



SPECIAL COUNCIL

PUBLIC MINUTES

TUESDAY 10 JUNE 2014 AT 10.32AM

Council Members >>

The Mayor, Councillor Jenny Hill
Councillor Suzanne Blom
Councillor Colleen Doyle
Councillor Gary Eddiehausen APM
Councillor Pat Ernst
Councillor Ray Gartrell
Councillor Jenny Lane
Councillor Anthony Parsons
Councillor Trevor Roberts
Councillor Vern Veitch
Councillor Les Walker

At this meeting contributions made by members of the public may be recorded by way of audio recording which will be used for the purpose of developing minutes of the meeting and decision making of council. Townsville City Council is bound by the Information Privacy Act 2009 to protect the privacy of personal information.

Under Local Law 1 Section 35(3) a person must not make an audio or video recording of a local government meeting, a standing committee meeting, a special committee meeting or an advisory committee meeting unless the chairperson at the meeting gives consent in writing to the recording of the meeting.

Further information may be found on council's website at www.townsville.qld.gov.au.

Goals and Strategies of Townsville City Council >>

Corporate Plan >>

Goal 1 - Economic Sustainability. A robust, diverse and sustainable economy

The outcomes we want to achieve:

A robust, prosperous economy which provides opportunities for business and investment.

- 1.1 Promote investment and assist the development of emergent industries and businesses.
- 1.2 Engage with regional, state and national stakeholders in the creation of a strong and resilient economy.
- 1.3 Increase the city's profile through marketing initiatives, the delivery of festivals and events and support for other community based activities.
- 1.4 Promote the city's distinctive physical character and strong sense of place and identity.

An integrated approach to long term planning which supports a growing city.

- 1.5 Develop an integrated approach to the long term provision of infrastructure.
- 1.6 Undertake city and regional planning to reflect the aspirations of the community and create an attractive place to live, work and visit.

Infrastructure that meets community needs.

- 1.7 Provide and maintain timely and sustainable infrastructure.
- 1.8 Provide asset management practices which reflect the community's expectations regarding service levels and its ability to pay.

Goal 2 - Environmental Sustainability. Our environment is valued, protected and healthy

The outcomes we want to achieve:

Effective management and protection of our natural and built environment through sustainable growth and development.

- 2.1 Provide strategic and integrated planning and policy development to sustain our environment.
 - 2.2 Effective management, protection and conservation of our natural environment.
 - 2.3 Preserve and protect places of natural and heritage significance.
- ##### **Demonstrated environmental leadership.**
- 2.4 Develop and implement an Integrated Water Management Strategy.
 - 2.5 Develop and implement innovative waste management and recycling strategies.
 - 2.6 Minimise greenhouse gas emissions from council's infrastructure, operations and services through sustainable energy practices.
 - 2.7 Partner with the community and industry stakeholders to develop and promote environmental protection and sustainability initiatives.
 - 2.8 Develop and implement environmental compliance programs and promote community awareness.

Climatic effects on our community, natural and built environment are minimised.

- 2.9 Mitigate and communicate the risks and effects of climate change.

Goal 3 - Social Sustainability - Enhancement of opportunities for social engagement and wellbeing

The outcomes we want to achieve:

A safe and healthy community.

- 3.1 Improve the safety and well-being of the community through the management of public health risks.
- 3.2 Plan for and provide active and healthy lifestyle opportunities.
- 3.3 Coordinate council's response to natural disasters to minimise the effects on the community.

A cohesive and self reliant community.

- 3.4 Foster the development of the city as a learning community.
- 3.5 Encourage and facilitate the participation and integration of residents into the community.
- 3.6 Strengthen community networks to collaboratively deliver community services.

A community with access to services and facilities.

- 3.7 Plan for community facilities and services to meet the community's current and future needs.
- 3.8 Provide community services and facilities to meet the needs of the community.
- 3.9 Provide community support services to meet the needs of the community.

