

2018-19 Budget Highlights



Connect. Innovate. Diversify.

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Achieving Balance.

Mayor's Message

I am proud to present highlights of Gladstone Regional Council's Budget for the 2018-19 financial year.

This budget is the first to incorporate Council's major organisational restructure and supports the strategic priorities set in our new Corporate Plan.

The vision for Budget 2018-19 and Council – 'Connect Innovate Diversify' – is a simple way to encapsulate our aims for this and future financial years.

By 'Connect', we are referring to our commitment to support our communities to be engaged, involved and proud, and provide the healthy environment and efficient use of resources necessary for such communities to flourish.

To support this commitment, we are investing in community development and arts and culture initiatives, and parks and open spaces.

Council is taking a leadership role in protecting the environment and acting to reduce its resource use.

It will also support the health and safety of the community by investing in essential water and sewerage infrastructure and footpaths that encourage active transport.

To better 'Connect' with our community we are also investing in the provision of outstanding customer service by complementing our traditional face-to-face service with technology that increases customer convenience.

By 'Innovate', we are referring to our vision of providing smart management of our \$2.3 billion worth of assets and achieving operational excellence across our significant and diverse work deliveries.

Our asset management practices support smart infrastructure decisions and ensure reliable, affordable, safe and sustainable infrastructure is available for the community.

This infrastructure will also support the lifestyle, economic goals and sustainability of the region for current and future generations.

Strengthening our competitive advantage and achieving industry-leading performance in our operations by continuously improving our ability to consistently

and reliably deliver work at a lower cost and lower risk is another goal that we can attain with our new organisation design and Budget 2018-19.

By 'Diversify', we are referring to the vision of growing our region via smart investment and actively promoting and supporting its economic development.

We will invest smartly to continually improve Council's sustainability and ensure that we are strong enough to address future challenges without placing additional burden on ratepayers.

Council will also employ the right technology to reduce operational costs and further improve the livability of the region well into the future.

We will also continue our investment in a safe road network that connects communities.

We will implement our new organisational structure, due to be finalised in August, which will provide Council with the platform to achieve its vision and major shifts in the way we operate.

This includes a bigger focus on how we manage our assets, plan our works, use technology to improve our service and be valued by the community as an efficient and financially and socially responsible council.

I am confident that Budget 2018-19 meets the needs of the Gladstone Region community now and establishes the organisation, systems and processes required to minimise costs and provide sustainable growth for the region in the long-term.



Mayor Matt Burnett
Gladstone Regional Council

Connect.



An engaged, involved and proud community

Performing arts & entertainment Premier facility for touring entertainment, community performances and conventions. Signature Council-managed community events.	\$3.9m
Arts and heritage Grants, exhibitions, workshops and custodianship of our region's art and history.	\$940k
Library services Six branches, a mobile library to rural areas, a home service, an eLibrary, and literary programs.	\$2.9m
Sport and recreation Advancement and support, including a grant program and pool facilities.	\$1.7m
Community support Donations, funding and sponsorship for community groups and initiatives	\$2.5m

Our budget and new organisational structure support us to dedicate resources to...

- Delivering our Reconciliation Action Plan initiatives and enhancing relationships with the Aboriginal and Torres Strait Islander community
- Activating our public spaces to maximise their use, enjoyment and value to our community
- Increasing our level of meaningful engagement with our diverse community
- Understanding our community's priorities and perceptions of Council

Notable projects:

