



TOWNSVILLE CITY COUNCIL

ANNUAL REPORT

2022/23

TOWNSVILLE.QLD.GOV.AU



Acknowledgement of Country

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, present and all future generations.

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OUR STORIES



Forever Garden providing reflection space for families



Working with First Nations people



Townsville businesses working with Council



Economic development incentives



First Nations arts culture celebrated

OUR YEAR IN REVIEW





MESSAGE FROM THE MAYOR

We are pleased to present the Townsville City Council Annual Report 2022/23. This year has been marked by significant progress as we remain dedicated to cultivating a vibrant, sustainable, and inclusive city, firmly rooted in our commitment to growth.

We have made substantial advancements in critical infrastructure projects, enhancing connectivity, generating employment opportunities, and future proofing essential services.

One of our noteworthy achievements was the opening of Citylibraries Riverway in April, a community-inspired facility that has transformed Riverway into a premier community hub.

Our Boulder Protection Program has been completed across various open spaces and sports fields in our suburbs, ensuring safe and enjoyable experiences for everyone. This is part of our unwavering commitment to a safer Townsville.

Townsville's reputation as Northern Australia's events capital has continued to grow, with a stellar calendar featuring events like NAFA, Tropic Sounds, Super Rugby, NRLW State of Origin, and Townsville Eats.

Our collaborations with local partners have been instrumental in our achievements. Initiatives such as same-day approvals, grants, development incentives, and increased targeted local procurement have significantly bolstered our economic prospects.

This Annual Report offers an in-depth look at our progress, and we eagerly anticipate shaping Townsville's prosperous future together.

Cr Jenny Hill AM
Mayor of Townsville



MESSAGE FROM THE CEO

We proudly present Townsville City Council's Annual Report 2022/23. Even with a challenging environment, we've continued to innovate to grow Townsville, enhance liveability and maintain excellent service for our community.

In serving our community, our team were guided by the public's 230,684 customer service interactions with Council throughout the year, treated more than 40,760 ML of water, emptied more than 83,412 domestic waste bins each week, maintained more than 1,600 ha of parks, completed 39 projects and presented 180 events.

With Townsville's population projected to grow to over 250,000 by 2041, we continue to invest in the growth and liveability of our city. Strengthening community services like the new Citylibraries Riverway, our substantial investment into enhancing our assets to ensure our future service delivery, were key deliveries in 2022/23.

Council's sound financial management of the close to \$1 billion budget in 2022/23 resulted in another positive credit rating from the Queensland Treasury Corporation (QTC) in 2023, as well as a clean audit result from the Queensland Audit Office (QAO), providing confidence to the community of our long-term plans.

The 2022/23 results have delivered a substantial increase in community equity of \$466 million to \$5.8 billion. This has been achieved during a year of volatility and increases in cost of materials and services of which Council has mostly absorbed through innovation, strategic sourcing of materials and improved work practices.

I extend my gratitude to our professional and diligent people for embodying our shared values and vision as we continue to serve our community and grow our city of the future.

Dr Prins Ralston
Chief Executive Officer

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 delivery of:

- Townsville 2021–2026 Corporate Plan
- Budget and Operational Plan 2022/23, including Water and Resource Recovery Performance Plans.

In accordance with section 45(b) of the *Local Government Act 2009*, Council has established commercial business units for its significant water and resource recovery business activities.

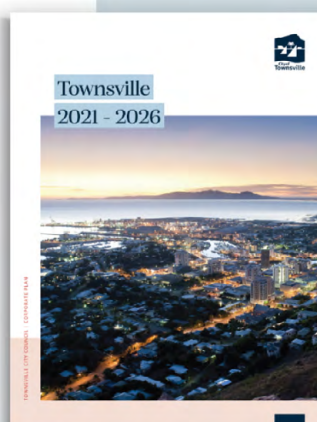
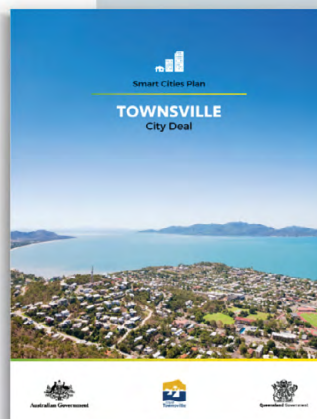
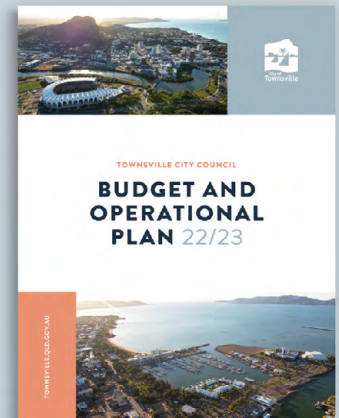
Council reports its performance by publishing:

- Townsville Dashboards
- Quarterly Performance Reports
- Annual Report
- Ordinary Council Reports

Council's strategies and plans include:

- Townsville 2021–2026 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 2022/23 – Council's annual plan to allocate resources to deliver specific projects, activities and events in pursuit of the Corporate Plan
- Townsville City Plan – sets the direction for development and growth over the next 25 years
- Strategic Asset Management Plan – articulates the Asset Management System Model, Asset Management Framework and Asset Management Capability Delivery Model for Council
- 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

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 its strategic objectives.



WORKING WITH FIRST NATIONS PEOPLE

Council is working through its Stretch Reconciliation Action Plan (RAP) and has already delivered on major achievements to help reach our reconciliation vision of a cohesive and united community.

A Stretch RAP is Reconciliation Australia's third level within their workplace RAP framework and is built on three main pillars – relationships, respect and opportunities. This framework focuses on embedding reconciliation initiatives into organisational practices to become business as usual, implementing long-term strategies, and working towards defined targets and goals.

Townsville City Council Stretch Reconciliation Action Plan (September 2021 – June 2024) was adopted in September 2021 and has been used as a guiding tool to help ensure First Nations people's perspectives are embedded in the way Council works.

In 2022/23 we exceeded our RAP target of 10% First Nations participation in Council's entry level recruitment programs, achieving 16% participation this year. This result also exceeds 2023/24's target of 15%. Council's objective now is to maintain or improve this strong result.

A key focus for Council through our Townsville 2021–2026 Corporate Plan is increasing procurement spend with businesses owned by First Nations people to 3% by 2024 and 5% target by 2026. Council is on track to reach these targets, with a 2.27% spend for 2022/23.

Another focus is ensuring projects consider how to engage and support our First Nations community. Council's Reef Assist project is both helping the environment and creating jobs for First Nations young people.

More than 150 First Nations people are estimated to be employed from the program which is also helping to heal and strengthen key river, creek and coastal ecosystems.

Read more about Reef Assist program on page 41.



📍 Garth Jankovic and Nicky Bidju Pryor
Whale Dreaming, 2023
Rear facade, 2 Regiment Ct, Thuringowa Central, Queensland 4817

GROWING TOWNSVILLE



OPERATIONAL PLAN 2022/23 HIGHLIGHTS

100% of 2022/23 OPERATIONAL PLAN MEASURES OF SUCCESS COMPLETED or in progress

Improved customer first contact resolution rate to

93%





100%
compliance with the
Public Health Act

100%
compliance with
Australian Drinking Water
Guidelines



Opened the
Dry Tropics Nursery
and produced
37,488 PLANTS





Commissioned
NEW CLARIFIERS
at Douglas
Water Treatment
Plant

100%
compliance with
dam safety
regulations




Increased Council
expenditure
with local
businesses to
88.63%






Increased Council's
procurement
expenditure with
**Indigenous-owned
businesses**



**REPLACED 6
PASSENGER VEHICLES**
with renewable energy vehicles in
accordance with the **2022/23 capital
replacement program**



Completed trial of **extended
Library hours**

CITYLIBRARIES RIVERWAY

The story has just begun for Citylibraries Riverway, Townsville City Council's newest library which opened in April 2023.

The \$8.5 million project provides a mixed-use facility designed for the community's needs and features a 'creative hub' for digital production as well as a refurbished Ecoactive Centre near the playground.

Establishing the library at Riverway has given the surrounding community a local library, and also reenergised the broader community precinct.

The project was fully funded by Townsville City Council across two financial years, creating 12 jobs for Townsville residents.

Accessibility was a strong focus throughout the design and construction phase, ensuring visitors of all abilities can safely use all spaces within the new library. This includes accessible toilets and wheelchair-accessible entry into all meeting spaces.

We have three library locations – Riverway, Aitkenvale and the City – as well as a mobile library service.

The opening event in late April was attended by close to 10,000 people, with celebrations featuring family-favourites Bluey and Bingo.

Alongside the new library, Pinnacles Gallery reopened with exhibition *Leftover Love – New Directions* featuring three North Queensland artists.

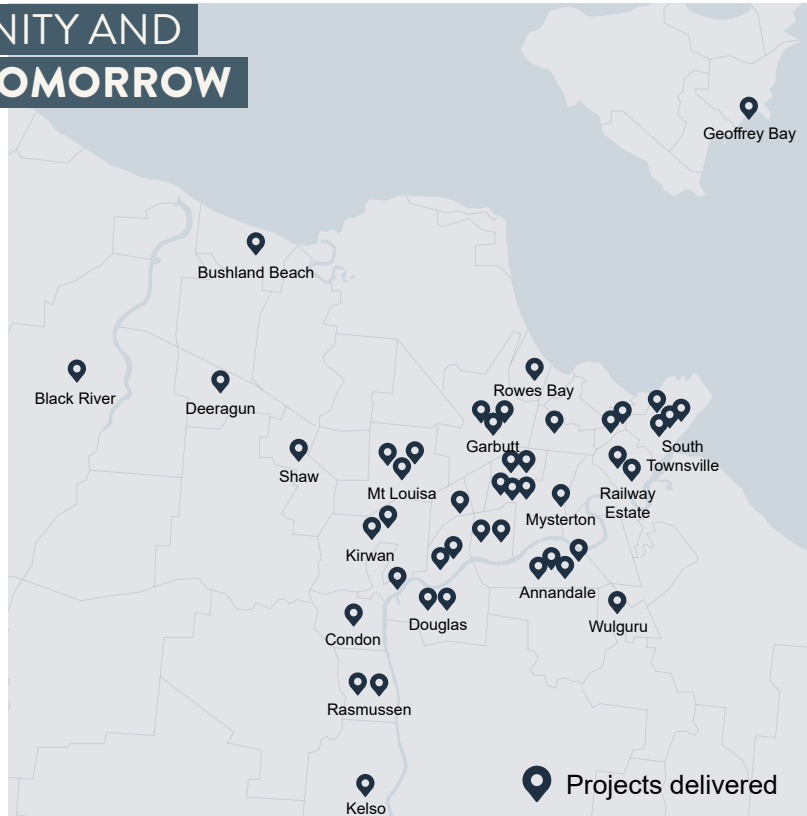
With the addition of Citylibraries Riverway to the precinct's existing facilities of art gallery, lagoon, boardwalks, barbecues, gardens, nationally-rated sporting fields and Riverway Stadium, the Riverway Precinct is a standout community and cultural hub.



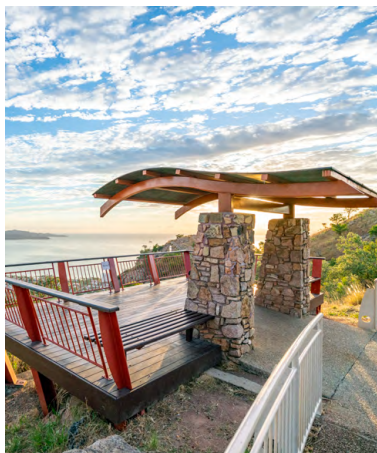
📍 Citylibraries Riverway & Pinnacles Gallery opening

SERVING OUR COMMUNITY AND GROWING A CITY FOR TOMORROW

Townsville City Council is committed to delivering projects for the community, from water security and industrial infrastructure to community leisure facilities. These investments will cultivate a thriving, connected, resilient and sustainable community and city for tomorrow.



SCAN CODE TO VIEW THE SPREAD OF WORKS ACROSS THE CITY OR VISIT TOWNSVILLE.QLD.GOV.AU



Castle Hill Summit Track Handrail Renewal

Investment: \$1.74 million
Funding: TCC/W4Q/QG
Jobs: 14

Council recently undertook important safety maintenance and renewal works on the summit walking track. This project was proudly funded by the Queensland Government's Works for Queensland program in association with Townsville City Council.

Douglas Water Treatment Plant Water Clarifiers

Investment: \$31 million
Funding: TCC
Jobs: 40

Construction of two new water clarifiers at the Douglas Water Treatment Plant is now complete, enhancing the facility's capacity to produce clean and healthy drinking water for our city.



Southern Suburbs Rising Main Stage 3

Investment: \$20 million
Funding: TCC/BOR/QG
Jobs: 20-30

Stage 3 is complete, with commissioning of the new pump station, gravity sewer and rising main in Wulguru finalised in March 2023. This vital infrastructure will ease the increasing pressure on Townsville's southern sewerage network. This project was proudly funded by the Queensland Government's Building Our Regions Program in association with Townsville City Council.

PROJECTS DELIVERED

- ✓ **Allambie Lane - Miles Avenue**
Funding: TIDS/QG/TCC
Upgrade of intersection and right turn facilities.
- ✓ **Anne/Arthur Street**
Funding: TCC
Installation of new roundabout.
- ✓ **Bamford Lane Depot**
Funding: TCC
Site redevelopment.
- ✓ **Bonny Court**
Funding: LRCI/AG
Full road reconstruction with kerb and channel.
- ✓ **Bowhunters Road**
Funding: TCC
Road reconstruction and stormwater drainage upgrades.
- ✓ **Brooklyn Court**
Funding: TCC
Asphalt overlay.
- ✓ **Chandler Street**
Funding: TCC
Kerb and channel, driveway reconstruction and pedestrian ramps.
- ✓ **Charles Street**
Funding: BS/AG
Road resurfacing and path works.
- ✓ **Crestbrook Park Playground**
Funding: TCC
New play equipment, picnic table, seating, shade shelter, pathway and landscaping.
- ✓ **Cutheringa Park**
Funding: W4Q/QG
Irrigation renewal.
- ✓ **Doran Street**
Funding: R2R/AG
Kerb and channel and asphalt overlay.
- ✓ **Douglas River Observation Platforms**
Funding: TCC
Platform renewals at Riverwalk Way and Wateredge Cove.
- ✓ **Duckworth Street**
Funding: TCC
Asphalt overlay.
- ✓ **Flinders Street Footpath**
Funding: TCC
Footpath renewal with pathway and bus stop upgrade.
- ✓ **Geoffrey Bay Foreshore Bollards**
Funding: TCC
Installation of protective bollards.
- ✓ **Hubert Street Culvert**
Funding: TCC
Installation of new watermains and kerb and channel upgrade for flood mitigation.
- ✓ **Isaac Street**
Funding: R2R/AG
Full road reconstructions and drainage upgrades.
- ✓ **Joyce Street**
Funding: TCC
Asphalt overlay.
- ✓ **Kearney Court**
Funding: TCC
Road reconstruction and kerb and channel.
- ✓ **Knox Court**
Funding: TCC
Stormwater drainage rectification.
- ✓ **Livistonia Close**
Funding: TCC
Reconstruction of concrete access pathway to beach.
- ✓ **Lou Litster Pedestrian Bridge**
Funding: TCC
Bridge replacement.
- ✓ **Miranda Circle**
Funding: TCC
Asphalt overlay.
- ✓ **Mooney Street**
Funding: TCC
Footpath renewal works.
- ✓ **Mundy Creek Pedestrian Bridge**
Funding: TCC
Handrail replacement.
- ✓ **Nelson Street U-Turn Area**
Funding: TCC
Full road reconstruction with kerb and channel.
- ✓ **Pace Park Playground**
Funding: W4Q/QG
New play equipment, picnic table, park bench, drinking fountain and rubber softfall, basketball court update and landscaping.
- ✓ **Parkway Park**
Funding: TCC
Park improvements including protection boulders, shade trees, pathway, shelter, picnic table, drinking fountain and irrigation system renewal.
- ✓ **Sixth Avenue**
Funding: TCC
Asphalt overlay, kerb and channel and pedestrian ramp.
- ✓ **Sixth Street East**
Funding: TCC
Road reconstruction.
- ✓ **Sports Fields**
Funding: TCC
Protective barriers installed at Ilich Park, Western Lions Park, Warrina Park, Melrose Park, Gill Park, Heatley Park, Charles Moroney Park, McConachy Park and High Vista Park.
- ✓ **Thirteenth Avenue**
Funding: TCC
Kerb and channel works including driveway reconstruction.
- ✓ **Townsville Animal Care and Adoption Centre**
Funding: TCC
Sewerage renewal design.
- ✓ **Townsville Basketball Car Park**
Funding: LRCI/AG
Asphalt overlay.
- ✓ **Woolcock Street Service Road**
Funding: LRCI/AG
Full road reconstruction and drainage upgrades.

FUNDING BODIES

AG	Australian Government	BOR	Building Our Regions Program (Queensland Government)
QG	Queensland Government	LRCI	Local Roads and Community Infrastructure (Australian Government)
TCC	Townsville City Council	R2R	Road to Recovery (Australian Government)
TMR	Department of Transport and Main Roads (Queensland Government)	TIDS	Transport Infrastructure Development Scheme (Queensland Government)
W4Q	Works for Queensland (Queensland Government)		
BS	Black Spot Program (Australian Government)		



Australian Government



Queensland Government



SCAN CODE OR VISIT
TOWNSVILLE.QLD.GOV.AU
FOR MORE INFORMATION
ON PROJECTS UNDERWAY



TOWNSVILLE 2021–2026

TOWNSVILLE CITY COUNCIL

CORPORATE PLAN

OUR VISION

A globally connected community driven by lifestyle and nature

OUR PURPOSE

Grow Townsville

Our lifestyle

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.



Regulator

Regulating some activities through legislation



Promoter

Advocating for our city



Funder

Investing in business to deliver services



Facilitator

Being inclusive and bringing groups together



Provider

Service delivery

OUR ROLE

Council's commitment to excellence in delivery of our every day services, underpins our success.

GOAL 1

A city that connects you to what you need at the time you choose.



82% community support for this goal

755,948

views of new What's On Townsville website



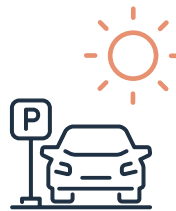
957,531

views of new TicketShop website

92.12% compliance with development application timeframes

112

solar-powered parking meters installed throughout CBD



SAME DAY APPROVALS implemented for low-risk applications



Central Park Boardwalk, Townsville CBD

Corporate Goal 1



📍 Boulders installed at Heatley Park



📍 Boulders installed at Heatley Park

Boulder Protection Program rolled out

Townsville City Council rolled out its Boulder Protection Program in February 2023 to protect local parklands.

The program uses boulders to prevent vehicles from entering and damaging parks, equipment and irrigation which are expensive to repair or replace. It also protects people using the public area, and ensures community clubs can continue using sporting fields.

In the 2022/23 financial year, Council also continued investing in street lighting and CCTV cameras, with community safety a priority.

Corporate Goal 1

Forever Garden gives space to grieving families

Families who have experienced the loss of a child now have a dedicated and meaningful space to grieve and cherish memories at Townsville's Belgian Gardens Cemetery.

In June 2023, Council unveiled the Forever Garden, a serene and contemplative space, specifically designed to provide solace and a place of reflection for families and individuals who have experienced the loss of a child due to miscarriage, stillbirth, childhood illness, incidents, accidents or suicide.

The Forever Garden is the first space of its kind delivered by a local government in Australia and is between the Infant Lawn and the Remembrance Courtyard.

This project is a result of our commitment to building an engaged community that gives every resident a sense of belonging. It is also the culmination of a collaboration between Townsville City Council, Rotary of Townsville Saints, and the community.



📍 Forever Garden, Belgian Gardens Cemetery

GOAL 2

A circular economy that advances business and moves towards zero waste.

38%
(102,255
TONNES)
waste diverted
from landfill

269
TONNES
of material
reused
through
tip shop

1,274
LOCAL
SUPPLIERS
ENGAGED


\$374m
Council
expenditure with
local businesses


800
TONNES



80%
community support for
this goal


9,889
TONNES
recycled through
Council's recycling
centre


↓ **1,717** **TONNES**
REDUCTION
in commercial and
demolition waste
quantities landfill

634
HOUSEHOLDS
provided with financial
assistance under
Reusable Rebate Program
(total \$40K+)



2
CHARGING
STATIONS

installed and
1 existing
station
updated,
for electric
and PHEV
vehicles


6 **PASSENGER**
VEHICLES
replaced with renewable
energy run vehicles



FIRST
HYBRID
TRUCK
purchased

Bales of material to be recycled at the Material Recovery Facility



TOWNSVILLE BUSINESSES WORKING WITH COUNCIL

In March 2023, Council endorsed the Townsville City Council Social and Sustainable Procurement Framework to ensure Council is working with suppliers and contractors to deliver positive community, environmental and socio-economic impacts.

Over the year, Council engaged 1,274 local suppliers. As part of our Townsville 2021–2026 Corporate Plan, it is a specific goal for Council to reach 90% of procurement spend with local businesses and 65% with small to medium-sized businesses by 2026. In the 2022/23 year, 88.63% of Council's procurement spend was with local businesses (\$374 million) and 63.54% was with small to medium local businesses (1,092 suppliers engaged).

Council also continues tracking towards its goal of 5% spend with First Nations Australian-owned

businesses by 2026. In the 2022/23 year, Council increased to 2.27% (30 local businesses). Through adopting social and sustainable procurement practices, Council has been able to create more opportunities for local First Nations businesses, promote equity and safety for employees, and train Townsville-based trainees, apprentices and graduates.

Throughout the year, Council runs regular *Doing Business with Council* sessions to meet with local businesses to discuss how they can do business with us.



GOAL 3

The hub for modern industry.



79% community support for this goal



2 new clarifiers commissioned at Douglas Water Treatment Plant (total 4)

\$1.08m in infrastructure charges waived and **\$298,495** in grants to property owners and businesses



3% of Council assets powered by local renewable energy



368 development applications lodged

383 development applications decided

*Data based on applications for Material Change of Use, Reconfiguration of a lot, Operational Works and Development Building Works.



Ross River Solar Farm © buddphotography.com.au

\$1M+ ECONOMIC DEVELOPMENT INCENTIVES BOOST CITY

A total of 16 local businesses received more than \$1m in economic development incentives in 2022/23, through Council's City Activation and Jobs Growth Policy.

In the last financial year, the policy has benefited 16 businesses, with those projects injecting millions into the Townsville economy as well as providing jobs for local tradespeople.

The policy offers four components, focused on development, attracting jobs, modernising buildings and special or significant economic benefit.

Local business Wulguru Group was the first to receive the policy's Component 4 incentive, which offers incentives to new major developments in the Townsville local government area where a significant economic or social benefit to Townsville can be demonstrated.