A creative community.

- 3.10 Facilitate and showcase artistic learning and expression through performances, exhibitions, activities and programs.
- 3.11 Support community participation in cultural activities, programs and events.

Goal 4 - Responsible Governance - Responsible leadership where decisions are made in a considered and transparent manner

The outcomes we want to achieve:

Transparent and accountable local government.

- 4.1 Develop and implement council's Corporate Governance Framework to ensure strategic planning, compliance with all legislation, policies, Codes of Practice and Standards.
- 4.2 Implement robust risk management strategies.
- 4.3 Encourage community participation and ensure that the community is informed and educated about matters that impact their lives.

A competent, productive and contributing workforce.

- 4.4 Foster a culture of employee health, safety and well-being.
- 4.5 Implement human resource strategies to become an employer of choice.
- 4.6 Foster diversity, merit and equity, reward and recognition in the workplace.

Excellence in customer service delivery and organisational management.

- 4.7 Provide responsive and efficient systems to enable the delivery of council services.
- 4.8 Establish and manage long term financial planning to ensure the future sustainability of council.

MINUTES

Opening of Meeting

Page

Officers Reports

Corporate Services

1 FINANCE - BUDGET 2014/15

7189

Close of Meeting

REPORT	COUNCIL MEETING
DATE	Tuesday 10 June 2014 at 10.32am
ITEMS	1
PRESENT	The Mayor, Councillor J Hill Councillor V Veitch Councillor S Blom Councillor C Doyle Councillor G Eddiehausen APM Councillor P Ernst Councillor R Gartrell Councillor J Lane Councillor A Parsons Councillor T Roberts Councillor L Walker

Opening of Meeting

The Chair, Mayor Councillor J Hill opened the meeting at 10.32am.

The Mayor, Councillor J Hill advised of her approval of recording devices during the meeting.

The Mayor's speech:

Introduction

"Councillors today I rise in this chamber to table the City Budget for the 2014/15 financial year.

This is a budget for the battlers.

It recognises that many people in our community are doing it tough.

It is set against the backdrop of disappointing state and federal government budgets, and with soaring increases in basics such as electricity, transport, medical and insurance costs.

There are a lot of local families who are struggling with rising cost of living pressures. Last year more than 6,000 jobs were lost in our northern region.

Today's budget acknowledges that our community needs a break.

So this budget will minimise increases to council rates and charges.

It looks to build local business confidence and create jobs through a major capital works program.

It prioritises funding for services and facilities that are fundamental to Townsville's progress and lifestyle.

And it continues to responsibly pay down the city's debt and delivers a budget surplus that allows us to respond to emerging community priorities.

This is a back to basics, community focused budget that is right for the times.

I want to thank councillors, the CEO and senior staff, for their efforts in formulating the budget and for being able to do more with less during challenging economic times.

Tough economic conditions

I believe strongly in promoting business confidence and talking up Townsville's economic opportunities.

However, it is important to recognise that framing this year's budget has been difficult in the face of rising costs that impact the Council, including a forecast increase in the coming year of 3.1% for services and materials.

These include:

- \$1.6 million in higher electricity costs. Including a \$600,000 cut in State subsidy for street lighting;
- \$90,000 in higher insurance costs;
- \$365,000 fuel costs as a result of the Federal Government's decision on fuel excise;
- \$4.2 million increase in depreciation on public assets; and
- \$281,000 less a year in Federal funding as a result of the Commonwealth's freeze on Federal Assistance Grants.

These costs have a significant combined impact on the council's operating bottom line.

However in line with our budget philosophy we have worked to absorb costs where possible rather than pass them on in the form of rates increases.

Responsible financial management

The budget will continue a strong and sustainable approach to managing the city's finances, including reducing our debt.

In 2011/12 the council had a forecast debt of \$381 million and was making annual interest and loan repayments of \$45 million.

For the third year in succession we will continue to reduce the council's debt in this budget by at least \$5 million-down to \$328 million.