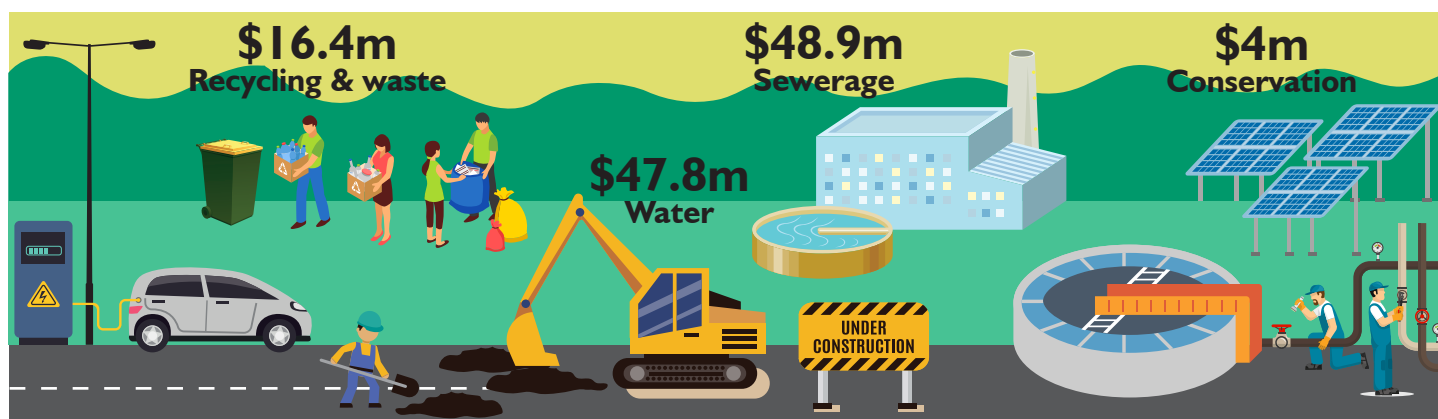
- Bray Park new pumptrack and skate park replacement – Boyne Island – \$885k*
- Boyne Tannum Pool feasibility study and concept design – \$250k
- Dog park facilities at Bororen and Calliope – \$100k*
- New and upgraded facilities for five community clubs – \$1.5m*
- Flat Rock Picnic Grounds new boat ramp and access – Baffle Creek – \$415k
- Fitness equipment at Ubobo Recreational Grounds – \$25k

Communities & Families Precinct Philip Street – Gladstone – \$1m

Works will continue on the Communities and Families Precinct on Philip Street, which will provide the region with a centrally-located community hub of social service providers.

**Supported by Works for Queensland funding*

Connect.



A healthy environment, a healthy community

Footpath construction, renewals and upgrades across the region to assist active transport	\$3.7m*
Installation of LED lighting to save approximately \$50k worth of electricity (263t CO ₂) plus maintenance costs per year.	\$110k
Floating solar panels on wastewater treatment plant lagoons, to offset the plant's high energy use and reduce the amount of chemicals needed to control algae growth (design phase)	\$100k
Seventeen Seventy Foreshore erosion control	\$400k
Investigation of smart water metering to assist residents to track water use and detect leaks	\$140k

* Partly assisted by funding applied for and awarded by the State Government's Works for Queensland.

Our budget and new organisational structure supports us to dedicate resources to...

- Reviewing our waste and recycling processes and developing a Towards Zero Waste Strategy and community waste education programs
- Developing strategies that drive us toward being energy neutral, an environment and conservation strategy to reduce the impact of Council operations, and an irrigation strategy to reduce water consumption

Major projects:

- **Upgrade to Agnes Water Waste Transfer Station – \$980k**
Catering for more recycling opportunities including dedicated areas for batteries, cardboard, oil, green waste, scrap steel and eWaste, an improved Tip Top Shop, and managing the region's future waste needs.
- **Sewerage pump station upgrades – \$5.1m**
Upgrades to our largest sewerage pumping stations are necessary. Into these upgrades we are incorporating an innovation that allows pump station capacity to drop 80 per cent when effluent flow rates are low, saving approximately \$50k energy per year.

Outstanding customer service

Customer solutions Personnel and customer service counters at five locations plus rural transaction services.	\$3.9m
Customer insights and service innovations Understanding the needs of our customers and implementing technology that will optimise our customers' service experience.	\$1.4m

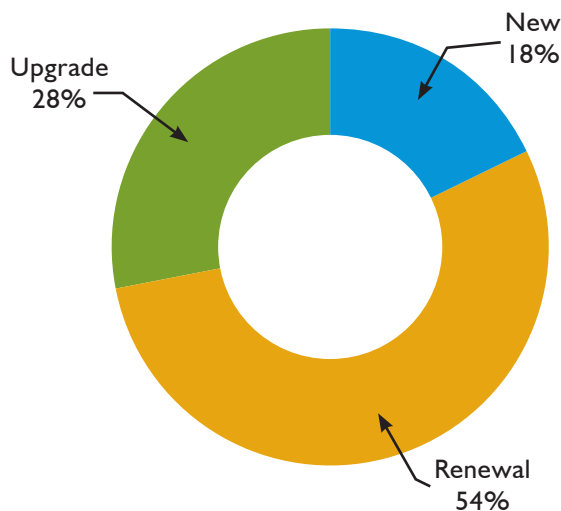
Our budget and new organisational structure support us to:

- Centralise our customer interactions, enhance service staff capability and minimise customer effort
- Introduce digital innovations to improve customer experience and convenience while reducing Council costs
- Dedicate resources to consolidating, analysing and using feedback from customers to improve service proactivity

Innovate.

