


Strong, Connected Community.



Acknowledgement

We acknowledge the Bindal and Wulgurukaba people as the traditional custodians of this land that we work, live and play on, and pay our respect to their cultures, their ancestors and to the elders, past, present and all future generations.



 Where you see this icon, if you would like more information on the topic being discussed, simply go to our website at www.townsville.qld.gov.au and search for the key words listed.

 Aboriginal and Torres Strait Islander people
Aboriginal and Torres Strait Islander Workforce Strategy

Introduction

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 sound financial management.

Our corporate goals

Economic Sustainability - A strong, diverse economy which provides opportunities for business and investment, with an integrated approach to long-term planning where the city's assets meet the community needs.

Environmental Sustainability - A sustainable future where our environment is valued through the protection and enhancement of our unique, natural and built environment, with a commitment to reducing our environmental impact.

Social Sustainability - A vibrant community that is accessible, safe, healthy, creative and knowledgeable, where we embrace diversity and our sense of community.

Responsible Governance - A well-managed, transparent and effective organisation that gives the community confidence, demonstrates financial sustainability, where our customers are satisfied with our services and our employees are proud to work here.

Our values

Service	People	Integrity	Respect	Enjoyment
'We commit to excellence'	'We value each other'	'We do the right thing'	'We learn through listening'	'We create a fun workplace'
<ul style="list-style-type: none"> • Deliver quality service • Take follow-up action • Be proud of what we do 	<ul style="list-style-type: none"> • Safety first • Work as a team • Develop our people 	<ul style="list-style-type: none"> • Be fair and consistent • Make ethical decisions • Be transparent and accountable 	<ul style="list-style-type: none"> • Listen with an open mind • Be honest • Show courtesy and understanding 	<ul style="list-style-type: none"> • Show optimism • Adopt a can-do attitude • Share achievements and celebrate success

Our five minute Annual Report 2015/16

The five minute Annual Report is designed to give a quick snapshot of our 2015/16 achievements, reflecting on the difference we make coming together as a community.

Economic Sustainability

Enhanced local business development and promoted employment and investment.

- Council, State and Federal Governments committed to funding the Integrated Stadium and Entertainment Centre
- Townsville City Waterfront Priority Development Area progressed to the implementation stage
- Townsville Jobs and Investment Package introduced
- First draft for Townsville and Regional Pathfinder project developed and circulated for feedback
- CBD Utilities Upgrade project commenced.

(More details on pages 72 to 95)

1,047,000 domestic and international visitors to the city



Environmental Sustainability

Protected our natural environment and reduced our environmental footprint.

- LED lighting project completed at Dan Gleeson Gardens, West End Park, the Perfumed Gardens and The Strand Park
- Natural Resource Management program delivered
- Rowes Bay Sensory project launched
- Coastal and Environmental Management program delivered.

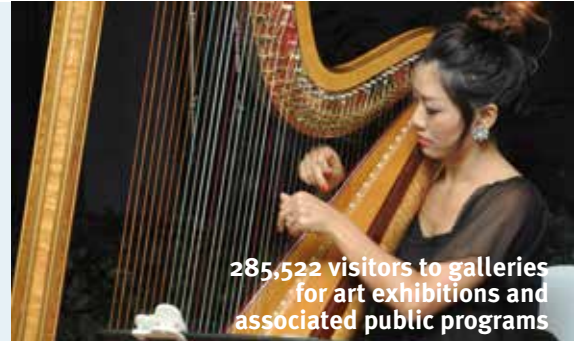
(More details on pages 98 to 117)

Social Sustainability

Hosted vibrant community events and embraced diversity and inclusiveness.

- "Townsville 150 years" celebration events facilitated
- Street Art Activation Framework implemented
- Secured funding for the city's scenic Castle Hill summit upgrade
- Ross River Management of Recreational Use Plan (2015-2018) revised to make sure natural resource management principles and practices are upheld.

(More details on pages 120 to 147)



Responsible Governance

A continued focus on sound governance and continuous improvement processes and practice.

- New council sworn in April 2016
- Legislative Compliance System implemented
- Health and Wellbeing programs implemented for our employees
- Community Engagement Group established.

(More details on pages 150 to 179)

Our Financial Status

No increase in net borrowings

Increased community equity by \$25.9m to \$4.2b

Operating surplus of \$7.7m

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Delivering on the outcomes of our Corporate Plan

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Snapshot of our community

Population
Population born overseas
Median age
Number of families
Average household
Indigenous population
Average growth rate
Projected population growth
rate by 2021
Year 12 or greater education
Residents with severe disability

193,946

19.8%*

33 years*

45,319*

2.6 persons*

6.1%*

2.1%

2.2%*

55.1%

3.9%

Residents who volunteer

Median weekly personal income

Median weekly rent

Public swimming pools

Libraries

Public parks

Parks with playgrounds and
shaded areas

Rateable properties

Visitors to the city

16.7%*

\$675*

\$320*

5

4

338

130

80,201

1,047,000

*Data from Census 2011

The community we serve

Our History & Heritage, an interesting profile

Townsville was founded in 1864 as a port for the fledgling pastoral industry in North Queensland. Following the discovery of gold in the immediate hinterland at Ravenswood and then Charters Towers, the town developed into the principal centre and capital of North Queensland.

- Townsville's local government area covers 3,736km²
- We are located 1,300km north of Brisbane and 350km south of Cairns
- We are Australia's largest garrison city
- Townsville is the largest tropical city in Australia.
- Traditional owners and custodians, the Bindal and Wulgurukaba people are the first people to have lived in the Townsville region.

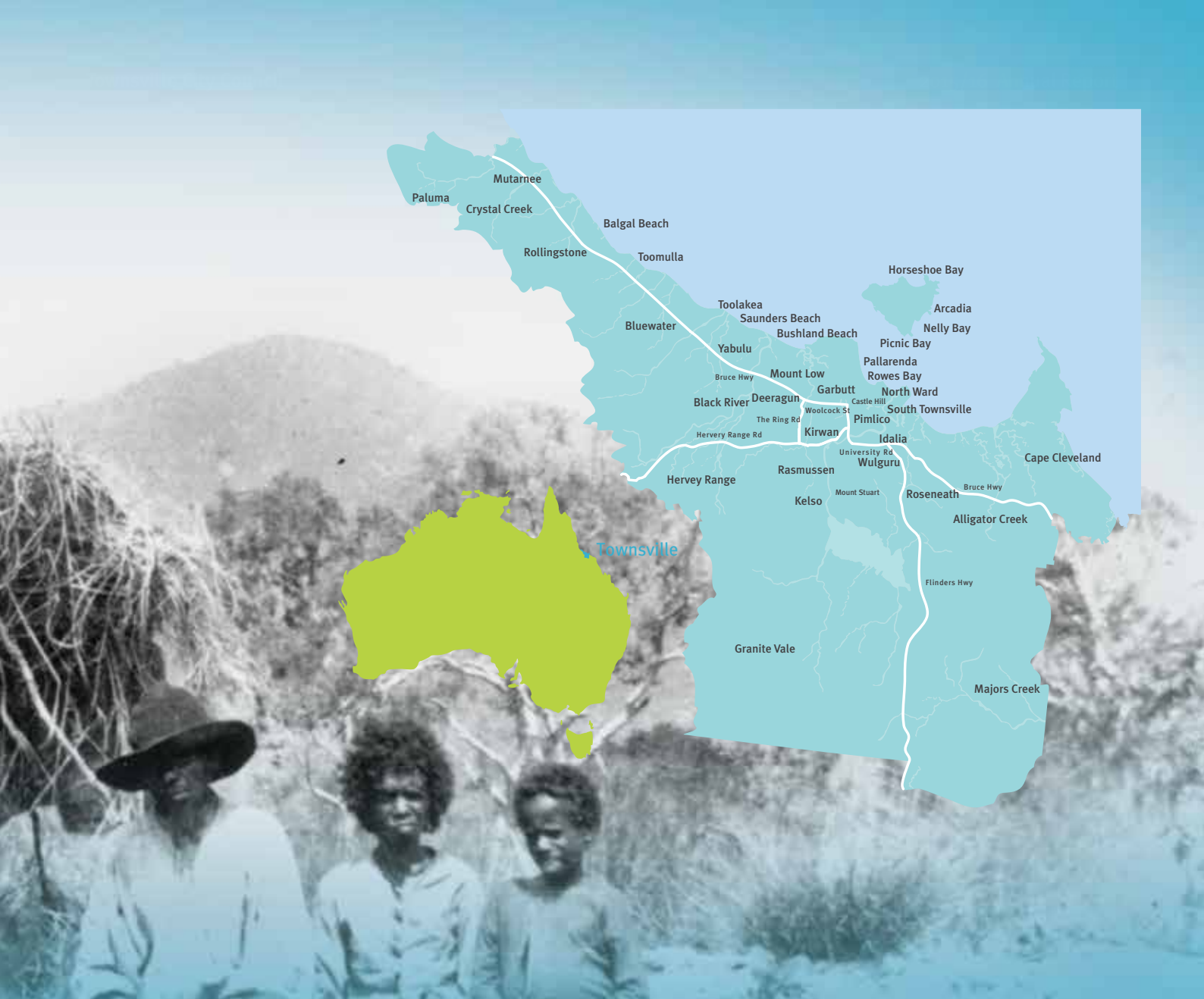
Our Community, diverse and inclusive

We have celebrated another year of multiculturalism with a wide range of events and initiatives including:

- Cultural festivals supported and celebrated diversity of cultures with food, music and dance performances
- Our library collection of over 600 titles in 27 languages
- Sister Cities program, upholding the friendship and understanding of cultures
- We held the Economic Development Australia Northern Queensland Food Innovation Forum
- We held 12 citizenship ceremonies
- Townsville enjoys two major art galleries, the Perc Tucker Regional Gallery and Pinnacles Gallery.



History & Heritage



Our City, liveable and vibrant

- Council provides residents with the best of metropolitan living in a regional area
- Townsville is the events capital of North Queensland
- We released an Expression of Interest for the construction of the Townsville City Waterfront PDA arts and cultural precinct facilities
- Our community enjoys the outdoors with plenty on offer including Magnetic Island, The Strand, Riverway, Jezzine Barracks, Castle Hill and The Botanic Gardens
- We're home to two national sporting teams, the North Queensland Cowboys and the JCU Townsville Fire
- 24°C average winter temperatures make for beautifully warm winters.

Our Economy, growing and well sustained

- We acquired 17.6ha of land for the Townsville Integrated Stadium, Entertainment Centre (ISEC)
- We commenced design for Stage 1A of the Townsville City Waterfront promenade
- We established a Memorandum Of Understanding with the Central Queensland University (CQU) to bring 5,000 students to the CBD over the next five years
- We maintained \$4.6b in assets during 2015/16 (*More details on page 17*)
- We realised a fourth consecutive surplus with an operating result of \$7.7m. This has enabled us to fund operating and capital projects without increasing net borrowings.

Our Commitments, safeguarding the future

- We committed to developing The Waterfront and engaged with the community to make informed decisions (*More details on page 77*)
- We implemented an effective water management plan and planned to build a second pipeline to secure the city's long-term water supply
- Our Environmental footprint continues to be managed well (*More details on page 100*)
- We committed to the utilities upgrade in the CBD
- We completed the 2015/16 amendment process of the Townsville City Plan.

Welcome to our Annual Report 2015/16

Townsville City Council is proud to present the 2015/16 Annual Report. Our report is focused on a 'Strong Connected Community' and celebrating the past 150 years. The theme is reflected in our community plan and council's role in representing the current and future interests of our residents. The report also connects with past generations recognising the changes of Townsville over 150 years. The report outlines the services we provide, our accomplishments, the challenges we've faced throughout the year and our outlook for the future. Council measures its performance in terms of progress made in implementing our Corporate Plan 2014-2019.

This report is a vital part of council governance and commitment to transparency and accountability. We hope you find the information helpful in understanding our operations and achievements and would appreciate any feedback to improve the quality of this report in the future. For further information about this report, please contact our Customer Service Centre on 1300 878 001.

We would like to thank management and staff for their significant contributions to the development of our Annual Report.

Performance against outcomes

The Annual Report provides information about our council and more specifically our performance in delivering on our:







- Community Plan 2011 – 2021
- Corporate Plan 2014 – 2019
- Townsville Water Performance Management Plan 2015/16
- Townsville Waste Performance Management Plan 2015/16

How to understand our performance

This Annual Report is divided into four major sections:

- Our community, council and staff (*More details on pages 14 to 69*)
- Our performance against desired outcomes (reported against the above four plans) (*More details on pages 72 to 179*)
- Townsville Waste and Water Performance Reports 2015/16 (*More details on pages 181 to 204*)
- Audited financial statements for last financial year (*More details on pages 206 to 250*)

To assist readers we have used the below 'traffic light' colour-coding system. These traffic lights are used to reflect performance against each of our Corporate Plan measures. You will also notice the below arrows have been used when comparing performance data sets.

	Requires Action	The measure is not reaching its target and requires active management
	Monitor	The measure is progressing however needs to be monitored
	On Target	The measure is either achieving target or within the defined target range, with no significant issues
	An increase on previous year's figure	
	A decrease on previous year's figure	
	No change experienced on previous year's figure	

Our Annual Report includes a significant selection of Key Performance Indicators (KPIs) that measure our performance against our Corporate Plan 2014-2019. Each council department sets their key targets at the beginning of the financial year based on the Corporate Plan. The Performance Report is delivered quarterly and assesses the cumulative progress towards delivering the activities defined in the Operational Plan and Budget.



The quarterly performance reports can be viewed on our website.

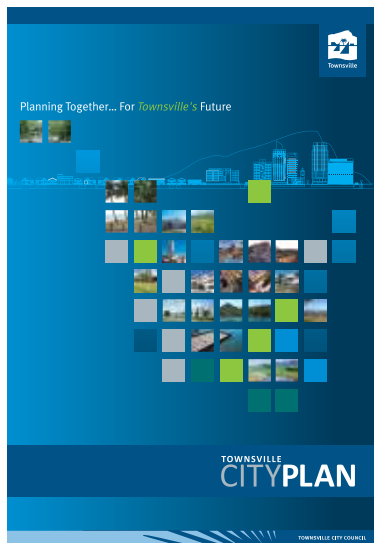


Throughout this report you will find this icon has been used to show the connectedness between what our community has said is important to them in our Community Plan and how this was realised as the year unfolded. This reflects our commitment to our theme of Strong Connected Community which is also Theme 1 of our Community Plan.

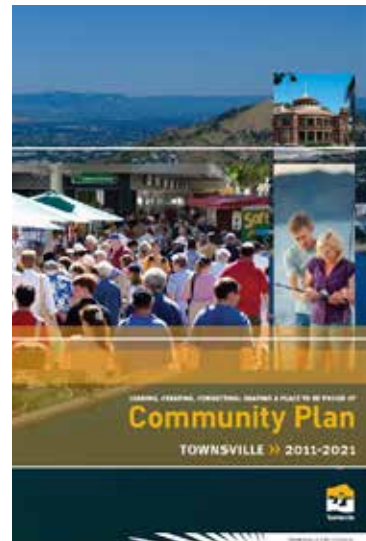
Merged photos have been used in this report to show the same area of Townsville as it was around 1800, and how well it has developed to provide the services required by our community.

A fact at the bottom of some pages indicate one of the major events or achievements in that year for the past 150 years.

What guides our operations?



Townsville City Plan sets the direction for development and growth over the next 25 years.



Community Plan

was “Developed by the community for the community”. The community made clear what was important to them now and into the future through engagement sessions.



The Corporate Plan

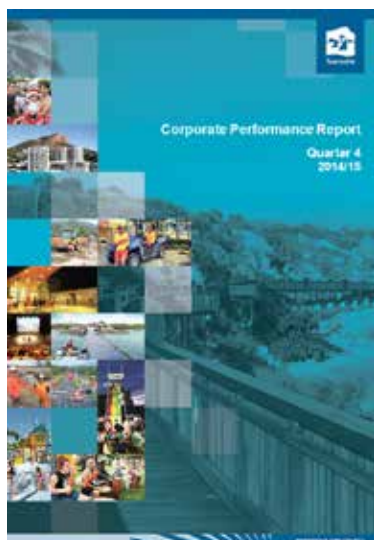
outlines our shared vision for Townsville and the key issues and priorities for council over the next five years and beyond.



Operational Plan and Budget 2015/16

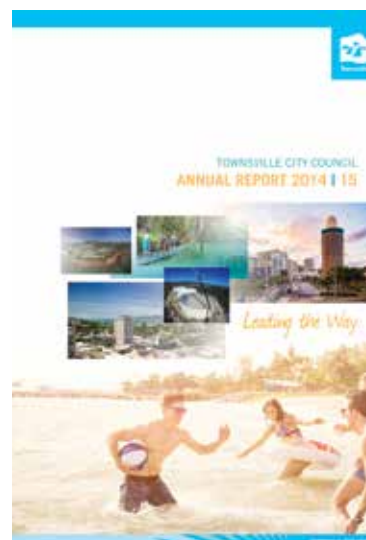
is council's annual plan allocating resources to deliver specific projects, activities and events in pursuit of the Corporate Plan.

How we report on our performance back to the community?



Quarterly Performance Reports

inform the council and the community on performance results for the delivery of services and projects detailed in the Operational Plan and budget.



Annual Report

informs the community of our financial performance and reports on how well council has delivered the outcomes of the Corporate Plan.

More information on our planning and performance reporting is found on pages 54 to 55.

Message from the Mayor

Welcome

On behalf of my fellow councillors and Executive Management Team, I am pleased to present the Townsville City Council 2015/16 Annual Report. The theme of this year's Annual Report is Strongly, Connected Community reflecting council's commitment to: ease household cost of living pressures and increase business activity through a historic city-wide rates freeze; and enhancing our family-friendly and widely used open spaces like The Strand, Jezzine Barracks, Peggy Banfield and Illich Parks. These enhancements showcase council's commitment to giving the community the highest standard of public facilities to provide the lifestyle our residents deserve.

As Mayor, I would like to welcome the new Chief Executive Officer to Townsville City Council. Ms Adele Young comes to us with a wealth of experience and knowledge, and is extremely motivated to serve the community. Ms Young has the most important role within Council's operations, and I have great faith that she will improve the services council provides the community.

I would also like to take this opportunity to thank former Chief Executive Officer, Ray Burton, for his service to the Townsville community over the past eight years.

Financial performance

I am pleased to announce council's fourth consecutive surplus, with an operating result of \$7.7m achieved for the 2015/16 financial year. Council expended \$511.1m in operational expenses and capital projects during the year. Local businesses benefitted greatly with 83.6% of all supplier payments spent in our community. Our overall debt remained steady at \$329.4m, due to reduced revenue and fast-tracked projects to bring work forward to help locals get back to work. Our cash position remains sound at \$69.2m. \$4.6b in assets are managed by the council, and \$4.5b of assets are community infrastructure that provide direct benefit to our community. *(More details on pages 14 to 17)*

Our highlights during the year

The Waterfront Priority Development Area (PDA) proved its worth, by establishing its first significant approval in three days, with the Central Queensland University expansion into the Waterfront. This achievement proved that the PDA framework is solid and strongly supported Townsville's case to have it established. *(More details on page 77)*

Challenges faced

Townsville continued to face challenges during the past financial year. The drought continues and unfortunately that has brought with it further water restrictions and the likelihood of having to pump water from the Burdekin Dam. Implementing water restrictions is never an easy choice. Restrictions are only ever put in place to protect water supply and to guarantee that household water is secure. Unemployment levels reached their highest in 13 years and council is doing what it can to assist. Some CBD Utilities projects have been fast-tracked and the city's combined lobbying efforts have delivered on state and federal government funding for the Integrated Stadium and Entertainment Centre.

Confidence is building

Confidence is coming back to our city. Property developments and shopping centre upgrades are also continuing to attract investment seeing skilled jobs remain in Townsville. *(More details on page 74)*

Into the future

For the 2016/17 financial year Townsville City Council will provide every residential and commercial property owner with a freeze to their general rates and utilities charges. This rates freeze could not come at a better time for our community who have had to prove how resilient they are again. With the ongoing drought and high unemployment our community is hurting, and providing a rates freeze ensures the community comes first.

In the next financial year, there will be changes made to your council's management structure. The purpose of this management restructure is to deliver better quality services, and improved community engagement.

I am determined to deliver on my promise to reform what has become an overly bureaucratic business into a higher performing and more productive service for our community. I look forward to assessing the recommendations of the independent organisational review report to understand how we can transform council into a more efficient business, focused on delivering value for its community.

I would like to take this opportunity to thank councillors and staff for their efforts over the past year and we look forward to continuing to work with you to serve our community in the year ahead.

Regards,



Cr Jenny Hill
Mayor of Townsville







Townsville

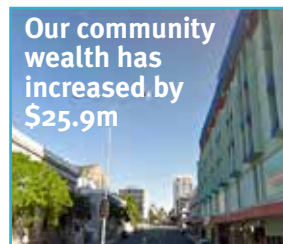
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1866-2016

*Let's
Celebrate*



Community Financial Report 2016 at a glance



The **Community Financial Report** is provided to give members of the community, customers, business partners and employees a better understanding of our financial performance and position for the financial year. The information presents a summary of the financial results for 2015/16 in an easy to understand format.

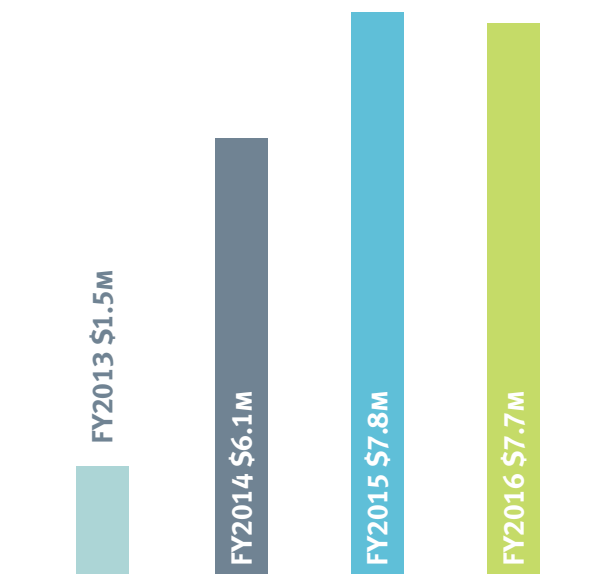
More detailed information can be found in the Annual Financial Statements on page 206.



In 1866 Townsville was declared a municipality, with John Melton Black elected first Mayor. It was a year of many firsts in the town, including a steamship arrival, boiling down works, newspaper and bank branch.

Financial performance

\$7.7 million
Operating surplus



An operating surplus means council's day-to-day operating costs were less than total revenue received during the year. Strong consecutive surpluses give council the ability to improve its financial position, strengthen the sustainability of the city and respond quickly to opportunities or unforeseen events.

Net result

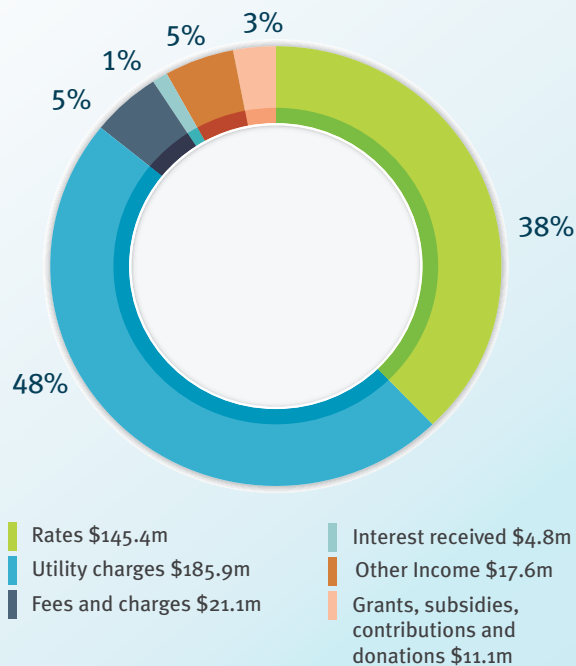
Council's net result is made up of the operating surplus of \$7.7m and income and expenses related to capital expenditure. We achieved a net result of \$60.4m this year. The result includes \$74.9m in government grants and developer contributions to fund capital projects and new infrastructure in sub-divisions.



For every \$100 of operating income we have delivered these services:

In 1867 Townsville's population was approximately 300 people.
John Melton Black returned to Scotland, and Queens Gardens was established.

Revenue



\$386.0 million

Total operating income

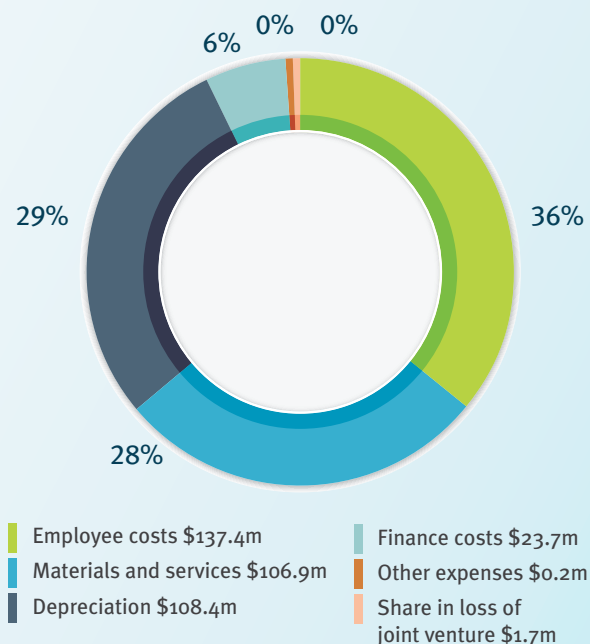
Decrease on last year of \$5.4m

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 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 decreased by 1.7% from last year largely due to funding received in 2014/15 for the Townsville Recreational Boat Park.

Expenses



\$378.2 million

Total operating expenses

Decrease on last year of \$5.3m

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 to ensure the best value and longest life is achieved for each asset.

Total operating expenses have decreased by 1.4% from last year largely due to the cost of works in 2014/15 for the Townsville Recreational Boat Park.

In 1868 Townsville was the major port and service centre for the Cape River, Gilbert, Ravenswood, Etheridge and Charters Towers goldfields. The pastoral industry extended further to the west, and the sugar industry expanded in coastal towns both north and south of Townsville.

Assets

\$4.6 billion

Total assets

Increase on last year of \$27.0m

What the community owns

Infrastructure is the council's largest investment and includes roads, pipes and buildings that benefit the community.

The value of council's assets has increased by \$27.0m overall due to:

- \$56.3m – more new roads and bridges including Dalrymple Road Bridge
- \$15.2m – more assets under construction
- \$6.5m – more plant and equipment assets
- \$38.9m – less cash holdings
- \$11.9m – less money owed to council in the form of rates, fees, charges and other receivables.

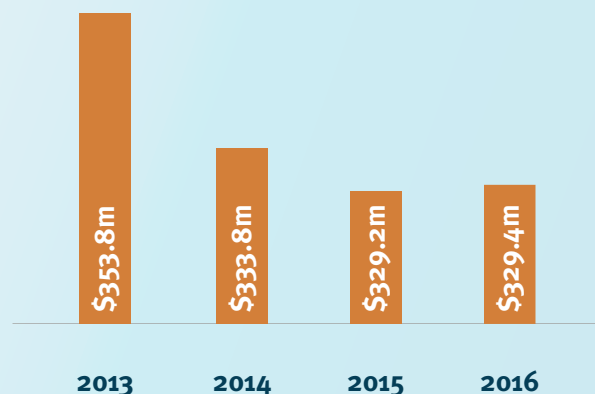


Liabilities

What the community owes

Council's liabilities include borrowings, amounts owed to suppliers, amounts owed to employees for leave entitlements and provisions for future landfill capping. The largest debt owed was to Queensland Treasury Corporation (QTC). QTC is the State Government – owned lending agency from which most local governments and state authorities borrow to finance their large scale infrastructure projects. Council repaid \$19.3m of debt during the year. Council also borrowed an additional \$19.5m for the funding of new water, sewerage and waste infrastructure projects.

Managing our debt levels



In 1869 the National School opened in North Ward - it was located near the Leichhardt Street and Eyre Street roundabout.

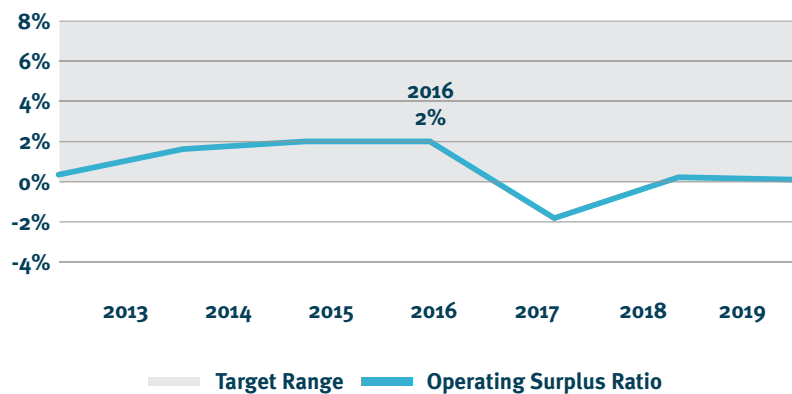
Financial sustainability

A council is financially sustainable if it is able to maintain its cash and working capital and infrastructure and debt over the long term.

Three measures of financial sustainability as described in the Financial Management (Sustainability) Guidelines provide a snapshot of council's position. The graphs show the measures achieved for the last three financial years as well as a glimpse of the forecast for the next three years.

Council is committed to managing a financially sustainable future for the long-term benefit of the community. While the graphs represent a point in time, our aim is to address key issues around service, managing debt levels and asset management over the long term.

Operating surplus ratio

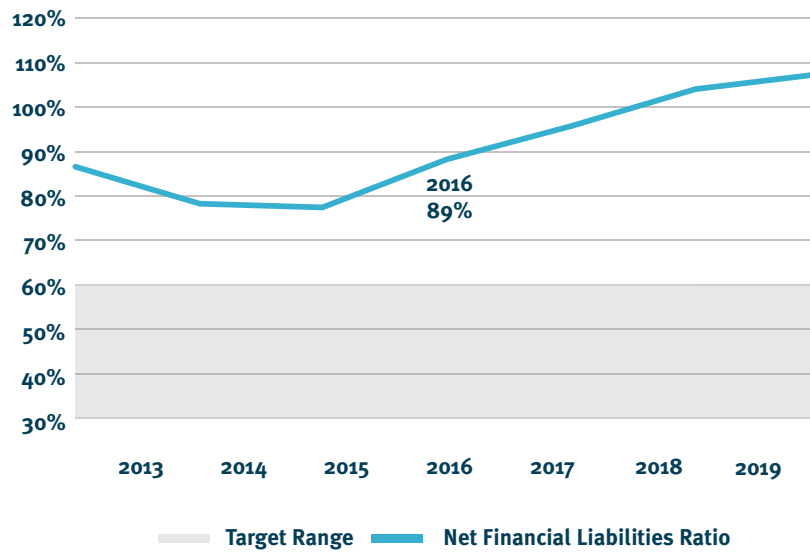


The operating surplus ratio represents spending within our means and using what has been earned without relying on borrowings to fund operating expenditure.

The positive ratio of 2% shows council has maintained a strong financial position in the current year which provides resilience for the future.



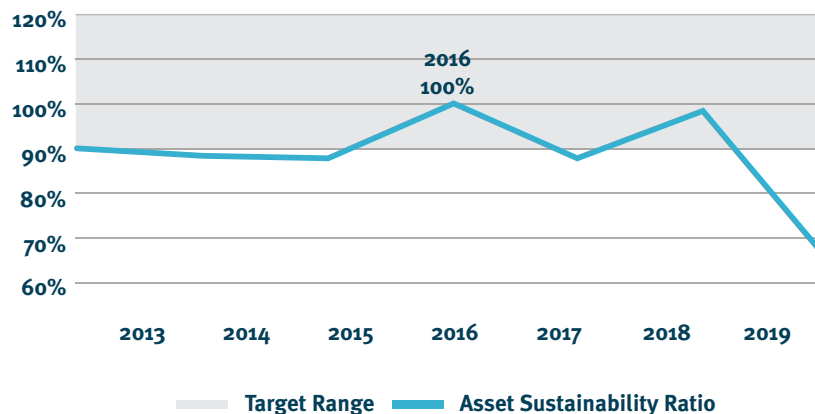
Net financial liabilities ratio



This ratio represents the extent to which the money council owes can be serviced by its operating revenue. From a household point of view, it is how much a home owner's salary and savings is being relied on to repay the mortgage and other debts for the household.

Whilst the result is above the target range, it is indicative of a council that is / has undertaken significant investment in long term infrastructure projects.

Asset sustainability ratio



This ratio is an approximation of 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 a trend of potential decline or improvement in asset condition and standards.

Council believes that its replacement assets are being renewed at an appropriate time through careful Asset Management Planning and has invested more than the target in renewals this year.





Townsville

150

1866-2016

*Let's
Celebrate*



Our Council

Our organisation's purpose

Council's main responsibilities are to set the overall directions and goals for the city and monitor their implementation and success. The tools for setting the direction and goals are the major strategic plans. These include the Townsville City Plan, the Community Plan and the Corporate Plan. These plans integrate our social, economic, environmental, and good governance commitments to the community.

Council is responsible for meaningful engagement and connecting our community with effective and efficient services. We work with all levels of government to ensure the standard of living and wellbeing of our residents is met. We also plan for our children and grandchildren's futures and the next generations who will call our great city their home.



Role of council

Our service commitments

Council is committed to providing our customers with the highest standard customer service. Within our Customer Service Charter, we commit to provide you with:

- Prompt and efficient services
- Easy access to our services
- Friendly and professional service
- Accurate and consistent information.

We will:

- Consult with you when decisions need to be made
- Make fair decisions
- Fix our mistakes willingly
- Report on adherence to our service standards.

Townsville Water and Townsville Waste are committed to providing safe and reliable value for money water and waste services for the community, and efficient and secure operational facilities to assure community health and minimise environmental impact.

Council's Customer Service Charter and the Townsville Water and Townsville Waste Customer Service Standards can be found on our website.



Contact council



Our services



Council provides services across a number of areas to meet the needs of the community and our visitors. Council connects the community through services such as roads and libraries. We will continue to be 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.

Council provides and maintains over \$4.5b worth of community infrastructure including bridges, drainage, roads, community facilities, sporting venues and more. We look after the health and wellbeing of the community through public health initiatives such as mosquito and pest control as well as animal management. Council provides a range of recreational facilities, events and a wide range of Smart City and environmentally sustainable activities. Below is a list of some of the services we provide for people who live, work, and visit Townsville. We connect with the community as they assess different services.

Access and keep up to date with council's latest Information.

Visit our Customer Service Centres at CityLibraries Thuringowa, CityLibraries Aitkenvale and Walker Street or our website, Twitter, Facebook, our publications, and MiTownsville and Wi-Fi at 16 different locations

Arts and culture provides for a vibrant and active community. Council has two premier theatres, the Townsville Civic Theatre and the Riverway Arts Centre and two regional galleries, Perc Tucker Regional Gallery in the city's CBD, and Pinnacles Gallery located within the Riverway Arts Centre. These venues offer a range of entertainment and special events for our community and people of the North.



Visit our **pools** and have a fun day with family and friends. Make use of the BBQ facilities and plenty of space to relax. Participate in one of the many aquatic activities from learn to swim to water aerobics. Choose from the Tobruk Memorial Baths, Long Tan Memorial Pool, Kokoda Memorial Pool, Northern Beaches Leisure Centre or Riverway Lagoons.

We provide **community facilities** and organise community events including 12 citizenship ceremonies a year, four library facilities, children and young adult programmes, sports facilities, open spaces, parks and playgrounds. We support our community and sporting groups through a range of community grants.



We have a **responsible** and **dedicated team** that implements our shared vision and reports to council on matters that concern our community.

- We investigate matters that are raised including complaints
- We make sure we are compliant with legislation
- We hold community and council meetings to plan development for our city and progress key issues and priorities
- We account for our spending and manage community assets
- We attract investors to our city to create jobs and grow our economy
- We are prepared for any emergency situation like cyclones
- We maintain community buildings.

Bus stops, footpaths and cycling tracks will continue to be upgraded as part of our transportation and road safety focus.



We manage traffic and city parking to avoid unnecessary congestion. City workers are encouraged to utilise the 700 bay Dean Street car park which is serviced by a shuttle bus and part of 1,100 free parking spaces on the fringe of the CBD.

We build and maintain the roads you travel on. A list of the roads being repaired or built can be found on our website.



Works and road closure

We repair damaged and deteriorating water and drainage infrastructure. Council is currently implementing a four-year \$55.3m CBD Utilities Upgrade. *(More details on page 80)*

We manage and protect the environment and this includes tree planting, sand nourishment at our beaches, river bank stabilisation, creek watch activities, mosquito and pest control, and pet and animal management. We control public nuisance to ensure a safe environment for our community. Food safety is taken seriously and we carry out food inspections and provide licensing.



We provide water and waste services to the Townsville area. We treat and dispose of solid waste. We manage trade waste so that it doesn't damage our sewage system or environment.

We clean our streets and provide a kerbside refuse service 365 days a year. We operate a range of landfill and transfer stations.

Services that council deliver for every \$100 of operating income are detailed in the Community Financial Report on *page 14*. Different Standing Committees are responsible for considering any complex issues raised by the community relating to these services and making recommendations to council. *(More details on page 34)*

In 1872 Townsville's population had grown to around 2,000 people. St Joseph's Church on The Strand was built, Rooneys was established in Townsville, and the Newmarket Hotel first opened.

Your elected members

Councillors are our elected representatives. They represent the current and future interests of the residents of Townsville through participation in council meetings, policy development and decision making. 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 the Northern Beaches and Paluma communities to the north. The full divisional maps are available on council's website.

Divisional boundaries

For electoral purposes Townsville City Council is divided into 10 electoral divisions. The Local Government Change Commission handed down its final determination of the review of electoral divisions within Townsville City Council Local Government Area in October 2015. The changes to divisional boundaries took effect for the elections held in March 2016.



To view interactive maps visit council's website – Divisional boundaries

The 2016 local government elections were held on 19 March 2016. The result was a significant change in council's elected members with all Team Hill candidates successfully elected to represent Townsville City Council. A post election meeting was held on 8 April 2016 where councillors took their oath of office. It was at this meeting that council resolved to appoint Councillor Les Walker as Deputy Mayor.

Six Standing Committees (*More details on page 34*) and seven Advisory Committees were adopted with each councillor's membership indicated in their profiles.



Council meetings

Councillors: July 2015 – March 2016

DIVISION	RESPONSIBLE COUNCILLOR
Mayor of Townsville	Cr Jenny Hill
Deputy Mayor of Townsville (Division 3)	Cr Vern Veitch
Division 1	Cr Suzanne Blom
Division 2	Cr Tony Parsons
Division 4	Cr Jenny Lane
Division 5	Cr Pat Ernst
Division 6	Cr Trevor Roberts
Division 7	Cr Gary Eddiehausen
Division 8	Cr Ray Gartrell
Division 9	Cr Colleen Doyle
Division 10	Cr Les Walker

At the April meeting of Council the work of the preceding Council was acknowledged. Council wishes all non-returning councillors the best in their future endeavours.

Introducing our newly elected councillors

On 19 March 2016, the community voted in the quadrennial Local Government elections. The new council was sworn in on 8 April 2016 and was keen to get on with making decisions, holding their first full-council meeting on 26 April 2016 (*More details on page 152*).

Councillor 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 well in the best interests of the community. A range of in-house sessions were held including details of council's services, financial position, and governance. The Department of Infrastructure, Local Government & Planning delivered an induction session on the system of local government and the roles and responsibilities of councillors. A full day media training session was also offered to councillors to guide them on interacting with media outlets.

Councillors will continue to be provided with professional development opportunities during their term and the annual Local Government Association of Queensland Elected Member Update is due to be held in July 2016.



In 1874 The Olympic Theatre opened in Denham Street, St Patrick's Convent was built on The Strand, and the Townsville Turf Club was formed.

Councillors: April 2016 – current

COUNCILLOR JENNY HILL

Mayor of Townsville Contact details 0418 886 992

Councillor Hill is passionate about easing the cost of living for residents and focussing on services that build a strong community, support business and employment, and safeguard Townsville's lifestyle.

Chair of all Ordinary and Special Council Meetings
The Mayor serves as a member on all of Council's Standing Committees

Bachelor of Science
Master in Public Health and Tropical Medicine
Member of Australian Institute of Company Directors

Councillor Hill has previously worked in mining laboratories, the Department of Primary Industries, Queensland Health Pathology Department of the Townsville Hospital and as a serving officer in the Army Reserve.

Number of terms with council: 6



COUNCILLOR LES WALKER

Deputy Mayor of Townsville (Division 3) Contact details 0418 315 705

Councillor Walker wants to be involved in shaping Townsville into one of the best cities to raise a family.

Chair Planning and Development Committee
Member Infrastructure Committee
Member Townsville Water and Waste Committee
Member City Image Advisory Committee

Diploma of Correctional Administration

Councillor Walker was born and raised in Townsville. His career has included working on the Burdekin Dam Project, at the Cleveland Youth Detention Centre, the Townsville Correctional Centre and owning and operating several small businesses in Townsville. Councillor Walker is a member of the NQ Sports Foundation and is a past champion cyclist. As a born and bred local with a family of his own in Townsville, Councillor Walker joined council to help protect Townsville's unique lifestyle.

Number of terms with council: 4 (non-consecutive)



COUNCILLOR MARGIE RYDER

Division 1 Contact details 0439 915 033

Councillor Ryder aims to motivate people through action and example and believes the biggest issues for her division are water security, youth unemployment, keeping rates low and building the local economy.

Member Planning and Development Committee
Member Community and Cultural Development Committee
Member Community Health and Environment Committee
Member Inclusive Community Advisory Committee
Member Murray User Group Advisory Committee

Diploma of Frontline Management

Councillor Ryder served as a councillor for the Julia Creek / McKinlay Shire for 10 years. Councillor Ryder is proud of her work in events and tourism at Julia Creek where they won the Queensland Tourism Awards and came runner up for the Australian Award.

Number of terms with council: 1



COUNCILLOR PAUL JACOB**Division 2** Contact details 0439 850 312

Councillor Jacob's focus is on securing a safe and reliable water supply, public transport, traffic management, local laws and youth.

Chair Townsville Water and Waste Committee
 Member Governance and Finance Committee
 Member Community Health and Environment Committee
 Member Community Safety Advisory Committee
 Member Innovation and Business Advisory Committee



Diploma of Electronics and Communications

Councillor Jacob was born in Sydney but has been living in Townsville for the past 23 years. He has worked for the Overseas Telecommunication Commission (specialising in satellite communications) the Department of Defence, James Cook University, and The Townsville Hospital. Councillor Jacob has strong community links. Prior to joining council he founded and chaired the Townsville City Council Watch Group, was a foundation member of the Townsville Ratepayers Association, and President of the Northern Beaches Community Consultative Group.

Number of terms with council: 1

COUNCILLOR ANN-MAREE GREANEY**Division 3** Contact details 0448 378 111

Councillor Greaney's focus is capitalising on the city's environmental opportunities, rebuilding civic pride, vibrancy and vitality within the city, and cementing Townsville as a desirable place to live and raise a family.

Chair Community Health and Environment Committee
 Member Planning and Development Committee
 Member Community and Cultural Development Committee
 Member City Image Advisory Committee



Diploma of Education
 Executive Certificate in Event Management

Councillor Greaney is a long-term resident of Townsville who has watched the city grow into a thriving regional centre. She has previously worked for the National Rugby League in Sydney, Tec-NQ, as Marketing Manager for the Townsville Hospital Foundation and as Townsville City Council Special Events and Protocol Officer for 11 years from 1997, providing her with unique insights into the city's administrative functions.

Number of terms with council: 1



COUNCILLOR MARK MOLACHINO

Division 4 Contact details 0439 849 856

Councillor Molachino has a passion for North Queensland and improving Townsville's opportunities. His focus is on reducing red tape for small business, infrastructure investment and employment opportunities.

Chair Infrastructure Committee
Member Townsville Water and Waste Committee
Member Planning and Development Committee
Member Community Safety Advisory Committee

Commercial Helicopter Pilot Licence
Diploma in Workplace Health & Safety
Diploma in Project Management
Certificate IV in Training and Assessment

Councillor Molachino was born and grew up in Ingham and has worked in the sugar, aviation, mining and construction industries as well as serving in the Royal Australian Air Force for 15 years. For the last six years he has raised his family of five in Townsville and is involved with several sporting clubs in the city. He is keenly involved in water sports and is passionate about advancing the recreational fishing industry.

Number of terms with council: 1



COUNCILLOR RUSS COOK

Division 5 Contact details 0439 866 640

Councillor Cook has a keen interest in community safety and job security.

Chair Community Safety Advisory Committee
Member Townsville Water and Waste Committee
Member Community and Cultural Development Committee
Member Community Health and Environment Committee
Member Inclusive Community Advisory Committee
Member Murray User Group Advisory Committee
Member Arts and Culture Advisory Committee

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

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 or Queensland Police Service. Apart from 20 years of service with the Australian Defence Force and Queensland Police Service, Councillor Cook has also owned and operated a range of businesses from Turf Farms to Licenced Restaurants and Cafes. Councillor Cook has worked extensively with children at risk in the community and wants to continue working in these areas.

Number of terms with council: 1



COUNCILLOR VERENA COOMBE**Division 6** Contact details 0439 854 820

With a passion for inclusive economic development, Councillor Coombe wants to bring focus to events, tourism and local arts and culture to grow both our economic and social capital, while also showcasing the lifestyle of our city.

Chair Governance and Finance Committee
 Member Infrastructure Committee
 Member Community and Cultural Development Committee
 Member Arts and Culture Advisory Committee
 Member Innovation and Business Advisory Committee

Diploma of Financial Markets

Councillor Coombes shares her vision of Townsville as a vibrant community with a thriving economy offering broad-based business, employment, education and lifestyle opportunities.

Her career has spanned both the corporate and not-for-profit sector. She also enjoys contributing to the local community volunteering with many organisations including the RSL, Arcadian Surf Lifesaving Club, and as immediate past President of the Hermit Park Tigers AFL Club.

With a passion for inclusive economic development, she will work to bring focus to events, tourism and local arts and culture to grow both our economic and social capital, while showcasing the lifestyle of our city.

Number of terms with council: 1

**COUNCILLOR KURT REHBEIN****Division 7** Contact details 0439 847 860

Councillor Rehbein understands the importance of planning and teamwork and wants to help lift the city to the next level, while also tackling crime, keeping rates affordable and supporting local business.

Chair Heritage Advisory Committee
 Chair Murray User Group Advisory Committee
 Member Governance and Finance Committee
 Member Infrastructure Committee
 Member Community Health and Environment Committee

Trade Certificate in Cabinetmaking
 Certificate 3 in Dog Handling and Military Operations
 Diploma in Fire and Rescue Operations and Public Safety

Prior to being elected to council, Councillor Rehbein had worked as a cabinetmaker, RAAF Military Dog Handler and as a Fire Fighter. Councillor Rehbein has seen the city grow from a relatively small town to a thriving 'Capital of the North' hosting huge events with beautiful places to visit.

Number of terms with council: 1



In 1878 construction began on Townsville's first prison. The prison was situated in North Ward and was superseded by a new prison at Stewarts Creek (now Stuart Creek) in 1891. A fire also damaged the Town Council offices, with a large number of council records lost.

COUNCILLOR MAURIE SOARS

Division 8 Contact details 0439 849 622

Councillor Soars wants to bring his experience to council to lift living standards for all and tackle unemployment through infrastructure investment.

Chair Innovation and Business Advisory Committee
Member Governance and Finance Committee
Member Infrastructure Committee
Member Planning and Development Committee

Diploma of Business Management
Motor Mechanic
Rigger

Councillor Soars has lived in Townsville for the last 27 years. He has run a number of small businesses and managed national and international organisations. Outside of business he is focused on sport, raising funds for various charities and supporting volunteers across Townsville.

Number of terms with council: 1



COUNCILLOR COLLEEN DOYLE

Division 9 Contact details 0418 273 817

Councillor Doyle is passionate about building community capacity and believes she can make a difference as a councillor. Her focus is on building capacity and sustainability to ensure families, the community and businesses are resilient into the future.

Chair Arts and Culture Advisory Committee
Chair Inclusive Community Advisory Committee
Chair Community and Cultural Development Committee
Member Governance and Finance Committee
Member Townsville Water and Waste Committee

Bachelor of Community Welfare

Councillor Doyle has over 30 years experience in community services, planning and development. She has extensive knowledge and understanding of the issues facing seniors, people with a disability and issues affecting marginalised groups within the community. Councillor Doyle also has an understanding of the issues facing small business, with her family operating businesses in the motor industry, retail, and hospitality sectors.

Number of terms with council: 2



Responsibilities of each Standing Committee are detailed on *pages 34 to 35*.



In 1879 the Thuringowa Divisional Board was created. The board covered an area of approximately 3219 square kilometres. The area included Ross Island, Hermit Park, Magnetic Island, extended to Crystal Creek to the north; to the Burdekin River in the south; and to the top of the range near Mingela.

Councillor remuneration and expenses

Councillors receive a remuneration package, determined by the Local Government Remuneration and Disciplinary Tribunal. The remuneration package is reviewed by the Tribunal on an annual basis. Council resolved on 27 January 2016 that the increase in remuneration recommended by the Remuneration and Disciplinary Tribunal be rejected and councillors be paid a CPI increase from 1 July 2016. The table below outlines the remuneration received by councillors in 2015/16. Non-returning councillor's information is included with an end date of 4 April 2016.

Councillor	End Date	Remuneration	Superannuation	Total
Blom S J	4/04/2016	\$76,602.20	\$9,192.08	\$85,794.28
Gartrell R A	4/04/2016	\$76,602.20	\$9,192.08	\$85,794.28
Hill J L		\$168,418.70	\$20,210.39	\$188,629.09
Lane J	4/04/2016	\$76,602.20	\$9,192.08	\$85,794.28
Parsons A J	4/04/2016	\$76,602.20	\$9,192.08	\$85,794.28
Veitch V M	4/04/2016	\$88,386.90	\$10,606.24	\$98,993.14
Roberts T J	4/04/2016	\$76,602.20	\$9,192.08	\$85,794.28
Walker L A		\$108,545.55	\$9,789.37	\$118,334.92
Eddiehausen G N	4/04/2016	\$76,602.20	\$7,277.16	\$83,879.36
Ernst P T J	4/04/2016	\$76,602.20	\$9,192.08	\$85,794.28
Doyle C D		\$99,520.39	\$11,942.20	\$111,462.59
Greaney A		\$22,918.19	\$2,750.12	\$25,668.31
Ryder M		\$22,918.19	\$2,750.12	\$25,668.31
Molachino M R		\$22,918.19	\$2,177.21	\$25,095.40
Cook R M		\$22,918.19	\$2,177.21	\$25,095.40
Coombe V L		\$22,918.19	\$2,177.21	\$25,095.40
Soars M G		\$22,918.19	\$2,750.13	\$25,668.32
Jacob P T		\$22,918.19	\$4,400.96	\$27,319.15
Rehbein K S		\$23,689.73	\$2,750.12	\$26,439.85
TOTALS		\$1,185,204.00	\$136,910.92	\$1,322,114.92

Council's Councillor Expense Reimbursement Policy and Councillor Facilities Policy outline the resources and facilities extended to councillors to enable them to perform their roles. During the year, council reviewed both policies and recommended only minor changes.

A breakdown of the resources and facilities provided to councillors in 2015/16 includes:

Councillor	Conferences (registration fees)	Travel and Accommodation	Advertising	Training	Hospitality (Meals)	Hospitality (Entertainment)	TOTAL
Cr Jenny Hill	1,800.00	14,713	3,220		866	-	\$20,599
Cr Vern Veitch	90	278	109	-	-	-	\$477
Cr Sue Blom	335	425	-	-	40	-	\$800
Cr Colleen Doyle	55	-	200	600	-	-	\$855
Cr Garry Eddiehausen	855	2,371	-	-	40	-	\$3,266
Cr Pat Ernst	335	425	-	-	40	-	\$800
Cr Ray Gartrell	-	266	354	-	-	-	\$620
Cr Jenny Lane	-	-	-	-	-	-	\$0
Cr Tony Parsons	2,715	2,766	-	-	72	-	\$5,553
Cr Trevor Roberts	-	-	-	-	-	-	\$0
Cr Les Walker	2,223	2,055	240	600	35	-	\$5,153
Cr Margie Ryder	-	692	-	600	-	-	\$1,292
Cr Paul Jacob	-	380	-	600	-	-	\$980
Cr Ann Maree Greaney	-	339	365	600	-	-	\$1,304
Cr Mark Molachino	890	1,280	-	600	-	-	\$2,770
Cr Russ Cook	-	-	-	600	-	-	\$600
Cr Verena Coombe	890	1,207	-	600	35	-	\$2,732
Cr Kurt Rehbein	980	986	-	600	-	-	\$2,566
Cr Maurie Soars	2,034	1,030	-	600	108	-	\$3,772
TOTAL	\$13,202	\$29,213	\$4,488	\$6,000	\$1,236	\$0	\$54,139

Details of each councillor's overseas travel (where relevant) can be found in Appendix A.

In addition councillors have access to a council vehicle or vehicle allowance, laptop, computer, iPhone and home office equipment.

Making informed decisions

Council established six Standing Committees at council's post-election meeting on 8 April 2016, compared to eight in the previous term of office. Community expectations are changing and it was necessary to align council's processes to effectively deliver services to the people of Townsville across a wide range of community concerns. Council's decision making process is based on a monthly cycle of six 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. The committees and their areas of responsibility are detailed below. A record of attendance for each councillor at Standing Committees and Ordinary Council meetings can be found at Appendix B.

Standing Committees

Each Standing Committee is responsible for considering matters relating to the following council services and functions:



Governance and Finance

The Committee is responsible for considering matters relating to:

- Asset management
- Business management
- Communication and customer relations
- Corporate research
- Financial management
- Governance
- Information communication and technology
- People.

Infrastructure

The Committee is responsible for considering matters relating to:

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

Planning and Development

The Committee is responsible for considering matters relating to:

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

Standing Committees discuss complex or strategic issues at length to ensure the best outcome for the community,

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 Regulations 2012*. Once the deliberations are concluded in closed session, the meeting is re-opened to the public for decision and then placed on the public record.



Statements of interest



Community and Cultural Development

The Committee is responsible for considering matters relating to:

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



Community Health and Environment

The Committee is responsible for considering matters relating to:

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



Townsville Water and Waste

The Committee is responsible for considering matters relating to:

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

utilising the knowledge and skills they bring to council before referring issues to the Ordinary Meeting of Council.



