping the safety of staff at the forefront and continuous community engagement a priority.

Risk Maturity Initiatives

Embedding risk culture and integrating risk management into business processes was a priority for Council during 2019/20. Initiatives include:

- To raise awareness in Enterprise Risk Management (ERM), a risk training module was developed and was rolled out to all staff.
- Townsville City Council was selected as a winner in the Local Government Mutual Services (LGMS) Risk Excellence Awards for its initiative "ERM System Implementation and Alignment with ISO31000:2018". The Award reflected the level of alignment with the Australian Standards, the efficiency, effectiveness, and impact on reducing risk, and progress made in risk management maturity.
- Council implemented a process to assist the business better manage the Audit Issues Matrix.

Policy Management

There were no new policies adopted this financial year.

New Administrative Directives in 2019/20:

- Pandemic Working from Home Administrative Directive

Disclosure of Governance Performance

Including a statement as to any breaches and/or corruption

The Townsville community relies on Council to do the right thing, and we value our reputation for delivering services in an ethical and accountable manner. Council sections continued to work closely with each other to ensure a collaborative and proactive approach to driving Council's ethical standards. During the year, 92% of staff and senior management completed the mandatory face to face or toolbox Fraud and Corruption Awareness training. The Annual Code of Conduct training was completed at 94%. All new staff were trained in Fraud Awareness and Code of Conduct during the induction sessions.

Council investigates reported or suspected instances of fraud and other serious crime and misconduct and maintains a focus on raising awareness of Council values and fostering ethical behaviour. Council received a total of 14 individual matters during the period 1 July 2019 to 30 June 2020. Following assessment, three complaints were considered to be Crime and Corruption Commission-related. Of the 14 individual matters, five required advice or assistance from senior management, while the remaining nine matters were deemed to require formal/informal investigation.

During the 2019/20 financial year five complaints were investigated by the Office of the Independent Assessor (OIA) regarding the conduct and performance of the Councillors. All allegations made were dismissed. Details of the register can be found on the Townsville City Council website.

Townsville City Council is committed to the promotion of the public interest and encourages and supports public interest disclosures of wrongdoing in Council. During the 2019/20 financial year Council implemented a disclosure management system to ensure timely and accurate management of all disclosures made to Council. All public interest disclosures made this financial year were investigated in a confidential manner and in accordance with Public Interest Disclosure (PID) Standard No. 2/2019. All disclosures were suitably reported to the Queensland Ombudsman Office and the relevant documentation recorded in accordance with PID Standard No. 3/2019.

Openness and Transparency

In the interest of openness and transparency, all Councillors are required to lodge a statement of interest which can be viewed on Council's public [website](#). Conflicts of interest and material personal interests relating to a Council decision are recorded in the minutes of meetings.

All meetings of Council and its Standing Committees are open to the public unless closed in accordance with Section 275 of the Local Government Regulation 2012. Once the deliberations are concluded in closed sessions, the meeting is re-opened to the public for decision and then placed on the public record. Meetings have been closed to the public since March 2020 due to the COVID-19 pandemic. Ordinary Council and Special Council meetings are live streamed. Copies of the recordings are available on Council's website.

The Audit Committee and the Internal Audit Unit continued to provide advisory and independent forums where representatives of Council, independent specialists and management worked together to fulfill specific governance responsibilities.

Making Informed Decisions

Council's decision-making process is based on a monthly cycle of seven Standing Committees and an Ordinary Council meeting. Each of the six Standing Committees has a specific area of focus and is responsible for exploring complex issues and making recommendations to Council for determination at the Ordinary Council meeting. Each committee comprises of the Mayor, the chair of the committee and four additional Councillors as members.

Standing Committees

Each Standing Committee is responsible for considering matters relating to the following services and functions. The below standing committees were in place from 1 July 2019 to 24 April 2020.

Governance and Finance

- Business management
- Communication and customer relations
- Corporate research
- Financial management
- Legal Services
- Governance
- Information communication and technology
- People

Infrastructure

- Asset management
- Coastal facilities
- Drain and stormwater management
- Open space management
- Roads and transport management
- Buildings and facilities management
- Fleet management

Planning and Development

- Urban planning/ built environment
- Development assessment process
- Infrastructure development process
- Strategic planning
- Development governance

Townsville Water and Waste

- Solid waste business management and strategy
- Solid waste collection and recycling
- Solid waste treatment and disposal
- Wastewater supply
- Water supply
- Laboratory services
- Trade services

Community Health and Environment

- Environment and natural resource management
- Environmental and sustainability services
- Sustainability services
- Enforcement compliance
- Emergency management

Community and Cultural Development

- Cemeteries
- Community and cultural services
- Community support programme
- Events facilities
- Galleries
- Libraries
- Sport and Recreation

The below committees were adopted following the election at a Special Council Meeting on 24 April 2020 and updated services for each committee adopted at the Ordinary Council Meeting on 23 June 2020. Committee meetings paused due to the COVID-19 pandemic and resumed from July 2020.

Governance and Finance

- Asset Management (Business Services)
- Business Management
- Financial Management
- Governance
- Legal
- Information Technology
- People
- Safety
- Contract Management

Infrastructure Services

- Coastal Facilities
- Drain and Stormwater Management
- Open Space Management
- Roads and Transport Management
- Buildings and Facilities Management
- Fleet Management
- Disaster Management
- Cemeteries

Planning and Development

- Assets and Hydraulics
- Statutory Planning and Building Control
- Urban Design
- Planning Scheme
- Heritage Planning
- Community and Stakeholder Engagement relating to the above

Sport and Recreation

- Building and Facilities Management (Sport and Recreation)
- Open Space Planning and Management
- Community Development (Sport and Recreation)
- Community and Stakeholder Engagement relating to the above
- Strategy and Policy (recommendations and innovations)
- Strategy and Policy (planning recommendations and innovations)

Townsville Water and Waste

- Solid Waste Business Management and Strategy
- Solid Waste Collection and Recycling
- Solid Waste Treatment and Disposal
- Wastewater Supply
- Water Supply
- Laboratory Services
- Trade Services

Community Health, Safety and Environmental Sustainability

- Environmental Systems
- Natural Resource Management
- Integrated Sustainability and Resilience
- Emergency Management
- Food Safety
- Public Health
- Animal Management
- Local Laws
- Environmental Protection
- Parking Enforcement
- Resilience Planning
- Community Safety

Community and Cultural Development

- Cultural Services
- Community Engagement
- Community Programs
- Community Development
- Grants and Partnerships
- Events (Special and Civic)
- Venue Management
- Libraries
- Arts
- Theatres
- Sister Cities
- Townsville Dashboards

Governance of our Councillors

Remuneration, Expenses and Facilities

Councillors receive a remuneration package determined by the Local Government Remuneration and Disciplinary Tribunal, which is reviewed by the Tribunal on an annual basis.

On 29 November 2019, the Local Government Remuneration and Discipline Tribunal concluded its review, and in accordance with this decision the Councillor remuneration packages were increased in line with the Remuneration schedule as of 1 July 2020.

Remuneration

The table below outlines the remuneration received by Councillors in 2019/20. Non-returning Councillors' information is included with an end date of 16 April 2020.

Councillor	End Date	Remuneration including Allowances (\$)	Superannuation* (\$)	Total (\$)
Cr Jenny Hill		203,988	24,479	228,466
Cr Mark Molachino		125,029	11,878	136,907
Cr Les Walker		136,075	12,927	149,002
Cr Margie Ryder		130,501 ¹	14,687	145,188
Cr Ann-Maree Greaney		122,392	14,687	137,079
Cr Russ Cook		122,392	14,687	137,079
Cr Maurie Soars		138,105 ¹	14,687	152,792
Cr Colleen Doyle	16/04/2020	99,791	11,975	111,766
Cr Paul Jacob	16/04/2020	99,791	11,975	111,766
Cr Kurt Rehbein		131,152 ¹	11,627	142,779
Cr Verena Coombe	16/04/2020	99,791	9,480	109,271
Cr Liam Mooney		22,601	2,712	25,313
Cr Sue Blom		22,601	2,712	25,313
Cr Suzy Batkovic		22,601	2,712	25,313

Table 6 - Councillor remuneration

¹Personal vehicle usage

*Variances in superannuation due to variations in member contributions attracting additional contributions of superannuation

Expenses and Facilities

In accordance with s250 of the Local Government Regulation 2012, the Councillor Expenses Reimbursement Policy and Councillor Facilities Policy outline the resources and facilities extended to Councillors to enable them to perform their roles.

Council business is described as the official business of a Councillor as generally described in s12 of the *Local Government Act 2009*. Council business should result in a benefit being achieved either for the local government and/or the local government area.

The table below shows the **expenses incurred** by Councillors in the 2019/20 financial year.

Councillor	Conferences and Seminars (\$)	Travel and Accommodation ¹ (\$)	Printing and Advertising (\$)	Hospitality (Meals) (\$)	Office and Administration Costs (\$)	Total (\$)
Mayor Jenny Hill	-	26,744	1,098	1,286	7,869	36,997
Councillors (Current as at 30 June 2020)						
Cr Ann-Maree Greaney	116	10,586	6,634	64	2,080	19,480
Cr Kurt Rehbein	159	2,552	5,662	-	1,505	9,878
Cr Les Walker	399	13,405	7,639	488	3,411	25,341
Cr Liam Mooney	-	-	4,201	-	16	4,217
Cr Margie Ryder	923	3,497	4,004	-	1,914	10,338
Cr Mark Molachino	918	15,141	4,524	-	2,201	22,785
Cr Maurie Soars	2,280	2,633	5,337	203	1,589	12,041
Cr Russ Cook	717	10,111	9,845	53	1,112	21,837
Cr Sue Blom	-	-	3,795	-	522	4,317
Cr Suzy Batkovic	-	-	4,903	-	225	5,128
Councillors (01/07/2019 – 16/04/2020)						
Cr Paul Jacob	-	11,325	1,745	153	5,214	18,437
Cr Verena Coombe	1,130	10,811	2,033	27	172	14,173
Cr Colleen Doyle	501	-	988	169	438	2,097
Total	7,143	106,805	62,408	2,443	28,268	207,066

Table 7 - Councillor expenses

¹ Travel and Accommodation (includes motor vehicle)

Councillors were provided with the following facilities to enable them to perform their duties and undertake Council business:

- Personal protective equipment (PPE)
- Stationery supplies
- Full administrative support (Mayor and Deputy Mayor)
- Limited administrative support (Councillors)
- Telecommunications facilities
- Shared office facilities (Councillors)
- Home office facilities (Councillors)
- Private vehicle use (optional) – Councillors who choose this option claim reimbursement for business use of private vehicle (refer to Councillor Expenses Reimbursement Policy)
- Council leased vehicle (optional)

There were minor amendments made to the Councillor Expense Reimbursement Policy and Councillor Facilities Policy during 2019/20 to accommodate legislative reforms.

Conduct and Performance

Under s186 (e) (f) and (g) of the Local Government Regulation 2012, Council's Annual Report must contain details of any decisions, orders, recommendations and complaints about Councillors during the financial year. Details for 2019/20 are outlined below:

Conduct and performance of Councillors – 1 July 2019 to 30 June 2020	Number received
Total number of orders made under s150I(2) of the <i>Local Government Act 2009</i>	0
Total number of orders made under s150AH(1) of the <i>Local Government Act 2009</i>	0
Total number of decisions, orders and recommendations made under s150AR(1) of the <i>Local Government Act 2009</i>	0
The name of each Councillor for whom a decision, order or recommendation was made under ss 150I(2), 150AH(1) or 150AR(1) of the <i>Local Government Act 2009</i> , a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each Councillor, and a summary of the decision, order or recommendation made for each Councillor	0
The number of complaints referred to the assessor under s150P(2)(a) of the <i>Local Government Act 2009</i> by local government entities for the local government	0
The number of matters, mentioned in section 150P(3) of the <i>Local Government Act 2009</i> , notified to the Crime and Corruption Commission	0
The number of notices given under s150R(2) of the <i>Local Government Act 2009</i>	1
The number of notices given under s150S(2)(a) of the <i>Local Government Act 2009</i>	0
The number of decisions made under s150W(a), (b) and (d) of the <i>Local Government Act 2009</i>	0
The number of referral notices accompanied by a recommendation mentioned in s150AC(3)(a) of the <i>Local Government Act 2009</i>	0
The number of occasions information was given under s150AF(4)(a) of the <i>Local Government Act 2009</i>	0
The number of occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the <i>Local Government Act 2009</i> for the local government, the suspected inappropriate conduct of a Councillor	0
The number of applications heard by the conduct tribunal about the alleged misconduct of a Councillor	0

Table 8 - Conduct and performance of Councillors

Meeting Attendance

Council meetings comprise Ordinary Council Meetings, Special Council Meetings and Standing Committees. Ordinary Meetings have a membership comprising all Councillors and the Mayor.