Under this category, any new development that can generate more than 100 full-time equivalent staff, produce \$5 million or more upfront capital investment into Townsville for a major project, and

contribute significantly to the social or community development of Townsville, can be eligible for up to 100 per cent of Council levied infrastructure charges and associated fees to be waived.

This incentive, granted in December 2022, will support Wulguru Group to deliver its new \$37 million rail wagon manufacturing facility.

This facility will deliver a transformational change in Northern Australia's manufacturing capability, creating economic wealth and growth for the region for local supply chains as well as increased employment opportunities.

The City Activation and Jobs Growth Policy supports Council's focus on providing world-class liveability to residents through increasing the level of amenity to match the growing population.



Carols by Candlelight 2022



GOAL 4

A sustainable destination that embraces and participates in the arts, sports, events and recreational activities.



86%
community support for this goal



87
COMMUNITY EVENTS
+ 93
CIVIC EVENTS HELD

136

PERFORMANCES AT CIVIC THEATRE

New Citylibraries Riverway opened April 2023



2ND
ECOSOPHY GARDEN OPENED



24,708 VISITORS

to Perc Tucker Regional Gallery and Pinnacles Gallery

STREET ART ON A MASSIVE SCALE

Seven artists teamed up to create Townsville's biggest piece of street art at a popular Thuringowa Central walkway. The large-scale mural covers two 43-metre and one 83-metre-long walls at High Range Drive.

Local artists Alicia Allen, Art by Lavinia, Baret one, Mitchell Overest, Nicky Bidju Pryor and The Smizler were joined by NSW artist Silly Pear for the mammoth undertaking.

The project was funded by Townsville City Council and helped provide a much-needed facelift for the walkway.

Council's street art collection is highly-regarded nationally and includes city streets, laneways and alleyways throughout the city. It extends art experiences outside Council's buildings to activate community spaces, grow audiences and foster collaborative relationships.

Residents and visitors can discover Townsville's many amazing street art murals by taking a self-guided walking tour of the city. In 2022/23 the street art web page on our website was highly viewed and the Street Art Walking Trail: Augmented Reality edition map was popular with residents and visitors.



📍 High Range Drive Street Art

FIRST NATIONS ARTS CULTURE CELEBRATED

Council continued to develop our home-grown entertainment and arts culture in 2022/23 by delivering an annual program of Aboriginal and Torres Strait Islander art exhibitions and performances.

The program included exhibitions at Townsville City Galleries and performances at Townsville Civic Theatre, and 2023's North Australian Festival of Arts (NAFA) opened in June with a celebration of local Aboriginal culture with Bambarra-ma Dariburu (It's good to make good), the latest collaboration between the Wulgurukaba Walkabouts and Dancenorth Australia.

Program highlights included art exhibition *People, Culture & Country: Aboriginal and Torres Strait Islander Art Project* which saw school students learn traditional and contemporary techniques

(such as weaving, printmaking and painting) from First Nations artists and then produce contemporary wearable artworks.

Other highlights were *One foot on the ground, one foot in the water*, and *Ricky Emmerton: Who Flash!* Ricky Emmerton is a Kalkatungu man living in Townsville, who previewed new paintings from his university research (Doctor of Philosophy, Creative Arts) which asserts that Kuathuat Ritjinguthinha, Rainbow Serpent Dreaming, is a living tradition that maintains our culture and identity.



At Townsville Civic Theatre, highlight performances in the program included Arnhem Land's acclaimed Djuki Mala and Melbourne International Comedy Festival's *Deadly Comedy (Townsville Heat)*.

Council is a promoter of First Nations artists. Dancenorth Australia's *Dungarri Nya Nya Ngarri Bi Nya* (now we have arrived) was commissioned by and presented at Council's North Australia Festival of Arts and was a ground-breaking celebration of First Nations culture from across the North Queensland region.

Dungarri Nya Nya Ngarri Bi Nya producing partners Wulgurukaba Walkabouts, Big Eye Theatre (Mula Jina Warran and Mula Jina Jalbu), Sambo Productions, Komet Torres Strait Islander

Arts and Culture and Dancenorth Australia were recognised in September 2022 for their significant achievement in elevating First Nations stories and culture, and fostering social cohesion through their cross-culture collaborative performance project. Dancenorth received the 2022 Impact Award from PAC Australia, the national peak body for performing arts centres, presenters and producers for *Dungarri Nya Nya Ngarri Bi Nya*.

The impact of this work was felt deeply by community and the participants themselves. Not only did the non-Indigenous collaborator on the project celebrate and respect cultural protocol, but that overall, *Dungarri Nya Nya Ngarri Bi Nya* was a vitally important and impactful event for the First Nations community.

William Ross State High School
The Dawn of Time 2022
Photography: Fiona Cochrane



EVENTS 2022/23



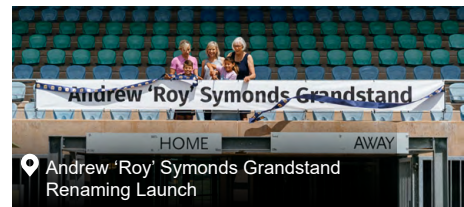
A snapshot of what's been happening in Townsville

JULY 2022

- › North Australian Festival of Arts 2022
- › NTI Townsville 500 Supercars
- › NAIDOC Week: Get Up! Stand Up! Show up!
- › Townsville Eats: NQ Cowboys v. Brisbane Broncos Edition
- › Australian Festival of Chamber Music
- › AIMS 50th Anniversary Civic Reception
- › Get Active Expo
- › Aston Villa v. Brisbane Roar
- › F35 Capability Display
- › North Queensland Ceramic Awards
- › Citizenship Ceremony
- › Kate Ceberano: Up Close and Personal
- › Trixie & Katya
- › The TEN Tenors

SEPTEMBER 2022

- › Townsville Eats: NQ Cowboys v. Penrith Panthers Edition
- › RUOK? Day
- › Father's Day Memorial Event
- › QPS Remembrance Day
- › Andrew 'Roy' Symonds Grandstand Renaming Launch
- › 67th Townsville Art Society Awards
- › Citizenship Ceremony / National Citizenship Day
- › SeaLink Magnetic Island Race Week
- › Dettol ODI Series vs Zimbabwe
- › Townsville Airport Father's Day at Picnic Bay
- › The Sapphires
- › Shakespeare Under the Stars - The Tempest
- › Fairytales on Ice
- › Swan Lake



Andrew 'Roy' Symonds Grandstand Renaming Launch

AUGUST 2022

- › Seniors Week
- › Seniors Lifestyle Expo
- › Seniors Luncheon
- › Senior of the Year Awards
- › Schools Tree Day Ceremony at Raintree Grove, Riverway
- › Townsville Eats: NQ Cowboys v. New Zealand Warriors Edition
- › RAAF Mayor of Townsville Award
- › QCWA 100th Anniversary Civic Reception
- › Vietnam Veterans Day and Dawn Service
- › RAAFA Pilgrimage
- › KRI Bima Suci Visit Civic Reception
- › Children's Book Week
- › Citizenship Ceremony



Get Ready Townsville

OCTOBER 2022

- › State Opera South Australia's Love Burns
- › National Water Week
- › Townsville Eats: Halloween Edition
- › National Ride2Work Day
- › Aussie Bird Count
- › United Arab Emirates Ambassador Networking Luncheon
- › Citizenship Ceremony
- › Kinky Boots
- › Multicultural Comedy Gala
- › The Umbilical Brothers "The Distraction"
- › Great Northern Clean Up



📍 Townsville Eats Halloween edition

NOVEMBER 2022

- › Get Ready Townsville (Disaster Ready Day)
- › Recycling Centre open day
- › White Ribbon Day
- › Townsville Eats: Christmas in the City Edition
- › 16 Days of Activism – Walk Against Violence
- › Welcoming Babies Ceremony and NQ Babies Expo
- › Remembrance Day
- › National Emergency Medals Civic Reception
- › Port of Spain Welcome Civic Reception
- › Citizenship Ceremony
- › Crowded House - Dreamers are Waiting Tour
- › George Thorogood & The Destroyers - Good to be Bad... 45 Years of Rock
- › 2022 PBR Australia Grand Finals
- › Northern Australia Beach 5s Rugby Championships
- › Christmas in the City



📍 Carols by Candlelight



📍 Carols by Candlelight

DECEMBER 2022

- › Townsville Citylibraries Summer Reading Club
- › Carols by Candlelight
- › Citizenship Ceremony
- › New Year's Eve Celebrations
- › The Sleeping Beauty
- › Stable at Riverway



📍 Carols by Candlelight

EVENTS 2022/23

JANUARY 2023

- › Street art Workshop with Jon Electros Avocado
- › Australia Day Awards and Celebrations
- › Survival Day
- › Citizenship Ceremony



MARCH 2023

- › Clean Up Australia Day
- › Townsville Fire WNBL Grand Final Series Game
- › Townsville Eats: NQ Cowboys v. Canberra Raiders Edition
- › Neighbour Day – Create Belonging
- › Welcoming Babies Ceremony and NQ Babies Expo
- › French Delegate Welcome Civic Reception
- › TAFE North Queensland Graduate Exhibition
- › People, Culture & Country: Aboriginal and Torres Strait Islander Art Project
- › Citizenship Ceremony
- › A Midsummer Night's Dream
- › 10th Force Support Battalion 25th Birthday Parade



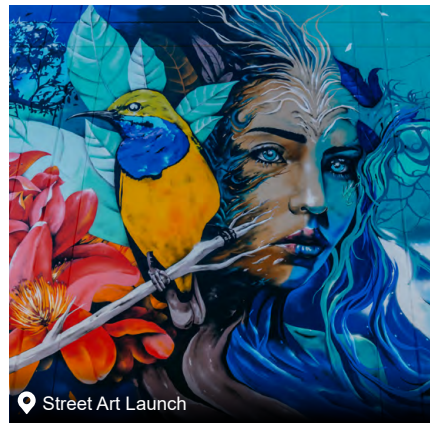
FEBRUARY 2023

- › Reopening of Northern Beaches Leisure Centre
- › Get Active Sign On
- › Townsville Eats: Queensland Reds Edition
- › Queensland Reds vs Hurricanes (Super Rugby Pacific game)
- › Library Lovers' Day
- › Citizenship Ceremony
- › Steve-O - The Bucket List Tour



MAY 2023

- › Townsville Eats: Queensland Reds Edition
- › Queensland Reds v. NSW Waratahs
- › Townsville Citylibraries One Title One Townsville
- › Community Tree Planting Day
- › Tropic Fiesta – Street Beats
- › Tropic Sounds 2023
- › Sustainability Centre Open Day
- › Street Art Launch
- › Legacy Centenary Civic Reception
- › Three for Bees
- › Mother's Day Memorial
- › Battle of the Coral Sea
- › Art in Conflict: Australian War Memorial Touring Exhibition
- › Citizenship Ceremony
- › C2 Sessions
- › Townsville Citylibraries 85th Birthday Celebration
- › Blake Pavay - Literally Dying
- › Townsville Expo
- › Super W Grand Final Queensland Reds v. Fijiana Drua



Street Art Launch



Our Townsville



Our Townsville

APRIL 2023

- › Aviary Antics partnered with Hands on Wildlife
- › Townsville lights up for French Navy
- › Queensland Youth Week
- › Anzac Day Commemorations
- › Townsville Eats: NQ Cowboys v. Newcastle Knights Edition (NRL ANZAC Round)
- › Grand opening of Riverway Library and reopening of the Pinnacles Gallery
- › Citizenship Ceremony
- › Melbourne International Comedy Festival Roadshow
- › International Legends of League



ANZAC Day

JUNE 2023

- › Queensland Youth Week including Youth Arts Hub @ NAFA 2023
- › The Forever Garden unveiling
- › Exercise Southern Jackeroo Morning Tea
- › F35 Aerobic Display
- › National Servicemen's Day
- › Townsville Citylibraries Short Story Competition
- › Citizenship Ceremony
- › Our Townsville
- › NRLW State of Origin – Game 2
- › 2023 Junior State Age (JSA) Netball Championship
- › North Australian Festival of Arts 2023
- › Townsville Folk Festival



GOAL 5

A leading centre of education, training and research commercialisation.

83%
community support for this goal



63,346
laboratory tests delivered for external customers

Council's laboratory expanded services to include testing for **legionella pneumophila**

100 trainee, apprentice and graduate roles, increase on previous year



33 DISASTER TRAINING COURSES AND EXERCISES DELIVERED

16 businesses benefited from economic activation incentives

\$32.2M FUNDING SECURED FOR NQ SPARK

Townsville City Council partnered with stakeholders to secure \$32.2m funding from the Australian Government for the North Queensland Simulation Park (NQ Spark), northern Australia's first collaborative industry hub focused on developing defence and research capability.

NQ Spark will bring together regional science, defence, health and knowledge expertise in Townsville to create an advanced environmental simulation facility and technology-orientated collaborative precinct.

In 2022/23, significant progress was achieved. NQ Spark was established as a company, an interim site was set up and directors were appointed to the Board from tertiary and health institutions to progress the collaborative simulation training, testing and research industry hub.

An interim facility, iSpark, was also delivered to drive attraction and investment.

NQ Spark is an integral development of the TropiQ masterplan, with support from Townsville City Council, James Cook University, Townsville Hospital and Health Service and Queensland Government. The facility will be built in Douglas between James Cook University, Townsville University Hospital and Lavarack Barracks. It will include around 13,400 square metres of commercial industry space.

Council continues working with TropiQ partners, economic (Townsville Enterprise) and innovation agencies (Smart Precinct NQ) to promote and advocate Townsville as a place to live, work and invest.

Corporate Goal 1

A smarter way to park in the city

In January 2023, Townsville City Council commissioned 112 Australian-made and owned solar-powered parking meters and launched its new Townsville Parking app.

Located throughout the CBD, these smart parking meters use number plates as the identifier instead of printed tickets, removing the need for tickets to be printed and displayed.

Council also introduced the new app called Townsville Parking to allow users to pay for their parking without the need to go to the meter or extend your stay without having to return to your car.

The app is available for download on the Apple App Store and Google Play. Since launching, the app has been downloaded by 11,656 individual users.

The smart meters and parking app are innovative ways Council is working towards its goal of creating a digitally connected Smart City.



Solar-powered parking meters, Townsville city



*Take me to
the parking app*



Corporate Goal 2 4



Ecosophy Garden, Townsville city

Second Ecosophy Garden unveiled on World Bee Day

Stage two of Townsville's innovative Ecosophy Garden was unveiled on 19 May 2023, in conjunction with World Bee Day.

Ecosophy refers to the intersection of ecology and philosophy, and the garden on the corner of Walker and Stanley streets is a living, breathing, small-scale ecosystem for plants, which attracts bees, ladybugs, worms, snails and microbes.

The first Ecosophy Garden was launched on 20 May 2022, opposite the site of the second garden. These pollinator-supportive gardens showcase:

- flowers, herbs and low-growing native shrubs
- a food and nest environment for bees and pollinators
- an educative environment and sustainable information on signage
- native non-sting bees.

Council partnered with Townsville and District Beekeepers Association, NQ Native Bees, our local Men's Sheds, and Vinnies Blackwood Hostel to help with the upkeep and growth of the Ecosophy Garden.

The Ecosophy Garden is open for all to visit.

OUR CITY

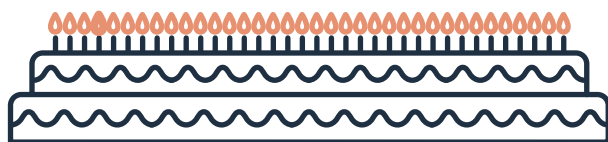





Our Community


198,577¹ 
Population, place of usual residence (2022)


250,867²
Projected population by 2041



Median age of persons (2021)
36 YEARS¹


27,079¹
Population born overseas (2021)



49,777¹
Families (2021)

16,269 (8.4%)¹
Indigenous population (2021)


13.3%¹ 
Residents who volunteer

Our Economy

\$12.66b³
Gross regional product



112,719⁴
Residents working in Townsville



\$1.15b³ Total value of tourism and hospitality sales (2021)



12,486⁵
Number of businesses (2022)

1.2m⁶
Overnight visitors


TOP 3 EMPLOYMENT BY INDUSTRY³

1. Health Care and Social Assistance
2. Public Administration and Safety
3. Education and Training

¹ Source: Australian Bureau of Statistics, Census of Population and Housing 2022

² Source: Queensland Government population projections, 2023 edition

³ Source: National Institute of Economic and Industry Research (NIEIR) ©2023

⁴ Source: National Skills Commission, Small Area Labour Markets as of March Quarter 2023

⁵ Source: Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits, 2018 to 2022

⁶ Source: Tourism & Events Queensland, Townsville Regional Snapshot - Year Ending December 2022

Our City



85,912[^]
Rateable properties



2[^]
Dams



21[^]
Off-leash
dog parks



143[^]
Parks with both
playgrounds and
shaded areas



593 KM[^]
of footpaths



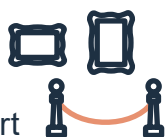
1,844 KM[^]
of roads



4[^]
Cemeteries



203[^]
Parks with
playgrounds



2[^]
Art
galleries



1[^]
Major performing
arts venue



3[^]
World-class
Botanical gardens



3[^]
Libraries
plus 1[^] mobile library



577[^]
CCTV security
cameras

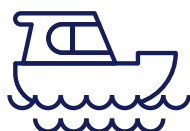
6[^]
Stinger
nets



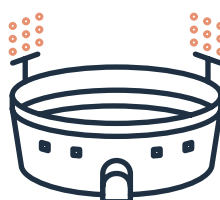
4,354KM[^]
Water and
wastewater
mains



14[^]
Boat ramps



5[^]
Public
swimming
pools



2[^]
Sport
stadiums



12[^]
Community
centres

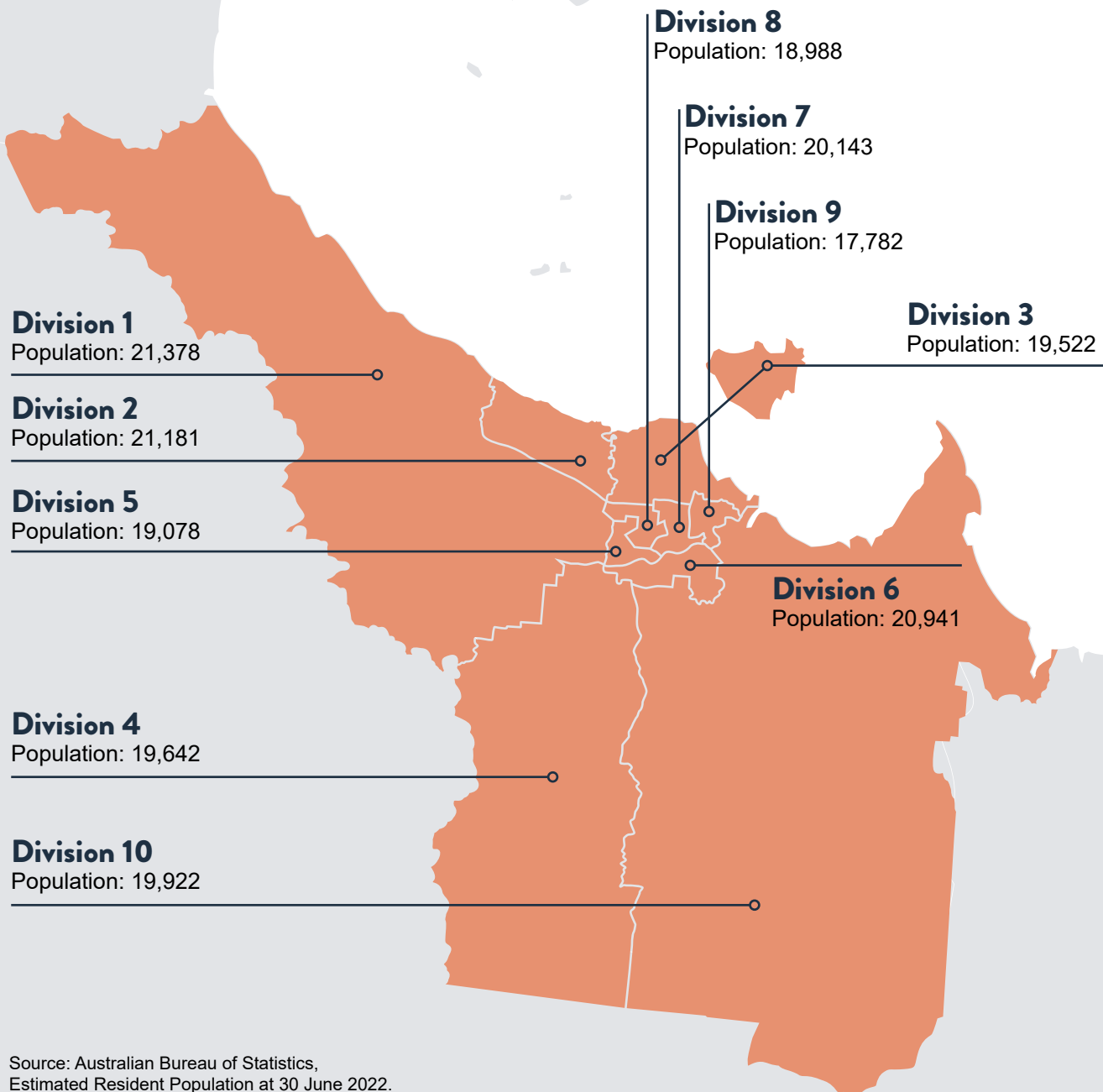
[^]Source: Townsville City Council

TOWNSVILLE PROFILE AND DEMOGRAPHICS

Total Land Area: 374,201 ha

Estimated Population (2022): 198,577

Population Density: 0.53 persons per hectare



Source: Australian Bureau of Statistics, Estimated Resident Population at 30 June 2022.

COUNCILLORS

MAYOR

JENNY HILL AM

Term of Office: 7
(non-consecutive)

☎ 0418 886 992

✉ Mayor@townsville.qld.
gov.au

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 more than 20 years' service in local government and in 2012 was elected as Townsville's first female Mayor.

Qualifications:

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



CR MARK

MOLACHINO

Deputy Mayor
Division 4

Term of Office: 2

☎ 0439 849 856

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

Councillor Molachino was born and raised in Ingham and has worked in the sugar, construction, mining, tourism and aviation industries as well as serving 18 years in the Australian Defence Force. As chair of the Planning and Development Committee 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

Population: 19,642



COUNCILLORS

CR MARGIE RYDER

Division 1

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

☎ 0439 915 033

✉ Margie.Ryder@
townsville.qld.gov.au

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
- › Member of the Institute of Company Directors
- › Diploma of Business
- › Cert IV in Tourism (Operations)
- › Certificate in Events Management

Population: 21,378



CR SUE BLOM

Division 2

Term of Office: 3
(non-consecutive)

☎ 0435 260 342

✉ Sue.Blom@
townsville.qld.gov.au

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

Population: 21,181



CR ANN-MAREE GREANEY

Division 3

Term of Office: 2

☎ 0448 378 111

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

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.

