

## Annual Report

## Townsville City Council Annual Report for 2020/21

Townsville City Council presents the 2020/21 Annual Report which provides a comprehensive account of Council's performance, challenges and achievements for the past financial year (1 July 2020 – 30 June 2021).

This Annual Report is part of Council's commitment to open, transparent and accountable governance. It identifies community service delivery and demonstrates how Council is meeting the strategic objectives set out in the Corporate Plan 2020-2024 and Operational Plan 2020/21.

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



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### Acknowledgment of Country

The Townsville City Council acknowledges the Wulgurukaba of Gurambilbarra and Yunbenun, Bindal, Gugu Badhun and Nywaigi as the Traditional Owners of this land. We pay our respects to their cultures, their ancestors and their Elders - past and present – and all future generations.

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Townsville City Council is a proud White Ribbon accredited organisation.

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# Message from the Mayor

On behalf of my fellow Councillors and Council's executive management team, I am pleased to present the Townsville City Council 2020/21 Annual Report. This report underlines Council's key deliverables in the year gone by, while highlighting the extraordinary circumstances we're faced with as the local level of Government, during what can still only be described as an unprecedented time.

## **Financial performance**

Being financially responsible isn't always about how much money we save as a Council, but in times of uncertainty it can mean how we allocate ratepayers' funds to further support our community. For many, the year gone by has been merely about keeping the lights on, which is why we saw it as crucial to place a freeze on general rates for owner occupiers for the first half of the financial year, while also freezing wastewater charges across the city.

The fact that Townsville City Council was able to deliver a small surplus while delivering a substantial COVID-19 economic stimulus package to our community in a time like no other, truly speaks volumes.

## **Delivering on our promises**

Supporting our ratepayers, business community, community groups and not-for-profits across the city was at the forefront of Council's delivery for the 2020/21 financial year. A \$142.4 million was spent on job-generating capital works projects with a focus on ensuring Council invested in a way which would support our community while continuing to grow. Our investment into capital works supported local jobs in a time when our city and regional economy needed it most.

We invested heavily in the replacement and maintenance of our city's aging underground infrastructure, allocating \$74.8 million to enhance and renew many of our community's aging water, wastewater and stormwater assets.

We understood the social impacts that can come from empowering our community to have a sense of normality in a time like no other, which is why as a Council we made the decision that the North Australian Festival of Arts show must go on, so NAFA COVID-safe was born. NAFA not only heralded a line-up of entertainment for the enjoyment of our wider community, but it provided an important injection to our local arts community. As a recipient of the Best Community Event award at the Australian Event Awards, the North Australian Festival of Arts enabled our city to host and promote world-class entertainment in our own backyard whilst in the isolation of COVID-19.

Even during 12 months of isolation, Townsville continues to cement itself as a destination for world-class events.

Our relative seclusion as a city enabled us to host popular events such as Townsville Eats, the Super Rugby and trans-Tasman Rugby Sevens as well as having the honour of cheering on the mighty Maroons as the host of Queensland's first ever regional State of Origin. Our city went to new heights drawing a record crowd at Queensland Country Bank Stadium and bringing tens-of-thousands of people to events situated from the city to the suburbs, injecting millions of dollars into our local economy.



# Message from the Mayor

## Challenges

Council has continued to serve our community through the ongoing response and recovery to COVID-19, delivering services and maintaining our unique lifestyle that underpins our social fabric. Living with the challenges of the last 12 months, Council has continued to deliver these services in accordance with health advice, while keeping both our people and the community safe.

Modelling undertaken by Council economists showed recovery from COVID-19 was likely to take 3-5 years, which is why we saw it important that Townsville City Council provided generous support initiatives to our community alongside other packages rolled out by the state and federal governments.

As an organisation we are continuing to work in accordance to altering health advice and adapting and pivoting with changes as they arise.

## Future

Investing in our city's future has been a focal point of Council's operations in the year gone by, building upon industries and opportunities that will stick with our city in good faith into the future. It is important for a city to have a clear road map, one that outlines our values, visions and opportunities for not only Council, but our city of Townsville.

Council proudly adopted its new Townsville 2021-2026 Corporate Plan in May, outlining our vision as a globally connected community, driven by lifestyle and nature. As a city, we are uniquely positioned to take advantage of new energies such as solar and hydrogen and we have been focusing on driving that growth through sustainable industries such as the Lansdown eco-industrial precinct, as well as the emerging hydrogen industry.

While we are pushing for new and innovative industries, part of this vision is ensuring Townsville is a liveable city, and by creating placemaking opportunities that enhance our community's lifestyle alongside our world-class events and serviceability I believe we're on the right path. This year has seen the completion of such opportunities as the Tobruk Memorial Baths redevelopment on the Strand, the Mount Louisa walking track and enhancing our CBD through partnerships such as the Flinders Lane development.

Thank you to my fellow Councillors, Council's CEO – Dr Prins Ralston, Council Executive and Officers for all your hard work. While the COVID-19 pandemic continues to shake our world, I have faith Council's clear vision for our city will push Townsville on a trajectory of growth even in these unusual times. We have set a clear road map to becoming a globally connected community, driven by lifestyle and nature and I look forward to working hand in hand with our community to see it come to life.

Cr Jenny Hill  
Mayor of Townsville





## Message from the CEO

I am pleased to present the Annual Report for 2020/21 as the Chief Executive Officer of the Townsville City Council, the largest local government authority in northern Australia and the provider of a wide range of services to the close to 200,000 people who call our beautiful city home.

This report outlines the many activities undertaken by the organisation during the period 1 July 2020 to 30 June 2021. These activities range from planning and infrastructure services, water and wastes services, the operation and maintenance of our many parks and spaces and maintenance and upgrades of roads and footpaths to the operation of libraries, galleries and theatres and hosting a range of community events which lift our community spirit and provide vital economic stimulus.

There have been many achievements during the year. From an infrastructure perspective, the re-opening of the Tobruk Memorial Baths following a major refurbishment, the opening of the Mount Louisa walking trail and the Castle Hill event space, the new Cyber Security Hub, the expansion of the Douglas Laboratory and the completion of the second stage of the Southern Suburbs Rising Main are just some of the highlights.

Council also worked hard to enhance Townsville's reputation as the Events Capital of Northern Australia during the year by hosting NAFA COVID Safe, HALO and City Street Eats. In June, Townsville hosted the first ever State of Origin match outside a capital city at Queensland Country Bank Stadium. Thanks to our partners – the Queensland Government and the NRL – we delivered the event with just nine days' notice and, in the process, cemented Townsville's reputation as a city that can host world-class events.

The COVID-19 global pandemic continued to cast a shadow over Townsville and council's operations during the year. While the impacts have been significant in various business and community sectors, we have been fortunate compared to other communities. However, lockdowns and restrictions in other parts of the state, across Australia and the world has had an impact in our community. Like other government and non-government organisations, Townsville City Council continued to adapt and innovate in order to maintain high service levels to the community amongst challenging circumstances.

During the year, Council adopted a new Corporate Plan, which was informed by business, community, industry and staff. The plan sets and reinforces the direction for how we work today to lead and build a thriving, connected, resilient and sustainable community and city for future generations. Working towards the City's vision, we have outlined how we will continue to deliver service excellence through the 5 goals of a new Corporate Plan for Townsville to be:

- › A city that connects you to what you need at the time you choose.
- › A circular economy that advances business and moves towards zero waste.
- › The hub of modern industry.
- › A sustainable destination that embraces and participates in the arts, sports, events and recreational activities.
- › A leading centre of education, training and research commercialisation.



## Message from the CEO

Working towards our vision of becoming a globally connected community, driven by lifestyle and nature has many facets, from growing Townsville, enhancing our lifestyle, pushing for innovation and sustainable industry, while also delivering the level of serviceability people expect in a city of our size.

The Townsville City Council team has proven itself as an adaptive and innovative team to be reckoned with throughout the 2020/21 year. The impacts of the COVID-19 pandemic have been far reaching and will continue to impact our community in the months and potentially years ahead. As a Council, we have a clear road map for the future of our region and I look forward to lead the work of a great team in taking Townsville forward while continuing to deliver excellence in service to our community.

I want to thank the Council team for their dedication to the community, our organisation and for their ongoing hard work.

Dr Prins Ralston  
Chief Executive Officer



# Our Annual Performance

## Our Guiding Principles

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



### Our Community

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



### Our People

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



### Our Services

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



### Our Stewardship

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



# Goal 1: A prosperous city

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

## Corporate Plan Objectives

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

## Achievements and Highlights

- › The Flinders Lane project opened to the public and was delivered in partnership with Martin Locke Constructions. The laneway links the city to the CBD Bus Hub, Queensland Country Bank Stadium, and City Lane precinct, and will soon provide the community with even more premier eating and entertainment experiences.
- › Named one of the SMART21 Communities of 2021 and Top 7 Intelligent Communities of 2021 by the Intelligent Community Forum, Townsville was the only Australian City to make the Top 7.
- › A formal review of the Townsville City Deal was completed to help grow the economy of Townsville by 2030:
  - The economic gateway to Asia and Northern Australia
  - A prosperous and lifestyle rich city for its community and visitors
  - A global leader in tropical and marine research and innovation.
- › North Queensland Defence Strategy 2020-2030 adopted in July 2020 to guide logical and meaningful engagement around defence investment.

## Planning and Development



**970**  
development  
applications lodged



**840**  
development  
applications decided



**1,633**  
Plumbing and drainage  
applications lodged



**1,555**  
Plumbing and drainage  
applications decided



## Goal 2: A city for people

Enhance people's experience of Townsville as a liveable and vibrant city by providing services that support the growth of an inclusive, knowledgeable, active, resilient, safe and healthy community.

### Corporate Plan Objectives

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



**946**

Animals Adopted



**729,285**

Total Library Loans including  
558,081 physical and 171,204 digital



**10,560**

Total Gallery Visitations  
9,383 Perc Tucker Regional Gallery  
and 1,177 Pinnacles Gallery  
(re-opened February 2021)

### Achievements and Highlights

- › One of Townsville's most iconic swimming spots, Tobruk Memorial Baths was redeveloped. This \$11.3 million redevelopment restored one of The Strand's most iconic assets to its original glory with the completion of three new pools and the addition of a disabled adult change room.
- › The bike-friendly learn to ride circuit at Kevin Schreiber Rotary Park in Currajong was upgraded. The facility supports our active community and also works towards building a safer community by instilling road rules and safe riding practices.
- › The North Australian Festival of Arts (NAFA) COVID-safe event held in September 2020, supported our local arts community and the tourism and events sector. NAFA was produced to assist in the social and economic recovery.
- › Mount Louisa walking track was opened in October 2020, a great addition to the city's active lifestyle. People can now enjoy more than 3.5km and 1,700 steps in a trail, which has helped reduce pedestrian traffic on popular locations such as Castle Hill during peak periods.
- › HALO - Life Below Water, Townsville's signature immersive sound and light experience, was delivered to capacity crowds in January 2021.
- › The Castle Hill multipurpose space was constructed and opened in February 2021.
- › State of Origin Game 1 was held at the Queensland Country Bank Stadium in June 2021 with only 9 days' notice. The game and associated festivities injected approximately \$7 million into the local economy.

## Goal 3: A clean and green city

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

### Corporate Plan Objectives

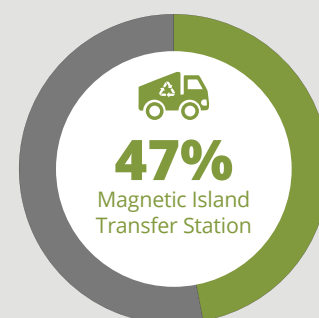
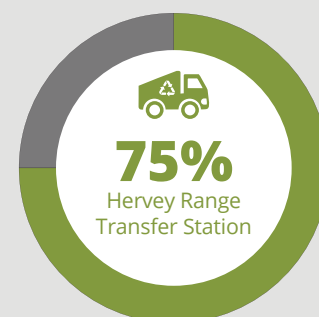
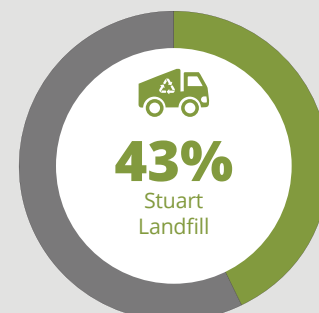
- 3.1 Plan, design and deliver sustainable development and support this by actively managing the natural environment and increasing green infrastructure, at a city, suburb and place level.
- 3.2 Develop and implement long term waste and water security solutions that are socially, financially and environmentally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

### Achievements and Highlights

- › Council completed a road upgrade on Vantassel Street and Zinc Road. This \$1 million innovative project used reduced landfill and associated costs by recycling 2.3 million glass bottles and around 720 tonnes of concrete to complete an upgrade to one of the city's most heavily used roads.
- › Council invested \$0.75 million into maintaining and strengthening the Paluma Dam, raising the dam spillway by a further 150mm to future-proof and increase its capacity by 334 mega litres.
- › Council installed new environmental monitoring devices, including 45 sewer height sensors, 27 flood monitoring sensors and six cameras which will provide real-time information for staff and experts to use when preparing and responding to weather events.
- › Installation of environmentally sustainable solar lights at Bluewater Community Centre.
- › Construction of new water mains and pipelines, and completion of sewer relining projects, to replace aging infrastructure and reduce asset failure.
- › Installation of solar panels at Civic Theatre and Northern Beaches Leisure Centre.

### Townsville Waste

Percentage of recycled material diverted from landfill by site.





## Goal 4: A smarter, faster, better Council

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

### Corporate Plan Objectives

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



# 227,097

### Customer Interactions

Including phone calls, emails, receipts and Click2Chat

### Achievements and Highlights

- › A \$5 million expansion of the Laboratory was completed. The laboratory also retained its National Association of Testing Authorities (NATA) accreditation.
- › Townsville City Plan success indicators were adopted, which will track progress made toward achieving the objectives of the Townsville City Plan (Planning Scheme).
- › Townsville 2021-2026 was adopted, which is Council's new five-year Corporate Plan that sets out five goals:
  - Goal 1 – A city that connects you to what you need at the time you choose
  - Goal 2 – A circular economy that advances business and moves towards zero waste
  - Goal 3 – The hub for modern industry
  - Goal 4 – A sustainable destination that embraces and participates in the arts, sports, events and recreational activities
  - Goal 5 – A leading centre of education, training and research commercialisation.



# Our City



## Our Community



Estimated resident  
population (2020)

**196,814<sup>1</sup>**



Projected  
population by 2041

**282,281<sup>1</sup>**



Average age of  
population (2020)

**36.2 years<sup>1</sup>**



Population born  
overseas (2016)

**13.7%<sup>1</sup>**



Indigenous  
population (2016)

**7.9%<sup>1</sup>**



Number of  
families

**47,645<sup>1</sup>**



Residents  
who volunteer

**18.4%<sup>1</sup>**

## Our Economy



Gross Regional  
Product

**\$12,381m<sup>2</sup>**



Residents working  
in Townsville

**99,809<sup>3</sup>**



Total value of tourism  
and hospitality sales

**\$1,038.6m<sup>2</sup>**



Number of Local  
Businesses (2020)

**12,072<sup>1</sup>**



Overnight  
visitors

**820,000<sup>4</sup>**

<sup>1</sup> Source: Australian Bureau of Statistics

<sup>2</sup> Source: National Institute of Economic and Industry Research (NIEIR) 2021 - as of 30 June 2020

<sup>3</sup> Source: National Skills Commission, Small Area Labour Markets – as of March Quarter 2021

<sup>4</sup> Source: Tourism & Events Queensland, Townsville Regional Snapshot - Year Ending December 2020

# Townsville 2021 - 2026

## **Our Vision**

A globally connected community driven by lifestyle and nature

## **Our Purpose**

Grow Townsville

## **Our Mission**

Add 6,400 new jobs by 2026

## About Townsville City Council

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

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

To maintain all these services and facilities for the community, Council proudly employs more than 1,500 community members, making Council one of the largest employers in Townsville.

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

## Living in Townsville

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

Townsville is the perfect place to live, work and play! With more than 300 days of sunshine, and a daily rush hour of less than 20 minutes, Townsville's lifestyle is second to none.

From the reef and its tropical islands, to lush rainforests, and endless natural beauty – Townsville is all about easy living with plenty of big city benefits.

Townsville is home to Australia's largest garrison city, world-class events, leading education providers, cutting-edge health facilities, affordable housing, and a global bustling port.

The city offers a range of diverse experiences, from the awe-inspiring Great Barrier Reef, World Heritage Wet Tropics rainforest to the dirt and dust of the Australian outback.

The diverse economy of North Australia's largest city boasts an enviable lifestyle.



# Our City Features



**374,201 ha<sup>1</sup>**

Land Area<sup>1</sup>



**1,824 km<sup>2</sup>**

of Roads



**4<sup>2</sup>**

Libraries



**84,532<sup>2</sup>**

Rateable Properties



**576 km<sup>2</sup>**

of Footpaths



**12<sup>2</sup>**

Community Centres



**372<sup>2</sup>**

Parks



**203<sup>2</sup>**

Playgrounds



**143<sup>2</sup>**

Parks with playgrounds  
and shaded areas



**21<sup>2</sup>**

Off-leash  
Dog Parks



**3<sup>2</sup>**

World-class  
Botanical Gardens



**2<sup>2</sup>**

Art Galleries



**522<sup>2</sup>**

CCTV Security  
Cameras



**1<sup>2</sup>**

Major Performing  
Arts Venue



**5<sup>2</sup>**

Public Swimming  
Pools



**2<sup>2</sup>**

Cemeteries



**2<sup>2</sup>**

Dams



**6<sup>2</sup>**

Stinger Nets



**14<sup>2</sup>**

Boat Ramps



**2,664 km<sup>2</sup>**

of Water Mains

<sup>1</sup> Source: Australian Bureau of Statistics, Data by Region, Region summary: Townsville, 2020

<sup>2</sup> Source: Townsville City Council

## Our Annual Report

Council measures its performance in its Annual Report in terms of progress made in implementing the Corporate Plan.

The Annual Report provides information about Townsville City Council and more specifically in delivering the:

- Corporate Plan 2020-2024
- Budget and Operational Plan 2020/21, including Waste and Water Performance Plans

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

Council reports its performance by publishing:

- Townsville Dashboards
- Quarterly Performance Reports
- Annual Report

Council's strategies and plans include:

- Townsville City Plan – sets the direction for development and growth over the next 25 years
- Townsville City Deal – a 15-year commitment between the Australian Government, Queensland Government and Townsville City Council to work together to plan and deliver transformative outcomes for Townsville and its residents
- Townsville 2021-2026 (new 5-year Corporate Plan)– outlines the city's shared vision for Townsville and the key issues and priorities for Council over the next five years and beyond
- Budget and Operational Plan 2021/22 – Council's annual plan to allocate resources to deliver specific projects, activities and events in pursuit of the Corporate Plan
- Strategic Asset Management Plan 2021/22 – articulates the Asset Management System Model, Asset Management Framework and Asset Management Capability Delivery Model for Council



# Townsville Profile and Demographics<sup>1</sup>

Total Land Area: 374,201 ha

Estimated Resident Population: 196,814

Population Density: 0.53 persons per hectare



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

For electoral purposes Townsville City Council is divided into ten (10) electoral divisions. The 10 divisions include the city's centre and suburbs, Magnetic Island, communities of Alligator Creek, Woodstock, and Reid River to the south and Northern Beaches and Paluma communities to the North.

<sup>1</sup>Source: Australian Bureau of Statistics, Estimated Resident Population at 30 June 2020.

# Councillors: April 2020 - current



## Cr Jenny Hill (Mayor)

**Term of Office:** 7 (non-consecutive)

**P.** 0434 818 321

**E.** Mayor@townsville.qld.gov.au

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

### Qualifications:

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



## Cr Margie Ryder

**Division 1**

**Term of Office:** 5 (non-consecutive - includes 3 terms at McKinley Shire Council)

**P.** 0439 915 033

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

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

### Qualifications:

- › Diploma of Frontline Management



## Cr Mark Molachino (Deputy Mayor)

**Division 4**

**Term of Office:** 2

**P.** 0439 849 856

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

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

### Qualifications:

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



## Cr Sue Blom

**Division 2**

**Term of Office:** 3 (non-consecutive)

**P.** 0435 260 342

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

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

### Qualifications:

- › Trade Certificate in Hairdressing
- › Small business owner



## Councillors: April 2020 - current



### Cr Ann-Maree Greaney

Division 3

**Term of Office:** 2

**P.** 0448 378 111

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

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

#### Qualifications:

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



### Cr Russ Cook

Division 5

**Term of Office:** 2

**P.** 0439 866 640

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

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

#### Qualifications:

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



### Cr Suzy Batkovic

Division 6

**Term of Office:** 1

**P.** 0434 939 419

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

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



### Cr Kurt Rehbein

Division 7

**Term of Office:** 2

**P.** 0439 847 860

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

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

#### Qualifications:

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

## Councillors: April 2020 - current



### Cr Maurie Soars

Division 8

**Term of Office:** 2

**P.** 0439 849 622

**E.** [Maurie.Soars@townsville.qld.gov.au](mailto:Maurie.Soars@townsville.qld.gov.au)

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

#### Qualifications:

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



### Cr Fran O'Callaghan

Division 10

**Term of Office:** 1

**P.** 0418 297 134

**E.** [fran.o'callaghan@townsville.qld.gov.au](mailto:fran.o'callaghan@townsville.qld.gov.au)

**Profile:** Cr O'Callaghan was born and raised in London, England and travelled to Australia in 1991 backpacking. She met her husband Peter on a sheep and cattle station in Richmond, North West Queensland. In 1996 they brought a grazing property at Woodstock in which one of the sources of the Ross River is situated. Cr O'Callaghan and her husband live and work on their property. She has also worked in the public and private sector as a Quantity Surveyor for many years. Her belief is that we have a duty to preserve our natural environment in the best condition we can to ensure that our native flora and fauna can survive and thrive. She is also keen to support sustainability and is an advocate for the Reduce, Re-Use, Recycle approach.