The attendance of Councillors at Ordinary Council meetings, Special Council meetings and Standing Committees for the period are outlined below:

Standing Committee Membership: July 2019 – March 2020

		Ordinary Council	Special Council	Infrastructure Committee	Planning and Development Committee	Community Health and Environment Committee	Community and Cultural Committee	Governance and Finance Committee	Townsville Water and Waste Committee
Councillor	Standing Committee Membership	Total number of meetings							
	Total number of meetings	8	1	6	6	6	6	6	6
Cr Jenny Hill	The Mayor serves as a member on all of the Council's Standing Committees	7	1	2	1	0	1	0	2
Cr Les Walker	Chair of Planning and Development Committee, Member of Infrastructure Services and Townsville Water and Waste Committees	8	1	4	4	0	0	0	3
Cr Margie Ryder	Member of Planning and Development, Community and Cultural Development and Community Health and Environment Committees	8	1	0	4	3	4	0	0
Cr Ann-Maree Greaney	Chair of Community Health and Environment Committee, Member of Planning and Development and Community and Cultural Development Committees	8	1	0	4	2	3	0	0
Cr Russ Cook	Member of Community and Cultural Development, Community Health and Environment and Townsville Water and Waste Committees.	7	1	0	0	3	4	0	2
Cr Maurie Soars	Member of Infrastructure Services, Planning and Development and Governance and Finance Committees	8	1	4	4	0	0	5	0
Cr Colleen Doyle	Chair of Community and Cultural Development Committee, Member of Governance and Finance and Townsville Water and Waste Committees	8	1	0	0	0	5	5	3
Cr Mark Molachino	Chair of Infrastructure Services Committee, Member of Planning and Development and Townsville Water and Waste Committees	8	1	5	5	0	0	0	3
Cr Kurt Rehbein	Member of Infrastructure Services, Governance and Finance and Community Health and Environment Committees	8	1	4	0	2	0	4	0
Cr Verena Coombe	Chair of Governance and Finance Committee, Member of Infrastructure Services and Community and Cultural Development Committees	8	1	3	0	0	4	5	0
Cr Paul Jacob	Chair of Townsville Water and Waste Committee, Member of Community Health and Environment and Governance and Finance Committees	7	0	0	0	2	0	3	2

Standing Committee Membership: April 2020 – June 2020

Councillor	Standing Committee Membership	Total number of meetings								
		Ordinary Council	Special Council	Infrastructure Committee	Planning and Development Committee	Community Health, Safety and Environmental Sustainability Committee	Community and Cultural Committee	Business Services and Finance Committee	Townsville Water and Waste Committee	Sport and Recreation Committee
	Total number of meetings	4	1	0	0	0	0	0	0	0
Cr Jenny Hill	The Mayor serves as a member on all of the Council's Standing Committees	4	1	-	-	-	-	-	-	-
Cr Les Walker	Chair of Planning and Development Committee, Member of Townsville Water and Waste and Community Health, Safety and Environmental Sustainability Committees	4	1	-	-	-	-	-	-	-
Cr Russ Cook	Chair of Townsville Water and Waste Committee, Member of Planning and Development, Sport and Recreation and Community Health, Safety and Environmental Sustainability Committees	4	1	-	-	-	-	-	-	-
Cr Ann-Maree Greaney	Chair of Community and Cultural Development Committee, Member of Planning and Development and Community Health, Safety and Environmental Sustainability Committees	4	1	-	-	-	-	-	-	-
Cr Sue Blom	Member of Townsville Water and Waste, Planning and Development, Sport and Recreation and Community and Cultural Development Committees	4	1	-	-	-	-	-	-	-
Cr Mark Molachino	Chair of Infrastructure Services Committee, Member of Planning and Development, Townsville Water and Waste and Governance and Finance Committee	4	1	-	-	-	-	-	-	-
Cr Kurt Rehbein	Chair of Governance and Finance, Member of Infrastructure Services, Community and Cultural Development, Community Health, Safety and Environmental Sustainability Committees	4	1	-	-	-	-	-	-	-
Cr Margie Ryder	Chair of Community Health, Safety and Environmental Sustainability Committee, Member of Infrastructure Services, Townsville Water and Waste and Governance and Finance Committees	2	1	-	-	-	-	-	-	-
Cr Maurie Soars	Chair of Sport and Recreation, Member of Infrastructure Services and Governance and Finance Committees	4	1	-	-	-	-	-	-	-
Cr Suzy Batkovic	Member of Infrastructure Services, Community and Development and Sport and Recreation Committees	4	1	-	-	-	-	-	-	-
Cr Liam Mooney	Member of Community and Cultural Development, Sports and Recreation and Planning and Development Committees	4	1	-	-	-	-	-	-	-

Table 9 - Councillor meeting attendance

Overseas Travel

Details of international travel expenses incurred by the Mayor, Councillors and employees during the financial year are listed below:

Name	Position	Dates of Travel	Destination	Purpose	Cost (\$)
Cr Jenny Hill	Mayor	15/09/2019 – 22/09/2019	Singapore/ China	Business meetings Singapore and Changshu Sister Cities Forum	5,219
Total					5,219

Table 10 - Overseas Travel

Senior Management Remuneration

The senior management of a local government consists of the Chief Executive Officer and all senior executive employees of the local government. A senior executive employee reports directly to the Chief Executive Officer and would ordinarily be a position in the corporate structure.

Total remuneration for these positions from 1 July 2019 to 30 June 2020 was \$1,607,800.

Senior Executive Management	Total Remuneration value range (\$)
1	450,000 - 550,000
3	350,000 - 450,000

Table 11 - Senior management remuneration

Public Sector Ethics

Code of Conduct

Townsville City Council is committed to providing a working environment where people are treated with fairness, equity and respect. Our commitment to facilitating a diverse and equal workforce is demonstrated by the delivery of our Diversity in Employment Strategy and alignment to Queensland's *Anti-Discrimination Act 1991* and relevant federal anti-discrimination laws.

Council provides Code of Conduct training for staff, which incorporates the ethics, principles and obligations under the *Public Sector Ethics Act 1994*. A copy of the Code of Conduct Policy is available on the Council's [website](#).

Education and Training

Mandatory corporate induction for all new employees includes a detailed session on the requirements and obligations of all staff under the Code of Conduct. 251 new employees completed corporate induction training during 2019/20. Council will continue to deliver education and awareness sessions annually to all employees on Council's Code of Conduct as part of Council's commitment to the highest standards as a public sector leader. The Code of Conduct was planned to be delivered face-to-face in May 2020; however, due to the pandemic restrictions, the course has been re-developed to be delivered online in October 2020 to over approximately 1,700 workers.

Procedures and Practices of Public Sector Entities

Council's administrative procedures and management practices have proper regard to the *Public Sector Ethics Act 1994*, as well as the Code of Conduct. Council's policies, procedures and delegations of authority are monitored and regularly reviewed.

Council's Code of Conduct was last reviewed on 09/05/2018 and next review is due by 31/08/2020.

Particular Resolutions

Reportable resolutions under the Local Government Regulation 2012 for the period:

Section 185(a) and (b) Local Government Regulation 2012	Resolution adopted
Under s250(1) – Expenses reimbursement policy	Nil
Under s206(2) – Valuation of non-current physical assets	Nil

Table 12 - Particular resolutions

Administrative Action Complaints

Council is committed to a complaints management process which ensures the transparent, fair and effective resolution of complaints including the adoption and timely review of our Complaint Management Policy. Council has adopted a request ethos where customer contact raising an issue that does not include a decision or action will be raised as a request for service. These matters are raised and processed in a transparent and timely manner. Information regarding these requests can be found on the [Townsville Dashboards](#).

Where a decision has been made the complaints management system (CMS) provides an open, accountable, and effective method of responding to complaints regarding its services, workers conduct and behaviour, Councillor conduct and performance, competitive neutrality and administrative actions. Council continues to monitor and maintain the CMS system ensuring all complaints are investigated in a timely manner and treated with confidentiality and respect.

There have been reductions in the number of complaints received by Council across all categories. A small reduction in April and May are consistent with the COVID-19 lockdown however most months also saw decreases resulting in the overall decline. Council will continue to focus on delivering training and identifying continuous improvement opportunities.

During 2019/20 a systems review identified that compliments were being raised as complaints and this was obscuring the data. There were four compliments identified and removed from the CMS. There were 14 additional matters that were raised as complaints but resolved through other mechanisms.

Classification	Number received			Number outstanding			Number resolved		
	2018/19	2019/20		2018/19	2019/20		2018/19**	2019/20	
Administrative action	576	496	↓	44	77	↑	473	401	↓
Competitive neutrality	0	0	–	0	0	–	0	0	–
Conduct and performance of Councillors*	5	5	–	0	0	–	5	5	–
Workers' behaviour and misconduct	123	90	↓	47	62	↑	76	28	↓
Total	704	590		91	139		554	434	

Table 13 - Administrative action complaints

*Complaints made in relation to Councillor conduct must be referred to the Office of the Independent Assessor. All allegations made have been dismissed.

** Some 2018/19 complaints were reclassified from last year's annual report upon finalisation.

Find out more on Council's complaints management process through Council's [website](#) or by contacting the Customer Service Centre. An online complaint form is available on Council's [website](#).

Right to Information and Information Privacy

Townsville City Council aims to make it easy for the public to access our information, maximise the amount of corporate information that is publicly available and continues its commitment to openness and transparency. Council participated in Right to Information Day in September 2019 and Privacy Week in May 2020 continuing to educate staff and the public about the information that can be obtained and released.

With the increased identification and release of information through the Townsville Dashboards, coupled with an increasing use of administrative release mechanisms, Council has seen a reduction in the number of Right to Information applications. Applications included requests for building plans, correspondence and Council's CCTV footage, with more than 4,200 documents released. Council has commenced publishing a Disclosure Log on the website and will therefore make these documents available to any requester.

Classification	Right to Information			Information Privacy		
	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Number received	45	36	24	2	5	10
Number finalised	42	30	14	2	5	10
Number withdrawn	1	1	5	0	3	0
Number of OIC reviews	3	1	1	0	0	0

Table 14 - Right to information and information privacy

Find out more on Council's Right to Information and Information Privacy through Council's [website](#).

List of Registers

Townsville City Council has a number of registers open to public inspection:

- Beneficial Enterprises
- Register of Dogs
- Restricted Dog Register
- Regulated Dog Register
- Licence Holder Register
- Register of cost-recovery fees
- Delegation Register
- Development Application Register as Assessment Manager
- Development Application Register as Referral Agency
- Environmentally Relevant Activities application register
- Exemption certificates register
- Information Asset Register
- Register of Infrastructure Charges Information
- Major Contracts Register
- Petition Register
- Register of Private Certifier Applications
- Register of Annual Returns under the *Environmental Protection Act 1994*
- Register of Assets and Gifts
- A Designation Register of all Designations made by Local Government that are in effect
- Register of Councillor Conduct
- Register of onsite Sewerage and Greywater Facilities
- Register of Environmental Authorities including Surrendered, Suspended or Cancelled Authorities
- Register of Impounded Animals
- Register of Infrastructure Agreements
- Register of Interim Land Use Plans under the *Economic Development Act 2012*
- Register of Local and Subordinate Local Laws
- Register of Priority Development Area Development Applications under the *Economic Development Act 2012*
- Register of Priority Development Area Development Approvals under the *Economic Development Act 2012*
- Register of Permits and Inspection Certificate (under the *Plumbing and Drainage Act 2018*)
- Register of Provisional Land Use Plans under the *Economic Development Act 2012*
- Register of Regulatory Fees
- Register of Show Cause and Enforcement Notices (under the *Plumbing and Drainage Act 2018*)
- Register of Submitted Plans of Operation under the *Environmental Protection Act 1994*
- Register of the Testable Back Flow Devices
- Roads Map
- Statement of Interests Supplementary Information Electoral Donations

The above list can also be found on Council's [website](#).

Our Community Assistance

Community Assistance

The **total value of community assistance** provided by Townsville City Council to the local community in 2019/20 was \$16,939,621.

Activity	Description	Amount (\$)
Operational discounts, waivers and in-kind support	Approved under manager delegation in Community Services Section, Performing Arts, Events and Protocol, Galleries and Sports Facilities	210,000
Cowboys Collateral Program	Value of Cowboys merchandise	8,595
Community Photocopying Program	Free service provided to community organisations through CityLibraries Thuringowa. Statistics for Community Group Copier: <ul style="list-style-type: none"> 53 community groups 40,910 copies (1 July 2019 to 25 March 2020) 	4,091
Water and wastewater concessions	Available for general utility charges where land use is considered to contribute to the social, cultural, economic or sporting welfare of the community	3,051,699
Pensioner concessions on rates and charges	Concession offered to approved pensioners equivalent to 85% of the general rate, up to a maximum of \$800 per annum	5,394,899
Not-for-profit concessions on general rates	Calculations based on utility charges, concession policy and concessions schedule, concession levels stated in Operational Plan	1,579,516
Community Leases	Total annual estimated value provided to community groups including sporting clubs, theatre groups, scout groups and swimming pools	4,580,573 ¹
Community Support	Community support agreements, scholarships and awards	259,653
Economic Funding	Partnerships providing opportunity to: <ul style="list-style-type: none"> deliver economic uplift to the region deliver increased tourism visitation and bed nights deliver job opportunities for Townsville. These may facilitate event attraction, strategic partnerships with local organisations that enhance the region and its opportunities or other multi-partner agreements with region wide impact.	1,261,427
Funds distributed through the Townsville City Grants and Partnerships Program, including Fee Waivers	Funding approved through the 'Community Grants and Partnerships Program' (see table below for details)	589,168
Total		16,939,621

Table 15 - Community assistance provided by Council

¹Figure includes rent relief provided for May, June and July 2020 due to COVID-19

Townsville City Grants and Partnerships Program

Townsville City Grants and Partnerships provides funding and in-kind support to help local non-profit community organisations in Townsville.

Council recognises the tremendous work and contribution that community and not-for-profit organisations make in our community. The Grants and Partnerships Program helps to continue and enhance the impact community organisations are already having in the local Townsville area. The total value of the Townsville City Grants and Partnerships Program in 2019/20 was \$589,168.

Program	Amount (\$)
Social Grants and Partnerships	349,556
Economic Grants and Partnerships	46,579
Environmental Grants and Partnerships	41,194
Fee Waivers	49,343
Mayor's Community Assistance Fund	10,845
Councillors' Discretionary Funds	15,238
Regional Arts Development Fund	76,413
Total	589,168

Table 16 - Townsville City Grants and Partnerships Program

Annual Overview Mayor's Community Assistance Grants (MCAG)

The MCAG is an annual amount allocated in Council's budget to enable the Mayor to respond to requests for financial assistance from local community organisations. A small level of funding is available for local not-for-profit community organisations who are undertaking an activity that serves a community purpose. Details of funding allocations made during the financial year are outlined below:

Organisation Name	Purpose	Amount (\$)
Australian Football League Townsville Umpires Association (AFLTUA) Incorporated	AFLTUA Awards Night Trophies	480
The Townsville Eisteddfod Incorporated	2019 Townsville Eisteddfod	200
The Pyjama Foundation	Volunteer Awards Afternoon Tea	400
2RAR Association	B Company Reunion	500
Townsville Castle Hill Touch Association Incorporated	Men's & Women's 1 Player of Year Award	350
Western Suburbs Kindergarten Association Incorporated	Safe Outdoor Play	475
James Cook University Medical Students' Association	Maggie Grant Guest Speaker Night	500
Townsville Independent School Association Incorporated	Enkindle Tapas and Arts Festival	200
Mrs Anne McClure	Shitbox Rally	300
Queensland Country Women's Association - Northern Division	Denham Street Urn	280
Child's Play Association Incorporated (t/a Townsville Toy Shed)	Family Fun Day	250
Ryan Catholic College	Ryan Catholic College Awards Night	100
The Pyjama Foundation	Pyjama Foundation Christmas Party	350
Women Veterans Network Australia (WVNA)	WVNA Townsville Christmas Party	500

Organisation Name	Purpose	Amount (\$)
St Margaret Mary's College	Mayor's Community Grant	110
Townsville Thuringowa State Emergency Service	Travel Bags	500
Townsville Lions Club	World Festival of Magic	300
Townsville Hospital and Health Service-Palliative Care Service	Remembrance Evening	300
Blackstars Basketball Club	Blackstars Basketball Club	500
Thuringowa Combined Probus Club	50th wedding anniversary of long time members and citizens of Townsville	500
AM Media Consultants t/a The Special Children's Christmas Parties	North Queensland Special Children's Christmas Party proudly supporting Make-A-Wish Australia	500
Townsville Multicultural Support Group Incorporated	Retirement function for Meg Davis	500
Totally and Permanently Disable Ex-Servicepersons Association	Members Newsletter Hardware	500
Days for Girls Australia Limited	Community Engagement - Cent Sale	350
Queensland Country Womens Association, Townsville Branch	Community Engagement - Cent Sale	500
North Queensland Phoenix Dragon Boat Club Incorporated	Launch of Townsville Purple Warrior Dragon Boat Team	400
Ville Vixens Incorporated	Blue Ribbon function	400
Quota International of Thuringowa	Teddy Bear's Picnic	400
St Patrick's College Townsville	St Patrick's College Townsville Annual Speech Night	200
Total		10,845