Qualifications:

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

Population: 19,522



COUNCILLORS

CR RUSS COOK

Division 5

Term of Office: 2

☎ 0439 866 640

✉ Russ.Cook@townsville.qld.gov.au

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)
- › Member of the Institute of Company Directors

Population: 19,078



CR SUZY BATKOVIC

Division 6

Term of Office: 1

☎ 0434 939 419

✉ Suzy.Batkovic@townsville.qld.gov.au

Prior to being elected, Councillor Batkovic was a professional athlete, playing basketball for 23 years in the USA, Europe and Australia. During her time as a professional athlete Councillor Batkovic represented Australia at three Olympic Games winning two silver medals and a bronze medal. 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.

Population: 20,941



CR KURT REHBEIN

Division 7

Term of Office: 2

☎ 0439 847 860

✉ Kurt.Rehbein@townsville.qld.gov.au

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

Population: 20,143



COUNCILLORS

CR MAURIE SOARS

Division 8

Term of Office: 2

📞 0439 849 622

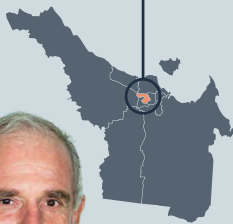
✉️ Maurie.Soars@townsville.qld.gov.au

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

Population: 18,988



CR LIAM MOONEY

Division 9

Term of Office: 1

📞 0434 925 510

✉️ Liam.Mooney@townsville.qld.gov.au

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.

Population: 17,782



CR FRAN O'CALLAGHAN

Division 10

Term of Office: 1

📞 0418 297 134

✉️ Fran.O'Callaghan@townsville.qld.gov.au

Cr O'Callaghan was awarded a Bachelor of Science in Quantity Surveying in 1991 and was elected to Division 10 in January 2021.

Qualifications:

- › Bachelor of Science in Quantity Surveying

Population: 19,922



REEF ASSIST PROGRAM TURNS WEEDS INTO HEALTHY SOILS

In 2022/23, more than 350 tonnes of weeds were harvested and converted back into living mulch and applied to revegetation sites and soils, through Townsville City Council's award-winning Reef Assist – Weeds to Healthy Soils program, working towards zero organic waste sent to landfill.

As a coastal city and recognised Reef Guardian Council, located next to the iconic Great Barrier Reef, Townsville City Council is motivated to deliver projects that support restorative water quality and biodiversity outcomes across Townsville's waterways and floodplains, for the betterment of downstream ecosystems, local reefs, and outer reefs.

The Reef Assist – Weeds to Healthy Soils program converts land and water weeds and environmental vegetation into high-quality living mulch soils and mulch, which is then used to increase soil and vegetation health across the city.

The program, which is jointly funded by Council and Queensland Government's Reef Assist Program, also delivers jobs and upskilling with a particular focus on youth and First Nations people.

So far, the program has led to more than 50 young Townsville locals finding meaningful careers in the emerging environmental restoration industry,

including more than 20 jobs created this financial year.

Council aims to demonstrate with local businesses that there is an economically viable market for removing, recycling, and reusing resources locally that would otherwise go to landfill so we can drive a circular economy while uncovering indigenous pathways to developing appropriate jobs, relationships and regenerating landscapes.

In 2022/23, Council delivered its first on-Country school tour group collaboration with First Nations business, sharing the landscape restoration processes with secondary school students at a Reef Assist site.

Works have been carried out across Townsville, including at Bohle River, Saunders Creek, Lorna Creek (Mutarnee), Magnetic Island, Castle Hill, Black River, Louisa Creek and urban wetland systems such as Idalia and Castletown Lakes.

Key outputs for 2022/23

- ✓ **5,700+** local native trees, shrubs and sedges planted for long-term restoration of sites
- ✓ **350+ tonnes of weeds** harvested and converted back into living mulch to create soil
- ✓ **850m² of riverbank restored** through nature-based solutions
- ✓ **11ha** of degraded catchment restored

- ✓ **13ha** of gullies remediated using 100+ low-cost structures called "leaky weirs"
- ✓ **6kg** local native seed collected
- ✓ **20+ jobs** created
- ✓ **5 businesses partnered with** (local, First Nations-owned and non-for-profit)
- ✓ **11 formal training courses** delivered
- ✓ **30 local businesses engaged** for supply of products and services to deliver the project

COMMUNITY ENGAGEMENT 2022/23



230,684
completed customer enquiries/requests



1,300+
integrated marketing initiatives delivered, engaging and informing our community



236,765
views of dam levels web page (most popular)


3.49m 
visits to Council website

17,807
visits to Have Your Say survey site



1,093
animals connected with new families



74.5% 
increase in visits to Council's corporate Facebook page



327
local sporting clubs and associations engaged by Council

+

50



community and fitness industry organisations

44
community development initiatives delivered



430
unique consultations on Council projects



96.2%
customer
requests
completed

44
emergency
preparedness
community
engagement
activities



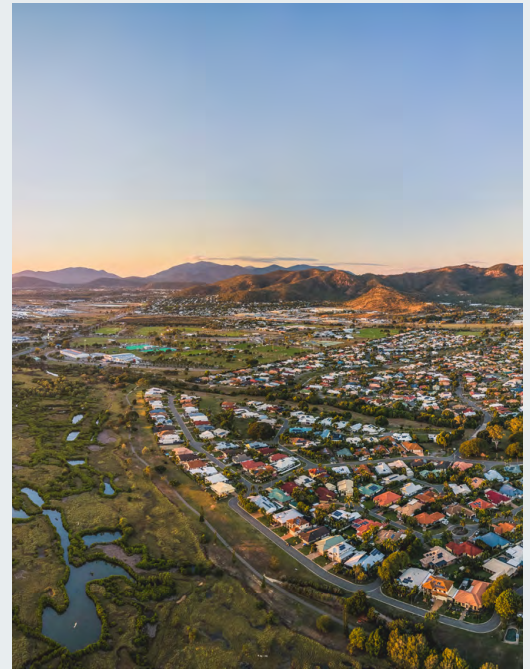
4.1m+
total reach on all
Council's Facebook and
Instagram accounts



1,106
individual
conversations
on Facebook
messenger



87
community
events
delivered



Have Your Say Townsville

Have Your Say Townsville is Townsville City Council's online community engagement site, where residents can share thoughts, initiatives and opinions on playgrounds, planning schemes, local laws, open space projects or major infrastructure, and more.

Through this platform, the local community can provide Council with real input and direction into projects and initiatives that affect local areas and the overall liveability of the city.

In 2022/23, Have Your Say Townsville recorded 17,807 unique site visits to the platform, and engaged 2,602 participants.

During this period, the 'Activating a Healthier Community' consultation received the highest level of engagement from the community. The initiative saw Council invite residents to assist in identifying challenges to participating in physical activity in the Townsville LGA, as well as identify local parks to host future activations. The overarching goal was to encourage and empower residents to live a more active and healthier lifestyle and use the parks and open spaces that are on their doorstep.

haveyoursay.townsville.qld.gov.au

COUNCIL'S LABORATORY EXPANDS SERVICES

In early 2023, Townsville City Council's laboratory received accreditation by the National Association of Testing Authorities (NATA) to test water samples for one of the world's most dangerous water-borne diseases, *Legionella pneumophila*, and other strains of *Legionella*.

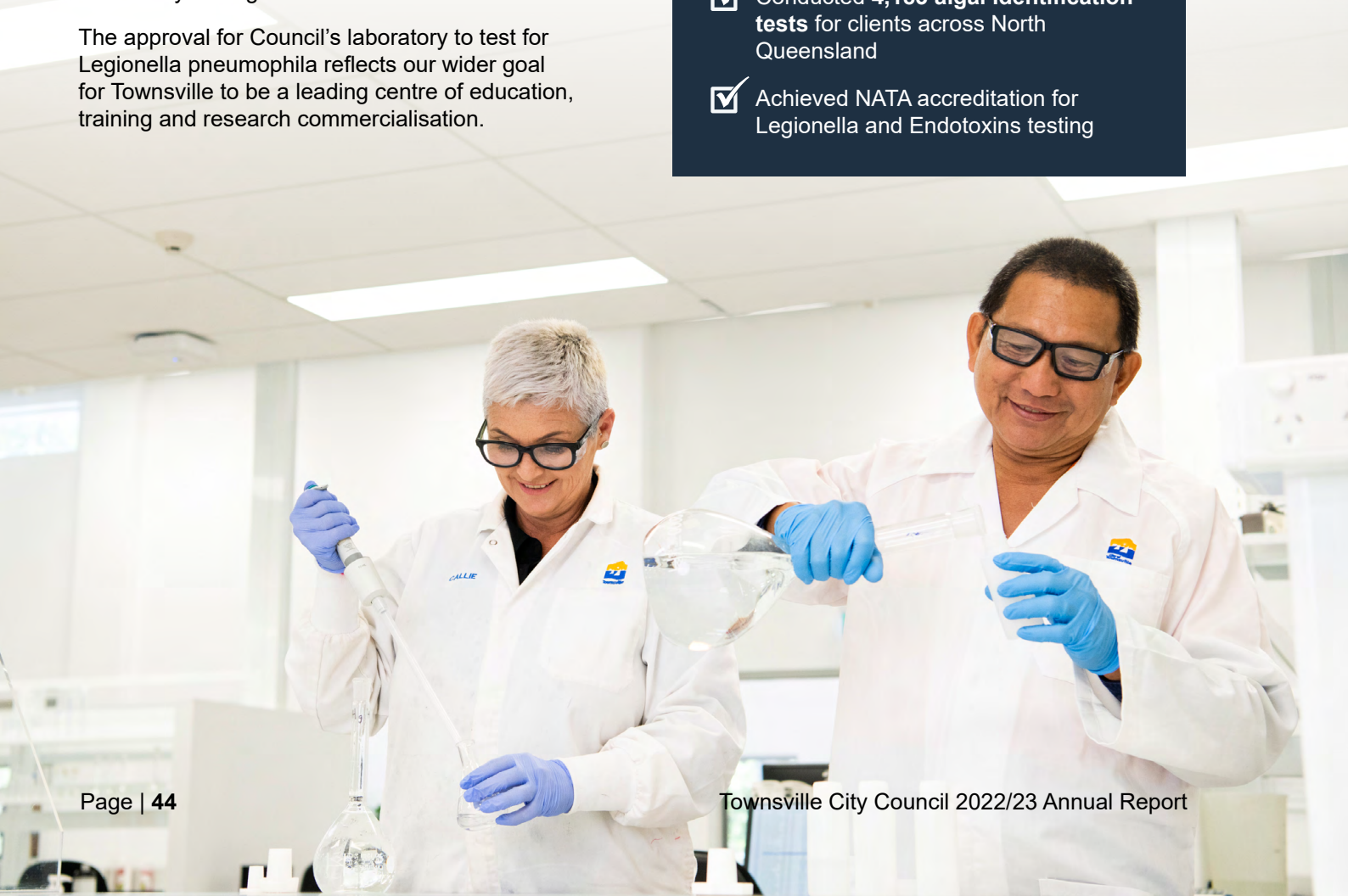
The bacterium *Legionella pneumophila* is responsible for most cases of Legionnaires' disease. Outdoors, legionella bacteria survive in soil and water, but they rarely cause infections. The highest risk is when the bacteria multiply in humid indoor water systems such as air-cooling towers, particularly in places like aged care facilities, hospitals, clinics and commercial buildings occupied by people with lowered immunity.

In addition to testing water samples from Council's own buildings, our laboratory extended the service across North Queensland to hospitals, clinics, aged care facilities and commercial buildings that are subject to Queensland Health requirements for mandatory testing.

The approval for Council's laboratory to test for *Legionella pneumophila* reflects our wider goal for Townsville to be a leading centre of education, training and research commercialisation.

In 2022/23, Townsville Laboratory Services:

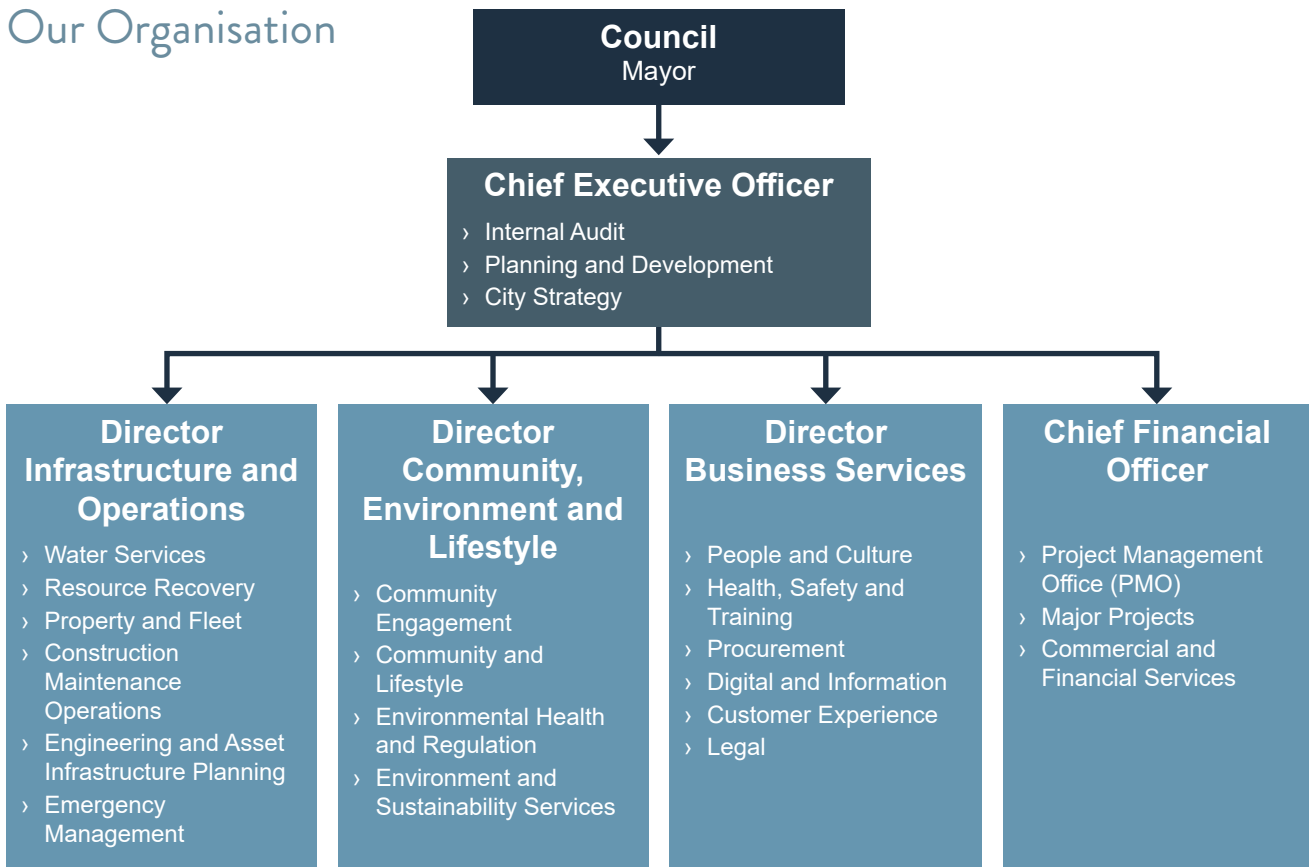
- ✓ Conducted **≈193,502 tests**
- ✓ Conducted **≈500 legionella tests** for aged care homes, cooling towers and hospitals
- ✓ Conducted **≈2,600 odour compound testing for dam and treated water samples** for clients across North Queensland
- ✓ Conducted **4,183 algal identification tests** for clients across North Queensland
- ✓ Achieved NATA accreditation for *Legionella* and Endotoxins testing



OUR PEOPLE



Our Organisation



Our Workforce Profile



Permanent full-time
79.28%



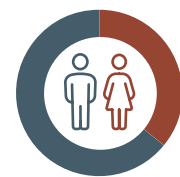
Permanent part-time
4.23%



Temporary / Casual
12.03%



Trainee / Apprentice
4.46%



Female staff
37%
Male staff
63%

Our Volunteers

Council acknowledges the wonderful contribution volunteers make to the Townsville community. This financial year Council has had 97 volunteers. Volunteers assist Council in delivering services, protecting the environment, and hosting events.

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
- Community and Lifestyle
- Environmental Health and Regulation
- Sustainability and Environmental Services

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 Council's website.

Our Workplace Health, Safety and Wellbeing

The health, safety and wellbeing of our Council officers, contractors, volunteers and community remains our key priority. We put safety first to ensure 'everyone goes home safe today and every day'. Over the past two years Council has seen a reduction in lost time injury events by 70%. This is a demonstration of our commitment to continuous improvement.

In 2022, Council was named a finalist for 'Most significant improvement to work health and safety performance' in the Safe Work and Return to Work Awards.

Council hosted its annual 'Moment for Safety' day in October 2022, which saw more than 1,200 employees, along with local suppliers, attend to discuss the importance of safety to themselves, their colleagues and our community.

Council's health, safety and wellbeing team have collaborated with our procurement team to work with local businesses through 'Doing Business with Council'. This is a free service offered by Council where local businesses can book meetings with these teams to discuss requirements for working with us.

Council established an Organisational Health and Safety Representative Working Group which brings together elected health and safety representatives from all of the different areas of Council to consult on health and safety matters. The group's key focus is to bring ideas from all work groups to one forum to share ideas and solutions to improve safety outcomes. Recently, one of Council's health and safety representatives was named a finalist for the 'Australian HSR of the Year Award' by the Australian Institute of Health and Safety for their innovative ideas in improving safety.

As part of Council's wellness strategy, our Employee Assistance Program remains a key offering. This includes employee, family, money, career, manager conflict, and nutrition and lifestyle assistance. As part of the program Council offers these services to employees and their immediate family members.

Council continues its commitment to the wellbeing of all employees by continued health and wellbeing initiatives throughout the year. Some of these initiatives are the flu vaccination program, RUOK? Day, Movember, Share the Dignity Drive, 10,000 step challenges and our Domestic and Family Violence Awareness dedication.



📍 2022 Moment for Safety event



Our Training and Development

Townsville City Council is committed to providing training, development and employment programs to ensure that skills and knowledge of our people are maintained and developed to support with the delivery of services to our community and achievement of our strategic goals.



📍 Welcoming graduates at the 2023 Entry Level Programs Welcome Breakfast

In the 2022/23 financial year, Council welcomed 31 new apprentices and trainees and 18 graduates. Council also provided the opportunity for two existing electrical apprentices to complete a fifth-year instrumentation qualification (dual-trade). Through the Queensland Government's 'Skilling Queenslanders for Work initiative', Council also welcomed 11 new work skills trainees. Across both programs, Council successfully supported 49 apprentices and trainees to complete their qualification. The Entry Level Program portfolio averages an engagement of more than 100 active employees. Council celebrates this program and the achievements of our award finalists.



📍 Work skills trainees through Council's Work Skills Program

During this period, Council facilitated more than 9,842 instructor led training registrations and recorded more than 45,667 learning and development achievements. Council ran an internal marketing campaign to encourage employees to embrace the fee-free training offerings under the Australian Government's initiative and further supported 56 employees outside of the fee-free offerings to undertake qualifications.

Our Achievements

Council was recognised for its outstanding contribution to the Townsville community, receiving a number of awards and nominations in 2022/23. These awards and nominations acknowledge the innovative work in key areas and further demonstrates our leadership in local government.

LONG SERVICE AWARDS

Council recognises long serving team members annually with a Long Service Award Ceremony who have achieved 10 years of service or more in five-year increments. Attendees include the Mayor, CEO, Directors, General Managers, Team Managers, colleagues and guests to show our appreciation and recognition of the service they have provided over the years.

For 2022, Council had employees ranging from 10 years of service right through to 45 years of service. The awards are a great opportunity for employees to be recognised for their contributions, big and small over their years of service.

For 2022, Council congratulated 148 staff with a total of 2,495 combined years of service.



COUNCIL AWARDS

North Queensland's Regional winner – Large Employer of the Year Award

Awarded for: **Large Employer of the Year Award**
 Awarded by: **Department of Employment, Small Business and Training**
 Awarded to: **Townsville City Council**
 Date awarded: **8 July 2022**

Finalist in 2022 Safe Work and Return to Work Awards

Awarded for: **Most significant improvement to work health and safety performance**
 Awarded by: **Worksafe Qld**
 Awarded to: **Townsville City Council**
 Date awarded: **8 September 2022**



Finalist Australian Workplace Health and Safety Awards

Awarded for: **Australian HSR of the Year Award**
 Awarded by: **Australian Institute of Health & Safety**
 Awarded to: **Joe Cox, Townsville City Council**
 Date awarded: **21 June 2023**



Infrastructure Project Innovation Award (Regional)

Awarded for: **Cleveland Bay Purification Plant Process Upgrade**
 Awarded by: **Australian Water Association (AWA) Queensland**
 Awarded to: **Townsville City Council, AECOM and Hunter H2O**
 Date awarded: **9 September 2022**



2022 Environmental Excellence Award - Excellence in Education or Innovation to the Erosion and Sediment Control Industry

Awarded for: **Reef Assist – Weeds to Healthy Soils Initiative, including On-Country Soil Erosion and Sediment Control Training**
 Awarded by: **International Erosion Control Association Australasia (IECA)**
 Awarded to: **Townsville City Council**
 Date awarded: **20 October 2022**



Finalist for People's Choice Award – Best Major Event

Awarded for: **North Australian Festival of Arts (NAFA) 2022**
 Awarded by: **2022 North Queensland Tourism and Events Awards**
 Awarded to: **Townsville City Council**
 Date awarded: **14 October 2022**

Australian Event Award – Best Regional Event

Awarded for: **NAFA 2022**
 Awarded by: **Australian Event Awards**
 Awarded to: **Townsville City Council**
 Date awarded: **23 November 2022**

National Finalist for Best Cultural, Arts or Music Event

Awarded for: **NAFA 2022**
 Awarded by: **Australian Event Awards**
 Awarded to: **Townsville City Council**
 Date awarded: **23 November 2022**

COUNCIL AWARDS



2022 Digital Government Community Engagement Award for New Zealand and Australia – Best Community Consultation Project
 Awarded for: **Riverway Library Engagement Project**
 Awarded by: **Granicus Australia**
 Awarded to: **Townsville City Council – Community Engagement – Stakeholder Engagement Team**
 Date awarded: **12 December 2022**

2023 LGx Awards for Excellence – Best Communications (internal) Campaign
 Awarded for: **Moment for Safety Campaign**
 Awarded by: **Local Government Association of Queensland**
 Awarded to: **Townsville City Council – Community Engagement – Internal Communications Team**
 Date awarded: **16 May 2023**

INDIVIDUAL STAFF AWARDS

2023 LGx Awards for Excellence – Best Council Communications Professional



Awarded to: **Senior Communications and Engagement Officer – Major Projects, Kate Hadley**
 Awarded by: **Local Government Association of Queensland**
 Date awarded: **16 May 2023**



📍 Holly Sherman, Townsville City Council

North Queensland's regional Winner – Bob Marshman Trainee of the Year Award

Awarded to: **Holly Sherman**
 Awarded by: **2022 Queensland Training Awards**
 Date awarded: **8 July 2022**

North Queensland regional finalist – Aboriginal and Torres Strait Islander Student of the Year

Awarded to: **Holly Sherman**
 Awarded by: **2022 Queensland Training Awards**
 Date awarded: **8 July 2022**



📍 Harry Venables(left), Townsville City Council

Automotive & Diesel Fitting Apprentice of the Year finalist

Awarded to: **Harry Venables**
 Awarded by: **2022 TAFE Queensland Trade Excellence Awards Townsville**
 Date awarded: **27 October 2022**

OUR COMMUNITY

FINANCIAL REPORT



FINANCIAL SNAPSHOT

Strong Credit Rating



has improved to **Sound** with a neutral outlook



\$6.4 billion total community assets



\$372.6 million spent on capital investment including \$145.6 million on renewals of city infrastructure



\$466 million increase in community equity

\$484 million spent on providing services and support to the community



\$613 million liabilities



\$604 million total income

\$393 million raised in rates and utility charges



Community Financial Report

Townsville City Council spent \$484 million this year to provide services and facilities to more than 198,577 residents. We managed close to \$6.4 billion of assets including roads, bridges, drains, land, recreation and leisure facilities, libraries and parks for the benefits of the local and visiting community.