#### Qualifications:

- › Bachelor of Science in Quantity Surveying



### Cr Liam Mooney

Division 9

**Term of Office:** 1

**P.** 0434 925 510

**E.** [Liam.Mooney@townsville.qld.gov.au](mailto:Liam.Mooney@townsville.qld.gov.au)

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

**Note:** On 31 October 2020, Cr Les Walker was elected into State Parliament leaving a vacancy in Division 10. In-line with legislation, Council held a special meeting on 8 December 2020, to allow Council's CEO to notify the Electoral Commission of the vacancy and to request a by-election to fill the vacancy which took place on 23 January 2021. Cr Fran O'Callaghan was elected for Division 10 and sworn in on 8 February 2021.

# Events



*A snapshot of what's been happening in Townsville*



## July 2020

- › Re-opening of the Tobruk Memorial Baths

## August 2020

- › Supercars SuperSprint
- › Horn v Tszu at the Queensland Country Bank Stadium
- › 75th Anniversary End of the Second World War, Townsville Remembers 2020

## September 2020

- › North Australian Festival of Arts (NAFA)
- › 65th Townsville Art Awards exhibition
- › Virtual Queens Gardens Concert
- › 2020 North Queensland Ceramic Awards

## October 2020

- › Official opening of Flinders Lane
- › Official opening of Mount Louisa Bush Walking Track
- › Free Dump Weekend

## November 2020

- › 16 Days of Activism workshops
- › The Great Northern Clean Up
- › Northern Lights Trail

## December 2020

- › Northern Lights Trail
- › Giant Water Hunt at Anderson Gardens
- › New Year's Eve Celebrations at Riverway Stadium and The Strand
- › Women's National Basketball League Grand Final



### January 2021

- › Northern Stories
- › HALO Life Below Water
- › Get Active Expo
- › Australia Day

### March 2021

- › Clean up Australia Day – Apex Park
- › Parks Week 2021
- › Easter Eggstravaganza
- › Neighbour Day – Theme “Every day is Neighbour Day”

### May 2021

- › City Street Eats
- › Townsville lights up purple for Domestic Violence Awareness
- › Rowes Bay Sustainability Centre Open Day
- › East End Eats
- › National Reconciliation Week

### February 2021

- › 50th World Wetlands Day & Waterway Treasure Hunt

### April 2021

- › Anzac Day Dawn Service – Riverway & The Strand

### June 2021

- › Our Townsville – Community Expo
- › Townsville Eats Origin Edition
- › AMPOL State of Origin – Game 1
- › Mike Carney Toyota Townsville Barbecue Battle
- › Festival of Athletics
- › Oceania Rugby Sevens Challenge Event & Fan Zone at Central Park



# Our People



## Our Values

**Safety** – Everyone goes home safe today and every day.

**Excellence** – We exceed expectations and get it right every time.

**Respect** – We respect all people, their cultures and our environment – always.

**Value** – Today we create value for tomorrow.

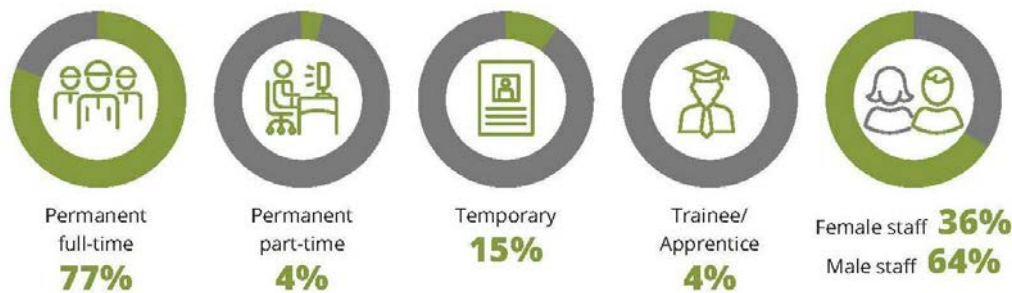
**Enjoyment** – We work together to innovate, create and have fun.



# Our Organisational Structure



## Our Workforce Profile



## Our Volunteers

Volunteers assist Council in delivering services, protecting the environment, and hosting events. Council acknowledges the wonderful contribution volunteers make to the Townsville community. This financial year Council has had 82 volunteers with an additional 62 volunteers continuing in 2021.

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

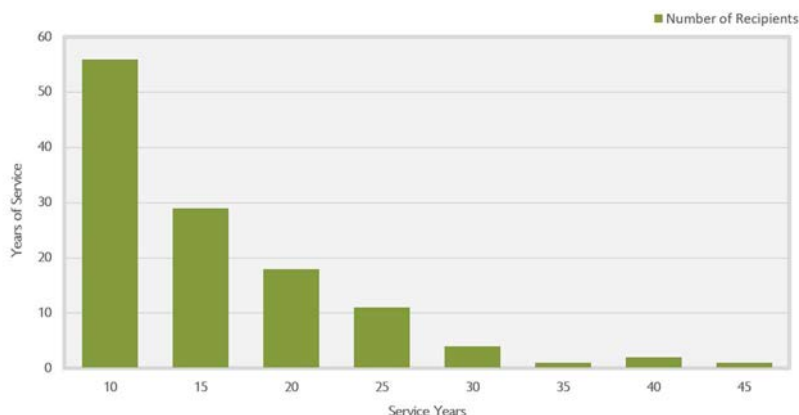
- Construction Maintenance and Operations
- Cultural and Lifestyle
- Digital Technology
- Environmental Health & Regulation
- Future Cities
- Infrastructure Planning, Assets and Fleet
- Townsville Water and Waste

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

## Long Service Awards

Council recognises staff commitment to the organisation through the presentation of Long Service Awards for employees who have achieved 10 years of service or more in five-year increments. In 2020, Council congratulated 122 staff with a total of 1,910 combined years of service.

### Council employees' years of service



## Workplace Health, Safety and Wellbeing

Council's number one priority is the safety and wellbeing of its employees. Council is committed to delivering on the SERVE values, which puts safety first. This commitment ensures that all workplace health and safety strategies are developed to deliver the outcome of 'Everyone Goes Home Safe Today and Everyday.'

The recently implemented incident management system provides employees with a user-friendly system for digital reporting of incidents and hazards. This system allows staff to perform inspections and audits electronically whilst onsite.

Council's new contractor management system provides an online portal for contractors and external workers to register, provide evidence of business safe systems of work, complete a workplace health and safety induction and upload relevant training and licences. This ensures all contractors working on Council-operated sites have appropriate safe systems of work in place to manage the hazards and risks associated with the work performed for Council.

We introduced the 'Safety Champion' campaign, recognising employees who strive for the highest of safety standards. Staff nominate fellow employees for valuable contributions towards safety, which are then highlighted monthly to Council. Council celebrates its employees and the contribution to safety in October recognising, Safe Work Month, when it hosts 'A Moment for Safety', bringing our teams together to focus on all aspects of what it takes to create a safe workplace.

As part of Council's wellness strategy, the Employee Assistance Program remains a key focus. These include employee, family, money, legal, career, nutrition and lifestyle and manager assistance. As part of the program Council now offers employees to book onsite appointments which are regularly scheduled throughout the year.

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

## Training and Development

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

In 2020/21 Council welcomed 23 new apprentices and trainees across 12 disciplines. Council also provided two existing electrical apprentices the opportunity to complete a fifth-year instrumentation qualification, and an existing boilermaker apprentice to complete a fifth-year fitting and turning qualification. The intake of apprentices and trainees saw Council's total numbers reach 67 in 2020/21, with an additional 20 Work Skills trainees completing a Certificate I in Conservation and Land Management, Construction and Business.

## Our Achievements

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

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### Australian Event Awards – Coates Hire Best Community Event Award

Awarded for: North Australian Festival of Arts 2019; Coates Hire Best Community Event – National Winner; Best Cultural Arts or Music Event - State Winner  
 Awarded by: Australian Event Awards and Symposium  
 Awarded to: Townsville City Council

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### 2020 Australian Service Excellence Awards – Service Champion Award

Awarded for: Customer Service Team of the Year – Large Category  
 Awarded by: Customer Service Institute of Australia  
 Awarded to: Townsville City Council - IT Service Operations Team

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### 2020 Asia-Pacific Spatial Excellence Award – People and Community Category

Awarded for: Winner - People and Community Award (Queensland)  
 Awarded by: Surveying and Spatial Sciences Institute (SSSI) and SIBA | GITA  
 Awarded to: Townsville City Council - Townsville Dashboards

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### 2020 Queensland Training Awards

Awarded for: North Queensland's regional winner of the Bob Marshman Trainee of the Year award  
 Awarded to: Nicola Caldwell

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Awarded for: Finalist for the Harry Hauenschild Apprentice of the Year  
 Awarded to: Lachie Lowe

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Awarded for: Finalist for Large Employer of the Year  
 Awarded to: Townsville City Council

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### 2020 TAFE Queensland Trade Excellence Awards

Awarded for: Electrical and Refrigeration - Outstanding Apprentice of the Year Award  
 Awarded to: Lachie Lowe

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Awarded for: Automotive and Engineering – Apprentice of the Year Award  
 Awarded to: Abi Winter

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Awarded for: Building and Construction – Apprentice of the Year Award  
 Awarded to: Taylor Cox

---

### Queen's Birthday 2021 Honour List – Medal of the Order of Australia

Awarded for: Service to local government, and to the community of Townsville  
 Awarded by: Governor-General, the Honourable David Hurley AC DSC (Retd)  
 Awarded to: Greg Bruce

---

### 2021 North Queensland Australian Honours and Awards

Awarded for: Commendation for Brave Conduct  
 Awarded by: Governor of Queensland, the Honourable Paul de Jersey AC  
 Awarded to: Glen Hardy

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# Our Community Financial Report



## Our Community Financial Report

The Community Financial Report is produced to enable the Townsville community, Council's partners, customers and employees to better understand how Council performed financially.

The Community Financial Report is an explanation of Council's financial statements and covers the following five components:

1. **Statement of Comprehensive Income:** shows information on our financial performance including our revenue, expenses and net profit or loss
2. **Statement of Financial Position:** shows the monetary value of our assets, liabilities and equity
3. **Statement of Changes in Equity:** shows the changes in our net wealth
4. **Statement of Cash Flows:** shows movements of cash and cash equivalents (highly liquid investments that can be readily converted into cash)
5. **Financial Ratios:** shows common comparisons between financial statement amounts to allow readers to compare our results with other organisations

The below snapshot is of Council's Financial Statements for 2020/21.

## Financial Snapshot



### Our Credit Rating

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



**\$5.4 billion**

total **Community Assets**



**\$142.4 million**

spent on **capital investment** including \$74.8 million on renewals of city infrastructure



**\$357.3 million**

**raised** in rates and utility charges



**\$82.1 million**

increase in **community equity**



**\$570.6 million**  
**Liabilities**



**\$426.1 million**

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



**\$508.2 million**

**Total Revenue**

## Statement of Comprehensive Income

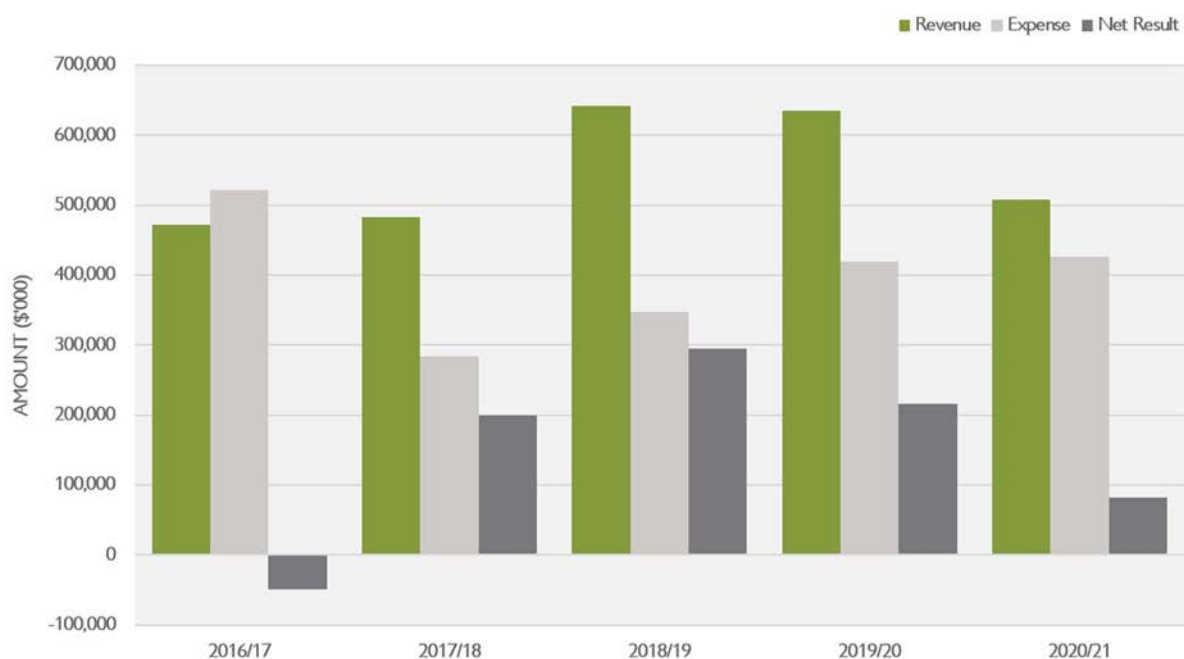
The Statement of Comprehensive Income shows Council's net result for the 2020/21 financial year, calculated using the formula: Total Income *less* Total Expenses *equals* Net Result.

### Net Result

Council achieved a net result of \$82.1 million. This result is largely driven by \$63.1 million of grants recognised in the current year for the Haughton Pipeline duplication (Stages 1 and 2), Works for Queensland, Disaster Recovery Funding, and other minor capital projects. These grants are received from the State and Federal Government and recognised as revenue as projects are delivered. Council also received \$17.3 million in contributions from developers for community infrastructure that provides services to new developments across the city.

### Expenses against revenue: five-year trend

The graph and table below show the trend in Council's income, expenses and net result for the past five years.



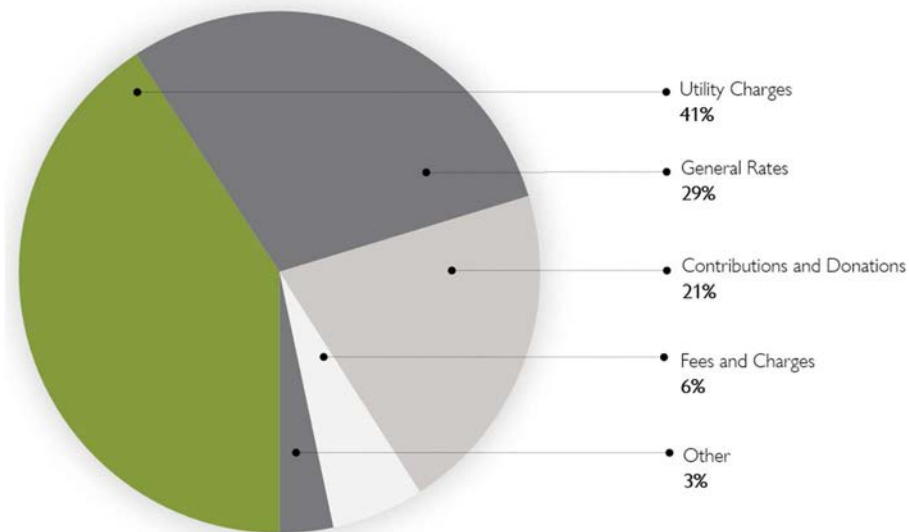
	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)
Revenue	472,025	482,612	641,532	634,745	508,220
Expense	427,099	414,047	470,865	439,006	426,074
<b>Net Result</b>	<b>44,926</b>	<b>68,565</b>	<b>170,667</b>	<b>195,739</b>	<b>82,146</b>

\* Net result is total comprehensive income for the year on PL

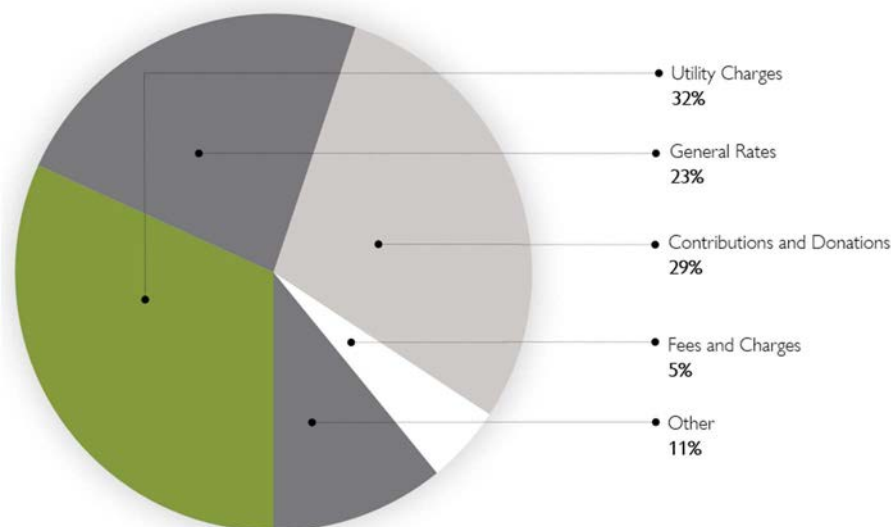
## Sourcing our income – where money came from

The following graph shows the various sources of Council's \$508.2 million of income.

2020/21



2019/20



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

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

### Income

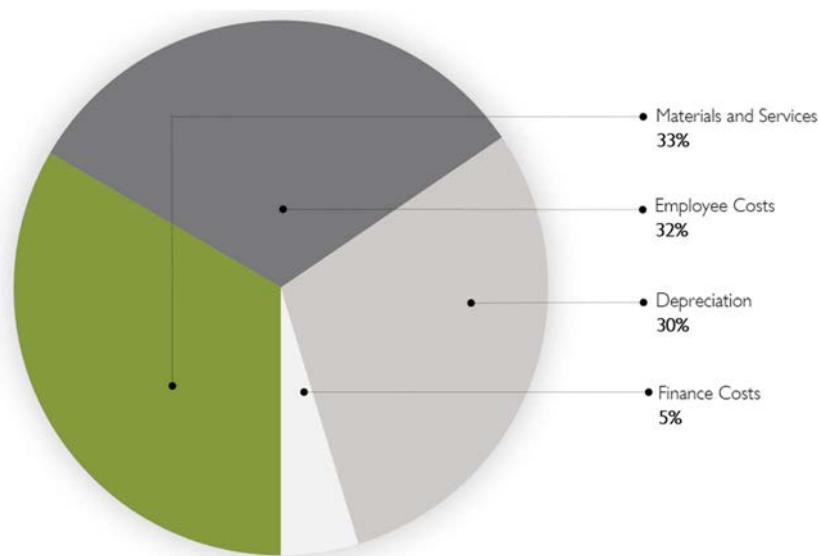
Council's total operating income increased by 2.7% from last year largely due increased water and waste charges combined with grants received for repair of assets that were impacted by the monsoon.



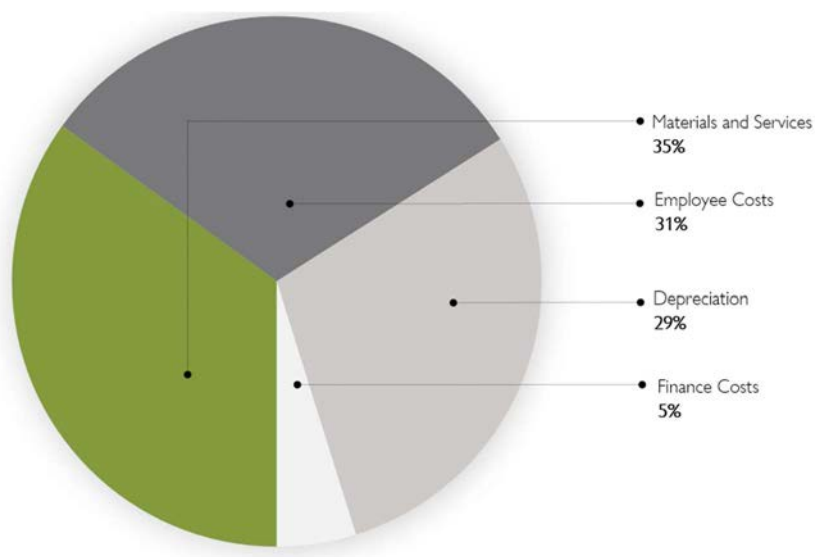
## Identifying our expenses – where money was spent

The following graph shows the allocation of \$426.1 million of expenditure.

