

# 2021-22 Mayor's Budget Speech

## Collective Delivery

Conducted by Mayor Matt Burnett, Tuesday, 15 July 2021 at 9am

Gladstone Entertainment Convention Centre, 56 Goondoon Street, Gladstone

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Good morning my fellow Councillors, Council officers, CEO, ladies and gentlemen. I am proud to present Gladstone Regional Council's 2021/22 Budget and associated Operational Plan, the second of the current Council term.

I would like to acknowledge the Byellee, Gooreng Gooreng, Gurang and Taribelang Bunda people who are traditional custodians of this land. I would also like to pay my respect to Elders past, present and emerging, and extend that respect to other Aboriginal and Torres Strait Island people present or watching via Council's live stream.

The theme of this year's budget is: *Collective Delivery*.

It focuses on working collectively to deliver the services our communities need. And it focuses on building community capacity and supporting the economic development and growth of the Gladstone Region.

The challenges presented to our region, and the country, throughout the COVID-19 pandemic, has required an unprecedented response.

Council stood up to the challenge and made the strong decision to freeze rates last financial year while continuing to invest in capital projects and services to support our local economy.

I am pleased to say that we delivered, not only on our commitment to freeze rates, but also to deliver our \$65 million capital works program in full.

As we look ahead to the 2021/22 budget, I know Council will again, deliver on our commitments.

Our recovery from the COVID-19 pandemic has been ongoing and has been spearheaded by a capital spend in necessary community infrastructure to make sure our community is supported by the infrastructure that it needs and supporting our regional economy.

This budget looks to continue this with a projected capital spend of \$73.4m.

The capital works delivery program of \$73.4m has been supported by both State and Federal Governments to the value of \$16.7m.

This demonstrates the effectiveness of Council's strategy to seek specific funding for our capital project expenditure, so we can continue to improve our region's infrastructure through external funding, not ratepayer dollars.

The 2021/22 capital expenditure of \$73.4m includes:

- \$17.3m on upgrades to waste water (sewerage) infrastructure
- \$14.0m on capital roads projects
- \$10.8m on upgrades to water supply infrastructure
- \$7.4m on bridge upgrades, renewals and replacements
- \$4.2m on capital parks and environment projects
- \$1.6m on footpath and cycle upgrades.

The continued investment by the other tiers of government in our region this financial year will contribute to the planned delivery of key capital projects including (but not limited to):

- \$2.0m on sewerage mains replacement to Gladstone Waste Water Treatment Plant
  - \$1.4m on bridge replacements on Gorge Road and John Clifford Way, near Lowmead
  - \$1.12m on the Benaraby Landfill Cell 2 capping
  - \$1.0m to renew footpath and pavement on Toolooa Street
  - \$0.9m for road improvements along Coast Road, Baffle Creek.
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These projects will have funding input via the highly successful Works for Queensland program.

The following projects will receive input from the Federal Government's Local Roads and Community Infrastructure program:

- Gladstone Aquatic Centre Upgrade (including amenities)
- Asphalt overlays and bitumen reseals across the region.

We will focus on planning and advocating for the future.

To do this, we will fund key strategic activities that will:

- Fund the co-investment to support the Front-End Engineering Design (FEED) for the Gladstone Region Hydrogen Ecosystem, in order to contribute to the development of a world-class hydrogen production and export hub, ensuring that Gladstone remains the energy capital of Australia;
- Develop a Regional Transition Plan that blends carbon-based industries and renewable energy industries that will support a more diversified economy; and
- Deliver a strategy for our regional road network (including freight, active transport and safety) to ensure strategic network development and connectivity.

This will position our region to capitalise on the emerging energy sectors, and make sure we continue to leverage our connection to the world through the Gladstone Port.

Holistic planning of our road networks will help connect our beef producers to the world and assist with advocating and planning to link Council's road network to support other transport enhancements such as the Melbourne to Gladstone Inland Rail.

As we continue to embrace our vision to Connect, Innovate and Diversify, funds have been allocated within our Strategic Projects to continue with three other key strategic projects – the design of the Boyne Tannum Aquatic Recreation Centre, the Gladstone Coal Exporters Sports Complex (Marley Brown Oval) and the Boyne Burnett Inland Rail Trail.

These three strategic projects provide a means to promote our region, in partnership with our community, industry and other tiers of government, to ensure our region remains a great place to work, live and play.

Council has allocated close to \$482,000 to continue planning for the Boyne Tannum Aquatic Recreation Centre.

This project continues to design stage, following the selection of a preferred site at Coronation Drive, Tannum Sands. The detailed design based on the selected site will facilitate decision making with respect to facility components, capital and whole of life costs.

Council has allocated \$300,000 to continue with the development of a Master Plan for the Gladstone Coal Exporters Sports Complex (Marley Brown Oval), while a further \$36,000 has been allocated for grandstand improvements.

A key component of the Master Plan is the development of a multi-purpose sports and events complex that can be utilised all year round, and that has the capacity and facilities to host national, state and local sporting matches.

Funds have also been allocated to progress the design of the Boyne Burnett Inland Rail Trail, funded through the Department of Transport and Main Roads, and will enable further consideration of the project in the Boyne Valley.

Our focus on the economic development of our region has never been more important and is supported by dedicated in-house focused resources that are driving our Economic Recovery Group with key partners from throughout the region.

They will ensure that all initiatives to support economic recovery are targeted to achieve maximum return.