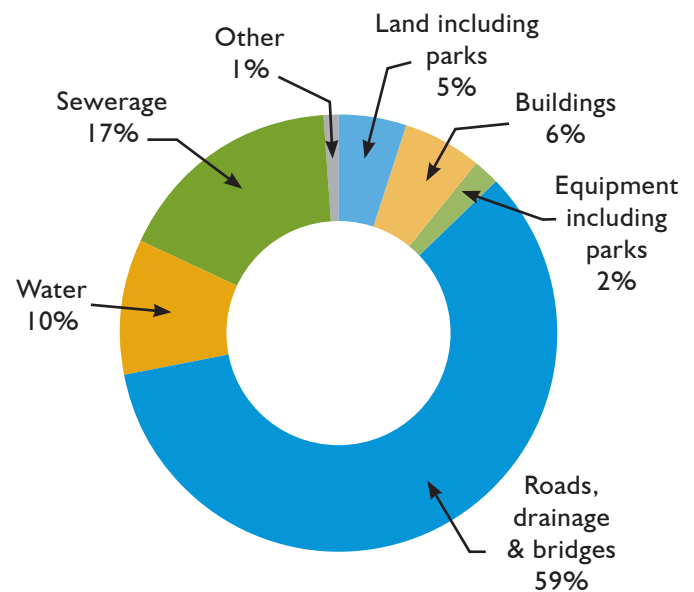
Smart asset management

Capital expenditure \$103.7m



Current asset value \$2.3b

Projected for 2017-18



Improved asset governance

Implementation of methods to improve asset management and governance processes with a view to gain ISO accreditation.

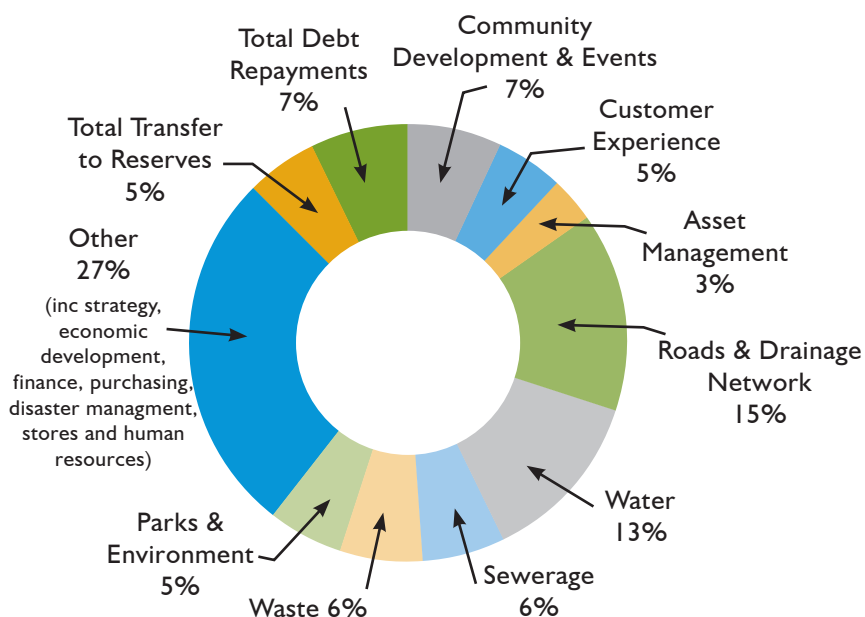
\$1.3m

Our assets are significant, so this budget and new structure support us to dedicate resources to:

- Working with the community to determine acceptable service levels that balance affordability and needs.
- Improving how we capture data related to our assets (eg cost, condition, reliability and availability) and analyse that data to maximise the use and lifecycle of our asset portfolio and identify opportunities to reduce costs.
- Developing decision-making tools to effectively balance whole-of-life costs, future replacement legacies, service standards and environmental impacts.

Operational excellence

Operational expenditure \$233.7m



This budget and our new structure support us to reduce our operational expenditure:

- Centralised planning and scheduling of Council's wide range of works deliveries to maximise the efficiency of our workforce, equipment and other resources, with safety and the needs of our customers at the forefront
- Improved focus on tactical procurement and contract management to tightly control overheads

Diversify.



Grow our region.

