

## 2022/23 MAYOR'S BUDGET SPEECH

*Proudly GRC*

Conducted by Mayor Matt Burnett, Monday, 25 July 2022 at 9am  
Gladstone Regional Council Civic Centre, 101 Goondoon Street, Gladstone

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Good morning to my fellow Councillors, Council officers, members of the gallery, media, ladies and gentlemen.

Today, I am proud to be here alongside my fellow Councillors to hand down Gladstone Regional Council's

\$260.4m budget and associated Operational Plan for 2022/2023, the third of the current Council term.

Firstly, I would like to acknowledge the traditional custodians of this land, the Bailai, the Gurang, the Gooreng Gooreng and the Taribelang Bunda people. I would also like to pay my respect to Elders both 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: Proudly GRC.

This theme focusses on our people and being proud of what we do and who we work for.

At the core of our business is community, and each day we strive to deliver the best outcomes for our region.

The challenges presented to our region, and indeed the country, have made this year's budget one of the most challenging to deliver.

Our region, and our nation, are currently navigating through a sharp rise to cost pressures associated with a 20-year high in inflation.

This budget will be the final budget where residents are reimbursed the Waste Levy by the State Government, with the current levy reimbursement to be phased out from 2023/24.

Despite these challenges, Council plans to ensure our infrastructure and services are appropriately planned and delivered, that our essential services remain fit for purpose, and that we provide for, and support, growth projects.

This budget will continue to support the appropriate planning and advocacy for our region's future in order to capitalise on emerging energy sectors.

The key strategic activities supported through this budget include:

- Focussing on Energising the Gladstone Region's Future Economy and developing an evidenced-based strategy that identifies roles, responsibilities, actions and outcomes as the regional economy transitions to a less carbon intensive new economy
- The Gladstone Region Transition Economy Strategy, set to be delivered in September 2022, will focus on how we maintain our industrial heritage as our existing industries look to reduce their emissions
- Review the Gladstone State Development Area Asset Strategy to provide for relevant common user infrastructure to support our region's growth.

These strategic activities will ensure our region leverages its connection to the world through the Gladstone port, while we will continue to advocate and plan our road network to support our beef producers and support other transport enhancements such as the Inland Rail project.

This is a budget that both delivers on ensuring key projects are continued, and new projects are brought forward to support continued employment opportunities.

Our 2022/23 Capital Works delivery program of \$51.4m has been supported by both State and Federal Governments to the value of \$14.2m.

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

The 2022/23 capital expenditure of \$51.4m includes (but not limited to):

- \$11.9m on water and waste water (sewerage) infrastructure
- \$11.0m on capital roads projects
- \$8.6m on bridge upgrades, renewals and replacements
- \$4.9m on sport, recreation and community wellbeing
- \$1.8m on footpaths
- \$1.8m on parks and environment.

Project highlights to receive external investment by other tiers of government include (but not limited to):

- \$3.9m contribution for Bridge Replacements along Bindaree Road, Gorge Road, Charnwood Road and Stockbridge Road – all located in the southern area of our region
- \$2.1m contribution for sewer main renewals
- \$1m contribution for the capping of Cell 2 at Benaraby Landfill, and,
- \$1m contribution to Stage 3 of the Gladstone Aquatic Centre upgrade.

The Federal Government's Local Roads and Community Infrastructure Program has committed \$3.2m for Phase 3 projects to be delivered in 2022/23, including:

- Footpath works at Barney Point and Aerodrome Road
- Pavement renewal at Round Hill Road
- Gravel resheeting along Davies Road at Captain Creek
- Bitumen seals for Norton and Dawes Streets at Nagoorin, and
- Renewal or replacement of retaining wall at Apex Park, Gladstone.

As we continue to embrace our vision to Connect, Innovate and Diversify, funds have been allocated within our strategic projects to continue with key strategic community projects:

- Boyne Tannum Aquatic Recreation Centre
- Harvey Road Sports and Events Precinct; and
- Completion of aged care investment options at Philip Street.

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

Our focus on the economic development of our region has reaped dividends with the Gladstone Region identified as one of the nation's key hubs for existing and future industries.

This is supported by dedicated in-house focused resources that are driving our economic transition with key partners throughout the region.

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.

The Gladstone Region Economic Development Strategy will continue to focus on the region-building initiatives highlighted earlier by collaborating with key business and industry leaders to attract and sustain investment in our region.