We generated \$604 million in income to fund services and facilities via rates and utilities on properties, government grants, interest on investments and fees and charges. This income is then spent on construction, maintenance, wages, borrowing costs and other operating costs to provide services to the community like libraries, parks, pools, art galleries and waste facilities.

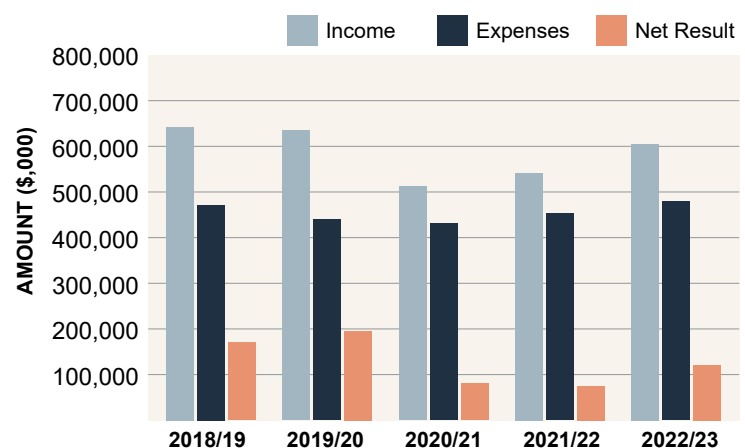
The community Financial Report is an explanation of Council's Financial Statements in an easy-to-understand format. It enables our community, customers, partners and employees to understand how council has performed financially this year.

Statement of Comprehensive Income

The Statement of Comprehensive Income shows Council's net result for the 2022/23 financial year, calculated using the formula: Total Income less Total Expenses equals Net Result.

Council achieved a net result of \$120.8 million. This result is largely driven by \$139.6 million in grant revenue received from the State and Federal Government to deliver services and infrastructure such as the Haughton Pipeline Duplication (Stage 2) and Ross River Dam to Douglas Water Treatment Plant Pipeline Renewal.

Graph 1 – Expenses against income: five-year trend



\$120.8m+ net result for 2022/23, income minus expenses

Income – where our money came from

Income is received from rates and utility charges on residential, business and industrial properties, fees and charges from Council operations, State and Federal grants, interest, developer and other contributions.

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.

Council's total operating income increased by 2% from the prior year largely due to increased land valuations for rateable properties.

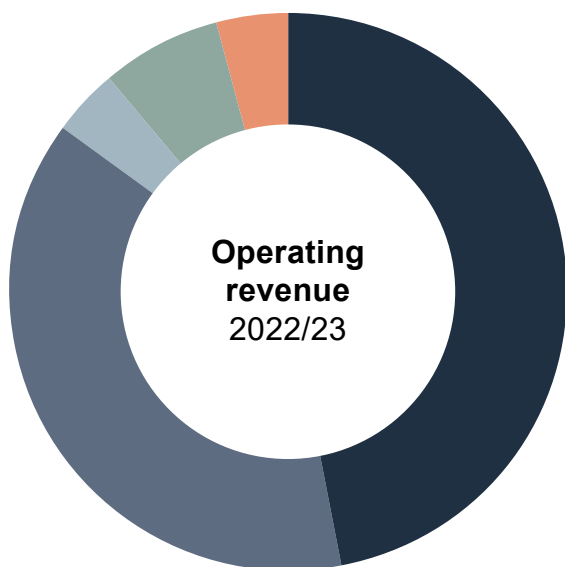
Expenses – where our money was spent

Council's expenses are for employee costs, materials, utilities, services, depreciation, and financing costs to deliver community services. The following information covers operational spending as 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 to ensure the best value and longest life is achieved for each asset.

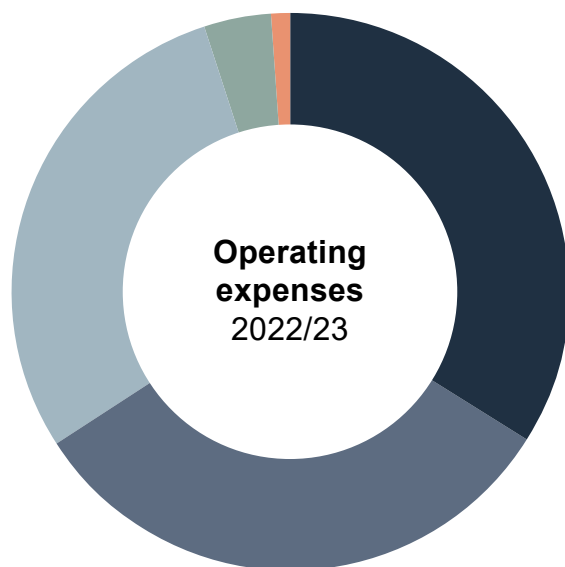
Council's total expenses have increased by 4% from the prior year due to increases in occupied positions and increasing costs for materials and consumables experienced through the year.

Graph 2 – Income 2022/23



- 47% Utility charges
- 38% General rates
- 4% Grants, contributions and donations
- 7% Fees and charges
- 4% Other

Graph 3 – Expenses 2022/23



- 34% Materials and services
- 32% Employee benefits
- 29% Depreciation
- 4% Finance costs
- 1% Capital expenses

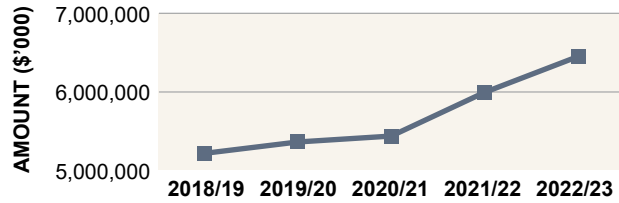
Statement of Financial Position

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

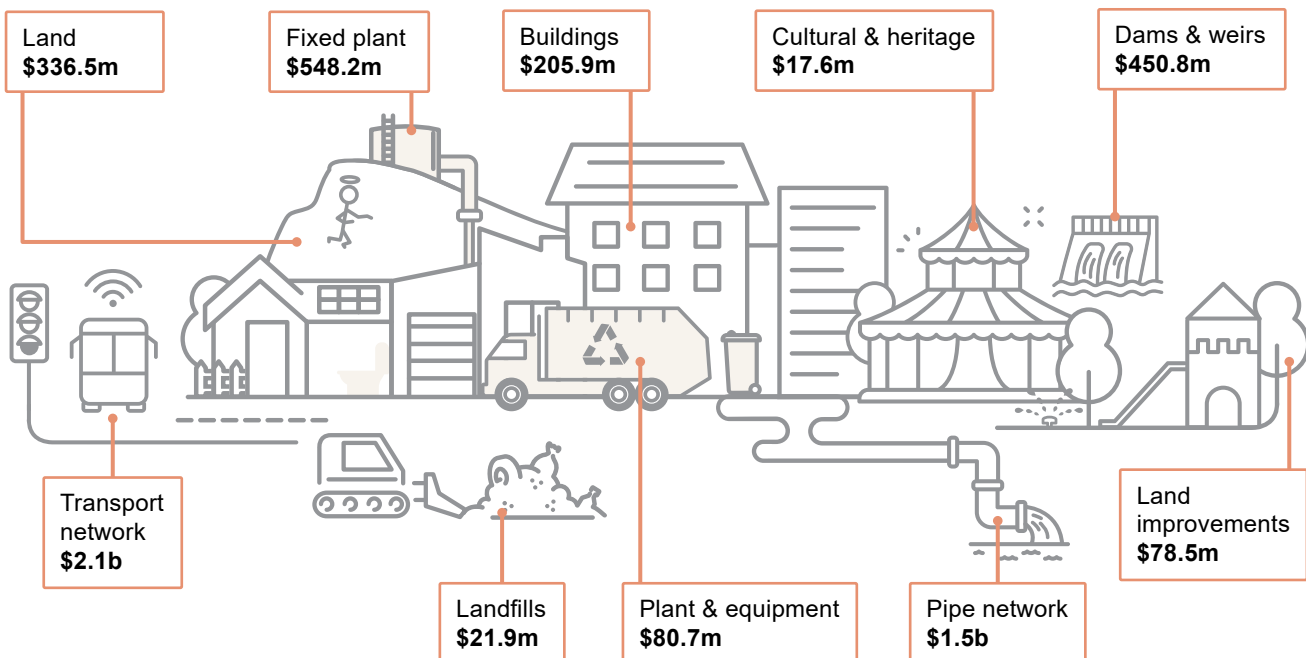
Table 1 – Townsville City Council
2022/23 financial position

	(\$'000)
Assets	\$6,444,745
Liabilities	\$612,615
Equity	\$5,832,130

Graph 4 – Council assets - 5 year trend



COUNCIL'S ASSETS



What our community owns

Council's assets include infrastructure, cash, unpaid rates and other amounts owed to Council.

Council's largest asset component is infrastructure which includes roads, pipes and buildings that benefit the Townsville community.

The value of Council's total assets has increased from the prior year by \$453.4 million. The movement was largely attributed to investment in capital projects combined with an increase in the fair value of transport network.

What our community owes

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

Council's total liabilities were \$612.6 million as of 30 June 2023, of which \$418.6 million relates to loans from Queensland Treasury Corporation (Queensland Government owned lending agency).

Total liabilities reduced by \$12.9 million from the previous year which is primarily attributed to a reduction in unpaid supplier invoices.

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.

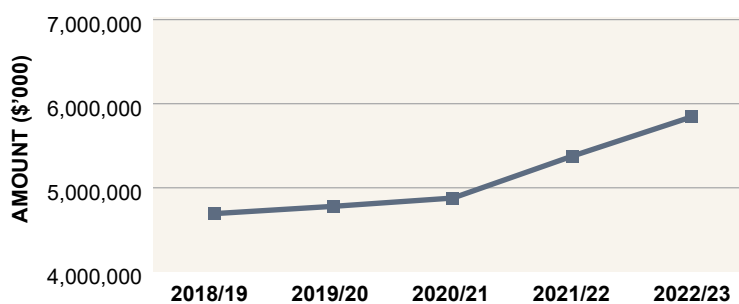
Community equity

Community equity is represented by Council's net worth: what Council owns (total assets) minus what Council owes (total Liabilities)

Community equity, as of 30 June 2023, was \$5.8 billion, which is \$466.3 million higher than the previous year.

Graph 5 shows the amount of Council's community equity over the last five years.

Graph 5 – Community equity: five-year trend



Statement of Cash Flows

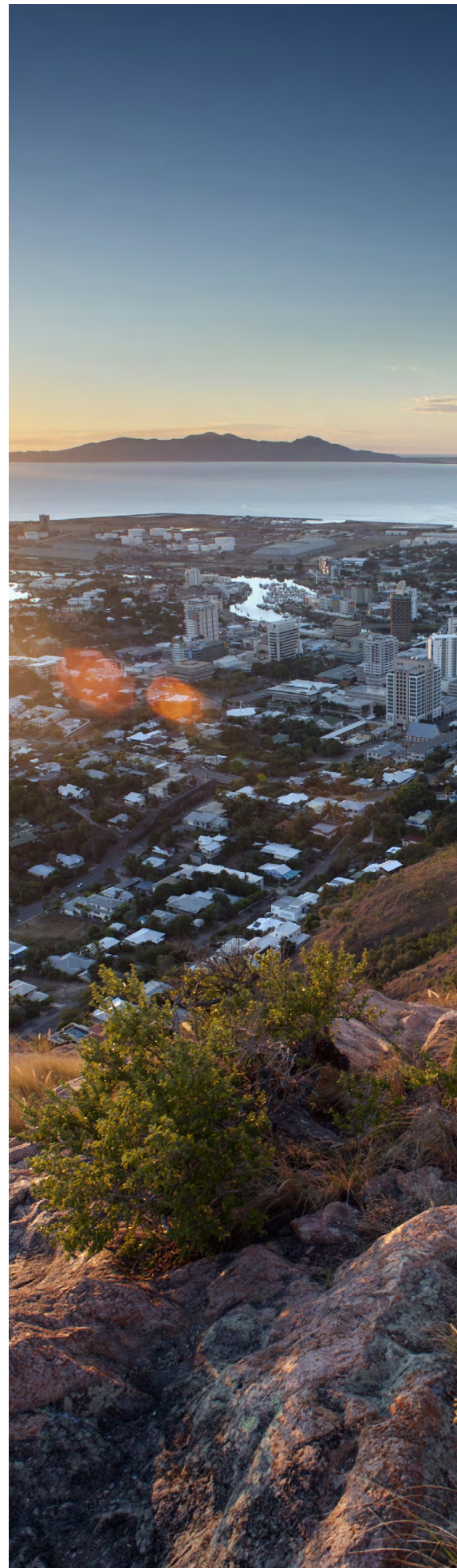
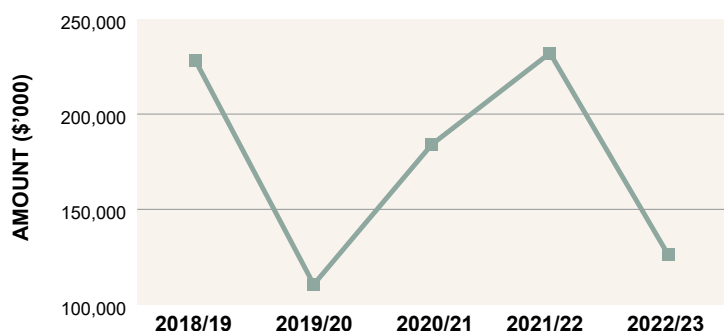
Where Council's cash comes from and where it goes

The Statement of Cash Flows shows 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.

Graph 6 shows the amount of Council's cash holdings at the end of each financial year, over the last five years. Cash balances are influenced by timing of grant funding received, the delivery of large infrastructure projects and draw down of borrowings.

Graph 6 – Council cash holdings: five-year trend



CREDIT RATING

In March 2023 Queensland Treasury Corporation (QTC) finalised its annual credit review of Council. QTC affirmed Council's credit rating at sound with a neutral outlook, reflecting Council's continued delivery of balanced operating results.

QTC noted as at 14 March 2023:

The Sound rating reflects TCC's (Townsville City Council) continued delivery of balanced operating results. TCC benefits from high Council-controlled revenue, supported by a large and growing population. Strong State and Federal Government support in defence, hydrogen and manufacturing should continue to support economic activity in the region. Unemployment is significantly below the state and regional average, which should support community affordability of rates growth. TCC faces similar challenges to other local governments, including cost pressures, resource constraints and a housing shortage.

TCC has a more indebted balance sheet than most Sound-rated peers; however, debt-funding

a substantial capital program is reflective of the infrastructure requirements to support the region and strengthen water security. TCC's gearing profile remains manageable, assuming Council can deliver upon its earnings forecasts. Liquidity is forecast to trend downwards as Council tapers its borrowing program and delivers its capital expenditure. Nevertheless, cash expense cover is forecast to remain above three months.

Changing TCC's outlook from Developing to Neutral reflects there being no foreseeable events within the short term that would materially shift its credit profile upwards or downwards, or adversely affect Council's ability to meet its financial commitments.

Financial Sustainability

Section 176 of the Local Government Regulation 2012 requires Council to report on specific financial sustainability ratios:

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

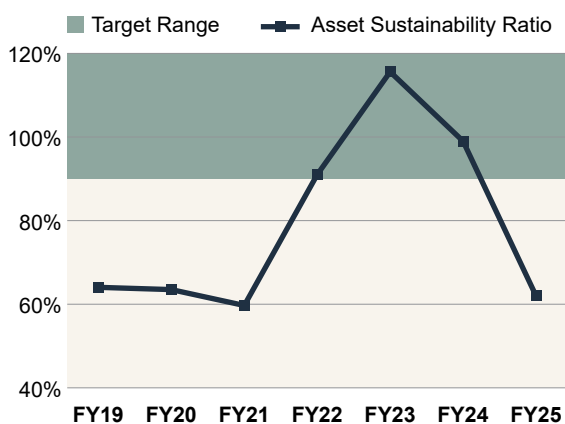
The results of these ratios calculated in accordance with the Financial Management (Sustainability) Guidelines 2013 are shown in the Current Year and Long-Term Financial Sustainability Statements that follow the Financial Report. The graphs below show historical ratio values for the current and last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

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.

The result of 116% is reflective of the investment in the renewal of existing assets through Council's 2022/23 capital plan. Council has also invested in asset condition assessments and prediction tools to provide an evidence based assessment of remaining life and renewal forecast.

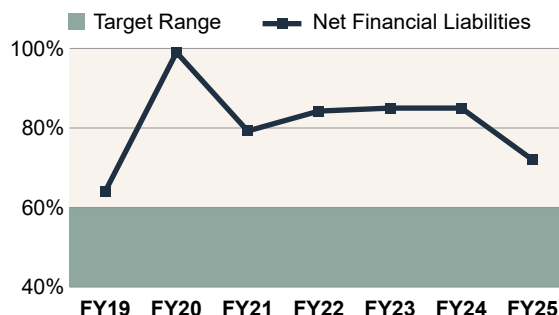
Graph 7 - Asset sustainability ratio



Net Financial Liabilities Ratio

This ratio indicates Council's ability to repay its liabilities and debt with its income and cash holdings. While this ratio at 84% is outside the target range of less than 60%, it reflects Council's commitment to growing Townsville and the significant asset base supporting the city. Council's liabilities are only 9.5% of Council's total assets.

Graph 8 - Net financial liabilities ratio



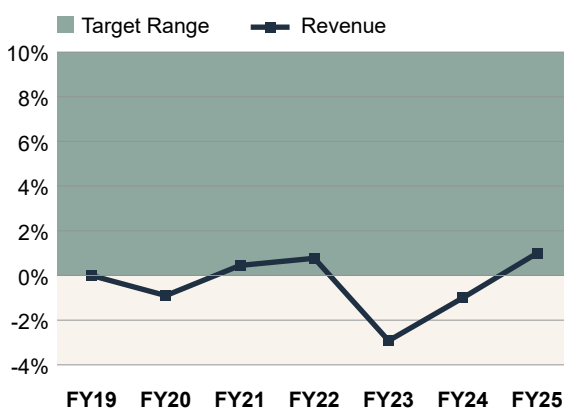
Operating Surplus Ratio

The operating surplus measures the extent to which revenue raised covers operational expenditure.

A ratio of -3% in 2022/23 indicates Council's operating expenses were greater than its operating income received due to increases in occupied positions and increasing costs for materials and consumables.

Our operating surplus ratio is forecast to be positive from 2025 onwards.

Graph 9 - Operating surplus ratio





WATER

ANNUAL OPERATIONS REPORT



Our Objective

Water Services' objective is to provide safe, reliable, and sustainable water and wastewater services for the benefit of the Townsville community.

Purpose of this report

This Operations Report is designed to provide an overview of the operations and performance of Water Services for the 2022/23 financial year, as measured against its Annual Performance Plan.

Section 190(1)(c) of 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.

WATER FAST FACTS

Water Services is a significant business activity for 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 and Wastewater

combined operation and capital expenditure of over **\$372.22m**



Water



treated **40,760 MEGALITRES** of safe, high-quality potable water

supplied water to more than **88,000** service connections in the Townsville region

Wastewater

treated **22,223 MEGALITRES** of wastewater



serviced more than **74,000** residential, commercial and industrial properties

serviced more than **1,200** trade waste customers

Assets



operates **2 MAJOR WATER STORAGE**S

managed assets valued at **\$2.556 BILLION**



4 water treatment plants

41 water reservoirs

6 wastewater treatment plants

209 wastewater pump stations



23 chlorinators



26 WATER PUMPS and booster pump stations



2,753 KILOMETRES of water mains



1,601 KILOMETRES of sewer mains

Assessment of Operations

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

Blue Green Algae

Blue green algae is a naturally occurring bacteria that lives in aquatic environments like waterways and dams. Algal blooms can occur in water bodies during favourable conditions including sufficient nutrients, warm temperatures, high levels of sunlight and stable water conditions. High levels of algae can affect the treatment and production of potable water by clogging filters and increasing the amount of chemicals used to disinfect the water and remove any impurities.

Blue green algae blooms continued to impact raw water quality in 2022/23 as weather conditions, nutrients and algae levels in the Ross River Dam fluctuated throughout the year. In November 2022, Townsville experienced unprecedented levels of blue green algal bloom in the city's Ross River Dam, the city's main water source. The rate of algal growth in the Ross River Dam was particularly enduring over the summer months due to persistent hot and dry weather conditions which created the perfect environment for this naturally occurring bloom.

To alleviate the processing pressure on the city's water treatment plants, Level 2 Water Restrictions were implemented in December 2022. These restrictions were lifted in early July 2023 after algae levels in the dam had reduced. Townsville residents responded to Council's call to conserve water during the restriction period and with the assistance of the community and Council's rigorous water treatment processes and water quality monitoring program, we continued to supply safe drinking water for Townsville.

In 2022/23 Council maintained 100% compliance with the Australian Drinking Water Guidelines (ADWG).



Ross River Dam



Douglas Water Treatment Plant

Ross River Dam to Douglas Water Treatment Plant Pipeline

The Ross River Dam to Douglas Water Treatment Plant Pipeline (DWTP) provides approximately 85% of the city's water. Council is building a new pipeline to increase the resilience of this key asset and further enhance Townsville's water security. This project is being delivered with funding support from the Queensland Government as part of the early works for the Riverway Drive duplication.

Council awarded two separate packages of work to local construction firm CivilPlus. Construction of the first package of works from the dam downstream to include a river crossing has been completed. The installation of pipe on package 2 continues on the eastern side of Ross River through the Department of Defence's Mount Stuart Training Area. The project is due for completion before the end of the 2023/24 financial year.