Marley Brown Oval, Gladstone redevelopment master plan	\$100k
Gladstone Harbour Arbour feasibility study and design - providing shade and interest between the foreshore and CBD to connect and encourage foot traffic between the two places	\$200k
Footpath replacement and revitalisation of Gladstone CBD	\$940k
Seventeen Seventy Marina Precinct preliminary design	\$230k
Gladstone City Plaza Forecourt upgrade (loan to be repaid to Council)	\$1m
GAPDL funding to assist the promotion of the region as a tourism destination.	\$478k
Contribution to Gladstone Development Board to attract large-scale economic development opportunities	\$300k
Under its new Infrastructure Charge Economic Development Incentive Scheme, Council can encourage development in specific focus areas through discount incentives.	50% discount*

*to a maximum of \$500,000 on infrastructure charges for certain non-residential development applications

Smart investment.

Smart Cities plan development - using technology to improve lives, reduce resource use and accelerate the delivery of strategic priorities	\$100k**
Reconstruction of Red Rover Road and improvements to Kirkwood Road and Lavender Boulevard intersection, Gladstone	\$2.7m*
Reseals and overlays of roads across the region	\$5.5m
Gravel resheeting across the region	\$2.7m
Sewerage processing Our biosolids equipment, which handles sewerage solids, has reached the end of its useful life. We've investigated how its refurbishment can improve the marketability of our biosolids as an agricultural fertiliser. There will also be the potential to use fats for gas recovery and power in future.	\$9.2m

*support from Black Spot funding **support from Smart Cities funding

Major projects:

Organisational restructure

Council will finalise its new organisational structure by August to better serve the community now and into the future. It involves major shifts in the way Council operates, including a bigger focus on how we manage our \$2.3bn worth of assets, plan our works, and use technology to improve our service while reducing costs.

Keeping rates manageable.

INFLATION OF COUNCIL COSTS

↑ **1.89%**

Local Government Cost Price Index

AVERAGE GENERAL RATES



↑ **\$29 p.a. or 1.89%**
(residential properties)

The average general rate for residential properties will increase by 1.89% (\$29) per annum.

However, rates for individual properties will vary, due to fluctuations in land valuations, determined by the Valuer-General. The distribution of land values has resulted in:

- 41% of properties experiencing a rate reduction or no increase
- 6% experiencing a rate increase equivalent or lower than CPI (1.89%)
- 22% of properties experiencing a rate increase of up to 5%
- 30% of properties' rates increasing 6-10%

Council's pensioner concession will continue at 50% of the general rate up to a maximum of \$290 per annum.

Average general rate revenue from the business, commercial and industrial sectors will increase by 1.89%. To bring the average rate for rural and residential properties in line with one another, the average rate for the rural sector will increase by 8%.

GARBAGE COLLECTION CHARGE



↑ **\$30.50 p.a.**
10.3% increase

The cost of recycling across Australia has increased, largely due to China no longer accepting our nation's recyclable materials.

Domestic garbage collection charges will increase from \$296 to \$326.50 per year (\$4.19 per collection) throughout the region.

This budget supports us to review our waste and recycling processes and develop a Towards Zero Waste Strategy and community waste education programs to better manage our region's waste and associated costs and environmental impacts.

On average, the overall increase on annual rates and service charges is 3.4%.

To break up rate payments into more manageable portions, water access and sewerage charges will again be split into six-monthly bills.

WATER ACCESS CHARGE



↑ up to **\$10 p.a.**
up to 1.89% increase

(operation, maintenance and upgrading of the network)

SCHEME	2017-18	2018-19
Lake Awoonga	\$235.50 / 6 mths	\$240 / 6 mths
Miriam Vale/Bororen	\$264 / 6 mths	\$269 / 6 mths
Agnes Water/ Seventeen Seventy	\$264 / 6 mths	\$269 / 6 mths

WATER CONSUMPTION CHARGE



↑ **10c Lake Awoonga**
(in line with GAWB charges)
= **\$0 increase elsewhere**

(per kilolitre charge for water consumed)

SCHEME	2017-18 Rate	2018-19 Rate
Lake Awoonga	\$1.70/kL	\$1.80/kL
Miriam Vale/Bororen	\$3.69/kL	\$3.69/kL
Agnes Water/ Seventeen Seventy	\$3.74/kL	\$3.74/kL

SEWERAGE CHARGE



↑ up to **\$35 p.a.**
up to 5% increase

Service Area	2017-18	2018-19
Gladstone	\$350 / 6 mths	\$367.50 / 6 mths
Boyne Island/Tannum Sands/Calliope	\$372 / 6 mths	\$379 / 6 mths
Agnes Water/ Seventeen Seventy	\$442 / 6 mths	\$450.50 / 6 mths