By cutting the debt, the council's interest and loan repayments this year will reduce to \$42 million, freeing up vital funds for services and facilities.

This responsible approach to financial management places us in a stronger position for those times when we do need to borrow for income producing assets.

The budget includes up to \$15 million in new borrowings in 2014/15, and a further \$20 million next year, should it be needed for upgrades at the Cleveland Bay Treatment Plant to meet State Government environmental licensing requirements.

These borrowings will depend on discussions with State Government ministers to renegotiate some of these licensing conditions.

Notwithstanding these borrowings, the budget will pay down debt by a further \$5 million.

For the third consecutive year we will also operate in the black.

The 2014/15 budget forecasts a surplus of \$4.38 million, including \$2.86 million in NDRRA repayments for disaster repair work.

A real surplus of \$1.52 million.

Rates – overall

For 2014/15 the budget includes an overall increase on rates and utilities charges of 1.87%. *I will say this again...a headline rise in overall rates and charges of 1.87%*

This is a \$1.17 a week rise for the average residential ratepayer.

The overall rise is well below the predicted CPI of 3% for Queensland and represents the lowest rise in overall rates and utilities certainly since amalgamation.

This includes a general rates rise of 3.5% of which 1% is caused by skyrocketing electricity costs.

There will be no rise in sewerage for residential or business customers.

The standard water plan of 772kl rises 1.96% from \$714 to \$728. The excess water charge is up 1.8% to \$2.79 kl.

The fixed service charge for the Water Watcher scheme goes up 2.2% from \$325 to \$332, with the price per kilolitre up 2.3% to \$1.33.

Councillors, I am proposing a new waste package in this year's budget that will reduce the waste charge by 3% from \$231 to \$224 or \$7.34.

It will provide the community with a more equitable and fair access to our landfills.

The system I'm proposing would replace the current underutilised voucher system with four free, three-day weekends and a bulk kerbside rubbish collection in urban parts of the city.

This collection will be carried out across the city over two financial years to ensure its financial sustainability with those in our urban community with access being charged for this service.

Townsville's waste charges will remain amongst the most affordable in Queensland and I ask councillors to support this initiative which will help in cyclone preparations and in reducing the problem of illegal dumping.

Overall, with general rates, utility charges for water, sewerage and waste collections, the rates rise is 1.87% or \$1.17 per week.

To assist with rates relief, the council will also continue its 15% discount on early payment of general rates and the appropriate concessions for pensioners.

Pensioners will receive concessions of 85% on general rates or up to \$800 a year to assist them to stay in their own homes, a total commitment of \$5.37 million in this budget.

In addition the pensioner transport subsidy scheme of \$324,000 will continue.

While I applaud the State Government for reversing its decision and maintaining the pensioner concessions cut by the Federal Government, it's time that our pensioners were treated with more respect by our political leaders. Our pensioners are doing it tough and the last thing they need is inconsistent policy that instills a culture of fear amongst the most vulnerable in our community.

Supporting jobs and planning for the future

The total budget for 2014/15 is \$575.33 million.

The council will spend \$215 million with local suppliers to directly assist local economic activity.

Over 1713 local residents perform full-time, part-time and casual work for Council, including 34 apprentices and 30 trainees. This injects an additional \$147 million into the local economy annually.

The budget also supports a range of initiatives to promote and develop economic opportunities for the city.

Economic Development is a commitment of this council, and we must draw a line in the sand. Government must invest all monies from any asset sales in this region. We must fight tooth and nail to ensure these monies are spent here and not in Brisbane or the Gold Coast!

The closing of businesses in Townsville is an indication that this city is suffering. Pacific Coast Engineering, Aurizon and The Townsville Hospital have either closed their doors or reduced staff numbers. We must attract business and investment from outside this region

As part of our promotion of Townsville as a place to invest and live, \$734,000 in general funding has been earmarked to support Townsville Enterprise Ltd this year.