Table 17 - Mayor's community assistance grants

Annual Overview Councillor Discretionary Funds

As part of the Grants and Partnerships Program, each Councillor is allocated a **Councillor's discretionary fund**. Details of funding allocations made during the financial year are outlined below:

Councillor	Organisation Name	Purpose	Amount (\$)	Total (\$)
Cr Margie Ryder	Rollingstone and District Lions Club Incorporated	Generic Directional Signs	250	2,500
	Lions District 201Q2	201Q2 Convention Satchels	250	
	Rollingstone and District Lions Club	Welcome Day activities for new Leo Club members	250	
	Toomulla Beach Community Association	Australia Day Community Fun in the Park event	250	
	Rollingstone and District Leo Club	Purchase of new Leos shirts	250	
	Girl Guides Queensland	World Thinking Day event	250	
	Scouts Kennedy Region	Upgrade to Scout Shop	250	
	Townsville and District Beekeepers Association	Beekeeping Community Workshop	250	
	Bluewater Community Association	Australia Day Celebration	250	
	Rupertswood and District Horse Club Incorporated	Barrel Race Spectacular	250	

Councillor	Organisation Name	Purpose	Amount (\$)	Total (\$)
Cr Sue Blom	Northern Beaches Cricket Club	Community based BBQ	250	500
	Northern Beaches SUNS AFC	Supply of pedestrian control equipment	250	
Cr Ann-Maree Greaney	The Millennium Singers	Public Christmas Event	51	1,550
	Mr Mark Chester	Australian Athletics Championships in Perth	250	
	Horseshoe Bay Rural Fire Brigade	Resourcing Futures Capabilities Saxon Night Sky Binoculars	249	
	Pallarenda Progress Association	Purchase of items for Association activities	250	
	Mrs Marcy Holdsworth	Street Library	250	
	Garbutt Bombers Sporting & Cultural Association	Purchase of equipment to meet AFLQ guidelines	250	
	Townsville Tourist Amateur Swimming Club	Purchase of Signage	250	
Cr Mark Molachino	Thuringowa High School Parents and Citizens Association	Wellbeing Garden Project	250	2,478
	Kelso State School Parents and Citizens Association	Provision of Awards	250	
	Riverway Rowing Club Incorporated	Purchase of Bow Safety Lights	228	
	Townsville Water Ski Club	Junior Skiers Development	250	
	Kelso Art Group	Abstract Tutor Consultation	250	
	Upper Ross Community Voice	Community Information Session Marquee	250	
	Thuringowa High School Parents and Citizens Association	Provision of Signage	250	
	Round Mountain Rural Fire Brigade	Boiler for Lecture Room	250	
	Blue Care	Trauma Teddies Group	250	
	Loam Island Scouts	Tent Purchase	250	
Cr Russ Cook	Willows State School Parents and Citizens Association	Fun Fair Fundraiser	250	1,500
	Tropic Voices	New Keyboard	250	
	Townsville and District Junior Rugby League	Pre-season COVID-19 Operation Cleanliness	250	
	Brothers Rugby League Football Club	Return to Play Project	250	
	The Willows State School Parents and Citizens Association	Father's Day Stall	250	
	ADRA Community Pantry Townsville	Food Donations	250	
Cr Suzy Batkovic	-	-	-	-
Cr Maurie Soars	Aitkenvale State School Parents and Citizens Association	Christmas Raffle	250	500
	The Shed - Vincent	Fabric Room Sewing and Craft	250	

Councillor	Organisation Name	Purpose	Amount (\$)	Total (\$)
Cr Kurt Rehbein	Gardens Swimming Club	Pool training resistance belts	250	2,000
	Rebels Football Club	Servicing ice making machine	250	
	Western Suburbs Tennis Club Incorporated	Purchase of lightweight stackable chairs	250	
	Townsville Citizens Brass Band Association	Repair of a flugel horn	250	
	Townsville Toy Shed (Child's Play Association)	Purchase of plastic containers to hold toys hired to families	250	
	Townsville Tigersharks Underwater Hockey	Replacement of underwater hockey pucks	250	
	Western Lions Rugby League Football Club	Purchase of training gear	250	
	St Benedicts Catholic School	Bushtucker Trail	250	
Cr Liam Mooney	Cutheringa Bowls Club Inc	Re-Opening Advertisement	250	1,000
	North Queensland Opera and Music Theatre	Community Support Banners	250	
	North Queensland Eisteddfod - Townsville Committee	North Queensland Eisteddfod	250	
	Hermit Park State School Parents and Citizens Association	Eco Warriors Bib	250	
Cr Les Walker	Ooononba State School Parents and Citizens Association	Freezer Purchase	250	1,970
	QCWA Alligator Creek Branch (Gator Girls)	New Printer Purchase	250	
	Sporting Shooters Association Australia	Purchase of Hearing Protection	220	
	Ross Island Amateur Angling Club Deep Sea Inc	Club T-shirts embroidery of members names	250	
	Woodstock Horse Sports Club	Club Remembrance Day	250	
	Townsville Aeromodellers Society	Repairs to ride on mower	250	
	Townsville Radio Aeronautical Control Society	Solar Panels	250	
	Parents & Citizens Wulguru State School	Landmark Signage	250	
Cr Colleen Doyle	Hermit Park State School Parents and Citizens Association	V8 Supercars Recycling Program	250	250
Cr Paul Jacob	North Townsville Community Hub	Pool Hire Fees for Community Pool Party	250	250
Cr Verena Coombe	Weir State School Parents & Citizens Association	Painting of school tables by local indigenous artists	250	740
	Ms Isabelle Walton	Secondary School Citizenship Award	250	
	Sporting Wheelies and Disabled Association	Basketball Program	240	
Total Spent				15,238

Table 18 - Councillor discretionary fund

Beneficial Enterprises

Section 39(3) of the *Local Government Act 2009* defines a beneficial enterprise as an enterprise that a local government considers is directed to benefiting, and can reasonably be expected to benefit, the whole or part of its local government area.

Section 39(4) of the *Local Government Act 2009* provides that a local government is conducting a beneficial enterprise if the local government is engaging in, or helping, the beneficial enterprise.

The city actively engages with entities through partnering or collaborative arrangements to achieve mutually beneficial outcomes for the city. Council participated in beneficial enterprises with the Townsville Breakwater Entertainment Centre Joint Venture during the 2019/20 financial year.

National Competition Policy

Townsville City Council conducted the following business activities during the 2019/20 financial year:

- Townsville Water
- Townsville Waste Services
- Performing Arts

Council's water, sewerage and waste management activities were considered significant business activities for the period and applied the competitive neutrality principle. There were no new significant business activities.

Townsville Water is responsible for supplying potable water, collecting and processing wastewater and supplying recycled water within the Townsville local government area.

Townsville Waste Services is responsible for the collection and processing of solid waste and recyclables.

Note: No investigation notices were issued in 2019/20 by the Queensland Competition Authority for competitive neutrality complaints.

By resolution at the ordinary meeting held on 26 June 2018, Council adopted the following pricing structures for Townsville Water and Townsville Waste Services:

- Council conducts water and wastewater services as a business activity on a commercial basis (Townsville Water). The utility charges and other fees and charges for this business activity are set in accordance with full cost recovery principles outlined in the Regulation.
- Council conducts the reuse and recycling (waste management) services as a business activity (Townsville Waste Services) 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 Regulation.

Both models calculate the return that Council can expect to receive and distributes this revenue across the forecasted user base.

When applying the full cost pricing regime, Council covers its capital and operating costs as well as obtaining a return on its investments. The Pricing Model, together with each business unit's Long-Term Financial Plan, facilitates the development of a five-year price path for the provision of water, sewerage and waste services.

Further details on the Fees and Charges Schedule are available on the Council's [website](#).

All existing significant business activities were conducted in 2019/20 and no new significant activities were conducted.

Service, Facility or Activity

There are no details to report for the financial year under this section 190(d) of the Local Government Regulation 2012 – on action taken for, and expenditure on, a service, facility or activity:

- i) supplied by another local government under an agreement for conducting a joint government activity; and
- ii) for which the local government levied special rates or charges for the financial year.

Details of Special Rates and Charges

Below is a list of Council special rates and special charges for the period:

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. A special rate of zero cents in the dollar on the rateable value of the land applies to identified properties for the 2019/20 year.

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.

The Rural Fire Brigade Annual Charge is levied on rateable lands serviced by the rural fire brigades listed below. 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.

Rural fire levy	(\$)		(\$)
Black River and Districts	35	Paluma	35
Bluewater	55	Purono Park	15
Bluewater Estate	35	Rangewood	55
Clevedon	40	Reid River	25
Crystal Creek	20	Rollingstone	50
Cungulla	40	Rupertswood	40
Horseshoe Bay	30	Saunders Beach	30
Lime Hills-Elliot	30	Toolakea	-
Majors Creek	25	West Point	30
Oak Valley	20		

Table 19 - Rural fire levy

Further details on the special rates and special charges are available on Council's [website](#).

Summary of Concessions for Rates and Charges

Council grants a range of rates and charges concessions. In accordance with section 190(g) of the Local Government Regulation 2012, a description of all concession types for rates and charges, along with how the concession is calculated is detailed below.

Concessions may apply for general rates, water and sewerage charges for certain organisations as set out in the Council's Charitable and Community Organisation Rates and Charges Concessions Policy. A concession is also available for eligible pensioners.

Pensioner Rate Concession

A concession is offered to approved pensioners who own and occupy their property as their principal place of residence. This will apply only if all rates and charges levied for the financial year are paid in full by the due date. Concessions to approved pensioners are as follows:

- The maximum pensioner rates concession available is 85% of the general rates levied on an approved pensioner's property
- \$800 per year, whichever is the lesser.

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.

Further details on the Pensioner Rates Concession Policy are available on Council's [website](#).

Not-for-Profit Charitable Group Concession

Council will allow a concession of general 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
- the preservation, restorations and maintenance of land that is of cultural, environmental, historical, heritage or scientific significance to Townsville.

Further details on the Charitable and Community Organisations Rates and Charges Concessions Policy are available on Council's [website](#).

Number of Invitations to Change Tender

There were no reportable invitations to change tenders during the 2019/20 period.

Report on Internal Audit

Internal audit is an independent, objective assurance and consulting activity established within Council designed to add value and improve operations.

The internal audit function is a team of two full-time Internal Auditors. Internal audit staff has remained stable for several years with no staff turnover in the last three years.

Council's internal audit staff are required to undertake training activities in alignment with professional membership requirements and as part of the annual Internal Audit Plan, which is approved and monitored by the Council's Audit Committee.

The internal audit staff are specialists with the following professional affiliations and qualifications:

Member of Institute of Internal Auditors (Aust)	2
Member of the Institute of Chartered Accountants	1
Member of CPA Australia	1
Chartered Accountants	1
Certified Internal Auditors	1
Certification in Risk Management Assurance	1

The internal audit unit applies a risk-based approach to its planning and audit activities by applying assurance mapping. An annual Internal Audit Plan is prepared based on Council's Consolidated Enterprise Wide Risk Management plan and a range of other relevant sources of information including the Queensland Audit Office, state departments, Institute of Internal Auditors and other local governments. The Council's Audit Committee reviews, approves and then monitors performance against this plan at meetings. For the year ended 30 June 2020, internal audit consisted of more than 180 days of work, resulting in the completion of 12 reviews and consulting activities across various sections of Council in accordance with the Internal Audit Plan.

These include activities in the following areas:

- Transformation projects
- Planning agreement register
- Novoplan system implementation
- Test and tag electrical compliance
- Procurement guidance compliance
- Key risks relating to animal shelter operations
- Stolen items reporting and controls
- Water meter replacement program strategy
- Satellite stores controls

The internal audit unit works collaboratively with management to recommend improvements to systems, processes, work practices, compliance and business effectiveness, remaining independent and objective in the fulfilment of its duties.

Internal audit complies with Queensland Government legislative requirements for the conduct of internal auditing in addition to meeting the professional standards of the Institute of Internal Auditors. The Institute's standards require an External Quality Assessment at least every five years which Council last completed in March 2019. Internal Auditors and Audit Committee members reviewed guidance from the Institute of Internal Auditors during the year including recent factsheets on Internal Auditing and Pandemics. As part of pandemic planning the Internal Audit program was suspended for the initial three-month phase of the pandemic to assist the business in efficient implementation of pandemic plans.

External Audit

Council is audited externally each year by the Queensland Audit Office (or their appointed contractors). During the 2019/20 financial year the annual external audit of Council's financial statements was conducted by the Queensland Audit Office.

Audit Committee

The Audit Committee is an advisory committee of Council, which provides an independent forum where representatives of Council, independent specialists and management work together to fulfil specific governance responsibilities as set out in its Terms of Reference.

The committee's role is to monitor and review:

- the integrity of financial documents
- the Internal Audit function
- the progress of audit action items
- the effectiveness and objectivity of internal auditors
- the independence and objectivity of external auditors
- any other matters relevant to fulfil the Audit Committee Terms of Reference.

During 2019/20 the Audit Committee considered reports relating to:

- Financial management, financial compliance and internal controls
- Financial statements
- Emergency response and business continuity activities
- Enterprise risk management framework
- Internal audit planning, monitoring of progress and reports
- Annual external audit strategy, audit reports and performance audit reports.

The Audit Committee monitored management progress on a number of areas in 2019/20, including:

- Asset management
- Business Continuity and Disaster Management
- Commercial businesses compliance with legislation
- Electrical compliance
- Environmental management systems
- External Audit issues raised by the Queensland Audit Office
- Fraud management
- Gifts and benefits disclosure
- Information Technology governance
- Joint venture activities
- Planning and development charges
- Plant utilisation
- Privacy reporting
- Procurement
- Project management
- Property management and leasing
- Purchase card management
- Request and complaints management
- Revenue systems
- Risk management
- Workplace, health and safety.

The Audit Committee meetings and the presentation of the minutes of the meetings to Governance and Finance Committee are tabled below.

