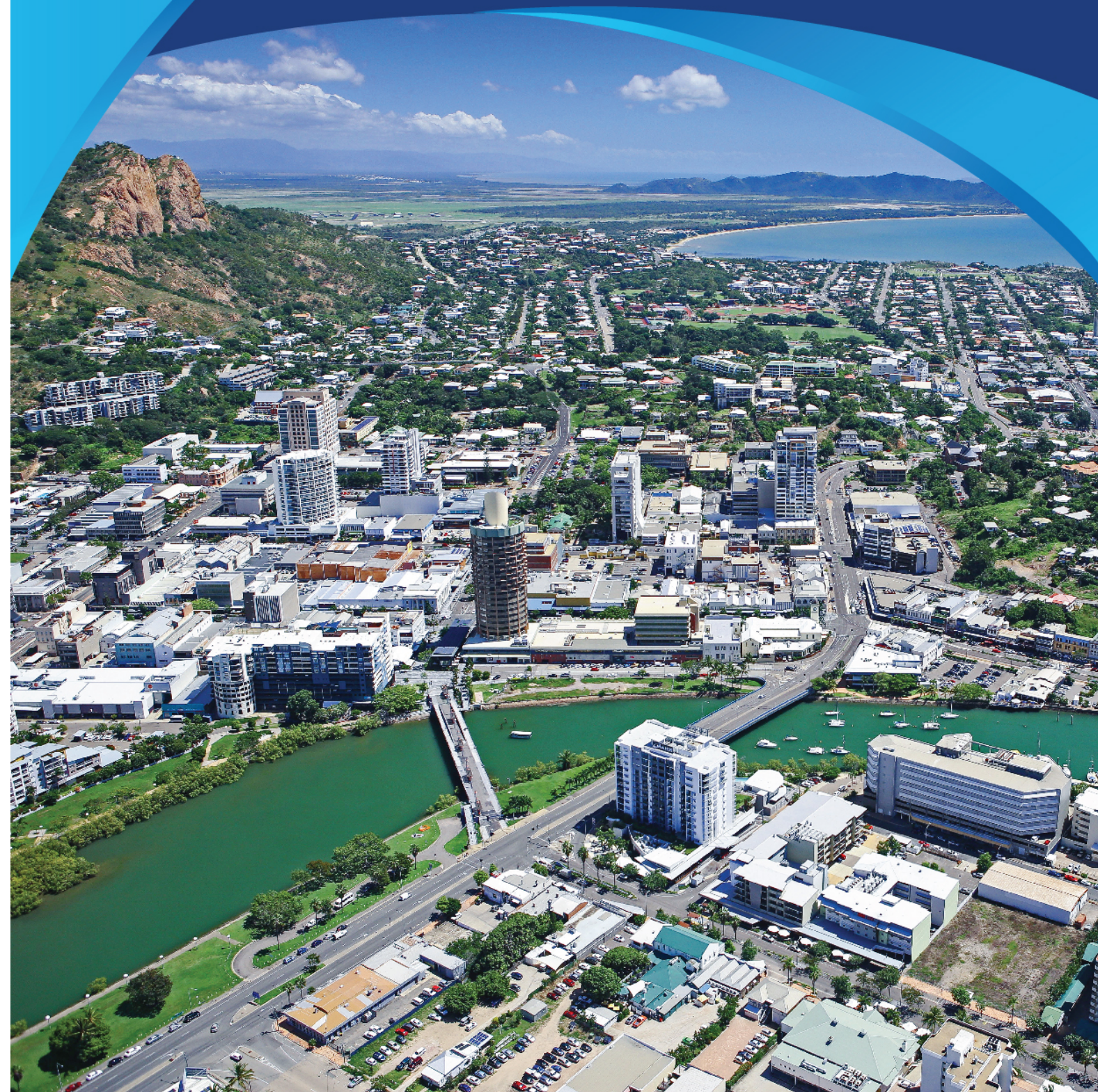



Operational Plan and Budget | 2017/18

A Simpler, Faster, Better Council





For further information contact:
Business Transformation Team
Townsville City Council
P O Box 1268
Townsville Q 4810
1300 878 001

Table of Contents

About the Operational Plan	4
Aligning the Operational Plan to the Budget	4
Managing our Operational Risks	4
Measuring our Performance	4
Delivering Services to the Community	5
2017/18 Total Capital Works Including Donated Assets	6
Performance Plan – Townsville Water	7
Performance Plan – Townsville Waste Services	19
Long Term Financial Plan	31
Budget 2017/18	39
Appendices	
Appendix 1: Revenue Statement	47
Appendix 2: Revenue Policy	52
Appendix 3: Debt Policy	55
Appendix 4: Investment Policy	57
Appendix 5: Pensioner Rates Concession Policy	59
Appendix 6: Charitable and Community Organisations Rates and Charges Concession Policy	64
Appendix 6a: General Rates and Utility Concession Policy Concession Schedule	67
Appendix 7: Differential Rating Categories	73
Appendix 8: Differential Rates, Limitations on Increases, Minimum General Rates	79
Appendix 9: Utility Charges – Water	80
Appendix 10: Utility Charges – Sewerage and Trade Waste	82
Appendix 11: Utility Charges – Waste Management and Recycling	85
Appendix 12: Nelly Bay Harbour Development Operational Plan	87
Appendix 13: Rural Fire Levy	88

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

About the Operational Plan

Our Operational Plan and Zero Based Budget set the direction for the 2017/18 financial year and identifies how we will measure our performance. The Operational Plan is a one-year plan that details the day to day operations of council to deliver its services to the community, building and delivering on the Corporate Plan. The development of council's Operational Plan is a legislative requirement of the *Local Government Act 2009* and Local Government Regulation 2012. Legislation requires that the annual Operational Plan and Budget be consistent.

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

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

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

Aligning the Operational Plan to the Budget

The Budget and Operational Plan are structured in line with the services and projects delivered by council. Council is currently undertaking a significant transformational reform program to deliver a simpler better and faster council. A new organisation structure will change the way services are managed and delivered to the community. The reframing of council's services and performance metrics is under development to align with the new structure and organisational priorities. This project will be completed during the first quarter of 2017/18 and reflected in an updated operational plan.

Managing Operational Risks

The operational planning process includes management of council's strategic and operational risks. Council's commitment to risk management is outlined in the Enterprise Wide Risk Management Policy and Enterprise Wide Risk Management Strategic Framework and Process and is based on International Standard ISO31000: 2009. Both these documents state that council will manage risk by integrating risk management practices into corporate and operational planning. In 2017/18, council will progress the implementation of its Corporate Plan 2014/2019 (March 2017 Update) and risk assessments will be completed using a revised approach recommended during an independent organisational review by the Nous Group.

Measuring our Performance

Recommendations of an independent organisational review conducted by the Nous Group in August 2016 have resulted in council initiating a significant transformational reform program. Changes to how council measures and monitors its performance are part of this transformation program. Community and council dashboards are under development to provide greater transparency and accountability for its performance. New performance measures for council's operations are under development and will be reflected in an updated Operational Plan in quarter one 2017/18.

Regular reporting provides council with the opportunity to ensure services are delivered in a timely manner and within allocated resources. It also enables council to be more responsive to significant changes in the operating environment that can impact on organisational capacity to deliver our services.

Delivering Services to the Community

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

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

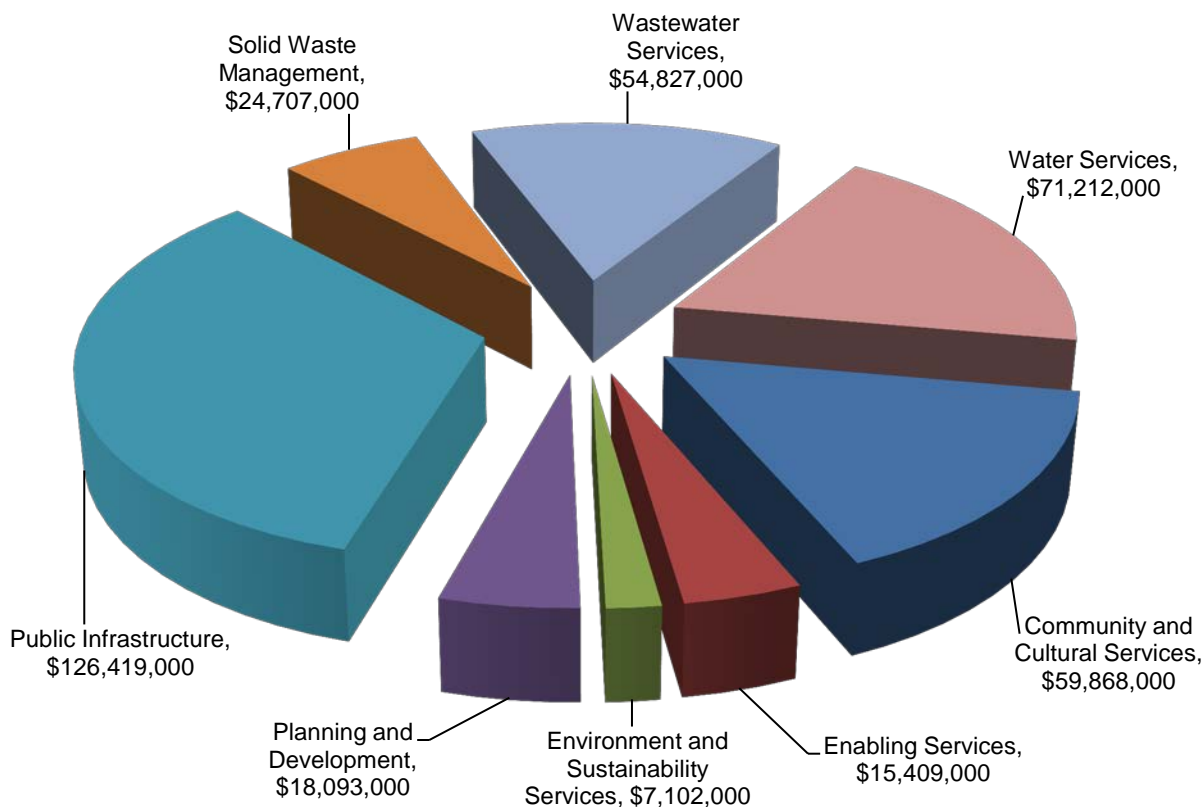
Furthermore, the Operational Plan and Budget can also be summarised by the following core services:

- Community and Cultural Services
- Environment and Sustainability Services
- Planning and Development
- Public Infrastructure
- Water Services
- Wastewater Services
- Solid Waste Management
- Enabling Services

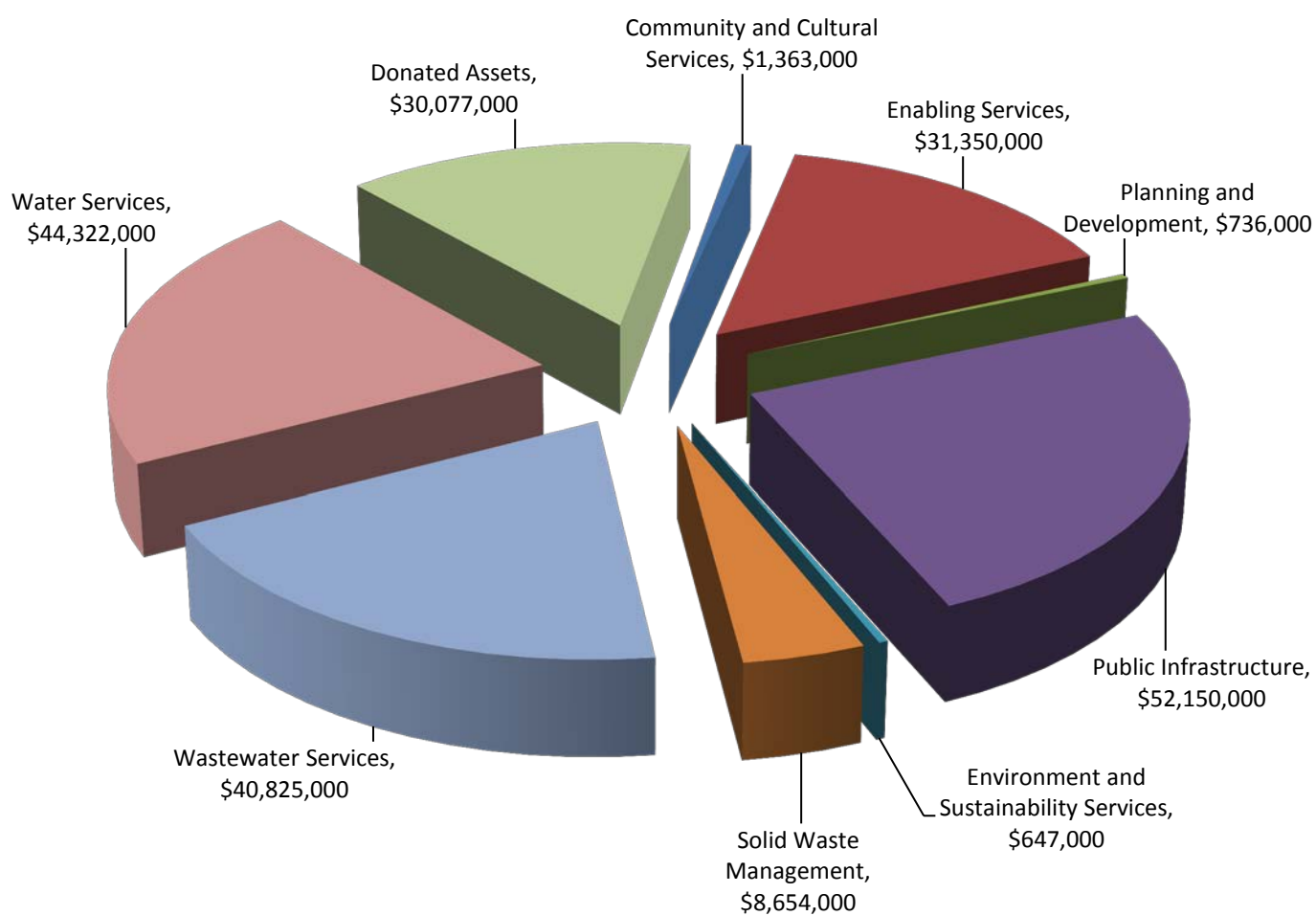
Each core service is defined by a range of services and programs that support or deliver services and projects to the community. As part of the significant transformational reform program currently underway the objectives and performance measures for each service and program are under review. The results of this review will be reflected in an updated Operational Plan in quarter one 2017/18.

A summary of the operating and capital budget by core service is reflected below:

2017/18 Operating Expenses - Total \$377,638,000



2017/18 Total Capital Works Including Donated Assets – Total \$210,124,000



Performance Plan – Townsville Water

1.0 Overview of the Business

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

This document sets out the manner in which the business of Townsville Water will be carried out in the 2017/18 financial year, according to commercial principles. This Annual Performance Plan must be considered in conjunction with the unit's operational plan, which is embedded in the Townsville City Council Operational Plan.

1.2 Our Council

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

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

The estimated resident population of Townsville is approximately 196,000 and is projected by the Queensland Treasury to continue to grow at an average rate of 1.9% over the next 20 years, resulting in an expected population of approximately 288,000 by 2036.¹ The mainstays of the local economy include health care and social assistance, public administration and safety, retail trade, construction, education and training, and manufacturing.