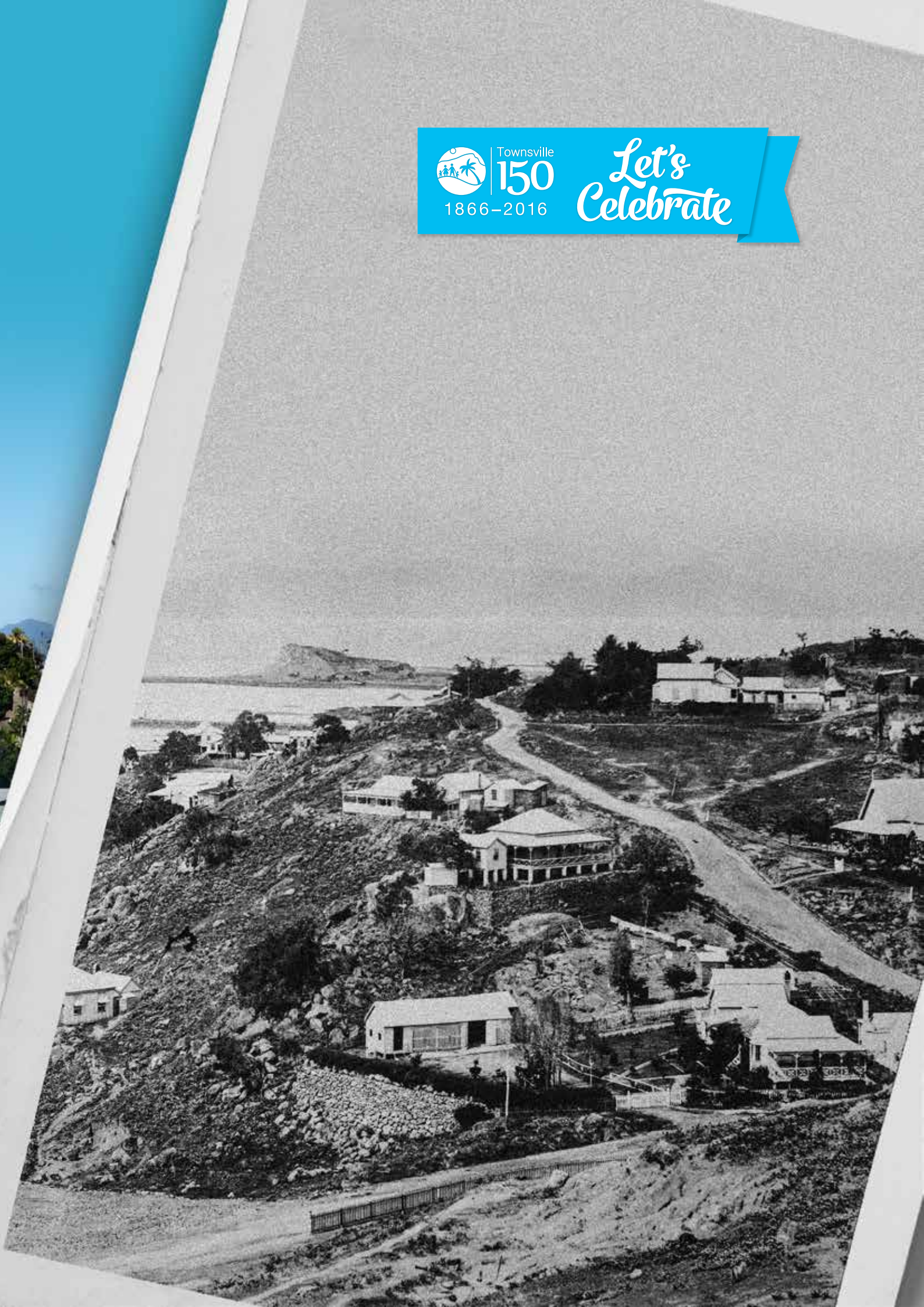


Townsville

150

1866-2016

*Let's
Celebrate*



Our people

Our people are our greatest asset. Townsville City Council employs 1,669 staff. We have a range of professional, administrative and technical staff to support the delivery of services to the community. Everyone who works for the Townsville City Council whether they are volunteer, permanent, part-time or a contractor is subject to our Code of Conduct for staff. We also have a range of policies and procedures to guide our decision making.

Our organisational structure

Council's organisational structure consists of five divisions, comprising of 23 departments.

In accordance with the *Local Government Act 2009*, council has established commercial business units for its significant water and waste business activities. The commercial business units are part of council and apply competitive neutrality principles, to manage on a commercial basis.

Our Executive Management Team



KEITH PARSONS

Director Townsville Water and Waste Division



GAVIN LYONS

Director Community and Environment Division



NEIL ALLEN

Director Infrastructure Services Division



GRAEME BOLTON

Director Planning and Development Division



KIM CORRIE

Director Corporate Services Division

Outgoing Chief Executive Officer: Ray Burton

Council's Chief Executive Officer of eight years, Mr Ray Burton resigned following council's post-election meeting on 8 April 2016. His resignation took effect from 1 July 2016. Council acknowledges and thanks Ray for his contribution to the Townsville community. We wish him the very best in future.

*Council had six senior contract employees in 2015/16 with total remuneration packages below:

Total Remuneration Value Range	Number of Senior Executives
\$200,000 to \$300,000	3
\$300,000 to \$400,000	2
\$400,000 to \$500,000	1

A new direction

Incoming Chief Executive Officer: Adele Young

Council is pleased to welcome Adele Young as its new Chief Executive Officer. Council looks forward to working with Adele to deliver services that meet the needs of the community.

ADELE YOUNG

Chief Executive Officer

A simpler, better, faster organisation

An independent organisational review was carried out in the 2015/16 financial year. In September the full review report was endorsed and I have been tasked with the implementation of the 24 priority projects identified in the report.

As part of the review recommendations TCC now has a new organisational structure that encourages a more focused leadership team through the consolidation of divisions from five to three. This has also involved the flattening of management structure to remove overlapping levels of accountability.

The priority projects, to be rolled out over the next 12 – 24 months, will improve our financial sustainability and transform TCC into a more accountable, accessible and customer focused organisation.

You can expect a better, simpler, faster council, where the interests of staff are balanced with the needs of rate payers. Over the next year, I will be working to achieve the vision and direction set by the Mayor and councillors; ensuring staff understand the role they play in the new look council so that we can get on with the business of delivering services to our community.

This will be the last printed annual report that council will prepare. Next year you can expect to see a simplified version published to our website.



New Organisational Structure



In 1885 the West End Hotel opened on 30 November.



In 1886 the coastline of Magnetic Island was surveyed by J.G. O'Connell. O'Connell reported that five different parties were settled round the Island and that Picnic Bay was the favourite resort of Townsville holiday makers.

Our workforce profile building a diverse and inclusive team

Council's achievements would not be possible without a skilled, dedicated and motivated workforce. Engaged, high-performing employees help us deliver quality services to our community, therefore, the health and wellbeing of our staff and the culture within our workplace is a high priority to council.

In an environment of diminishing external funding and increasing community expectations, local governments are subject to ongoing pressure to maximise their use of resources to create sustainable efficiencies which represent value in the provision of services to the community.

Below is a summary of statistics for our staff. As at 30 June 2016, Townsville City Council employed 1,669 people.

	2011/12	2012/13	2013/14	2014/15	2015/16
Total number of staff	1,694	1,691	1,620	1,651	1,669
Number of male staff	1,075 (63.5%)	978 (63%)	975 (61.9%)	1,013 (61.4%)	1,036 (62.07%)
Number of female staff	619 (36.5%)	627 (37%)	645 (38.1%)	638 (38.6%)	633 (37.93%)
Number of full-time staff	1,610 (94.6%)	1,590 (94%)	1,536 (94.8%)	1,557 (94.4%)	1,565 (93.77%)
Number of part-time staff	92 (5.4%)	101 (6%)	84 (5.2%)	94 (5.6%)	104 (6.23%)

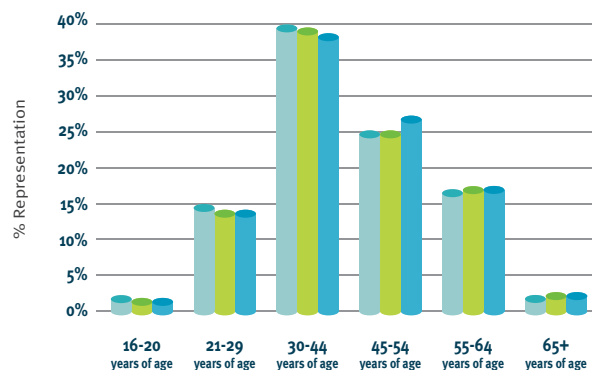
Staff turnover at council is considerably lower than other industries and local governments. Best-practice is a level of turnover that allows for new ideas and fresh employees, without having to replace key staff at inopportune times. An Australian Human Resources Institute (AHRI) survey in 2012 found the average turnover rate for companies that participated in the survey was 13%. Similarly, a survey conducted by the Local Government Association of Queensland in 2013, found the average turnover rate for the local government sector was 8.25%, with the turnover for a Category 6 council (which Townsville City Council is) being 9%.

	2011/12	2012/13	2013/14	2014/15	2015/16
Average number of years worked by permanent employees	9.24yrs	8.63yrs	8.8yrs	8.82yrs	9.1yrs
Turnover rate – field staff	9.55%	9.73%	6.20%	6.27%	3.33%
Turnover rate – indoor staff	10.62%	7.23%	5.26%	6.12%	5.77%

Similar to many Australian employers, council is experiencing the effects of an **ageing population**, and this is reflected in our workforce profile. 27.78% of council's outdoor workforce and 19.54% of council's indoor workforce are 55 years of age or older and 27.94% and 26.85% respectively are between 45 to 54 years of age.

Information on how our workers' compensation statistics compares to industry is found on page 173.

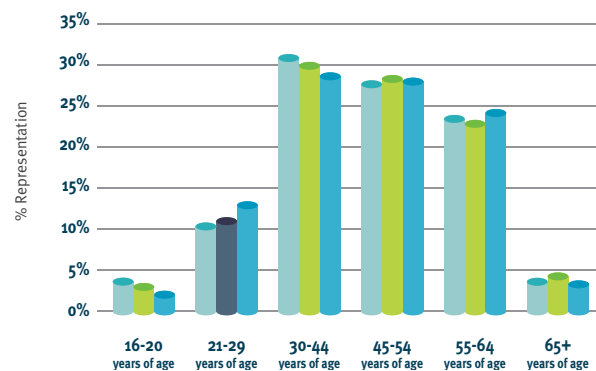
Age Profile - Officers



2013-2014	1.99%	14.70%	39.62%	25.02%	16.58%	2.09%
2014-2015	1.75%	13.90%	39.46%	25.17%	17.10%	2.62%
2015-2016	1.44%	13.94%	38.27%	26.83%	17.12%	2.40%

Comment: An ageing workforce will impact on your workforce in the coming years.

Age Profile - Field Staff



2013-2014	3.75%	10.44%	30.84%	27.57%	23.65%	3.75%
2014-2015	3.22%	11.09%	29.90%	28.30%	22.99%	4.50%
2015-2016	2.23%	13.20%	28.76%	27.98%	24.17%	3.66%

Action: We are implementing council's **Strategic Workforce Plan 2016 – 2018** to effectively plan for future workforce.

Our community has a reasonable expectation that our workforce demographically represents the residents of Townsville city. Council's leadership is committed to the inclusion of employees regardless of inherent differences such as gender, age, ethnicity, race, cultural/linguistic background, sexual orientation and/or gender identity, intellectual and/or physical ability. Council does not tolerate discriminatory behaviours.

Council's **Diversity in Employment Strategy** demonstrates our commitment to ethical work practices and to developing people management strategies which accommodate differences in the backgrounds, perspectives, and family responsibilities of employees. The focus of the activities, programs and expected behaviours detailed in the strategy is to nourish and sustain our diverse and inclusive work teams. Importantly this strategy does not stand alone and is linked to other corporate programs and key responsibilities including the Strategic Workforce Planning (SWP) and the Reconciliation Action Plan (RAP).

Council's **Strategic Workforce Plan 2016 – 2018** was endorsed in February 2016, continuing on from the work undertaken in the inaugural 2015 – 2017 plan. The plan enables council to effectively plan, structure and budget for its future workforce requirements. Our workforce is experiencing a time of significant change. This presents challenges but also opportunities to build the capability of our employees and the services we provide to our community.

The Strategic Workforce Plan identifies people strategies including but not limited to:

- Talent management programs
- Recruitment and selection strategies
- Workforce design
- Cultural change to influence and support our overall organisational performance.

Employee demographic snapshot as at 30 June 2016

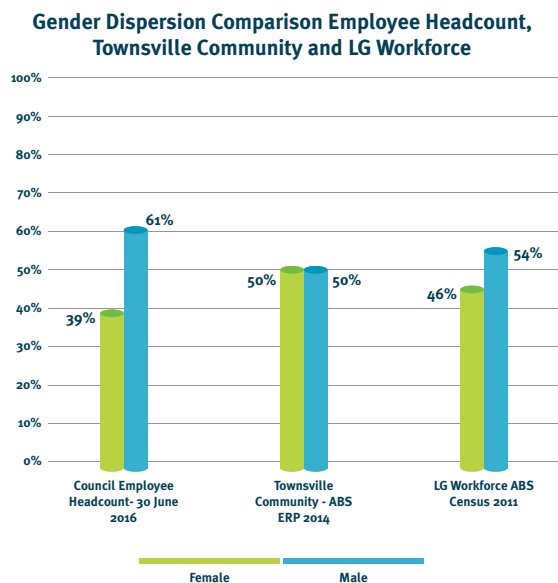
When looking at how council measures up to the community's expectations of our **workforce diversity** composition, each year we take a snapshot of five personal attributes and compare these to the Townsville Local Government Area Statistics provided by the Australian Bureau of Statistics (ABS).

Results for council are in line with the five demographic groups identified as priority areas by all three levels of government in Australia, including our Local Government Industry.

Our 2016 results have isolated three demographic groups that require attention:

- Mature age workers, youth and intergenerational workforce
- Women in non-traditional roles; and
- Aboriginal and Torres Strait Islander People.

Figure 1 Shows a gender dispersion comparison between council and Local Government workforce.

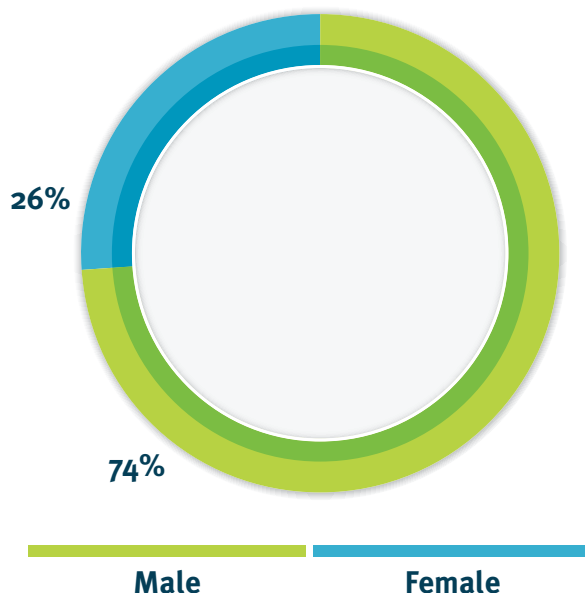


Comment:

Our Gender Dispersion Comparison illustrates a significant imbalance as two-thirds of our workforce members are male.

Action:

Development and implementation of a Gender Equity in Employment Strategy is a required outcome included in 2016/17 Operational Plan.



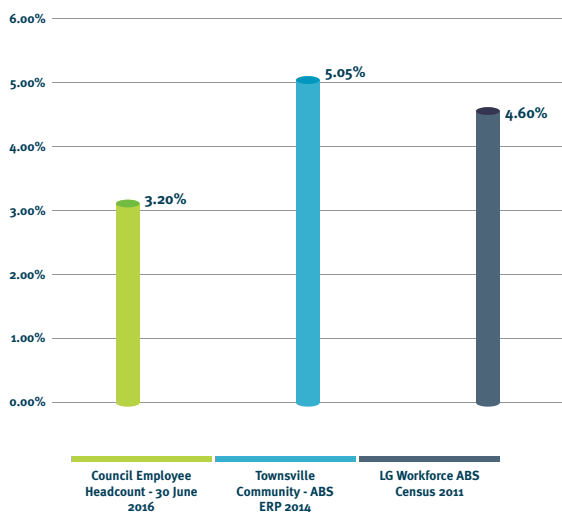
Council's **Leadership Management Group** consists of the Chief Executive Officer, Directors and Executive Managers or Managers who report directly to the Chief Executive Officer or Director. At June 30 there were 19 members of the Leadership Management Group, 14 male, and five female.

Council is committed to providing a recruitment and selection process that delivers required outcomes with regards to diversity, equality, productivity, employee development and the future needs of council.

Female staff members are encouraged to apply for leadership roles to close the gap in leadership roles. Council offers a Springboard Women's Development Programme to interested staff. This is a programme facilitated by an external provider to help achieve qualifications, promotions, new skills, and a new attitude to change.

Figure 2 Illustrated gender dispersion in council for the Aboriginal and Torres Strait Islander people.

Aboriginal and Torres Strait Islander Peoples' Representations



Employee Diversity Statistics (Figures 1 and 2) is based on workforce headcount and includes casual, temporary, and permanent employees of Townsville City Council (related to employees). Data does not include contractors or labour on-hire.

Comment:

Representation of Aboriginal and Torres Strait Islander People in our workforce does not yet mirror community expectations or the LG Workforce rate.

Action:

The 2016/17 Aboriginal and Torres Strait Islander Workforce Strategy was launched around Reconciliation Action Week, which engages all staff in making this strategy a success.

The Aboriginal and Torres Strait Islander Workforce strategy is linked to council's Reconciliation Action Plan (RAP) and includes three key focus areas:

- Ongoing development of our sustainable, culturally competent workplace environment
- Attraction, recruitment and retention of Aboriginal and Torres Strait Islander peoples
- Building employee capacity.



In 1890 The Council Baths were built on The Strand. Gender restrictions were the rule, and women were only admitted on Tuesdays and Fridays. The Alligator Creek Meatworks commenced operation, producing hides, fertilizers and glue basics.

Shared history, what did our staff say?

To celebrate our 150 years and how times have changed, we have asked one of our newest and one of our longest serving staff members to share their experiences working for council.



Staff profile: Paige Miles

My current job with council is: Business Support Officer – Environmental Health.

A typical day at work for me is: Providing administrative support to the Environmental Health Department.

What inspired me to work for my local council: I had been told of the supportive and secure benefits of working for my local council. I started off in council doing a Certificate IV Business Traineeship. I felt this was the best way to start a career in administration. I am very grateful for the opportunity I have been given.

The best thing about my job / working at council is: The people I work with and the supportive working culture.

What I love about living in Townsville is: I have lived here all my life so I love knowing so many people here. It's easy to get around, constantly developing and I love The Strand.

Staff profile: Terry Poole

My current job with council is: Plant Operator with Resources and Plant Allocation – Dalrymple Road Depot.

A typical day at work for me is: Operate machinery. I have to be flexible in my approach to daily routines as changes can and do occur for the locations and machinery we operate.

The changes I have seen whilst being employed with council: There have been improvements with machinery and attachments making them more ergonomically friendly which makes my job easier and quicker. Operators are expected to be more multi-skilled dealing with these machines and work environments.

The best thing about my job / working at council is: The vast variety of work that is required. Going to different locations and enjoying the scenery of Townsville including beaches and creeks.

What I love about living in Townsville is: Townsville's liveability and ease at which you can get around.



In 1891 a freezing works was established on the Ross. This was the first freezing works to be established in Queensland, allowing for the export meat trade from Townsville to the United Kingdom to commence. The population of Townsville was 13,000 people.

Building a robust succession plan, looking into the future

Townsville City Council is committed to **Succession Planning** for critical job families and positions. The succession planning process will indicate vulnerability projections for critical positions and for positions that require a highly specialised level of technical knowledge and skill and/or leadership capabilities.

Townsville City Council continually assesses our current and future workforce composition. An organisational **Strategic Workforce Plan** including Divisional Overviews is developed on an annual basis.



We value and empower our staff, the greatest asset we have

Council is committed to building the capability of our workforce by providing opportunities for employees to attain and maintain qualifications and participate in skills development programs.

We offer a range of professional development and **training** opportunities to ensure our staff have the required skills and knowledge to deliver quality services to our community. Council employed 27 apprentices and trainees during 2015/16 and all were provided with a combination of employment and structured training.

We supported 43 members of staff to graduate from the **TakeON Management Matters** training during the year. This is a leadership development program for middle and senior management. The program is a practical and effective approach to build and enhance people management capability, to ensure our employees are fully engaged, aligned and focused on the delivery of organisational strategy and objectives.

We supported two teams at the **Rural Management Challenge** and the **State Management Challenge** through Local Government Managers Australia. The Challenges are a leadership, team management, and personal skills development program at a rural and state level. All of our challenge teams performed very well and positive feedback was received from all our participants. The Rural Management teams finished 2nd and 3rd and one State Management team finished 3rd.



Rural Management Challenge Teams 2015



Council is required to report on actions taken during the year in relation to the Code of Conduct and compliance with the *Public Sector Ethics Act 1994*. Council has a formal Code of Conduct for staff, which incorporates the ethics, principles, and obligations under the Act. The Code of Conduct was last reviewed in December 2015.

Mandatory induction training for all new employees includes a detailed session on the requirements and obligations of all staff under the Code of Conduct. 177 new employees completed Corporate Induction training during 2015/16. LearnConnect our eLearning platform had more than 1500 enrolments - a total of 240 staff completed a variety of 130 programs. The Learning and Development Centre coordinated/scheduled/assigned more than 1,074 training courses in 2015/16.

Council is committed to providing a working environment where people are treated with fairness, equity and respect. A number of initiatives have been implemented to support this outcome through training and development, leadership development and other support services including contact and referral officers.

In September 2015 the **Queensland Industrial Relations Commission** released a draft modern award, (*Queensland Local Government Industry Award – State 2015*) for the local government industry. The finalisation of the award has been subject to challenges in both the Industrial Relations Commission and the courts. It is expected that this will delay finalisation of the modern award until 2016/17.

In November 2015 council awarded a 2% wage increase to award based employees in the absence of a new agreement since the expiry of existing agreements on 1 April 2015.

In 2015/16 council continued with its commitment to **Smart Service**, an initiative that monitors agreed levels of service and key performance indicators across all levels of the organisation. Smart Service teams were recognised at the annual Smart Service Excellence Awards in October 2015. The awards recognise the achievements of teams and individuals in all areas of the Smart Service Program for overall commitment to continuous service improvement further.

“Our employees are our greatest asset”. Health, Safety and Wellbeing detailed information is found under the Responsible Governance Section *page 174*.

Outstanding service, appreciating our staff achievements

In November each year, council recognises staff commitment to the organisation through the presentation of **Long Service Awards** for staff who have achieved 10 years of service or more in five-year increments. In 2015, council congratulated 123 staff with a total of 2,080 combined years of service.

Service category	Total number of recipients	Average age of recipient	Male recipients	Female recipients
10 years	49	44	28	21
15 years	35	49	23	12
20 years	18	53	12	6
25 years	7	54	4	3
30 years	2	51	2	0
35 years	4	60	3	1
40 years	6	60	6	0
45 years	2	61	2	0
TOTAL	123	54	80	43



Coordinator of Fleet Management, Glen Wilson, is congratulated on his 45 years of service by Ray Burton and Councillor Jenny Hill.

In 1894 Andrew Ball, a prominent Townsville pioneer died and was buried at the West End Cemetery. Ball's Lane in Mundingburra is named after him.

Celebrating our achievements



Council awards

Award for Excellence for Innovation for the Sensor Q Project

LGMA Queensland 2016

Blakey's Crossing - Category 3 (\$10m to \$30m) (finalist)

Civil Contractors Federation Earth Awards

Gold Award for 2014/2015 Annual Report

Australasian Reporting Awards

Customer Contact Excellence 2016 Winner

National Local Government Customer Service Network

Human Resources Health and Wellbeing Program Inspire Wellness

Awarded with Silver Recognition through the Queensland Government's Happier, Healthier Workplaces Program

Stand out Marketing Campaign for Garage Sale Trail 2015 Winner

Achieved "Green Travel Leader" status for commitment to Environmentally responsible best practice and ongoing support



Individual Staff Awards

Shane Fitzgerald – Gallery Services Manager was a finalist in Queensland Gallery and Museum Awards. Shane was recognised for his outstanding achievement in the category of "Individuals – Paid".

Danielle Conner is a Waste Services Business Trainee. She was a finalist for Bob Marshman Trainee of the Year. This was Danielle's first job, so quite a tall order for anyone embarking on a full-time position while completing Certificate III Business. She gained an extension to her traineeship at the beginning of this year to begin Certificate IV Business. This is the fifth consecutive year council has had a finalist in the Queensland Training Awards. The Awards are the state's highest recognition of people and organisations who strive for success, best practice and innovation in training.

Janice Moody was awarded a Fellow of Engineers Australia. Janice works in Townsville Wastewater division.

Our volunteers

Volunteers assist council in delivering services, protecting the environment and hosting events. Council acknowledges the wonderful contribution volunteers make to our community. While it is hard to put an exact figure on the number of volunteers within the city, Census records show that 16.7% of residents (23,695) over the age of 15 have volunteered in the past 12 months and Volunteering North Queensland has 1,695 current volunteers officially registered within the city.

Council's Events and Protocol team utilise volunteers for events throughout the year with the biggest engagement being for the Seniors Luncheon held at Townsville Stadium. Every year students from **Kirwan State High School** and officers from the **Australian Army** assist with this event. They carry out a range of tasks such as helping set up the venue, assisting with catering, and helping escort and support our seniors to their seats on the day of the event. This normally involves approximately 40 students from Kirwan State High School and up to 20 defence personnel.



CityLibraries Indigenous Services:

Every second Friday and Saturday of the month, Aboriginal, Torres Strait and Australian South-Sea Islander people meet at the Aitkenvale Library. They undertake family history research and participate in the Murri Rainbow bookclub. In 2015/16 over 100 people participated in these programs. The indigenous family history research assists in reconnecting people to their families and preparing claims for Native Title. The Murri Rainbow book club caters for indigenous people who value the opportunity to meet and discuss literature.

A Strong, Connected Community came together during the National Reconciliation Week. It was recognised with a delicious bush tucker tasting presented by Dale Chapman, a Queensland indigenous chef who uses native bush tucker food from around Australia. This popular program connected to country, showcased living off the land, and allowed participants to enjoy seasonal produce.

Council's First 5 Forever team within Citylibraries works to support primary caregivers to be confident in their role as their child's first and most important teacher and subsequently to improve early literacy skills. During 2016 the team has been assisting at the Townsville Women's Correctional Centre on a monthly basis.

We 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. You are an integral part of our community fabric and without you our community wouldn't be the same.

In 1896 Cyclone Sigma struck the town on the 26th January. The cyclone caused 600,000 pounds of damage to Townsville and several lives were lost. The Townsville Harbour Board was formed following the development of port and shipping in the city.

Council manages a number of programmes that involve community volunteers. During the year, volunteers assisted council with the following activities and events:

- Cyclone Sunday
- Sister Cities Program
- Friends of the Gallery
- Friends of the Theatre
- Sister City Events
- Homework Mentoring
- Reading Links
- English Classes
- Savannah Writers Voices up North
- Christmas in the City Yarn-bombing
- Men's Health Program
- Mayor's Christmas Tree Appeal.

Volunteering can turn into a career



Holly Dembowski

"I commenced as a volunteer for Townsville City Council early in 2014 assisting the Water Cycle Team within Integrated Sustainability Services (ISS). Prior to working with council, I had applied for a position within ISS and was unsuccessful. I contacted the relevant staff member to receive feedback about my application and expressed my interest to become a volunteer. I had quit my full-time permanent role with Redland City Council in Brisbane at the time and was in the process of relocating to Townsville. Volunteering for another council was something I was very keen to do in order to develop more localised skills and knowledge about the environment. I really wanted to gain some insight into the types of projects the ISS team were working on across the region. After volunteering my time for a few months I was offered a casual position at council working on a variety of projects including marine plant management plan, tree survey audit/data analysis and turtle identification handbook. I also assisted with council events such as the Sustainable Open House Day, Garden Expo and Eco Fiesta.

"I have a strong background in Environmental Education tour facilitation, community engagement and resource development and was able to learn additional skills and assist the Water Cycle Educator at the time with a few education related tasks. I am now a Water Cycle Educator and working in a field of environmental science I am extremely passionate about".



Council's Volunteers Policy can be found on our website.

In 1897 Bishop's Lodge, designed by Townsville architects Tunbridge and Tunbridge, is constructed in the suburb of German Gardens - which would be renamed 'Belgian Gardens' during World War I.



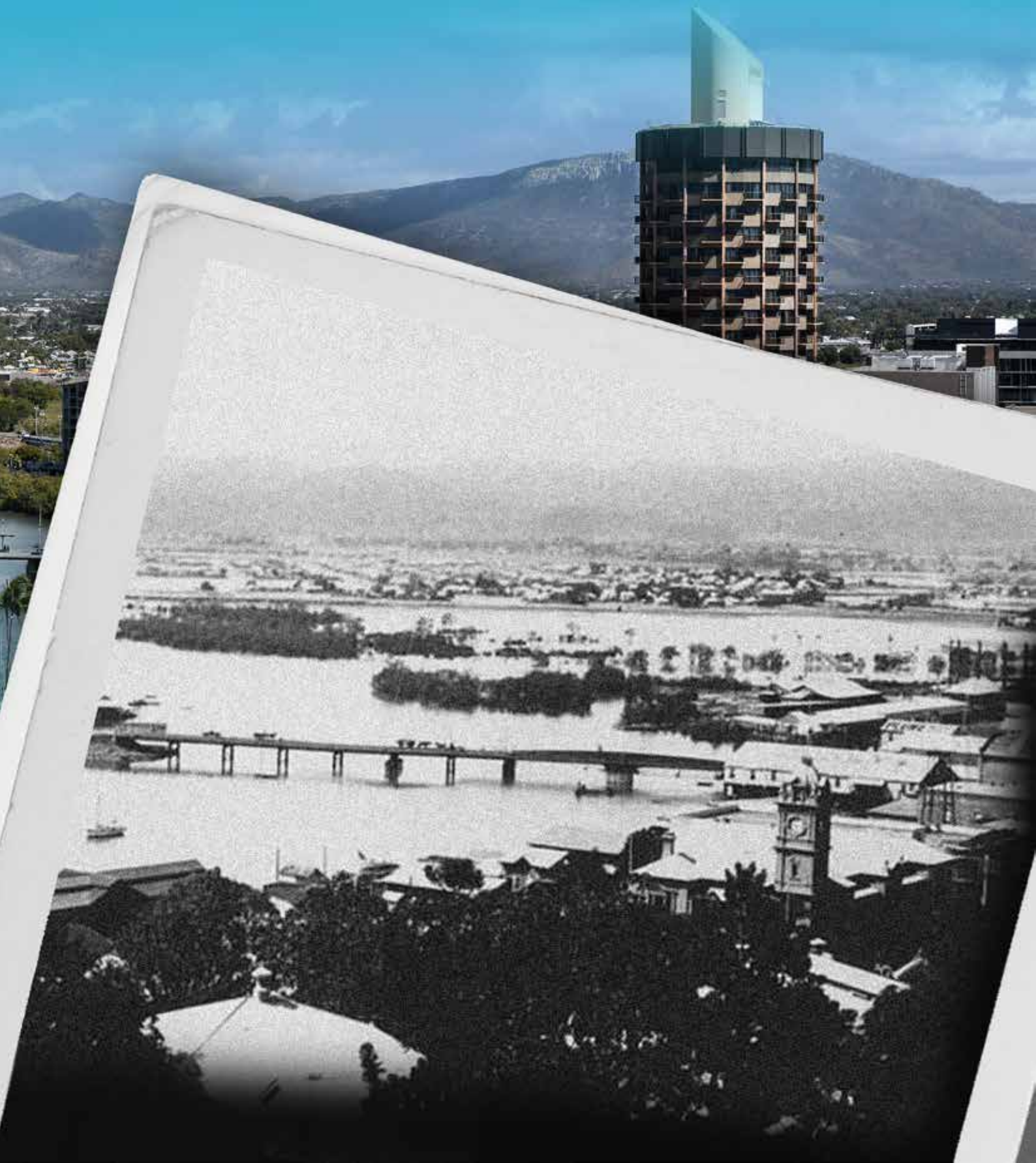


Townsville

150

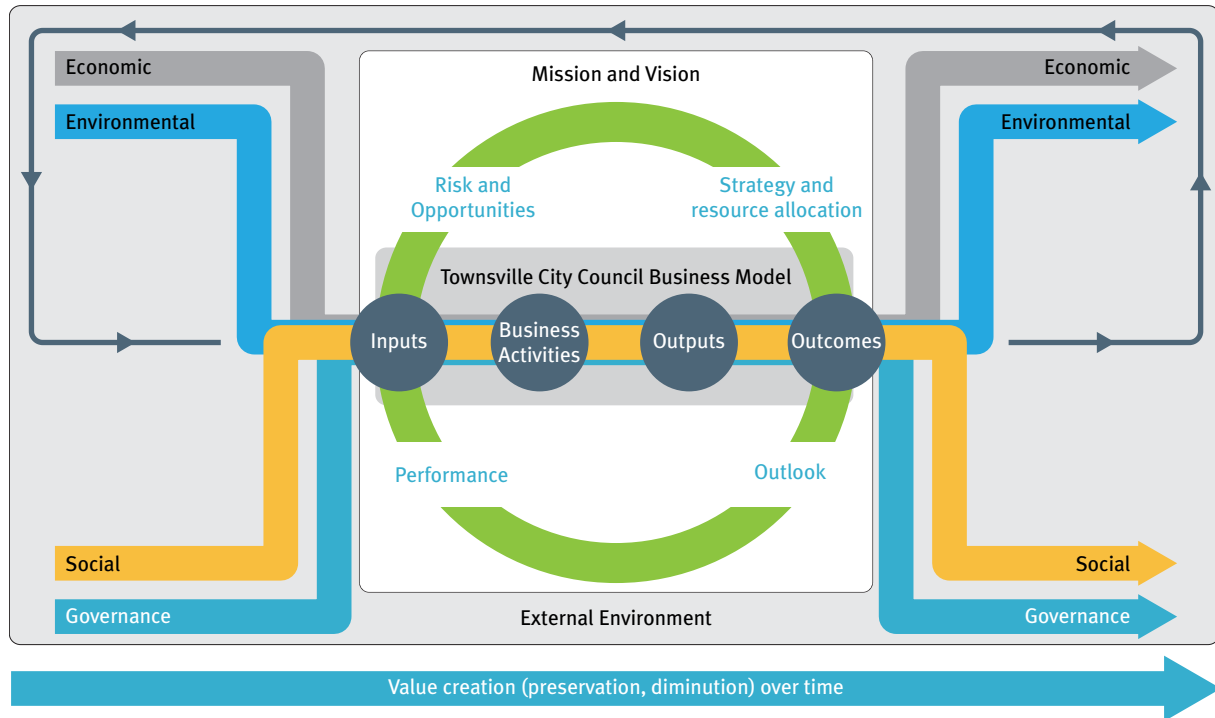
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*Let's
Celebrate*



Our business model

Council's business model, as depicted below, demonstrates how we transform inputs through our business activities, into outputs and outcomes in order to fulfil our strategic goals and create value over the short, medium and long term.



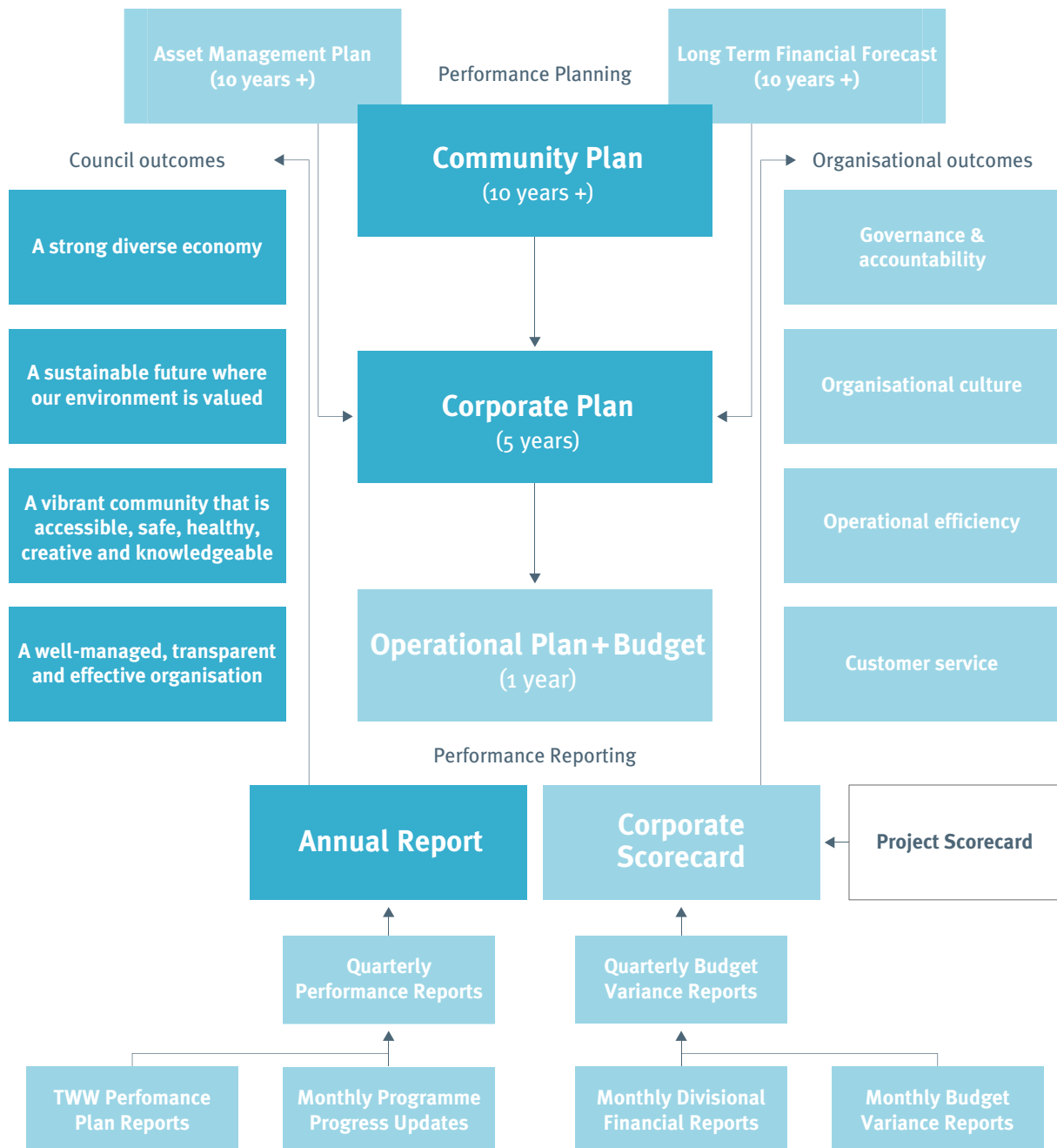
A sample of the inputs, business activities, outputs and outcomes for 2015/16 include:

Inputs	Business Activities	Outputs	Outcomes
<ul style="list-style-type: none"> Total budget of \$596.2m Operational expenditure of \$378.2m Capital Works budget of \$210m Community infrastructure assets of \$4.5b 1,669 staff. 	<ul style="list-style-type: none"> Community & Culture Enabling Services Environmental & Sustainability Planning and Development Public Infrastructure Solid Waste Management Waste Water Services Water Services. 	<ul style="list-style-type: none"> Operating surplus of \$7.7m The Townsville Recreation Boating Park Stage 2 design and early works have progressed according to plan, in readiness for construction in 2016/17 Council has delivered 36 reconstruction projects, where the complete road pavement layers have been reconstructed and replaced kerb and channel. 	<ul style="list-style-type: none"> A strong diverse economy A sustainable future where our environment is valued A vibrant community that is accessible, safe, healthy, creative and knowledgeable A well-managed, transparent and effective organisation.

In 1898 the Royal Hotel on Stagpole Street in West End was built.

An interconnected planning and reporting process

The diagram below demonstrates the alignment between council's key planning and performance reporting documents to achieve our outcomes. The Annual Report is the primary means of demonstrating how successful we have delivered on goals and targets set in our planning documents.



Corporate information

In 1899 gold production was at a peak and the bulk of which was shipped through Townsville port. Hayles Magnetic Island Ferry Service began operation between Townsville and Magnetic Island in the same year.

Our Community Plan Report 2015/16

The Townsville Community Plan 2011-2021 was adopted in June 2011 and outlines the community's vision for the future. The plan was developed with the community, for the community, and though it is no longer a statutory requirement, council has committed to retain and continue reporting against it.

The Community Plan has four themes:

- Strong, connected community
- Environmentally sustainable future
- Sustained economic growth
- Shaping Townsville.

Each theme within the Community Plan is supported by guiding principles. Over the following pages, measures of achievement have been identified for each guiding principle. You will also find some feature stories of particular achievements throughout the year relating to each theme.

Community Plan

Theme 1: A strong, connected community

A community that draws on the diversity, skills and expertise of residents to build a community that has pride in its culture and lifestyle.



In 1900 the Market Reserve Building on Flinders Street, housing the Town Hall, was completed.

Guiding principle: Strengthen community cohesion

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Number of bookings in council managed community facilities and spaces per annum.	52,007	60,434	62,960	61,275	71,242	↑
Attendance at events and activities staged in council managed community facilities and spaces.	3,031,527*	2,765,785*	3,436,657*	3,425,784*	4,168,289*	↑

Commentary:

There has been an increase in the attendance of council operated performance spaces within Townsville and city events.

*Estimated

Guiding principle: Value the richness of diversity

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Attendance at council managed community cultural events and activities.	121,925*	124,364*	114,692*	122,746*	166,331*	↑
Number of council facilities accessible to community members with limited mobility, including people with a disability, seniors, and parents with strollers.	116	132	150	139	139	↔
Attendance at The Cultural Centre Townsville.	2,106	2,943	2,924	3,228	N/A	Closed
Number of support / service organisations for the culturally and linguistically diverse community.	61	72	48	87	67	↓

Commentary:

In 2016 Townsville celebrated its 150th year as a municipality. Townsville has held many of the 150 community-led festivals, events, concerts, exhibitions, and activities to explore our community's rich heritage and celebrate the evolution of our vibrant and colourful culture. The diverse range of celebrations, activities, and events occurring across the city have been well received by the community and visitors, with increasing attendance at all council led events.

Our cultural centre closed its doors in September 2015. This impacted on a drop in the number of support services.

*Estimated

Guiding principle: Develop a vibrant arts lifestyle

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Attendance at council operated performance spaces within Townsville.	173,317	110,006	115,190	118,032	126,460	↑
Visitation at Gallery Services programmes, exhibitions and workshops.	115,335	96,730	283,161	143,045	285,522	↑
Number of performing arts organisations within Townsville.	142	149	18	38	68	↑
Number of visual arts organisations within Townsville.	33	39	39	23	33	↑
Number of literary organisations operating within Townsville.	9	9	24	11	25	↑
Percentage of the community who rated high or medium satisfaction with local galleries.	82%	83%	83%	83%	83%	↔

Commentary:

Community satisfaction with our local galleries remains high and attendance at council events continues to increase. Strand Ephemera 2015, staged over 10 days and 10 nights, was a huge success, attracting many people to the city.

Guiding principle: Develop a sense of safety

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Percentage of the community who rated community safety programs (e.g. CCTV cameras, security guards) as of high or medium importance.	76%	98%	98%	94%	94%	↔
Percentage of the community who rated the management of emergency events such as cyclones and floods as of high or medium importance.	88%	88%	100%	100%	100%	↔
Attendance at The Cultural Centre Townsville.	82%	96%	96%	97%	N/A	Closed
Number of reported offences against persons.	1,772	1,824	1,649	2,445	2,805	↑
Number of reported offences against property.	13,037	12,107	10,482	11,511	13,191	↑

Commentary:

Community satisfaction remains high with community safety a high priority of the new council. City Safe initiatives will promote community wellbeing, work in partnership with key stakeholders, and provide opportunities for people to participate in community activities safely.

Guiding principle: Provide active and passive sport and recreation opportunities

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Number of sporting organisations within Townsville.	254	259	254	249	275	↑
Number of public parks within Townsville.	320	330	335	350	338	↓
Area of park and open space per capita.	130m ²	130m ²	130m ²	130m ²	97.1m ²	↓
Number of public swimming pools within Townsville.	12	12	12	12	14	↑
Number of lifeguard patrolled beaches within Townsville.	5	5	5	5	9	↑
Percentage of the population who regularly participate in non-organised physical activity.	38.5%	38.5%	38.5%	38.5%	39%	↑
Percentage of the population who regularly participate in organised physical activity.	12%	12%	12%	12%	12%	↔
Percentage of the population who regularly walk, run or ride	39%	39%	39%	39%	79%	↑

Commentary:

It is pleasing to record an increase in the number of sporting organisations within Townsville as council promotes initiatives such as **Get Active** to encourage healthier lifestyles.

We have increased the number of patrolled beaches to improve safety and our parks and open spaces continue to be enjoyed by all.

In 1903 Cyclone Leonta struck Townsville on the 9th March. Eight people lost their lives, The Grammar School was destroyed, St James' Cathedral was damaged, the hospital collapsed and many other buildings were damaged.

Guiding principle: Open, honest and accountable leadership

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Number of community engagement activities undertaken by council per annum.	65	81	61	53	112	↑
Number of 'likes' on council's Facebook pages as at the end of the financial year.	18,211	22,122	34,191	47,106	58,706	↑
Number of visits to council's website per annum.	634,912	806,379	1,009,736	1,072,913	1,347,901	↑
Number of followers on council's Twitter accounts as at the end of the financial year.	3,293	5,064	6,548	2,282	8,002	↑
Percentage of the community who rated high or medium satisfaction with consulting and engaging the community.	74%	76%	76%	80%	80%	↔

Commentary:

Council's website once again has seen steady growth as residents follow the trend of moving their contact and business with council online. Council has worked to improve our website. Since the new sites were launched we have seen an additional increase in visitation and interaction. Council will continue to improve its online services over the coming years to meet our resident's needs.



In 1904 gas lamps were installed along Flinders Street.

Theme 2: Creating an environmentally sustainable future

Our community recognises and values the natural environment. We acknowledge the need for a more sustainable future and seek to achieve this through solutions that minimise our impact on the environment.



In 1905 the new Criterion Hotel, rebuilt after the previous one was heavily damaged in Cyclone Leonta, opened on The Strand in April.

Guiding principle: Valuing our natural environment and urban green spaces

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Number of participants in natural area conservation and restoration activities.	4,153	650	425	604	262	↓
Percentage of the community who rated high or medium satisfaction with the protection of bush land and wildlife.	80%	88%	88%	85%	85%	↔
Percentage of the community who rated high or medium satisfaction with council environmental initiatives (e.g. revegetation, city solar).	80%	87%	87%	81%	81%	↔
Area of habitat retention within Townsville.	1,603 ha	1,603 ha	1,603 ha	1,603 ha	1,603 ha	↔
Number of habitat restoration and community revegetation programs undertaken within Townsville.	12	8	4	4	15	↑

Commentary:

Our community recognises and values the natural environment. Council acknowledge the need for a more sustainable future and seek to achieve this through solutions that minimise our impact on the environment, while increasing community knowledge and appreciation of Townsville's natural areas.



Guiding principle: Taking responsibility for the health of local waterways, wetlands and marine areas

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Number of creek watch activities conducted per annum within Townsville.	84	124	131	384	422	↑
Percentage of the community who rated high or medium satisfaction with the protection of beach foreshore.	88%	90%	90%	89%	89%	↔
Percentage of the community who rated high or medium satisfaction with the water quality in our waterways.	89%	89%	89%	88%	88%	↔

Commentary:

Creek watch groups have considerably increased the number of monitoring sites across Townsville through enhanced community engagement in recent years. Numbers have also increased as volunteer groups provide additional support for environmental events, activities and school based education. Council successfully continued the longstanding Rowes Bay Beach renourishment program, completed stage 2 of the Horseshoe Bay Sand Transfer Project and commissioned a design for works to improve beach stability at Nelly Bay. Council maintained 78 public pedestrian access paths across 32 km of residential foreshore and continued its water quality monitoring of the Castletown Lakes, Fairfield Lakes and also expanded monitoring to include Ross River.

Guiding principle: Adopting an environmentally sustainable lifestyle at home, work and play

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Average weight of waste collected per kerbside waste bin serviced.	13.97kg/bin	16.65kg/bin	14.49kg/bin	14.2kg/bin	13.77kg/bin	↓
Total weight of recycling sent for processing per annum.	15,430 tonnes	12,252 tonnes	12,128 tonnes	12,433 tonnes	12,591 tonnes	↑
Total weight of waste delivered to landfill sites per annum.	377,355 tonnes	340,794 tonnes	300,126 tonnes	432,117 tonnes	475,878 tonnes	↑
Percentage of effluent re-used per annum.	14%	15%	14.5%	16.8%	11.17%	↓
Percentage of properties choosing Water Watcher water pricing.	19%	19%	19%	19%	19%	↔

Commentary:

There was a slight decrease in the volume of sewage effluent re-used in the 15/16 financial year in comparison to the 14/15 financial year, due to a drier year. The volume of waste to landfill sites continue to increase and council has undertaken a number of improvements to our landfill sites and introduced a new transfer waste station on Magnetic Island.

Theme 3: Sustaining economic growth

The community recognises it is fundamental to have strong and balanced economic growth in order to enhance our city's way of life.



In 1908 Gleeson's Weir was built on Ross River, the first of three weirs built to supplement the supply of fresh water to the community.

Guiding principle: Strong and diverse economy

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Gross Regional Product.	\$11.07b	\$12.33b	\$12.59b	\$13.10b	\$13.5b	↑
Number of building applications approved within the city (residential, commercial and industrial).	4,102	3,853	3,777	3,571	3,107	↓
Value of building applications approved within the city (residential, commercial and industrial).	\$664,964,203	\$682,452,407	\$614,234,941	\$560,481,678	\$480,333,162	↓
International visitation per annum.	109,000	112,000	101,000	113,000	123,000	↑
Domestic visitation per annum.	975,000	911,000	967,000	950,000	924,000	↓

Commentary:

The downturn in the number and value of building developments across the city reflects the current economic climate. International visitation continues to increase and this will be enhanced with Townsville Airport accepting international flights (currently to and from Bali).

Guiding principle: An innovative and highly skilled city

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Percentage of school leavers continuing on to tertiary education.	32.9%	32.4%	32.4%	39.1%	40.6%	↑
Percentage of school leavers continuing on to vocational education and training.	26.5%	24.7%	24%	22.1%	21.1%	↓
Growth in Gross Regional Product.	8.6%	11.33%	2.14%	4.04%	Data not available#	↔
Number of research institutions within Townsville.	6*	6*	6*	6*	7*	↑

Commentary:

The number of school leavers continuing onto Tertiary education remains high and recognised by council as an opportunity to advocate for word class higher education options for our community.

#Data becomes available from an external source.

*AIMS, CSIRO, JCU, Reef & Rainforest Research Centre Ltd, the Australian Tropical Sciences and Innovation Precinct and GBRMPA

Guiding principle: A community that benefits from Townsville's economy

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Gross Regional Product per capita.	\$50.824	\$56.585	\$57.790	\$60.131	Data not available#	↔
Median total household income per week.	\$1,381	\$1,381	\$1,381	\$1,381	\$1,381	↔
Unemployment rate.	6.3%	4.7%	7%	8.1%	9.7%	↑

Commentary:

Council will focus on job creation in partnership with business and government as a response to unemployment rates.

#Data becomes available from an external source.

Guiding principle: A city that sustains and prospers from its environment

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Number of environmental product / services representatives enrolled in the council's Sustainable Network.	70	80	82	89	144	↑
Number of Eco-Tourism Australia Certified* businesses based in Townsville.	6	8	8	8	No data provided	*Refer below
Number of Climate Action Certified tourism businesses based in Townsville.	2	3	2	0	No data provided	*Refer below

Commentary:

Council's Sustainable Network team enable representatives of different environmental products or services opportunities to raise awareness and promote their products throughout the community at activities and events, working collaboratively with council.

Due to the strict requirements and extra costs of becoming a climate certified business through the private organisation Ecotourism Australia, businesses may have decided to not undertake the work required to obtain Climate Action Certification.

*Ecotourism certification is determined by application of tourism standards by Ecotourism Australia and is not determined by Townsville City Council. These measures will not be reported on in the future.

Theme 4: Shaping Townsville

Our city will meet the diverse and changing infrastructure and service needs of the community.



Guiding principle: A vibrant, sustainable, connected urban form

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Population growth in Townsville.	2.1%	2.1%	2.1%	2.1%	2.1%	↔
Percentage of the community who rated high or medium satisfaction with planning for commercial development.	75%	78%	78%	75%	75%	↔
Percentage of the community who rated high or medium satisfaction with planning for residential development.	75%	76%	76%	77%	77%	↔
Number of dwellings which can be accommodated within the existing zoned and approved residential land across Townsville city.	65,000*	65,000*	62,900*	64,400	93,297	↑

Commentary:

The adoption of the Townsville City Plan has increased the number of dwellings accommodated within the existing zoned and approved residential land across Townsville.

**Estimated*

In 1911 more than 100 lives were lost when the ship Yongala disappeared during a storm and sank. The ship was found in 1958 on the sea floor off Bowling Green Bay. It is now a popular diving spot.

Guiding principle: Preserve and enhance Townsville's heritage and character

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Number of heritage listed properties in Townsville. <i>*definition changed in 2012/13.</i>	1,390	321	308	321	328	↑
Percentage of the community who rated Townsville Bulletin Square (Flinders Street) as of high or medium importance.	87%	80%	80%	71%	71%	↔
Percentage of the community who rated the Riverway Precinct and Tony Ireland Stadium as of high or medium importance.	87%	90%	90%	87%	87%	↔
Percentage of the community who rated The Strand as of high or medium importance.	96%	98%	98%	96%	96%	↔

Commentary:

Community satisfaction with two of the city's icons Riverway and The Strand continues to remain high with both sites actively utilised by residents and visitors.

Guiding principle: A lively, diverse and connected city centre

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Residential population within the Townsville CBD.	3,507	3,602	3,534	3,546	3,553	↑
Overall office vacancy rates within the Townsville CBD.	16.4%	21%	24.5%	26.3%	27%	↑

Commentary:

The CBD population features a high proportion of older persons (aged 45-64) and young working adults (aged 15-29) compared to the Townsville LGA as a whole. This reflects a strong attraction to the CBD lifestyle for younger persons without children and 'empty nesters', as opposed to larger family units preferring to reside in Townsville's suburbs. Persons over 65 are currently underrepresented in the CBD area. This is potentially due to key retirement, health and aged care facilities being located outside of the CBD catchment.



*For the purposes of this assessment, the Townsville CBD is defined as Statistical Area Level 1 (SA 1)

Guiding principle: Effective and adequate public infrastructure

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Percentage of the community who rated the removal and treatment of sewerage from their property as high or medium importance.	84%	80%	80%	87%	87%	↔
Percentage of the community who rated the quality and reliability of water supply as high or medium importance.	99%	100%	100%	100%	100%	↔
Percentage of the community who rated high or medium satisfaction with the condition and safety of local roads.	63%	77%	77%	81%	81%	↔

Commentary:

Community satisfaction remains high with the management of community assets and infrastructure.



Guiding principle: Well connected Townsville

Measure of achievement	2011/12	2012/13	2013/14	2014/15	2015/16	Change
Percentage of the community who rated high or medium satisfaction with bike paths and walking trails.	85%	85%	85%	85%	85%	↔
Number of bus stops provided by council within Townsville.	987	986	972	973	978	↑
Percentage of residents commuting less than 20 minutes to work.	69%	69%	85%	85%	78%	↓

Commentary:

Local community events, such as Ride the River, encourage active participation in our bike parks and walking trails. Townsville City Plans in the Waterfront Priority Development Area will develop more walkways to connect our city and recreation areas.

In 1913 a wireless telegraph station was established in Victoria Park. A 160-foot-high timber mast was erected to support the aerial. The first aeroplane to fly over Townsville airspace, piloted by A. Jones, landed on the Cluden racecourse on 25th August.