Audit Committee Meeting Date	Minutes Presented to Council
5 September 2019	Governance and Finance Committee 14 November 2019
21 November 2019	Full Council 25 February 2020
9 December 2019	Full Council 25 February 2020
24 February 2020	Business Services and Finance Committee 13 August 2020
27 May 2020	Business Services and Finance Committee 13 August 2020

The Audit Committee has four members, two independent of Council and two Councillors. Membership of the Audit Committee for the reporting period was:

Name and Position	Qualifications and Memberships
Mr Geoff Haberfeld <i>Independent Member and Chair of the Audit Committee</i>	Fellow of the Australia Society of Certified Practising Accountants (FCPA), Graduate Member of the Australian Institute of Company Directors (GAICD), Bachelor of Arts, majoring in Economics. Independent consultant specialising in finance, governance and risk. Over 30 years' experience as the senior finance executive in government business and policy agencies.
Ms Carolyn Eagle <i>Independent Member of the Audit Committee</i>	Certified Internal Auditor (CIA), Certified Government Auditor (CGAP), Certified Risk Management Auditor (CRMA), Member of the Association of Certified Fraud Examiners, Member of ISACA, Former State Councillor of the Institute of Internal Auditors, Professional Member of the Institute of Internal Auditors (PMIIA), Fellow of Chartered Accountants Australia and New Zealand (FCA), Bachelor of Commerce with majors in Financial Accounting and Organisational Management. Over 20 years' experience in professional firms providing audit and assurance services, specifically in the internal audit, risk management and governance field with a focus on public sector entities and large multidisciplinary corporates.
Cr Jenny Hill <i>Mayor and Member of the Audit Committee</i>	Bachelor of Science, Master in Public Health and Tropical Medicine, Member of Australian Institute of Company Directors. Cr Hill has over 20 years' experience as a scientist with mining companies, the Department of Primary Industries, James Cook University and Townsville Hospital. Master of Public Health and Tropical Medicine including studies in management, economics and accounting with over 20 years' service in local government and in 2012 was elected as Townsville's first female mayor.
Cr Kurt Rehbein <i>Councillor and Member of the Audit Committee for the period 24 April 2020 to 30 June 2020</i>	Trade Certificate in Cabinetmaking, Certificate III in Dog Handling and Military Operations, Diploma in Fire and Rescue Operations and Public Safety. Prior to being elected to Council, Councillor Rehbein worked as a cabinetmaker, RAAF military Dog Handler and as a fire fighter. He wants to help drive Townsville's economy through planning and teamwork, while focusing on keeping rates affordable and supporting local businesses and community groups.
Cr Verena Coombe <i>Outgoing Councillor and Member of the Audit Committee for the period July 2019 to March 2020</i>	Diploma in Financial Markets. Over 20 years' experience in the finance sector as a stockbroker and financial.



Our Financial Report

Council is required to prepare a set of audited financial statements each year for the period 1 July to 30 June. This guide has been prepared to assist readers to understand and analyse the statements. A summary of the 2019/20 results is also included in the Community Financial Report.

The Notes to the Financial Statements give greater details and additional information to support the figures used in the four statements.

Council is required to report on its performance against three key ratios in accordance with the Local Government Regulation 2012. Further information on these sustainability measures have been included in the Community Financial Report.

Council's financial statements are required to be audited under local government legislation. The Queensland Audit Office, on behalf of the Auditor-General, reviews Council's financial records and provides an independent audit report which gives an opinion on whether the financial statements present fairly the Council's financial performance and position. A separate audit opinion is issued for the Current Year Sustainability Statement.

Townsville City Council

General Purpose Financial Statements

For the Year Ended 30 June 2020

	Page
Townsville City Council Management Certification	96
Statement of Comprehensive Income	97
Statement of Financial Position	98
Statement of Changes in Equity	99
Statement of Cash Flows	100
Notes to the Financial Statements	101
Independent Auditor's Report	135

Financial Sustainability Statements

For the Year Ended 30 June 2020

Current Year Financial Sustainability Statement and Certificate of Accuracy	138
Independent Auditor's Report	139
Unaudited Long Term Financial Sustainability Statement and Certificate of Accuracy	142

Townsville City Council Management Certification

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

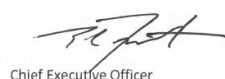
In accordance with Section 212(5) of the Regulation we certify that:

- i) the prescribed requirements of the *Local Government Act 2009* and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- ii) the general purpose financial statements, as set out on pages 96 to 134, present a true and fair view, in accordance with Australian Accounting Standards, of Council's transactions for the financial year and financial position at the end of the year.



Mayor

Dated this 01 day of OCTOBER 2020



Chief Executive Officer

Dated this 9 day of OCTOBER 2020

Townsville City Council

Statement of Comprehensive Income for The Year Ended 30 June 2020

	Note	2020 \$000	2019 \$000
Income			
Revenue			
Recurrent revenue			
Rates and utilities	3(a)	350,084	334,328
Fees and charges	3(b)	30,899	26,567
Interest received		5,021	5,237
Other income		14,647	14,096
Grants, subsidies, contributions and donations	3(c)	19,027	20,477
		<u>419,678</u>	<u>400,705</u>
Capital revenue			
Grants, subsidies, contributions and donations	3(c)	165,627	230,857
Fair value gain on contributions of assets from developers		8,352	9,970
Revaluation increment of property, plant and equipment		40,429	-
Other capital income		659	-
		<u>215,067</u>	<u>240,827</u>
Total income		<u>634,745</u>	<u>641,532</u>
Expenses			
Recurrent expenses			
Employee benefits	4(a)	(137,594)	(128,606)
Materials and services	4(b)	(138,796)	(128,042)
Depreciation and amortisation	4(c)	(124,910)	(120,603)
Finance costs	4(d)	(21,445)	(22,841)
Other expenses		(600)	(612)
		<u>(423,345)</u>	<u>(400,704)</u>
Capital expenses	4(e)	(15,661)	(70,161)
Total expenses		<u>(439,006)</u>	<u>(470,865)</u>
Net result		<u>195,739</u>	<u>170,667</u>
Other comprehensive income:			
Items that will not be reclassified to net result			
Net gain / (loss) on revaluation of property, plant and equipment	7	20,040	124,052
Total comprehensive income for the year		<u>215,779</u>	<u>294,719</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

Townsville City Council

Statement of Financial Position as at 30 June 2020

	Note	2020 \$000	2019 \$000
Current assets			
Cash and cash equivalents	5	110,350	228,681
Receivables	6	52,646	44,236
Contract assets	8	9,922	-
Inventories		2,187	1,759
Other assets		4,684	5,506
Total current assets		179,789	280,182
Non-current assets			
Receivables	6	2,337	2,337
Property, plant and equipment	7	5,156,879	4,930,192
Right-of-use assets	9	12,721	-
Intangible assets		8,324	3,897
Other assets		3,343	2,750
Total non-current assets		5,183,604	4,939,176
Total assets		5,363,393	5,219,358
Current liabilities			
Payables	10	90,318	107,580
Contract liabilities	8	58,751	-
Borrowings	11	32,879	30,213
Lease liabilities	9	2,602	-
Provisions	12	27,203	19,268
Other liabilities		363	384
Total current liabilities		212,116	157,445
Non-current liabilities			
Borrowings	11	335,950	348,037
Lease liabilities	9	10,769	-
Provisions	12	33,722	29,949
Other liabilities		1,623	1,673
Total non-current liabilities		382,064	379,659
Total liabilities		594,180	537,104
Net community assets		4,769,213	4,682,254
Community equity			
Asset revaluation surplus	13	896,374	876,334
Retained surplus		3,872,839	3,805,920
Total community equity		4,769,213	4,682,254

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

Townsville City Council

Statement of Changes in Equity for The Year Ended 30 June 2020

	Retained surplus \$000	Asset revaluation surplus \$000	Total \$000
Balance as at 1 July 2019	3,805,920	876,334	4,682,254
Adjustment on initial application of AASB 15 <i>Revenue from Contracts with Customers</i> and AASB 1058 <i>Income of NFP Entities</i>	(128,339)	-	(128,339)
Adjustment on initial application of AASB 16 <i>Leases</i>	(481)	-	(481)
Restated balance at 1 July 2019	3,677,100	876,334	4,553,434
Net result	195,739	-	195,739
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	-	20,040	20,040
Total comprehensive income for the year	195,739	20,040	215,779
Balance as at 30 June 2020	3,872,839	896,374	4,769,213
Balance as at 1 July 2018	3,635,942	752,282	4,388,224
Adjustment on application of AASB 9 <i>Financial Instruments</i>	(689)	-	(689)
Net result	170,667	-	170,667
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	-	124,052	124,052
Total comprehensive income for the year	169,978	124,052	294,030
Balance as at 30 June 2019	3,805,920	876,334	4,682,254

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

Townsville City Council

Statement of Cash Flows for The Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts from customers		442,599	424,775
Payments to suppliers and employees		(347,722)	(292,444)
Interest received		5,286	5,103
Finance costs	4(d)	(20,267)	(20,675)
Net cash inflow (outflow) from operating activities	17	<u>79,896</u>	<u>116,759</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(289,337)	(240,164)
Payments for intangible assets		(6,529)	(1,088)
Proceeds from sale of property, plant and equipment		616	909
Grants, subsidies, contributions and donations		109,246	232,245
Net cash inflow (outflow) from investing activities		<u>(186,004)</u>	<u>(8,098)</u>
Cash flows from financing activities			
Proceeds from borrowings		20,000	60,000
Repayment of borrowings		(29,419)	(25,959)
Repayments made on leases (principal only)		(2,804)	-
Net cash inflow (outflow) from financing activities		<u>(12,223)</u>	<u>34,041</u>
Net increase / (decrease) in cash and cash equivalents held		(118,331)	142,702
Cash and cash equivalents at the beginning of financial year		228,681	85,979
Cash and cash equivalents at the end of financial year	5	<u>110,350</u>	<u>228,681</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Note 1 Significant accounting policies

(a) Basis of preparation

Townsville City Council is a reporting entity constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the Local Government Regulation 2012.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with Australian Accounting Standards as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except where stated.

(b) Basis of consolidation

Council has a 79.8% ownership interest in an unincorporated joint venture known as the Townsville Breakwater Entertainment Centre. The joint venture exists between Breakwater Island Limited as trustee of the Breakwater Island Trust and the Townsville City Council. Council impaired its investment in the joint venture to nil in 2017/18.

Pursuant to the terms of the management agreement, Townsville City Council will indemnify the joint venture from any amount by which defined costs exceed total revenue. Where this occurs, a contribution will be recorded in the Statement of Comprehensive Income.

(c) Rounding and comparatives

The financial statements are in Australian dollars that have been rounded to the nearest thousand (\$000) except for Transactions with related parties (Note 21).

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

(d) Estimates and judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

- Measurement and recognition of the impairment of trade receivables (Note 6)
- Valuation of property, plant and equipment including useful life assessments, fair value and impairment (Note 7)
- Measurement and recognition of employee benefit liabilities (Note 10)
- Measurement and recognition of provisions (Note 12)

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

(e) Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax, Goods and Services Tax (GST) and payroll tax on certain activities. The net of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

(f) New and revised Accounting Standards

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2019. The standards which had an impact on reported position, performance and cash flows were those relating to revenue and leases. Refer to the changes in accounting policy Note 22 for transition disclosures for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of NFP Entities* and AASB 16 *Leases*.

(g) Standards issued by the AASB not yet effective

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective. These standards are not expected to have a material impact upon Council's future financial statements and therefore have not been disclosed.

(h) Volunteer services

Volunteer services have not been recognised in the Statement of Comprehensive Income because Council would not purchase these services had they not been donated, and the value cannot be reliably measured.

Note 2 Analysis of results by function

(a) Components of Council's functions

The activities relating to Council's components reported in Note 2(b) are as follows:

(i) Business services and finance

The goal of business services and finance is to provide the most efficient, effective and proactive support services across Council to enable the delivery of policy commitments, Council vision and mission. The provision of these services includes finance, information communication and technology, legal, people and culture and procurement.

(ii) Community engagement, environmental and cultural services

Community engagement, environmental and cultural services provides environmental and sustainability products and services, high quality community focused programs, service delivery and communication to residents. This component is comprised of community engagement, public affairs, libraries, the arts, customer contact and environmental services.

(iii) Construction and maintenance

Construction and maintenance is responsible for constructing new, and maintaining existing infrastructure across a diverse range of assets that underpin the wellbeing of the Townsville community. These assets include roads, drains, stormwater, boat ramps, cemeteries, parks and open spaces and coastal assets.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

(iv) Future cities

Focusing on the needs and aspirations of the Townsville community, Future Cities is responsible for delivering the commitments under the City Deal and driving the attraction of investment opportunities to the city.

(v) Infrastructure, planning, assets and fleet

The purpose of infrastructure, planning, assets and fleet is to deliver high priority capital projects, construct enabling infrastructure and implement programs to improve and maintain facilities. Services include project management, design services, asset management, fleet services, property management, emergency management and compliance.

(vi) Planning

Planning services manages the city's growth while striving to enhance Townsville's lifestyle and meet the ongoing demands for residential, commercial and industrial development. The planning services area includes the assessment of development applications, development construction activities, infrastructure planning for the city, land use planning and urban design.

(vii) Townsville Water

Townsville Water is a significant business activity of the Townsville City Council, providing water and wastewater services to the Townsville community. It supplies potable water, collects and treats wastewater, and supplies recycled water.

(viii) Townsville Waste Services

Townsville Waste Services is a significant business activity of the Townsville City Council, providing solid waste management services to the Townsville community through waste collection, transportation, recycling and disposal.