2020/21



2019/20



\* Materials and Services percentage inclusive of Other Expenses and Capital Expenses figures.

Council's expenses are for employee costs, materials, utilities, services, depreciation, and financing costs to deliver community services. The following information covers operational spending only because capital spending is added to the value of assets when incurred.

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

### Expenditure

Council's total expenses have remained relatively consistent with last year at \$426.1 million.

## Statement of Financial Position

### Calculating Council's net worth

The Statement of Financial Position shows what Council owns (assets), what Council owes (liabilities) and Council's net worth.

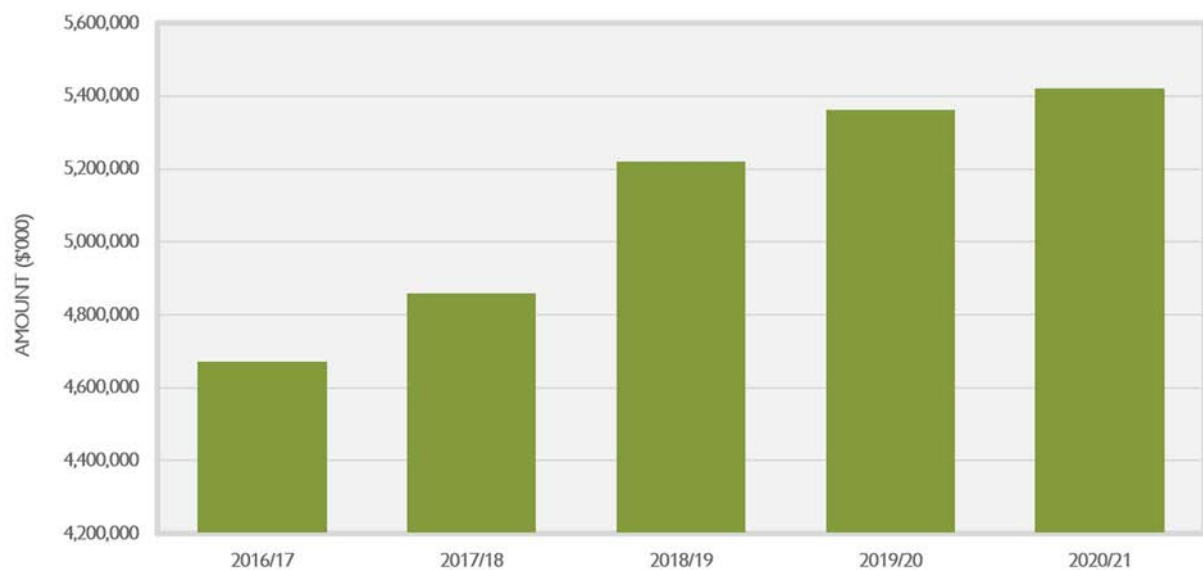
#### Assets – What the Community Owns

The major components of Council assets include property, plant and equipment (land, buildings, roads, storm water drainage), capital works in progress, and cash assets (mainly short-term investments).

Council's largest investment is infrastructure and includes roads, pipes and buildings that benefit the Townsville community. The value of Council's total assets has increased from the prior year by \$58.6 million. The majority of the movement was attributed to increased cash holdings of \$58.6 million, due to rescheduling of the capital expenditure program

The following graph shows the value of Council's assets over the last five years.

#### Council Assets – 5 Year Trend



## Liabilities – What the Community Owes

Council's liabilities include money borrowed from Queensland Treasury Corporation, unpaid supplier bills, amounts owing to employees for leave entitlements and provisions for future landfill capping.

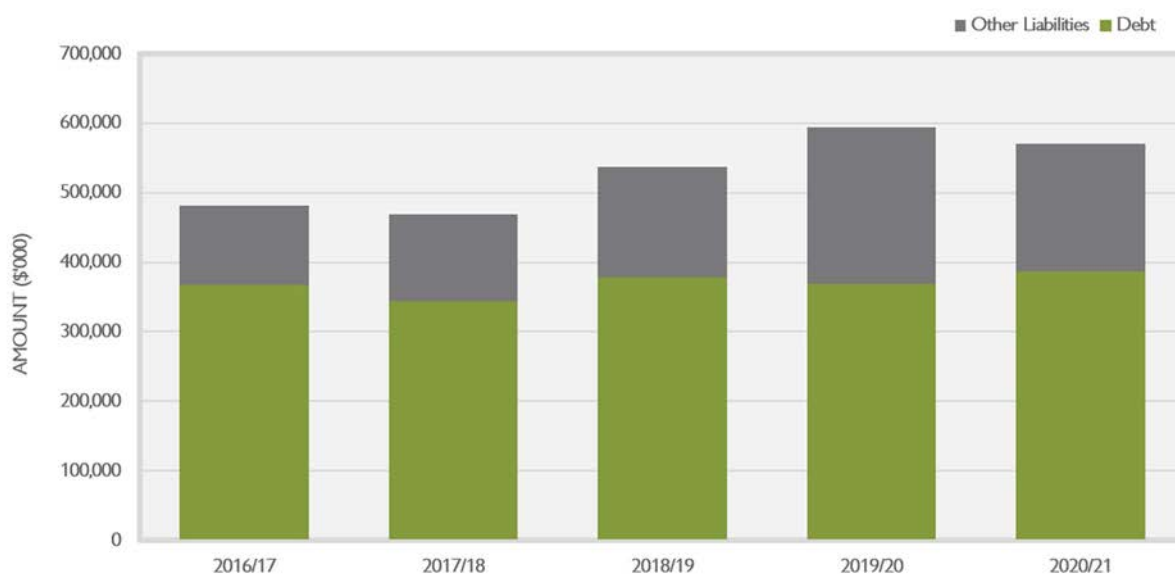
Council's total liabilities were \$570.6 million as of 30 June 2021 which is a decrease of \$23.6 million from the previous year.

Council's decrease is attributed to a reduction of \$21.3 million in contract liabilities, due to the delivery of project commitments for the Haughton Pipeline Duplication Project and Disaster Recovery works.

Of the total liabilities, \$386.7 million relates to loans from Queensland Treasury Corporation (QTC). QTC is the Queensland Government owned lending agency.

The following graph shows the amount of Council's liabilities over the last five years.

### Council Liabilities – 5 Year Trend



## Statement of Changes in Equity

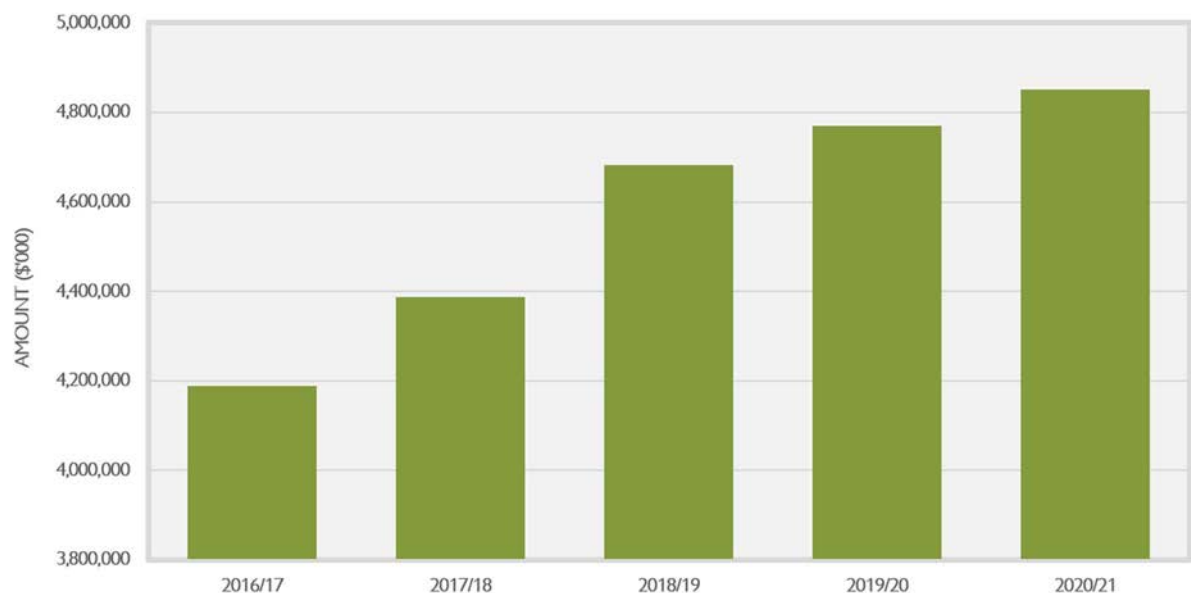
The Statement of Changes in Equity details the changes in Council's retained earnings over the reporting period and provides a more detailed presentation of the community equity shown in the Statement of Financial Position

### Community equity

Community equity is represented by Council's net worth: what Council owns (total assets of \$5.4 billion) minus what Council owes (total liabilities of \$570.6 million). Community equity, as of 30 June 2021, was \$4.9 billion, which is \$82.1 million higher than the previous year. Community equity *equals* what Council owns less what Council owes.

The following graph shows the amount of Council's community equity over the last five years.

### Community Equity – 5 Year Trend



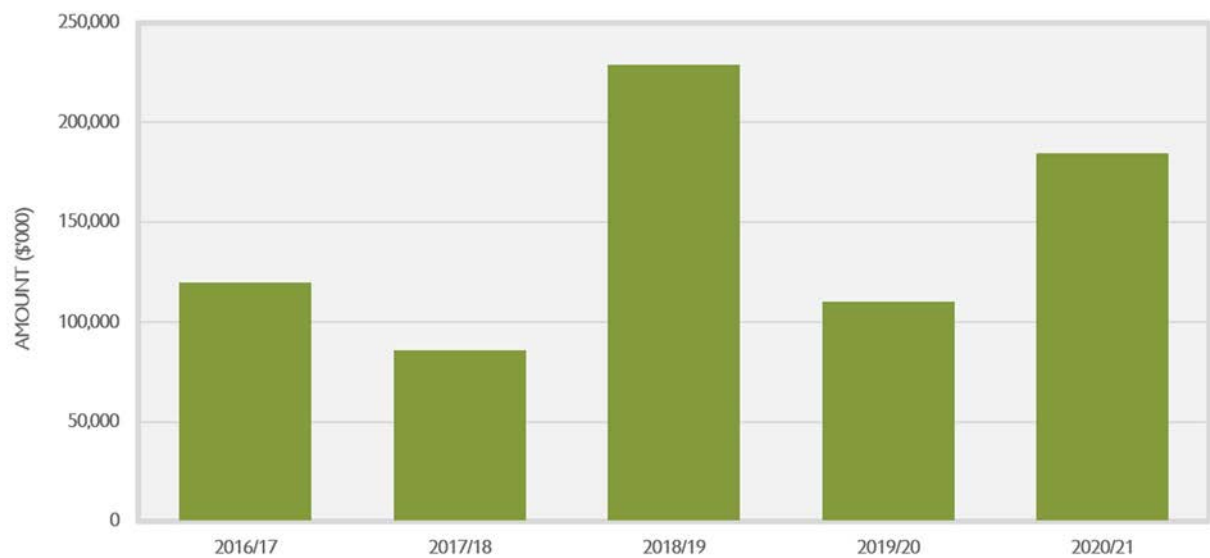
## Statement of Cash Flows

### Where Council's cash comes from and where it goes

The Statement of Cash Flows show Council's cash inflows and outflows. This statement shows Council's ability to pay its bills to continue normal operations, pay off its debts and have money available for the construction of assets.

The following graph shows the amount of Council's cash holdings at the end of each financial year, over the last five years.

### Council Cash Holdings – 5 Year Trend





## Financial Sustainability

The Local Government Regulation 2012 requires Council to report on specific financial sustainability ratios:

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

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

It is also important to consider the long-term financial objectives of Council and other measures that reflect Council's commitment to operating in a prudent manner while maintaining its financial management objectives including:

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

In April 2021 Council finalised its 2020 credit review with Queensland Treasury Corporation (QTC) and received a rating of *sound with a developing outlook*.

QTC noted as at 12 March 2021:

*"The **sound** rating reflects Council's ability to continue to deliver adequate operating results and service its existing and forecast debt obligations. Townsville has managed to withstand recent challenges, such as weather events and the COVID-19 pandemic, without a material decline in its credit metrics. Council has high council-controlled revenue and a strong and growing ratepayer base which will support further investment in the region and provide flexibility in responding to any future economic impacts. Council has a significant asset base that it has continued to invest in appropriately in recent years. Finally, Council has a track record of achieving forecast targets and outperformed the FY2020 budget despite the challenges noted above.*

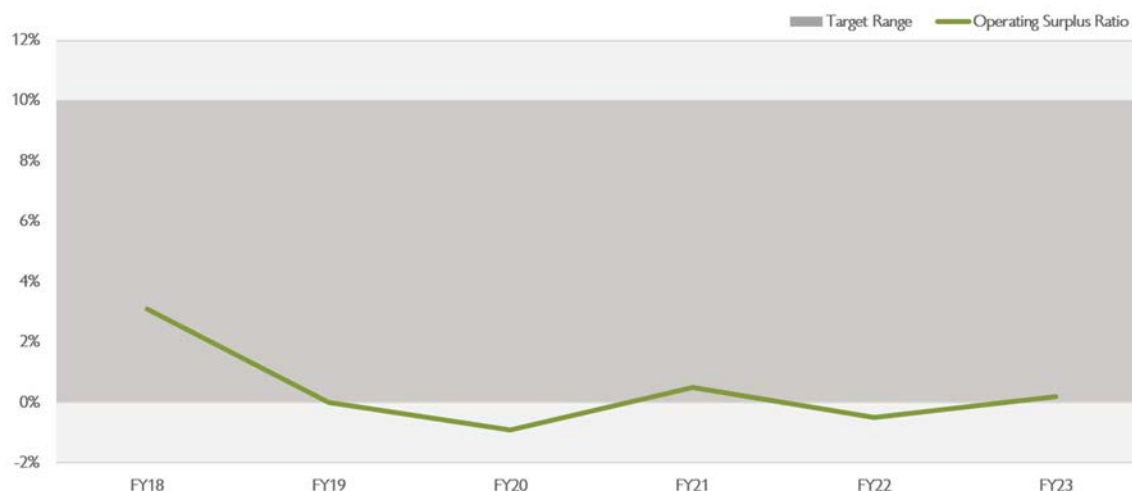
*The **developing** outlook reflects the view that there is sufficient uncertainty regarding Council's operations over the next 24 months that a material change to the credit metrics of Council could occur. Should economic conditions deteriorate, either due to a decrease in mining activity or a slower than expected COVID-19 recovery, the financial impact on Council may place downward pressure on key credit metrics which could then affect the Sound credit rating. Council's liquidity in particular is a key constraint considering the size and funding profile of its capital programs. Conversely, it is noted that the downside risks associated with COVID-19 have reduced recently following the control of community transmission in Queensland and commencement of a broad vaccination program. Although the extent of the recovery is still uncertain, and risks continue to linger in the region, TCC may experience a strong recovery given its strategic importance to the North Queensland region and its large and growing ratepayer base."*

## Operating Surplus Ratio

The operating surplus ratio indicates Council's ability to fund ongoing operations long-term.

A ratio of 1% in 2020/21 indicates Council's operating incomes received were greater than its operating costs incurred.

### Operating Surplus Ratio



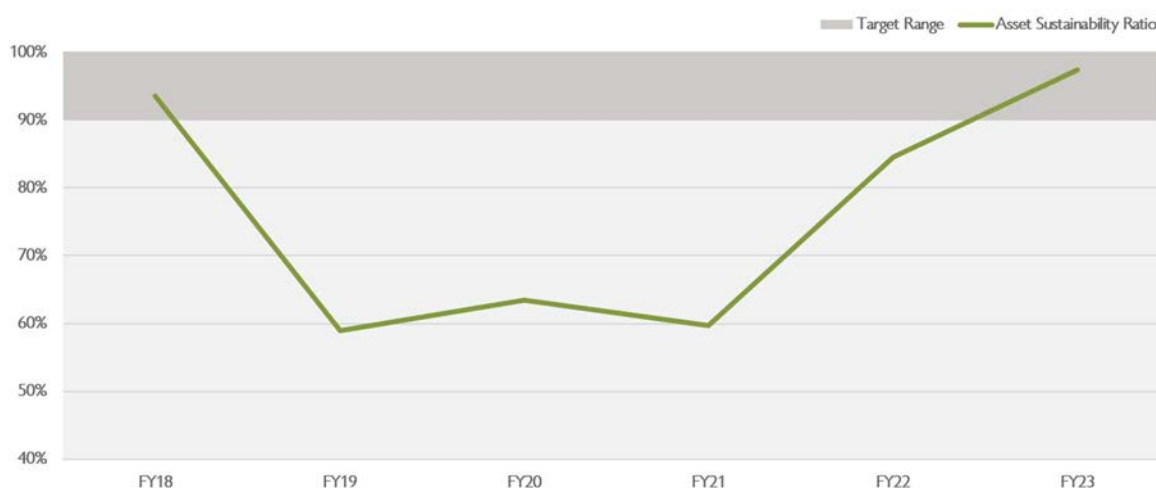
## Asset Sustainability Ratio

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

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

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

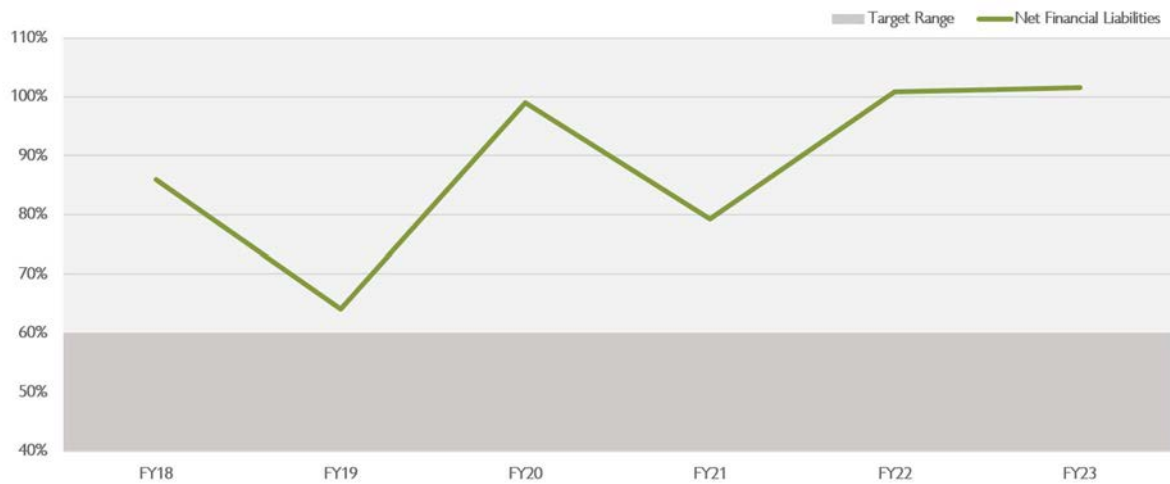
### Asset Sustainability Ratio



### Net Financial Liabilities Ratio

This ratio indicates Council's ability to repay its liabilities and debt with its income and cash holdings. Whilst this ratio is outside the target range of less than 60%, it does not reflect the significant asset base supporting Council. Council's liabilities account for 11% of Council's total assets and operating revenue covers 75% of total liabilities.

#### Net Financial Liabilities Ratio



# Our Financial Statements

Council is required under the Local Government Regulation 2012 to prepare a set of audited financial statements each year for the period 1 July to 30 June. This guide has been prepared to assist readers to understand and analyse the statements. A summary of the 2020/21 results is also included in the Community Financial Report.

The Notes to the Financial Statements give greater details and additional information to support the figures used in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

Council is required to report on its performance against three key ratios, Operating Surplus, Asset Sustainability and Net Financial Liabilities.

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





## Townsville City Council General Purpose Financial Statements

For the year ended 30 June 2021

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## Financial Sustainability Statements

For the Year Ended 30 June 2021

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## Management Certification

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

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

- i) the prescribed requirements of the *Local Government Act 2009* and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- ii) the general purpose financial statements, as set out on pages 41 to 69, present a true and fair view, in accordance with Australian Accounting Standards, of Council's transactions for the financial year and financial position at the end of the year.