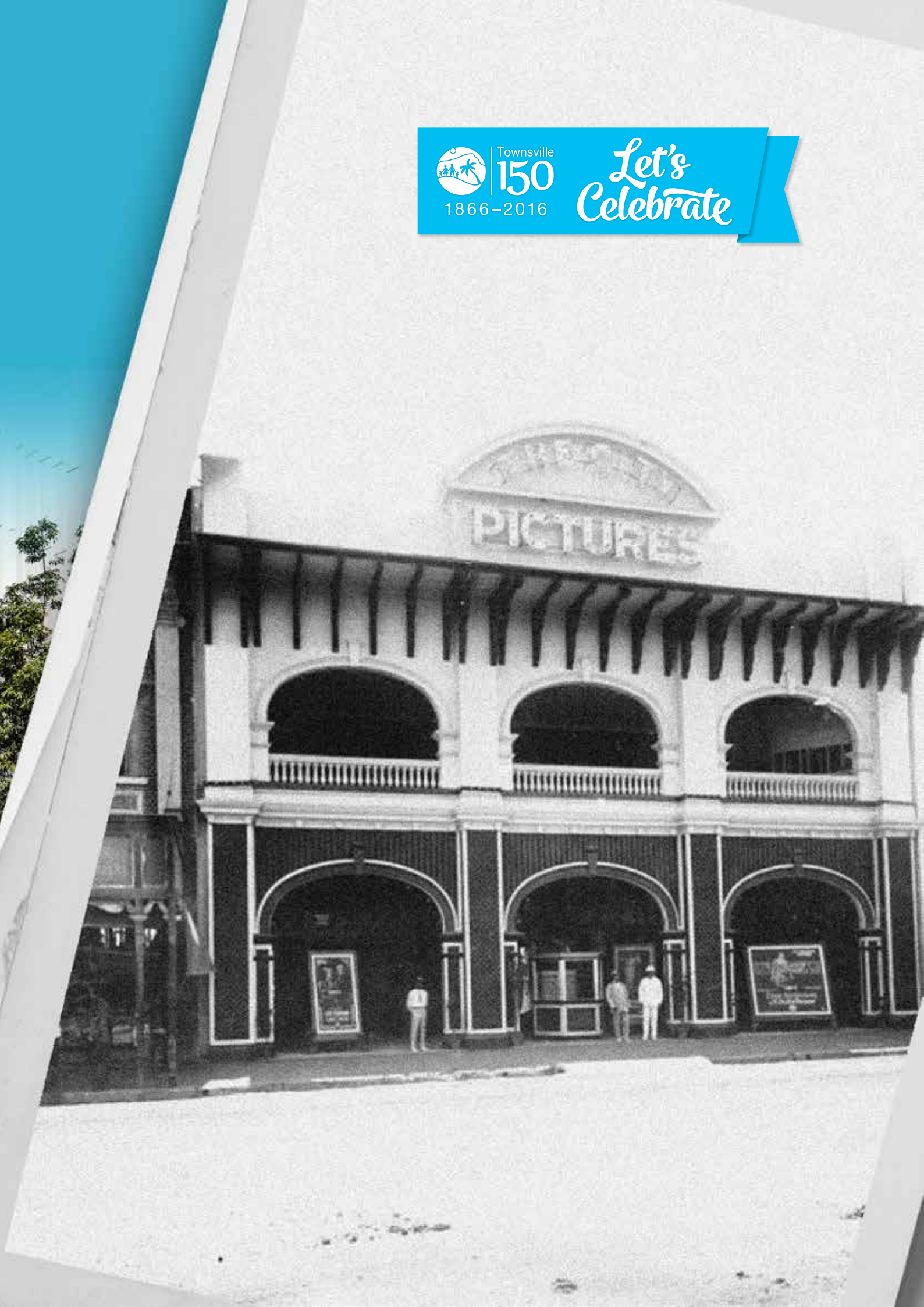


Townsville

150

1866-2016

*Let's
Celebrate*



Goal 1: Economic Sustainability

A strong diverse economy which provides opportunities for business and investment with an integrated approach to long-term planning where the city's assets meet the community needs.

Council continues to connect people with economic development opportunities building strong partnerships with all levels of government and key stakeholders.

Corporate Plan Strategies

- 1.1 Create economic opportunities for Townsville to drive community prosperity.
- 1.2 Maximise opportunities through engagement and partnership with stakeholders to achieve a strong resilient economy.
- 1.3 Utilise the Townsville City Plan to inform the development of current and future infrastructure needs of Townsville.
- 1.4 Promote and market Townsville as a vibrant destination for commerce, entertainment and lifestyle.
- 1.5 Provide and maintain water and sewage infrastructure to ensure a functioning network.
- 1.6 Provide and maintain a leading practice integrated transport network to facilitate the sustainable growth and efficient movement of Townsville.



Achievements



Connecting our community with economic development opportunities, building strong partnerships with all levels of government and key stakeholders

- Secured funding for Integrated Stadium and Entertainment Centre, site purchased.
- Progressed implementation of the Townsville City Waterfront Priority Development Area. The project is a major milestone for long-term development and job creation in the city.
- Introduced the Townsville Jobs and Investment Package 2015-2018.
- Drafted the Townsville and Regional Pathfinder project to create jobs and grow the local economy.
- Implemented the four-year \$55.3 m CBD Utilities Upgrade project. 96% of the contracts awarded to date were to local suppliers and contractors.
- Secured State Government funding for the Cleveland Bay Purification Plant upgrade.
- Established a Memorandum Of Understanding with the Central Queensland University (CQU) to bring 5,000 students to the CBD over the next five years.



Challenges and impacts

- Population growth slower than medium growth projections. This has impacted on council's policy initiatives, such as having 30,000 people living in the CBD by 2030.
- The weakened economy has impacted several major regional employers, recording a high unemployment rate. Townsville features a diverse economic base, with no industry contributing more than 18% to Gross Regional Product (GRP).
- Townsville's minerals processing, engineering, and support services sector has seen unemployment rise over the past year.
- Continued drought conditions have resulted in water restrictions, reducing revenue collected from water use.
- Increase in compliance and enforcement costs as a result of water restrictions.



Projects that were postponed

- Completion of The Local Government Infrastructure Plan has been rescheduled to August 2017.
- Development of a new digital tourism visitor information services has been deferred to 2016/17.
- Completion of Stage 2 construction for the pump station at Cleveland Bay has been deferred to 2016/17.



Our Stakeholders

- | | |
|--|---|
| • Townsville Enterprise Limited | • Sister Cities |
| • Regional Organisation of Councils | • North Queensland Regional Roads Group |
| • Regional Economic Development Group | • Townsville Airport |
| • Townsville Chamber of Commerce | • Youth with a Mission |
| • Port of Townsville Ltd | • State and Federal Government. |
| • Mount Isa to Townsville Economic Zone (MITEZ) Development Industry | |



Looking forward to 2016/17

- Implementation of a strategy to improve Townsville's markets.
- Finalise design for Stage 1A of the Townsville City Waterfront boardwalk along Flinders Street East.
- Complete 2016/17 Townsville City Plan Amendment Program, including alignment with new Planning Act.
- New Materials Recovery Facility to be built in Townsville for the city's recycling.
- Finalise Master Planning for the North Rail Yards site.
- Provide input into the North Queensland Regional Plan and the Townsville Priority Ports Master Planning.

In 1914 World War I commenced and the Townsville-based Kennedy Regiment was sent to Thursday Island to protect the island from attack by German forces in the Pacific.

Creating economic opportunities, driving community prosperity

Townsville is already a great place to invest, live, learn and work, but the future depends on how well we continue to grow and successfully shape our economy. Council implemented a number of initiatives during 2015/16 to continue building a robust and diversified economy and driving community prosperity.

Support for the **Integrated Stadium & Entertainment Centre (ISEC)** gained momentum during the year. The \$250m price tag to build the inner-city stadium was met with the Federal Government committing \$100m, the State Government \$140m and \$10m committed from the North Queensland Cowboys (NQ) and National Rugby League (NRL). Council offered the 17 hectares of former railway land acquired for \$9m, on which the stadium and entertainment centre will be built. The stadium is the city's priority project and will create jobs for our community. The purchased, prime inner city site is strategically important for the Townsville City Waterfront Priority Development Area, the stadium and entertainment centre and investment in the inner-city area.



Council this year took up the lease of the former **Townsville City Bowls Club** after the club ceased operations due to declining membership and rising costs. Council undertook this strategic move for future development prospects for The Strand and links to the CBD revitalisation.

Benefits to our community

Apart from providing vital business confidence for investors, the integrated stadium and entertainment centre will provide for our community, a world class event and sporting precinct, showcasing national and international sporting events, hosting major music events, festivals and conferences and will become the home of the NQ Cowboys. This project will bring another vibrant dynamic to the inner-city and position Townsville as an “Event City”, complementing tourist destinations like Cairns and the Whitsundays.

The integrated stadium and entertainment centre will accelerate development of the Townsville City Waterfront Priority Development Area (PDA), stimulating development of both commercial and residential areas. The city’s transport management plan including bridges, new pedestrian and cycle pathways are also included as a priority. Over time, this facility is expected to stimulate development of other precincts such as a Sport and Exercise Science Precinct and a National Centre for Indigenous Sporting Excellence.

Integrated Stadium & Entertainment Centre (ISEC)



1,650 jobs created in the construction phase



\$1.9b ISEC will accelerate development of the planned \$1.9b waterfront redevelopment



\$130m in wages and salary in the construction phase



\$675m in additional economic output in the construction phase



\$5m annual gross value add once ISEC is complete

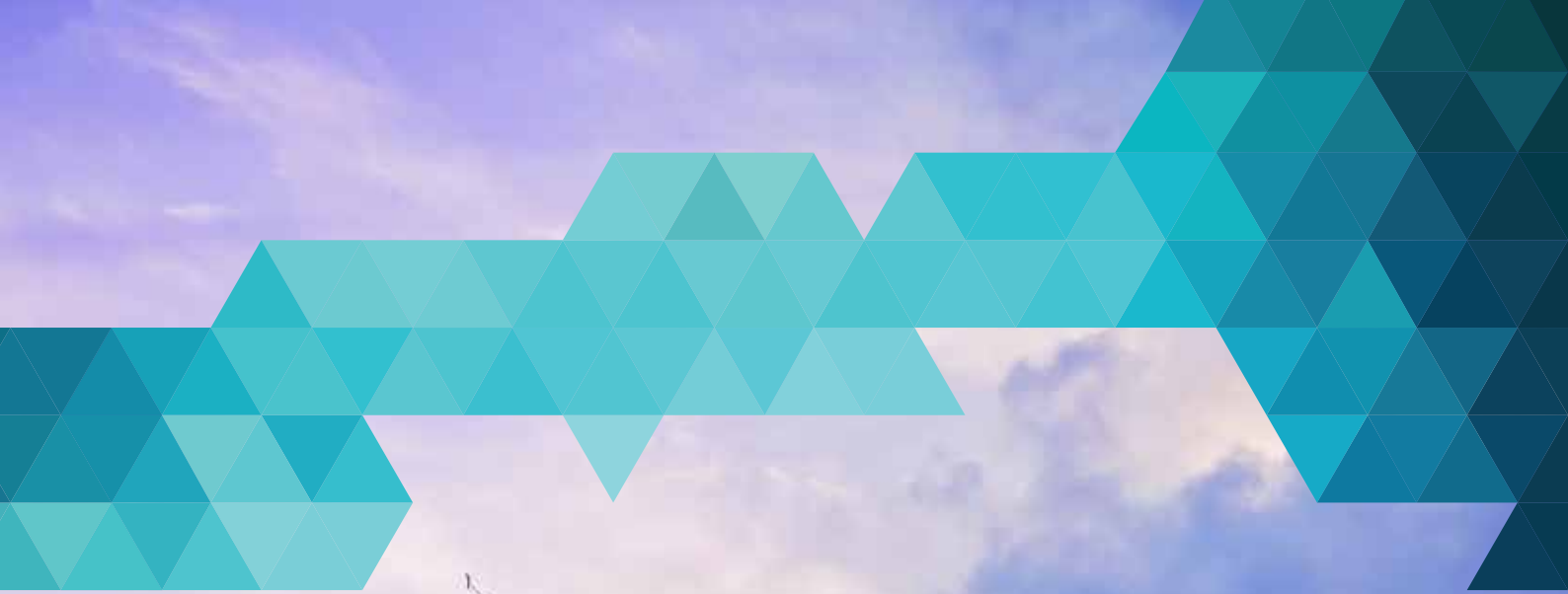


37,000 new visitors to the region each year



\$2m annual visitor spend once ISEC is complete

Benefits to our Community



THE WATERFRONT

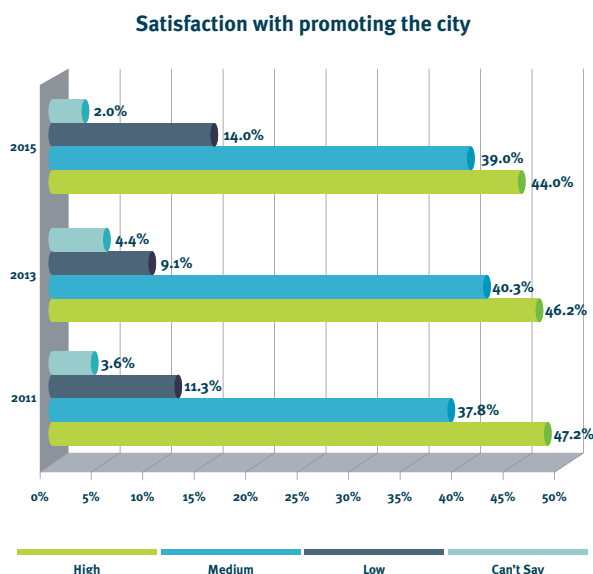


During the year, the **Townsville City Waterfront Priority Development Area (PDA)** development scheme was adopted by the State Government and was opened for public comment. Our community considers this as a once-in-a-generation project to transform Townsville's city heart. The development is currently one of Australia's biggest urban renewal projects, marking a major milestone in the future planning of our CBD with a clear focus on stimulating economic development. Council, in partnership with the Queensland Government and the Port of Townsville, is facilitating the development of the project.

What is in it for our Community?

Council's vision is to be the Capital of Northern Australia. The city with opportunity and lifestyle. The Townsville City Waterfront Priority Development Area will help realise the vision through:

- Economic development and job creation
- Enhanced amenities for urban living
- Revitalisation of the city centre with 30,000 residents living in the city by 2030
- Art, music, sports, tourism and entertainment
- 5.9km promenade that links to The Strand and Pallarenda
- Properties available for residential, commercial and business use
- Investment opportunities
- Shorter development assessment timeframes to fast track development.



Council's community attitude survey indicated a slight decrease in satisfaction with council promoting the city. It is therefore important that the integrated Stadium and the Townsville City Priority Development Area projects successfully attract and promote the city as an investment opportunity.



Priority Development Area project

Visit our website to watch a great video on the project.



Long-term plans, guiding our operations

Considered and innovative planning plays an important role in driving growth and prosperity in Townsville. During 2015/16, we remained focused on providing the services needed by our community through progressing initiatives that achieve the vision and goals of our main planning documents, the Townsville City Plan, Community Plan 2011-2021 and Corporate Plan 2014-2019. The following plans contribute to council's overall vision to be the Capital of Northern Australia; the City with Opportunity and Great Lifestyle.

In terms of economic development, land use plans and asset management, 2015/16 was the first full year of operation of the **Townsville City Plan**. The plan has been monitored to ensure it is consistent and relevant in response to feedback, changing community needs, legislation and other factors such as the development of the Waterfront area. The scheme plans for Townsville's growth over the next 25 years focusing on 'smart growth', reducing urban sprawl and the costs associated with population growth.

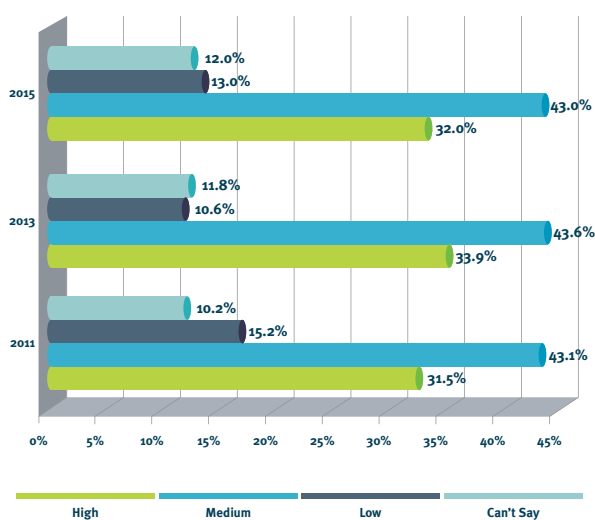
During 2015/16 council continued providing required infrastructure and services. *(More details in Major Projects section pages 92 to 93)* This is in line with the **Townsville City Economic Development Plan 2013-2017** which supports Townsville's growth as the second capital city of Queensland and one of Australia's most important regional centres. The plan encourages 30,000 people to be living and working in the CBD by 2030.

On behalf of our community, we continued to responsibly manage and maintain community assets which are valued at over \$6b through the implementation of **Asset Management Plans**. These plans underpin asset management practices enabling council to ensure a safe and healthy environment for all residents and visitors.

In 1917 St Anne's school (now part of the Cathedral School) opened on 21 July. The school occupied the site of the present Council Administration Building on Walker Street until 1958. Also in 1917, the Technical College opened on 20 November.



Satisfaction with planning for commercial development



Overall, the community's satisfaction with planning for the commercial development remains the same as in previous surveys.

During 2015/16, major residential developments have continued to release land to provide a variety of housing choices and facilities for the community. These master planned communities have included North Shore (Burdell), Sanctum (Mount Low), Greater Ascot (Shaw) and Cosgrove Estate (Cosgrove).

In 1918 World War I ended and parades were held to celebrate the declaration of peace.

Delivering infrastructure, meeting our community needs

To ensure provision of needed services for our growing community, council has maintained the development of roads, drainage, amenities, assets and capital renewal as a high priority.

Council committed to delivering one of the biggest **utilities upgrades in the CBD** to replace aging underground utilities which lacked the capacity to support the growing city. Council adopted a budget of \$55.3m over four years to upgrade water storage and install water and sewerage pipework in the CBD. This development also supports the revitalisation of the inner-city, job creation and investments to support our vision of 30,000 people living and working in the CBD by 2030. The CBD utilities upgrade will also provide necessary infrastructure for the upcoming Waterfront development. We thank businesses and motorists for their patience with the disruptions to traffic and access.

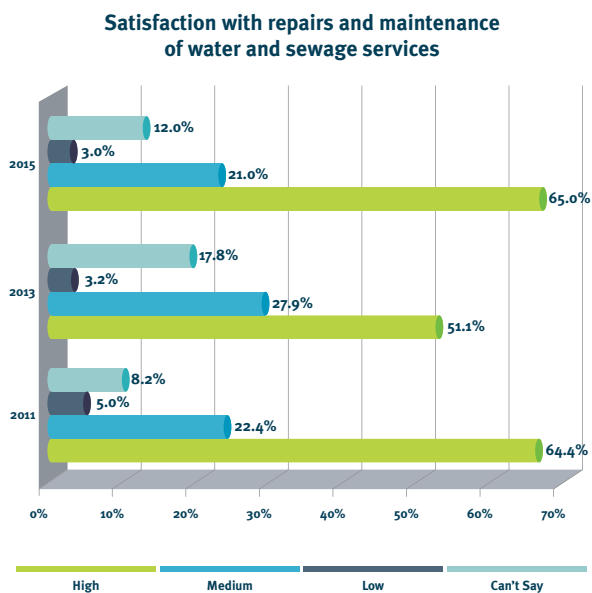


In 1919 an industrial dispute involving employees at the meatworks turned violent, leading to two arrests. A large crowd marched to the watch-house (the current site of the Perfumed Gardens) to protest their arrest, and shots are reputed to have been fired.

During the financial year, council secured a \$20m Royalties to Regions grant from the Queensland Government to upgrade the **Cleveland Bay Purification Plant**. The grant will reduce the financial burden on both council and ratepayers to fund the upgrade needed to meet environmental licensing conditions. The upgrade will ensure the city's biggest sewerage treatment plant meets the high environmental standards and protects the Cleveland Bay and the Great Barrier Reef. Council has committed a further \$30m over the next four years in the 10 year capital works plan.

To improve the stability of the former quarry site in West End, council approved an increased scope of works on the **West End Reservoir project**. A budget of \$3m will also be used to prepare the site for two future reservoirs. Work commenced on earthworks associated with the construction of a 32 mega litre reservoir which is also part of the CBD Utilities Upgrade.

Because of the extreme weather systems in Queensland's north, appropriate water storage is essential for our community. In 2015/16 a new **22.5 mega litre reservoir** in Mount Louisa came on line to service Townsville's residential growth and to increase the city's resilience to drought. This is the third Mount Louisa reservoir council has constructed to service long-term residential growth in the northern and western suburbs. The project supported local jobs while meeting the needs for future demand as the city grows.



Council's commitment to provide reliable water and sewage services is reflected in the high satisfaction rating reported in the community attitude survey.

State and Federal funding are an important source of support, enabling council to deliver on its commitments and meet community expectations. Council will improve safety for motorists and cyclists by upgrading three of the city's worst black spots with \$420,500 received from the **Australian Government's Black Spot Program**. Council planned works for the roundabouts at Kern Bros Drive/Bel Air Avenue, Bamford Lane/Mill Drive and Fulham Road/Cambridge Street to improve safety. Design work was completed during 2015/16 with construction to be completed in 2017.

To improve traffic flows for the Upper Ross, the State Government announced \$30m in funding to duplicate **Riverway Drive** between Golloolly Lane and Allambie Lane. The project will result in relieved congestion, enhance reliability and improve safety for the local community. Issues regarding road gradient, kerbing, and drainage will also be taken into account, addressing community concerns.

Our community celebrated the opening of the **second entrance into Liberty Rise** and Greenview Estates via a newly completed section of Liberty Drive. The project has successfully reduced congestion at the intersection of Dalrymple Road and Glenview Drive. The \$5.1m project involved the construction of new roads and significant drainage infrastructure.

Council unveiled the \$25m recreational facilities that form an important part of the **Townsville Recreational Boat Park development (TRBP)** in South Townsville. Our community can enjoy the use of the revamped jetty, picnic facilities and a new playground. Other features include a public amenities block, shade structures and seating, landscaped parking area, CCTV cameras, and solar lighting. Construction of Stage 2 onshore works is planned from July 2016 to June 2017.



In 1921 the Sea View Baths opened on The Strand opposite the Sea View Hotel, on 25 April. They would be destroyed by a cyclone in 1940.

Encouraging business investment, creating jobs for our community

Creating jobs for our community is one of our top priorities. Throughout the year, council has continued to offer development incentives for new projects in the city's CBD.



The **Townsville Jobs and Investment Package** was introduced during the year, offering financial and development incentives.

The incentive package provides vital stimulus for new development and construction in the city, attracting new jobs and investment in current tough economic conditions. Council is committed to developing the Townsville CBD and attracting new residential and retail development with a target of 30,000 people living and working in the CBD by 2030.

We offer assistance and support through:

- Development facilitation
- Site and services access
- Sundry fee and application charge waiver
- Council rates and utility charges exemptions
- Council's infrastructure charges concessions.



In 1922 a large crowd of people gathered in Flinders Street to watch the lumination of Townsville's first electric street light. The Hubert's Well Power Station became operational in 1922.

Council developed the Jobs and Investment Package which, along with the new Townsville City Plan, Priority Development Area and The Townsville Waterfront Project, is assisting to attract and facilitate development in our city centre. Development incentives have been a success since they were introduced in 2011, credited with 15 projects valued at around \$270m.

During 2015/16 a seminar for the **Invest Townsville Program** was held with senior trade figures from Asia providing Townsville businesses with insight into growing international interest in Townsville and North Queensland. The increased investment interest is a result of a series of trade missions which council facilitated through the Sister Cities Program. Asian investors have seen enormous opportunities in the region's grazing and agricultural sectors, heavy industry, residential and commercial development and more locally, the Townsville City Waterfront area. Townsville City Council's Invest Townsville Program, Trade Investment Queensland, Bentleys and Holding Redlich sponsored the seminar.

Invest Townsville

Council actively engaged investors to invest in Australia's largest garrison city, where the **Australian Defence Force** is a pivotal component of our local economy. They contribute around \$800m annually to Gross Regional Product (GRP), an element that boosts investor confidence in Townsville.

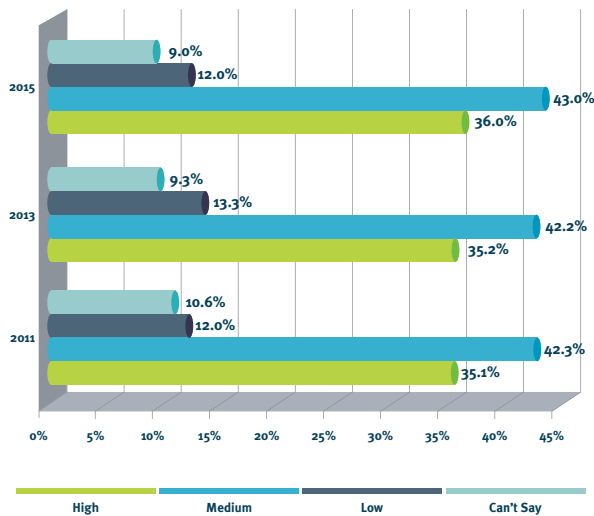
To support local businesses council is buying locally and has awarded the following tenders to local businesses in 2015/16:

- SMEC Australia Pty Ltd was awarded a tender for the design of Stage 1A of the Promenade project. *(More details on page 92)*
- Mendi Constructions was retained as the major contractor for the increased scope of works on the West End Reservoir project.
- Jackson Semler Pty Ltd was awarded a \$3m contract to repair the Walker Street building. *(More details on page 92)*
- BM Webb was contracted to lease space for council's fleet and workshop operations. *(More details on page 90)*
- CivilPlus Pty Ltd was awarded a contract to rebuild Rollingstone's wooden bridge. *(More details on page 91)*
- AE Smith & Sons Pty Ltd was awarded \$1.37m contract to replace the Civic Centre's air conditioning system. *(More details on page 91)*



In 1923 the railway to Mount Isa was opened. Also in that year, the Townsville Branch of the Country Women's Association was formed in July.

Satisfaction with Support Local Industry and Business



Council has supported local business awarding a range of major contracts throughout the year. Overall the community attitude survey indicated a medium to high satisfaction rating for our support for local businesses.

In February council offered a free program to assist residents looking for work. **The Path to Employment Program** was supported by the State Library of Queensland. Sessions covered practical aspects of job hunting including resume writing, addressing selection criteria, and provided interview tips.

Townsville is the tropical education and science hub for North Queensland with a concentration of world class education, training and research facilities. James Cook University is globally ranked in the top 4% of universities. This yields vital economic and social benefits for our community. Council works in partnership with JCU on initiatives such as the Creative Industries Project. *(More details on pages 88 to 89)*

The Port of Townsville is the region's major sea link, which allows for mineral exports and agricultural produce. The port is an easy way for our investors to import vital inputs for regional industry and the community.

The Townsville Airport is a well-located aviation hub, servicing 250,000 people, a figure which is projected to triple by 2030. Townsville welcomed the return of international flights to Townsville during 2015, currently with direct flights to Bali.

Council will continue to advocate and work closely with the Port of Townsville to progress the Townsville Eastern Access Rail Corridor to increase capacity for freight growth. This investment is also a crucial element of our national economic plan for growth and jobs.



In 1924 the railway from Brisbane to Cairns opened. A second railway bridge was built near Lowth's road bridge in Stanley Street and a railway goods yard was established in South Townsville.

Strongly connected partnerships, building a strong economy

Partnering and engaging with our stakeholders is vital for council to understand the needs and expectations of the community, enabling council to deliver better outcomes.

Following a review of the Townsville City Economic Development Plan 2013-17 business and industry leaders, local, state and federal decision makers proposed **The Townsville and Region Pathfinder Project**. The first draft report has been circulated. Council joined forces to develop priority driven action plans to accelerate economic growth and create job opportunities. The Pathfinder Project brought together the knowledge and experience of local leaders and stakeholders to develop a future plan which capitalises on the region's strengths. The State Government committed to generate jobs and growth in North Queensland with \$60,000 toward the project with \$367m worth of projects to commence soon.

The CBD Utilities Upgrade is a high profile project for Townsville over the next three years to replace and upgrade urban water and waste water infrastructure. Council launched a **community engagement campaign** for businesses and residents located in the inner-city ahead of the CBD Utilities Upgrade. The community information sessions were an opportunity for business owners, operators, and residents in the city, South Townsville and West End to raise any concerns regarding the project. Council considered and responded to all concerns.

Issues that were responded to included:

- Parking availability
- Traffic management
- Pedestrian movement
- Continued access to shops
- Dust containment
- Provision of loading zone space
- Continued access for Cotters Market traders.



Townsville Sister Cities Forum 2016

Active community engagement is an important role of our **Inclusive Communities Advisory Committee**. Issues discussed throughout the year included disaster management for our city, community learnscapes, and safer communities. During the year, council widened its advocacy role by establishing new specialised advisory committees. These will intensify community engagement and feedback to council resulting in improved services for our community. *(More details on pages 164 to 166)*

Council again this year continued to strengthen its Sister Cities Partnerships. Council welcomed our **Sister Cities** in Asia and the Pacific in a major economic and cultural summit to mark the Townsville's 150 anniversary celebrations of being a municipality. More than 80 delegates from **Changshu and Foshan** in China, **Iwaki and Shunan** in Japan, and **Suwon** in Korea as well as 60 local and regional business representatives attended the **Asia Pacific Market Forum**. The delegates met with our local community and business leaders, and discussed opportunities for greater investment and trade exchanges. The delegates took part in city tours, dragon boat races and enjoyed food and cultural performances at the Pacific Festival. Through these endeavours, council has continued to strengthen cultural ties and build strong economic partnerships.

Markets are a great way to activate areas and build vibrancy in our community and during the year, council committed to manage the **city's markets** in a sustainable way. Stallholders, traders and residents were encouraged to put forward ideas to revitalise our community markets and attract tourism and lifestyle. Council's main objective is to develop city markets in a way that provides a quality experience for visitors and residents while supporting our retailers and promoting tourism in the city. Community consultation will extend into 2016/17.



During the year, we celebrated the 40th year of Papua New Guinea's independence, as well as celebrating the 31-year-long Sister City relationship with Port Moresby. **Port Moresby** and council are important partners. Regional trade and investment amounts to \$500m in two-way trade occurring between Townsville and the PNG annually.

Council worked in partnership with **Central Queensland University (CQU)** who committed to create an exciting and vibrant educational and innovation precinct in the CBD. An inner-city campus will be established, targeting education markets in Asia. Plans include educational facilities and accommodation for up to 5000 international and local students in the city's CBD. The CQU plan will drive major new development and job creation in Townsville's Waterfront project. Our communities will also benefit from the diverse cultural exchange, sharing new ways, ideas and innovation.

Townsville's growing reputation as a **major education destination** was acknowledged with a civic welcome for international students by our Mayor Cr Jenny Hill, in conjunction with Study Townsville Inc. She acknowledged the growing number of overseas students studying in the city, which now stands at more than 2000.

Council continued a funding arrangement with **Townsville Enterprise Limited (TEL)**, recognising the important role TEL plays in the growth of our region. The Service Level Agreement was renewed for a further three years. TEL received \$740,000 to support both its administrative services and other agreed services like regional tourism and events and regional development. We partner with TEL to strengthen our lobbying initiatives for government funding of major projects and infrastructure like the Integrated Stadium and Entertainment Centre. These projects then market our region as an ideal location to invest, work, live and visit resulting in increased tourism and investment, creating jobs and boosting the region's economy.

During the year, council called for expressions of interest for the provision of commercial premises to house a proposed **new art gallery, library and concert hall** in the CBD. Creating a vibrant cultural precinct in the heart of the CBD is an important part of the Waterfront vision along Ross Creek. Council tested developer interest to compare the financial benefits of leasing privately constructed space against council funding and building the proposed facilities.

The **Economic Development Australia Northern Queensland Food Innovation Forum** was held during the year, showcasing innovative ideas and opportunities for businesses to enable growth of the food industry in Northern Queensland and beyond. This will bring more value-adding outcomes and jobs to Northern Queensland.

Council held the forum in partnership with the Australian Department of Industry, Innovation and Science, James Cook University, Queensland Department of Agriculture and Fisheries, Food Innovation Australia Ltd, Sister City partners and Economic Development Australia. Northern Australia is undergoing an economic transformation, with our region at the front line to thriving Asian markets.

Council coordinated submissions from residents who experienced the futuristic look at Townsville's proposed Waterfront development, thanks to a **3D fly-through**. The fly through helps our community visualise the exciting possibilities for The Waterfront area. Leading urban planning technology was used to provide residents with a virtual tour of The Waterfront project area along the length of Ross Creek.

Council also committed \$80,000 over 18 months to investigate the role of **creative industries** and how the Townsville community accessed and used the industry. The role creative industries play to help drive job creation was discussed at a forum held at Queensland Economic Development through Creative Industries Forum.

Growing the creative industries in Townsville is a two year collaboration between Townsville City Council and James Cook University. The report identified Townsville's digital and creative industries as an untapped path to jobs and new investment in the city. Thanks to the digital revolution, the creative industries sector is one of the leading areas of economic growth in Australia and council will ensure Townsville takes full advantage of opportunities for new jobs and investment. The potential for new creative industries has also been identified by business, industry, and government stakeholders in the Townsville Futures Plan and the Townsville City Economic Development Plan 2013-17.

In 1927 the Queensland Heritage Register listed Totalisator building was constructed at Cluden Park. The Winter Garden Theatre, largest in north Queensland, on Sturt Street, opened on 4 June of that year. The first film to grace its screen was 'Beau Geste'.

Journey for the Creative Industries



Launch of Research Project: 8 December 5-6.30pm. Townsville City Council, Walker Street Forecourt. Officially launched by Mayor Cr. Jenny Hill.



Media release (Eye on Creative Fields): Media received in lead up to Symposium, 21 March 2015, Victoria Nugent, Segment: State of the Arts, Townsville Bulletin, pg 25.



Media release (Creatives need chance to shine): Sent through Townsville City Council and James Cook University Contacts. Media received 3 October 2014, Townsville Bulletin, pg 45.



First Townsville Creative Industries Networking Event: 11 June 2015 5-6.30pm, James Cook University City Campus with 19 attendees. Presentation from Peter Summers, managing director at FNB Asia Pty Ltd. Presentation from John Williams. Update from project provided by Ryan Daniel from JCU and Matt Morris from TCC.



Townsville Creative Industries Networking 17 September 5-6.30pm, James Cook University City Campus with 25 attendees. Presentation from Greg Sexton, senior associate and North Queensland Manager of Conrad Gargett. Update from project provided by Simon Millcock from TCC and Alex Christopher from JCU.



Interim Symposium 26 March 12:30-4pm. The Symposium provided excellent discussion and networking.



QLD Economic Development through the Creative Industries event 2-3 August 2015, a Townsville City Council event with 70 attendees. A collection of films by local business, JCU student and graduate that were screened during forum breaks. Presentation from Research Project Team.



Project approvals, creating a vibrant destination for commerce

A number of projects have been approved during the year, stimulating business investments and employment for our community.

A development application to establish a quarry at the Pinnacles, west of the city, which supports future development of the Port of Townsville was approved. The **quarry project** will play a direct role in the growth of the port and ensures the facility keeps up with trade demand. Council has ensured appropriate controls are in place at a local and state level to mitigate against potential impacts including noise, dust, ground vibration and storm water run-off, as well as truck movements in the local area.

Council awarded a tender to SMEC Australia Pty Ltd for the design of Stage 1A of the **Promenade project** along Ross Creek in Townsville's CBD. The \$1.1 m project will establish a network of paths and boardwalks from The Strand to the CBD. This project encourages new residential, commercial and business development in the Waterfront area. The promenade is the key to opening up development areas along the creek and transforming Townsville's inner-city area into an exciting, world class lifestyle precinct.

A **motorsport precinct** will be established in Townsville with council signing a long-term lease with Drive IT NQ over council-owned land at Calcium. The proposed \$22m driver education and motor sports precinct will provide a major economic and recreational boost. Council has supported Drive IT NQ and the motor sport fraternity, working closely together to identify and secure a suitable site. Planning and development approvals and funding submissions to State and Federal Governments are underway.

During the year, council approved a contract for a leased, purpose-built depot facility with B.M.Webb to house the aging Bamford Lane and Garbutt **fleet and workshop operations**, which require significant upgrades. The shift to a leased facility is a transitional measure until a future permanent depot is established as part of the council's **Workshop Facilities Master Plan**. Relocating operations from both depots to a combined facility is more financially viable for the council than upgrading and maintaining existing workshops.



In 1929 construction commenced on the Mt Spec road. The work included the construction of an arch bridge over Little Crystal Creek.

During 2015/16, council awarded CivilPlus Pty Ltd a contract to design and construct the **Rollingstone wooden bridge** because its substructure was damaged, making it unsafe for use. Residents and emergency services rely on the bridge to provide a safe and convenient crossing over the creek without having to go on the highway. The scope of the works includes reinforcement of the existing support structure and southern abutment, and removal and replacement of the bridge's super structure. Design work has commenced and the project is expected to be completed in May 2017.

Council and the State Government have co-funded the \$2.5m Stage 1 of the **Illich Park Precinct Upgrade Project**. A multi-use community sporting and recreational hub encouraging our community to get outdoors and keep active will be created. Work includes upgrading sports field lighting, flood mitigation works, new rugby league fields, training fields and an underground irrigation system for all playing fields. The project will support more than 30 jobs for local trades and provide training opportunities for apprentices during its construction.

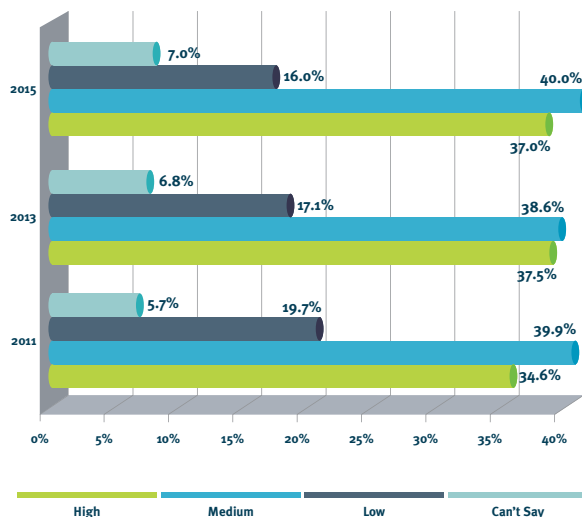
Council awarded a contract for \$3m to Jackson Semler Pty Ltd to upgrade the roof and refurbish the top floor of the 40-year-old **Walker Street building**, its first major upgrade since 1976. The building has served the community as the centre for local government administration, meetings, functions and civic ceremonies for four decades. The scope of the project includes structural work on the roof and refurbishment of the second floor.

Council continued managing the refurbishment of the **Townsville Integrated Stadium and Entertainment Centre** to ensure the regional facility remains operational. The project is Federal Government funded, with council awarding the \$1.37m contract to AE Smith & Sons Pty Ltd to replace the air conditioning system.

During 2015/16, council approved a proposal to secure a **major live cattle export facility** at Lansdown. Council gave a conditional green light to the sale of council's 161.3 hectares to develop the facility.

The number of building and development approvals for **residential development** has declined in line with council's current economic climate. (cross reference to *page 65* of community plan report) The community's satisfaction with council's planning for residential development was a key factor in council's consultation to adopt the Townsville City Plan. Council will complete the Townsville City Plan Amendment Program, including alignment with new Planning Act in 2016/17.

Satisfaction with planning for residential development



Overall community satisfaction with residential development in Townsville is high-medium.

In 1930 following the creation of the Catholic Diocese of Townsville, the Church of the Sacred Heart on Stanley Street (completed in 1902) acquired cathedral status.

Major Projects

At any given time council has a number of major infrastructure projects underway, most of which span across multiple financial years. During the year, council completed or significantly progressed with the following projects.



CBD Waterfront Pathways (\$786,576) Waterfront Promenade Stage 1A

Design work is underway for the Waterfront Promenade Stage 1A. A continuous promenade, approximately 500 metres long from the George Roberts Bridge to the Museum of Tropical Queensland will be constructed. This redevelopment is designed for shared use by pedestrians and cyclists whilst incorporating on-land and overwater structures. Works will include new pathways and boardwalks incorporating lighting, shade, landscaping and public art allowing people to meet and relax in this great space. Design works are scheduled to be completed prior to December 2016.



Townsville Recreational Boating Park (\$25 m)

The Townsville Recreational Boating Park (TRBP) is the largest facility of its kind in Australia which provides a sheltered, all-tide facility accessible for people with all abilities. Construction of Stage 2 onshore works is planned from 2016 to 2017. Once completed there will be access to all 16 lanes, including a centre floating walkway, two gang-way access pontoons and 333 cars with trailer parking spaces, storm water infrastructure upgrades, further car park lighting and CCTV. This is a joint venture between Townsville City Council, the Department of Transport and Main Roads (TMR) and Port of Townsville Limited with funding provided by council and the Queensland Government.

Peggy Banfield and Illich Park (\$3.275m)

Council was successful in obtaining a grant from the Queensland Government for Stage 1 of this project, being \$1.5m towards the \$3.275m project. Stage 1 has commenced which consists of two football fields, four grass netball courts, three all-age playgrounds, BBQs and a picnic area, all size dog off-leash areas and additional access into the parkland via Lionel Turner Drive for safety. This work is on track to be completed by the end of 2016. Council has been successful in obtaining another \$1.5m grant to commence stage 2 in the next financial year.

Bicentennial Park Riverbank Rehabilitation (\$3.05m)

The construction of \$3m embankment stabilisation works to Bicentennial Park along the Ross River was completed in early 2016. The project was undertaken to address the erosion, embankment stability and capping of the redundant waste landfill site. The project involved the installation of locally supplied materials: 40,000 tonne of graded rock; 13,000 tonne of clay; 2.3ha of turfing to parkland; and 600metres of renewed pathway. The new embankment shall allow for natural regeneration of marine plants and habitat for marine animals in this tidal location while providing protection against erosion.

143 Walker Street – Relocation of staff (\$16.6m)

The purchase of the 'Commonwealth Building' on Walker Street was a significant milestone and reflects our commitment to Council's Accommodation Strategy. Having our administrative staff in a centralised location will deliver cost and productivity efficiencies. It will also contribute to the activation in our CBD.

Major Projects



Roads Preventative Maintenance and Reconstruction Programme (\$26.9 m)

For the 2015/16 financial year council has delivered 36 reconstruction projects, where the complete road pavement layers have been reconstructed. For the asphalt program, council has overlayed on 72 streets, delivering the full program which totalled 186,500m² of asphalt wearing course. Council has in addition re-sealed 20 streets. The Rejuvenation Program has implemented a process to 38 streets where a product to lengthen the life of the bitumen on a sealed road has been applied.



Dalrymple Road Bridge (\$32 m)

The project received funding from both Federal and State Government and construction was completed early in 2016. The new bridges were built where Dalrymple Road crosses the Bohle River. It ends traffic disruptions caused by the flooding of the Bohle River which was undermining Townsville businesses and community amenity. Even though the 2015/16 wet season was mild, the Bohle River crossing would have been closed on at least two occasions through that period without this project. The estimated cost of the Dalrymple Road Bridge project was \$40m with the final cost being approximately \$32m.

Haughton Pipeline Duplication Project (\$220m)

To plan for the anticipated water supply requirements in the next eight to 10 years, a detailed design has been completed for the construction of a second Haughton Pipeline. The second pipeline will comprise a pump station adjacent to council's existing Black Road pump station site in the Upper Haughton and a 36 kilometre pipeline that follows, where practicable, the alignment of council's existing pipeline to release water into the head of the Ross River Dam. Detailed documentation, including design drawings and specifications, cost plan, construction plan, and commercial documents have been developed in 2015/16. In 2016/17 work to secure land tenure and power supply augmentation will commence ready for construction at the point in time that the second bulk water pipeline becomes essential.

Council Facilities Planning & Delivery (\$5m)

Refurbishment of Townsville Entertainment and Convention Centre

With funding approval of just under \$5m from The Department of Infrastructure and Regional Development, the refurbishment of the Townsville Entertainment Centre commenced with the air-conditioning package. This was delivered under contract of \$1.4m. Designs for fire and electrical upgrades were completed along with the kitchen upgrade and carpet and curtain replacement. Delivery of these components will be completed in 2016/17 financial year.













Major projects

In 1932 a large fire practically destroyed the McKimmin & Richardson department store on Flinders Street. Also that year, the Mt St John Zoo opened.

Economic Sustainability Measures

	Requires Action	The measure is not reaching its target and requires active management
	Monitor	The measure is progressing however needs to be monitored as it is currently not achieving the target
	On Target	The measure is either achieving target or within the defined target range, with no significant issues

Council Influence on Measure	Corporate Plan Measure	KPI Description	KPI Target	Result	Status	Review Comments
D	Customer satisfaction	85% of customer requests/complaints relating to Animal Management are responded to within determined timeframes	85%	89.5%		Council continues to perform well in processing customer requests/complaints relating to Animal Management
		Achieve 90% customer satisfaction with kerbside waste and recycling collection	90%	92.09%		Customers rated kerbside waste and recycling collection as 'good' or 'excellent'
		90% of publicly available planning and building documents are available for viewing within 5 business days of request	90%	99.55%		Planning and building documents were made available to clients timely, showing a strong performance in council's commitment in turnaround timeframes
I	Growth in population	Implement 100% of planned Invest Townsville Program initiatives	100%	100%		We implemented all planned investment initiatives during the year and the program continues to develop
		2 capacity building workshops delivered to the community/community organisations, to enhance sustainability, growth and a strong connected community	2	4		We delivered capacity building workshops on Arts & Culture Sustainability, Community Groups built to last; Partnerships, and the #embracethespace
		Complete reports on the progress of the Digital Economy Strategy throughout the year	2	1		While our target was not achieved, the second report will be completed in 2015/16. The role of the Broadband for the Tropics Group is currently being assessed. Council has also developed a Digital Futures Plan for our libraries.
I	Growth in the local economy	Deliver 80% agreed Sister City Economic Development outcomes during the year	80%	80%		Active program of incoming and outgoing interactions with Sister Cities including significant T150 Mayoral Forum event were achieved
		Develop and submit 100% of agreed State and Federal strategic policy submissions	100%	100%		State and Federal strategic policy submissions developed and submitted to ensure we create a stronger and growing community
		100% of submissions for grant and election funding developed within State and Federal Timeframes each quarter	100%	100%		Grant and election funding submissions developed within timeframes
		Attract 6 new major sporting events to Townsville	6	6		The Major events bid fund helped secure the required number of events which help stimulate spending by visitor and locals in our economy

D	Commercial and residential development approval	95% of decision notices for Development Approvals made available on council's website within 5 business days of approval	95%	97.55		Council continues to perform well in processing decision notices with results showing a strong performance
		100% of the privately certified building approvals lodged are processed and available in business systems within 5 business days of lodgement with council	100%	99.01%		Council continues to support the growth of Townsville by processing privately certified building approvals timely. This result showed a very strong performance towards the end of year
		90% of commercial plumbing and draining applications are processed within 15 business days	90%	99.25%		Council continues to perform well in processing commercial plumbing and drainage applications within agreed timeframes
		Complete The Townsville Recreation Boating Park Stage 2 design				
I	Number of major events	Provide 4 activities that recognise significant Aboriginal and Torres Strait Islander cultural events	4	3		Council delivered 2 bush tucker tours and the Torres Strait Island information session. The National Closing the Gap (Qld Health) event was cancelled
		160,000 visitors to the Tony Ireland Stadium during the year	160,000	175,000		The Tony Ireland Stadium has had an outstanding year with many significant sporting and non-sporting events held from International Cricket series to national level AFL, community movie nights and Relay for Life. The number of business meetings, seminars and other community meetings also increased in the 2015/16 financial year
		Facilitate the use of the Townsville RSL Stadium for 20 significant events during the year	20	35		The Townsville RSL Stadium hosted many significant events during the 2015/16 financial year ranging from the Townsville Fire season (15 games including finals), the Interchange Careers Expo, Jehovah's Witness conference, Shine Women's conference, Kingdom Church conference and four school graduations
		Host 3 significant events at the Riverway Grounds during the year	3	15		The Riverway Parkland has become a real hot spot for community festivals and events- some of the many included Greek festival, 2 Indian festivals, Waitangi Day, Filipino festival, African festival, The Plant and Garden Expo, Naidoc Day, Pasifika festival and many more during the 2015/16 financial year
D	Maintenance of the Townsville City Plan's	Complete annual review of the Development Manual and Townsville City Plan to facilitate appropriate development outcomes	100%	100%		Annual reviews of both the Townsville City Plan and the Development manual planning scheme have been considered by council
		Approval of Priority Development Area development scheme	100%	100%		The development scheme was approved by Economic Development Queensland in October 2015
		Conduct a peer review and finalise the Townsville Urban Design philosophy	100%	85%		Works are being translated into a form for use in the Townsville City Waterfront Priority Development Area Design Guidelines. Completion date has been rescheduled to 30/10/2016
		Provide advice for development applications within agreed assessment timeframes	100%	100%		Advice provided within agreed timeframes

DIRECT: Council has a direct influence on the measure result.

INFLUENCE: Council has an influence on the measure result but other external factors outside our control also impact it.



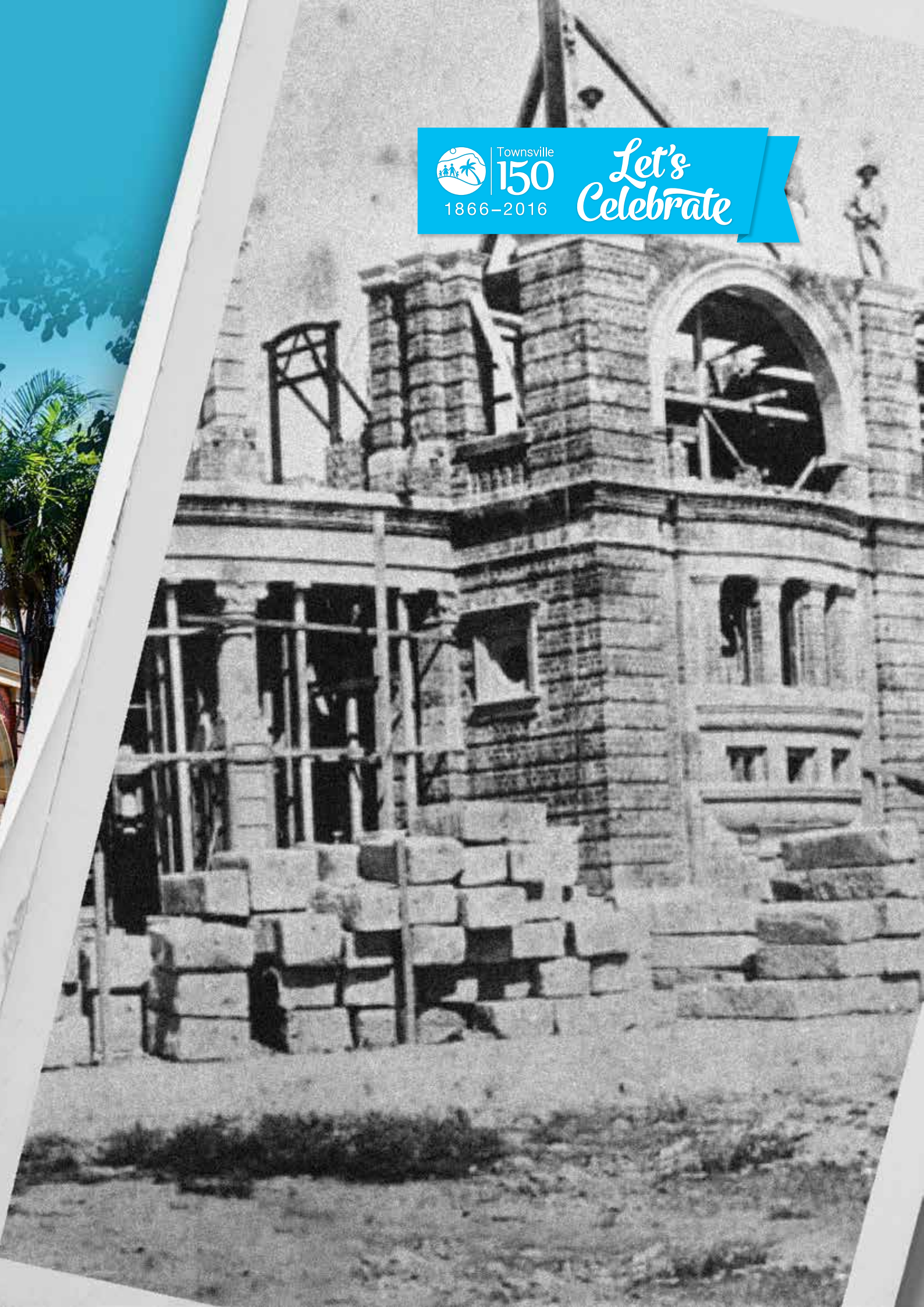


Townsville

150

1866-2016

*Let's
Celebrate*



Goal 2: Environmental Sustainability

A sustainable future where our environment is valued through the protection and enhancement of our unique, natural, and built environment with a commitment to reduce our environmental impact.

Corporate Plan Strategies

- 2.1 Effective management, protection and conservation of our environment to ensure a balance between built infrastructure and areas of environmental significance.
- 2.2 Implement an effective, integrated demand management approach to infrastructure planning and delivery.
- 2.3 Preserve our natural environment through active management, education and compliance activities.
- 2.4 Adopt urban design principles that create a distinct sense of place, enable and inform place creation, maximise efficiency, and enhance the built and natural environment.
- 2.5 Research and implement environmental solutions utilising innovative smart technology and encourage behaviour change.



Achievements

Connecting our community with a well maintained natural environment and urban green spaces

- Installed \$300,000 worth of LED lighting to reduce council's consumption by approximately 50% at various locations across the city.
- Achieved "Green Travel Leader" status from Ecotourism Australia for commitment to environmentally responsible best practice and ongoing support.
- Winners of the LGMA Queensland 2016 Award of Excellence for Innovation for the Sensor Q project.
- Delivered the Natural Resource, Coastal and Environmental Management Program.
- Magnetic Island Waste Transfer Station was officially opened in October 2015.
- Closure of the Picnic Bay Landfill in early 2016 signalling future transfer of waste to the mainland for disposal.
- Upgrade to waste disposal sites including capping, leachate and storm water management.
- Completed the Ross River bank stabilization project.
- Completed construction of Mount Louisa Reservoir No.3 to increase storage for drinking water.



Challenges and impacts

- 2015/16 has been harsh for our local waterways due to the prolonged dry season and unseasonably warm weather with low water levels, high water temperatures and less resilience to pollution.
- Implementation of water restrictions in order to maintain water supply for the future.
- Maintaining our parks and gardens with reduced water supply.
- Increasing natural resource management challenges to address (water quality, wild dogs and feral animals).



Projects that were postponed

- The next phase of the "Lawn Tamer" campaign on how to grow a stronger lawn and avoid excessive water was postponed due to water restrictions.
- Anderson Gardens 'Giants Walk' expansion was delayed and resources diverted to establish educational materials for the community and commercial water use.
- Construction on a new Landfill cell at the Hervey Range Landfill was deferred until 2018/19, pending the outcome of strategic waste management planning.



Our stakeholders

- James Cook University eResearch
- Ergon Energy
- IBM Research
- Taggle Systems Pty Ltd
- Community groups
- Queensland Government
- Coastal COMS Environmental Monitoring
- Great Barrier Reef Marine Park Authority (GBRMPA)
- Department of Environment and Heritage Protection.



Looking forward to 2016/17

- Engage IBM Research team to investigate the use of Smart Building Technologies.
- Construction works for the Cleveland Bay Purification Plant upgrade.
- Explore low cost water quality and air quality sensing opportunities to improve environmental asset management and environmental compliance.
- Prioritise commercial and indoor water usage as the city transitions into tighter water restrictions.
- Upgrade of the Stuart Landfill site to improve customer amenity, safety, and resource recovery.
- Commence the development of the Coastal Hazard Adaptation Program (QCoast2010).
- Review and audit the Drinking Water Quality Management Plan.

In 1933 Hervey Range Road first opened, on 6 May. Strand Park was renamed Anzac Park, and its memorial archway was installed.