1.3 Our Business

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

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

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

Vision: To be the best regional water service provider in Australia.

Mission: To provide safe, reliable, value for money water and wastewater services for the Townsville community.

1.4 Our Key Business Metrics

Water Operations

- Expected provision of in excess of 46,000 megalitres of potable water to over 84,000 customer connections in the Townsville region
- Management of 3 treatment plants, 24 pump stations, 18 chlorinators, 41 reservoirs/tanks and in excess of 2,500km of water mains

¹ This information was obtained from the Queensland Government Statistician's Office, Queensland Treasury for the Townsville City Local Government Area on 15 May 2017.

- Almost \$47 million of capital projects to be planned and delivered

Wastewater Operations

- Expected provision of wastewater services to over 72,000 customers, including approximately 1,000 trade waste customers
- Services delivered using close to \$1 billion worth of assets, including 6 sewerage treatment plants, 186 sewerage pump stations and more than 1,300km of sewer mains
- Between 16,000 to 20,000 megalitres of sewage is collected and treated per annum with up to 15% of this volume reused (depending on weather conditions)
- Over \$40 million of capital works to be planned and delivered

1.5 Our Objectives

Townsville Water will focus on a number of key areas in the 2017/18 financial year.

1.5.1 Our Customers

Customer Service Standards

Townsville Water is committed to meeting its quality and service performance targets as outlined in its Customer Service Standards. Quarterly reporting of its performance against its performance targets was implemented in 2015/16, and Townsville Water will continue to focus on reporting to the community against its key performance targets during 2017/18. During 2017/18, Townsville Water will review its Customer Service Standards to ensure that the service standards remain appropriate.

Customer Feedback

Townsville Water will continue to routinely monitor feedback from residents and business to ensure that the services it provides meet the needs of its customers. In 2017/18 it will conduct Voice of the Customer surveys where a selection of customers, who have contacted Townsville Water requesting a service within a given month, are randomly selected and are contacted to participate in a short, over-the-phone survey.

Education Programs

Townsville Water will continue to provide community and school education programs in 2017/18, 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. School groups will participate in guided tours of "Learnsapes" such as the Mount Saint John Wastewater Treatment Plant and the Ross River Dam Spillway, where connections are made between the built environment and surrounding natural habitats.

Community members can learn about how to keep their lawns and gardens healthy while using less water through our new Lawn Tamer campaign which can be found on council's website. This initiative is built on local research and industry experts.

Community members can also learn about council's sewerage treatment processes and the many items that, if flushed, can cause blockages and overflows, or are a danger to workers or impact the sewerage treatment process. The aim of the residential wastewater education program is to reduce the costs of managing sewerage and reduce environmental and health impacts from overflows.

Water Restrictions

In August 2016, Townsville moved to Level 3 water restrictions after the volume of the Ross River Dam dropped below 20%. In order to reduce water consumption and preserve the water supply to last until significant rainfalls occur, it is likely that Level 3 water restrictions will continue in place for a significant portion of the 2017/18 financial year. The council's trigger point for pumping water from the Burdekin Dam is 15% and it is expected that the Ross River Dam will fall below the 15% trigger point during the financial year. It is expected that pumping will be required for an estimated 5 month period, unless significant rainfalls occur to replenish the Ross River Dam.

Council implements an education and communication program to encourage voluntary compliance with water restrictions. As part of council's Water Restrictions Policy, council will carry out the necessary enforcement activities to ensure that residents of Townsville are complying with the restrictions.

Dependent upon the extent of water consumption across the community, if the Ross River Dam level falls below 10% during the year, council may need to apply more significant levels of restrictions in accordance with its Water Restrictions Policy.

Water Opt-In Period for Residential Properties

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

1.5.2 Our Infrastructure

Asset Management

Townsville Water has extensive and valuable water assets including dams, weirs, treatment plants, pump stations, reservoirs, thousands of kilometres of water and sewer mains, and tens of thousands of water meters. In 2017/18, Townsville Water will finalise the development of a risk-based asset management system, and will undertake a number of planned maintenance, capital upgrades and renewals to its infrastructure.

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

Water Security Task Force

As part of the Townsville City Deal agreement with Federal and Queensland Governments, an intergovernmental Taskforce has been established to investigate short, medium and long-term solutions to water security for Townsville. The Taskforce will independently review water supply options to support the city's future growth, considering investment in water supply infrastructure and management of demand. The final report of the Taskforce will be delivered to the Prime Minister and Premier of Queensland by the end of September 2017, and will inform the direction of council moving forward in terms of securing necessary ongoing supply of water.

Demand Management Planning

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

with drought. In the 2017/18 financial year, Townsville Water will focus on investigating and implementing Fit for Purpose Water opportunities, and undertaking projects which will meet the objectives of the Strategy and the Townsville Water Security Taskforce.

Smart Water Meter Trial

Townsville Water has secured funding through the Queensland Government's Works for Queensland program to undertake a Smart Water Meter trial during the 2017/18 financial year. Smart Water Meters will be trialled in five suburbs - Burdell, Kirwan, Wulguru, Gulliver and Currajong. Completion of the trial is expected by November 2017.

Water Treatment and Bulk Supply Renewals

Townsville Water will invest approximately \$4 million in the 2017/18 financial year into renewals projects for critical water supply infrastructure including dams, weirs, water treatment plants, reservoirs and pump stations.

Water Pipes and Services Replacement Program

Townsville Water will carry out its annual Water Pipes and Services Replacement programs in 2017/18, with approximately \$7 million allocated to replace pipes and services of priority to ensure that Townsville Water can provide a sufficient, safe and reliable water supply to its customers into the future.

Townsville Airport Water Main

During the 2017/18 financial year, works will begin on the construction of a new trunk water main along John Melton Black Drive to the Townsville Airport. The new water main will supply future developments along John Melton Black Drive and provide a more reliable primary water supply to the Townsville Airport. It is expected that construction will be completed by June 2018.

CBD and Stadium Utilities Upgrade Projects

Works will continue on the CBD Utilities Upgrade Project in the 2017/18 financial year. The purpose of the project is to upgrade the water and sewer networks in the CBD. The overall 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 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.

In 2017/18, the program of works will include the construction of water mains and sewerage rising main along The Strand, the continuation of the upgrade to reticulation mains in footpaths across the CBD and completion of trunk water and sewer mains in Stanley Street. Ancillary road works, stormwater drainage works and footpath upgrades will also be undertaken in conjunction with the services works in key locations.

To prepare for the construction of North Queensland Stadium in the CBD commencing in 2018, water upgrade works will also be undertaken at and around the earmarked site to ensure sufficient water supply will be available to the Stadium.

Cleveland Bay Purification Plant Capacity Upgrade

Townsville Water will continue to progress the capacity upgrade of the Cleveland Bay Purification Plant in the 2017/18 financial year to ensure compliance with its environmental licence. Construction is expected to commence on site in June 2017. Works will continue throughout the 2017/18 financial year, with completion of the upgrade expected by the end of 2019. In August 2015, the Queensland Department of State Development advised council of a funding approval of \$20 million under the Royalties for Regions Strategic Projects Fund, to assist with the capacity upgrade.

Castellana Street Parkland Pump Station (L1C) and Rising Main

Construction of a new pump station L1C located in council owned parkland on Castellana Street, Cranbrook, including gravity sewer and sewer rising main, will begin in the 2017/18 financial year. The new pump station will cater for future development in the area and overcome capacity issues within the catchment area at times of peak flows. Construction of the pump station is scheduled to begin in October 2017 and is expected to be completed by June 2018.

Sewer Pipe Relining and Manhole Rehabilitation

Townsville Water will carry out its annual Sewer Pipe Relining and Manhole Rehabilitation programs in 2017/18. Funds of \$4 million have been allocated to line pipes and rehabilitate manholes of priority to lengthen the life of assets in order to ensure that Townsville Water can continue to collect and transport wastewater safely and efficiently into the future.

1.5.3 Our Environmental Management

Addressing environmental impacts is a key driver for Townsville Water. There are environmental implications of sourcing, storing and supplying water, as well as from the collection, treatment and disposal of wastewater, and the supply of recycled water. To ensure sound environmental management, Townsville Water maintains an Environmental Management System in accordance with the International Standard *ISO 14001 – Environmental Management Systems*, and is accredited in this respect.

Licensing of Water and Sewage Treatment Activities

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

Licence negotiations will continue in the 2017/18 financial year for the environmental licence for Magnetic Island Water Recycling Facility. As a result of ongoing insufficient demand for recycled water, Townsville Water is investigating options for additional recycled water use on the Island and seeking an amendment to their current licence to vary discharge nutrient targets in line with current industry standards.

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

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

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 it undertakes its assessment and compliance functions with a shift in focus from setting and applying standards, to monitoring and responding to performance. As a result, there will be an increased focus for the foreseeable future on compliance, to ensure that possible harms to the environment from sewage treatment and collection activities are mitigated. Townsville Water is likely to see the impact of this focus on their operations during the financial year with increased presence and scrutiny by the department.

1.5.4 Our Governance

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

Financial Sustainability

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

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

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

Quality Assurance

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

Water Service Provider Regulatory Framework

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

Performance Reporting

Townsville Water will undertake performance reporting by 1 October 2017, reporting on its performance in 2016/17, as required by the Water Supply Act. This will include reporting against performance measures related to a number of aspects including infrastructure, financial sustainability, customer service, water security and availability. The performance reporting by water service providers allows the Department of 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 the performance results. Townsville Water will publish its performance results on the council's website.

Drinking Water Quality Management Plan

Townsville Water will maintain and comply with its Drinking Water Quality Management Plan during the 2017/18 financial year to ensure the effective management of its drinking water supply.

By December 2017, Townsville Water will deliver to the Regulator, an annual report about compliance with its Drinking Water Quality Management Plan during the 2016/2017 financial year. The report will be made available on council's website.

2.0 Our Performance Targets

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

GOAL 2 SOCIAL RESPONSIBILITY		
Performance Measure	Description	Target
Customer Satisfaction	Percentage of results of “good” and “excellent” recorded by the Customer Service Department monthly survey	90%
Drinking Water Quality Compliance	Percentage of compliance with all drinking water quality requirements in accordance with Townsville Water's Drinking Water Quality Management Plan	100%
GOAL 3 ENVIRONMENTAL SUSTAINABILITY		
Performance Measure	Description	Target
Penalty Infringement Notices or Legal Action for Non-Compliance	Number of penalty infringement notices issued or instances of legal action initiated by the Regulator for non-compliance with respect to sewerage treatment or reticulation activities	Zero
GOAL 4 RESPONSIBLE GOVERNANCE		
Performance Measure	Description	Target
No. of Process Improvements outstanding – Water Operations	Total number of outstanding Process Improvements at the end of the month for Water Operations	50
No. of Process Improvements outstanding – Wastewater Operations	Total number of outstanding Process Improvements at the end of the month for Wastewater Operations	40

3.0 Our Community Service Obligations

Community service obligations are defined under the Local Government Regulation 2012, as:

“An obligation the local government imposes on a business entity to do something that is not in the commercial interests of the business entity to do.”

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

3.1 Nature and Extent of Community Service Obligations for 2017/18

The following price concessions will be available to particular customers on water and wastewater charges in recognition of the activity's contribution to the social and cultural welfare of the community during the 2017/18 financial year:

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

The following works are to be completed by Townsville Water as community service obligations in 2017/18:

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

3.2 Cost of and Funding for Community Service Obligations

The community service obligations listed in Section 3.1 are funded by Townsville City Council. It is anticipated that the cost of these identified community service obligations for 2017/18 will be approximately \$2,043,000.

Additional community service obligations may be identified during the financial year.

All community service obligations must be described and costed in council's Annual Report.

4.0 Our Capital Structure, Investment and Borrowing

4.1 Our Notional Capital Structure

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

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

4.2 Our Pricing

Townsville Water utilises a Long Term Financial Plan to ensure a financially sustainable outlook for not only the current year but each of the forecasted years.

Townsville Water utilises a Full Cost Water and Wastewater Pricing Model which has been developed by the Queensland Treasury Corporation to provide guidance on the prices Townsville Water are permitted to charge for the provision of water and sewerage services under a regulatory pricing framework compliant with the Queensland Competition Authority guidelines. This model calculates the return that council can expect to receive and distributes this revenue across the forecasted user base. When applying the full cost pricing regime, Council covers its capital and operating costs as well as obtaining a return on its investments. The Pricing Model together with the Long Term Financial Plan facilitates the development of a five year price path for the provision of water and sewerage services.

Townsville Water will review its commercial sewerage and trade waste pricing scheme during the financial year to ensure that pricing is fair and equitable for customers and is in line with contemporary practice.

4.3 Our Dividend Policy

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

4.4 Our Proposed Major Investments 2017/18

Initiative/Project	Capital/Operating	Completion Date	Net Cost \$'000
Water			
CBD Utility Upgrade Project - Water and Sewerage (Construction Year 2)	Capital	30 June 2018	\$17,000
Haughton Pipeline Duplication to Ross River Dam (Approvals and Purchases Year 2)	Capital	30 June 2018	\$7,472
City Deals Stadium Upgrade Project - Water - Ross Creek Crossing	Capital	30 June 2018	\$5,000
Water Pipes Replacement	Capital	30 June 2018	\$4,000
Water Services Replacement	Capital	30 June 2018	\$2,500
Townsville Airport Industrial Area Water Main (Construction)	Capital	30 June 2018	\$2,085
Trility renewals	Capital	30 June 2018	\$1,684
Dams and weirs renewals	Capital	30 June 2018	\$1,130
Reservoir renewals	Capital	30 June 2018	\$1,034
City Deals Stadium Upgrade Project - Water - Trunk Main around Stadium	Capital	30 June 2018	\$800
New Meters and Services	Capital	30 June 2018	\$616
Mt Low Parkway Water Main along Northshore Boulevard (Construction)	Capital	30 June 2018	\$610
Water Meter Replacement	Capital	30 June 2018	\$600
Stanley Street (Toorak to Kennedy Street) Replacement Water Main (Construction)	Capital	30 June 2018	\$600
Paluma Township Water Treatment	Capital	30 June 2018	\$500
Wastewater			
Cleveland Bay Purification Plant Upgrade - Construction Year 1	Capital	30 June 2018	\$26,900
Sewer Pipe Rehabilitation	Capital	30 June 2018	\$3,000
Treatment Plant Renewals/Upgrades	Capital	30 June 2018	\$2,652
Castellana Street Parkland Pump Station (L1C) and Rising Main - Construction	Capital	30 June 2018	\$2,000
Sewer Manhole Rehabilitation	Capital	30 June 2018	\$1,000
Sewerage Pump Station Renewals/Upgrades	Capital	30 June 2018	\$872
The Village Pump Station 5A6F and Discharge Sewer - Construction	Capital	30 June 2018	\$740
Mount Low Pump Station ML14 and Rising Main - Construction	Capital	30 June 2018	\$650
Pressure Mains	Capital	30 June 2018	\$500

4.5 Our Outstanding and Proposed Borrowings

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

5.0 Our Customer Service

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

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

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

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

6.0 Delegations

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

7.0 Reporting to Townsville City Council

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

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

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

8.0 Review and Amendment of the Annual Performance Plan

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

Performance Plan – Townsville Waste Services

1.0 Overview of the Business

1.1 Introduction

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

This document sets out the manner in which the business of Townsville Waste Services will be carried out in the 2017/18 financial year, according to commercial principles. This Annual Performance Plan must be considered in conjunction with the unit's operational plan, which is embedded in the Townsville City Council Operational Plan.