Mayor

Dated this 5 day of OCT 2021



Chief Executive Officer

Dated this 5 day of OCTOBER 2021

# Townsville City Council

## Statement of Comprehensive Income for the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates and utilities	3(a)	357,263	350,084
Fees and charges	3(b)	29,186	30,899
Grants, subsidies and contributions	3(c)	24,530	19,027
		<u>410,979</u>	<u>400,010</u>
<b>Capital revenue</b>			
Grants and contributions	3(c)	80,336	165,627
		<u>80,336</u>	<u>165,627</u>
Interest received		2,541	5,021
Other income		11,675	14,647
Fair value gain on contributions of assets from developers		2,606	8,352
Revaluation increment of property, plant and equipment		-	40,429
Other capital income		83	659
		<u>508,220</u>	<u>634,745</u>
<b>Total income</b>		<u>508,220</u>	<u>634,745</u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	4(a)	(136,804)	(137,594)
Materials and services	4(b)	(138,473)	(138,796)
Depreciation and amortisation	4(c)	(127,063)	(124,910)
Finance costs	4(d)	(19,929)	(21,445)
Other expenses		(1,009)	(600)
		<u>(423,278)</u>	<u>(423,345)</u>
<b>Capital expenses</b>	4(e)	(2,796)	(15,661)
<b>Total expenses</b>		<u>(426,074)</u>	<u>(439,006)</u>
<b>Net result</b>		<u>82,146</u>	<u>195,739</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Net gain / (loss) on revaluation of property, plant and equipment	7	(13)	20,040
		<u>82,133</u>	<u>215,779</u>
<b>Total comprehensive income for the year</b>		<u>82,133</u>	<u>215,779</u>

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

# Townsville City Council

## Statement of Financial Position as at 30 June 2021

	Note	2021 \$000	2020 \$000
<b>Current assets</b>			
Cash and cash equivalents	5	184,463	110,350
Receivables	6	38,483	52,646
Contract assets	8	4,155	9,922
Inventories		2,003	2,187
Other assets		4,526	4,684
<b>Total current assets</b>		<b>233,630</b>	<b>179,789</b>
<b>Non-current assets</b>			
Receivables	6	2,335	2,337
Property, plant and equipment	7	5,163,373	5,156,879
Right-of-use assets	9	10,356	12,721
Intangible assets		9,474	8,324
Other assets		2,796	3,343
<b>Total non-current assets</b>		<b>5,188,334</b>	<b>5,183,604</b>
<b>Total assets</b>		<b>5,421,964</b>	<b>5,363,393</b>
<b>Current liabilities</b>			
Payables	10	83,814	90,318
Contract liabilities	8	37,431	58,751
Borrowings	11	39,542	32,879
Lease liabilities		2,409	2,602
Provisions	12	17,514	27,203
Other liabilities		979	363
<b>Total current liabilities</b>		<b>181,689</b>	<b>212,116</b>
<b>Non-current liabilities</b>			
Borrowings	11	347,150	335,950
Lease liabilities		8,508	10,769
Provisions	12	31,698	33,722
Other liabilities		1,573	1,623
<b>Total non-current liabilities</b>		<b>388,929</b>	<b>382,064</b>
<b>Total liabilities</b>		<b>570,618</b>	<b>594,180</b>
<b>Net community assets</b>		<b>4,851,346</b>	<b>4,769,213</b>
<b>Community equity</b>			
Asset revaluation surplus	13	896,361	896,374
Retained surplus		3,954,985	3,872,839
<b>Total community equity</b>		<b>4,851,346</b>	<b>4,769,213</b>

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

## Statement of Changes in Equity for the year ended 30 June 2021

	Retained surplus \$000	Asset revaluation surplus \$000	Total \$000
<b>Balance as at 1 July 2020</b>	3,872,839	896,374	4,769,213
Net result	82,146	-	82,146
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	-	(13)	(13)
<b>Total comprehensive income for the year</b>	82,146	(13)	82,133
<b>Balance as at 30 June 2021</b>	3,954,985	896,361	4,851,346
 <b>Balance as at 1 July 2019</b>	 3,805,920	 876,334	 4,682,254
Adjustment on initial application of AASB 15 Revenue from Contracts with Customers & AASB 1058 Income of NFP Entities	(128,339)	-	(128,339)
Adjustment on initial application of AASB 16 Leases	(481)	-	(481)
Restated balance at 1 July 2019	3,677,100	876,334	4,553,434
Net result	195,739	-	195,739
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	-	20,040	20,040
<b>Total comprehensive income for the year</b>	195,739	20,040	215,779
<b>Balance as at 30 June 2020</b>	3,872,839	896,374	4,769,213

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



	Note	2021 \$000	2020 \$000
<b>Cash flows from operating activities</b>			
Receipts from customers		465,992	442,599
Payments to suppliers and employees		(308,954)	(347,722)
Interest received		2,558	5,286
Finance costs	4(d)	(18,776)	(20,267)
<b>Net cash inflow (outflow) from operating activities</b>	17	<u>140,820</u>	<u>79,896</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(140,837)	(289,337)
Payments for intangible assets		(4,379)	(6,529)
Proceeds from sale of property, plant and equipment		964	616
Grants and contributions		62,818	109,246
<b>Net cash inflow (outflow) from investing activities</b>		<u>(81,434)</u>	<u>(186,004)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		50,000	20,000
Repayment of borrowings		(32,137)	(29,419)
Repayments made on leases (principal only)		(3,136)	(2,804)
<b>Net cash inflow (outflow) from financing activities</b>		<u>14,727</u>	<u>(12,223)</u>
<b>Net increase / (decrease) in cash and cash equivalents held</b>		74,113	(118,331)
<b>Cash and cash equivalents at the beginning of financial year</b>		<u>110,350</u>	<u>228,681</u>
<b>Cash and cash equivalents at the end of financial year</b>	5	<u>184,463</u>	<u>110,350</u>

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

## Note 1 Significant accounting policies

### (a) Basis of preparation

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

These general purpose financial statements are for the period 1 July 2020 to 30 June 2021 and have been prepared in accordance with the *Local Government Act 2009* and the Local Government Regulation 2012.

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

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

### (b) Basis of consolidation

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

Pursuant to the terms of the management agreement, Townsville City Council provides a capped operating cost contribution fee each financial year, and Breakwater Island Limited will indemnify the joint venture from any amount by which defined costs exceed total revenue. All contributions are recorded in the Statement of Comprehensive Income.

### (c) Rounding and comparatives

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

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by rules in an Accounting Standard. There have been no such material changes in the comparative information.

### (d) Estimates and judgements

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

- Revenue recognition (Note 3)
- Valuation of property, plant and equipment including useful life assessment, fair value and impairment (Note 7)
- Measurement and recognition of employee benefit liabilities (Note 10)
- Measurement and recognition of provisions (Note 12)
- Measurement and recognition of the impairment of trade receivables (Note 19).

### (e) Taxation

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

### (f) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021. Those standards have not been adopted by Council and will be included in the financial statements on their effective date. These standards are not expected to have a material impact upon Council's future financial statements and therefore have not been disclosed.

### (g) Volunteer services

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

**(h) COVID-19**

Council's operations for the year ended 30 June 2021 were not materially impacted by the COVID-19 pandemic. No disclosures have been included in the financial statements.

**Note 2 Analysis of results by function**

**(a) Components of Council's functions**

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

**(i) Business Services and Finance**

Business Services and Finance provide efficient, effective and proactive support services across Council to enable the delivery of services to the community. The provision of these services includes finance, information technology and communications, legal, people and culture and procurement.

**(ii) Community Engagement, Environmental and Cultural Services**

Community Engagement, Environmental and Cultural Services provide environmental and sustainability products and services, high quality community focused programs, service delivery and communication to residents. This component is comprised of community engagement, integrated marketing communications, libraries, the arts, customer contact and environmental services.

**(iii) Construction and Maintenance**

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

**(iv) Future Cities**

Focusing on the needs and aspirations of the Townsville community and driving the attraction of investment opportunities to the city.

**(v) Infrastructure, Planning, Assets and Fleet**

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

**(vi) Planning**

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

**(vii) Townsville Water**

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

**(viii) Townsville Waste Services**

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

**Components grouped by entity**

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

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

## Analysis of results by function

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

Components	Income					Total income	Expenses			Total expenses	Net result from recurrent operations	Net result
	Recurrent			Capital			Recurrent		Capital			
	Grants	Other	Internal eliminations	Grants	Other		Other	Internal eliminations	Other			
	\$000	\$000	\$000	\$000	\$000		\$000	\$000	\$000			
Year ended 30 June 2021												
Business Services and Finance	5,307	214,261	(55,082)	9,590	-	174,076	(86,309)	14,439	(3)	(71,873)	92,616	102,203
Community Engagement, Environmental and Cultural Services	5,403	8,297	(6,935)	-	-	6,765	(41,906)	7,162	-	(34,744)	(27,979)	(27,979)
Construction and Maintenance	7,523	10,695	(6,574)	181	5,477	17,302	(126,020)	17,374	(1,060)	(109,706)	(97,002)	(92,404)
Future Cities	1,382	257	-	-	-	1,639	(9,941)	6	-	(9,935)	(8,296)	(8,296)
Infrastructure, Planning, Assets and Fleet	2,813	37,975	(35,704)	52,390	990	58,464	(101,526)	36,821	(1,733)	(66,438)	(59,621)	(7,974)
Planning	566	10,150	(49)	-	-	10,667	(17,249)	41	-	(17,208)	(6,541)	(6,541)
Townsville Water	1,214	211,527	(27,184)	903	13,411	199,871	(146,280)	52,462	-	(93,818)	91,739	106,053
Townsville Waste Services	-	53,124	(13,771)	-	83	39,436	(36,612)	14,260	-	(22,352)	17,001	17,084
Total	24,208	546,286	(145,299)	63,064	19,961	508,220	(565,843)	142,565	(2,796)	(426,074)	1,917	82,146
Year ended 30 June 2020												
Business Services and Finance	5,466	215,323	(55,251)	2,100	-	167,638	(84,856)	15,947	-	(68,909)	96,629	98,729
Community Engagement, Environmental and Cultural Services	1,884	8,606	(6,936)	-	237	3,791	(42,987)	7,085	47	(35,855)	(32,348)	(32,064)
Construction and Maintenance	3,703	10,015	(5,580)	139	23,170	31,447	(126,103)	20,979	(8,637)	(113,761)	(96,986)	(82,314)
Future Cities	133	131	-	-	-	264	(7,144)	10	-	(7,134)	(6,870)	(6,870)
Infrastructure, Planning, Assets and Fleet	113	27,137	(24,652)	148,984	26,043	177,625	(83,701)	25,442	2,371	(55,888)	(55,661)	121,737
Planning	479	8,320	(79)	-	(159)	8,561	(18,808)	23	(2)	(18,787)	(10,065)	(10,226)
Townsville Water	7,030	214,839	(33,396)	4,239	9,655	202,367	(152,571)	54,811	(7,935)	(105,695)	90,713	96,672
Townsville Waste Services	54	59,540	(17,201)	-	659	43,052	(45,177)	13,705	(1,505)	(32,977)	10,921	10,075
Total	18,862	543,911	(143,095)	155,462	59,605	634,745	(561,347)	138,002	(15,661)	(439,006)	(3,667)	195,739



**(c) Function assets**

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

Entity	Note	2021 \$'000	2020 \$'000
Rest of Council		3,364,175	3,331,642
Townsville Water		2,003,281	1,974,965
Townsville Waste Services		54,508	56,786
<b>Total Council assets</b>		<b>5,421,964</b>	<b>5,363,393</b>

**Note 3 Revenue**

**Revenue recognised at a point in time:**

Rates and utilities	3(a)	357,263	350,084
Fees and charges	3(b)	29,186	30,899
Grants, subsidies and contributions		34,753	22,499
		<u>421,202</u>	<u>403,482</u>

**Revenue recognised over time:**

Grants, subsidies and contributions		7,049	6,690
Revenue relating to grants for assets controlled by Council	3(c)	63,064	155,465
		<u>70,113</u>	<u>162,155</u>
<b>Total revenue</b>		<b>491,315</b>	<b>565,637</b>

**(a) Rates and utilities**

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate.

Prepaid rates are recognised as a financial liability until the beginning of the rating period.

General rates	176,047	173,442
Refuse and recycling utility charges	23,158	21,906
Water and wastewater utility charges	183,868	179,948
Less: Discounts	(15,455)	(14,854)
Less: Pensioner and other remissions	(10,355)	(10,358)
	<u>357,263</u>	<u>350,084</u>

**(b) Fees and charges**

Revenue arising from fees and charges are recognised at the point in time when a performance obligation is completed and the customer receives the benefit of the goods or services being provided. This is generally on receipt or issuing of an invoice.

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

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

	2021 \$000	2020 \$000
Refuse fees	15,303	19,685
Regulatory assessment fees	5,075	3,265
Commercial fees	2,830	2,623
Licences and registrations	2,296	2,029
Infringements	819	828
Other fees and charges	2,863	2,469
	<u>29,186</u>	<u>30,899</u>

**(c) Grants, subsidies and contributions**

**(i) Grant revenue under AASB 15**

Where grant revenue arises from an agreement which is enforceable and contains sufficiently specific performance obligations, revenue is recognised when control of each performance obligation is satisfied.

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

**(ii) Grant revenue under AASB 1058**

Assets arising from grants within the scope of AASB 1058 are recognised on receipt.

**(iii) Contributions received for capital purposes**

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by Council. Revenue is generally recognised on receipt of the asset as there are no enforceable performance obligations.

Physical assets contributed to Council by developers in lieu of cash contributions are recognised as revenue when Council obtains control of the assets and there is sufficient data available to determine the specifications. Non-cash contributions with a value in excess of Council's recognition threshold are recognised as a non-current asset. Those below the threshold are recorded as an expense.

**(iv) Grants received for capital purposes**

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

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

**Recurrent**

Contributions received for operating purposes	322	165
Subsidies and grants received for operating purposes	24,208	18,862
	<u>24,530</u>	<u>19,027</u>

**Capital**

Contributions received for capital purposes	17,272	10,162
Grants received for capital purposes	63,064	155,465
	<u>80,336</u>	<u>165,627</u>

**Note 4 Expenses**

	Note	2021 \$000	2020 \$000
<b>(a) Employee benefits</b>			
Total staff wages and salaries		131,302	134,678
Councillors' remuneration		1,461	1,477
Superannuation		15,600	15,369
Termination benefits		396	336
		<u>148,759</u>	<u>151,860</u>
Other employee related expenses		3,894	5,688
		<u>152,653</u>	<u>157,548</u>
Less: Capitalised employee expenses		(15,849)	(19,954)
		<u>136,804</u>	<u>137,594</u>

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

**Total Council employees at the reporting date:**

Elected members	11	11
Indoor staff	837	886
Outdoor staff	666	685
Total full-time equivalent employees	<u>1,514</u>	<u>1,582</u>

**(b) Materials and services**

Accommodation services	7,826	7,211
Administration supplies and consumables	12,465	13,246
Audit of annual financial statements by the Auditor-General of Queensland	283	291
Bulk water supply	11,634	9,915
Contractors and service providers	24,661	18,504
Electricity	10,345	11,762
Employee related costs	3,352	3,963
Equipment and tools	5,278	5,110
Information technology and communications	12,832	10,633
Insurance	4,767	4,126
Marketing and promotion	4,459	4,170
Other materials and services	3,679	11,650
Other utilities	260	200
Repairs, maintenance and construction	23,638	18,199
Vehicle and plant operating costs	9,826	12,264
Total state waste levy payment	11,933	12,644
Waste levy rebate*	(5,936)	-
	<u>141,302</u>	<u>143,888</u>
Less: capitalised materials and services	(2,829)	(5,092)
	<u>138,473</u>	<u>138,796</u>

\*The State Government provided a rebate of \$5,935,992 to mitigate the direct impacts of the state waste levy on households.

	Note	2021 \$000	2020 \$000
<b>(c) Depreciation and amortisation</b>			
Property, plant and equipment	7	121,007	120,097
Intangible assets		3,227	2,102
Right-of-use assets	9	2,829	2,711
		<u>127,063</u>	<u>124,910</u>
<b>(d) Finance costs</b>			
Interest and finance charges on loans from Queensland Treasury Corporation		18,776	20,267
Unwinding of discounted provision for landfill restoration provisions		488	786
Impairment of receivables		447	130
Interest on leases		218	262
		<u>19,929</u>	<u>21,445</u>
<b>(e) Capital expenses</b>			
Loss on sale/disposal of property, plant and equipment		2,793	12,849
Revaluation decrement of property, plant and equipment		-	1,724
Impairment losses on property, plant and equipment		3	1,088
		<u>2,796</u>	<u>15,661</u>

## Note 5 Cash and cash equivalents

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

Cash at bank and on hand	1,945	836
Deposits at call	182,518	109,514
Balance per Statement of Cash Flows	<u>184,463</u>	<u>110,350</u>

### Cash not available for general use

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

#### Externally imposed expenditure restrictions at the reporting date

Unspent contributions, government grants and subsidies	20,099	24,695
Unspent government grants received in relation to Council's water security program (including Haughton Pipeline Duplication Project)	23,273	36,110
Unspent loan monies	29,491	-
	<u>72,863</u>	<u>60,805</u>

#### Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	3,204	1,816
Townsville City Council Mayor's Christmas Tree Appeal	2	1
	<u>3,206</u>	<u>1,817</u>

In accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Council performs only a custodial role in respect of these monies. As these funds cannot be used by Council, they are not brought to account in these financial statements.

## Note 6 Receivables

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

Debts are regularly assessed for collectability and an allowance is made for impairment where appropriate. All known bad debts were written off at 30 June 2021. Subsequent recoveries of amounts previously written off are recognised as income.

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

	Note	2021 \$000	2020 \$000
<b>Current</b>			
Rates and utilities		17,647	29,762
Fees and charges		4,989	7,499
Less: loss allowance	19	(734)	(937)
Water charges not yet levied		11,529	12,626
Other receivables		5,052	3,696
		<u>38,483</u>	<u>52,646</u>
<b>Non-current</b>			
Community organisations		<u>2,335</u>	<u>2,337</u>

Interest is charged on outstanding rates and utilities at 8.53% per annum from 1 July 2020. No interest is charged on other debtors. There is no concentration of credit risk for rates and utilities charges, fees and other debtor receivables.

## Note 7 Property, Plant and Equipment

### (a) Recognition

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

### (b) Measurement

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

Cost is determined as the fair value of consideration plus costs incidental to the acquisition.

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

Property, plant and equipment received in the form of contributions, for significantly less than fair value or as offsets to infrastructure charges, are recognised as assets and revenue at fair value.

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised against asset revaluation surplus.



(c) Depreciation

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

Land, work in progress, certain cultural and heritage assets with heritage listing, road formations and formation works associated with the construction of dams, levee banks and reservoirs are not depreciated. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

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

(d) Valuation

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

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

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was taken through the income statement. In that case the increase is taken to the income statement to the extent of the previous decrease. Revaluation decreases are recognised in the asset revaluation surplus, where there are sufficient amounts available in the asset revaluation surplus relating to that asset class. Where the surplus does not have sufficient amounts available, the decrease is recognised in the Statement of Comprehensive Income. Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the Statement of Comprehensive Income.

Fair values are classified into three levels as follows:

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

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

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

(e) Valuation techniques used to derive fair value

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Current year fair value assessments
Buildings (level 2) 2021: \$36,153,000 2020: \$35,571,000	Market value	31-Mar-19	Knight Frank (Adam Reguson CPV No. 2215)	Significant inputs include estimated net rental per square meter and associated capitalisation rate, valued at the highest and best use. Other inputs include sale prices of comparable properties adjusted for differences in key attributes such as property size	No change has been made to asset values.
Buildings (level 3) 2021: \$166,642,000 2020: \$170,372,000	Current replacement cost	30-Jun-19	APV Valuers & Asset Management (Josh Franklin CPV No. 4079)	These buildings are deemed of specialist nature with no active market or are situated on reserve land. The condition of these buildings considers both physical characteristics as well as holistic factors such as functionality, capability, utilisation, and obsolescence.	No change has been made to asset values.
Dam and weirs, and fixed plant (level 3)	Current replacement cost	30-Jun-19	Northern Water Management Pty Ltd (Jeff Ballard RPEQ No. 6854)	The valuation process incorporates the determination of unit rates by reference to data contained in Rawlinson's Construction Cost Guide (Rawlinson's), an assessment of Council's internal and external costings, manufacturer's specifications, and other relevant data.	No change has been made to asset values.
Land (level 2)	Market Value	31-Mar-19	Knight Frank (Adam Reguson CPV No. 2215)	Sales prices of comparable land sites in proximity are adjusted for differences in key attributes, such as property size. The most significant inputs into this valuation approach are price per square metre. Land was valued for its highest and best use. Reserve land held by Council as trustee for the Queensland Government is not valued.	No change has been made to asset values.
Land improvements (level 3)	Current replacement cost	01-May-20	GHD (S. Orr RPEQ No. 13649)	Industry standard cost guides, project costs from recently completed projects, manufacturers specifications and other data. There is a substantial number of low value assets within this class, sampling methods were applied to determine those asset values.	No change has been made to asset values.
Pipe networks – water, wastewater, and stormwater (level 3)	Current replacement cost	30-Jun-19	Northern Water Management Pty Ltd (Jeff Ballard RPEQ No. 6854)	Valuation is performed by application of standardised unit rates. Rates are determined by usage, material, depth, length and size. Secondary factors include ground conditions, construction cost indexes such as Rawlinson's, manufacturer specifications, local contractor cost data and current best practice. Limitations on access to individual pipes caused by location or methodology are not incorporated into standardised rates.  CCTV inspection data currently does not cover a statistically significant portion of the water pipe network each year, accordingly condition data derived from the CCTV images is not applied to remaining life for the network.	No change has been made to asset values.
Transport network – Roads (level 3)	Current replacement cost	30-Jun-19	Barnwell Resources Pty Ltd (Graham John Jordan RPEQ No. 3305). Rates only.	Valuation is performed by application of standardised unit rates. All road sections are componentised into formation, pavement sub-base, pavement base, surface, kerbs, barriers, road furniture and pathways. It is assumed that design and construction is to the same standard and uses a consistent amount of labour and materials across each section. Environmental factors such as soil type, climate and topography are assumed to be consistent across each section. Condition assessment conforms to AustRoads technical network assessment papers 2011-2018.	No change has been made to asset values.