Reducing our environmental footprint, guarding our future generation

Council is committed to building a sustainable city and making decisions that protect the environment. Throughout the year, council continued to implement initiatives that help preserve our natural environment for future generations.

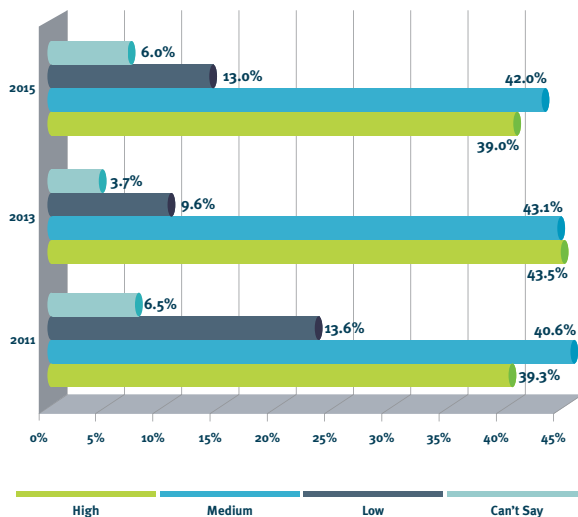
During 2015/16, council undertook consultation and a risk survey across council departments to improve the **Integrated Environmental Management System (IEMS)**. IMES assists council to identify areas of environmental risk and improve environmental performance of council's operations. Council's environmental leadership group has reviewed environmental reports and championed environmental sustainability across the council.

Council continued to implement the **Environmental Resource Management Framework** and the Enterprise Energy Management System, using building analytics to generate data. This process creates full visualisation of council's electrical loads and a means to control them, create efficiencies, and reduce costs for both council and the community.

In response to the Waterfront project, council developed the **Waterfront PDA Sustainability Framework** which provides the foundation for integrating best practice in tropical design and community engagement into early project designs. This provides an action-based approach to integrating affordable, practical and socially acceptable sustainable tropical design at the Ross Creek site, the leading location of sustainable urban transformation and renewal for our city.

Council continued to implement the **CBD Smart Infrastructure and Sustainable Energy Framework**. This has been used to develop environmental projects from local scale demonstrations to transformative projects for the community. The Rows Bay Sensory Project is an example that exhibits community wide thinking and action guided by this Framework.

Satisfaction with council environmental initiatives



Community satisfaction is high for council's environmental initiatives and complemented by the recent awards for our environmental projects.

The Energy and Resource Management Framework (ERMF) has provided a platform to expand and progress council's Information and Communication Technology (ICT) architecture. Council has used the data to effectively implement environmental management decisions and actions during 2015/16.

Throughout the year, council engaged with a wide variety of stakeholders across the community to ensure that the city's **LED lighting** improved public safety and increased energy efficiency. Council installed \$300,000 worth of LED lighting which has reduced council's consumption at the respective sites by approximately 50%. The old style lights were replaced with modern, energy-efficient LED lights at Dan Gleeson Gardens, West End Park, the Perfumed Gardens and The Strand Park.

Council partnered with Ergon Energy and Queensland University of Technology (QUT) trialing and validating 63 smart LED streetlights across the city resulting in a 67% energy reduction whilst maintaining the appropriate lighting levels.



The project created the maximum benefit to the community, at the lowest cost, and least impact to the environment.

LED lighting Project Fast Facts:

- Three fluorescent lights equal to the energy of one LED bulb
- LED lights do not attract bugs
- LED lights do not contain mercury
- Neutral white colour of LED lights is easier on the eye than warm white
- 70,000 hour lifespan results in less maintenance and lower running costs
- Council recycles old lights.

During the year council distributed **Tropical Energy Saver Toolkits** to the community, made available through the Ergon Energy Community Fund. The community was really excited by this project and many took advantage of the opportunity to test the energy efficiency of their appliances to identify potential savings.



Tropical Energy Saver Toolkits

In 1935 water restrictions were very severe and it was only with considerable difficulty that sufficient water was supplied for Townsville's use.

Preserving our natural environment, enjoy the outdoor lifestyle

We are committed to create and preserve a clean and well vegetated environment, providing our community with opportunities to enjoy outdoor recreation activities in a friendly environment.

Council places emphasis on protecting landscape and wildlife across the local government area. During 2015/16, council's **Natural Resource Management Program** responded to a diverse range of requests from the community for areas that include the wetlands, natural creeks and rivers, wildlife, coastal, marine animals, conservation areas, and bushland. This involved collaboration and partnerships with Conservation Volunteers Australia, Landcare groups, Green Army programs, Work Ways Program and local community groups.

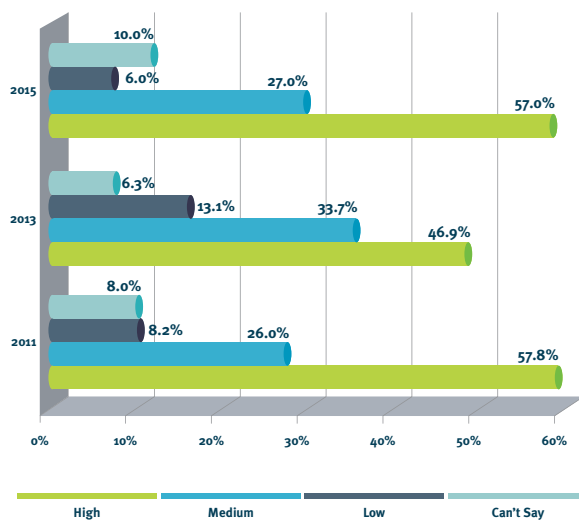
The following amounts of discarded refuse were collected as part of the Natural Resource Management Program:

- Green waste collected 48.92 t
- Commercial waste collected 9.36 t
- Regulated waste collected 2.44 t
- General waste collected 37.49 t.

98.21 tonnes in total

Council works hard to prevent and prosecute illegal dumping to reduce the impact on our environment.

Satisfaction with management of waste facilities



Our community survey indicates a high satisfaction rating for council's waste management facility.



Illegal dumping

To maintain the amazing diversity of plants, animals and ecosystems found in Townsville, council carried out **weed management** and revegetation activities at Oak Valley Nature Reserve. This activity also helped enhance the nature reserve habitat for the endangered Black-Throated Finch. Council installed interpretive signage around the walking trail in this area, giving information on the meaning of the natural environment to the public.

In 1936 Townsville's population had reached 30,000 people.

Council continued to conduct the monthly **Magnetic Island Weed Blitz Program** which focuses on priority weed issues experienced on Magnetic Island. The areas of focus during 2015/16 were the land boundaries between council and Queensland Parks Wildlife Services and residential area. The project has been developed to prevent the spread of weeds across the island. By working together this allows local and state governments to action works on both local and state land at the same time providing best practice weed management.

Pest plant eradication and vegetation control programs were implemented to manage various pest species within the Local Government area. Council conducts regular monitoring and control of various pest species, in particular *Sagittaria Platyphylla* every 2 - 3 weeks which poses a large risk to the agricultural industry.



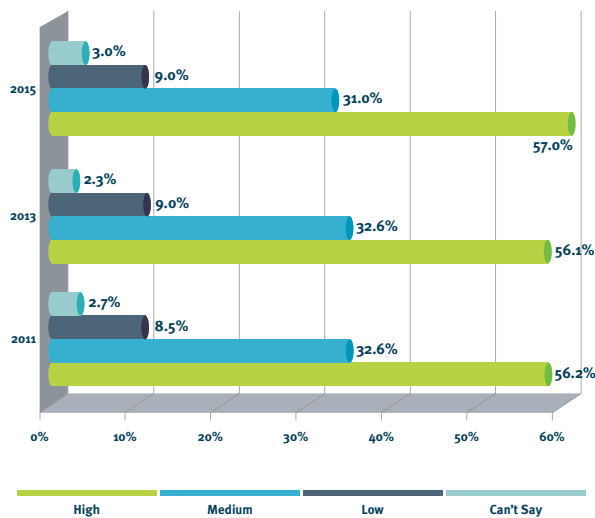
Pest plants and animals

We continued to be responsive to **environmental incidents** that were reported by the public. Some of the more common environmental incidents included algal blooms and fish kills.

Algal blooms usually occur because of a combination of lower water levels and warmer than usual temperatures. Council installed aeration pumps to affected areas, carried out fish rescues and relocations, monitored water quality and conducted clean-up operations.



Satisfaction with quality of water in our waterways



The community satisfaction survey suggests council's environmental programs are at the standard expected by our residents.

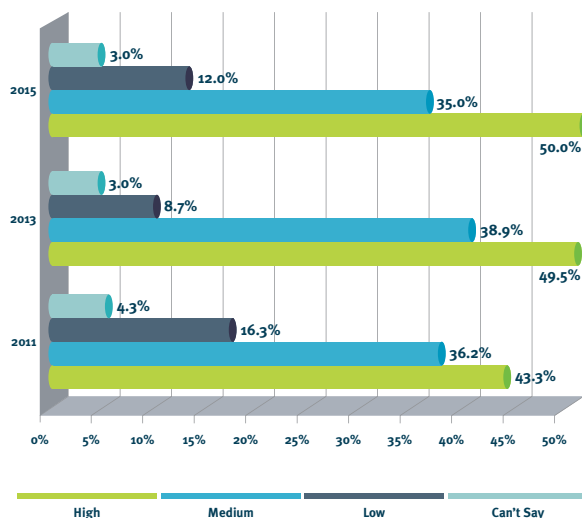
Council supports the annual national initiative **Garage Sale Trail**. The initiative helps the community think creatively about reusing items that might otherwise be put out for waste collection and possibly end up in landfill. This initiative is two-fold as it also encourages neighbours to network and get to know each other. Council won an award for their marketing of this initiative.

Magnetic Island is a World Heritage Area and council continues to protect its wildlife. Council turned off the spotlight at Alma Bay on Magnetic Island to allow **turtle hatchlings** to find their way to the ocean. Bright lights have the potential to confuse hatchlings.

During 2015/16 council awarded a 24-month contract to ARG Trees for **green waste processing** in Townsville as part of a regional approach with the Burdekin and Hinchinbrook councils. This is an initiative that is cost effective and will benefit all three councils. Council has continued to work closely with neighbouring councils through the North Queensland Waste Reduction and Recycling Working Group to identify ways to better manage and reduce waste across the region.

A **clean-up operation** was carried out to collect grease that washed up on Pallarenda and Rows Bay foreshore from an unknown marine source. During this operation, Rows Bay Sustainability Centre was used as a rehabilitation centre for sick or injured wildlife.

Satisfaction with protection of bushland and wildlife



The community attitude survey indicates the community is satisfied with council's protection of bushland and wildlife.

In 1938 the Municipal Free Library opened, the Plaza Theatre opened on Echlin Street, West End, and the Nelly Bay - Arcadia road was completed on 10 September.



Our Bushfire program installs firebreaks on priority Townsville City Council natural areas to help mitigate bushfire risks to our community. During 2015/16 council continued with the installation of firebreaks and conducted hazard reduction burns on council land. This effectively helped reduce the risk to lives, and damage to wildlife and the environment.

In 1939 Townsville's first airport opened with gravel runways and the Garbutt airfield was commissioned to become a Royal Australian Air Force base.

Land protection and feral animal control, safe environment for our community

Council has a range of strategies for preventing the introduction of and managing feral animals to provide a safe environment for our residents and pets.

Through the **Land Protection Program**, council received 202 reports of feral animals compared to 206 in the previous year. Feral animals include management of dingoes/wild dogs, feral pigs, feral cats, rabbits, feral horses and Myna birds (on Magnetic Island). Council uses environmentally friendly and humane methods to control feral animal populations.

Council conducts a **Wild Dog Trapping Campaign** twice annually. This program focuses on trapping wild dogs in the peri urban fringes which reduces the number of wild dogs trailing into the suburbs. 146 wild dogs were trapped during the year, compared to 98 dogs in 2014/15. This increase was due to more traps commissioned over a wider area in response to community requests.

Feral horses pose a danger to drivers on our roads. In 2015/16 initiatives included, strategic installation of new fencing to restrict **feral horse movements** in Bluewater away from the Bruce Highway, which was completed in collaboration with local landholders, Queensland Parks and Wildlife Services, and Environmental Health.



Feral animals



In 1940 an unnamed cyclone destroyed the Sea View Baths along The Strand, and the first sewerage connection in the city was made, to four flats in South Townsville.

Council had 40 property owners with a **Property Pest Management Plan** to enable strategic management of pest plants and animals. Once residents had an approved pest plan, they were eligible for a maximum subsidy of \$800 per year, including Weed Control Equipment Hire and Herbicide Subsidy Scheme. This initiative has allowed residents to prioritise use of resources to control pests in the most effective manner, identify the best time to control pests and the best methods to use for each situation. If we all work together we will continue to improve and protect our environment.

During the year council conducted **weed surveys** and control utilising a helicopter to identify new patches of Siam Weed in the Mt Stuart area and Upper Sleeper Log Creek area. Thick, previously unknown patches were identified. Feral animal management and hazard reduction bushfire activities were also carried out, assisting to keep the area safe for the community.

Council undertook a complex engineering and environmental project to remediate a major **erosion** problem on the banks of Ross River. Thousands of cubic metres of rock were used to reinforce a 410m section of riverbank on the site of an old landfill at Bicentennial Park. Council completed staged terracing using rock armour, and construction of a five metre berm at water level to support regeneration of mangroves and rehabilitation of riverbank vegetation.



Coastal Management

During the year, the community joined council for a double event which included the **Toad Day Out** and **Earth Hour**. Our community turned off lights for Earth Hour and got torches out to hunt for cane toads. Toad Day Out has been successfully held for the past eight years, with residents encouraged to be involved. 120 people attended this event and a total of 92kg of toads were collected, compared to 146.3kgs in 2014/15. Both events also help raise environmental awareness.



Partnering with and educating our community, building a sustainable city

There are many simple things our community can do to reduce our environmental footprint. Council is committed to delivering environmental awareness programmes to protect our environment.



Council launched the **Rowes Bay Sensory Project** in partnership with Origin Energy and James Cook University (JCU) eResearch. The five year project allows local students to work in a living lab, using the Rowes Bay Sustainability Centre as their base to monitor surrounding natural and built environments. Innovative sensor technology will help council to improve and help build the community's capacity to transform the city.


Every year, council offers an opportunity for residents to understand the importance of reducing impacts on the environment through its **Sustainable House Day** at the Rowes Bay Sustainability Centre. Topics covered range from how to strengthen lawns, to solar lighting, use of wind turbines and growing fresh produce. This initiative helps build community resilience.

We worked closely with the Green Army, an Australian Government initiative to progress works at **Baroona Trail**. Project work included bridge works, fire breaks, bird hide repairs, weed management and planting more vegetation on areas where soil has been dug for use at other locations. Council installed educational signage about natural areas, providing knowledge of the environment while encouraging the community to enjoy activities such as nature walking and bird watching.

Council in partnership with **Conservation Volunteers Australia** developed a community plant propagation area at Rowes Bay Sustainability Centre, growing local **native plant species**. By growing native species, council offers the community an opportunity to discover the beauty of native flora, bring history to their gardens and help conserve the biodiversity of Townsville.



In 1942 Townsville began to play an important part in the War in the Pacific. Townsville became a major military base, accommodating up to 90,000 Australian, American and other allied service personnel. The City was bombed on three occasions, and was used as a base during the battle of the Coral Sea.

 **Eco Fiesta** is a free community event that focuses on sustainability and environmentally friendly themes. During 2015/16 our community participated in the popular clothes swap, live entertainment and environmentally sustainable workshops filled with ideas to assist the community in becoming more environmentally conscious and sustainable.



Townsville North Queensland, Eco Fiesta 2016, Queens Gardens

In 2015/16 the **Sustainable & Environmental Awareness** programs delivered Edu-tourism activities (Townsville City Council Advanced Eco-Certified Sustainability Tours).

These included:

- Class specific tours on 34 occasions to more than 1,100 students across the city. Water education was a dominant topic with the majority of school tours. Its emphasis was on home based actions around conserving water, energy and recycling waste.
- Education extended well beyond the students engaged, to almost 1,300 members of the public, multi-disciplinary university tours, international delegations and many capacity building events such as lawn training sessions, urban wetland management training, soil erosion training, and knowledge sharing across other local governments.

Council encourages participation and education in the community with activities including:

- Garden Expo
- Urban Wetland Training – Field Lovers Guide
- Lawn Training
- National Water Week Open House
- Eco Scavenger Hunt
- World Wetlands Day
- May Month of Learning Open House Day
- Tree Give Away
- Thematic Communication workshops
- Soil Erosion and Sediment Control Training
- Clean-up Australia Day
- Schools National Tree Day
- Earth Hour
- National Tree Day event
- Salvinia Weevil Project
- Heritage Day
- Eco Fiesta
- Paluma Guided Bush Walk
- Mundy Creek Land Care
- Community Plantings
- JCU Open Day.



Council facilitated Community Capacity Building Workshops such as:

- Townsville Resilient City Workshop
- ICMA CityLinks Climate Change Adaptation workshop
- Smart-Sustainable City Workshop in collaboration with JCU College of Science Technology and Engineering
- Townsville's Water Future – turf, irrigation and open space managers.

In 1944 Fred Paterson, Australia's only Communist Member of Parliament, was elected to represent the seat of Bowen.

Water sensitive city, managing the optimum use of water

Council is committed to a long-term water solution that is also financially and economically sustainable.

Dry conditions continued to prevail in Townsville over the past year leading council to implement water restrictions. Across the region, strategic water retention is essential to continued servicing of the community and business. Water restrictions are essential to ensure healthy and reliable water supply now and into the future. Innovative approaches to water management used by council during 2015/16 include:

- Low cost water quantity monitoring
- Compliance partnerships to assist with water reporting
- Development of activation activities such as the 'Water Detective Handbook' for children, first-of-a-kind commercial water metering and reporting
- Development of a level 3 ready demonstration lawn/garden at the Sustainability Centre
- Townsville specific '**Lawn Training**' campaign, teaching the community to grow a stronger lawn while avoiding excessive water use.



Council continued to undertake regular water quality monitoring of the various freshwater and saltwater lakes in Townsville, to ensure these lakes are managed appropriately for the long-term benefit of the public. Regular water quality monitoring is conducted to maintain the health, function and aesthetic value of the Lakes system and to look out for signs of algal bloom or fish kills in these lakes.

Townsville is currently working towards securing water from the Burdekin Dam with the likelihood of level 3 water restrictions to be imposed early 2016/17.

Protecting coastal and marine areas, explore and enjoy our beautiful beaches

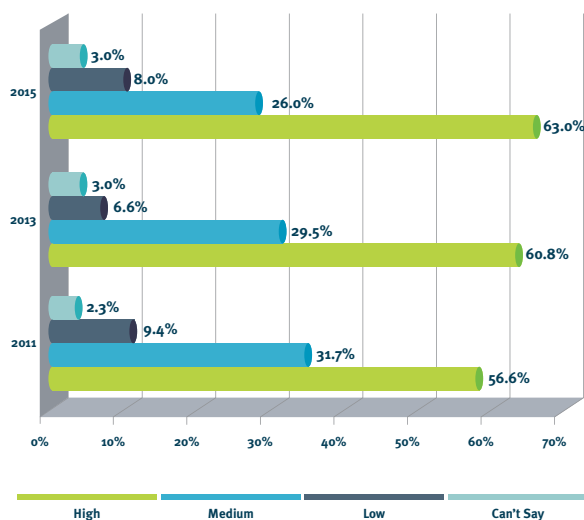
Implementing initiatives that protect our beaches is one way to keep the foreshore healthy for generations to come.



Our **Coastal and Environmental Management Program** delivered the Townsville Priority Development Area mangrove pruning trial. Council collaborated with the Department of Agriculture and Fisheries on an innovative approach to mangrove management in the proposed Waterfront Development. Implementation of the project will allow greater retention, protection and conservation of environmentally significant mangroves and their associated ecosystems and properties.

Council conducted top-up **sand nourishment** at Horseshoe Bay, Rowes Bay and Nelly Bay as part of an ongoing annual program to combat erosion. This initiative is designed to re-establish beach-fronts, provide a protective buffer to coastal hazards, provide essential public recreational space and protect the riverine and surrounding built environment. Most of Magnetic Island is national park, so conserving the island and its picture perfect beaches is a top priority for council.

Satisfaction with protection of our beach foreshore



Our community survey demonstrates that a majority of residents are very satisfied with council's management of our beaches.

Council continued implementing the Oonoonba **marine plant protection** fencing project. As a result, over 80 hectares of sensitive marine plants and associated ecosystems have been protected from unauthorised vehicle use and illegal dumping activities. Marine plant areas are essential fishery habitats. Some naturally adapted plants as well as landscapes usually reduce the speed of cyclones, storm surge and flooding and therefore, protect the coastal zones.



Council took a leadership role and facilitated the establishment of the Rollingstone coastcare group for **ecological restoration** and environmental management for the community. The community has committed to undertaking activities that will assist in the recovery of degraded, damaged or destroyed ecosystems. This is a great example of how our residents can get involved and do their bit to protect the environment.

Rowes Bay **Wetland Boardwalk** and Coastal **Dune Trails** were established. The walks and trails provide environmentally focused educational and recreational opportunities in close proximity to the CBD. Orientation signage was installed providing community access from the public car park through to the Wetland Boardwalk, viewing a platform, and outdoor classroom.

In 1946 Townsville celebrated a Victory Parade, the Townsville Regional Electricity Board (TREB) was established, and the South Townsville Bowls Club was formed.



A Solar City, A Smart City, A Resilient City

Council's environmental focus on implementing climate change adaption strategies, building a resilient and sustainable city for the community continues.

Council facilitated the **Townsville Resilient City Workshop** focusing on how the community can adapt to environmental, economic and social shock and stresses that impact our city. This workshop delivered collective learning and identified factors that council will utilise to inform the community and advocate for change and assistance from government if required.



Engaging with our global partners on climate change at a recent National Seminar, council was regarded as the most advanced council in terms of strategic planning and implementation for **climate change adaptation**. Council presented to a senior audience of government officials (110 industry experts) within the Vietnamese Ministry of Resource and Environment.

Council hosted a delegation from Portmore Jamaica who are partnering with Townsville in planning for climate change. The CityLinks **Climate Adaptation Partnership Program** partners local governments from developing countries with a 'resource city' to implement an enduring climate adaptation project over a nine to 12 month period.

To prepare for future climate impacts, the Portmore Council is seeking assistance from Townsville's strategic land use, disaster preparedness, and response and recovery planning.

Council has developed the concept of a '**unit of sustainability**' which allows residents and building owners to reduce energy and water use while increasing resilience to climate change and associated social, environmental, and economic challenges. This initiative seeks to integrate city wide sustainability initiatives for energy, greenhouse gas, resource efficiency, community partnership, greening and natural resource management.

In 1947 childcare services began in Townsville when the Townsville Municipal Day Nursery was established in the City Buildings.

A Townsville Unit of Sustainability includes:

- White roof
- Efficient air conditioning
- Electric vehicles
- Low water use lawn and garden
- Household low flow water devices.
- LED lighting
- Energy storage (thermal, batteries)
- Smart automatic and manual irrigation practices
- Solar panels species, including local natives






A community-based **Internet-of-Things (IoT) project** was developed and activated in partnership with JCU eResearch. This project was designed to unleash the innovation potential of community and business. The IoT activation project complements the low-cost sensor network projects allowing schools, residents and businesses to build their own sensor networks and deploy them in urban and natural environments. The outcomes include cost savings and development of business opportunities.

Council won the 'innovation' award for the innovative **Sensor Q project** at the LGMA (Qld) Awards for Excellence 2016. The project combines the expertise of council, James Cook University, Taggle Systems Pty Ltd and CoastalCOMS to develop a low cost end-to-end remote water quality monitoring system, using world leading Australian made technology. The system will allow near real-time water quality parameters to be monitored remotely in our local waterways and wetlands. The data collected is then visualised to help identify trends and guide enhanced management decision around environmental issues such as fish kills.

This project is another example of the emerging role of smart technology in local government. In this case it helps council achieve sustainable outcomes for the environment and the community, using low cost solutions developed in partnership with academia and industry.



Environmental Sustainability Measures

	Requires Action	The measure is not reaching its target and requires active management
	Monitor	The measure is progressing however needs to be monitored as it is currently not achieving the target
	On Target	The measure is either achieving target or within the defined target range, with no significant issues

Council Influence on Measure	Corporate Plan Measure	Description	KPI Target	Result	Status	Comments
I	Quality of our waterways	Achieve 100% compliance with routine, incident and management reporting requirements throughout the year regarding water quality	100%	100%		All routine, management and incident reports were submitted on time
		100% compliance with drinking water quality requirements in accordance with Townsville Water's Drinking Water Quality Management Plan	100%	100%		Townsville Water was mostly compliant with the requirements of its Drinking Water Quality Management Plan. In June 2015, Giardia was detected in the Paluma Drinking Water Scheme and a boil water alert was still in place in early July 2015. Subsequent testing in July cleared the scheme of further contamination
		95% compliance on water quality testing at The Strand Water Park	95%	100%		Council conducts weekly scheduled water testing of water supplied to The Strand Waterpark to ensure that the quality adheres to the Australian standard guidelines. The Strand Park will undergo a major upgrade in 2016/17
		Achieve a water quality index of 1 for Trility operations of the Douglas Water Treatment Plant	1	0.97		The water quality index achieved by Trility was slightly under target at 0.97. Trility is a water utility solutions provider contracted by council
		Monitor water quality and ecosystem waterway health in 10 creeks/ waterways with the support of community based Creek Watch groups throughout the year	40	40		We monitored a total of 10 creeks across various locations. Monitoring progressed as planned and volunteers have had increasing involvement and interest in urban water quality monitoring
D	Water discharge quality	Deliver 10 environmental education activities throughout the year	10	18		Several education activities were held including Mundy Creek Heatley High School event, Heritage Day, Open House Day, Eco Fiesta, Catchment Loam Island, Kiwan High School event and the Aitkenvale Catchment Tour
		90% of all drains and stormwater investigation tasks received completed within allocated timeframes	90%	95.97%		Council continues to carry out Drains and Stormwater investigations within agreed timeframes
		Deliver 4 stormwater quality management training packages to industry by 30 June 2016	4	4		Suitably Qualified Persons Training and Macro-invertebrate Training were both provided in this period

D	Reduction of carbon emission produced by council activities	Progress Council's Integrated Energy and Carbon Management Framework through quarterly meetings	4	10	●	Council held meetings to progress our commitment to tackle human-caused climate change by reducing carbon emissions
		Support four major internal sustainability initiatives	4	9	●	Major internal sustainability initiatives supported during the year included Coordinated Energy and Carbon Management Leadership Group, Electricity Account Management Working Group, Ross Creek Waterfront Priority Development Planning
		Undertake ten community capacity building workshops and activities for energy conservation by 30th June 2016	10	10	●	Community capacity workshops have been undertaken including Climate Change Adaptation workshop as part of the International City/County Management Association (ICMA) Portmore-Townsville Climate Change partnership, Smart-Resilient Cities workshop in partnership with James Cook University (JCU)
D	Reduction in energy consumption by council operations	Install two electric vehicle charging stations by 30 June 2016.	2	2	●	In conjunction with the Energy Queensland Electric Vehicle (EV) Superhighway and in collaboration with State Government, 2 Electric Charging Stations were installed at Townsville Stadium and Riverway Arts Centre
		Deploy 4 integrated smart sensors in commercial buildings as part of the Smart Building Trials by 30 June 2016.	4	4	●	Environmental sensors were deployed at Rowes Bay, Internet of Things (IoT) gateways installed in CBD and Waterfront Priority Development Area
		Facilitate twenty community based energy efficiency education activities by 30 June 2016	20	21	●	Council facilitated educational activities including solutioneering presentation and workshop at James Cook University (JCU); Smart Buildings Trial on Townsville City Council administration building; Sustainability tour at Paluma village
I	Maintenance of the City's Heritage footprint	Provide architectural advice to heritage listed owners within 15 business days	100%	100%	●	Advice provided within agreed timeframes
		Conduct seven commemorative services and events for the 70th anniversary of the Victory in the Pacific	7	7	●	The VP70 commemorative services were extended to the community and were a great success
		60 hours of Local History and Heritage programs delivered throughout the year	60	49	●	49 hours of Local History programming were delivered. Other project work delivered includes 150 images in 150 days and the Townsville Tours and Trails
D	Creation of vibrant and active places	Conduct 15 litter pickups from natural areas throughout the year	15	43	●	We continued to maintain our parks and make them free from litter, making them available to our community to use.
		Facilitate 20 uses of emerging online sustainable education resources and or passive learnscape facilities by 30 June 2016	20	564	●	We have had 564 visits to the passive learning facility of the 'Giants Walk' during this period – this conservatively translates into >1000 visitors through the asset and is accurately measured through analytics from the solar listening posts on site
		Complete six Active Update e-newsletters per year (every second month)	6	12	●	E-Newsletters were distributed to over 700 subscribers, to ensure that we maintain relationships with our community
		90% of complaints relating to overgrown property responded to within target	90%	96.75%	●	We pride ourselves on responding to customers' concerns timely. Council achieved above-target ratings for responding to overgrown property complaints

DIRECT: Council has a direct influence on the measure result.
INFLUENCE: Council has an influence on the measure result but other external factors outside our control also impact it.



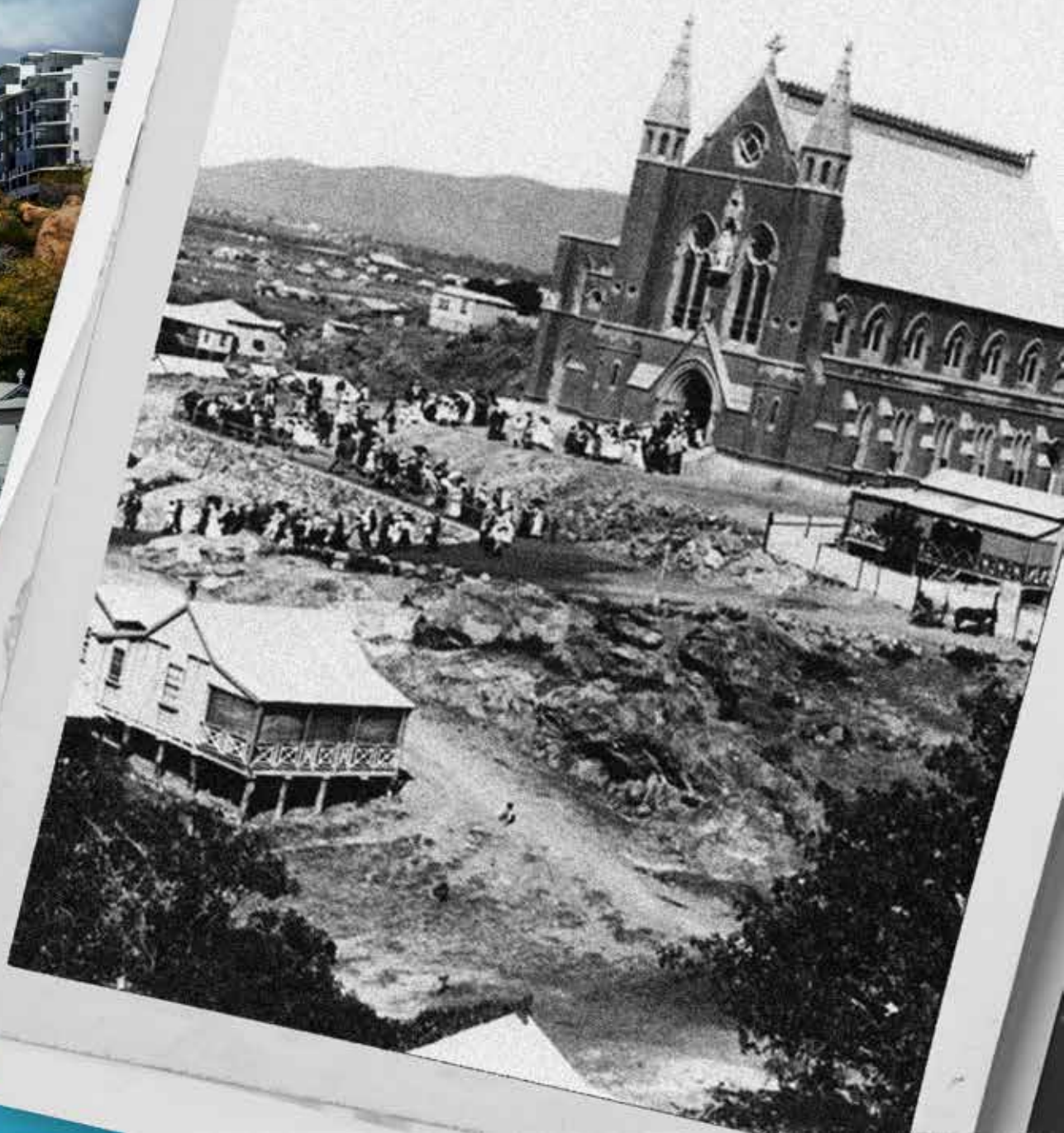


Townsville

150

1866-2016

*Let's
Celebrate*



Goal 3: Social Sustainability

A vibrant community that is accessible, safe, healthy, creative and knowledgeable, where we embrace diversity and our sense of community.

Corporate Plan Strategies

- 3.1 Encourage active and healthy lifestyles through accessible public facilities and community initiatives.
- 3.2 Support the community's access to and participation in a range of artistic, cultural and entertainment activities.
- 3.3 Enhance wellbeing and safety in the community.
- 3.4 Enhance a knowledgeable, inclusive and connected community that embraces growth and lifelong learning.
- 3.5 Provide community infrastructure and services that support growth and meets community needs.



Achievements



Connecting our community with a vibrant, progressive and liveable city

- Commenced Townsville 150 years celebration events in February 2016 with a ceremonial council meeting.
- Implemented the Street Art Activation Framework.
- Secured funding for the city's scenic Castle Hill summit upgrade.
- More than 4.1m attendances at organised events and activities in community spaces.
- More than \$2m in community grants distributed.
- Established "What's On" events portal which offers residents information on what's happening in Townsville.
- Reviewed the Local Disaster Recovery Plan.
- Launched the Aboriginal & Torres Strait Islander Employment Strategy.
- Developed the Organisational Workforce Plan.
- Launched a new and more user friendly public website.



Challenges and impacts

- Managing community expectations is a continual challenge for council. Council invites feedback from residents through community surveys and formal community engagement to ensure services and facilities meet the needs of the public.
- Townsville has experienced an increase in assault and property crime. While the Queensland Police Service is primarily responsible in this area, council contributes through community safety programs, lighting, CCTV and security patrols.



Projects that were postponed

- Identification of new digital tourism visitor information services has been postponed to 2016-17.



Our stakeholders

- | | |
|--------------------------------|--|
| • Queensland Police | • Queensland Health |
| • Sporting organisations | • Not-for-profit groups |
| • Schools | • Queensland Fire and Emergency Services |
| • Charity groups | • James Cook University |
| • Community Information Centre | • Cultural groups. |



Looking forward to 2016/17

- Develop a purpose built Disaster Coordination Centre.
- Increase community engagement.
- Host elite cricket at Tony Ireland Stadium (Quad A Series and Sheffield Shield match).
- Staging of biennial Percival Portrait Prize exhibition and activities.
- Staging of Airshow / Skyshow in October 2016.
- Digitisation of TCC Art Collection.
- Planning for Rugby League World Cup in 2017 and Commonwealth Games basketball in 2018.
- Evaluate Expressions of Interest for the delivery of an Arts and Culture precinct.

Townsville celebrates 150 years

To commemorate the 70th anniversary of the celebration of Victory in the Pacific and the end of World War II on 15 August 1945, council hosted a **VP70 Parade** along The Strand finishing in Jezzine Barracks with a “We Remember” concert. The community came out in numbers to support our veterans. This event was celebrated with a welcome reception, street parade, dedication memorial services, concert and a farewell luncheon. What a remarkable event we celebrated. It was also awarded “Community Event of the Year” on Australia Day.



In 1950 Tobruk Memorial Baths opened, St Theodore's Greek Orthodox church was completed and consecrated, and the Stuart Migrant Hostel was opened.



Townsville
150
1866–2016

*Let's
Celebrate*



In 1951 the new Townsville General Hospital opened in North Ward on the 21st April. A flagpole memorial was installed in Flinders Street to mark the 50th anniversary of the first unfurling of the Federal Flag in 1901.

Townsville celebrates 150 years, a strongly connected community



On 15 February 2016, Townsville officially marked 150 years since being declared a municipality. Celebrations will continue into 2016/17 as the city hosts a variety of council and community events, concerts, exhibitions, sporting events and activities that celebrate this great milestone. The following council events were held this financial year.

Proclamation Ceremonial Council Meeting - 15 February 2016

To formally recognise and record the occasion of the city's 150th anniversary into the history books, a special ceremonial council meeting was held in the Old Magistrates Court. Councillors and invited guests attended dressed in period costume to hear the reading of the declaration and historic minutes of council meetings reflecting the milestones achieved in the city's past. The Old Magistrates Court was furnished with period furniture and a high tea was held in the Perfumed Gardens. The event was attended by 120 invited guests to celebrate the city's achievements and our strong connected community.



T150 Yarns Series

Presented by ABC North Queensland, the T150 Yarns Series is a collection of engaging live story-telling events featuring a panel of notable speakers. Two Yarns were held in the 2015/16 financial year, Villains, Heroes and Saints (series launch) on 30 March at Townsville Civic Theatre and Townsville's History and Heritage on 15 May as part of Heritage Day. An average of 300 people attended each Yarn. Free events such as these are welcomed by our community. They also give everyone an opportunity to just sit and listen to stories and mingle at the end of this popular social event.



In 1952 the Tobruk Memorial Baths hosted the Australian Olympic swimming team, in training for that year's games in Helsinki. Also that year, the Rowes Bay Caravan Park opened in October.



Variety Performance – 2 April 2016

A gala black tie celebration of Townsville's performing arts over the past 150 years was held at the Civic Theatre in April. The night showcased a variety of performances including dance, classical and popular music, comedy, musical theatre and drama. The event was preceded by a red carpet style arrival and champagne in the forecourt. The performance was a sell out with 1,000 guests enjoying what was quoted as 'simply world class'.

4TOFM Pacific Festival

A re-creation of the city's annual traditional Pacific Festival which ran for 21 years was held at Jezzine Barracks and along The Strand. A carnival, car cruise and show, concerts and performances, sunset jazz, fireworks, food vendors, a community parade led by the King and Queen of the Pacific Festival all proved to be a very successful. Over 45,000 people enjoyed the festival from 3-5 June.

Other community events and functions held to celebrate our 150 years included:

Your Histories, Our Histories: 150 Years of Mixed Marriages and War Brides in Townsville and their contribution to the success of multiculturalism in Townsville.



Townsville 150 Celebrations

In 1953 Townsville joined with its Commonwealth partners in celebrating Coronation Day on 2 June.
Mayor Angus Smith opened the Children's Library on 4 December.

Events galore, providing entertainment to our community

Social sustainability has always been a priority for council. We have an unwavering commitment to supporting a broad range of facilities, services and events for everyone's enjoyment.

Townsville celebrated **Australia Day** at Jezzine Barracks with a diverse and exciting range of events and activities. This annual event brings together communities from all cultures and backgrounds. Events held included fun run, free Aussie breakfast, citizenship ceremony, Australia Day Awards and concluded with a 21 gun salute and an Australian Defence Force Fly over. This year's celebrations were heightened as Townsville Queensland Premier Annastacia Palaszczuk, and Governor of Queensland Paul de Jersey AC, had an opportunity to meet and engage with the community. It was also an honour for Townsville to host the official State Flag Raising Ceremony for the second consecutive year in North Queensland, indicating the importance of Townsville city to the state.

2016 was the second year council partnered with the Townsville Chamber of Commerce and the Chinese Club to celebrate the **Chinese New Year**. The "Year of the Monkey" is an important festival in the lunisolar Chinese calendar and was celebrated with vibrant lion dancing and cultural performances from local artists in the community. Red lanterns were raised in Townsville Bulletin Square for the month of February. Our community joined in colourful celebrations where traditional Chinese food and entertainment were highlights.

For the 8th year, the city hosted the **V8 Supercars Castrol Edge Townsville 400**. The popular event attracted the second largest crowd in its North Queensland history with 152,873 people. The community enjoyed concerts featuring international superstars such as the Hilltop Hoods and Birds of Tokyo. Council supports this event fully as it yields both social and economic benefits for the city.



In 1954 as part of a Royal Tour, Queen Elizabeth II and Prince Philip visited the city. The first Magnetic Island to Townsville swim was staged in this year, which was a huge success. It has become an annual event. The Ross River bridge at the top of Bowen Road opened, as well as Rooney's Bridge, which joined Railway Estate with Oonoonba.

To mark the beginning of the festive season, our community came together to celebrate the spirit of Christmas at **Carols by Candlelight**, an annual event held by council. This event attracted approximately 15,000 people of all ages who were entertained by local, state and national performers. This event is a long-time favourite for our community and this year the community was engaged with a lot more carols, a variety of food stalls and fun for the children in the amusement area.

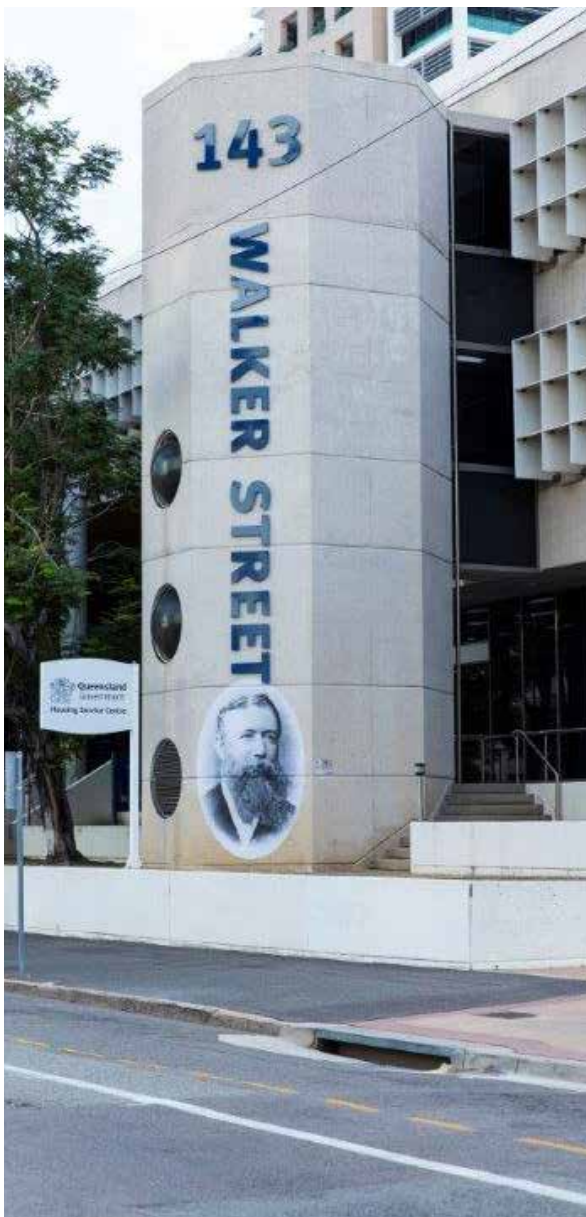
Heritage Day is an annual event held in West End to promote Townsville's unique heritage and increase community awareness of local heritage groups and organisations. 2015/16 Heritage Day was extra special to celebrate Townsville's 150th anniversary. It featured:

- Indigenous "Welcome to Country" ceremonies and dancing
- Displays by local community groups, including fascinating military, vintage cars, motorcycles, unusual antiques, old carriages and displays
- Guided walks of the historic West End Cemetery
- Free shuttle bus to the National Trust Centre.

Bus tours were made available to visit Townsville's remarkable **history and heritage sites**. Visits included trips to buildings dating back to the late 1800s where fascinating stories of the people who lived in them were shared. These stories included their associations with the industries that shaped the north such as famous sugar plantations, great gold mines, pioneering pastoral properties and the horse trade to India. The community was fascinated when they participated in the search for the passenger vessel SS Yongala that disappeared in 1911 off Cape Bowling Green.



In 1955 Magnetic Island enjoyed electricity for the first time, on 8 December.



Following on from **Faces of Townsville** and the highly successful collaboration with ABC Open undertaken in 2014, council teamed up with a local community group LensCap Crew to present **Families of Townsville** as part of a broader spectrum of events and exhibitions comprising The Percivals in 2016. The Percivals is a city-wide biennial celebration of portraiture, having grown from the first portrait competition held at Perc Tucker Regional Gallery in 2007.

Families of Townsville took portraiture to the streets, and through research conducted by LensCap Crew also traced the history of some of the city's founding families to coincide with Townsville's T150 celebrations. LensCap Crew is a small community group with a shared passion for story telling projects.

LensCap Crew made a selection of founding families in the region. They sourced historical photographs and penned short historical overviews, which they installed at 16 CBD locations and eight locations in the suburbs. A map was produced to assist viewers to locate the works, while a small publication proved extremely popular.

Welcoming Babies ceremonies are held by council twice a year and are open to families living in Townsville with a baby who is under 13 months at the time of the ceremony. 2015/16 celebrations were special to our community as we celebrated the 20th anniversary of welcoming little bundles of joy, signifying the tremendous spirit that exists within the community. Each baby welcomed received a welcoming certificate, a plant and a gift bag. These celebrations were in conjunction with the **Eco Fiesta**, a free community event that focused on sustainability and the environment. The community was treated to live entertainment and environmentally sustainable workshops filled with ideas to help us become more environmentally conscious and sustainably resilient.

In 1956 Townsville's Tobruk Memorial Pool was used as a training venue for the Australian swimming squad for the Melbourne Olympic Games.



2015/16 **Lifestyle Expo** and **Luncheon for seniors** held during National Seniors Week attracted over 100 exhibitors compared to about 90 in previous years. These annual events serve to recognise the value we place on our seniors and the contributions they provide our community. Our seniors were provided with a luncheon, information and displays from service groups and community groups that are particularly relevant to seniors.

Our seniors at Magnetic Island did not miss out during National Seniors Week. They were treated to **Seniors Music Day**, an event for the senior citizens who aren't always able to travel to the mainland for the senior's week celebrations. The event was held at Alma Bay. They enjoyed live entertainment and afternoon tea and sharing stories together.

Our youth celebrated the **National Youth Week** launch event at Strand Park. National Youth Week is a week-long celebration of youth where the theme for 2016 was "Be the Future". Celebrations included free amusements, competitions and prizes including Groovin the Moo double-passes and Cowboys' home game tickets. The live music enjoyed by participants was provided by a number of local artists.

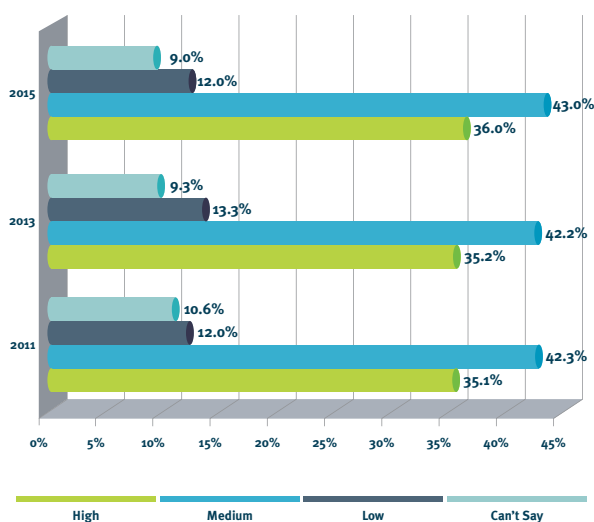


Council events

The Townsville **Tourism and Events Expo** had something for everyone. During the Expo information was available from stall holders on tourist attractions in the region. Outdoor activities, performances and council organised bus tours to the city's popular attractions were on offer. The Expo promoted the Townsville Region as a perfect destination for a holiday, an ideal location for hosting any type of event and a good investment destination. The expo supports Townsville's number one priority urban renewal project, the Integrated Stadium & Entertainment Centre. *(More details on page 74)*

Walking up Castle Hill is popular with our community to enjoy the sunrise or sunset while exercising, or just admiring the views. During the year, council welcomed an allocation of \$175,000 from the State Government towards the council's \$350,000 city's scenic **Castle Hill summit upgrade**. Council will ensure the city's iconic lookout is well maintained for our tourists and locals who enjoy the hill's panoramic views.

Satisfaction with the provision of youth facilities and services



The Community suggests that council could do more to provide facilities and services for our youth.

Townsville getting active, encouraging healthy lifestyles

Council established a panel of physical recreation service providers who have the capacity, skills, knowledge and qualifications to deliver community-based physical activities.

The State Government has identified that the rate of participation in sport and active recreation is 4.8% lower for Queensland women (aged 15 and over) compared with Queensland men. Council wants to close that gap and get more girls and women involved in sport.

During 2015/16 the **Get Active Townsville (GAT) Program** included a number of initiatives to get the community up and active including **“Getting Women and Girls Active Expo”**. The free expo featured around 150 local clubs and businesses providing information and demonstrations on sport and fitness activities available in Townsville. Townsville Fire players, local female sport stars and Captain Active made special appearances at the expo. Almost 1,500 people attended, providing an opportunity for the community to learn about local sport, recreation opportunities and health activities.

To continue supporting this initiative, council held **An Active4Life Walk** between the Rockpool and Strand Park to encourage higher participation rate of girls and women in exercise.

During 2016 the **“Get Active with 30 ways in 30 days”** calendar had a range of free fitness activities and classes every day during the month of April. Our community had an opportunity to challenge themselves and try something new including yoga, tai chi, aqua aerobics, BMX, martial arts, Zumba Gold and Jungle Body.

There were other programs provided such as:

- **Ride the River** which is a great opportunity for residents to explore the city’s bikeways and enjoy being active with friends and family.
- **Free Family Swim Day** was a perfect way to kick off the summer school holidays with free admission to the Tobruk, Kokoda and Long Tan Memorial Pools and the Northern Beaches Leisure Centre. Kids swimming lessons, aqua aerobics and a barbecue were provided. The community also had an opportunity to sign up for some water-based activities.

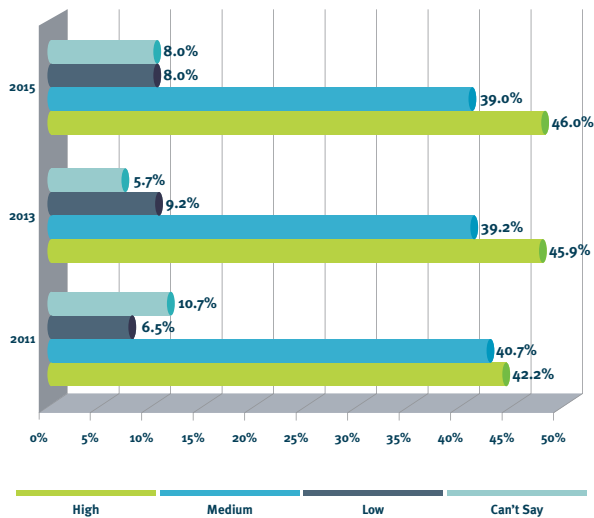


In 1958 St Anne’s School relocated to the Cathedral School’s present location in Mundingburra. The Sturt Street ‘cutting’, begun four years earlier, saw the first car pass through the completed works along Sturt Street on 28 October.



Get Active

Satisfaction with councils support for local community and sporting groups



Overall our community continues to be satisfied with council's support for local community and sporting groups.

Our community had an awesome day at the Fun Day at **Northern Beaches Leisure Centre** for the official opening of the Water Slides. Activities held included mini swim carnival, Zord Balls, treasure hunts, mini come tri triathlon, water polo and shoot out. There are picnic tables, BBQ facilities, a kiosk and plenty of space to relax for our community to enjoy swimming and sliding.



As part of **Breast Cancer Awareness** in our community, we opened a pink garden at Dan Gleeson Memorial Gardens. The garden is dedicated to those affected by breast cancer but all our residents are welcome to enjoy the beautiful atmosphere. This was an initiative by council in partnership with Dragons Abreast, Encore and Livin, Laughin and Lovin.



In 1959 the first bulk sugar terminal was constructed at the Townsville Port and Premier Frank Nicklin opened the new Copper Refinery at Stuart. The Temperance & General Mutual Life Assurance Society (T&G) building opened, and Princess Alexandra visited Townsville.

2015/16 Calendar of events, entertainment for everyone

Throughout the year, council provided an exciting range of entertainment for the community. It is important that council continues to play a role in connecting with the community and encouraging people to showcase their talents through these performances.

2015

July

- Townsville 400 Super Welcome
- Queensland Music Festival
- Sister City visit from Foshan
- Sister City visit from Suwon

August

- Vietnam Veterans Day
- Seniors Luncheon
- Seniors Lifestyle Expo
- Seniors Music Day on Maggie
- Strand Ephemera Launch
- AFCM Concert in the park
- VP 70 Commemorative Events
- Sister City visit from Iwaki

September

- Northern Beaches water slide grand opening

October

- NRL Grand Final screening
- NRL Premiership Civic Reception
- Safer Families, Better Communities Day of Action

November

- Cyclone Sunday
- Remembrance Day - Townsville City
- Remembrance Day - Kirwan
- Theatre and Events Program Launch
- Tourism Expo

December

- Carols by Candlelight
- New Year's Eve Celebrations
- Christmas in the City Program

2016

January

- Australia Day Celebrations (including State Flag Raising Ceremony)
- Welcoming Babies Ceremony

February

- National Servicemen's Day
- T150 Anniversary of Declaration of Municipality

March

- Toad Day Out
- T150 Townsville Yarns series launch

April

- National Youth Week
- ANZAC Centenary Commemorations
- T150 Variety Concert

May

- Battle of the Coral Sea Commemoration
- Heritage Day
- Eco Fiesta (including Welcoming Babies Ceremony)
- RAAFA QLD Division 39th Annual Assembly

June

- T150 Pacific Festival
- Pet Expo
- 20th Anniversary Black Hawk disaster ceremony

Life-long learning community, empowering current and future generations

Council established a panel of physical recreation service providers who have the capacity, skills, knowledge and qualifications to deliver community-based physical activities.

During 2015/16, CityLibraries launched the **First 5 Forever Program**. The program supported children 0-5 years to increase their confidence in communicating and learning through everyday experiences. This program was well received by the community as it introduces the joys of reading and writing through interactive sessions. Through this program, CityLibraries has been able to deliver more Baby Time, Story Time and Parent Information sessions within library branches and through activities at parks, shopping centres, community events and early childhood facilities. Toolkits for parents and caregivers of young children are always available for pick up from our library branches.

W Lifelong learning

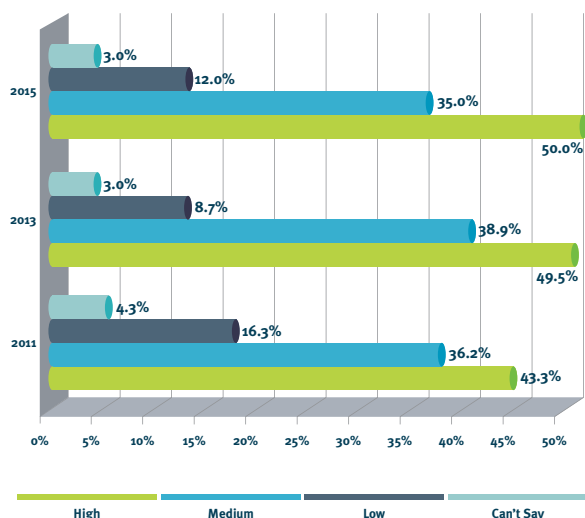
Path to Employment is a program supported by the State Library Queensland aimed at developing skills and empowering the unemployed to be active participants in the community. It is an inclusive program offered at no cost to participants and is aimed to build self-confidence, resilience and job-readiness skills. Two programs were delivered in 2016, which incorporated a series of workshops on:

- Volunteering
- Job Building Skills
- Resume Writing, Selection Criteria & Interview Techniques
- Mental Health & Wellbeing
- What employees are looking for.