1.2 Our Council

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

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

The estimated resident population of Townsville is approximately 196,000 and is projected by the Queensland Treasury to continue to grow at an average rate of 1.9% each year over the next 20 years, resulting in an expected population of approximately 288,000 by 2036.¹ The mainstays of the local economy include health care and social assistance, public administration and safety, retail trade, construction, education and training, and manufacturing.

1.3 Our Business

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

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

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

Vision: To be North Queensland's best waste managers.

Mission: To deliver excellent customer service, environmental management and efficient operations while maximising the return to council.

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

¹ This information was obtained from the Queensland Government Statistician's Office, Queensland Treasury and Trade for the Townsville City Local Government Area on 15 May 2017.

1.4 Our Key Business Metrics²

Domestic Waste and Recycling

79,000 domestic waste services provided per week

38,500 domestic recycling services provided per week

Commercial Waste and Recycling

579 bulk bins in service

175 bulk bins emptied per day

301 public bins emptied per day

Waste Disposal

Three landfill sites

Five waste transfer stations

Around 300,000 total customer visits per annum

Around 375,000 tonnes per annum received at landfills

Around 200,000 tonnes per annum diverted from disposal

Around 170,000 tonnes per annum landfilled

1.5 Our Objectives

Townsville Waste Services will focus on a number of key areas in the 2017/18 financial year.

1.5.1 Our Customers

Customer Service Standard

Townsville Waste Services is committed to meeting its quality and service performance targets as outlined in its Customer Service Standards. Quarterly reporting of its performance against its performance targets was implemented in 2015/16, and Townsville Waste Services will continue to focus on reporting to the community against its key performance targets during 2017/18. During 2017/18, Townsville Waste Services will review its customer service standards to ensure that the service standards remain appropriate.

Customer Feedback

Townsville Waste Services will continue to routinely monitor feedback from residents and business to ensure that the services it provides meet the needs of its customers. In 2017/18 it will conduct Voice of the Customer surveys where a selection of customers, who have contacted Townsville Waste Services requesting a service within a given month, are randomly selected and are contacted to participate in a short, over-the-phone survey.

² Based upon our expected operations at 30 June 2016.

Free Dumping of Green Waste and Recycling

After the current dumping vouchers (that were issued to Townsville residents during the 2016/17 financial year) expire on 30 September 2017, a new system will come into place that allows for free dumping of greenwaste and recyclables by Townsville residents (domestic waste only) at waste disposal sites from 1 October 2017. The voucher system will no longer operate from 1 October 2017 and fees will apply to all other waste disposed of at waste disposal sites by Townsville residents after this date.

Kerbside Hard Waste Collection Service

In 2017/18, council will introduce a Kerbside Hard Waste Collection service. The service will provide for one collection of large household items from each household each calendar year, with the cost of the service being included as part of council's Waste Utility Charge. The service is expected to begin in January 2018.

Free Dumping Weekends at Disposal Sites

To encourage property owners to clean up their property prior to the cyclone season, council will provide to the community two free dumping weekends at all waste disposal sites. The free dumping weekends will be at dates to be determined in the lead up to the cyclone season.

1.5.2 Our Region

Townsville Waste Services will continue to focus on regional collaboration with its North Queensland counterparts in 2017/18. North Queensland has vast rural areas and 80% of the population is concentrated in Townsville which means effective waste management is challenging. The population of the North Queensland Region is predicted to grow by over 20% from around 250,000 to 300,000 people by 2024. Generally speaking, the region is a long way from markets for recyclable materials and associated waste management infrastructure, in comparison to metropolitan areas in South East Queensland. However, these challenges also present opportunities to look at innovative, tailored regional solutions for waste management, which avoid unnecessary consumption of resources and manage waste as close to the source as possible.

North Queensland Regional Waste Reduction and Recycling Plan 2014 - 2024

In recent years, Townsville Waste Services collaborated with other regional North Queensland councils including the Burdekin Shire Council, the Hinchinbrook Shire Council and the Charters Towers Regional Council to develop a Regional Waste Reduction and Recycling Plan. The Plan sets a vision for waste management in North Queensland over ten years. It addresses the requirements of the *Queensland Waste Reduction and Recycling Act 2011*, as well as providing a framework to realise opportunities for efficiencies and cost savings across the region.

Townsville Waste Services has outlined an Action Plan for 2014 to 2024 and will continue to implement the Action Plan during 2017/18 with focuses on reducing waste generation per capita, and investigating additional opportunities for regional contracts for waste processing or recycling.

1.5.3 Our Infrastructure

Asset Management

In 2017/18, Townsville Waste Services will continue to focus on the development of a risk-based asset management system, and will undertake a number of planned capital upgrades and renewals to its infrastructure.

Townsville Waste Services will commence applying effective control and governance of assets to realise value through managing risk and opportunity, in order to achieve the desired balance of cost, risk and performance. This will assist the business to appropriately prioritise how to allocate time, money and materials focusing on the most critical problems, providing the framework for continuous improvement and to meet organisational objectives,

including regulatory compliance. The focus on continuous improvement will increase overall asset effectiveness while lowering life cycle costs.

Landfills Optimisation

Townsville Waste Services maintains and operates 3 landfills and 5 transfer stations to service the disposal needs of the Townsville community. With Hervey Range and Jensen landfills approaching their current capacities in the near future, changes will be implemented to landfill sites and transfer stations across the city during the 2017/18 financial year in order to ensure ongoing disposal services can be provided to meet the needs of the community into the future, in the most efficient and financially sustainable way.

A number of upgrades will be made to the Stuart Landfill to allow it to take more of the community's waste moving forward. Works will continue in 2017/18 to construct a Transfer Station and Resource Recovery facilities at the Stuart Landfill site. The construction of the new Transfer Station will be the focus for 2017/18, in order to make disposal of non-recoverable waste easier and safer by diverting domestic customers away from the landfill face.

Preparations for increased commercial traffic at the Stuart site will include upgrades to weighbridges and installation of an automated driver station to allow waste fleet and commercial customers to access the facility more efficiently.

As part of the project, the transfer station at Hervey Range will be upgraded to enhance the facility and future proof it in line with expected population growth. The weighbridge will undergo upgrades, and Front End Resource Recovery facilities will be upgraded to allow for more materials to be recovered in the first instance. A mechanical compaction system will be installed to increase the capacity of the transfer station to take waste before transportation of waste is required for disposal. This will reduce transportation costs.

Magnetic Island Waste Facility Reuse Improvements

In order to continue to minimise waste on Magnetic Island and reduce transport costs of waste to the mainland, Townsville Waste services will review the resource recovery practices at the Magnetic Island Waste Facility during the financial year. Investigations will focus on the consideration of materials recovery infrastructure, and opportunities to increase diversion of organic waste.

Picnic Bay Landfill Rehabilitation

After the closure of the Picnic Bay Landfill in 2016, Townsville Waste Services began rehabilitating the site in accordance with licence requirements. A temporary cap has been put in place, along with an erosion control system and stormwater management system to protect the site. Final capping works will be undertaken on the closed landfill during the 2017/18 financial year, with the final capping system expected to be in place by the end of 2018.

1.5.4 Our Environmental Management

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

Licensing of Waste Storage and Disposal Activities

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

Townsville Waste Services will renew its licences for 2017/18 and will monitor and measure its compliance against its licence conditions, ensuring that all routine and event-specific reporting requirements are met for the financial year.

Initiatives to Reduce Greenhouse Gas Emissions from Landfills

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

From October 2016, gas flaring was implemented at the Hervey Range Landfill.

Townsville Waste Services is now working towards the installation of gas flaring equipment at its Jensen Landfill following capping of the site which is expected in approximately 2019.

Materials Recovery Facility transition

Each year, Townsville Waste Services collects around 13,000 tonnes of material through its kerbside recycling collection service, which is sorted at a specialised Materials Recovery Facility to separate recyclable materials for marketing to end use manufacturers. From 1 July 2017, a new contractor - RDT Operations Pty Ltd - will provide material recovery services to council.

RDT Operations will build a new Material Recovery Facility in Townsville which will incorporate state-of-the-art technologies to increase the city's capacity and standard of recyclables processing. The new technologies will improve yield and quality of reusable products, and minimise the need to transport recyclables out of the region for processing and sale, making way for the establishment of local markets for reusable products such as glass reuse.

E-Waste Recycling

Townsville Waste Services will continue its E-Waste Recycling Program in the 2017/18 financial year, working with industry partners under the National Television and Computer Recycling Scheme. It will continue to maintain drop-off points at its waste disposal sites for collection of waste televisions, computers, printers and computer products.

Recycling of Compact Fluorescent Light Bulbs

Townsville Waste Services will introduce a recycling mechanism for Compact Fluorescent Light Bulbs (CFLs) during the financial year. CFLs contain mercury which, when accumulated in landfills can convert to a more toxic chemical, methylmercury, potentially threatening the wider environment if it spreads by air, water or soil. By establishing CFL recycling collection points at Waste Disposal Facilities, CFLs can be diverted from landfill and the glass, metals and some other materials that make up the lights can be reused.

Reducing Plastic Pollution

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

Recycling Education Program

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

Townsville Waste Services will work in partnership with new recycling service provider, RDT Operations, to enhance its recycling education program to build upon current recycling rates and outcomes.

1.5.5 Our Governance

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

Financial Sustainability

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

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

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

Quality Assurance

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

Queensland Waste Avoidance and Resource Productivity Strategy 2014 -2024

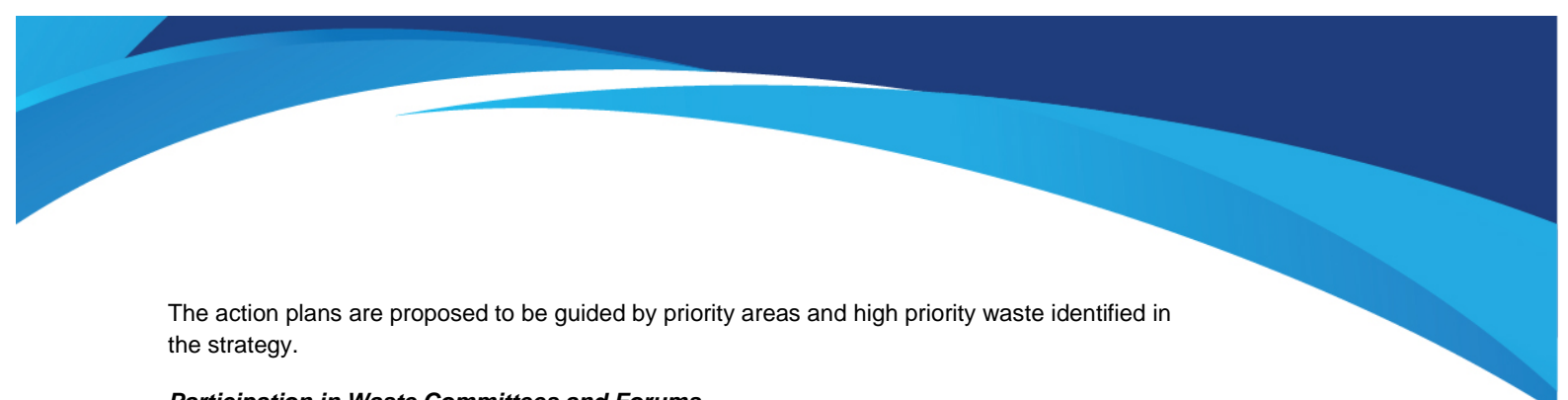
In December 2014, the Queensland Government released its new industry-led waste strategy: the Queensland Waste Avoidance and Resource Productivity Strategy 2014 - 2024. Townsville Waste Services participated in the development of the strategy along with business and industry, the waste and resource recovery sector, other local governments, and community and environment groups.

The Waste Avoidance and Resource Productivity Strategy significantly impacts on the operations of Townsville Waste Services. The draft strategy provides strategic direction for waste and resource management in Queensland over 10 years and is 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 sets a target of reducing the generation of waste by 5% per capita by 2024. Targets for improving recycling rates by 2024 include:

- a target for improving recycling rates by 45% for domestic solid waste in regional centres;
- a target of between 42 to 55% for improving recycling rates for commercial and industrial waste, dependent upon regional differences; and
- a target of between 61 to 80% for improving recycling rates for construction and demolition waste, dependent upon regional differences.

The strategy will be implemented through a set of sectoral or organisational action plans including specific or sectoral targets, which align with and contribute to achieving the state-wide targets.



The action plans are proposed to be guided by priority areas and high priority waste identified in the strategy.

Participation in Waste Committees and Forums

Townsville Waste Services will continue to actively participate in the Local Authority Waste Management Advisory Committee in 2017/18, as well as in relevant Waste Management Association of Australia forums. Such advisory groups and forums bring together elected members, local government staff and industry representatives to collectively approach waste management issues and trends.

Run Balancing Project

In the 2017/2018 financial year, Townsville Waste Services will undertake a Run Balancing Project to review day of service for collections in the local government areas and reorganise collection runs, with the aim of maximising efficiencies in collections.

2.0 Our Performance Targets

GOAL 1 ECONOMIC SUSTAINABILITY		
Performance Measure	Description	Target
Revenue – Budget to Actual	Comparison of the actual revenue received with the budgeted revenue	Within 5% of revised budget
Operating Expenditure – Budget to Actual	Comparison of the actual operating expenditure with the budgeted operating expenditure	Within 5% of revised budget
Capital Expenditure – Budget to Actual	Comparison of the actual capital expenditure with the budgeted capital expenditure	Within 5% of revised budget
Net Operating Result – Budget to Actual	Comparison of the actual net operating result with the budgeted net operating result	Within 5% of revised budget
Debt to Equity Ratio	This ratio identifies the portion of debt compared to the business' equity	<0.5
Annual Dividend	The portion of earnings distributed to council (our shareholder) from the operation of the Townsville Waste Services commercial business unit	>90% of budgeted amount

GOAL 2 SOCIAL RESPONSIBILITY		
Performance Measure	Description	Target
Customer Satisfaction with Response to Waste Services Requests	Percentage of results of “good” and “excellent” recorded by the Customer Service Department monthly survey	90%
Collection Performance	Less than 1 per 1000 missed kerbside waste and recycling services	<1
GOAL 3 ENVIRONMENTAL SUSTAINABILITY		
Performance Measure	Description	Target
Penalty Infringement Notices or Legal Action for Non-Compliance	Number of penalty infringement notices issued or instances of legal action initiated by the Regulator for non-compliance	Zero
Rate of Diversion of Waste from Landfills	Divert 40% of waste from landfills for recycling or beneficial reuse on site.	40%
GOAL 4 RESPONSIBLE GOVERNANCE		
Performance Measure	Description	Target
No. of Process Improvements outstanding – Waste Services	Total number of outstanding process improvements at the end of the month	40

3.0 Our Community Service Obligations

Community service obligations are defined under the Local Government Regulation 2012, as:

“An obligation the local government imposes on a business entity to do something

that is not in the commercial interests of the business entity to do.”