Council will continue to work with Townsville Enterprise and the Townsville Chamber of Commerce to lobby the State Government for a series of projects needed to grow this city, including the Transport Hub for the CBD, an affordable solution for electricity in this region, and the Super Stadium.

These projects are city defining, create the confidence and work so desperately needed in our city. Its our time!

Building the basics

Townsville will maintain a major focus on rehabilitating and improving the basic building blocks of the city with a \$190.4 million capital works program, a rise of 5.8% on last year.

This program includes major works on roads, drainage, water and sewerage, waste facilities and parks to support a modern, progressive city.

Major projects will continue to roll out over the city during the year on public infrastructure initiatives.

Work will get into full swing with \$3.14 million in funding for on-shore facilities for the Townsville Recreational Boat Park near the mouth of Ross River in South Townsville.

A further \$7 million has been allocated to design and kick-start a staged \$43 million upgrade of ageing inner-city water and sewerage infrastructure to support the city revitalisation.

The CBD Utilities Upgrade will be carried out over a number of financial years and will include improvements to footpaths and drainage.

Blakeys Crossing Upgrade, funded by the State is on schedule for completion by the end of the year.

Following the 2014/15 financial year attention will switch to the construction of the bridge over the Dalrymple Road Bohle River crossing.

Also included is \$6 million for the construction of the new waste transfer station on Magnetic Island. Stage one of a major project in waste

The budget also includes \$5 million in funding from the Federal Government for emergent works on the Townsville Entertainment and Convention Centre to keep it operating.

Local roads and transport

Roads and transport will again be a major focus with \$35 million in capital works for reconstruction and resurfacing of 114 streets in the city.

This follows an injection of hundreds of millions of dollars in NDRRA disaster repairs and council's own capital projects on the city's road network in the past four years.

This year the roads capital works will include \$1 Million in new funding to begin a rural roads sealing program. Bohle Road is first cab off the rank.

An additional \$4.9 million will be spent to replace 21km of kerb and channel to improve run-off.

The budget this year also sets aside \$7 million for the reconstruction of the Howitt Street underground drainage in North Ward and a further \$1 million on stormwater and drainage improvements at various locations in the city.

Water and waste water

Renewing and rehabilitating water and waste water mains, pump stations, reservoirs and treatment plants will continue this year.

The overall water capital works budget is \$37.8 million and includes:

- \$6.5 million for new 22 megalitre reservoir at Mount Louisa;
- \$3 million booster pump station at Mt Kilburn to improve the water supply to the northern areas
- \$4 million to rehabilitate water mains
- \$880,000 refurbishment of reservoirs;
- \$1.3 million for valve automation on the Mt Spec pipeline

Sewerage infrastructure is also a high priority with a focus on upgrading and expanding the networks capacity.

The budget includes \$5.3 million Southern Suburbs Pump Station And pressure main project to improve services to the southern suburbs.

A further \$1.5 million will be spent on upgrade work at the Cleveland Bay Treatment Purification Plant.

As I mentioned before the council is making good progress with the State Government on licensing conditions for the plant and reducing the potential for future capital costs to the facility.

The budget also includes \$5 million for rehabilitating sewers and \$2 million for pump station upgrades.

Cleaner greener Townsville

In keeping with the budget's main thrust of investing in community building services, \$106.5 million will be spent on maintenance.

All of council's key maintenance activities are now under the one roof following the merger of Parks Services with council's maintenance services division last year.

This is making better use of resources for mowing and cleaning of parks, medians and road verges, pot-hole repairs, clearing of drains and maintaining bridges.

The budget maintenance allocation includes:

- \$53.32 million for roads and transport management – for city's 1,704 km road network, 746km of footpaths, 36 traffic signals and bridge repairs;
- \$42.3 million for Parks and open spaces – mowing and upkeep of 330 parks, Strand, Riverway, Jezzine, tree pruning and litter collection; and
- \$10.3 million for drains and stormwater management

Our 330 parks and large number of public areas are at the centre of our great outdoor lifestyle and keeping them in good shape is extremely important to civic pride and maintaining our lifestyle reputation.