In 1960 the Allan, Oonoonba and Centenary Hotels all opened. The David Jones department store opened on Flinders Street, and the Anzac Park bandstand was relocated within the park to make room for the Centenary Fountain, marking the 100th anniversary since Queensland separated from New South Wales to become a separate state.

Satisfaction with libraries



CityLibraries provide a high standard of service to the satisfaction of our customers.

Some outcomes of the program included:

- Participants enrolling in training courses through TAFE and Careers Australia
- The possibility of at least one new business setting up through the Business Development Centre
- Registrations of interest in volunteer work in a variety of places (for example Good Shepherd Home for the Aged, Museum of Tropical Queensland, and Volunteering North Queensland).

Townsville seniors really enjoyed the opportunity to improve their digital literacy through the **Tech Savvy Seniors Queensland Program**. This is a partnership between the Queensland Government and Telstra and is delivered by council staff. Our seniors were provided with basic digital literacy training, encouraging them to use technology to connect with family and the broader community. Activities included using a tablet device, navigating social media, how to shop, bank, pay bills, online, and access government services. In 2015/16 over 50 sessions were provided and nearly 200 participants enjoyed the complementary sessions.



In 1961 the University College of Townsville was opened in February with 105 students. It became known as James Cook University officially on 20 April 1970.

Our galleries and theatres, creating a knowledgeable and entertained community

Arts and culture events are well received by our community. Growing creativity and building connections gives us a sense of community belonging.

The **Performing Arts and Events Strategy 2016 – 2018** was adopted during the year. The Event Strategy provides a framework for decision-making about council's priorities, types of events, and council's level of involvement. Council has involvement with 80% of the major events that occur in the Townsville region as a presenter, venue provider, sponsor, or promoter, to ensure that our community is presented with quality performances.

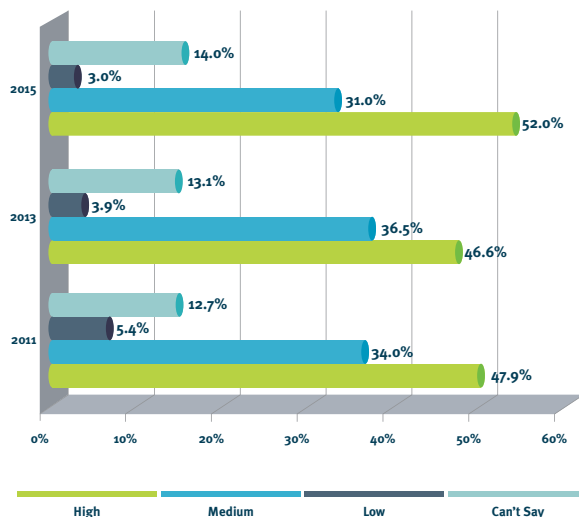
The region's most prestigious showcase for local artists, the **60th Townsville Art Awards** and **2015 Townsville Open Art Award**, attracted 137 entries compared to 139 last year. Organised by the Townsville Art Society, the exhibition at Perc Tucker Regional Gallery provided an excellent opportunity for local artists to be recognised and remunerated. This year a number of awards and a prize pool in excess of \$13,000 were on offer.

Perc Tucker Regional Gallery showcased the colourful fun of Lego once again, but with a new and exciting twist. The **Lego Portraits workshop** gave visitors a chance to create their very own Lego portrait with the assistance of staff and local artists.



Galleries

Satisfaction with local galleries



The community attitude survey indicates high level of satisfaction with our galleries which has increased over the past six years.

We showcased and celebrated the **City of Townsville Art Collection** on 4 March 2016, which is the most significant showcase of art in North Queensland. In the past 24 months, a further 745 works were acquired, marking the largest period of growth in the gallery's history. The Collection now sits at about 3,800 artworks, and is valued at around \$15m. The growth of the collection was from artists and collectors who donated their art work. A number of artists gave their own time to help build an appreciation of art and share with the community some of their artistic tips and tricks.

Council endorsed a proposal to have an account for public donations to help fund construction of **new cultural and arts facilities** as part of Townsville City Waterfront Priority Development Area. The long-term campaign aims to raise \$3m to partially offset the proposed costs of new exhibition, gallery and performance spaces that are key features of the proposed Waterfront Priority Development Area.

Council recognises Street Art as an important factor in creating a vibrant and lively city centre. Guiding the Street Art movement is the **Street Art Activation Framework** that was developed by a larger working group consisting of council, community and organisational stakeholders. The Street Art movement provides local artists with exciting professional development and career opportunities and adds value to Townsville's arts and culture. Economically, Street Art helps to activate the CBD, encourages tourism, and strengthens the city's arts sector.



In 1963 the bulk sugar terminal at the port was severely damaged by a fire, and at the time it was Australia's biggest structural fire. The town was covered by foul smelling smoke and fumes and the river and creeks in the town became discoloured and full of dead fish.

Disaster preparedness, safety a top priority for our community

Council has an important role to play in community safety. We promote awareness of safety using promotional campaigns and programs. We are proud to be recognised as a leading Local Government area for disaster planning, preparedness, response and recovery programs.



During the wet season, the Townsville region is at risk of experiencing cyclones, flooding and severe storms with heavy rains and extreme winds. Council plays a key role on the **Townsville Local Disaster Management Group (TLDMG)**, which is responsible for co-ordinating the response to a disaster event.

Council continued its annual community education program to raise awareness of disaster events that may affect the Townsville area to convey the measures residents and visitors can undertake to ensure their personal safety and wellbeing. The program consists of a range of activities including our popular **Cyclone Sunday** event held in November. Despite a lack of local disaster events over the past few years, community interest remained high with the event attracting over 5,000 attendees in 2015. This is indicative of how conscious we all are about community safety.

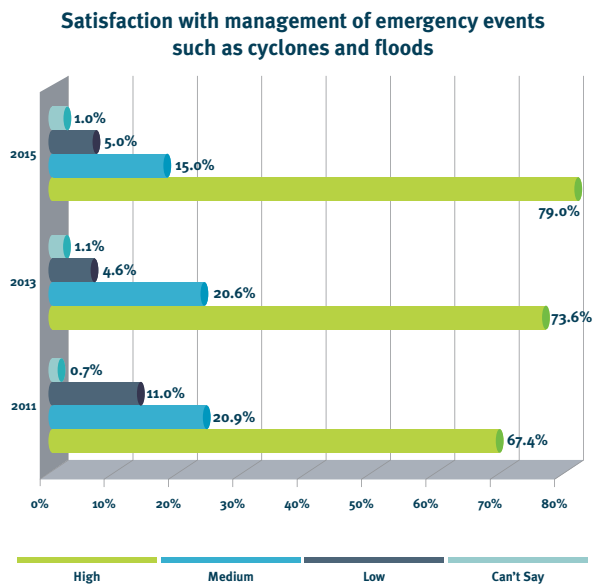
Council once again worked in partnership with the local State Emergency Service (SES) in promoting their annual recruitment drive to attract new SES volunteers to support our community in times of emergency or disaster.

We take this opportunity to thank our SES volunteers for their services.



In 1964 Col. Sir Henry Abel-Smith, Governor of Queensland, officially opened the Jezzine Barracks at Kissing Point. Also that year, the Post Office tower and clock were restored to Townsville's skyline after a 22-year absence.

Townsville City Council has received just over \$1.9m in funding from the State and Commonwealth Government to design and construct a purpose built **Local Disaster Coordination Centre** to ensure the effective coordination and management of information and resources in the event of a disaster. Work on the facility's design is underway and construction is expected to begin in 2016/17.



Our community has confidence in the management of emergency events in Townsville.

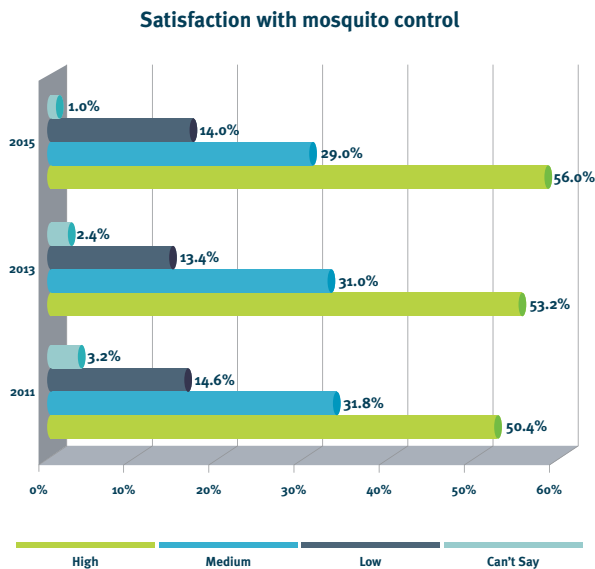
Council participated in **Exercise Trojan Horse** alongside SES, Queensland Police, Fire and Rescue and Ambulance services, as well as essential services and community organisations who play a key role in disaster management. The full scale field exercise was one of the biggest ever conducted in Townsville and tested the wide range of disaster management plans, systems and processes in place ahead of the wet season.



During the year, council health officers implemented the **Proactive Urban Mosquito Response Program** in Douglas and Annandale. This was aimed at reducing the chances of a dengue fever outbreak in the community during the wet season. About 1,000 properties were assessed for potential dengue mosquito breeding sites. Our community was provided with information and tips on being proactive against dengue fever and to ensure all water-holding items, including palm fronds, are emptied and removed.



Mosquito Management



Our community is satisfied with council's mosquito control efforts.

While owning a pet can be a good idea, it is important for our community to remember that it is also a huge responsibility. Council launched the **Aggressive Dogs Campaign** aimed at raising awareness about the negative impact a dog can have on the community if left to wander the streets.

There were 584 dog attacks reported to council in 2015/16. 105 cases were not classified as attacks, 166 attacks were on people and 313 attacks were on other animals compared to last year with 170 and 297 respectively. Our community was educated about the importance of keeping pets within a securely fenced yard, to reduce the risk of dog attacks or accidents on the road from wandering pets.

Riversafe is a joint initiative between Queensland Police Service and Townsville City Council. The first stage of the project during 2015/16 involved the installation of signs and stencils along the Ross River walkways. This initiative aims to improve community safety through the detection and prevention of crime and increase awareness among users of the bikeways and parks along Ross River.

During 2015/16 the **Management of Recreational Use Plan 2015 - 2018** was revised. This was necessary to make sure any pressures impacting the river, which require council's intervention, are tracked and to ensure our waterways are not detrimentally affected.

Celebrating community events, recognising their achievements

Each year council recognises and appreciates the valuable contributions of our community members. To honour this, council presents awards to outstanding groups and individuals.

Award ceremony	Award type	2014 Winner
Australia Day Awards	Junior Sports Person of the Year	Kaila Delany
	Senior Sports Person of the Year	Nigel Paul
	Sports Administrator of the Year	Petter Shefford
	Community Events of the Year	VP70 Celebrations
	Cultural Award	Kylie Tillack
	Spirit of Townsville	John Bennett
	Environmental Excellence & Sustainability Award	Hamish Finlayson
	Young Citizen of the Year	Casey McDermott
	Citizen of the Year	Robert Griffiths
Seniors Awards	Male Senior of the Year	Peter Brown
	Female Senior of the Year	Shirley Roberts



In 1967 Lavarack Barracks was established with Australian 3rd Task Force transferred to Townsville. Townsville's first female Alderman (and later Deputy Mayor), Joan Innes-Reid, was elected. A vehicular ferry to Magnetic Island began service.



In 1968 the Rockpool was completed, Panorama House was constructed near the summit of Castle Hill, and the Vincent State School opened.

Grants and sponsorship program, supporting our community

Townsville City Council's Community Grants and Sponsorships Scheme supports local initiatives and pursuits of excellence, that enhance community wellbeing and opportunity, through the provision of financial assistance to community organisations and individuals.

Program	2015/16 Result
Community Capacity Building - Partnerships and Sponsorships	\$914,107.00
Community Capacity Building - Community Organisation Support	\$15,825.00
Community Capacity Building - Community Cultural Awareness	\$5,000.00
Community Halls Maintenance Grants Program	\$28,000.00
Festival and Events Grants Program	\$578,093.43
Community Heritage Grants Program	\$13,450.00
Mayor's Community Assistance Fund (MCAF)	\$15,410.00
Community Micro Grants Program	\$21,479.00
Regional Arts Development Fund (RADF)	\$95,374.26
Get Active Elite Sports person Grant Program - Team	\$1,500.00
Get Active Elite Sports person Grant Program - Individual	\$26,700.00
Get Active – Club Capacity Building Grants Program	\$17,992.00
Theodore Kuchar Scholarship	\$4,000.00
Townsville T150 Anniversary Grant Program	\$175,970.53
SUB TOTAL	\$1,903,541.22*
Total waivers approved (non-financial contribution)	\$366,683.20
TOTAL	\$2,270,224.42

*\$13,281.32 of this approved funding was either approved but not claimed (\$4,140.00) or underspent and returned to council (\$9141.32).

Activity	\$ Distributed*	Number of Grants Paid	% of Total Budget
Arts, Culture and Performing Arts	\$500,903.66	41	26.31%
Disability and Inclusiveness	\$54,260.00	9	2.85%
Environmental	\$16,090.00	5	0.84%
General Community / Family	\$435,242.92	71	22.86%
History and Collections	\$285,500.13	18	15%
Indigenous	\$37,714.00	7	1.98%
Multicultural	\$80,411.51	17	4.22%
Seniors	\$8,560.00	4	0.45%
Sport, Health and Recreation	\$425,429.00	118	22.35%
Women	\$390.00	3	0.02%
Youth	\$59,040.00	16	3.10%
Total	\$1,903,541.22	309	100%

*Does not include in-kind support through waivers.

In 1969 the Honour Roll was damaged in a fire at Town Hall on Flinders Street, and Lowth's Hotel (the Plaza) opened at the corner of Flinders and Stanley Streets.



For more information on how to apply for grants visit our website.



In addition to our grants and sponsorship scheme, more than 5,800 Townsville residents were given a helping hand last Christmas thanks to the Mayor's Christmas Tree Appeal and Together Townsville. For the fourth year running, the annual Appeal exceeded its target of \$100,000, raising \$113,000 to provide 1,558 food hampers, 261 food vouchers and more than 1,600 gifts.



Christmas appeal

Thank you to our volunteers, contributing businesses, defence force personnel and donors who helped make this possible.

During 2015/16, a lot of community events were made possible through assistance from council grants and sponsorship including:

- The Greek Festival
- Australian Festival of Chamber Music
- Seniors Week Free Concert
- The Townsville Chinese Club
- The Pineapple Festival
- Stable on The Strand
- Spirit of Africa Festival
- The Filipino Festival.



In 1970 the opening of the largest Woolworths in Australia took place at Nathan Shopping Plaza (now Stockland), Aitkenvale. Townsville also held its first Pacific Festival in June. Her Majesty Queen Elizabeth visited Townsville.



In 1971 Cyclone Althea struck Townsville on Christmas Eve. An estimated \$50 million worth of damage was caused with hundreds of homes on the mainland and over 90 per cent of those on Magnetic Island damaged or destroyed. A three metre storm surge was recorded north of the area. There were three deaths.

Goal 3: Social Sustainability Measures



Requires Action	The measure is not reaching its target and requires active management
Monitor	The measure is progressing however needs to be monitored as it is currently not achieving the target
On Target	The measure is either achieving target or within the defined target range, with no significant issues

Council Influence on Measure	Corporate Plan Measure	Description	KPI Target	Result	Status	Comments
D	Increased community participation at council organised events	Conduct 21 significant special events in accordance with council's Events Strategy	21	22		22 large scale community events were held, including: Carols by Candlelight, Centenary Anzac and Victory in the Pacific 70 year celebrations
		Develop and deliver 4 participative art programs for children and families to be held in Townsville shopping centres and other public centres	4	5		Five Shop n Play programs were delivered at Willows Shopping Centre during 2015/16
		Stage the Townsville Artist Market 4 times throughout the year	4	3		The Townsville Artist Market ceased as a Gallery Services Program in December 2015
		Deliver 50 'Artist-In-Schools' programs to secondary schools in the Townsville region	50	64		A total of 64 Artist-In-Schools programs were delivered during the year, exceeding projected targets
		Deliver 'Art-In-A-Suitcase' programs to 32 primary schools in the Townsville region	32	73		We connected with a total of 73 primary schools as they participated in the Art-In-A-Suitcase program
		Develop 100 arts and cultural activities with individuals, groups, organisations and sub-cultures	100	217		217 arts and cultural activities were developed and delivered during the reporting period, far exceeding projected targets
		Deliver 12 public events for the Indigenous community	12	18		We held 18 events throughout the year to keep the Aboriginal and Torres Strait Islander cultures strong within our community
		Deliver funded renewal works in accordance with program	100%	70%		Due to delays in finalising the funding agreement (joint venture), the project did not commence until October 2015. The major air-conditioning package has been delivered along with all design packages which will allow for successful project delivery of remaining funding requirements in the 2016/2017 financial year
		Conduct quarterly tenancy management meetings with the tenants of the School of Arts	4	4		Council will continue engage with the School of Arts, making sure necessary facilities are maintained to provide for visual arts and touring productions
D	Community Strategies and Plans implemented	Develop and deliver 8 instances of SHIFT: elevator art project	8	9		9 Shift: Elevator Art installations were delivered during the reporting period
		Increase the usage of the Library's online collections by 5%	40,200	63,408		Council's online library collections have been popular with our community exceeding 5%
		Hire agreements to be issued within 72 hrs of request 90% of time	90%	92%		Hire agreements for community facilities were issued on time
		Conduct 12 citizenship ceremonies for the financial year	12	12		Citizenship ceremonies are hosted by council each month
		500 hours of Lifelong Learning programs delivered throughout the year	500	646.9		Throughout the year, council continued to promote a learning culture by delivering events including first 5 forever program
		90% completed of approved 2015/16 capital works program for General Community buildings affected the overall result	90%	75%		Capital Works Program has been completed for 2015/16. Delays and financial phasing in Quarter 2 and 3 have affected the overall result

				700		1,000	<div><div></div></div>		Gallery Services has exceeded the monthly average target for Friends of the Gallery Membership during the reporting period with a membership average of 560. This is welcome growth in the Gallery Membership and demonstrates the steady increase in the membership program
				75,000		285,522	<div><div></div></div>		Gallery Services visitation during the reporting period exceeded expectations
D	Increased visitation to council facilities			6		4	<div><div></div></div>		A total of four in-house curated exhibitions were presented during the reporting period
				24,000		25,750	<div><div></div></div>		Council will continue to connect with the community by attracting new members to get active
				39,500		30,700	<div><div></div></div>		Due to Library Service Delivery Review focus has been on redeveloping all aspects of library program delivery which has led to a temporary reduction in the number of programs delivered in 2015/16. Customer satisfaction with all library services and programs is 95%
				2		5	<div><div></div></div>		Council prides itself on having community agencies support initiatives by council
D	Community participation in engagement activities			2		4	<div><div></div></div>		Delivered four workshops during the year with 85 community groups attending each workshop, providing more information on how the community can access financial assistance to support their initiatives
				95		96.44%	<div><div></div></div>		Our customers were satisfied with how council delivered services and programs. Results were obtained from the community attitude survey completed in 2015

DIRECT: Council has a direct influence on the measure result.





Goal 4: Responsible Governance

A well managed, transparent and effective organisation that gives the community confidence, demonstrates financial sustainability, where our customers are satisfied with our services and our employees are proud to work here.

Corporate Plan Strategies

- 4.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.
- 4.2 Deliver best value customer service to our community.
- 4.3 Enable innovation and technology capacity within council to drive organisational efficiencies.
- 4.4 Engagement with the community to inform council decision making processes.
- 4.5 Provide inspirational leadership and contemporary management systems that drives a coordinated, motivated, highly effective and efficient organisation.
- 4.6 Commit to open transparent and accountable governance to ensure community confidence and trust in council.
- 4.7 Promote an organisational culture that values and empowers its workforce.



Achievements



Connecting our community with an open, honest and accountable leadership team

- New council was sworn in and all Councillors inducted for 2016-2020 term.
- Implemented a Legislative Compliance System.
- Submission to the Queensland Parliament's Infrastructure Planning and Natural Resources Committee.
- Upgraded Council chambers and renewed the roof at 103 Walker Street.
- Completed preparation for relocating all staff to 103/143 Walker Street from Thuringowa and Bamford Lane.
- Adopted the Townsville City Council Water Demand Management Strategy 2015-2025.
- Infrastructure charges project commenced to enhance our reporting capabilities.



Challenges and impacts

- Changing regulatory framework for water and sewerage providers.
- New State Planning legislation to commence in 2017, requiring a comprehensive review of our processes.
- Heavy reliance on local governance to perform compliance and risk management on behalf of government entities.
- Introducing local equity provisions in procurement.
- Managing an increasing level of debt attached to non-payment of fines.
- The rate of change in technology comes with increased expectations and cost.
- Changing industrial relations environment.
- Ageing workforce.



Projects that were postponed

- Developing and implementing Asset Management reporting.
- Development of Coaching Capability to support participants of management and leadership programmes.
- Developing 25% long-term Townsville Waste and Water Asset Service Strategy.
- Scoping for regional collaboration with respect to financial systems.
- Internal Coaching Capability Program.
- Organisational Cultural Survey.
- Negotiation of new Certified Agreement.
- Microfilm digitisation project will commence in 2016/17.



Our stakeholders

- Queensland Ombudsman
- Local Government Association of Queensland
- Corruption and Crime Commission
- Queensland Audit Office
- Queensland Audit Office
- Queensland Treasury Corporation
- Local Government Managers Australia
- Department of Infrastructure Local Government and Planning.



Looking forward to 2016/17

- Increase community engagement and trial of the Engagement HQ tool.
- Review the Corporate Plan.
- Complete the Management review process.
- Implement the Advisory Committees.
- Implement the provisions of the new modern industrial awards.
- Enhance the successful Plan Right process to fast track development approvals and reduce red tape.

In 1972 following damage by Cyclone Althea in late 1971, the Rock Pool was reconstructed, and the Tree of Knowledge on Denham Street was removed.

A Responsible, open and transparent local government

Townsville City Council continues to be a responsible local government operating in accordance with legislation. Council is committed to high standards of corporate governance and accountability and seeks continuous improvement.

Responsible governance is important to us 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.

The role of council has been discussed from *pages 22 to 35* and covers our purpose, council services, role of councillors and how we make informed decisions.

New council

During 2015/16, a new council was officially sworn in. The mayor committed to lead an open and accountable council that will deliver a strong agenda of new initiatives and policies for the city.

The hard work started straight away with the development of the 2016/17 Operational Plan and Budget. All councillors acknowledged the tough economic times in delivering their first plan, proposing a 0% rate rise and efficiency savings.

During the first council meeting an **organisational review** was approved. This included the first full review of the council's top and middle management structure since the initial restructure that occurred after amalgamation over eight years ago. Independent expert advice has been sought and the review will be finalised during 2016/17.

A commitment was made to assure the community receives full disclosure from our elected officials with declarations of conflicts of interest.



Council voted to retain the current level of pay for councillors with a CPI increase from July 2016 instead of the new, higher schedule recommended by the Local Government Remuneration and Discipline Tribunal.

The organisation provided a significant amount of support in the lead up and following the council election period to ensure compliance with all caretaker requirements and the induction of the new councillors. Facilities and equipment were also made available to the Electoral Commission Queensland for polling booths.

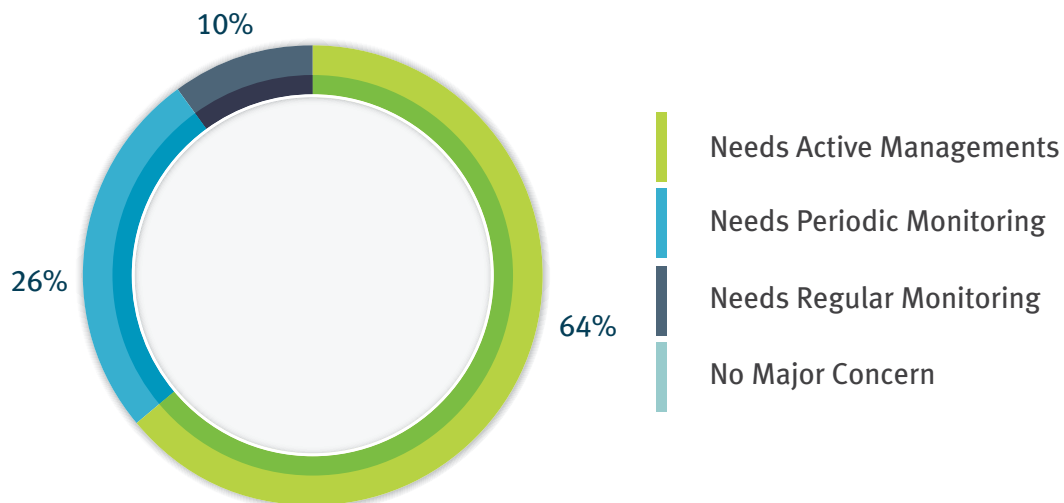
In 1973 the Central Hotel was demolished to make way for the building that would become known as the 'sugar shaker'. The Theatre Royal was demolished, and work commenced on the new law courts building on Walker Street. Buchanan's Hotel was featured on an Australian postage stamp.

Enterprise Risk Management

Townsville City Council's risk management approach is based on the International Risk Management Standard ISO31000:2009. Each year assessments are completed at the strategic and operational levels together with a comprehensive fraud risk assessment.

All 23 council departments completed a review of **operational risks in 2015/16** resulting in a Consolidated Risk Management Report delivered to Internal Audit in March 2016. The Consolidated Risk Management Report informs council's annual Internal Audit Plan.

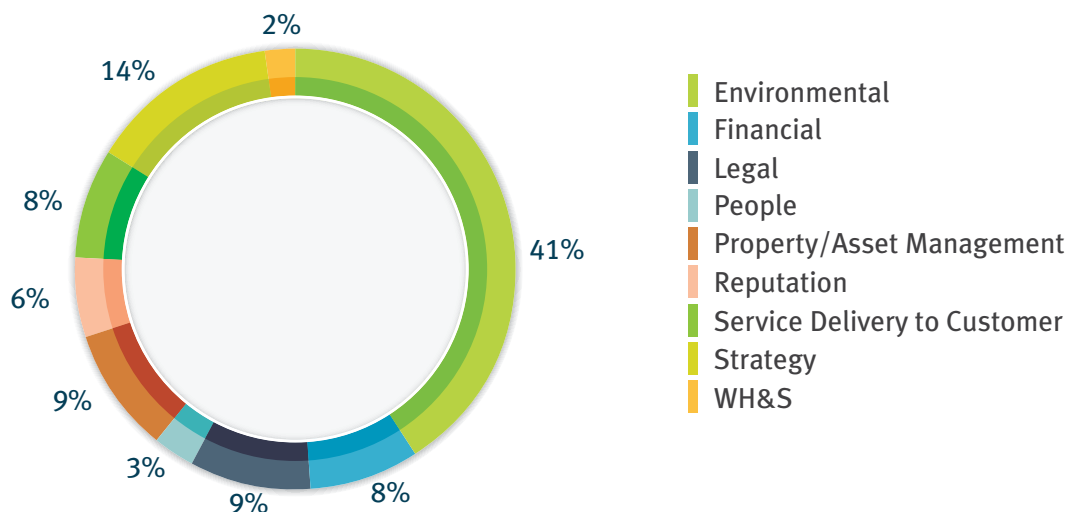
Our Audit Committee receive quarterly reports on council's Enterprise Risk Management Framework. Improved reporting on risk has been achieved in the past 12 months utilising the risk data in our Corporate Performance Management system. The following graph indicates that a majority of council's operational risks require a management response of periodic monitoring. Quarterly reporting on risk mitigation strategies will commence in 2016/17 to monitor council's progress in reducing operational and strategic risk in the pursuit of the outcomes of the Corporate Plan.



The top challenges and/or risks faced by council include:

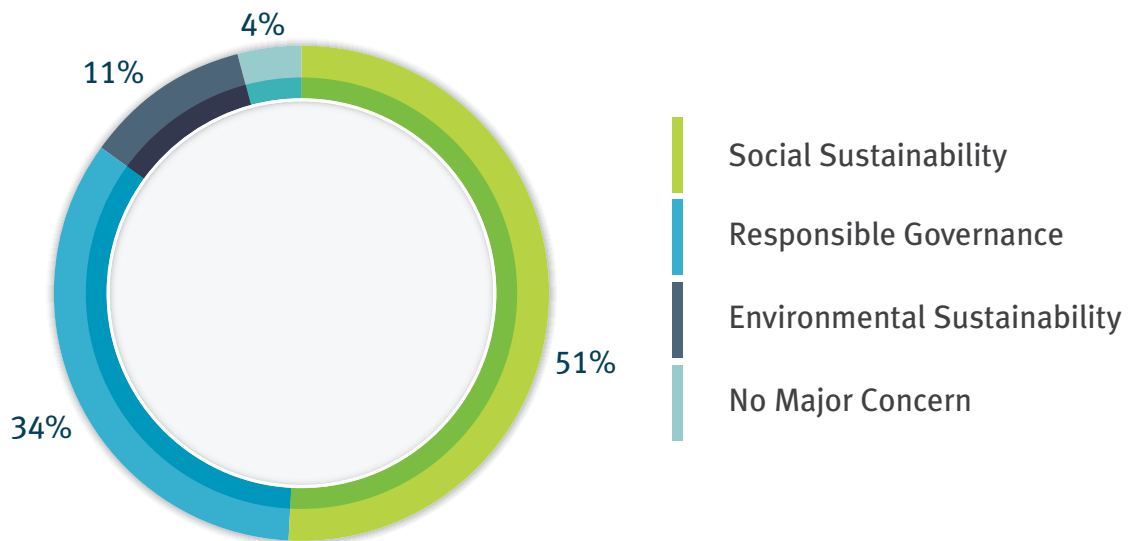
- Financial sustainability, resourcing and budget constraints
- Workforce risks
- Compliance
- Information Technology risks including cybersecurity, identity theft, social media and cloud computing.
- Organisational change risk
- Environmental risk
- Infrastructure deterioration

The following graph shows a breakdown of risk by category.



In 1974 Ross River was dammed at Kelso, to mitigate against flooding and improve water availability.

Council's **Strategic Risk Assessment** is due for review in 2016/17 and will follow a review of council's Corporate Plan. When looking at council's risk profile in conjunction with the goals of the Corporate Plan, 51% of risks identified fall within the goal of social sustainability and 34% are related to the goal of responsible governance.



Internal controls are those processes in place within council which assist in limiting the risks associated with pursuing business objectives. Controls include all policies, practices and procedures, management systems and structures that assist council to operate efficiently, effectively and ethically. Council's internal controls are assessed during the risk assessments.

Fraud risk assessment

Council endorsed the Townsville City Council Fraud Management Framework which was rolled out through a number of staff sessions in 2015. An online Fraud Training Module was developed based on the Crime & Corruption Commission guidelines and delivered to over 712 staff. A tool box training session was also made available to staff that do not have access to a computer.

Council's **Fraud Risk Assessment** is due for review in 2016/17 and will be completed in consultation with council and management.

Insurance and claims management

During 2015/16 council experienced an increase in the number of claims recorded. The overall number of public liability claims made against council during the year was 76 compared to 56 for 2014/15. This equates to a 27% increase.

There has been a decrease in other types of claims. The decreases in other types of claims were a result of process improvements implemented by the Insurance Claims Officer in consultation with relevant departments.

Our insurance brokerage services contract was extended for another year with LGM Queensland.

Initiatives implemented:

- GIS Mapping undertaken of trip and fall locations to identify areas for improvements.
- Introduction of Electronic Claims Lodgement through council's public website.
- Nominate a Safe Driver Competition introduced to encourage and reward safe driving behaviours of staff.

Business continuity

Business continuity continues to be a priority for council with a number of departmental Business Continuity Plans developed in 2015/16.

Statutory education and compliance

Council maintains a number of policies, administrative directives and procedures which provide guidance to the organisation's decisions and actions.

Policy management

Corporate policies are statements, formally adopted by council that describe the council's position on a particular issue. All corporate 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.

Administrative directives describe what the Chief Executive Officer (acting under s.257 of the *Local Government Act 2009*) 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 the Directors at the Executive Management Team meeting and approved by the Chief Executive Officer. During the 2015/16 financial year, council adopted the following new policies and administrative directives.

New policies in 2015/16

- Maintenance of Sanitary Drainage Policy
- Water Restriction Policy
- Disaster Management Policy.

New administrative directives in 2015/16

- Study Assistance Administrative Directive
- Healthy Catering Administrative Directive.

All policies and administrative directives are reviewed every two to four years or as legislation or circumstances change.

PolicyPoint compliance system

Council continued to rollout to staff **PolicyPoint** assessments including all new policies adopted by council during the year. PolicyPoint is an awareness and compliance tool for all policies, including:

- The Code of Conduct
- Diversity and Equality
- Equal Employment Opportunity
- Anti-Discrimination
- Workplace Violence
- Anti-Harassment Policies.

This tool is used to provide refresher sessions to staff on our policies and records completion of a series of multi-choice questions related to the policies. PolicyPoint ensures that staff are aware and reminded of council's policies and administrative directives.

Legislative compliance monitoring

To assist council in monitoring its compliance, council purchased the Local Government Association of Queensland Legislative Compliance Service during 2015/16. This is a compliance register of council's legislative obligations. Staff assess whether council is compliant, non compliant or working towards compliance for the respective legislation.

The compliance framework is designed to:

- identify and reduce the risk of non compliance to key compliance areas of legislative obligations of council
- remedy any breach that may occur
- raise awareness of the extensive range of legislative obligations of council
- assist council to meet community and council expectations that appropriate measures are in place to ensure legislative compliance
- create a culture of compliance within council.

In 1976 the council Administration Building at 103 Walker Street opened, Victoria Bridge was closed to vehicular traffic and the Quarantine Station at Pallarenda was closed, and the Great Barrier Reef Marine Park Authority was established.

Complaints management

Council is committed to a complaints management process which ensures the effective, transparent and timely resolution of complaints.

Section 187 (1-2) of the *Local Government Regulation 2012* requires that council include a statement about the local government's commitment to dealing fairly with administrative action complaints and how the local government has implemented its complaints management process. This includes an assessment of the local government's performance in resolving complaints under the process.

Our policy

Council will treat all complaints confidentially and with respect. All complaints will be thoroughly investigated in a timely manner with the aim of reaching a resolution, acceptable both to council and the complainant.

Council has five classifications of complaint as follows:

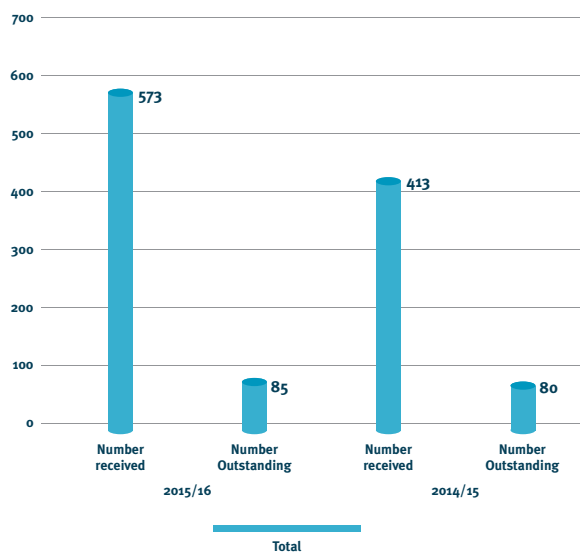
- Minor
- Administrative
- Staff
- Councillor
- Competitive neutrality*.

*All competitive neutrality complaints must be referred to the Queensland Civil and Administrative Tribunal.

Our performance

The total number of complaints received in the 2015/16 financial year across all five categories was 573. The number of complaints outstanding at 30 June 2016 was 85. There was a 38% increase in the number of complaints compared to 2014/15. This may be attributed to an improvement in the number of minor complaints being recorded in the complaints management system as the number of minor complaints tripled compared with last year.

**Total Complaints Received and Outstanding
2015/16 compared to 2014/15**



In 1977 Queensland Governor Sir James Ramsay opened the Civic Theatre, and the Australian Institute of Marine Science opened.

Complaint Classification	Number received			Number Outstanding	
	2014/15	2015/16		2014/15	2015/16
Administrative action	177	161	↓	33	23
Minor complaint	77	223	↑	19	35
Staff complaint	145	186	↑	27	26
Councillor conduct	13	0	↓	1	1
Competitive neutrality	1	2	↑	0	0
Total	413	520	↑	80	152

If a complainant is not satisfied with the outcome of a complaint they may request an internal review from the Chief Executive Officer. The internal review is independently investigated by Corporate Governance and may include recommendations for action. The Corporate Governance Department in 2015/16 completed 35 internal reviews, an increase from 2014/15 where 24 internal reviews were completed. The number of internal reviews referred by the Queensland Ombudsman to council has remained steady with 5 received in 2015/16.

Internal review, conciliation and investigation of complaints do not always result in resolution of a complaint to the satisfaction of the complainant. In these situations referral to an external agency may be the most appropriate action. There were no external reviews completed by the Queensland Ombudsman for Townsville City Council during the 2015/16 financial year.

Find out more about council's complaints management process through council's website or by contacting the Customer Service Centre. An on-line complaints form is available on council's website to assist complainants raise their concerns with council.



Public Interest Disclosures

Council encourages and supports public interest disclosures of wrong doing in council and will take appropriate action to investigate each disclosure.

A **Public Interest Disclosure (PID)** is a disclosure in the public interest, of information about wrongdoing in the public sector. For an allegation to be considered a PID and attract the protections under the Public Interest Disclosure Act 2010, it must be public interest information about substantial and specific wrongdoing or danger and reported to the proper authority.

Council has developed an online Public Interest Disclosure form to assist complainants to make a disclosure. In 2015/16, council received three public interest disclosures, however on assessment they were classified as administrative complaints. One has been completed and the remaining two are under investigation by an external agency.

Section 181A of the *Local Government Act 2009* provides that the Chief Executive Officer must keep a record of all complaints received about councillor conduct and/or performance and the outcome of each complaint, including any disciplinary or other action taken in relation to the matter. There were no councillor complaints received in 2015/16.

Councillor conduct and performance	No. Received
Total number of orders and recommendations made under Section 180(2) or (4) or 181 of the Act	0
The name of each councillor for whom an order or recommendation was made under Section 180 or 181 of the Act, a description of the conduct engaged in by each councillor and a summary of the order or recommendation made for each councillor	0
The number of complaints about the conduct and/or performance of councillors that were assessed as frivolous, vexatious or lacking substance under Section 176 C(3) of the Act	0
The number of complaints about the conduct of a councillor assessed as corrupt conduct	0
The number of complaints about the conduct of a councillor heard by the Regional Conduct Review Panel	0
The number of complaints about conduct of a councillor heard by the Queensland Remuneration and Disciplinary Tribunal	0
The number of complaints about another matter dealt with by the CEO under Section 176(c) of the Act	0



Councillor conduct and performance

In 1979 the Flinders Street Mall was opened on 1 November, and the Townsville Yacht Club opened.

Internal Audit

Council has maintained an Internal Audit function for over 20 years and is supportive of changes to the *Local Government Act and Regulations in 2009 and 2010* which placed greater focus on Internal Auditing in Local Government. These changes make provision for council to annually report on the Internal Audit function for the financial year.

Internal Audit for the year 2015/16

The Internal Audit function is a team of two full-time staff consisting of a Manager Internal Audit and Internal Auditor. Internal Audit staffing has remained stable for the last seven years with no staff turnover.

Professional Standards

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

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

External Affiliations and qualifications of the Internal Audit team:

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

2015/16 Internal Audit Plan

The Internal Audit Unit applies a risk based approach to its planning and audit activities. An annual and projected three year Internal Audit Plan is prepared based on council's Consolidated Enterprise Wide Risk Management Plan. The council's Audit Committee reviews, approves and then monitors performance against this plan at quarterly meetings. For the year ended 30 June 2016, Internal Audit activity consisted of more than 300 days of work, resulting in the completion of 12 reviews across various departments of council in accordance with the Internal Audit Plan. These reviews include activities in the following areas;

- Infrastructure charges
- Ethics programs
- Building security and access controls
- Cash and revenue systems
- Electrical equipment safety
- Risk management
- Development governance
- Disposal of assets
- Employee costs
- Project management
- Expenditure trends
- Development governance.

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.

External audit

Council is audited externally each year by the Queensland Audit Office (or their appointed contractors). During the 2015/16 financial year the annual external audit of council's financial statements was conducted by PricewaterhouseCoopers.

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 draft financial statements
- the Internal Audit Plan, its implementation and associated reports
- the external auditor's reports
- the effectiveness, independence and objectivity of internal auditors
- the effectiveness, independence and objectivity of external auditors
- any other matters relevant to fulfil the Audit Committee Terms of Reference.

The Audit Committee has four members, two independent of council, two are councillors. Council has also nominated an alternate member of the Committee.

Membership for the reporting period was:

Ms Carolyn Eagle, Independent Member & Chair of the Audit Committee (qualifications on *page 160*)

Mrs Ruth Faulkner, Independent Member of the Audit Committee (qualifications on *page 161*).

Councillor Jenny Hill, Mayor and Member of the Audit Committee (qualifications on *page 27*).

Councillor Jenny Lane, outgoing councillor and Member of the Audit Committee (July 2015 to March 2016)
Councillor Lane has a Diploma of the Australian Institute of Company Directors and a Certificate of the International Association of Public Participation.

Councillor Verena Coombe, councillor and Member of the Audit Committee (April 2016 to current)
(qualifications on *page 30*).

Councillor Colleen Doyle, councillor and alternate Member of the Audit Committee (qualifications on *page 31*).

Councillor Maurie Soars, councillor and alternate Member of the Audit Committee (qualifications on *page 31*).

Ms Carolyn Eagle

Relevant qualifications and Memberships

Ms Eagle is a Certified Internal Auditor (CIA); Certified Government Auditor (CGAP); Certified Risk Management Auditor (CRMA); Member of the Association of Certified Fraud Examiners and member of ISACA; Former State Councillor of the Institute of Internal Auditors; Professional Member of the Institute of Internal Auditors (PMIIA) and Fellow of the Institute of Chartered Accountants (FCA). Ms Eagle also holds a Bachelor of Commerce with majors in Financial Accounting and Organisational Management.

She has 20 years experience in professional firms providing audit and assurance services, specifically in the Internal Audit, Risk Management and Governance fields with a focus on public sector entities and large multidisciplinary corporates.

Mrs Ruth Faulkner

Relevant qualifications and Memberships

Mrs Faulkner is a Graduate Member of the Australian Institute of Company Directors (AICD); a member of the Institute of Management Consultants (IMC) and a past member of the Institute of Chartered Accountants of England and Wales (ICAEW). Mrs Faulkner holds a First Class Bachelor of Science with Honours in Accountancy and Financial Analysis.

She is a business consultant and management accountant with extensive experience in the not-for-profit and commercial sectors, both in Australia and internationally. Mrs Faulkner has expertise in the fields of Governance, Finance, Risk Management and Strategy. Her focus is on public sector and not-for-profit entities as well as local corporates.

The Audit Committee meets on a quarterly basis and, additionally as required during the year. The Chair of the Audit Committee reports annually to council's Governance and Finance Committee on the Committee's activities.

During 2015/16, 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
- Governance, legal and legislative matters
- Policy development and management
- Fraud Management
- Insurance
- Internal Audit planning
- Internal Audit progress
- Internal Audit reports
- Annual External Audit Strategy
- External Audit Reports
- Queensland Audit Office Performance Audit Reports.

The Audit Committee monitored progress around a number of areas in 2015/16, including:

- Portable and attractive items
- Revenue systems
- Trust fund management
- Cemetery management
- Environmental management systems
- Business Continuity and Disaster Management
- Core Enterprise Suite (CES)
- Corporate Performance Management (CPM) System Implementation
- IT Governance and Information Custodianship
- Fraud management
- Request management
- Procurement
- Plant utilisation
- Overtime management
- Joint venture activities
- Property management and leasing
- Infrastructure charging
- Complaints handling
- External Audit issues raised by the Queensland Audit Office and PricewaterhouseCoopers.

We are accountable and transparent with finances

Our Community Financial Report *pages 14 to 19* detail council's financial position and our financial management approach to ensure the best value and longest life is achieved for our assets.

Managing our cash and debt levels	Projects
Council's cash holdings decreased by \$38.9m while a minimal increase in net borrowings has been achieved. \$19.3m of debt was repaid while \$19.5m was borrowed to fund capital infrastructure.	\$511.1m was spent in operational expenses and capital projects during the year.
Strong financial performance	Assets
Council's fourth consecutive surplus has been realised with an operating result of \$7.7m achieved for the year.	We managed \$4.6b in assets, of which \$4.5b is community infrastructure assets.

Interest rates have continued to decline which reduces interest revenue on council's investments. Council manages its cash **investments** on a corporate basis and aims to earn a rate that will keep up with inflation. In doing so, council manages risk when determining where investments should be made to minimise the risk of loss. Most of council's cash is invested in the Queensland Treasury Corporation (QTC) Cash Fund, which at times has had better interest earning rates throughout the year compared to other financial institutions.

Council has a legislative obligation to publish all arrangements entered into in excess of \$200,000 and these are posted on our public website. To supplement this obligation council regularly highlights opportunities for contractors and suppliers through forums like Townsville Industry Breakfast. Council this year also trialled the 'Doing Business with Council' presentation held at Riverway.

A number of **procurement procedures** were reviewed and updated including council's travel and purchase card procedures to ensure accountability and transparency in relation to small ad-hoc purchases.

Procurement staff continue to work with the Department of Infrastructure, Local Government and Planning in relation to tendering workshops to ensure that existing and potential suppliers are prepared for opportunities when they present.

Council is committed to ensuring its **asset management** practices provide agreed levels of services and council remains sustainable in the long term. Council owns, operates and maintains community infrastructure assets valued at \$4.5 billion, including water, wastewater, stormwater, waste, transport, parks and building assets. Council is committed to delivering agreed and desired levels of service in the most cost-effective manner through best practice leadership and management of all assets and service portfolios for the present and future Townsville community.

Council provides essential asset related services to ensure a safe and healthy environment for all residents and visitors. These include:

- Potable water supply at specific flow rates and pressures
- Collection, treatment, re-use and disposal of wastewater
- Collection and disposal of stormwater
- Collection, recycle, and disposal of domestic and commercial waste
- Road networks safely servicing all occupied properties to a minimum standard based on recommended traffic volumes
- Parks and open spaces
- Public buildings to cater for a variety of citizen needs.

Asset management

Townsville City Council has a responsibility to effectively and efficiently manage the services provided, by its assets, to its community now and in the future.

Council has a strong vision for the future of asset management which includes sustainable services delivery, community satisfaction, sustainable financial position and acceptable risk exposure.

Council has developed its organisational objectives to focus its services on the communities it serves. These objectives have been developed in consultation with the stakeholders to achieve agreement on the scope and level of service provided. Council owns, operates, and maintains assets valued at over \$6b.

Council's **asset management** objectives were established to reflect the Corporate Plan where council commits to delivering quality services to facilitate sustainable growth through inspired leadership, community engagement and sound financial management.

Providing effective and efficient management of assets is a key obligation of Townsville City Council. As custodian of community assets, council has the responsibility for managing these assets in the most cost effective manner. This is achieved by applying international standards for Asset Management. These actions are undertaken in order to continue to provide efficient, safe and reliable services for current and future generations.

Council continuously considers the current and future needs of the community and council's ability to provide assets which contribute to meeting these needs. Council also considers the financial implications of maintaining community assets and the balancing of this expenditure and operational realities against other community priorities and regulatory requirements.

Highlights relating to corporate asset management in 2015/16:

- ISO compliance Strategic Asset Management Plan
- Strategic Service Management Plan to improve levels of services and cost of services
- Continual improvement strategies for long-term sustainable asset performance, cost and risk
- Continual improvements to capital investment prioritisation and optimisation
- Continual improvements to Organisational Life Cycle Asset Management Plan
- Improvement plans for ISO 55000 best practice compliance/accreditation
- Continual improvements to Portable and Attractive Items Management
- Co-ordinating development and implementation of ISO55000 compliance Asset Management Plans for all asset portfolios.

Community engagement, contributing towards decision-making and the future

Council is committed to providing meaningful opportunities for the public to participate in the decision making processes on projects which affect the local community and the future development of the region. Community engagement plays an important role in the planning and delivery of council services and facilities and in shaping the future of our city.

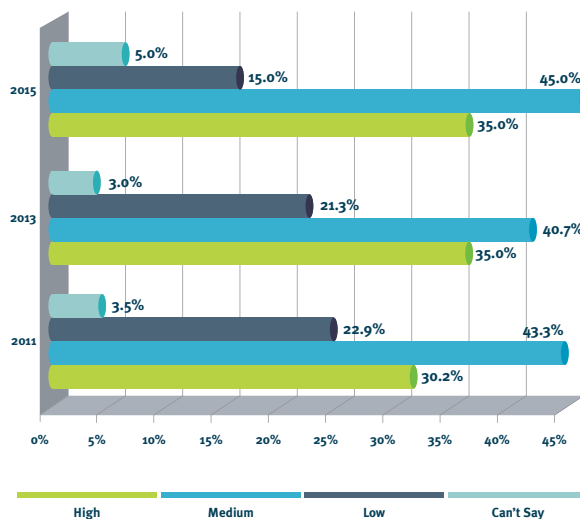
Through effective **community engagement**, council has made informed decisions in relation to strategic policy, planning and prioritisation of resources. Council and the community collectively discuss local issues, aspirations, build connectivity and work together to build social cohesion.

Council's **Community Engagement Framework** delivers a strategic approach to fulfil council's commitment to providing meaningful opportunities for members of the public to participate in the decision making processes that affect their lives and shape the future development of the region.

During 2015/16, council recorded 123 engagement activities. Some of the more significant focussing around:

- Townsville City Waterfront (PDA) development scheme
- RAR Pathfinder Project
- Flood Plan Management Strategy
- Rollingstone Creek Bridge replacement
- Aggressive dogs
- Future road works
- Jezzine Barracks Stage 2 redevelopment
- Townsville City Plan amendments
- Storm water drain replacement
- Digital Futures planning for CityLibraries
- Conservation Management
- Murray Skate Park
- Ingham Road intersections upgrade
- Development Manual Planning Scheme Policy.

Satisfaction with consulting and engaging the community



Council recognises that community engagement can be improved and our newly elected councillors have committed to being accessible to the community. Councillors have set up regular meet your councillor popups at local shopping centres, markets and libraries.



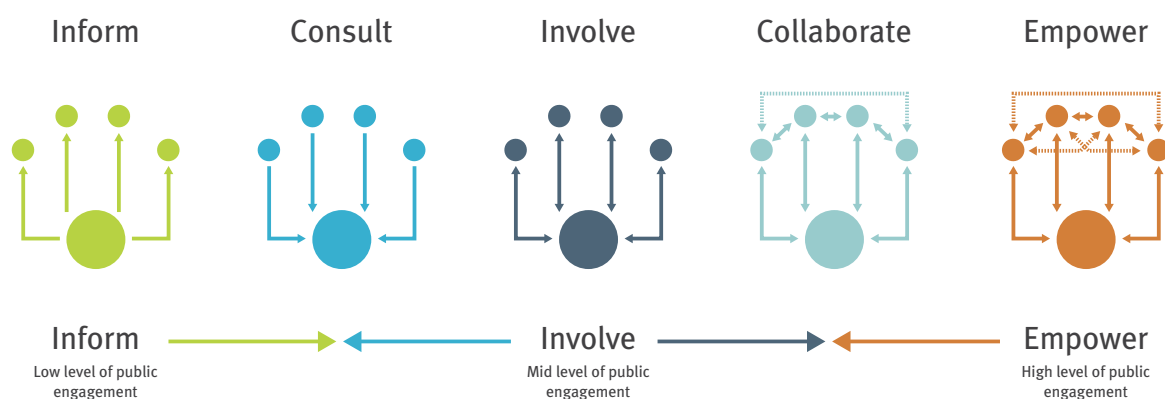
Councillor Profile



Division	Number of reported activities
Community and Environment	47
Corporate Services	4
Infrastructure Services	66
Townsville Water and Waste	4
Planning and Development	2
Reported Total	123

A **Community Engagement Reference Group (CERG)** was established to embed the principles and values of community engagement across whole of council. Members are identified as community engagement champions across council. The reference group is the conduit for the provision of education and promotion of the importance of community engagement across council.

During 2015/16, council provided 17 community engagement champions with professional development in community engagement through the **International Association for Public Participation (IAP2)**, an internationally recognised certificate course. Townsville City Council uses the engagement tools, techniques and engagement spectrum developed by IAP2. The IAP2 engagement spectrum:



In 1986 Thuringowa was proclaimed a City on 1 January. Prior to its proclamation as a city, Thuringowa was a large rural shire, almost surrounding the City of Townsville. It was amalgamated with the City of Townsville in 2008. Also in 1986, the Burdekin Dam was completed and the Maritime Museum opened.

Council is building and strengthening the Community Engagement Framework, stage 3 '**Keeping the Framework Alive**' that is designed to bring the Community Engagement Framework into focus, build a suite of resources and contribute to an engagement culture within council.

Stage 3 will focus on:

- developing a communication strategy
- developing a community engagement resource kit
- professional development and training.



During 2015/16, council committed to trial an engagement tool to improve community engagement. The Engagement HQ tool provides council with a range of online tools to engage with the community including surveys, discussion forums, brainstormer, submission manager, question and answer, storytelling and quick polling.

Council uses a range of mediums to interact with the community including, social media, website, print media, television, community events and YouTube.

Our customer's communication preferences are changing and council needs to adapt to these changes to ensure our messages reach their intended audience.

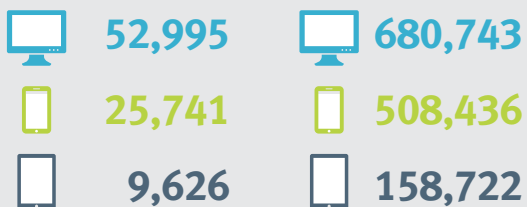
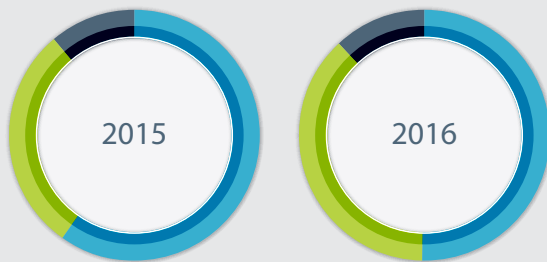
Our new public website is now live and experiencing some fantastic feedback from customers. This new-look site is sleeker in appearance, easier to navigate and mobile-enabled after extensive research and testing with the community. We now meet the Web Content Accessibility Guidelines, which is exciting because it means customers with hearing, physical and intellectual impairments can utilise the extensive range of information we have online. The website is also optimised for viewing on a smartphone or tablet so can be accessed anywhere.

Here are the 2015/16 statistics for www.townsville.qld.gov.au. Please note that the change to our website was introduced on 21 January 2016. These statistics take into account both old and new.

ELECTRONIC DEVICES 2015 vs 2016

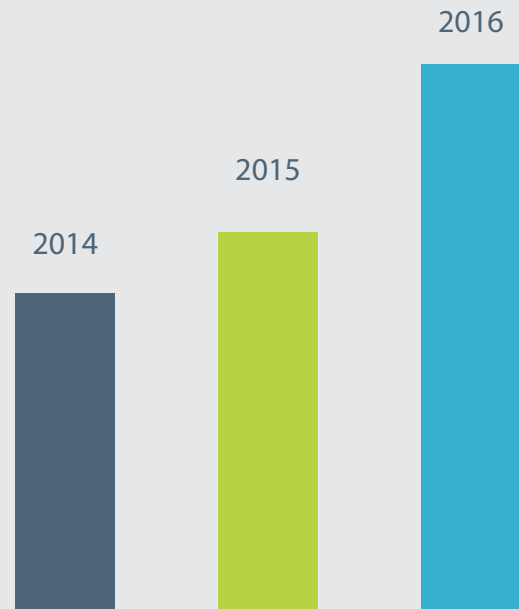
Sessions per device

Desktop Mobile Tablet



PAGE VIEWS 2014 - 2016

Council's overall page views



VISITORS NEW vs RETURNING



42%
NEW

572,335 users were
new to the site



58%
RETURNING

775,566 users were
returning to the site

Innovative technology driving a digital future

The pace of technology change continues to increase with more and more people using mobile devices and services moving online and into the **Cloud**. Council understands that these trends need to be harnessed to provide improved services and improved efficiency for council and the community. We also understand that with more mobile, more internet and more cloud we also need to make sure that ratepayer information remains secure and that we take a balanced approach to be as efficient as possible.