Haughton Pipeline Project

Stage 2 of the Haughton Pipeline 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. The pipeline will allow Council to draw bulk water supply from the Burdekin River and transport it to the Ross River Dam during extended dry periods to supplement seasonal inflows into the dam.

Stage 1 of the pipeline is complete with Stage 2 construction planned to commence in August 2023.

Wet Weather Resilience Program

Council implemented an annual wet weather resilience program during the financial year. The program focuses on annual programs and proactive initiatives to improve the performance of the wastewater network during wet weather events. Council invested in several areas of the wastewater network during the year:

- A rolling annual inflow and infiltration inspection program. This program involves smoke testing of sewers and physical inspections of residential and commercial properties and Council infrastructure. This is to identify illegal connections and damaged assets that provide potential entry of rainwater to the wastewater network during rain events. Council delivered one inspection program in the last quarter of 2022/23 in the suburbs of Wulguru, Cluden and Annandale. A further three inspection programs will be delivered in 2023/24.
- During the year, Council invested almost \$5.5 million in renewing or upgrading sewage pump stations, damaged connections of house drains to the sewer and relining manholes and sewer lines.

These annual works programs are important to maintaining our wastewater services to the Townsville community.

Cleveland Bay Recycled Water Plant

The Cleveland Bay Recycled Water Plant will provide additional tertiary treatment to the effluent from the Cleveland Bay Purification Plant. The plant will be able to produce up to a maximum of 15ML per day of Class A recycled water.

The plant will allow Council to reduce the volume of effluent discharged to Cleveland Bay under our environmental licence and instead provide a product that can be used for irrigation of open spaces and supply to industry as an alternative water source. The contract to construct the plant was awarded to local contractor Gabrielli Constructions with commissioning of the plant expected in mid 2024.



Cleveland Bay Water Treatment Plant



Townsville Laboratory Services

Townsville Laboratory Services

Townsville Laboratory Services continues to expand its capabilities and services to Townsville and the wider regions.

For more information about Townsville Laboratory Services see story on page 44.

Education Programs

Since the easing of all COVID-19 restrictions, face-to-face engagements have continued to increase from the previous financial year, with around 2,165 students engaged across eco-catchment tours and classroom visits during the 2022/23 financial year. This number is anticipated to increase further with new schools reaching out to engage with Council's water education services and the release of the new Australian Curriculum version 9.0, which will see Year 4 students learning about the total water cycle. Resources and activities are currently being created to align with the new curriculum and support teacher delivery of classroom lessons.

Council also continues to support major school events, including St Benedict's EcoFest, Kelso Under 8's Day, and Eco Warriors Challenge, with opportunities to engage more than 300 students and parents at each event.

National Water Week 2022 saw the launch of our water treatment process and wastewater treatment process education videos. These have already been utilised in classroom learnings across Townsville schools, in particular Year 7 who are learning about alternative water sources and treatment processes.

Our adopt-a-creek program, a citizen science-based program, has continued to gain interest amongst schools, with three high schools joining the program to adopt sections of their location waterway to conduct monitoring activities.

Major Investments

During 2022/23, Water Services invested in the below water and wastewater infrastructure.

Table 2 – Water Services major investments

Service Category	MYR Budget (\$'000)	Actual Investment (\$'000)	Variance (\$'000)
Bulk Water Distribution	151,455	149,887	1,568
Water Reticulation	51,691	11,738	39,953
Wastewater Distribution and Reticulation	26,222	29,731	(3,509)
Wastewater Treatment	29,616	5,298	24,318
Laboratory Services	500	508	(8)
Dams and Catchment	1,557	1,223	334
Total	261,041	198,385	62,656

Community Service Obligations

Table 3 – Water Services community service obligations

Service Category	MYR Budget (\$'000)	Actual Investment (\$'000)
Price concessions – water and wastewater charges in recognition of an activity's contribution to the social and cultural welfare of the community	3,147	
Churches, church halls, clubhouses, and halls – charitable and non-profit organisations		930
Charitable and non-profit aged care facilities		616
Sporting field irrigation – restricted public access (not including schools, tertiary institutions, and other educational facilities)		497
Retirement/lifestyle villages		278
Water leakage concession		160
Caravan parks		279
Commercial irrigation		124
Boarding and lodging houses		140
Sporting recreation		92
Water charge remission		12
Sewerage charge remission		8
Sporting field irrigation – no public access restrictions (not including schools, tertiary institutions, and other educational facilities)		3
War graves		2
Water haemodialysis concession		1
Total	3,147	3,141

Changes to the Annual Performance Plan

No changes were made during the financial year.

Council directions to Water Services

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

Performance Targets

In the 2022/23 financial year, Water Services measured its performance against the below performance indicators as outlined in its Annual Performance Plan.

Key: Target Met 

Target Not Met 

Table 4 – Water Services performance target 2022/23 results

Performance Measure	Description	Target	2022/23 Result
Economic Sustainability			
Net Operating Result	Comparison of the actual net operating result with the budgeted net operating result	Within 5% of budget	-24%
Return on Assets	Net income / net book value of non-current assets	Within 5%	6%
Asset Renewal	Rehabilitation capital works / depreciation charges	Minimum 90%	122%
Annual Distribution	The portion of earnings distributed to Council (our shareholder) from the operation of the Townsville Water commercial business unit	>90% of budget	100%
Social Responsibility			
Drinking water quality compliance	Number of water quality and water pressure complaints in accordance with Townsville Water's Customer Service Standards	<5 for each 1,000 connections	0.98 Complaints
Adequacy and quality of supply	Unplanned water interruptions	<100 interruptions per 1,000 connections	15
Day to day continual supply	Water Quality Non-compliance reportable to the Regulator.	<7 per 1,000 connections	0.09
	Average response time to water incident (excluding disaster)	<4 hours of advice of incident being reported	2.38 hours
	Restoration of Service – Time for restoration of service for unplanned interruptions (excluding excavations)	>95% within 24 hours	97%
Environmental Sustainability			
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
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	1
Responsible Governance			
Reduction in lost time injuries	Number of Lost Time Injuries (LTIs) recorded – FY 2021/22 4 LTIs recorded	Zero	3 LTIs
Dam Safety Compliance	100% compliance with dam safety regulations	100%	100%
Wastewater collection and treatment compliance	Percentage of compliance with regulatory requirements, service standards and environmental licence requirements	100%	100%

RESOURCE RECOVERY

ANNUAL OPERATIONS

REPORT



Our Objective

Resource Recovery's objective is to contribute to the delivery of a healthy and eco-friendly city through the provision of waste and recycling services that deliver safe, reliable, affordable, and sustainable waste management and resource recovery services for the city.

Purpose of this report

This Operations Report is designed to provide an overview of the operations and performance of Resource Recovery for the 2022/23 financial year, as measured against its Annual Performance Plan.

Section 190(1)(c) of 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.

RESOURCE RECOVERY FAST FACTS

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

Resource Recovery Services

combined operation and capital expenditure of over
\$65.25m

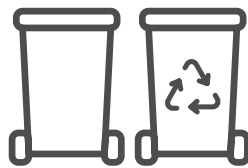


provided
1,221 BULK BINS
in service



serviced
327 PUBLIC BINS
each day

provided
83,412
domestic waste
services per week and
80,842
recycling per fortnight



serviced
175 BULK BINS
each day

Our Landfill Sites and Transfer Stations



1 active landfill site



5 waste transfer stations

310,878
customer visits

received
268,685 TONNES
for processing

Assessment of Operations

Significant initiatives undertaken during the year are summarised below.

NQ Recycling Enterprise Precinct

The Townsville Waste and Resource Recovery Infrastructure Report produced in 2021 identified the need for development of a regional Recycling Enterprise Precinct to aggregate diverted products and create the economies of scale required to incentivise investment in the local circular economy and development of local remanufacturing capacity. To progress this, Resource Recovery developed a Scoping and Definition Study Report, Options Report, and Siting Study. These reports defined the strategic need, scope and definition, of the requirements for a new Recycling Enterprise Precinct to service not only Townsville, but the greater North Queensland Regional Organisation of Councils (NQROC). Following these reports, work has commenced on a detailed business case to be delivered in the third quarter of the 2023/24 financial year.

Stuart Waste Facility Landfill Gas Capture

In February 2022, Council's contractor LMS Energy Pty Ltd, installed an additional 15 landfill gas wells at the Stuart Waste Facility. The wells were installed to enable the 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 greenhouse gas with a global warming potential that is 80 times greater than carbon dioxide. Council is currently managing the production of biomethane through a thermal conversion process being conducted under the contract with LMS Energy. The recent biogas system installation expansion works have resulted in an uplift in production and associated carbon credits. A second flare as well as a power generation unit are proposed to be installed at the site in 2023.



Stuart Waste Facility Landfill



Food Organics and Garden Organics (FOGO) Trial

Food Organics and Garden Organics (FOGO) Trial

Council has recently completed a kerbside organics collection trial. The trial commenced in September 2021 and the initial 12 months were partly funded by the Department of Environment and Science. The trial demonstrated that provision of a kerbside organics collection service to households is an effective method of diverting organic waste from landfill.

Undertaking the trial was in alignment with the actions contained within the North Queensland Regional Organisation of Councils Organics Roadmap – a report used by Council as a guide to the implementation of a kerbside domestic organics collection service across the region.

The trial successfully diverted more than 800 tonnes of organic material from landfill over 19 months across the 1,500 participating households. If implemented city wide, an organics service will enable Council to achieve the Townsville 2021–2026 Corporate Plan (5-year strategic plan) target to divert 60% of household waste from landfill.

Townsville City Council Organics Business Case

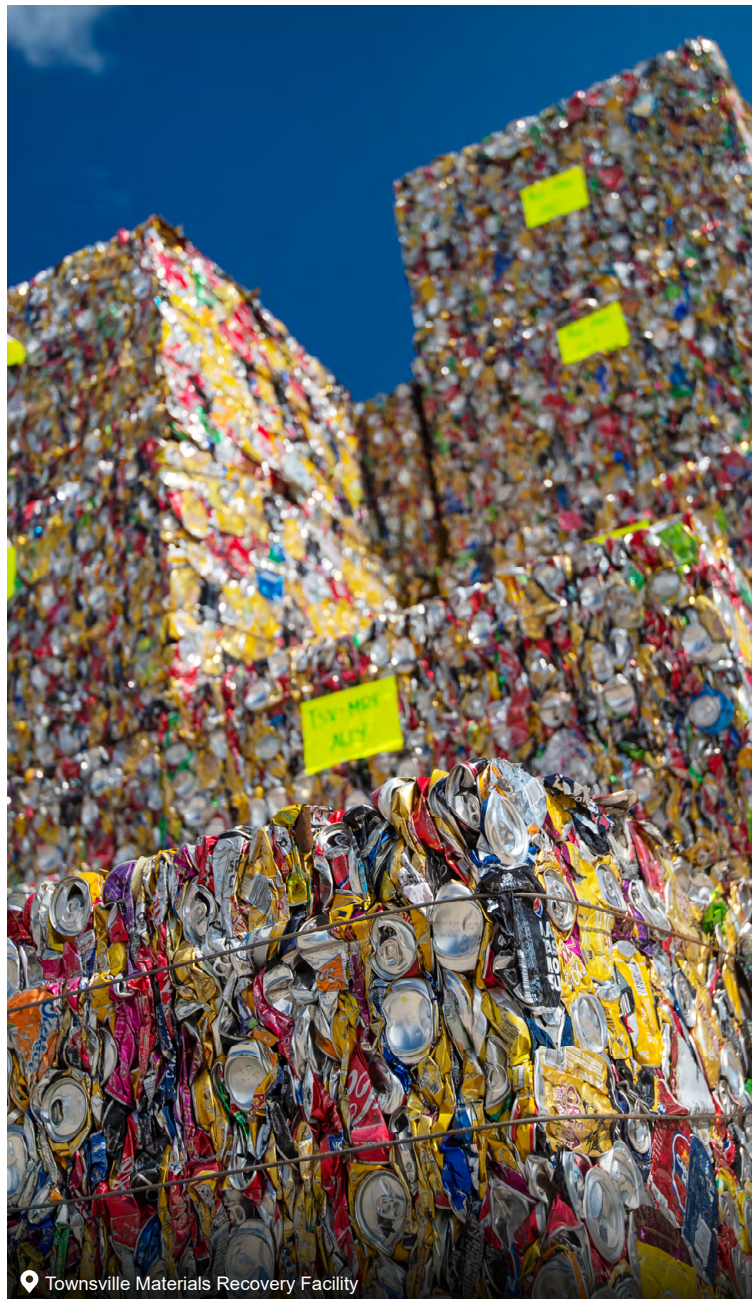
Following completion of the Organics Roadmap in early 2021, Resource Recovery awarded a package of work to develop a detailed business case for implementation of a domestic kerbside organics collection service. The business case, which has now been completed, involved a detailed quadruple bottom line assessment, covering off on the social, economic, environmental and governance arrangements of implementing a third kerbside bin. Delivery of the business case forms part of Council's preparation for the potential future introduction of a domestic kerbside organics service.



Capital investment in resource recovery

Capital Investment in Resource Recovery

The 2022/23 financial year saw completion of over \$8 million in capital expenditure across the resource recovery portfolio. Key capital items delivered included a landfill cell and upgraded drainage for the Hervey Range Landfill. Work also commenced on the final rehabilitation of the Jensen Landfill, which will be constructed across three financial years due to the large scale of the project. The capital works were necessary to enable Council to meet the growing waste demands of the city, while managing the social license for the sites, and maintaining the sites in an environmentally compliant manner.



Townsville Materials Recovery Facility

Waste Minimisation and Education Activities

Waste reduction and recycling face-to-face engagements continued during 2022/23.

Activities included engagement with early learning centres, schools, workplaces, and community groups. Council's Resource Recovery 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 more than 936,675 people.

Council also introduced initiatives such as incentives to swap over to a larger 360L recycling bin and move towards reusable sanitary and incontinence items as well as nappies. Approximately 400 residents took advantage of the incentivised pricing to swap to a 360L recycling bin, and more than 600 households submitted applications to receive a subsidy to make the transition to reusable products.

Major Investments

During 2022/23, Resource Recovery invested in the below resource recovery infrastructure.

Table 5 – Resource Recovery major investments

Service Category	MYR Budget (\$'000)	Actual Investment (\$'000)	Variance (\$'000)
Solid Waste Disposal	12,177	8,778	3,399
Solid Waste Collection	21	4	17
Total	12,198	8,782	3,416

Community Service Obligations

Table 6 – Resource Recovery community service obligations

Service Category	MYR Budget (\$'000)	Actual Investment (\$'000)
Concession on landfill fees for charity organisations	37	49
Dead animal collection services	54	36
Infirm services	40	266
Clean Up Australia Day	1	-
Free dump weekends	160	116
Community clean up events	14	11
Illegal dumping	36	19
Hire of bins for community clean ups	16	2
Total	358	258

Changes to the Annual Performance Plan

No changes were made during the financial year.

Council directions to Resource Recovery

Council made no directions to Resource Recovery during the financial year.

Performance Targets

In the 2022/23 financial year, Resource Recovery measured its performance against the below indicators as outlined in its Annual Performance Plan.

Key: Target Met 

Target Not Met 

Table 7 – Resource Recovery performance target 2022/23 results

Performance Measure	Description	Target	2022/23 Result
Economic Sustainability			
Net Operating Result	Comparison of the actual net operating result with the budgeted net operating result	Within 5% of budget	-69%
Annual Distribution	The portion of earnings distributed to Council (our shareholder) from the operation of the Townsville Waste commercial business unit	>90% of budget	100%
Social Responsibility			
Customer service and collection performance	Less than 1 missed service for every 1,000 kerbside waste and recycling services	<1 for each 1,000 Bin(s)	0.74 missed bins
	Response time to missed kerbside waste and/or recycling services	>95% by the next business day	89%
	Response time to new residential kerbside service commencement	100% within 3 Business Days	98%
	Response time to repair/replacement requests for waste and/or recycling services	100% within 3 Business Days	99%
Environmental Sustainability			
Penalty infringement notices or legal action for non-compliance	Number of penalty infringement notices issued or instances of legal action initiated by the Regulator for non-compliance	Zero	0
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	1
Responsible Governance			
Reduction in lost time injuries	Number of Lost Time Injuries (LTIs) recorded FY 2021/22 5 LTIs recorded	Zero	0 LTIs

OUR GOVERNANCE



Governance Framework Overview

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

In support of the local government principles as set out in section 4(2) of the *Local Government Act 2009*, responsible governance is important to Council because:

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

Council has developed a Governance Framework, the purpose of which is to ensure Council is compliant with legislation and is in line with best practice democratic local government. Council is committed to implementing good governance through accountability, fairness, responsibility, integrity and transparency. The Governance Framework sets out the roles of elected members and administration in representing the interests of current and future residents of Townsville. The Governance Framework was reviewed during the year.

Strategic Risk Assessment

Senior management conducted an extensive review of Council's strategic risk profile during the year. Based on the updated strategic risk profile, changes were made to Council's Risk Appetite Statements and related risk tolerances. The 2022/23 Risk Management Plan includes a range of mitigation strategies designed to manage or reduce risk to an acceptable level, while utilising opportunities identified. Minimising potential adverse effects on the financial performance of the Council remained a priority. Townsville City Council continued to mitigate risks that would prevent the achievement of our Corporate Plan and continued to focus on creating a globally connected community driven by lifestyle and nature.

Top challenges/risks faced by Council:

- cost pressures of materials and services versus revenue streams and customer expectations
- asset deterioration and maintenance
- special skills deficits

Top opportunities/strengths realised by Council:

- Project Connect – Enterprise Resource Planning (ERP) customer centric system, a core of future business processes
- continued provision of services and community events despite the difficult economic conditions
- continued delivery of projects that serve our city and grow a city for tomorrow

Enterprise Risk Management

Council's risk management approach is based on the International ISO 31000:2018 Risk Management Guidelines. Throughout 2022/23 Council continued to assess risk for any decision proposals, keeping any new and emerging risks under consideration. Managing risks at an appropriate level remains an integral part of our organisation. Council has an established risk management framework, policy, procedures and systems which support the identification, assessment and mitigation of strategic and operational risks across the organisation.

Being the first line of connection to the Townsville community, Council continued to provide the highest level of management of risk. Management of work, health and safety risks is of paramount importance. The safety of staff, contractors and the community remained the key priority at Council. It is important for Council that "everyone goes home safe today and every day". Risk management continues to be a responsibility of all employees and an integral part of the management function.

Operational Risk Assessment

Quarterly operational risk assessments were completed. Council continued to manage uncertainties and hazards for processes and systems which could disrupt the flow of business operations. 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.

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 21 sub plans for its critical business functions as scheduled during 2022/23. Reviewing and updating our business continuity plans is an integral part of our annual strategic planning and review process.

Guardian IMS is a cloud-based program, which has been specifically designed and developed to operate as an incident management system for disaster operations. Staff identified to work in key roles within the Local Disaster Coordination Centre (LDCC) and Council's Emergency Operations Coordination Centre during activations have completed the mandatory online Guardian IMS General and the Guardian IMS Advanced User training respectively. Approximately 140 internal and external staff of Council and LDCC Liaison Officers have conducted face-to-face Guardian IMS General User training and 15 have conducted Guardian IMS Advanced User training.

Compliance Risk

During 2022/23, Council continued to use the Local Government Association of Queensland Compliance tool, 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.

Fraud Risk Assessment

The Council has a Management of Fraud and Corruption Policy and a Fraud Management Framework. During the year, 99% of staff and senior management completed the mandatory Fraud and Corruption Awareness training using the Learning Management System. Fraud risk assessments were completed.

Policy Management

Council adopted one new policy in 2022/23, the – Rural Roads Management Policy. All current policies continue to be reviewed as planned.

Disclosure of Governance Performance

Council investigates reported or suspected instances of fraud and other serious crime and misconduct and maintains a focus on raising awareness of Council values and fostering ethical behaviour. Council treats all allegations of fraud, corruption and serious misconduct with the utmost importance and ensures each allegation is thoroughly investigated.

The Office of the Independent Assessor (OIA) investigates complaints regarding the conduct and performance of Councillors. During the 2022/23 financial year the OIA decided to dismiss 15 complaints regarding the conduct and performance of Councillors, take no further action in respect of 19 complaints, and referred one matter back to Council to investigate as suspected inappropriate conduct. Details of the Councillor Conduct Register can be found on Council's website.

Council continues its commitment to encourage and support public interest disclosures of wrongdoing. 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.

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. The annual Code of Conduct training was completed by 100% of staff, and all new staff completed Fraud Awareness and Code of Conduct training during the induction period.

Openness and Transparency

As an open and transparent local government, Council makes information 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.

To comply with legislation and in the interest of openness and transparency, all Councillors are required to disclose and provide updates for their Register of Interests which can be viewed on the Council's public website.

Councillors are ultimately responsible for disclosing any prescribed conflict of interest or of any declarable conflict of interest on matters to be discussed at a Council or committee meeting (other than ordinary business matters). Prescribed Conflict of Interest and Declarable Conflicts of Interest declared are recorded in the minutes of those 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.

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.

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. Further information on each of the Standing Committees and Terms of Reference is available on Council's website.

Meeting Attendance

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

The attendance of Councillors at Ordinary Council meetings, Special Council meetings and Standing Committee meetings for the period are outlined in Table 8.

Table 8 – Councillor meeting attendance 2022/23

Council and Committee Meetings	OC	SC	PDC	CCDC	CHSESC	ISC	TWWC	BSFC
Number of meetings held	12	0	8	10	10	10	9	10
Number of meetings attended								
Cr Jenny Hill AM	11	0	3	3	1	1	0	1
Cr Mark Molachino	10	0	7	0	0	8	6	0
Cr Margie Ryder	10	0	0	0	7	8	0	8
Cr Sue Blom	11	0	0	9	0	0	8	9
Cr Ann-Maree Greaney	11	0	7	9	9	0	0	0
Cr Russ Cook	12	0	7	0	8	0	8	8
Cr Suzy Batkovic	11	0	0	10	0	10	9	0
Cr Kurt Rehbein	11	0	0	10	0	10	0	9
Cr Maurie Soars	10	0	0	0	10	10	0	10
Cr Liam Mooney	12	0	7	9	0	0	8	0
Cr Fran O'Callaghan	11	0	7	0	9	0	0	0

OC Ordinary Council

PDC Planning and Development Committee

CHSESC Community Health, Safety and Environmental Sustainability Committee

TWWC Townsville Water and Waste Committee

SC Special Council

CCDC Community and Cultural Development Committee

ISC Infrastructure Services Committee

BSFC Business Services and Finance Committee

Governance of our Councillors

Remuneration, Expenses and Facilities

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

The Commission decided to increase the maximum remuneration levels for mayors, deputy mayors and councillors by 2.0% from 1 July 2022.

Remuneration

Table 9 outlines the remuneration received by Councillors in 2022/23.