Council has clear economic objectives to facilitate sustainable, financially and environmentally responsible initiatives that will advance economic development in the Gladstone Region.

We will continue to implement our Economic Development Strategy, collaborating with key business and industry leaders to attract and sustain investment in our region.

We will continue to invest in improving asset management practices, with a strong focus on engaging with stakeholders, building staff capability and identifying opportunities to reduce costs.

We are already starting to see the benefits of improved asset management, as we move to more proactive maintenance in the water and waste-water fields. For every maintenance activity that we can shift from reactive to planned, we will reduce overall maintenance costs.

Council is proud to declare that for the ninth consecutive year there will be no new borrowings.

We took the opportunity to refinance our debt during the current financial year as part of one of the COVID-19 recovery measures offered to Local Government by the State.

Based on the current record low interest rates, reducing our ongoing interest costs and extending the terms of our loans sees the net annual financing costs reduce to \$700,000 compared to \$4.3m at the time of adopting our budget 12 months ago.

Our focus on reducing existing debt, with no new borrowings, will see interest bearing debt decline to \$102.7m by June 2022.

Council's approach currently sees no borrowings planned in the long-term financial forecast.

As our region rebounds from the measures taken during the COVID-19 pandemic, including a rates freeze last year and covering the cost of CPI,

I am pleased to announce that the general rate for the average residential ratepayer for the 2021/22 year will only increase in line with the Consumer Price Index (CPI) of 1.7 per cent.

While the total general rate revenue for all categories will increase in line with CPI, as will the average general residential rate, the impact on each ratepayer will be different depending on their October 2020 valuation movement, issued in March this year.

With valuation pockets varying between suburbs and towns, the impacts of the valuation

movement will continue to be buffered by the rate increase cap of 10 per cent for residential purposes.

While there will be an increase of varying magnitudes up to the 10 per cent rate cap for most properties, more than 6300 properties will receive a general rate decrease.

To encourage our pensioners to continue to be independent and live in their own home, we will continue to offer eligible pensioners a remission of 50 per cent of the differential general rate, with the maximum assistance increasing to \$310 per annum, up from \$300 last year. This is in addition to the Queensland Government pensioner concession which provides a \$200 maximum rebate.

To ensure the continued delivery of reliable services to the community, it has been necessary to increase service charges by 4.9 per cent per annum.

Water and sewerage charges differ across the various schemes – Lake Awoonga (Boyne Island, Tannum Sands, Gladstone and Calliope), Agnes Water/Seventeen Seventy and Miriam Vale/Bororen.

Council's underlying waste service costs, excluding recycling, also increased in line with CPI.

The associated costs of waste disposal, transfer station operations and recycling components have had significant cost pressures applied during the past financial years, which have been exacerbated by the destruction of the Rockhampton Regional Waste and Recycling facility.

This required alternative measures to be put in place to ensure our recycling is appropriately treated.

While Council adopted a three-year price path in its 2019/20 budget for the recovery of waste costs, the second year of this price path implementation was deferred as part of our commitment to freezing rates last year.

This year, it has been necessary to continue to implement the price path to ensure that our region's waste needs are appropriately catered for.

The refuse charges across the region for 2021/22 will be \$382.90, or \$7.36 per week for a standard 240-litre weekly waste service, and a 240-litre fortnightly recycling service.

This charge applies to all premises receiving a domestic waste and recycling service.

Sewerage services across the region for domestic services will increase by 2 per cent in 2021/22 to ensure that our sewerage networks continue to be maintained and improved.

As I previously mentioned, these charges will differ depending on what sewerage scheme resident's fall under.

Water network costs have come under increasing pressure from all sides inclusive of network operation but also the input costs for water as determined by Gladstone Area Water Board.

Council's network costs have increased, primarily due to escalating replacement costs of current infrastructure, and as such, it is necessary to increase the network access costs for water by 5 per cent this financial year.

The input cost of water from Gladstone Area Water Board increased by 16 per cent effective 1 July 2020.

As a result, Council made separate decisions to amend its 2020/21 budget resolutions to reflect this.

The expected increase in 2021/22 is in line with CPI and will see Lake Awoonga water scheme users pay \$2.17 per kilolitre for all water consumed.

Our overall focus for the 2021/22 Budget and Operational Plan is to ensure the continued recovery of our region from the disruption caused by the ongoing COVID-19 pandemic.

This budget is focused on resetting our baseline and ensuring that we are delivering the services and infrastructure that our community needs in a responsible and cost-effective manner.

Council continues to focus on building and maintaining our capital assets to support the standard of living in the Gladstone Region and seeking opportunities to partner with our community, industry and other tiers of

government to ensure that the region remains a great place to work, live and play.

Council has clear economic objectives to facilitate sustainable, financially and environmentally responsible initiatives that will advance economic development in the Gladstone Region, for the community.

We will continue to invest in improving asset management practices, with a strong focus on engaging with stakeholders, building staff capability and identifying opportunities to reduce our cost to serve.

Finally, I would like to congratulate all who helped prepare these vital planning documents which set out the work Council plans to deliver over the coming financial year.

I am confident that our Budget will renew, rebuild and maintain our cost-effective delivery of services to our region, while navigating our way beyond the impacts of COVID-19.

I look forward to working with my fellow Councillors and Council officers to serve the Gladstone Region community in 2021/22 and I commend this Budget to you all.

Thank you.

Matt Burnett  
Mayor Gladstone Regional Council