The way council delivers services and provides information has expanded in 2016/17. Appreciating that the future will see ever increasing digital devices wanting to connect, we have been expanding our network reach. This has seen council continue to deploy and use optical fibre to provide high speed connectivity amongst our larger sites and combine it with **high speed microwave communication systems** as a mesh network to smaller sites. This mesh network means that council can more easily handle new requirements and more quickly reconnect sites after a disaster without being reliant on telecommunication companies. The mesh has also been extended onto Magnetic Island so services are available there irrespective of the vagaries of the old copper network on the island. The expansion of our network has also seen us put WiFi into the Reid Park precinct and into the Entertainment Centre to make it easier for the community to stay connected.

WiFi has been available in our libraries and CBD for a number of years now and is a popular feature for the community and visitors to the city.



MiTownsVille

We replaced our old fleet of **desktop computers** as they had reached the end of their functional life. Instead of doing a simple swap, council identified benefit in using virtual desktop devices for a portion of the fleet. This means that for many council workers, they use a virtual machine instead of a standalone desktop computer. This makes it easier to manage those devices and allows council to share the infrastructure that supports those workers, reducing cost and improving service outcomes.

Council remains committed to our **Cloud19 Strategy** which sets a direction for council to take advantage of Cloud services where they make sense for council and the community. This has seen council now delivering our new and improved Internet site through a cloud service provider. Council is also moving towards using Microsoft Office 365 in the cloud for our email and file storage. There are a number of other Cloud service offerings being evaluated to determine the best value for the community.

As part of council's drive to a digital future, work has commenced on the planning for the **North Queensland Regional Data Centre (NQRDC)**. This will see council partner with other large local users to establish a local high standard data centre to support both council's future computing needs as well as those of the broader business community. This will not only provide high quality local infrastructure, but will support local high technology jobs to support the Centre and the businesses that utilise it.

Through effective asset management planning we have replaced end of life assets with modern ICT storage and network equipment that enables council to have improved security, simplified system management and readily take advantage of Cloud services. This provides improved resilience to council's data management as well as improving value through better backup and disaster recovery capability.

One of the big areas that council has been working on in the digital space is positioning council as a **Smart City**. Council has already deployed a smart water meter trial which showcases the way that more effective water management can deliver value to the community. Council has also been focussed on ensuring energy

efficiency in the way that we operate, through the deployment of the **Energy Efficiency Management system** that brings together building data from all council buildings into a cloud based analytics platform. This allows smarter decision making around how council energy usage can be better managed. These and other smart city initiatives are being progressed in partnership with James Cook University and appropriate industry partners to position Townsville as a leading example of digital smart cities.

Looking forward council has a strong foundation to continue to expand our digital service delivery while ensuring that council's data is secure and that ratepayer interests are preserved. Council is committed to becoming a digital innovator in the way we provide services to the community, while retaining local capability and jobs in a sustainable and secure manner.



In 1990 a fire damaged the Weir State School library.

Organisational efficiency, adding value through continuous improvement

Council undertakes a variety of continuous improvement initiatives to ensure our services are as efficient and as effective as possible, delivering value for money and high levels of customer satisfaction.

During 2015/16 more than 300 council staff relocated to occupy the purchased offices at 143-201 Walker Street. This will provide council with significant savings and efficiencies from having staff all in the one location. A reduction in operational costs will provide council with rental income of about \$1.6m which will offset the purchase cost of **143 Walker Street building**. This is a great move for the revitalisation of the CBD.

Council's first Library Customer Service point opened at Aitkenvale Library. Council has also maintained the Thuringowa library with the **customer service facilities**, giving a one-stop-shop for residents. Council's new counter service assists residents with all EFTPOS and credit card payments. This includes paying rates and dog registrations alongside the full array of educational programs, activities and borrowing services offered at the library. The new Customer Service point was well received by the community and Library staff. In the first week, 111 customers were assisted across 116 transactions, including: animals, events, maintenance, rates and water and library enquiries.



Townsville Community Cabinet 2015

In 1991 the Winter Garden Theatre was demolished, and the inaugural Australian Festival of Chamber Music was first held.

Employee health, safety and wellbeing our top priority

“Our employees are our greatest asset”

Council considers its employees a key component in delivering quality services and infrastructure to the Townsville community. The health and safety of staff, their capability to undertake their work, along with job satisfaction and engagement are important to ensure productivity is optimised with flow on effects to the community.

Council has further integrated its approach to managing employee **health, safety and wellbeing** during 2015/16. The health and wellbeing strategy continues to provide initiatives that are specifically directed at improving employee physical and psychological functioning. The safety strategy focuses on employee, contractor and other's safety and compliance with work health and safety legislative requirements.



In 1992 Annandale was gazetted a suburb of Townsville.

The health and wellbeing initiatives deployed to council staff have been developed using data and information compiled from safety incident reports and investigations. We have a focus on addressing issues such as our ageing workforce, poor health and wellbeing choices and poor range of movement.

The programs are designed to:

- raise employee awareness about their health and wellbeing and how important it is to maintain their physical and psychological health to ensure they have the capacity to perform their jobs safely
- to encourage employees to take ownership for and self-maintain their health and wellbeing.

Initiatives and strategies are aligned to maximise council's opportunity to improve employee health, safety and wellbeing using a holistic approach. Both programs have significantly contributed to the improved performance during 2015/16.

Improvements include:

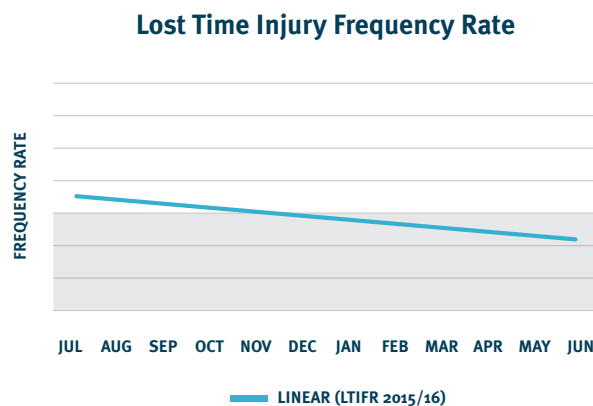
- an ongoing reduction in lost time injuries
- Lost Time Injury Frequency Rate (LTIFR), reduction in work days lost due to injury, reduction in injury severity rate, earlier return to work for injured workers
- significant reduction in workers' compensation statutory claim costs. *(More details on page 179)*

Health and safety

The specific Work Health and Safety initiatives that have contributed to these improvements include:

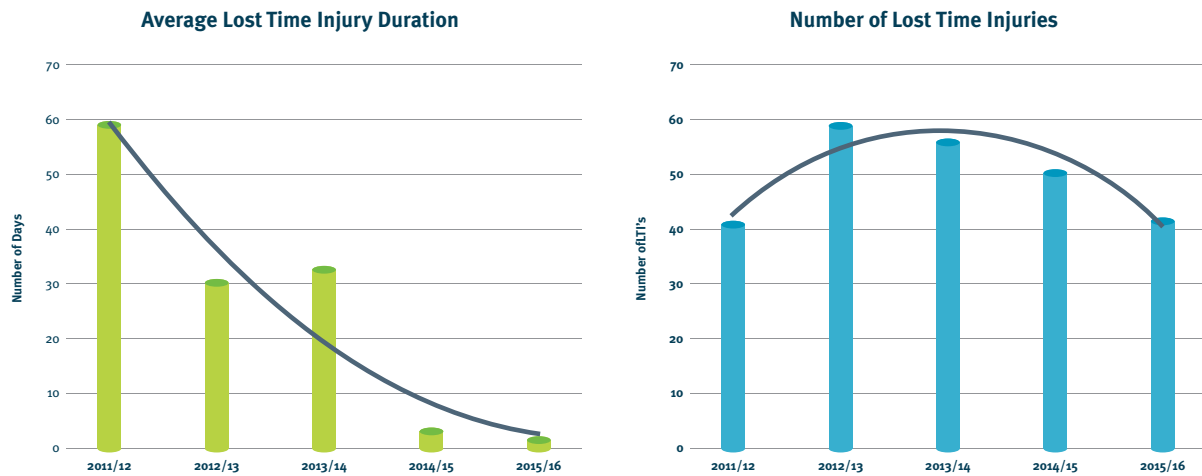
- Improved safety management practices
- Implementation of a single approach to the work health and safety management system processes, procedures and tools
- Development and roll out of a new work health and safety risk management framework
- Reviewed and refined critical work health and safety processes and procedures to meet contemporary practices
- Incident reporting has significantly improved for low level incidents, (report only and near misses) accounting for the increase in early identification, risk assessment and resolution of hazards in the workplace
- A new work health and safety Risk Management Framework was finalised with training underway for all employees
- An ongoing focus on work health and safety compliance and related training ensuring council continues to meet its organisational and legislative requirements
- Traffic management has been incorporated into the Health and Safety discipline with regular audits of sites across the organisation.

The diagram below shows **Lost Time Injury Frequency Rate**, the number of lost time injuries occurring in a workplace per 1 million man-hours worked. The Linear Average in this chart depicts the averaged downward trend (reduction) over the reporting period.



In 1993 the Townsville Entertainment Centre opened on 18 February. David Jones relocated from the CBD to Nathan Plaza (Stockland). The Townsville Suns competed in their inaugural season in the National Basketball League.

The diagrams below show the numbers of lost time injuries that continue to decrease across council. The severity of the different types of injuries occurring is also reducing due to a greater focus on risk awareness. The effective application of improvements mentioned above are contributing to the reduction of lost time caused by injury. Council's lost time injury frequency rate is also trending down.



Workers' compensation

Our **workers' compensation** claims continue to decline with 75 claims in 2015/16 compared to 84 in 2014/15. As a self-insurer, council also achieved excellent performance in all quarters with low risk performance ratings.

When benchmarked against the Queensland Workers' Compensation Scheme (including WorkCover Qld and other self-insurers) for claims finalised or ceased between 1 July 2015 and 30 June 2016, Townsville City Council is performing particularly well in average claim costs overall, for time lost claims and also average work days lost (see table below).

Finalised claims, average cost and average work days lost by year finalised

For claims finalised or ceased between 01 July 2015 and 30 June 2016

	All finalisations		Time Lost Claims finalisations			Medical Expense Claim finalisations		Lump sum claim finalisations	
	Claims	Average cost	Claims	Average cost	WDL Claims	Claims	Average cost	Claims	Average cost
TCC	75	\$7,778	53	\$10,268	22.9	20	\$1,903	-	-
Scheme	76,554	\$12,191	43,158	\$17,787	49.4	30,653	\$1,758	230	\$347,749

When benchmarked against the relevant industry of Public Administration and Safety, council is performing even higher in average claim costs overall, for time lost claims and average work days lost (see table below).

Finalised claims, average cost and average work days lost by year industry

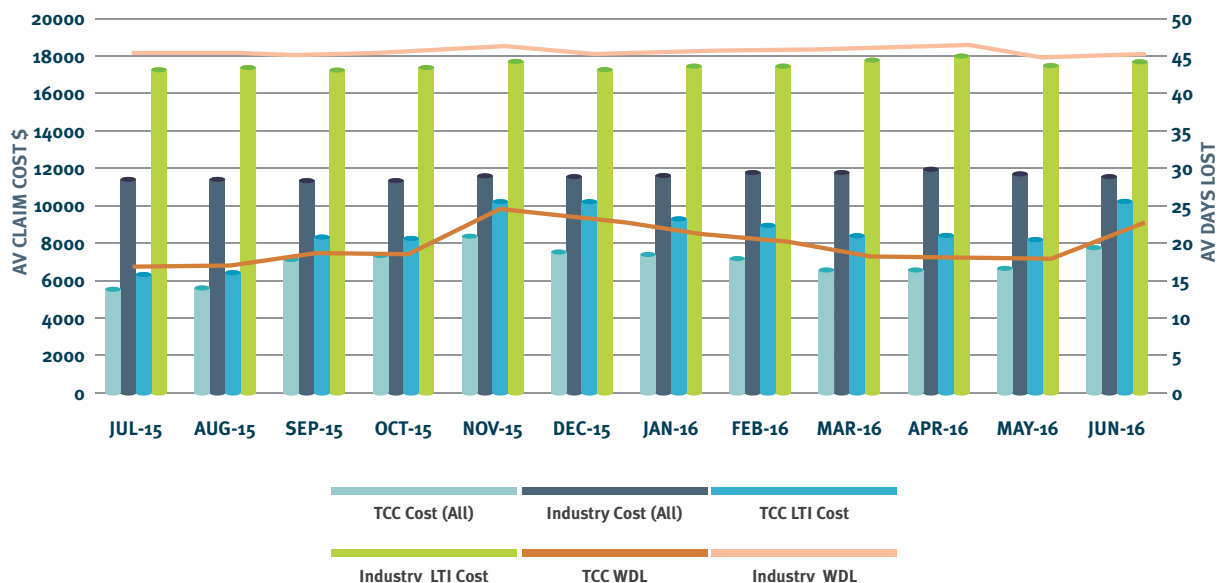
For claims finalised or ceased between 01 July 2015 and 30 June 2016

	All finalisations				Time Lost Claims finalisations					
	TCC		Industry		TCC			Industry		
	Claims	Average cost	Claims	Average cost	Claims	Average cost	Average WDL	Claims	Average cost	Average WDL
Public Administration and Safety	75	\$7,778	5,738	\$11,573	53	\$10,268	22.9	3,290	\$17,760	45.7

In 1994 a public competition decided the name and team colours of Townsville's entry into the Australian Rugby League, the North Queensland Cowboys.

The diagram below shows an analysis of the council's Workers' Compensation data benchmarked with industry.

Finalised Avg Cost / Work Day Lost by Industry vs Council Claims



Council receives monthly self-insurer reports from the Workers' Compensation Regulator which report on finalised or ceased claims in the preceding 12 month period. This chart represents average claim costs for all claims, lost time injury (LTI) claims and average work days lost (WDL) for Townsville City Council benchmarked against industry (Public Administration and Safety).

Rehabilitation & early return to work

Council recognises the benefits in an early return to work following injury or illness. It is an important step in recovery aimed at returning the worker to a normal life and reducing the financial and emotional impact on them and their families. As an employer Townsville City Council has a responsibility to identify and provide suitable duties for workers with compensable injuries and as a Self-Insurer to provide durable return to outcomes for injured workers who have suffered an injury at work.

Council has achieved excellent return to work results throughout 2015/16 with a **100% return to work** rate as classified by the Workers' Compensation Regulator.

Health & wellbeing program

Since re-establishing council's employee **Health and Wellbeing Program Inspire Wellness** in 2015, the organisation has been awarded with **Silver Recognition** through the Queensland Government's Happier, Healthier Workplaces Program. The initiative supports employers to create work environments that improve the health and wellbeing of employees to ultimately influence business productivity and workplace culture.

As a medium sized employer, council relies on its people to keep the business running effectively and efficiently, so needs its employees to be healthy, happy and productive.

Benefits of workplace wellness programs can include:

- Greater productivity
- Reductions in work related ill-health and injuries
- Lower workers' compensation costs
- A decrease in absenteeism and staff turnover
- Improving employee relations including job satisfaction and morale
- A healthier work environment
- Enhancing the corporate image of the organisation.

In 1995 Laurie Spina led the North Queensland Cowboys onto Stockland Stadium (now known as 1300 Smiles Stadium) for their first ever clash on 11 March. The inaugural Townsville Cultural Festival was held, Townsville celebrated VP50, and Ross River Meatworks closed.

There are direct links between the workplace wellness program with workplace health and safety. Outcomes are seen as mutually beneficial in making the workplace safe and minimising the risk of harm to employees.

Council aims to achieve Gold Recognition in 2016/17 which is indicative of a role model organisation that demonstrates outstanding leadership in workplace wellness.



In 1996 the Australian Army experienced one its worst peace time disasters when two Black Hawk helicopters collided in a training accident on 12 June, killing 15 members of the Special Air Services Regiment and three members of the Army Aviation Corp. Also in 1996, the Sun Metals Zinc refinery was built in Stuart.

2015/16 Inspire Wellness calendar of events

Council implements a calendar of events specifically for staff, to support and encourage their health and wellbeing.

Date	Event	Link with objectives from 2014 needs assessment
12-18 July 2015	National Diabetes Awareness Week - Know Your Score Seminars	Obesity, Nutrition and Physical Activity
19 July 2015	Mike Carney Toyota Paluma Push (mountain bike race)	Physical Activity
2 August 2015	Townsville Running Festival	Physical Activity, Obesity
10 September 2015	R U OK? Day	Mental Health
September 2015	Corporate Health Plan - Queensland Country Health Fund onsite interviews	General Wellbeing and Employee Benefit
25 September 2015	Bright Pink Lipstick Day	Awareness Ovarian and Breast Cancer
October 2015	Safe Work Month - Be Safe, Be Healthy - seminars	Safety and General Wellbeing
11 October 2015	Miss Muddy - Women's Obstacle Course	Physical Activity, Obesity
11-17 October 2015	National Nutrition Week	Nutrition, Obesity
14 October 2015	Fruit Delivery Day	Nutrition, Obesity
11 November 2015	Staff Expo - International Men's Day	General Wellbeing and Employee Benefit
12-21 November 2015	National Skin Cancer Action Week	Awareness Skin Cancer
26 January 2016	Australia Day Fun Run	Physical Activity, Obesity
31 January 2016	Get Active Women's Expo	Physical Activity, Obesity
February 2016	Quit assist Promotion	Smoking Cessation
February 2016	Fitness Passport Staff Survey	Physical Activity, Obesity, Employee Benefit
March 2016	Corporate Health Plan - Queensland Country Health Fund onsite interviews	General Wellbeing and Employee Benefit
9 March 2016	International Women's Day Breakfast	General Wellbeing and Employee Benefit
April 2016	Flu Vaccinations	General Wellbeing and Employee Benefit
April/May 2016	Bowel Screen Program	Awareness Early Detection Bowel Cancer and Employee Benefit
April 2016	30 Ways in 30 Days	Physical Activity, Obesity
10 April 2016	Ride the River	Physical Activity, Obesity
1-7 May 2016	National Heart Week - Signs of Heart Attack Action Plan	Obesity, Nutrition and Physical Activity
25 May 2016	Global Corporate Challenge	Physical Activity, Nutrition, Obesity, Mental Health, Employee Benefit
26 May 2016	Australia's Biggest Morning Tea	Awareness Cancer
29 May 2016	Eco Fiesta	General Wellness
15-16 June 2016	Lunch & Learn Seminars - Managing Stress & Pressure of Everyday Life	Mental Health

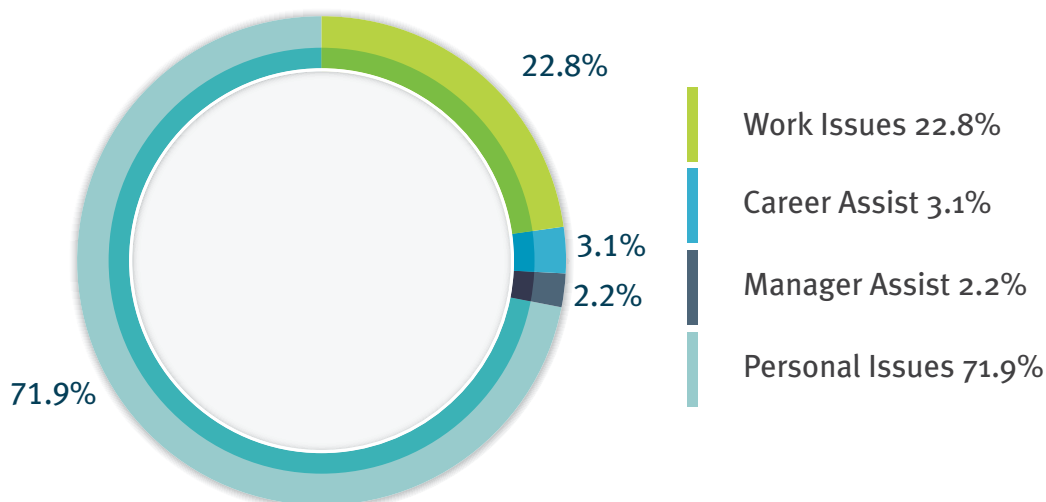
Employee Assistance Program (EAP) utilisation

Council provides employees and their immediate family members access to a small number of free counselling sessions on a confidential and voluntary basis. The aim of the **Employee Assistance Program** is to assist with managing life's challenges (including mental health, workload pressures, relationship issues, addictions, fatigue, anger management and financial stress) which have potential to impact on an employee's psychological health and wellbeing, both at home and in the workplace.

During 2015/16 a total of 190 individuals utilised the program with a total of 502 service hours delivered through the provider Converge International. This represents a 61 hour increase from 2014/15.

The top presenting issues addressed by EAP include:

- Health and Wellbeing
- Personal relationships
- Work practises
- Adjustment/grief and loss
- Work related incidences and
- Work relationships or conflict.



Definitions


Exposure to Emotional Events = Being subjected to an occurrence of emotive behaviour/actions/events
 Emotional Health = Emotional regulation/stability and coping with primarily non-work related stress as a result.

Mental Ill Health = refers to emotional or psychological deregulation/instability and challenges in regulating psychological and emotional wellbeing to meet the demands of everyday life.

Physical Ill Health = relates to the emotional and psychological responses experiences as a result of physical disease or disability.

In 1998 on the night of 10 January, torrential rain fell in Townsville and Thuringowa causing wide-spread flooding throughout the city. The worst floods in the cities' history. The Strand was extensively damaged. The total damage bill for the area was in excess of \$100 million.

Responsible Governance Measures

	Requires Action
	Monitor
	On Target

	The measure is not reaching its target and requires active management
	The measure is progressing however needs to be monitored as it is currently not achieving the target
	The measure is either achieving target or within the defined target range, with no significant issues

Council Influence on Measure	Corporate Plan Measure	Description	KPI Target	Result	Status	Comments
D	Council's financial sustainability ratios	Asset sustainability ratio	Greater than 90%	100%		The result of 100% shows council is replacing its assets at the appropriate time, ensuring the burden of replacing assets doesn't rest with future generations
		Net financial liabilities ratio	Not greater than 60%	89%		Whilst this result is above the recommended target the use of debt to fund lifelong community infrastructure is appropriate so that the current community does not pay more than its fair share
		Operating surplus ratio	Between 0 and 10%	2%		The operating surplus is within the acceptable target range and shows council has a strong position with more operating revenue to cover its expenses
		Zero breaches of surplus cash investment parameters throughout the year	0	0		We remained compliant throughout the year
	Customer satisfaction	100% of bank deposits reconciled within 30 days	100%	100%		Bank deposits have been reconciled to the bank account within the required timeframes
		90% tax lodgement compliance rate for indirect taxes (e.g. Payroll tax, GST, FBT, fuel tax)	90%	100%		Tax lodgements during the quarter have been made by the due dates
		Users of the Pensioner Transport Subsidy Scheme are surveyed and report 90% satisfaction with council's process, once per year	50%	50%		As the program is currently under review a sample survey of subscribers was undertaken to evaluate the scheme. The findings will inform the review
		Achieve 90% internal customer satisfaction for Business Management and Compliance services	90%	90.38%		Overall for the year, business management and compliance achieved target, with an average of 90.38% customer satisfaction
		Calls directed to the Customer Service Centre answered within 20 seconds	80%	83%		Council has received 148,846 calls to the customer contact centre with customer calls answered on average within 22 seconds for this financial year. 83% of these customer contacts have been answered within 20 seconds. Council's Customer Service Centre won the Local Government Customer Contact Excellence 2016 Award. Page 49 Results demonstrate how we meet customer service standards
		Whole of council satisfaction in response to a recent request for service	80%	85.67%		Council has performed well during the last financial year with 84.37% of customers rating service received as good or excellent in response to a request for assistance, showing how well council is committed to serve our community
		90% of general correspondence actioned within 10 business days	90%	97.25%		All billing general correspondence were completed within 10 business days to ensure efficiency in our process
		100% of Right to Information requests referred to Planning and Development Division will be actioned within agreed timeframes	100%	100%		We respect the rights of our community. All requests to access documents held by us were granted within statutory timeframes and the requirements of the Right to Information Act 2009

[illegible]

DIRECT: Council has a direct influence on the measure result.



Townsville

150

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Let's
Celebrate



Townsville Waste Services

Annual Operations Report 2015/2016

1. Purpose of this Report

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.

This Annual Operations Report is designed to provide an overview of the operations and performance of Townsville Waste Services for the 2015/16 financial year, as measured against its Annual Performance Plan.

2. 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.

The business was commercialised in 2008, with the creation of a commercial business unit. The business unit sits within the Townsville Water and Waste division of council. It employs approximately 80 staff from the Townsville community and has a combined annual operating and capital budget of over \$47m.

Townsville Waste Services strives to be the region's best waste manager. Its mission is to deliver excellence in customer service, environmental management and efficient operations while maximising financial returns to council. It currently provides over 76,000 combination domestic waste and recycling services per week, with over 549 bulk bins in service. It currently operates and manages three landfill sites and five waste transfer stations, which cumulatively receive around 300,000 visits each year from customers, and receives around 475,000 tonnes annually for processing.

3. Our performance

Townsville Waste Services' performance in the 2015/16 financial year focused on a number of key areas.

Our customers

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 provide quality and reliability targets for its services.

In the first quarter of 2015/16, Townsville Waste Services began reporting to the community on a quarterly basis against their progress towards achieving the annual key performance targets that they set for themselves as part of their Customer Service Standards. Reports were published on council's website for the 2014/15 financial year and for all the quarters of the 2015/16 financial year.

Customer surveys

Voice of the customer surveys

Townsville Waste Services surveyed its customers each month to obtain feedback about the customer's experiences with, and expectations of, its services. A selection of customers, who contacted Townsville Waste requesting a service within a given month, were randomly selected to be contacted to participate in a short, over-the-phone survey. Townsville Waste aims to achieve 90% of customers rating its services as 'good' or 'excellent' each month. The business achieved its target for customer satisfaction with an average of 92.09% of 'good' and 'excellent' ratings from customers for its waste collection services. In terms of its waste disposal facilities, customers rated these as 'satisfactory', 'good' or 'excellent' 99% of the time, with satisfactory ratings bringing down overall results for 'good' and 'excellent' ratings to 69.67%. The main concern of customers was a change requiring customers to drop off all general waste at the transfer stations at the Hervey Range and Jensen Landfill sites, as opposed to the landfill face. This change was instigated by Townsville Waste Services for operational and safety reasons.

Community Survey

Townsville City Council conducted its two-yearly Community Survey in August 2015, to determine the community's satisfaction levels and expectations about the delivery of council services, including waste services. The results reinforced the high importance that the community places on waste management services, and showed improvement in the satisfaction with general waste and recycling collection and the management of waste facilities.

Tipping vouchers

In the 2015/16 financial year, eight Tipping Vouchers for domestic waste disposal were included in a residential waste utility service/charge. The number of vouchers redeemed by customers at waste disposal sites throughout Townsville increased from 153,000 redeemed in 2014/15, to 162,000 redeemed in 2015/16.

Free dumping weekend

A free dumping weekend was held at all council waste facilities from 30 October to 2 November 2015. Council provided free access for the residential community to waste disposal sites over a four-day period coinciding with a weekend, to encourage property owners to clean up their property prior to the cyclone season. The four-day weekend was a success, with 9,978 transactions completed over the course of the weekend, and 1,488 tonnes of waste received across all landfills during the event. In previous years the Free Dumping Weekend has been a three-day event. The additional day resulted in an increase of 25% more transactions and 12% more waste received compared to the 2014/15 event.

Our region

Townsville Waste Services continued to focus on regional collaboration with its North Queensland counterparts in 2015/16. It continued to work with the Burdekin Shire Council, the Hinchinbrook Shire Council and the Charters Towers Regional Council to implement the North Queensland Regional Waste Reduction and Recycling Plan 2014 - 2024, with each council focusing on delivering their Local Action Plans.

Regional marketing campaign

The "Rub Out Rubbish" marketing campaign developed by Townsville Waste Services has been adopted by the regional councils to ensure a consistent theme and messaging across the region around waste avoidance and reduction.

Regional approach to greenwaste

Together with the other North Queensland Region councils, Townsville Waste Services has secured a new contract for greenwaste processing that encapsulates the Townsville, Burdekin and Hinchinbrook areas. The collaboration of the councils enables best value for management of garden organics in the North Queensland Region, achieving economies of scale for all of the participating councils.

In 2000 Love Lane Park was renamed Sherriff Park, and the Range Drive-in cinema closed. Category 2 Cyclone Tessi crossed the coast 80km north of Townsville, causing wave damage to The Strand. Heavy rains caused landslides on Castle Hill that destroyed two homes and forced the evacuation of another fifty.

Our Infrastructure

Asset management

Townsville Waste Services began the development of a risk-based asset management system during the financial year. This will assist the business to appropriately prioritise how to allocate time, money and materials focusing on the most critical problems, and provides the framework for continuous improvement and to meet organisational objectives, including regulatory compliance.

The business is making good steps forward in aligning its practices with the International Standard 55000:2014 Asset Management, taking steps to better understand the condition and performance of assets by restructuring the asset records, developing processes and training staff. This will enable the delivery of effective asset renewal programs and targeted maintenance activities in the future.

Magnetic Island waste facility

During the financial year, Townsville Waste Services realised its vision for a waste transfer station at Magnetic Island. The new Magnetic Island waste facility opened in October 2015 and will ensure that Townsville Waste Services can continue to provide high quality, environmentally sound, waste disposal services to the Island. The facility includes a garden organics collection area, a recovery area for white goods, batteries and oil recovery, a “buy-back” shop, and a push pit transfer station for waste collection and sorting for transport.

The Picnic Bay Landfill ceased accepting waste in March 2016 and from this time, Townsville Waste Services commenced maritime transport of waste and recyclables to the mainland waste facilities for disposal and/or processing. Biosolids are transported to Cleveland Bay Wastewater Treatment Plant prior to beneficial reuse on the mainland.

Development of waste disposal sites

During the year, Townsville Waste Services carried out a thorough review of the Site Development Plans for each of its landfill facilities to ensure they remained current, and are being implemented as planned.

Construction works were undertaken at the Stuart waste disposal site to complete stage two of the interface liner to allow continued landfilling in a regulatory compliant manner over historically unlined cells. Some delays were experienced with the delivery of geosynthetic material, and completion of the project was extended into the 2016/17 financial year. Additional construction works to upgrade the site also consisted of a new leachate pond, a new stormwater pond, a leachate interception trench and capping tie in, and upgrades to the greenwaste pad.

Detailed design was undertaken to prepare for the future integration of a transfer station and front end resource recovery facilities at the Stuart waste disposal site which are aimed at improving customer amenity, safety and resource recovery.

At the Hervey Range waste disposal site, works were undertaken to construct Landfill Cell A which is now in service, and to implement progressive capping of other now complete sections of the landfill. The capping works prevent the ingress of water into the waste mass, reducing the formation of leachate and providing for improved environmental outcomes for the facilities. A new greenwaste pad and a new stormwater pond were also constructed.

Upgrades were also undertaken at the Jensen waste disposal site to improve the stormwater and leachate management, including construction of a leachate interception trench, perimeter access track, a leachate pond, four sedimentation ponds, and an upgraded greenwaste pad.

Our environmental management

Environmental licences and compliance

There are environmental implications of Townsville Waste Services' core activities of waste storage, disposal, treatment and transport and Townsville Waste must be licenced under the Environmental Protection Act 1994 to conduct its waste transportation and disposal operations.

In 2001 the Cowboys Leagues Club opened on the site of the former McKimmin & Richardson and David Jones stores. The Townsville Fire had their inaugural season in the Women's National Basketball League, and the Crocodiles reached the NBL Grand Final series.

Townsville Waste Services monitored and measured its compliance against licence conditions during the financial year, undertaking routine and event-specific reporting as required. By July 2015, all required annual returns were prepared and submitted to the Department of Environment and Heritage Protection for the 2014/15 financial year. Annual returns for 2015/16 will be submitted shortly after the end of the 2015/16 financial year.

During the financial year, Townsville Waste Services was generally compliant with its environmental licence conditions. Some instances of sedimentation/stormwater release were experienced at the Hervey Range landfill site as a result of wet weather events, and some small fires were extinguished at landfill sites throughout the year. All incident reporting was undertaken as required.

Environmental management systems

To ensure sound environmental management, Townsville Waste Services maintains an Environmental Management System in alignment with the principles of the International Standard ISO14001 – Environmental management systems. The business has maintained its systems during the year, placing a high importance on controlling the impacts of its activities and services on the environment.

Gas recovery

As part of its efforts to reduce its carbon footprint, Townsville Waste Services has installed a gas flaring system at its Stuart Landfill site, and is working towards implementing similar systems at its Hervey Range and Jensen landfills. The gas flaring system captures and burns landfill gas generated by organic matter breaking down in the landfill. This is designed to reduce the potent greenhouse gas methane to a less potent form and therefore reduce the overall emissions from the landfill. During the financial year, around 2.9m cubic metres of methane was captured and burned, reducing the amount of potent greenhouse gases emitted by council's facilities.

Contracts are in place for future gas flaring at Hervey Range and Jensen landfills. Progress is expected to be made in the 2016/17 financial year in relation to gas flaring at Hervey Range, with installation and commissioning expected by October 2016. Further progress towards commencement of flaring at Jensen is dependent upon the completion of capping works as a prerequisite to the completion of the installation of the gas flaring systems.

Food and garden organics feasibility study

During the financial year, a study was undertaken to assess the feasibility of a number of options to introduce a third bin in order to increase diversion of waste from landfill through beneficial reuse of food and/or garden organics. The recommendations of the study will be considered by the council during the 2016/17 financial year.

Material recovery facility options analysis

With the current contract for Recyclable Material Recovery Services expected to end on 30 June 2017, Townsville Waste Services began preliminary processes to prepare a Tender Request for its Recyclable Material Recovery Services. Following market sounding and engagement with the industry to inform its Request for tender, the Tender was called late in the financial year, and the contract was awarded on 27 July 2016. A state of the art Material Recovery Facility will be built in Townsville as a result of a new long-term agreement that was reached for the city's recycling services. Operations will commence from the new facility on 1 July 2017.

E-Waste recycling

Townsville Waste Services continued to collect waste televisions, computers, printers and computer products at drop-off points at its waste disposal sites during the financial year, working with industry partners under the National Television and Computer Recycling Scheme. In the 2015/16 financial year, over 78 tonnes of e-waste was collected at council drop-off points.

Recycling Education Program

Recycling education programs were delivered at Townsville schools and community events during the year in a bid to educate residents, local industry and businesses about recycling participation and reduce recycling contamination levels.

National Recycling Week

National Recycling Week is a Planet Ark initiative which aims to bring a national focus to the environmental benefits of recycling. During 9 to 15 November 2015, Townsville Waste Services undertook educational and awareness activities about kerbside recycling with an aim to increase yield and reduce contamination rates. Public information stalls were set up at local shopping centres and public places, and key recycling messages were promoted through various media formats.

Our governance

Queensland Waste Avoidance and Resource Productivity Strategy 2014-2024

In December 2014, the Queensland Government released its new industry-led waste strategy: the Queensland Waste Avoidance and Resource Productivity Strategy 2014 - 2024. Townsville Waste Services participated in the development of the strategy along with business and industry, the waste and resource recovery sector, other local governments, and community and environment groups.

The Strategy provides direction for waste and resource management in Queensland over the next 10 years, underpinned by the waste and resource management hierarchy, an internationally recognised framework for managing waste generation and disposal, describing the preferred order for managing waste and resources. The hierarchy places waste avoidance as the preferred option, followed by reducing, reusing, recovering and disposing of waste. Other important focuses of the draft Strategy include better management of high priority waste, resource recovery, new technologies and alternative waste treatments, and tailoring policy and actions to each region.

The Strategy will be implemented by the Queensland Government through a set of sectoral or organisational action plans including specific or sectoral targets, which align with and contribute to achieving state-wide targets. The action plans are proposed to be guided by priority areas and high priority waste identified in the Strategy.

In 2003 construction commenced on the Douglas Arterial Road (Ring Road). The project included the construction of a new bridge across the Ross River.

North Queensland Regional Waste Reduction and Recycling Plan

In August 2014, council endorsed the North Queensland Regional Waste Reduction and Recycling Plan 2014 – 2024.

Townsville Waste Services collaborated with other regional North Queensland councils including the Burdekin Shire Council, the Hinchinbrook Shire Council and the Charters Towers Regional Council to develop the Plan, which sets a vision for waste management in North Queensland over the next ten years. It addresses the requirements of the Queensland Waste Reduction and Recycling Act 2011, as well as providing a framework to realise opportunities for efficiencies and cost savings across the region.

The Plan sets out actions for managing waste in the four local government areas in a way that best achieves the objectives of the Waste Reduction and Recycling Act 2011. It is a headline document supported by regional and local action plans for each of the four council areas, setting out regional and individual council actions and initiatives for driving the plan forward.

The regions have set targets to reduce waste generation per capita by 2.5% from 2014 levels by 2024, and to achieve a year on year increase in the recycling rate, with the aim of achieving a 40% recycling rate for municipal solid waste (domestic), a 50% recovery rate for commercial and industrial waste, and an 80% recovery rate for construction and demolition waste by 2024.

Townsville Waste Services began implementing its Local Action Plan in 2015/16.

Participation in the Local Authority Waste Management Advisory Committee

Townsville Waste Services actively participated in the Local Authority Waste Management Advisory Committee in 2015/16, working with the organisation to advocate for more sustainable waste management solutions, and to consider current and future Waste Management Practices and Technologies. The organisation is made up of nineteen North Queensland Local Government Councils who are dedicated to best practice waste management.

Directions given by the Local Government

Relocation of Operations Depot

In December 2015, council decided to relocate the Townsville Waste Services operations to a new leased depot to be shared with council's fleet and workshop operations. The move is expected to deliver operational and economic efficiencies for council in the long term by combining related services in one facility in lieu of upgrading existing, aged workshops. The relocation is expected to take place in 2016/17.











4. Major investments





A number of investments were proposed for the 2015/16 financial year. During the year, Townsville Waste Services invested in the below major projects.

Initiative/Project	Proposed Investment \$000s	Revised Budget	Actual Investment \$000s	Commentary
Hervey Range and Stuart Landfills				
Construction of Hervey Range Landfill Cell A and ancillary plus Stuart Landfill ancillary facilities	\$8,200	\$9,300	\$10,410	Works were undertaken to construct Landfill Cell A which is now in service, and to implement progressive capping of other now complete sections of the landfill
Hervey Range Landfill				
Hervey Range Landfill Cell D & Associated sedimentation pond (Construction/Implementation) Year 1	\$500	\$600	\$90	Construction on a new Landfill cell at the Hervey Range Landfill was deferred until 2018/19, pending the outcome of strategic waste management planning
Establishment of vegetative buffers at Hervey Range Landfill (Plan/Design/Construct)	\$500	\$160	\$160	This project has been deferred at this stage
Jensen Landfill				
Jensen Landfill Sedimentation Pond and conveyance structures (Construction/Implementation)	\$940	\$1,810	\$1,970	Works were completed during the financial year
Jensen Landfill Construction of lined leachate pond (Construction / Implementation)	\$840			
Jensen Landfill Leachate Interception Trench (Construction/Implementation)	\$850	\$850	\$650	Works were completed during the financial year
Jensen Landfill Greenwaste Upgrade (Construction)	\$160	\$160	\$170	Works were completed during the financial year
Magnetic Island				
Magnetic Island Waste Transfer Station - Construction Year 2	\$3,140	\$2,780	\$2,970	The new Magnetic Island Waste Facility was opened to the public on 10 October 2015
Stuart Landfill				
Stuart Landfill Cell Construction Interface Liner Stage 2Bii and 2Biii (Construction / Implementation)	\$2,190	\$2,190	\$1,200	Some delays were experienced with the geosynthetic approvals, and completion of the project was extended early into the 2016/17 financial year
Stuart Landfill Transfer Station and Front End Resource Recovery Facility (Design/Development) Year 1	\$200	\$500	\$470	Detailed designs were completed

5. Performance targets

In the 2015/16 financial year, Townsville Waste Services measured its performance against the below performance indicators as outlined in its Annual Performance Plan.

GOAL 1 ECONOMIC SUSTAINABILITY					
Performance Measure	Description	Target	Result	Status	Comments
Operating revenue – budget to actual	Comparison of the actual operating revenue received with the budgeted revenue	Within 5% of revised budget	0.88%		Actual revenue of \$33.1m was lower than the budgeted revenue amount of \$33.3m. Landfill revenue was below expectations due to tonnages declining across all waste streams
Operating expenditure – Budget to Actual	Comparison of the actual operating expenditure with the budgeted operating expenditure	Within 5% of revised budget	-0.14%		Townsville Waste Services' operational expenditure of \$26.9m was on target
Capital expenditure – budget to actual	Comparison of the actual capital expenditure with the budgeted capital expenditure	Within 5% of revised budget	-3.44%		Actual capital expenditure of \$19m was higher than the budgeted capital expenditure of \$18.4m due to higher than expected expenditure in relation to Picnic Bay Landfill capping and the construction of the Magnetic Island Transfer Station
Net operating result – budget to actual	Comparison of the actual net operating result with the budgeted net operating result	Within 5% of revised budget	5.10%		Townsville Waste's net operating result was 5.10% below the budgeted net operating result, mainly as a result of less than budgeted landfill revenue
Debt to equity ratio	This ratio identifies the portion of debt compared to the business' equity	<0.5	N/A		Townsville Waste Services has no debt
Annual dividend	The portion of earnings distributed to council (our shareholder) from the operation of the Townsville Waste Services commercial business unit	>90% of budgeted amount	92.77%		Townsville Waste's operating profit was 7.23% less than budgeted as a result of reduced landfill revenue. 100% of Townsville Waste's net result (inclusive of landfill revaluation) after tax - \$3m - was distributed to council
GOAL 2 SOCIAL RESPONSIBILITY					
Performance Measure	Description	Target	Result	Status	Comments
Customer satisfaction waste	Percentage of results of "good" and "excellent" recorded by the Customer Service Department monthly survey	90%	92%		Townsville Waste Services achieved their target with an average result of 92.08% of customers rating Waste Services as good or excellent
Number of missed waste and recycling services	Less than 1 per 1000 missed kerbside waste and recycling services	<1	0.38		On average there were 0.38 per 1000 missed kerbside waste and recycling services per month. This equates to a collection rate of 99.96%, with 168 bins missed on average per month out of approximately 457,000 services

GOAL 3 ENVIRONMENTAL SUSTAINABILITY						
Performance Measure	Description	Target	Result	Status	Comments	
Penalty infringement notices or legal action for non-compliance	Number of penalty infringement notices issued or instances of legal action initiated by the Regulator for non-compliance	0	0		No Penalty Infringement Notices were issued and no legal action was initiated over the duration of the year	
Rate of diversion of waste at disposal sites	Maintain waste diversion rate at all disposal sites of greater than 40%	>40%	67%		Diversion rates were maintained higher than the target of 40% for each month of the financial year	
GOAL 4 RESPONSIBLE GOVERNANCE						
Performance Measure	Description	Target	Result	Status	Comments	
Number of lost time injuries	Total number of lost time injuries	0	1		There was one lost time injury, in November 2015	
No. of process improvements outstanding – waste services	Total number of outstanding process improvements at the end of the month	40	29		There were 29 process improvements outstanding at the end of June	
Compliance with work health and safety plan	Percentage of compliance with Waste Services' Work Health and Safety Plan	100%	91%		An average of 91% compliance with Waste Services' Work Health and Safety Plan was achieved for 2015/16, due to some incomplete inspections and Job Safety Environment Observations	

6. Community service obligations

Townsville Waste Services were required to carry out a number of community service obligations for the financial year. A community service obligation is defined in the *Local Government Regulation 2012* as an obligation the local government imposes on a business entity to do something that is not in the commercial interests of the business entity to do. For example, give a price concession to a particular group of customers, such as pensioners.

In the 2015/16 financial year, Townsville Waste carried out the following community service obligations, at a total cost of \$247,657.

Category	Budgeted Value \$	Actual Value \$
National Recycling Week	\$4,250	\$4,250
Charity dumping fees	\$42,662	\$42,662
Dead animals	\$30,756	\$30,756
Infirm services	\$26,000	\$26,000
Clean up Australia Day	\$6,500	\$760
Great Northern Clean Up	\$3,000	\$3,000
Free dump weekend October	\$144,165	\$140,229
Total	\$257,333	\$247,657

7. Changes to the Annual Plan

The *Local Government Regulation 2012* allows local government to amend its annual performance plan for a commercial business unit, at any time before the end of the financial year for which it is prepared. Any changes must be documented in this annual operations report. No changes were made during the financial year.



In 2006 the Riverway development was completed including two swimming lagoons, the Riverway Arts Centre, Pinnacles Gallery, the Riverwalk and parklands.



HERVEY

RANGE

WASTE

TRANSFER



Townsville

150

1866–2016

*Let's
Celebrate*



Townsville Water

Annual Operations Report 2015/16

1. Purpose of this Report

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.

This Annual Operations Report is designed to provide an overview of the operations and performance of Townsville Water for the 2015/16 financial year, as measured against its Annual Performance Plan.

2. 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.

The business was commercialised in 2008, with the creation of a commercial business unit. The business unit sits within the Townsville Water and Waste division of council. It employs over 300 staff from the Townsville community and has a combined annual operating and capital budget of over \$207m.

Townsville Water aims to be the best regional water service provider in Australia and is committed to providing safe, reliable, value for money water services for the Townsville community. In 2015/16, it produced more than 51,000 mega litres of safe, high-quality potable water, and supplied water to over 84,000 service connections in the Townsville region over the financial year. Townsville Water also collected and treated almost 17,000 mega litres of sewage, serving approximately 72,000 residential, commercial and industrial properties, including approximately 1,000 trade waste customers.

The operation of the water business includes the management of assets valued at approximately \$1.6b in total, including the operation of two major water storages, three water treatment plants, six sewage treatment plants, 41 water reservoirs or tanks, 24 water pumping stations, 18 chlorinators, 183 sewage pump stations, over 2,500 kilometres of water mains, and over 1,300 kilometres of sewer mains, in accordance with health, environmental and other legislative and regulatory obligations.

3. Our performance

Townsville Water's performance in the 2015/16 financial year focused on a number of key areas.

Our customers

Customer Service Standards

Townsville Water maintains Customer Service Standards in accordance with the requirements of the *Water Supply (Safety and Reliability) Act 2008*. The standards set out the service standards that Townsville Water aims to achieve and which it will report on annually to the Water Supply Regulator.

In 2007 Tony Ireland Stadium at Riverway was completed and hosted an interstate T20 match between Queensland and Victoria attended by over 10,000 spectators. On 4 December Sir Elton John played to approximately 21,500 fans at Dairy Farmers Stadium.

In the first quarter of 2015/16, Townsville Water began reporting to the community on a quarterly basis against their progress towards achieving the annual key performance targets that they set for themselves as part of their Customer Service Standards. Reports were published on council's website for the 2014/15 financial year and for all quarters of the 2015/16 financial year.

Customer surveys

Voice of the customer surveys

Townsville Water surveyed its customers each month to obtain feedback about the customer's experiences with, and expectations of, its services. A selection of customers, who contacted Townsville Water requesting a service within a given month, were randomly selected to be contacted to participate in a short, over-the-phone survey. Townsville Water aims to achieve 90% of customers rating its services as 'good' or 'excellent' each month. During the financial year, Townsville Water achieved an average of 89% of 'good' and 'excellent' ratings from customers for its water and wastewater services.

Community survey

Townsville City Council conducted its two-yearly community survey in August 2015, to determine the community's satisfaction levels and expectations about the delivery of council services, including water and wastewater services. The results reinforced the high importance that the community places on water and wastewater services, and showed a small improvement in the satisfaction of the community with the quality and reliability of the water supply; repairs and maintenance of water and sewerage services; and the costs of services.

Education programs

Council's Integrated Sustainability Services team provided community and school education programs in 2015/16, including offering for school groups to participate in Eco-catchment Education Tours to enable students to follow the water cycle from catchment to reef, and integrate essential infrastructure with the local natural environment. This included visits to the Mount Saint John Wastewater Treatment Plant and the Ross River Dam Spillway.

Public Lawn Training sessions were conducted at the beginning of the financial year to educate Townsville residents about how to keep their lawns and gardens healthy while using less water. In October 2015, a new Lawn Tamer campaign was launched online providing a series of 6 video tutorials and fact sheets to educate residents on how to grow a stronger lawn without excessive water use. Over 200 residents participated in public lawn training sessions and video tutorials were viewed around 1500 times after their launch.

Works began on the development of a wastewater education program during 2015/16, with implementation works continuing in 2016/17. Representatives of Townsville Water attended council's Eco Fiesta in May 2016, and information is available on council's website about the many items that, if flushed, can cause blockages and overflows, or are a danger to workers or impact the treatment process. The aim of the program is to reduce the costs of managing sewage and reduce environmental and health impacts from overflows.

Water restrictions

In 2015, Townsville experienced the lowest rainfall on record. In July 2015, the volume of the Ross Dam dropped below 40%, triggering water restrictions for the Townsville service area in order to reduce water consumption and preserve the water supply to last until significant rainfalls occur.

Level 2 restrictions were introduced in October 2015, following the Ross Dam level falling below 30%.

Level 2 restrictions enabled Townsville Water to achieve the aim of reducing water consumption in Townsville to below 130 megalitres a day on average. This is a crucial step towards reducing the overall water consumption of the Townsville community to a daily consumption amount that can be sustained by the supply of water, under Townsville Water's allocation of water from the Burdekin Dam, in the worst case scenario that the Ross Dam reaches critical levels before the drought breaks.

During the period that restrictions were in place, council focussed its efforts on raising awareness of the levels of restrictions and their impact, educating residents on how to conserve water usage around

their homes and businesses, and working with key sectors of the community to minimise the impact of restrictions as much as possible for the community as a whole. Whilst the key focus of Townsville Water has been encouraging and promoting voluntary compliance with restrictions, council implemented a compliance program during the year to ensure that necessary enforcement actions were taken where required. Most Townsville residents have voluntarily complied with restrictions, with approximately 80 fines for non-compliance being issued during the financial year.

Our Infrastructure

Asset management

Townsville Water continued to develop its risk-based asset management system during the financial year. This has assisted the business to appropriately prioritise how to allocate time, money and materials focusing on the most critical problems, and provides the framework for continuous improvement and to meet organisational objectives, including regulatory compliance.

The business has made significant steps forward in aligning its practices with the International Standard 55000:2014 Asset Management and is on track to pursue certification for its water and wastewater business by 2017/18. During the financial year, steps have been taken to better understand the condition and performance of assets by restructuring the asset records, developing processes and training staff. As a result, we have planned and delivered effective asset renewal programs and targeted maintenance activities for high risk assets in order to achieve the desired balance of cost, risk and performance.

Charters Towers Road Water Pipes Replacement

In the 2015/16 financial year, Townsville Water completed the construction of new water mains and associated connections required to replace an existing cast iron water main that is located on Charters Towers Road and Ross River Road. The new water mains were required to maintain a reliable water supply to residents and commercial customers in the suburbs of Hyde Park, Mysterton, Pimlico, Aitkenvale, Hermit Park and Rosslea.

Burdell Street Stuart Water Pipes Replacement

In order to better provide adequate water supplies to the Stuart industrial area, Townsville Water replaced the Burdell Street water main during the 2015/16 financial year. Three of four portions of the construction work were completed by 30 June 2016, with the remaining works to be undertaken by the end of July 2016. The replacement will ensure that adequate water pressures are maintained in the area, and will also provide for water supply to meet expected future industrial development in the area.

Water Pipes and Services Replacement Program

Townsville Water carried out its annual Water Pipes and Services Replacement programs in 2015/16, with over \$6m spent to replace pipes and services of priority to ensure that Townsville Water can provide a sufficient, safe and reliable water supply to its customers into the future.

CBD Upgrade Project

Works continued on the CBD Utilities Upgrade Project in the 2015/16 financial year. At a high level, the overall purpose of the Project is to upgrade the water and sewer networks in the CBD. The project will include the construction of a new water storage reservoir at Echlin Street, replacement of aged cast iron water mains in the CBD area, and the upgrade of the Strand sewer pressure main and various other sewer upgrades. The works will address water quality and pressure issues due to the age and reduced capacity of water mains servicing the CBD and will ensure that council is able to meet the likely future demands on the water network in the City.

Specifically, in the 2015/16 financial year, detailed design was completed and the tender process was undertaken to engage the Construction Manager for the main works package which will involve the construction of large diameter trunk water supply mains, small diameter reticulation mains and trunk sewer infrastructure as well as ancillary road and footpath works. Work also continued with the site works for the future reservoirs to be located at Echlin Street, West End. The project will continue over the coming four financial years.

In 2009 the Commonwealth Government gifted land at Jezzine Barracks to the City of Townsville in trust in July. Prime Minister John Howard attended the handover ceremony. Stages Two and Three of the Ring Road were opened, and extensions to the Civic Theatre were completed.

Integrated Water Supply Strategy

Townsville Water is committed to managing its water supply infrastructure on a long-term basis, to ensure a secure water supply for the community into the future. In September 2012, Townsville Water finalised the development of its Integrated Water Supply Strategy, assessing the future water supply and infrastructure requirements to best meet the needs of the city. In the 2015/16 year, Townsville Water continued to implement this strategy, focusing on design of the Haughton pipeline duplication, design of the Douglas Water Treatment Plant clarifier, and demand management planning.

Duplication of the Haughton Water Supply Pipeline

To meet water supply security and service needs for our growing population into the future, detailed concept designs were completed during the financial year to prepare for the future construction of a second Haughton Pipeline. Investigations will continue in 2016/17 to determine the requirements and timing of the duplication, and to ensure that all options for providing a secure sustainable water supply to the city are properly considered.

Douglas Water Treatment Plant Clarifier

Concept design was undertaken in the 2015/16 financial year for the installation of a clarifier at Douglas Water Treatment Plant. The installation of the clarifier will increase the capacity of the treatment plant to better treat water at times when high turbidity occurs within the Ross River Dam. This is essential to ensure that the demand for water can be met during the wet season when fast changes in dam levels occur, causing high turbidity in the dam and a reduced capacity for treatment at the treatment plant. Council will now determine the priority of these capital works and will plan for construction accordingly.

Demand Management Planning

During the 2014/15 financial year, the Townsville Water Demand Management Strategy 2015 – 2025 was developed. The Strategy provides the vision and framework for water demand management for Townsville into the future. In the 2015/16 financial year, Townsville Water focused on evaluating and prioritising demand management initiatives to work towards the development of a Water Demand Management Action Plan to deliver on the objectives of the Strategy. Focus areas include communication and education, finance and modelling, technology, strategy and leadership, and customer service. Water demand management could result in the deferral of replacement of assets and new capital works, potentially leading to significant savings for the community.

Cleveland Bay Purification Plant Capacity Upgrade

Following negotiations in previous years about the hydraulic capacity requirements and funding for the upgrade of the plant, in August 2015 the Queensland Department of State Development advised council of funding approval for \$20m under the Royalties for the Regions Strategic Projects Fund to assist with the upgrade. Council resolved in September 2015 to progress with the detailed design and construction of a full external membrane bioreactor upgrade and outfall upgrade. Design works have commenced and assessment of tenders for contracts for membrane systems supply and early tenderer involvement were underway in July 2016. The terms of the Funding Agreement with the State Government were negotiated during the financial year, with finalisation of the Agreement expected early in the 2016/17 financial year. Construction is planned to begin in April 2017.