## Notes to the Financial Statements for the year ended 30 June 2021

Note 7 Property, Plant and equipment  
Townsville City Council - 30 June 2021

Basis of measurement

## Asset values

	Buildings	Dams and weirs	Fixed plant	Cultural and heritage	Land	Land improvements	Landfills	Pipe network	Plant and equipment	Transport network	Assets under construction	Total
	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Cost	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening gross value as at 1 July 2020	251,719	520,623	889,806	17,326	336,567	141,724	58,552	2,255,589	182,118	2,485,580	470,494	7,610,098
Additions	-	-	-	-	-	108	4,640	419	47	2,188	134,965	142,367
Disposals	(4,133)	-	-	-	-	(735)	(10,970)	-	(6,435)	(2,079)	-	(24,352)
Revaluation adjustment to asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to Statement of Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between classes - capitalised assets	3,595	-	74	13	-	959	-	3,831	12,441	14,584	(35,497)	-
<b>Closing gross value as at 30 June 2021</b>	<b>251,181</b>	<b>520,623</b>	<b>889,880</b>	<b>17,339</b>	<b>336,567</b>	<b>142,056</b>	<b>52,222</b>	<b>2,259,839</b>	<b>188,171</b>	<b>2,500,273</b>	<b>569,962</b>	<b>7,728,113</b>

## Accumulated depreciation and impairment

Opening balance as at 1 July 2020	(45,776)	(162,842)	(308,049)	-	(1,582)	(54,104)	(38,804)	(1,036,535)	(101,159)	(704,368)	-	(2,453,219)
Depreciation provided in period	(4,859)	(3,622)	(20,730)	-	-	(6,063)	(1,543)	(30,009)	(13,179)	(41,002)	-	(121,007)
Depreciation on disposals	2,249	-	-	-	-	359	-	-	5,660	1,218	-	9,486
Revaluation adjustment to asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to Statement of Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Impairment adjustment to income	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between classes / intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation and impairment as at 30 June 2021</b>	<b>(48,386)</b>	<b>(166,464)</b>	<b>(328,779)</b>	<b>-</b>	<b>(1,582)</b>	<b>(59,808)</b>	<b>(40,347)</b>	<b>(1,066,544)</b>	<b>(108,678)</b>	<b>(744,152)</b>	<b>-</b>	<b>(2,564,740)</b>

## Total written down value as at 30 June 2021

	202,795	354,159	561,101	17,339	334,985	82,248	11,875	1,193,295	79,493	1,756,121	569,962	5,163,373
Range of estimated useful life in years	5 - 180	10 - 150	3 - 150	150+	-	3 - 100	3 - 48	7 - 150	3 - 33	4 - 150	-	-

## Additions including reallocations from VIP to asset class:

Renewals	4,424	-	13,596	54	-	3,916	83	21,205	11,257	20,284	-	74,819
Other additions	1,018	179	16,776	-	12	7,295	10,757	22,750	1,181	7,580	-	67,548
Total capital expenditure, contributed assets, and assets not previously recorded	5,442	179	30,372	54	12	11,211	10,840	43,955	12,438	27,864	-	142,367

## Asset revaluation surplus

Opening balance at 1 July 2020	22,409	(1)	114,529	6,474	-	-	-	1	-	752,962	-	896,374
Asset revaluation movement	(10)	1	(3)	-	-	-	-	(1)	-	-	-	(13)
<b>Closing balance at 30 June 2021</b>	<b>22,399</b>	<b>-</b>	<b>114,526</b>	<b>6,474</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>752,962</b>	<b>-</b>	<b>896,361</b>

**Note 7 Property, Plant and Equipment**  
**Townsville City Council - 30 June 2020**

Basis of measurement

**Asset values**

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

## Note 8 Contract balances

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

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

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

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

	2021 \$000	2020 \$000
<b>Contract assets</b>		
Works For Queensland	3,715	4,120
Building Our Regions	-	2,000
Illich Park Precinct Upgrade Stage 2	-	1,261
Reid Park Active Transport Bridge	-	1,107
Building Better Regions	-	1,105
Other	440	329
	<u>4,155</u>	<u>9,922</u>
<b>Contract liabilities</b>		
Haughton Pipeline Duplication Project	20,615	34,967
Disaster Recovery Funding Arrangement	5,001	17,897
Local Roads and Community Infrastructure	3,032	-
Environmental Recovery Package	2,776	2,477
Local Road Network	2,073	-
Lansdown Eco-Industrial Precinct Upgrade	1,200	-
Water Smart Package	-	1,143
Other	2,734	2,267
	<u>37,431</u>	<u>58,751</u>

## Note 9 Leases

### Council as a lessee

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

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

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



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

#### Terms and conditions of leases

##### (i) Buildings

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

##### (ii) Plant and equipment

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

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

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

Right-of-use assets	Buildings \$000	Plant and Equipment \$000	Total \$000
Balance at 1 July 2020	12,103	618	12,721
Additions to right-of-use assets	393	271	664
Adjustments due to remeasurements	(192)	-	(192)
Depreciation charge	(2,443)	(386)	(2,829)
Disposal of right-of-use assets	-	(8)	(8)
<b>Balance at 30 June 2021</b>	<b>9,861</b>	<b>495</b>	<b>10,356</b>
Adoption of AASB 16 at 1 July 2019	14,455	977	15,432
Depreciation charge	(2,352)	(359)	(2,711)
<b>Balance at 30 June 2020</b>	<b>12,103</b>	<b>618</b>	<b>12,721</b>

#### Lease liabilities

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

	< 1 year \$000	1-5 years \$000	> 5 years \$000	Total \$000	Total per Statement of Financial Position \$000
30 June 2021	2,469	6,809	2,286	11,564	10,917
30 June 2020	2,823	7,350	4,045	14,218	13,371

#### Liabilities not recognised

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

**Townsville City Council**  
**Notes to the Financial Statements for the year ended 30 June 2021**

**Amounts included in the Statement of Comprehensive Income related to leases**

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

	Note	2021 \$000	2020 \$000
Interest on lease liabilities		218	262
Depreciation of right-of-use assets		2,829	2,711
Expenses relating to short term leases		301	191
Expenses relating to low value assets		48	46
		<u>3,396</u>	<u>3,210</u>
Total cash outflows for leases (including short term and low value leases)		<u>3,462</u>	<u>3,041</u>

**Leases at significantly below market value – Concessionary / peppercorn leases**

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

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

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

**Note 10 Payables**

Payables are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30-day terms. In 2019/20, Council continued its commitment to pay supplier invoices within 14 days to support local businesses in response to COVID-19.

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

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

**Current**

Trade payables	13,453	16,615
Annual leave	16,208	15,915
Accrued expenses	28,886	33,376
Prepaid rates	18,703	17,373
Sundry payables	6,564	7,039
	<u>83,814</u>	<u>90,318</u>

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**Note 11 Borrowings**

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

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

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

	Note	2021 \$'000	2020 \$'000
<b>Current</b>			
Loans - Queensland Treasury Corporation		39,542	32,879
<b>Non-current</b>			
Loans - Queensland Treasury Corporation		347,150	335,950
<b>Total borrowings</b>	19	<u>386,692</u>	<u>368,829</u>

The loan market value at the reporting date was \$439,808,754. This represents the value of the loans if Council repaid the loans as at reporting date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these financial statements.

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

The interest rates on borrowings range from 1.385% to 8.352% for book value rates.

#### Undrawn facilities

Council holds an ongoing working capital facility of \$100 million for the purpose of managing the financial impacts associated with COVID-19. At reporting date, the facility was fully undrawn.

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

Bank overdraft facility	500	500
Purchase card facility	1,800	1,783
Working Capital Facility - Queensland Treasury Corporation	100,000	100,000
	<u>102,300</u>	<u>102,283</u>

#### Note 12 Provisions

##### Current

Self-insurance	709	1,054
Landfill restoration	620	9,322
Long service leave	14,488	13,934
Other	1,697	2,893
	<u>17,514</u>	<u>27,203</u>

##### Non-current

Self-insurance	2,640	2,936
Landfill restoration	26,325	27,910
Long service leave	2,733	2,876
	<u>31,698</u>	<u>33,722</u>

#### (a) Landfill restoration

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

The provision represents the present value of the anticipated future costs associated with the closure of landfill sites in accordance with environmental licence conditions. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates in line with Townsville 2021-2026 Corporate Plan, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

The total projected cost of \$33,638,800 is expected to be incurred between 2022 and 2071. The amount excludes rehabilitating landfill cells on existing sites that are yet to be constructed or used, but which are in the current site plan.

**(b) Long service leave**

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

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

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

	Note	2021 \$000	2020 \$000
Long service leave obligations expected to be settled after 12 months		14,761	14,479

**(c) Movements**

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

	Self-insurance \$000	Landfill restoration \$000	Other \$000
Balance at beginning of financial year	3,990	37,232	2,893
Additional provisions raised during the year	-	4,799	-
Amounts used	(436)	(4,534)	(1,184)
Unused amounts reversed	(205)	(10,969)	-
Increase/(decrease) in provision due to unwinding of discount	-	500	(12)
Decrease in provision due to change in discount rate	-	(83)	-
Balance at end of financial year	3,349	26,945	1,697

**Note 13 Asset revaluation surplus**

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

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

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

Asset revaluation surplus	7	896,361	876,374
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## Note 14 Commitments for expenditure

### Capital expenditure commitments

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

	2021 \$000	2020 \$000
Water treatment plant refurbishment	26,293	2,104
Water pipeline project	9,753	26,473
Open space upgrade	8,603	6,013
Dams and weir renewals	5,390	-
Wastewater facility improvements	3,509	999
Road upgrades	1,716	2,198
Resource recovery and waste disposal	1,577	8,924
Fleet upgrades	943	2,464
Operational buildings and depots	522	299
Information technology upgrades	164	1,650
Laboratory upgrade	34	4,789
Work for Queensland projects	31	2,778
Gallery and Theatre recovery works	19	1,724
Pool redevelopment projects	10	3,276
Southern suburbs wastewater pipe	-	8,585
Cleveland Bay purification plant upgrade	-	385
Other	3,094	2,515
	<u>61,658</u>	<u>75,176</u>

## Note 15 Contingent liabilities

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

### Guarantees

Workers' compensation self-insurance guarantees	5,907	5,907
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WorkCover Queensland authorities require guarantees against workers' compensation self-insurance liabilities. The guarantee is based on independent actuarial advice of the estimated liability. An actuarial assessment of the Council workers' compensation claims liability performed on 9 August 2021 has estimated the required self-insurance guarantee be \$4,644,000. Guarantees held at each balance date do not always equal the liability at these dates. This is due to delays in issuing the guarantees or Council opting to maintain the existing guarantee amount.

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

### Claims

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

At the time of preparation of this report, the financial statements for 30 June 2021 of LGM Queensland were not available. As at 30 June 2020 the financial statements reported an accumulated surplus of \$74,664,079 and it was not anticipated any liability would arise.



## Note 16 Superannuation

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

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the Council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations but has not been recognised as an asset or liability of Council.

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

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of any events since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

The next triennial actuarial review is due 1 July 2021.

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

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

	2021	2020
	\$000	\$000
Superannuation contributions made to the Regional Defined Benefits Fund	661	704
Other superannuation contributions for employees	14,901	14,665
Total superannuation contributions paid by Council for employees	15,562	15,369

**Note 17 Reconciliation of net result to net inflow (outflow) from operating activities**

	2021 \$000	2020 \$000
<b>Net result for the year</b>	82,146	195,739
<b>Non-cash and non-operating items:</b>		
Depreciation and amortisation	127,063	124,910
Increases in value from asset adjustments	-	(40,429)
Impairment losses on property, plant and equipment	3	1,088
Revaluation decrement of property, plant and equipment	-	1,724
Change in future rehabilitation and restoration costs	6,170	(11,721)
Lease interest on right-of-use assets	218	262
Grants and contributions received for constructing assets	(62,818)	(109,246)
Net loss on sale of non-current assets	2,774	12,843
Fair value gain on contributions of assets	(2,606)	(8,352)
Change in accounting policy	-	(128,820)
<b>Changes in operating assets and liabilities:</b>		
(Increase)/decrease in receivables	14,162	(8,410)
(Increase)/decrease in inventories	184	(428)
(Increase)/decrease in contract assets	5,767	(9,922)
(Increase)/decrease in other assets	634	346
Increase/(decrease) in payables	16,477	(9,649)
Increase/(decrease) in provisions	(11,714)	11,709
Increase/(decrease) in contract liabilities	(21,320)	58,751
Increase/(decrease) in other liabilities	(16,320)	(499)
<b>Net cash flows from operating activities</b>	<b>140,820</b>	<b>79,896</b>

**Note 18 Events after the reporting date**

There were no material events after the reporting date.

**Note 19 Financial instruments and financial risk management**

**(a) Financial assets and liabilities**

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

**Financial assets**

Cash and cash equivalents

Receivables - measured at amortised cost

**Financial liabilities**

Payables - measured at amortised cost

Borrowings - measured at amortised cost

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

**(b) Financial risk management**

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

### (c) Credit risk

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

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

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

Council has no significant concentration of credit risk with respect to any single counterparty or entity of counterparties other than those receivables where an allowance for impairment has been specifically provided for. The following table details Council's receivables exposed to credit risk with ageing analysis and impairment provided for thereon.

Financial assets	Gross amount	Impaired	Within initial trade terms	Past due (days overdue)			
				<30	31-60	61-90	>90
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>30 June 2021</b>							
Rates and utilities, fees and charges	22,636	(734)	4,615	447	360	114	17,100
Loans and advances to community organisations	2,335	-	2,335	-	-	-	-
Water charges not yet levied	11,529	-	11,529	-	-	-	-
Other receivables	5,052	-	5,052	-	-	-	-
<b>Total</b>	<b>41,552</b>	<b>(734)</b>	<b>23,531</b>	<b>447</b>	<b>360</b>	<b>114</b>	<b>17,100</b>

### (d) Liquidity risk

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

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

The following table sets out the liquidity risk of financial liabilities (excluding lease liabilities – refer Note 9) held by Council. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows (principal and interest) at balance date:

Financial liabilities	Within 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$000	\$000	\$000	\$000	\$000
<b>30 June 2021</b>					
Payables	83,814	-	-	83,814	83,814
Loans - Queensland Treasury Corporation	56,277	192,081	233,849	482,207	386,692
	<b>140,091</b>	<b>192,081</b>	<b>233,849</b>	<b>566,021</b>	<b>470,506</b>
<b>30 June 2020</b>					
Payables	90,318	-	-	90,318	90,318
Loans - Queensland Treasury Corporation	50,914	184,964	243,618	479,496	368,829
	<b>141,232</b>	<b>184,964</b>	<b>243,618</b>	<b>569,814</b>	<b>459,147</b>

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

#### (e) Market risk

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

#### Interest rate risk

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

Council does not undertake any hedging of interest rate risk.

#### Sensitivity analysis of cash balances

Sensitivity analysis depicts what effect a reasonable possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values of cash balances at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period. If the rates increased by 1% the impact would be an increase in profit of \$1,844,426 (2020: \$1,100,410), an equal amount in the reverse direction is possible for a decrease in rates.

#### Note 20 National Competition Policy

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

- water and sewerage
- waste management
- performing arts

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

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

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

	Water and sewerage 2021 \$000	Waste management 2021 \$000	Performing arts 2021 \$000
Revenue for services provided to the Council	23,945	13,474	-
Revenue for services provided to external clients	184,847	39,353	1,501
Community service obligations	3,302	297	-
	<b>212,094</b>	<b>53,124</b>	<b>1,501</b>
Less: Expenditure	(133,822)	(39,327)	(7,268)
<b>Surplus/(deficit)</b>	<b>78,272</b>	<b>13,797</b>	<b>(5,767)</b>

Description of CSOs provided to business activities:

Activities	CSO Description	Net cost \$000
Townsville Water	Concessions on water and wastewater utility charges	3,302
Townsville Waste	Concessions on landfill charges, community clean-up events and other waste services	297

## Note 21 Transactions with related parties

### (a) Transactions with Townsville Breakwater Entertainment Centre Joint Venture

	2021 \$	2020 \$
Payment of working capital required under management agreement	359,560	210,000
Contribution towards Townsville Breakwater Entertainment Centre assets	95,521	169,519
Building and property insurance	80,308	-
Other minor expenditure	19,450	-
	<b>554,839</b>	<b>379,519</b>

### (b) Key management personnel compensation (KMP)

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

Short-term employee benefits	3,065,527	3,151,785
Post-employment benefits	297,846	322,210
Long-term employee benefits	26,113	29,410
Termination benefits	258,000	-
	<b>3,647,486</b>	<b>3,503,405</b>

### (c) Transactions with other related parties

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

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

At 30 June 2021, Council employed 1,514 employees of which one was a close family member of key management personnel. This employee was employed under normal recruitment processes and paid in accordance with Council's certified agreement.



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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Townsville City Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Townsville City Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2021, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

#### Basis for opinion

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

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

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

#### Other information

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

At the date of this auditor's report, the available other information in Townsville City Council's annual report for the year ended 30 June 2021 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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



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

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

### **Responsibilities of the councillors for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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



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

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


#### **Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

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

#### **Prescribed requirements scope**

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the *Local Government Regulation 2012*. The applicable requirements include those for keeping financial records that correctly record and explain the council's transactions and account balances to enable the preparation of a true and fair financial report.



Sri Narasimhan  
as delegate of the Auditor-General

6 October 2021

Queensland Audit Office  
Brisbane

## Townsville City Council

### Current Year Financial Sustainability Statement

#### Measures of financial sustainability

Council's performance at 30 June 2021 against key financial ratios and targets:

	Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
How the measure is calculated	Net result (excluding capital items) divided by total operating revenue (excluding capital items)*	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense (excluding non-infrastructure assets)	Total liabilities less current assets divided by total operating revenue (excluding capital items)
Target	between 0% and 10%	greater than 90%	not greater than 60%
Actual	1%	59%	79%

#### Note 1 Basis of preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2021.

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

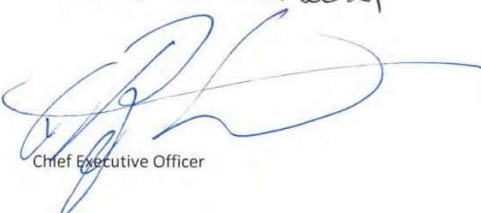
#### Certificate of Accuracy for the year ended 30 June 2021

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

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

  
Mayor

Dated this 5 day of OCT 2021

  
Chief Executive Officer

Dated this 5 day of OCTOBER 2021



## INDEPENDENT AUDITOR'S REPORT

To the councillors of Townsville City Council

### Report on the current-year financial sustainability statement

#### Opinion

I have audited the accompanying current-year financial sustainability statement of Townsville City Council for the year ended 30 June 2021, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Townsville City Council for the year ended 30 June 2021 has been accurately calculated.

#### Basis of opinion

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

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

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

#### Emphasis of matter – basis of accounting

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

#### Other Information

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

At the date of this auditor's report, the available other information in Townsville City Council's annual report for the year ended 30 June 2021 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current-year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.



However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

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

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

#### **Responsibilities of the councillors for the current-year financial sustainability statement**

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

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

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

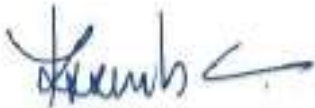
My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

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

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

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

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



Sri Narasimhan  
as delegate of the Auditor-General

6 October 2021

Queensland Audit Office  
Brisbane

## Townsville City Council

### Long Term Financial Sustainability Statement

#### Measures of financial sustainability

How the measure is calculated	Operating surplus ratio		Asset sustainability ratio		Net financial liabilities ratio	
	Net result (excluding capital items) divided by total operating revenue (excluding capital items)		Capital expenditure on the replacement of assets (renewals) divided by depreciation expense (excluding non-infrastructure assets)		Total liabilities less current assets divided by total operating revenue (excluding capital items)	
Actual projected for the years ended	Target	between 0% and 10%	greater than 90%		not greater than 60%	
30-Jun-21		1%	59%		79%	
30-Jun-22		0%	85%		101%	
30-Jun-23		0%	97%		102%	
30-Jun-24		1%	50%		89%	
30-Jun-25		2%	52%		77%	
30-Jun-26		4%	70%		70%	
30-Jun-27		5%	66%		60%	
30-Jun-28		5%	65%		50%	
30-Jun-29		5%	72%		39%	
30-Jun-30		5%	54%		29%	

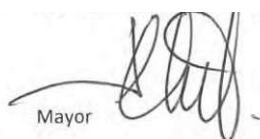
#### Financial management strategy

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

#### Certificate of Accuracy for The Long-Term Financial Sustainability Statement Prepared as at 30 June 2021

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

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

  
Mayor

Dated this 5 day of Oct 2021

  
Chief Executive Officer

Dated this 5 day of OCTOBER 2021



# Our Governance



## Enterprise Risk Management

Being the first line of connection to the Townsville community, Council continued to provide the management of risk the attention it deserves. The safety of staff and the community remained a key priority at Council. It is important for Council that “Everyone goes home safe today and every day”. Biannually, it is mandatory during the month of January and July, that all Council staff complete the Work Health and Safety online training module. Risk management continues to be a responsibility of all employees and an integral part of the management function.

Council's risk management approach is based on the International ISO 31000:2018 Risk Management Guidelines. Throughout 2020/21, Council continued to assess risk for any decision proposals, keeping any new and emerging risks on the radar.