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

3.1 Nature and Extent of Community Service Obligations for 2017/18

The following works will be completed by Townsville Waste Services as community service obligations in 2017/18 -

Category	Value \$
National Recycling Week	\$4,500
Charity Dumping Fees	\$62,128
Dead Animals	\$31,300
Infirm Services	\$33,009
Clean up Australia Day	\$6,500
Free Dump Weekends	\$295,810
Community Clean Up Events	\$10,000
TOTAL	\$443,247

3.2 Cost of and Funding for Community Service Obligations

The community service obligations listed in 3.1 above are funded explicitly by Townsville City Council. It is anticipated that the cost of these identified community service obligations for 2017/18 will be approximately \$443,247.

Additional community service obligations may be identified during the financial year, particularly in the instance of natural disasters.

All community service obligations must be described and costed in council's Annual Report.

4.0 Our Capital Structure, Investments and Borrowing

4.1 Our Notional Capital Structure

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

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

4.2 Our Pricing

Townsville Waste Services utilises a Long Term Financial Plan to ensure a financially sustainable outlook for not only the current year but each of the forecasted years.

Townsville Waste Services utilises a Full Cost Pricing Model that provides guidance on the prices Townsville Waste Services are permitted to charge for the provision of waste services under a regulatory pricing framework compliant with the Queensland Competition Authority guidelines. This model calculates the return that council can expect to receive and distributes this revenue across the forecasted user base. When applying the full cost pricing regime, Council covers its capital and operating costs as well as obtaining a return on its investments. The Pricing Model together with the Long Term Financial Plan facilitates the development of a five year price path for the provision of waste services.

4.3 Our Dividend Policy

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

4.4 Our Proposed Major Investments 2017/18

Initiative/Project	Capital/ Operating	Completion Date	Net Cost \$000
Stuart Landfill Transfer Station - Construction Year 2	Capital	30 June 2018	\$2,440
Leachate Collection and Extraction - Stuart and Jensen Landfills - Construction Year 2	Capital	30 June 2018	\$1,000
Picnic Bay Landfill Capping - Construction Year 1	Capital	30 June 2018	\$806
Hervey Range Landfill - Front End Resource Recovery Facility Stages 1 and 2 - Construction Year 1	Capital	30 June 2018	\$765
Stuart Landfill - Establishment of vegetative buffers inside creek diversion	Capital	30 June 2018	\$530
Hervey Range Transfer Station Upgrades	Capital	30 June 2018	\$500
Compaction Equipment for Hervey Range Transfer Station	Capital	30 June 2018	\$450
Hervey Range Landfill - Front End Resource Recovery Facility Stages 1 and 2 - Design	Capital	30 June 2018	\$400
Stuart Landfill Automated Driver Station (Second Weighbridge)	Capital	30 June 2018	\$300
Improvements to Stuart Landfill Stormwater / Leachate Management for Greenwaste Pad	Capital	30 June 2018	\$300

4.5 Our Outstanding and Proposed Borrowings

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

5.0 Our Customer Service

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

- monthly customer satisfaction surveys;
- councillor requests;

- customer feedback; and
- benchmarking against other waste service providers in regional Queensland.

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

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

6.0 Delegations

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

7.0 Reporting to Townsville City Council

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

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

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

8.0 Review and Amendment of the Annual Performance Plan

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

Long Term Financial Plan

It has been recognised by the local government sector that the financial sustainability of councils requires a strategic financial approach. Legislation was changed to require councils to focus on asset management planning and long-term financial management to support planning and decision making.

This long-term planning for infrastructure assets allows council to understand the future financial commitments, and to develop strategies that address key strategic issues. These long term plans inform council's approach to service provision and service levels, how we manage our debt and where we source our revenue from – including how we will apply rates. All of these factors assist council to understand what its future commitments are in order to prepare the budget.

The following sets out a brief description of the financial reports required under section 169(1)(b) of the Local Government Regulation 2012.

Income Statement

The Income Statement is a financial statement that measures the local government's financial performance over a specific accounting period. Financial performance is assessed by giving a summary of how the business incurs its revenues and expenses through both operating and non-operating activities. It also shows the net profit or loss incurred over a specific accounting period, typically over a fiscal year.

Balance Sheet

The Balance Sheet is a financial statement that summarises the local government's assets, liabilities and equity at a specific point in time. It presents what the council owns and owes, as well as the value of community equity utilised by the council.

Cash Flow Statement

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

Statement of Changes in Equity

The Statement of Changes in Equity is a summary of the changes in equity of a local government that have occurred during a specific account period, typically over a fiscal year.

Income Statement

Table 1

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
General rates	164,907	169,605	174,607	179,933	185,605	191,645	198,073	204,917	212,206	219,967
Utility charges	187,533	191,793	197,210	206,277	214,098	222,459	231,997	242,874	254,592	267,701
<i>Water</i>	<i>84,439</i>	<i>87,192</i>	<i>91,010</i>	<i>98,342</i>	<i>103,393</i>	<i>108,806</i>	<i>115,214</i>	<i>122,765</i>	<i>130,950</i>	<i>140,402</i>
<i>Wastewater</i>	<i>83,594</i>	<i>84,534</i>	<i>85,528</i>	<i>86,620</i>	<i>88,706</i>	<i>90,925</i>	<i>93,278</i>	<i>95,777</i>	<i>98,431</i>	<i>101,150</i>
<i>Refuse & Recycling</i>	<i>19,500</i>	<i>20,067</i>	<i>20,671</i>	<i>21,314</i>	<i>21,999</i>	<i>22,728</i>	<i>23,505</i>	<i>24,331</i>	<i>25,211</i>	<i>26,149</i>
Discounts and concessions	(23,390)	(23,614)	(23,862)	(24,136)	(24,437)	(24,764)	(25,120)	(25,505)	(25,921)	(26,368)
Fees and charges	21,492	22,005	22,537	23,090	23,664	24,260	24,880	25,524	26,193	26,890
Interest received	4,274	4,635	4,635	7,437	7,039	6,299	6,462	7,482	7,235	7,154
Contributions	768	768	768	768	768	768	768	768	768	768
Grants and subsidies	10,408	11,853	12,066	12,282	12,503	12,729	12,959	13,193	13,432	13,676
Other revenue	11,779	11,989	12,236	12,488	12,745	13,007	13,275	13,549	13,828	14,113
Total revenue	377,771	389,033	400,195	418,138	431,985	446,403	463,293	482,802	502,335	523,901
Expenses										
Employee costs	127,399	128,825	132,114	135,617	139,282	143,116	147,129	151,329	155,725	160,327
Materials and services	111,807	104,247	105,219	106,884	113,444	121,927	128,951	136,011	144,131	153,491
Depreciation and amortisation	114,399	118,225	124,735	127,355	131,249	137,917	143,575	147,803	154,671	162,280
Finance costs	23,090	22,427	21,794	20,716	19,447	19,860	20,242	19,566	17,757	16,514
Other expenses	943	1,182	1,213	1,246	1,282	1,319	1,359	1,399	1,443	1,490
Total expenses	377,638	374,906	385,075	391,818	404,703	424,140	441,255	456,109	473,727	494,102
Surplus/(Deficit) before capital income	133	14,127	15,120	26,321	27,282	22,263	22,038	26,693	28,608	29,799
Operating surplus ratio	0.04%	3.65%	3.80%	6.29%	6.32%	4.99%	4.76%	5.53%	5.69%	5.69%
Capital income										
Grants, subsidies, contributions and donations	77,383	97,585	173,088	202,089	120,128	136,569	98,257	118,007	131,327	142,883
Capital Expense :										
Increase in restoration provision	0	0	0	0	4,500	0	0	12,500	0	0
Total capital income	77,383	97,585	173,088	202,089	115,628	136,569	98,257	105,507	131,327	142,883
Increase/(Decrease) in operating capability	77,516	111,712	188,208	228,410	142,910	158,832	120,296	132,200	159,935	172,682

Balance Sheet

Table 2

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets										
Cash and cash equivalents	92,965	89,327	101,703	134,079	131,835	102,323	105,827	110,701	110,332	104,775
Trade and other receivables	36,196	37,480	38,466	40,055	41,450	42,936	44,455	46,391	48,333	50,459
Inventories	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375
Other current assets	3,726	3,802	3,880	3,959	4,040	4,123	4,207	4,293	4,381	4,471
Total Current Assets	134,262	131,984	145,423	179,468	178,700	150,756	155,864	162,760	164,421	161,080
Non-Current Assets										
Investments	18,493	16,684	14,875	14,875	14,875	14,875	14,875	14,875	14,875	14,875
Trade and other receivables	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040
Property, plant and equipment	4,706,848	4,823,765	4,996,029	5,184,602	5,388,818	5,643,874	5,790,798	5,928,408	6,113,520	6,319,267
Intangible assets	8,372	6,600	4,840	3,091	1,515	660	638	616	593	571
Other non-current assets	10,957	10,957	10,957	10,957	10,957	10,957	10,957	10,957	10,957	10,957
Total Non-Current Assets	4,745,711	4,859,046	5,027,741	5,214,565	5,417,205	5,671,406	5,818,308	5,955,896	6,140,985	6,346,710
Total Assets	4,879,973	4,991,030	5,173,165	5,394,034	5,595,905	5,822,162	5,974,172	6,118,656	6,305,406	6,507,790
Current Liabilities										
Trade and other payables	59,504	57,436	58,618	61,525	64,511	68,243	71,258	74,704	78,380	82,551
Borrowings	26,686	29,420	32,233	34,979	39,981	40,456	34,145	35,863	38,378	36,942
Provisions	16,173	16,583	17,012	17,460	17,930	18,421	18,935	19,473	20,036	20,625
Other current liabilities	1,460	1,460	1,460	1,460	1,460	1,460	1,460	1,460	1,460	1,460
Total Current Liabilities	103,823	104,899	109,323	115,424	123,881	128,580	125,798	131,499	138,254	141,579
Non-Current Liabilities										
Borrowings	346,583	347,210	340,016	325,069	359,705	399,374	405,291	369,429	351,082	334,171
Provisions	31,110	26,985	19,737	14,079	12,707	12,958	12,084	20,659	21,085	21,647
Other non-current liabilities	1,823	1,823	1,823	1,823	1,823	1,823	1,823	1,823	1,823	1,823
Total Non-Current Liabilities	379,517	376,019	361,576	340,971	374,236	414,156	419,199	391,911	373,990	357,642
Total Liabilities	483,339	480,918	470,899	456,394	498,117	542,736	544,997	523,410	512,244	499,220
Net Community Assets	4,396,633	4,510,113	4,702,266	4,937,639	5,097,788	5,279,426	5,429,175	5,595,245	5,793,162	6,008,570
Community Equity										
Asset revaluation reserve	716,081	717,848	721,793	728,757	745,996	768,802	798,255	832,126	870,107	912,833
Retained surplus	3,680,552	3,792,265	3,980,473	4,208,882	4,351,792	4,510,624	4,630,920	4,763,120	4,923,055	5,095,737
Total Community Equity	4,396,633	4,510,113	4,702,266	4,937,639	5,097,788	5,279,426	5,429,175	5,595,245	5,793,162	6,008,570

Cash Flow Statement

Table 3

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities										
Receipts from customers	372,846	382,187	393,621	408,130	422,540	437,575	454,236	472,271	492,007	513,430
Payments to suppliers and employees	(240,170)	(238,393)	(242,514)	(246,161)	(256,505)	(261,939)	(274,800)	(288,662)	(296,577)	(309,887)
Interest received	4,275	4,635	4,635	7,437	7,039	6,299	6,462	7,482	7,235	7,154
Borrowing costs	(21,866)	(21,334)	(20,701)	(19,623)	(18,353)	(18,767)	(19,149)	(18,473)	(16,664)	(15,421)
Other cashflows from operating activities	0	(76)	(78)	(79)	(81)	(83)	(84)	(86)	(88)	(90)
Net Cash Provided by Operating Activities	115,085	127,018	134,963	149,704	154,639	163,086	166,664	172,532	185,913	195,186
Cash Flow from Investing Activities										
Payments for property, plant and equipment	(177,806)	(177,129)	(232,746)	(262,190)	(265,396)	(306,563)	(194,629)	(170,872)	(211,975)	(233,595)
Proceeds from sale of property, plant and equipment	1,110	1,106	842	875	859	1,007	1,041	2,253	797	1,329
Grants, subsidies, contributions and donations	47,306	42,006	113,698	156,189	68,015	72,813	30,822	35,106	40,727	49,870
Net Cash Used in Investing Activities	(129,391)	(134,017)	(118,206)	(105,126)	(196,521)	(232,743)	(162,766)	(133,513)	(170,451)	(182,396)
Cash Flows from Financing Activities										
Proceeds from Borrowings	30,000	30,000	25,000	20,000	74,500	80,000	40,000	-	20,000	20,000
Repayment of Borrowings	(23,904)	(26,639)	(29,381)	(32,202)	(34,862)	(39,855)	(40,394)	(34,145)	(35,831)	(38,347)
Net Cash Provided by Financing Activities	6,096	3,361	(4,381)	(12,202)	39,638	40,145	(394)	(34,145)	(15,831)	(18,347)
Net Increase/(Decrease) in Cash Held	(8,210)	(3,638)	12,376	32,376	(2,244)	(29,512)	3,504	4,874	(369)	(5,557)
Cash at Beginning of Reporting Period	101,176	92,965	89,327	101,703	134,079	131,835	102,323	105,827	110,701	110,332
Cash at End of Reporting Period	92,965	89,327	101,703	134,079	131,835	102,323	105,827	110,701	110,332	104,775

Statement of Changes in Equity

Table 4

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Asset Revaluation Reserve										
Opening balance	716,081	716,081	717,848	721,793	728,757	745,996	768,802	798,255	832,126	870,107
Increase in asset revaluation reserve	-	1,767	3,945	6,964	17,238	22,806	29,453	33,871	37,981	42,726
Closing Balance	716,081	717,848	721,793	728,757	745,996	768,802	798,255	832,126	870,107	912,833
Retained Surplus										
Opening Balance	3,603,037	3,680,552	3,792,265	3,980,473	4,208,882	4,351,792	4,510,624	4,630,920	4,763,120	4,923,055
Net result for the period	77,516	111,712	188,208	228,409	142,910	158,832	120,295	132,200	159,935	172,682
Closing Balance	3,680,552	3,792,265	3,980,473	4,208,882	4,351,792	4,510,624	4,630,920	4,763,120	4,923,055	5,095,737
Total Community Equity	4,396,633	4,510,113	4,702,266	4,937,639	5,097,788	5,279,426	5,429,175	5,595,245	5,793,162	6,008,570

Financial Sustainability Performance

The following section is a summary of Townsville City Council's financial sustainability. It sets out each of the required long-term financial sustainability measures, along with council's performance against each.

The Local Government Regulation 2012 includes the relevant measures of financial sustainability at section 169(5). The measures are to be used to evaluate the financial sustainability of local governments in Queensland. These measures are separately categorised as being related to the sustainability of infrastructure capital and financial capital in accordance with the *Local Government Act 2009*.