Components grouped by entity

Council has identified its operating components and grouped them by entity based on the internal reports that are reviewed and used by management in assessing performance and in determining the allocation of resources and assets. The components above are grouped into the following entities and reported in Note 2(c):

Rest of Council	(i) to (vi)
Townsville Water	(vii)
Townsville Waste Services	(viii)

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

(b) Analysis of results by function

Income and expenses defined between recurring and capital are attributed to the following components:

Components	Income					Total income	Expenses			Total expenses	Net result from recurrent operations	Net result
	Recurrent			Capital			Recurrent		Capital			
	Grants	Other	Internal eliminations	Grants	Other		Other	Internal eliminations	Other			
	\$000	\$000	\$000	\$000	\$000		\$000	\$000	\$000			
Year ended 30 June 2020												
Business services and finance	5,466	215,323	(55,251)	2,100	-	167,638	(84,856)	15,947	-	(68,909)	96,629	98,729
Community engagement, environmental and cultural services	1,884	8,606	(6,936)	-	237	3,791	(42,987)	7,085	47	(35,855)	(32,348)	(32,064)
Construction and maintenance	3,703	10,015	(5,580)	139	23,170	31,447	(126,103)	20,979	(8,637)	(113,761)	(96,986)	(82,314)
Future cities	133	131	-	-	-	264	(7,144)	10	-	(7,134)	(6,870)	(6,870)
Infrastructure, planning, assets and fleet	113	27,137	(24,652)	148,984	26,043	177,625	(83,701)	25,442	2,371	(55,888)	(55,661)	121,737
Planning	479	8,320	(79)	-	(159)	8,561	(18,808)	23	(2)	(18,787)	(10,065)	(10,226)
Townsville Water	7,030	214,839	(33,396)	4,239	9,655	202,367	(152,571)	54,811	(7,935)	(105,695)	90,713	96,672
Townsville Waste Services	54	59,540	(17,201)	-	659	43,052	(45,177)	13,705	(1,505)	(32,977)	10,921	10,075
Total	18,862	543,911	(143,095)	155,462	59,605	634,745	(561,347)	138,002	(15,661)	(439,006)	(3,667)	195,739
Year ended 30 June 2019												
Business services and finance	14,081	209,526	(52,846)	20,000	-	190,761	(78,837)	13,026	(2,356)	(68,167)	104,950	122,594
Community engagement, environmental and cultural services	1,178	9,463	(6,936)	-	-	3,705	(41,399)	7,080	(116)	(34,435)	(30,614)	(30,730)
Construction and maintenance	4,072	9,098	(4,637)	-	11,331	19,864	(120,847)	14,419	(39,549)	(145,977)	(97,895)	(126,113)
Future cities	202	75	-	-	-	277	(6,069)	11	-	(6,058)	(5,781)	(5,781)
Infrastructure, planning, assets and fleet	277	27,855	(24,925)	200,863	3,045	207,115	(85,333)	24,809	(21,736)	(82,260)	(57,317)	124,855
Planning	172	8,182	(56)	-	-	8,298	(16,380)	3	-	(16,377)	(8,079)	(8,079)
Townsville Water	340	195,895	(26,974)	282	5,305	174,848	(147,070)	54,714	(6,240)	(98,596)	76,905	76,252
Townsville Waste Services	38	47,889	(11,264)	-	-	36,663	(27,819)	8,988	(163)	(18,994)	17,832	17,669
Total	20,360	507,983	(127,638)	221,145	19,681	641,531	(523,754)	123,050	(70,160)	(470,864)	1	170,667

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

(c) Function assets

Assets are used across multiple functions and are allocated to the entity that receives the majority of the economic value from that asset. In the majority of instances, function assets are clearly identifiable on the basis of their nature and physical location.

Entity	Assets 2020 \$000	Assets 2019 \$000
Rest of Council	3,331,642	3,334,751
Townsville Water	1,974,965	1,845,607
Townsville Waste Services	56,786	39,000
Total Council	5,363,393	5,219,358

Note 3 Revenue

	Note	2020 \$000
Revenue recognised at a point in time:		
Rates and utilities	3(a)	350,084
Fees and charges	3(b)	30,899
Grants, subsidies, donations and contributions	3(c)	22,499
		<u>403,842</u>
Revenue recognised over time:		
Grants, subsidies, donations and contributions	3(c)	6,690
Revenue relating to grants for assets controlled by Council	3(c)	155,465
		<u>162,155</u>
Total revenue		<u>565,637</u>

(a) Rates and utilities

Accounting policy 2020: Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. If a ratepayer pays their rates before the start of the rating period, they are recognised as a financial liability.

Accounting policy 2019: Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.

	2020 \$000	2019 \$000
General rates	173,442	170,203
Refuse and recycling utility charges	21,906	20,732
Water and wastewater utility charges	179,948	168,691
Less: Discounts	(14,854)	(15,039)
Less: Pensioner and other remissions	(10,358)	(10,259)
	350,084	334,328

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

(b) Fees and charges

Accounting policy 2020: There have been no material impacts upon the recognition of other fees and charges on transition to AASB 15 and AASB 1058. Fees and charges are recognised when goods or services are transferred to the customer, which is generally on receipt or issuing of an invoice.

Licences and animal registrations granted by Council are recognised at the time of issue rather than over the term of the licence and registration period.

Revenue from infringements is recognised on issue of the infringement notice. Unpaid infringement notices are sent to an external collection agency for recovery and revenue is written off at that point. Subsequent recoveries are recognised as revenue on receipt.

	2020 \$000	2019 \$000
Refuse fees	19,685	9,677
Regulatory assessment fees	3,265	2,955
Commercial fees	2,623	2,903
Licences and registrations	2,029	2,321
Infringements	828	927
Other fees and charges	2,469	2,154
State waste levy advance payment*	-	5,630
	30,899	26,567

*The Queensland Government made an annual payment to Council in June 2019 to mitigate any direct impacts of the waste levy on households in the local government area, which took effect from 1 July 2019. In the 2019/20 financial year, the state waste levy payment for 2020/21 was not received in advance.

(c) Grants, subsidies, contributions and donations

Accounting policy 2020:

(i) Grant income under AASB 15

Where grants are received under an enforceable agreement, which contains sufficiently specific performance obligations, then the revenue is recognised when control of each performance obligation is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Control may transfer at a point in time or continuously over the life of the agreement. Where control is transferred over time, costs incurred are used to reflect the transfer of the benefit. Otherwise revenue is recognised at the point of completion of a milestone within the terms of the agreement.

(ii) Grant income under AASB 1058

Assets arising from grants within the scope of AASB 1058 are recognised on receipt. Council considers any related liability or equity items associated with the asset, which are recognised in accordance with

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

the relevant accounting standard, prior to recognition of revenue for any remaining asset value at the time the asset is received.

Once the assets and liabilities have been recognised, the revenue is recognised.

Grants received from an enforceable agreement to acquire or construct property, plant and equipment to an identified specification under Council's control, are recognised as revenue when the obligation to construct or purchase is complete.

For construction projects, revenue is recognised as costs are incurred.

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by Council.

Council classifies grants and subsidies received as capital where they are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

Physical assets contributed to Council by developers in lieu of cash contributions are recognised as revenue when Council obtains control of the assets, there is sufficient data available to determine the specifications and values of such assets and they have been formally accepted as design compliant. Generally the developer is liable for maintenance for an agreed period after acceptance. Non-cash contributions with a value in excess of Council's recognition threshold are recognised as a non-current asset. Those below the threshold are recorded as an expense.

Accounting policy 2019:

Grants, subsidies, cash contributions and donations that are non-reciprocal in nature are recognised as revenue when Council obtains control over them, which is usually upon receipt of funds.

Where grants, subsidies, contributions and donations are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled.

	2020 \$000	2019 \$000
Recurrent		
Contributions received for operating purposes	165	117
Subsidies and grants received for operating purposes	18,862	20,360
	19,027	20,477
Capital		
Contributions received for capital purposes	10,162	9,711
Subsidies and grants received for capital purposes	155,465	221,146
	165,627	230,857

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Note 4 Expenses

(a) Employee benefits

	Note	2020 \$000	2019 \$000
Total staff wages and salaries		134,678	121,262
Councillors' remuneration		1,477	1,442
Superannuation	16	15,369	13,550
Termination benefits		336	1,696
		<u>151,860</u>	<u>137,950</u>
Other employee related expenses		5,688	5,826
		<u>157,548</u>	<u>143,776</u>
Less: Capitalised employee expenses		<u>(19,954)</u>	<u>(15,170)</u>
		137,594	128,606

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.

Total Council employees at the reporting date:

Elected members	11	11
Indoor staff	886	826
Outdoor staff	685	658
Total full-time equivalent employees	1,582	1,495

(b) Materials and services

Accommodation services	7,211	8,612
Administration supplies and consumables	13,246	14,569
Audit of annual financial statements by the Auditor-General of Queensland	291	209
Bulk water supply	9,915	14,465
Contractors and service providers	18,504	17,554
Electricity	11,762	13,406
Employee related costs	3,963	3,843
Equipment and tools	5,110	4,838
Information, communications and technology	10,633	10,213
Insurance	4,126	3,092
Marketing and promotion	4,170	3,565
Other materials and services	11,650	4,576
Other utilities	200	194
Repairs, maintenance and construction	18,199	19,794
Vehicle and plant operating costs	12,264	13,699
State waste levy	12,644	-
	<u>143,888</u>	<u>132,629</u>
Less: capitalised materials and services	<u>(5,092)</u>	<u>(4,587)</u>
	138,796	128,042

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

(c) Depreciation and amortisation

	Note	2020 \$000	2019 \$000
Property, plant and equipment	7	120,097	118,832
Intangible assets		2,102	1,771
Right-of-use assets	9	2,711	-
		124,910	120,603

(d) Finance Costs

Interest and finance charges on loans from financial institutions	20,267	20,675
Unwinding of discounted provisions	786	549
Impairment of receivables	130	1,617
Interest on leases	262	-
	21,445	22,841

(e) Capital expenses

Loss on sale/disposal of property, plant and equipment	12,849	5,680
Revaluation decrement of property, plant and equipment	1,724	60,399
Impairment losses on property, plant and equipment	1,088	3,211
Impairment losses on intangibles	-	22
Other capital expenses	-	849
	15,661	70,161

Note 5 Cash and cash equivalents

Cash and cash equivalents in the Statement of Cash Flows include cash on hand, all cash and cheques receipted but not banked at year end and deposits held at call with financial institutions.

Cash at bank and on hand	836	1,065
Deposits at call	109,514	227,616
Balance per Statement of Cash Flows	110,350	228,681

Cash not available for general use

Council's cash and cash equivalents at the reporting date are subject to external restrictions that limit amounts available for discretionary or future use. These include:

Unspent contributions, government grants and subsidies	24,695	33,733
Unspent government grants received in relation to Council's water security program (including Haughton Pipeline Duplication Project)	36,110	81,834
Waste levy refund	-	5,630
	60,805	121,197

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	1,816	1,876
Townsville City Council Mayor's Christmas Tree Appeal	1	16
	1,817	1,892

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Council performs only a custodial role in respect of these monies. As these funds cannot be used by Council, they are not brought to account in these financial statements.

Note 6 Receivables

Receivables are recognised at the amounts due at the time of sale or service delivery (i.e. the agreed purchase price/contract price). Settlement of these amounts is required within 30 days from invoice date.

Debts are regularly assessed for collectability and an allowance is made for impairment where appropriate. All known bad debts were written off at 30 June 2020. Subsequent recoveries of amounts previously written off are recognised as revenue.

Council anticipates that the COVID-19 pandemic may impact the collection of outstanding debtors in the short term. During the year, Council introduced a new hardship policy to assist ratepayers, including rates deferral and interest-free payment plans.

Council has the power to sell an owner's property to recover outstanding rate receivables, therefore in accordance with the *Local Government Act 2009*, rate receivables are not impaired unless the expected recovery value is less than outstanding arrears.

	Note	2020 \$000	2019 \$000
Current			
Rates and utilities		29,762	28,466
Fees and charges		7,499	4,355
Less: loss allowance	19	(937)	(3,748)
Water charges not yet levied		12,626	10,783
Other receivables		3,696	4,380
		52,646	44,236
Non-current			
Community organisations		2,337	2,337

Interest is charged on outstanding rates and utilities (9.83% per annum from 1 July 2019, previously 11% per annum). No interest is charged on other debtors. There is no concentration of credit risk for rates and utilities charges, fees and other debtor receivables.

Note 7 Property, Plant and Equipment

(a) Recognition

Property, plant and equipment with a total value of less than \$5,000 and items of land with a total value less than \$1 are treated as an expense in the period of acquisition. All other items of property, plant and equipment are recognised as assets. Individual assets valued below the asset recognition threshold of \$5,000, are recognised as an asset if connected to a larger network. Parks, including all the various components, are recognised as a network asset.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

Property, plant and equipment received in the form of contributions are recognised as assets and revenue at fair value. Items received as offsets to infrastructure charges are initially recognised at agreed cost for the fixed plant asset class or fair value for pipe network asset class.

(c) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Land, certain cultural and heritage assets with heritage listing, road formations and formation work associated with the construction of dams, levee banks and reservoirs are not depreciated. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset. Where expenditure extends the life of an asset, the expenditure is capitalised and the asset's life is revised.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. Factors used in estimating the useful lives of assets at each reporting date include the condition assessments performed as part of the annual valuation process for assets measured at current replacement cost (CRC), manufacturer specifications, maintenance history, analysis of an asset class, and any other relevant evidence.

(d) Valuation processes

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets. Valuations are undertaken in accordance with AASB 116 *Property, Plant and Equipment*, *Local Government Regulation 2012* and Council policy.

This year Council conducted a valuation of the land improvement asset class. This valuation took into account damage resulting from the monsoon event of 2019.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

In the intervening years, Council will internally assess, through physical inspection, the condition of infrastructure assets on a sample basis and as part of the maintenance process. The inspection results are considered in combination with indices provided by independent valuers. Together these elements are used to form the basis of a management valuation for infrastructure asset classes at balance date.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class of property, plant and equipment, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

In accordance with AASB 13 *Fair Value Measurement*, fair value measurements are categorised on the following basis:

- Level 1 - fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - fair value based on inputs that are directly or indirectly observable for the asset or liability
- Level 3 - fair value based on unobservable inputs for the asset or liability.

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels at the end of the reporting period.

Valuation - dates of revaluations and reviews

Asset Class	Last Full Valuation Date	Management Review
Buildings (Level 2)	31 March 2019 ⁽¹⁾	30 June 2020
Buildings (Level 3)	30 June 2019 ⁽⁵⁾	30 June 2020
Dams and weirs	30 June 2019 ⁽³⁾	30 June 2020
Major fixed plant	30 June 2019 ⁽³⁾	30 June 2020
Cultural and heritage	30 June 2020 ⁽⁴⁾	30 June 2020
Land	31 March 2019 ⁽¹⁾	30 June 2020
Land improvements	1 May 2020 ⁽⁶⁾	30 June 2020
Landfills	n/a	30 June 2020
Pipe network		
Water	30 June 2019 ⁽³⁾	30 June 2020
Wastewater	30 June 2019 ⁽³⁾	30 June 2020
Stormwater	30 June 2019 ⁽³⁾	30 June 2020
Transport network	30 June 2019 ⁽²⁾	30 June 2020

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Valuation performed by independent valuer:

- (1) Knight Frank (Adam Reguson CPV No. 2215)
- (2) Barnwell Resources Pty Ltd (Graham John Jordan RPEQ No. 3305). Rates only.
- (3) Northern Water Management Pty Ltd (Jeff Ballard RPEQ No. 6854)
- (4) Ross Searle and Associates (Ross Searle BA Uni.Qld MLitt JCU valuer approved by the Office of the Arts for the Commonwealth Gifts Program)
- (5) APV Valuers & Asset Management (Josh Franklin CPV No. 4079)
- (6) GHD (S. Orr RPEQ No. 13649)

Any changes that have occurred as a result of the valuations and reviews have been recorded in the movement in carrying amount table included in this note.