## Strategic Risk Assessment

The 2020/21 Risk Management Plan includes a range of mitigation strategies designed to manage or reduce risk to an acceptable level, while utilising opportunities identified. During the year, to have more visibility to critical assets and balance the operational performance against the asset lifecycle cost, Council managed each critical water and wastewater asset risk as single entries in the risk register.

The newly adopted Townsville City Council Corporate Plan, Townsville 2021-2026 focuses on creating a globally connected community driven by lifestyle and nature and has triggered an update to the strategic risk register. This will allow the Council to prioritise and minimise risk as required to achieve strategic objectives. The review process will be finalised during the 2021/22 financial year.

Top challenges/risks faced by Council:

- asset deterioration and maintenance
- special skills deficits
- continued provision of services and community events while enforcing COVID-19 restrictions
- additional financial pressure to mitigate COVID-19 impacts

Top opportunities/strengths realised by Council:

- built strong partnerships and resilience
- provide stimulus to the community
- host historical events in the region

## Operational Risk Assessment

Quarterly operational risk assessments were completed. The consolidated list of risks, informed the Internal Audit planning process, supporting the Audit Committee function of monitoring Council's performance against high-risk areas.

## Fraud Risk Assessment

A comprehensive fraud risk assessment was completed in consultation with key stakeholders across the organisation. The Council has a Fraud Management Framework. During the year, 89% of staff and senior management completed the mandatory Fraud and Corruption Awareness training using the Learning Management System.

## Compliance Risk

During 2020/21, Council utilised the Local Government Association of Queensland Compliance tool across the business, to identify and reduce the risk of non-compliance to key compliance areas of legislative obligations. This ensures Council is in-line with legislation changes, remedying any breach that may occur and serves to raise awareness of the extensive range of legislative obligations of the Council among staff.

## Business Continuity Risk

Council has a Business Continuity Framework and a Business Continuity Management Policy. Council reviewed the Townsville City Council Business Continuity Plan and the related 17 sub plans for its critical business functions as scheduled during 2020/21. Throughout the year, Council continued to prioritise service delivery, ensuring the safety and wellbeing of its workers, the community, and the environment.

Of the staff that were identified with roles critical during interruptions, 88% and 93% completed the mandatory online Guardian IMS General and the Guardian IMS Advanced Guardian training respectively. Guardian IMS is a cloud-based program, which has been specifically designed and developed to operate as a disaster management incident system. During the year where required, the Guardian IMS system was used to transfer messages and information electronically and accessed automatically by staff operating on Council's network. This allowed personnel to contribute to recording, analysing, tasking, and managing of all disaster-related data.

## Policy Management

Council adopted one new policy in 2020/21 – City Activation and Jobs Growth Policy.

## Disclosure of Governance Performance

### Including a statement as to any breaches and/or corruption

The Townsville community relies on Council to do the right thing, and Council values its reputation for delivering services in an ethical and accountable manner. Council sections continued to work closely with one another to ensure a collaborative and proactive approach to driving Council's ethical standards. During the year, 92% of staff and senior management completed the mandatory face to face or toolbox Fraud and Corruption Awareness training. The Annual Code of Conduct training was completed by 94% of staff, and all new staff attended Fraud Awareness and Code of Conduct sessions during inductions.

Council investigates reported or suspected instances of fraud and other serious crime and misconduct, and maintains a focus on raising awareness of Council values and fostering ethical behaviour. Following assessment, four complaints were considered to be Crime and Corruption Commission-related.

During the 2020/21 financial year eight complaints were investigated by the Office of the Independent Assessor (OIA) regarding the conduct and performance of the Councillors. The OIA determined that all allegations did not warrant penalty, with five dismissed and three with no further action required. Details of the register can be found on Council's [website](#).

Council continues its commitment to the promotion of the public interest, and encourages and supports public interest disclosures of wrongdoing. During the 2020/21 financial year, Council finalised the implementation of the disclosure management system, ensuring timely and accurate management of all disclosures made to Council. All public interest disclosures made this financial year were investigated in a confidential manner and in accordance with Public Interest Disclosure (PID) Standard No. 2/2019. All disclosures were suitably reported to the Queensland Ombudsman Office and the relevant documentation recorded in accordance with PID Standard No. 3/2019.

## Openness and Transparency

As an open and transparent local government, Council makes information about activities available for community members in a range of formats using the Townsville [Dashboards](#). Townsville Dashboards is a digital platform to access high quality, current data, and insights about Townsville, informing, and enabling the Townsville community and those with an interest in investing in the region. Council continues to improve the Dashboard by implementing automation processes throughout 2020/21.



To comply with legislation and in the interest of openness and transparency, all Councillors are required to lodge a Register of Interests which can be viewed on the Council's public [website](#).

Prescribed Conflict of Interest (COIs) and Declarable Conflicts of Interest declared are recorded in the minutes of meetings.

Ordinary, special and standing committee meetings of Council are open to the public unless closed in accordance with Section 254J of the Local Government Regulation 2012. Once the deliberations are concluded in closed sessions, the meeting is re-opened to the public for a decision and the decision is placed on the public record. Due to COVID-19, meetings were held to comply with restrictions in place at the time and were closed to the public.

Ordinary Council and Special Council meetings are live streamed. Copies of the recordings are available on the Council's [website](#).

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

### Meeting Attendance

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

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

**Table 1 - Councillor meeting attendance**

	Ordinary Council	Special Council	Infrastructure Services	Planning and Development	Community Health, Safety and Environmental Sustainability	Community and Cultural Development	Business Services and Finance	Townsville Water and Waste	Sport and Recreation
<b>Number of meetings held</b>									
<b>Number of meetings attended</b>	12	3	10	10	10	10	10	9	5
Cr Jenny Hill	11	2	2	3	2	2	2	1	1
Cr Mark Molachino	11	3	9	9	-	-	4	8	-
Cr Margie Ryder	11	3	9	-	9	-	9	5	-
Cr Sue Blom	11	3	-	-	-	10	10	9	5
Cr Ann-Maree Greaney	11	3	-	10	10	10	-	-	-
Cr Russ Cook	11	3	-	10	10	-	-	9	5
Cr Suzy Batkovic	12	3	10	-	-	10	-	3	5
Cr Kurt Rehbein	11	3	9	-	6	9	9	-	-
Cr Maurie Soars	11	3	10	-	5	-	10	-	5
Cr Liam Mooney	12	3	-	10	-	10	-	3	5
Cr Fran O'Callaghan*	5	1	-	4	4	-	4	-	-
Cr Les Walker*	3	1	-	3	3	-	-	3	-

\*Part year tenure for Cr Les Walker ended on 23/11/2020. Part year tenure for Cr Fran O'Callaghan commenced 04/02/21.

## Standing Committees

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

At the Ordinary Council meeting of 27 January 2021, the Sport and Recreation Committee was dissolved, and its responsibilities combined with the Community Health, Safety and Environmental Sustainability Committee.

**Table 2 - Standing committees 27 January 2021 to 30 June 2021**

Planning and Development Committee	
<b>Functions:</b> <ul style="list-style-type: none"> <li>• Development Assessment</li> <li>• Strategic Planning</li> <li>• Infrastructure Planning</li> <li>• Economic Development</li> </ul>	<b>Services:</b> <ul style="list-style-type: none"> <li>• Assets and Hydraulics</li> <li>• Statutory Planning and Building Control</li> <li>• Urban Design</li> <li>• Planning Scheme</li> <li>• Heritage Planning</li> <li>• Community and Stakeholder Engagement</li> <li>• Strategy and Policy (planning recommendations and innovations)</li> </ul>
Townsville Water and Waste Committee	
<b>Functions:</b> <ul style="list-style-type: none"> <li>• Waste Services</li> <li>• Water Services</li> <li>• Wastewater Services</li> </ul>	<b>Services:</b> <ul style="list-style-type: none"> <li>• Solid Waste Collection, Treatment, Recycling and Disposal</li> <li>• Wastewater Treatment</li> <li>• Water Supply</li> <li>• Laboratory Services and Trade Services</li> </ul>
Community and Cultural Development Committee	
<b>Programs:</b> <ul style="list-style-type: none"> <li>• Inclusivity</li> <li>• Liveability</li> <li>• Arts</li> <li>• RADF</li> <li>• Libraries</li> <li>• Events</li> </ul> <b>Functions:</b> <ul style="list-style-type: none"> <li>• Community Engagement</li> <li>• Cultural Services</li> </ul>	<b>Services:</b> <ul style="list-style-type: none"> <li>• Cultural Services</li> <li>• Community Engagement</li> <li>• Community Programs</li> <li>• Community Development</li> <li>• Grants and Partnerships</li> <li>• Events (Special and Civic)</li> <li>• Venue Management</li> <li>• Libraries</li> <li>• Arts and Theatres</li> <li>• Sister Cities</li> </ul>

Community Health, Safety and Environmental Sustainability Committee	
<b>Functions:</b> <ul style="list-style-type: none"> <li>• Environmental Health</li> <li>• Regulatory Services</li> <li>• Environmental Services</li> <li>• Community Engagement</li> <li>• Community Programs</li> <li>• Community Development (Sport and Recreation)</li> </ul>	<b>Services:</b> <ul style="list-style-type: none"> <li>• Environmental Systems</li> <li>• Natural Resource Management</li> <li>• Integrated Sustainability and Resilience</li> <li>• Emergency Management</li> <li>• Food Safety</li> <li>• Public Health</li> <li>• Local Laws</li> <li>• Environmental Protection</li> <li>• Parking Enforcement</li> <li>• Resilience Planning</li> <li>• Community Safety</li> <li>• Building and Facilities Management (Sport and Recreation)</li> <li>• Open Space Planning and Management</li> </ul>
Infrastructure Services Committee	
<b>Functions:</b> <ul style="list-style-type: none"> <li>• Major Projects</li> <li>• Emergency Management</li> <li>• Infrastructure Planning and Fleet</li> <li>• Asset Management</li> <li>• Construction and Maintenance</li> </ul>	<b>Services:</b> <ul style="list-style-type: none"> <li>• Coastal Facilities</li> <li>• Drain and Stormwater Management</li> <li>• Open Space Management</li> <li>• Roads and Transport Management</li> <li>• Buildings and Facilities Management</li> <li>• Fleet Management</li> <li>• Disaster Management</li> <li>• Cemeteries</li> </ul>
Business Services and Finance Committee	
<b>Functions:</b> <ul style="list-style-type: none"> <li>• Information Technology</li> <li>• Finance</li> <li>• People and Culture</li> <li>• Legal Services</li> <li>• Procurement</li> </ul>	<b>Services:</b> <ul style="list-style-type: none"> <li>• Asset Management (Business Services)</li> <li>• Business Management</li> <li>• Financial Management and Contract Management</li> <li>• Governance and Legal</li> <li>• Information Technology</li> <li>• People</li> <li>• Safety</li> </ul>

## Governance of our Councillors

### Remuneration, Expenses and Facilities

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

The Commission has decided not to increase the maximum remuneration levels for Mayors, Deputy Mayors and Councillors from 1 July 2021. The levels will remain as set at the amounts fixed for 1 July 2020.

#### Remuneration

The table below outlines the remuneration received by Councillors in 2020/21 including exiting and joining Councillor information.

**Table 3 - Councillor remuneration**

Councillor	End Date	Start Date	Remuneration including Allowances (\$)	Superannuation* (\$)	Total (\$)
Cr Jenny Hill			208,117	24,974	233,091
Cr Mark Molachino			141,520	13,458	154,978
Cr Margie Ryder			131,812 <sup>1</sup>	14,984	146,796
Cr Sue Blom			124,869	14,984	139,853
Cr Ann-Maree Greaney			124,869	14,984	139,853
Cr Russ Cook			130,327 <sup>1</sup>	14,984	145,311
Cr Suzy Batkovic			124,869	14,984	139,853
Cr Kurt Rehbein			124,869	11,875	136,744
Cr Maurie Soars			138,194 <sup>1</sup>	14,984	153,178
Cr Liam Mooney			124,869	14,984	139,853
Cr Fran O'Callaghan		4/02/2021	51,333	5,994	57,327
<b>Councillors (departed during 2020/21 FY)</b>					
Cr Les Walker	23/11/2020		35,059	3,331	38,390

<sup>1</sup>Personal vehicle usage included

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

#### Expenses and Facilities

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

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

The **expenses incurred** by Councillors in the 2020/21 financial year are shown in the table below.

**Table 4 - Councillor expenses**

Councillor	Conferences & Seminars (\$)	Travel & Accommodation <sup>1</sup> (\$)	Printing & Advertising (\$)	Hospitality (\$)	Office & Administration Costs (\$)	Total (\$)
Mayor Jenny Hill	591	17,616	330	6,599	2,835	27,971
Cr Mark Molachino	230	14,622	1,271	5,283	2,127	23,533
Cr Margie Ryder	256	536	622	91	849	2,354
Cr Sue Blom	411	9,743	-	1,361	1,587	13,102
Cr Ann-Maree Greaney	394	11,687	237	2,837	2,023	17,178
Cr Russ Cook	314	8,013	1,885	1,838	1,452	13,502
Cr Suzy Batkovic	-	7,637	-	967	1,472	10,076
Cr Kurt Rehbein	1,839	1,294	550	916	2,187	6,786
Cr Maurie Soars	533	31	3,037	1,811	807	6,219
Cr Liam Mooney	50	8,067	523	1,457	2,216	12,313
Cr Fran O'Callaghan	117	-	622	-	133	872
<b>Councillors (departed during 2020/21 FY)</b>						
Cr Les Walker	36	2,808	324	4,050	682	7,900
<b>Total</b>	<b>4,771</b>	<b>82,054</b>	<b>9,401</b>	<b>27,210</b>	<b>18,370</b>	<b>141,806</b>

<sup>1</sup> Travel and Accommodation (includes motor vehicle)

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

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

There were minor amendments made to the Councillor Expense Reimbursement Policy and Councillor Facilities Policy during 2020/21 to accommodate legislative reforms.

## Conduct and Performance

Under s186(1) (d) (e) and (f) of the Local Government Regulation 2012, Council's Annual Report must contain details of any decisions, orders, recommendations, and complaints about Councillors during the financial year. Details for 2020/21 are outlined in Table 6.

**Table 5 - Conduct and performances of Councillors**

Conduct and performance of Councillors	Number received
Total number of orders made under s150I(2) of the <i>Local Government Act 2009</i>	0
Total number of orders made under s150AH(1) of the <i>Local Government Act 2009</i>	0
Total number of decisions, orders and recommendations made under s150AR(1) of the <i>Local Government Act 2009</i>	0
The name of each Councillor for whom a decision, order or recommendation was made under s 150I(2), s 150AH(1) or s 150AR(1) of the <i>Local Government Act 2009</i> , a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each Councillor, and a summary of the decision, order or recommendation made for each Councillor	0
The number of complaints referred to the assessor under s150P(2)(a) of the <i>Local Government Act 2009</i> by local government entities for the local government	0
The number of matters, mentioned in section 150P(3) of the <i>Local Government Act 2009</i> , notified to the Crime and Corruption Commission	0
The number of notices given under s150R(2) of the <i>Local Government Act 2009</i>	1
The number of notices given under s150S(2)(a) of the <i>Local Government Act 2009</i>	0
The number of decisions made under s150W(1)(a), (b) and (e) of the <i>Local Government Act 2009</i>	0
The number of referral notices accompanied by a recommendation mentioned in s150AC(3)(a) of the <i>Local Government Act 2009</i>	1
The number of occasions information was given under s150AF(4)(a) of the <i>Local Government Act 2009</i>	0
The number of occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the <i>Local Government Act 2009</i> for the local government, the suspected inappropriate conduct of a Councillor	0
The number of applications heard by the conduct tribunal about the alleged misconduct of a Councillor under Chapter 5A part 3 division 6 of the <i>Local Government Act 2009</i> .	0

### Overseas Travel

There have been no international travel expenses incurred by the Mayor, Councillors or employees during the financial year.

### Senior Management Remuneration

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

Total remuneration for these positions from 1 July 2020 to 30 June 2021 was \$1,607,800.

**Table 6 - Senior management remuneration**

Senior Executive Management	Total Remuneration value range (\$)
1	450,000 - 550,0000
3	350,000 - 450,0000

### Councillor Advisor Remuneration

Under schedule 4A of the Local Government Regulation 2012, Townsville City Council endorsed the appointment of one Councillor Advisor for the Mayor.

Total remuneration for this position from 1 July 2020 to 30 June 2021 was \$120,000.



## Public Sector Ethics

### Code of Conduct

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

Council provides Code of Conduct training annually to all staff, which incorporates the ethics principles and obligations under the *Public Sector Ethics Act 1994* and the five Principles under the *Local Government Act 2009*. Code of Conduct training is an essential component of Council's Corporate Compliance training program.

### Education and Training

Mandatory corporate inductions are provided face-to-face to all new employees, providing Council's new starters with an overview and awareness of their legislative Corporate Compliance obligations.

Committing to the highest standards as a public sector leader, Council continues to deliver Corporate Compliance training to all employees on a cyclical basis. The Corporate Compliance program includes delivering training to all employees in: Work Health and Safety every six months; General Evacuation, Code of Conduct, Fraud and Corruption, Bullying, Harassment and Sexual Harassment, Drugs and Alcohol, Manual Handling, Cyber Security, and Information Privacy and Right to Information training every 12 months; and Enterprise Risk Management and Equal Employment Opportunity training every 24 months.

### Procedures and Practices of Public Sector Entities

Council's Corporate Governance and management practices have proper regard to the *Public Sector Ethics Act 1994*. Council's policies, procedures and delegations of authority are monitored and regularly reviewed. Corporate Governance documents are provided to employees at commencement of employment, through ongoing training, as well as made available on Council's Intranet. Council's Code of Conduct was last reviewed in December 2020.

## Particular Resolutions

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

**Table 7 - Particular resolutions**

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

## Administrative Action Complaints

Council's commitment to fair, ethical and transparent complaint management was at the forefront of the 2020/21 complaints management system (CMS). Council continued the request ethos of raising a request for service followed by a complaint in accordance with the Complaints Management Policy. Council provides an open, accountable, and effective method of responding to complaints regarding its services, workers conduct and behaviour, Councillor conduct and performance, competitive neutrality and administrative actions. However, the Council is evaluating the effectiveness of this approach in accordance with advice received from the Queensland Ombudsman to ensure delivery of a superior CMS.

Council has seen an increase in complaints however there has also been a significant increase in the number completed and closed, particularly those from 2019/20. Further information regarding the CMS can be found on Townsville Dashboards.

**Table 8 - Administrative action complaints**

Classification	Number received			Number outstanding			Number resolved		
	2019/20**	2020/21		2019/20**	2020/21		2019/20**	2020/21	
Administrative action	496	670	↑	32	84	↑	515	586	↑
Competitive neutrality	-	-	↔	-	-	↔	-	-	↔
Conduct and performance of Councillors*	5	8	↑	-	-	↔	5	8	↑
Workers' behaviour and misconduct	90	102	↑	-	2	↓	28	176	↑
<b>Total</b>	<b>591</b>	<b>780</b>		<b>32</b>	<b>86</b>		<b>548</b>	<b>770</b>	

\*Complaints made in relation to Councillor conduct must be referred to the Office of the Independent Assessor.

\*\*Values indicate complaints during the 2019/20 financial year but still unresolved at the end of 2020/21 financial year.

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

## Right to Information and Information Privacy

Townsville City Council continues to make it easier for the public to access their information, maximise the publicly available corporate information and identify information that can be administratively released.

Council participated in Right to Information Day in September 2020 and Privacy Week in May 2021 through education campaigns for both staff and the public. A highlight of 2020/21 was the release of our first internally developed educational program publicly released as part of the Right to Information Day.

During 2020/21 Townsville City Council actively increased the identification and release of information through the Townsville Dashboards and administrative release mechanisms. Council saw a significant increase in documents released to applicants including the release of over 5000 documents. Applications included requests for building plans, personal information, and Council's CCTV and body worn camera footage. Council continues to publish a Disclosure Log on the [website](#) and will continue to provide these documents to any additional requesters.

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

**Table 9 - Right to information and information privacy**

Classification	Right to Information			Information Privacy		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Number received	36	24	46	5	10	7
Number finalised	30	14	35	5	10	4
Number withdrawn	1	5	9	3	-	1
Number Transferred*	-	-	1	-	-	1
Number of External Reviews Initiated	1	1	3	-	-	-

\*Transferred indicates the application was transferred to another agency

## List of Registers

Townsville City Council has several registers open to public inspection. The list can also be found on Council's [website](#).