Relevant Measures of Sustainability

Table 5 indicates the relevant measures of financial sustainability as well as identified target ranges as described in the Financial Management (Sustainability) Guideline 2013. In addition, it outlines council's performance against each of the measures over the forecast period.

Operating Surplus Ratio

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

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

Net Financial Liability Ratio

This is an indicator of the extent to which the net financial liabilities of council can be serviced by its operating revenues.

The Department of Local Government and Planning have set a target of <60% for this ratio based on an average reliance on rates revenue by local governments across Australia of between 10% and 60%.

A positive value less than 60 per cent indicates the council has the capacity to fund the financial liabilities and appears to have the capacity to increase its loan borrowings if required.

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

High average net financial liability ratios over a long time can indicate a local government that is undertaking / has undertaken significant infrastructure projects. The ratio should not be considered in isolation, consideration should also be given to cash balances and positive cash growth over time.

Asset Sustainability Ratio


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

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

Measures of Financial Sustainability

Table 5

	Target Ratio	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Operating surplus ratio (Net operating surplus / Total operating revenue)	0% - 10%	0.0%	3.6%	3.8%	6.3%	6.3%	5.0%	4.8%	5.5%	5.7%	5.7%
Net financial liability ratio (Total liabilities - Current assets) / Total operating revenue	<60%	92.9%	90.1%	81.7%	66.2%	73.9%	87.8%	84.0%	74.7%	69.2%	64.5%
Asset sustainability ratio (Capital expenditure on the replacement of assets (renewals) / Depreciation)	>90%	69.0%	65.0%	62.7%	56.5%	89.7%	80.7%	80.8%	86.3%	90.0%	87.6%



This page intentionally left blank

Budget 2017/18

The 2017/18 budget has been prepared and presented by the Mayor in accordance with the *Local Government Act 2009*.

The budget gives council authority to raise \$378m of recurrent revenue to fund its operations and planned capital spends.

Council's 2017/18 operating result will be a surplus of \$133k subsequent to a 2016/17 (forecasted) deficit as a result of local economic conditions and an organisational restructure. The 2017/18 budget improves Council's ability to fund its operations into the future and lessen the burden of rate increases on the ratepayer.

The budget is consistent with the Corporate Plan 2014-2019. The budgeted financial statements are shown at tables 6, 7, 8, 9, 10 and 11.

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

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

Revenue

Council's revenue statement can be viewed at Appendix 1. Council is required to revise its revenue policy and revenue statement each financial year.

The income statement at Table 6 includes the expected revenue for 2017/18, 2018/19 and 2019/20. It provides an overview of the total expected revenue for rates and utility charges, less discounts and concessions and council's fees and charges. The investment income relates to interest on bank balances and investments.

Contributions relate to developer contributions.


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

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

Expenditure

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

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



Materials and Services includes but is not limited to, costs relating to council buildings maintenance, employee related costs such as training and uniforms, plant hire, purchasing of equipment, software licences and other IT costs, marketing, repairs and maintenance to council's infrastructure, water pumping costs for the Haughton pipeline, utilities and insurance and donations given to the community. In general the cost of Materials and Services has increased by 2.06% however council has identified efficiencies in its service delivery to offset inflationary pressures within this account category.

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

Table 6

	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Revenue			
General rates	164,907	169,605	174,607
Utility charges	187,533	191,793	197,210
<i>Water</i>	84,439	87,192	91,010
<i>Wastewater</i>	83,594	84,534	85,528
<i>Refuse & Recycling</i>	19,500	20,067	20,671
Discounts and concessions	(23,390)	(23,614)	(23,862)
Fees and charges	21,492	22,005	22,537
Interest received	4,274	4,635	4,635
Contributions	768	768	768
Grants and subsidies	10,408	11,853	12,066
Other revenue	11,779	11,989	12,236
Total revenue	377,771	389,033	400,195
Expenses			
Employee costs	127,399	128,825	132,114
Materials and services	111,807	104,247	105,219
Depreciation and amortisation	114,399	118,225	124,735
Finance costs	23,090	22,427	21,794
Other expenses	943	1,182	1,213
Total expenses	377,638	374,906	385,075
Surplus/(Deficit) before capital income	133	14,127	15,120
Operating surplus ratio	0.04%	3.65%	3.80%
Capital income			
Grants, subsidies, contributions and donations	77,383	97,585	173,088
Total capital income	77,383	97,585	173,088
Increase/(Decrease) in operating capability	77,516	111,712	188,208
Pursuant to Section 169 (6) and (7) of the Local Government Regulation 2012			
	16/17 - 17/18	17/18 - 18/19	18/19 - 19/20
Increase in rates and utility charges revenue before discounts and concessions (increases include average growth of 0.83% over the forecast period)	-3.14%	2.54%	2.88%
Increase in rates and utility charges revenue after discounts and concessions (increases include average growth of 0.83% over the forecast period)	-0.83%	2.65%	3.01%

Balance Sheet

The balance sheet details council's current assets, non-current assets and liabilities. It also details the total community equity with further detail provided in the statements of changes in equity show in table 8.

Table 7

	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Current Assets			
Cash and cash equivalents	92,965	89,327	101,703
Trade and other receivables	36,196	37,480	38,466
Inventories	1,375	1,375	1,375
Other assets	3,726	3,802	3,880
Total Current Assets	134,262	131,984	145,423
Non-Current Assets			
Investments	18,493	16,684	14,875
Trade and other receivables	1,040	1,040	1,040
Property, plant and equipment	4,706,848	4,823,765	4,996,029
Intangible assets	8,372	6,600	4,840
Other assets	10,957	10,957	10,957
Total Non-Current Assets	4,745,711	4,859,046	5,027,741
Total Assets	4,879,973	4,991,030	5,173,165
Current Liabilities			
Trade and other payables	59,504	57,436	58,618
Borrowings	26,686	29,420	32,233
Provisions	16,173	16,583	17,012
Other current liabilities	1,460	1,460	1,460
Total Current Liabilities	103,823	104,899	109,323
Non-Current Liabilities			
Borrowings	346,583	347,210	340,016
Provisions	31,110	26,985	19,737
Other non-current liabilities	1,823	1,823	1,823
Total Non-Current Liabilities	379,517	376,019	361,576
Total Liabilities	483,339	480,918	470,899
Net Community Assets	4,396,633	4,510,113	4,702,266
Community Equity			
Asset revaluation reserve	716,081	717,848	721,793
Retained surplus	3,680,552	3,792,265	3,980,473
Total Community Equity	4,396,633	4,510,113	4,702,266

Cash Flow Statement

Table 8

	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
<i>Cash Flows from Operating Activities</i>			
Receipts			
Receipts from customers	372,846	382,187	393,621
Proceeds from sale of land held as inventory	(240,170)	(238,393)	(242,514)
Interest received	4,275	4,635	4,635
Borrowing costs	(21,866)	(21,334)	(20,701)
Other cashflows from operating activities	0	(76)	(78)
Net Cash Provided by Operating Activities	115,085	127,018	134,963
<i>Cash Flow from Investing Activities</i>			
Payments for property, plant and equipment	(177,806)	(177,129)	(232,746)
Proceeds from sale of property, plant and equipment	1,110	1,106	842
Grants, subsidies, contributions and donations	47,306	42,006	113,698
Net Cash Used in Investing Activities	(129,391)	(134,017)	(118,206)
<i>Cash Flows from Financing Activities</i>			
Proceeds from Borrowings	30,000	30,000	25,000
Repayment of Borrowings	(23,904)	(26,639)	(29,381)
Net Cash Provided by Financing Activities	6,096	3,361	(4,381)
Net Increase/(Decrease) in Cash Held	(8,210)	(3,638)	12,376
Cash at Beginning of Reporting Period	101,176	92,965	89,327
Cash at End of Reporting Period	92,965	89,327	101,703

Statement of Changes in Equity

Table 9

	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000
Asset Revaluation Reserve			
Opening balance	716,081	716,081	717,848
Increase in asset revaluation reserve	-	1,767	3,945
Closing Balance	716,081	717,848	721,793
Retained Surplus			
Opening Balance	3,603,037	3,680,552	3,792,265
Net result for the period	77,516	111,712	188,208
Closing Balance	3,680,552	3,792,265	3,980,473
Total Community Equity	4,396,633	4,510,113	4,702,266

Council Business Activities

Table 10

Account Classification	Townsville Water FY \$000	Townsville Waste FY \$000	Performing Arts FY \$000
Operating Revenue			
Rate Charges	0	0	0
Utility Charges	176,469	19,669	0
Less Less Discount & Concessions	(2,031)	(120)	0
Fees & Charges	2,715	12,682	353
Income From Investments & Financing	668	86	0
Contributions Recurrent	534	0	0
N.C.P. Revenue / Recovery	2,660	581	0
Grants & Subsidies Recurrent	0	0	0
Other Revenue	14,878	2,118	630
Total Operating Revenue	195,894	35,015	983
Operating Expenses			
Employee Costs	23,408	7,043	4,049
Materials & Services	59,908	16,141	6,646
Finance Costs	17,454	570	0
Depreciation & Amortisation	39,709	4,217	63
N.C.P. Expense / Charges	842	385	0
Taxes Other Than Income Tax	0	0	0
Other Expenses	42	1	3
Total Operating Expenses	141,362	28,358	10,762
Operating Surplus / (Deficit) Before Income Tax & Capital items	54,532	6,657	(9,779)
Income Tax	16,584	1,953	0
Operating Surplus / (Deficit) Before Capital items	37,948	4,704	(9,779)
Capital Income			
Contributions Capital	27,823	0	0
Contributions Non-Cash Capital	7,798	0	0
Grants & Subsidies Capital	0	0	0
Profit/Loss On Sale Of Assets	0	0	0
Revaluation Reserve Retired	0	0	0
Othe Income Income	0	0	0
Total Capital Income	35,621	0	0
Capital Expense			
Impairment Losses	0	0	0
Revaluation Decrement	0	0	0
Other Capital Expenses	0	0	0
Total Capital Expense	0	0	0
Increase / (Decrease) In Operating Capability	73,570	4,704	(9,779)
Capital Works			
Capital Works	85,273	7,488	100
Restoration & Rehabilitation Works	0	1,166	0
Donated Assets	7,798	0	0
Total Capital Works	93,071	8,654	100

Business Activity Statement

Table 11

Account Classification	Townsville Water FY \$000	Townsville Waste FY \$000	Performing Arts FY \$000
Operating Revenue			
Services provided to Local Government	24,646	6,801	0
Services provided to clients other than Local Government	169,233	27,771	983
Community Service Obligation	2,016	443	0
Total Operating Revenue	195,894	35,015	983
Operating Expenses	141,362	28,358	10,762
Other Capital Amounts	35,621	0	0
Increase / (Decrease) In Operating Capability Before Tax	90,153	6,657	(9,779)
Income Tax	16,584	1,953	0
Increase / (Decrease) in Operating Capability after Tax	73,570	4,704	(9,779)

Community Service Obligations	Townsville Water FY \$000	Townsville Waste FY \$000
Concessions on Water Utility Charges	1,502	
Concessions on Wastewater Utility Charges	502	
Arcadia Surf Life Saving Club (Sewerage Pump Out)	12	
National Recycling Week		5
Concessions on landfill fees for charity organisations		61
Costs of provision of dead animal collection services		31
Costs of provision of infirmed services		33
Clean-up Australia Day		7
Landfill free access weekend		296
Community clean-up events		10
Total Community Service Obligations	2,016	443

Appendix 1 – Revenue Statement 2017/18

Overview

This revenue statement explains the revenue raising measures adopted in the council's 2017/18 budget.

Applicability

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

Making and Levying of General Rates Rationale

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

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

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

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

Differential General Rating

The differential rating categories have been determined having regard to:

- land use as determined by Townsville City Council and the Department of Natural Resources and Mines;
- whether the property is owner-occupied;
- location;
- availability of services;
- consumption of and demand for services; and
- whether any attribute of the land (including the status of the land under the Planning Scheme) gives rise to, or is likely to give rise to, increased costs for the council, whether at that land or elsewhere.

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

- a) there will be 31 categories of rateable land for 2017/18 as stated and described in the Attachment – *Differential Rating Categories 2017/18*;
- b) the description of each of the rating categories of rateable land in the local government area is set out in the Attachment - *Differential Rating Categories 2017/18*;
- c) the rates and charges to be levied for each of the 31 differential general rating categories are detailed in the Attachment – *Differential Rates, Limitations on Increases, Minimum General Rate 2017/18*.

Rateable Value of Land

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

Limitation of Increase in Rates

Council applies capping to all owner-occupied residential lands which ensures that lands categorised as Category 1 and Category 16 as at 1 July 2017 will not exceed the amount of general rates levied for the property for the previous financial year (year ending 30 Jun 2017) plus a percentage increase resolved by council.

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

- the relevant minimum rate for the property; or
- the amount of general rates levied for the property for the year ending 30 June 2017, plus an increase of 30%.

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

- a) Capping will apply only to general rates;
- b) Capping will apply only to category 1 land and category 16 land;
- c) Capping is not available retrospectively and will only apply from the beginning of a financial year;
- d) If ownership of the land to which capping applies is transferred in the period after 1 July of any year, then capping will cease to apply for the following year. *(For example: if rates-capped land is sold during 2017/18, capping will not apply in 2018/19 but will apply in 2019/20 (unless the land is sold again after 1 July 2018.));* and
- e) If a dwelling is completed during 2017/18, on vacant land purchased during 2016/17, the owner will be eligible for capping from 1 July 2018.

Nelly Bay Harbour Development Special Rate

The Nelly Bay Harbour Development Special Rate levy is applied to maintaining water quality in the canals, dredging the canals, maintaining the rock walls around the canal area and maintaining the sediment basin in Gustav Creek. The Operational Plan for the Nelly Bay Harbour Development Special Rate for 2017/18 is detailed in the Attachment – *Nelly Bay Harbour Development Operational Plan*.

Rural Fire Brigades Special Charge

The Rural Fire Brigade Special Charge is levied on rateable lands serviced by the rural fire brigades detailed in the Attachment *Rural Fire Levy 2017/18*. The funds raised from this charge are provided to the voluntary rural fire services so they can acquire and maintain fire-fighting equipment, provide training to volunteers and to enable them to operate throughout the rural areas of the region.

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

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

Rural Water Supply Schemes

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

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

Julago and Alligator Creek Water Supply Scheme

Owners of properties in the Julago and Alligator Creek Water Supply Scheme benefited area are required to pay back a capital contribution of \$10,500.00 per lot over a ten year, interest free period for a connection to the Bruce Highway main, with payments levied in half-yearly instalments. The first instalment period started on 1 July 2008, and half-yearly instalments number 19 and 20 of \$525 each will be levied for the financial year 2017/18.

Commercial Business Activity - Water Utility Charges

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

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

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

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

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

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

The fees charged for the Water Services Activity are detailed in council's *Schedule of Rates and Charges 2017/18*, and the utility charges for this activity are detailed in the Attachment – *Utility Charges – Water 2017/18*.

Commercial Business Activity – Sewerage and Trade Waste Utility Charges

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

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

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

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

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

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

The fees charged for the wastewater activity are detailed in council's *Schedule of Rates and Charges 2017/18*, and the utility charges for this activity are detailed in the Attachment – *Utility Charges – Sewerage and Trade Waste 2017/18*.