(e) Valuation techniques used to derive fair values

(i) Land - (level 2)

Reserve land held by Council as the trustee for the Queensland Government is not valued. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre. Land was valued for its highest and best use, notwithstanding that this may differ from its current use.

Council owns multiple land sites which are not currently used for administrative, community or particular purposes. This land may be sold or exchanged from time to time as Council determines. However, these parcels are not exclusively held for sale and are recorded within the land asset class.

(ii) Buildings - (level 2 and 3)

Level 2 buildings are valued using an equivalent market value as the valuation technique. For these buildings, the most significant inputs were estimated net rental per square metre and the associated capitalisation rate, valued at the highest and best use. Other inputs into this valuation approach were the sales prices of comparable properties after adjusting for differences in key attributes such as property size. Where a market can be identified, the net current value of a building asset is the difference between the market value of the asset as a whole (including land) and the market value of the land component.

All other buildings (level 3) were deemed of specialist nature with no active market or are situated on reserve land, valued at current replacement value less obsolescence.

In determining the level of accumulated depreciation, assets are disaggregated into significant components which exhibit similar useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is no longer available for use and the condition of the asset.

In 2018/19 the condition of level 3 buildings was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence. No residual amounts were applied to buildings. Council applied the condition of the buildings, as assessed by the valuer.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Buildings that had revaluation decrements in 2019 because of monsoon damage have now been returned to functionality. Accordingly, the revaluation decrements have been reversed as part of the 2020 management valuation review.

	2020	2019
	\$000	\$000
Buildings		
Market value buildings (level 2)	35,571	25,632
Special purpose buildings (level 3)	170,372	126,739
	205,943	152,371

(iii) Infrastructure assets - (level 3)

Infrastructure assets comprise fixed plant, pipe networks, dams and weirs and the transport network asset classes.

All Council infrastructure assets were measured at fair value using written down CRC. This valuation comprises the asset's CRC less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were overdesigned, had excess capacity, or were redundant, an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within the Council's planning horizon.

Transport Network - Roads

Council categorises its road infrastructure into urban and rural roads and further sub-categorises these into sealed and unsealed roads. All roads are managed in sections, generally assigned as intersection to intersection, but varying to meet engineering requirements. All road sections are then componentised into formation, pavement sub-base, pavement base, surface, kerbs, barriers, road furniture and pathways. Traffic lights and car parks are not segmented. Council assumes that environmental factors such as soil type, climate and topography are consistent across each section. Council also assumes a section is designed and constructed to the same standard and uses a consistent amount of labour and materials.

In 2018/19 a review of rates was performed in conjunction with condition assessment that conformed with AustRoads technical network assessment papers 2011-2018. No change has been made to values in 2019/20, based on an internal assessment of index movement.

Transport Network - Bridges

No change has been made to values in 2019/20, based on an internal assessment of index movement.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Pipe networks – water, wastewater and stormwater

Water, wastewater and stormwater pipe network assets were revalued at their CRC by an external valuer in 2018/19. The process incorporates the determination of unit rates by reference to data contained in Rawlinson's Construction Cost Guide (Rawlinson's), an assessment of Council's internal and external costings, manufacturer's specifications and other relevant data.

Pipe network assets are split into over 500,000 individual components of varying length and function. Generally for pipes below 100mm in size, fittings are included in the pipe revaluation rates but fittings, valves and flow meters are listed separately for larger pipe sizes. Culverts in the stormwater system are generally characterised as bridges.

Key valuation data are usage, material, depth, length and size. Secondary factors include ground conditions, construction cost indexes such as Rawlinson's, and local contractor cost data. Generally a standardised rate reflecting current best practice and materials is used. Limitations on access to individual pipes caused by location or methodology are not incorporated into standardised rates.

Many elements of wastewater and limited elements of stormwater pipes may be relined at the end of their useful life, extending the economic life to a high percentage of the original life. Pipes that may be relined are componentised into the appropriate life. Water pipes are not relined nor subject to CCTV inspections. CCTV inspection data currently does not cover a statistically significant portion of the pipe network each year, accordingly condition data derived from the CCTV images is not applied to remaining life for the network.

(iv) Landfills - (level 3)

Waste landfill cell restoration provision fair values were determined by Council engineers. New landfill cells are recorded at cost for recently completed cells, with an index applied for subsequent periods. The principal element of landfill costs is the restoration cost provision at the end of the cell's economic life. Periodically new site plans are prepared which may be able to utilise an existing cell for an extended period of time. In such cases only the incremental landfill cell cost is recorded at fair value.

Landfill values in 2019/20 incorporate a revised calculation of future maintenance cost of the landfill sites for the periods specified in the environmental licences.

(v) Fixed plant, dams and weirs - comprising treatment plants and pump stations plus some coastal assets - (level 3)

The assets, including treatment plants, dams, weirs and pump stations, (excluding pipelines), were independently valued in 2018/19, either on a top down approach for major facilities or the appropriate valuation techniques were applied. The assets were revalued at their CRC. The process incorporates the determination of unit rates by reference to data contained in Rawlinson's Construction Cost Guide (Rawlinson's), an assessment of Council's internal and external costings, manufacturer's specifications, and other relevant data. The valuation was performed at CRC using industry standard cost guides, project costs from recently completed projects, manufactures specifications and other data. There is a substantial number of low value assets within this class, sampling methods were applied to determine those asset values.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

(vi) Land improvements - (level 3)

A comprehensive revaluation was performed for this class in 2019/20 by an independent external valuer. There was a realignment of remaining lives to reflect asset condition with a consequent adjustment of fair value. The valuation was performed at CRC using industry standard cost guides, project costs from recently completed projects, manufacturers specifications and other data. There is a substantial number of low value assets within this class, sampling methods were applied to determine those asset values.

(vii) Cultural and heritage - (level 3)

This asset group comprises artworks held in galleries and public art. Artworks in galleries are often donated and, as a public gallery, may never be disposed of unless damaged or destroyed by natural disasters. It also includes heritage listed structures which by statute must be maintained in original condition. Those structures are not depreciated. A comprehensive revaluation was performed for this class in 2019/20. The valuation was performed using estimated market values, based on the artist, quality, and type of work.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Note 7 Property, Plant and Equipment – 30 June 2020	Buildings	Dams & weirs	Fixed plant	Cultural & heritage	Land	Land improvements	Landfills	Pipe network	Plant and equipment	Transport network	Assets under construction	Total
Basis of measurement	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Cost	
Asset values	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening gross value as at 1 July 2019	182,010	520,376	829,140	15,006	332,430	134,216	47,234	2,232,570	168,145	2,458,906	377,213	7,297,246
Additions	20	-	80	235	4,718	805	11,294	2,452	75	5,599	282,029	307,307
Disposals	(122)	(48)	(23,828)	-	(9,040)	(1,451)	-	-	(3,490)	(10,854)	-	(48,833)
Revaluation adjustment to asset revaluation surplus	22,409	-	-	2,042	-	-	-	-	-	(3,522)	-	20,929
Revaluation adjustment to Statement of Comprehensive Income	35,491	-	-	-	-	(2,042)	-	-	-	-	-	33,449
Transfers between classes - capitalised assets	11,911	295	84,414	43	8,459	10,196	24	20,567	17,388	35,451	(188,748)	-
Closing gross value as at 30 June 2020	251,719	520,623	889,806	17,326	336,567	141,724	58,552	2,255,589	182,118	2,485,580	470,494	7,610,098
Accumulated depreciation and impairment												
Opening balance as at 1 July 2019	(29,638)	(159,097)	(301,557)	(27)	-	(70,600)	(35,802)	(1,011,232)	(93,933)	(663,586)	(1,582)	(2,367,054)
Depreciation provided in period	(4,604)	(3,702)	(21,936)	-	-	(5,800)	(2,672)	(25,304)	(13,546)	(42,533)	-	(120,097)
Depreciation on disposals	(113)	363	16,272	-	-	676	-	1	3,109	6,046	-	26,354
Revaluation adjustment to asset revaluation surplus	-	-	(828)	27	-	-	(1)	-	-	(86)	-	(888)
Revaluation adjustment to Statement of Comprehensive Income	(11,421)	(406)	-	-	-	17,411	(329)	-	-	-	-	5,255
Assets classified as held for sale	-	-	-	-	4,321	-	-	-	-	-	-	4,321
Impairment adjustment to income	-	-	-	-	(4,321)	-	-	-	3,211	-	-	(1,110)
Transfers between classes / intangible assets	-	-	-	-	(1,582)	4,209	-	-	-	(4,209)	1,582	-
Accumulated depreciation as at 30 June 2020	(45,776)	(162,842)	(308,049)	-	(1,582)	(54,104)	(38,804)	(1,036,535)	(101,159)	(704,368)	-	(2,453,219)
Total written down value as at 30 June 2020	205,943	357,781	581,757	17,326	334,985	87,620	19,748	1,219,054	80,959	1,781,212	470,494	5,156,879
Range of estimated useful life in years	5 - 180	10 - 150	3 - 150	150+	-	3 - 100	3 - 48	7 - 150	3 - 33	4 - 150	-	
Additions including reallocations from WIP to asset class:												
Renewals	15,621	-	10,543	-	-	4,249	76	8,067	10,423	29,408	-	78,387
Other additions	1,494	53	9,671	361	9,361	15,649	18,509	143,923	13,060	16,839	-	228,920
Total capital expenditure, contributed assets, and assets not previously recorded	17,115	53	20,214	361	9,361	19,898	18,585	151,990	23,483	46,247	-	307,307
Asset revaluation surplus												
Opening balance at 1 July 2019	-	(1)	115,357	4,405	-	-	-	1	-	756,571	-	876,334
Asset revaluation movement	22,409	-	(829)	2,069	-	-	-	-	-	(3,609)	-	20,040
Closing balance at 30 June 2020	22,409	(1)	114,529	6,474	-	-	-	1	-	752,962	-	896,374

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Note 7 Property, Plant and Equipment – 30 June 2019	Buildings	Dams & weirs	Fixed plant	Cultural & heritage	Land	Land improvements	Landfills	Pipe network	Plant and equipment	Transport network	Assets under construction	Total
Basis of measurement	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Cost	
Asset values	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening gross value as at 1 July 2018	260,440	532,248	807,186	15,695	357,284	133,948	45,276	2,228,180	162,047	2,413,220	223,850	7,179,374
Additions	-	-	-	-	-	-	1,777	1,351	-	3,528	271,646	278,302
Disposals	(266)	-	(6,497)	(1,519)	(343)	(1,446)	-	(1,778)	(4,863)	(3,578)	-	(20,290)
Revaluation adjustment to asset revaluation surplus	-	(11,965)	20,436	-	-	-	(112)	(41,088)	-	29,700	-	(3,029)
Revaluation adjustment to Statement of Comprehensive Income	(92,170)	-	-	830	(24,512)	(812)	-	(20,439)	-	-	-	(137,103)
Transfers between classes and intangible assets - reallocation	1	20	(163)	-	1	(20)	172	-	(24)	1	3	(9)
Transfers between classes - capitalised assets	14,005	73	8,178	-	-	2,546	121	66,344	10,985	16,035	(118,286)	1
Closing gross value as at 30 June 2019	182,010	520,376	829,140	15,006	332,430	134,216	47,234	2,232,570	168,145	2,458,906	377,213	7,297,246
Accumulated depreciation and impairment												
Opening balance as at 1 July 2018	(103,305)	(141,359)	(373,481)	(27)	(1,359)	(66,728)	(33,530)	(996,176)	(81,209)	(669,134)	(1,582)	(2,467,890)
Depreciation provided in period	(6,677)	(4,826)	(18,130)	-	-	(5,486)	(2,272)	(25,880)	(13,435)	(42,126)	-	(118,832)
Depreciation on disposals	45	-	4,466	591	-	1,289	-	1,159	3,915	5,885	-	17,350
Revaluation adjustment to asset revaluation surplus	-	(9,968)	85,592	-	-	-	-	9,665	-	41,789	-	127,078
Revaluation adjustment to Statement of Comprehensive Income	78,482	(2,938)	-	1,229	1,359	(627)	-	-	-	-	-	77,505
Impairment adjustment to income	-	-	-	-	-	946	-	-	(3,211)	-	-	(2,265)
Transfers between classes	1,817	(6)	(4)	(1,820)	-	6	-	-	7	-	-	-
Accumulated depreciation and impairment as at 30 June 2019	(29,638)	(159,097)	(301,557)	(27)	-	(70,600)	(35,802)	(1,011,232)	(93,933)	(663,586)	(1,582)	(2,367,054)
Total written down value as at 30 June 2019	152,372	361,279	527,583	14,979	332,430	63,616	11,432	1,221,338	74,212	1,795,320	375,631	4,930,192
Range of estimated useful life in years	5 - 180	10 - 150	3 - 150	150+	-	3 - 100	3 - 48	7 - 150	3 - 33	4 - 150	-	
Additions including reallocations from WIP to asset class:												
Renewals	4,084	924	12,314	-	-	1,706	39	18,981	24,458	29,446	-	91,952
Other additions	3,819	-	19,120	69	1,993	1,828	5,808	119,594	8,338	19,125	-	179,694
Total capital expenditure, contributed assets, and assets not previously recorded	7,903	924	31,434	69	1,993	3,534	5,847	138,575	32,796	48,571	-	271,646
Asset revaluation surplus												
Opening balance at 1 July 2018	-	21,931	9,330	4,405	-	-	112	31,424	-	685,079	-	752,281
Change in value of future rehabilitation cost	-	-	-	-	-	-	(112)	-	-	-	-	(112)
Asset revaluation movement	-	(21,932)	106,028	-	-	-	-	(31,423)	-	71,492	-	124,165
Closing balance at 30 June 2019	-	(1)	115,358	4,405	-	-	-	1	-	756,571	-	876,334

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Note 8 Contract balances

Contract assets and liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously grant revenue was recognised on receipt and therefore there was no effect on the Statement of Financial Position. For further details on the change in accounting policy refer to Note 22.

Where amounts billed to a customer are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the grantor.

When a performance obligation is satisfied by transferring a promised good or service to the customer or the community before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which Council recognises a receivable.

When an amount of consideration is received from a customer prior to Council transferring a good or service to the customer or the community, Council presents the funds as a contract liability.

Where Council receives capital grant funding to construct a Council controlled asset, Council presents the funds as a contract liability and revenue is recognised in line with spend (work in progress).