1. Beneficial Enterprises
2. Register of Dogs
3. Restricted Dog Register
4. Regulated Dog Register
5. Licence Holder Register
6. Register of cost-recovery fees
7. Delegation Register
8. Development Application Register as Assessment Manager
9. Development Application Register as Referral Agency
10. Environmentally Relevant Activities application register
11. Exemption certificates register
12. Information Asset Register
13. Register of Infrastructure Charges Information
14. Major Contracts Register
15. Petition Register
16. Register of Private Certifier Applications
17. Register of Annual Returns under the EPA
18. Register of Assets and Gifts
19. A Designation Register of all Designations made by Local Government that are in effect.
20. Register of Councillor Conduct
21. Register of on-site Sewerage and Greywater Facilities
22. Register of Environmental Authorities including Surrendered, Suspended or Cancelled Authorities
23. Register of Impounded Animals
24. Register of Infrastructure Agreements
25. Register of Interim Land Use Plans under the EDA
26. Register of Local and Subordinate Local Laws
27. Register of PDA Development Applications under the EDA
28. Register of PDA Development Approvals under the EDA
29. Register of Permits and Inspection Certificate (under the Plumbing and Drainage Act)
30. Register of Provisional Land Use Plans under the Economic Development Act (EDA)
31. Register of Regulatory Fees
32. Register of Show Cause and Enforcement Notices (under the Plumbing and Drainage Act)
33. Register of Submitted Plans of Operation under the EPA
34. Register of the Testable Back Flow Devices
35. Roads Map
36. Statement of Interests Supplementary Information Electoral Donations

## Our Community Assistance

The **total value of community assistance** provided by Townsville City Council to the local community in 2020/21 was \$17,883,233.

**Table 10 - Community assistance provided by Council**

Activity	Description	Amount (\$)
Pensioner concessions on rates and charges	Concession offered to approved pensioners equivalent to 85% of the general rate, up to a maximum of \$800 per annum	5,609,900
Community Leases	Total annual estimated value provided to community groups including sporting clubs, theatre groups, scout groups and swimming pools	4,517,121 <sup>1</sup>
Water and wastewater concessions	Available for general utility charges where land use is considered to contribute to the social, cultural, economic or sporting welfare of the community	3,291,882
Economic Funding	Partnerships providing opportunity to: <ul style="list-style-type: none"> <li>• deliver economic uplift to the region</li> <li>• deliver increased tourism visitation and bed nights</li> <li>• deliver job opportunities for Townsville.</li> </ul> These may facilitate event attraction, strategic partnerships with local organisations that enhance the region and its opportunities or other multi-partner agreements with region wide impact.	1,745,374
Not-for-profit concessions on general rates	Calculations based on utility charges, concession policy and concessions schedule, concession levels stated in Operational Plan	1,452,811
Townsville City Grants and Partnerships Program, including Fee Waivers	Funding approved through the 'Community Grants and Partnerships Program' (details in table below)	778,815
Operational discounts, waivers and in-kind support	Support for community groups in the form of discounts, waivers and in-kind assistance	301,682
Community Support	Community support agreements, scholarships and awards	182,062
Community Photocopying Program	Free service provided to community organisations through CityLibraries Thuringowa. 35,862 copies for 44 community groups	3,586
<b>Total</b>		<b>17,883,233</b>

<sup>1</sup>Figure includes rent relief provided due to COVID-19

### Townsville City Grants and Partnerships Program

Townsville City Grants and Partnerships provides funding and in-kind support to help local non-profit community organisations in Townsville. Council recognises the tremendous work and contribution that community and not-for-profit organisations make in our community. The Grants and Partnerships Program helps to continue and enhance the impact community organisations are already having in the local Townsville area. The total value of the Townsville City Grants and Partnerships Program in 2020/21 was \$778,815.

**Table 11 - Townsville City Grants and Partnerships Program**

Program	Amount (\$)
Social Grants and Partnerships	551,220
Regional Arts Development Fund	99,831
Economic Grants and Partnerships	55,000
Fee Waivers	45,672
Mayor's Community Assistance Fund	11,827
Councillors' Discretionary Funds	10,270
Environmental Grants and Partnerships	4,995
<b>Total</b>	<b>778,815</b>

## Mayor's Community Assistance Grants

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

**Table 12 - Mayor's community assistance grants**

Organisation Name	Purpose	Amount (\$)
99.9 Live FM	Easter Treasure Trail	500
Australian Football League Townsville Umpires Association	Townsville Umpires 2020 Awards Night	450
Angel-Paws Incorporated Animal Rescue North Queensland	Angel-Paws Pledge and Walk	400
Bluewater Community Association Incorporated	Seniors' Day Out	500
Centacare North Queensland	School Savvy North Queensland	400
Coastal Dry Tropics Landcare Incorporated	Landcare Recognition Badges	400
Coral Sea Outrigging Canoe Club	BBQ Fundraiser	400
Galbiri Childcare and Preschool Centre Incorporated	Fundraising Educational Resources	400
James Cook University Medical Students' Graduation Committee Incorporated	Medicine Graduation - Student Lead	400
North Barrier Branch Surf Lifesaving Queensland	Vigilance and Service	400
Pallarenda Progress Association	Sundowners at Robertson	400
Queensland Country Women's Association Alligator Creek Branch	Gator Girls 5th Birthday Community Day	350
Ross River Athletics Association	Ross River Athletics Club - Club Nights	450
Ryan Catholic College	Year 12 Student - Council Award	100
Saints Netball Club Incorporated	Coach and Player Development Clinics	400
Soroptimist international of Townsville Incorporated	Mental Health Workshop for Women and Girls COVID Impact	400
St Margaret Mary's College	Townsville City Council Dux Award	100
St Patrick's College Townsville	St Patrick's College Townsville Speech Night	300
Sunfish North Queensland (branch) Incorporated	Kids Fishing Days (angler education)	500
The Oasis Townsville Limited	The Oasis Townsville Volunteer Recognition Program	493
The Pyjama Foundation	Townsville Volunteer of the Year Awards	500
The Townsville Eisteddfod Incorporated	2021 Townsville Eisteddfod	200
Thuringowa Combined Probus Incorporated	Luncheon to Celebrate Significant Wedding Anniversaries	400
Toomulla Beach Community Association Incorporated	Australia Day Event	250
Townsville Art Society Incorporated	Supply of Duress Alarm for Jezzine Gallery Volunteers	500
Townsville Castle Hill Touch Association Incorporated	Men's and Women's 1 Player of The Year Award	450
Townsville Cycle Club Incorporated	King and Queen of Castle Hill	400
Townsville Marksmen Rifle Club Incorporated	2021 Annual Open Competition	450
Townsville Outrigging Canoe Club	Steerers Paddle	485
Townsville Tiger Sharks Swimming Club	Awards	449
<b>Total</b>		<b>11,827</b>

## Councillor Discretionary Funds

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

**Table 13 - Councillor discretionary fund**

Councillor	Organisation Name	Purpose	Amount (\$)	Total (\$)
Cr Mark Molachino	Kelso State School Parents and Community Organisation	School Event Backdrop	250	750
	Moondarga Horse and Pony Club Incorporated	Moondarga Horse and Pony Club Competition Trophies	250	
	Scripture Union Queensland	Rasmussen State School Revegetation and Bush Tucker Garden	250	
Cr Margie Ryder	Alice River Anglers Incorporated	Presentation Night	250	2,320
	Alice River Community Association	Community Association Banner/signage	250	
	Bluewater Community Association Incorporated	Patches of Bluewater Craft Group	230	
	Bluewater Community Association Incorporated	Entertainment for August Markets	250	
	Bluewater State School Parents and Citizens	Bluewater State School Country Fair	250	
	Fishermans Landing Fishing and Social Club Incorporated	Children's Fishing Classic	200	
	Mrs Val Acton	Street Christmas Party	250	
	Ms Jenny Fleischer	Toolakea Residents BBQ	250	
	Northern Beaches United Football Club	Northern Beaches United Football Clun Presentation	250	
	Rollingstone and District Community Association Incorporated	Purchase of an Automatic Weather Station for Mystic Sands	140	
Cr Sue Blom	Ms Heidi Kern	Representative Sporting Trip	250	1,750
	Northern Beaches Cricket Club	Sign On Day, Social Cricket Match	250	
	Northern Beaches Suns Australian Football League Club Incorporated	Appliance Upgrade	250	
	Sensational Girls Network	Sensational Girls Network	250	
	Townsville Illegal Dumping Yobos	Clean-ups	250	
	Townsville Tiger Sharks Swimming Club	End of Season Awards	250	
	Zonta Club of Townsville Incorporated	Mastectomy Cushions for Cancer Patients	250	
Cr Ann-Maree Greaney	Community Gro	Community Christmas Party	200	1,200
	Horseshoe Bay Rural Fire Brigade	Health and Safety starts with us	250	
	Magnetic Island Community Development Association	Wildlife Carers Printing	250	
	Magnetic Island Network for Turtles	Chest Freezer for Magnetic Island Turtle Hospital	250	
	Townsville Outrigging Canoe Club	Safety Equipment in Shed	250	



Cr Russ Cook	Commercials Hockey Townsville	Training Equipment	250	1,000
	Project Booyah	Project Booyah Recreation Equipment	250	
	Regional Queensland Cat Club	Townsville Cat Show	250	
	Townsville Orchid Society Incorporated	Hall Cleanliness	250	
Cr Suzy Batkovic	Enkindle Village School	Townsville Illegal Dumping Yobos Signs	250	500
	Filipino-Australian Association of North Queensland Incorporated	Fil-Oz Sports Tournament	250	
Cr Kurt Rehbein	Coastal Dry Tropics Landcare Incorporated	Junior Landcare	250	1,500
	Kirwan Scout Group	Purchase of Paddles / Personal Floatation Device	250	
	Thuringowa Combined Probus Club	Purchase of Sound System	250	
	Townsville Citizens Band Association	Purchase of Tenor Horn Mouthpieces	250	
	Western Lions Rugby League Football Club	Canteen Sundry Items	250	
	Western Suburbs Tennis Club Incorporated	Security Light Smart Controls	250	
Cr Maurie Soars	Bolton Clarke Retirement Village	Christmas Spirit	250	750
	Mercy Community Services North Queensland Limited	Equipment for Circuit Class for Older Adults	250	
	Soroptimist International of Townsville Incorporated	International Women's Day Breakfast	250	
Cr Liam Mooney	Hermit Park State School Parents and Citizens Association	Hermit Park State School Yarning Circle Project	250	500
	Southern Cross Dolphins Community Club Incorporated	Pickleball Equipment	250	
Cr Fran O'Callaghan				-
			<b>Total Spent</b>	<b>10,270</b>

## Beneficial Enterprises

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

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

The city actively engages with entities through partnering or collaborative arrangements to achieve mutually beneficial outcomes for the city. Council participated in beneficial enterprises with the Townsville Breakwater Entertainment Centre Joint Venture during the 2020/21 financial year.

## National Competition Policy

Townsville City Council conducted the following significant business activities during the 2020/21 financial year:

- Townsville Water
- Townsville Waste Services

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

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

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

Note: No investigation notices were issued in 2020/21 by the Queensland Competition Authority for competitive neutrality complaints.

By resolution at the ordinary meeting held on 30 June 2020, Council adopted the following pricing structures for Townsville Water and Townsville Waste Services:

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

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

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

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

All existing significant business activities were conducted in 2020/21 and no new significant activities were conducted.

## Service, Facility or Activity

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

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

The only special rate Council charge is \$0 for the Nelly Bay Harbour, and it is not delivered by another local government.

## Details of Special Rates and Charges

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

Nelly Bay Harbour Development special rate levy is applied to maintaining water quality in the canals, dredging the canals, maintaining the rock walls around the canal area and maintaining the sediment basin in Gustav Creek. A special rate of zero cents in the dollar on the rateable value of the land applies to identified properties for the 2020/21 year.

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

The Rural Fire Brigade Annual Charge is levied on rateable lands serviced by the rural fire brigades listed below. The funds raised from this charge are provided to the voluntary rural fire services so they can acquire and maintain fire-fighting equipment, provide training to volunteers and to enable them to operate throughout the rural areas of the region.

**Table 14 - Rural fire levy**

Rural fire levy	(\$)		(\$)
Black River and Districts	35	Paluma	35
Bluewater	55	Purono Park	15
Bluewater Estate	35	Rangewood	55
Clevedon	40	Reid River	18
Crystal Creek	10	Rollingstone	50
Cungulla	40	Rupertswood	40
Horseshoe Bay	30	Saunders Beach	30
Lime Hills-Elliot	30	Toolakea	-
Majors Creek	25	West Point	15
Oak Valley	20		

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

## Concessions for Rates and Charges

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

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

### Pensioner Rate Concession

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

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

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

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

### Not-for-Profit Charitable Group Concession

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

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

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

## Number of Invitations to Change Tender

There were no reportable invitations to change tenders during the 2020/21 period.

## Report on Internal Audit

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

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

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

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

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

The internal audit unit applies a risk-based approach to its planning and audit activities by applying assurance mapping. An annual Internal Audit Plan is prepared based on Council's Consolidated Enterprise-Wide Risk Management plan and a range of other relevant sources of information including the Queensland Audit Office, state departments, Institute of Internal Auditors, and other local governments. The Council's Audit Committee reviews, approves and then monitors performance against this plan at meetings. For the year ended 30 June 2021, internal audit completed seven reviews across various sections of Council in accordance with the Internal Audit Plan.

These include activities in the following areas:

- Managing previously raised audit findings
- Opportunities to improve Audit Committee effectiveness
- Gallery collections
- Self-insurance claims
- Blue card management
- Timely completion of risk mitigation plans
- Expense reimbursements

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

Internal audit complies with Queensland Government legislative requirements for the conduct of internal auditing in addition to meeting the professional standards of the Institute of Internal Auditors. The Institute's standards require an External Quality Assessment at least every five years which Council last completed in March 2019.



## External Audit

Council is audited externally each year by the Queensland Audit Office (or their appointed contractors). During the 2020/21 financial year the annual external audit of Council's financial statements was conducted by the Queensland Audit Office.

## Audit Committee

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

The committee's role is to monitor and review:

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

During 2020/21 the Audit Committee considered reports relating to:

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

The Audit Committee monitored management progress on several areas in 2020/21, including:

- Asset management / utilisation
- Business Continuity and Disaster Management
- Commercial businesses and revenue systems
- Environmental management systems
- External audit issues raised by the Queensland Audit Office
- Fraud management
- Information technology
- Joint venture activities
- Planning and development
- Governance
- Procurement
- Project management
- Property management and leasing
- Purchase card management
- Request and complaints management
- Risk management
- Workplace, health and safety.

The Audit Committee meetings and the presentation of the minutes of the meeting minutes to Business Services and Finance Committee are tabled below.

**Table 15 - Audit committee meeting dates and presentation of minutes**

Audit Committee Meeting Date	Minutes Presented to Council
3 September 2020	Business Services and Finance Committee 15 October 2020
19 November 2020	Full Council 27 January 2021
18 February 2021	Business Services and Finance Committee 10 March 2021
27 April 2021	Business Services and Finance Committee 12 May 2021
25 May 2021	Business Services and Finance Committee 9 June 2021

The Audit Committee has four members, two independent of Council and two Councillors. Membership of the Audit Committee for the reporting period are tabled below.

**Table 16 - Audit committee memberships**

Name and Position	Qualifications and Memberships
Mr Geoff Haberfeld Independent Member and Chair of the Audit Committee	Fellow of the Australia Society of Certified Practising Accountants (FCPA), Graduate Member of the Australian Institute of Company Directors (GAICD), Bachelor of Arts, majoring in Economics. Independent consultant specialising in finance, governance, and risk. Over 30 years' experience as the senior finance executive in government business and policy agencies.
Ms Carolyn Eagle Independent Member of the Audit Committee	Certified Internal Auditor (CIA), Certified Government Auditor (CGAP), Certified Risk Management Auditor (CRMA), Member of the Association of Certified Fraud Examiners, Member of ISACA, Former State Councillor of the Institute of Internal Auditors, Professional Member of the Institute of Internal Auditors (PMIIA), Fellow of Chartered Accountants Australia and New Zealand (FCA), Bachelor of Commerce with majors in Financial Accounting and Organisational Management. Over 20 years' experience in professional firms providing audit and assurance services, specifically in the internal audit, risk management and governance field with a focus on public sector entities and large multidisciplinary corporates.
Cr Jenny Hill Mayor and Member of the Audit Committee	Bachelor of Science, Master in Public Health and Tropical Medicine, Member of Australian Institute of Company Directors. Cr Hill has over 20 years' experience as a scientist with mining companies, the Department of Primary Industries, James Cook University and Townsville Hospital. Master of Public Health and Tropical Medicine including studies in management, economics, and accounting with over 20 years' service in local government and in 2012 was elected as Townsville's first female Mayor.
Cr Margie Ryder Councillor and Member of the Audit Committee for the period 27 January 2021 to 30 June 2021	An experienced business owner as a partner in a family-owned engineering firm for over 25 years and owner of an events management company. A Diploma in Frontline Management and a Certificate in Events Management from QUT. A Councillor for the McKinley Shire Council for 10 years and a Councillor with the Townsville City Council since March 2016.
Cr Kurt Rehbein Councillor and Member of the Audit Committee for the period 1 July 2020 to 27 January 2021	Trade Certificate in Cabinetmaking, Certificate III in Dog Handling and Military Operations, Diploma in Fire and Rescue Operations and Public Safety. Prior to being elected to Council, Councillor Rehbein worked as a cabinetmaker, RAAF Military Dog Handler and as a fire fighter. He wants to help drive Townsville's economy through planning and teamwork, while focusing on keeping rates affordable and supporting local businesses and community groups.

# Townsville Water Annual Operations Report

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

## **Vision**

To be the leading Water Service provider in Northern Australia.

## **Mission**

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

## **Purpose of this report**

This Operations Report is designed to provide an overview of the operations and performance of Townsville Water for the 2020/21 financial year, as measured against its Annual Performance Plan.

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

## **Townsville Water Fast Facts**

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



### **Water**

- › Treated 47,136 megalitres of safe, high-quality potable water
- › Supplied water to 87,440 service connections in the Townsville region



### **Wastewater**

- › Treated 19,412 megalitres of wastewater
- › Serviced 75,818 residential, commercial and industrial properties
- › Serviced 2,431 trade waste customers



### **Assets**

- › Operates 2 major water storages
- › 4 water treatment plants
- › 6 wastewater treatment plants
- › 42 water reservoirs
- › 23 water pumping stations
- › 20 chlorinators
- › 191 sewage pump stations
- › 2,664 kilometres of water mains
- › 1,366 kilometres of sewer mains

## Assessment of Operations

Significant events and initiatives undertaken during the year are summarised below.

### New Laboratory

The new laboratory located adjacent to the Douglas Water Treatment Plant (DWTP) was officially opened in May 2021, following a \$5 million expansion. The technical team of six scientists and eight technicians and assistants provide a range of analysis services including per-and polyfluoroalkyl substances (PFAS), algal toxins, disinfection by-products, trace metals for water, saline waters and biosolids and extensive microbiological testing. Following this transformation, Council is looking to expand into areas such as hygiene and emerging environmental contaminants.

The laboratory also holds National Association of Testing Authorities (NATA) accreditation and is the only local government laboratory to hold PFAS testing accreditation, confirming its place amongst some of the country's leading laboratories.

### Water Discoloration

In February 2021, Townsville experienced a discoloured water supply. This temporary discolouration was caused by manganese in the treated water supply. The manganese was released from the bottom sediments of Ross River Dam due to a low dissolved oxygen environment caused by the lifecycle of the Blue Green Algae bloom.

The discolouration event was temporary and mitigated by water intake levels at Ross River Dam and enhanced treatment processes at the DWTP. Council crews also flushed water mains to provide further relief for residents.

Townsville's drinking water supply is rigorously tested and continued to meet all applicable health standards during this disturbance.

Council has since undertaken the following initiatives to ensure Townsville continues to have safe, reliable, secure and healthy water supply now and into the future.

- In May 2021, Council awarded \$27.5m tender for construction of two new water clarifiers at the DWTP with works expected to be completed by the end of August 2022. The new clarifiers will minimise the risk of the city experiencing temporary discolouration or reduced availability of its drinking water supply because of water quality incidents in the dam.
- A new permanent Powdered Activated Carbon (PAC) dosing system will be installed at the DWTP at a cost of \$8.5 million. A temporary PAC dosing system is currently onsite. The system will aid in removing taste and odour compounds and mitigate algal toxin risk.

### Ross River Dam to Douglas Water Treatment Plant Repairs

In December 2020, all Townsville residents were advised to conserve water and refrain from using any irrigation or non-essential water use, following the discovery of a leak in the main pipe that feeds into the DWTP. The DWTP is the main water treatment plant for Townsville.

Following an inspection, Council staff identified a ruptured section of the 1.3 metre diameter pipe requiring isolation and repair. The restriction of water for emergency purposes only was implemented to help maintain basic supply for the community, while work was undertaken to restore full water supply to the city. Council officers and contractors worked continuously to replace the ruptured pipe and undertake further works to restore the pipeline to the DWTP.

Following four days of repairs and testing, pumping at the DWTP commenced, replenishing water reservoirs, and easing water restrictions for the community. Once the pipeline was repaired and water supply returned to normal, Council turned its attention to minimising the risk of a similar event occurring.

The integrated water strategy includes three important projects – the installation of an enhanced secondary water intake for the treatment plant from the Ross River, duplication of the original pipe between the dam and the plant and the installation of additional clarifiers at DWTP.

The enhanced secondary water intake incorporates three new pumps to expand Council's capacity to deliver water to residents enabling an additional 110 mega litres of raw water per day to be pumped into the water treatment plant. The installation of the pumps is part of a broader focus on water security for Townsville and a deliberate move from Council to commit immediate additional investment toward addressing unexpected interruptions to services.