Commercial Business Activity – Waste Management and Recycling Utility Charges

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

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

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

- waste collection charge based upon each waste collection service provided
- recycling collection charge based upon each recycling collection service provided.

All additional or special waste services are charged on a user-pays basis per service provided.

Waste Management Levy

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

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

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

The Levy does not apply to undeveloped land.

The fees charged for the waste management and recycling activities are detailed in council's *Schedule of Rates and Charges 2017/18*, and the utility charges for this activity are detailed in the Attachment – *Utility Charges – Waste Management and Recycling 2017/18*.

Pensioner Rates Concessions

Council has adopted a Pensioner Rates Concession Policy in accordance with section 120(1)(a) of the Local Government Regulation 2012 that grants certain pensioners who own and occupy their property as their principal place of residence, a concession of 85% of the general rate, with a maximum limit as resolved as part of council's annual budget. A pro-rata concession applies when they receive a part pension. Council's Pensioner Rates Concession Policy outlines the details of eligibility and application of this concession. Any pensioner concession allowed in the financial year will be reversed if rates and charges due for the financial year are not paid in full by 31st May 2018.

General Rates and Utility Charges Concessions

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

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

Prompt Payment Discount

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

Interest Charges on Overdue Rates

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

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

Cost- Recovery and Other Fees and Charges

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

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

Council's adopted fees and charges include a mixture of cost recovery and commercial user-pays fees. The cost-recovery (regulatory) charges are identified as such in council's Fees and Charges Schedule. Council's Fees and Charges Register contains full details of fees and charges adopted by council for the 2017/18 financial year and is available on council's website.

Appendix 2 – Revenue Policy

1.0 Policy Statement

In 2017/18 the council will levy rates and charges in compliance with this policy.

2.0 Principles

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

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

3.0 Scope

The Revenue Policy demonstrates the principles that council intends to apply in the preparation and adoption of the 2017/18 budget. This policy identifies the principles council intends to apply for:-

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

This Policy also addresses:-

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

4.0 Responsibility

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

5.0 Definitions

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

6.0 Policy

6.1 Principles used for the levying rates and charges

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

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

When levying the rates and charges, the council will:

1. have regard to its long-term financial forecast when setting rates and charges;

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

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

6.2 Principles used for recovering overdue rates and charges

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

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

6.3 Principles used for granting concessions for rates and charges

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

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

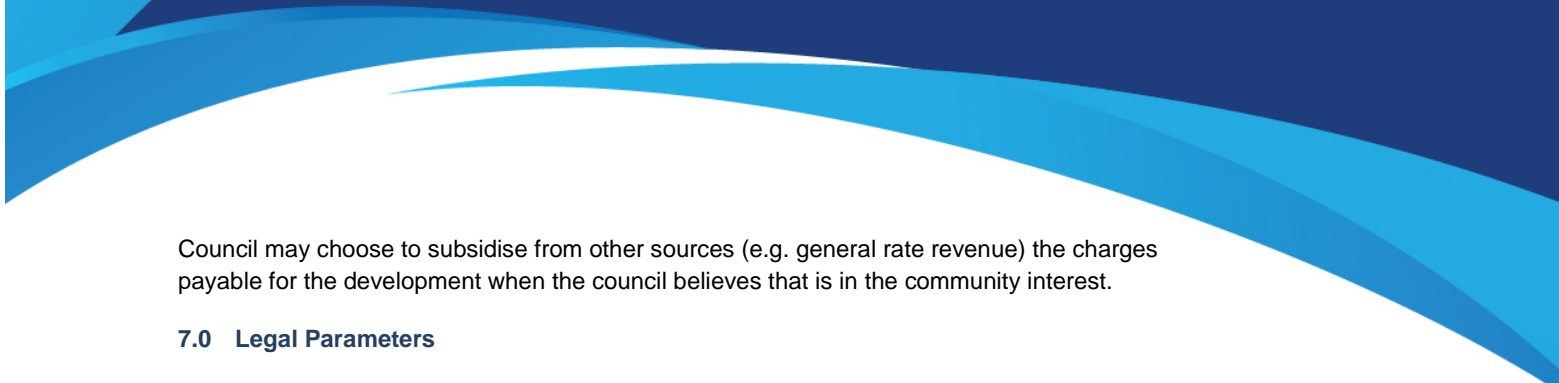
6.4 Setting of cost-recovery fees

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

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

6.5 Funding of new development

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



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

7.0 Legal Parameters

Local Government Act 2009
Local Government Regulation 2012

8.0 Associated Documents

Charitable and Community Organisation General Rate and Utility Charges Concessions Policy
Pensioner Rate Concessions Policy
Rate Discount Policy
Revenue Statement
Debt Recovery Policy

Appendix 3 – Debt Policy

1.0 Policy Statement

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

2.0 Principles

The purposes of establishing an annual debt policy are to:

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

3.0 Scope

This policy applies to all councillors and council staff.

4.0 Responsibility

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

5.0 Definitions

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

6.0 Policy

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

- Pursuant to s192 of the Local Government Regulation 2012, details of the planned borrowings for the budget year and the following nine (9) financial years will be presented at council's annual budget meeting. The details will include the planned borrowings for each year, the purpose of the borrowings and the term of repayment of existing and planned borrowings.

Planned borrowings are as follows:

Year and Purpose of Borrowing	Amount 000s
Year ended 30/6/2018 • New and upgrade Infrastructure Assets	\$30,000
Year ended 30/6/2019 • New and upgrade Infrastructure Assets	\$30,000
Year ended 30/6/2020 • New and upgrade Infrastructure Assets	\$25,000
Year ended 30/6/2021 • New and upgrade Infrastructure Assets	\$20,000
Year ended 30/6/2022 • New and upgrade Infrastructure Assets	\$74,500
Year ended 30/6/2023 • New and upgrade Infrastructure Assets	\$80,000
Year ended 30/6/2024 • New and upgrade Infrastructure Assets	\$40,000
Year ended 30/6/2025 • New and upgrade Infrastructure Assets	-
Year ended 30/6/2026 • New and upgrade Infrastructure Assets	\$20,000
Year ended 30/6/2027 • New and upgrade Infrastructure Assets	\$20,000

Repayment term of new loans is up to 20 years with existing loans having repayment terms between 6 and 20 years. The amount projected to be outstanding at 30 June 2018 is \$373.2 million.

Anticipated loan principal repayments for the year ended 30 June 2018 is \$23.9 million.

7.0 Legal Parameters

Local Government Act 2009

Local Government Regulation 2012

Statutory Bodies Financial Arrangements Act 1982

8.0 Associated Documents

Adopted Budget

10 year capital works plans

Long term financial plans

Revenue Statement

Revenue Policy

Treasury Management Administrative Directive

Appendix 4 – Investment Policy

1.0 Policy Statement

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

2.0 Principles

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

3.0 Scope

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

4.0 Responsibility

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

5.0 Definitions

At call – an investment that can be redeemed and the moneys invested can be retrieved by the investor from the financial institution within 30 days without penalty.

Counterparty – a legal and financial term that refers to the other individual or institution to an agreement or contract.

Credit risk – the risk of loss due to the failure of the counterparty of an investment to meet its financial obligations in a timely manner.

Financial institution – an authorised deposit-taking institution within the meaning of the *Banking Act 1959* (Cwlth).

Interest rate risk – is the risk of a change in the market value of the investment portfolio, which arises due to a change in interest rates.

Investment Portfolio – a collection of short, medium and long term cash deposit investment accounts.

Liquidity risk – the risk that council will have insufficient cash available to meet its working capital needs.

Market Average Rate of Return – for performance purposes, the investment portfolio will be compared to the UBS Australia Bank Bill Index over a rolling one-year period.

Transaction risk – the risk of a direct or indirect loss resulting from inadequate or failed internal processes, people or systems.

Preservation of Capital – An investment strategy with the primary goal of preventing losses in an investment's total value. In modern portfolio theory terms, it refers to a guaranteed investment of principal, which would provide a return of at least inflation.

Responsible officer – council officers who are responsible for activity directly related to the transfers of cash between council's investment accounts e.g. Treasury officers.

6.0 Policy

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

Council will:

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

6.1 Reporting and Performance Measurement

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

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

6.2 Documentation and Approval

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

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

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

7.0 Legal Parameters

Statutory Bodies Financial Arrangement Act 1982

Statutory Bodies Arrangements Regulations 2007

Local Government Regulation 2012

Banking Act 1959 (Cwlth)

8.0 Associated Documents

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

Treasury Management Administrative Directive

Appendix 5 – Pensioner Rates Concession Policy

1.0 Policy Statement

Council will provide a rates concession to assist approved pensioner ratepayers.

2.0 Principles

Pensioners occupying their own homes should be supported.

3.0 Scope

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

4.0 Responsibility

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

5.0 Definitions

Approved Pensioner is a person who:

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

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

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

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

6.0 Policy

Council will provide rates concessions to approved pensioners as follows:

6.1 The Rates Concession

The maximum pensioner rates concession available is 85% of the General Rates levied on an approved pensioner's property, or \$800.00 per year, whichever is the lesser.

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

- a full pension, they will qualify for the maximum pensioner rates concession;
- a part-pension, they will qualify for a pro rata portion of the maximum pensioner rates concession equivalent to the percentage of a full pension that they receive in the form of a part-pension, excluding any additional benefit or allowance;

- an allowance or benefit and not a pension or part-pension, they will qualify for a pro rata portion of the maximum pensioner rates concession equivalent to the percentage of a full pension that they receive in the form the additional benefit or allowance.
- If an approved pensioner ratepayer receives an Australian qualifying supplementary pension payment in addition to a qualifying foreign pension payment, the concession of general rates will be assessed according to the total amount of \$ Australian being received, after converting the foreign pension payment to \$ Australian at the current conversion rate applicable at the date of concession application, and adding that to the \$ Australian qualifying supplementary pension payment being received.

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

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

6.2 Ownership

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

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

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

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

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

The criteria for determining eligible life tenants will be that:

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

6.3 Tenancies

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

6.4 Residential Requirements

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

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

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

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

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

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

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

- (a) he/she is eligible to be an approved pensioner at the time of his/her spouse's death; and
- (b) title to the property has been or will be recorded with the surviving spouse as the registered owner; and

- (c) Townsville City Council is satisfied that the transmission of the title occurs within a reasonable time. The surviving spouse is to be encouraged to expedite the transfer of the property's title.

6.5 Trusteeships

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

6.6 Withdrawal or Cessation of Pensioner Rates Concession

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

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

Pension concessions will cease when:

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

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

6.7 Administration

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

Late applications

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

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

Confirmation of Eligibility

An application is required:

- when applying for the pensioner rates concession for the first time; or
- when Townsville City Council needs to re-establish eligibility (eg: after having a qualifying pension or concession card re-granted, changing the address of the principal place of residence, etc.)

- or as instructed by relevant Commonwealth Agency (the Department of Human Services or The Department of Veterans' Affairs).

Initial or Re-established Eligibility

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

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

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

Continuing Eligibility

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

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

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

Pro-Rata Calculations

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

7.0 Legal Parameters

Local Government Act 2009

Local Government Regulation 2012

8.0 Associated Documents

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

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

1.0 Policy Statement

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

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

2.0 Principles

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

3.0 Scope

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

4.0 Responsibility

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

5.0 Definitions

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

In addition, the following definitions apply:

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

6.0 Policy

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

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

6.1 Application

Applications for concession must:

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

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

6.2 Effective Date

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

6.3 Eligibility

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

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

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

6.4 Transparency

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

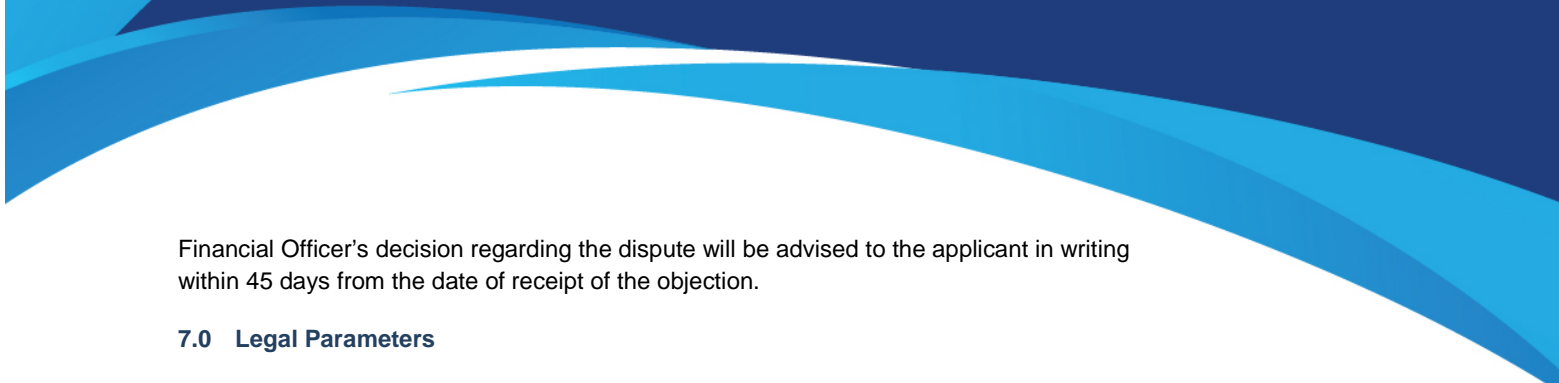
Council will maintain a Concessions Schedule. The schedule will include concessional categories, description of purpose and the percentage of concession granted. It will also note that some land is exempt from rating, but may be eligible for a concession of charges.