Table 9 – Councillor remuneration 2022/23

Councillor	Remuneration (\$)	Superannuation*(\$)
Cr Jenny Hill AM	212,247	25,469
Cr Mark Molachino	144,328	16,862
Cr Margie Ryder	127,347	15,282
Cr Sue Blom	127,347	15,282
Cr Ann-Maree Greaney	127,347	15,282
Cr Russ Cook	127,347	15,282
Cr Suzy Batkovic	127,347	13,371
Cr Kurt Rehbein	127,347	15,282
Cr Maurie Soars	127,347	15,282
Cr Liam Mooney	127,347	15,282
Cr Fran O'Callaghan	127,347	15,282

*Variances in superannuation due to options available for Councillors to make additional contributions throughout the year.

Expenses

Section 250 of the Local Government Regulation 2012 requires Council to adopt an expenses reimbursement policy. Council has a Councillor Expense Reimbursement Policy as well as Councillor Facilities Policy which outline the resources and facilities extended to Councillors to perform daily duties and roles.

The responsibilities of a Councillor is set out in Section 12 of the *Local Government Act 2009*. The term "Council business" is the official business of a Councillor in carrying out their responsibilities under Section 12. 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 2022/23 financial year are shown in Table 10.

Table 10 – Councillor expenses 2022/23

Councillor	Conferences, Travel and Accommodation	Motor Vehicles	Printing and Advertising	Hospitality	Office and Admin Costs	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Mayor Jenny Hill	16,089	15,672 ¹	4,171	11,012	3,183	50,128
Cr Mark Molachino	4,037	15,264 ¹	4,588	8,082	1,728	33,700
Cr Margie Ryder	3,412	14,182 ¹	7,574	4,739	1,992	31,899
Cr Sue Blom	2,621	11,171 ¹	625	1,456	140	16,013
Cr Ann-Maree Greaney	2,825	13,714 ¹	2,836	2,660	1,300	23,335
Cr Russ Cook	4,218	13,061 ²	2,163	587	832	20,861
Cr Suzy Batkovic	-	14,879 ¹	2,535	327	65	17,806
Cr Kurt Rehbein	3,493	-	3,423	3,482	677	11,075
Cr Maurie Soars	1,340	15,996 ²	3,600	2,560	251	23,747
Cr Liam Mooney	-	11,439 ¹	2,838	2,521	18	16,816
Cr Fran O'Callaghan	-	-	-	-	-	-
Total	38,035	125,379	34,352	37,425	10,187	245,379

(1) Expenses incurred for leased vehicles

(2) Reimbursement of business kilometres travelled using private vehicle (paid as remuneration)

All councillors are entitled to reimbursement for motor vehicle expenses and may make claims for reimbursement during the year.

Facilities

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).

Conduct and Performance

Under section 186(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 2022/23 are outlined in Table 11.

Table 11 – Number of Councillor Conduct complaints, notices, referrals, orders and disciplinary actions

Conduct and performance of Councillors	Number received
Orders made under section 150I(2) of the <i>Local Government Act 2009</i> .	0
Orders made under section 150AH(1) of the <i>Local Government Act 2009</i> .	1
Decisions, orders and recommendations made under section 150AR(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 section 150I(2), section 150AH(1) or section 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.	1 See table below
Complaints referred to the assessor under section 150P(2)(a) of the <i>Local Government Act 2009</i> by local government entities for the local government.	0
Matters, mentioned in section 150P(3) of the <i>Local Government Act 2009</i> , notified to the Crime and Corruption Commission.	0
Notices given under section 150R(2) of the <i>Local Government Act 2009</i> .	3
Notices given under section 150S(2)(a) of the <i>Local Government Act 2009</i> .	0
Decisions made under section 150W(1)(a), (b) and (e) of the <i>Local Government Act 2009</i> .	34
Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the <i>Local Government Act 2009</i> .	1
Occasions where information was given under section 150AF(4)(a) of the <i>Local Government Act 2009</i> .	0
Occasions where 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.	1
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

Councillor Name	Summary of complaint	Decision Summary
Fran O'Callaghan	<p>It was alleged that Cr Fran O'Callaghan engaged in inappropriate conduct which was a breach of a behavioural standard in the Code of Conduct for Councillors in Qld on four occasions: 19 June 2022, 21 June 2022, 22 June 2022 and 5 July 2022.</p> <p>The matter was referred to Council by the OIA for investigation. An independent investigator recommended that the Council find that the Councillor had engaged in inappropriate conduct on those occasions.</p>	<p>At the Ordinary Council meeting on 24 May 2023, Council found the allegations were sustained.</p> <p>At that meeting, the Council decided that Cr Fran O'Callaghan must attend training about the appropriate use of social media within 60 days of the meeting and to notify the Chief Executive Officer when the training is complete (the training was completed on 21 July 2023); and, consistent with section 150AH(b) (vi) of the <i>Local Government Act 2009</i>, advise Cr O'Callaghan that engaging in the same type of conduct again, could see the matter be treated as misconduct (this is implicit given this decision was outlined on page 12 of the May Ordinary Council minutes of which were read by the Councillor)</p>

Our Community Assistance

The total value of community assistance provided by Townsville City Council to the local community in 2022/23 was \$19,462,017.

Table 12 – 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.	5,969,879
Water and wastewater concessions	Concession is available for utility charges where land use is considered to contribute to the social, cultural, economic or sporting welfare of the community.	3,410,086
First homeowner concessions	Concession of up to \$1,000 provided to eligible persons who acquire their first home in the period commencing on 1 July 2020 and ending on the earlier of: <ul style="list-style-type: none"> • 30 June 2023, or • the time that the budget allocation for this concession is fully allocated. The concession will be provided by a rebate up to \$1,000 of the first general rates that are levied on the property after the date of acquisition.	279,000
Not-for-profit concessions on general rates	Concession is available for general rates where land use is considered to contribute to the social, cultural, economic or sporting welfare of the community.	1,605,273
Community Leases	Total annual estimated value provided to community groups including sporting clubs, theatre groups, scout groups and swimming pools.	5,091,512
Economic Funding	Partnerships providing opportunity to: <ul style="list-style-type: none"> • deliver economic uplift to the region • deliver increased tourism visitation and bed nights • deliver job opportunities for Townsville. These may facilitate event attraction, strategic partnerships with local organisations that enhance the region and its opportunities or other multi-partner agreements with region wide impact.	1,572,289
Townsville City Grants and Partnerships Program, including Fee Waivers	Funding approved through the 'Townsville City Grants and Partnerships Program' (details provided in Table 13).	1,065,376
Operational discounts, waivers and in-kind support	Support for community groups in the form of discounts, waivers and in-kind assistance.	279,871
Community Support	Community support agreements, scholarships and awards.	187,000
Community Photocopying Program	Free service provided to community organisations through Citylibraries Thuringowa. 17,305 copies for 26 community groups.	1,731
Total		19,462,017

Townsville City Grants and Partnerships Program

Townsville City Grants and Partnerships provides funding and in-kind support to help local not-for-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 2022/23 was \$1,065,376.

Table 13 – Townsville City Grants and Partnerships Program

Program	Amount (\$)
Social & Environmental Grants and Partnerships	897,151
Regional Arts Development Fund	91,054
Fee Waivers	54,851
Mayor's Community Assistance Fund	14,820
Councillors' Discretionary Funds	7,500
Total	1,065,376

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.

Table 14 – Mayor's community assistance grants

Person/Organisation Name	Purpose	Amount (\$)
The Pyjama Foundation	Pyjama Angel of The Year Awards	450
Cootharinga North Queensland	Cootharinga 20th Annual Charity Golf Day	250
Townsville Castle Hill Touch Association inc. trading as Townsville Touch Football	Men's & Women's 1 Player of the Year Award	500
Act For Kids	Sensory Stools	500
St Vincent de Paul Society Qld	Gardening upgrade project	500
AFL Townsville Umpires Association	AFL Townsville Umpires 2022 Awards Night	500
Garbutt State School	Garbutt State School Uniform	450
James Cook University Medical Student Society	James Cook University Medical Student Society	400
Totally and Permanently Disabled Ex-Servicepersons Association	Veterans' Health Week TPI Golf Day	500
Southern Cross Association (FTC) Inc	Poker run final night catering	400
Townsville Dragon Boat Club Inc	Splash of Pink Corporate Regatta	450
QCWA Willows branch	QCWA Willows branch Craft Group	500
Story Dogs Ltd	Raising the profile of Story Dogs	500
Townsville Toy Library	Townsville Toy Library Volunteer gathering	500
St Patrick's College Townsville	Sponsorship of Speech Night Awards	300
selectability Ltd	Christmas Lunch	450
Ryan Catholic College	Ryan Catholic College Awards Night	100
U3A Townsville Inc	Urgent Operational Assistance	300
Rupertswood and District Horse Club Inc	Rupertswood & District Club's End of Year Presentation Function	400
Toomulla Beach Community Association Inc	Australia Day 2023 in the Park	250
Townsville Citizens Band Association	Townsville Brass 2022 Awards and Honour Board	470
Pallarenda Progress Association	Pallarenda Progress Association - Bringing the Community Together	450
Gardens Swimming Club	Purchase of Projector + Screen	500
North Queensland Wildlife Care Incorporated	Laser printer	500
Wally's Roo's and Possum Carers Association Townsville Inc.	Wildlife database	500
Rugby League Townsville and District	Give back to Clubs	500
Townsville Marksmen Rifle Club Incorporated	2023 TMRC Annual Open Competition	500
St Margaret Mary's College	Townsville City Council Dux Award 2022	100
Dragons Abreast Townsville Inc.	Intercity Dragon Boat regatta	500
Saints Netball Club Inc	Support for Saints Netball Club	400
99.9 Live FM	Easter Treasure Trail	400
Lightning Swim Club	Annual Awards	500
Bluewater Scouts	Bluewater Scout Den Upgrades	450
Queensland Injectors Health Network Limited	Feel Good Day	400
Townsville and District Scale Modellers Group Inc	Modelling Expo	450
Total		14,820

Councillor Discretionary Funds

In accordance with section 189 (2) of the Local Government Regulation 2012, the annual report must contain information about Councillor discretionary funds.

Councillor discretionary funding for 2022/23 was as follows:

- the prescribed amount for the financial year was \$179,236
- the total amount budgeted was \$25,000
- the total amount of discretionary funds budgeted for Councillors to allocate for capital works for a community purpose was \$0, and other community purposes was \$25,000
- the amount of discretionary funds budgeted for use by each Councillor was \$2,500
- the total spent for the financial year was \$7,500.

Details of funding allocations made during the financial year are outlined in Table 15.

Table 15 – Councillor discretionary funds

Cr Mark Molachino (Deputy Mayor) – Division 4			
Person/Organisation Name	Purpose	Date Allocated	Amount (\$)
Riverway JCU Football Club	Raffle/Fundraiser	03/05/2023	250
Total			250
Cr Margie Ryder – Division 1			
Person/Organisation Name	Purpose	Date Allocated	Amount (\$)
Mrs Judy Priedigkeit	Indoor Bowls Jensen	23/08/2022	250
Toomulla Beach Community Association Inc	Kids in the community Christmas party	07/11/2022	250
Rollingstone and District Lions Club Inc	Community Xmas Lunch for Lonely and Isolated	14/11/2022	250
Wally's Roo's and Possum Cares Association Townsville Inc	Wildlife feeding	09/02/2023	250
North Queensland Disc Golf	Match day assets	15/02/2023	250
Mrs Kerrie-Anne Tillott	Oakdale Heights Fairy Day	19/05/2023	250
Alice River Community Association Inc	Alice River Community Association annual high tea fundraiser	18/05/2023	250
Fishermans Landing Fishing and Social Club	Kids Fishing Classic	24/05/2023	250
Mrs Kerrie-Anne Anstis	Fairy Day 2023	02/06/2023	250
Total			2,250
Cr Sue Blom – Division 2			
Person/Organisation Name	Purpose	Date Allocated	Amount (\$)
Lightning Swim Club Inc	Club night support	10/05/2023	250
Total			250
Cr Ann-Maree Greaney – Division 3			
Person/Organisation Name	Purpose	Date Allocated	Amount (\$)
Community Gro Inc	Child Protection Week – Awareness BBQ	08/09/2022	250
Townsville Picnic Bay Surf Lifesaving Club	Junior Awards Presentation	20/02/2023	250
Ms Susan Mackay	Magnetic Island Post Office Easter Community Fair	16/03/2023	250
Horseshoe Bay Rural Fire Brigade	Protecting our PPE and our People	27/04/2023	250
Townsville Roadrunners	Castle Hill Run	24/05/2023	250
Total			1,250

Cr Russ Cook – Division 5

Person/Organisation Name	Purpose	Date Allocated	Amount (\$)
The Willows Primary P&C Association	TWSS P&C Succession function	23/08/2022	250
Total			250

Cr Suzy Batkovic – Division 6

Person/Organisation Name	Purpose	Date Allocated	Amount (\$)
Northern Jets Baseball Club	Training and Game Equipment for T-Ballers	05/01/2023	250
Total			250

Cr Kurt Rehbein – Division 7

Person/Organisation Name	Purpose	Date Allocated	Amount (\$)
Total			-

Cr Maurie Soars – Division 8

Person/Organisation Name	Purpose	Date Allocated	Amount (\$)
North Queensland Wildlife Carers Inc	End of year celebrations	29/12/2022	250
Townsville & District Beekeepers Assn Inc	Buzz-Tastic	18/05/2023	250
Total			500

Cr Liam Mooney – Division 9

Person/Organisation Name	Purpose	Date Allocated	Amount (\$)
Thuringowa Combined Probus Inc	Luncheon for Probus Members and Guests at Carlyle Gardens	09/08/2022	250
Mundingburra State School P&C Association	Mundingburra SS Family Fun Fair	03/05/2023	250
Mr Narayana Attam	The Indian Sun Townsville Community Magazine	16/05/2023	250
Southern Cross Dolphins Community Club Inc	Saturday Social Slam	16/05/2023	250
Townsville Badminton Association	Tournament	16/05/2023	250
Ms Jenny Waterfall	Outdoor lighting – Spiders Lair	18/05/2023	250
Castle Hill Girl Guides	Relay for Life morning tea	24/05/2023	250
Total			1,750

Cr Fran O'Callaghan – Division 10

Person/Organisation Name	Purpose	Date Allocated	Amount (\$)
Ms Megan Keown	Queer Book Club Townsville	26/09/2022	250
Woodstock State School P&C	Woodstock State School Country Fair	18/05/2023	250
Cungulla Men's Shed Inc	Show and Shine/Craft Market	31/05/2023	250
Total			750

City Activation and Jobs Growth Policy

The City Activation and Jobs Growth Policy was endorsed in the Budget and Operational Plan for the 2022/23 financial year to promote economic growth and city activation by generating investment, community activities and employment opportunities.

For transparency, recognising infrastructure charge and fee waivers (full or partial) are a form of forgone revenue, Council will publish annually a list of infrastructure charges and fee waivers provided under this policy in the Annual Report.

Summary of incentives for the 2022/23 financial year:

- Maximum approved (all waivers and grants under the policy) during 2022/23 was \$1,375,085
- Revenue forgone from waivers to 30 June 2023 was \$168,226
- Grants given to 30 June 2023 was \$298,495

Grants have been fully acquitted for the 2022/23 financial year.

Waivers have been partially acquitted for the 2022/23 financial year.

Overseas Travel

Under section 188 of the Local Government Regulation 2012, Council's Annual Report must contain information about any overseas travel made by a Councillor or local government employee. Table 16 provides details of international travel expenses incurred by the Mayor, Councillors or employees during the financial year.

Table 16 – Overseas travel

Position and Name	Destination	Date	Purpose	Cost (\$)
Mayor Jenny Hill AM	Singapore	31 July 2022 to 4 August 2022	World Cities Summit and WCS Mayors' Forum 2022	3,428
Councillor Advisor – Jonte Verwey	Singapore	31 July 2022 to 4 August 2022	World Cities Summit and WCS Mayors' Forum 2022	3,114
Mayor Jenny Hill AM	Republic of Korea	6 October 2022 to 13 October 2022	Suwon Sister City Visit	4,001
Councillor Advisor – Jonte Verwey	Republic of Korea	6 October 2022 to 13 October 2022	Suwon Sister City Visit	3,842

Senior Management Remuneration

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

Total remuneration for these positions from 1 July 2022 to 30 June 2023 was \$2,057,520.

As per section 201 of the *Local Government Act 2009*, Table 17 provides the remuneration ranges for the senior executives.

Table 17 – Senior management remuneration

Senior Executive Management	Total Remuneration value range (\$)
1	500,000 - 600,000
4	350,000 - 450,000

Councillor Advisor Remuneration

Under Section 197A of the *Local Government Act 2009*, Townsville City Council endorsed the appointment of three Councillor Advisors for the Mayor.

The total remuneration for these positions from 1 July 2022 to 30 June 2023 was \$503,160.

Particular Resolutions

Reportable resolutions under the Section 185 of the Local Government Regulation 2012 for the period:

Table 18 – Particular resolutions

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

Public Sector Ethics

Preparation of 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 through commitment to the Diversity and Equality in the Workplace Policy, alignment to *Queensland's Anti-Discrimination Act 1991* and obligations under 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 local government principles under section 4(2) of *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 Induction and ongoing Corporate Compliance training program includes delivering training to employees in: Work Health and Safety, General Evacuation, Code of Conduct, Fraud and Corruption, Bullying, Harassment and Sexual Harassment, Drugs and Alcohol, Manual Handling, Cyber Security, Information Privacy and Right to Information, Enterprise Risk Management and Equal Employment Opportunity training in either annual or biennial cycles.

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 explained to employees at commencement of employment and through ongoing training, as well as being made available on Council's Intranet.

Administrative Action Complaints

Council is committed to fair, ethical, and transparent management of administrative action complaints. This commitment is demonstrated by our Complaints Management System (CMS) that aims to provide an accessible, accountable, and efficient method for addressing complaints in accordance with the local government principles contained in Section 4(2) of the *Local Government Act 2009*.

The Complaint Management Policy is reinforced by the AS/ISO10002-2006 Guideline for Complaints Handling in Organisation which outlines defined administrative process for effectively handling and resolving complaints raised by community members on a range of issues including:

- a decision, or a failure to make a decision, including a failure to provide a written statement of reasons for a decision
- an act, or a failure to do an act
- the making of a recommendation
- is made by an affected person (a person who is affected by an administrative action of Council).

Council is dedicated to conducting thorough and timely investigations for all complaints, with the ultimate objective of reaching a resolution that satisfies both the Council and the complainant. Should complainants be dissatisfied with the complaint's conclusion, Complaint Officers ensure that all administrative action complaint decision notices include information on available appeal options to the Queensland Ombudsman.

In accordance with Section 187 of the Local Government Regulation 2012, Council is obligated to disclose the administrative action complaints received and resolved through the complaints management system.

Table 19 - Administrative Action Complaints

Classification	2021/22	2022/23
Number of Administrative Action Complaints Received	548	234
Number of Administrative Action Complaints Resolved	545	218
Number of Administrative Action Complaints Unresolved*	3	16

*As at end of 30 June 2023.

For further information on Council's complaint management system, please refer to Council's official 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's induction program includes a right to information and information privacy components to educate and raise awareness to staff. Council continues to publish a Disclosure Log on the website.

More information about Council's Right to Information and Information Privacy can be found on Council's website.

Table 20 – Right to information and information privacy

Classification	Right to Information			Information Privacy		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Number received	46	42	46	7	7	8
Number finalised	35	35	35	4	7	7
Number withdrawn	9	7	5	1	-	1
Number transferred	1	-	1	1	-	0
Number of external reviews initiated	3	-	1	-	-	0

Number of Invitations to Change Tender

There were two reportable invitations made by Council to change tenders during the period.

List of Registers

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

Register
Beneficial Enterprises
Dog Registry
<ul style="list-style-type: none"> • Register of Dogs • Restricted Dog Register • Regulated Dog Register
Register of cost-recovery fees
Delegation Register
Development Application Register as Assessment Manager
Development Application Register as Referral Agency
Environmentally Relevant Activities application register
Exemption Certificates register
Information Asset Register
Register of Infrastructure Charges Information
Major Contracts Register
Petition Register
Register of Privately Certified Approvals
Register of Annual Returns under the EPA
Register of Assets and Gifts
A Designation Register of all Designations made by Local Government that are in effect
Register of Councillor Conduct
Register of On-site Sewerage and Greywater Facilities
Register of Environmental Authorities including Surrendered, Suspended or Cancelled Authorities
Register of Impounded Animals
Register of Infrastructure Agreements
Register of Interim Land Use Plans under the EDA
Register of Local and Subordinate Local Laws
Register of PDA Development Applications under the EDA
Register of PDA Development Approvals under the EDA
Register of Permits and Inspection Certificate (under the Plumbing and Drainage Act)
Register of Provisional Land Use Plans under the Economic Development Act (EDA)
Register of Regulatory Fees
Register of Show Cause and Enforcement Notices (under the Plumbing and Drainage Act)
Register of Submitted Plans of Operation under the EPA
Register of the Testable Back Flow Devices
Roads Map
Statement of Interests
Supplementary Information Electoral Donations

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.

Council participated in beneficial enterprises with the Townsville Breakwater Entertainment Centre Joint Venture during the 2022/23 financial year.

Council holds a 100% shareholding in NQ Spark Pty Ltd. This company is responsible for the establishment and operation of an advanced environmental simulation facility in Townsville and contributes to the development of industry sectors including emergency services, disaster management and tropical medicine research.

Significant Business Activities

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

- Townsville Water
- Resource Recovery

Council's water, sewerage, resource recovery and waste management activities were considered significant business activities for the period and applied the competitive neutrality principle. All existing significant business activities were conducted in the financial year and there were no new significant business activities.

Competitive Neutrality

No investigation notices were issued in 2022/23 by the Queensland Competition Authority for competitive neutrality complaints.

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.

Special Rates and Charges

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 2022/23 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 21 – Rural fire levy 2022/23

Rural fire levy	(\$)		(\$)
Black River and Districts	30	Paluma	35
Bluewater	55	Purono Park	-
Bluewater Estate	-	Rangewood	55
Clevedon	40	Rollingstone	50
Cungulla	40	Rupertswood	50
Horseshoe Bay	36	Saunders Beach	45
Lime Hills-Elliot	30	West Point	30
Majors Creek	25	Nome	10
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 utilities 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 in the Budget and Operational Plan 2023/24.

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 unit operates under the Council's Internal Audit Policy and in accordance with the Internal Audit Charter which is endorsed by the Council's Audit Committee. The Charter authorises direct access to the Audit Committee Chair and appropriate access to all activities, records, property and personnel within Council. Internal Audit applies a risk-based approach to its activities and works closely with the corporate risk management function to gain coverage across Council.

The internal audit function is conducted by a full-time Internal Auditor and supplemented with outsourced resourcing.