Council has also allocated funds in its 2021/22 budget to continue the implementation of its integrated water strategy, which includes a \$20 million investment to renew the pipeline between Ross River Dam and the DWTP. The 2021/22 also includes:

- A \$9.1 million investment to replace sections of the water main along Charters Towers Road, and \$5 million to replace the pipeline from the DWTP under the Ross River, supplying water to properties on the northern side of the river.
- A \$5.5 million investment toward the replacement of various small water pipes across the city, the replacement of the Stagpole Street water main at a cost of \$2.5 million, and \$1.5 million to replace water meters that are approaching the end of their operational life.
- A \$5.1 million contribution toward the cost of a new low-level water reservoir and inlet/outlet pipe at Elliot Springs.

The duplication of the original pipe between the dam and the DWTP, and the installation of additional clarifiers at the plant is detailed below.

### **Pipe Duplication**

In its decision to minimise the risk of a disruption to critical water infrastructure occurring, Council will duplicate the pipeline between the Ross River Dam and DWTP.

The duplicate pipeline will cross the Ross River closer to the dam and run parallel to the river through the Department of Defence's Mount Stuart Training Area before connecting to the DWTP. In cooperation with the Department of Defence, Council has fast tracked the design and land access arrangements to enable the duplication as soon as possible.

Council is currently developing the concept into a full detailed design package, including a more accurate cost estimate. The cost of the duplication is currently estimated to be around \$45 million.

Tenders for the construction of the duplicate pipeline commenced in September 2021 with a call for tender to supply and deliver pipe and fittings for the upcoming duplication.

Council is committed to using local contractors, suppliers and consultants as much as possible to ensure the project provides an economic boost to the community, as well as enhanced water security.



## Haughton Pipeline Project

The tender for Stage 2 design of the Haughton Pipeline Project was awarded in November 2020. Stage 2 of the project will see the existing pipeline extended from the Haughton River to the Burdekin River near Clare and will include around 30 kilometres of pipe as well as the construction of a new pump station and high voltage power supply infrastructure.

Stage 1 of the pipeline is complete with Stage 2 commencement currently planned for the end of 2022.

## Education Programs

Townsville Water delivers education programs to provide awareness of water operations and encourage smart water usage.

School engagements during 2020/21 recommenced during the second half of the financial year following disruption and restrictions from the COVID-19 pandemic. Townsville Water engaged around 958 school students in various face-to-face eco-catchment tours and classroom visits. Online virtual tours also supported the continued learning of students and schools with 1,338 visits to the virtual tours on Council's [website](#).

The new Water Demonstration Garden at Anderson Gardens was complete in October 2020 with a soft launch to officially open the gardens to the public. In December 2020, the Giant Water Hunt event was held at the new Water Demonstration Garden, with just over 100 community members attending the event.

Townsville Water continues to work on curriculum linked education resources and various fact sheets for schools and early learning centres. The in-class water education program was redeveloped to align with demand management strategies and boost student's engagement while increasing awareness of Townsville's water supply. Informative water education videos are currently in development, focusing on water treatment at DWTP and wastewater treatment at Mt Saint John Wastewater Treatment Plant.

## Major Investments

During 2020/21, Townsville Water invested in the below water and wastewater infrastructure.

**Table 17 - Townsville Water major investments**

Service Category	Proposed Investment (\$000)	Mid-Year Review Budget (\$000)	Actual Investment (\$000)
Bulk Water Distribution	48,223	45,941	40,257
Water Reticulation	13,192	22,088	13,043
Wastewater Distribution and Reticulation	16,070	14,947	12,556
Wastewater Treatment	13,374	19,012	4,623
Laboratory Services	5,000	3,305	3,295
Dams and Catchment	-	2,376	1,636
Water Developer Delivered Assets	4,214	4,279	-
Wastewater Developer Delivered Assets	4,216	4,334	-
<b>Total</b>	<b>104,289</b>	<b>116,282</b>	<b>75,410</b>

## Community Service Obligations

**Table 18 - Townsville Water community service obligations**

Category	Budgeted Value (\$)	Actual Value (\$)
Price concessions – water and wastewater charges in recognition of an activity's contribution to the social and cultural welfare of the community	3,724,401	
Churches, church halls, clubhouses, and halls – charitable and non-profit organisations		954,777
Charitable and non-profit aged care facilities		597,333
Sporting field irrigation – restricted public access (not including schools, tertiary institutions, and other educational facilities)		503,124
Retirement/lifestyle villages		272,800
Water leakage concession		270,051
Caravan parks		254,053
Commercial irrigation		141,250
Boarding and lodging houses		131,976
Sporting Recreation		96,910
Water charge remission		64,454
Sewerage charge remission		6,928
Sporting field irrigation – no public access restrictions (not including schools, tertiary institutions, and other educational facilities)		5,760
War graves		1,722
Water haem dialysis concession		1,000
<b>Total</b>	<b>3,724,401</b>	<b>3,302,138</b>

## Changes to the Annual Performance Plan

No changes were made during the financial year.

## Council directions to Townsville Water

Council made no directions to Townsville Water during the financial year.

## Performance Targets

● Draft  
 ● Not Started  
 ● Behind  
 ● On Track  
 ● Target Not Met  
 ● Complete  
 → Direct Alignment  
 →→ Indirect Alignment

In the 2020/21 financial year, Townsville Water measured its performance against the below performance indicators as outlined in its Annual Performance Plan.

Performance Measure	Description	Target	Completion
<b>Economic Sustainability</b>			
Operating Revenue	Comparison of the actual revenue received with the budgeted operating revenue	Within 5% of budget	3.2% Variance
Operating Expenditure	Comparison of the actual operating expenditure with the budgeted operating expenditure	Within 5% of budget	0.5% Variance
Capital Expenditure	Comparison of the actual capital expenditure with the budgeted capital expenditure	Within 5% of budget	33% Variance
Net Operating Result	Comparison of the actual net operating result with the budgeted net operating result	Within 5% of budget	11% Variance
5 Year Price Path	Approved price path derived from water pricing model, annually	Information only, reviewed annually	1 Review(s)
Return on Assets	Net income / net book value of non-current assets	Within 5% of budget	0% Variance
Asset Renewal	Rehabilitation capital works / depreciation charges	Minimum 90%	59%
Interest Coverage Ratio	Total operating revenue / net interest expense	Information only, reviewed annually	1 Review(s)
Asset Consumption Ratio	Weighted average measure of consumption of non-current assets	Information only, reviewed annually	1 Review(s)
Debt to Equity Ratio	The portion of debt compared to the business' equity	<0.5, reviewed annually	<0.5
Annual Dividend	The portion of earnings distributed to Council (or shareholder) from the operation of the Townsville Water commercial business unit	>90% of budget, reviewed annually	>90%
<b>Social Responsibility</b>			
Adequacy and quality of supply	Number of water quality and water pressure complaints in accordance with Townsville Water's Customer Service Standards	<5 for each 1,000 connections	7.7 Complaint(s)
Drinking water quality compliance	Percentage of compliance with all drinking water quality requirements in accordance with Townsville Water's Drinking Water Quality Management Plan	100%	99.9 / 100%
<b>Environmental Sustainability</b>			
Penalty infringement notices or legal action for non-compliance	Number of penalty infringement notices issued, or instances of legal action initiated by the Regulator for non-compliance with respect to sewerage treatment or reticulation activities	Zero	0 Notice(s)
Dry weather sewerage releases	Number of dry weather sewerage overflows, bypasses or releases to environment that were not caused by a third party or natural phenomenon	Zero	0
<b>Responsible Governance</b>			
Reduction in lost time injuries	Percentage reduction in the number of Lost Time Injuries recorded, compared with the previous financial year	20% reduction [or <4.8 Lost Time Injuries]	9 Lost Time Injury(ies)

# Townsville Waste Annual Operations Report

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

## **Vision**

To be the leading Waste Service provider in Northern Australia.

## **Mission**

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

## **Purpose of this report**

This Operations Report is designed to provide an overview of the operations and performance of Townsville Waste Services for the 2020/21 financial year, as measured against its Annual Performance Plan.

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

## **Townsville Waste Fast Facts**

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



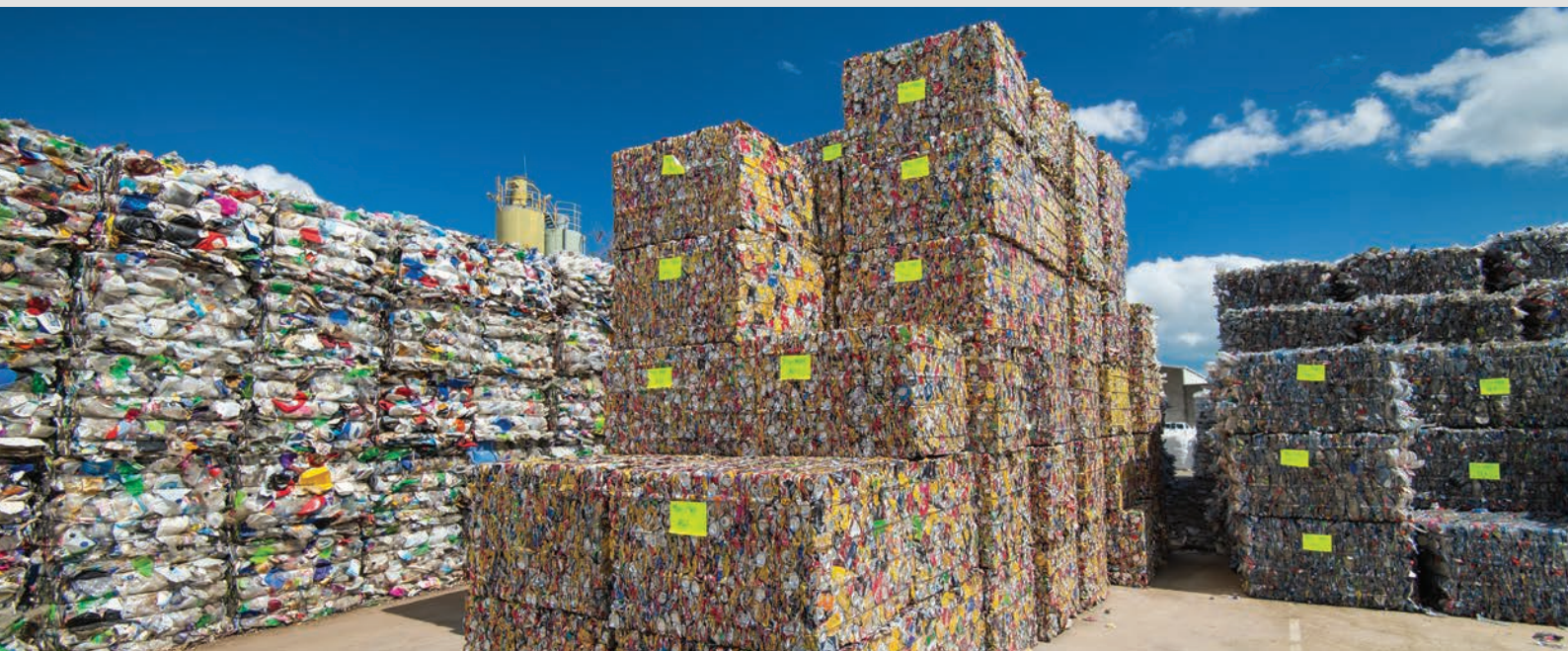
### **Townsville Waste Services**

- › Provided 80,994 domestic waste services per week and 79,232 recycling services per fortnight
- › Serviced 1,297 bulk bins per week



### **Our Landfill Sites and Transfer Stations**

- › 1 active landfill site
- › 5 waste transfer stations
- › 297,944 customer visits
- › Received 309,676 tonnes for processing



## Assessment of Operations

Significant initiatives undertaken during the year are summarised below.

### North Queensland Waste and Resource Recovery Strategy

In October 2020, The North Queensland Regional Organisation of Councils (NQROC) developed the North Queensland Waste and Resource Recovery Strategy for 2020-2030.

The collaborative approach included Burdekin Shire Council, Charters Towers Regional Council, Hinchinbrook Shire Council, Palm Island Aboriginal Shire Council and Townsville City Council.

The Strategy is built around the idea that Council needs a more rigorous view of each waste stream, and the opportunities available to reduce, reuse, repair, recycle, and otherwise recover the item of waste. The combined Strategy supports the development of a circular economy that creates jobs, reduces pressure on landfill and the environment, and works towards the Queensland Government's 2050 waste targets.

A key focus of the strategy is to reduce waste sent to landfill, by reducing organic waste in the kerbside household waste bins. Currently, organic waste accounts for almost 46% of the content in the kerbside household waste bins across Townsville. Improving the quality of kerbside recycling from households is also a key focus of the strategy. This can be achieved by reducing recycling contamination rates and increasing the capture of recycling remaining in the general waste bins.

### Stuart Waste Facility Landfill Gas Capture

In November 2020, Council's contractor LMS Energy Pty Ltd installed an additional 16 landfill gas wells at the Stuart Waste Facility. The wells were installed to enable capture of landfill gas from the more recent cells, which have been constructed to manage the growing waste management needs of the city.

Landfill gas is comprised of approximately 50% methane; a harmful green house gas with a global warming potential in excess of 28 times greater than carbon dioxide. Capture of gas has increased from approximately 200,000m<sup>3</sup> per month to in excess of 425,000m<sup>3</sup> per month as a result of the additional wells.

Ongoing expansion of the landfill gas well field will continue for the life of the site as the landfill continues to grow, and Councils contractor will monitor production to ascertain the viability of generating power from the landfill's gas in the near to mid term horizon.

### Organics Management Roadmap and Food Organics and Garden Organics (FOGO) Trial

In February 2021, Townsville City Council, in conjunction with neighbouring councils delivered the North Queensland Regional Organisation of Councils (NQROC) Organics Management Roadmap. The Roadmap will be used by Council as a guide to the implementation of a kerbside domestic food organics and garden organics (FOGO) collection service across the region. The analysis presented in the Roadmap assessed feedstock availability, processing technology options, market assessment for end product, financial modelling, and included an implementation plan for the recommended option.

The Roadmap concluded that a weekly FOGO and a fortnightly garbage collection service achieves the maximum economic and environmental outcome. As an alternative option, a fortnightly garden only (GO) service is more cost effective than FOGO options, but delivers less organics diversion.

As recommended in the Roadmap, Council is now conducting an organics collection trial across approximately 1,500 houses in Townsville. The trial will commence in October 2021 for a 12-month period. The success of the trial will be evaluated upon completion and the potential for a city-wide service will be considered.



Delivery of an organics collection service is in line with the requirements of the Australian Government's National Waste Policy. The Queensland Government's Waste Management and Resource Recovery Strategy also supports the diversion of organic material from landfill, and as such the State has partly funded the trial. For more information about FOGO, visit Council's [website](#).

### **Townsville Waste and Resource Recovery Infrastructure Report**

In June 2021, Council completed development of a 20 year Waste and Resource Recovery Infrastructure Plan. The report documents actions aimed at sustaining and improving the waste and resource recovery system in the Townsville region until 2040. As Townsville's population is expected to grow by more than 60,000 over this time, there is a strategic need to develop additional resource recovery and reprocessing opportunities within the region to meet the demands of the population, and transition Townsville towards a zero waste to landfill future.

The Report identifies the significant opportunity to develop resource recovery infrastructure, particularly for the processing of kerbside organics, construction and demolition (C&D) waste and dry commercial and industrial (C&I) waste. It proposes implementation of a tiered system of services for existing waste facilities, as well as investigation into the need for a new waste and resource recovery precinct.

### **Single Use Plastics Ban**

The Queensland Government is introducing a ban on some single-use plastic items from 1 September 2021. Council has continued to work with Plastic Free Townsville thanks to funding from the Queensland Government and implementation by Boomerang Alliance. Launched in January 2020, the program now has 41 business members on board. The program has eliminated 284,712 pieces of plastic as of 31 May 2021, up from 68,056 the previous year.

### **Resource Recovery Rates**

In the 2020/21 financial year, Council achieved the following waste diversion statistics across the three main waste facilities:

- 43% diversion from Stuart Landfill,
- 75% diversion from Hervey Range Waste Facility
- 47% diversion from Magnetic Island Waste Transfer Station

The most commonly diverted items include clean earth (109,000t), green waste (21,000t), concrete (11,000t), and asphalt (2,500t). Council also diverted an additional 10,831t of recyclables via the domestic kerbside collection service. Council aims to enhance these figures in coming years via implementation of the Waste and Resource Recovery Infrastructure Plan and development of a long term education and community engagement plan.

### **Capital Investment in Waste**

The 2020/21 financial year saw completion of almost \$12 million in capital expenditure across the waste portfolio. Key capital items delivered included a landfill cell and leachate pond at the Stuart Waste Facility, and the final stage of rehabilitation at the now closed Hervey Range Landfill. The capital works were necessary to enable Council to meet the growing waste demands of the city, whilst managing current and closed sites in an environmentally compliant manner.

## Waste Minimisation and Education Activities

Waste reduction and recycling face-to face engagements continued during 2020/21 to a lesser extent than previous due to COVID-19 implications. 40 face-to-face engagement activities were completed, reaching over 1,340 residents.

Activities included engagement with early learning centres, schools, workplaces and community groups. Council's Waste Educator also held tours at Townsville's Materials Recovery Facility (MRF) and manned stalls at community events. In addition, the top five social media posts, covering messaging such as 'Keep Out Small Items' and "Free to Drop Reusable Items" reached over 23,000 residents each.

In addition, a new Bin Health Check program commenced to drive down recycling contamination rates. The program was conducted across approximately 1000 households and involved a visual inspection of both general waste and recycling bin contents at the kerbside to ascertain common contaminants, and inform the community on better waste and recycling practices. Upon completion of the program, the number of recycling bins presented with either medium or high levels of contamination dropped from 20% to 13%.

## Major Investments

During 2020/21, Townsville Waste Services invested in the below waste infrastructure.

**Table 19 - Townsville Waste Services major investments**

Service Category	Proposed Investment (\$000)	Mid-Year Review Budget (\$000)	Actual Investment (\$000)
Solid Waste Disposal	12,225	11,786	11,026
Solid Waste Collection	-	-	120
Waste Management	-	-	-
<b>Total</b>	<b>12,225</b>	<b>11,786</b>	<b>11,146</b>

## Community Service Obligations

**Table 20 - Townsville Waste Services community service obligations**

Category	Budgeted Value (\$)	Actual Value (\$)
Free dump weekends	160,000	119,816
Charity dumping fees	60,000	60,000
Infirm services	41,193	41,196
Dead animals	35,524	35,520
Land remediation works	25,308	25,308
Community clean up events	15,000	15,000
Clean up Australia Day	1,000	336
<b>Total</b>	<b>338,025</b>	<b>297,176</b>

## Changes to the Annual Performance Plan

No changes were made during the financial year.

## Council directions to Townsville Waste

Council made no directions to Townsville Waste during the financial year.

## Performance Targets

● Draft  
 ● Not Started  
 ● Behind  
 ● On Track  
 ● Target Not Met  
 ● Complete  
 → Direct Alignment  
 ----> Indirect Alignment

In the 2020/21 financial year, Townsville Waste Services measured its performance against the below performance indicators as outlined in its Annual Performance Plan.

Performance Measure	Description	Target	Completion
<b>Economic Sustainability</b>			
Operating Revenue	Comparison of the actual revenue received with the budgeted operating revenue	Within 5% of budget	0.9% Variance
Operating Expenditure	Comparison of the actual operating expenditure with the budgeted operating expenditure	Within 5% of budget	5.5% Variance
Capital Expenditure	Comparison of the actual capital expenditure with the budgeted capital expenditure	Within 5% of budget	8.3% Variance
Net Operating Result	Comparison of the actual net operating result with the budgeted net operating result	Within 5% of budget	41% Variance
Debt to Equity Ratio	The portion of debt compared to the business' equity	<0.5, reviewed annually	1 Review(s)
Annual Dividend	The portion of earnings distributed to Council (or shareholder) from the operation of the Townsville Waste Services commercial business unit	>90% of budget, reviewed annually	1 Review(s)
<b>Social Responsibility</b>			
Customer service and collection performance	Missed kerbside waste and recycling service	<1 for each 1,000 Missed Bin(s)	0.33 Missed Bin(s)
Customer service and collection performance	Response time to missed kerbside waste and recycling services	>95% by the next business day	99.4%
<b>Environmental Sustainability</b>			
Penalty infringement notices or legal action for non-compliance	Number of penalty infringement notices issued or instances of legal action initiated by the Regulator for non-compliance. Target: Zero. Tracked Quarterly (Cumulative) 0 Notice(s)	Zero	0 Notice(s)
Environmental incidents reported to Department of Environment and Science	Number of incidents, which exceed the acceptable limit, that was required to be reported to the Department of Environment and Science	Zero	3 Event (s)
<b>Responsible Governance</b>			
Reduction in lost time injuries	Percentage reduction in the number of Lost Time Injuries recorded, compared with the previous financial year	0% reduction [or <0.8 Lost Time Injuries]	3 Lost Time Injury(ies)

# Glossary/Index



## Glossary

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



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

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## Index of Reportable Disclosures

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

\* LGA – *Local Government Act 2009*

LGR – *Local Government Regulation 2012*

PSEA – *Public Sector Ethics Act 1994*

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## Financial Snapshot



### Our Credit Rating

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



### \$142.4 million

spent on **capital investment** including \$74.8 million on renewals of city infrastructure



### \$82.1 million

increase in **community equity**



### \$426.1 million

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



### \$5.4 billion

total **Community Assets**



### \$357.3 million

**raised** in rates and utility charges



### \$570.6 million Liabilities



### \$508.2 million Total Revenue



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2020/21