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

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

6.5 Dispute

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



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

7.0 Legal Parameters

Local Government Act 2009
Local Government Regulation 2012

8.0 Associated Documents

Concessions Schedule
Application Form for General Rates and Utility Charges Concession

Appendix 6a – General Rates and Utility Charges Concession Schedule


CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
Not-for-profit and charitable organisations	Land is owned or leased (registered lease with DNRM) by a not-for-profit and charitable organisation and is being used to provide benefit to the community.	Concession is allowed in terms of the Local Government Regulation 2012. Council resolution	The land must not be used for any other purpose. The land must not be commercially leased to any other entity. Utility Concessions will not be granted to State or Commonwealth owned and operated establishments. Premises licensed for more than 25 gaming machines are not eligible.	100% General Rates	50% General Rates
Clubhouses and halls for not-for-profit and charitable organisations	Land is owned or leased (registered lease with DNRM) by an entity whose objects do not include making a profit and is being used for clubhouse purposes.	Concession is allowed in terms of the Local Government Regulation 2012. Council resolution	The land must be used only for not-for-profit or charitable purposes. The land must not be commercially leased to any other entity. Utility Concessions will not be granted to State or Commonwealth owned and operated establishments. Premises licensed for more than 25 gaming machines are not eligible.	100% General Rates 73% Volumetric Water Charges up to a \$100,000 per annum cap. (Concessions as set out in this policy will apply when water is used for sports field irrigation for the club's purposes)	50% General Rates 36% Volumetric Water Charges up to a \$100,000 per annum cap. (Concessions as set out in this policy will apply when water is used for sports field irrigation for the club's purposes)
Not-for-profit and charitable aged care facilities	Land is owned or leased (registered lease with DNRM) by an entity whose objects do not include making a profit and the land is being used for the care of the aged.	Concession is allowed in terms of the Local Government Regulation 2012. Council resolution	The land must not be used for any other purpose. The land must not be commercially leased to any other entity. Utility Concessions will not be granted to State or Commonwealth owned and operated establishments. Premises licensed for more than 25 gaming machines are not eligible.	100% General Rates 55% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A

CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
Sports field irrigation – restricted public access	Land is owned or leased (registered lease with DNRM) by a not-for-profit and charitable organisation and is being used for sports purposes.	Concession is allowed in terms of the Local Government Regulation 2012. Council resolution	The land must not be used for any other purpose. Schools, tertiary institutions and other higher education facilities are excluded. The land must not be commercially leased to any other entity. Utility Concessions will not be granted to State or Commonwealth owned and operated establishments. Premises licensed for more than 25 gaming machines are not eligible.	73% Volumetric Water Charges up to a \$100,000 per annum cap.	36% Volumetric Water Charges up to a \$100,000 per annum cap.
Sports field irrigation – no public access restriction	Land is owned or leased (registered lease with DNRM) by a not-for-profit and charitable organisation and is being used for sports purposes.	Concession is allowed in terms of the Local Government Regulation 2012. Council resolution	An approved water efficiency management plan must be in place to be eligible for this benefit. If a plan is not in place the concession would be the same as for restricted public access grounds. Schools, tertiary institutions and other higher education facilities are excluded. The land must not be commercially leased to any other entity. Utility Concessions will not be granted to State or Commonwealth owned and operated establishments. Premises licensed for more than 25 gaming machines are not eligible.	95% Volumetric Water Charges up to a \$100,000 per annum cap.	45% Volumetric Water Charges up to a \$100,000 per annum cap.
Churches and church halls	Land used by a Church or Religious entity and is being used for one or more of the following purposes; a) religious purposes including public worship, b) the provision of education, health or community services, c) the administration of the	Land is exempt from General rates under the <i>Local Government Act 2009</i> Section 93 (3) (j) (ii) and land is granted a concession for utility charges in terms of the Local Government Regulation 2012. Council resolution	The land must not be used for any other purpose. The land must not be commercially leased to any other entity. Utility Concessions will not be granted to State or Commonwealth owned and operated establishments.	General Rates Exempt 15% Sewerage Charges 55% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A

CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
	religious entity, d) housing incidental to any of the above purposes.				
Schools and educational institutions including not-for-profit day care facilities and kindergartens	Land is being used for childcare and/or educational purposes.	Land is exempt from General rates under the <i>Local Government Act 2009</i> Section 93 (3) (j) (ii).	The land must not be used for any other purpose. The land must not be commercially leased to any other entity. Utility Concessions will not be granted to State or Commonwealth owned and operated establishments.	General Rates Exempt	N/A
War Graves	Land is owned or leased (registered lease with DNRM) and is being used for historic purposes.	Land is exempt from General rates under the <i>Local Government Act 2009</i> and land is given the concession due to its use being of public benefit.	The land must not be used for any other purpose. The land must not be commercially leased to any other entity.	General Rates Exempt 5% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A
Historic Society	Land is owned or leased (registered lease with DNRM) and is being used to preserve and maintain the historic and heritage significance to the Council area.	Land is being used to preserve and maintain the historic and heritage significance to the Council area and can be granted a concession under the Local Government Regulation 2012. Council resolution	The land must not be used for any other purpose. The land must not be commercially leased to any other entity. Utility Concessions will not be granted to State or Commonwealth owned and operated establishments.	100% General Rates	N/A
Caravan Parks	Land is used for the purpose of a Caravan Park.	Land is considered by Council to benefit the community in the promotion of tourism to the area. Council resolution	The land must not be used for any other purpose. The land must not be commercially leased to any other entity (does not apply to council-owned caravan parks). Utility Concessions will not be granted to State or Commonwealth owned and operated establishments.	30% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A

CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
Retirement / Lifestyle Villages	Land is being used as a retirement village catering for the aged.	Land is considered by council being used to benefit the aged in the city in providing a comfortable lifestyle in retirement. Council resolution	The land must not be used for any other purpose Utility Concessions will not be granted to State or Commonwealth owned and operated establishments.	55% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A
Boarding and lodging houses	Land is being used for the provision of reasonably priced accommodation.	Council considers that the land is being used to provide for the benefit of less privileged in the community. Council resolution	The land must not be used for any other purpose. Utility Concessions will not be granted to State or Commonwealth owned and operated establishments.	20% Volumetric Water Charges up to a \$100,000 per annum cap. 20% Sewerage Charges	N/A
Showgrounds / Horseracing	Land is owned or leased (registered lease with DNRM) by a not-for-profit and charitable organisation and is being used primarily for showgrounds or horseracing purposes.	General Rate Exemption in accordance with the <i>Local Government Act 2009</i> . Concession on utility charges is allowed in terms of the Local Government Regulation 2012. Council resolution	The land must not be used for any other purpose. The land must not be commercially leased to any other entity. Utility Concessions will not be granted to State or Commonwealth owned and operated establishments.	General Rates Exempt 73% Volumetric Water Charges up to a \$100,000 per annum cap. 62% Sewerage Charges	General Rates Exempt 36% Volumetric Water Charges up to a \$100,000 per annum cap. 31% Sewerage Charges
Special consideration for sale of council owned lands	Lands included in Riverside Ridge subdivision while it is held in the name of Riverside Ridge (Qld) Pty Limited.	All lands in the subdivision in the name of Riverside Ridge (Qld) Pty Limited have been granted the concession as part of the sale contract negotiated at the time of the sale of council owned land. Council Resolution 20/09/2005 authorised that a concession of the general rates, vacant land water service charges and vacant land sewerage service charges will apply in accordance with the specific contract terms and for a period of and until the earlier of: (a) 90 days after that land has been reconfigured to create a new lot from that land; or (b) that land has been reconfigured to create a new lot and that lot is sold.	N/A	100% General Rates 100% Water Service Charges 100% Sewerage Charges	N/A

CATEGORY	DESCRIPTION AND PURPOSE	CONSIDERATIONS	EXCLUSIONS	% CONCESSION (non-gaming licenced premises)	% CONCESSION (gaming licenced premises up to 25 Machines)
Special consideration for applications made under the Jobs and Investment Package 2015-2018	Applicable lands under the Jobs and Investment Package 2015-2018 Geographic boundaries for this program are available from Planning and Economic Development.	<p>Lands under approved developments that are included in the defined area as determined by the Jobs and Investment Package 2015-2018 as adopted by council in February 2015.</p> <p>Part 10 Section 120 (1)(d) of the Local Government Regulation 2012 concessions can be granted to encourage economic development.</p> <p>Applications for a concession are made through Planning and Economic Development.</p>	N/A	Refer to Jobs and Incentives Package 2015-2018	N/A
Water supplied for irrigation purposes	Land is being used for Commercial and Industrial purposes.	<p>Subject to the application and installation of a separate irrigation water meter and reticulation system.</p> <p>The number of irrigation meters allowed must not exceed the number of commercial meters.</p> <p>Council resolution</p>	<p>The land must be used for commercial and industrial purposes only.</p> <p>Utility Concessions will not be granted to State or Commonwealth owned and operated establishments.</p>	15% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A
Water supplied for irrigation purposes	Land is being developed, however a portion is retained as open space and irrigated in preparation for donating to council.	<p>Under Part 10 Section 120 (1)(d) of the Local Government Regulation 2012 concessions can be granted to encourage economic development of the local government area.</p> <p>Council resolution</p>	The land must be under development and a concession may be applied to the land parcel that will be donated to council as open space.	15% Volumetric Water Charges up to a \$100,000 per annum cap.	N/A



This page intentionally left blank

Appendix 7 – Differential Rating Categories 2017/18

The differential rating categories have been determined having regard to:

- land use as determined by Townsville City Council and the Department of Natural Resources and Mines;
- whether the property is owner-occupied;
- location;
- availability of services;
- consumption of and demand for services; and
- whether any attribute of the land (including the status of the land under the Planning Scheme) gives rise to, or is likely to give rise to, increased costs for the council, whether at that land or elsewhere.

Rateable Category	Criteria	
	Land Use	Additional Criteria
Category 1 Residential PPR	Land parcels not within the Inner City Rating Plan, classified as the following Land Use Codes, being residential, and used by the owner as their principal place of residence: 1, 2, 4, 5, 6, 8, 9, 94 and meeting the relevant criteria set out in the adjacent column.	<p>Land with Land Use Codes 8 and 9 is classed as Differential General Rate Category 1 when it is a lot on a building units plan or group titles plan registered under the <i>Body Corporate and Community Management Act 1997</i> when the primary use of that lot is for a residential purpose.</p> <p>Land with Land Use Codes 1, 4 and 94 is classed as Differential General Rate Category 1 when it is a residential lot under a residential development application, the certificate of classification has been issued and council is awaiting land use code confirmation to a residential occupied status from DNRM.</p> <p>Land with Land Use Codes 1, 4, 6, 94 is classed as Differential General Rate Category 1 when it is within any of the following zone codes within the Townsville City Plan:</p> <p>Low Density Residential Medium Density Residential High Density Residential Character Residential Sport and Recreation Emerging Community Open Space Environmental Management and Conservation Rural Residential Rural</p>
Category 2 Residential NPPR	Land parcels not within the Inner City Rating Plan, classified as the following Land Use Codes, being residential, and not used by the owner as their principal place of residence: 1, 2, 4, 5, 6, 8, 9, 72, 94 and meeting the relevant criteria set out in the adjacent column.	<p>Land with Land Use Codes 8 and 9 is classed as Differential General Rate Category 2 when it is a lot on a building units plan or group titles plan registered under the <i>Body Corporate and Community Management Act 1997</i> when the primary use of that lot is for a residential purpose.</p> <p>Land with Land Use Codes 1, 4, 6, 72 and 94 is classed as Differential General Rate Category 2 when it is within any of the following zone codes within the Townsville City Plan:</p> <p>Low Density Residential Medium Density Residential High Density Residential Character Residential Sport and Recreation Emerging Community Open Space Environmental Management and Conservation Rural Residential Rural</p>

Rateable Category	Criteria	
	Land Use	Additional Criteria
Category 3 Commercial	Land parcels not within the Inner City Rating Plan, classified as the following Land Use Codes: 1, 4, 6, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 22, 25, 26, 27, 38, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 55, 56, 57, 58, 72, 91, 92, 94, 95, 96, 97, 99 and meeting the relevant criteria set out in the adjacent column.	Land with Land Use Codes 8 and 9 is classed as Differential General Rate Category 3 when it is a lot on a building units plan or group titles plan registered under the <i>Body Corporate and Community Management Act 1997</i> when the primary use of that lot is for a non-residential purpose. Land with Land Use Codes 1, 4, 6, 72 and 94 is classed as Differential General Rate Category 3 when it is within any of the following zone codes within the Townsville City Plan: Low Impact Industry Medium Impact Industry High Impact Industry Community Facilities Local Centre District Centre Major Centre Neighbourhood Centre Principal Centre (CBD) Specialised Centre Special Purpose Mixed Use
Category 4 Warehouse, bulk stores	Land parcels not within the Inner City Rating Plan, classified as the following Land Use Codes: 28, 29, 30, 31, 32, 33, 34.	
Category 5 Industry	Land parcels not within the Inner City Rating Plan, classified as the following Land Use Codes: 35, 36, 37, 39, 40.	
Category 6 Drive In Shopping Centres	Land parcels, classified as Land Use Code 16 that meet the criterion set out in the adjacent column.	Drive in shopping centre not described in Categories 10, 11 and 12.
Category 7 Agriculture and Grazing	Land parcels, classified as the following Land Use Codes: 60, 61, 64, 65, 66, 67, 68, 69, 70, 71, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 93.	
Category 8 Multi-Unit Dwelling < 20 units	Land parcels not within the Inner City Rating Plan, classified as the following Land Use Codes: 3, 3/98, 7, 21 and meeting the relevant criteria set out in the adjacent column.	Land with Land Use Codes 3 and 3/98 is classed as Differential General Rate Category 8 when it is a multi-unit dwelling (flats) and comprising of no more than 19 individual residential accommodation units, not registered on a building units plan or group titles plan under the <i>Body Corporate and Community Management Act 1997</i> where that lot is for a residential purpose.
Category 9 Land not otherwise defined	Land parcels not within the Inner City Rating Plan, classified as the following Land Use Codes: all land parcels not included in Categories 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 22, 24, 25, 26 & 27.	
Category 10 Shopping Centres > 40,000 m2	Land parcels, classified as Land Use Code 16 that meet the criterion set out in the adjacent column.	Drive in shopping centre in which the anchor tenants include a major department store and a large grocery supermarket. The centre will have a gross floor area of more than 40,000 m2.
Category 11 Shopping Centres between 20,000 and 40,000 m2	Land parcels classified as Land Use Code 16 that meet the criterion set out in the adjacent column.	Drive in shopping centre in which the anchor tenants include a major department store and a large grocery supermarket. The centre will have a gross floor area of more than 20,000 m2 and less than 40,000 m2.
Category 12 Shopping Centres < 20,000 m2	Land parcels, classified as Land Use Code 16 that meet the criteria set out in the adjacent column.	Drive in shopping centre in which the anchor tenants include a major department store and a large grocery supermarket. The centre will have a gross floor area of less than 20,000 m2.

Rateable Category	Criteria	
	Land Use	Additional Criteria
Category 13 Retail Warehouse > 40,000 m2	Land parcels not within the Inner City Rating Plan, classified as Land Use Code 23 that meet the criterion set out in the adjacent column.	The centre has a gross floor area greater than 40,000m2
Category 14 Retail Warehouse < 40,000 m2	Land parcels not within the Inner City Rating Plan, classified as Land Use Code 23 that meet the criterion set out in the adjacent column.	The centre has a gross floor area less than 40,000 m2.
Category 15 Outdoor Sales Area	Land parcels not within the Inner City Rating Plan, classified as Land Use Code 24.	