Alfred Street Pump Station, Rising Main and Gravity Works

To address capacity issues, a new pump station, rising main and associated gravity sewers will be constructed near Alfred Street, Aitkenvale, to better service the existing commercial and residential areas on the Eastern side of Nathan Street, between Ross River Road and Arthur Street. This will also cater for future development in the area. During 2015/16, preliminary works were undertaken including the acquisition of the land upon which the pump station will be located. Construction works will take place in 2016/17.

Howitt Street Pump Station

Preliminary arrangements were undertaken in the 2015/16 financial year to plan for the construction of a new sewerage pumping station to replace the existing Pump Station PS7A, located off Howitt Street, and

In 2010, Townsville City Council considered a concept for a new \$143 million entertainment centre to be built at Dean Park in South Townsville, with funding to be split three ways between local, state and federal governments.

upgrade the upstream sewers. Planning reports had identified that the existing pump station and several of the upstream gravity sewers in its catchment were insufficient to cater for current and future sewerage demands of the area. The new pump station and associated gravity sewer works will help Townsville Water to achieve a more cost-effective and reliable sewerage system with minimal disruption to services and acceptable environmental risk. Design works were completed in March 2016 and the acquisition for the land on which the pump station will be located is underway. Construction is expected to take place in the 2016/17 and 2017/18 financial years.

North Shore Boulevard Rising Main Stage 1

An upgrade of the rising main and major sewage pump station servicing the Mount Low area is necessary to increase the capacity of the sewerage system to cater for further development in the area. In the 2015/16 financial year, Stage 1 of construction took place, with the construction of a partial duplicate rising main. In 2016/17 design will be undertaken for an upgraded pump station which is due for construction in 2017/18 along with the completion of the remainder of the rising main works.

Sewer Pipe Relining and Maintenance Hole Rehabilitation

Townsville Water carried out its annual Sewer Pipe Relining and Maintenance Hole Rehabilitation programs in 2015/16 to address pipes and maintenance holes of priority and lengthen the life of assets in order to ensure that Townsville Water can continue to collect and transport sewage safely and efficiently into the future. Works were completed in Wulguru and the CBD during the year. In total, these projects have relined over 15 kilometres of sewer, rehabilitated around 250 maintenance holes and reinstated approximately 700 junction connections to properties. Additionally, another 400 maintenance holes were inspected in Kirwan in preparation for the 2016/17 Sewer Pipe Relining and Maintenance Hole Rehabilitation programmes.

Our environmental management

Environmental licences and compliance

There are environmental implications of Townsville Water's core activities of sourcing, storing and supplying water; collecting, treating and disposing of wastewater; and supplying recycled water. Townsville Water must be licenced under the *Environmental Protection Act 1994* to conduct its water treatment and wastewater operations.

Townsville Water monitored and measured its compliance against licence conditions during the financial year, undertaking routine and event-specific reporting as required including preparing and submitting all required annual returns.

During the financial year, Townsville Water was generally compliant with its discharge limits for its wastewater operations. However, a higher than usual number of bypasses at the Magnetic Island Water Recycling plant occurred during the year as a result of ongoing insufficient demand for recycled water. A number of bypasses were also experienced at the Mt St John Sewage Treatment Plant and Cleveland Bay Purification Plant due to wet weather events, and some isolated equipment and generator failures.

To limit the need to bypass unused recycled water from the Magnetic Island Water Recycling Plant in future, investigations were undertaken during the financial year into options for additional recycled water use on the Island. Negotiations about the licence requirements for the Magnetic Island Water Recycling Plant have been entered into and a licence application has been submitted to the Department of Environment and Heritage Protection for approval to use recycled water to irrigate the Magnetic Island Waste Transfer Station. Negotiations will continue in the 2016/17 financial year.

Townsville Water is currently in preparation for the upgrade of the capacity of the Cleveland Bay Purification Plant, with design works and the development and assessment of tenders underway. The upgrade will increase the hydraulic capacity of the plant to ensure that it can fully treat sewage flows in times of high flow and for extended periods. This will ensure continued compliance with the plant's environmental licence, including reducing the frequency of bypassing partially treated sewage at times of high flows. In May 2016, Townsville Water entered into a Transitional Environmental Program for the Cleveland Bay Purification Plant as a temporary measure while the Purification Plant undergoes its capacity upgrade. This will ensure that Townsville Water minimises any environmental harm and complies with the *Environmental Protection Act 1994*.

In 2011 Severe Tropical Cyclone Yasi crossed the coast near Mission Beach and Tully Heads, with an estimated cost of \$3.5 billion. Winds in Townsville were Category 2 strength, and an estimated 63,000 trees were uprooted.

During the financial year, an application was submitted to the Department of Environment and Heritage Protection for the decommissioning of the Deeragun, Bohle and Nelly Bay Wastewater Treatment Plants which are no longer operational. The decommissioning process will continue in 2016/17.

In isolated events of noncompliance, two penalty infringement notices were received for sewerage pump station overflows occurring in April and May 2015. These overflows were at separate sites and, after identification, were quickly rectified resulting in nil environmental or health impacts.

Change to the environmental regulation of sewage pumping stations

In 2015/16, Townsville Water continued to work with government and industry to change the regulation of sewage pumping stations. Following advocacy over a number of years by the wastewater services industry, the Department of Environment and Heritage Protection agreed to consider that sewage pumping stations be removed from the regulation of Environmentally Relevant Activity (ERA) 63 under the Environmental Protection Act 1994, and be regulated instead by an Industry Code of Practice. Townsville Water would benefit from the move away from a set of rigid standard conditions to a more outcome-focused Code of Practice created by the industry itself, describing 'best practice' operations, maintenance and planning. The Code will allow for risk-based management relevant to the particular conditions of Townsville Water's scheme, whilst still maintaining best practice standards to ensure environmental sustainability.

Townsville Water has worked with the Queensland Wastewater Industry to contribute to the development of a draft Code. The draft Code is currently being considered by the Department of Environment and Heritage Protection.

Until such time that the Code of Practice is in place, the current standard conditions remain in place for sewage pumping stations with a design capacity exceeding 40kL per hour. As a contingency measure, during the 2015/16 financial year, Townsville Water applied to register pump stations under the ERA 63(2) Code of Environmental Compliance, registering 129 pump stations in total.

Increased focus on compliance

With the implementation of a new Regulatory Strategy, the Queensland Department of Environment and Heritage Protection has announced a significant change in the way that it undertakes its assessment and compliance functions with a shift in focus from setting and applying standards, to monitoring and responding to performance. During the financial year, the Department increased their presence and scrutiny of Townsville Water operations, conducting an audit of all Townsville Water's Sewage Treatment Plants. All sites performed well, with only one action required in order to ensure the proper management of stockpiling of quarry material at Mount Saint John Treatment Plant.

Townsville Water proactively organised an information session during the year to provide an overview to the Department about the extent of the management systems that are in place for the proper management of its distribution and reticulation network and the ultimate environmental management of the catchment. This opportunity was used to also convey to the Department some of the unique environmental, geographical and climatic challenges that are faced by wastewater service providers providing services in the North Queensland region.

Environmental management systems

To ensure sound environmental management, Townsville Water maintains an Environmental Management System in accordance with the International Standard ISO14001 – Environmental management systems. Townsville Water has maintained accreditation with the principles of International Standard ISO14001 – Environmental Management Systems during the year, placing a high importance on controlling the impacts of its activities and services on the environment.

National Water Week

National Water Week is an annual awareness-raising celebration that aims to improve community understanding of water issues in Australia. As part of Australia's only national water awareness week the Townsville Water Futures team successfully facilitated a number of community engagement, education, awareness and on-ground activities across the city. Activities included a series of water conservation in school sessions and tours, International Water Centre technical visits from the Philippines, a Celebrate the Reef event, launch of the Lawn Tamer video series and an Open House Day engaging more than 200 residents in outdoor water conservation. Prizes, guest speakers, in library presentations and technical

displays were the dominant features of the week with an additional spotlight also provided on the tireless work of the Greening and Waterways Team of Council that undertake water management tasks year round.

Our governance

Water service provider regulatory framework simplification

In recent years, reforms have been introduced by the Queensland Government to simplify the regulatory framework for water and sewerage service providers. This included the removal of the requirement to prepare some regulatory plans, in favour of annual reporting on key performance indicators intended to allow the Department of Energy and Water Supply to monitor performance of water and sewerage service providers, and to promote transparency and accountability for customers of water and sewerage services through the publication of performance results. Townsville Water carried out its first round of mandatory performance reporting under these new arrangements in 2015/16.

Drinking Water Quality Management Plan

Townsville Water maintained a drinking water quality monitoring program in accordance with its Drinking Water Quality Management Plan during the 2015/16 financial year to ensure the effective management of its drinking water supply.

Largely due to a water quality incident within the Paluma Drinking Water Scheme that first occurred in June 2015 and carried over into July 2015, overall for the year, 99% of all test results complied with all parameters of the National Health and Medical Research Council's drinking water guidelines. All tests taken in the second half of the financial year were compliant, maintaining 100% compliance during this time.

In accordance with its requirements under the *Water Supply (Safety and Reliability) Act 2008*, Townsville Water delivered a report during the 2015/16 financial year about compliance and progress against its Drinking Water Quality Management Plan.

Cairns Townsville Mackay Water Alliance

Townsville Water continued to work with the water directorates of the Cairns and Mackay Regional Councils during the financial year under the banner of the CTM Alliance, to collaboratively develop strategies to assist in the direction, structure and scope of water reform in North Queensland. The three water service providers have developed a communication tool to facilitate the sharing of information, ideas and documentation between all levels of staff within the councils. The sharing of this information is expected to lead to more efficient and high quality services provided to the Townsville community.

Queensland Water Technical Reference Group

During the financial year, Townsville Water participated in the Queensland Water developed Technical Reference Group which oversees industry priorities and technical focus areas. The group shares ideas across the water industry, and works with the State Government and other agencies on initiatives that shape the industry.

Quality Management Systems

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

Workplace Health and Safety

Safety of its workforce is a primary concern of Townsville Water and as part of the raft of measures used to help achieve Zero Harm, Townsville Water has focused on the implementation of Work Health and Safety Annual Plans during the financial year.

During the financial year, departments developed and actioned their own Annual Plan which defined specific workplace health and safety activities, required to be undertaken and completed at the workplace, with the aim of reducing the rate of incident and injury in the organisation, developing a safety leadership culture, and improving the overall safety culture within the council.

4. Major investments

A number of investments were proposed for the 2015/16 financial year. During the year, Townsville Water invested in the below major projects.

Initiative/Project	Proposed Investment \$000s	Revised Budget \$000s	Actual Investment \$000s	Commentary
Water				
Charters Towers Rd Water Pipes Replacement (Construction Year 2)	\$6,300	\$7,500	\$7,700	The construction of the new water main and associated connections was completed during the financial year, with removal of the old main carrying over to the 2016/17 financial year. Due to some unforeseen costs, the budget was increased by an additional \$1.2m at budget review
Water Pipes Replacement	\$5,300	\$3,300	\$3,400	The revised replacement program was completed. A portion of the budget was reallocated to fund the replacement of water mains at Church Street and Burdell Street
Northern Reservoir Strategy Site Levelling Land Acquisition	\$3,800	\$4,000	\$3,700	The majority of the levelling works at the site were completed, with the remainder works to be undertaken by the end of August 2016. The land acquisition is expected to be finalised by December 2016
Water Services Replacement	\$3,500	\$3,500	\$2,800	Some delays with procurement and contract arrangements were experienced at the beginning of the project
Burdell St Stuart Water Pipes Replacement	\$1,800	\$2,300	\$2,000	Three of four portions of the construction work were completed by 30 June 2016, with the remaining works to be undertaken by the end of September 2016
Other dams and weirs renewals	\$1,600	\$1,600	\$1,600	Dams and Weir renewals proceeded in accordance with project priorities
Haghton Pipeline Duplication (Pump Station & Water Main Detailed Design) Year 2	\$1,400	\$2,700	\$2,500	Preliminary designs were produced in December 2016 and the detailed designs were delivered in June 2016
Shaw Industrial Area Water Main (Bruce Hwy to Tompkins Rd) (Construction/Implementation)	\$1,100	\$900	\$700	The water main is completed and connected. Some water service connections are still outstanding due to complications with alignment and Transport and Main Roads approvals. Sections of the access road are also outstanding due to a change of easement requirements. Works are expected to be completed by the end of September 2016. Some savings were experienced and accordingly the budget for the project was reduced during the year by \$200,000
Trility renewals (all sites except Toonpan)	\$930	\$930	\$700	Ongoing rehabilitation of treatment plant assets were undertaken in 2015/16
Mt Louisa Reservoir No. 3 Year 2 (Finalisation/Defects Correction)	\$920	\$800	\$700	In the 2015/16 financial year, construction was completed, and the reservoir was commissioned and is online. The connection to the outlet main remains outstanding as the work can only be carried out during a period of low demand. The final works are expected to be delivered by December 2016
Sanctum Trunk Main Extension to Mt Low Parkway via NSB Extension (Construction/Implementation)	\$870	\$770	\$660	Practical completion of the works was reached in May 2016
Water Meter Replacement	\$720	\$720	\$630	The replacement program experienced some delays in the first half of the financial year, with progress restored in the second half. Approximately 4,500 water meters were replaced as part of the program
Leigh St Trunk Main (West End Reservoir Duplication)	\$700	\$700	\$460	The water main was successfully completed in December 2015
Other reservoir renewals (including cathodic protection)	\$510	\$510	\$100	Some works were not able to be completed due to a focus on higher priority projects
Douglas Water Treatment Plant Clarifier Design Year 1	\$500	\$500	\$40	Concept design was completed in June 2016. Due to the decision to award the works under a design and construction contract, no detailed design was required

In 2014 the Jezzine Barracks redevelopment was completed.








Initiative/Project	Proposed Investment \$000s	Revised Budget \$000s	Actual Investment \$000s	Commentary
Wastewater				
Sewer Pipe Rehabilitation	\$4,100	\$4,700	\$4,000	These two projects were combined to be managed together. Works were completed in Wulguru and the CBD during the year. In total, these projects have relined over 15 kilometres of sewer, rehabilitated around 250 maintenance holes and reinstated approximately 700 junction connections to properties
Sewer Manholes	\$770			
Other pressure mains	\$500	\$1,110	\$1,090	Works were undertaken in accordance with the annual program of works. This project is a portion of a larger project that encompasses other sewer infrastructure
Cleveland Bay STP Performance Rectification - Detailed Design Year 1-	\$2,500	\$2,500	\$2,100	Design works have been completed and an assessment of tenders for contracts for membrane systems supply and early tenderer involvement were underway in July 2016
Other sewage pump station renewals/upgrades	\$1,400	\$1,600	\$1,300	The majority of the scheduled works were completed during the financial year. Due to some delays with generator supply for a number of projects, the budget was not able to be spent. Any outstanding works will be undertaken in the 2016/17 financial year
Other treatment plant renewals/upgrades	\$1,700	\$1,500	\$1,300	Works were undertaken in accordance with the annual program of works
Stage 1 Rising Main Duplication along North Shore Boulevard (Mt Low Parkway to Lionel Turner Drv) (Construction/Implementation)	\$950	\$680	\$610	Stage 1 of construction took place, with the construction of a partial duplicate rising main. In 2016/17 design will be undertaken for an upgraded pump station which is due for construction in 2017/18 along with the completion of the remainder of the rising main works
Pump Station 7A Replacement and gravity sewer upgrades (Construction/Implementation) preliminary works	\$800	\$800	\$70	Delays were experienced with the progression of this project. Design works were completed in March 2016 and the acquisition for the land on which the pump station will be located is underway. Construction is now expected to take place in the 2016/17 and 2017/18 financial years
Pump Station 9P Stockland and Rising Main (Construction/Implementation) Year 1	\$600	\$600	\$370	Land acquisition was finalised during the financial year, with the cost of acquisition less than expected. Construction will now take place in the 2016/17 financial year
MIWR Effluent Reuse (Extension to Golf Course Irrigation to meet licence) year 2-	\$600	\$310	\$0	After some initial delays with the licence application and approval process, finalisation of the new arrangement to reuse effluent from the Magnetic Island Water Recycling Plant to irrigate the Magnetic Island Transfer Station is expected to reach conclusion in the 2016/17 financial year. \$200,000 was invested by council during the year to install the recycled effluent irrigation systems; however this expenditure has been allocated to the project budget for the Magnetic Island Waste Transfer Station
Wastewater				
CBD Reticulation Mains Year 15/16	\$2,100	\$4,300	\$3,410	Detailed designs were completed. Delays were experienced in the engagement of the Construction Manager, but a contractor was later appointed for the main works package
CBD Trunk Mains Year 15/16	\$1,800			
CBD Sewer Mains Year 15/16	\$720			

In 2015 two of Townsville's national sports franchises won their respective Grand Finals - The WNBL Fire defeated Bendigo 75-65 on 7 March, and the NQ Cowboys downed the Brisbane Broncos 17-16 in extra time on 4 October.

5. Performance targets

In the 2015/16 financial year, Townsville Water measured its performance against the below performance indicators as outlined in its Annual Performance Plan.

GOAL 1 ECONOMIC SUSTAINABILITY					
Performance Measure	Description	Target	Result	Status	Comments
Operating revenue – budget to actual	Comparison of the actual operating revenue received with the budgeted revenue	Within 5% of revised budget	-3.15%	<div></div>	Actual revenue of \$188.5m was lower than the budgeted revenue amount of \$194.6m mainly due to water sales to internal, commercial and standard plan water customers, where reduced water usage was influenced by water restrictions
Operating expenditure – budget to actual	Comparison of the actual operating expenditure with the budgeted operating expenditure	Within 5% of revised budget	3.89%	<div></div>	Actual expenses of \$124.1m were lower than the budgeted expenses of \$129.1m, primarily attributed to a reduction in the amount of water that the business was required to produce and some delays in operational projects. Costs that were expected to be incurred late in the financial year for taking water from the Burdekin Dam were able to be deferred as a result of rainfall
Capital expenditure – budget to actual	Comparison of the actual capital expenditure with the budgeted capital expenditure	Within 5% of revised budget	-10.25%	<div></div>	Actual capital expenditure of \$52m was below budgeted capital expenditure of \$58 million due to underspend on a number of capital projects including CBD Utilities, Water Services Replacement, Howitt Street Pump Station, and the annual Sewer and Maintenance Hole Rehabilitation program
Net operating result – budget to actual	Comparison of the actual net operating result with the budgeted net operating result	Within 5% of revised budget	1.69%	<div></div>	The net operating result is mainly affected by reduced revenue and less expenditure than expected for materials and services
5 Year price path	Approved price path derived from QTC model	Information only	Approved	<div></div>	Approved in 2015/16
Return on assets	Net income / NBV of non-current assets	Within 5% of revised budget	2.89%	<div></div>	Return on assets is on target
Asset renewal	Rehabilitation capital works / Depreciation charges	Minimum 90%	61%	<div></div>	Townsville Water is continuously improving to spend the allocated renewal component. Further, some asset classes need increase in budget allocation for renewals. These will improve the sustainability ratio for Townsville Water
Interest coverage ratio	Total operating revenue / Net interest expense	Information only	4.59	<div></div>	Townsville Water is able to service its debt
Asset consumption ratio	Weighted average measure of consumption of non-current assets	Information only	58%	<div></div>	On average, assets are 58% through their useful life
Debt to equity ratio	This ratio identifies the portion of debt compared to the business' equity	<0.5	0.45	<div></div>	Townsville Water is on target
Annual dividend	The portion of earnings distributed to council (our shareholder) from the operation of the Townsville Water commercial business unit	>90% of budgeted amount	105.65%	<div></div>	Townsville Water's operating profit was 5.65% higher than it budgeted for as a result of less operational expenditure. 100% of Townsville Water's net result (inclusive of capital revenue and expenses) after tax - \$58.8m - was distributed to council

GOAL 2 SOCIAL RESPONSIBILITY						
Performance measure	Description	Target	Result	Status	Comments	
Customer satisfaction with fault management	Percentage of results of "good" and "excellent" recorded by the Customer Service Department monthly survey	90%	89%		Results were marginally under target with an average of 89% of customers rating water and wastewater operations as good or excellent. Low ratings were mostly due to customer concerns about contact during and after rectification, and restoration time frames	
Drinking water quality compliance	Percentage of compliance with all drinking water quality requirements in accordance with Townsville Water's Drinking Water Quality Management Plan	100%	99%		Townsville Water was mostly compliant with the requirements of its Drinking Water Quality Management Plan. In June 2015, Giardia was detected in the Paluma Drinking Water Scheme and a boil water alert was still in place in early July 2015. Subsequent testing in July cleared the scheme of further contamination	
GOAL 3 ENVIRONMENTAL SUSTAINABILITY						
Performance measure	Description	Target	Result	Status	Comments	
Penalty infringement notices or legal action for non-compliance	Number of penalty infringement notices issued or instances of legal action initiated by the Regulator for non-compliance with respect to sewerage treatment or reticulation activities	Zero	2		Two penalty infringement notices were issued in 2015/16 for sewerage pump station overflows occurring during the 2014/15 financial year. In April and May 2015. The overflows were at separate sites and, after identification, were quickly rectified resulting in no environmental or health impacts	
GOAL 4 RESPONSIBLE GOVERNANCE						
Performance measure	Description	Target	Result	Status	Comments	
Number of lost time injuries	Total number of lost time injuries	0	16		There were a total of 16 lost time injuries during the financial year	
No. of process improvements outstanding – water operations	Total number of outstanding Process Improvements at the end of the month for Water Operations	50	53		There were a total of 53 process improvements outstanding for Water Operations at the end of June 2016	
No. of process improvements outstanding – wastewater operations	Total number of outstanding Process Improvements at the end of the month for Wastewater Operations	80	40		There were a total of 40 process improvements outstanding for Wastewater Operations at the end of June 2016	
Compliance with Work Health and Safety Plan	Percentage of compliance with Water Operations' and Wastewater Operations' Work Health and Safety Plans	100%	61%		An average of 61% compliance was achieved with Water and Wastewater Operations' Work Health and Safety Plans. The low result was due to average compliance of 36% across the financial year for Water Operations owing mostly to incomplete inspections, Job Safety Environment Observations, and actions not being completed. A review of the plan has been undertaken, with significant changes identified to be implemented to the 16/17 Plan, to address the lack of compliance	

6. Community service obligations

Townsville Water was required to carry out a number of community service obligations for the financial year. A community service obligation is defined in the *Local Government Regulation 2012* as an obligation the local government imposes on a business entity to do something that is not in the commercial interests of the business entity to do. For example, give a price concession to a particular group of customers, such as pensioners.

In the 2015/16 financial year, the following community service obligations were carried out by Townsville Water, at a total cost of \$2,182,350.

Category	Budgeted Value \$	Actual Value \$
Pumping of sewerage – Magnetic Island Surf Lifesaving Club	\$11,600	\$12,190
Price concessions on water and wastewater charges in recognition of an activity's contribution to the social and cultural welfare of the community	\$2,245,400	\$2,170,160
Commercial Irrigation	See above total	\$68,315
Caravan Parks	See above total	\$213,284
Retirement/lifestyle villages	See above total	\$153,560
Boarding and lodging houses	See above total	\$100,501
Charitable and non-profit aged care facilities	See above total	\$756,244
Churches, church halls, clubhouses and halls - Charitable and non-profit organisations	See above total	\$81,736
Sporting field irrigation - restricted public access (not including schools, tertiary institutions and other educational facilities)	See above total	\$499,932
Sporting field - no public access restrictions (not including schools, tertiary institutions and other educational facilities)	See above total	\$4,695
War Graves	See above total	\$1,423
Showgrounds/Horseracing	See above total	\$87,742
Schools and educational institutions including not-for-profit day care facilities and kindergartens	See above total	\$87,794
Water Leakage Concession	See above total	\$50,223
Water Haemodialysis Concession	See above total	\$730
CBD Development Incentive Concessions	See above total	\$21,577
Special consideration for sale of council owned lands - Riverside Ridge	See above total	\$3,540
Water supplied for irrigation purposes	See above total	\$37,620
Sporting Welfare	See above total	\$1,242
TOTAL	\$2,257,000	\$2,182,350

7. Changes to the Annual Plan

The *Local Government Regulation 2012* allows local government to amend its annual performance plan for a commercial business unit, at any time before the end of the financial year for which it is prepared. Any changes must be documented in the Annual Operations Report. No changes were made during the financial year.



Financial Report

GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

TOWNSVILLE CITY COUNCIL

ABN: 44 741 992 072

Understanding our financial statements

Introduction

Each year council is required to prepare a set of audited Financial Statements for the period 1 July – 30 June. This guide has been prepared to assist readers to understand and analyse the statements. A summary of the 2015-16 results is also included in the Community Financial Report.

About the Financial Statements and accompanying notes

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 accruals basis and includes both cash and non-cash items. For example some revenue may not yet be received (unpaid rates notices) and some expenses may have not yet been paid (electricity used).

The key figure to assess council's performance is the operating surplus or deficit which is recurrent revenue minus recurrent expenses.

The Statement of Financial Position is a snapshot of council's financial position including assets and liabilities at 30 June 2016.

Assets are things that council owns that can be used to provide services or sold to earn an income. Assets include physical property and cash.

Liabilities are amounts of money that council owes to others. Liabilities include money borrowed from Queensland Treasury Corporation and unpaid bills.

Assets and liabilities are separated into current and non-current which determines when those assets will be received or liabilities paid.

The Statement of Changes in Equity measures the changes in council's net wealth, which is the net of our assets less liabilities.

The Statement of Cash Flows shows 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.

The notes to the financial statements give greater detail and additional information to support the figures used in the above four statements.

About the Sustainability Statements

Council is required to report on its performance against 3 key ratios in accordance with the *Local Government Regulation 2012*. Further information on these sustainability measures have been included in the Community Financial Report.

About the Auditor's 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.

General Purpose Financial Report For The Year Ended 30 June 2016

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Financial Sustainability Report For The Year Ended 30 June 2016


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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 2 to 36, 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 14th day of OCTOBER 2016

Chief Executive Officer



14th day of October 2016

Dated this 14th day of October 2016

TOWNSVILLE CITY COUNCIL

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$000	2015 \$000
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	2(a)	331,327	325,270
Fees and charges	2(b)	21,115	22,648
Interest received		4,788	5,992
Other income		17,639	13,759
Grants, subsidies, contributions and donations	2(c)	11,139	23,814
		<u>386,008</u>	<u>391,483</u>
Capital revenue			
Grants, subsidies, contributions and donations	2(d)	34,269	51,572
Fair value gain on contributions of assets		40,641	59,716
		<u>74,910</u>	<u>111,288</u>
Total revenue		<u>460,918</u>	<u>502,771</u>
Capital income	7	747	1,872
Total income		<u>461,665</u>	<u>504,643</u>
Expenses			
Recurrent expenses			
Employee benefits	3(a)	(137,351)	(136,786)
Materials and services	3(b)	(106,927)	(112,846)
Depreciation and amortisation		(108,430)	(105,110)
Finance costs	3(c)	(23,691)	(23,181)
Other expenses		(191)	(3,547)
Share of net loss of joint venture	6	(1,657)	(2,156)
		<u>(378,247)</u>	<u>(383,626)</u>
Capital expenses	3(d)	(22,961)	(46,028)
Total expenses		<u>(401,208)</u>	<u>(429,654)</u>
Net result		<u>60,457</u>	<u>74,989</u>
Other comprehensive income:			
Items that will not be reclassified to net result			
Net loss on revaluation of property, plant and equipment	7	(36,793)	62,133
Share of other comprehensive income of joint venture	6	2,296	-
Total comprehensive income for the year		<u>25,960</u>	<u>137,122</u>

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

TOWNSVILLE CITY COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 \$000	2015 \$000
Current assets			
Cash and cash equivalents	4	69,213	108,149
Trade and other receivables	5	34,615	44,326
Inventories		1,375	1,025
Other assets		3,726	1,946
Non-current assets held for sale	7	7,200	-
Total current assets		<u>116,129</u>	<u>155,446</u>
Non-current assets			
Trade and other receivables	5	7,080	9,261
Investments accounted for using the equity method	6	22,388	21,749
Property, plant and equipment	7	4,534,275	4,469,523
Intangible assets		12,028	10,711
Other assets		6,217	4,382
Total non-current assets		<u>4,581,988</u>	<u>4,515,626</u>
Total assets		<u>4,698,117</u>	<u>4,671,072</u>
Current liabilities			
Trade and other payables	8	67,162	64,940
Borrowings	9	21,245	19,070
Provisions	10	24,786	25,714
Other liabilities		1,460	2,748
Total current liabilities		<u>114,653</u>	<u>112,472</u>
Non-current liabilities			
Borrowings	9	308,202	310,175
Provisions	10	34,910	33,983
Other liabilities		1,823	1,873
Total non-current liabilities		<u>344,935</u>	<u>346,031</u>
Total liabilities		<u>459,588</u>	<u>458,503</u>
Net community assets		<u>4,238,529</u>	<u>4,212,569</u>
Community equity			
Asset revaluation surplus		716,078	750,575
Retained surplus		3,522,451	3,461,994
Total community equity		<u>4,238,529</u>	<u>4,212,569</u>

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

TOWNSVILLE CITY COUNCIL

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Retained surplus	Asset revaluation surplus	Total
	\$000	\$000	\$000
Balance as at 1 July 2015	3,461,994	750,575	4,212,569
Net result	60,457	-	60,457
Other comprehensive income for the year			
Decrease in asset revaluation surplus	-	(36,793)	(36,793)
Share of other comprehensive income of joint venture	-	2,296	2,296
Total comprehensive income for the year	60,457	(34,497)	25,960
Balance as at 30 June 2016	3,522,451	716,078	4,238,529
Balance as at 1 July 2014	3,387,005	688,442	4,075,447
Net result	74,989	-	74,989
Other comprehensive income for the year			
Increase in asset revaluation surplus	-	62,133	62,133
Total comprehensive income for the year	74,989	62,133	137,122
Balance as at 30 June 2015	3,461,994	750,575	4,212,569

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

TOWNSVILLE CITY COUNCIL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$000	2015 \$000
Cash flows from operating activities			
Receipts from customers		412,224	406,773
Payments to suppliers and employees		(282,811)	(277,039)
Interest received		4,793	6,162
Finance costs	3(c)	(21,541)	(21,269)
Net cash inflow from operating activities	15	<u>112,665</u>	<u>114,627</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(193,796)	(156,098)
Payments for intangible assets		(1,722)	-
Proceeds from sale of property, plant and equipment		782	1,987
Proceeds from cash contributions for constructing assets		41,127	45,807
Net movement in community loans and advances		1,805	(371)
Net movement in term deposits over 90 days		-	10,000
Net cash outflow from investing activities		<u>(151,804)</u>	<u>(98,675)</u>
Cash flows from financing activities			
Proceeds from borrowings		19,544	15,000
Repayment of borrowings		(19,341)	(19,588)
Net cash inflow from financing activities		<u>203</u>	<u>(4,588)</u>
Net decrease in cash and cash equivalents held		(38,936)	11,364
Cash and cash equivalents at the beginning of financial year		<u>108,149</u>	<u>96,785</u>
Cash and cash equivalents at end of financial year	4	<u><u>69,213</u></u>	<u><u>108,149</u></u>

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

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 1 Significant accounting policies

(a) Basis of preparation

These general purpose financial statements are for the period 1 July 2015 to 30 June 2016 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except for the following:

- financial assets and liabilities, certain classes of property, plant and equipment and investment property which are measured at fair value
- assets held for sale which are measured at fair value minus cost of disposal.

Recurrent/capital classification

Revenue and expenditure are presented as “recurrent” or “capital” in the Statement of Comprehensive Income on the following basis:

Capital revenue includes grants and subsidies received which 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.

The following transactions are classified as either “capital income” or “capital expenses” depending on whether they result in accounting gains or losses:

- disposal of non-current assets
- discount rate adjustments to restoration provisions
- revaluations of investment property and property, plant and equipment.

All other revenue and expenses have been classified as “recurrent”.

Account classifications

Some account classifications may have changed in the current year in order to improve the accuracy of presentation of the financial statements; comparative figures have also been reclassified for consistency of presentation. There were no significant reclassifications during the period.

Currency

Townsville City Council uses the Australian dollar as its functional currency and its presentation currency.

Constitution

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

Rounding of amounts

The amounts included in the financial statements have been rounded to the nearest \$1,000 or where that amount is \$500 or less, to zero. Amounts shown in the financial statements may not add to the correct subtotals or totals due to rounding.

(b) Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to council's operations and effective for the current reporting period. Because council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal revenue.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(c) Adoption of new and revised accounting standards

In the current year, council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to council's accounting policies.

Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures for Not-For-Profit Public Sector Entities*. Generally council applies Standards and Interpretations in accordance with their respective commencement dates. The application of AASB 2015-7 has exempted council from the disclosure of qualitative information and sensitivity analysis from some valuations categorised within Level 3 of the fair value hierarchy.

At the date of authorisation of the financial statements, AASB 124 *Related Party Disclosures* and AASB 15 *Revenue from Contracts with Customers* are the only new accounting standards with a future application date that are expected to have a material impact on council's financial statements.

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to council, which means that council will disclose more information about related parties and transactions with those related parties.

Council is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 *Revenue from Contracts with Customers* will have a material impact. To date no impact has been identified.

AASB 15 is effective from 1 January 2018 and will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

(d) Critical accounting estimates and judgements

In the application of council's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Fair value assessments of property, plant and equipment assets. Refer to Note 20.
- Estimated useful life assessments of property, plant and equipment assets. Refer to Note 7.
- Impairment of property, plant and equipment assets. Refer to Note 7.
- Impairment of trade and other receivables. Refer to Note 5.
- Measurement and recognition of provisions. Refer to Note 10.
- Measurement and recognition of revenue arising from non-reciprocal transfers of assets. Refer Note 2.

(e) Revenue and income

Rates and utilities revenue

Where rate monies are received prior to the commencement of the rating period, the amount is recognised as revenue in the period in which it is received.

Fees and charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Grants, subsidies and contributions

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which council obtains control over them. Where grants, subsidies and contributions are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled.

Council receives cash contributions from property developers to construct assets such as roads and footpaths and to connect new property developments to water and sewerage networks in the local government area. Where agreements between council and the developers relating to these contributions are determined to fall within the scope of AASB Interpretation 18 *Transfers of Assets from Customers* these contributions are recognised as revenue when the related service obligations are fulfilled.

Council may also receive cash contributions towards the cost of constructing/upgrading existing and proposed water supply and sewerage headworks in accordance with council's planning scheme policies. Cash contributions in relation to water supply and sewerage headworks are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with these contributions. Consequently, these cash contributions are recognised as income when received. Physical assets contributed to council by developers in the form of buildings, road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

Grants and subsidies that meet the recognition criteria as revenue above, but are received for the purpose of constructing assets, are treated as grants, subsidies, contributions and donations in the Statement of Comprehensive Income.

(f) Cash and cash equivalents

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

(g) Trade and other receivables

Trade 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.

The collectability of receivables is assessed on an ongoing basis and if there is objective evidence that council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

All known bad debts were written off at 30 June 2016. Subsequent recoveries of amounts previously written off are recognised as revenue.

If required, council has the power to sell an owner's property to recover certain outstanding rate receivables, in accordance with the *Local Government Act 2009*. However, in recognition of the three year period for residential properties and one year period for commercial properties that must lapse prior to collection being pursued via sale of the property, in accordance with the *Local Government Regulation 2012*, these receivables are presented as non-current rates and utility receivables. Additionally, it is council's policy not to pursue overdue rate receivables from eligible pensioners and therefore any overdue rate receivables to be collected from these customers are presented as non-current rates and utility receivables.

Loans and advances to community organisations are recognised in the same way as other receivables. Security is not normally obtained.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(h) Non-current assets held for sale

Items of property, plant and equipment are reclassified as non-current assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are not depreciated. On the eventual sale of these assets a gain or loss may be recognised.

(i) Interests in joint ventures

Council has joint control of the Townsville Breakwater Entertainment Centre Joint Venture, an entity of which council has 79.8% ownership. Council has determined that this joint arrangement is a joint venture under AASB 11 *Joint Arrangements* and accounts for this investment using the equity method. Under the equity method the investment is initially recognised at cost and is adjusted each year to recognise council's share of profit or loss. Council's share of movements in other comprehensive income of the joint venture is recognised in other comprehensive income. Distributions received are recognised as a reduction in the carrying amount of the investment. Further information about the joint venture is set out in Note 6.

(j) Other assets

Other assets include current and non-current prepayments. Non-current prepayments are for capital expenditure on council owned assets under a long term operating contract. Other assets also include investment assets under construction.

(k) Property, plant and equipment

Recognition and measurement

The cost method of accounting is used for the initial recognition of all property, plant and equipment assets. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including all costs incurred in preparing the assets ready for use or for restoring the asset at the end of its life to meet specific obligations.

Property, plant and equipment received in the form of contributions, are recognised as assets and revenue at fair value by council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is defined in Note 20.

Accounting policy for physical assets contributed to council by developers is outlined in note 1(e).

Items of land with a total value less than \$1 and all other property, plant and equipment with a total value of less than \$5,000 are treated as an expense in the period of acquisition. All other items of property, plant and equipment are recognised as assets. Assets such as computers and water meters that have individual values below \$5,000 but are connected to a network are treated as assets. A park, including all the play equipment and shade sails therein, is treated as a single asset with linked sub-assets.

The measurement basis used for determining the gross carrying amount of each class of property, plant and equipment assets is set out in Note 7.

Acquisition of assets

Acquisitions of assets are initially recorded at cost. 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.

Assets under construction

The costs of non-current assets constructed by council includes the cost of all materials used in construction, direct labour and other costs directly attributable to bring the asset to the location and condition for it to operate in the manner intended.

Capital and operating expenditure

Direct labour and materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Valuation

Land, buildings, infrastructure and other assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. Other non-current assets, principally plant and equipment, are measured at cost. Where there is no active market, assets will be valued at replacement cost less obsolescence. Where assets are not required and intended to be disposed of, fair value is the anticipated net sale proceeds. Assets recently purchased are shown in the financial statements at their historical cost less accumulated depreciation. Assets within each class of property, plant and equipment carried at fair value are revalued as necessary, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date.

Revaluations are undertaken in accordance with AASB 116 *Property, Plant and Equipment, Local Government Regulation 2012* and council policy. In the intervening years, council internally assesses through physical inspection the condition of infrastructure assets on a sample basis and as part of the maintenance process. The inspection results are considered in combination with external indices from a range of sources including the Australian Bureau of Statistics, data provided by Queensland Treasury, the Road and Transport Alliance – Roads Alliance Valuation Project (RAVP) and where appropriate internally sourced capital cost data. Indices are viewed over a five year cycle and short term fluctuations are discounted in determining the appropriate index to be applied. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years when an external revaluation is not performed.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, 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.

Deed of settlement in trust lands

Under a Deed of Settlement in Trust dated 23 July 2009, council is Trustee of the Jezzine Land Trust, comprising certain land titles known as Jezzine Barracks. Council has not recognised this land as an asset. Under the terms of the Trust, council has control over the improvements on the site and accordingly the improvements are recognised as assets in these financial statements.

Depreciation

Property, plant and equipment assets having a limited useful life are systematically depreciated over their useful lives as listed in Note 7.

Land, certain cultural and heritage assets with heritage listing, road formations and rock contained in dams and levee banks, are not depreciated.

Depreciation is recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the estimated useful lives of each property, plant and equipment asset.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset. 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. The condition assessments performed as part of the annual valuation process for assets measured at depreciated replacement cost are used to estimate the useful lives of these assets at each reporting date.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal and when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying value of the property, plant and equipment, and is recognised net, within either other income or other expenses in the Statement of Comprehensive Income where appropriate.

(l) Intangible assets

Software assets

Software assets are recognised as intangible assets where their cost exceeds \$5,000. The estimated useful lives for software assets are between two and 10 years.

(m) Trade and other payables

Trade and other payables have been recognised as a liability at the time when the amount owed can be measured reliably and when it is probable the account will be paid. This is at the time of the goods being received or the service being performed. The amount recognised for each creditor is based on purchase or contract costs. The amounts owing are unsecured and are normally settled within 30 days.

(n) Borrowings and borrowing costs

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

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

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale (qualifying assets), are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(o) Provisions

Landfill restoration provision

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.

(p) Employee benefits

Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date in respect of employees' services up to that date. This liability represents an accrued expense and is reported in trade and other payables.

Annual leave

A liability is recognised for annual leave and is calculated on current pay rates and projected future increases in those rates and includes related employee on-costs. Amounts not expected to be settled within 12 months are discounted to present values.

This liability represents an accrued expense and is reported in trade and other payables.

As council does not have an unconditional right to defer this liability beyond 12 months, annual leave is classified as a current liability.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Long service leave

A liability for long service leave is measured as 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 value of 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. This liability is reported as a provision.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 13.

(q) 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.

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.

(r) Retained surplus

In reference to the comparative figures for the year ended 30 June 2015, this represents the amount of council's net funds not set aside in reserves to meet specific future needs.

(s) Financial assets and liabilities

Council recognises a financial asset or financial liability in its Statement of Financial Position when, and only when, council becomes a party to the contractual provisions of the instrument.

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

Financial assets	Financial liabilities
Cash and cash equivalents	Payables - measured at amortised cost
Receivables - measured at amortised cost	Borrowings - measured at amortised cost

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

(t) National competition policy

Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 19.

(u) Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax (GST).

The commercial businesses of council pay an income tax equivalent to council in accordance with the requirements of the *Local Government Act 2009*.

Where a commercial business of council is subject to the tax equivalents regime, the income tax expense is calculated on the operating surplus adjusted for permanent and timing differences between taxable and accounting income. These transactions are eliminated upon consolidation.

Council pays payroll tax to the Queensland Government on certain activities.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Revenue and income

	2016 \$000	2015 \$000
(a) Rates and utilities revenue		
General rates	175,034	167,731
Refuse and recycling utility charges	18,599	17,554
Water and wastewater utility charges	169,494	171,658
Less discounts	(22,875)	(21,903)
Less pensioner and other remissions	(8,925)	(9,770)
	<u>331,327</u>	<u>325,270</u>
(b) Fees and charges		
Regulatory fees and charges	9,683	10,618
Commercial fees and charges	11,432	12,030
	<u>21,115</u>	<u>22,648</u>
(c) Grants, subsidies, contributions and donations		
Recurrent		
Contributions received for operating purposes	872	1,405
Subsidies and grants received for operating purposes	10,267	22,409
	<u>11,139</u>	<u>23,814</u>
(d) Grants, subsidies, contributions and donations		
Capital		
Contributions received for capital purposes	16,389	21,714
Subsidies and grants received for capital purposes	17,880	29,858
	<u>34,269</u>	<u>51,572</u>
Conditions over contributions		
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:		
Rates received in advance	12,449	10,359
Non-reciprocal grants	661	7,022
	<u>13,110</u>	<u>17,381</u>
Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:		
Rates received in advance	10,359	8,957
Non-reciprocal grants	6,616	3,126
	<u>16,975</u>	<u>12,083</u>

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 3 Expenses

	2016 \$000	2015 \$000
(a) Employee benefits		
Total staff wages and salaries	127,899	126,356
Councillors' remuneration	1,191	1,135
Superannuation	14,533	13,960
	<u>143,623</u>	<u>141,451</u>
Other employee related expenses	15,702	17,395
	<u>159,325</u>	<u>158,846</u>
Less: Capitalised employee expenses	<u>(21,974)</u>	<u>(22,060)</u>
	<u>137,351</u>	<u>136,786</u>
Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.		
(b) Materials and services		
Accommodation services	6,587	6,620
Administration supplies and consumables	12,952	12,159
Audit of annual financial statements by the Auditor-General of Queensland	306	271
Bulk water supply	10,894	10,771
Contractors and service providers	13,477	11,704
Electricity	12,192	12,704
Employee related costs	3,493	3,671
Equipment and tools	3,016	3,148
Information, communications and technology	8,045	7,487
Insurance	4,458	1,630
Marketing and promotion	2,543	2,011
Other materials and services	5,362	5,456
Other utilities	563	2,111
Repairs, maintenance and construction	17,938	23,875
Vehicle and plant operating costs	12,306	14,952
	<u>114,132</u>	<u>118,570</u>
Less: Capitalised materials and services	<u>(7,205)</u>	<u>(5,724)</u>
	<u>106,927</u>	<u>112,846</u>
(c) Finance costs		
Interest and finance charges on loans from financial institutions	21,541	21,269
Unwinding of discounted provisions	765	725
Impairment of trade receivables	1,385	1,187
	<u>23,691</u>	<u>23,181</u>

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$000	2015 \$000
(d) Capital expenses			
Loss on sale/disposal of property, plant and equipment		18,650	40,868
Revaluation decrement on property, plant and equipment	7	3,075	-
Impairment losses on property, plant and equipment	7	49	4,481
Other capital expenses		1,187	679
		<u>22,961</u>	<u>46,028</u>

Note 4 Cash and cash equivalents

Cash at bank and on hand	1,321	1,888
Deposits at call	67,892	106,261
Balance per Statement of Cash Flows	<u>69,213</u>	<u>108,149</u>

Cash not available for general use

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

Unspent contributions, government grants and subsidies	<u>2,906</u>	<u>2,138</u>
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Note 5 Trade and other receivables

Current

Rates and utilities	13,884	11,836
Fees and charges	3,035	4,317
Less impairment	(617)	(593)
Loans and advances to community organisations	1,304	1,706
Water charges not yet levied	10,492	15,407
Other receivables	6,517	11,653
	<u>34,615</u>	<u>44,326</u>

Non-current

Rates and utilities	4,740	5,518
Loans and advances to community organisations	2,340	3,743
	<u>7,080</u>	<u>9,261</u>

Interest is charged on outstanding rates and utilities at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Loans and advances made to various not-for profit community organisations arise from time to time and are subject to negotiated interest rates. The credit risk on these loans is considered low.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 6 Investments accounted for using the equity method

	2016 \$000	2015 \$000
Interests in joint venture	22,388	21,749

Joint venture

A joint venture exists between Breakwater Island Limited as trustee of the Breakwater Island Trust and the Townsville City Council. The joint venture parties are associated in an unincorporated joint venture known as the Townsville Breakwater Entertainment Centre Joint Venture. The purpose of the joint venture is to design, develop, construct, commission, operate and own the Townsville Breakwater Entertainment Centre.

Council has a 79.8% interest in the Townsville Breakwater Entertainment Centre Joint Venture, whose principal activities are the provision of a venture and ancillary services for the conduct of conventions, exhibitions, sports and entertainment events. Unless otherwise agreed in writing between the joint venturers, the joint venture is limited to the purposes and activities specified in the *Townsville Breakwater Entertainment Centre Act 1991 (as amended)*.

The joint venture has entered into an agreement with the Trustee of Breakwater Island Trust and Breakwater Island Limited for the management of the Townsville Breakwater Entertainment Centre. Pursuant to the terms of the Management Agreement, Breakwater Island Trust will indemnify the joint venture from any amount by which defined costs exceed total revenue. Defined costs exclude general rates and land tax, replacement of fixed assets and major repairs. Breakwater Island Trust is entitled to reimbursement of any indemnity paid in any previous year out of net operating surpluses of the operations of the centre.

The Entertainment Centre Joint Venture is not considered a controlled entity because, in accordance with the *Townsville Breakwater Entertainment Centre Act 1991 (as amended)*, all decisions of the Management Committee governing the operations of the joint venture require a unanimous decision, except for decisions relating to the giving of notices to the operator about audit qualifications relating to the joint venture financial statements, or in the case of a default event, decisions to give to the defaulting party notice of intention to terminate the agreement.

The financial results of the audited special purpose financial statements for the year ended 30 June 2016 of the joint venture are included in this report. The joint venture's audited financial statements for the year ended 30 June 2015 have now been provided and shown below for comparison with the 2015 provisional results previously reported. Adjustments for the audited 2015 financial results have been processed in the current year.

The following information has been provided by the Operator of the centre.

Townsville Breakwater Entertainment Centre	2016 Final \$000	2015 Final \$000	2015 Provisional \$000
Revenue	2,398	1,808	1,808
Expenses	(4,713)	(4,379)	(4,330)
Profit or loss from continuing operations	(2,315)	(2,571)	(2,522)
Profit (loss) for the year	(2,315)	(2,571)	(2,522)
Other comprehensive income for the year	-	2,878	-
Total comprehensive income for the year	(2,315)	307	(2,522)

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The above profit (loss) for the year includes:

	2016 Final \$000	2015 Final \$000	2015 Provisional \$000
Depreciation and amortisation	(2,228)	(2,267)	(2,267)
Interest income	9	12	2
Current assets	801	706	623
Non-current assets	28,213	30,433	27,576
Total assets	29,014	31,139	28,199
Current liabilities	(949)	(858)	(944)
Non-current liabilities	(10)	(11)	-
Total liabilities	(959)	(869)	(944)
Net assets	28,055	30,270	27,255

The above amounts include:

Cash and cash equivalents	716	417	417
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Included in cash is \$621,972 (2015: \$324,328) in accounts established in the name of the operator pursuant to the Management Agreement.

The joint venture's net assets reconcile to the carrying amount of the investment as follows:

Net assets	28,055	30,270	27,255
Ownership interest in the joint venture	79.8%	79.8%	79.8%
Carrying amount of council's interest in the joint venture	22,388	24,155	21,749

Adjustments for the 2015 final results have been processed in the current year.

The movement in the carrying amount of council's investment in the joint venture is as follows:

Carrying amount at the beginning of the financial year	21,749	23,905
Share of profit (loss)	(1,657)	(2,156)
Other equity adjustments	2,296	-
Carrying amount at the end of the financial year	22,388	21,749

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 7 Property, plant and equipment

Townsville City Council - 30 June 2016

Basis of measurement

Asset values

Opening gross value as at 1 July 2015

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Revaluation adjustment to Statement of Comprehensive

Income

Assets classified as held for sale

Transfers between classes and intangible assets - reallocation

Transfers between classes - capitalised assets

Closing gross value as at 30 June 2016

Accumulated depreciation and impairment

Opening balance as at 1 July 2015

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Revaluation adjustment to Statement of Comprehensive

Income

Assets classified as held for sale

Impairment adjustment to income

Transfers between classes/ intangible assets

Accumulated depreciation as at 30 June 2016

Total written down value as at 30 June 2016

Buildings	Dams & weirs	Fixed plant	Cultural & heritage	Land	Land improvements	Landfills	Pipe network	Plant & equipment	Transport network	Assets under construction	Total
Fair Value \$000	Fair Value \$000	Fair Value \$000	Fair Value \$000	Fair Value \$000	Fair Value \$000	Fair Value \$000	Fair Value \$000	Cost \$000	Fair Value \$000	Cost \$000	\$000
254,426	531,957	755,809	16,267	341,873	123,351	39,615	2,251,934	145,100	2,015,984	117,290	6,593,606
25	-	-	209	-	158	-	25,186	105	17,414	196,836	239,933
(3,833)	-	(640)	(1,138)	(622)	(5,883)	-	(5,262)	(8,394)	(16,194)	-	(41,966)
-	-	-	-	-	-	1,557	(30,094)	-	10,989	-	(17,548)
(2,947)	-	-	-	132	615	-	-	-	-	(128)	(2,328)
(8,717)	-	-	-	(4,022)	-	-	-	-	-	-	(12,739)
8,437	-	(731)	-	-	(7,783)	(5)	-	76	5	(1,528)	(1,529)
5,198	-	20,148	20	4,037	8,439	151	40,181	21,053	80,722	(179,949)	-
252,589	531,957	774,586	15,358	341,398	118,897	41,318	2,281,945	157,940	2,108,920	132,521	6,757,429
(92,189)	(126,951)	(324,701)	(29)	-	(57,998)	(25,067)	(947,394)	(69,953)	(479,801)	-	(2,124,083)
(6,380)	(4,787)	(16,097)	-	(6)	(5,189)	(2,277)	(27,069)	(13,797)	(31,290)	-	(106,892)
2,532	-	218	29	6	3,866	-	967	7,575	4,822	-	20,015
-	-	-	-	-	-	(635)	(6,969)	-	(10,079)	-	(17,683)
-	-	-	-	-	-	-	-	-	-	-	-
5,538	-	-	-	-	-	-	-	-	-	-	5,538
-	-	-	-	-	-	-	-	(49)	-	-	(49)
(2,326)	-	369	-	-	2,004	-	-	(47)	-	-	-
(92,825)	(131,738)	(340,211)	-	-	(57,317)	(27,979)	(980,465)	(76,271)	(516,348)	-	(2,223,154)
159,764	400,219	434,375	15,358	341,398	61,580	13,339	1,301,480	81,669	1,592,572	132,521	4,534,275
5 - 180	10 - 150	3 - 150	150+	-	3 - 100	3 - 48	7 - 150	3 - 33	4 - 150	-	-
Residual value											
Range of estimated useful life in years											
5 - 180	10 - 150	3 - 150	150+	-	3 - 100	3 - 48	7 - 150	3 - 33	4 - 150	-	-
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
9,823	1,636	5,040	-	-	8,779	790	29,739	13,253	38,087	-	107,147
377	-	6,834	231	13,680	5,365	12,427	35,924	6,590	51,230	-	132,658
10,200	1,636	11,874	231	13,680	14,144	13,217	65,663	19,843	89,317	-	239,805
Asset revaluation surplus											
Opening balance at 1 July 2015	23,959	11,934	4,405	-	-	641	172,306	-	534,936	-	748,181
Asset revaluation movement	-	-	-	-	-	922	(37,063)	-	910	-	(35,231)
Change in value of future rehabilitation cost	-	-	-	-	-	(1,562)	-	-	-	-	(1,562)
Closing balance at 30 June 2016	23,959	11,934	4,405	-	-	1	135,243	-	535,846	-	711,388

TOWNSVILLE CITY COUNCIL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Townsville City Council - 30 June 2015													
Basis of measurement													
Asset values													
Opening gross value as at 1 July 2014													
Additions													
Disposals													
Revaluation adjustment to asset revaluation surplus													
Revaluation adjustment to Statement of Comprehensive Income													
Transfers between classes - reallocation													
Transfers between classes - capitalised assets/ intangible assets													
Closing gross value as at 30 June 2015													
Accumulated depreciation and impairment													
Opening balance as at 1 July 2014													
Depreciation provided in period													
Depreciation on disposals													
Revaluation adjustment to asset revaluation surplus													
Revaluation adjustment to Statement of Comprehensive Income													
Impairment adjustment to income													
Transfers between classes/ intangible assets													
Accumulated depreciation as at 30 June 2015													
Total written down value as at 30 June 2015													
Residual value													
Range of estimated useful life in years													
Additions comprise:													
Renewals													
Other additions													
Total additions													
Asset revaluation surplus													
Opening balance at 1 July 2014													
Asset revaluation movement													
Closing balance at 30 June 2015													

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 8 Trade and other payables

	Note	2016 \$000	2015 \$000
Current			
Trade payables		32,406	19,052
Annual leave accrued		17,047	17,084
Sundry payables and accrued expenses		17,709	28,804
	17	67,162	64,940

Note 9 Borrowings

Current			
Unsecured liabilities			
Loans - Queensland Treasury Corporation		21,245	19,070
Non-current			
Unsecured liabilities			
Loans - Queensland Treasury Corporation		308,202	310,175
Total borrowings	17	329,447	329,245

(a) Loans

The loan market value at the reporting date was \$408,796,965. 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 accounts.