Sustainability and environment

The council will also continue to work with community and government groups to protect Townsville's environment with more than \$4.6million in funding for programs.

These programs include \$600,000 on sustainability programs including energy and water conservation initiatives, a smart buildings trial, continued energy efficiency measures across council, \$400,000 for management of the city's natural resources, \$120,000 for Creek to Coral partnerships with community groups, \$180,000 for coastal management and \$160,000 for land protection.

Waste

The waste we generate is a significant environmental concern and the council must continue to meet the challenge of tackling this issue.

A total of \$9.6 million has been provided in the budget to provide kerbside waste and recycling collections across the city.

The budget includes \$11.6 million in capital works for a range of works to ensure our landfills are meeting environmental standards.

This includes \$6 million for the construction of the new waste transfer station on Magnetic Island.

The transfer station is central to the future of waste management on the island. The transfer will be used to take all waste on the island for transfer to the mainland when the current Picnic Bay landfill runs out of room and is closed.

Other significant works will be carried out on capping and stormwater and leachate control at Hervey Range and Stuart landfills.

Safer streets and suburbs

A big part of our great lifestyle is providing a safe environment for our residents.

The budget delivers on a council commitment to completely review the city's security coverage and in particular the use of CCTV.

I'm pleased to announce that this year's \$1.6 million security spending includes the Safe Community Security Strategy.

This will see for the first time in Townsville 24 hour monitoring of CCTV footage from across the city and a rapid response to anti-social behaviour.

This new approach will provide a staffed rapid response car and a closer working protocol to assist police with instant information for rapid intervention in any trouble in our public areas.

There is no substitution for a police service. However, we are following the lead of other major cities and utilising CCTV far more effectively to better protect our community.

Already considerable work has been done to upgrade the city's CCTV camera network and a further \$200,000 has been set aside this year for upgrades.

The council also has allocated \$55,000 for additional security patrols of hot spots.

The budget also includes \$766,000 for lifeguards on Townsville's beaches, \$356,000 for stinger nets and \$866,000 for aerial mosquito spraying.

The council also understands the need to provide a safe transport infrastructure.

Pedestrian safety will also be improved with \$743,000 for renewals of footpaths at Cranbrook, Hyde Park and Condon

A further \$1.3 million has been set aside for new shared paths along Angus Smith Drive (stage 1), Bayswater Rd from Reardon Street to Dalrymple Service Road, Beatrice Street from Alfred Street to Arthur Street, and the Palm Street connection to Cape Pallarenda Road.

A further \$174,000 has been allocated for an upgrade of traffic signals at various locations, \$276,000 for on-street car parking in Mitchell Street and \$150,000 for traffic management improvements

Vibrant and diverse community

The budget provides wide ranging support for community groups, our seniors, youth and families.

This year \$2.18 million has been allocated to Community Grants Scheme to provide support to the city's sporting and cultural groups who play such an important role in the city's lifestyle.

The program provides grants for groups, events, activities and services throughout the city.

Council's mowing service will also continue to assist the elderly and people with disabilities without any help around the house with \$120,000 in funding. Senior's Picnic in the Park will also continue bringing seniors together and strengthening our community.

Programs for families with funding for National Youth Week, School Holiday Program, Townsville Women's Expo, Integration Care Program, Healthy Active School travel, Regional Schools Therapy Service, Worinda Occasional Care Centre.

The city's libraries will continue to offer valued services to the residents of all ages with \$1.2 million in programs and activities.

Funding will also continue for mobile library services which reaches out to members of our community who are unable to come to the libraries and others who live in more remote areas of the city.

Big year of events and festivals

Events and Festivals are a big part of the lifestyle in Townsville and are important in building our community spirit and pride.