Council's internal auditor is 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 auditor is a specialist with the following professional affiliations and qualifications:

Member of Institute of Internal Auditors (Aust)	1
Member of the Chartered Accountants Australia and New Zealand	1
Certified Internal Auditor	1
Certification in Risk Management Assurance	1
Chartered Accountant	1

The internal audit unit applies a risk-based approach to its planning and audit activities to produce an assurance map for the business which supports nomination of prospective assurance projects. Annual and three-year Internal Audit Plans are prepared based on Council's Enterprise-Wide Risk Management assessments 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 2023, internal audit completed seven reviews across Council in accordance with the Internal Audit Plan including the following areas:

- Reducing incidents from mowing activities
- Accounts Payable system controls
- Training and recordkeeping for Councils Local Disaster Management Group
- Disaster plans preparation
- Supporting documentation for National Heavy Vehicle compliance
- Grant income funding management
- Implementation of Council decisions
- Managing previously raised audit findings.

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 2022/23 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 progress of audit action items
- the integrity of financial documents
- the Internal Audit function
- the progress of audit action items
- the effectiveness and objectivity of internal auditors
- the independence and objectivity of external auditors
- any other matters relevant to fulfil the Audit Committee Terms of Reference.

During 2022/23 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 various areas in 2022/23, including:

- Asset management / utilisation
- Business Continuity and Disaster Management
- Commercial businesses and revenue systems
- Expenditure 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
- Request and complaints management
- Risk management
- Workplace, health and safety.

The Audit Committee meetings and the presentation of the meeting minutes to Business Services and Finance Committee are shown in Table 22.

Table 22 – Audit committee meeting dates and presentation of minutes

Audit Committee Meeting Date	Minutes Presented to Council
6 September 2022	Business Services and Finance Committee 12 October 2022
8 November 2022	Full Council 14 December 2022
16 March 2023	Business Services and Finance Committee 10 May 2023
13 June 2023	Business Services and Finance Committee 13 September 2023

The Audit Committee has four members, two independent of Council and two Councillors. Membership of the Audit Committee for the reporting period are shown in Table 23.

Table 23 – Audit committee memberships

Name and Position	Qualifications and Memberships
Ms Renita Garard AM Independent Member and Chair of the Audit Committee	Fellow of Chartered Accountants Australia & New Zealand (CA ANZ), Graduate Member of the Australian Institute of Company Directors (GAICD), Bachelor of Business, majoring in Accounting and Business Law. Over 25 years' experience in the financial services industry and in domestic and international governance roles.
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 Australia & New Zealand Institute of Chartered Accountants (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 AM 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	An experienced business owner as a partner in a family-owned engineering firm for 30 years and owner of an events management company. Member of Australian Institute of Company Directors, Diploma of Business, Certificate IV in Tourism (Operations), Certificate IV in Frontline Management and Certificates in Events Management. A Councillor for the McKinlay Shire Council for 10 years and a Councillor with the Townsville City Council since March 2016.



OUR FINANCIAL STATEMENTS

Council is required to prepare a set of audited financial statements each year for the period 1 July to 30 June. This guide has been prepared to assist readers to understand and analyse the statements. A summary of the 2022/23 results is also included in the Community Financial Report.

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

Council is required to report on its performance against three key ratios, further information

on these sustainability measures have been included in the Community Financial Report.

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



TOWNSVILLE CITY COUNCIL

General Purpose Financial Statements for the year ended 30 June 2023

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TOWNSVILLE CITY COUNCIL
MANAGEMENT CERTIFICATION

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 94 to 126, 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 17th day of October 2023



Acting Chief Executive Officer

Dated this 17th day of October 2023

TOWNSVILLE CITY COUNCIL
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$000	2022 \$000
Income			
Revenue			
Recurrent revenue			
Rates and utilities	3(a)	393,020	373,812
Fees and charges	3(b)	32,931	31,582
Grants, subsidies and contributions	3(c)	17,057	30,153
		<u>443,008</u>	<u>435,547</u>
Capital revenue			
Grants and contributions	3(c)	136,475	59,580 *
		<u>136,475</u>	<u>59,580</u> *
Interest received		8,159	2,169
Other income		13,113	17,373
Fair value gain on contributions of assets from developers		4,762	19,501
Reversal of impairment – intangible assets		(1,911)	3,877
Other capital income		773	2,889
Total income		<u>604,379</u>	<u>540,936</u> *
Expenses			
Recurrent expenses			
Employee benefits	4(a)	(155,568)	(140,448)
Materials and services	4(b)	(162,961)	(157,046)
Depreciation and amortisation	4(c)	(136,847)	(135,471) *
Finance costs	4(d)	(17,641)	(17,102)
Other expenses		(6,259)	(2,710)
		<u>(479,276)</u>	<u>(452,777)</u> *
Capital expenses	4(e)	(4,266)	(12,990)
Total expenses		<u>(483,542)</u>	<u>(465,767)</u> *
Net result		<u>120,837</u>	<u>75,169</u> *
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	7	345,504	409,911
Total comprehensive income for the year		<u>466,341</u>	<u>485,080</u> *

*Comparative figures have been restated. Refer to Note 21 for further information.

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 2023

	Note	2023 \$000	2022 \$000
Current assets			
Cash and cash equivalents	5	126,182	232,685
Receivables	6	51,866	46,628
Contract assets	8	32,874	10,582
Inventories		3,921	2,395
Other assets		5,558	5,239
Total current assets		<u>220,401</u>	<u>297,529</u>
Non-current assets			
Receivables	6	300	300
Property, plant and equipment	7	6,204,298	5,674,764 *
Right-of-use assets	9	11,539	10,155
Intangible assets		4,763	5,454
Other assets		3,444	3,124
Total non-current assets		<u>6,224,344</u>	<u>5,693,797 *</u>
Total assets		<u>6,444,745</u>	<u>5,991,326 *</u>
Current liabilities			
Payables	10	63,091	79,990
Contract liabilities	8	21,504	24,083
Borrowings	11	46,849	45,099
Lease liabilities		2,050	2,897
Provisions	12	41,016	36,620
Other liabilities		7,879	8,303
Total current liabilities		<u>182,389</u>	<u>196,992</u>
Non-current liabilities			
Borrowings	11	371,708	372,823
Lease liabilities		10,607	7,651
Provisions	12	31,736	29,842
Other liabilities		16,175	18,229
Total non-current liabilities		<u>430,226</u>	<u>428,545</u>
Total liabilities		<u>612,615</u>	<u>625,537</u>
Net community assets		<u>5,832,130</u>	<u>5,365,789 *</u>
Community equity			
Asset revaluation surplus	13	1,651,776	1,306,272
Retained surplus		4,180,354	4,059,517 *
Total community equity		<u>5,832,130</u>	<u>5,365,789 *</u>

*Comparative figures have been restated. Refer to Note 21 for further information.

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

TOWNSVILLE CITY COUNCIL
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Retained surplus	Asset revaluation surplus	Total
	\$000	\$000	\$000
Balance as at 1 July 2022	4,059,517	1,306,272	5,365,789
Net result	120,837	-	120,837
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	-	345,504	345,504
Total comprehensive income for the year	120,837	345,504	466,341
Balance as at 30 June 2023	4,180,354	1,651,776	5,832,130
Balance as at 1 July 2021	3,971,323	896,361	4,867,684
Prior period adjustment for recognition of non-current assets	13,025 *	-	13,025 *
	3,984,348 *	896,361	4,880,709 *
Net result	75,169 *	-	75,169 *
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	-	409,911	409,911
Total comprehensive income for the year	75,169 *	409,911	485,080 *
Balance as at 30 June 2022	4,059,517 *	1,306,272	5,365,789 *

*Comparative figures have been restated. Refer to Note 21 for further information.

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

TOWNSVILLE CITY COUNCIL
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$000	2022 \$000
Cash flows from operating activities			
Receipts from customers		498,280	491,043
Payments to suppliers and employees		(384,067)	(323,524)
Interest received		7,832	2,106
Finance costs	4(d)	(18,417)	(17,507)
Net cash inflow (outflow) from operating activities	17	<u>103,628</u>	<u>152,118</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(315,866)	(154,859)
Payments for intangible assets		(1,707)	(4,657)
Proceeds from sale of property, plant and equipment		1,351	997
Grants and contributions		106,196	26,890
Loans and advances		2,335	(300)
Net cash inflow (outflow) from investing activities		<u>(207,691)</u>	<u>(131,929)</u>
Cash flows from financing activities			
Proceeds from borrowings		45,000	70,000
Repayment of borrowings		(44,365)	(38,770)
Repayments made on leases (principal only)		(3,075)	(3,197)
Net cash inflow (outflow) from financing activities		<u>(2,440)</u>	<u>28,033</u>
Net increase / (decrease) in cash and cash equivalents held		(106,503)	48,222
Cash and cash equivalents at the beginning of financial year		<u>232,685</u>	<u>184,463</u>
Cash and cash equivalents at the end of financial year	5	<u><u>126,182</u></u>	<u><u>232,685</u></u>

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

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Significant accounting policies

(a) Basis of preparation

These general purpose financial statements are for the period 1 July 2022 to 30 June 2023 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the Local Government Regulation 2012.

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

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

(b) The local government reporting entity

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

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.

Council is the controlling entity of NQ Spark Pty Ltd and holds a 100% shareholding. This company is responsible for the establishment of an advanced environmental simulation facility in Townsville. Transactions of NQ Spark Pty Ltd have not been consolidated in these financial statements due to their size and nature.

(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 22).

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by rules in an Accounting Standard. Refer to Note 21 for further 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 assessments, fair value and impairment (Note 7)
- 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 2023. 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.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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) Cultural and Community Services

Maintain and grow events, arts, sport and cultural services to improve the liveability of Townsville. Develop and support cultural and community experiences in Townsville through maintaining public safety and environmental health. Include community support, community facilities, libraries, visual and performing arts, events and enforcement compliance.

(ii) Drain and Stormwater Management

Manage drain and stormwater infrastructure.

(iii) Environment and Sustainability Services

Support environmental sustainability, natural hazard and resource management and foster sustainable management of our environment. Increase natural landscape resilience of creeks, riverbanks, coastal shorelines, wetlands, forests and tropical savannas through rehabilitation, stabilisation and restoration.

(iv) Parks and Open Space Management

Manage a diverse network of parks, open spaces and recreational facilities.

(v) Planning and Development

Provide a strategic approach to long-term planning and policy development ensuring that Townsville manages natural hazards, growth and promotes economic development while protecting and conserving our natural resources and heritage. A key part of the land use strategy is ensuring the city develops within the urban growth corridors to provide more efficient performing infrastructure.

(vi) Roads and Transport Management

Provide a reliable and efficient transport network considering future transport needs whilst encouraging active travel methods.

(vii) Service Partners

Provide a wide range of professional services, policy implementation and advice to both internal and external customers. Enable delivery of Council's strategic and operational priorities within legislated requirements and good governance practices, through business systems and structures.

(viii) Water Services

Water Services is a significant business activity of Townsville City Council, providing potable water and recycled water.

(ix) Wastewater Services

Wastewater Services is a significant business activity of Townsville City Council and collects and treats wastewater for disposal or reuse.

(x) Resource Recovery

Resource Recovery is a significant business activity of Townsville City Council, providing waste management, recycling and resource recovery services.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(xi) NQ Spark Pty Ltd

NQ Spark Pty Ltd is a 100% controlled entity of Townsville City Council. At reporting date there had been no material transactions.

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):

Council Functions	(i) to (vii)
Townsville Water	(viii) to (ix)
Resource Recovery	(x)

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

Components	Income			Expenses			Capital Other	Total expenses	Net result from recurring operations including depreciation	Net result	
	Grants	Recurrent Other	Internal eliminations	Grants	Other	Internal eliminations					Other
Year ended 30 June 2023	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Cultural and Community Services	1,535	7,949	-	-	18	9,502	(56,704)	19,955	-	(36,749)	(27,247)
Drain and Stormwater Management	-	109	-	443	849	1,401	(13,446)	1,955	-	(11,382)	(10,090)
Environment and Sustainability Services	2,129	8	-	-	-	2,137	(12,607)	3,538	-	(9,069)	(6,932)
Parks and Open Space Management	-	6,165	(5,361)	8,343	501	9,648	(74,652)	31,248	(707)	(44,111)	(42,600)
Planning and Development	61	5,378	(56)	-	(115)	5,268	(20,202)	4,847	-	(15,355)	(10,087)
Roads and Transport Management	4,804	6,567	(3,249)	23,540	5,704	37,366	(84,470)	15,037	(1,216)	(70,649)	(33,283)
Service Partners	8,302	351,166	(160,613)	-	(1,911)	196,944	(193,286)	35,554	(2,202)	(159,934)	37,010
Water Services	-	120,740	(17,814)	90,487	4,107	197,520	(93,461)	34,168	(78)	(59,371)	138,149
Wastewater Services	40	100,043	(7,410)	-	7,360	100,033	(79,392)	32,806	(63)	(46,649)	53,384
Resource Recovery	(82)	58,676	(14,807)	-	773	44,560	(57,460)	27,296	-	(30,164)	14,396
Total	16,789	656,801	(209,310)	122,813	17,286	604,379	(685,680)	206,404	(4,266)	(483,542)	120,837
Year ended 30 June 2022											
Cultural and Community Services	1,715	6,593	-	63	664	9,035	(49,085)	18,874	-	(30,211)	(21,903)
Drain and Stormwater Management	56	1,075	-	69	8,209	9,409	(13,620)	2,418	(448)	(11,650)	(2,241)
Environment and Sustainability Services	10,181	107	-	-	-	10,288	(22,776)	4,409	-	(18,367)	(8,079)
Parks and Open Space Management	357	5,907	(4,334)	4,881	417	7,228	(74,109)	34,816	(401)	(39,694)	(32,466)
Planning and Development	752	6,221	(53)	-	-	6,920	(20,868)	4,796	-	(16,072)	(9,152)
Roads and Transport Management	8,180	5,727	(2,291)	19,242	16,567	47,425	(86,235)	19,335	(8,200)	(75,100)	(27,675)
Service Partners	8,031	337,960	(166,992)	908	3,877	183,784	(182,079)	34,462	(3,600)	(151,217)	32,567
Water Services	249	129,403	(26,926)	10,795	10,071	123,592	(97,112)	41,844	(306)	(55,574)	68,018
Wastewater Services	20	102,181	(10,355)	698	6,518	99,062	(81,613)	38,836	(35)	(42,812)	56,250
Resource Recovery	378	55,619	(14,672)	5	2,863	44,193	(48,387)	23,317	-	(25,070)	19,123
Total	29,919	650,793	(225,623)	36,661	49,186	540,936	(675,884)	223,107	(12,990)	(465,767)	75,169

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(c) Function assets

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

Entity	Assets 2023 \$000	Assets 2022 \$000
Council Functions	3,819,074	3,675,858
Townsville Water	2,555,897	2,253,331
Resource Recovery	69,774	62,137
Total Council	6,444,745	5,991,326

Note 3 Revenue

	Note	2023 \$000	2022 \$000
Revenue recognised at a point in time:			
Rates and utilities	3(a)	393,020	373,812
Fees and charges	3(b)	32,931	31,582
Grants, subsidies and contributions		30,393	40,157
		<u>456,344</u>	<u>445,551</u>
Revenue recognised over time:			
Grants, subsidies and contributions		325	12,915
Revenue relating to grants for assets controlled by Council	3(c)	122,814	36,661
		<u>123,139</u>	<u>49,576</u>
Total revenue		<u>579,483</u>	<u>495,127</u>

(a) Rates and utilities

Rates and utility 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	196,187	179,236
Refuse and recycling utility charges	26,046	24,133
Water and wastewater utility charges	194,073	192,730
Less: Discounts	(12,383)	(11,338)
Less: Pensioner and other remissions	(10,903)	(10,949)
	<u>393,020</u>	<u>373,812</u>

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(b) Fees and charges

Revenue arising from fees and charges is 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.

	2023	2022
	\$000	\$000
Refuse fees	16,639	15,721
Regulatory assessment fees	4,850	5,566
Commercial fees	4,234	3,725
Licences and registrations	2,305	2,244
Infringements	966	793
Other fees and charges	3,937	3,533
	<u>32,931</u>	<u>31,582</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 each performance obligation is satisfied.

Each performance obligation is considered to ensure 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

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.

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.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$000	\$000
Recurrent		
Contributions received for operating purposes	269	234
Subsidies and grants received for operating purposes	16,788	29,919
	<u>17,057</u>	<u>30,153</u>
Capital		
Contributions received for capital purposes	13,661	22,919
Grants received for capital purposes	122,814	36,661
	<u>136,475</u>	<u>59,580</u>

Note 4 Expenses

(a) Employee benefits

Total staff wages and salaries	145,647	130,916
Councillors' remuneration	1,532	1,531
Superannuation	16,814	15,428
Termination benefits	215	588
	<u>164,208</u>	<u>148,463</u>
Other employee related expenses	7,711	4,414
	171,919	152,877
Less: Capitalised employee expenses	<u>(16,351)</u>	<u>(12,429)</u>
	<u>155,568</u>	<u>140,448</u>

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

	2023	2022
Total Council employees at the reporting date:		
Elected members	11	11
Indoor staff	945	839
Outdoor staff	668	663
Total full-time equivalent employees	<u>1,624</u>	<u>1,513</u>

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(b) Materials and services	Note	2023 \$000	2022 \$000
Accommodation services		8,702	7,922
Administration supplies and consumables		14,494	11,617
Audit of annual financial statements by the Auditor-General of Queensland		281	265
Bulk water supply		13,675	13,911
Contractors and service providers		25,355	24,091
Electricity		11,642	10,426
Employee related costs		4,823	3,590
Equipment and tools		9,077	7,519
Information, technology and communications		13,416	12,434
Insurance		4,923	5,623
Marketing and promotion		4,083	6,151
Other materials and services		6,720	6,270
Other utilities		193	276
Repairs, maintenance and construction		28,093	31,276
Vehicle and plant operating costs		13,595	11,617
Total state waste levy payment		13,395	12,933
Waste levy rebate*		(6,610)	(6,361)
		<u>165,857</u>	<u>159,560</u>
Less: Capitalised materials and services		(2,896)	(2,514)
		<u>162,961</u>	<u>157,046</u>
<p>* The State Government provided a rebate of \$6,609,703 (2022: \$6,361,025) to mitigate the direct impacts of the state waste levy on households.</p>			
(c) Depreciation and amortisation			
Property, plant and equipment	7	130,861	129,085
Intangible assets		2,398	3,555
Right-of-use assets	9	3,588	2,831
		<u>136,847</u>	<u>135,471</u>
(d) Finance costs			
Finance costs charged on loans from Queensland Treasury Corporation		18,417	17,507
Unwinding of discount for landfill restoration provision		(1,424)	(1,107)
Impairment of receivables		435	504
Interest on leases		213	198
		<u>17,641</u>	<u>17,102</u>
(e) Capital expenses			
Loss on sale/disposal of property, plant and equipment		4,265	12,989
Impairment losses on property, plant and equipment		1	1
		<u>4,266</u>	<u>12,990</u>

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 5 Cash and cash equivalents

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

	2023	2022
	\$000	\$000
Cash at bank and on hand	2,390	1,160
Deposits at call	123,792	231,525
Balance per Statement of Cash Flows	<u>126,182</u>	<u>232,685</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	8,787	10,985
Unspent government grants received in relation to Council's water security program (including Haughton Pipeline Duplication Project)	15,593	16,291
Waste levy rebate received in advance	20,847	23,287
Unspent loan monies	-	33,193
	<u>45,227</u>	<u>83,756</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

	<u>2,760</u>	<u>2,476</u>
	<u>2,760</u>	<u>2,476</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.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023. 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.

Current	Note	2023 \$000	2022 \$000
Rates and utilities		15,062	16,325
Fees and charges		15,908	5,337
Less: Loss allowance	19	(288)	(389)
Water charges not yet levied		11,669	12,295
Community organisations		-	2,335
Other receivables		9,515	10,725
		51,866	46,628
Non-current			
Loan to controlled entity		300	300

Interest is charged on outstanding rates and utilities at 8.17% per annum from 1 July 2022. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility 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 amount of economic outflow or a change in the discount rate is reflected in the Statement of Financial Position for all open landfills. Increases in landfill provisions for closed landfills are recognised in the Statement of Comprehensive Income to the extent they exceed the revaluation surplus.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(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 recorded in the Statement of Comprehensive Income. In that case the increase is recorded in the Statement of Comprehensive Income 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 levels at the end of the reporting period.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(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 assessment
Buildings (level 2) 2023: \$32,602,000 2022: \$34,801,000	Market value	31-Mar-19	Knight Frank (Adam Reguson CPV No. 2215)	Significant inputs include estimated net rental per square metre 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) 2023: \$173,300,000 2022: \$175,700,000	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.
Cultural and Heritage	Market value	1-Mar-23	Ross Searle and Associates (Ross Searle BA Uni. Qld MLit JCU valuer approved by the Office of the Arts for the Commonwealth Gifts Program)	For artwork assets valued for financial reporting, key considerations include whether an asset is able to transact within an identified market, either the local or international art market, or whether it is more appropriately considered in terms of cost of replacement; and whether an individual collection object reaches its highest and best value when considered as part of a collection or as an individual object. Restrictions may limit the highest and best use that can be applied, particularly in the case of Australian legislation including sensitive Collection Assets.	Ceramic Artwork Collection (sub-class of Cultural and heritage) - fair value changed as per Comprehensive Valuation performed by Valuer.
Dams & 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.	Fair value changed as per index review performed by Management.
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 is 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, manufacturer's 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	Water and wastewater network - Northern Water Management Pty Ltd (Jeff Ballard RPEQ No. 6854) Stormwater network - Lemmah Pty Ltd (Graham John Jordan RPEQ No. 3305).	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.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 assessment
Transport network – sealed roads	Current replacement cost	30-Jun-23	Unit rates -Lemmah Pty Ltd (Graham John Jordan RPEQ No. 3305). Rates only. Condition Assessment – Pavement Management Service Pty Ltd	Valuation for roads 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.	Fair value changed as per Comprehensive Valuation performed by Valuer.
Transport network – excluding sealed roads and bridges	Current replacement cost	30-Jun-19	Lemmah Pty Ltd (Graham John Jordan RPEQ No. 3305).	Valuation for roads 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.	Fair value changed as per index review performed by Valuer.
Transport network - bridges	Current replacement cost	30 June -23	Stantec (Stephen Walker RPEQ)	Valuation for bridges is performed by application of standardised unit rates, including Stantec unit rate database, Rawlinson's Australian Construction Handbook, supplier quotations, and published indices such as the road and bridge construction index and asset revaluation index for engineering construction.	Fair value changed as per Comprehensive Valuation performed by Valuer.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 7 Property, plant and equipment

Townsville City Council - 30 June 2023

Basis of measurement

Asset values

Opening gross value as at 1 July 2022	
Additions	
Disposals	
Revaluation adjustment to asset revaluation surplus	
Revaluation adjustment to Statement of Comprehensive Income	
Transfers between classes - capitalised assets	
Closing gross value as at 30 June 2023	