2018-19 Budget Snapshot

Total budget
\$282 million

Average general rate increase

1.89%

in line with CPI

\$16m
Parks & open spaces

\$11.7m
Customer experience
Including customer,
regulatory and planning
services

\$19m
Other
(including strategy,
innovation, economic
development and
disaster management)

\$19.7m
Community
development & events

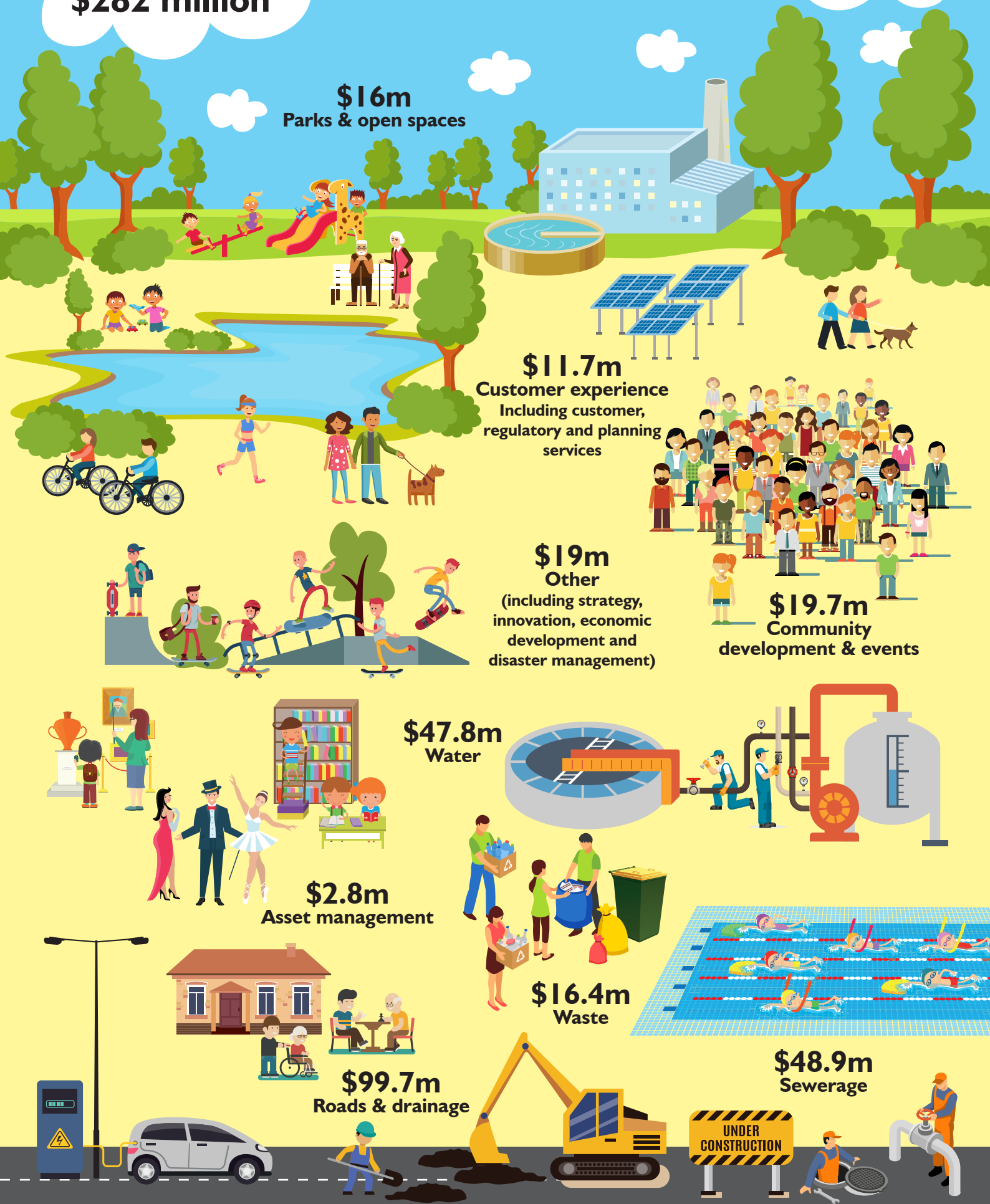
\$47.8m
Water

\$2.8m
Asset management

\$16.4m
Waste

\$99.7m
Roads & drainage

\$48.9m
Sewerage



To view the full 2018-19 Operational Plan & Budget visit
www.gladstone.qld.gov.au/budget



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