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



Figure 1 – Inner City Rating Plan

Rateable Category	Criteria	
	Land Use	Additional Criteria
Category 16 Inner City Residential PPR	Land parcels within the Inner City Rating Plan, classified as the following Land Use Codes, being residential and used by the owner as their principal place of residence: 1, 2, 4, 5, 6, 8, 9 and meeting the relevant criteria set out in the adjacent column.	Land with Land Use Codes 8 and 9 is classed as Differential General Rate Category 16 when it is a lot on a building units plan or group titles plan registered under the <i>Body Corporate and Community Management Act 1997</i> when the primary use of that lot is for a residential purpose. Land with Land Use Codes 1 and 4 is classed as Differential General Rate Category 16 when it is residential land parcel under a residential development application, the certificate of classification has been issued and council is awaiting land use code confirmation to a residential occupied status from DNRM. Land with Land Use Codes 1, 4, and 6 is classed as Differential General Rate Category 16 when it is within any of with the following zone codes within the Townsville City Plan: Low Density Residential Medium Density Residential High Density Residential Character Residential Sport and Recreation Emerging Community Open Space Environmental Management and Conservation Rural Residential Rural
Category 17 Inner City Residential NPPR	Land parcels within the Inner City Rating Plan, classified as the following Land Use Codes, being residential and not used by the owner as their principal place of residence: 1, 2, 4, 5, 6, 8, 9, 72 and meeting the relevant criteria set out in the adjacent column.	Land with Land Use Codes 8 and 9 is classed as Differential General Rate Category 17 when it is a lot on a building units plan or group titles plan registered under the <i>Body Corporate and Community Management Act 1997</i> when the primary use of that lot is for a residential purpose. Land with Land Use Codes 1, 4, 6, and 72 is classed as Differential General Rate Category 17 when it is within any of with the following zone codes within the Townsville City Plan: Low Density Residential Medium Density Residential High Density Residential Character Residential Sport and Recreation Emerging Community Open Space Environmental Management and Conservation Rural Residential Rural
Category 18 Inner City Commercial	Land parcels within the Inner City Rating Plan, classified as the following Land Use Codes: 1, 4, 6, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 38, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 55, 56, 57, 58, 72, 91, 92, 96, 97, 99 and meeting the relevant criteria set out in the adjacent column.	Land with Land Use Codes 8 and 9 is classed as Differential General Rate Category 18 when it is a lot on a building units plan or group titles plan registered under the <i>Body Corporate and Community Management Act 1997</i> when the primary use of that lot is for a non-residential purpose. Land with Land Use Codes 1, 4, 6 and 72 and is classed as Differential General Rate Category 18 when it is within any of with the following zone codes within the Townsville City Plan: Low Impact Industry Medium Impact Industry High Impact Industry Community Facilities Neighbourhood Centre Local Centre District Centre Major Centre Principal Centre (CBD) Specialised Centre Special Purpose Mixed Use

Rateable Category	Criteria	
	Land Use	Additional Criteria
Category 19 Inner City Warehouse, Bulk stores	Land parcels within the Inner City Rating Plan, classified as the following Land Use Codes: 28, 29, 30, 31, 32, 33, 34.	
Category 20 Inner City Industry	Land parcels within the Inner City Rating Plan, classified as the following Land Use Codes: 35, 36, 37, 39, 40.	
Category 21 Inner City Multi-unit dwelling < 20 units	Land parcels within the Inner City Rating Plan, classified as the following Land Use Codes: 3, 3/98, 7, 21 and meeting the relevant criteria set out in the adjacent column.	Land with Land Use Codes 3 and 3/98 is classed as Differential General Rate Category 21 when it is a multi-unit dwelling (flats), within the Inner City Rating Plan, and comprising of no more than 19 individual residential accommodation units, not registered on a building units plan or group titles plan under the <i>Body Corporate and Community Management Act 1997</i> where that lot is for a residential purpose.
Category 22 Special Development - TSDA and Elliot Springs > 10 ha	Land parcels classified as the following Land Use Codes: 1, 4, 5, 18, 35, 37, 65, 66 and meeting the relevant criteria set out in the adjacent column.	The Land parcels are greater than 10 hectares in area and are wholly within the Townsville State Development Area (TSDA) or the Elliot Springs master planned community.
Category 23 Inner City Other	Land parcels within the Inner City Rating Plan, classified as the following: All land parcels not included in Categories 16 to 21 and 28 to 31.	
Category 24 Multi-unit dwellings between 20 to 29 units	Land parcels not within the Inner City Rating Plan, classified as Land Use Code 3 that meet the criteria set out in the adjacent column.	A large multi-unit dwelling complex comprising of 20 to 29 individual residential accommodation units, not registered on a building units plan or group titles plan under the <i>Body Corporate and Community Management Act 1997</i> where that lot is for a residential purpose.
Category 25 Multi-unit dwellings between 30 to 49 units	Land parcels not within the Inner City Rating Plan, classified as Land Use Code 3 that meet the criteria set out in the adjacent column.	A large multi-unit dwelling complex comprising of 30 to 49 individual residential accommodation units, not registered on a building units plan or group titles plan under the <i>Body Corporate and Community Management Act 1997</i> where that lot is for a residential purpose.
Category 26 Multi-unit dwellings between 50 to 69 units	Land parcels not within the Inner City Rating Plan, classified as Land Use Code 3 that meet the criteria set out in the adjacent column.	A large multi-unit dwelling complex comprising of 50 to 69 individual residential accommodation units, not registered on a building units plan or group titles plan under the <i>Body Corporate and Community Management Act 1997</i> where that lot is for a residential purpose.
Category 27 Multi-unit dwellings > 69 units	Land parcels not within the Inner City Rating Plan, classified as Land Use Code 3 that meet the criteria set out in the adjacent column.	A large multi-unit dwelling complex comprising of 70 or more individual residential accommodation units, not registered on a building units plan or group titles plan under the <i>Body Corporate and Community Management Act 1997</i> where that lot is for a residential purpose.
Category 28 Inner City Multi-unit dwellings between 20 to 29 units	Land parcels within the Inner City Rating Plan, classified as Land Use Code 3 that meet the criteria set out in the adjacent column.	A large multi-unit dwelling complex comprising of 20 to 29 individual residential accommodation units, not registered on a building units plan or group titles plan under the <i>Body Corporate and Community Management Act 1997</i> where that lot is for a residential purpose.
Category 29 Inner City Multi-unit dwellings between 30 to 49 units	Land parcels within the Inner City Rating Plan, classified as Land Use Code 3 that meet the criteria set out in the adjacent column.	A large multi-unit dwelling complex comprising of 30 to 49 individual residential accommodation unit, not registered on a building units plan or group titles plan under the <i>Body Corporate and Community Management Act 1997</i> where that lot is for a residential purpose.
Category 30 Inner City Multi-unit dwellings Between 50 to 69 units	Land parcels within the Inner City Rating Plan, classified as Land Use Code 3 that meet the criteria set out in the adjacent column.	A large multi-unit dwelling complex comprising of 50 to 69 individual residential accommodation units, not registered on a building units plan or group titles plan under the <i>Body Corporate and Community Management Act 1997</i> where that lot is for a residential purpose.

Rateable Category	Criteria	
	Land Use	Additional Criteria
Category 31 Inner City Multi-unit dwellings > 69 units	Land parcels within the Inner City Rating Plan, classified as Land Use Code 3 that meet the criteria set out in the adjacent column.	A large multi-unit dwelling complex comprising of 70 or more individual residential accommodations units, not registered on a building units plan or group titles plan under the <i>Body Corporate and Community Management Act 1997</i> where that lot is for a residential purpose.

DEFINITIONS:

NPPR - Non Principal Place of Residence

PPR - Principal Place of Residence

Appendix 8 – Differential Rates, Limitations on Increases, Minimum General Rate – 2017/18

Category	Description	Rate-in-\$	Minimum	Limitation (cap)
1	Residential - PPR	0.009738	\$1,061	30%
2	Residential - NPPR	0.011337	\$1,086	No limit
3	Commercial	0.018708	\$1,338	No limit
4	Warehouse, Bulk Stores	0.018402	\$1,338	No limit
5	General Light Industry	0.018790	\$1,338	No limit
6	Drive-in Shopping Centres (small)	0.017924	\$1,338	No limit
7	Agriculture and Grazing	0.011031	\$1,338	No limit
8	Multi-unit Dwellings < 20 units	0.012736	\$1,338	No limit
9	Land not otherwise defined	0.018459	\$1,338	No limit
10	Shopping Centre >40,000 sqm	0.033116	\$747,393	No limit
11	Shopping Centres > 20,000 sqm and <40,000 sqm	0.020554	\$632,075	No limit
12	Shopping Centres <20,000 sqm	0.031942	\$348,076	No limit
13	Retail Warehouse >40,000 sqm	0.025653	\$153,435	No limit
14	Retail Warehouse <40,000 sqm	0.023715	\$1,394	No limit
15	Outdoor Sales Areas	0.020074	\$1,279	No limit
16	Inner City Residential - PPR	0.011752	\$1,137	30%
17	Inner City Residential - NPPR	0.015265	\$1,220	No limit
18	Inner City Commercial	0.036216	\$1,359	No limit
19	Inner City Warehouse, Bulk Stores	0.036306	\$1,359	No limit
20	Inner City Light Industry	0.030338	\$1,359	No limit
21	Inner City Multi-unit Dwelling < 20 units	0.019302	\$1,359	No limit
22	Special Development > 10 ha	0.033929	\$18,721	No limit
23	Inner City Other	0.036215	\$1,359	No limit
24	Multi-Unit Dwellings >19 and < 30 units	0.012736	\$22,002	No limit
25	Multi-Unit Dwellings > 29 and < 50 units	0.012736	\$33,003	No limit
26	Multi-Unit Dwellings > 49 and < 70 units	0.012736	\$55,102	No limit
27	Multi-Unit Dwellings > 69 units	0.012736	\$77,297	No limit
28	Inner City Multi-Unit Dwellings >19 and < 30 units	0.019302	\$24,704	No limit
29	Inner City Multi-Unit Dwellings > 29 and < 50 units	0.019302	\$37,153	No limit
30	Inner City Multi-Unit Dwellings > 49 and < 70 units	0.019302	\$61,953	No limit
31	Inner City Multi-Unit Dwellings > 69 units	0.019302	\$86,657	No limit

Definitions

NPPR - Non Principal Place of Residence

PPR - Principal Place of Residence

Appendix 9 – Utility Charges – Water 2017/18

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

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

Residential

Residential properties are:

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

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

Standard Plan

For each dwelling, home unit, flat or lot:

- The fixed annual charge for access to the water service and an allocation of up to 772 kL of water will be \$755 per year; and
- An excess water charge of \$2.89 per kL will apply for all consumption over the allowance of 772 kL during the consumption year.

Water Watchers Plan

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

- The fixed annual access residential water service charge will be \$344 per year; and
- The residential consumption charge will be \$1.38 per kL of water used during the consumption year.

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

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

Election of Water Billing Option

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

A residential property owner can change the water billing option for their property during a Water Opt-in period each year.

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

Non-residential

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

- The fixed annual access water service charge will be \$358 per year; and
- The consumption charge will be \$2.82 per kL of water used during the consumption year.

Commencement Date for Charges

For land within the declared water supply area:

Fixed charges will apply from the date of registration of the land;

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

Additional Connections

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

Metered Standpipes

A hire fee and bond deposit will apply for standpipes at the rate detailed in council's Fees and Charges Register. For water consumed, a charge of \$2.82 per kL will apply.

Bulk Water

There is no fixed charge for bulk water supply. Bulk water consumed will be charged at \$2.24 per kL.

Non-Potable Supply

There is no fixed charge for a non-potable water supply. Non-potable water consumed will be charged at \$2.24 per kL.

Non-Contributing Consumers

Where the applicable contribution to council's Water Supply, under council's Planning Policies, has not been received, a surcharge of \$0.51 per kL on the actual consumption from council's Water Supply Scheme will apply. The surcharge will be added to the Water Watchers Plan charge or the Standard Plan charge.

Water Restrictions

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

Reading of Water Meters and Notification of High Usage

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

Appendix 10 – Utility Charges – Sewerage and Trade Waste 2017/18

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

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

Residential

Residential properties are:

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

The sewerage utility charge for residential properties is \$775 per year. Each dwelling, home unit, flat or lot is a separate sewerage service.

The sewerage utility charge for each undeveloped residential lot is \$697 per year.

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

Non-Residential

The sewerage utility charge for each non-residential customer is \$909 per pedestal, per year.

The sewerage utility charge for each undeveloped non-residential lot is \$818 per year.

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

Unconnected Premises

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

Commencement Date for Charges

Sewerage charges will be imposed from the earlier of:

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

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

Properties outside the Declared Sewer Area

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

Sewerage Infrastructure Alternative Access Fee

Where the applicable contribution to council's Sewer Network, under council's Planning Policies, has not been received, an additional surcharge of \$574 per lot applies.

Trade Waste Charges

Liquid trade waste charges will be:

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

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

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

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

Risk Rating	Annual Access Fee
1	\$1,307
2	\$697
3	\$507
4	\$274
5	\$180
6	\$85

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

Discharge Category	Volume Charge (\$/kL)
Category 1.1	\$1.99
Category 1.2	\$1.76
Category 1.3	\$1.63
Category 1.4	\$1.41
Category 1.5	\$1.99

Discharge Category	Volume Charge (\$/kL)	Pollutant Charges		
		Chemical Oxygen Demand (COD) (kg)	Suspended Solids (Kg)	SO4
Category 2.0	\$2.15	\$1.15	\$1.08	\$0.62

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

Allowance Type	Allowance Volume	
Pedestal	60kL	Per pedestal

Commencement Date for Trade Waste Charges

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

Appendix 11 - Utility Charges – Waste Management and Recycling 2017/18

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

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

Residential

Residential properties are:

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

Wheelie Bin Service Charge

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

Description	Annual Charge
240L waste and 240L recycle wheelie bin	\$199
240L waste and 360L recycle wheelie bin	\$224
140L waste and 240L recycle wheelie bin	\$191
140L waste and 360L recycle wheelie bin	\$216

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

Description	Annual Charge
Additional permanent 240L waste wheelie bin	\$139
Additional permanent 140L waste wheelie bin	\$131

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

Description	Annual Charge
Additional permanent 240L recycle wheelie bin	\$57
Additional permanent 360L recycle wheelie bin	\$83

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

Defined Paluma Area and Non-Defined Areas	Annual Charge
240L waste wheelie bin	\$142
140L waste wheelie bin	\$133

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

Commencement Date for Full Charges

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

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

Waste Management Levy

A fixed annual Waste Management Levy of \$30.00 will be charged for the provision of one hard rubbish collection per eligible property and access to free greenwaste disposal at council's waste facilities.

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

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

The levy does not apply to undeveloped land.

Non-Residential

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

Description	Annual Charge
Waste 140L wheelie bin	\$171
Waste 240L wheelie bin	\$179
Recycling 240L wheelie bin	\$87
Recycling 360L wheelie bin	\$130

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

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

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

Appendix 12 – Nelly Bay Harbour Development Operational Plan

Council plans to levy a special rate on identified properties in the Nelly Bay Harbour Development in 2017/18, pursuant to section 94 of the Local Government Regulation 2012.

The Annual Operational Plan detailed in this report sets out the actions and processes to be carried out in 2017/18 for the Nelly Bay Harbour.

2017/18 Annual Operational Plan for Nelly Bay Harbour is as follows:

Gross Pollutant Traps

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

Rock Revetment Walls

- Annual inspection and condition rating

Gustav Creek

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

Canals

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

Appendix 13 – Rural Fire Levy 2017/18

Rural Fire Brigade Area	Annual Charge per Property
Black River and Districts	\$45.00
Bluewater	\$55.00
Bluewater Estate	\$0.00
Clevedon	\$40.00
Crystal Creek	\$30.00
Cungulla	\$40.00
Horseshoe Bay	\$25.00
Lime Hills-Elliott	\$30.00
Majors Creek	\$0.00
Oak Valley	\$20.00
Paluma	\$35.00
Purono Park	\$20.00
Rangewood	\$40.00
Reid River	\$0.00
Rollingstone	\$50.00
Rupertswood	\$40.00
Saunders Beach	\$30.00
Toolakea	\$6.00
West Point	\$30.00