I am proud to declare that for the 10th consecutive year there will be no new borrowings.

Our focus on reducing existing debt will see interest bearing debt decline to \$92.8m by June 2023 – a \$5.8m reduction from June 2022.

I am also proud to declare that we have delivered a budget surplus.

Our delivery of a surplus budget this year is crucial given that future economic uncertainty and inflationary challenges are likely to appear on the horizon.

A surplus budget is an indication that Council is able to cover its operational costs, as well as having revenues available for capital funding and debt repayment.

We, as a Council, always have the community at the front of mind, and it was because of this amidst the global uncertainty caused by COVID-19 that we made the strong decision to freeze rates for the 2020/21 financial year.

Last year, for the 2021/22 financial year, we increased the general rate only in line with the Brisbane Consumer Price Index (CPI).

This year, the majority of general rating categories, including residential, have seen an increase of 4.5 per cent.

This is well below the current rate of CPI for Brisbane, which is currently sitting at an increase of 6 per cent over the past year.

When looking at the average residential ratepayer in the Gladstone Region for the 2022/23 financial year, general rates will only increase by 2.5 per cent.

Overall, rates and service charges (including water, sewerage, and waste) have increased by 5.66 per cent.

This is, once again, below the current rate of CPI for Brisbane.

The impact of this increase on each ratepayer will be different depending on their land valuation movement.

With valuation pockets varying between suburbs and towns, the impacts of the land valuation movement will continue to be buffered by the rate increase cap of 10 per cent for residential purposes.

Council will continue to support our pensioners in the best way we can.

To encourage our pensioners to continue to be independent and live in their own home, Council offers eligible pensioners a remission of 50 per cent of the differential general rate, with the maximum assistance of \$310 per annum.

This is in addition to the State Government pensioner concession, which provides a \$200 maximum rebate.

In 2022/23 Gladstone Regional Council has separated its residential rating categories into Principal Place of Residence (PPR) and Non-Principal Place of Residence (NPPR), identifying rateable land with residential dwellings or units where such land is (or is not) the owner's principal place of residence.

This sees Gladstone Regional Council aligning with most major Councils in introducing this category.

Council's underlying waste service costs, excluding recycling, increased in line with CPI (6 per cent).

The associated costs of waste disposal, transfer station operation and recycling component have had significant cost pressures applied during the past financial years.

This has been exacerbated by the destruction of the Regional Recycling Facility in Rockhampton which has seen alternative measures put in place to ensure that our region's recycling is appropriately treated.

The classification of Gladstone Regional Council as a metropolitan Council for Waste Levy purposes has added additional challenges in this space, which will see a net increase in the cost of our waste to landfill increase at a compounding rate through to 2031.

Recognising that all ratepayers utilise our Waste Management Facilities, Council has introduced a separate Waste Management Facility Charge to all residents of \$45 per property.

The waste service cost for a standard 240-litre weekly waste service and a 240-litre fortnightly recycling service, will remain unchanged.

However, it has been necessary to increase service charges to make sure Council can continue to deliver reliable services to our communities.

Sewerage services across the region for domestic services will increase by \$50 per service to ensure that the maintenance, adequate provision of replacement, and necessary improvement of our sewerage network are substantially funded by the sewerage charge without subsidy from the general rate.

Our water networks have also come under cost pressures with material and asset costs increasing at a rate well above CPI in our network operations.

Council's network costs have increased primarily due to escalating replacement costs of current infrastructure, as such it is necessary to increase the base network access costs for water by \$50 this financial year.

The input cost of water from Gladstone Area Water Board is forecast based on both reduced demand levels and also the legislated CPI increase of 6 per cent, that sees our bulk water price move to \$2.37 per kl, from \$2.17 per kl, for the 2022/23 financial year.

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

Our overall focus for the 2022/23 Operational Plan and Budget is to ensure the continued recovery and transition of our region and economy.

As a Council, we have concentrated on delivering a responsible surplus budget that places the Gladstone Region in a strong financial position and that manages significant inflation, while also making decisions to minimise these financial impacts on the community.

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

I look forward to working with my fellow Councillors and Council officers to serve the Gladstone Region community in 2022/23 and I commend this Budget to you all.

Thank you.

Matt Burnett  
Mayor Gladstone Regional Council