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 3.59% to 8.35% for book value rates. All borrowings are carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 December 2023 to 15 March 2031. There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

(b) Undrawn facilities

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

Bank overdraft facility	500	500
Purchase card facility	1,338	1,376
Working capital facility - Queensland Treasury Corporation	20,000	-
	21,838	1,876

On 13 June 2016, a working capital facility with Queensland Treasury Corporation was approved with a limit of \$20 million. This facility remained fully undrawn at reporting date and is available for use in the next reporting period until it is closed.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 10 Provisions

	2016 \$000	2015 \$000
Current		
Self-insurance	1,151	1,249
Landfill restoration	6,642	7,537
Long service leave	16,944	16,692
Other	49	236
	<u>24,786</u>	<u>25,714</u>
Non-current		
Self-insurance	2,856	3,150
Landfill restoration	27,053	25,471
Long service leave	3,549	3,864
Other	1,452	1,498
	<u>34,910</u>	<u>33,983</u>

(a) Landfill restoration provision

A provision has been recognised as the present value of the estimated cost of restoring council's landfill sites to the condition required by the licence at the end of their useful life.

The total projected cost of \$49,508,545 is expected to be incurred between 2016 and 2046. The figure includes rehabilitating landfill cells on existing sites that are yet to be used, but which are in the current site plan.

(b) Long service leave provision

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.

Current long service leave obligations expected to be settled after 12 months

	<u>18,477</u> <u>18,570</u>
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(c) Movements in provisions

Movements in the provisions during the financial year are set out below:

	Self-insurance \$000	Landfill restoration \$000	Long service leave \$000	Other \$000	Total \$000
Balance at beginning of financial year	4,399	33,008	20,556	1,734	59,697
Additional provisions raised during year	2,152	1,552	2,007	-	5,711
Amounts used	(2,205)	(2,733)	(2,195)	(18)	(7,151)
Unused amounts reversed	(339)	-	-	(263)	(602)
Increase in provision due to unwinding of discount	-	681	60	24	765
Increase in provision due to change in discount rate	-	1,187	65	24	1,276
Balance at end of financial year	4,007	33,695	20,493	1,501	59,696

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 11 Commitments for expenditure

	2016 \$000	2015 \$000
Capital expenditure commitments contracted for:		
CBD utilities upgrade	51,013	-
Charters Towers Road water pipes replacement	-	5,916
Dalrymple Road Bridge	-	32,334
Northern reservoir strategy site levelling	289	3,671
Open space upgrades	6,574	-
Road upgrades	4,046	2,705
Sewer pipe rehabilitation	-	1,733
Townsville Recreational Boating Park	326	1,050
Waste facility improvements	3,820	11,518
Water treatment plant refurbishment	27,297	28,792
Other	4,253	8,171
	97,618	95,890

Note 12 Contingent liabilities

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

Guarantees

Workers' compensation self-insurance guarantees	5,235	8,238
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State WorkCover authorities require guarantees against workers' compensation self-insurance liabilities. The guarantee is based on independent actuarial advice of the estimated liability. Guarantees held at each balance date do not always equal the liability at these dates due to delays in issuing the guarantees. An actuarial assessment of the council workers' compensation claims liability performed on 22 July 2016 has estimated the required self-insurance guarantee be \$5 million.

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 10.

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 2016 of LGM Queensland were not available. As at 30 June 2015 the financial statements reported an accumulated surplus of \$41,971,699 and it was not anticipated any liability would arise.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 13 Superannuation

Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB 119 *Employee Benefits*.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has three elements referred to as:

- The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund
- The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments
- The Accumulation Benefits Fund (ABF).

The ABF is a defined contribution scheme as defined in AASB 119 *Employee Benefits*. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

The Regional DBF is a defined benefit plan as defined in AASB 119 *Employee Benefits*. Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB 119 *Employee Benefits* because the scheme is unable to account to council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had 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.

Any amount by which the fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "at the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date".

In the 2015 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

Under the *Local Government Act 2009* the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

There are currently 69 entities contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 69 entities. Townsville City Council made 4.74% of the total contributions to the plan for the 2016 financial year.

The next actuarial investigation will be conducted as at 1 July 2018.

	2016 \$000	2015 \$000
The amount of superannuation contributions paid by council to the scheme in this period for the benefit of employees was:	14,677	13,920

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 14 Operating functions

Function information

Identification of reportable functions

Council has identified its operating functions based on the internal reports that are reviewed and used by management in assessing performance and in determining the allocation of resources.

Council is primarily managed on the basis of product and service offerings, since the diversification of council's operations inherently have different risk profiles and performance assessment criteria. Operating functions are therefore determined on the same basis.

Reportable functions disclosed are based on aggregating operating functions where the segments are considered to have similar service characteristics.

Operating functions by core service

Core Services

(i) Community and cultural services

Includes community services, libraries, art galleries, civic theatre, cultural, recreational facilities, health and parking regulation.

(ii) Enabling services

Includes human resources, payroll, knowledge management, corporate communications, legal services, corporate governance, customer service, fleet services, corporate asset management and finance.

(iii) Environmental and sustainability services

Includes delivery of environmental and natural resource management and sustainability services.

(iv) Planning and development services

Includes town planning, development assessment, economic development and special projects.

(v) Public infrastructure

Includes operation and maintenance of roads, drainage, open spaces and coastal facilities.

(vi) Solid waste management

Includes refuse collection and disposal, and landfill operations and management.

(vii) Wastewater services

Includes operation and maintenance of council's wastewater disposal network and treatment plants.

(viii) Water services

Includes operation and maintenance of council's water storage, treatment, distribution and reticulation networks.

Core services grouped by entity

The council has identified its operating core services 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 core services above are grouped into the following entities:

Rest of council	(i) to (v)
Townsville Waste Services	(vi) and (vii)
Townsville Water	(viii)

TOWNSVILLE CITY COUNCIL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Analysis of results by function

Core service	Income				Total income	Expenses			Total expenses	Net result from recurrent operations	Net result
	Recurrent		Capital			Recurrent		Capital			
	Grants	Other	Internal eliminations	Grants		Other	Internal eliminations	Other			
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Year ended 30 June 2016											
Community and cultural services	1,388	9,179	(6)	354	244	11,159	(63,457)	26,051	(5)	(37,411)	(26,845)
Enabling services	4,362	181,660	(26,906)	626	190	159,932	(40,101)	(86,482)	(4,737)	(131,320)	32,532
Environment and sustainability services	6	42	-	-	-	48	(5,662)	1,608	-	(4,054)	(4,006)
Planning and development	93	10,519	(43)	-	-	10,569	(19,375)	5,536	(20)	(13,859)	(3,290)
Public infrastructure	4,414	5,544	(14)	16,900	41,151	67,995	(127,718)	28,247	(12,294)	(111,765)	(89,527)
Solid waste management	3	33,103	(6,903)	-	-	26,203	(28,468)	12,695	(1,187)	(16,960)	10,430
Wastewater services	-	83,251	(1,393)	-	7,994	89,852	(55,139)	23,216	(422)	(32,345)	49,935
Water services	-	100,584	(12,875)	-	8,198	95,907	(79,263)	30,064	(4,295)	(53,494)	38,510
Total	10,266	423,882	(48,140)	17,880	57,777	461,665	(419,184)	40,935	(22,960)	(401,208)	7,759
Year ended 30 June 2015											
Community and cultural services	2,772	9,177	-	115	2,873	14,937	(62,146)	23,077	2,030	(37,039)	(27,119)
Enabling services	4,350	176,176	(27,454)	360	3,127	156,559	(42,792)	(81,724)	(10,161)	(134,678)	28,556
Environment and sustainability services	15	74	-	364	-	453	(6,527)	2,324	(401)	(4,604)	(4,151)
Planning and development	-	9,122	(144)	-	-	8,978	(19,273)	5,390	1,174	(12,709)	(4,904)
Public infrastructure	15,273	5,264	(13)	29,019	52,658	102,201	(134,929)	33,230	(9,970)	(111,669)	(81,175)
Solid waste management	(1)	32,435	(6,707)	-	-	25,727	(32,263)	11,589	(530)	(21,204)	4,523
Wastewater services	-	81,909	(1,369)	-	12,453	92,993	(55,033)	23,593	(2,620)	(34,060)	58,933
Water services	-	108,074	(17,471)	-	12,192	102,795	(78,095)	29,954	(25,550)	(73,691)	42,462
total	22,410	422,231	(53,158)	29,858	83,303	504,644	(431,058)	47,433	(46,028)	(429,654)	7,859

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Function Assets

Assets are used across multiple functions. Assets are allocated to an 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 2016 \$000	Assets 2015 \$000
Rest of council	2,973,007	2,881,773
Townsville Water	1,684,675	1,758,811
Townsville Waste Services	40,435	30,488
Total council	4,698,117	4,671,072

Note 15 Reconciliation of net result for the year to net inflow (outflow) from operating activities

	2016 \$000	2015 \$000
Net result for the year	60,457	74,989
Non-cash items:		
Depreciation	106,892	104,005
Amortisation	1,538	1,105
Gain on impairment loss reversed for property, plant and equipment	(747)	(1,872)
Revaluation decrement on property, plant and equipment	3,075	-
Impairment losses on property, plant and equipment	49	4,481
Change in future rehabilitation and restoration costs	(1,552)	(8,959)
	109,255	98,760
Investing and developing activities:		
Net loss on sale/disposal of non-current assets	18,670	40,828
Grants, subsidies and contributions received for constructing assets	(41,127)	(45,807)
Fair value gain on contributions of assets	(40,641)	(59,716)
Share of joint venture entity net loss	1,657	2,156
	(61,441)	(62,539)
Changes in operating assets and liabilities:		
Decrease in trade and other receivables	10,087	(7,816)
Increase in inventories	(350)	236
Increase in other assets	(1,780)	233
Decrease in trade payables and other payables	(2,484)	2,797
Increase in provisions	(1)	8,131
Decrease in other liabilities	(1,078)	(164)
	4,394	3,417
Net cash flows from operating activities	112,665	114,627

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 16 Events after the reporting date

Council has classified an administration building as held for sale at reporting date. On 7 July 2016 a conditional contract of sale was signed. A revaluation decrement has been processed in the current reporting period and council does not expect to have any material gain or loss on settlement of the contract.

On 27 September 2016 council adopted the recommendations of an independent organisational review. The review recommended a range of projects to improve council's operating performance, including a restructure of council administration and management. The proposed changes will be implemented over the next 12 months and as a result an estimate of the financial effect at the time of this report is unknown.

Note 17 Financial instruments

Council has exposure to the following risks arising from financial instruments: credit risk, liquidity risk and market risk. This note provides information (both qualitative and quantitative) to assist users to evaluate the significance of financial instruments on the council's financial position and financial performance, including the nature and extent of risks and how council manages these exposures.

Financial risk management

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.

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.

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 requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by council.

Cash and cash equivalents

Council may be exposed to credit risk through its investments with the QTC Cash Fund and deposits held with other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Trade and other receivables

In the case of rates and utilities receivables, council has the power to sell the property to recover any defaulted amounts. In effect this power protects council against credit risk in the case of these debts.

During the reporting period the pensioner rate concession policy stated council would not pursue pensioners for payment of arrears of rates and would not take recovery action against them. Rates owing on an approved pensioner's property on which council had allowed the concession were permitted to accumulate until either death of the pensioner, sale or disposal of the property or application to subdivide land is made.

After reporting date, council amended its Pensioner Rates Concession Policy and properties that are owned and occupied by pensioners who fall into arrears with rates may now be pursued.

In other cases, council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 class of financial assets described as trade and other receivables is considered to be the main source of credit risk to the entity.

The following table details council's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the entity and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to council. Indicators of impairment of trade and other receivables include: bankruptcy, liquidation or receivership along with any legal action taken on default or delinquency in payments.

The balances of trade and other receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Financial assets	Gross amount	Impaired	Within initial trade terms	Past due (days overdue)			
	\$000	\$000	\$000	<30 \$000	31-60 \$000	61-90 \$000	>90 \$000
30 June 2016							
Rates and utilities, fees and charges	21,659	(617)	2,935	436	609	222	7,457
Loans and advances to community organisations	3,644	-	3,644	-	-	-	-
Water charges not yet levied	10,492	-	10,492	-	-	-	-
Other receivables	6,517	-	6,517	-	-	-	-
Total	42,312	(617)	23,588	436	609	222	7,457

Liquidity risk

Liquidity risk is the risk that the 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 and other financial institutions.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 9.

The following table sets out the liquidity risk of financial liabilities held by council. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date:

Financial liabilities	Within 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$000	\$000	\$000	\$000	\$000
30 June 2016					
Trade and other payables	67,162	-	-	67,162	67,162
Loans - Queensland Treasury Corporation	41,527	166,108	269,976	477,611	329,447
	108,689	166,108	269,976	544,773	396,609
30 June 2015					
Trade and other payables	64,940	-	-	64,940	64,940
Loans - Queensland Treasury Corporation	40,123	157,165	287,103	484,391	329,245
	105,063	157,165	287,103	549,331	394,185

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

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Market risk

Market risk is the risk that changes in market prices, 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 financial assets and financial liabilities recognised at reporting date whereby 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

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 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 \$693,334 (2015: \$1,074,568), an equal amount in the reverse direction is possible for a decrease in rates.

Fair value

Refer note 20 for information relating to the fair value of assets and liabilities.

Note 18 Trust funds

	2016 \$000	2015 \$000
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	2,189	2,571
Townsville City Council Mayor's Christmas Tree Appeal	5	24
	<u>2,194</u>	<u>2,595</u>

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 19 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. The council provides the funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSOs by the council.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

	Water and sewerage 2016 \$000	Waste management 2016 \$000	Performing arts 2016 \$000
Revenue for services provided to the council	15,111	6,655	-
Revenue for services provided to external clients	171,228	26,202	1,535
Community service obligations	2,182	248	-
	188,521	33,105	1,535
Less: Expenditure	(123,676)	(26,953)	(10,656)
Surplus/(deficit)	64,845	6,152	(9,121)

Description of CSOs provided to business activities:

Activities	CSO Description	Net cost \$000
Townsville Water	Concessions on water and waste water utility charges	2,182
Townsville Waste	Concessions on landfill charges, community clean-up events and other waste services	248

Note 20 Fair value measurements

(a) Recognised fair value measurements

Council measures and recognises the following assets at fair value on a recurring basis:

- buildings
- dams and weirs
- fixed plant
- cultural and heritage
- land
- land improvements
- landfills
- pipe network
- transport network.

In accordance with AASB 13 *Fair Value Measurements* are categorised on the following basis:

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

Council does not measure any liabilities at fair value on a recurring basis.

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 17 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short term nature (level 2). A long term debt from a community group is carried at amortised cost using the effective interest method derived from the debt agreement. This debt is unsecured.

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

The table presents council's assets measured and recognised at fair value at 30 June 2016.

	Note	Level 2		Level 3		Total	
		(Significant other observable inputs)		(Significant unobservable inputs)			
		2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Recurring fair value measurements							
Land	7	341,398	341,873	-	-	341,398	341,873
Buildings							
- Market value buildings	7	37,941	39,790	-	-	37,941	39,790
- Special purpose buildings	7	-	-	121,823	122,447	121,823	122,447
Transport network	7	-	-	1,592,572	1,536,183	1,592,572	1,536,183
Pipe network	7	-	-	1,301,480	1,304,540	1,301,480	1,304,540
Landfills	7	-	-	13,339	14,548	13,339	14,548
Fixed plant	7	-	-	434,375	431,108	434,375	431,108
Dams and weirs	7	-	-	400,219	405,006	400,219	405,006
Land improvements	7	-	-	61,580	65,353	61,580	65,353
Cultural and heritage	7	-	-	15,358	16,238	15,358	16,238
Total		379,339	381,663	3,940,746	3,895,423	4,320,085	4,277,086
Non-recurring fair value measurements							
Land and buildings held for sale		7,200	-	-	-	7,200	

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.

(b) Valuation techniques used to derive fair values for level 2 and 3 valuations

Council adopted AASB 13 *Fair Value Measurement* for the first time for the financial year ended 30 June 2014 and has reviewed each valuation to ensure compliance with the requirements of the standard. There have been no changes in valuation techniques as a result of this review.

Specific valuation techniques used to value council assets comprise as per valuer's reports:

Significant unobservable input	Range of inputs	Relationship of unobservable inputs to fair value
Discount rate	2.4-3.8%	Higher the discount rate, the lower the fair value.
Capitalisation rate	4.0-8.5%	Higher the capitalisation rate and expected vacancy rate, the lower the fair value.
Expected vacancy rate	6-22%	Higher the vacancy rate, the lower the fair value.
Rental growth rate	-1% to +4%	Higher the rental growth rate, the higher the fair value.
Condition rating (remaining useful life)	1-5	Higher the condition rating, the lower the fair value.
Residual value	\$0-\$8m	No impact on fair value until fair value is equal to residual value.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(c) Land – (level 2)

Land fair values were determined by independent valuer, Knight Frank (Craig Stack FAPI MDIA Registered Valuer (Qld) no.1632), with an effective date of 28 February 2014. Council's review of those figures at 30 June 2016 resulted in no change in values. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current zoning rules. 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. There is one parcel of land held for sale as at 30 June 2016 and the fair value was determined using a conditional contract of sale that was signed on 7 July 2016.

(d) Buildings – (level 2 and 3)

The fair value of buildings was determined by independent valuers.

Knight Frank (Craig Stack FAPI MDIA Registered Valuer (Qld) no.1632) valued level 2 buildings 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. For this exercise, council applied comparable land values from this revaluation for equivalent land only valuations. Valuations on these buildings did not change in 2016 as council determined that the market has not materially changed. There is one building held for sale as at 30 June 2016 and the fair value was determined using a conditional contract of sale that was signed on 7 July 2016.

All other buildings were deemed of specialist nature with no active market or were placed on reserve land, valued at current replacement value less obsolescence by Michael Puntill from AECOM (RPEQ No.11865), effective as at 28 February 2014. The comparative basis is a new asset having similar service potential including allowances for preliminaries and professional fees. The gross current values were derived by AECOM using their professional judgement, appropriate benchmarks, industry standard cost guides such as Rawlinson's Australian Construction Handbook (Rawlinson's) plus their proprietary databases such as Townsville tender price index. For specialist usage buildings, by definition, there is no depth of market and the net current value of a building asset is the gross current value less straight line accumulated depreciation to reflect the consumed or expired service potential of the asset. The weighted average cost of construction used to calculate the gross current value of council's buildings and structures, including pools, lagoons, other specialist structures while excluding car parks and small structures under 50 sqm, is \$2,483/sqm. A review of various inputs resulted in no change to these values as at 30 June 2016.

In determining the level of accumulated depreciation the assets are disaggregated into significant components which exhibit 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 considered to be no longer available for use and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence. For this financial year, no residual amounts were applied to buildings.

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value, useful life, pattern of consumption and asset condition that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation, the overall valuation has been classified as level 3.

Significant unobservable input	Range of inputs	Relationship of unobservable inputs to fair value
Condition rating (remaining useful life)	1-5	Higher the condition rating, the lower the fair value
Residual value	\$0	No buildings have residual values

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(e) Infrastructure assets – (level 3)

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

All council infrastructure assets were measured at fair value using written down current replacement cost. This valuation comprises the asset's current replacement cost (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. Technical obsolescence was also included as a discount factor with the differing service potential between a modern replacement asset and the asset *in situ* being a determinant in assigning value. Where valuation is based on visual external inspection and where that inspection cannot reasonably determine the interior condition of the asset (which may require non-destructive testing or invasive inspection techniques and not be cost justified), the date of installation of the asset is a factor in determining remaining life.

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 oversized, 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.

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a top down assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks. Elements of original cost that may not be included in CRC include stamp duty, capitalised interest, buyouts of leases, other legislative requirements, third party costs or legal impediments to access the site or obtain the required capability for the asset concerned. The CRC was determined using methods relevant to the asset class as described under individual asset categories below.

(e)(i) Transport network – calculation of current replacement cost – (level 3)

Roads

Current replacement cost

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, surface, kerbs and footpaths (where applicable). Pathways, road furniture, 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.

CRC for road sections is calculated by reference to asset linear and area specifications, then applying rates based road profiles established by RAVP, a joint initiative by Local Government Association of Queensland and the Queensland Government, of which both council and the valuer are members. These rates are then modified by taking into account costs that apply to council such as equipment hire and usage rates, variations in employee wage rates, contractor cost indices and the local environment. Generally Townsville ground conditions are described as wet and reactive, which lessens the economic life and can increase the cost of road construction. The cost difference is less once the road formation has been constructed. Road condition is based on laser camera road surface cracking indexes, used also to extrapolate the condition of the underlying pavement. Pavement and spray seal surfaces are componentised to reflect the different life of cost elements within each. These components are attached to individual road rates for each road profile and vary according to road hierarchy, surface composition and actual reuse of road material. A road's condition can vary markedly when an adverse weather event occurs, causing moisture to enter the pavement structure and reducing the service potential of the road section components to varying degrees. CRC for other transport network elements is serviced from extracts from these rates or management estimates based on current construction costs - these elements reflect a small portion of overall transport network value.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The last full valuation of road infrastructure was undertaken effective 30 June 2015, determined by independent valuations performed by Lemmah Pty Ltd (Graham John Jordan RPEQ No.3305). This was a review of rates and condition and included laser camera cracking survey. The condition assessment of the road surface is a combination of cracking analysis and the time expired since the commissioning. For roads where the exact date of commissioning is unknown, an adjustment to remaining life may be made based on actual experience of road surface replacement capital expenditure. In 2016 our rates were adjusted by applying the movement in RAVP rates for 2016 to our localised rates.

Accumulated depreciation

In determining the level of accumulated depreciation, roads were disaggregated into significant components which exhibited different useful lives. Depreciation is calculated on a straight line basis, reflecting the utility to users of the service potential over the life of the road.

Bridges

Current replacement cost

A full valuation of bridges assets was undertaken in 2012. Each bridge is assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and size. Construction estimates were determined on a similar basis to roads. Valuation in this financial year is based on management estimates of the 2012 rates adjusted for current construction costs, RAVP rates and index data.

Accumulated depreciation

In determining the level of accumulated depreciation, bridges were disaggregated into significant components which exhibited different useful lives. Depreciation is calculated on a straight line basis, reflecting the utility to users of the service potential over the life of the bridge.

(e)(ii) Pipe networks – water, wastewater and stormwater – (level 3)

Current replacement cost

Pipe network assets are split into over 400,000 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 if that is their function. 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 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.

The valuation process, for pipes revalued as at 1 June 2016, was performed as follows:

Stormwater pipe network assets were revalued at their depreciated replacement cost based on independent valuations performed by Lemmah Pty Ltd (Graham John Jordan RPEQ No.3305). The process incorporates a review of unit rates for stormwater drainage with the valuer referring to the rates applied by other councils utilising a 'first principles' model approach, consultant model rates and consultant greenfield contract rates.

Water and Wastewater pipe network assets were revalued at their depreciated replacement cost based on assessments performed by Northern Water Management Pty Ltd (J Ballard RPEQ No.6854). The process incorporates the determination of unit rates by reference to data contained in Rawlinson's plus an assessment of council's internal and external costings.

Estimated useful lives are disclosed in Note 7. The remaining useful life is generally calculated on an age of installation basis. If condition data is available on specific pipe(s) we adjust the life accordingly.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(e)(iii) Landfills – (level 3)

Current replacement cost

Waste landfill cell restoration provision fair values were determined by council engineers effective 30 June 2016. 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. Long lived cells which did not have a construction cost at amalgamation in 2008 do not have a cell construction cost applied to them. 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.

Values have been derived from recent quotations (within 12 months) and tender responses for works. These values have then been adapted for other landfills by adding appropriate factors for transport and other site specific variables. The valuation for the closed landfill at Majors Creek is an estimate as the scope of works to finalise the site and will only be determined once long term soil runoff analysis is completed.

There are different methodologies that could be applied to cap landfills and meet licence conditions. Each has cost elements that vary according to different cost drivers. Council engineers select the most appropriate given the various factors. Licence conditions require monitoring of the sites for 30 years, with works required in excess of normal maintenance of open spaces. The costs for this reporting period have been estimated by council staff and included in the rehabilitation costs. The quantum of these costs is a low percentage of the total and is not estimated past 2046.

Accumulated depreciation

Accumulated depreciation was determined through assessment of the remaining life for each landfill cell, allocated on a straight line basis.

(e)(iv) Fixed plant, dams and weirs – comprising treatment plants and pump stations plus some coastal assets – (level 3)

Current replacement cost

All assets, including treatment plants, dams, weirs and pump stations, excluding pipelines, were valued as at 28 February 2014 at their respective depreciated replacement cost determined by independent valuations performed by Michael Puntill from AECOM (RPEQ No.11865). Where a market value existed, this was used to determine fair value. These valuations were applied at 30 June 2016 as it was determined there had been no material change in values in the intervening period.

Council has a range of water and wastewater treatment plants, plus a significant number of water, wastewater and stormwater pump stations. There are other structures such as tide gates. In 2014, all fixed plant assets were physically inspected by the valuer AECOM and their condition determined on a 1-5 scale by external inspection. Photos and GPS data were recorded for each asset. Valuations were determined on a top down model for all the assets in this class. In some cases recent construction data (e.g. Mt St John Wastewater Treatment Plant, Northern Water Treatment Plant) and bill of material costs were used as prime data to inform the valuation, including specialised indexes such as AECOM's proprietary tender price index for Townsville. In other cases, such as Douglas Water Treatment Plant, comparative construction costs for similar plants in southern parts of Australia were used as reference costs. Adjustments were made for local costs and conditions. Discounts were applied to modern plant replacements to allow for differentials in service potential to the *in situ* plant as appropriate.

Dam construction was based on original plans converted to current construction costs. Various assets are componentised into separate elements if the useful lives differ. The cost element for rock used to construct dam walls and levee banks does not depreciate. Earthworks at reservoirs are also not depreciated.

AECOM's cost models were derived from the following sources:

- AECOM database
- schedule rates for construction of asset or similar assets
- cost curves derived by AECOM
- Building Price Index tables
- recent contract and tender data
- Rawlinson's rates for building and construction
- suppliers' quotations.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Factors taken into account in determining replacement costs included:

Development factors - the area in which development takes place (e.g. rural areas would have little or no restoration requirements, whereas a high density area would have large amounts of high quality footpaths, road pavements and associated infrastructure that would require reinstatement, and would also require traffic control).

Soil factors - the types of soil or other surface material (e.g. areas where soil is sandy are difficult to excavate and would require shoring while areas where the soil is generally free of rock would not present any great difficulty for excavation).

Valuation unit rates (replacement costs) of equipment were increased to allow for construction and installation, project overheads including survey, environmental and investigation costs, engineering design, planning and project management, and permit and license requirements.

Accumulated depreciation

In determining accumulated depreciation, assets were either subject to a site inspection and an assessment to determine remaining useful life. Assets were allocated a condition assessment, which was used to estimate remaining useful life as tabled below:

Condition rating and description	Description explanation	Remaining useful life %
1. As new/excellent	Asset "as new"	95% of useful life
2. Good	Asset is reliable, asset operates as intended and its appearance and structural integrity is up to the standard expected of an operating asset	75% of useful life
3. Fair	Asset is reliable and operates as intended, but its appearance and structural integrity are questionable	50% of useful life
4. Poor	Asset still operates, but does not meet intended duty or does not appear sound	25% of useful life
5. Unserviceable	Asset is not functioning/needs immediate attention	0% of useful life

(e)(v) Land improvements – (level 3)

Land improvements were valued at current replacement value less obsolescence by Michael Puntl from AECOM (RPEQ No.11865), effective as at 28 February 2014. The comparative basis is a new asset having similar service potential including allowances for preliminaries and professional fees. The gross current values were derived by AECOM using their professional judgement, appropriate benchmarks, industry standard cost guides such as Rawlinson's plus their proprietary databases such as Townsville tender price index. It has been determined that there has been no material change in value in the intervening period.

(f) 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. A full valuation of all artworks was performed as at 30 June 2015.

(g) Changes in fair value measurements using significant unobservable inputs – (level 3)

The changes in level 3 assets with recurring fair value measurements are detailed in Note 7 (property, plant and equipment). There have been no transfers between level 1, 2 or 3 measurements during the year.

TOWNSVILLE CITY COUNCIL INDEPENDENT AUDITOR'S REPORT

To the Mayor of Townsville City Council

Report on the Financial Report

I have audited the accompanying financial report of Townsville City Council, which comprises the statement of financial position as at 30 June 2016, 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 certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

TOWNSVILLE CITY COUNCIL INDEPENDENT AUDITOR'S REPORT

Independence

The Auditor-General Act 2009 promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Townsville City Council for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

Other Matters – Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

C G Strickland CA

As Delegate of the Auditor-General of Queensland

Queensland Audit Office

Brisbane

TOWNSVILLE CITY COUNCIL CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

Measures of financial sustainability

Council's performance at 30 June 2016 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.	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	2%	100%	89%

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 2016.

* Operating surplus ratio has been calculated from the Statement of Comprehensive Income, with details on capital revenue and capital expenditure to be excluded derived from note 2 and 3 respectively.

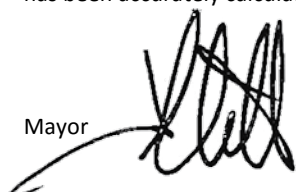
CERTIFICATE OF ACCURACY

FOR THE YEAR ENDED 30 JUNE 2016

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 14th day of OCTOBER 2016

Chief Executive Officer



Dated this 14 day of October 2016

TOWNSVILLE CITY COUNCIL INDEPENDENT AUDITOR'S REPORT

To the Mayor of Townsville City Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Townsville City Council for the year ended 30 June 2016, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Current-Year Financial Sustainability Statement

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

Auditor's Responsibility

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the *Auditor General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

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

TOWNSVILLE CITY COUNCIL INDEPENDENT AUDITOR'S REPORT

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Townsville City Council, for the year ended 30 June 2016, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

Other Matters - Electronic Presentation of the Audited Statement

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

C. G. Strickland



C G Strickland CA

As Delegate of the Auditor-General of Queensland

Queensland Audit Office

Brisbane

TOWNSVILLE CITY COUNCIL LONG TERM FINANCIAL SUSTAINABILITY STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

Measures of financial sustainability

		Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
How the measure is calculated		Net result divided by total operating revenue	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	Total liabilities less current assets divided by total operating revenue
Target		between 0% and 10%	greater than 90%	not greater than 60%
Actual Projected for the years ended	30-Jun-16	2%	100%	89%
	30-Jun-17	-2%	88%	96%
	30-Jun-18	0%	99%	105%
	30-Jun-19	0%	65%	108%
	30-Jun-20	0%	62%	106%
	30-Jun-21	1%	84%	101%
	30-Jun-22	1%	117%	103%
	30-Jun-23	1%	83%	104%
	30-Jun-24	1%	87%	108%
	30-Jun-25	0%	110%	106%

Financial management strategy

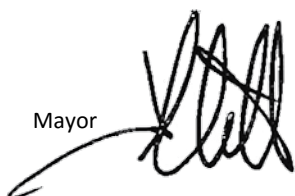
Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial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

CERTIFICATE OF ACCURACY FOR THE LONG TERM FINANCIAL SUSTAINABILITY STATEMENT PREPARED AS AT 30 JUNE 2016

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

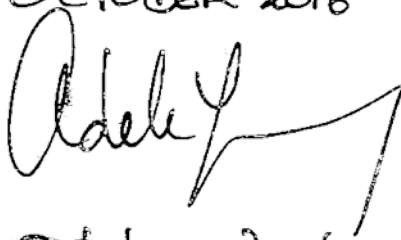
In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Mayor



Dated this 14th day of OCTOBER 2016

Chief Executive Officer



Dated this 14 day of October 2016

Part 5: Appendices

Index Legislative Requirements

Council is required to include certain legislative information in its Annual Report, which has been outlined below.

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23	Code of Conduct preparation, education and procedures	47, 157



Appendix A – International travel register

Name	Position	Dates of Travel	Destination	Purpose	Cost	Notes
Cr Jenny Hill	Mayor	26 September - 4 October 2015	China & Japan	Premier's Delegation	\$6,000.00	
Andrew Hannay	Coordinator Environmental Management & NRM	15-21 May 2016	Bangkok, Thailand	Participation in ICMA USAID CityLinks Climate Adaptation Partnership Program	-	The travel costs were wholly funded by the International City/County Managers Association's CityLinks Climate Adaptation Partnership Program – an USAID funded program. TCC funded staff time only
Jason Lange	Water Cycle Team Leader	02-10 April 2016	Portmore, Jamaica	Participation in ICMA USAID CityLinks Climate Adaptation Partnership Program		ICMA funded – all travel expenses, except time
Mark Robinson	Carbon Cycle Team Leader	02-10 April 2016	Portmore, Jamaica	Participation in ICMA USAID CityLinks Climate Adaptation Partnership Program		ICMA funded – all travel expenses, except time
Judith Jensen	Coordinator Learning and Information Services	31 May – 25 June	Glasgow Scotland	Participation in preconference workshop 2 June PASCAL Learning Cities Networks Seminar Hosted by the Urban Big Data Centre and CR&DALL 2 Presentations at 13th PASCAL International Conference 2016 3-5 June	Accommodation \$831.30 Airfares \$2,039.28	Ms Jensen was the leader of one strand of the Conference.
Ray Burton	CEO	17-19 February 2016	Whakatane NZ	LGCOG Conference	\$2,728.00	Includes \$180 for daily allowances

Name	Position	Dates of Travel	Destination	Purpose	Cost	Notes
Simon Millcock and 6 others	A/Manager - Economic Development	26 October - 03 November 2015	China	To attend Foshan Autumn Carnival & Guangdong International Tourism & Culture Festival.	\$22,160.23	Bridget Woods, Tourism Manager from Townsville Enterprise lead the delegation on behalf of the Mayor. Jade Holland and her band accompanied the delegation to perform and participate. Council paid for Jade and her band's flights (which is included in this figure) and Council also paid for Bridget Woods's expenses
Simon Millcock	A/Manager - Economic Development	09 -17 May 2016	China and Korea	To attend Crafts & Tourism Festival in Korea followed by China trip to facilitate Golden Leaves film production.	\$4,200.00	Ms Yu Min Min attended along with Simon Millcock to provide translation services (\$380 x 6 days from 7-12 May = \$2,280 included in this figure)
Total					\$37,958.81	

Appendix B - Councillor Attendance at meetings

		Ordinary Council	Special Council	Infrastructure Committee	Townsville Water & Waste Committee	Planning & Development Committee	Community & Cultural Committee	Smart City Sustainable Future Committee	Sports Recreation & Parks Committee	Healthy & Safe City Committee	Governance & Finance Committee
	STANDING COMMITTEE MEMBERSHIP										
Annual Total	Total number of meetings										
Cr Jenny Hill	The Mayor serves as a member on all of the Council's Standing Committees	9	3	2	5	5	1	1	0	0	4
Cr Vern Veitch	Chair of Smart City Sustainable Future, Member of Townsville Water and Waste, Planning and Development, Community and Cultural Committees	9	3	0	7	7	6	5	1	1	0
Cr Sue Blom	Chair of Community and Cultural, Member of Infrastructure, Healthy and Safe City and Governance and Finance Committees	9	2	4	0	0	6	0	0	3	7
Cr Colleen Doyle	Member of Community and Cultural, Smart City Sustainable Future, Healthy and Safe City and Governance and Finance Committees	9	3	0	0	0	7	5	0	4	7
Cr Gary Eddiehausen	Chair of Healthy and Safe City, Member of Community and Cultural, Sports Recreation and Parks, and Governance and Finance Committees	9	3	0	0	0	6	0	6	4	5
Cr Pat Ernst	Chair of Sports Recreation and Parks, Member of Townsville Water and Waste, Planning and Development and Governance and Finance Committees	9	2	0	7	6	0	0	6	0	7
Cr Ray Gartrell	Chair of Townsville Water and Waste, Member of Infrastructure, Planning and Development, and Sports Recreation and Parks Committees	9	3	4	7	7	0	0	5	0	0
Cr Jenny Lane	Chair of Governance and Finance, Member of Smart City Sustainable Future, Healthy and Safe City Committees	9	3	0	0	0	0	5	0	4	7

STANDING COMMITTEE MEMBERSHIP		Ordinary Council	Special Council	Infrastructure Committee	Townsville Water & Waste Committee	Planning & Development Committee	Community & Cultural Committee	Smart City Sustainable Future Committee	Sports Recreation & Parks Committee	Healthy & Safe City Committee	Governance & Finance Committee
Annual Total	Total number of meetings										
Cr Tony Parsons	Chair of Planning and Development, Member of Infrastructure, Townsville Water and Waste, and Sports Recreation and Parks Committees	8	3	4	6	7	0	0	6	0	0
Cr Trevor Roberts	Chair of Infrastructure, Member of Community and Cultural, Smart City Sustainable Future and Healthy and Safe City Committees	9	3	4	0	0	7	5	0	4	0
Cr Les Walker	Member of Infrastructure, Townsville Water and Waste, Planning and Development, Smart City Sustainable Future and Sports, Recreation and Parks Committees	8	3	4	6	6	0	4	5	0	0

As at April 2016

		Ordinary Council	Special Council	Infrastructure Committee	Planning and Development Committee	Community Health and Environment Committee	Community and Cultural Development Committee	Governance and Finance Committee	Townsville Water and Waste
	STANDING COMMITTEE MEMBERSHIP								
Annual Total	Total number of meetings								
Cr J Hill	The Mayor serves as a member on all of the Council's Standing Committees	4	2	1	2	0	0	1	0
Cr Les Walker	Chair of Planning and Development Committee, Member of Infrastructure Services and Townsville, Water and Waste Committees.	4	2	2	2	0	0	0	2
Cr R Cook	Member of Community and Cultural Development, Community Health and Environment and Townsville Water and Waste Committees	4	1	0	0	0	2	0	2
Cr V Coombe	Chair of Governance and Finance Committee, Member of Infrastructure Services and Community and Cultural Development Committees	4	1	2	0	0	2	1	0
Cr C Doyle	Chair of Community and Cultural Development Committee, Member of Finance and Governance and Townsville Water and Waste Committees	4	2	0	0	0	2	2	2
Cr A Greaney	Chair of Community Health and Environment Committee, Planning and Development and Community and Cultural Development Committees	4	2	0	2	2	1	0	0
Cr P Jacob	Chair of Townsville Water and Waste Committee, Member of Community Health and Environment and Finance and Governance Committees	4	2	0	0	2	0	2	2
Cr M Molachino	Chair of Infrastructure Services Committee, Member of Planning and Development and Townsville Water and Waste Committees	4	1	2	2	0	0	0	1
Cr K Rehbein	Member of Infrastructure Services, Finance and Governance and Community Health and Environment Committees	4	2	2	0	2	0	2	0
Cr M Ryder	Member of Planning and Development, Community and Cultural Development and Community Health and Environment Committees	4	2	0	2	2	2	0	0
Cr M Soars	Member of Infrastructure Services, Planning and Development and Finance and Governance Committees	4	2	2	2	0	0	2	0

Appendix C- Council registers

Townsville City Council has a number of listed registers open to the public to inspection.

Register	Department Owner	Contact Office Title
Cost-recovery Fees	Finance	Executive Manager Finance
Complaints Register (Councillor Conduct)	Corporate Governance	Executive Manager Corporate Governance
Register of Assets and Gifts	Corporate Governance	Executive Manager Corporate Governance
Beneficial Enterprises	Commercial Business	Manager Business Management & Compliance
Register of Regulatory Fees	Finance	Executive Manager Finance
Register of Local and Subordinate Local Laws	Corporate Governance	Executive Manager Corporate Governance
Roads Map	Infrastructure Services	Manager Assets Maintenance Services
Major Contracts Register	Finance	Executive Manager Finance
Cat and Dog Registry	Regulatory Services	Team Leader, Business Support Unit
Register of Impounded Animals	Regulatory Services	Manager Regulatory Services

Appendix D – Mayor's Community Assistance Fund

Organisation Name	Project / Activity Details	Amount Approved
Uncle Alfred's Men's Group	Support with meetings for members	\$350.00
Townsville Diabetes Support Group	Assistance with administration costs	\$360.00
The Townsville Chinese Club Inc.	Assistance for the Townsville Chinese Club's participation in Cultural Festival	\$300.00
Townsville Castle Hill Touch Association Inc.	Towards the 2015 Player of the Year Awards	\$400.00
La Luna Youth Arts Association	Assistance with the administration costs of the La Luna Youth Arts +One JCU Alumni Exhibition	\$350.00
Playgroup Queensland Ltd - Japanese Music Playgroup	Assistance towards the administration costs for the Japanese Playgroup	\$360.00
Lions Club of Townsville Inc.	29th Annual Children's Festival - World Festival of Magic	\$275.00
Crèche & Kindergarten Association Limited	Assist with purchase of library books for the Magnetic Island Kindergarten	\$250.00
St Margaret Mary's College	TCC Dux Award – 2015 Annual Awards Night	\$100.00
AFL Townsville Umpires Association Inc.	Assistance with costs of trophies for AFL umpires for presentation night	\$400.00
Hermit Park State School P&C Association	Assist with costs for Trivia Night Auction	\$350.00
Townsville Toy Library Association Inc.	Donation to purchase new playgroup equipment	\$300.00
Kokoda Spirit Swim Club Inc.	Assist with equipment costs for the Kokoda Spirit Swim Club Swim Meet	\$300.00
Townsville Central State School P&C Association	Assistance with costs for team to attend the Creative Sustainability Challenge in Brisbane	\$350.00
Heatley Secondary College	Annual Awards Night at Civic Theatre	\$300.00
Ryan Catholic College	TCC Award for outstanding Year 12 student at annual Presentation Night for Ryan Catholic College	\$100.00
PNG Logohu Townsville	Assistance towards the PNG 40th Anniversary Celebrations	\$350.00
Military Brotherhood (Townsville Branch) Inc.	Assistance towards the purchase of banners for the opening of the new Emergency and Veterans Assistance Centre at Rasmussen	\$450.00
Northern Fury Limited	Assistance towards the costs for presentation night	\$250.00
SBH Queensland Inc.	Assistance towards costs for a Christmas Party for children with Spina Bifida and Hydrocephalus in Townsville	\$300.00
North Qld Wildlife Care Inc.	Assistance towards publication of the North Queensland Wildlife Care Calendar 2016	\$390.00

Organisation Name	Project / Activity Details	Amount Approved
Drive It NQ Limited	Assistance towards advertising the Drive It NQ event	\$400.00
North Queensland Association for Blind Citizens Inc.	Assistance towards the cost of the Christmas function for North Queensland Association of Blind Citizens on 5 December 2015	\$350.00
Townsville and District Multiple Birth Association Inc.	Assistance towards the cost of promotional material for a community fund raising clothes swap event	\$250.00
South Townsville Bowls Club Inc.	Annual Trophy Night - Assistance towards cost of badges and honour board inscription	\$300.00
Aquapella World Music Choir	Assistance towards lighting equipment for Aquapella Europe Concert	\$180.00
Townsville Western Pleasure & Performance Horse Club Inc.	Assistance for Pink Day in 2016	\$400.00
The Townsville Chinese Club Inc.	Assistance for shipment of the Chinese Dragon for use at Chinese New Year	\$500.00
Townsville Waitangi Association Inc.	Assistance for Townsville Waitangi	\$500.00
TORGAS Inc.	Towards trophies for the winners at the Annual TORGAS Awards Night which recognizes apprentices and trainees achievements	\$300.00
International Women's Day Breakfast Committee	To sponsor the attendance of two High School students at the International Women's Day Breakfast on 8 March 2016	\$90.00
Lions Club of Townsville - Castle Hill Incorporated	Assistance towards the conducting the Cruise 4 a Cause car show	\$300.00
NQ Training & Community Centre Inc.	Assistance to provide a splashback for the community kitchen	\$300.00
Thuringowa State High School	Assistance towards a trivia night to raise funds for props and costumes for the Thuringowa State High School Theatre Restaurant theatre restaurant	\$500.00
Townsville Congolese Community Inc.	Assistance for the Congolese Community Day.	\$400.00
South's United Rugby League Club Inc.	Assistance in the purchase of equipment for use during training and on game days	\$500.00
Magnetic Island History and Craft Centre Inc.	Funds to assist in the restoration of the 1832 Butler/Whitfield family bible	\$400.00
The Immune Deficiency Foundation of Australia Limited	Towards sponsorship to enable five children with disabilities to attend Circus Quickus – Townsville	\$300.00

Organisation Name	Project / Activity Details	Amount Approved
Zonta Club of Townsville Metro Inc.	Assistance towards printing gift cards to be sold as a fund raiser to help tackle domestic and family violence in Townsville	\$450.00
Rowes Bay Pre-School and Kindergarten Association of Townsville Incorporated	Donation towards purchase of prizes for their annual fundraising luncheon	\$300.00
Townsville Marksmen Rifle Club Inc.	Donation towards the cost of trophies and medallions for annual competition	\$300.00
Townsville Eisteddfod Inc.	Donation of trophy for Choirs/Bands/Dance Groups for 2016 Eisteddfod in September	\$55.00
Northreach Baptist Church	Donation – Assistance towards the purchase of food packages for Queensland Nickel workers	\$500.00
North Queensland Opera and Music Theatre Group Inc.	Donation towards a civic reception for Bill Munro to celebrate his contribution to Townsville in the arts area over thirty-nine years	\$500.00
TYC Magnetic Maidens	Support for Townsville sailing team attending the Australian Women's Regatta	\$500.00
Townsville BMX Club Inc.	Assistance with costs of trophies and medallions for presentation night	\$250.00
TOTAL:		\$15,410*

*\$350 funding was approved but was not claimed (PNG Logohu Townsville).

Appendix E – Together Townsville Program

Together Townsville Initiatives 2015/16

For our youth

National Youth Week – Launch Party
School Breakfast Program
Schools Tree Day
Let's Read
Summer Reading Program
Shop n Play
Hot Pocket Publication

For our Seniors

Seniors Lifestyle Expo
Seniors Week Luncheon
Seniors Guide to Council Handbook
Morning Melodies

For our environment

Eco Fiesta
National Tree Day
Town Common Revitalisation Project
Botanic Garden Plant Trails
Community Greening Program
Creek Watch
Water Wise

For our arts and culture

Civic Theatre Performances
Riverway Sessions
The Percivals
Strand Ephemera
Literary Festival

For our families, community and businesses

Carols by Candlelight
New Year's Eve Celebrations
Mayor's Christmas Tree Appeal
Welcoming Babies Ceremony
Riverway Movies
Cyclone Sunday
Hydration Station
Book Club
Heritage Day

For our facilities

Naming rights to the 10,000-capacity AFL and Cricket stadium – Tony Ireland Stadium
Naming rights to the multi-purpose built stadium – Townsville Stadium
Naming rights to the award winning square – Townsville Bulletin Square

For our lifestyle and sports

Australia Day Fun Run and Breakfast
Get Active Clubs
Get Active Expo

In-kind

Accommodation
Prizes, products and services
Marketing, media and promotion
Volunteering

Our Partners and Sponsors

Townsville Bulletin South 32 Southern Cross Austero/ 4TOFM Tony Ireland Townsville Townsville RSL Lancini Property and Development McDonald's Origin Townsville Airport Willows Shopping Centre Wilson Ryan Grose Lawyers Suncorp Insurance Rotary Club of Townsville Sunrise DUO Magazine Yellow Pages White Pages	Port of Townsville James Cook University Pakmag Rotary Club of Thuringowa Central Trility Telstra Stores Townsville Aquarius on the Beach Australian Hearing Absolute Dentures Achieve Exercise Physiologists Castletown Shopping World Coca-Cola Amatil Get Branded Gough Plastics Kingpin Bowling Townsville Lions Club (Castle Hill)	Lions Club (Northern Suburbs) Lotsa – Print and Design Mercure Townsville Mike Carney Toyota National Australia Bank Quota International Thuringowa Reading Cinemas Rotary Club of Port of Townsville Rydges Southbank Sealink Queensland Seven Network Stockland Shopping Centre Suncorp Bank SuperGreen Solutions
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Appendix F- Global Reporting Initiative (GRI)

Reading this Index

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

GRI content table

Profile Disclosure	Disclosure	Cross reference/ comment
Profile		
1	Strategy and Analysis	
1.1	Statement from the most senior decision-maker of the organisation	39
2	Organisational Profile	
2.1	Name of the organisation	Throughout the Report
2.2	Primary brands, products, and/or services	15, 23-24, 34-35
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	7, 38
2.4	Location of organisation's headquarters	xx
2.5	Number of countries in which the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	7, 25, 38
2.6	Nature of ownership and legal form	10-11, 25 to 31
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	7, 25
2.8	Scale of the reporting organisation	54-55
2.9	Significant changes during the reporting period regarding size, structure or ownership	11, 38, 152
2.10	Awards received in the reporting period	49
3	Report Parameter	
3.1	Reporting period (e.g. fiscal/calendar year) for information provided	1, 4
3.2	Date of most recent previous report (if any)	Annual Report 2015/16
3.3	Reporting cycle (annual, biennial, etc.)	1, 4
3.4	Contact point for questions regarding the report or its contents.	xx
3.5	Process for defining report content	54-55, 251

Profile Disclosure	Disclosure	Cross reference/ comment
Performance Indicators		
3.6	Boundary of the report e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers	7, 25
3.7	State any specific limitations on the scope or boundary of the report	25
3.9	Data measurement techniques	8, 94-95, 116-117, 146-147, 178-179
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/ acquisitions, change of base years/periods, nature of business, measurement methods)	Glossary definitions
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	25
3.12	Table identifying the location of the Standard Disclosures in the report	xii-xiii
4	Governance, Commitments and Engagement	
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight	10, 25-31, 134-135
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	The Mayor is not an Executive Officer
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	Not Relevant to TCC
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	25 to 31
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)	38
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	34-35, 152
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	27 to 31
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	3, 47, 78, 80, 89, 100, 155
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles	54-55, 152, 155
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Throughout the Report
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	152 to 163

Profile Disclosure	Disclosure	Cross reference/ comment
Performance Indicators		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	74, 77, 84-85, 89, 100, 114
4.14	List of stakeholder groups engaged by the organisation	73, 99, 121, 151, xx
4.15	Basis for identification and selection of stakeholders with whom to engage	78
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	22, 50, 86-87, 164 to 166
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	164 to 166, 198
Economic		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Financial Report, 16, 173-174
EC2	Financial Implications and other risks and opportunities for the organisation's activities due to climate change	109, 114
EC3	Coverage of the organisation's defined benefit plan obligations	Financial Report
EC4	Significant financial assistance received from government	Financial Report
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	75, 77, 80, 83
Environmental		
EN2	Percentage of materials used that are recycled	101, 162, 184, 186
EN3	Direct energy consumption by primary energy source	101
EN4	Indirect energy consumption by primary source	100-101
EN5	Energy saved due to conservation and efficiency improvements	49, 101
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	49, 99 to 101
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	49, 100-101
EN8	Total water withdrawal by source	93, 197
EN10	Percentage and total volume of water recycled and reused	63, 197
EN13	Habitats protected or restored	102 to 104, 106, 108
EN14	Strategies, current actions, and future plans for managing impacts on biosecurity	100, 102-103, 107-108, 111
EN 16	Total direct and indirect greenhouse gas emissions by weight	102
EN 18	Initiatives to reduce greenhouse gas emissions, including the areas where the initiatives were implemented	100 to 105
EN22	Total weight of waste by type and disposal method	63, 102, 186
EN24	Weight of treated waste	63
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	102 to 112

Profile Disclosure	Disclosure	Cross reference/ comment
Performance Indicators		
	Social :Labour	
LA1	Total workforce by employment type, employment contract and region, broken down by gender	41 to 43
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	41-42
LA4	Percentage of employees covered by collective bargaining agreements.	41 to 44
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs	41 to 44
LA7	Rates of injury and lost days	173
LA12	Percentage of employees receiving regular performance and career development reviews	46
	Social: Human Rights	
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	TCC does not engage in forced or compulsory labour
	Social : Community	
S01	Managing impacts on Communities	Throughout the Report
S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Throughout the Report
	Social: Society	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	TCC does not receive funds from political parties
	Social: Responsibility	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement	172 to 177
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Throughout the Report

Glossary

Annual Budget	A statutory requirement outlining the financial estimates to deliver the Corporate Business Plan.
Annual 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.
Asset	Resources controlled by an entity, the value of which can be reliably measured and from which future economic benefits are expected to flow to the entity.
Australian Accounting Standards	Accounting Standards issued by the Australian Accounting Standards Board that are equivalent to standards issued by the International Accounting Standards Board. These standards are binding on Queensland Councils and all other bodies established pursuant to the Local Government Act.
Community	A group of people living in the same locality and under the same government. Can be extended to include those who visit, work or recreate within the locality.
Community Engagement	The process of working collaboratively with and through groups of people affiliated by geographical proximity, special interest, or similar situations, to address issues affecting the wellbeing of those people. The levels of engagement are informed, consult, involve, collaborate and empower.
Community Plan	Council's 10 year strategic document identifying community needs articulating council's and the community's long-term vision, aspirations and priorities for the city.
Community Plan Report	A snapshot of what we've delivered and gives you some basic facts and figures to help understand the overall performance.
Corporate Plan	Council's principal long-term planning document which identifies the issues and priorities for council over the next 5 years and beyond and which other council plans, strategies, policies and processes are created.
Councillors	Elected representatives of council who serve a 4 year term.
Depreciation	The value of the assets of a council consumed and systematically allocated as an expense to a particular reporting period.
Financial Sustainability Statements, current year and long term	Contain measures of financial sustainability specified in the Local Government Regulation 2012. Council is required to report its performance and forecasts. These are located in the annual report with council's annual financial statements.
Global Initiative Reporting (GRI)	Not-for-Profit organisation that produces sustainability reporting standard guidance for all organisations.
Goal	Desired result or achievement toward which effort using strategies and resources is directed.
Governance	The process by which decisions are taken and implemented, organisations are controlled and managed to achieve their objectives, and the process by which organisations are directed reviewed and held to account.
Indicators	Indicators define what will be measured to show we are meeting our objectives.
Local Government Act	The principal legislation which provides the legal framework for Queensland's local government sector.
Local Laws	Those laws under the jurisdiction of the council and enforced by city staff and/or Police.

Operational Plan	A document with a one-year outlook, which outlines the key activities to be undertaken to achieve the desired outcomes set out in the Corporate Plan. This is a legislative requirement.
Outcome	The effect, end result, consequence following strategies, policies, services or activities used.
Performance Monitoring	Continuous or periodic quantitative assessments of the actual performance compared with specific objectives, targets and standards.
Risk Management	The process of identifying, evaluating and controlling risk via the method outlined in the Principles and Guidelines AS/NZS ISO 31000:2009, Standards Australia.
Statement of Cash Flows	A financial statement showing the inflows and outflows of cash and cash equivalents of an organisation during a reporting period. Cash flows are classified as Operating, Investing and/or Financing activities.
Statement of Changes in Equity	A financial statement included in the Annual Financial Statements that shows changes in an organisation's equity between two reporting dates and reflects the increase or decrease in net assets during the period.
Statement of Comprehensive Income	A financial statement included in the Annual Financial Statements that shows all revenue and operating expenses in the reporting period. It highlights the operating surplus/deficit result, being the extent to which revenue is sufficient or insufficient to fund the cost of services.
Statement of Financial Position	A financial statement showing the Assets, Liabilities and Equity of an organisation at the end of a reporting period (30 June).
Vision	A statement that embraces the desired future the organisation is working towards.

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Diversity in Employment Strategy	42	Lawn Training Campaign	111
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Eco Fiesta	109	Led Lighting Project	101
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Contact us

This document contains important information about the Townsville City Council and Townsville City. If you would like further assistance or information on a service or council facility, please contact us:

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As part of council's commitment to environmental sustainability, council continues not to print copies of the Annual Report. The report is available online at www.townsville.qld.gov.au and may be downloaded at any of council's library branches.

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- Queensland Police
- Sealink
- State Emergency Services
- Sunbus
- The Cultural Centre Townsville
- Tourism Queensland
- Townsville Airports Limited
- Townsville Enterprise Limited
- Volunteering North Queensland

Looking forward

Townsville's number one priority continues to be the Integrated Stadium & Entertainment Centre (ISEC). ISEC will catalyse urban activation and investment across Townsville's Waterfront Priority Development Area, creating significant opportunities for our local industry and jobs for our community.



Townsville

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