The city will stage a big year of events and festivals in 2014/15.

This big program includes a major commemoration to mark the Centenary of the Gallipoli Landing on ANZAC Day next April and preparations for Townsville's 150th birthday as a municipality in 2016.

Planning is already underway for both events.

Naturally, as a garrison city, it goes without saying that we are committed to staging a centenary commemoration that embraces all of the community.

Council's events team is already working with the RSL and military groups in the city to stage city-wide commemorations that cover multiple locations, including ANZAC Park, The Strand and Jezzine Barracks.

This year-round calendar of events will also include civic receptions, commemorations and celebrations, and provides support for other feature events that together entertain tens of thousands of residents and visitors to the city.

Council events during the year include the V8's, Carols By Candlelight, Australia Day, News Year's celebrations, Anzac Day, Remembrance Day, Ecofiesta and smart lifestyle expo, Heritage Day, Seniors Picnic In the Park, Pioneers Party, arts and sports awards, youth week and welcoming babies.

Support will also continue for Townsville Festival of Chamber Music, Culturefest and Greekfest through the Grants and Sponsorship Program.

Conclusion

I table a budget today that keeps to my core commitments to the community – to keep rates affordable and to reduce city debt.

Our debt has been identified as a risk to our financial sustainability.

We have made hard decisions and have reduced that back to a forecast \$328 million by the end of this year. This forecast can improve with support from the state government, but our conservative management will place this council and our community in a better position to improve our parks and our infrastructure next year.

The council is also headed for surplus for the third straight year.

Getting the council back on a more sustainable financial track places us in the position to deliver this community focused budget.

It is a budget that delivers funding where it is needed most on priority infrastructure projects and services.

It is a budget that sends the right signal to the business community that we can invest at the same time as reducing debt.

It minimises the financial impact on residents who are already worried about making ends meet.

A number of councillors have already expressed to the media their views in order to support this budget. You have asked for a surplus of at least \$1M and a rise of at or below inflation.

This budget achieves all that.

Councillors, this is a budget for the battlers with one of the lowest overall rises in rates and utility charges in many years.

I present the budget for your consideration."

Officers Reports

Corporate Services

1 FINANCE - BUDGET 2014/15

REPORT TO COUNCIL

Authorised by Director Corporate Services
Department Finance
Date 10 June 2014

Executive Summary

Council received the proposed 2014/15 Budget as prepared and presented by the Mayor, Councillor J Hill in accordance with Section 12(4)(b) of the *Local Government Act 2009*. Section 107A of the *Local Government Act 2009* requires the Mayor to give a copy of the budget, as proposed to be presented to the local government, to each Councillor, at least two weeks before the council is to consider adopting the budget. Council will have opportunity to revise the Mayor's budget at a Special Council meeting on 24 June before considering the final budget on 8 July 2014.

Pursuant to Section 169 of the *Local Government Regulation 2012*, the proposed 2014/15 Budget is presented in a number of documents tabled at the meeting held on 10 June 2014. Further meetings have been scheduled for Councillors to consider the budget and additional supporting documentation to assist Councillors to understand the proposed budget will also be provided at the meeting held on 10 June 2014.

Mayor's Recommendation

That Councillors receive the proposed 2014/15 Budget as presented in the following documents:

- Financial Statements 2014/15, 2015/16 and 2016/17;
- Council Business Activities 2014/15;
- Long-Term Financial Plan;
- Financial Sustainability Measures;
- Revenue Policy 2014/15; and
- Revenue Statement 2014/15.

Council Decision

It was MOVED by the Mayor, Councillor J Hill, SECONDED by Councillor L Walker:

"that the Mayor's recommendation be adopted."

CARRIED

Close of Meeting

The Chair, Mayor Councillor J Hill declared the meeting closed at 10.58am.

CONFIRMED this

day of

2014

MAYOR

CHIEF EXECUTIVE OFFICER