	2020 \$'000
Contract assets	
Works for Queensland Stage 3	4,120
Building Our Regions	2,000
Illich Park Precinct Upgrade Stage 2	1,261
Reid Park Active Transport Bridge	1,107
Building Better Regions	1,105
Other	329
	9,922
Contract liabilities	
Haughton Pipeline Duplication Project	34,967
Disaster Recovery Funding Arrangement	17,897
Environmental Recovery Package	2,477
Water Smart Package	1,143
Other	2,267
	58,751

Note 9 Leases

Council as a lessee

Where Council identifies a lease greater than 12 months and greater than \$5,000 including buildings and plant and equipment, a right-of-use asset and lease liability is recognised on the inception of the lease. Council separates lease and non-lease components for classes of assets and has accounted for lease payments as either a reduction of lease liability or as maintenance costs.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

For low value or short-term leases, Council recognises the payment associated with these leases as an expense on a straight-line basis over the lease term.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined, Council's incremental borrowing rate for a similar term with similar security is used.

Terms and conditions of leases

(i) Buildings

Several properties are leased including two properties for community purposes (Townsville City), two libraries (Townsville City and Kirwan) and two operational facilities (Mount St John). The lease terms range between 3 and 10 years and are subject to annual increases of either CPI or a fixed rate.

(ii) Plant and equipment

Seven motor vehicles are leased and allocated to Councillors for business purposes. Lease terms range between 3 and 4 years.

Council leases major network and infrastructure equipment for Information Technology and Communication purposes with a lease term of 5 years.

Network printers are leased under a maintenance contract. The maintenance portion is removed and treated as an expense while the capital portion is recognised as a right-to-use asset. The lease terms for these contracts are 5 years.

Right-of-use assets

	Buildings	Plant and Equipment	Total
	\$000	\$000	\$000
Adoption of AASB 16 at 1 July 2019	14,455	977	15,432
Depreciation charge	(2,352)	(359)	(2,711)
Balance at 30 June 2020	12,103	618	12,721

Lease liabilities

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the Statement of Financial Position.

< 1 year	1-5 years	> 5 years	Total	Total per Statement of Financial Position
\$000	\$000	\$000	\$000	\$000
2,823	7,350	4,045	14,218	13,371

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Liabilities not recognised

For building leases, Council includes extension options which can be exercised at Council's discretion. At each reporting date Council assesses whether it is reasonably certain that the extension options will be exercised based on current operations and Council strategy. No extension options have been included in the lease liability as the exercise of the options has been assessed as not reasonably certain.

Amounts included in the Statement of Comprehensive Income related to leases

The following amounts have been recognised in the Statement of Comprehensive Income for leases where Council is the lessee.

	2020 \$000
Interest on lease liabilities	262
Depreciation of right-of-use assets	2,711
Expenses relating to short term leases	191
Expenses relating to low value assets	46
	<u>3,210</u>
Total cash outflows for leases (including short term and low value leases)	<u>3,041</u>

Leases at significantly below market value – Concessionary / peppercorn leases

Council has a number of leases, pursuant to Deeds of Grant in Trust, at significantly below market value which are used for community and sporting purposes.

The leases are generally between 10 and 70 years and require payments of \$1 per annum. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide.

Council does not believe that any of the leases in place are individually material.

Note 10 Payables

Payables are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30-day terms. In March 2020, Council committed to the payment of supplier invoices within 14 days to support local businesses in response to COVID-19.

Liabilities are recognised for employee benefits such as wages, salaries and annual leave in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

As Council does not have an unconditional right to defer settlement of the annual leave beyond 12 months, annual leave is classified as a current liability.

	Note	2020 \$000	2019 \$000
Current			
Trade payables		16,615	37,316
Annual leave		15,915	13,091
Accrued expenses		33,376	51,289
Prepaid rates		17,373	-
Sundry payables		7,039	5,884
	19	<u>90,318</u>	<u>107,580</u>

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Note 11 Borrowings

Borrowings are initially recognised at fair value. Subsequent to initial recognition these liabilities are measured at amortised cost.

Principal and interest repayments are made quarterly in arrears. Expected final repayment dates vary from 15 December 2023 to 15 June 2040. There have been no defaults or breaches of the loan agreement during the period.

Council's current policy is to only borrow for new and upgrade capital projects and for a term no longer than the expected life of the asset.

	Note	2020 \$000	2019 \$000
Current			
Loans - Queensland Treasury Corporation		32,879	30,213
Non-current			
Loans - Queensland Treasury Corporation		335,950	348,037
Total borrowings	19	368,829	378,250

The loan market value at the reporting date was \$439,939,830. This represents the value of the loans if Council repaid the loans as at reporting date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these financial statements.

No assets have been pledged as security by Council for any liabilities, however all loans are guaranteed by the Queensland Government.

The interest rates on borrowings range from 1.915% to 8.352% for book value rates.

Undrawn facilities

Unrestricted access was available at balance date to undrawn facilities listed below:

	2020 \$000	2019 \$000
Bank overdraft facility	500	500
Purchase card facility	1,783	1,740
Working Capital Facility - Queensland Treasury Corporation	100,000	200,000
	102,283	202,240

Council received approval to repurpose the existing \$200 million 'specific purpose' working capital facility to a 'general purpose' working capital facility of \$100 million. This facility is available for use until 31 July 2021 and is for the purpose of managing the financial impacts associated with COVID-19. At reporting date, the facility was fully undrawn.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Note 12 Provisions

	2020 \$000	2019 \$000
Current		
Self-insurance	1,054	898
Landfill restoration	9,322	1,526
Long service leave	13,934	13,129
Other	2,893	3,715
	27,203	19,268
Non-current		
Self-insurance	2,936	3,353
Landfill restoration	27,910	24,313
Long service leave	2,876	2,283
	33,722	29,949

(a) Landfill restoration

A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable Council will be liable, or required, to incur costs on the cessation of use of these facilities.

The provision represents the present value of the anticipated future costs associated with the closure of landfill sites in accordance with environmental licence conditions. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

The total projected cost of \$42,050,700 is expected to be incurred between 2021 and 2050. The figure excludes rehabilitating landfill cells on existing sites that are yet to be constructed or used, but which are in the current site plan.

(b) Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

Where employees have met the prerequisite length of service and Council does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current liability. Otherwise it is classified as non-current.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Based on past experience, Council does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	2020	2019
	\$000	\$000
Long service leave obligations expected to be settled after 12 months	<u>14,479</u>	<u>13,346</u>

(c) Movements

Movements in non-employee benefit provisions during the financial year are set out below:

	Self-insurance \$000	Landfill restoration \$000	Other \$000
Balance at beginning of financial year	4,251	25,839	3,715
Additional provisions raised during the year	318	11,721	151
Amounts used	(579)	(421)	-
Unused amounts reversed	-	-	(990)
Increase in provision due to unwinding of discount	-	752	17
Increase in provision due to change in discount rate	-	(659)	-
Balance at end of financial year	3,990	37,232	2,893

Note 13 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus. Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

	Note	2020 \$000	2019 \$000
Asset revaluation surplus	7	<u>896,374</u>	<u>876,334</u>

Note 14 Commitments for expenditure

(a) Operating leases (2019 only)

Refer Note 9 for information on leases for 2020.

Minimum lease payments in relation to non-cancellable operating leases are as follows:

Within one year	2,971
One to five years	10,500
Later than five years	4,066
	<u>17,537</u>

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

(b) Capital expenditure commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

	2020 \$000	2019 \$000
Water pipeline project	26,473	97,437
Resource recovery and waste disposal	8,924	5,500
Southern suburbs wastewater pipe	8,585	5,265
Open space upgrades	6,013	1,263
Laboratory upgrade	4,789	-
Tobruk Pool redevelopment	3,276	-
Work for Queensland projects	2,778	3,332
Fleet upgrades	2,464	-
Road upgrades	2,198	6,303
Water treatment plant refurbishment	2,104	4,284
Gallery and Theatre recovery works	1,724	-
Information technology upgrades	1,650	1,200
Wastewater facility improvements	999	5,626
Cleveland Bay purification plant upgrade	385	2,066
Operational buildings and depots	299	273
Other	2,515	2,887
	75,176	135,436

Note 15 Contingent liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

Guarantees

Workers' compensation self-insurance guarantees	5,907	5,777
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WorkCover Queensland authorities require guarantees against workers' compensation self-insurance liabilities. The guarantee is based on independent actuarial advice of the estimated liability. Guarantees held at each balance date do not always equal the liability at these dates due to delays in issuing the guarantees. An actuarial assessment of the Council workers' compensation claims liability performed on 4 August 2020 has estimated the required self-insurance guarantee be \$5,230,000.

The actuarial assessment also recommends a self-insurance provision that has been recognised for risks relating to potential workers' compensation claims at balance date. Refer to Note 12.

Claims

Council is a member of the local government mutual self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

At the time of preparation of this report, the financial statements for 30 June 2020 of LGM Queensland were not available. As at 30 June 2019 the financial statements reported an accumulated surplus of \$76,992,954 and it was not anticipated any liability would arise.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Note 16 Superannuation

Council contributes to the LGIASuper Regional Defined Benefits Fund, at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB 119 *Employee Benefits* because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate but has not been recognised as an asset or liability of Council.

Technically Council can be liable to the scheme for a portion of other local governments' obligations should that local government be unable to meet them. However, the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed, changes to Council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date". Council is not aware of any events since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is due 1 July 2021.

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary are:

- Investment risk - the risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.
- Salary growth risk - the risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	2020	2019
	\$000	\$000
Superannuation contributions made to the Regional Defined Benefits Fund	704	715
Other superannuation contributions for employees	14,665	12,835
Total superannuation contributions paid by Council for employees	15,369	13,550

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Note 17 Reconciliation of net result for the year to net inflow (outflow) from operating activities

	2020 \$000	2019 \$000
Net result for the year	195,739	170,667
Non-cash and non-operating items:		
Depreciation and amortisation	124,910	120,603
Increases in value from asset adjustments	(40,429)	-
Impairment losses on property, plant and equipment	1,088	3,211
Impairment losses on intangibles	-	22
Revaluation decrement of property, plant and equipment	1,724	60,399
Change in future rehabilitation and restoration costs	(11,721)	(1,775)
Lease interest on right-of-use assets	262	-
Grants, subsidies and contributions received for constructing assets	(109,246)	(232,245)
Net loss on sale of non-current assets	12,843	5,671
Fair value gain on contributions of assets	(8,352)	(9,970)
Change in accounting policy	(128,820)	-
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(8,410)	(2,234)
(Increase)/decrease in inventories	(428)	(273)
(Increase)/decrease in contract assets	(9,922)	-
(Increase)/decrease in other assets	346	(1,245)
Increase/(decrease) in payables	(9,649)	5,530
Increase/(decrease) in provisions	11,709	(1,558)
Increase/(decrease) in contract liabilities	58,751	-
Increase/(decrease) in other liabilities	(499)	(44)
Net cash flows from operating activities	79,896	116,759

Note 18 Events after the reporting date

There were no material events after the reporting date.

Note 19 Financial instruments and financial risk management

(a) Financial assets and liabilities

Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

Financial assets

Cash and cash equivalents

Receivables - measured at amortised cost

Financial liabilities

Payables - measured at amortised cost

Borrowings - measured at amortised cost

Financial assets and financial liabilities are presented separately, offsetting has not been applied.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

(b) Financial risk management

Council's activities expose it to a variety of risks including credit risk, liquidity risk and market risk. Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of Council. These methods include sensitivity analysis in the case of market risk, ageing analysis for credit risk and short term investment strategies to ensure sufficient funds are available to meet short term liquidity requirements.

(c) Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from Council's receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure. Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar State/Commonwealth bodies or financial institutions in Australia, in line with the *Statutory Bodies Financial Arrangement Act 1982*.

Council has no significant concentration of credit risk with respect to any single counterparty or entity of counterparties other than those receivables where an allowance for impairment has been specifically provided for.

The following table details Council's receivables exposed to credit risk with ageing analysis and impairment provided for thereon.

Financial assets	Gross amount	Impaired	Within initial trade terms	Past due (days overdue)			
				<30	31-60	61-90	>90
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
30 June 2020							
Rates and utilities, fees and charges	37,261	(937)	4,338	3,433	475	1,185	27,830
Loans and advances to community organisations	2,337	-	2,337	-	-	-	-
Water charges not yet levied	12,626	-	12,626	-	-	-	-
Other receivables	3,696	-	3,696	-	-	-	-
Total	55,920	(937)	22,997	3,433	475	1,185	27,830

(d) Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 11.

The following table sets out the liquidity risk of financial liabilities (excluding lease liabilities for 2020) held by Council. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date:

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Financial liabilities	Within 1 year \$000	1 to 5 years \$000	Over 5 years \$000	Total contractual cash flows \$000	Carrying amount \$000
30 June 2020					
Payables	90,318	-	-	90,318	90,318
Loans - Queensland Treasury Corporation	50,914	184,964	243,618	479,496	368,829
	141,232	184,964	243,618	569,814	459,147
30 June 2019					
Payables	107,580	-	-	107,580	107,580
Loans - Queensland Treasury Corporation	49,687	194,474	260,905	505,066	378,250
	157,267	194,474	260,905	612,646	485,830

The outflows in the above table are not expected to occur significantly earlier or for significantly different amounts than indicated in the table.

(e) Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect Council's income or the value of its holdings of financial instruments.

Interest rate risk

Exposure to interest rate risk arises on investments and borrowings with QTC and other financial institutions in which a future change in interest rates will affect future cash flows. In relation to QTC loans, Council holds fixed rate loan products. Consequently, Council's borrowings are not subject to interest rate risk and therefore no sensitivity analysis is required.

Council does not undertake any hedging of interest rate risk.

Sensitivity analysis of cash balances

Sensitivity analysis depicts what effect a reasonable possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values of cash balances at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period. If the rates increased by 1% the impact would be an increase in profit of \$1,100,410 (2019: \$2,287,063), an equal amount in the reverse direction is possible for a decrease in rates.

(f) Reconciliation of liabilities arising from financing activities

	30 June 2019 \$000	Change in accounting policy \$000	Cash flows \$000	Non-cash changes \$000	30 June 2020 \$000
Loans – Queensland Treasury Corporation	378,250	-	(9,421)	-	368,829
Lease Liability	-	15,912	(2,804)	263	13,371
	378,250	15,912	(12,225)	263	382,200

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Note 20 National competition policy

Council applies the competitive code of conduct to the following activities:

- water and sewerage
- waste management
- performing arts

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO value is determined by Council and represents an activity cost(s) which would not be incurred if the primary objective of the activity was to make a profit. Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

The following activity statements are for activities subject to the competitive code of conduct:

	Water and sewerage 2020 \$000	Waste management 2020 \$000	Performing arts 2020 \$000
Revenue for services provided to the Council	31,892	13,366	-
Revenue for services provided to external clients	189,204	42,393	1,190
Community service obligations	3,250	3,653	-
	224,346	59,412	1,190
Less: Expenditure	(140,168)	(48,830)	(10,258)
Surplus/(deficit)	84,178	10,582	(9,068)

Description of CSOs provided to business activities:

Activities	CSO Description	Net cost \$000
Townsville Water	Concessions on water and wastewater utility charges	3,250
Townsville Waste	Concessions on landfill charges, community clean-up events and other waste services	3,653

Note 21 Transactions with related parties

(a) Transactions with Townsville Breakwater Entertainment Centre Joint Venture

	2020 \$	2019 \$
Payment of working capital required under management agreement	210,000	20,000
Contribution towards Townsville Breakwater Entertainment Centre assets	169,519	-
	379,519	20,000

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

(b) Key management personnel compensation (KMP)

KMP include the Mayor, Councillors and Council's senior management staff (Chief Executive Officer and directors). The compensation to the KMP for the financial year is as follows:

	2020	2019
	\$	\$
Short-term employee benefits	3,006,373	3,217,287
Post-employment benefits	322,210	326,407
Long-term employee benefits	174,822	179,916
Termination benefits	-	740,085
	<u>3,503,405</u>	<u>4,463,695</u>

(c) Transactions with other related parties

Other related parties include close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.