Accumulated depreciation and impairment

Opening balance as at 1 July 2022	
Depreciation provided in period	
Depreciation on disposals	
Revaluation adjustment to asset revaluation surplus	
Revaluation adjustment to Statement of Comprehensive Income	
Assets classified as held for sale	
Impairment adjustment to income	
Transfers between classes / intangible assets	
Accumulated depreciation and impairment as at 30 June 2023	

Total written down value as at 30 June 2023

Range of estimated useful life in years

Additions including reallocations from WIP to asset class:

Renewals	
Other additions	
Total capital expenditure, contributed assets, and assets not previously recorded	

Asset revaluation surplus

Opening balance at 1 July 2022	
Asset revaluation movement	
Closing balance at 30 June 2023	

Buildings	Dams & weirs		Fixed plant		Cultural & heritage		Land		Land improvements		Landfills		Pipe network		Plant & equipment		Transport network		Assets under construction		Total	
	Fair Value	\$000	Fair Value	\$000	Fair Value	\$000	Fair Value	\$000	Fair Value	\$000	Fair Value	\$000	Fair Value	\$000	Fair Value	\$000	Fair Value	\$000	Fair Value	\$000		Cost
263,379	520,623	896,967	17,662	336,115	145,464	60,616	2,687,657	193,588	2,645,227	592,907	8,360,205											
-	-	-	17	-	-	4,355	52,618	610	4,363	310,612	372,575											
(2,647)	-	(475)	-	(42)	(1,354)	-	-	(8,990)	(1,968)	-	(15,476)											
-	86,615	-	(180)	-	-	-	-	-	215,967	-	262,939											
2,294	1,299	22,669	131	2,037	6,032	533	8,229	18,216	4,684	(66,124)	-											
263,026	608,537	919,161	17,630	338,110	150,142	65,504	2,709,041	203,424	2,868,273	837,395	8,980,243											

(52,878)	(170,041)	(350,309)	-	(1,582)	(65,867)	(42,116)	(1,153,377)	(116,042)	(733,230)	-	(2,685,442)											
(4,952)	(3,588)	(20,960)	-	-	(6,501)	(1,461)	(34,179)	(13,498)	(45,722)	-	(130,861)											
706	-	334	-	-	765	-	-	6,728	752	-	9,285											
-	15,930	-	-	-	-	-	7,694	-	7,400	-	31,024											
-	-	-	-	-	-	-	-	-	-	-	-											
-	-	-	-	-	-	-	-	-	-	-	-											
-	-	-	-	-	-	-	-	49	-	-	49											
(57,124)	(157,699)	(370,935)	-	(1,582)	(71,603)	(43,577)	(1,179,862)	(122,763)	(770,800)	-	(2,775,945)											
205,902	450,838	548,226	17,630	336,528	78,539	21,927	1,529,179	80,661	2,097,473	837,395	6,204,298											

5 - 150	15 - 180	5 - 200	20 - 150	3 - 120	3 - 100	5 - 190	3 - 45	3 - 180														
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\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
16,480	-	29,566	-	7,143	295	61,583	8,922	21,619	-	145,608	
5,162	-	89,913	17	14,738	9,443	74,421	3,628	26,581	-	226,967	
21,642	-	119,479	17	21,881	9,738	136,004	12,550	48,200	-	372,575	

22,399	-	114,526	6,474	-	293,121	869,752	-	-	-	1,306,272
-	102,545	(55)	(180)	-	18,870	224,324	-	-	-	345,504
22,399	102,545	114,471	6,294	-	311,991	1,094,076	-	-	-	1,651,776

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 7 Property, plant and equipment

Townsville City Council - 30 June 2022

Basis of measurement

Asset values

Opening gross value as at 1 July 2021

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Revaluation adjustment to Statement of Comprehensive Income

Transfers between classes - capitalised assets

Closing gross value as at 30 June 2022

Accumulated depreciation and impairment

Opening balance as at 1 July 2021

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Revaluation adjustment to Statement of Comprehensive Income

Assets classified as held for sale

Impairment adjustment to income

Transfers between classes / intangible assets

Accumulated depreciation and impairment as at 30 June 2022

Total written down value as at 30 June 2022

Range of estimated useful life in years

Additions including reallocations from WIP to asset class:

Renewals

Other additions

Total capital expenditure, contributed assets, and assets not previously recorded

Asset revaluation surplus

Opening balance at 1 July 2021

Asset revaluation movement

Closing balance at 30 June 2022

Buildings	Dams & wells	Fixed plant	Cultural & heritage	Land	Land improvements	Landfills	Pipe network	Plant & 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	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
251,181	520,623	889,880	17,339	336,567	142,056	52,222	2,266,437	188,171	2,530,456	569,962	7,764,894
441	-	6	-	-	19	4,556	97,712	43	18,117	175,009	295,903
(4,469)	-	(32)	(7)	(452)	(783)	-	(427)	(7,663)	(18,353)	-	(32,186)
-	-	-	-	-	-	-	288,664	-	62,931	-	331,595
-	-	-	-	-	-	-	-	-	-	-	-
16,226	-	7,113	330	-	4,172	3,838	55,272	13,037	52,076	(152,064)	-
263,379	520,623	896,967	17,662	336,115	145,464	60,616	2,687,658	193,588	2,645,227	592,907	8,360,206

(48,366)	(166,464)	(329,045)	-	(1,582)	(59,835)	(40,347)	(1,066,544)	(109,109)	(745,725)	-	(2,567,037)
(5,437)	(3,577)	(21,265)	-	-	(6,434)	(1,769)	(29,122)	(13,419)	(48,062)	-	(129,085)
945	-	1	-	-	402	-	73	6,486	10,008	-	17,915
-	-	-	-	-	-	-	(57,784)	-	50,410	-	(7,374)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
(52,878)	(170,041)	(350,309)	-	(1,582)	(65,867)	(42,116)	(1,153,377)	(116,042)	(733,230)	-	(2,685,442)
210,501	350,582	546,658	17,662	334,533	79,597	18,500	1,534,281	77,546	1,911,997	592,907	5,674,764

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\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
7,462	-	33,484	93	-	9,558	25	31,393	10,871	22,493	-	115,379
385	27	31,335	24	930	1,119	8,953	105,404	2,719	29,628	-	180,524
7,847	27	64,819	117	930	10,677	8,978	136,797	13,590	52,121	-	295,903

22,399	-	114,526	6,474	-	-	-	-	-	752,962	-	896,361
-	-	-	-	-	-	-	293,121	-	116,790	-	409,911
22,399	-	114,526	6,474	-	-	-	293,121	-	869,762	-	1,306,272

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

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).

Contract assets	2023 \$000	2022 \$000
Haghton Pipeline Duplication Project Stage 2	25,131	5,622
Lansdown Eco-Industrial Precinct Upgrade	3,072	-
Disaster Recovery Funding Arrangement	1,999	-
Local Road Network	1,537	-
Local Roads and Community Infrastructure	832	1,205
Other	303	906
Environmental Recovery Package	-	2,849
	<u>32,874</u>	<u>10,582</u>
Contract liabilities		
Haghton Pipeline Duplication Project	15,593	15,643
Works for Queensland	3,117	4,918
Cycle Network Local Government	826	843
Other	1,968	852
Local Road Network	-	1,074
Lansdown Eco-Industrial Precinct Upgrade	-	753
	<u>21,504</u>	<u>24,083</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.

TOWNSVILLE CITY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Terms and conditions of leases

(i) Buildings

Several properties are leased including two properties for community purposes (Townsville City), one library (Townsville City) and three operational facilities (Mount St John). The lease terms range between 3 and 15 years and are subject to annual increases of either CPI or a fixed rate.

(ii) Plant and Equipment

Council leases motor vehicles for business purposes. Lease terms range between 3 and 4 years.

Three pumpsets and pipework are leased by Council for emergency purposes (Douglas Water Treatment Plant) for a period of 2 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-of-use asset. The lease terms for these contracts are 7 years.

Right-of-use assets	Buildings \$000	Plant & Equipment \$000	Total \$000
Balance at 1 July 2022	8,754	1,401	10,155
Additions to right-of-use assets	5,511	6	5,517
Adjustments due to remeasurements	(284)	31	(253)
Depreciation charge	(2,425)	(1,163)	(3,588)
Disposal of right-of-use assets	(292)	-	(292)
Closing balance at 30 June 2023	11,264	275	11,539
Balance at 1 July 2021	9,861	495	10,356
Additions to right-of-use assets	78	1,223	1,301
Adjustments due to remeasurements	991	338	1,329
Depreciation charge	(2,176)	(655)	(2,831)
Closing balance at 30 June 2022	8,754	1,401	10,155

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 2023	2,391	7,907	4,694	14,992	12,657
30 June 2022	3,060	7,742	219	11,021	10,548

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 2023

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	2023 \$000	2022 \$000
Interest on lease liabilities		214	198
Depreciation of right-of-use assets		3,588	2,831
Expenses relating to short term leases		154	206
Expenses relating to low value assets		36	39
		<u>3,992</u>	<u>3,274</u>
Total cash outflows for leases (including short term and low value leases)		<u><u>3,265</u></u>	<u><u>3,442</u></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-of-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 14-day terms.

Current

Trade payables		9,223	16,535
Accrued expenses		27,620	35,888
Prepaid rates		21,065	22,585
Sundry payables		5,183	4,982
	19	<u>63,091</u>	<u>79,990</u>

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.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$000	2022 \$000
Current			
Loans - Queensland Treasury Corporation		46,849	45,099
Non-current			
Loans - Queensland Treasury Corporation		371,708	372,823
Total borrowings	19	418,557	417,922

The loan market value at the reporting date was \$407,673,011. 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.

Note 12 Provisions

Current

Self-insurance	557	1,050
Landfill restoration	8,406	4,715
Annual leave	16,619	15,636
Long service leave	14,744	14,299
Other	690	920
	41,016	36,620

Non-current

Self-insurance	1,809	2,187
Landfill restoration	27,541	25,175
Long service leave	2,386	2,480
	31,736	29,842

(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 \$35,947,764 is expected to be incurred between 2024 and 2073. This amount excludes rehabilitating landfill cells on existing sites that are yet to be constructed or used, but which are in the current site plan.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(b) Annual leave

Amounts expected to be settled within 12 months are calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on the same basis and are discounted to present value.

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

(c) 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. Estimates are then discounted to present value using interest rates attaching to Commonwealth Government guaranteed securities at the reporting date.

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.

	2023	2022
	\$000	\$000
Long service leave obligations expected to be settled after 12 months	14,534	14,208

(d) 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	3,237	29,890	920
Additional provisions raised during the year	-	11,763	-
Amounts used	(408)	(1,846)	(239)
Unused amounts reversed	(463)	-	-
Decrease in provision due to unwinding of discount	-	(1,433)	-
Decrease in provision due to change in discount rate	-	(2,427)	9
Balance at end of financial year	2,366	35,947	690

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 13 Asset revaluation surplus

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

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

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

	Note	2023 \$000	2022 \$000
Asset revaluation surplus	7	1,651,776	1,306,272

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:

Haghton Pipeline Duplication Stage 2	186,016	50,697
Cleveland Bay Purification Plant Effluent Reuse Project	22,140	29,780
Resource Recovery and Waste Disposal	18,077	6,664
Road Upgrades	11,148	5,323
Lansdown Eco-Industrial Precinct Upgrade	10,689	-
Ross River Dam to Douglas Water Treatment Plant Pipeline Duplication	8,689	52,132
Water Facility Improvements	7,654	4,534
Fleet Upgrades	7,150	3,476
Operational Buildings and Depots	5,836	7,294
Wastewater Facility Improvements	5,087	13,822
Open Space Upgrades	4,121	1,314
Douglas Water Treatment Plant Clarifier	258	8,813
Pool Redevelopment Projects	78	3,390
Other	1,415	1,703
East End Boardwalk	-	6,118
	<u>288,358</u>	<u>195,060</u>

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 15 Contingent liabilities

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

	2023	2022
	\$000	\$000
Workers' compensation self-insurance guarantees	3,540	5,907

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 30 August 2023 has estimated the required self-insurance guarantee be \$2,886,000. 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, 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 2023 of LGM Queensland were not available. As at 30 June 2022 the financial statements reported an accumulated surplus of \$69,455,872 and it was not anticipated any liability would arise.

Note 16 Superannuation

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

The scheme is a pooled defined benefit plan and it is in accordance with the deed to not 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 LGIAsuper trust deed, changes to Council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, 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 2024.

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

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- Investment risk - the risk that the scheme's investment returns will be lower than assumed and additional contributions will be 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.

	2023 \$000	2022 \$000
Superannuation contributions made to the Regional Defined Benefits Fund	506	585
Other superannuation contributions for employees	16,224	15,093
Total superannuation contributions paid by Council for employees	16,730	15,678

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

Net result for the year	120,837	75,169
Non-cash and non-operating items:		
Depreciation and amortisation	136,847	135,471
Reversal of impairment – intangible assets	1,911	(3,877)
Impairment losses on property, plant and equipment	-	1
Change in future rehabilitation and restoration costs	(6,561)	(6,962)
Lease interest on right-of-use assets	213	198
Grants and contributions received for constructing assets	(106,196)	(38,883)
Net loss on sale of non-current assets	4,265	13,000
Fair value gain on contributions of assets	(4,757)	(30,139)
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(7,573)	(5,810)
(Increase)/decrease in inventories	(1,526)	(392)
(Increase)/decrease in contract assets	(22,292)	(6,427)
(Increase)/decrease in other assets	(639)	(713)
Increase/(decrease) in payables	(10,840)	8,991
Increase/(decrease) in provisions	5,308	1,614
Increase/(decrease) in contract liabilities	(2,579)	(13,348)
Increase/(decrease) in other liabilities	(2,790)	24,225
Net cash flows from operating activities	103,628	152,118

Note 18 Events after the reporting date

Council incorporated North Rail Yard Developments Pty Ltd with a 100% shareholding in July 2023. This company will serve towards the delivery of the North Rail Yards project which is integral to achieving the outcomes sought for the City Waterfront Gateway Precinct. There were no material adjusting events after the balance date.

On 13 September 2023, Council received Treasurer's approval to enter into two bank guarantee arrangements with QTC in order to provide security to cover costs associated with the Houghton Pipeline Duplication project. The bank guarantees were executed on 29 September 2023. The total value of the two bank guarantees is \$7,974,039.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 19 Financial instruments and financial risk management

(a) Financial assets and liabilities

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

Financial assets	Financial liabilities
Cash and cash equivalents	Payables - measured at amortised cost
Receivables - measured at amortised cost	Borrowings - measured at amortised cost

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

(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 \$000	Impaired \$000	Within initial trade terms \$000	Past due (days overdue)			
				<30 \$000	31-60 \$000	61-90 \$000	>90 \$000
30 June 2023							
Rates and utilities, fees and charges	30,970	(288)	15,833	717	399	136	13,885
Loan to controlled entity	300	-	300	-	-	-	-
Water charges not yet levied	11,669	-	11,669	-	-	-	-
Other receivables	9,515	-	9,515	-	-	-	-
Total	52,454	(288)	37,317	717	399	136	13,885

(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.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities to cater for unexpected volatility in cash flows. Unrestricted access was available at balance date to undrawn facilities listed below:

	2023	2022
	\$000	\$000
Bank overdraft facility	500	500
Purchase card facility	1,753	1,810
Working Capital Facility - Queensland Treasury Corporation	100,000	100,000
	<u>102,253</u>	<u>102,310</u>

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
30 June 2023					
Payables	63,091	-	-	63,091	63,091
Loans - Queensland Treasury Corporation	64,027	212,192	241,060	517,279	418,557
	127,118	212,192	241,060	580,370	481,648
30 June 2022					
Payables	79,990	-	-	79,990	79,990
Loans - Queensland Treasury Corporation	62,782	203,821	257,090	523,693	417,922
	142,772	203,821	257,090	603,683	497,912

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 \$1,251,645 (2022: \$2,326,341), an equal amount in the reverse direction is possible for a decrease in rates.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 20 National competition policy

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

- water and sewerage
- waste management

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 2023 \$000	Waste management 2023 \$000
Revenue for services provided to the Council	22,142	14,549
Revenue for services provided to external clients	195,599	43,787
Community service obligations	3,141	258
	220,882	58,594
Less: Expenditure	(153,474)	(54,144)
Surplus/(deficit)	67,408	4,450

Description of CSOs provided to business activities:

Activities	CSO Description	Net cost \$000
Townsville Water	Concessions on water and waste water utility charges	3,141
Townsville Waste	Concessions on landfill charges, community clean-up events and other waste services	258

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 21 Prior period adjustments

(a) Contributed Infrastructure Assets

During 2022/23 Council identified contributed infrastructure assets totalling \$10,637,831 with prior year commission dates resulting in an understatement of revenue and property, plant and equipment in 2020/21.

In addition, \$15,321,861 of contributed infrastructure assets were identified during 2022/23 with commission dates being prior to 1 July 2021. This amount should have been recognised in years prior to 2021/22.

Subsequently prior year adjustments were actioned for depreciation on the subject contributed assets.

(b) Depreciation

Depreciation in relation to assets commissioned from work-in-progress with prior year commission dates was also adjusted. Total depreciation adjustment of \$3,484,791 was identified with the amount \$1,188,189 relating to 2021/22 and \$2,296,602 relating to assets with commission dates prior to 1 July 2021.

To correct the impact of the prior year errors Council has adjusted the 2021/22 comparative amounts in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and applicable notes to the financial statements.

Adjustments impacting financial statement line items for the 2021/22 comparative year are presented below:

	Actual 2022 \$000	Adjustment 2022 \$000	Restated Actual 2022 \$000
Statement of Comprehensive Income (Extract)			
Capital Revenue			
Grants and contributions	48,942	10,638	59,580
Total income	530,298	10,638	540,936
Recurrent Expenses			
Depreciation and amortisation	(134,283)	(1,188)	(135,471)
Total recurrent expenses	(451,589)	(1,188)	(452,777)
Total expenses	(464,579)	(1,188)	(465,767)
Net Result	65,719	9,450	75,169
Total comprehensive income for the year	475,630	9,450	485,080
Statement of Financial Position (Extract)			
Non-current assets			
Property, plant and equipment	5,652,289	22,475	5,674,764
Total non-current assets	5,671,322	22,475	5,693,797
Total assets	5,968,851	22,475	5,991,326
Net community assets	5,343,314	22,475	5,365,789
Community equity			
Retained surplus	4,037,042	22,475	4,059,517
Total community equity	5,343,314	22,475	5,365,789
Statement of Changes in Equity (Extract)			
Prior period adjustment for recognition of non-current assets	-	13,025	13,025
Net result	65,719	9,450	75,169
Balance of Retained Surplus	4,037,042	22,475	4,059,517

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 22 Transactions with related parties

(a) Transactions with Townsville Breakwater Entertainment Centre Joint Venture

	2023 \$	2022 \$
Payment of working capital required under management agreement	209,761	225,635
Contribution towards Townsville Breakwater Entertainment Centre assets	-	30,000
Building and property insurance	90,239	74,365
Other expenditure	124,166	83,260
	<u>424,166</u>	<u>413,260</u>

(b) Transactions with NQ Spark Pty Ltd

Interests in NQ Spark Pty Ltd is disclosed in Note 1(b).

Other revenue received by Council	(158,946)	-
Materials and other service providers paid by Council	158,946	-
Establishment loan with 3 year repayment term	-	300,000
	<u>-</u>	<u>300,000</u>

(c) Outstanding balances

Receivables from NQ Spark Pty Ltd	174,097	-
Loan receivable from NQ Spark Pty Ltd	300,000	300,000
	<u>474,097</u>	<u>300,000</u>

(d) 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	3,481,183	3,188,631
Post-employment benefits	317,808	308,269
Long-term employee benefits	30,703	26,778
Termination benefits	-	247,125
	<u>3,829,694</u>	<u>3,770,803</u>

(e) 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.

There were no material transactions between other related parties in the period.

There were no KMP family members employed by Council during the financial year.

TOWNSVILLE CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(f) 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 2023, 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 2023, 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 material accounting policy information, and the certificate given by the Mayor and Acting 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 2023 was the current year financial sustainability statement and long-term financial sustainability statement and annual report.

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 formed 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 forming an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of material accounting policy information 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 2023:

- 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*, 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.

A handwritten signature in black ink, appearing to read "Sri Narasimhan", with a long horizontal stroke extending to the right.

Sri Narasimhan
as delegate of the Auditor-General

19 October 2023

Queensland Audit Office
Brisbane

TOWNSVILLE CITY COUNCIL
CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

Measures of financial sustainability

Council's performance at 30 June 2023 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	-3%	116%	84%

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 2023.

* 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 2023

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 17th day of October 2023


Acting Chief Executive Officer

Dated this 17th day of October 2023



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 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Acting 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 2023 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 2023 was the general purpose financial statements and long-term financial sustainability statement and annual report.

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 formed 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

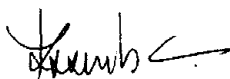
My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, 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 material accounting policy information 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

19 October 2023

Queensland Audit Office
Brisbane

TOWNSVILLE CITY COUNCIL
LONG TERM FINANCIAL SUSTAINABILITY STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

Measures of financial sustainability

		Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
How the measure is calculated		Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense (excluding non-infrastructure assets)	Total liabilities less current assets divided by total operating revenue (excluding capital items)
Target		between 0% and 10%	greater than 90%	not greater than 60%
Actual Projected for the years ended	30-Jun-23	-3%	116%	84%
	30-Jun-24	- 1%	99%	85%
	30-Jun-25	1%	62%	72%
	30-Jun-26	1%	66%	61%
	30-Jun-27	1%	66%	50%
	30-Jun-28	1%	66%	41%
	30-Jun-29	1%	61%	37%
	30-Jun-30	1%	57%	30%
	30-Jun-31	1%	84%	24%
	30-Jun-32	1%	77%	19%

Financial management strategy

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

**CERTIFICATE OF ACCURACY
FOR THE LONG TERM FINANCIAL SUSTAINABILITY STATEMENT PREPARED
AS AT 30 JUNE 2023**

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 17th day of October 2023


Acting Chief Executive Officer

Dated this 17th day of October 2023



GLOSSARY AND INDEX



Glossary

Administrative Directive	Describes what the Chief Executive Officer (acting under section 257 of the Local Government Act 2009) considers to be appropriate in relation to specific issues arising out of either legislation or Council decisions. They generally relate to the implementation of the day-to-day operations of the Council. Administrative directives are considered by 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 Local Government Act 2009 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 Local Government Act 2009.
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.
Local Government Act 2009	The principal legislation which provides the legal framework for Queensland's local government sector.
Local Government Association of Queensland (LGAQ)	The peak body for local government in Queensland. A not-for-profit association set up solely to serve the state's 77 Councils and their individual needs.

Local laws	Those laws under the jurisdiction of the Council and enforced by city staff and/or Police.
MYR Budget	Mid-year budget review adopted by Council throughout the financial year. The MYR replaces the adopted budget.
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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*LGA – *Local Government Act 2009*

LGR – *Local Government Regulation 2012*

PSEA – *Public Sector Ethics Act 1994*

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