Close family members include a spouse, child or dependent of a KMP, child or dependent of a KMP's spouse and any other family member expected to be influenced by a KMP in their dealings with Council.

At 30 June 2020, Council employed 1,582 employees of which two were close family members of key management personnel. These employees have been employed under normal recruitment processes and were paid in accordance with Council's certified agreement.

(d) Transactions with related parties that have not been disclosed

There are entities and individuals identified as related parties of Council that also live and operate within the Townsville region. On a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of Council facilities such as swimming pools and libraries
- Dog registration

Council has not included these types of transactions in its disclosure where they are made on the same terms and conditions available to the general public.

Note 22 Changes in accounting policy

During the year ended 30 June 2020, Council adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income for Not-for-profit Entities* and AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15, AASB 1058 and AASB 16 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below.

Revenue standards – AASB 15 and AASB 1058

The following options have been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

- Council has not retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modifications were minor.

Changes in accounting policy on adoption of AASB 15 and AASB 1058:

- Prepaid rates are not recognised as revenue until the relevant rating period starts. Until that time prepaid rates are recognised as a financial liability.
- Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to be held by Council are recognised as revenue as the performance obligations are satisfied under the grant agreement. If grant funding is received in advance, a contract liability is recognised at balance date for any amount that Council would be obliged to repay if the contract ceased at balance date. If grant funding is received in arrears, a contract asset is recognised for any amounts Council is legally entitled to claim from the fund provider at balance date.
- Grants received for which performance obligations are not sufficiently specific are recognised as revenue on receipt of funds or issuing of invoice.
- Grants received under an enforceable agreement that contains sufficiently specific performance obligations are released in line with completion of an identified performance obligation. Therefore, grant revenue may not align with spend.

	Balance at 1 July 2019 \$000
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Opening balances on transition at 1 July 2019

Assets

Under AASB 15	-
Under AASB 1058	4,102
Total assets	4,102

Liabilities

Under AASB 15	8,383
Under AASB 1058	124,057
Total liabilities	132,440

The following table shows the amount by which the financial statement line item is affected by the application of AASB 15 and AASB 1058 as compared to the previous revenue standards.

Statement of Financial Position as at 30 June 2020

	Carrying amount per Statement of Financial Position Dr / (Cr) \$000	Adjustments Dr / (Cr) \$000	Carrying amount if previous standards had been applied \$000
Contract assets	9,922	(9,922)	-
Payables	(90,318)	17,373	(72,945)
Contract liabilities	(58,751)	58,751	-
Retained earnings	(4,769,213)	(66,202)	(4,835,415)
	(4,908,360)	-	(4,908,360)

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

Statement of Comprehensive Income for the year ended 30 June 2020

	Statement of Comprehensive Income Dr / (Cr) \$000	Adjustments Dr / (Cr) \$000	Carrying amount if previous standards had been applied \$000
Revenue – operating grants	18,862	(4,396)	14,466
Revenue – capital grants	155,465	(59,326)	96,139
Revenue – rates and utilities	350,084	1,586	351,670
	524,411	(62,136)	462,275

The adoption of AASB 15 and AASB 1058 has not impacted the Statement of Cash Flows for the year ended 30 June 2020.

Lease standard – AASB 16

Council as lessee

Under the previous lease accounting standard, Council assessed whether leases were operating or finance leases, based on its assessment of whether the significant risks and rewards of ownership had been transferred to Council or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the Statement of Financial Position (except for short-term leases and leases of low-value assets). Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Statement of Comprehensive Income on a straight-line basis.

AASB 16 includes a number of practical expedients which can be used on transition. Council has used the following expedients:

- Contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16.
- Lease liabilities have been discounted using the Council's incremental borrowing rate at 1 July 2019.
- Right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by any prepaid or accrued lease payments.
- A single discount rate was applied to all leases with similar characteristics.
- The right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset.
- Excluded leases with an expiry date prior to 30 June 2020 from the Statement of Financial Position, and lease expenses for these leases have been recorded on a straight-line basis over the remaining term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Council has recognised right-of-use assets and lease liabilities of \$15,432,366 and \$15,912,790 respectively at 1 July 2019 for leases previously classified as operating leases.

Townsville City Council

Notes to the Financial Statements for the Year Ended 30 June 2020

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 1.51%.

	\$000
Operating lease commitment at 30 June 2019 per Council financial statements	17,537
Discounted using the incremental borrowing rate at 1 July 2019	16,420
Less:	
Maintenance component of leases removed	(467)
Leases for low-value assets included in commitments note	(41)
Lease liabilities recognised at 1 July 2019	15,912

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Townsville City Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Townsville City Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2020, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Townsville City Council's annual report for the year ended 30 June 2020 was the current year financial sustainability statement and long-term financial sustainability.

The councillors are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the council.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



Sri Narasimhan
as delegate of the Auditor-General

12 October 2020

Queensland Audit Office
Brisbane

Townsville City Council

Current Year Financial Sustainability Statement

Measures of financial sustainability

Council's performance at 30 June 2020 against key financial ratios and targets:

	Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
How the measure is calculated	Net result (excluding capital items) divided by total operating revenue (excluding capital items)*	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense (excluding non-infrastructure assets)	Total liabilities less current assets divided by total operating revenue (excluding capital items)
Target	between 0% and 10%	greater than 90%	not greater than 60%
Actual	-1%	64%	99%

Note 1 Basis of preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2020.

* Operating surplus ratio has been calculated from the Statement of Comprehensive Income, with details on capital revenue and capital expenditure to be excluded derived from Note 3 and 4 respectively.

Certificate of Accuracy for the Year ended 30 June 2020

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).


In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayor



Dated this 9 day of October 2020

Chief Executive Officer



Dated this 9 day of October 2020

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Townsville City Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year statement of financial sustainability of Townsville City Council (the council) for the year ended 30 June 2020 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Townsville City Council for the year ended 30 June 2020 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Townsville City Council's annual report for the year ended 30 June 2020 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors' responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sri Narasimhan
as delegate of the Auditor-General

12 October 2020

Queensland Audit Office
Brisbane

Townsville City Council

Long Term Financial Sustainability Statement

Measures of financial sustainability

	Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio	
How the measure is calculated	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense (excluding non-infrastructure assets)	Total liabilities less current assets divided by total operating revenue (excluding capital items)	
	Target	between 0% and 10%	greater than 90%	not greater than 60%
Actual projected for the years ended	30-Jun-20	-1%	64%	99%
	30-Jun-21	0%	71%	85%
	30-Jun-22	5%	67%	92%
	30-Jun-23	5%	76%	87%
	30-Jun-24	5%	77%	72%
	30-Jun-25	6%	82%	62%
	30-Jun-26	7%	75%	59%
	30-Jun-27	8%	77%	57%
	30-Jun-28	9%	76%	49%
	30-Jun-29	9%	90%	43%

Financial management strategy

Council measures revenue and expenditure trends overtime as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Certificate of Accuracy for The Long-Term Financial Sustainability Statement Prepared as at 30 June 2020

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.


Mayor

Dated this 9 day of OCTOBER 2020


Chief Executive Officer

Dated this 9 day of OCTOBER 2020

Glossary/ Index



Glossary

Administrative Directive	Describes what the Chief Executive Officer (acting under s257 of the <i>Local Government Act 2009</i>) considers to be appropriate in relation to specific issues arising out of either legislation or Council decisions. They generally relate to the implementation of the day-to-day operations of the Council. Administrative directives are considered by Directors and Senior Managers and approved by the Chief Executive Officer.
Annual Budget	The City's annual budget identifies the planned expenditure and revenue approved by Council for a financial year. This includes any specific activities as priority under the Operational Plan.
Annual Report	A Statutory report under the <i>Local Government Act 2009</i> that provides accountability to the community for the past financial year. The report contains a summary of progress toward the City Vision through implementation of the Corporate and Operational Plans, the auditor's report, audited financial statements and an address by the Mayor and CEO.
Asset	An item that has potential or actual value to an organisation.
Australian Accounting Standards	Accounting Standards issued by the Australian Accounting Standards Board that are equivalent to standards issued by the International Accounting Standards Board. These standards are binding on Queensland councils and all other bodies established pursuant to the <i>Local Government Act 2009</i> .
Community	A group of people living in the same locality and under the same government.
Community Engagement	Community engagement is interaction between the City and any section of the community, either individually or as a group, and includes information sharing, consultation and/or active participation.
Corporate Plan	The City's Corporate Plan outlines the Council's vision and translates it into medium and long-term priorities, outcomes and strategies for a minimum five year period.
Councillors	Elected representatives of Council who serve a 4-year term.
Financial Statements	The Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows prepared in accordance with Australian Accounting Standards together with the notes and certification statements.
Governance	The process by which decisions are taken and implemented, organisations are controlled and managed to achieve their objectives, and the process by which organisations are directed, reviewed and held to account.
Liveability	Liveability refers to a combination of factors that contribute to quality of life. These include the impact of built and natural environment as well as economic, social and cultural factors.
Local Government Act 2009	The principal legislation which provides the legal framework for Queensland's local government sector.
Local Government Association of Queensland (LGAQ)	The peak body for local government in Queensland. A not-for-profit association set up solely to serve the state's 77 Councils and their individual needs.
Local laws	Those laws under the jurisdiction of the Council and enforced by city staff and/or Police.
COVID-19	Coronaviruses are a large family of viruses that cause respiratory infections. These can range from the common cold to more serious diseases. COVID-19 is a disease caused by a new form of coronavirus. It was first reported in December 2019 in Wuhan City in China.

Objective	Something toward which work is to be directed, a strategic position to be attained, or a purpose to be achieved, a result to be obtained, a product to be produced, or a service to be performed.
Operational Plan	A document with a one-year outlook, which outlines the key activities to be undertaken to achieve the desired outcomes set out in the Corporate Plan. This is a legislative requirement.
Pandemic	A pandemic is the worldwide spread of a new disease. Viral respiratory diseases, such as those caused by a new influenza virus or the coronavirus (COVID-19), are the ones that can most easily turn into a pandemic.
Personal protective equipment (PPE)	Refers to anything worn or used to minimise risk to workers' health and safety. This may include, but is not limited to; boots, ear plugs, face masks, gloves, goggles, hard hats, high visibility clothing, safety shoes, and sunscreen.
Policy	A statement formally adopted by Council that describes the Council's position on a particular issue. All policies are consistent with Council's long, medium and short-term planning outcomes and some will directly support the delivery of the Council's Community and Corporate Plans.
Service	A service is a group of activities provided to the City e.g. waste collection which manages a range of different waste collection types.

Index of Reportable Disclosures

An index to the relevant sections of this report that relate to statutory requirements* for a local government annual report is detailed below:

* LGA – Local Government Act 2009

LGR – Local Government Regulation 2012

PSEA – Public Sector Ethics Act 1994

Reportable Disclosures	Legislation	Page
Administrative action complaints	s187 LGR	81
Statement of commitment to dealing fairly with administrative action complaints	s187(1)(a) LGR	81
Statement on process and assessment of performance in resolving complaints	s187(1)(b) LGR	81
Number of administrative action complaints	s187(2) LGR	82
Assessment of operations and performance	s190(1)(b) LGR	39-49
CEO assessment of progress towards implementing five-year corporate plan	s190(1)(a) LGR	9
Community financial report	s184 LGR	30
Competitive neutrality	s190 LGR	89
Summary of investigation notices for competitive neutrality complaints under s49	s190(1)(i) LGR	89
Responses for competitive neutrality complaints	s190(1)(j) LGR	89
Councillors	s186 LGR	19
Total remuneration	s186(a) LGR	75
Expenses incurred and facilities provided	s186(b) LGR	75
Number of meetings that each Councillor attended	s186(c) LGR	77
Number of decisions, orders and recommendations made under ss150I(2), 150AH(1), 150AR(1)	s186(d) LGR	77
Meeting conduct	s186(e) LGR	77
Complaints	s186(f) LGR	77
Expenditure on grants to community organisations	s189 LGR	84
Council grants to community organisations	s189(a) LGR	84
Expenditure from each Councillor's discretionary fund	s189(b) LGR	86
Financial statements	s183 LGR	96-142
General purpose financial statement audited by the auditor-general	s183(a) LGR	96
Current year financial sustainability statement audited by the auditor-general	s183(b) LGR	138
Long term financial sustainability statement for the financial year	s183(c) LGR	142
The auditor-general's audit reports about the general purpose financial statement	s183(d) LGR	135
The auditor-general's audit reports about the current year financial sustainability statement	s183(d) LGR	139
Identifying beneficial enterprises	s41 LGA	89
Identifying significant business activities		89

Reportable Disclosures	Legislation	Page
List of business activities	s45(a) LGA	89
Significant business activities	s45(b) LGA	89
Application of competitive neutrality principle	s45(c) LGA	89
Significant business activities not conducted or new	s45(d) LGA	89
List of Registers	s190(1)(f) LGR	83
Number of invitations to change tender under s228(7)	s190(1)(e) LGR	91
Operations report for each commercial business unit	s190(1)(c) LGR	54-67
Townsville Water	s190(1)(c) LGR	55
Townsville Waste	s190(1)(c) LGR	62
Overseas Travel	s188 LGR	80
Particular resolutions	s185 LGR	81
Copy of resolutions under s250(1) for expenses reimbursement policy	s185(a) LGR	81
List of resolutions under s206(2) for non-current physical assets	s185(b) LGR	81
Public Sector Ethics Reporting		80
Code of conduct	s23 PSEA	80
Education and training	s23 PSEA	80
Procedures and practices of public sector entities	s23 PSEA	81
Remuneration		80
Remuneration packages payable to senior management	s201(1)(a) LGA	80
Number of senior management employees in each band	s201(1)(b) LGA	80
Report on internal audit	s190(1)(h) LGR	91
Service, facility, or activity supplied by another local government	s190(1)(d) LGR	90
Summary of concessions for rate and charges	s190(1)(g) LGR	91



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